

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: MELBOURNE SERVICE HEARING

BEFORE: CHAIRMAN BRAULIO L. BAEZ
COMMISSIONER RUDOLPH "RUDY" BRADLEY
COMMISSIONER CHARLES M. DAVIDSON

DATE: April 12, 2005

TIME: Commenced at 9:00 a.m.
Concluded at 11:30 a.m.

PLACE: Melbourne Civic Auditorium
Hisbiscus Boulevard
Melbourne, Florida

REPORTED BY: Patricia A. Migliaccio,
Registered Merit Reporter
Certified Realtime Reporter

1 PARTICIPATING:

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9 appearing on behalf of Florida Power & Light Company.

10 HAROLD MC LEAN, ESQUIRE, Office of Public
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12 Madison Street, Room 812, Tallahassee, Florida,
13 32399-1400, appearing on behalf of the Office of
14 Public Counsel.

15 KATHERINE FLEMING, ESQUIRE, FPSC General
16 Counsel's Office, 2540 Shumard Oak Boulevard,
17 Tallahassee, Florida, 32399-0850, appearing on behalf
18 of the Florida Public Service Commission Staff.

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1 CHAIRMAN BAEZ: Good morning. I'd like to
2 call this service meeting to order. Thank you
3 all for coming. Sorry for the delay. We had
4 various issues trying to set up and getting all
5 our ducks in a row. So, my apologies.

6 My name is Robert Baez. I'm the chairman of
7 Public Service Commission. With me to my right
8 is Charles Davidson. Hopefully Rod Bradley will
9 be joining us shortly. We are trying to get this
10 on the road.

11 We have two or three presentations; there
12 will be remarks by the parties. Briefly they
13 will go over all the issues for discussion, and
14 make some opening remarks. And then we are going
15 to take testimony from the public.

16 I will remind everyone this is part of the
17 official hearing. That means that anyone that's
18 signed up to make public testimony here is going
19 to be sworn in, and as trials go, also subject
20 potentially to cross-examination by the parties.
21 I don't want to say that to scare anyone, but it
22 is the process; it rarely happens. So, please do
23 not be intimidated by the process.

24 We really do come out here -- it's one of
25 the few opportunities that we had to go out into

1 the territories of the effected areas this past
2 hurricane season, and take public testimony, and
3 find out what the public is concerned about, and
4 what their experiences were in terms of the
5 restoration efforts of the company.

6 So, with that, I will, briefly, and then
7 we'll move on, most of you coming in saw the
8 sign-up table outside. If you do want to speak,
9 sign up, fill out a speaker sheet.

10 Also, I think there's a green special report
11 outside that summarizes the details of the case.
12 On the back of that green form, there's a space.
13 If you don't want to give public testimony today,
14 and still want to get your comments to the Public
15 Service Commission, you have an opportunity to
16 put them in writing. They will be put on the
17 correspondence side of the file.

18 You can also log onto our web site and
19 provide comments that way, or you can just write
20 them out on a plain old sheet of paper and fax
21 them into the PSE offices. So, there are a
22 number of ways you can contact us, or at least
23 make your thoughts known and comments known to us
24 for our consideration beyond actually standing up
25 here and making public comment.

1 With that, I'll turn it over to counsel so
2 she can read the notice and start the
3 presentation.

4 MS. FLEMING: Pursuant to notice issued by
5 the Commission clerk on March 16, 2005, the
6 customer service hearing has been set for this
7 time and place in docket number 041291EI.

8 CHAIRMAN BAEZ: Go ahead and summarize the
9 case, Katherine, if you would.

10 MS. FLEMING: As we know, we are here today
11 to hear from FPL's customers regarding the
12 company's request to recover storm restoration
13 costs in excess of the storm reserve.

14 What is a storm reserve? Each of the
15 investor-owned utilities in Florida, including
16 FPL, are required to set aside a certain amount
17 of money of their revenue each year to cover cost
18 of storm damage. Currently FPL's incurring \$20.3
19 million per year to its storm reserve. In the
20 event that the utility's storm reserves or storm
21 damage costs exceed the amount of the storm
22 reserve, FPL may request relief from the
23 Commission.

24 FPL has petitioned the Commission for
25 establishment of a surcharge on its customer

1 bills. The purpose of the surcharge will be to
2 recover those costs in excess of the amount of
3 the storm reserve.

4 This slide provides the information as to
5 the breakdown of hurricane costs that FPL has
6 suffered. And FPL is requesting a total of \$533
7 million in recovery.

8 In January, the Commission approved FPL's
9 petition to begin applying a proposed surcharge.
10 This surcharge is subject to refund pending the
11 Commission's final decision of this docket. The
12 surcharge will result in an increase of \$2.90
13 month per residential building using 1000
14 kilowatt hours per month. FPL has requested the
15 surcharge remain in effect for three years.

16 I would briefly like to talk about the
17 Commission's process. It started with FPL filing
18 its petition for relief. And after the petition
19 was filed, Commission, Staff, and parties
20 conducted discovery. And that process is still
21 on-going.

22 Service hearings like this one have been
23 scheduled, and a technical hearing in Tallahassee
24 is scheduled to begin on April 20. The purpose
25 of the service hearing today is to hear from

1 customers of FPL. We're interested in hearing
2 your testimony concerning the company's request
3 for relief, and also the company's efforts to
4 restore electric service after each hurricane.

5 Because this is like a court proceeding, you
6 will be asked to be sworn in, and your comments
7 may be used in this proceeding. At the technical
8 hearing, parties will put forth their own
9 witnesses and cross-examine other parties. Once
10 the hearing is complete, the parties will file
11 legal briefs which are a summary of the evidence
12 of the case. After legal briefs have been filed,
13 Staff will prepare to present a recommendation of
14 the Commission based on the evidence in the
15 record. The Commission will consider this
16 recommendation at a public meeting which is
17 scheduled for July 7, 2005.

18 I'd briefly like to comment on three areas
19 of hurricane relief activity that the Commission
20 also looks. The first is underground power lines
21 applied. And we have looked at studies, and the
22 study was provided to the legislature the
23 beginning of this legislative session.

24 The second, the Commission looks at tree
25 trimming. And that report that the Commission

1 provides, we look at statistics concerning power
2 outages and their causes.

3 In addition to those annual reports, the
4 Commission has also initiated a quality service
5 audit for all of the investor-owned utilities in
6 Florida.

7 Finally, as some of you may know, FPL filed
8 an application for general rate increase. This
9 service hearing today, however, is related only
10 to FPL's request to recover storm damage costs.
11 Separate service hearings will be scheduled to
12 address the general rate increase.

13 Chairman Baez, Commissioner, that concludes
14 the house presentation.

15 CHAIRMAN BAEZ: Thank you, Miss Fleming.
16 Now we will hear from the company.

17 MR. BRYAN: Good morning. My name is
18 Patrick Bryan, counsel appearing on behalf of
19 Florida Power & Light Company. And I'd also like
20 to enter an appearance for Mr. Kenneth Hoffman
21 who is also representing FPL today.

22 We have a short presentation which will be
23 given in a moment by Geisha Williams, FPL's
24 Vice-President of Power Distribution. But I
25 first wanted to mention for the benefit of our

1 customers here today that we have several
2 customer service representatives who are
3 available to assist any customer here who has a
4 question, concern, or issue with his or her
5 specific electric account or service with FPL.
6 The customer service representatives have on-line
7 computers so they should be able to access
8 customer accounts immediately, and resolve the
9 issues today hopefully.

10 If for some reason they are unable to
11 resolve the issues or answer questions today, we
12 will make every effort to do so within 24 hours.
13 We will respond to the customers, and report the
14 results back to you, the Commission.

15 Our customer service representatives are
16 located in the back of the auditorium to my left
17 in the back room. They're wearing light blue
18 shirts.

19 I also wanted to mention that Arlene Santos,
20 FPL's vice-president for customer service, is
21 here today to personally oversee and participate
22 in the efforts to assist our customers.

23 With that, I would like to introduce Geisha
24 Williams.

25 MS. WILLIAMS: Thank you, Richard. Thanks,

1 Pat.

2 Mr. Chairman, members of the Commission, PSE
3 Staff, Ladies and Gentlemen, good morning. My
4 name is Geisha Williams. I'm Vice-President of
5 Power Distribution for Florida Power & Light
6 Company, and I am responsible for the
7 infrastructure that delivers and electricity to
8 the homes and businesses in our service
9 territory.

10 One of my most important responsibilities is
11 the restoration of power after a major hurricane.
12 It's great to be in Melbourne today, and I am so
13 grateful so many of you are here. I want to
14 thank the Commission for allowing us the
15 opportunity to speak to you about our storm
16 response during the unbelievable 2004 storm
17 season. And I want to especially thank our
18 customers, public officials, and any members of
19 the Emergency Operations Centers who are in the
20 audience today.

21 At each of these hearings, we are hearing
22 from our customers, and are so grateful to our
23 customers because it's an important part of our
24 learning process. At FPL, we have a culture of
25 continuous improvement, and your feedback during

1 these hearings an important part or really
2 helping us getting better.

3 Today I am going to be providing you with a
4 brief overview of three areas. First, our
5 commitment to reliability; second, our
6 unprecedented storm restoration season; and
7 third, how we are planning for the future because
8 we know there is going to be a next time, and we
9 also know we can do better in providing service
10 to our customers.

11 FPL is committed to a strong and reliable
12 energy, power delivery system because we know how
13 important reliability is to our customers, to
14 their families, and to the communities at large.
15 We are so committed that over the last five years
16 we have invested over \$4 billion in our
17 infrastructure to really enhance the reliability
18 of the service that our customers receive.

19 Now, last year, four major storms impacted
20 Florida within a period of six weeks, and three
21 of them hit directly in our service territory.
22 In the last 100 years, nothing like that has
23 happened anywhere in America.

24 Now, even though Mother Nature can be
25 unpredictable, it is our job to be prepared.

1 It's our job to be prepared for a disaster in
2 every way; operationally, technologically, and
3 financially. We put a lot of time and energy
4 into this effort. This is a matter of principle.
5 Getting power restored to our customers as
6 quickly as possible is our top priority.

7 And to that end, our storm preparation
8 begins well beyond, way before our hurricane
9 season actually begins.

10 Our employees have two jobs: Their normal
11 job, and their storm job. And they practice and
12 train for these storm jobs every year.

13 In last year's storm season -- an
14 unprecedented storm season -- FPL mobilized more
15 field crews over a more concentrated time frame
16 than any other electric company since the history
17 of electrification. We had nearly 17,000 workers
18 from 39 states and Canada all working to restore
19 power. It was an effort of national and
20 international teamwork not seen since the tragedy
21 of 9-11. We created a small army with one
22 purpose in mind: To get the lights on as quickly
23 as possible.

24 We had thousands of downed poles, hundreds
25 of miles of downed conductors. We had literally

1 half a million wires that had to be spliced
2 together. Some of the repairs were conducted in
3 some very difficult conditions; some in water
4 that was waist deep. Through it all, our focus
5 and our customers never waived. Even when our
6 own families were impacted, our employees, even
7 those whose homes were damaged, and even those
8 whose homes were destroyed, they came to work for
9 our customers. Our goal is to get the lights
10 back on as quickly as possible for as many people
11 as possible because we understand how important
12 this is to return the community back to normalcy.

13 Now, with speed does come a price. Nearly
14 80 percent of the cost of storm restoration is
15 labor or labor-related. Our 17,000 worker army
16 had to be paid. Most of our crews worked 16
17 hours a day for the entire restoration process.
18 Our workers had to be fed. So, we provided over
19 38,000 meals a day, and 20,000 gallons of water a
20 day. Our workers had to be housed. Thousands
21 needed hotel rooms, even though several of our
22 workers did sleep in their trucks and in tents,
23 particularly in the early going of the
24 restoration process.

25 It was a huge commitment in resources and

1 manpower costing hundreds of millions of dollars.
2 But it was worth it. Nearly 75 percent of our
3 customers were restored to power within three
4 days. And nearly 90 percent of our customers had
5 their power restored within five days.

6 Now, you may hear from the Office of the
7 Public Counsel today about who should share in
8 the storm cost and how much should you cover.
9 Let me assure you that we are only seeking the
10 direct cost for hurricane restoration. We are
11 not asking for the tens of millions of dollars of
12 lost revenue during the storms. We are not
13 asking for the cost of overtime that our people,
14 our employees, had been working, and continue to
15 work today, to catch up with the work that had to
16 be delayed because of the hurricanes.

17 What we are asking for is a temporary
18 surcharge of about eight cents a day per
19 household only to cover the direct cost of the
20 hurricane restoration. Nothing more. Not a
21 penny.

22 Storm restoration costs are extraordinary.
23 They're far beyond normal business. And they are
24 not nearly covered by the rates that we all pay
25 as consumers.

1 Now, as you heard from the PSE staff,
2 insurance for our poles and wires and other
3 components of our power delivery system is simply
4 not available, and has not been available since
5 Hurricane Andrew. We are also, as a public
6 utility, not eligible for FEMA or federal grant
7 money.

8 So, the PSE many years ago established a
9 well-defined process to address those costs, and
10 it has served our customers well for years. It
11 provides a fair and fiscally responsible solution
12 when disaster strikes. It includes a storm
13 reserve fund, along with the ability to seek
14 recovery when the storm costs exceed that fund.
15 This is the most cost effective approach for our
16 customers, and it ensures that FPL will be ready
17 to restore power after a major disaster even when
18 we have three of them back to back to back. At
19 the same time, this approach allows us to lead
20 our customers' growing demand for electricity for
21 the long-term as well.

