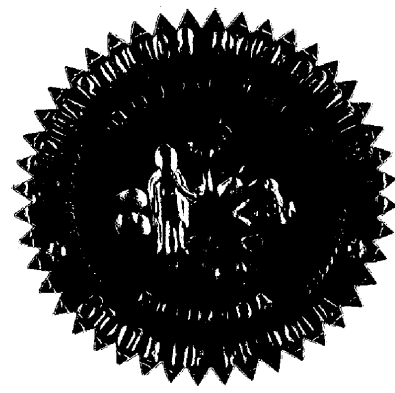


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 060038-EI

In the Matter of:

PETITION FOR ISSUANCE OF A STORM
RECOVERY FINANCING ORDER, BY FLORIDA
POWER & LIGHT COMPANY.



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PROCEEDINGS: FT. MYERS SERVICE HEARING

BEFORE: CHAIRMAN LISA POLAK EDGAR
COMMISSIONER J. TERRY DEASON
COMMISSIONER ISILIO ARRIAGA
COMMISSIONER MATTHEW M. CARTER, II
COMMISSIONER KATRINA J. TEW

DATE: Wednesday, March 1, 2006

TIME: Commenced at 1:00 p.m.
Concluded at 3:10 p.m.

PLACE: School Board of Lee County - Board Room
Dr. James A. Adams Public Education Center
2055 Central Avenue
Ft. Myers, Florida

REPORTED BY: JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
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(850) 413-6732

DOCUMENT NUMBER-DATE

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20
21
22
23
24
25

I N D E X

PRESENTATIONS BY:	PAGE NO.
JENNIFER BRUBAKER	7
PATRICK M. BRYAN	11
GEISHA WILLIAMS	13
CHARLIE BECK	17
SCHEFFEL WRIGHT	21
MICHAEL B. TWOMEY	24

WITNESSES

NAME:	PAGE NO.
WILLIAM A. MAHLBACHER	
Direct Statement	30
MEL FISHER	
Direct Statement	36
PETER DYS	
Direct Statement	38
MICHAEL FARLY	
Direct Statement	45
MICHAEL A. BOYLE	
Direct Statement	49
ROBERT ACKMAN	
Direct Statement	51

	PAGE NO.
1 INDEX OF WITNESSES CONTINUED:	
2	
3 RICK DIAZ	
4 Direct Statement	55
5 SUSAN EVANS	
6 Direct Statement	60
7 LAURA ALLEN	
8 Direct Statement	66
9 TESS CANJA	
10 Direct Statement	70
11 SENATOR DAVE ARONBERG	
12 Direct Statement	72
13 JANICE GROVES	
14 Direct Statement	77
15 THOMAS KOCHHEISER	
16 Direct Statement	78
17 ANGELA FISHER	
18 Direct Statement	81
19 GARY A. PRICE	
20 Direct Statement	84
21 MARIETTA MUDGETT	
22 Direct Statement	87
23	
24 CERTIFICATE OF REPORTER	91
25	

P R O C E E D I N G S

1
2 CHAIRMAN EDGAR: Good afternoon. We will call this
3 customer service hearing to order. My name is Lisa Edgar, and
4 I serve as the chair of the Florida Public Service Commission.
5 With me here today I have all of my colleagues. To my right
6 Commissioner Carter, Commissioner Deason, and to my left
7 Commissioner Tew and Commissioner Arriaga.

8 Ms. Brubaker, will you please read the notice.

9 MS. BRUBAKER: Certainly. Pursuant to notice this
10 time and place has been set aside for the purpose of conducting
11 a customer service hearing in Docket 060038-EI. The purpose is
12 as set forth in the notice.

13 CHAIRMAN EDGAR: Thank you. And I'd like to go ahead
14 at this point and start by taking appearances from the parties.

15 MR. BRYAN: Patrick Bryan, attorney for Florida Power
16 and Light Company.

17 CHAIRMAN EDGAR: Thank you, Mr. Bryan.

18 MR. TWOMEY: Madam Chair, Commissioners, Mike Twomey
19 on behalf of AARP.

20 CHAIRMAN EDGAR: Thank you, Mr. Twomey.

21 MR. WRIGHT: Robert Scheffel Wright on behalf of the
22 Florida Retail Federation.

23 MR. BECK: Madam Chairman, my name is Charlie Beck
24 with the Office of Public Counsel.

25 MS. BRUBAKER: And Jennifer Brubaker for Commission

1 staff.

2 CHAIRMAN EDGAR: Thank you. Okay. Well, let me
3 again welcome all of you here. Thank you for joining us. We
4 have come here from Tallahassee because we are very interested
5 in hearing what the customers, what the consumers think about
6 the proposal that has been filed with the Commission by Florida
7 Power and Light.

8 We will be having a brief presentation from our staff
9 that will lay out the matter that is before us, and then we
10 will be hearing brief presentations from each of the parties.
11 Then we will open it up to customer service comments. And,
12 again, that is what we are here for, to listen to the customers
13 and hear whatever information it is that you think will be
14 helpful to us, whatever it is you would like us to know.

15 This is an official hearing. It will be transcribed
16 and become part of our official record. As such, you will need
17 to be sworn in before you present your comments, and we will
18 take care of that here in just a few minutes. Your comments
19 will also be subject to cross-examination. But before we get
20 to that, I will go ahead and would like to make a few other
21 comments.

22 We have staff from the Public Service Commission who
23 are here and will be available to answer any questions that you
24 might have. We have Mr. Durbin, who is at the door. Ms.
25 Moses, Ms. Brubaker, our staff counsel, also Mr. Jenkins and

1 Mr. Lee. And if any of you are in the room, PSC staff? Are
2 you here or out in the hall? And Mr. Jenkins here in the back,
3 so please if you have any questions, please look for these
4 folks, and they can be helpful to you, as well.

5 We have speaker sign-up forms that are right outside
6 the door here. If you would like to speak to the Commission
7 during this proceeding today, please sign up on the form.

8 Mr. Beck with the Office of Public Counsel will be calling
9 names from those sign-up sheets.

10 We also have some green customer comment forms that
11 are also available at the door. If you don't want to speak but
12 would like to provide written comments, that is a very good
13 easy -- a very good way and an easy way to do that.

14 And I think that covers the opening comments. And
15 so, Ms. Brubaker, if you will please discuss the petition
16 before us.

17 MS. BRUBAKER: Certainly. Thank you. I appreciate
18 the opportunity. I just want to make a few short comments
19 about the petition that is pending before us, to talk a little
20 bit about the Commission hearing process, and also to talk a
21 little bit about some of the hurricane issues that the
22 Commission is dealing with at this time in addition to this
23 docket.

24 As I read from the notice, we are conducting these
25 service hearings today to hear from the customers of Florida

1 Power and Light concerning both FPL's request for the issuance
2 of a storm-recovery financing order, and also its ability to
3 provide service after the hurricanes.

4 In 2005, the Florida Legislature addressed the issue
5 of recovering from storm damage -- the storm damage restoration
6 costs by creating Section 366.8260 of the Florida Statutes.
7 And this statute authorizes the Commission to approve the
8 issuance of bonds for replenishing a utility's storm damage
9 reserve, both for damages that have already taken place and,
10 also, future damages in anticipation of future catastrophic
11 storms.

12 All storm-related costs arising from named storms
13 that occurred in 2004 or thereafter are eligible for recovery
14 under this statutory program. And FPL has filed its petition
15 pursuant to that statute.

16 Now, this slide will show a little bit about how FPL
17 has calculated the amount it's requesting in the storm-recovery
18 bonds at issue in this docket. First, FPL determined that its
19 total costs for storm damage in 2005 were 826.9 million, and
20 then added its unrecovered 2004 storm costs of 213.3 million.
21 They then added 650 million to replenish the storm reserve, and
22 then the bond issue -- bond issuance cost was estimated to be
23 \$11.4 million. They subtracted the estimated income tax effect
24 of 652 million, and this results in a final requested amount of
25 \$1,049.6 million.

1 Next slide. Now, FPL is requesting to recover the
2 bonds over a 12-year period, and the utility estimates that the
3 results of issuing bonds over a 12-year period would result in
4 a reduction of the current storm-recovery surcharge of \$2.09 to
5 \$1.58 per monthly bill for a residential customer using 1,000
6 kilowatt hours.

7 I would like to talk, also, a little bit about the
8 Commission hearing process. The process started with FPL
9 filing its petition. And after the petition was filed the
10 Commission staff and the intervening parties engaged on an
11 ongoing fact-finding process called discovery. That process is
12 still going on at this time. Service hearings are scheduled
13 like the one that we are having here today for the purpose of
14 hearing from FPL's customers, and there is also a technical
15 hearing that takes place in Tallahassee. It is currently
16 scheduled to begin on April 19th.

17 As I mentioned before, the purpose of the service
18 hearings is to hear from FPL's customers. The Commission is
19 very interested to know about the customers' testimony
20 concerning the company's request, as well as FPL's efforts to
21 restore electric service after catastrophic storm events like
22 hurricanes. The company and the other parties will have an
23 opportunity to present their testimony from their witnesses at
24 the technical hearing in Tallahassee. Because this is a
25 hearing like a court proceeding, again, as the Chairman said,

1 your testimony will be sworn in. It will become a part of the
2 official record in this proceeding.

3 After the technical hearing takes place in
4 Tallahassee, the parties will put forth their own witnesses and
5 cross-examine the other parties' witnesses. And once the
6 hearing is completed the parties will be responsible for filing
7 legal briefs, which is essentially a summary of the evidence as
8 they see it, and how they think the Commission should rule in
9 this docket.

10 After the briefs are filed, the Commission staff will
11 prepare, basically, a recommendation to the Commissioners which
12 will recommend what action the Commissioners should take based
13 on the evidence presented, and the Commission will consider the
14 staff recommendation at a public meeting and make a final vote.
15 And the final vote in this case is currently scheduled for May
16 15th, 2006.

17 Thanks.

18 Next slide. Last, I would like to briefly comment on
19 some of the other hurricane-related activities that are
20 currently ongoing at the Commission. The Commission recently
21 held a workshop which included state and local governments as
22 well as electric utilities and independent technical experts.
23 The purpose of the workshop was to discuss ways to minimize
24 storm damage and its impact on customers. Some of the
25 short-term actions that were discussed at this workshop include

1 pursuing a three-year vegetation management cycle, and that
2 includes things like tree trimming, replacement of wooden poles
3 with steel and concrete, and audits of joint use pole
4 attachment agreements which are, for instance, electric utility
5 and a telephone or cable utility.

6 On February 7th of this year, the Commission ordered
7 electric utilities to establish an eight-year pole inspection
8 program. And the poles must meet National Electric Safety Code
9 requirements. That requires also that the poles must be
10 strengthened or replaced if they have lost one-third of their
11 total strength. Utilities must also perform certain types of
12 inspections and evaluate pole attachments. Again, this would
13 be not only electric wires and equipment, like transformers,
14 but also include things like wires and cables from telephone
15 and cable TV companies.

16 And with that, I conclude my comments and thank
17 everyone for the opportunity to speak.

18 CHAIRMAN EDGAR: Thank you, Ms. Brubaker.

19 And now I will open it up for some brief
20 presentations from the parties.

21 Mr. Bryan, you're first.

22 MR. BRYAN: Thank you, Chairman Edgar, Commissioners
23 and staff. Good afternoon. My name is Patrick Bryan. I am an
24 attorney representing Florida Power and Light. In a moment you
25 will hear from Geisha Williams, FPL's Vice-President of

1 Distribution. She will make a short presentation.

2 But, first, I want to inform you, our customers here
3 today, that we have several customer service representatives
4 here in the facility. They have on-line computers, and they
5 can access account information immediately. And they are here
6 to meet with any customer who has an issue, a problem, or a
7 question with their electric service or their electric account.
8 And they will try to resolve any issues you have right here on
9 the spot today. If that's not possible, they will do their
10 best to resolve them within 24 hours, and we will report the
11 results back to the Commission.

12 We have Ms. Marlene Santos, FPL's Vice-President of
13 Customer Service, here to today to assist in that effort. I
14 would encourage all customers to take advantage of this
15 opportunity today. If you are interested, we have some
16 representatives in the back of the room, Mr. Haney and
17 Ms. Albury, and they can assist you to the customer service
18 representatives.

19 At this time, then, I would like to introduce Geisha
20 Williams.

21 MS. WILLIAMS: Chairman Edgar, members of the
22 Commission, PSC staff, ladies and gentlemen. Before I start,
23 Chairman Edgar, is it all right if I turn and face our
24 customers?

25 CHAIRMAN EDGAR: Yes.

1 MS. WILLIAMS: Thank you.

2 Good afternoon, everyone. My name is Geisha Williams
3 and I am Vice-President of Distribution for FPL. I'm
4 responsible for the infrastructure that delivers electricity to
5 your homes and your businesses. I'm also responsible for
6 hurricane readiness, restoration and recovery. I want to thank
7 the Commission for allowing me the opportunity to speak today,
8 but I want to especially thank our customers, public officials,
9 and any emergency managers who are here today. As Ms. Brubaker
10 said, this hearing is really about hearing from you, our
11 customers, so my remarks this afternoon will be short.

