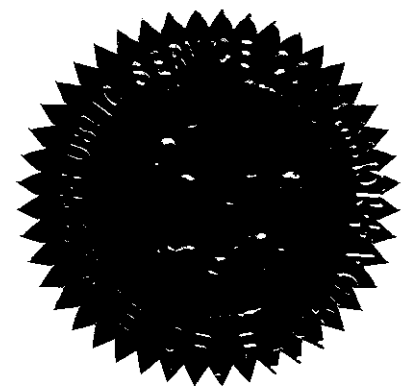


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080317-EI

In the Matter of:

PETITION FOR RATE INCREASE BY TAMPA
ELECTRIC COMPANY.



PROCEEDINGS: WINTER HAVEN SERVICE HEARING

BEFORE: CHAIRMAN MATTHEW M. CARTER, II
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Wednesday, October 22, 2008

TIME: Commenced at 10:00 a.m.
Concluded at 12:27 p.m.

PLACE: Chain of Lakes Complex, Poolside Room
210 Cypress Garden Boulevard
Winter Haven, Florida

REPORTED BY: LINDA BOLES, RPR, CRR
Official FPSC Reporter
(850) 413-6734

DOCUMENT NUMBER-DATE

FLORIDA PUBLIC SERVICE COMMISSION

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FPSC-COMMISSION CLERK

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25

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P R O C E E D I N G S

1
2 CHAIRMAN CARTER: Good morning. I'd like to call
3 this hearing to order and welcome you here to our hearing on
4 the Tampa Electric Company's request for a rate increase.

5 Let me just do this from a housekeeping standpoint.
6 First of all, my name is Matthew Carter, Chairman of the
7 Florida Public Service Commission. Welcome you here for this
8 service hearing. We came out to hear from you, the customers,
9 because it's important to us to know what you think and what,
10 even what you feel, if you want to tell us that.

11 Let me begin by introducing my distinguished
12 colleagues. To my immediate immediate left, Commissioner
13 Nathan Skop.

14 COMMISSIONER SKOP: Good morning.

15 CHAIRMAN CARTER: To my immediate left, Commissioner
16 Katrina McMurrian.

17 COMMISSIONER McMURRIAN: Good morning.

18 CHAIRMAN CARTER: To my immediate immediate right,
19 Commissioner Nancy Argenziano.

20 COMMISSIONER ARGENZIANO: Good morning.

21 CHAIRMAN CARTER: To my immediate right, Commissioner
22 Lisa Edgar.

23 COMMISSIONER EDGAR: Good morning.

24 CHAIRMAN CARTER: And I want to let you know that
25 your Commissioners are here because we wanted to hear from you.

1 By way of housekeeping matters, I'll be talking about
2 these again, but those of you that are wishing to speak today,
3 when you do come up to speak, you'll come up to the podium here
4 and you'll be speaking to us, the Commissioners, because we
5 want to hear from you. Please give us your name and address
6 for the record. We have a court reporter to my right; she'll
7 be taking down everything that you say because this will be
8 part of the case that we'll have as we begin our deliberations
9 before we make a ruling on this matter.

10 Secondly, those of you wishing to speak, out front to
11 my left, these forms, these white forms here, just complete
12 those with your name and address so we can have that. That
13 will be a part of the official record. The other thing is that
14 those of you that may be shy about speaking, these yellow
15 forms, let me go to the last page first. The last page of the
16 yellow form is a comment form. You can fill in your comments
17 that you'd like to say and have those, it's like a neat
18 foldable mailer. You can send that in to us and give us your
19 comments there.

20 Additionally, if you have some friends or neighbors
21 or people that you know that wanted to be here today but could
22 not be here today, please take some of these copies and have
23 those, have them fill them out and send them in to us and we'll
24 get those in before we make a final ruling.

25 The front part of this Special Report tells you who,

1 what, when, why and where we're here. There's a lot of good
2 information there and chockful of goodies. And before we have
3 you speak, those that will be speaking from the public, we'll
4 swear you in as a group. Not swear at you, we'll just swear
5 you in.

6 And before that we'll have some housekeeping matters,
7 then I'll come back to you again before we swear you in for
8 your comments.

9 With that, staff, would you please read the notice.

10 MR. YOUNG: By notice issued September 24th, 2008,
11 this time and place has been set for a customer service hearing
12 in Docket Number 080317-EI, petition for base rate increase by
13 Tampa Electric Company.

14 CHAIRMAN CARTER: Okay. First of all now, let's take
15 appearances.

16 MR. WILLIS: I'm Lee L. Willis, Post Office Box 391,
17 Tallahassee, Florida, appearing on behalf of Tampa Electric
18 Company.

19 CHAIRMAN CARTER: Mr. Twomey.

20 You don't look like Mike Twomey.

21 MR. TWOMEY: He's a much younger man.

22 Good morning, Mr. Chairman, Commissioners. I'm Mike
23 Twomey appearing on behalf of AARP, which now has over
24 3 million members in the State of Florida. My address is Post
25 Office Box 5256, Tallahassee, Florida 32314.

1 CHAIRMAN CARTER: 3.1 million, Mr. Twomey.

2 MR. TWOMEY: We're just over 3 million.

3 CHAIRMAN CARTER: Just over 3 million?

4 MR. TWOMEY: Yes, sir.

5 CHAIRMAN CARTER: Mr. Wright.

6 MR. WRIGHT: Thank you, Mr. Chairman. Robert
7 Scheffel Wright, 225 South Adams Street, Tallahassee, appearing
8 on behalf of the Florida Retail Federation and its more than
9 10,000 members in the State of Florida.

10 CHAIRMAN CARTER: Ms. Bradley.

11 MS. BRADLEY: Cecilia Bradley, Office of the Attorney
12 General, on behalf of the citizens.

13 CHAIRMAN CARTER: Ms. Christensen.

14 MS. CHRISTENSEN: Patty Christensen with J. R. Kelly,
15 the Public Counsel, on behalf of the citizens of the State of
16 Florida.

17 CHAIRMAN CARTER: Also we have with us from the
18 Governor's Office the Honorable Jack Shreve, former Public
19 Counsel for decades for the citizens of the State of Florida.
20 Jack, glad to have you here monitoring and working with us on
21 behalf of the Governor's Office.

22 MR. SHREVE: Thank you.

23 CHAIRMAN CARTER: Mr. Young.

24 MR. YOUNG: Keino Young, Commission staff.

25 CHAIRMAN CARTER: Thank you. Thank you so kindly.

1 Now just kind of, to let our friends and neighbors
2 know how we're going to go is we're going to have a few
3 comments from the company and the parties. And then once we
4 listen to them, we'll have an opportunity for you to be heard
5 because it's important to us to hear from you.

6 Commissioners, what I want to do is we'll go with
7 the -- I'm kind of going to reverse my order a little bit
8 today, is that first we'll hear from the company, then we'll
9 hear from Mr. Kelly. And you guys -- and after Mr. Kelly we'll
10 hear from Mr. Twomey, then Mr. Wright, then Ms. Bradley. Okay?
11 Y'all got it? Okay. Dee, you can just turn that around.

12 MS. BROWN: Sorry.

13 CHAIRMAN CARTER: There you go. You've got to pull
14 that microphone a little closer. Just pretend you're in
15 driver's ed.

16 MS. BROWN: Good morning, Commissioners.

17 COMMISSIONER ARGENZIANO: Good morning.

18 MS. BROWN: Good morning, ladies and gentlemen. Can
19 you hear me? Okay. My name is Dee Brown and I'm Tampa
20 Electric's Vice President of Customer Service and Regulatory
21 Affairs. We appreciate having an opportunity to participate in
22 the service hearing which is a part of the Commission process
23 of evaluating Tampa Electric's request to increase base rates.
24 While our customers see their total rates change from year to
25 year as a result of changes in primarily fuel, which is a

1 pass-through item with no profit to the company, Tampa Electric
2 has not sought a base rate change in 16 years. The base rate
3 is the part of the rate that represents the cost of producing
4 and delivering electric service with a return on the assets the
5 company has invested in. It is the only portion of customer
6 rates that has a profit margin.

7 Over the past 16 years Tampa Electric has invested
8 \$3.4 billion to serve about 200,000 or 42 percent more
9 customers in a reliable and safe manner. This has required the
10 company to add 1,700 megawatts of new or repowered generating
11 capacity. This new capacity includes the Polk Power Station,
12 which was named the cleanest coal plant in North America, and
13 the Bayside Power Station, which was repowered from coal to
14 natural gas. Bayside was a part of the company's ten-year
15 \$1.2 billion environmental commitment.

16 Tampa Electric has also made significant investments
17 in its transmission and distribution system, the poles and the
18 wires that move electricity from the generating plant to the
19 homes and businesses. Some of the investment was to meet
20 growing customer demand, some of it was the result of working
21 with the Commission and other utilities in this state to harden
22 our system after recent hurricane experiences, and some of it
23 was due to federal regulation to help ensure we don't
24 experience blackouts like the one that occurred in the
25 northeastern part of the United States five or six years ago.

1 As we all know, the costs of running households and
2 running businesses have increased. It's no different for Tampa
3 Electric. Since our last base rate increase in 1992 inflation
4 has gone up 48 percent and commodities that the company uses
5 like concrete and steel have increased by more than 70 percent.
6 Over the years the company has found ways to control costs
7 through efficiencies and other cost containment actions. Tampa
8 Electric has introduced numerous conservation programs to help
9 reduce the need to build peaking capacity while at the same
10 time helping customers use energy efficiently.

11 But while over the past 16 years Tampa Electric has
12 found ways to keep its cost of business down while enjoying
13 good customer growth to help prevent the company from coming in
14 and seeking an increase in rates, it can no longer do so. In
15 order to provide reasonably sufficient, adequate and efficient
16 service to each person who applies for service in the company's
17 service territory as required by law, the company needs higher
18 base rates and that's what this Commission docket is all about.

19 While I understand most of you here are to provide
20 input to the Commission and to other parties about the
21 company's, excuse me, rate increase, I also understand that
22 some of you may have specific questions about your electric
23 bill that need to be addressed. We have some company
24 representatives in the adjoining room that would be glad to
25 assist you if you need that assistance.

1 Tampa Electric takes pride in providing reliable
2 electric service to approximately 667,000 customers in
3 Hillsborough and portions of Polk, Pinellas and Pasco Counties
4 and appreciates your participation in being here today.

5 CHAIRMAN CARTER: Mr. Kelly.

6 MR. KELLY: Thank you, Mr. Chairman and
7 Commissioners. I'm going to turn around the same way, if you
8 don't mind.

9 Good morning. My name is J. R. Kelly. I think you
10 can hear me okay probably without the microphone. I am the
11 Public Counsel for the State of Florida. And for those of you
12 that don't know what my office does, I have the distinct honor
13 and pleasure of representing you, the ratepayers. My office is
14 funded as part of the Legislature, we're separate from the
15 Public Service Commission, but we get to represent you, the
16 ratepayer, in rate cases and other issues that come before the
17 Public Service Commission. I'm here today with Ms. Patty
18 Christensen. She's the attorney that's been assigned to this
19 matter and she's going to argue just like a trial -- and that's
20 basically what this is for those of you that don't understand
21 what a rate hearing is, it's basically a trial where we will
22 argue on your behalf against some of the rate increases that
23 TECO is asking for.

24 The basic focus of our office is to make sure that
25 you, the customers, get the best quality electric service from

1 TECO for the least possible cost. We've hired a couple of
2 experts, TECO will have their experts and some of the other
3 parties will have their experts, and I want you to know that we
4 don't just go out and hire anybody. We go and we look and try
5 to get the best experts we can. We're very fortunate in this
6 particular case, we've hired a financing expert from the
7 university, excuse me, from Penn State University who has a
8 Ph.D. and an MBA as well as a degree in finance, and he's
9 testified in numerous jurisdictions throughout the United
10 States and also in Florida on behalf of consumers and
11 ratepayers. Our other expert is a CPA that's been admitted in
12 over 35 jurisdictions and testified in just hundreds of
13 proceedings and he's obviously going to testify on accounting
14 issues.

15 Now for those of you that do not understand what a
16 basic rate case is, I told the group last night that you're
17 going to hear all kind of fancy accounting terms that I
18 couldn't tell you what the heck they mean, deferred accounting,
19 amortization, depreciation, blah, blah, blah. What it boils
20 down to, ladies and gentlemen, is basically two issues. One,
21 TECO is allowed to recoup their operating expenses, what it
22 takes for them to do their day-to-day operations. And,
23 secondly, they are allowed to receive a fair and reasonable
24 rate of return for the amount of money they invest in the
25 company, the money they prudently invest in the company buying

1 land, building plants, buying equipment, et cetera. Now it's
2 our job to review everything that they do and everything
3 they're asking to do to make sure that their expenses, their
4 investments fall into, to three categories: Is it fair, is it
5 reasonable and is it prudent?

6 In this particular case, TECO is asking for a
7 \$228 million rate increase. We feel that is not fair. We
8 don't think that that is the right number that the Public
9 Service Commission should eventually award. There may be a
10 number that they should award, but we feel that \$228 million is
11 just too much.

12 Now there's no doubt that TECO is a good corporate
13 citizen. We've heard from a lot of people and I know from
14 things that I have observed they are a good corporate citizen
15 and I will never argue that they're not a good company in that
16 regard. But at the same time, in today's economic downturn, in
17 today's down economy, we firmly believe that \$228 million is
18 just too much.

19 There's certain issues that we're going to be raising
20 on your behalf in this case, and I want to tell you about what
21 those are real, real quickly. I'm not going to go into
22 details. If you want to know a little more about the details,
23 come see me or Patty afterwards or in a little bit and I'll try
24 to explain it to you, although some of it can get very
25 technical and even I may not be able to explain it to you

1 perfectly and I'll, I'll lean on Patty a little bit.

2 First off, rate of return. I think everybody knows
3 what rate of return is. That's where you invest money, you get
4 a return on your investment back. In this case, TECO is asking
5 for 12 percent return on their investment. We believe that is
6 just way too high today, way, way too high. Maybe in another
7 time, maybe 20, 30 years ago, maybe that would be reasonable.
8 We just don't feel that's fair and reasonable today.

9 Operating expenses, I don't have anything to tell you
10 about operating expenses in particular detail today. We are
11 currently going over what they're seeking to operate their
12 company. Our experts are going through their books and records
13 as we speak. And once we get to, to the trial portion, we feel
14 that there will be some things that hopefully we can find to
15 trim off some fat here and there and reduce the amount that
16 will eventually be awarded.

17 Transmission expenses. Transmission expenses
18 basically are nothing more than what does it cost to take
19 electricity from Point A to Point B, from TECO to you, the
20 customer? In this particular rate case, TECO is asking for, in
21 my terminology, some built-in automatic increases when they
22 spend money over the next few years on transmission costs. Now
23 those expenses may be fair and reasonable, but we do not
24 believe there should be automatic built-in increases for those.
25 They should be part of the regular rate that you're going to

1 pay. And if, if they're successful in arguing they should be
2 carved out and have these built-in increases, what that will
3 mean to your pocket is that you will pay a little more because
4 the rate could go up incrementally as those built-in increases
5 occur. We do not think that is, that is proper.