22 This has worked very well for many years,
23 and we have applied dollars from the reserve for
24 numerous hurricane restoration efforts in the
25 past. Had Charley been the only hurricane last

1 year, our customer funded storm reserve would
2 have been more than sufficient. But it wasn't a
3 normal year, was it, and today we have a deficit
4 of nearly \$533 million.

5 Per the PSE policy, and per our current
6 agreement with PSE and the Office of Public
7 Counsel, we are seeking recovery of that deficit
8 to enable us to begin rebuilding the fund in
9 anticipation of future storm recovery costs.

10 Public Counsel has indicated that he thinks
11 we should share in the cost. What they don't
12 recognize, what he doesn't recognize, is that we
13 have been sharing. Our \$4 billion rate reduction
14 for our customers over the last five years,
15 including hundreds of millions of dollars in
16 refunds, would have more than offset those costs.

17 As you heard, the Commission, with its
18 regulatory oversight, will make the final
19 determination at the technical hearing later this
20 month.

21 Now, let me shift subjects a little bit.
22 Something we learned last year, an issue that
23 came up last year was how to go about restoring
24 power, particularly to the essential customers of
25 our community. Hospitals, police and fire, and

1 other emergency facilities that are critical to
2 the health and welfare of the community, those
3 are our top priority. But our process is
4 flexible. And we understand, and we are
5 responsive to the changing needs of our
6 communities.

7 For example, many of our communities here in
8 Florida have large elderly populations. So,
9 we're working very closely with the Emergency
10 Operations Centers to ensure we are in alignment
11 in terms of restoration priority. And we're also
12 helping our customers, including nursing homes,
13 to be better prepared for the storm season in
14 2005.

15 Meanwhile, we are getting ready for the 2005
16 storm season ourselves; less than two months
17 away. It's just hard to believe. And we have
18 begun a very strong pre-storm planning process.
19 Let me be specific.

20 First, we're continuing to upgrade the
21 logistics and the support structures that are
22 needed for rapid restoration. We are checking
23 inventories and supplies, and securing agreements
24 for housing, transportation, food, all the things
25 that are necessary.

1 Second, we are enhancing our computer,
2 telecommunications, and satellite systems so we
3 can do a better job of communicating during
4 disasters.

5 Third, we are examining and expanding our
6 mutual aid agreements with other utilities so we
7 can ensure we can have the large number of people
8 we had last year, and beyond that, to improve the
9 restoration process even further.

10 Fourth, we continue to collaborate with
11 local and state Emergency Operations Centers,
12 again, to ensure that our restoration priorities
13 are aligned.

14 Fifth, and perhaps most important of all, we
15 are continuing to enhance our efforts to improve
16 and provide more information on a more timely
17 basis to more customers. You know how important
18 information is during the restoration process.

19 Finally, we will soon stage our annual full
20 mock hurricane drill -- we call it a dry run.
21 It's an important process, and one that we have
22 been improving every year -- for decades, as a
23 matter of fact. All of this pre-storm planning
24 is essential in helping us restore power as
25 quickly and safely to as many people as possible,

1 and at the same time provide customers with the
2 information they need.

3 In closing, I'd like to applaud the
4 performance of the local governments, the
5 emergency officials during last year's storms.
6 It's never easy being on the frontlines when
7 disaster strikes. And I think all of us, all of
8 you, did an exceptional job dealing with the
9 incredible disasters.

10 We all wish that hurricanes wouldn't come,
11 but this is Florida, and it's beyond our ability
12 to control or to top them. Our job is to respond
13 quickly and safely when they do, to respond to
14 our customers as quickly as we can, to restore as
15 many customers to power in the shortest period of
16 time. We will make the necessary investments,
17 apply state-of-the-art technology, and build upon
18 what we've already learned. Most important, we
19 are continuing to listen to our customers and our
20 communities for their expectations. We will
21 always strive to do more and to do it better
22 because we know you're counting on us. And
23 working together in partnership with our
24 communities, Florida will have an even stronger
25 future. Thank you.

1 CHAIRMAN BAEZ: Thank you, Miss Williams.

2 Mr. McLean.

3 MR. MC LEAN: Good morning, Folks. My name
4 is Harold McLean. I'm the public counsel, State
5 of Florida. With me this morning is Mr. Joe
6 Crawford who also works in my office.

7 It's pleasure to be back in Melbourne where
8 I had the pleasure of graduating with limited
9 distinction from the second grade several years
10 ago. It's a vague memory now. I remember south
11 Brevard. What I remember mostly is the gorgeous
12 scenery, the river. I remember playing with my
13 dad. It was a wonderful time to be seven years
14 old.

15 I want to give you a little history, and
16 kind of give you a look at the big picture here.
17 Back in the early '50s, the legislature -- our
18 legislature -- determined that monopoly providers
19 of essential services, such as Florida Power &
20 Light, were basically regulated by government,
21 and the agency that they chose to do that and
22 created for that purpose -- actually, they
23 transformed the Railroad Commission into the
24 Public Service Commission which are the two
25 gentlemen that you see before you today. They

1 are joined by the Chairman by three other members
2 of the Public Service Commission, who control the
3 rates of Florida Power & Light and similarly
4 situated utilities. Florida Power and Light
5 cannot change its rates up and down without
6 coming to the Florida Public Service Commission,
7 asking them permission to do so. And that's what
8 this case is about. They're asking for a
9 surcharge for a period of about two years to make
10 up for the deficit from the storm fund.

11 I want to tell you my function in all this.
12 In the early '70s, State agencies began to behave
13 more and more like courts as a matter of
14 statutory law. And the court proceedings that
15 seemed to the legislature then looked more and
16 more like a court. But the judges were sitting
17 up front, the utility was sitting on one side of
18 the room, and there was no one sitting on the
19 other side of the room.

20 So, the legislature established the office
21 that I now hold, Florida Public Counsel, to
22 advocate on behalf of the citizens. So, it is my
23 duty to advocate on behalf of you citizens, and
24 the many citizens who are at work today, at
25 school today, and other places in cases such as

1 this.

2 This case is about establishment,
3 continuation of an interim surcharge. I want to
4 tell you a little bit what it's not about. This
5 case is not really about whether Florida Power &
6 Light did a good job. We think they did a good
7 job. The citizens that I represent I believe --
8 I believe it myself -- Florida Power & Light did
9 an admirable job. They got out and got the
10 lights turned back on.

11 And when I left Melbourne back in 1952, we
12 moved to the Mississippi coast, and I was on hand
13 for a hurricane called Camille. Our lights were
14 out for six weeks; six long weeks with no water,
15 no gasoline. It was like primitive camping. If
16 the utilities in that day had the capacity to
17 perform as Florida Power & Light did, our lights
18 would have come on a lot sooner.

19 So, this was a herculean effort. And it's
20 unusual for me to stand before a crowd and praise
21 a utility, but I'm here to do that. They did a
22 wonderful job. I take no issue with it.

23 It's true though, some folks -- you can't
24 please everyone all the time, and some people
25 slip through the cracks. But you just can't make

1 it perfect, but they came as close as humanly
2 possible. We applaud them for that.

3 That's not really what this case is about.
4 It's time to pay the piper. That's what this
5 case is about. \$533 million are at risk here,
6 are at issue here.

7 My office brings to the Commission a case
8 which is going to show essentially three things:
9 And I ask, in euphoria, having your lights turned
10 back on in time, I can appreciate that concern.
11 In that euphoria, think about the money. The
12 money phase is now here. Okay?

13 We want to bring in three elements to our
14 case. Our case has several facets; three are
15 major.

16 Number one, we say and are prepared to show
17 that it is the case that Florida Power & Light
18 was already paid through your basic rates for a
19 substantial portion of the costs which they
20 incurred when they repaired the storm damage.

21 Let me give you an example. A repairman is
22 in his truck or her truck, as the case maybe, for
23 70 hours a week, maybe for three weeks. It is
24 likely we will induce evidence to this Commission
25 that your base rates already paid that repairman

1 to be in his truck or her truck for 46 hours of
2 those 70. We don't believe that you should pay
3 for those 46 hours again. The balance of the
4 time, and the overtime, of course, we'll allow
5 for because that was a cost associated with this
6 storm, this incremental cost, which arises from
7 the storm. Fair game. We should pay that.

8 To the extent that we already paid for those
9 46 hours, those 40 hours, whichever the case may
10 be, we shouldn't have to pay that again. You
11 folks shouldn't have to pay it again. The people
12 who you represent, when you come here to speak as
13 an elected official or as an appointed official,
14 they shouldn't have to pay the rate now.

15 The second element of our case, you heard
16 referred to a couple times, the sharing. I'd
17 like you to join me in exercising your
18 imagination. I am a sole proprietor of a little
19 stand on the side of the road, the kind that used
20 to be all over Florida, selling food, vegetables,
21 armadillo purses, you name it. I'm on the side
22 of the road selling that so I can get income to
23 feed my family, send my kids to school, and
24 attend the pleasures of life.

25 A storm comes along, blows the roof off,

1 blows a wall out. I can't sell anything until I
2 build it back up. No one ever gives me a check
3 for my lost revenue. Is it a sharing because I
4 can't sell anything?

5 I'm going to suggest to you that's not a
6 sharing at all. I'm going to say that's lost
7 revenue associated with the risk that I undertake
8 when I build my little stand on the side of the
9 road.

10 The first thing that I need to do when the
11 wind stops blowing is build my business back
12 soon, and build it back well, keep my customers
13 happy. My question to you -- which I implore you
14 to consider carefully -- is when I build my
15 business back, am I building it back for my
16 benefit, am I building it back for the customers?
17 For my benefit, or for the customers?

18 I want to suggest to you that the genius of
19 the free enterprise system, that the genius of
20 the western capitalism, and that the genius of
21 the invisible hand which guides economic
22 transactions that Adam Smith told us about once a
23 time dictates the answer to my rhetorical
24 question, and that is that I building my fruit
25 stand for me, to serve my interests, and those of

1 my customers. It benefits us both.

2 Capitalism is not a zero sum payment. When
3 there is a voluntary exchange, when I sell a
4 watermelon, and Power & Light sells kilowatt
5 hours, it benefits them, and it benefits their
6 customers.

7 I am going to suggest to you it benefits
8 them in equal share. Eight-cents a day, Folks.
9 Eight-cents a day. What's the big fuss about?
10 Eight cents a day. When you come up to sing your
11 praises of Florida Power & Light ask yourself how
12 much of that miniscule eight cents a day is
13 Florida Power & Light willing to kick into the
14 pot.

15 They're asking you for eight. What's their
16 contribution? Zip. Nadda. What is the
17 contribution of Gulf Power Company in the
18 Panhandle in that example? Four cents. Four
19 cents is what Gulf put in the pot. Florida Power
20 & Light kicks in nothing. What's the
21 contribution of TECO, Tampa Electric Company,
22 across the way? Almost that much. They're
23 sharing, which you recognize is the same thing
24 that I'm telling you about my fruit stand.
25 Benefit for the customers, benefit for me.

1 How much has Southern Bell asked you for as
2 a result of the storm damage? How much are they
3 issued? In that example, they put out the whole
4 eight cents. Not any sharing here. That billion
5 dollars that the lady from Florida Power & Light
6 referred to, that was because of overcharges.
7 That was because of excessive costs of billing.
8 And the gentleman who negotiated that bill is in
9 the room and can tell you about it. Mr. Shareves
10 (Phonetic) sitting right back there is the one
11 who cut that bill for Florida Power & Light.
12 That was your money. To give you back your money
13 isn't sharing, Folks. It's like sharing someone
14 else's money.

15 So, when you come to the microphone, if it
16 crosses your mind -- and I hope it does -- tell
17 this Commission what you think about sharing,
18 tell the Commission on behalf of the people that
19 you represent at home that sharing is the way
20 capitalism works. There is benefit to consumers,
21 benefit to providers. And when you build back
22 the facilities that provide those benefits to
23 both parties, you should share in the cost of
24 that just as much as everyone in the private
25 sector does.

1 And if there are any of you in the audience
2 who run small businesses who sustained damage,
3 you can price it out the building. Those people
4 who are going to come up and speak for the
5 Chamber of Commerce, they are going to price
6 storm losses out the door. They can't price the
7 cost of living out the door, and you can't price
8 the cost of building business back out the door.

9 The third element is, we believe that
10 Florida Power & Light, through no fault of their
11 own, through the honest processes of regulation,
12 over-appreciated the number of assets to the tune
13 of \$1.24 billion -- billion dollars with a "B".

14 Now, I believe that money is yours. I view
15 it as the people's who come up here to speak for
16 it. I view it belongs to the people who sit home
17 writing checks to this company for services.
18 And, of course, as you can imagine, there will be
19 some controversy about that with the third
20 element of our case, is they should look to that
21 money to satisfy the storm costs first. I think
22 that's a fair way to handle it.

23 So, number one, should they recover the
24 money they already recovered irrespective of how
25 well they did, irrespective of what decent,

1 decent conscientious people they put into the
2 field to restore the power, both FPL employees,
3 people from Canada, people from all over the
4 United States? They did a good job. Should they
5 recover money? I say no.

6 Should they share? By any stretch of any
7 rationale consideration of this scenario, they
8 should share. And with respect to the last one,
9 should they give back some of that appreciation
10 in terms of trying to restore things? We think
11 so. And we are confident in trusting these
12 decisions to these Commissioners up here to make
13 the decision.

14 So, if you have a position on any of the
15 items I addressed this morning, will you please
16 address those concerns to these Commissioners
17 because \$533 million of the customers' money is
18 currently in their hands.