12 In 2005, our communities were impacted by four
13 hurricanes, Hurricanes Dennis, Katrina, Rita and Wilma. These
14 hurricanes caused significant damage and millions of customer
15 outages. Every one of these hurricanes posed very unique
16 challenges, and we adjusted our plans and our restoration
17 efforts accordingly. Take Hurricane Wilma, for example. As a
18 Category 3 hurricane when it made landfall just south of here,
19 south of Naples, and then crossed the state as a Category 2,
20 exiting just south of Jupiter, Hurricane Wilma hit the most
21 heavily populated area of our service territory and left 3.2
22 million customers without power, making it the most significant
23 restoration event we have ever had to deal with as a company.

24 How did we perform? Well, by day three we restored
25 power to a million customers. By day five we had restored

1 power to over two million customers. And in 18 days we were
2 able to restore power to just about everyone who had been
3 impacted by this terrible storm.

4 Independent third-party benchmarking on both
5 restoration speed as well as infrastructure performance
6 indicated that we performed well, especially when compared to
7 other utilities also dealing with hurricane restoration in the
8 recent past. But just as we do every year, we reviewed our
9 hurricane restoration in detail. We collected extensive data
10 to really understand, not just what happened, but why it
11 happened, the underlying causes of the damage. We also engaged
12 KEMA, an internationally renowned firm especially to help us
13 understand and help us assess our system, our processes and
14 overall performance.

15 What did we learn from KEMA? Well, they validated
16 that our system is designed and built to meet and, in most
17 cases, exceed all required standards, and that our system
18 performed not only as it was designed, but as expected during
19 Hurricane Wilma. We had less than one and a half percent of
20 the poles in the direct path of Hurricane Wilma sustain any
21 damage. And KEMA noted that the primary cause for this pole
22 breakage was wind, hurricane force wind and not deterioration
23 as some have suggested.

24 Additionally, Davies Consulting, a firm with
25 extensive experience in the electric utility industry, they

1 noted that FPL's pole failure rate has been less than the pole
2 failure rates of other utilities facing hurricanes, as well.
3 We believe that this demonstrates both that our pole
4 maintenance practices have been sound, but also that our
5 construction standards, which are 50 percent higher than what
6 is required, have served our customers well in the past.

7 We have had two back-to-back horrific years with
8 hurricanes. And, unfortunately, the forecast for the future is
9 not much better. We are looking at probably a decade or two of
10 the same. Clearly, the weather in Florida is changing and so
11 must we. That means that while our system has performed as it
12 was designed to, we are going to undertake significant changes
13 to make it stronger, to make it more resilient to hurricanes.

14 Recently we requested approval from the Commission to
15 implement our storm secure plan. A five-point plan to provide
16 solutions for future hurricane events. Let me be specific
17 about these initiatives. First, we will harden our system by
18 building to a higher extreme wind standard. Second, we will
19 encourage underground conversion by investing in part of the
20 cost of these conversions. Third, we will inspect our poles on
21 an eight-year cycle. Fourth, we'll increase our line clearing
22 activities and promote the right tree, right place program.
23 And, finally, we will be completing repairs from 2005 and
24 strengthening our facilities before the start of the '06
25 hurricane season. We are confident that these initiatives will

1 help us to provide a more resilient electric system to face
2 future hurricanes.

3 Unfortunately, the technology does not exist today to
4 make any electric system anywhere totally hurricane proof. The
5 reality -- the reality is that when hurricanes strike, there
6 will be outages. And when outages occur, we will be there for
7 our customers again, ready to restore service as quickly and as
8 safely as possible.

9 Because of this, the cost of storm restoration is a
10 reality, too. Since Hurricane Andrew we have been unable to
11 get insurance to cover our electric system for hurricane
12 damage. So the Florida Legislature has created a mechanism to
13 recover costs related to hurricane damage and to prepare for
14 future hurricane events by selling bonds. The money from the
15 bonds goes directly to pay for storm-related costs, and the
16 Public Service Commission will ensure that only prudently
17 incurred expenses are reimbursed. This cost recovery mechanism
18 is known as securitization, and it represents the most
19 cost-effective method for our customers.

20 We wish that hurricanes would not occur, but we live
21 in Florida, and it is really beyond our ability to stop them.
22 Our job is to respond as quickly and as safely to restore power
23 to our customers in the least amount of time. We will make the
24 necessary investments, apply state of the art technology, and
25 continue to build on what we've learned already. Most

1 importantly, we will continue to listen to the communities and
2 to our customers and what they expect from us. We will always
3 strive to do more, to do it better, because we know you are
4 counting on us. And by working together in partnership with
5 the communities we serve, Florida and all of us as Floridians
6 will have a stronger future.

7 Thank you. And thank you for coming today.

8 CHAIRMAN EDGAR: Thank you, Ms. Williams.

9 Mr. Beck.

10 MR. BECK: Thank you, Madam Chairman, Commissioners.

11 Good afternoon. My name is Charlie Beck with the Office of
12 Public Counsel, and I want to thank everybody for coming out
13 this afternoon. It's a hard day to be inside when it's so
14 beautiful outside, so we appreciate you taking the time to be
15 here.

16 Our office is separate from the Public Service
17 Commission. We were created by the Legislature to represent
18 customer interests at the Public Service Commission, and we
19 appear there as a party, just like the AARP is here and the
20 Retail Federation is here. We appear as a party the same as
21 they do. And we will get to cross-examine Florida Power and
22 Light's witnesses, we get to present our own case, and we are
23 preparing reports now and examining evidence that was gathered
24 from Florida Power and Light going through thousands of
25 documents and asking questions. We are in the midst right now

1 of doing that. We are going to file testimony. Four weeks
2 from Friday, on March 31st we will be presenting our case.

3 The statute that Florida Power and Light came here
4 and is asking for the securitization requires that all the
5 charges must be reasonable and they must be prudent. And those
6 are the two key terms that we are looking at in our office as
7 we review the materials from Florida Power and Light. To
8 assist us in doing this we have hired two firms, one is an
9 accounting firm looking at the accounting practices of Florida
10 Power and Light, and the other is an engineering firm,
11 R. W. Beck, which is not related to me, but is a national
12 engineering firm.

13 Now, with respect to prudence, we just want to
14 briefly say some of the things we are looking at. The
15 engineering firm is looking at the prudence of the charges that
16 Florida Power and Light is proposing and there's a number of
17 issues. One is the pole inspection program. Ms. Brubaker of
18 the staff stated the PSC has recently implemented a new program
19 requiring eight-year inspections of all poles. We are
20 supportive of the PSC doing that and Florida Power and Light's
21 five-point program, but this case deals with what happened
22 before. And as necessary and important as it is to make
23 improvements going forward, this case looks at the prudence of
24 what's happened from the hurricanes.

25 Florida Power and Light's pole inspection program in

1 the past is vastly different. From 1991 to 1998 they had no
2 formal pole inspection program. When they re-instituted it in
3 1999, they started inspecting at a rate of about one percent of
4 their poles each year. So you can imagine it will take quite a
5 long time to inspect their poles at that rate. Our engineers
6 are looking at that, whether that's a reasonable and prudent
7 action by the company and determining, if not, then whether any
8 of those actions contributed to the extent of the damage. And
9 I don't know what their conclusion will be, that's one of the
10 things we are looking at, but to the extent that they might
11 find that that wasn't prudent and that it contributed to the
12 damage, then we are going to ask the Commission to make Florida
13 Power and Light pay that themselves rather than passing it on
14 to customers.

15 Another issue deals with their transmission
16 structures. In one of the worst failures, they had 28
17 transmission towers cascade in a row down during the storm.
18 That was caused by loose bolts. Florida Power and Light says
19 that they installed the bolts consistent with the practices
20 that existed at that time. Our engineers are looking at that.
21 They're looking at whether that was proper given the way that
22 FPL had installed their towers. That is another important
23 issue we are looking at.

24 Also the line clearing and tree trimming. Florida
25 Power and Light recently has increased the tree trimming that

1 they are doing and the line clearing. We are going to look at
2 their practices before to determine whether that is prudent and
3 whether all those charges should be passed on to the customers
4 to the extent that any damage was caused by that.

5 The second issue we're looking at besides those
6 prudence issues and the engineering issues are the accounting
7 issues. And we feel that Florida Power and Light is
8 double-counting on a number of issues in the charges that they
9 have made.

10 Right now all customers pay base rates, and that
11 includes a certain level of expense, the normal salary expenses
12 of their employees, such as the normal level of overtime. And
13 what Florida Power and Light has done in their surcharge is
14 they are asking that the regular salaries of their employees,
15 the normal overtime and the extra overtime that they put in on
16 the hurricanes, that all of that be charged through this
17 surcharge. Well, we feel to the extent that it includes the
18 normal expenses that these employees have to the company, that
19 is a double count. Because you've already paid for it once
20 through base rates, you shouldn't have to pay for it a second
21 time through the surcharge.

22 There is a whole series of things, it is not just
23 salaries and overtime. The call centers, their vehicle
24 operation expenses, the tree trimming, all of those things that
25 were done in the hurricane. To the extent they are prudent,

1 and to the extent it is incremental to the normal expenses, we
2 are not objecting to it, but we do object to it to the extent
3 it includes those charges that are already included in the base
4 rates.

5 Thank you all for coming. We look forward to hearing
6 from you.

7 CHAIRMAN EDGAR: Thank you, Mr. Beck.

8 Mr. Wright.

9 MR. WRIGHT: Thank you. Like the others, may I face
10 the audience?

11 CHAIRMAN EDGAR: Yes.

12 MR. WRIGHT: Thank you. Good afternoon. My name is
13 Schef Wright. I'm an attorney based in Tallahassee, and I have
14 the privilege to be here today representing the Florida Retail
15 Federation, which is an organization of more than 10,000
16 Florida retailers, including the very largest consumers of
17 electricity in the state and some of the very smallest in terms
18 of operations.

19 Like the Public Counsel, who represents all
20 customers, we represent customers, too. We represent
21 retailers. But in this case our interests are exactly the same
22 as every residential customer and every industrial customer.
23 And those interests are basically to ensure that the PSC makes
24 the best decision and doesn't allow FPL any more money than
25 they absolutely need and that they are absolutely entitled to

1 based on the appropriate statutory criteria, and that they
2 don't have any greater storm reserve than is reasonable and
3 prudent.

4 We, too, are actively participating in the case
5 conducting discovery, and we are addressing all the same issues
6 that Mr. Beck mentioned.

7 Our positions, because we are early in the process of
8 the case, are necessarily preliminary, but this is a quick
9 summary of the Retail Federation's positions. The PSC should
10 thoroughly scrutinize all of FPL's claimed costs and allow
11 recovery of only those costs determined to be reasonable and
12 prudent. They should ensure, as Mr. Beck said, that there is
13 no double-counting of costs, that you are not paying twice for
14 a person's time, once through base rates and once through
15 surcharge. The Public Service Commission should thoroughly
16 scrutinize FPL's pre-storm maintenance activities and ensure
17 that any restoration costs that were incurred because of the
18 inadequate pre-storm preparation and pre-storm maintenance not
19 be borne by customers, but rather that those costs be borne by
20 FPL's shareholders. The Public Service Commission should not
21 allow FPL to recover any amounts, sometimes called lost revenue
22 or lost revenue recovery, to give FPL money for sales that it
23 didn't make.

24 I apologize, I think this is right, and I'm quoting
25 from the staff's, the Public Service Commission's special

1 report. I think the current surcharge is not \$2.09, which is
2 what was shown in the staff's presentation, but \$1.65 per
3 thousand kilowatt hours, and that is on the PSC special report
4 Page 3. FPL is proposing a slight decrease from that amount,
5 \$1.65 per thousand kilowatts to \$1.58. But here is the thing.
6 A rate increase, FPL is proposing to extend the surcharge by
7 around an additional ten years. An additional ten years at a
8 rate that is only a teeny bit less than the current rate is a
9 rate increase no matter how you cut it. Yes, it is less
10 dollars per thousand kilowatt hours next month, but it is for
11 ten extra years, folks.

12 PSC does also need also to ensure that whatever it
13 allows FPL to recover and however it does it, whatever method,
14 whether it is the securitization program or something else, be
15 the most cost-effective method of allowing FPL to recover
16 reasonable and prudent costs.

17 Finally, it is our position that FPL does not need
18 anything like the staggering storm reserve of \$650 million that
19 it is requesting. In last year's rate case we advocated a
20 position consistent with that advocated by the AARP and also by
21 the Office of Public Counsel. That's something more like --
22 our number in that case was a \$20 million a year accrual, which
23 would produce \$100 million over five years. We believe
24 strongly that that is a completely adequate reserve for
25 going-forward purposes, especially in light of the fact that

1 FPL now has a nice quiver of arrows, existing law and
2 preexisting law, as well as the new securitization legislation
3 that enables them to get ready recovery of extraordinary costs
4 like they did for the 2004 storms and like they are in the
5 process of doing for the 2005 storms.