6 Last is storm reserve and what I always refer to as a
7 rainy day fund. Utilities are allowed and should, they should,
8 to be prudent, collect money in advance in anticipation of a
9 catastrophic event. We all think of hurricanes in Florida,
10 when they hit. In this case, TECO wants to increase what
11 they're collecting from you from \$4 million dollars a year to
12 \$20 million a year. We don't feel that's, that's fair and
13 reasonable given the economic situation in our economy today
14 and, so we're going to be arguing that that figure be much,
15 much less.

16 So bottom line is there's only a few of you out here
17 today, but that doesn't matter. The few always get heard.
18 What can you do today? Folks, it is vitally, vitally important
19 that if you came today, please, please come up here to the
20 podium and speak. Talk to the folks behind me. These are the
21 judges, these are the ones that are going to make the decision.
22 These are good men and women behind me that want to hear you.
23 It is important they hear you.

24 And, and I gave this example last night and I'm going
25 to give it again. When you want to go out and buy hamburger,

1 you have several different choices, Publix, maybe a Winn Dixie,
2 maybe Albertson's, maybe another local Kelly Supermarket
3 somewhere down here, but you have your choice. You can go to
4 different places and pick what you want. Dealing with
5 electricity you do not have a choice. It is a monopoly. It's
6 a legal monopoly, okay? So it's vitally, vitally important
7 that you come up here to the podium and in your own words speak
8 to the people behind me and tell them, one, what do you think
9 of TECO's service, good, bad, indifferent, whatever, but most
10 importantly that you tell these folks behind me, excuse me, the
11 impact this potential rate increase can have upon you. Okay?
12 So please take this opportunity. These are good folks behind
13 me, they want to hear from you, they deserve to hear from you,
14 and I hope you'll take the opportunity to come and speak.
15 Thank you.

16 CHAIRMAN CARTER: Mr. Twomey.

17 MR. KELLY: Thank you, Mr. Chair.

18 MR. TWOMEY: Ladies and gentlemen, as I said before
19 in my appearance, my name is Mike Twomey. I'm appearing on
20 behalf of AARP, which does have a little over 3 million members
21 in the State of Florida now, a large number of whom we think
22 are served by Tampa Electric.

23 Mr. Kelly, as he said, they're going to go after
24 storm reserve. AARP supports that. The -- let me use my
25 training aids. This case, as you'll see in your yellow sheet,

1 is \$228.2 million the company is requesting. Mr. Kelly pointed
2 out -- so how can they, how can they break this down?
3 Mr. Kelly pointed out, well, they've asked for \$20 million
4 annually to fund their storm reserve from, for a 500 percent
5 increase. The Commission, if they wanted to, could lop that
6 off and save \$16 million right then and there. Okay?

7 How else can we do it? ROE, the equity portion is
8 one of the easiest places the Commission can make a huge
9 reduction or relatively large reduction in the \$228 million.
10 Last night Commissioner Argenziano was asking their staff what
11 areas they had the greatest, what areas do they have discretion
12 in in which to reduce things? We heard people last night say
13 that they couldn't afford the electric bills now. They would
14 have serious problems with an increase of the size being
15 requested here. So she asked staff, where do we have
16 discretion as the Commission to reduce things? And part of the
17 problem is, is that if this company buys a \$500 million
18 generating unit to produce electricity for y'all and they do it
19 competently, which they usually do, get the right contractors
20 and so forth, then there's very little to quibble about in
21 terms of what the investment is. If they purchase fuel from a
22 nonaffiliated company and they do it through competitive
23 bidding, which they're doing, it's difficult to argue with what
24 their fuel costs are.

25 The equity, as I say, is the biggest place for

1 changes. And it's, and it's interesting because, Senator
2 Argenziano, the Supreme Court of the State of Florida typically
3 won't review an equity decision of this body if it's within
4 testimony of the experts on various sides. Mr. Kelly said
5 they're going to hire a distinguished professor, expert from
6 Penn State. They have in another case earlier this year.
7 He'll come in, he'll probably have a low number, probably, I
8 would suggest based on his previous testimony, in the low
9 nines. Okay? The company we know has already asked for
10 12 percent, a pretty high number. If that comes to pass, if
11 it's 9, 9.1 percent from Public Counsel's witness and
12 12 percent, which it will be, it already is, it's in the
13 prefiled testimony for the company, and the Commission picks
14 any number in between there, it is highly unlikely that the
15 Florida Supreme Court would upset that decision upon review.
16 And that's an important thing to know because, pardon the tiny
17 size here, but the difference in annual revenue that you as
18 customers will have to pay between 12 percent up here and let's
19 just say a low of 9 percent down here is \$59.7 million per
20 year. Because for every 1 percent that this body, the judges
21 in this case, gives this company, it's another \$19.9 million a
22 year.

23 Now there was a suggestion that I was too critical of
24 the Commissioners in our appearance in Tampa last night and
25 somebody suggested that I was bordering on saying that they

1 were incompetent, and I don't think I said any such thing and I
2 certainly didn't intend to. I know these people, all of them,
3 Senator Argenziano going back some 12 years, have worked with
4 her over the years in the Florida House and the Florida Senate
5 on behalf of consumer issues, and there is nobody in my
6 experience in the history of that body that is more devoted to
7 consumers and better on utility issues. I know and respect the
8 rest of them.

9 What I was trying to say last night is that they are
10 relatively inexperienced in big electric rate cases for two
11 reasons. One, we haven't had any in a long time. This
12 company, as you see in your yellow sheet, hasn't been in since
13 1992. And, secondly, if you look at their bios in the yellow
14 sheet, they've only been here a relatively short period of
15 years. That's not their fault, it's not a criticism, it's just
16 an observation of two things.

17 The other thing I said last night and why I'm
18 harping, if you will, or stressing this issue of ROE is that in
19 the minor electric case, in a gas case that we had earlier this
20 year AARP was of the view that on this issue of return on
21 equity that the Commission awarded a number that was too high.
22 And I'm stressing this because we're hopeful to see that it
23 doesn't happen again. In the case I'm referring to, which is
24 Florida Public Utilities Company, which is the smallest of five
25 investor-owned utility, electric utilities in this state and

1 doesn't have generation, Public Counsel's witness argued that
2 the utility should be given a return on equity of 9.15 percent.
3 The company's expert said it should be 11.5 percent. The
4 Commission staff expert, a person who's been doing equity
5 analysis for I think in excess of 20 years, recommended to the
6 Commission that they approve 10.25 percent. The Commission
7 approved ultimately 11 percent. It is one of the first times
8 that I can recall in several decades of doing this where the
9 Commission gave an award higher than their expert, staff expert
10 suggested. If they do the same thing, that's -- what they did
11 was they gave .75 percent more than the staff expert suggested.
12 It doesn't sound like much. In this case if they did that, it
13 would equate to \$15 million more than recommended by staff.

14 Now two of the Commissioners, for reasons that they
15 gave and you may hear some of them given now, argued that they
16 should, this company earlier, Florida Public Utilities Company,
17 should get 11.5 percent or 1.25 percent more than recommended
18 by the Commission staff expert. They have their reasons and
19 they can give them if they wish, I don't want to repeat them,
20 because while I believe and AARP believes that their reasons
21 were well intended, we believe that they weren't satisfactory
22 in a regulatory utility sense and we don't want to see those
23 repeated again. And I'm stressing this out here in public,
24 ladies and gentlemen, because although I know all these people
25 and some are friends, it's not legal to talk about this with

1 them privately. So I wanted to share with you one of the
2 things that AARP is most concerned about, and that is that the
3 equity return not be too high when this case is finished, and
4 we want to tell you that we're concerned because we think that
5 mistakes have been made in the past even though they were well
6 intended. Thank you.

7 COMMISSIONER ARGENZIANO: Now, Mr. Chair. Sorry.

8 CHAIRMAN CARTER: Commissioner Argenziano.

9 COMMISSIONER ARGENZIANO: Thank you. I don't know if
10 this is working.

11 CHAIRMAN CARTER: You've got to pull it close.

12 COMMISSIONER ARGENZIANO: Oh, let's see. Okay.
13 Where are we? Is that it? No? Little button? I could start
14 singing. I don't know. Maybe that'll work. That'll really
15 shut it down. Is that, is that better?

16 COMMISSIONER EDGAR: Yes. That's much better.

17 COMMISSIONER ARGENZIANO: Yes. That is. I don't
18 know if that's working or maybe I'm just not technically savvy.

19 And while I appreciate that, Mr. Twomey, and I've
20 told -- as you know, I've known him, as he said, for many, many
21 years when I served in the House and in the Senate, and I don't
22 know of many other -- there aren't many other consumer
23 advocates that are up there that, especially on utility issues,
24 really know as much and protect you as much as Mr. Twomey.

25 With that said, and I appreciate that and I think

1 he's a good guy, and with that said I do want to explain,
2 because I think it's very important for you to know, I was one
3 of those Commissioners who believed that the 11.2, 11.5 was
4 correct at that time, and let me tell you why. But first let
5 me tell you that to think, and I don't want you to have to do
6 that in public, but to think that I would -- and I can't speak
7 for my colleagues, but I can tell you that we haven't rubber
8 stamped anything and I never plan to change. All those years
9 that you've known me in the House and the Senate getting beat
10 up for protecting the consumer, I don't plan to change now. I
11 plan to be fair. But in saying that, I want you to know the
12 reason why that took place at that time. And perhaps sometimes
13 the Public Counsel and the AARP representative has to be a
14 little bit, go for a little lower number than what you really
15 would wind up with, and that's where we come out. We're the
16 judges. While we have staff, and many times Mr. Twomey
17 disagrees with that staff, sometimes I agree with staff and
18 sometimes I don't. I'm here to be an independent thinker, not
19 to rubber stamp or to do what I'm told.

20 But the reason this company got what they did from me
21 was because of two things. One was they're the smallest
22 company and it's very easy sometimes for some people to get out
23 and beat up on the smaller companies and not have the, let's
24 say, fortitude to come out and do the same thing with the
25 larger companies. Some people, I'm not suggesting Mr. Twomey,

1 but that does happen.

2 And the second reason was because they were the
3 lowest rates in the state and the only company I had heard from
4 where the customers actually loved the people in this company.
5 The lowest rates. And I thought if you can keep providing
6 service like that and doing it at the lowest rates, then I'm
7 not going to punish you. I'm going to say keep going. And the
8 biggest reason I went with that, kept them with their rate of
9 return was because Mr. Twomey and even the Office of Public
10 Counsel thought that -- because the company had asked at that
11 time to increase their big CEO salaries, and they're not that
12 big in a small company in the Panhandle, but the guys up on the
13 top wanted an increase in their salaries. And I thought when
14 does it ever end? Okay? But their version of how that would
15 have happened would have been through your dollars. You would
16 have had to pay them through the rates.

17 And I said, you know what, let's keep them at their
18 rate of return because they're doing such a good job, they're
19 providing the lowest rates, but let the shareholders of the
20 stocks pay for their, for their salaries to increase, not the
21 consumers. So that's why I voted that way to do that.
22 Mr. Twomey, we may have a difference of opinion, I respect you
23 for that, but I don't want to see the customers paying for the
24 bigger salaries. Let the shareholders do it. So I owed you
25 that explanation and I wanted you to know the reason for that.

1 Thank you, Mr. Chairman, for allowing me to do that.

2 COMMISSIONER SKOP: Mr. Chair.

3 CHAIRMAN CARTER: Thank you, Commissioner.

4 Commissioner Skop.

5 COMMISSIONER SKOP: Thank you, Mr. Chairman. I also
6 too am going to take the opportunity to comment just briefly.
7 I agree with many of the things that my colleague Commissioner
8 Argenziano said last night. Again, I did not speak to this
9 issue, but I was also one of the Commissioners that was
10 implicated by Mr. Twomey's comments. And first and foremost,
11 as an attorney, and certainly as Mr. Twomey is a fellow member
12 of the Florida Bar, I think that it would be fair to say that
13 each case stands on its own individual merits. So a prior
14 decision of this Commission in practice is not very relevant to
15 the case at bar before the Commission in this rate case. So
16 TECO will have to prove up their own case, we'll listen to the
17 testimony provided by all sides and make a fair decision, as
18 this Commission and my colleagues always do.

19 With respect to my prior decision that was made, I
20 thought that I wrote a well-reasoned opinion as to my
21 decisional basis, hitting on some of the points that
22 Commissioner Argenziano touched upon and in looking at the, not
23 only the testimony that was provided by OPC, who we have a
24 great respect for, the company, and also our own technical
25 staff who I highly respect, but I may disagree at times with

1 those.

2 The company in question was a small, the smallest of
3 the five investor-owned utilities in Florida, and that's a key
4 word, investor-owned. By virtue of its smaller size and it's
5 capitalization, it also has higher inherent risk and higher
6 borrowing costs, which in some aspects again necessitate
7 driving a higher ROE. Again, the ROE that was rewarded was not
8 anything above what they currently had in place at the time.
9 That's an important distinction. They were not awarded more
10 than what they previously had in the actual decision of the
11 Commission. They were awarded less.

12 But just in closing briefly, again, I think that it's
13 important to be fair and I think that that's what this
14 Commission does. And with respect to some of the other
15 comments that were made with respect to the expertise of our
16 staff, I would like to also think that as a Commissioner I do
17 have my own individual, as do my colleagues, each of our own
18 respective talents and expertise in our own subject areas. And
19 in my part I do have an MBA in finance as well as a law degree
20 and a engineering degree with substantial industry experience
21 and substantial financial management and investment analysis
22 experience. So I think I'm pretty well qualified to look into
23 return on equity, weighted average cost of capital, those
24 issues on an individual standalone basis as I go forward and
25 listen to the competent evidence provided and that provided by

1 staff and make my own decision. So, again, I don't feel bound
2 by anyone's testimony. I try to make well-reasoned decisions,
3 as each of my colleagues do, and don't rubber stamp anything.
4 But the decisions I made I stand by. And as long as I can go
5 home and look myself in the face and be comfortable with my
6 decision, I think I've made a good one. So, again, I'm not
7 here to be defensive, but, again, I do think that each of my
8 colleagues are well qualified and we do our best to be fair
9 and, most importantly, each case stands on its own individual
10 merits and that's what the decision is based upon. Thank you.

11 CHAIRMAN CARTER: Thank you, Commissioners. I
12 couldn't have said it better myself.

13 Mr. Wright.

14 MR. WRIGHT: Thank you, Mr. Chairman. With your
15 leave, I'm going to address the public. Thank you.

16 CHAIRMAN CARTER: You may proceed.

17 MR. WRIGHT: Good morning. My name is Schef Wright.
18 I've been doing energy in Florida since I worked in Governor
19 Graham's Energy Office starting in 1980. I worked on the PSC
20 staff for seven years, got a break and got to go to law school,
21 and the phone keeps ringing and I keep doing this utility work.