19 You have been a great audience. Thank you
20 for your time.

21 CHAIRMAN BAEZ: Ladies and gentlemen, all of
22 those that did sign up to give testimony, I want
23 to swear you in. So, if you can please stand and
24 raise your right hand.

25 [Whereupon, those participating were sworn

1 at this time.) .

2 CHAIRMAN BAEZ: I know there is a lot of
3 people that are signed up. I want to call up
4 Sheriff Jack Parker, Brevard County Sheriff.
5 Sheriff, thanks for waiting.

6 SHERIFF PARKER: Mr. Chairman,
7 Commissioners, thank you so much for giving me
8 the opportunity to speak to you this morning. I
9 wanted to relay upon you just a couple of prior
10 experiences.

11 Prior to be being elected sheriff of Brevard
12 County, I was the public safety director of
13 Brevard County. I had the honor being the public
14 safety director during our hurricane season. I
15 had the honor of working in the Emergency
16 Operations Center. I was involved with all the
17 emergency service workers and representatives
18 from Florida Power & Light, also working in the
19 field as well. I got a chance to see it
20 first-hand. I could go on and on about all the
21 wonderful things that I did see, and I'm sure you
22 have been hearing that over and over again as we
23 just heard how wonderful a job FPL did in our
24 eyes as well.

25 I just want to give you a couple of examples

1 that were very important to me personally. First
2 of all, one was the fact that in the past, years
3 and years ago, as we've had problems in Brevard
4 County, we have learned that we need to get our
5 citizens back to their homes as quickly as
6 possible. Not necessarily the restoration of
7 power itself, but getting them back to their
8 homes even before power is restored is incredibly
9 important for us.

10 It's important for us because if we're
11 asking people to evacuate their homes, they have
12 trust in us that we're going to get them back as
13 soon as possible. If we delay them getting back
14 to their homes, we lose credibility, and we lose
15 trust, and if we try do an evacuation in the
16 future, we are going to have people resist that
17 effort.

18 We had a situation in one of the storms --
19 all three -- but in one that I specifically
20 remember, where the winds were still in a 40 to
21 50 miles an hour sustained fashion, and the fire
22 fighters and the police officers, Public Works,
23 were out clearing the roadways as the hurricane
24 was still passing. In the beachside communities,
25 everybody was working well together to get the

1 roadways cleared.

2 And I had a conversation with Mr. Sandy
3 Sanderson about the power lines. And that's
4 always one of the trickier areas because we can't
5 move them ourselves. They were in the process of
6 getting the crews ready to go at six o'clock in
7 the morning which is really a phenomenal response
8 at daybreak. Normally you wait two or three days
9 for that kind of response. And in this
10 particular case they were ready at six.

11 I asked Mr. Sanderson if he could possibly
12 roll those trucks at midnight with us so we can
13 possibly get the roadways cleared by daybreak.
14 It was a very unusual request, and, quite
15 frankly, a dangerous request. But we knew if we
16 could get the people back to their homes it would
17 be greatly appreciated.

18 He got on the phone and started working that
19 issue for us, and started rolling those trucks in
20 those communities in the hours of darkness when
21 the winds were still going helping us clear those
22 lines, and getting the communities prepared to
23 allow people back in. That allowed us to get
24 people back to their homes very quickly.

25 The gentleman that spoke before me very

1 eloquently, I think I have to disagree with one
2 or two of the things that he may have said. One
3 is that FPL is not a fruit stand. This is not a
4 small fruit stand, and it isn't solvent and
5 healthy. It doesn't really have a huge bearing
6 on our community. It's very important for me
7 that Florida Power & Light stays as strong and
8 healthy and solvent as possible so they can help
9 us with all of our future needs. So, I see the
10 comparison of Florida Power & Light and the fruit
11 stand as not being exactly accurate.

12 The other thing too is I take a little bit
13 of exception to the fact that it doesn't matter
14 that Florida Power & Light did a good job. That
15 matters most of all. We have an agency -- and
16 really whether it's a small scale, as far as a
17 small entity or a large entity, we like to
18 support the entities that do wonderful work
19 during the worst of times. During the worst of
20 times in our history, in my opinion, Florida
21 Power & Light stepped up like no agency, no
22 agency ever before it, and demonstrated
23 efficiency at a time when most other agencies
24 would have failed.

25 I think that's a true testament to them. I

1 think that is the point. The point is that we
2 can count on them during the tough times. And I
3 personally support them in ensuring that they
4 have the resources necessary to help us, heaven
5 forbid, we have another hurricane season like the
6 one we had.

7 I'd like to thank you for the opportunity to
8 speak this morning, and if you have any questions
9 of me as public safety director at that time or
10 elected sheriff at this time I will be glad to
11 answer them.

12 CHAIRMAN BAEZ: Thank you, Sheriff. No
13 questions. Sheriff, thank you for waiting on us.

14 Next we have Rocky Randels.

15 MAYOR RANDELS: Thank you. Good morning,
16 Mr. Chairman, Commissioners. Thank you for the
17 opportunity to present what I believe is what our
18 small city saw and experienced during that time.

19 I am Rocky Randels. I have the privilege of
20 being the mayor of City of Cape Canaveral. It's
21 a beachside community. It's about 10,000 people.
22 We were the unfortunate receiver of three of the
23 hurricanes; not directly, but they came through.
24 I won't list them because you are familiar. The
25 good thing, due to adequate warning, planning,

1 and things like that, we suffered -- Brevard
2 County -- suffered no deaths, and very little
3 damage to individual health. We suffered a lot
4 of damage to residential buildings, construction,
5 things like that.

6 My purpose to speak to you today, like many
7 of the other elected officials, we asked for this
8 privilege from Florida Power & Light. If I could
9 take a few moments to present to you what I
10 believe the residents of our community, the
11 residents of our city of 10,000, would like you
12 to hear, what we saw in our communities.

13 We found that disaster brings out the best
14 and the worst in individuals. The best and some
15 of the worst reactions of the people effected.

16 I guess I'd start first with the best. Some
17 people had little or no damage. It's really
18 heart warming to see them open their homes, open
19 everything they had, whether it was the food in
20 storage, or whatever they had to provide dry
21 clothes, food, lighting, a place to stay, for the
22 people that were not as fortunate.

23 It sort of grieves me; it also brings out
24 the worst. We had some neighbors calling law
25 enforcement complaining about a neighbor that had

1 a generator working to provide electricity
2 because of the noise. Kind of a small,
3 irresponsible effort, but there are people like
4 that. So, it does bring out the best and the
5 worst.

6 My purpose, again, as I understand it,
7 Florida Power & Light spent -- I'm looking at my
8 notes -- about \$890 million on storm recovery.
9 And if my notes are correct -- they are
10 handwritten, not very eloquent -- but they only
11 had about \$356 million in storm reserves for
12 Florida repair costs. It probably would have
13 been adequate had we not experienced three
14 different hurricanes at the same time, almost
15 within six weeks.

16 I understand they are coming before you
17 asking now for reimbursement for the expenses
18 that they incurred to replenish this fund for
19 future emergencies. Cape Canaveral residents --
20 and I do represent them as their elected mayor at
21 least as this time -- and have for many years --
22 would like to tell you that we support their
23 investment because, as a beachside community that
24 was shut down with no electricity for many days
25 until they came, we were grateful to them to see

1 the trucks come.

2 And as an example, after six days of no
3 electricity -- and I was one of the unfortunate
4 people -- I still found myself reaching for the
5 light switch in an empty room when I would go in
6 and turn it off after just coming out of the dark
7 room where the electric didn't work either. We
8 are creatures of habit. I also discovered that
9 shorts and neck ties and shoes and socks that you
10 pick out with a flashlight don't match when it
11 turns daylight. Sometimes blue becomes brown,
12 and people think you are color blind.

13 But I can speak for our residents. They
14 understand the reasons for rebuilding the storm
15 reserves, the funds for the future, and they
16 support that.

17 I have some pictures if you would allow me,
18 Mr. Chairman, just that I think they tell it all.
19 The most welcome sight for the residents in our
20 community is when you see 58 power trucks coming
21 into town to repair the lines that are down and
22 to restore your service. I had the opportunity
23 just to take a picture of this coming down A1A
24 after these trucks were pulling in after a
25 three-day drive from another State, probably

1 driving most of the night. And I'd like to
2 present them just for your consideration on
3 behalf of the residents of Cape Canaveral. That
4 kind of tells it all. Thanks to the people who
5 truly did a good job, but they were there. If I
6 may present them to you, Mr. Chairman.

7 I guess that tells me that Florida Power &
8 Light made the right choice; they asked other
9 utility companies throughout the nation to come
10 help them. From our experience, Florida Power &
11 Light had a plan on what to do in a catastrophe
12 like this. They worked their plan. They carried
13 it through. They fulfilled their mission.

14 I had the opportunity, along with some other
15 people, that asked if we could to tour their
16 operation. They set up a small city of some --
17 small city -- large city compared to our
18 standards -- of probably 8,000 to 10,000
19 residents -- this is in Brevard County Community
20 College down there -- and was shown by the
21 representative from FPL. They presented hot
22 meals, presented parking, gassed your vehicles
23 up, presented storage, set up a whole city.

24 My thought would be that the priorities for
25 restoring power and establishing it to our

1 residents was met.

2 Our city encourages you to continue to
3 investigate their future requests for a base rate
4 change; certainly we would ask you to do that.
5 But we want you to know that our city supports
6 their request for compensation for the service
7 they provided us during the recovery for the
8 hurricane damage.

9 And I thank you for listening to our city's
10 views. And if I can answer any questions, I
11 certainly will try to answer.

12 Are there any questions?

13 CHAIRMAN BAEZ: No questions. Mayor, thank
14 you for taking your time to be here.

15 MAYOR RANDELS: Thank you for allowing us to
16 be here to represent the community.

17 CHAIRMAN BAEZ: Mayor Carol McCormack.

18 MAYOR MC CORMACK: Good morning, Mr.
19 Chairman, Commissioners, and Staff. Unlike my
20 predecessor, I don't have any prepared speech to
21 give you today. I do want to concur with what
22 the sheriff had to say. I represent a very small
23 community. We are based along the Indian River.
24 I also serve as the EOC. Being a small
25 municipality, I wear a lot of hats.

1 Florida Power & Light -- during what has
2 been just the most incredible year, as you know,
3 we had conference calls as EOCs. We had
4 conference calls all during the day where
5 municipalities had a designated number to call
6 in. And at each one of these, there was a
7 representative from Florida Power & Light on that
8 line to give us reassurance as to where they
9 were, what area they were working in.

10 I have a large degree of senior citizens in
11 my community. My little area received \$5.6
12 million in damage just from Hurricane Jeanne.
13 So, it was a devastating time.

14 I know that you are not here to hear all of
15 the accolades about Florida Power & Light. But
16 that is critical to the decision that you're
17 making. They need to recover this money so
18 that -- you know, we are less than ten weeks away
19 from hurricane season. And I can tell you right
20 now that there are people in my community that
21 still have a blue tarp on their house. There are
22 people that still do not have their homes
23 repaired from last year.

24 We support Florida Power & Light. They were
25 there for us. They were there immediate, their

1 response. Our town hall received damage. We had
2 trees down. I had no access. Our town hall
3 served as a comfort station along US1 for people
4 to receive meals, water, diapers, whatever their
5 necessity was. We had ice trucks.

6 Florida Power & Light got out there, they
7 removed the lines, they helped make sure the
8 trees were removed, and they were there for us so
9 that we could set up those necessary facilities;
10 not just for my one community, but for anybody
11 along the US1 corridor that needed assistance.
12 The power trucks were lined up and down US1. And
13 like I said, they did an incredible job.

14 I urge you to look at that effort, and look
15 at what they did to -- I mean what happened
16 during last year is something that none of us
17 hope we ever go through again. And I just can't
18 say enough about what a great job they did.

19 And I will be happy to answer any questions.
20 But I appreciate the opportunity to be here
21 today. And I understand that you have a tough
22 job ahead of you, but I urge your support.

23 CHAIRMAN BAEZ: Questions of the Mayor?
24 Thank you, Mayor, for visiting with us.

25 Robert Lay. Mr. Lay. We'll circle back.

1 Jackie Burns. Good morning, Miss Burns.

2 MS. BURNS: I won't be as eloquent as the
3 other people who have been here, but I speak as a
4 city manager, I speak as a grandmother, I speak
5 as someone who has lived in three countries, and
6 five of our 50 states. I could have come here to
7 sing the praises of Florida Power & Light because
8 I truly, truly believe they are the best anywhere
9 given my experience.

10 I raised four children all around the world,
11 and always had to depend on electricity. And
12 Florida Power & Light is just wonderful. I've
13 been in city government for 28 years down here in
14 this area. I've only been a city manager for ten
15 years, but I cannot tell you strong enough how
16 wonderful Florida Power & Light responds to our
17 citizens.

18 I speak to all our citizen groups several
19 times a years. I go out and speak with all of
20 our homeowner groups and all. They are just so
21 pleased with the response from Florida Power &
22 Light, their customer service. Not only in the
23 hurricane, but even after the hurricane, they
24 have been calling us and reassuring us they are
25 reassessing the priorities for nursing homes to

1 be brought back on-line after storms.

2 People are very frightened out there. I saw
3 a change in our citizens right after 9-11. They
4 lost their comfort zone. And adding to it the
5 hurricanes this past year, it's a very
6 frightening time, especially for elder folks.
7 But everyone is different. Our lives are
8 different now. We need to have the reliability
9 and the professionalism of these people we depend
10 upon. And Florida Power & Light is there for us.