6 Thanks very much.

7 CHAIRMAN EDGAR: Thank you, Mr. Wright.

8 Mr. Twomey.

9 MR. TWOMEY: Madam Chairman, Commissioners, ladies
10 and gentlemen, good afternoon. My name is Mike Twomey. I'm an
11 attorney also located in Tallahassee. I am appearing in this
12 case on behalf of AARP, which has some 2.7 million members
13 throughout the state of Florida, many of whom are served by
14 Florida Power and Light.

15 I want to tell you as well that AARP was in the 2004
16 storm case that FPL brought before the Public Service
17 Commission, participated in the 2005 FPL rate case that was
18 settled by the parties and FPL, as well as the 2005 fuel
19 adjustment proceeding that was concluded last year. And we are
20 here to ask the Public Service Commission to do a most thorough
21 job, as you have heard from Public Counsel and the Retail
22 Federation.

23 Florida Power and Light, as you saw from the slides,
24 is obviously asking for a lot of money. It is well in excess
25 of one billion dollars. It is the -- in my view, I believe I'm

1 correct, it is the largest single case in the Public Service
2 Commission's history. Notwithstanding that, the Public Service
3 Commission by virtue of the law the Legislature passed last
4 year, presumably at the request of the electric utilities, the
5 PSC only has 120 days within which to decide this case. A far
6 shorter period of time than allowed in the typical rate case,
7 whether it be for a big electric company or even a small water
8 and sewer company. Small time window, lots of things to do.

9 Now, Mr. Wright said the company is asking for \$1.58,
10 which is just marginally smaller than what the Commission
11 approved for the 2004 storm recovery, but they're asking for it
12 over the course of 12 years. In a sense that is a gross
13 number, i.e., it's 12 months times \$1.58 times 12 years. It's
14 144. And if you only use a thousand kilowatt hours per month,
15 which almost nobody does, okay, the average for this company,
16 they can correct me if I'm wrong, but I think it is something
17 in excess of 1,200 kilowatt hours per month for residential
18 customers, which includes condos, apartments, and that kind of
19 thing. But if you use just 1,000 kilowatt hours, and you are
20 charged \$1.58 for 144 months, that will be a little over \$227
21 that they will collect from the average customer through their
22 request to the PSC. It is a lot of money.

23 Let's examine the components that were shown to you
24 on that billion dollars in the slide earlier. The 2004
25 unrecovered storm balance is essentially off the table; that

1 is, it has already been litigated in a previous PSC decision.
2 As I think Mr. Wright suggested to you, that amount included
3 \$34 million designated for lost revenues. We think that was a
4 mistake. Mr. Wright said, hopefully, we won't see that again
5 in this case, money going back to the company for electricity
6 they couldn't sell because the lines to your homes might have
7 been down. That's off the table.

8 The 2005 storm damage, essentially 827 million,
9 Mr. Beck said and Mr. Wright said the parties have an
10 obligation to examine the elements that go into that huge
11 amount of money. The Public Service Commission sits as a
12 judge, and they have to find that the expenses were reasonably
13 and prudently incurred, and, just as importantly, that the
14 money they are trying to collect from you for the 2005 storms
15 was the result of storm damage. It can't be deferred
16 maintenance, maintenance they didn't bother to do in 2005 or
17 earlier, like tree trimming, maintenance on buildings and that
18 type of thing that they should have been doing through rates
19 paid through your base rates, dollars you've already paid. If
20 they find that, they shouldn't get it, or if there was
21 negligence or negligence of a sort, that is, hand tightening
22 these nuts on the transmission towers that fell down, then the
23 company or its contractors and vendors should have to bear that
24 loss, not you all. A billion dollars is a lot of money. We
25 are going to try and see that it is limited to the greatest

1 extent possible. The Commission has an obligation under the
2 law to sit as judges and give them only what they are entitled
3 to.

4 The last element that everyone has told you about is
5 replenishing the company's storm reserve fund. They want \$650
6 million. AARP doesn't have a settled number yet, but we think
7 it should be substantially lower. Probably the worst thing
8 that could happen is if they have to -- we have more hurricanes
9 this year or next year, God forbid, and they have to spend more
10 than what they have now. They will always be able to come back
11 to the Public Service Commission and ask for more, and we can
12 kind of pay as we go. One of the things we are concerned about
13 is not putting too much money in the storm reserve that comes
14 out of your pocket and have it sitting there waiting for a very
15 rainy day.

16 Now, lastly, the residential customers don't just pay
17 once. If the Public Service Commission gives this company
18 everything it's asking for, which I doubt they will, you will
19 pay through your residential bills, but you will also pay
20 through your taxes and other fees you pay. If the company gets
21 more money, school boards and universities will have to pay
22 more. The universities, I read recently, are asking for, I
23 think, an additional 21 or \$22 million to make up for increased
24 electric rates, okay? Who is going to pay for that? It comes
25 out of tax dollars. If the local schools have higher electric

1 rates, you are going to pay for it through your ad valorem
2 taxes. If the rates go up and your city and county governments
3 have to pay higher electric bills, who is going to pay for it?
4 You are. The county and the city don't have independent
5 sources of money that is independent of their constituents, the
6 taxpayers, okay?

7 Lastly, as suggested by Mr. Wright, if the electric
8 rates go up, Publix, Lowes, Winn-Dixie, you name it, everybody
9 that uses electricity will pay more, and unless they are going
10 to eat that additional cost, they have to raise their rates,
11 the cost of their goods and services sold, and you pay again,
12 okay?

13 Now, I mention that because there is a cumulative
14 effect, and we have an evidentiary hearing today. You will be
15 sworn, those of you who testify, and it will be part of the
16 official record of this case. AARP, because of this cumulative
17 effect and because of my role of representing them in the
18 evidentiary case, AARP doesn't believe that prudent
19 governments, whether city or local, or prudent school boards
20 and universities, or for that matter, prudent businesses come
21 before the Public Service Commission and say, yes, we like the
22 idea of increased rates. Keep in mind, we are following huge
23 increases in the 2004 storms, historically high fuel adjustment
24 charges recently approved. Prudent people don't come in and
25 say, yes, we want rate increases to this company from this

1 Commission. They may come in and say we want the Public
2 Service Commission to do a good job, analyze, give them only
3 what they are entitled to. I say that because we've done this.
4 This is about the third iteration of these type of hearings in
5 the last year and a half or so, and we have had a lot of people
6 come in, too many in my view, and say, yes, give them more
7 money. And we think that's wrong.

8 Thank you for your attention.

9 CHAIRMAN EDGAR: Thank you, Mr. Twomey.

10 I would like to thank the parties for making their
11 presentations informative and concise. Thank you.

12 As I mentioned earlier, in order to be called to
13 speak today, I need to ask you to sign up on the speaker forms
14 that are at the door. They are just outside the door into the
15 room. And as I mentioned earlier, here in a few minutes when
16 we come to that point, I will ask Mr. Beck from the Office of
17 Public Counsel to work from that list to call people to the
18 podium for your opportunity to make comments on these issues.

19 As was also mentioned earlier, this is, again, part
20 of the official record of the proceedings that this Commission
21 is having on the petition that has been filed with us. So I am
22 going to swear you in in a moment, and there will be the
23 opportunity for the attorneys who are representing the parties
24 and also for Commissioners to ask questions if, indeed, they
25 have any.

1 So with that, for those of you who would like to
2 speak, I'm going to ask you to stand and raise your right hand,
3 and we will do this -- we will do this all over the room
4 together.

5 (Witnesses sworn simultaneously.)

6 CHAIRMAN EDGAR: Thank you. When you come to the
7 microphone, if you would, please state your name, your address
8 and your phone number, and that will help the court reporter,
9 and will help all of us with the official transcript of the
10 proceeding. And if you would also give the name of the
11 electric service provider that you use. I know that would also
12 be helpful to us, as well. And with that, Mr. Beck.

13 MR. BECK: Thank you, Madam Chairman. The first
14 witness this afternoon is Mr. William Mahlbacher.
15 Whereupon,

16 WILLIAM A. MAHLBACHER

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

19 DIRECT STATEMENT

20 MR. MAHLBACHER: My name is William Mahlbacher, 13056
21 Fourth Street, Fort Myers, Florida 33905. Telephone number
22 239-690-7262. Did I forget anything? Okay.

23 I have been in South Florida for better than 60 years
24 and I knew FPL when they were a good company. I have no
25 quarrel with the guys that get in the trucks and climb the

1 poles. They're outstanding. I wouldn't have anybody else.

2 I have three categories for FPL people. There's the
3 truck drivers and pole climbers, and then there is the guys
4 that graduate from that. You know, everybody wants to go up a
5 little bit, besides up the poles. They are the car drivers,
6 the white car drivers, and then there is the rest. I suspect
7 that the rest are the ones that I really have the problem with.

8 One of the things -- I've been dealing with these
9 folks for a long time. I am an electrical, or was an
10 electrical contractor. I'm retired now because I got tired of
11 working. I remember when FPL was -- they had substations out
12 in places like Lehigh and places like that. They had poles out
13 there, you could pay your bill out there and all of that. Now
14 in the age of computers -- I like computers. Don't get me
15 wrong, I like computers. I think they are neat things. They
16 are great for controlling heavy equipment, you know. The
17 generators they have got out here, I'd love to get in their
18 generator rooms and see how that all works. I like doing
19 controls personally. But, somewhere along the line, I got the
20 feeling that they were taken over by a committee of lawyers,
21 politicians, and used car salesmen. That didn't fly very good,
22 did it? Okay. I'm not going to do a stand-up routine here.

23 But, you know, their bottom liners, or I feel like
24 their bottom liners. They want to make as much money as
25 possible. I have no problem with making a lot of money. I

1 think everybody should try to do that, but don't try to make it
2 all off of me.

3 And, you know, they are not -- they are not a free
4 company out there. I like the free market system. I'm all for
5 that. I am a libertarian myself. I hold my nose and vote
6 Republican. That didn't fly very good, either.

7 All right. Let's get to the meat of this thing. I
8 called them folks one time and asked them to come out and trim
9 my trees, because that was right after Charley, Charley blew
10 through here. And I asked them to trim my trees, and the guy
11 comes out there, and he says, they don't need trimming. You
12 know, you can look up there. If this is a power line and
13 you've got a tree like this and it falls over, it's going to
14 take the power line out. And on my block there was tree that
15 did that. It wasn't my tree, but it was another tree. And it
16 took them five days to get out there..

17 Now, that doesn't sound like too long a time. Gee,
18 you know, a big hurricane, it blew a bunch of stuff down. The
19 thing is nobody came out there for five days. And when they
20 came out, they had a crew out there that chopped up the tree
21 that was there, and they had it done in three hours. It took
22 them five days to do a three-hour job.

23 Those crews are good crews. They are good people.
24 If you try to ask them too many questions, they'll back off
25 because, you know, nobody wants to bite the hand that feeds

1 them. And if you talk to the guys that have graduated up to
2 the cars, they don't want to bite the hand that feeds them,
3 either. And the hand that feeds them, you can't talk to them.
4 You can't -- try calling them up sometime on the public service
5 telephone, the 1-800 number they give you. That is a joke.
6 The phone tag you have got to play with that is a joke.

7 I'd rather they do like some of these other companies
8 and get some company to answer their phones out of Pakistan or
9 India, at least you get a human being. They don't talk where I
10 can hear them, or understand them. I don't hear real good
11 either. But, you know, they are at least human. I don't want
12 to talk to computers. I like to play with them, but I don't
13 want to talk to them. Although I hear they are getting pretty
14 good at it.

15 You know, you hear -- you hear the media say what a
16 wonderful job they are doing and all of that. And what the
17 media is telling you is that these guys that are in the trucks,
18 they are the ones that are doing a good job. The suits, the
19 ones, the third category, all the others, those people are
20 riding the coattails of some very good electricians. I
21 wouldn't do that kind of work. That is 13,000 volts up there.
22 I wouldn't climb up that pole no matter what you gave me, but
23 those guys do it. They pull the switches off first, but they
24 do it, and just trace the stuff out.

25 The blocks to the south of me, which is where the

1 power comes from, all had power the first day or two. The only
2 thing that was stopping my block was that tree that was cut
3 down, or that fell over onto the -- that should have been cut
4 down to begin with, that fell over onto the wire, and that was
5 a three-hour job. They could have had that thing out of there
6 on the second or third day.

7 And, you know, tracing that stuff isn't rocket
8 science. I can go out there and trace the line and see the
9 little switches that they have to pull off. They are circuit
10 breakers. And I can go see where the people that do have
11 power, where their lines come in and how it connects up to
12 mine. And I can tell that, you know, they're ignoring me. It
13 isn't just a great big power line that's down out here, it is
14 mine, the one on my block.

15 So, I've got a lot of horror stories about FPL that
16 I'm not going to go into. I mean, this is a resentment I have
17 built up over 20 or 30 years. So, you know, and I've got some
18 friends in FPL. I really do. Some of my best friends are, but
19 their hands are tied. They aren't from that other category.