22 I have the privilege to be here today on behalf of
23 the Florida Retail Federation. As I said, we're an
24 organization of more than 10,000 members in the State of
25 Florida from the very largest retail chains, Publix, Wal-Mart,

1 Target, the drug stores, the other grocery stores, et cetera,
2 to thousands of mom and pop retail operations.

3 A couple of points on background. As has been said
4 by Ms. Brown and others, the Public Service Commission's
5 overriding mandate, its overriding, overriding mandate is to
6 regulate utilities in the public interest. That's what it says
7 right in the very first subsection of their regulatory statute,
8 Chapter 366.01, Florida Statutes. In this context, the context
9 of a base rate case, the requirement is that the rates to be
10 set are to be fair, just, reasonable and not unduly
11 discriminatory.

12 A bit of factual background that you probably know
13 about since I assume you're all Tampa Electric customers, Tampa
14 Electric's rates are already going up from the present 11.4
15 cents a kilowatt hour expressed on a per 1,000 kilowatt hour
16 consumption level, which is about 16, 17 percent below the
17 average residential consumption. They're already going up from
18 11.4 cents to about 12 -- about 13 cents come January 1st.
19 That's just because of the fuel increase. It appears that
20 Tampa Electric has justified that fuel increase because none of
21 the Intervenor parties is challenging it. We had the
22 Prehearing Conference earlier this week and that's going to
23 happen no matter what. So you're already looking at if you're
24 a 1,000 kWh customer, and, remember, that's modestly below
25 average, you're already looking at your rates going to 13 cents

1 a kilowatt hour.

2 Now Tampa Electric -- so now we're on to the base
3 rates. Tampa Electric says they need an increase in their base
4 rates. We don't agree, we're not convinced. Why not? One,
5 they're asking that their, they're asking the Commission, the
6 judges in this case, to set their rates on the basis of an
7 after-tax return to their stockholders' investment, the equity
8 investment, an after-tax rate of return of 12.0 percent. We
9 believe this is grossly excessive.

10 We believe that the, that the risks that they face as
11 a regulated monopoly utility regulated by this Commission under
12 Florida Statutes are not remotely close to justifying a rate of
13 return of this magnitude. This is particularly true in light
14 of the fact that over half, as of today more than 53 percent of
15 their total revenues are recovered through pass-through clauses
16 which are trued up annually. So if they go up, they get more
17 money. If they go down, they give you back a refund with
18 interest at the commercial paper rate. But the bottom line is
19 they recover these costs on a nearly guaranteed basis dollar
20 for dollar trued up every year. When the new fuel increase
21 kicks in, that number is going to be pushing 60 percent. When
22 you've got 60 percent of your revenues covered through
23 pass-through clauses that are trued up every year, you're not
24 facing risks that justify an after-tax rate of return of
25 12 percent on equity.

1 Additionally, the, the, they're proposing -- back up.
2 We are early in this case. We have not completed what we call
3 discovery. We ask them questions, they give us answers.
4 Sometimes they ask us questions and we give them answers about
5 who we are and what we're doing, why we're in the case and so
6 on, what our experts believe. We're still waiting on a lot of
7 information regarding operational expenses.

8 But I will touch on two things. One, the storm
9 reserve. They're asking to increase the amount they accrue
10 against potential storm damage from \$4 million a year to
11 \$20 million a year. That's an increase of 400 percent, five
12 times, 400 percent increase. We think this is excessive, it
13 should not be allowed.

14 And I mentioned the pass-through clauses. How many
15 pass-through clauses have we got? We've got fuel, fuel
16 purchased power cost recovery, we've got capacity cost
17 recovery, environmental cost recovery and energy conservation
18 cost recovery. If Tampa Electric had needed extra storm cost
19 money after the '04/'05 storms, which they didn't, they could
20 have come in for a storm cost recovery surcharge like Power &
21 Light and Progress did. Now they're asking for what appears to
22 be essentially an incremental transmission cost surcharge. I
23 mean, it needs to stop. This, this is too much. A 12 percent
24 return on equity is too much.

25 They will make the pitch, and I know this because a

1 reporter called me and said, well, Tampa Electric says it's
2 only an extra \$9 a month. Well, one, it's not just an extra
3 \$9 an month. It's an extra \$9 a month if you're a 1,000 kWh a
4 month customer on top of an extra \$12 a month that they're
5 already getting in January. If you're not, because of the
6 inverted rates, and I don't want to go into that even though I
7 used to be the rates guy, it's more like 12, 13 plus if you're
8 a 1,200 kilowatt hour average customer. You know, to argue
9 that it's just an extra \$9 or an extra \$12, you know, is
10 misleading.

11 A couple of things. Their rates are a lot higher
12 today than they were 16 years ago. 16 years ago their rates
13 were about 7.9 or 8 cents. Today they're 11.4. They're going
14 to 13 in January. But as a regulated monopoly Tampa Electric
15 has to justify all of its costs. Think about it. If you
16 walked into Publix and somebody said, "Give us an extra \$9,"
17 what would you say? You'd say, "And why?" And that's what
18 we're here asking the Public Service Commission. That's what
19 we're asking the Public Service Commission today, why does TECO
20 need this money? We don't believe they do. I've explained to
21 you some of the reasons we don't believe they do and we as one
22 of the consumer representatives in the case are looking at
23 more.

24 In short, we believe that Tampa Electric needs to be
25 more realistic in terms of its request, more realistic relative

1 to asking for a return on equity relative to the risks it faces
2 and more sensitive to the real world economic situation that we
3 all face.

4 Thank you all very much for coming out. Tell the
5 Commission -- I mean, if you're in this room, you should speak.
6 The Commission wants to hear from you. If you've got good
7 things to say about Tampa Electric Company, tell them. If
8 you've had service problems with Tampa Electric Company, tell
9 them. The Commissioners want to hear from you.

10 Thank you, Commissioners. Thank you for coming.

11 CHAIRMAN CARTER: Thank you, Mr. Wright.

12 Ms. Bradley.

13 MS. BRADLEY: I am Cecilia Bradley and I am with the
14 Office of the Attorney General -- and dropping everything as we
15 go. I'm here because we've had some people call our office and
16 tell us that you all are concerned about this and this is going
17 to be a hardship on a lot of folks.

18 Now the Commission -- we, we all know that when you
19 have to pay more for the services you're getting, nobody wants
20 that. But without these hearings, they are not going to know
21 the real impact it's going to have on you, and that's why these
22 are so important and why we appreciate you coming out and
23 taking time away from your jobs or your other things you'd
24 rather be doing to actually tell them what impact this has on
25 you.

1 We learned last night, folks were talking about -- we
2 learned from retired people that said they were on fixed
3 incomes. I can relate to fixed incomes because I get a salary
4 and it doesn't matter whether I work ten hours a day or 20
5 hours a day, it's not going to change. So I understand that.
6 The difference is a lot of the retired folks, it was fixed back
7 more on what they were making years ago. And even though they
8 may get a little bit of an increase, it's not keeping up in
9 this economy with what we're looking at today. So when you
10 have to come up with more money for different goods and
11 services, it has a real impact on folks. We heard also from
12 some disabled people last night that said we don't know that we
13 can pay that. We're already struggling to pay our bills. That
14 conveys to us and to the Commission the real impact that this
15 can have on people, and that's very important for them to
16 understand that. There's certain givens, but to get the
17 details it's important to have these hearings and for you all
18 to come and talk to them and tell them how it's going to affect
19 you.

20 We also heard from a school last night, and, you
21 know, you learn that obviously it's going to affect businesses
22 and some businesses are able to pass some of that along to the
23 consumers, which obviously they don't want to have to raise
24 their prices, consumers don't want to have to pay more for
25 those goods, but the schools, they don't have anybody to pass

1 that along to, you know, so they have to look for ways to cut.
2 When electricity goes up, they're talking about -- I think
3 Hillsborough County said something about they have 191,000
4 families that they serve. They're going to have to cut those
5 services because they can't afford -- there's not a lot of
6 extra money coming in. They're already suffering from budget
7 cuts. And to have to pay more for these services means they're
8 just going to have to cut some services for those families, for
9 those children. So we learned a lot last night and we're
10 anxious to hear from all of you and hear what you have to say
11 and how this is going to affect you, and we appreciate you
12 coming. Thank you.

13 CHAIRMAN CARTER: Thank you, Ms. Bradley.

14 Mr. Willis, if you will turn the podium around as I
15 make a few observations.

16 First of all, those of you that are here, there are
17 some concerns or some current issues that you may have in terms
18 of billing or things of that nature. We do have staff here
19 from the Public Service Commission to assist you in that area.

20 Additionally, he's not going to speak, but we do want
21 to express our profound appreciation to Mayor Birdsong for
22 being with us this morning. Thank you for your hospitality in
23 this great city here in Imperial Polk County. It's great to be
24 down here in this part of the state again.

25 And with that, my friends and neighbors, those of you

1 that are wishing to speak, remember I went through two
2 different forms. The first form I went through was a white, I
3 say white, it looks more beige than white, but you sign up with
4 your name and address because it's being transcribed by our
5 court reporter here, so it will be part of the official record.
6 Those of you wishing to speak, please complete this form and
7 we'll call you up in order. The second form that I mentioned
8 is this yellow form, and it's entitled Special Report. It
9 tells you who, what, when, why and where we're here today in
10 terms of understanding your perspective on whether or not TECO
11 should be awarded this, this rate increase and, if so, how
12 much. If not, you know, whatever the case may be. I told you
13 the most important part of it was the last page because on the
14 last page, those of you that are shy about speaking or have one
15 of my over 50 moments and you forgot what you wanted to say
16 when you stood up, sometimes you stand up and your brain sits
17 down, you can take these with you and write it down and send it
18 back to us in the mailer. We'll take it and have it part of
19 the case before we proceed any further on that.

20 Additionally, I said that if you have any friends and
21 neighbors that maybe due to work commitments or childcare or
22 some other arrangements that couldn't be here today that you're
23 good friends and neighbors, we have extra forms out here.
24 Please take those with you and pass them out and let them send
25 in their comments to us. And with that, those of you wishing

1 to speak today, would you please stand so I can swear you all
2 in.

3 (Witnesses collectively sworn.)

4 Thank you. Please be seated.

5 It's wonderful to be here in Imperial Polk County.
6 Last night we were in your sister county down to the -- I won't
7 name that county. But anyway we, we had some people who -- we
8 want to hear from everyone and we try to extend the courtesy,
9 and we do want to hear from everyone. And I'm just going to
10 say upfront usually I kind of let people go because most
11 people, you know, know that, that everyone wants to be heard
12 and all but, and sometimes one person kind of sets things back
13 for everyone. But we want to hear from everyone. So I'm going
14 to ask you today, my friends and neighbors, if you would keep
15 your comments to not more than five minutes. And if you go
16 beyond five minutes, I'm going to be waving at you. And
17 then -- I'm not going to do anything antisocial, but
18 certainly -- but we would, we do want to hear from everyone. I
19 know your issue is important, but if you've got the same issue
20 as someone else, you know, please allow your neighbors, because
21 it's important to us to come down here to hear from you. Okay?
22 So we appreciate you doing that.

23 With that, Ms. Christensen, you're recognized.

24 MS. CHRISTENSEN: Mr. Patrick Paris.

25 Whereupon,

1 PATRICK PARIS

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 MR. PARIS: So I get to look at you guys instead of
6 the other direction. There you go. My name is Patrick Paris,
7 P.O. Box 32014, Lakeland, Florida 33802. I'm the Energy
8 Manager for Publix Supermarkets, and I appreciate everybody
9 talking about us quite a bit today. Our name keeps coming up
10 in this today.

11 What I wish to speak to you about is the rate of
12 return or the proposed rate of return of 12 percent. We live
13 in the supermarket industry and we've talked this morning about
14 several examples of if you don't like it at Publix, you can
15 walk down the street and get it somewhere else. We live on
16 razor thin margins. 12 percent, oh, my gosh, that's
17 unbelievable.

18 What we want to ask the Commission to do is please
19 analyze the rate of return. We think in an industry, that they
20 have pushed so many of their risk factors off to pass-throughs,
21 that it doesn't warrant that kind of a rate of return for the
22 risk that they're taking. And a lot of these rates, a lot of
23 these rate of returns were created back in the early '80s when
24 the prime was 20 percent, and times have changed. That's not
25 where it is today.

1 With that, I just want to ask you guys to please
2 evaluate that part. Thank you.

3 CHAIRMAN CARTER: Thank you so kindly.

4 MR. PARIS: And I kept it under five minutes for you.

5 CHAIRMAN CARTER: You did great. That's why they say
6 at Publix shopping is a pleasure.

7 Ms. Christensen.

8 MS. CHRISTENSEN: Douglas Jaeckel.

9 Whereupon,

10 DOUGLAS JAECKEL

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

13 DIRECT STATEMENT

14 MR. JAECKEL: I guess that's what I get for coming
15 early. I get up second. My name is Douglas Jaeckel. I live
16 at 300 Hernando Road in Winter Haven.

17 I'm appalled that anybody would want a 12 percent
18 rate of return in today's investments. I wish I could find a
19 place to invest my money with a low risk at 12 percent. I
20 would jump on in a heartbeat. What we're faced with is my
21 significant other is a teacher. She's going to see little or
22 no salary increase. I, I did retire and I started a business.
23 My business is home repairs. Today it's nonexistent. Quite
24 frankly, I don't have the return on my business that I have in
25 today's economy, and to ask for 12 percent return is ludicrous

1 in today's market.

2 The other thing I did notice is that TECO is asking
3 for a \$32 connection fee, which is going to be double over what
4 it is now currently, \$16. We own a number of rental
5 properties. And the rental market is very distressed, so we're
6 constantly switching out tenants through no fault of their own.
7 Because of a bad economy they can't pay the rent. And we're
8 constantly getting hit with this charge that's going to double.
9 And, quite frankly, what they do is they read the meter when
10 the service ends and they read the meter for the old customer
11 and then it's noted for the new customer. And they're going to
12 ask for a double increase from \$16 to \$32, which I don't think
13 is warranted because they have to come out there to read the
14 meter initially to end service.

15 I think I've just about covered it all. I just know
16 that we have done everything in our personal home to cut our
17 electric bill and it's still substantial. And we realize it's
18 going to be much more substantial, and I, I don't know where
19 people are going to be able to afford an increase generally
20 speaking. Thank you.

21 CHAIRMAN CARTER: Thank you so kindly, Mr. Jaeckel.

22 Ms. Christensen.

23 MS. CHRISTENSEN: Harold Thomas.

24 Whereupon,

25 HAROLD THOMAS

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

3 DIRECT STATEMENT

4 MR. THOMAS: My name is Harold Thomas. I live at
5 6403 Oak Grove Drive, Southeast, Winter Haven, Florida 33884.

6 I live in a subdivision of manufactured mobile homes
7 called Garden Grove Oaks. My home has approximately
8 1,400 square feet. I've been living there since March of 1989.
9 I went over the last bill I had, which was for the period 8/13
10 through September 15th, '08. My customer charge -- I'm going
11 down a line. The customer charge residential, as you know, was
12 \$8.50, the energy charge was \$83.11, and the fuel charge was
13 \$86.06, totaling \$177.67. This was based on 1,642 kilowatt
14 hours. That's what I used that month.