11 I was pleased to hear that they put it in
12 pennies a day because that's how I speak to my
13 residents. When we tried to get them to support
14 a storm water utility, we put it into pennies a
15 day it would cost them. They bought into that.
16 They said, yes, that's worth it. I think the
17 seven or eight cents a day that this will cost is
18 something that is acceptable to our residents.

19 And they're just very, very pleased that
20 they have the wonderful Florida Power & Light --
21 I refer to it as FPL now -- my old days coming
22 out -- but they are just very, very pleased with
23 the job that they do, the professionalism, and
24 just the customer service.

25 And as an aside, to put it in more

1 understandable language for the ordinary
2 citizens, I had to call an electrician not too
3 long ago just to do a slight job in my house. It
4 was \$275 for the slight job that that electrician
5 did.

6 I think the tremendous, tremendous service
7 that FPL provides to us is worth the seven cents
8 a day or eight cents a day that we will pay to
9 restore the reserves for repairing storm damage.

10 I thank you for your attention.

11 CHAIRMAN BAEZ: Any questions of Miss Burns?
12 Thank you, Miss Burns.

13 Edward McKenna. Good morning, sir.

14 MR. ME KENNA: Good morning. Mr. Chairman,
15 members of the Commission, Ladies and Gentlemen.
16 I am very pleased to be here this morning. I am
17 here to represent Holy Name of Jesus Catholic
18 Church and School in Indialantic. I'm here as a
19 personal representative of our pastor, Father
20 David Page, who couldn't be here today, although
21 he wanted to be, believes strongly, because he
22 was tremendously impressed with how the people at
23 FPL -- how they responded to our particular
24 situation.

25 And our church and school is on A1A over on

1 the beach. We got a lot of the brunt of the
2 hurricanes. And we sustained a tremendous amount
3 of damage to our buildings, and a tremendous
4 amount of damage to the Florida Power & Light
5 light poles and transformers, all that kind of
6 technical stuff that's located on our property.

7 And the hurricanes, when the hurricanes died
8 down, and our schools -- we have a policy there
9 at Holy Name of Jesus that we follow the same
10 schedule as Brevard County schools. If Brevard
11 County schools are closed, we close because of
12 conditions like a hurricane. And when they are
13 open, then we try to be open too.

14 But because of the tremendous, extensive
15 damage that we had, the Brevard County schools
16 were just about to open, and we still had one of
17 our poles -- Florida Power & Light poles on our
18 property -- that had three transformers, and it
19 was still on the ground, and several others. And
20 our pastor made one telephone call. And there
21 was a tremendous, tremendous response inside one
22 12-hour period. I am totally convinced there was
23 three weeks of normal work done on our place
24 which enabled us to open up the doors of our
25 schools so that now, I think, 434 students could

1 come to school and relieve that many parents from
2 additional pressure at home.

3 We really, really appreciated that as well
4 as having the church open for church service.
5 Because again, in situations like that, if you
6 can't get your church open, you don't have the
7 power and all that kind of stuff, people
8 really -- they get tremendous support and
9 spiritual consolation from practicing their
10 religion, and the experience and need of coming
11 to church. And the idea of coming to Holy Name
12 Church, and the doors are closed because there is
13 no power, there is no light, it is unsafe to have
14 services, it was really, really important to us.

15 I feel slightly awkward on the other part of
16 it. One part I was very glad -- Miss Williams is
17 it -- in her very articulate presentation, I was
18 very pleased to see where she referred to
19 hurricanes and what we do, as kind of the
20 vicissitudes as Mother Nature. Traditionally we
21 hear it referred to as acts of God. And being
22 involved in the church business, I really
23 appreciate the concept of Mother Nature rather
24 than an angry God trying to beat up on us.

25 The other part is, as I listened, and I

1 didn't get his name, the attorney over there who
2 spoke about --

3 CHAIRMAN BAEZ: Mr. McLean.

4 MR. MC KENNA: -- the roadside stand and
5 that, I'm reminded of my first introduction to
6 debating back home in rural Ireland when I was 14
7 or 15 years of age. And I was the son of a small
8 farmer. And the teams that were put together in
9 school, I had to chair a thing where I was saying
10 that the small farmer was the noose around the
11 neck of Irish agriculture. And, of course, that
12 was going to drive my parents crazy. But that
13 was the job I had to do, and we did it.

14 If I stand up here and appear to say that
15 I'm in favor of a rate increase for Florida Power
16 & Light, or in favor of an additional assessment
17 to recoup losses, the 4500 families of Holy Name
18 of Jesus of Church are going to be ready to throw
19 tomatoes at me.

20 I do honestly feel that in any situation
21 like this, that it has to be -- that it has to be
22 a win/win situation; that Florida Power & Light
23 has to come out of this a winner, the same as the
24 people of Brevard County have already come out of
25 this a winner. And if the price that Florida

1 Power & Light needs to ensure that we come out of
2 the next one a winner as we did this one is a
3 mere eight cents a day, I run the risk of
4 infuriating 4500 families, and encourage this
5 Commission not to tie the hands of Florida Power
6 & Light or any other group that provides such a
7 tremendous service so that they are in the
8 position to cope with the disastrous situation
9 that befell us when we're approached again.

10 CHAIRMAN BAEZ: Thank you, Mr. McKenna. Any
11 questions? Thank you, sir.

12 Dr. DiPatri.

13 MR. DI PATRI: Good morning. Thank you for
14 taking me. I appreciate that.

15 First, I'd like to thank all of you for this
16 opportunity to provide some remarks to the
17 Commission, and, of course, the citizens of
18 Brevard County, and other members of the public
19 in attendance today.

20 My name is Dr. Richard DiPatri. I'm the
21 superintendent of schools of Brevard County.
22 Frankly, I'm here to acknowledge the
23 extraordinary customer service and support
24 provided by Florida Power & Light to our district
25 during the 2004 storm season.

1 The School Board employs about 10,000
2 full-time staff members and services to 74,000
3 students. I just want to tell you, frankly, what
4 happened when you can imagine, I'm sure,
5 everybody lived through those hurricanes, but the
6 safety of our students is, of course, paramount.
7 Once the hurricanes are passed, it's critical we
8 get them back into school.

9 When we first experienced the problems, I
10 had a call from -- I didn't call him, he called
11 me -- Sandy Sanderson, said obviously, you've got
12 some problems, the schools are closed, lots of
13 schools out of electric, here are my numbers,
14 call me anytime day or night. I appreciated
15 that. Of course, I had lots of staff working and
16 so on.

17 I will simply say FPL delivered. And
18 anytime I had a problem where I had to get a
19 school opened, whether it was electricity right
20 at that building, or even in that neighborhood,
21 it became a priority with me. A lot of that had
22 to do with the governor's initiative, and I
23 appreciate that, but they were there when we
24 needed them.

25 My staff member here, Richard Lee Smith, was

around the clock at the operation center.

2 Anytime I had a problem, I called Richard, he
3 could get me an answer from the staff member
4 there.

5 I don't know about rate increases, that's
6 your problem to deal with. But I would say this:
7 If we get two more, and parents are calling and I
8 can tell you, they want their schools open, and
9 for the safety of the kids, we have to have them
10 open, because in many cases they were safer with
11 us than they were at home. And if the pot of
12 money is depleted, you're not going to be able to
13 do anything about it the day after the hurricane.

14 So, I don't understand it all. Obviously,
15 that's not my responsibility. But I can tell you
16 this: We needed them for lots of reasons,
17 obviously, and they delivered. And whether they
18 depleted their funds or not, I leave that to the
19 auditors. But I can tell you, you've got to have
20 some money available because there's a likelihood
21 we are going to get one; if not this year, we are
22 going to get another one. And I just can't
23 describe to you the kind of turmoil it causes
24 when schools aren't open.

25 For us, it's almost we are stuck with all 81

1 must open or not open. And that's the
2 difficulty. So, when they brought in extra
3 teams, I need all my schools open. I'm sure if I
4 had five or six that weren't, I was able to open,
5 but I can't open half the schools if only because
6 of communications. There is just no way to tell
7 parents in 81 schools which ones should be coming
8 and which ones should not. So, I urge, again, my
9 very positive Florida Power & Light, and
10 encourage you to do the right thing whatever that
11 is. You will figure it out. I will be glad to
12 answer your questions.

13 CHAIRMAN BAEZ: Thank you. Questions of Dr.
14 DiPatri? Thank you for coming out, sir.

15 DR. DI PATRI: Thank you.

16 CHAIRMAN BAEZ: Charles Billias. Good
17 morning, Mr. Billias.

18 MR. BILLIAS: Good morning. My name is
19 Charles Billias. I'm the city manager of the
20 City of Cocoa Beach. I have been with the city
21 for 30, 40 years.

22 Back in the early days, I worked with two
23 hats. I was public works director and also
24 utilities director. I have been city manager for
25 six years. So, I basically have an understanding

1 what FPL's going through with this rate hike.
2 Trying to run a utility, in a lot of cases it can
3 be very expensive.

4 One of the concerns that I have is that when
5 we try to convince our residents to leave the
6 area during an event like we had this year, it's
7 hard to convince them to leave, and then have to
8 wait to come back into the city.

9 We had a lot of power lines that were down
10 throughout the city, and most of our lift
11 stations were down. FPL did an incredible job
12 getting the power back to our lift stations so we
13 could service our residents. I think that's real
14 crucial because I don't think anybody mentioned
15 the issue about providing water and wastewater.
16 A big concern is once you have a large spill --
17 you have stations that are down, and you have a
18 large spill, it becomes a health issue.

19 Our city runs -- it's not very wide. It's a
20 barrier island; runs north and south. Our
21 stations run in sequence so that if one station
22 is down, you have another station pump into it.
23 It creates a real big problem.

24 Another issue that we had that FPL stepped
25 up to the plate, was we had a lot of residents

1 that had shutters that worked off of electricity.
2 They put them down. When the city was opened, I
3 got calls that they couldn't open their shutters;
4 they didn't have electricity. So, it was very
5 hot.

6 And we set up a powering system with FPL.
7 One of the line supervisors, I had his cell phone
8 number. I could call him up and coordinate areas
9 of the city that needed to be addressed.

10 I just want to say that they did a fantastic
11 job of getting our city power. And I know what
12 it costs in manhours, salaries, and equipment,
13 and parts to put a system back on-line because
14 for 28 years that's what I did, the utility
15 business. I know for the small amount of money
16 that they are asking for, I think it's well worth
17 it.

18 I also want to make one last comment. When
19 Andrew hit Miami, I worked down at Key Biscayne.
20 The city down there, contacted our city manager
21 at the time, and asked if there was any way they
22 could send some staff down there for support.
23 There was a wave that came across the barrier
24 island; it was about a three-foot wave. Key
25 Biscayne is similar to Cocoa Beach; it's a

1 barrier island. Once you get on it, it looks
2 similar to Cocoa Beach. That's been my biggest
3 fear of people not evacuating in a situation like
4 that if it happens.

5 So, that's why we want to try to get the
6 residents as quickly as we can, so they will
7 evacuate during a storm.

8 I want to thank you for hearing my comments,
9 and if I can answer any questions, I will be glad
10 to.

11 CHAIRMAN BAEZ: Questions of Mr. Billias?

12 Thank you, sir.

13 Larry Dale.

14 MR. DALE: Good morning, Mr. Chairman,
15 Commissioners. Thank you for allowing us to
16 speak this morning.

17 I am the former Mayor of the City of Sanford
18 in Seminole County, county seat, and I am also
19 the president and CEO of Orlando/Sanford
20 International Airport. I agree with the sheriff
21 earlier; it matters that Florida Power & Light
22 does a good job. We don't want Florida Power &
23 Light to share the loss with us. We want them to
24 be prepared that when we have a loss, to come out
25 and do what they did when these three hurricanes

1 hit.

2 I had occasion to deal with them twice in
3 catastrophic events; once a tornado hit when I
4 was Mayor -- they did a tremendous job then --
5 they were Johnny-on-the-spot -- they were very
6 efficient -- and then once as president/CEO when
7 these three storms hit because we allowed them to
8 stage at the airport. So, I witnessed first-hand
9 the type of management that they had for an
10 operational system in this emergency, and how
11 efficient they were, and cost conscious that they
12 were, and the job that they did with hundreds,
13 literally hundreds of vehicles that came from all
14 over the country with their mutual aid system
15 that they have with other conglomerates of power
16 around the country, and how efficiently and
17 timely they did that.

18 We don't want to them to share the loss with
19 us. We want them to be there for us when we need
20 them. I speak as the former Mayor of the county
21 seat, and I speak as the president of the fastest
22 growing airport in North America to tell you we
23 want them to have sufficient day-to-day funds to
24 be there for us.

25 When I grew up, my daddy had a pickle jar he

1 put all his change in and he called it his Rainy
2 Day Fund. He used it on occasion when we would
3 have a power outage, broken windows, or plumbing
4 problems. And he said, son, that will always be
5 there; taught me to save. Their pickle jar is
6 empty. They need to fill it back up. We'd ask
7 you please allow them to replenish that pickle
8 jar so that they can be there for us and do the
9 tremendous job they did the last time. Thank
10 you.

11 CHAIRMAN BAEZ: Thank you, Mr. Dale.

12 Charles Settlast. Did I get that right?

13 MR. SETTLAST: Yes, sir. Thank you, sir.

14 Commissioner Baez, Commissioner Davidson,
15 Commission Bradley. If I look familiar to you,
16 it's because we worked together in St. Petersburg

17 --

18 THE REPORTER: Sir, could you please speak
19 up a little bit?

20 MR. SETTLAST: I'm sorry. You heard from
21 public officials to this the State who are
22 interested in spending my money. Now you're
23 going to hear from somebody who does not want
24 their money spent.