20 I've been through a lot of hurricanes. I grew up in
21 Miami. I know what they are, how bad they get. I know what
22 kind of damage they can do and, you know, I don't see -- I rode
23 around the lake right after Wilma, and it was about Veteran's
24 Day, and there was a lot of it still tore up and so on, but it
25 wasn't FPL that was doing it. It was Pike, some outfit out of

1 Texas, you know, several other places. There was some FPL out
2 there, but it was other places.

3 You know, I don't know how -- you know, I can't get
4 into the creative bookkeeping that people do to justify
5 whatever it is they are trying to justify, that's beyond my
6 scope. But I do know that they were better 20 or 30 years ago
7 than they are now. That I know. I know that they could have
8 gotten to my place sooner than they did. I know that they
9 could cut my trees down if they wanted to. But somebody in a
10 white car who graduated up from the pole climbers, he has been
11 told -- you know, I don't know that he actually has been told,
12 but I suspect that he has been told we don't want to cut any
13 trees that aren't, you know, actually touching the lines.

14 I would like to cut things down myself, but that is
15 13,000 volts up there. I don't want to, you know, I don't want
16 to be down at the bottom cutting on that thing and have it fall
17 over on that power line. You know, that could get down right
18 nasty. I don't want to do that.

19 CHAIRMAN EDGAR: Safety first.

20 MR. MAHLBACHER: Okay. Did I talk too long?

21 CHAIRMAN EDGAR: Oh, no. I said safety first,
22 always.

23 MR. MAHLBACHER: Yes, safety first. I'm all for
24 that. And God bless the ones that climb the poles and ride in
25 the trucks. You know, the death rate for those guys, I've seen

1 what -- you know, when I was a kid down in Miami I seen a
2 couple of guys get fried on some of them lines up there. It
3 ain't pretty. And they do good work, they do hard work, tough
4 work, and God bless them, I wouldn't do it. But they do good
5 work. It is the others, that other category that I have a real
6 problem with. If they really wanted to save money, let them
7 fire all their lawyers, all of they're -- I'm sure I've
8 alienated just about everybody now -- all of their PR people.
9 You know, get rid of those people. You would save a lot of
10 money that way, and try and do a good and decent job. You
11 know, go back to what FPL used to be, a good local company.

12 I think I have talked enough. Thank you very much.

13 CHAIRMAN EDGAR: Thank you, sir.

14 Mr. Beck.

15 MR. BECK: The next witness is Mel Fisher.

16 Whereupon,

17 MEL FISHER

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

20 DIRECT STATEMENT

21 MR. FISHER: Good afternoon. My name is Mel Fisher,
22 11860 East Terry Street in Bonita Springs, 34135. Phone number
23 239-992-0711, and we are a customer of FPL.

24 I have been down here in Florida about 31 years in
25 some form of environmental protection, health and safety.

1 Presently I'm the operations director for Bonita Springs
2 Utilities, and I have been in that position for the last nine
3 years. We are a medium-sized water and wastewater utility
4 between Fort Myers and Naples serving about 36,000 customers.

5 Power restoration following a storm is critical to
6 any water and sewer utility. We do have emergency generators
7 that can power our water and wastewater plants, certainly. But
8 like most utilities, many of our 310 lift stations do not have
9 emergency generators. We do have fixed generators at our
10 master lift stations and six portable generators which we made
11 a lot of use of with Hurricane Charley and Hurricane Wilma, but
12 it would take an additional \$9 million to provide emergency
13 generators at all of our lift stations for our customers.

14 To avoid raw sewage spills into rivers and other
15 waterways, it's critical for any water and wastewater utility
16 to have power restored as soon as possible. We experienced 100
17 mile an hour winds, approximately, in Bonita. We just happened
18 to be kind of in between, and we were quite -- we were more
19 fortunate than Naples and Marco Island, certainly, for
20 Hurricane Wilma, and we are certainly more fortunate than
21 Sanibel and other areas to the north during Hurricane Charley.
22 But we had about 100 mile an hour winds during both of those
23 storms.

24 We had some power outages, certainly. We had
25 throughout our franchise area power outages. But I personally

1 was able to talk to an FPL representative during the day and
2 the night, personally talked to a live person and that was
3 critical.

4 We are in the health business in the water and sewer
5 business, and we can't be allowing raw sewage to go down the
6 streets and into the rivers. With FPL's power and help
7 throughout these storms, I just wanted to end by saying with
8 their help, and some great people on my side with our utility,
9 we never lost service, water or sewer service to any of our
10 customers.

11 Thanks.

12 CHAIRMAN EDGAR: Thank you, Mr. Fisher.

13 MR. BECK: The next witness is Peter Dys.

14 Whereupon,

15 PETER DYS

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

18 DIRECT STATEMENT

19 MR. DYS: My name is Peter Dys. I'm the president of
20 Shell Point Retirement Community near Sanibel. The address is
21 15000 Shell Point Boulevard, Fort Myers, Florida 33908.
22 Telephone number 239-466-1111.

23 The responsibility on the back of the Commission is
24 one that I laud, and one that I hope that you always take
25 seriously because you are in a position where you are watching

1 out for the customer in every respect.

2 I'm president of a community with nearly 2,000 people
3 over the age of 60, and the bulk of them the average age is 80,
4 just a little over 80 for the 2,000 that are there. So,
5 obviously the rate increases that occur, whether they be by
6 fuel increases or other increases, are a vital concern for any
7 consumer. And I think that a lot of prudence has to be played
8 on the part of those regulating authorities as you monitor what
9 is going on, and that's on your shoulders.

10 Today I would like to speak, though, just briefly
11 from a little experience. As I said, we have about 2,000
12 residents over the age of 80, and 1,200 independent apartments,
13 but we have 500 beds that are skilled nursing and assisted
14 living. The average age in about 240 of the assisted living
15 facilities is 87 and a half. And the average age in the
16 skilled nursing facility is just about 90. So we have some
17 very vulnerable people that are a part of our community, and it
18 is a critical aspect of trying to make decisions as it relates
19 to hurricane planning and/or other care.

20 Obviously, we do not have temperatures that stay
21 below a certain level. When the heat and humidity soars in the
22 facility, we by law must get them out. And it is not easy to
23 find a place to take two or 300 people at one time. So it's a
24 vital concern for us to have adequate utility support.

25 I would also, historically, just like to create for

1 you, I have been in Florida in this position over 20 years. I
2 remember the first five or six years one of the things that I
3 impressed me as I was there is that the constant blipping of
4 electricity. It would just go off. And with it would be all
5 sort of surges and other kinds of problems. And I've, with
6 great pleasure, watched that those issues have been resolved.
7 I'm not knowledgeable about the infrastructure that it took to
8 do that, but they have been resolved. And we have good solid
9 consistent service if I compare it to what I have seen before.
10 That is a very important aspect to us even though we do our
11 part as best we can to manage that.

12 Over the years, too, starting in the '90s our
13 organization, because we have such huge utility obligations and
14 thus costs, have been working closely with FPL, our carrier, to
15 try to find out what is the best way we can economize for our
16 own operation, as well as work on behalf of FPL, to get our
17 mutual efforts to work so we've got an effective service to
18 meet the needs of a highly dependent population that we face.

19 We were very pleased in our efforts and were
20 supported with a lot research that they helped us with and that
21 we sought from the outside that was challenging to them to find
22 ways that we could enter into a thermal energy storage system.
23 And with the rebates system that came with it, it was vital.
24 That grew until the past five years, we have now our own energy
25 plant where we use high energy thermal storage, over 220 tanks,

1 where we buy electricity on the off-peak hours and run on ice
2 throughout the day, so that all of our air conditioning and
3 much of our support for the community, including heat recovery,
4 is done off that plant.

5 We have taken advantage of the rebate. I believe it
6 has been an advantage to FPL because it pushes out their
7 financial obligation on further infrastructure development, and
8 it's a benefit to our operation and thus to the people we serve
9 because we can hold those utility rates down. I think that
10 challenge is going to constantly be with us. But it's the
11 historic picture that I paint for you that we have worked on
12 because we feel an obligation, and we have been pleased to work
13 with FPL with success to get that fully operational and
14 functional.

15 We are one of the largest energy thermal plants this
16 side of the Mississippi River. We have done a fair amount of
17 research to enter into the huge obligation that we have
18 financially put into this to see to it that we are going to
19 pick up this financial benefit in a protracted period of time.

20 More specifically today, though, I think I feel
21 compelled to speak a little bit about the hurricanes that we
22 have gone through. At our community we have our own on-site
23 hurricane shelter just because I'm faced with the onerous
24 obligation of increasing or advancing death on a number of our
25 patients by moving. Simply moving that number of people to any

1 other location at that age is going accelerate their decline.
2 It's a very sobering decision. And we made a decision to make
3 our own on-site shelter with our own generators. Fortunately,
4 we are able to pull off from the air conditioning, the ice that
5 we have created in order to keep some of that going, but we are
6 highly dependent on the energy plant to see to it that we are
7 going to get that cold water to run our air conditioning
8 systems.

9 I have to tell you that in going through those
10 hurricanes I have sat with, worked with, and sweat along side
11 of our staff and residents, nearly 15 to 1,800 people for 15,
12 20, 30 hours in a hurricane shelter. And immediately afterward
13 as we deployed our management team back to the various
14 facilities to get them back up and running, we had to depend on
15 energy, obviously. So we got our generators running to the
16 buildings that we run by generators, but we still are dependent
17 on the energy plant in order to produce electricity and thus
18 the ice to push the water along for cooler temperatures to make
19 the air conditioning work.

20 I have to tell you in both cases, while we suffered
21 some significant damages to the buildings, in both hurricanes,
22 FPL was readily at our side to try to address those issues and
23 get those plants running. Responsive to telephone calls,
24 working diligently because of the high obligatory patient load
25 that we serve to get that facility up and operating. And

1 within 12 to 24 hours in both hurricanes we were back up and
2 operating with the cheers of residents to be able to go back to
3 an air-conditioned environment. With that, I not only felt
4 that we increased the quality of life and the work environment
5 for the staff that had to care for these patients, but we also
6 eliminated a lot of extra cost associated with quick
7 deterioration of those facilities. If they did not have
8 electricity four or five days, the mold advancement is just
9 beyond what you can recover from in some of these cases. And
10 by our quick jumping on this and getting the support of the
11 electrical support system that was important, we were able to
12 avoid a lot of that.

13 I guess as you ponder the onerous task that you have
14 when you make those decisions, you have got to make sure,
15 hopefully, that dollars are spent in a wise fashion to take
16 care of the customer. Whether it be the customer that is
17 paying the bill, or the customer that's utilizing the service,
18 or the customer that's generating the funds, that is going to
19 have to be your decision. But I have to speak to the
20 importance of being able to rely on a system. And I can tell
21 you that we have been able to rely on the system. And I can
22 only give laudatory claims to FPL for the service that they
23 have provided through a very critical time to a critical
24 population in order to get us back to normality as quick as
25 possible.

1 So with that I close my comments.

2 CHAIRMAN EDGAR: Thank you, Mr. Dys. Commissioner
3 Deason.

4 COMMISSIONER DEASON: I appreciate your comments.
5 One of the key issues in front of us is the question of issuing
6 bonds to cover the cost of hurricane restoration in building up
7 a fund or a cushion for future events. As a businessman, do
8 have any viewpoints as to whether that is a good concept or
9 not?

10 MR. DYS: Operationally, we deal with bonds, as well,
11 because in order to handle our debt load we are faced with the
12 same thing. In fact, it is becoming another critical issue
13 that we are facing on another front for property insurance.
14 When you are in a flood-prone environment where do insurance
15 companies with -- we have an asset value of about 300 million,
16 they're not real nuts about putting all their eggs in one
17 basket. And I feel we are going to end up having to look at
18 the same source in order to take the prolonged obligation in
19 that sort of funding. The adequacy of that or not, I'm not
20 sure it is appropriate, but it's what I think we are forced to
21 do to handle some of the infrastructure costs as they are
22 determined as a priority because of the huge amount of money
23 that is needed and the prolonged time in which you are going to
24 have to bear this cost.

25 Personally, we rely heavily on bond funds, because we

1 are able to protract that cost down the road and operate
2 efficiently in order to meet that. And, obviously, I have to
3 report to banks and bond holders that issue those commitments
4 just as you folks have to determine whether or not this is a
5 wise move. I can tell you from our standpoint, if we did not
6 have bonds we would not be in business.

7 CHAIRMAN EDGAR: Thank you, Mr. Dys.

8 MR. BECK: Thank you.

9 Michael Farly.

10 Whereupon,

11 MICHAEL FARLY

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

14 DIRECT STATEMENT

15 MR. FARLY: Michael Farly. Madam Chairman,
16 Commissioners, thank you. My address is 3750 Colonial
17 Boulevard, McGregor Baptist Church. My phone number there is
18 239-936-1754. I am the Director of Operation there. And while
19 certainly, I could never put it as eloquently as Mr. Dys has
20 just done, we basically have the same testimony right down the
21 line. We have the thermal storage.