15 Now the new rates, the customer charge is going up to
16 \$10.50. Under the new rate my energy charge would be
17 \$115.81 from \$83.11. The fuel charge would be \$139.11 from
18 \$86.06. The total goes from \$177.67 to \$265.42. The Florida
19 gross receipts tax is just minimal, but added on the total bill
20 goes from \$192.75 to \$287.92. This increase is about
21 49.37 percent. That's a big increase.

22 Now I know available, we are available to the budget
23 plan whereby the point in time your expenses are less. But
24 even using that, this 49 will probably come down but maybe come
25 down to maybe 20 percent. That's still a pretty darn good

1 increase.

2 Now I went back from '04 to '07 and looked at your
3 rates under 1,000 kilowatts and over 1,000 kilowatts for energy
4 and for the fuel. The energies remain the same all the time
5 for a whole year and then the following year they would go
6 either up or down according to whatever the situation. But the
7 whole thing from '04 to '08 for the less than 1,000 kilowatt
8 hours went from .04864 to .05061. This is your, I presume
9 you're automatically up or down according to whatever your
10 expenses are. More than kilowatt hours, it remained, it went
11 from .04864 to .05061. You notice the rates are the same for
12 less than 1,000 and more than 1,000, the same rate. Now under
13 the new, what you're proposing now you're going to soak the
14 person that has over 1,000 kilowatt hours more than the person
15 that has less. I, I was under the impression when you
16 manufacture something or the more you manufacture, the lower
17 your cost per rate, you know. But in this case, you're just
18 soaking the guy who goes up over the 1,000 kilowatt hours.

19 So that's my, my request. And I, I believe that a
20 12 percent increase on, on return is tremendous, man,
21 especially at this time. So naturally I hope you're going to
22 get a lower rate than that, and I thank you very much.

23 CHAIRMAN CARTER: Thank you, Mr. Thomas. One second.
24 Mr. Thomas?

25 MR. THOMAS: Yes, sir.

1 CHAIRMAN CARTER: Mr. Thomas, would you come back for
2 a second, please?

3 MR. THOMAS: Sure.

4 CHAIRMAN CARTER: Commissioner Skop, you're
5 recognized.

6 COMMISSIONER SKOP: Thank you, Mr. Chairman. And
7 thank you for coming out today, Mr. Thomas. I appreciate your
8 comments and your insight.

9 MR. THOMAS: Okay.

10 COMMISSIONER SKOP: I just want to try and explain
11 one thing. Again, I don't know whether it's been articulated,
12 and, staff, feel free to jump in and help me out. With respect
13 to return on equity, again, that's something that the
14 Commission is going to hear a lot of testimony from OPC, from
15 AARP, from our staff, from the company on, and, again, we can't
16 get into what that number should or should not be. But I just
17 wanted to try and make everyone aware that the ROE is just one
18 component of a company's overall capital structure, and I don't
19 know whether that point has been kind of brought forth.

20 But in a capital structure you have debt, short-term
21 debt, long-term debt, then you also have the cost of equity and
22 you have respective costs. Typically the cost of debt which a
23 company, you know, an optimal capital structure might have
24 40 percent debt or 60 percent equity or whatever the
25 appropriate corporate balance is. But in a traditional sense

1 the cost of debt is substantially lower than the cost of equity
2 because there's more risk in the equity part, less risk in the
3 debt. Historically I guess debt has gone anywhere from, you
4 know, 3.5 percent on short-term up to 8, 9, 10, 11, the cost of
5 equity anywhere from 8 up to, you know, 15 in the '80s. But
6 the blend of those two based upon the fractional percentages or
7 the weighted averages is something known as the weighted
8 average cost of capital. And I assure you in most cases, not
9 anything to do with this case, the weighted average cost of
10 capital, which is the, what is earned between the debt and the
11 equity is substantially lower than 12. It's usually somewhere
12 around 8. Is that correct, staff?

13 MR. WILLIS: It's between, yeah, somewhere between 7
14 and 8 percent.

15 COMMISSIONER SKOP: So, again, the cost of equity
16 that we're hearing a lot of discussion about and we'll hear
17 testimony is just a weighted average of the percentage of
18 equity in the capital structure. It's not, it's not like
19 they're asking to earn or a company would earn that big number
20 on everything that it invests. And I just kind of wanted to --
21 hopefully I did a good job. If I didn't, please jump in and
22 explain.

23 MR. WILLIS: You did a good job.

24 COMMISSIONER SKOP: All right. Thank you.

25 So I just wanted to kind of put some of the concerns

1 I thought I heard, just to explain it a little bit, that that's
2 just one component of the capital structure, which is certainly
3 a very important component, and we're going to have a lot of
4 discussion on that. And, you know, the economy has changed
5 substantially, so, again, we do have discretion in that area.
6 But, again, I just want to facilitate that that is just one
7 component of weighted average that blends into a company's
8 overall return. So they're not earning that big number, so.

9 MR. THOMAS: Now one other, while you're, now that
10 you're talking about it, now this increase from \$4 million to
11 \$12 million on your self-insurance, man, that's, that's a
12 tremendous increase.

13 COMMISSIONER SKOP: We're going to look at all those
14 costs. We have a very talented, very dedicated staff that
15 scrubs all the numbers. They do a tremendous job. And, again,
16 those expenses must be prudently incurred in order to be
17 recoverable, and we do a tremendous job of looking at those
18 numbers to make sure that every expense is prudently incurred.
19 However, if it is prudently incurred, then pursuant to Florida
20 Supreme Court precedent as well as U.S. Supreme Court
21 precedent, a utility that invests, makes investments on behalf
22 of the public is entitled to earn a fair and reasonable rate of
23 return on its investment that it invested for the public good.
24 So those expenses that you mentioned, again, the storm, storm
25 reserve, we're going to be looking at those with a fine-tooth

1 comb, as is Public Counsel, as is AARP, as is the Retail
2 Federation of Florida. Again, those expenses are going to be
3 scrutinized heavily, and you have my word on that, so.

4 MR. THOMAS: But, remember, after-taxes is what
5 you're talking about.

6 COMMISSIONER SKOP: Yes, sir.

7 MR. THOMAS: Okay. All right. That's, that's a big
8 thing; right?

9 CHAIRMAN CARTER: One second. Mr. Thomas, don't
10 leave.

11 COMMISSIONER ARGENZIANO: No. No. It's not for Mr.
12 Thomas. Just to add to --

13 CHAIRMAN CARTER: Anything further to Mr. Thomas?

14 COMMISSIONER SKOP: No. I just wanted -- hopefully
15 that helped. You have our assurances that we're going to be
16 looking with a fine-tooth comb.

17 CHAIRMAN CARTER: Thank you, Mr. Thomas.

18 COMMISSIONER ARGENZIANO: I just want to say --

19 MR. THOMAS: May I, may I make one more comment?

20 CHAIRMAN CARTER: Sure.

21 COMMISSIONER SKOP: Yes, sir.

22 MR. THOMAS: You're talking to an accountant of over
23 40 years. Thank you.

24 COMMISSIONER SKOP: Thank you.

25 CHAIRMAN CARTER: Thank you.

1 Commissioner Argenziano.

2 COMMISSIONER ARGENZIANO: Just to make sure that we
3 understand that if the company spends the money prudently
4 pursuant to Florida Statutes, not the Supreme Court, the
5 statute, we have to allow those costs to be recovered.

6 CHAIRMAN CARTER: Thank you.

7 Ms. Christensen.

8 COMMISSIONER ARGENZIANO: We've got that little thing
9 called the law.

10 MS. CHRISTENSEN: Rose Thompson.

11 Whereupon,

12 ROSEMARY THOMPSON

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

15 DIRECT STATEMENT

16 MS. THOMPSON: Hello.

17 CHAIRMAN CARTER: Good morning.

18 MS. THOMPSON: I'm Rosemary Thompson, and I'm here
19 today because I'm confused about the increase. Number one, my
20 bill personally is higher every month. There's an increase on
21 the bill from, it goes from \$8 to \$13, plus I have to pay in
22 order to pay the bill. They don't have no stations where you
23 can just walk in and pay the bill. They want you to do
24 everything online.

25 Okay. And I hear them say 16 years ago. I can't go

1 back to Ben Hill Griffin or Snively or Bordeaux (phonetic) and
2 say you didn't give me enough to pay \$1.50 in order for me to
3 pay my light bill.

4 I think they are doing it the wrong way. I know that
5 the increase is in order to help them. Where I live, there's
6 no lights, there's no nothing, I have no air conditioner, I use
7 fans only, and personally every month there's something like up
8 to a \$13 increase, plus I have to pay the \$1.50 to the bus
9 station in order to pay the \$13 increase. I don't think that
10 they really understand what a person on a fixed income is up
11 against. They shut down all these offices. They want you to
12 go online. In order for me to be online I got to get a
13 computer. There's a lot of problems that they are causing
14 themselves with the elder people, not because I'm just
15 100 years old but because I can't get online and pay the bill.
16 They don't understand that. I have to go to the bus station.
17 In order to pay \$139 I got to pay another \$1.50 in order to do
18 that. And I'd like for them to do something about it.

19 CHAIRMAN CARTER: Rose, Ms. Rose, one second please
20 before you go. Hang on one second before you go.

21 We're getting ready to recognize staff. Mr. Twomey,
22 have you got a question?

23 MR. TWOMEY: Yes, sir, I do, when it's appropriate.

24 CHAIRMAN CARTER: You're recognized. You're
25 recognized.

1 MR. TWOMEY: Yes, sir, Mr. Chairman.

2 CROSS EXAMINATION

3 BY MR. TWOMEY:

4 Q What I'd like no know, Madam, when did you, when did
5 you last have an office that you could go to and how far away
6 was it? How much more convenient was that where you could go
7 to one of their offices and not have to pay these, these
8 collection people a fee to pay your bill?

9 A Right.

10 Q How long ago was that and when did, when did TECO
11 stop doing that and shut that down and make you resort to the
12 bus station and these other places? Do you recall?

13 A Well, it's been, it's been over two or three years.
14 But up until -- you see the increase on the bill, and I'm not
15 getting anything. Where I live out there they don't even have
16 a light. I have to burn my own light at night in order to try
17 to protect myself. But it's been about two or three years.

18 I don't want to be angry about it, but yet they are
19 not seeing what they are doing. Every month there's an
20 increase on my bill. I have never seen the bill go down.
21 Christmas and the holidays and things you expect a lot.

22 Q Yes, ma'am. But just to be clear, two or three years
23 ago there was a TECO office you could go to and you could pay
24 your bill, it was more convenient and you could pay your bill
25 to one of their employees.

1 A Right.

2 Q Without having to pay a fee.

3 A Right.

4 Q They closed that office two or three years ago.

5 A Right.

6 Q And now you're forced to resort to going to the bus
7 station or wherever where you're not only required to pay the
8 money to them for your bill, but you're compelled to pay a fee
9 of \$1.50 for the bus station to take their money; is that
10 correct?

11 A Yeah. They say for me to go online. I don't have
12 nothing to do with the Internet. That's another bill. I don't
13 want to hear what they got to say.

14 MR. TWOMEY: Yes, ma'am. Thank you.

15 COMMISSIONER ARGENZIANO: Mr. Chair?

16 CHAIRMAN CARTER: One second, Ms. Thompson.

17 COMMISSIONER ARGENZIANO: I think this is for staff.
18 I don't even know if this is working. Okay. Excuse me for
19 being ignorant. You have to pay a fee to pay -- she has to pay
20 a fee to some collection --

21 MS. THOMPSON: Yes.

22 COMMISSIONER ARGENZIANO: Is there -- can she still
23 mail in the bill?

24 MR. WILLIS: Yes, Commissioner, she can still mail
25 the bill in.

1 COMMISSIONER ARGENZIANO: Okay.

2 MS. THOMPSON: No. When you mail it in, you buy the
3 money order, you send it through the mail, it's a day late.
4 There's all kind of problems. So they're not making it easy
5 for us. We are not trying to get it easy. All I'm trying to
6 do is understand why every month there is this big increase.
7 We're talking about -- I guess it's not a big increase because
8 \$10 ain't no money now. But --

9 COMMISSIONER ARGENZIANO: Well, staff, I'd like to
10 find out first of all what --

11 CHAIRMAN CARTER: Ms. Thompson.

12 COMMISSIONER ARGENZIANO: Sorry.

13 CHAIRMAN CARTER: What we're going to, what I want to
14 do -- don't lose your train of thought. But, staff, I want to
15 make sure that someone gets with Ms. Thompson before she
16 leaves, get her name and address, and we want to understand
17 this, why is it this \$13 a month keeps increasing, why is that?

18 The other thing is that let's look at the reason that
19 she's having to go through all of these unnecessary hoops just
20 to pay her bill.

21 Commissioner Argenziano.

22 COMMISSIONER ARGENZIANO: That's basically what I
23 wanted to say. But I also want to know how much the collection
24 fees are and where that's justified, if that's something we
25 need to look into. I didn't know you had to pay money to pay

1 your bill.

2 MR. WILLIS: Commissioner, there are many companies
3 now who have shut down their local area offices and they allow
4 you to go to other establishments such as a 7-Eleven or
5 something like that.

6 COMMISSIONER ARGENZIANO: I understand that. But I
7 think, and my train of thought is since you're saving money
8 closing all these offices down, why don't you pay the fee to
9 have the people come and pay their bill? That's the way I
10 would think of that. So I'd like to know a little bit more on
11 that and find out, you know, where that comes from and if we
12 have any kind of jurisdiction over that, because I plan to talk
13 to the Legislature about that one. I don't know why -- I mean.

14 MS. THOMPSON: Well, they told me, they told me to go
15 online. That means I need a computer.

16 COMMISSIONER ARGENZIANO: Yes, and that's not
17 acceptable. There's a lot of people who do not have computers
18 and that's ridiculous. That's an option for some people. But
19 I just have a real problem with -- you know, you're closing
20 down offices to save money. I'm sure you saved a lot of money.
21 As a matter of fact, I would love to find out how much money
22 they actually saved by closing down the offices and having real
23 people to help the people collect the money and I'd like to
24 really know what the fees are. Because I would think the
25 company should eat that if they want to close down their

1 offices.

2 COMMISSIONER SKOP: Mr. Chair.

3 CHAIRMAN CARTER: Okay. I'm going to go to
4 Commissioner Skop, then I'll come to you, Ms. Bradley.
5 Commissioner Skop.

6 COMMISSIONER SKOP: Thank you, Mr. -- thank you.

7 CHAIRMAN CARTER: Hold it closer. Push and then
8 hold.

9 COMMISSIONER SKOP: Can everyone hear me?

10 CHAIRMAN CARTER: No. Here. Take this one. Here.

11 MS. THOMPSON: I guess I'm just angry today.

12 CHAIRMAN CARTER: No, you're not angry. Wait, Ms.
13 Thompson. Wait. You're not angry. You're just, you're
14 just -- that's what we want to hear. You've got a real issue
15 and that's what we want to hear about, real issues.