25 A little background. I have been dealing

1 with Florida Power & Light off and on since 1972.
2 In the interim, I've also had the experience of
3 being a customer of PECO, Petroleum Electric in
4 Maryland, and Florida Power, and Progress Energy
5 in Pinellas County. And I have seen how all
6 these utilities respond to customer requests and
7 to weather emergencies. Up north we have floods
8 in the Potomac, and snow storms.

9 Let's talk first about what you've heard.
10 As I said, you heard from people who have been
11 stroked, given a lot of attention by FPL in their
12 public duties, and are used to spending public
13 monies. In addition, you have witnessed what is
14 a variation of the Stockholm Syndrome whereby
15 people tend to remember the good things out of a
16 disaster rather than the bad things out of a
17 disaster.

18 Yes, all sorts of good things happened to
19 relieve us, but before they happened, other
20 things did not happen.

21 Let's talk about the preparation that FPL
22 has made for storms. My son lives in Melbourne
23 Beach, my father lived in Eau Gallie, and I
24 currently live in Timber Lake which is West
25 Melbourne. When I lived in Pinellas County, I

1 had come to my father's house every two weeks
2 since he was housebound and an invalid. Every
3 time I came to his house -- every single time I
4 came to his house -- I had to reset his clocks
5 because of the power junction from FPL over a
6 period of three years. The neighbors looked in
7 on him all the time, and, therefore, I had a lot
8 of excellent neighbors. The lights in the
9 neighborhood continuously blinked. It was
10 reported to FPL over years. They never found a
11 problem. The problem was intermittent tree limbs
12 on the lines. They did not take the time to find
13 it, and did not clear the tree limbs from the
14 lines. They were not prepared for these
15 hurricanes.

16 After Hurricane Frances came, I spent time
17 at my father's house. For four days there was
18 not one FPL truck in Melbourne. The power lines
19 lay across the streets. The street signals laid
20 in the intersections for four days.

21 After four days, I called the governor. The
22 governor put me in contact with Ellen Blendal
23 (Phonetic) of your Commission at 850-413-6123. I
24 spent a lot of time with Miss Blendal. After
25 five days some FPL trucks showed up. The power

1 was out in our neighborhood for 16 days which is
2 typical of the power outage in the area.

3 I wish you had put the FPL representative
4 under oath. A little less hyperbole, a little
5 more truthfulness might have resulted.

6 Let's talk about FPL as a business. FPL is
7 listed on the New York Stock Exchange. They are
8 not a public service, non-profit organization.
9 They have the privilege -- the privilege -- of
10 being a monopoly.

11 All other businesses have to have insurance.
12 My son's business is included. All other
13 businesses have stockholders that recognize they
14 are at risk. Most of the companies on the New
15 York Stock Exchange, the stockholders recognize
16 that they are at risk.

17 The first people that are at risk in this
18 situation are the owners of FPL. As a privileged
19 monopoly, they have to accept the first level of
20 risk. There is no indication in any of the
21 publications that you have provided us that shows
22 how this risk is being passed down to the known
23 risk takers of FPL, the stockholders, the
24 managers, and the other stakeholders in the
25 finances of that company. It appears to us that

1 you have assigned the taxpayers and the normal
2 citizens, who have received, in some cases, very
3 poor service, all of the risk. We don't agree
4 with that.

5 FPL can continue to charge their basic
6 connection fees whether or not they supply power
7 as opposed to, let's say, a telephone company.
8 When I call the telephone company to report a
9 loss of service, their computerized system
10 records that. Their computerized system also
11 records when they came and restored my service.
12 As a result of that, I receive a credit from the
13 telephone company for the time during a hurricane
14 that I had no service on my telephone. I never
15 received such a credit from FPL. They continued
16 to earn money even when they provide no service.

17 If you decide to support the public
18 statements of all the people who enjoy spending
19 my money and the money of normal taxpayers, if
20 you decide to do that and allow the surcharge, we
21 request that you define the surcharge not as
22 electric power service, and you issue a ruling
23 that there shall be no utility taxes after this.

24 You are forgetting that this is not the only
25 expense. Cities are jumping on the band wagon

1 and charging utility taxes. Why do you think the
2 Mayor from Cape Canaveral wants it? He gets
3 utility tax.

4 He also made a facetious statement that
5 people shouldn't be bothered by being kept awake
6 all night by generators. A lot of people in our
7 community did not act as good public citizens.
8 When they went to bed at night, they left their
9 generators running, closed their windows, and
10 prevented all the rest of us from sleeping.
11 That's kind of rubbing salt in the wound.

12 My position is that there is ample evidence
13 that FPL was not prepared adequately for these
14 storms. My position is that their response was
15 not uniform. My position is that there is no
16 valid statement that 90 percent of the power was
17 restored in five days, especially in Brevard
18 County, especially in Melbourne, and especially
19 in north Melbourne.

20 My position is that the cities and people
21 who want to spend our money should not benefit by
22 additional utility tax. My position is that the
23 first line of responsibility for these costs are
24 the risk-taking stockholders and other financial
25 stakeholders of FPL, not the tax payers.

1 Thank you for your time.

2 CHAIRMAN BAEZ: Questions of Mr. Settfast?

3 I have a question sir, you mentioned, among
4 the comments that you made, you mentioned
5 something -- referred to your billing, getting
6 bills or the company continued charging during
7 times of outage. Have you taken that up with the
8 company?

9 MR. SETTFAST: No, sir, because as far as I
10 know, the way you set their rate structure, your
11 Commission, you allow them to do it. It's not a
12 company issue.

13 CHAIRMAN BAEZ: If there is -- what I wanted
14 to do was urge you now -- you have an opportunity
15 because of the company representatives are here,
16 spread out throughout the room. And I know they
17 do have billing service representatives in the
18 back. If you were of the mind to at least clear
19 it up either for yourself or for the company, you
20 have an opportunity there as well because that's
21 something that we've heard anecdotally time and
22 time again. But I'm sure it's an issue that the
23 company and the customers can clear up rather
24 easily if --

25 MR. SETTFAST: I don't understand your

1 input, Mr. Chairman. The company has the right
2 to bill us as long as there is an electric line
3 hooked to our house, whether or not they provide
4 service. I think, you know, you have allowed
5 them to do that, and they take advantage of it.

6 CHAIRMAN BAEZ: And I think to the extent
7 the authority has come from the PSE -- there is a
8 portion of -- and now I'm drawing a blank on what
9 the base charge is, and then there is usage
10 charges as well.

11 MR. SETTFAST: I am talking about the base
12 charges, connection charges.

13 CHAIRMAN BAEZ: And that's what you are
14 referring to in particular, not necessarily
15 whatever estimated bills were --

16 MR. SETTFAST: No, no. In some areas of
17 Florida -- Progress Energy took advantage, and
18 they continued to bill on estimated billings and
19 got paid -- essentially got paid in advance
20 because when they read the meters they, of
21 course, could not rebill. They had to take that
22 into account. But they got paid in advance. I
23 have no evidence that FPL has done that.
24 Progress Energy did that. We are not here
25 talking about Progress Energy. So, we have

1 problems all over the State.

2 CHAIRMAN BAEZ: Right. I appreciate you
3 clearing that up at least for me, to the extent
4 that there are issues outside of that base
5 charge.

6 MR. SETTFAST: I do wish you would address
7 the utility tax issue.

8 CHAIRMAN BAEZ: That's an interesting
9 question. I actually wrote it down.

10 MR. SETTFAST. Thank you. I appreciate it.
11 Nice seeing you again.

12 CHAIRMAN BAEZ: Robert Lay. Is Mr. Lay
13 here? Good morning, sir.

14 MR. LAY: Good morning. Sorry that I wasn't
15 here earlier, but I had to run out for a phone
16 call.

17 I'd like to just start by saying that all of
18 us have somewhat been preparing for this past
19 hurricane season that we had. And I'd like to
20 say that we didn't just have four hurricanes. We
21 had the second most expensive hurricane in the
22 history of the United States, the third most
23 expensive hurricane in the history of the United
24 States, and the fourth most expensive hurricane
25 in the history of the United States all to hit

1 Florida. The most expensive hurricane was
2 Hurricane Andrew in 1992. So, Florida has the
3 distinction of having one through four. That's a
4 distinction that I hope we don't pick up for
5 five, six, or seven.

6 But the indications are for the future that
7 we will have more hurricanes. The activity level
8 is much higher for land-falling hurricanes. So,
9 that means we have to start right now getting
10 ready for this hurricane season and mitigating
11 potential loss from any future hurricane for the
12 future.

13 The expectations of the public, based on
14 what I've seen during this past hurricane season,
15 is that about four or five days is about all
16 anybody wants to go without power. Yes, during
17 Andrew there were people that went six weeks, and
18 even as much as two months, without power. Those
19 expectations have grown. I witnessed that in
20 Brevard County, and I witnessed that in Charlotte
21 County.

22 My estimation of what the restoration period
23 should have been following Frances was probably
24 about 30 days. I believe that was accomplished
25 here in about 12 days, and then at a very similar

figure for Hurricane Jeanne. But again, my estimation was for a much longer period than that.

5 Florida Power & Light doesn't just provide
6 power to our homes, but it provides power to
7 business, to industry. But more importantly it
8 provides it to other utilities.

9 The telephone companies, the cellular
10 carriers, the cellular sites, all these places
11 depend on electricity. They have back-ups. Some
12 had generators, some didn't. So, when the power
13 went out, the UPSs failed, batteries failed,
14 generators failed or they were stolen. So, some
15 of our other utilities suffered, and we suffered
16 in turn because almost everything is depending on
17 power.

18 So, I think we have to be able to allow some
19 sense of restoration for Florida Power & Light.
20 The federal government does that for us at local
21 government levels. We use a cautionary basis. I
22 am not here -- you have a hard decision to make,
23 but my point is that we are absolutely dependent
24 today and our expectations today are much higher
25 than they've ever been that we have to have this
recovery, and it has to take place very quickly.

4 With the four hurricanes that we had, it was
5 amazing that they could find all these crews
6 across the United States and Canada and get them
7 here quick enough to do the restoration work that
8 really needed to be done. That may not ever
9 happen again. We may not ever be able to bring
10 that number of crews together again. But it is
11 essential this fund, some funds be restored as we
12 go into this hurricane season.

13 I just want to say -- the last thing --
14 Florida Power & Light has been very easy to work
15 with over the years that I have been -- for about
16 seven years I have been the director of emergency
17 management for our county. They have had a
18 representative in our EOC -- the person is right
19 there -- where we can bring issues up, we can
20 deal with issues within the municipalities, and
21 we also have someone who we can talk to at the
22 EOC. I would not like to go into hurricane
23 season without a person at our EOC. Thank you,
24 sir.

25 CHAIRMAN BAEZ: Thank you, Mr. Lay. A
question.

COMMISSION BRADLEY: More of a comment as
opposed to a question. You made a very

1 interesting point as it relates to the increased
2 severity of hurricanes upon the land mass here in
3 Florida. And the thing about that is this: As
4 Florida continues to grow population-wise, these
5 impacts are going to become more severe which
6 presents a special problem for those of you who
7 work as part of your EOCs.

8 MR. LAY: Yes, sir. That's certainly true.
9 I think part of the mitigation effort is to -- as
10 much as we can -- there are issues we are putting
11 things underground. There are issues with things
12 above ground. I just think we have reached a
13 point now with growth and everything that our
14 expectation four, five days maybe without power.
15 We just need to look at if we continue building,
16 as we continue building subdivisions, what is the
17 best way to do that to mitigate it from potential
18 loss, or from a long-term recovery period.

19 CHAIRMAN BAEZ: Thank you, Mr. Lay.

20 Paul Lowry. Good morning, Mr. Lowry.

21 MR. LOWRY: Good morning. Thank you for
22 this opportunity to address the situation. I
23 would respectfully request that the petition for
24 surcharge be denied. I was among the other 10
25 percent. We were without power 11 days. We are

1 not in an outlying area where it was hard to
2 reach or were the only ones. I realize that they
3 take care of the most densely populated first.

4 Our problems seemed to be lack of
5 maintenance on the right-of-way. The tree
6 trimming that particular year was little or none
7 in our area. I live in urban Melbourne, right
8 here in the center of the city, and we were among
9 about three or four blocks that had no power for
10 11 days. We had no downed power poles. We had
11 no downed broken wires. I inspected the grid
12 that I am on myself. And I know where the
13 circuit breakers are that control it. And there
14 was not a broken wire anywhere in that portion of
15 the grid. We didn't get our power back on until
16 11 days later because it took that long for the
17 Asplundh crew from Arizona to get to us and trim
18 all the trees on our street. They deliberately
19 did not turn on the power because there were
20 close proximity of trees. People a block away in
21 one direction, a block away in another direction,
22 and two blocks away in the other direction had
23 power, and we had none.

24 For some reason, they didn't take care of
25 the weeds on our street. And when the people did

1 come to do the trimming, they didn't remove trees
2 that were in the right-of-way -- actually in the
3 right-of-way -- some of them between the power
4 poles and the street itself, the pavement.

5 We have trees that came up as weeds. The
6 squirrels planted live Oaks. And the palm trees,
7 as you know, scatter their seeds; they are
8 popping up. We have weeds that are trees. And
9 they didn't remove any of those. They're there.
10 They trimmed them back. They are going to come
11 back, and there is no preparation for the next
12 time because they didn't remove them. So, they
13 essentially deliberately passed by the circuit
14 breaker, and the City of Melbourne left us for 11
15 days since they didn't have people to trim the
16 trees.