22 For the past 23 years FPL has served us very well.
23 But until the time that we grew to the size we are now -- we
24 have 115 acres. We currently have 7,000 members in our church.
25 We are very event-driven and very prevalent with -- obviously,

1 with both Wednesdays and Sundays a lot of different people on
2 our campus, of course. And to run the energy management that
3 it takes, I have to be very deliberate with that. But up until
4 the time when we were on our DX units, money was obviously a
5 very expensive proposition for us. And working very closely
6 with FPL representatives we were able to get on the thermal
7 storage basis. We have nowhere near the size of Shell Point
8 Village, but we have currently 36 storage facilities. We also
9 run on a peak system, and it has been an extremely proficient
10 system for us.

11 And there again, we have had very good communications
12 with representatives of FP&L. There has never been a time that
13 we have not been able to get ahold of someone. There has not
14 been a time when we've asked for an energy management diagnosis
15 that that hasn't come to us very quickly on what we could save.
16 And, obviously, we wanted to be more proficient with the high
17 energy costs that we also have. That has always come very
18 quickly, and the working relationship we have has been very
19 good.

20 As far as just very quickly speaking, also with the
21 couple of storms. Obviously, no one has enjoyed the storms
22 that we have seen in the last couple of years. And, obviously,
23 we are told the next decade they will also be with us. But in
24 working with FPL very closely with those storms, we also
25 incurred, obviously, some have heavy damaging winds. And we

1 have a beautiful campus with a lot of trees, lost a lot of
2 trees, but we have never had a difficulty with someone coming
3 out and trimming trees along the power lines. And in all of
4 that time, with those two storms, the McGregor Baptist Church
5 was down a total of one day. There was only one day that we
6 actually did not have electrical service and that was up and
7 running also very quickly. So, again, the testimony is very
8 close to Shell Point Village.

9 I thank you guys very much that you have Commission
10 accountability. Obviously, in my profession I am also very,
11 very dedicated to accountability. And the job that you have
12 before you, I appreciate what you do considering the time that
13 it takes to do that.

14 But just from our perspective as a facility in this
15 community, if we don't continue to do the things that it's
16 going to take to see that the infrastructure is strong,
17 strengthened, and that it continues to keep up with, obviously,
18 the growing task of just the number of people and the number of
19 storms that obviously are going to hit us, then I think we are
20 doing ourselves an injustice in that. And I also think that --
21 you know, obviously, with the amount of people that we have in
22 our facility itself, that we need to continue to work on that,
23 that infrastructure and that communication, but we have always
24 had a very good communication with them in that aspect.

25 CHAIRMAN EDGAR: Thank you, Mr. Farly.

1 MR. FARLY: Thank you.

2 MR. TWOMEY: Madam Chairman.

3 CHAIRMAN EDGAR: Excuse me, Mr. Farly. If you
4 could --

5 MR. TWOMEY: I'll just stand here. I think the court
6 reporter can hear me. I should have asked the previous speaker
7 this, as well, but do you have a thermal storage program?

8 MR. FARLY: Yes, sir.

9 MR. TWOMEY: And am I correct in understanding you
10 get a rebate for that?

11 MR. FARLY: Yes, we do.

12 MR. TWOMEY: Do you know what the level of your
13 annual rebate is?

14 MR. FARLY: I believe we saw an annual rebate, a
15 one-time rebate of \$215,000 for that. That was the amount, the
16 dollar amount for a one-time rebate.

17 MR. TWOMEY: One-time. There's not a recurring
18 rebate in terms of --

19 MR. FARLY: No, there is not a recurring rebate.

20 MR. TWOMEY: And lastly, have you calculated what the
21 increase will be annually to your operation if this petition is
22 approved?

23 MR. FARLY: Currently I have not actually run the
24 numbers on that whether in thermal usage kW's or whether in
25 dollars, no.

1 MR. TWOMEY: Thank you.

2 CHAIRMAN EDGAR: Thank you, sir.

3 MR. BECK: Michael Boyle.

4 Whereupon,

5 MICHAEL A. BOYLE

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

8 DIRECT STATEMENT

9 MR. BOYLE: Chairman, Commissioners, I appreciate it.

10 Michael Boyle, Director of Public Works, City of
11 LaBelle, LaBelle, Florida 20934. 863-675-3820. We're a
12 Florida Power and Light customer.

13 I would like to tell you that we have worked with
14 Florida Power and Light for many years. I have been the public
15 works director over there for 22 years. I'm also the building
16 inspector. I sit on the EOC when storms come.

17 Florida Power and Light usually has a representative
18 sitting right beside us. I can go check my water plant and my
19 sewer plant at city hall, my street lights, my traffic lights
20 and come back and report to them what we are having a problem
21 with. They normally take pretty good care of us. We were able
22 to have our wastewater plant back on line Tuesday. Monday was
23 the hurricane. Tuesday the wastewater plant was back on.
24 Wednesday the water plant was back on. Thursday and Friday
25 most of my pump stations were back on. We never were without

1 utilities. We have standby generators at all of those
2 facilities, as necessary. We have 12 or 14 days of running
3 time at the water and wastewater plants. I have a whole lot
4 smaller system than Bonita, but I have six portable generators.
5 I have folks who were working all night long from one pump
6 station to the other to ensure that we have water and
7 wastewater.

8 As the building inspector, I also check the houses
9 and the power lines and stuff that were down around the road,
10 on the houses. We sustained a fair amount of damage. Most of
11 it was wind borne debris type stuff. I have contacts in the
12 EOC. I have contacts with the engineers that work day to day
13 on that. I actually call them for the inspections for all the
14 new facilities and houses that are actually built in the city
15 limits. Not only did I have contact with the people in the
16 EOC, I actually had contact when the cell phone started with
17 the Florida Power engineers that I work with every day.

18 They worked very quickly to get our critical
19 infrastructure back in place. They checked with us more than
20 once daily, and me with them, to let them know what areas were
21 still not on, what houses and roads we had a problem with,
22 which street lights we didn't have working, what traffic
23 signals weren't working. We have a very good working
24 relationship with them.

25 I don't envy your task. You have a very important

1 task. I think you will do a good job. But I want to tell you
2 that they have actually served us very well.

3 MR. BECK: Thank you.

4 Robert Ackman.

5 Whereupon,

6 ROBERT ACKMAN

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

9 DIRECT STATEMENT

10 MR. ACKMAN: Chairman, Commission. My name is Robert
11 Ackman. I am the South Florida District Manager for United
12 Rentals, office at 3250 45th Street, West Palm Beach, Florida
13 33407. Phone number 561-644-1064.

14 I would like to start by saying I'm a representative
15 of United Rentals, Incorporated. We are the largest equipment
16 rental company in North America with over 750 locations in the
17 United States, Canada, and Mexico.

18 United Rentals supports FPL's efforts in regards to
19 securitization. United is a vendor and a partner of Florida
20 Power and Light. In addition to being a partner, as well we
21 are a customer with approximately 20 commercial accounts in the
22 FP&L service area.

23 I would like to start by saying that United Rentals
24 does business with a lot of customers, both hurricane and
25 non-hurricane related. I want to share with the Commission and

1 everybody in this room that FPL has been by far the most
2 prepared company for hurricane season pre and post of our
3 entire customer base in the southeast region. This customer
4 base includes dozens of federal, state, and local government
5 agencies and municipalities.

6 We have worked very close with FPL, especially over
7 the past few years, working towards better preparing for
8 hurricanes and hurricane-related needs. We meet several months
9 prior to hurricane season to openly discuss ways to improve
10 performance and reduce costs. FP&L is constantly changing and
11 evolving to become more efficient.

12 The following are some of the things that come out of
13 or evolved from our meetings in regards to efficiencies and
14 cost controls. And I'm speaking in regards to our partnership.
15 United Rentals in cooperation with FPL created one United
16 rental branch that is a virtual branch in our system for
17 consistent billing and invoicing for many different URI branch
18 locations. The reason we did that is during a catastrophe such
19 as that, we bring equipment in from all over the East Coast of
20 the United States, from Florida all the way up to New York
21 sometimes depending. Big generators, what have you. So when
22 you have dozens, sometimes maybe a hundred branches of the 750
23 participating in the efforts, billing can be a nightmare. So
24 we created one virtual branch where, you know, all the rental
25 equipment is invoiced through that one branch for consistent,

1 you know, cost controls and what have you.

2 We worked closely with one transportation company to
3 maximize efficiency and costs. We provide detailed
4 spreadsheets for deliveries, pickups, which require signatures
5 from both parties. This helps with inventory tracking,
6 minimizes losses and helps control costs.

7 As well, we provided safety training for FPL
8 employees, which included fork lift operator certification.
9 This allowed FPL employees to operate the equipment which
10 allowed deliveries and pickups -- excuse me, which expedited
11 deliveries and pickups, reduced charges for standby time and
12 saved on transportation expenses. As well, we provided
13 employees to FPL in our branch locations and in the FPL storm
14 center 24 hours a day, seven days a week for seven-day a week
15 support. This helps improve service for FPL and, in turn,
16 helps get the power back on to customers sooner.

17 We had the capability as well to supply over 10,000
18 contractor supply items before and after hurricanes. These
19 items can be shipped from all of our distribution centers that
20 are located across the United States. We also provide FPL
21 revenue tracking by storm versus total revenue.

22 The reason I'm just bringing these all up is I just
23 want everybody to know that the efficiency and how hard FPL, as
24 well as our company, works in making sure that every dollar
25 spent is spent wisely. And, you know, it is very important

1 that everybody in the room knows that the money trying to be
2 raised, every dollar is spent wisely. It is not just
3 erroneously spent on anything.

4 In summary, I would like to say that I am proud to be
5 a partner with an organization such as FPL that has such a high
6 level of integrity as well as efficiency. In order to continue
7 to operate at this level in the current hurricane activity era,
8 resources are going to continually be an issue, additional
9 resources.

10 I heard a speaker a couple of speakers ago say that
11 the health of their business, the service you are going to be
12 provided as a customer is going to be directly affected if they
13 don't have these resources in order to continue to operate at
14 an efficient level. So in regards to raising funds for
15 hurricane recovery, the storm fund, it has to be there. And I
16 just don't see how the company could, under the current trend
17 in hurricanes, how the company could ask the shareholders to
18 bear that burden year in and year out. It definitely would not
19 be good for the economy. So that's all I have got.

20 CHAIRMAN EDGAR: Thank you. Mr. Ackman, could you
21 stay at the podium for questions?

22 Mr. Twomey.

23 MR. TWOMEY: Yes, sir. How many -- how many dollars
24 were well spent by FPL on your corporation as a result of
25 billings you made to them in the 2004/2005 hurricane season?

1 MR. ACKMAN: I don't have that information with me.

2 MR. TWOMEY: Do you have a ballpark figure?

3 MR. ACKMAN: I don't have that information. But we
4 are a public company, as well. I would rather not just spew
5 out numbers without having exact dollar amounts.

6 MR. TWOMEY: But you're a vendor?

7 MR. ACKMAN: And a partner, yes.

8 MR. TWOMEY: A partner and a customer. Thank you.

9 MR. ACKMAN: And by the way, as a retail customer, as
10 well, I spent the last two summers, approximately 17 days of my
11 life being without power. So I understand and empathize with
12 anybody who is frustrated with the process. But I just want
13 everybody to know the effort that goes into restoring your
14 power is a significant effort and it takes lot.

15 CHAIRMAN EDGAR: Thank you, Mr. Ackman.

16 MR. BECK: Rick Diaz.

17 Whereupon,

18 RICK DIAZ

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

21 DIRECT STATEMENT

22 MR. DIAZ: Good afternoon, Madam Chairman,
23 Commissioners. I'm Rick Diaz. I'm the Utilities Director for
24 Lee County Utilities. We are located, main offices at 1500
25 Monroe Street, Fort Myers 33901. My phone number is

1 239-479-8181.

2 We have been partners to FPL as well as LCEC, because
3 the service areas are such, and we are so spread out within Lee
4 County that we need the services of both entities. At a matter
5 of fact, Lee County, as our solid waste division, we are also
6 an electrical power producing entity, because we burn our
7 garbage, our solid waste, and we make up to about 6 megawatts
8 of power each day.

9 Very much like FPL and LCEC, we are sanctioned in our
10 rates that we charge our customers for the water and sewer
11 services that we provide. And we have to go to other forums to
12 discuss those.

13 We are aware that there is animosity about the
14 charges that FPL now is intending to increase, and it looks
15 like a rather large amount of money. When we were hit in 2004
16 and 2005 with the hurricanes that we did, we immediately -- we
17 prepared before we got hit. We immediately met with FPL and
18 LCEC to make sure that all the preparations on their behalf
19 were done, because there were a whole bunch of other
20 preparations in our behalf that we had to have ready, not only
21 morally, but also by law. We are required by Florida Statutes
22 to provide 72 hours of electrical power in every single water
23 plant and every single wastewater plant, so that if in any case
24 we lose power for whatever reason, that we can continue to
25 serve. And we are very proud to say that throughout both

1 hurricanes seasons we never stopped serving any one of our
2 customers for lack of power, even though we were producing our
3 own.