16 COMMISSIONER SKOP: Thank you, Mr. Chairman. This
17 one works. Thank you, Ms. Thompson, for coming out today to
18 share your concerns. We've seen a lot of that in terms of
19 extra fees to pay a bill. I mean, certainly you can pay by
20 mail. But, you know, with the closure of remote offices it
21 makes it somewhat more difficult for consumers, particularly in
22 light of the service fees that are added on when you pay or
23 convenience fees as they're called. And I think that that's
24 something, as Commissioner Argenziano --

25 MS. THOMPSON: But I tried the paying by mail --

1 COMMISSIONER SKOP: Yes, ma'am.

2 MS. THOMPSON -- by buying, going to the post office,
3 buy the money order, send it to them. Then on a certain day
4 there's a man there to turn your lights off.

5 COMMISSIONER SKOP: Yes, ma'am.

6 MS. THOMPSON: They don't understand. I guess most
7 people don't understand, and \$10 ain't no money, \$5 is no
8 money.

9 COMMISSIONER SKOP: It is. It is in these times. I
10 mean, you're, you're the hardworking Florida citizen and trying
11 to do, pay your bill.

12 MS. THOMPSON: I'm just, I'm on a fixed income.

13 COMMISSIONER SKOP: Yes, ma'am.

14 MS. THOMPSON: And they are continually -- I don't
15 know.

16 COMMISSIONER SKOP: Yes, ma'am. The other thing I
17 wanted to mention too, and I think that I've heard this from a
18 couple of the customers so far, I think Mr., hopefully I'm
19 saying this correct, Jaeckel, Mr. Thomas, I think Mr. Wright
20 mentioned it, I know Mr. Twomey has mentioned it, and I think
21 it came up last night, but also on Page 5 of the Special Report
22 where it lists the proposed rates for the interim rates and the
23 final rates, again, there's no reference to the 1,000 kilowatt
24 hours that I see on there. And I think last night it was
25 brought up that that perhaps could be somewhat misleading to

1 the extent that the full rate impact on the average consumer is
2 not readily distinguished by looking at this.

3 So I would ask that if it would be possible either
4 that the company or staff could provide a revised analysis
5 showing, you know, rate impacts at, you know, 1,200 kilowatt
6 hour consumption or 2,000 or 3,000, just something to show
7 more, a realistic impact to consumers as a result of the
8 proposed increase. Not to say that any of those increases
9 would be granted, but, again, I think that consumers should be
10 entitled to know what's pending. And I'm not so sure that
11 this -- I don't want to use the word misleading, but it borders
12 on getting very close to that to the extent that it's not
13 realistic to what the average consumer would be expected to
14 incur under the proposed rate increase. So I think that if we
15 could put some attention to that and maybe publish it online or
16 reissue the Special Report or do something to better inform or
17 show that rate impact, I'd appreciate it. I don't know if my
18 colleagues share that view, but I think that's been brought up.
19 Thank you.

20 CHAIRMAN CARTER: We'll have it done. Staff will get
21 it done. Don't go away, Ms. Thompson.

22 Ms. Bradley.

23 MS. BRADLEY: Thank you, sir.

24 CROSS EXAMINATION

25 BY MS. BRADLEY:

1 Q Ms. Thompson, you're not the first person that's
2 complained or had a problem with this. But, and I am confident
3 they're going to look into it and see what they can do. But in
4 the meantime if you live near a public library or a senior
5 citizen or a church, sometimes they will have computers and can
6 help you get online to pay that.

7 A That's not the bill -- that's not the problem. She
8 said that I need to cut down on my bill. I burn the lights
9 outside because I am in the ghetto and I don't -- it's kind of
10 like for protection. I can't explain it to them. I burn the
11 light in order to --

12 CHAIRMAN CARTER: There should be a streetlight
13 there. Yeah.

14 MS. THOMPSON: Yeah. I don't know.

15 CHAIRMAN CARTER: Yes, ma'am.

16 MS. THOMPSON: They don't have to have a streetlight
17 there, like the lady said. It's left up to me to try to cut it
18 some kind of way. I don't know how to cut it.

19 COMMISSIONER ARGENZIANO: Mr. Chair.

20 CHAIRMAN CARTER: Commissioner Argenziano.

21 COMMISSIONER ARGENZIANO: Well, sometimes you can't
22 conserve as much as you can because you do what you afford and
23 you may not be able to do that. So that's kind of absurd for
24 somebody else to tell you. That's up to you to figure out how
25 much you need to use and what you need to use.

1 My point on this issue is there's less service to the
2 customer because you've cut down the customer service offices,
3 and I understand they can't be everywhere, but you're providing
4 less service and now you're charging, and I think it's a
5 service issue, now you're charging to pay your bill. And I
6 believe that if, if the customer, if the company has saved a
7 lot of money by letting go of employees and closing offices,
8 well, then maybe they should eat the cost. I'm not sure where
9 that comes from. But I just have a real hard time
10 understanding why, if you save that money now, somebody has got
11 to pay to pay their bill.

12 And some people, and it's hard for other people to
13 understand, but some people, especially retired people, may
14 have to wait until the last minute to pay their bill, okay, and
15 I understand that. I've been there before and it's very
16 difficult. And at the last minute if you have a store there,
17 at least you can get there or somebody where you can get to to
18 pay that bill. When you have to mail it in and you're taking a
19 chance of it being late, and then God forbid it's late and they
20 turn you off, that could be the difference of having a
21 refrigerator and food and the vital electric that you need. So
22 to fluff it off, to say that, oh, well, you know, you should
23 have got it in sooner really disturbs me. So I'm looking at it
24 as less service, and then on top of that you're being charged
25 for less service. So I'd like to figure out if there's any

1 kind of way that we have any jurisdiction over that, and maybe
2 you could talk to the company about that, in providing better
3 service to their customers.

4 CHAIRMAN CARTER: Dee?

5 MS. BROWN: Thank you, Commissioner.

6 COMMISSIONER SKOP: Chairman.

7 CHAIRMAN CARTER: Wait. And I'll go to you.

8 MS. BROWN: Just, just to try to provide more
9 information, when we did close our offices, which actually was
10 seven years ago maybe, we tried to offer more options, more
11 places where customers could in fact pay. We have locations
12 where there's no fee which we tried to place very close to
13 where our office has previously been so our customers had that
14 same access, and we also have agents who do charge a fee of \$1
15 or \$1.50 as a convenience fee. That is their fee for
16 transacting the business. But we do in fact have locations
17 where our customers can go and pay with cash if that's how they
18 choose to pay without a charge.

19 MS. THOMPSON: Where?

20 COMMISSIONER ARGENZIANO: That's wonderful. Can you
21 find out if in her neighborhood there's one?

22 MS. BROWN: I will. Yes, ma'am.

23 COMMISSIONER ARGENZIANO: Because I think you need
24 them in the, in maybe the income areas where they're the lower
25 income or retired citizens. And, you know, then if there's an

1 option whether she has to go to Store A to pay \$1 or not to pay
2 \$1, that would be great. And I would really like to follow up
3 on if there's one in Ms. Thompson's area that does not charge a
4 fee.

5 MS. BROWN: We'll look at that, Commissioner.

6 CHAIRMAN CARTER: Mr. Willis.

7 MS. THOMPSON: All the convenience stores --

8 MR. WILLIS: Thank you, Mr. Chairman.

9 Ms. Brown actually said part of what I was going to
10 say. But to facilitate the review of Ms. Thompson's bill, I
11 would really like TECO to see if they could file a late-filed
12 exhibit for the last 24 months, the most recent 24 months of
13 Ms. Thompson's bill, a summary of her bill so we could evaluate
14 that. Can you turn that around fairly quickly?

15 MS. BROWN: Yes. Yes.

16 MR. WILLIS: Thank you, Ms. Brown.

17 CHAIRMAN CARTER: Commissioners, that will be,
18 Commissioners, that will be Exhibit Number 10. That will be
19 Ms. Rosemary Thompson -- I got it right, didn't I, Rosemary --
20 Ms. Rosemary Thompson's bill for -- what was the time frame,
21 Marshall?

22 MR. WILLIS: The most recent 24-month period.

23 CHAIRMAN CARTER: The most recent 24-month period.
24 That's, Commissioners, I'm just kind of thinking aloud before
25 we call our next person. That's --

1 COMMISSIONER ARGENZIANO: Mr. Chair, just to that
2 point, when you get that, staff, can you get it to my office
3 and I'm sure the rest of us? I'd like to review the 24-month
4 --

5 MR. WILLIS: I will get it to all of your offices,
6 yes.

7 COMMISSIONER ARGENZIANO: Thank you.

8 (Late-Filed Exhibit 10 identified for the record.)

9 CHAIRMAN CARTER: I'm just kind of thinking aloud is
10 that when you have a situation where the people may not have
11 adequate transportation, you need -- if you've got a place that
12 doesn't charge -- they should have the option of a place that
13 doesn't charge and some people have to use money orders and
14 things like that. It's -- I don't think it's -- the customers
15 have to jump through --

16 COMMISSIONER ARGENZIANO: The hoop to pay.

17 CHAIRMAN CARTER: -- hoops to pay. You're right.
18 Particularly if there's been some savings. And I just --

19 MR. TWOMEY: Mr. Chairman?

20 CHAIRMAN CARTER: Mr. Twomey.

21 MR. TWOMEY: May I make a very quick observation?

22 CHAIRMAN CARTER: Sure.

23 MR. TWOMEY: I'll try, I'll try and bring this up in
24 the, in the hearing perhaps as an issue. And maybe Ms. Brown
25 could tell us if it's convenient, but, you know, the tax

1 service accepts, we all rush down to their, some of us rush
2 down to the post office at midnight to make sure we get the
3 postmark correct. And then after it's postmarked April 15th,
4 it doesn't matter if it takes the postal service a day or five
5 days or a week to get it there. It seems to me that
6 Ms. Thompson's concern that she put a money order in the mail
7 and then it shows up received late by TECO could be obviated if
8 we looked into having a rule whereby the company had to respect
9 the postmark and customers could with confidence pay their bill
10 by the appointed date and then not have questions about whether
11 it was received timely, the postal service isn't responsible
12 for it or if it set overnight in the company's mailroom and
13 went into a fee generating disconnect situation.

14 CHAIRMAN CARTER: Thank you, Mr. Twomey. That's,
15 that's a good idea. Because I can, I can see something like
16 looking at the postmark and giving maybe a grace period, you
17 know.

18 Ms. Christensen.

19 MS. CHRISTENSEN: Commissioner, may I also suggest as
20 a late-filed, and I don't know if TECO --

21 CHAIRMAN CARTER: You're recognized.

22 MS. CHRISTENSEN: -- thank you -- has the
23 information, but they suggested they had some non-fee paying
24 sites as well as fee paying sites. If there were possibly a
25 way to get a map of where those sites are and which ones are

1 fee generating and which ones are not fee generating, I think
2 that might illuminate the situation as to what territory is
3 covered and where those areas are.

4 CHAIRMAN CARTER: Commissioners, that would be
5 Exhibit 11, that'll be a map of the payment sites.

6 MS. BROWN: Just to clarify, the payment sites that
7 we communicate to our customers, and they do change from time
8 to time, are the no charge sites.

9 CHAIRMAN CARTER: Okay.

10 MS. BROWN: Other sites can actually collect our, our
11 bills that we're not, we're unaware of. They will collect and
12 charge the customer and remit on behalf of the customer.

13 CHAIRMAN CARTER: But the ones that, the ones that
14 you recommend is what -- I think, Ms. Christensen, is that what
15 you wanted?

16 COMMISSIONER ARGENZIANO: All of them.

17 MS. CHRISTENSEN: I think it would be helpful to have
18 all of them, fee and non-fee paying sites, that TECO is aware
19 of. Obviously --

20 CHAIRMAN CARTER: Those that you, if know of them --

21 MS. BROWN: I can do that.

22 CHAIRMAN CARTER: If you know of them, can you do
23 that?

24 MS. BROWN: I can do that.

25 CHAIRMAN CARTER: I know you've got all the ones --

1 MS. BROWN: I just wanted to make it clear to the
2 Commission that we cannot name all of the sites that may take a
3 utility bill and charge.

4 CHAIRMAN CARTER: Okay. Before we go though, you do,
5 the ones that you know of are the ones that don't pay and
6 there's some that do charge that you know of. So one thing,
7 you can give us the universe of the ones that don't pay because
8 you know all of those.

9 MS. BROWN: Yes. Right.

10 CHAIRMAN CARTER: The other ones you can give us as
11 you know them. But we want -- what's the time frame?

12 MS. CHRISTENSEN: I would leave that to TECO's
13 discretion as to how long it would take them to compile that
14 information.

15 CHAIRMAN CARTER: That will be a late-filed, Number
16 11.

17 (Late-Filed Exhibit 11 identified for the record.)

18 MS. CHRISTENSEN: And I would just ask that they
19 clearly identify which ones are fee paying and which ones are
20 non-fee paying so that it's easy to decipher which ones are
21 which.

22 MS. BROWN: And we publish that frequently.

23 CHAIRMAN CARTER: Okay. Commissioner Argenziano.

24 COMMISSIONER ARGENZIANO: Two points. One to this
25 point that -- and if any of the non-fee are created from this

1 point on in any of those neighborhoods, I'd like a note to tell
2 me that it was created next week or today or yesterday it was
3 there. The ones that have been there, I have no problem with.
4 But I'd like to know that.

5 And to Mr. Twomey's point, the postmark is a good
6 idea except for the fact, and we did this in the Legislature
7 with something else, that the day, the due date is when the
8 company actually gets the money in hand. So there would have
9 to be something in the rule, because you don't want to confuse
10 people even more and say that because it was posted -- it has
11 to be postdated at least three or four days ahead of time
12 because it's only fair that the due date is when the company is
13 supposed to receive the money, not when it gets dropped in the
14 mailbox.

15 CHAIRMAN CARTER: Okay. That would be fine. Thank
16 you so kindly.

17 MR. YOUNG: Mr. Chairman?

18 CHAIRMAN CARTER: Yes, sir. Mr. Young.

19 MR. YOUNG: I think Ms. Christensen asked for the
20 map. I think it would be --

21 CHAIRMAN CARTER: I think she wants the location of
22 the centers.

23 MR. YOUNG: Map and location and address.

24 CHAIRMAN CARTER: Right, with the address. Did you
25 get that, the addresses?

1 MR. YOUNG: And the staff would add a caveat to that
2 similar to what Commissioner Argenziano mentioned, and the date
3 of establishment when the fees, when the site was established.

4 CHAIRMAN CARTER: Okay. That will be fine. Thank
5 you.

6 Commissioners, anything further on this?

7 Ms. Christensen.

8 MS. CHRISTENSEN: Jim Durham.

9 Whereupon,

10 JIM DURHAM

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

13 DIRECT STATEMENT

14 MR. DURHAM: My name is Jim Durham. I live at
15 10 Lake Eloise Lane Southeast in Winter Haven, 33884. Thank
16 you, Mr. Chairman and Commission, for allowing us to speak.