17 Now, there is two kinds of escrow as far as
18 this kind of a situation is concerned. There is
19 monetary escrow that provides funds for storm
20 damage. There is also another escrow that is put
21 in by our effort and preparation for the storm.

22 I stayed in my house the whole time. I
23 built that house. I just about know where every
24 nail is. We had no damage to the house at all.
25 Very little damage to any of the houses on our

1 streets or in those four blocks and still we were
2 without power that long. So, that's part of the
3 escrow of preparing for storms is doing the
4 maintenance in advance that needs to be done in
5 order to ensure reliability.

6 By choosing reduced maintenance in the year
7 prior to the storms, and then do it later with a
8 crew that's imported from Arizona, and they are
9 working 16 hours a day, all kinds of overtime,
10 they are on per diem, they have to be taken care
11 of, given a place to eat and sleep and work, that
12 is very, very expensive, far more expensive than
13 doing it routinely in advance. But by choosing
14 to do it that way, their return on the bottom
15 line during that prior year was far greater, I'm
16 sure, than it would be if they were maintaining
17 the things as they should have been.

18 The gentleman here spoke about the
19 intermittent drop-outs. I was plagued with that
20 on our street for a very long time. Finally, I
21 got it across to them that they needed to trim
22 the trees. I had to keep records and document
23 the drop-outs in power when we had to set the
24 clocks and re-establish everything. With
25 automatic equipment, all of it goes out; the

1 memories go out and everything else when you have
2 those drop-outs. We got a lot of those drop-outs
3 on our street.

4 But finally, through complaining quite a bit
5 to the power people, we convinced them that does
6 need to be taken care of a little better, and
7 they are getting by. But they certainly weren't
8 prepared for this storm.

9 Like I say, there was no downed power poles,
10 no broken wires. As soon as the tree trimming
11 crew -- which was about five of the lift trucks
12 had come from Arizona, a three-man crew on each
13 one of those trucks -- as soon as they got done,
14 the power came back on just immediately. There
15 was no hesitation. They didn't have any repairs
16 to make to the equipment that delivers power.
17 All they had to do is get the trees out of the
18 way.

19 So, there is two kinds of escrow here when
20 it comes to being prepared for storm damage. And
21 for that reason, I don't think the customers
22 should be bailing out the power company for that
23 because they should be paying that from the
24 improved bottom line that they enjoyed prior to
25 the storm due to reduced maintenance. I thank

1 you.

2 CHAIRMAN BAEZ: Questions of Mr. Lowry?

3 Thank you, sir, for your comments.

4 Jim Ridenour.

5 MR. RIDENOUR: Good morning, Mr. Chairman,
6 Commissioners. I'm Jim Ridenour with Courtyard
7 by Marriott, also Chairman of the Board of
8 Directors for the Melbourne/Palm Bay area Chamber
9 of Commerce.

10 In preparation for your hearing we conducted
11 a survey of our members. We distributed over
12 1100 surveys, and received 30 back, for an
13 approximate return of three percent. As you see,
14 the pins on the map reflect those who responded.
15 And as you can see, it covered a very large area.
16 In fact, the three pins on top cover all the way
17 to Cocoa Beach and Merritt Island.

18 We asked our members two questions: How
19 well do you believe that FPL responded to your
20 business needs following last years hurricanes,
21 and, number two, do you believe that FPL had its
22 priorities right in restoring power throughout
23 our communities.

24 Of the 30 responses, 77 percent, or 23, were
25 favorable, and 23 percent, or seven, were

1 unfavorable.

2 Regarding the first question, the responses
3 were highly complimentary and used additives like
4 "outstanding", "great job", "great service",
5 "great teams", "unbelievable", and "performed
6 well under extremely difficult circumstances".
7 Whereas the unfavorable responses all focused on
8 excessive restoration time, and those times
9 ranged from a minimum of 42 hours to a maximum of
10 two weeks.

11 As to the second question regarding the
12 priorities, you can probably figure it out, the
13 77 percent said yes, and the 23 percent said no.

14 There was another thing that came out from
15 all the responses, and that was, as well the
16 unfavorable and the favorable, was that there was
17 an issue with communications and a lack thereof.

18 In conclusion, maybe you can't draw
19 conclusions from such a small sample. However,
20 on the positive side, we could also conclude that
21 the 1,070 who failed to respond were also
22 satisfied and/or were not all that concerned with
23 the superb services provided by FPL under very
24 challenging services.

25 I thank you for considering our input in

1 your hearings today.

2 CHAIRMAN BAEZ: Thank you. Any questions
3 from the Commissioners? Thank you, sir.

4 Dr. Beach: Good morning, sir.

5 DR. BEACH: Good morning. I'd like to thank
6 the Chairman and Commissioners for taking my
7 testimony today. For context, my name is Doug
8 Beach, and I'm CEO of the Senior Resource
9 Alliance one of The Area Agency on Aging in
10 central Florida.

11 For those of you who don't know what area
12 agencies are, we are a private, non-profit, Title
13 501(c)(3) organization. We're one of 650 Area
14 Agencies nationwide.

15 Our federal statutory requirements are two.
16 Number one, we are to be the focal point for all
17 policy issues impacting seniors 60 plus in
18 Brevard, Orange, Osceola, and Seminole Counties;
19 about 350,000 seniors in total. We also
20 coordinate and manage nearly \$23 million in
21 federal and state tax funds for programs like
22 Meals On Wheels and Congregate Meals.

23 Our purpose in Brevard County includes
24 Brevard Community Services Council -- are any of
25 you from Brevard County -- okay -- and Brevard

1 Alzheimer's Association.

2 As has been stated here several times, three
3 of the four hurricanes hit the central Florida
4 area quite hard. Our organization was able to
5 pull down roughly \$1.3 million in outside
6 funding, additional funding, to make our
7 organizations whole. And we're looking at
8 organizations in Osceola County that were
9 particularly hard hit, Brevard County that was
10 also hard hit, and Seminole County.

11 It is my understanding with respect to FPL
12 that what they're asking today from you all is to
13 be made whole, and we would support that.

14 My association with FPL starts with the
15 Emergency Home Energy Assistance Program, which
16 you may or may not be familiar with. It is known
17 as EE for short. We get roughly \$100,000 a year
18 from EE to help keep the seniors in Brevard,
19 Orange, Osceola, and Seminole Counties, to make
20 sure they have energy, and are able to stay in
21 their homes. This includes working with FPL in
22 Brevard County as well as Seminole County.

23 I also serve with Dave Lynn, who is a
24 special consumer manager at FPL, on the Florida
25 Council on Aging, also known as FLCA. FLCA is

1 probably the most powerful and influential
2 committee or council of its type in Florida, and
3 it includes all the major providers of Meals on
4 Wheels, senior citizen activities, as well as
5 in-home activities for the State of Florida.

6 Folks on FCLA control roughly \$300 million
7 of federal and state funding every year making
8 sure seniors are aided and placed with
9 independence in living.

10 Lastly, FPL was extremely responsible in
11 restoring electricity to our seniors during the
12 hurricanes. We got very few complaints, and were
13 very pleased with the response we got from FPL.

14 For example, Brevard County Services Council
15 is a meal provider, Congregate Meals, Meals On
16 Wheels, provider here in Brevard County. Their
17 facility where their kitchen is was hit, and it
18 was in an industrial area. Because it was in an
19 industrial area, they were on a grid scheduled to
20 get electricity restored much later in the
21 process.

22 What we did is we called the folks from FPL.
23 We told them this is a kitchen. This is
24 responsible for all the Meals on Wheels programs,
25 all the Congregate Meals programs, as well as

1 some of the Kids Meals programs in Brevard
2 County. We have to figure out a way to get their
3 electricity restored as quickly as possible.

4 Within three hours a truck was down to flip
5 the switch -- what had happened was one of the
6 circuit breakers had gone out -- flipped the
7 switch, and the meals were restored that quickly.

8 So, as I stated, from my perspective, we
9 support allowing FPL to recover some of the
10 costs -- not all of their costs -- due to the
11 hurricanes.

12 And I thank you for hearing my testimony.

13 CHAIRMAN BAEZ: Thank you, Dr. Beach. Any
14 questions? Thank you, sir.

15 Gene McCarthy.

16 MR. MC CARTHY: Good morning, Mr. Chairman.
17 Commissioners. Thank you for the opportunity to
18 address you today. My name is Gene McCarthy, and
19 I serve as chair-elect for the Economic
20 Development Commission of the Florida Space
21 Coast. I will be brief as a lot of my points
22 have been stated by other speakers.

23 The first one though, to start off, I live
24 on a barrier island. I've lived there for almost
25 40 years. And we take hurricanes very, very

1 seriously on the barrier island. We plan on
2 evacuation whenever we are told to, particularly
3 my wife's 84-year-old father who starts planning
4 the evacuation when the storms are announced off
5 the west coast of Africa. We leave briefly and
6 quickly, and generally stay three or four days in
7 hotels over in Orlando.

8 The last season we stayed twice at the same
9 hotel, and I'll mention that for a particular
10 reason, was the hotel attached to the Florida
11 Mall over in Orlando. Very fine facility.
12 People were very generous over there. In fact,
13 they gave us a hurricane rate because we were
14 evacuees. It was very fair.

15 I noticed on the morning after the storm, I
16 awoke early, about 6:30, I looked out, and there
17 must have been 125 to 150 trucks in their parking
18 lot. Obviously the mall there, they can
19 accommodate a lot, use that as a staging area.
20 That was very impressive to me that that many
21 trucks from out of the area. As I walked through
22 the parking lot, I realized the locals were not
23 familiar with the trucks from all over the
24 country.

25 We left when we found out that have power

1 was restored to my father-in-law's condominium in
2 Cocoa Beach after probably about three or four
3 hours out. He was pleased to hear that, and we
4 got him back home to his condo.

5 We left the hotel and drove across the Bee
6 Line and passed many of those trucks we had seen
7 in the parking lot.

8 We got him back to Cocoa Beach and settled
9 in. We drove down A1A and recognized the carnage
10 had taken place in the last two or three days;
11 lines down, transformers on the ground, power
12 poles across the roadway. And we made it to our
13 place down in Indialantic and realized our power
14 was out.

15 By the clocks, we estimated it was out about
16 12 or 14 hours. And by that point, meat started
17 thawing and food started thawing in the freezer.
18 We thought it would be a nice idea perhaps for
19 our neighbors to come get together and perhaps
20 took their meat and food so as not to waste it.

21 We had a community party, set up grills in
22 the front of my home and had about 10, 15
23 neighbors come down and share their food. As we
24 put them on the grill, the power was restored,
25 however. That put a damper on the hurricane

1 party. It was quite nice because we were able to
2 meet a lot of neighbors we had not meet before.

3 Power was restored. It was amazing to me
4 after seeing the transformers and the power poles
5 and power lines down on A1A. I was astounded.
6 My wife said we will be three or four days until
7 we see the power restored. Prepare yourself. We
8 got it back, and we were trilled.

9 From an Economic Development Commission
10 standpoint, the EDC acts as sort of an advocate
11 and clearing house during situations like that.
12 For example, we were the point organization for
13 the governor's State-wide program where he had
14 established bridge loans for businesses that
15 needed immediate cash before insurance would make
16 their settlement. Those 25,000 bridge loans kept
17 a lot of businesses going and alive and in
18 business today. We sort of coordinated and
19 organized that. We are also the liaison for
20 members and investors in the EDC, as well as
21 other businesses, that were concerned about what
22 went on, what was going on for their business,
23 when power will be restored and problems they had
24 because of the lack of power.

25 We got one call from Scott Sorensen, one of

1 the large moving and storage companies here in
2 town. Scott was concerned about wires that were
3 down in front of his business. We notified our
4 contacts, Sandy Sanderson -- his name has been
5 mentioned several times. Sandy was a God-send
6 during that time period. He was able to get
7 trucks out there immediately and take care of
8 that problem.

9 Other companies, particularly in the
10 manufacturing industry, would contact us and we
11 in turn would get back to FPL. And virtually in
12 no time they would have trucks on the site and be
13 taking care of the problem.

14 We also received feedback from Florida Power
15 & Light, particularly Sandy by e-mail or
16 telephone, communicating with us that message was
17 received, message was received, what was to be
18 done. And after it was completed, he would call
19 back and see if everything was satisfactory. We
20 certainly appreciated that.

21 Our staff, when I questioned them about what
22 exactly went on, what kind of words they heard,
23 their comments were "responsive", "respectful",
24 and "top notch service". So, I've got to thank
25 FPL for all they did during that trying period

1 for business.

2 So, as a private consumer and as a
3 businessman in our community, I report that we
4 continue the charge that had been established
5 back in February and allow us to continue the
6 service and efficiency we experienced during that
7 time. Thank you very much. Any questions?

8 CHAIRMAN BAEZ: Questions of Mr. McCarthy?
9 Thank you, sir.

10 Robert Smith.

11 MR. SMITH: Mr. Chairman, Staff, my name is
12 Robert Smith. I'm from Palm Bay. I'm a retired
13 corporate attorney from a large utility, and I
14 had a chance to work with the PUCs up north on
15 tariff negotiations and that type of thing. So,
16 I'm a little familiar with what you do.

17 I'm hear to talk money, not just to praise
18 the utility whether they did good or not during a
19 storm. Like anything else, every organization,
20 every utility I've been involved with, they say,
21 hey, let's look and see that this thing, they're
22 getting the most out of their finances, where is
23 every dollar going, because when these things
24 come up, then we don't have to ask for all that
25 money perhaps as has been suggested by some of

1 the people here.