4 FP&L was very diligent in making sure that the items
5 or the components of our facilities that were most necessary
6 were handled in the speed that was most rapid for them to be
7 able to get to. Of course, there were many of our facilities
8 that operated under our power because the magnitude of the
9 damage that was felt in this area in different sites was huge.
10 And FP&L had through their own emergency agreements companies
11 set up to come in and -- like they were mentioned here, Pike
12 and others, to be able to immediately grab the bull by the
13 horns and take care of business and get the power back on line.

14 We were able to get our power restored in many ways
15 faster than other entities. But like the gentleman from Bonita
16 Springs was saying, what we were trying do in many cases was
17 prevent raw sewage to run down the streets and affect the
18 environment.

19 The first day I came for an interview here in Lee
20 County in 2000, I was looking over at the smoke stacks that FPL
21 had in their State Road 80 Fort Myers plant, and I was
22 thinking, huh, maybe that will be the desalination water in the
23 future for Lee County. Lee County and FPL have been working
24 together trying to come up with a mutual location for a
25 desalination plant that will utilize most definitely the power

1 produced by FP&L. And in the same fashion, FP&L has been
2 working with us trying to provide new feeders to our well sites
3 located in what we call the boonies, but, you know, it's in the
4 areas -- rural areas of Lee County, and have done so in a very
5 cooperative way with the interests of our customers as well as
6 their customers at all times.

7 FPL, to my knowledge, and, you know, as anyone can
8 see by themselves, changed the process of producing power in
9 this region by going from powdered charcoal and petroleum to
10 natural gas. That was a huge cost that I'm sure was provided
11 to the customers through a pass-on, even though it ensured that
12 the environment would be protected by not having to burn, you
13 know, powdered charcoal that is so damaging.

14 We realize that you have a difficult job ahead like
15 we do to oversee other utilities in Lee County. And I have,
16 personally, to get my commission my comments and my opinions as
17 to whether or not rate increases should go forward or not. I
18 am positive that FPL has been very cautious, and they have
19 presented evidence. I'm sure that you will be twice as
20 cautious in reviewing that. I just know that we have to
21 continue to be prepared, and I would rather have an electric
22 company that is prepared both financially and physically to
23 address the future that we will all be seeing. May God bless
24 us, and it is not as bad as people claim that it's going to be.

25 Those are my comments. I welcome any comments or

1 question that you may have.

2 CHAIRMAN EDGAR: Thank you.

3 Mr. Twomey.

4 MR. TWOMEY: Yes, Madam Chairman, just briefly.

5 Sir, you're not, through your comments, advocating to
6 the Commission that you support the level of increases being
7 proposed by FP&L, is that correct?

8 MR. DIAZ: To answer the question, I am in favor of
9 the increases that FPL is bringing forward as long as the
10 Commission is also in agreement. I mean, the way I see it, it
11 is your duty to go over those accountings, because it is all
12 numbers, and whatever the Commission decides that is what we
13 will be in agreement with.

14 MR. TWOMEY: And you are a county employee of Lee
15 County, right?

16 MR. DIAZ: Yes, sir.

17 MR. TWOMEY: Have you been authorized by your
18 superiors in the county to advocate this level of increases?

19 MR. DIAZ: Yes, sir.

20 MR. TWOMEY: Okay. And, lastly, do you know either
21 what the level of increases the utility operation will
22 experience as a result of the petition being approved as filed
23 and/or the level of increases for the county as a whole as a
24 consumer of FPL services? Do you know either of those?

25 MR. DIAZ: Yes. The consumer -- I'm not a personal

1 consumer of FPL services. My services that are being provided
2 to my home are being provided by LCEC. But, yes, we have been
3 notified by FP&L of those increases and what that will entail,
4 yes, sir.

5 MR. TWOMEY: And what level are they, the increases?

6 MR. DIAZ: What do you mean?

7 MR. TWOMEY: What dollar level of increases annually
8 will the utility operation or the county as a consumer of FPL
9 services feel as a result of the petition, if it is increased
10 in whole?

11 MR. DIAZ: I don't have that information here, sir.

12 MR. TWOMEY: Thank you.

13 CHAIRMAN EDGAR: Thank you.

14 MR. DIAZ: Thank you. Have a good day.

15 MR. BECK: Susan Evans.

16 Whereupon,

17 SUSAN EVANS

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

20 DIRECT STATEMENT

21 MS. EVANS: Good afternoon. Thank you for the
22 opportunity to speak today. My name is Susan Evans, Florida
23 Gulf Coast University. The address is 10501 FGCU Boulevard,
24 Fort Myers, Florida 33965. My telephone number is area code
25 239, 590-1057. I appreciate the opportunity to address you

1 today.

2 I wanted to speak just very briefly about the
3 university's experience with the recent hurricanes and also our
4 support of the long-range planning. We opened the state's
5 tenth university in 1997, and we are located on 760 acres of
6 land. We currently have 7,200 students. We have been growing
7 at about 17 percent each year. So our projections show a
8 student population of 20,000 within the next 10 to 15 years.
9 We also currently have 1,900 students who live on our campus
10 full-time. That number will increase to about 3,500 during
11 that same window of time that I mentioned.

12 The other part that is very important for us in terms
13 of storm restoration and the preparation that goes into that is
14 the fact that our sports arena on campus was built as a
15 hurricane shelter to the specifications with the assistance of
16 funding from Lee County. So in addition to having shelter and
17 space for our faculty and our students and staff, we also can
18 accommodate about 1,830 individuals during times of emergency.

19 After Hurricane Wilma we had an extraordinary
20 partnership with FPL. We worked closely with them, had a
21 number of our students who were unable to evacuate. Some
22 didn't feel it was necessary, so they stayed here. Their
23 parents weren't all pleased about that, but that was some of
24 their decisions. So we had a number of those people living on
25 campus during the aftermath and the preparation time for

1 Hurricane Wilma. We also had a number of students who were
2 concerned because the longer the university stayed closed, the
3 more in jeopardy they were of receiving credit and graduating
4 on time in December for our commencement.

5 So we worked closely with FPL as we do and have done
6 since the beginning of the university. They were able to
7 restore our power quickly. They understood our needs and
8 circumstances with young people living there on the campus, and
9 we were only responsible -- I'm sorry, we were only closed for
10 five school days as a result of that. It is a very important
11 relationship that we have with FPL.

12 I was fortunate. I came with the first five people
13 in 1993 to plan Florida Gulf Coast University. And one of the
14 first things that we did is we met with FPL and said, how can
15 we make this campus and this university as energy efficient as
16 possible? They came up with ideas for us to construct a
17 chiller plant on our campus. Even though we were very small,
18 we had five buildings at that time. Now we have 50-some-odd
19 buildings. But we did do the chiller plant and some other
20 energy savings programs that we have done in conjunction with
21 them.

22 In my position at the university I also serve on the
23 emergency operations and management committee and responsible
24 for communications through that effort. I think I have
25 probably -- I know I have a much different perspective on

1 hurricanes. On August 12th, 2004, I sent my last e-mail out to
2 the media and to the campus and students and said we are going
3 to be closed tomorrow because of Hurricane Charley is likely
4 going to hit in the Tampa/St. Pete area, and we're anticipating
5 there may be strong winds.

6 I live in Punta Gorda. I have lived there for 29
7 years. I graduated from Charlotte High School, and went away
8 to college and came back and have been working there since. So
9 I went home feeling that I had left my campus in good shape. I
10 went home to my home in the historic district in downtown Punta
11 Gorda. And I think all of you obviously know the story. The
12 very next day on Friday the 13th, Hurricane Charley came
13 bearing down on Punta Gorda.

14 I personally spent an hour and a half under a
15 mattress in my closet terrified, while my town pretty much
16 disintegrated around me. It has been 18 months, and we are
17 coming back, and we are building, and we are going to come
18 back, and we are determined to do that.

19 But I would be remiss, and I have not had the
20 opportunity to do this publicly or even to speak to FPL, I
21 would be remiss if I didn't comment on the level of service and
22 the support that my community of Punta Gorda received. We
23 called it the calvary coming. We didn't have electricity for
24 11 days. There were no bathrooms working. There was not
25 running water. You live in it and it's like the worst kind of

1 camping you can imagine and watching your town pretty much torn
2 apart. FPL and its contractors came in. We called it the
3 calvary. They were there day in, day and night, and really did
4 a remarkable amount of service.

5 And unless you see what a Category 4 hurricane can do
6 to buildings and power poles, you don't really quite grasp the
7 extent of what is required to restore a community's power. On
8 my street I had individuals from Miami, from West Virginia, and
9 from Pennsylvania working to restore my power. And I won't go
10 into some of the intricacies because it's so emotional even 18
11 months later. I just need a quick minute to talk about those
12 people who were there for us. They were there with us in our
13 community the entire time. And they communicated with us. We
14 had one radio station that was able to become operational and
15 they kept the word -- got the word out to us. We knew what was
16 going on. We were the first. Hurricane Charley was the first
17 of like what obviously happened and became a series of
18 unfortunate events for our state, but that kind of partnership
19 and that kind of support is what we have also had with Florida
20 Gulf Coast University.

21 So I'm here today in support of the plan. We, as a
22 university, are planning ahead for our future. As I mentioned,
23 we are looking at twenty to 22,000 students, and so we know
24 that the planning is going to be critical. It is a different
25 world now, and we realize that, and we are doing everything we

1 can with FPL and other vendors to make certain that our campus
2 is going to be as safe and protect our students and faculty and
3 staff to the extent that is possible, given Mother Nature and
4 its forces.

5 Thank you for the opportunity to be here today.

6 CHAIRMAN EDGAR: Thank you, Ms. Evans. I believe we
7 have a question for you from Mr. Twomey.

8 MR. TWOMEY: Yes. Thank you.

9 Ms. Evans, the same question, essentially, that I
10 have asked the other institutional speakers. Do you know the
11 cost, the annual cost of electricity for the university? And,
12 secondly, do you know, has the university calculated what the
13 increase would be as a result of this petition being approved
14 as filed?

15 MS. EVANS: Our current annual cost is about 2.2
16 million. If I had thought I had a few more times to go on the
17 speaking roster, I would have run out and found the number, but
18 I apologize I don't have the exact amount that this increased
19 cost would incur. We do save about \$200,000 each year with the
20 chiller plant and the other energy programs that we have in
21 partnership with FPL, but I don't have that.

22 MR. TWOMEY: Not a problem. Thank you very much.

23 CHAIRMAN EDGAR: Thank you, Ms. Evans.

24 MR. BECK: Laura Allen.

25 Whereupon,

1 LAURA ALLEN

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

4 DIRECT STATEMENT

5 MS. ALLEN: Laura Allen, 15700 Glendale Lane, Fort
6 Myers, 239-437-3559.

7 Ladies and gentlemen, I appreciate the opportunity to
8 speak. I hope you will forgive my voice, as I explained
9 earlier to Ms. Tew, this is the seventh week of a two-week
10 cold.

11 First of all, I would like to address the Commission
12 about the timing of these meetings. While I'm pleasantly
13 surprised to see the number of people here today, I think many
14 of these people, especially the ones that have given
15 testimonials to FPL, are employees of companies, and that is
16 why they are here at 1:00 o'clock on a Wednesday afternoon.
17 But you would see plenty more of my neighbors here if these
18 hearings could be held on an evening when people could come and
19 when they didn't have to be at work.

20 And, also, the publicity for this meeting left a lot
21 to be desired. I had a phone call from a gentleman from your
22 Commission on Monday morning, and he asked me if I could be at
23 this meeting on Wednesday afternoon. I said, you mean the day
24 after tomorrow? And he said yes. Call all of your neighbors,
25 because the last time there were hearings, people didn't come.

1 Well, people don't come because people don't know.

2 I talked to an editor at the News Press on Tuesday,
3 and they had just found out about the meetings. There was, in
4 fact, a small article in the paper today in the business
5 section, but I wonder how many people saw it.

6 As far as the rate increase is concerned, I just want
7 to say, FPL, you must be kidding. You let us down and now you
8 expect us to pay for the privilege. You know, nobody expected
9 what was going to happen when Charley hit. I think those of us
10 in southwest Florida were living a charmed life thinking
11 hurricanes were for the other coast, but everybody should have
12 been ready for Wilma. I know my husband and I bought a
13 generator because we knew what was going to happen the
14 following year. I live in a neighborhood with a lot of tall
15 trees, and they are over power lines. And I can drive down
16 Briarcliff Road any time and see these trees and wonder why FPL
17 isn't out there taking these trees down on the easements, why
18 there was no preventative maintenance, why were they reactive
19 and not proactive.

20 Our power was out for eight days. Now, I know some
21 people were out longer, but I also know some people were
22 connected sooner. In my own neighborhood I found a street
23 where a case of beer got the power on on Thursday, and I had to
24 wait until Monday afternoon. So the next time, I'm going to be
25 ready for that. Three years ago, we called FPL about trimming

1 some trees that were over power lines, and we were told it was
2 our responsibility to hire somebody to do it. And I explained
3 to the girl that these were over the easement. And she said,
4 "Well, we will put you on the list." Well, we have never heard
5 from FPL about those trees. And my husband and my son-in-law
6 did it themselves while I stood there hoping that I wasn't
7 going be a widow, and a rich widow after I filed my suit
8 against FPL for my husband being electrocuted out there.