17 I didn't come here to complain against TECO. TECO is
18 a good company with a lot of good people, provides a good
19 service to me. But I do have some questions after getting this
20 pamphlet in the mail. Here, if I look at the energy charge and
21 the fuel charge, the current totals 10.3 something. I'm
22 looking at proposed increases of anywhere from 30 to
23 50 percent, if I'm understanding this pamphlet correctly. Is
24 that, is that correct?

25 CHAIRMAN CARTER: Marshall.

1 MR. WILLIS: That is correct, and your actual
2 increase will be higher if you're in the higher end of the
3 inverted rate. Yes.

4 MR. DURHAM: Okay. It seems to me that that is quite
5 an impact to put on people at one time. And I see there hasn't
6 been a, a charge, a base rate increase since 1992, and I would
7 even question why there would be a, you would wait so long and
8 have a huge impact on people. And, of course, the timing is,
9 is pretty poor timing. I'm not here to tell you that I'm, it's
10 going to keep me from putting food on the table. It's not
11 going to impact my lifestyle, but it will impact the lifestyle
12 of many people if they have a 30 or 50 percent increase in
13 their rates. And so I just question, I have a lot of questions
14 in my mind about why TECO would wait so long, and I'm not
15 understanding all the circumstances here, but why this was
16 happening like this. Because I think it can be catastrophic to
17 some of our senior citizens and some of our poorer people. I
18 do own some apartments. I know it's difficult for some of
19 those tenants to pay their bills already. I would hate to see
20 them get a 30 or 50 percent increase, if that's truly correct.

21 The 12 percent kind of shocked me. I didn't know
22 about that until the meeting today. I thought the 9 percent
23 that was mentioned was pretty high for me. I would love to
24 have that rate of return on the equity that I have in my
25 business.

1 Finally, I'd like to say I'm not sure what their
2 obligation or your obligation is as a Commission with regard to
3 energy conservation, and, of course, that's a hot button right
4 now. I would like to see -- I know they do some. I would like
5 to see the utilities do more in the way of education on energy
6 conservation. One area that I haven't seen much of, and that
7 is just about anyone with central air conditioning can get free
8 hot water for six or eight months out of the year by adding an
9 energy recovery unit to their home. That hot water, I believe,
10 is the second most expensive appliance item that's, that's used
11 by the average family there.

12 And then some other things that maybe get into
13 building codes and not Public Service Commission. Most of the
14 homes that have been built in the past several years all have
15 single pane windows. Single pane windows negate nearly all
16 insulation that you have in your house. A lot of steps have
17 been taken to increase the efficiency of air conditioning
18 units. That's been a real major thing. But in my opinion
19 very, very little has been done in the area of conservation and
20 construction. Maybe that's out of your area of jurisdiction, I
21 don't know, but it certainly would help. It wouldn't hurt to
22 educate people a little bit more about that. Thank you very
23 much.

24 CHAIRMAN CARTER: Thank you.

25 COMMISSIONER SKOP: Mr. Chair.

1 CHAIRMAN CARTER: Commissioner Skop, did you have
2 some questions for Mr. Durham?

3 COMMISSIONER SKOP: Yes. Thank you.

4 CHAIRMAN CARTER: Mr. Durham?

5 MR. DURHAM: Yes, sir.

6 CHAIRMAN CARTER: Mr. Durham, could you come back,
7 please?

8 COMMISSIONER SKOP: Thank you, Mr. Durham. Thank you
9 for your comments, some of which certainly we do have
10 jurisdiction over energy conservation and goal setting. Some
11 of the comments I think that you made were probably more within
12 the Florida Building Code, which we don't have jurisdiction
13 over. But certainly, you know, I think the Legislature is
14 making great improvements in terms of building in those energy
15 efficiencies and encouraging that type of behavior within the
16 building code itself.

17 Just on your comment on the efficiency of air
18 conditioning, actually I, in my house I installed a new Trane
19 heat pump, not to, you know, promote Trane or anything, but
20 about a year ago, and it's not, you know, certainly not the
21 most efficient on the energy, on the SEER scale, but it's
22 certainly a lot better than the ten unit that I had. And just
23 the tremendous -- by putting in that heat pump, the tremendous
24 savings that one can recognize on their bill for that
25 investment -- I mean, I'm seeing really good payback on that.

1 So, I mean, that's one of the best investments I've made for my
2 home. So I think your points are well taken on that and I
3 appreciate you coming out and sharing those.

4 MR. DURHAM: Right. And I believe they have
5 emphasized the heat pump for quite a number of years, but I'm
6 not sure about the energy recovery unit, which is a very
7 significant thing for many people. And there may be a lot of
8 other areas that they just keep pounding it home to people.

9 COMMISSIONER SKOP: Thank you again.

10 MR. DURHAM: Thank you.

11 CHAIRMAN CARTER: Thank you, Mr. Durham.

12 COMMISSIONER ARGENZIANO: Mr. Chair.

13 CHAIRMAN CARTER: Commissioner Argenziano.

14 COMMISSIONER ARGENZIANO: A question for TECO. Do
15 you have any programs that give out, hand out the energy
16 efficient bulbs especially to senior citizens or those who are
17 in lower income situations?

18 MS. BROWN: Yes, we do, Commissioner. Actually it's
19 in conjunction with an agency called Center for Women that we
20 work with, and it is for seniors who, where home improvements
21 are done through that agency, and we have the bulbs, we have
22 air filters and other, other items that we provide.

23 COMMISSIONER ARGENZIANO: Could you possibly get with
24 maybe Ms. Thompson and see if those outside lights that she has
25 to burn at night to feel safe, if she could get some of those

1 energy efficient bulbs?

2 MS. BROWN: Yes, ma'am.

3 COMMISSIONER ARGENZIANO: Thank you. I appreciate
4 that.

5 CHAIRMAN CARTER: Thank you, Commissioner.

6 Ms. Bradley.

7 MS. BRADLEY: Bonnie Parker.

8 Whereupon,

9 BONNIE PARKER

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

12 DIRECT STATEMENT

13 MS. PARKER: Good morning. I'm Bonnie Parker. My
14 address is 125 Windham Drive, Winter Haven, Florida 33884.

15 This morning I come wearing two hats, one as just a citizen of
16 Winter Haven and the other as a community advocate.

17 As a citizen, obviously I'm not doing the happy dance
18 because I want my electric bill to go up. Who would want that
19 to happen? But I am doing the happy dance that it hasn't
20 increased in 16 years. I'm one of the fortunate people that
21 built a house four years ago. And when I did it, I went to
22 Tampa Electric and I asked them what are the things I need to
23 do so that my electric bill is not so high? And I am being
24 very honest when I tell you I live in a pretty good size house,
25 I have a swimming pool, and my electric bill is hardly ever

1 over \$250 a month. So if you do follow their advice, you can
2 save a lot of money.

3 Also on my citizen's hat, no time in my life have I
4 ever appreciated Tampa Electric more than when I lost power in
5 2004 twice during the hurricanes. And as a volunteer I also go
6 help pass out ice and things like that, and so while I didn't
7 have electricity at my house, it was great when it finally came
8 back on. But I went to the Orange Dome located right nextdoor
9 and saw how hard and diligently the folks from TECO and the
10 people that they had called from other companies to come in and
11 help to restore our power, and I certainly appreciated that the
12 first time I got to take a hot shower and get ice out of my
13 freezer again and not go around and beg, borrow and steal to
14 take a shower at someone else's house.

15 Now on my community advocacy role now, I'll put that
16 hat on, I'm very involved in community activities not only in
17 Winter Haven, but in Polk County in general, and I will tell
18 you there might be one other company in Polk County who gives
19 back as much as Tampa Electric does. And there are some of us
20 who are very fortunate and we don't have to depend on the good
21 nature of corporate citizens a great deal, but unfortunately
22 there's a lot of people who do. And I serve on the board of
23 directors for the United Way. Tampa Electric is one of the
24 primary supporters. And because of the United Way there are
25 people who have cancer who get assistance, there are people who

1 need hot meals delivered to them because they're senior
2 citizens, and they get that because of the assistance given by
3 United Way.

4 Our new, gorgeous library, and if you haven't had a
5 chance to go see it, it's right downtown, that we recently
6 built, Tampa Electric provided the beautiful Tiffany style
7 lamps that are at each of the reading desks. They are so
8 generous. They donate money to Winter Haven Hospital, they
9 provide scholarships at Polk Community College. Mr. Kelly had
10 alluded to during these trying economic times that it might not
11 be a great time for people to raise their rates and TECO to
12 make extra money, but I will tell you it's trying economic
13 times like this that we need companies like that more than ever
14 before. Because if any of you serve on a non-profit board, you
15 know how hard it is to get donations.

16 I work for a huge company myself and I actually get
17 to sometimes make a decision about whether we can donate money
18 or not and it's not easy, and unfortunately more now than ever
19 before we're having to say no. And I can tell you that I have
20 never, never seen Tampa Electric not donate something. It
21 might just be \$250, it might just be \$500 or it might be
22 \$10,000, but they always step up to the plate and make Winter
23 Haven and Polk County a better place to live. For that I'm
24 very grateful, and I just wanted to let you know that in our
25 county they are a major player when it comes to making our

1 lives better for everyone. Thank you.

2 CHAIRMAN CARTER: Thank you.

3 Ms. Christensen.

4 MS. CHRISTENSEN: Bob Gernert.

5 Whereupon,

6 BOB GERNERT

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. GERNERT: Thank you, Mr. Chairman and
11 Commissioners. My name is Bob Gernert. I live at 1433 North
12 Lake Howard Drive here in Winter Haven. And I, too, am coming
13 wearing two hats today. And I want to thank Ms. Parker for
14 sharing most of the information I was going to bring to you in
15 that I wanted to underscore the effect that Tampa Electric has
16 in terms of being a good corporate citizen. I know that that
17 was alluded to earlier, but I can say that from, as in my
18 position with the Winter Haven Chamber of Commerce, I can tell
19 you how often they step forward and help with our educational
20 programs, our leadership programs, our minority programs. More
21 recently we've, we've decided to implement this year a better
22 business practices series, and one of the first suggestions was
23 from one of their employees and they're going to present energy
24 conservation for businesses. And, and in this particular
25 economic environment when we're all feeling very challenged, I

1 think it's very corporately responsible of them to offer such,
2 such advice because I'm sure they want to sell power as well.

3 But it runs, it runs the gamut from cultural events
4 to learning events and an interest in our education. Their
5 commitment to our community is among the tops in terms of
6 giving back and helping us make this a better place to live.

7 I also want to wear my hat as a resident of Winter
8 Haven and a TECO customer of many, many years. During 2004 my
9 power was out three times. I never -- it was never on
10 automatically, immediately except at work, darn it. But I will
11 say this, it's easy to stand here now and question a rate
12 increase after 16 years, but there wasn't anybody interested
13 during 2004 in bargain electric rates or bargain electric
14 getting it back on. It's an important service. It's one that
15 you just literally can't live without because it affects your
16 life so deeply. It's one thing to use hamburger as an example
17 because you can shop around for it, but if you can find
18 hamburger anywhere at the price it was in 1992, please let me
19 know. Thank you very much.

20 COMMISSIONER ARGENZIANO: Mr. Chair.

21 CHAIRMAN CARTER: One second.

22 Commissioner Argenziano.

23 COMMISSIONER ARGENZIANO: To the point, I think I
24 would like and I think it would be good to give a
25 clarification, they have not asked for a rate case in 16 years.

1 Can you elaborate or give some detail as to -- I mean, they're
2 not still operating at 16 years ago rates. So let's be, let's
3 be clear about that.

4 MR. WILLIS: Yes, Commissioner, I will.

5 COMMISSIONER ARGENZIANO: There's clauses and
6 recovery clauses and I'd like maybe that to be understood.

7 MR. WILLIS: Yeah. I was going to do that a minute
8 ago when the other gentleman asked that very question: Why are
9 they waiting until now to do this and why didn't they do
10 something earlier? Well, TECO is right, they have had the same
11 base rates for that period of time. But there is another
12 portion of the bill that you have called fuel adjustment
13 clauses and a few other clauses where the company has every
14 year had their fuel rates adjusted. And that's a portion they
15 don't get a rate of return on, that's a dollar-for-dollar
16 pass-through of those costs, but they have been adjusted every
17 year and that has allowed TECO to keep their base rates the
18 same for that period of time.

19 The reason why the company is needing it now
20 apparently is that just like everywhere else in Florida growth
21 has stopped. TECO has been able to keep up with, with the
22 costs, inflationary increases, whatever, whatever costs they've
23 needed as far as investment because they've had growth and new
24 customers pay rates. They're able to because of the growth in
25 revenue, because of people coming into this area they've been

1 able to keep up with those costs. But apparently, just like
2 all over Florida, growth has ceased, construction has ceased
3 and apparently TECO, according to their own petition, says
4 they're not able to do that now, so.

5 MR. GERNERT: And I understood that because I
6 listened earlier when they spoke about the pass-through, but I
7 would still be interested in knowing how many businesses were
8 operating at the same base costs as they were in 1992. Thank
9 you.

10 COMMISSIONER SKOP: Mr. Chair.

11 CHAIRMAN CARTER: Thank you.

12 Commissioner Skop.

13 COMMISSIONER SKOP: Thank you. And just to
14 Mr. Willis's point in response to Commissioner Argenziano's
15 question, the, I think that the, the comment was brought up
16 that the, TECO has not received a base rate increase in 16
17 years, but also the clauses -- and it's my understanding -- or
18 can you elaborate on when those type of clauses were actually
19 enacted by the Commission? Certainly I think it was sometime
20 long ago, but I'd like to just hear a little clarification.

21 MR. WILLIS: I don't have the exact date, but I know
22 it was in the 1980s when the clauses were actually enacted,
23 especially the fuel clause.

24 COMMISSIONER SKOP: Thank you.

25 COMMISSIONER ARGENZIANO: I'm sorry, Mr. Chair.

1 CHAIRMAN CARTER: You're recognized.

2 COMMISSIONER ARGENZIANO: And this is not, this is
3 just to provide information because it goes both ways. It's
4 great that TECO has been able to keep up. I think that's
5 wonderful. But there also have been less risks created by the
6 Legislature over the years for companies and that makes a big
7 difference and maybe you could touch base on that. It does
8 make a difference with rate of return and what a company is
9 making. If you have no risk or relatively no risk, that
10 changes things a little bit, and I think we need to be fair on
11 that issue.

12 COMMISSIONER SKOP: And just -- I'll let you respond.
13 And to Commissioner Argenziano's point, I fully agree with some
14 of the risk reduction that's been enacted. But also, too, I
15 think a point was raised in terms of that you had mentioned
16 about that growth had funded, you know, some of the need not to
17 seek a rate increase.

18 The flip side of that, too, is that any given utility
19 needs to be in control of their internal costs. And just
20 because growth has been their engine of, you know, kind of
21 obscuring those, at the end of the day they need to get their
22 cost structure under control. That can't be -- you know,
23 that's got to be prudently incurred also.

24 MR. WILLIS: That's correct. In response to
25 Commissioner Argenziano, you are correct as far as risk goes.

1 Staff continually looks when we're making, when our experts are
2 making recommendations to the Commission, the risks that a
3 company has is a big part of that rate of return analysis.