2 Now, there's a -- tariffs, which you are
3 familiar with, they have to have -- and most of
4 the tariffs have to be related, the expenses, to
5 operations for the customer, especially with a
6 utility, whether it be telephone or whatever.

7 Now, there is an expenditure which is not
8 clear in any reporting. And I have asked this
9 question because I don't think it's related to
10 our customers use as far as utilities. This
11 might be a minute, but it might be quite a bit.
12 It could be a couple million dollars. But FPL
13 won't tell me, okay, or won't tell anybody. They
14 have avoided all requests, I don't know why.
15 It's not an item in their 10Q, 10Ks. And I even
16 called several times the, PSC and nobody seems to
17 want to tackle them.

18 However, several years ago, the Department
19 of Environmental Protection drafted a plan under
20 the pressure of Fish and Wildlife that the FPL
21 maintain an ambient temperature of 68 degrees
22 each year from November 15 to March 31. Now,
23 this is in their permit. They can't get a permit
24 or they can't keep their permit unless they
25 comply with this.

1 It costs money to keep the river warm. How
2 much? Now, FPL says we have no idea. This is a
3 fact. Okay, PSC, ask them. They can tell you or
4 I exactly how much it costs to heat your
5 30-gallon, 40-gallon hot water tank in a month,
6 or anytime you heat it they can tell you right to
7 the penny. And they put a little pamphlet in
8 there telling you how to conserve.

9 Now, they have five plants and under this
10 DEP they have to maintain an ambient temperature
11 ever 68 degrees of river temperature. Now, this
12 should not be paid for by the customers in their
13 electric bill; should not be. It should be
14 either a separate line item at least in their
15 reporting so you know for sure. I mean, if this
16 is philanthropic as far as for some reason that
17 the DEP wants this, but if this is the case, I
18 mean, it shouldn't come out of subscribers or
19 customers put on their bill.

20 How much is it? Hey, we are looking at
21 eight cents they are asking for a day. I don't
22 know. Put a little thing in there, say, do you
23 know what it costs to keep the river warm over
24 that period of time because of the requests of
25 Fish and Wildlife? I mean, maybe everybody's

1 willing to pay a couple extra cents a month;
2 maybe a couple extra cents. I don't know. I
3 mean, I'd like to find out.

4 Maybe this ought to come out in the DEP or
5 Fish and Wildlife's budget if they are requesting
6 it, some other agency. It shouldn't be paid for
7 by the Public Utilities Commission because under
8 tariffs, under your tariffs, the FPL tariffs, it
9 does not allow for, you know, this type of
10 expenditure. So, what I'd like to see is some
11 reporting of this.

12 I'd frankly like to know, and I think it
13 ought to be reported, these are items that, you
14 know, every organization -- especially
15 utilities -- take a look at their finances to see
16 whether they can tighten their belt in other
17 ways. And this is one item that I think is
18 pretty heavy. When you're heating the river out
19 of five plants, maintaining it for four months
20 every year, every winter, which means they have
21 to keep units operating before they can shut down
22 possibly half the plant. In many cases, as I
23 understand through service people of these
24 plants, they are not getting a chance to maintain
25 the facility because they have to keep these

1 things running during the winter just to keep
2 that water warm.

3 So, I don't think the -- I think it's wrong
4 to have the DEP and the Fish and Wildlife putting
5 pressure on the power company to do this, and
6 nobody is doing anything about it or even looking
7 at it. I frankly personally would like to
8 know -- I've gotten word, well, it's not really
9 affecting your electric bill. It's not on the
10 electric bill.

11 I was told from the stockholder relations
12 that -- they called me from FPL and said, well,
13 it's coming out of the stockholder's dividends.
14 I said, gee, I'm a stockholder. Tell me where it
15 is in your 10K, 10Q. Maybe I'll agree to it or
16 maybe not. I'll take it as a tax deduction or
17 something.

18 But anyway, all that aside, I think that
19 they can, I think they should -- everybody in the
20 PSC should look at items like this and see
21 whether it should be related to the electric bill
22 of the customer. Thank you very much.

23 CHAIRMAN BAEZ: Thank you, Mr. Smith.

24 Richard Moon.

25 MR. MOON: Thank you, sir. My name is

1 Richard Moon. I work for Brevard Community
2 College. I have a letter from Dr. Campbell who
3 is unable to be here that I'd like to read.

4 "As president of Brevard Community College
5 serving over 30,000 students on five campuses
6 across Brevard County in credit, non-credit, and
7 career-technical education, and touching lives of
8 50,000 residents in this county through fine
9 arts, athletics, and social service activities, I
10 am pleased to comment on the services of Florida
11 Power & Light Company to this region of the
12 State.

13 "The collége has worked closely with Florida
14 Power & Light for many years, and has a long,
15 positive working relationship. We have always
16 found the organization to represent the highest
17 level of integrity and willingness to serve the
18 residents of the region reflective of a high
19 degree of sensitivity to local needs.

20 "The fall 2004 season presented many
21 challenges to all of us on the Space Coast.
22 Florida Power & Light for its part was quick to
23 establish a regional repair base on our Palm Bay
24 campus bringing in an army of workers from all
25 over the county and from Canada.

1 "The FPL president and a number of its key
2 executive leaders were on the scene making sure
3 that all reasonable efforts were being made to
4 restore power throughout the region. Quick to
5 relocate repair sources to the Panhandle when
6 Ivan struck there, FPL was just as quick to
7 return the resources to Brevard County when it
8 gave us a second blow.

9 "Throughout BCC's encounter with Florida
10 Power & Light, we were always treated with the
11 utmost courtesy, timely and accurate information,
12 and quick response with power returning.

13 "Once this crisis concluded, Florida Power &
14 Light returned our Palm Bay campus grounds to its
15 original conditions. I will particularly note
16 the efforts of Mr. "Sandy" Sanderson, area
17 manager, corporate and External Affairs, FPL, who
18 maintained regular contact with the college, and
19 obtained special assistance when needed.

20 "Needless to say, Brevard County Community
21 College is very pleased with the quality of
22 service we received with Florida Power & Light."

23 And if I may approach, I have a photograph
24 of that staging area. I'd like you all to have
25 it if you'd like to look at it. That will give

1 you some feel. You can add this to your
2 collection if you'd like.

3 CHAIRMAN BAEZ: Questions for Mr. Moon?
4 Thank you, sir. Tom Mills.

5 MR. MILLS: Good morning, gentlemen. My
6 name is Tom Mills. I'm vice-president for
7 facilities with a company called Health First.
8 We are a local not-for-profit. We operate three
9 acute care hospitals here in Brevard County, and
10 dozens of other ancillary buildings and services.
11 We have around 6,000 employees, and we are
12 certainly a major user of electrical power. We
13 measure our power consumption in megawatts.

14 And for us, when we lose power, it's more
15 than just an economic hardship, of course, much
16 more than an inconvenience. We have people whose
17 lives are at risk and who may be on life support,
18 or may need emergency surgery or other services.
19 Obviously there is more to our point of view when
20 it comes to continuous supply of electrical power
21 than just the economics involved which, of
22 course, is also a factor for us like every one.

23 Now, no one in this room enjoys paying money
24 that they don't have to pay. So, everyone would
25 agree that fair rates are important. And I have

1 faith that, first of all, Florida Power & Light
2 wouldn't be asking for additional charges if
3 they've already been paid, and I also have faith
4 that the auditors will be able to figure out what
5 is fair.

6 My point in being here is a couple things.
7 First, to say that we couldn't ask for a better
8 partner than Florida Power & Light in the
9 day-to-day operations of trying to do what is
10 necessary to keep our buildings with power. They
11 help us plan to provide redundancies and
12 reliability infrastructure to help ensure the
13 continuity of electrical power. When we call
14 them as we often do, either Sandy Sanderson or
15 Daryl Gilberg or others on their staff couldn't
16 be more willing and cooperative in helping us
17 determine what our needs are, and helping make
18 sure that our needs are met. And that's on a
19 day-to-day basis as well as during emergencies
20 created by a storm.

21 So, my first point is a major user is very
22 supportive of Florida Power & Light and what they
23 do in terms of normal operations and in preparing
24 for disasters. You won't find a customer who is
25 more interested in the reliability of power and

3 of the promptness of restoring power than we are.
4 We think we are well served by Florida Power &
5 Light. They continue to improve. And my main
6 message is please do not shortchange their
7 ability to continue to improve and be prepared
8 for these types of outages. Thank you.

9 CHAIRMAN BAEZ: Questions of Mr. Mills?
10 Thank you, sir.

11 Walt Johnson. Good morning, Mr. Johnson.

12 MR. JOHNSON: Good morning, Mr. Chairman,
13 members of the Commission, members of the Staff.
14 My name is Walt Johnson. I'm executive director
15 of the Space Coast Economic Development in
16 Titusville. That is not the same organization,
17 by the way, that Jim McCarthy represented a few
18 moment ago. We represent businesses in north
19 Brevard exclusively.

20 After the storms, we had a number of calls
21 from businesses that were out of electricity, of
22 course. I called the very busy Mr. Sandy
23 Sanderson -- I heard his name many times during
24 this -- to see what could be done. And Sandy
25 explained to me FPL's commitment to get as many
people back on-line as quickly as possible. And
we discussed the businesses that needed the

1 electricity to get many people back working as
2 soon as possible.

3 Between us we worked together to establish
4 priorities for those businesses. And Sandy did a
5 marvelous job. FPL did a marvelous job of
6 getting them back on-line as quickly as possible.

7 I don't know the numbers that you have been
8 tasked with. Of course, that is your job. But I
9 can tell you FPL performed wonderfully. The
10 system worked. I can only submit to you please
11 be sure that you don't do anything to replete the
12 quick and efficient response that FPL gave to the
13 citizens it serves. Thank you.

14 CHAIRMAN BAEZ: Any questions of Mr.
15 Johnson? Thank you, sir.

16 Arthur Licata. Mr. Licata.

17 Mark Ryan.

18 MR. RYAN: Good morning, Mr. Chairman. I'm
19 sure you are familiar with the NFL term "upon
20 further review". Upon further review I came here
21 not intending to speak. So, I guess I need to be
22 sworn in.

23 (Whereupon, Mr. Ryan was sworn at this
24 time.)

25 MR. RYAN: Thank you. Yes, upon further

1 review, I have chosen to speak. Mr. Chairman,
2 members of the PSC, I come here as the city
3 manager for the City of West Melbourne. I have
4 to preface my comments stating it is my belief
5 that the International City Manager Association
6 Code of Ethics does not allow me to speak for or
7 against the rate increase. I do not intend to
8 address that issue. However, as a municipal
9 representative, I can speak of first-hand
10 experiences that I dealt with during this
11 unprecedented storm event. I can't tell you what
12 happened in Melbourne Beach. I can't tell you
13 what happened in Cocoa Beach. I was too
14 cotton-picking busy in West Melbourne. I can't
15 tell you about people being out of power for 15
16 days and 20 days, whatever.

17 I can tell you what happened in our
18 community. I can tell you that our community did
19 experience power outages not unlike any other
20 community. Those power outages resulted in raw
21 sewage going down the streets because lift
22 stations didn't have power. It caused shelters
23 that people were at to not have power, and to
24 have the raw sewage from those shelters flow down
25 the streets. But I can tell you that through my

1 conversations and dialogue with people such as
2 Mr. Craig Back (Phonetic) of Florida Power &
3 Light I was able to work hand-in-hand with those
4 officials to prioritize those lift stations and
5 to get the service back on-line to those critical
6 issues.

7 Yes, there are critical things that have to
8 be served, that have to come back on-line
9 quickly: Hospitals, water treatment plant,
10 sewage treatment plants, police stations, fire
11 stations. And we did work with those with
12 Florida Power & Light to get those on quickly.
13 Should that list be tweaked? Absolutely. That
14 dialogue is going on right now, and will continue
15 to go on.

16 There are things that have to be addressed.
17 But as a city representative, I have to tell you
18 that, in a perfect world, there wouldn't be any
19 hurricanes. I try get my Mayor to pass an
20 ordinance prohibiting them; it wouldn't work. In
21 a perfect world, there are hurricanes, and we
22 have to deal with them. I saw first-hand
23 dialogue and communications with Florida Power &
24 Light. Was it 100 percent perfect? No. But I
25 was pleased with the outcome. Thank you.

1 CHAIRMAN BAEZ: Thank you, Mr. Ryan.

2 R.L. Spellman.

3 MR. SPELLMAN: Good morning. I am just
4 pleased to be here and to make this testimony.
5 Who do I represent? Me. I'm not even sure I
6 represent my wife. I live in Palm Bay, Florida.
7 And we were without power like everyone else was.
8 And so, I'm interested in an education program.

9 What's being done to let us know how we can
10 improve our service to our area? The trees need
11 to be cut down. Florida Power & Light wants to
12 help us do this. And there is an item in there
13 to really begin to take care of it, helping
14 citizens do something about their own situation
15 rather than just being involved like this.

16 And we did face some down time. Was it more
17 down time than we needed to face? Was it FPL's
18 fault, or was it simply that we did not pay any
19 attention to the power lines around and about us?
20 How do we solve this issue? It seems so simple,
21 but yet we need to get the citizens together to
22 be able to do something about our own situation
23 rather than just come and say FPL doesn't deserve
24 this or FPL does deserve this.

25 This is a time for belt tightening.

1 Everyone else is being asked to do it. We need
2 to take a look at the reserves. I have not read
3 the line items like you all have, and budget
4 items. You know what the facts and figures are
5 there.