9 But, you know, it isn't just the hurricane service
10 that leaves a lot to be desired. It's the regular service from
11 FPL also. Five years ago our power was out on a regular basis,
12 and I would call FPL and get no response. And they only
13 responded to me after I placed a call to the Public Service
14 Commission. And then I got a call from a lady who gave me her
15 number. She said, "Well, you just call me any time." And
16 after that I got a letter that I was to contact a man named
17 Hugh Haffney (phonetic), who was just the nicest man.

18 I always thought it was a stroke of genius that FPL
19 hired him, because he was such a sweet man. It was difficult
20 to lose your temper with him. He once told me, after I told
21 him that I was tired of running into every room in the house
22 and fixing the clocks, that maybe I ought to buy some
23 appliances with battery backup. And I thought, well, you know,
24 if he can find a range or a microwave with battery backup for
25 my clocks, he should tell me where I can get them. But I

1 thought it was interesting that somebody from my power company
2 would suggest that I need battery backup because they can't
3 keep a constant stream of electricity coming into my home.

4 It has been better in the last few years. But I
5 counted on my calendar where I had written that the power was
6 out six times last year, and I don't always document these
7 occurrences. Sometimes it's only a flash, but it is enough to
8 turn everything off in your house. This year the power has
9 been off three times already. One Saturday in January it
10 flashed on and off three or four times. I'm sure this isn't
11 good for my appliances. My husband and I replaced a unit in
12 our Jenn Aire, the clock, and oven controls. And I know that
13 this constant on and off power flashing has had something to do
14 with it.

15 Yesterday I was shopping at a Publix in the Daniels
16 Crossing Plaza at Daniels and Six-Mile Cypress (phonetic), when
17 at 12:15 the power went out for the entire plaza for one-half
18 hour. After 20 minutes, Publix had to usher everybody out of
19 the store. And the woman, the manager that I spoke with, I
20 told her I was coming to this meeting today. She said, well,
21 you tell the Commission that Publix lost hundreds, no thousands
22 of dollars today.

23 There are several restaurants in that plaza. There
24 is a veterinarian, and I can only imagine what was happening
25 with no power there. My husband was on the road at the time,

1 he said the traffic on Daniels was awful. The light probably,
2 possibly was out there at Plantation also at that time. I came
3 home on Six-Mile Cypress and the light at Six-Mile and Metro
4 was out, and the police were directing traffic. So, you know,
5 I am wondering does this sound like a company that should be
6 allowed to pass their failures on to the consumer?

7 To sum up, I wish could say, listen, FPL, I'm not
8 happy with your service, and I am going someplace else. But
9 since the state of Florida doesn't have deregulation, I'm stuck
10 with FPL. Unless I want to put windmills in my back yard, this
11 is it. And I have to tell you that I think I am paying quite
12 enough already for what I'm getting.

13 Thank you.

14 CHAIRMAN EDGAR: Thank you, Ms. Allen.

15 MR. BECK: Tess Canja.

16 Whereupon,

17 TESS CANJA

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

20 DIRECT STATEMENT

21 MS. CANJA: Thank you every much for this opportunity
22 to speak today. My name is Tess Canja. I live at 1166 Winston
23 Street in Port Charlotte. My telephone number is 941-624-0105.
24 And FPL is my service provider.

25 I'm also the president of AARP Chapter 80 in

1 Charlotte County, and I'm here today with survivors of
2 Hurricanes Charley, Frances, Ivan and Jeanne. We were very
3 pleased to see the person who was here before because we feared
4 that we would be the only residential customers you would hear
5 from today. All of us, however, appreciate all that FPL did to
6 get us through the hurricanes. It took three weeks in my area
7 for the power to come on after Charley. But, nevertheless, we
8 did feel that AARP did a very good job, and we appreciated it.

9 I want to relate two small personal experiences from
10 Charley that help carry our message today. In the first, I
11 suffered huge tree losses, but my insurance company would only
12 cover the cost of removing the tree that fell on my roof. The
13 expense of removing and cleaning up after all the others was
14 considered maintenance and was my responsibility.

15 In the second experience, FPL came through and cut
16 back all the trees and limbs that endangered power lines. This
17 was after, however, two of my trees had fallen on power lines.
18 I was very grateful for what they did, but then they said to
19 us, from here on the responsibility of keeping trees away from
20 power lines is yours.

21 Here is our message today. We have no problem with
22 increases that relate to hurricane recovery. We do have a
23 problem with increases that are added for expenses that are
24 more properly FPL's responsibility, whether it be maintenance,
25 growth or development. We look to the Public Service

1 Commission to be a fair arbiter in making these distinctions.
2 You will be considering FPL's costs. Well, we also have costs.
3 Please consider ours. This month we have received the largest
4 power bills ever in our experience here. Our Sprint bills are
5 increasing and will be increasing as a result of recent PSC
6 actions. Our home insurance costs, for those of us who still
7 have home insurance, have gone through the roof. And for
8 homeowners like me, a lot of hurricane recovery was totally out
9 of pocket. So we ask you to be very certain that you do not
10 ask homeowners to pay again and again and again for costs that
11 have already been included in our basic rates.

12 Thank you.

13 CHAIRMAN EDGAR: Thank you.

14 MR. BECK: Sharon Fell. Sharon Fell, Fort Myers
15 Beach.

16 Senator Aronberg (phonetic).

17 Whereupon,

18 SENATOR DAVE ARONBERG

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

21 DIRECT STATEMENT

22 SENATOR ARONBERG: Thank you very much. Members of
23 the Commission, I appreciate you having me here. I'm Dave
24 Aronberg. I'm State Senator for District 27, which represents
25 part of Lee County, most of it, actually, from Bonita Springs

1 to the airport to Lehigh Acres and across the state to West
2 Palm Beach. I will be at the meeting with you tomorrow in West
3 Palm Beach. And I want to thank you for having these meetings.

4 I don't want to repeat anything that my constituents
5 have said. I think they have said it really well about
6 power-related issues after the hurricanes. I just want to add
7 just a couple of things, because I have been very interested in
8 the Public Service Commission issues and the structure of the
9 PSC, because, as you know, I'm a member of the public utilities
10 committee. I'm the vice chair on the Senate and also a member
11 on the board that helps select the PSC members. And I'm so
12 proud to see Commissioner Tew and Commissioner Arriaga and
13 Commissioner Carter here doing well.

14 You know, these meetings are so important because we
15 do get lots of calls from constituents. We get them every day.
16 And lot of people think that we legislators are the ones who
17 regulate the companies and, actually, it is you, the PSC. Mr.
18 Twomey does an outstanding job with the Office of Public
19 Counsel, but ultimately it is your decision, and that's why I
20 think it is so important to do what you are doing, to hear from
21 my constituents on both sides of the state.

22 I would like to echo the concerns of a previous
23 speaker in that if it is possible for future meetings, I think
24 it is best that they are done at an hour where you could have
25 more people who are not -- right now the people who are here

1 are doing so -- either they are retired or they are taking
2 precious time out of their jobs. And I think you would get a
3 better representation if you had meetings after hours. And I
4 know we legislative -- we legislators have those meetings at
5 5:00 or 6:00 p.m., and then you would have a bigger audience.
6 I don't think that -- the audience is good here, but I think
7 that if this were held at 6:00 p.m. or on a weekend, then you
8 would have a bigger crowd.

9 One thing I would like to compliment you on is that
10 the new PSC -- I'm calling it the new PSC, because since we
11 have the three new appointments, it is now -- the members of
12 the PSC are a majority of the new members really. The majority
13 of the PSC is new. You set these standards on maintenance of
14 poles, and you have the standards on developing cement poles as
15 opposed to wooden poles so they can withstand the harsh
16 hurricanes. When last year, unfortunately, a lot of these
17 poles, for whatever reasons, did not last through the
18 hurricanes. And then you can avoid this whole problem of
19 having the consumers pay for new poles if they are built strong
20 enough to have the maintenance that was strong enough to begin
21 with. And I think you are moving in the right direction in
22 requiring that.

23 And because of this work and because you are taking a
24 lead on this, I think this sort of takes away from those who
25 say that the PSC is not responsive and should be elected as

1 opposed to appointed. I think that you are setting the
2 standard for the new PSC with your leadership. And because of
3 that, I do not think that the PSC members should be elected.
4 Just so you know, I know there are some people in my profession
5 who call for election of PSC members. But if you elect PSC
6 members, the people who are most interested in funding those
7 statewide campaigns, campaigns that run into the millions of
8 dollars, the people who would be contributing would be the
9 industry themselves. And I think that is a -- to me, is not
10 the best situation when you have people running for office
11 depending on contributions from industries that they are then
12 going to regulate.

13 So I think that this whole debate on whether the PSC
14 should be appointed or elected, I think you are settling that
15 with your leadership, with your attention to consumer needs,
16 with your courage in asking for the maintenance of the poles to
17 be increased, with requiring the poles being done in cement and
18 other -- in concrete and materials that can't blow in the wind
19 so easily.

20 So with that, I just want to congratulate you on the
21 work you are doing and look forward to working with you. My
22 office is always open to you as it is with my constituents on
23 any power-related issue.

24 CHAIRMAN EDGAR: Thank you, Senator, for coming today
25 and thank you for your interest. We have put a lot of time and

1 thought and logistics into planning these. And, unfortunately,
2 there is no time that is good for everybody. But your comments
3 and the comments earlier about trying to have some of these in
4 the evening, we will certainly take to heart, and see if we can
5 do some of that in the future with our logistics planning. I
6 know on behalf of my colleagues and as the new Chairman of this
7 Commission, I appreciate very much your comments about the work
8 that we have been doing in the past few months and look forward
9 to working with you as well as we go into the next session.

10 SENATOR ARONBERG: Thank you, Madam Chairman. And I
11 know you can't say this, but I can say this to my constituents,
12 because I have always been a straight shooter. The previous
13 Commission had -- there was some controversy over whether they
14 were responsive to consumers. And we took a long look at --
15 when we selected the new Commissioners as to whom to select.
16 And I know there was a controversy over a previous member of
17 the Commission who was slated to be Chairman of the Commission.
18 And there were a number of us who felt that he was not going to
19 be as independent-minded and good to consumers as he could be,
20 and so he was not made a finalist by our committee. And I'm
21 pleased to see that you were made chairperson of the committee,
22 Chairman Edgar. I think you are doing an outstanding job, and
23 I really wish you well.

24 CHAIRMAN EDGAR: Thank you, Senator. Thank you for
25 your time.

1 Mr. Beck.

2 MR. BECK: Janice Groves.

3 Whereupon,

4 JANICE GROVES

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

7 DIRECT STATEMENT

8 MS. GROVES: Good afternoon. My name is Janice
9 Groves. I'm the Executive Director of the Hendry County
10 Economic Development Council, 125 East Hickpochee, that's
11 H-I-C-K-P-O-C-H-E-E, Avenue, LaBelle, Florida, 863-675-6007,
12 and I am an FPL customer.

13 I moved here about 21-plus years ago, and as Mr. Dys
14 said earlier this afternoon, that long ago we had lots of
15 glitches and interruptions in our electric service. Over the
16 years that service has certainly improved. The quality is
17 much, much better.

18 But I'm here today actually to talk a little bit
19 about the service that FPL gave us in Hendry County after
20 Hurricane Wilma. Their response to reinstate the electricity
21 to their customers in Hendry County is commendable. And when
22 we lost power due to the hurricane, we were prepared for the
23 long haul, especially because of Charley the year before,
24 electricity had been down for quite a while. Me personally at
25 my house I didn't lose any, but we knew that electricity was

1 off throughout the whole county and southwest Florida, as well.
2 In my office and in my home, both, power was reinstated within
3 36 hours, and I thought that was really terrific. In the
4 aftermath, Hendry County was fortunate to have Florida Power
5 and Light as our provider for the electricity. They restored
6 service and Hendry County was able to address the other aspects
7 of storm recovery.

8 So I ask today that FPL be allowed to reserve -- to
9 have the reserves that they need, and we have all know they are
10 coming, for future disasters from Mother Nature. That's why I
11 am here today.

12 Thank you.

13 CHAIRMAN EDGAR: Thank you.

14 MR. BECK: Thank you.

15 Thomas Kochheiser.

16 Whereupon,

17 THOMAS KOCHHEISER

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

20 DIRECT STATEMENT

21 MR. KOCHHEISER: Madam Chairman, members of the
22 Commission, my name is Thomas Kochheiser, and I'm the Director
23 of Emergency Management for Hendry County.

24 And I'm not here to discuss the merits of whether or
25 not FPL should or shouldn't receive the raise or how much. I

1 am not here to discuss individual experiences that individuals
2 may have had with FPL or during the recovery stages. What I'm
3 here for is to talk about FPL as a function of a partner within
4 the emergency operations center during the activation of
5 Hurricane Wilma.

6 Hendry County was hit on October 24th, 2005, by
7 Hurricane Wilma, and sustained, conservatively, \$550 million
8 worth of damage to the infrastructure and agriculture. That
9 doesn't include lost wages. That doesn't include
10 infrastructure for FPL and other utilities that may have been
11 involved.