4 COMMISSIONER ARGENZIANO: Thank you.

5 CHAIRMAN CARTER: Thank you, Commissioners. Anything
6 further from the bench?

7 Ms. Christensen.

8 MS. CHRISTENSEN: Ron Wirsz.

9 CHAIRMAN CARTER: Ron, you've got help us with the
10 last name.

11 Whereupon,

12 RON WIRSZ

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

15 DIRECT STATEMENT

16 MR. WIRSZ: Good morning, Commissioner Carter and the
17 other Commissioners, the staff, the Public Counsel, and
18 everybody that's here. My name is Ron Wirsz, W-I-R-S-Z, and I
19 live in Ocala, Florida. I have some property in, in Winter
20 Haven. My address is 1216 Southeast 10th Street, Ocala 34471.

21 And the reason I came is because I had a phone call
22 invitation. And I'm a little nervous this morning. I hope I
23 can cover the issues that I need to, that I want to.

24 First of all, I appreciate Tampa Electric for the
25 fact that they provide a decent service to us and keep the

1 service continuing and safe and prevent blackouts. I
2 appreciate that.

3 My comments are related to how we hook up power. And
4 each time that I call to have power hooked up -- I have some
5 units here in Winter Haven that are modest income units and I'm
6 a senior partner with a couple of other people. And it bothers
7 me because each time I call -- and I don't know any other way
8 to do it to get my power turned on except to call in and
9 converse with somebody at the number that's provided. I've
10 never been told of another way, although other electric
11 companies I deal with will allow me to fax my information, my
12 either driver's license or social security card. In any case,
13 it takes on the average of greater than 20 minutes for me to
14 get that done and it irritates the heck out of me to do that.
15 Because I know it takes the, the Tampa Electric people that
16 long to get it done also. There must be a faster and more
17 efficient way. And that's, that's what I hope that we could
18 have out of this today, a good more efficiency.

19 There is one issue that caused me some real grief and
20 I called the Commission about it. I didn't really know who to
21 go to until I started thinking it through, and I looked in the
22 phone book and I found the Florida Commission on the public
23 utilities, called the 800 number and somebody there was very
24 helpful. But it took me from the 20th of August when I
25 requested service until September 9 when I got recognized to

1 establish the service. And then further it took one more day
2 to get the power turned on. So that's essentially 22 days
3 where Tampa Electric lost, lost revenue and I lost revenue in
4 my rental because I couldn't clean it up.

5 And the issue was that somebody had moved out of one
6 of the units, didn't pay their bill, of course, they didn't pay
7 my, my rent fees neither, so I just ate that. And during that
8 period of time it went through all kinds of hoops. And one of
9 them was -- I can name the people. I was -- I called the Tampa
10 Electric number and the very first call gave me an account
11 number to promise that I would have service the next day. And
12 then after four days or so, five days I called back. Service
13 hadn't been started. And they eventually put me through to a
14 representative from the revenue recovery department, a Gerri
15 Drummond, and that person went through a few comments about,
16 about the previous tenant.

17 And a subsequent call she left me -- actually I spoke
18 with this person but then I was supposed to call back and
19 clarify. They wanted a copy of the lease. I'm not sure why a
20 copy of my lease because -- maybe somebody can clarify that.
21 Why would it be important that I have a lease with a tenant and
22 they need to see that? I mean, I can show them that I own the
23 property. That I could do and I offered to do it, but nobody
24 wanted that. The copy of the lease, there was a few errors in
25 it which caused some grief to me. But the person answering the

1 call said, oh, well, this is complicated. Now you can't, you
2 know, now we can't do this right away. Why it took that
3 long -- and then when I called back saying that I would look at
4 the lease and evaluate what it is that seemed to be complexing
5 to them, perplexing to them, and when I did I called back and
6 the number was a voice mail that said this person won't be in
7 the office for, for that day. I called back the next day, the
8 next day, the next day. And finally after a week I finally was
9 so frustrated I called and after these calls, that's when I
10 called the Commission. And I was put through immediately to
11 somebody in the administrative section. And they said they
12 would -- that was actually Mr. Wagon, let me see, Wagonhoffer,
13 and Mr. Wagonhoffer was going to deal with it and call me back,
14 which he didn't do.

15 And another, that was on the, on the 3rd. Until the
16 9th I finally was so frustrated I called back again to the
17 Commission and they put me through to the third, the second
18 person, who -- Karen, pardon me, like I said, I'm a little
19 nervous, Karen Campbell. And Ms. Campbell put me, she said,
20 "Just wait," and she got on the line with someone in the
21 office, and before very long Ms. Drummond called back. And, of
22 course, I wasn't the most, I didn't have the most pleasant
23 attitude at the time, I'm sure, but she did correct the problem
24 and on the following day I had service. So I just wanted to
25 let you know that these things bother me. And I think that I'm

1 not an isolated case where we couldn't get -- everybody -- I
2 know that I could improve my efficiency. So I'm saying that
3 everybody could do that, and I hope Tampa Electric would do it
4 too.

5 COMMISSIONER SKOP: Mr. Chair.

6 CHAIRMAN CARTER: Thank you. One second.

7 MR. WIRSZ: Yes.

8 CHAIRMAN CARTER: Commissioner Skop.

9 COMMISSIONER SKOP: Thank you. Thank you, Mr. Wirsz,
10 for coming down from Ocala and sharing your comments. I don't
11 know what happened there. It doesn't sound right to me. I'm
12 going to defer to staff taking a look at that. Certainly from
13 a legal perspective I don't think your name was on the tenant's
14 meter, so the tenant would have that obligation. And to hold
15 your reconnection hostage for all practical purposes seems
16 inherently wrong. And given the 22-day delay, if that was the
17 case, in working through that -- and I apologize on behalf of
18 the Commission if we weren't timely in getting back to you
19 because, again, we're here to serve the public. But if by fact
20 that there was some oversight on the utility's part, then
21 certainly maybe in good faith they may deem it appropriate, if
22 it was their fault, to waive the connection fee or something.
23 But it should not take 22 days for any consumer in the State of
24 Florida to get connected to essential services. And, again, I
25 don't know what caused that, but it does not sound right to me.

1 So I'd ask our staff to look into that. Thank you.

2 MR. WIRSZ: I appreciate it.

3 Just one additional comment on that. I probably
4 would have been on top of it maybe if I had the time to do it
5 on a day-to-day basis. But each time I could call the recorded
6 message goes through the gyrations and finally I get to some
7 real person. It just took so much time of my time that I --
8 and I have a profession I can't pull myself away from at the,
9 at the spur of the moment and spend half an hour waiting for an
10 answer.

11 And with respect to, to the Commission, I got active
12 service, I mean, immediate service from you folks. It was --
13 where I thought there was a breakdown was on the, on the second
14 step because I was put through to administration right away.
15 And I appreciate the administration's action. When I pointed
16 out to Ms. Karen Campbell that, hey, I'm losing, I'm going to
17 have to eat the loss in revenue, in my revenue, I think they're
18 going to have to eat the loss in their, in their electric bill,
19 if we can just get together on this and get it started so we
20 can collect revenue from here on out, and she was very
21 efficient at doing that.

22 COMMISSIONER SKOP: Right. Thank you. And then just
23 two points. Again, you had mentioned that somebody from the
24 Commission had not returned your phone call and I think that's
25 where I was --

1 MR. WIRSZ: I'm sorry. It wasn't, it wasn't the
2 Commission.

3 COMMISSIONER SKOP: Okay. Sometimes I have trouble
4 hearing, so I misunderstood. So that being said, I'm happy
5 that we met your expectations.

6 It's also my understanding that TECO has one of the
7 customer service people here today, and you may wish to just
8 talk to them and see if you can reach some amicable resolution
9 based on whatever.

10 MR. WIRSZ: All right. Thank you.

11 COMMISSIONER SKOP: Thank you.

12 CHAIRMAN CARTER: Thank you, Mr. Wirsz.

13 Before -- Commissioner Argenziano.

14 COMMISSIONER ARGENZIANO: Yes. Just a question for
15 staff. When a customer, and I'm sure there are plenty of
16 customers who don't make their payments and move out, don't
17 make their payments to an electric company, does the company
18 pass that through, that loss through to the, to the other
19 existing customers?

20 MR. WILLIS: There's such a thing called bad debt
21 expense, and, yes, they do.

22 COMMISSIONER ARGENZIANO: I know that, but I just
23 want, I just wanted people to know that too.

24 MR. WILLIS: Yes, they do. Yes, Commissioner, they
25 do.

1 COMMISSIONER ARGENZIANO: Thank you.

2 CHAIRMAN CARTER: Ms. Christensen.

3 MS. CHRISTENSEN: Richard Stein.

4 CHAIRMAN CARTER: Good morning.

5 Whereupon,

6 RICHARD STEIN

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. STEIN: My name is Richard Stein, 6605 Scenic
11 Pointe Drive, Winter Haven. I have three issues I'd like to
12 address.

13 First of all, looking at my bill for last month was,
14 based on 754 kilowatt hours the bill was \$93.69. Figuring that
15 same bill under the new proposal, the proposed rate increase,
16 my bill would be \$122.28. That's an over \$28 increase, which
17 represents a 30 percent increase for one month.

18 The second thing that I want to bring up is that
19 it's -- I have no complaints about the service I receive from
20 Tampa Electric, but there is one little annoyance that happens
21 frequently during the year, and that's apparently when they
22 switch. And if you have digital clocks in your house, you have
23 to go around and reset them and so forth. It seems like I'm --
24 I come from an engineering background and I would think that
25 that system might be a little antiquated, that certainly they

1 should have some sort of a bypass -- I'm not trying to tell
2 them how to do it. But anyhow it seems like there's a way,
3 there should be a way of getting around that sudden break in
4 electricity and going around resetting all those clocks.

5 The third item is that Mr. Thomas had brought up the
6 question about why the, why the, what's the justification for
7 raising the rates between under 1,000 and over 2,000. It seems
8 like that could be a little problematic. If you're right on
9 that 1,000 usage thing, one month you're going to, there's
10 going to be a substantial increase in your bill if you go just
11 a little -- supposing somebody goes 10 kilowatts over 1,000.
12 That's going to be a separate rate and so forth. That sounds a
13 little exorbitant to me.

14 I believe that's all I have to say at this time.
15 Thank you very much.

16 CHAIRMAN CARTER: Thank you so kindly, Mr. Stein.

17 Ms. Christensen.

18 MS. CHRISTENSEN: Ms. Yvonne George, and she's the
19 last customer we have signed up.

20 CHAIRMAN CARTER: Ms. Yvonne George. Good morning.
21 Whereupon,

22 YVONNE GEORGE

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

25 DIRECT STATEMENT

1 MS. GEORGE: Good morning. My name is Yvonne George.
2 I live at 754 Avenue N Southeast, Winter Haven, Florida. I've
3 never done this before, so --

4 CHAIRMAN CARTER: Just take your time.

5 MS. GEORGE -- I don't know. I'm just angry. And
6 when I say angry, I'm not angry at TECO. I'm just angry at all
7 of, of my quality of life slowly slipping away from me with
8 food, with gas, with water, bare essentials, you know, just
9 trying to survive here and it's not happening.

10 When I first moved to Winter Haven I had, I was
11 paying my bills and I always pay my bills on time, and I
12 noticed that this fuel charge had just skyrocketed, it just
13 like went out of the ball park, and I just couldn't understand
14 it. I didn't get a notice, nobody said anything to me, I
15 didn't hear about any meetings, any discussions about how it
16 was going to be raised. It went from .379 to .5922. I called
17 up everybody. I didn't know really about you guys. I didn't
18 know who to call. I got on the Internet, I started, you know,
19 e-mailing, and finally someone, I don't know whether it was you
20 or not, they called me back and they explained to me the
21 procedure was for, the increase was for a year and at the end
22 of that year you guys would go back to the drawing board and,
23 you know, and evaluate the situation.

24 Well, I waited patiently for these evaluations to
25 happen. And I did notice that the fuel charges went up, went

1 down, but then the energy charges went up. So it was kind of
2 like they took from one, you know, to appease whatever, you
3 know, so it looks good on paper and then they slapped the
4 balance of it on the other. You know, it's like, kind of like
5 a juggling situation, you know, like many of us do when we say,
6 well, you know, we won't buy this but we'll buy two of these,
7 is one free, and so on and so forth.

8 Now I'm upset again and that is because when I read
9 this and the proposals, I'm wondering where the money is going
10 to come from. Okay. I'm just, it's plain and simple. Do I
11 have to light candles? I'm trying to conserve water, I'm
12 trying to conserve energy, I've had all the light bulbs
13 changed, I take out the plugs, which I'm not used to so
14 sometimes, you know, I forget a plug or two, but I try to be
15 conscientious about it. If I can't pay the bill, they're going
16 to cut my service off. If I can't have lights, I have nothing.
17 So I know that, you know, my voice is very, very small, but
18 there isn't but so much that that dollar can go and it doesn't
19 stretch but so long and so far or however. And when you sit
20 here and talk about stockholders and how they're getting profit
21 margins and stuff like that when I'm baking bread because I
22 can't afford to buy it, okay, when I'm conserving the best that
23 I can and still it doesn't do any good, it's still -- there are
24 people that make decisions for me as to what they're going to
25 allow other people to take out of my pockets, which I don't

1 have any. So I know it may not be much, but maybe it'll keep
2 me from getting an ulcer or something, you know, when I spoke
3 on it.

4 But when you consider what they're asking for, just
5 think about it because one day you may be in my shoes, okay,
6 and you may not be able to pay the bills. And what are you
7 going to tell your children or your grandchildren when you're
8 walking around with candles -- and, you know, I guess oil lamps
9 are going to be very popular this year, you know, because
10 people just don't have the money. And whether they have the
11 money or not, okay, it keeps, keeps going up and taking more
12 and taking more and taking more. Where does it stop? And who
13 says, you know, okay, this is a halt to this? Because there's
14 no one, we have no one. And we pay our taxes and we pay
15 everything and nobody speaks for the little people. And I'm
16 just, that's all I've got to say. Thank you very much.

17 CHAIRMAN CARTER: Hang on a second before you go.
18 Mr. Twomey. Yvonne?

19 MS. GEORGE: Yes.

20 CHAIRMAN CARTER: Yvonne, would you come back for a
21 second?

22 CROSS EXAMINATION

23 BY MR. TWOMEY:

24 Q One of, one of the things that the company is
25 proposing that you may have heard a little bit about today is

1 to have a two-tier rate structure and have a charge for
2 residential customers below 1,000 kilowatt hours and then have
3 a larger one above 1,000. And what the effect of part of that
4 is is that it causes the people above 1,000 kilowatt hours a
5 month to subsidize a lower rate for those below 1,000. And as
6 you may have heard some of these people say, it results in
7 pretty high increases, higher increases for those above 1,000.
8 And there's all different ways we could argue that maybe that's
9 good because it affects how people conserve and that kind of
10 stuff. But we also heard testimony today and last night that
11 some people that may have, leaving lights on for security and
12 that kind of thing that are on the edge financially, it's going
13 to make their bills even higher. I don't mean to pry, but are
14 your bills usually over 1,000?