6 Then salary increases, can you be sure that
7 the whole spectrum of FPL employees get the
8 salary increases rather than just it goes to the
9 top? How will this budget item be handled? What
10 authority will you have over it once it's passed?
11 Do they come back and report that we've done
12 these things, or is this just an increase and
13 then they're allowed to do as they want?

14 You can see I don't understand the process,
15 and I'm trying to. There are probably some other
16 things. And I sort of feel like John The Baptist
17 of always crying in the wilderness, go and make a
18 straight path where everybody can have a fair and
19 equitable collective rates. Thank you.

20 CHAIRMAN BAEZ: Mr. Spellman, I don't know,
21 it seems from the order in which you were called
22 that you may have gotten here after I was
23 speaking.

24 MR. SPELLMAN; I got here about 15 minutes
25 ago.

1 CHAIRMAN BAEZ: First of all, what I would
2 urge you to do, we do have numbers -- if there
3 are any questions about the process, if there are
4 any questions you may have -- you have a lot of
5 them -- I dare say most of them can get answered
6 fairly and simply because you can get a hold of
7 Staff after the hearing, or if not, we do have
8 numbers where you can call and ask your
9 questions. If the PSE Staff can't answer it for
10 you, kind of explain certainly our role in the
11 process, I know the company is available to
12 answer your questions, or at least explain what
13 they feel their role in the process is as well.

14 MR. SPELLMAN: I do appreciate your
15 courtesy. Even though you may be salaried, you
16 still have to give up a lot of time to get this
17 job done. And just keep up the good work.

18 CHAIRMAN BAEZ: Not at all. We are happy to
19 do it. Thank you, Mr. Spellman for your
20 comments.

21 Dr. Joesting.

22 DR. JOESTING: I'm Dr. Joesting, a resident
23 of Melbourne. I speak as an individual, and also
24 for my husband who chose not to be here because
25 he knows I am quite angry at Florida Power &

1 Light.

2 I have biked ten miles to get here because
3 I'm on social security -- we are on social
4 security -- and I have a part-time job, and I
5 live frugally, and I keep wondering why Florida
6 Power & Light can't.

7 There are all kinds of rumors floating
8 around about this storm cost recovery surcharge.
9 And I understand it's going to be for three
10 years. No surcharge has ever been rescinded in
11 the history of the world after three years.

12 We were 13 days without electricity from
13 both hurricanes. I was told by Duke Power
14 Florida Power & Light lacks organization and
15 planning. This is what I was told by the Duke
16 Power officials.

17 I also researched going off the grid. It
18 would cost us \$40,000 to go off the grid so we
19 can have solar power, air-conditioning and our
20 computers, et cetera.

21 The State of California is promoting
22 alternative sources of energy. I suggest that
23 Florida Power & Light applies to Arnold
24 Schwarzenegger for a grant because our governor
25 is obviously opposed to anything regarding saving

1 the environment, et cetera.

2 By the way, I have had real good expenses
3 with. We do everything to cut out the lights and
4 we do everything proper as I said. There is a
5 rumor that the surcharge will also go to the
6 executives. Fire the men, please, and hire
7 women; we work for a lot less.

8 Thank you so much.

9 What are you going to do about alternative
10 sources of energy, and what are you going to do
11 to plan for the next hurricanes? All of you have
12 heard that Dr. Sheets -- who carefully lives in
13 Colorado -- has said repeatedly that we are going
14 to have all these extra hurricanes, and this time
15 we have a neighbor who is predicting a tsunami
16 coming very soon to this area.

17 Thank you all. And please do something
18 about alternative sources of energy, and don't
19 saddle people on social security with a
20 surcharge. Thank you so much.

21 CHAIRMAN BAEZ: Thank you, Dr. Joesting.

22 Pat Reed.

23 Mr. Rains.

24 Mr. Reed, we are going to take you just
25 after Mr. Rains. Thank you, sir.

1 MR. RAINS: Good morning. I'm Rob Rains. I
2 am president of United Way of Brevard County.
3 This is my first PSE hearing, and I have to say
4 it's been an illuminating morning -- a little
5 pun. I have to say that I really applaud the
6 process. I really didn't know how this all
7 worked.

8 I appreciate hearing the case from FPL, Mr
9 McLean's case, and appreciate you all being here,
10 and Staff being here, and everybody playing their
11 respective role. I think this is terrific, and I
12 appreciate you asking for community input.

13 I just have to agree with the sheriff's
14 comment that the fruit stand comparison is not
15 really an apples-to-apples analogy of how FPL
16 works in our community. I see FPL in times of
17 disaster as a really true community partner. I
18 think you've heard that throughout the morning.

19 I was at the Emergency Operations Center
20 throughout the storm helping answer the phones,
21 working with the VOAD and other groups, and FPL
22 was terrific. As were all of the community
23 partners -- law enforcement, the county --
24 everybody that played an extraordinary role when
25 three storms hit our county.

1 But I was there at those briefings, and
2 would see the FPL folks come up and talk about
3 how 200,000 people were without power; the next
4 day it goes down to 100,000, just the
5 significance of progress that's made restoring
6 power, and that was tremendous.

7 Also, as was mentioned by Dr. Beach, and
8 some others, agencies like hospitals and such are
9 in their plan to restore power quickly, but they
10 adapted for smaller community-based organizations
11 like Community Kitchen, like the Two On One Call
12 Center, like the United Way that was not in their
13 pre-plan to get that power restored. They were
14 able to make adjustments, and get us up and
15 running so we can fulfill our mission to smaller
16 community-based issues. They were adaptive.

17 And I think it does matter the quality of
18 their people and their staff that does give us a
19 sense of trust.

20 I had the opportunity to know many of the
21 Florida Power & Light workers. One story of
22 several months after the storm, I ran into a
23 group of them at a local establishment and
24 listened to them talk about weeks away from home,
25 doubling up in little hotel room, nothing

1 extravagant, and working 16-hour days, going to
2 bed, trying to figure out how they are going to
3 get their clothes washed, getting up and being
4 away from their families.

5 That struck home for me because you've heard
6 of military brats. I am an FPL brat. Both my
7 mother and step-father worked for the power a lot
8 of years. My step-father passed away five, six
9 years ago. My mom has been retired 20 years.
10 So, you know, no current arrangement or anything
11 with FPL.

12 But I remember being in a small child
13 growing up in Miami and being quickly shuffled to
14 my grandmother to watch myself and my three
15 brothers while my parents went out and worked
16 storms. We wondered why our parents weren't
17 there for long periods of time.

18 So, the human factor is important. And I
19 think that you will see this morning that
20 community leadership is strongly in support of
21 FPL, and the quality of their folks, and there is
22 a trust factor there. I think also that you've
23 heard that there is a trust factor with you and
24 the process as you review the technical pieces of
25 this. And we are encouraged that you will do the

1 right thing. We know that you need a strong FPL
2 here in our community.

3 I thank you for our time this morning.

4 CHAIRMAN BAEZ: Questions of Mr. Rains?

5 Thank you, sir.

6 Mr. Reed.

7 MR. REED: Thank you. My name is Patrick
8 Reed. I live at 484 Blackhawk in Micco. For
9 those of you who are not familiar with Micco, it
10 is in the very southeastern part of Brevard
11 County, straight down US1.

12 Just a little background for you ladies and
13 gentlemen, I had 36 years in the electric utility
14 business with a company in Michigan called DT
15 Energy changing from laborer in my early years to
16 a supervisor of operations for half of our
17 company's region.

18 Just a little conversation about the two
19 hurricanes. The first hurricane we were out 39
20 hours. I think FPL did a fantastic job. The
21 fact that they got whacked a second time was what
22 seemed to really put them in a tailspin. We were
23 out nine days the second time, and after that we
24 had intermittent outages due to some poorly saved
25 wire right in front of our subdivision for four

1 days until the sheriff's department came down and
2 saw it and we finally got somebody from FPL out.
3 My neighbors and ourselves called repeatedly.
4 Apparently they couldn't quite understand what
5 the problem is.

6 What I am leading up to is this: After the
7 first hurricane, we had about 14 or 15 broken
8 poles in a span of about 10 or 12 miles. They
9 replaced those poles with the same class pole.
10 After the second hurricane, we had 49 or 50
11 broken poles in that same 10 or 12-mile stretch.
12 They replaced those poles with the same class
13 pole after they were broken the second time.

14 I don't mind paying extra to get this system
15 upgraded. In fact, it is in very grave need of
16 being upgraded. But the problem is that they're
17 going back and staying with safe. They have been
18 talking about going underground. I am sure you
19 all are well aware with the technology today, as
20 far as the state offshore drilling, makes it much
21 cheaper, much easier to go underground. Also, it
22 appears the system is very lacking in stata which
23 is all remotely controlled operating systems so
24 they isolate portions of the circuits and restore
25 it a flick of a switch in the remote operating

1 center.

2 Lastly, I don't know if you know it, but as
3 a customer, I have no idea what Florida Power &
4 Light's emergency storm plan is. It's been
5 discussed previously that they go after hospitals
6 and water systems and so forth. Every utility
7 does this. But do you people have a criteria for
8 requiring them to restore a specific number of
9 customers per hour during this storm? That's one
10 example.

11 Another example is how do you mandate that
12 they set-up their storm foreign crews? To give
13 you an example, as far as I know, they were
14 running crews two hours each way to
15 accommodations. So, out of a 16-hour day they
16 lost four hours. You are only going to get
17 12-hours of product out of time with them.

18 Plus if the newspapers are correct, and I'm
19 sure they are, they had to have a rather large
20 chunk of repairs money for an airport down in
21 Sebastian. They could have had some advance
22 planning.

23 What I am asking for from you folks is a
24 good plan from FPL, and communicating it to us so
25 we know what's going to happen, not if the next

1 storm hits but when.

2 That's about it. Thank you very much for
3 your time.

4 CHAIRMAN BAEZ: Thank you, Mr. Reed.

5 That is the last witness I have. Is there
6 anyone else in the room that -- can you state
7 your name please?

8 MR. BREWSTER: Bob Brewster, 2107 Cox Road
9 in Cocoa. I felt guilty, and I still feel a
10 little guilty. My power went out in all of the
11 storms, but it was only out for 24 hours. I hear
12 these people say they were out for 16 days, 15
13 days and so on. So, I feel guilty.

14 But I don't feel quite as guilty now as I
15 did because I looked back at it listening to
16 these people that what I did was I live on an
17 850-foot flag off the street. When I first moved
18 in -- I have a medical problem I'm sorry -- but
19 they kept coming up cleaning my trees, et cetera.
20 The last ten years they haven't come up. So,
21 they have been neglectful.

22 So, just before the storm, my neighbor and I
23 went down, we cleaned the whole 850 feet. That's
24 why I didn't lose power. I did have a 45-degree
25 leaner over the power line that was over my

1 driveway as well. I couldn't drop that tree. I
2 called I don't know how many times. Trucks came
3 out. One manager came out. And snidely he said,
4 "We'll get it in three or four weeks." And
5 here's a dangerous situation. Every time I went
6 under this tree I accelerated the car going up my
7 driveway as did everyone one else going up my
8 driveway had to do.

9 This is a dangerous situation that they left
10 all this period of time. And I believe it was
11 like retaliation because I did, in the beginning,
12 question why so many trucks were sitting over in
13 the power yard and we had thousands -- tens of
14 thousands of people without power. And later on,
15 out of the blue, I was talking to a friend of
16 mine and she said that it was because that a
17 power person told her that they waited between
18 storms. They pulled the trucks back because
19 there was another storm coming, and they didn't
20 restore the power. They just waited until it
21 come back. So, a lot of people stayed without
22 power, maybe longer than they should have.

23 I predict the next storm we shouldn't have
24 as much damage because most of these trees were
25 down now that were neglected in the beginning.

1 Thank you.

2 CHAIRMAN BAEZ: Questions of Mr. Brewster?

3 Mr. Brewster, thank you.

4 Is there anyone else that did not sign up to
5 speak that would like to speak?

6 Seeing none, Miss Fleming, can you update us
7 on the next hearing, and if there is anything
8 else we need to do before we adjourn?

9 MS. FLEMING: Would you like an update on
10 the next customer site hearing?

11 CHAIRMAN BAEZ: You can go ahead and
12 announce that.

13 MS. FLEMING: If you turn to the special
14 bulletin which is the green hand-out that was
15 given out to the customers, we will have another
16 service hearing tomorrow starting at 10 a.m. in
17 West Palm Beach; another one tomorrow night
18 starting at 6 p.m. in Stuart, Florida. And those
19 will conclude the service hearings for this
20 docket.

21 CHAIRMAN BAEZ: Thank you, Miss Fleming.

22 Commissioners, any other matters that we
23 need to take up at this point?

24 I want to thank all the customers that came
25 out to give us some public input. We really do

1 appreciate it. It's a very important part of our
2 process, and I hope everyone will agree there
3 were several good questions that were laid out
4 that we hope to get some response, get some
5 progress on, as well as a couple of suggestions
6 as far as I can recall.

7 Again, thank you all for coming out. We are
8 adjourned. Have a good day.


9 (Whereupon, these proceedings concluded at
10 this time.)
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CERTIFICATE OF REPORTER

I, Patricia A. Migliaccio, RMR, Court Reporter do hereby certify that I was authorized to and did report the foregoing proceedings, and that pages 1 through 112 are a true and correct record of my stenographic notes.

Dated this 21st day of April, 2005 at Melbourne, Brevard County, Florida.



PATRICIA A. MIGLIACCIO
Certified Realtime Reporter
Registered Merit Reporter