12 Hendry County is served by three different utilities,
13 FPL, Glades County -- or Glades Co-op and Clewiston Electric.
14 Prior to the storm hitting, we activated our EOC to a full
15 Level 3 on Sunday the 23rd, and remained at that level until
16 November 3rd. FPL was partners in that EOC the entire time.
17 If the EOC was there, if the incident commander of which I was,
18 was in charge, FPL had liaison people there. Many times they
19 took the role of the lead for the utility's ESF or emergency
20 support function, because our people were out in the field
21 doing the job. At any given time I could look to FPL and ask
22 them specific questions as a function of percentages of people
23 being restored and where we were in the process, and they would
24 be able to give me that information. They were in constant
25 contact with their representatives and their field people. I

1 believe it was within 36 hours or less that we had 90-something
2 percent of our people restored.

3 We did have a transmission line go down along County
4 Road 832 that involved some 30 or 40 poles, I believe. During
5 a flyover I observed, or what I thought I observed, was that
6 the poles were not snapped, but had pulled out as a result of
7 wind and heavy rains along the canal, something to that effect.
8 FPL, in discussions, they immediately got troops out there and
9 put that line back in service. Otherwise, we would have been
10 forced to basically bulldoze the lines off the roadway and open
11 it up for emergency traffic. They were good partners. They
12 did a good job for the emergency management and the county.

13 As the incident commander of the EOC for Hendry
14 County, I was forced to absorb a lot of information very, very
15 quickly and disseminate that information to 17 emergency
16 support functions of which FPL played a vital role in one. All
17 of those interconnect. Had one of those ESFs stumbled, other
18 ESFs or service providers would have stumbled, as well. We
19 could not afford to have that happen. FPL made sure that they
20 had qualified and the appropriate people in the EOC during the
21 entire time we were activated and acted as a very, very close
22 partner with us during that time.

23 Any questions?

24 CHAIRMAN EDGAR: Thank you, sir.

25 MR. KOCHHEISER: Thank you very much.

1 MR. BECK: Angela Fisher.

2 Whereupon,

3 ANGELA FISHER

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

6 DIRECT STATEMENT

7 MS. FISHER: Good afternoon. I Angela Fisher. I'm
8 here on behalf of the Area Agency on Aging for Southwest
9 Florida. Our address is 2285 1st Street, Fort Myers. Phone
10 number 239-332-4233. We are FPL customers, the agency is, and
11 also personally I am at home. Thank you for allowing me here
12 today.

13 Like I said, I'm here representing the Area Agency on
14 Aging. My official title is the Community Outreach Manager. So
15 in our agency we serve, and I would like to tell you a little
16 bit about the seven-county area. We serve seniors that are
17 financially as well as physically challenged, and we try to
18 provide services for those individuals to remain in their home
19 and live independently. So power -- of course, it's is
20 important to all of us, but it is really important to the group
21 that we serve, when they are already maybe ill or they are a
22 caregiver for someone who is ill. During the past storm -- I'm
23 looking at Wilma -- we were very fortunate as an agency to not
24 have lost power during the work week. We may have, I don't
25 know, during the non-working time. But that allowed us to work

1 with the agencies that deal directly with our clients and try
2 to better coordinate services or help or assistance for those
3 that were out of electricity or didn't have power or needed
4 somewhere else to stay.

5 Like I said, our power was restored quickly, on a
6 personal level mine was. Previously, such as with Charley, I
7 know it took much longer, so I saw a great -- I don't know if I
8 can say increase, but improvement on power restoration in my
9 area. I don't want to speak for anyone else's area.

10 I also have lived here myself 18 years and been an
11 FPL customer, and I have seen over approximately the last eight
12 years to ten years a great improvement as far as previously
13 having numerous outages. Maybe that was the area I'm in, I
14 don't know. But I have seen that.

15 I mainly was here today just to stress the
16 importance, I guess, of continuation for power, especially for
17 agencies that are trying to -- for everyone, but for agencies
18 that are trying to serve those most in need. It is important
19 for us to be able to do that and coordinate services. Like I
20 said, we do, we serve seniors in a seven-county area, so we
21 have also been affected work-wise through all the stream of
22 hurricanes that we have. And I guess it's just to stress how
23 important it is for us to have that continuation of services as
24 quickly as possible after whatever disaster, whatever the case
25 may be, just because I think that not so often we don't take

1 into consideration -- for ourselves it is not as big a deal.
2 It is more of an inconvenience. But for a great number of
3 those that are ill or seniors it poses a greater risk for
4 health or being placed in a nursing facility or a loss of life.
5 So that's just kind of an important issue.

6 I want to thank you for allowing me here today and
7 have this opportunity on behalf of myself and our area seniors.

8 CHAIRMAN EDGAR: Thank you, Ms. Fisher. If you
9 could, Commissioner Arriaga would like to ask you a question.

10 COMMISSIONER ARRIAGA: What is your assessment of the
11 performance of the utility during these last hurricane seasons?

12 MS. FISHER: Would you say it again, please?

13 COMMISSIONER ARRIAGA: What is your assessment, your
14 personal or institutional assessment, I don't know if you are
15 speaking on behalf of yourself or behalf of AAA?

16 MS. FISHER: Well, I came -- I was asked to come
17 here. Actually a co-worker became ill, so someone else was
18 originally scheduled, so I don't want to speak for that. I
19 speak for our agency.

20 COMMISSIONER ARRIAGA: So you are speaking on behalf
21 of the agency?

22 MS. FISHER: So now -- well, I came, you know, on
23 behalf of the agency to speak about what service we had. Our
24 service was recovered quickly, and how that allowed us to reach
25 out to the seniors and help in that manner. From a personal

1 level, I can answer yours, but other than me saying personally
2 I have been here for 18 years and how my service had improved,
3 I will respond to that on a personal level, but I don't want to
4 take the liberty to respond for the agency.

5 I did see, personally, response Charley compared to
6 Wilma, if that might be what you would recall. Personally,
7 during Charley, I myself was without electricity for seven
8 days. With Wilma, if I recall correctly, it was about two. It
9 could have been slightly less or more. So, a great
10 improvement.

11 COMMISSIONER ARRIAGA: Thank you.

12 MS. FISHER: Thank you.

13 CHAIRMAN EDGAR: Thank you.

14 MR. BECK: Gary Price.

15 Whereupon,

16 GARY A. PRICE

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

19 DIRECT STATEMENT

20 MR. PRICE: Good afternoon. My name is Gary Price.
21 I'm the City Manager of the City of Bonita Springs. My address
22 is 9101 Bonita Beach Road, Bonita Springs 34135. Telephone
23 number, area code 239, 980-9400.

24 As a city manager, which has a seven-member city
25 council, I know the decisions you have to make. You have to

1 answer some real tough questions and make tough decisions. So
2 I'm sure that you will do a very good job on determining this
3 increase.

4 As far as the service supplied by Florida Power and
5 Light after Hurricane Wilma, we were hit by the back side. We
6 thought we were lucky when the storm first hit. When it went
7 by at 8:00 o'clock, then we got the back side and that's when
8 everything went down. And everything was facing from the north
9 to the south, including the big oak tree in my backyard. By
10 that afternoon, the roads were all passable. They weren't
11 completely open, but they were passable. By 9:00 o'clock the
12 next morning I received information from Florida Power and
13 Light that they were in full restoration mode, that they had
14 3.2 million customers out. Luckily, I don't have that many
15 residents in Bonita.

16 And they were erecting a tent that looked like a
17 three-ring circus tent at the dog track. And there were repair
18 trucks from all over the country all over Bonita Springs and
19 the immediate area. I was so impressed by the reaction of
20 Florida Power and Light that I actually wrote them a thank you
21 letter for everything that they did to get our community back
22 in service. By Wednesday night, at a special request, they had
23 opened the disaster recovery center. Power was on. That was
24 the only disaster recovery center for about five days in south
25 Lee County and north Collier County. It was very important to

1 get their lights back on.

2 The power for most of the street lights was on by
3 Wednesday night. By Thursday night they were all on. That
4 wasn't all due to Florida Power and Light, because the
5 counties' road people had to get out there and put the lights
6 back on. It was kind of a funny story. I received a call from
7 somebody saying we had generators for our street lights, and I
8 had to say -- for our traffic lights, and I had to say, you
9 don't understand, they are all down on the pavement. And by
10 Thursday night they were all back up, which I'm sure the
11 sheriff's office would thank you -- thank them personally for
12 that, also.

13 I personally didn't get power back until Saturday
14 afternoon. I was glad to have it back. But I have a general
15 familiarity with the way power works. And I understand that
16 there is priorities. My mayor and one of my council members
17 had power back that afternoon, but they live right across the
18 street from the sewer plant, so I understand why they did. But
19 I did appreciate the way Florida Power and Light reacted and
20 their ability to get everybody out, it looked like on the
21 Eastern Seaboard, to come down to at least our area to repair
22 all the lines.

23 Thank you very much. I'm sure you will make a just
24 and knowledgeable decision.

25 CHAIRMAN EDGAR: Thank you, Mr. Price.

1 MR. BECK: Marietta Mudgett.

2 Whereupon,

3 MARIETTA MUDGETT

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

6 DIRECT STATEMENT

7 MS. MUDGETT: Good afternoon. My name is Marietta
8 Mudgett. I live at 1308 Alhambra Drive, Fort Myers 33901. My
9 telephone number is 239-332-0944. I'm also the Executive
10 Director of the Greater Fort Myers Chamber of Commerce. I come
11 here as a citizen to tell you that Florida Power and Light
12 reacted, I believe in our case, as quickly and as efficiently
13 as they possibly could. We were out of power for several days
14 during both hurricanes, and we were able to, through a
15 telephone that we were able to get to, we were able to call
16 Florida Power and Light, talk to someone there, and also to get
17 the recording that would tell us how many people were out of
18 power and when they expected to be in our area to restore
19 power. I believe that that is as much as they could do for us
20 at that point.

21 I have lived in Florida, in Fort Myers since 1965,
22 and I have been through several of the storms that I have been
23 through here. And I must agree with folks that the power
24 situation, the service has improved. I remember in 1989 when
25 it was very, very cold, and everybody was turning on their heat

1 and their electric heat, and the brownouts that we experienced
2 during that period of time. That no longer happens. Florida
3 Power and Light has figured out a way to keep that from
4 happening.

5 They are -- as the Chamber of Commerce, I must say
6 that they are involved in the community. They are very
7 community-minded. Also, they give back to the communities that
8 they serve, as well. They are a member of the Greater Fort
9 Myers Chamber of Commerce, and they are members, as I said,
10 good members of the community. We had power outage at the
11 Chamber for just a couple of days, both hurricanes, because we
12 were fortunate enough to be in the grid that was serving the
13 City of Fort Myers at the office. So we were able through our
14 telephones and the power that we had to reach out to the
15 members that we had to assess their damage, and to ask them to
16 report back to us the problems that they were having with their
17 businesses of being without power or being closed down because
18 of damage to their business structures.

19 So I am just here to say that my experience with FPL
20 has been very positive. We have been able to communicate. We
21 were able to communicate. We did see the trucks coming down
22 the road and down the street to assess the damage to our areas,
23 when we were -- after the storms, and to let us know that help
24 was on the way, that they were on their way to restore our
25 power to us.

1 Thank you.

2 CHAIRMAN EDGAR: Thank you.

3 Please stay for questions, and I'm going to start
4 with Commissioner Arriaga.

5 COMMISSIONER ARRIAGA: The Chamber of Commerce
6 represents small, medium-sized, and large businesses?

7 MS. MUDGETT: Yes, sir.

8 COMMISSIONER ARRIAGA: Is the opinion you expressed
9 here today your personal opinion or the Chamber's?

10 MS. MUDGETT: My personal opinion.

11 COMMISSIONER ARRIAGA: It is not the Chamber's?

12 MS. MUDGETT: No.

13 COMMISSIONER ARRIAGA: Thank you.

14 CHAIRMAN EDGAR: Mr. Wright.

15 MR. WRIGHT: Commissioner Arriaga asked my question.
16 Thank you, Madam Chairman.

17 CHAIRMAN EDGAR: Thank you.

18 MR. BECK: John Wilson.

19 Madam Chairman, Mr. Wilson is the last witness I have
20 who signed up ahead of time.

21 CHAIRMAN EDGAR: Thank you. Are there any others
22 that are here with us this afternoon that did not have the
23 opportunity to sign up and would like to come forward and speak
24 to the Commission?

25 Okay. Seeing none, I thank everyone for your

1 attention. It is very, very important to us to hear from the
2 consumers across our state.

3 Thank you for joining us today, and we are adjourned.

4 (The hearing concluded at 3:10 p.m.)

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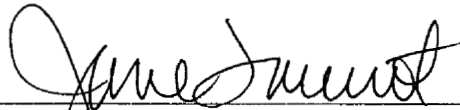
CERTIFICATE OF REPORTER

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

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

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

19 DATED THIS 14th day of March, 2006.



20 _____
21 JANE FAUROT, RPR
22 Official FPSC Hearings Reporter
23 FPSC Division of Commission Clerk and
24 Administrative Services
25 (850) 413-6732