15 A Yes, they are. They're over.

16 Q So you'd be impacted by having to subsidize somebody
17 that might be in a condo or an empty apartment or something
18 like that?

19 A Exactly. Exactly. And I'm trying to conserve, trust
20 me. I look at Green Planet and I'm trying to buy what they
21 call smart switches, I'm trying to do everything. But what my
22 problem is is that I can't do it all at once. I have to do it
23 gradually. But meanwhile the bills are continuously going up
24 and up and up. Now whatever we're conserving now when you guys
25 find out that people are using less electricity and maybe

1 there's not so much profit margin here, okay, then you're going
2 to start raising it again because, you know, right now it's
3 1,000 kilowatts and then anything over that. Next time we come
4 it'll be 500 kilowatts and anything over that. Because any way
5 that you can see or you can manage to, you know, like I say,
6 take it from one place, put it in another, it's a shuffling
7 game here, you do it. But the whole bottom line is, is that
8 profit margin. And if you don't get that, you're going to
9 figure out another way how to hit the poorer of the class
10 that -- when I say -- we all want to pay our bills, sir. We
11 understand you're here and you're giving us the service. We
12 don't want to --

13 Q I'm, I'm not with them. I'm with AARP.

14 A Well, we all -- well, just the same --

15 Q Not, not that there's anything wrong with them. I'm
16 with the AARP.

17 A Yeah. Well, what I'm saying that is that it's the
18 same, it's the same, same story, different day. Okay? As soon
19 as we, you know -- because eventually if we can get it on
20 track, we're going to, there's not going to be a TECO. If we
21 can get a solar system in Florida, okay, they're going to be
22 buying our power from us. Okay? This thing is going to change
23 but it's going to take a while. It's not going to happen
24 overnight. But meanwhile I'm here today. I may not be here 20
25 years from now when solar is like, you know, go in the store,

1 you know, order it and the next day it's up, okay, you know.
2 When it comes from \$50,000 to solar your house to \$5,000, you
3 know, supply and demand. Okay? Because that's what's going to
4 happen. And it needs to happen and it needs to happen quick so
5 that we're not at the mercy of the oil companies, the electric
6 companies, okay, you know, the water companies, all of that.
7 Okay. And, yes, it's going happen, but it's not happening soon
8 enough. It's not happening for the money that we have.

9 We can't print money. I can't do it like the
10 government does. Okay? I can't go and say, hey, listen, give
11 me \$750 billion. I need it now. All right? And they do, they
12 go to there and they print it out. It doesn't mean nothing
13 because it's just a piece of paper, okay, but it still, it's
14 still what we work with in our economy. But it's really going
15 to the dogs, and we need people like you to kind of look out
16 for the poor guy. Not the, you know, not the one that can
17 afford the bill and it doesn't matter, the dog has air
18 conditioning, you know, okay, in the dog house. I'm talking
19 about me, I'm trying to survive, I'm trying to have something
20 for my grandchildren, I'm trying to be able to not have to buy
21 oil candles and light them because there's going to be fires.
22 And then you're going to raise the bills and people are not
23 going to pay and then we're the ones that's paying, it's going
24 to fall back on us because what they say they got this debt
25 account where they take all the debt that they have and they

1 bring it back on to the people that's paying the bills. Now
2 how just is that? Okay? And I know we all need to eat, but
3 come on, you know, some of us are barely eating and others are
4 eating filet mignon and, you know, and drinking Cristal and all
5 that kind of stuff. So thank you.

6 MR. TWOMEY: Thank you.

7 CHAIRMAN CARTER: Thank you, Ms. George. I
8 appreciate that.

9 Commissioner Skop.

10 COMMISSIONER SKOP: Musical chairs on the microphone.
11 Thank you for coming out and providing your comments. They're
12 greatly appreciated. And just a question to staff with respect
13 to some of the comments made in terms of the appropriate rate
14 structure, whether it be inverted or what have you, is there
15 going to be testimony filed as to what would be the appropriate
16 rate structure the Commission should adopt with respect to the
17 issue that keeps recurring here?

18 MR. WILLIS: Yes, Commissioner, there is.

19 COMMISSIONER SKOP: Thank you.

20 CHAIRMAN CARTER: Thank you.

21 Ms. Christensen.

22 MS. CHRISTENSEN: Commissioner, Ms. George was the
23 last person we had signed up.

24 CHAIRMAN CARTER: Okay. Let me do this. Is there
25 anyone here that wanted to speak today that did not get a

1 chance to speak? Anyone that wanted --

2 MR. JAECKEL: I just wanted to add a comment.

3 CHAIRMAN CARTER: Well, come on up. And you know the
4 routine, state your name and your address.

5 MR. JAECKEL: I had an opportunity to speak earlier.
6 I wanted to speak again, if I can. My name is Douglas Jaeckel.
7 I live at 300 Hernando Road, Winter Haven, Florida.

8 I think what the Commission really has to talk about,
9 I think you've touched on it, is it must be very hard to stay
10 under 1,000 kilowatt hours, so we're talking about something
11 that doesn't exist here in a lot of cases. 114, we go to 150.

12 I'll tell you what broke my heart. I work on
13 seniors' homes. I saw a woman two or three years ago in her
14 mid 90s living without air conditioning because all she could
15 afford was a fan. How many more seniors are going to turn off
16 their air conditioners and live on fans?

17 We had a woman, an older woman come up, I think she
18 said her bill was \$139. What is her bill going to be with the
19 increases because she's over 1,000 kilowatts? Let's talk about
20 the real world. I live in a very efficient energy house. My
21 bill just topped \$200. The question is what is my \$200
22 electric bill going to be because I'm over the 1,000 kilowatt
23 hours? We had a woman come up and say how good her house is
24 and her bill is \$250. What is her electric bill going to be?
25 And I think it's a sad state that we're going to see seniors

1 living with fans in the State of Florida. And I don't know how
2 many people actually stay under 1,000 kilowatts and that's
3 something you've really got to think about. Do we want to see
4 our seniors living with fans instead of air conditioning? And
5 this is not really a level playing field putting out here 1,000
6 kilowatt hours as a typical electric bill. It certainly is
7 not. So you really have to decide what -- now I live in a
8 neighborhood where my electric just went over \$200 and we have
9 a very high efficiency home. It was built about five years
10 ago. My neighbors are close to \$400 a month. I walk into
11 their house, their house is not like a refrigerator, okay, so
12 they're not just living in, in 65-degree temperatures. They're
13 setting their thermostats at 75 and 76. They're trying to do
14 what they can. So the question is what is a \$200 bill going to
15 go to, what is a \$300 bill going to go to? And what are our
16 seniors going to do, live on fans? And I think that's pretty
17 sad.

18 CHAIRMAN CARTER: Thank you, Mr. Jaeckel. And,
19 staff, I think, as Commissioner Skop was mentioning, based upon
20 some of the comments that we got both yesterday and today is
21 that when you do the layout --

22 MR. WILLIS: We're going to redo the Special Report
23 and have it republished on the Internet.

24 CHAIRMAN CARTER: Do it by 1,000 kilowatts, 1,200
25 kilowatts, 1,500 kilowatts, 2,000 kilowatts.

1 MR. WILLIS: Yes, sir.

2 CHAIRMAN CARTER: Because -- you may want to go to
3 3,000 because I think the gentleman last night said he had
4 2,500.

5 COMMISSIONER ARGENZIANO: Right.

6 CHAIRMAN CARTER: So let's, let's do that.

7 MR. WILLIS: We'll do that.

8 CHAIRMAN CARTER: Okay.

9 COMMISSIONER ARGENZIANO: Is there a way of --

10 CHAIRMAN CARTER: Commissioner Argenziano.

11 COMMISSIONER ARGENZIANO: Is there a way of finding
12 out -- I know we say the average consumer uses about 1,200. I
13 love percentages. Is there a way of figuring out the
14 percentage of people that use 1,200, the percentage of people
15 that use, you know, a large amount?

16 MR. TWOMEY: They know.

17 COMMISSIONER ARGENZIANO: And then, and then, you
18 know, the other issue of course is the bigger consumers also,
19 you know, the Publix, the bigger consumers, their costs are
20 going to be shifted down to the consumer also. So it's always
21 higher than just the bill. You know, everybody is paying the
22 bill. So is there a way of figuring out the percentages of the
23 average user?

24 MR. WILLIS: Absolutely, Commissioner. And I would,
25 I would suggest that TECO's witnesses on this issue have that

1 information available when their time comes to get on the stand
2 to address you.

3 CHAIRMAN CARTER: Lee, when you get to that point,
4 would you remember to do that?

5 MR. WILLIS: Yes, Commissioner.

6 CHAIRMAN CARTER: Thank you.

7 MS. CHRISTENSEN: Commissioners, may I speak?

8 CHAIRMAN CARTER: Ms. Christensen, you're recognized.

9 MS. CHRISTENSEN: It may be more efficient, rather
10 than waiting for the hearing, to get that information, to make
11 it a late-filed exhibit at today's hearing with the percentages
12 for the average customer and by kilowatt hour, by usage and by
13 percentages. And that way the information will be an exhibit
14 already in the record and will be available ahead of the
15 hearing to be looked at. And if there needs to be further
16 follow-up discovery by those of us who are in the consumer
17 groups through depositions, that can be done then.

18 COMMISSIONER ARGENZIANO: And, Mr. Chair, I agree
19 with that. I would rather have the information as soon as
20 possible to give me an understanding. Because we're talking
21 about conservation. If the average person uses 1,600 or
22 1,500 kilowatts, it really is not going to -- you know, you can
23 only conserve a certain amount and we have to be realistic with
24 that number. So those percentages will tell me a great deal,
25 understanding that at least you can always conserve a little

1 bit here and there, but that would, that would be, I think,
2 preferable to get ahead of time.

3 CHAIRMAN CARTER: Okay. That will be Exhibit 12,
4 Commissioners, that will be Exhibit 12. And it will be to the,
5 to the company, the average use per kilowatt hour per person
6 and the percentages for those.

7 (Late-filed Exhibit 12 identified for the record.)

8 Commissioners, we are, we're about to resolve our
9 need to hear further from you. We've heard from the public, so
10 I need to hear from you in terms of as we wrap up this hearing.

11 MR. THOMAS: Mr. Chair, could I make one more
12 comment?

13 CHAIRMAN CARTER: A quick one?

14 MR. THOMAS: Sure.

15 CHAIRMAN CARTER: Yes, sir, you're recognized.

16 MR. THOMAS: Harold Thomas. I was up here before. I
17 told you I went back five years and the rates for under 1,000
18 and over 1,000 were exactly the same. Nobody has answered the
19 question: Why are you making a difference when you start at
20 1,000 below and 1,000, why are you setting different rates?
21 Tell me that, why? When you produce something like that, don't
22 you reduce the cost the more units you produce? I don't know.
23 You haven't answered it. Nobody has given me an answer.

24 MR. WILLIS: If I could address that, Commissioner.

25 CHAIRMAN CARTER: You're recognized.

1 MR. WILLIS: This is TECO's proposal. This is not
2 staff's proposal or the Commission's proposal. This is
3 something that TECO Electric is proposing. That's something
4 the Commissioners will be taking evidence on and that's
5 something they'll have to decide if they're willing to actually
6 accept that proposal. It's certainly within the jurisdiction
7 of the Commission to look at. They can look at different
8 levels if they choose to go to the inverted rate, but that's
9 something the Commission is going to be taking a lot of
10 evidence on, as you heard today. There's a lot of interest in
11 this issue on whether or not it should or should not be
12 accepted.

13 MR. THOMAS: But this is after five years. They've
14 had it for five -- well, more, I don't know how far back it
15 goes, but I went back five years and it was the same for either
16 one, the same rate. Now all of the sudden they say, oh, if you
17 go over 1,000, we're going to charge you so much, a different,
18 a higher rate. Now why?

19 MR. WILLIS: That's correct.

20 MR. THOMAS: Now are they going to have to tell you
21 and say, look, this is how much it costs to produce this much
22 and this is how much it costs to produce that?

23 MR. WILLIS: That's correct. They're going to have
24 to prove their case --

25 MR. THOMAS: Well, they're going to have a tough

1 time.

2 MR. WILLIS: -- as to why the Commission should
3 accept an inverted rate.

4 MR. THOMAS: Listen, I've been accountant all my life
5 and I know a few things about these things. But, man, I can't
6 understand that. If you're producing cars, the more cars you
7 produce, the less the costs are going to be per car because
8 you've got automation.

9 I thank you very much.

10 Oh, one other thing. I do --

11 CHAIRMAN CARTER: You said you were going to be
12 quick. You promised me you were going to be quick. That's the
13 only reason I allowed you to come back.

14 MR. THOMAS: This is a good thing.

15 CHAIRMAN CARTER: Okay.

16 MR. THOMAS: I did have new windows put into my
17 house. It cost me something like, I don't know, \$2,200,
18 \$2,300, and TECO gave me a refund of 350 bucks.

19 COMMISSIONER ARGENZIANO: Pretty good.

20 MR. THOMAS: There, I said something good.

21 CHAIRMAN CARTER: I'm going to -- this is the last
22 person, but I'll allow you to speak. Not a problem.

23 UNIDENTIFIED SPEAKER: I beg your pardon. Is it
24 appropriate to ask what will be the procedure from now on until
25 the --

1 CHAIRMAN CARTER: Oh, great. That's a fantastic
2 question. You are the man of the hour.

3 Marshall.

4 UNIDENTIFIED SPEAKER: I'll sit down and listen.

5 CHAIRMAN CARTER: One second. Marshall.

6 MR. WILLIS: I'll be happy to address that,
7 Commissioner.

8 The hearing, let me turn to our schedule. At this
9 point the actual hearing, the technical hearing where we'll
10 have all of the witnesses presented by the Intervenors, staff
11 and the company is going to occur in January. It's going to be
12 January 20th, 21st, 27th, 28th, 29th and 30th. Those are the
13 days set aside for that technical hearing. The technical
14 hearing for these electric cases are normally in Tallahassee.
15 That's where that will happen. At that point I'd just like to
16 stress those hearings are just like, sort of like a court
17 proceeding. All witnesses will be sworn in, testimony will be
18 taken.

19 After the hearing is concluded, the parties will be
20 allowed to file briefs to actually brief to the Commission how
21 they believe the case should be resolved just like it would in
22 a court proceeding. At that point the, once those briefs are
23 received, the transcripts are received, Commission staff will
24 prepare a recommendation to the Commissioners on how the staff,
25 based on the record, believes the case should be resolved. Our

1 recommendation for the revenue requirement portion is due to be
2 filed on March 5th of next year. The agenda, which is a
3 conference in Tallahassee where the five Commissioners will
4 meet to deliberate the staff recommendation in this case, will
5 be scheduled for March 17th. In this case because of the rate
6 design issues there's going to be two separate agendas and two
7 recommendations. The staff recommendation on the rate design
8 issues, which is the inverted rate issue, many of those issues,
9 will be March 26th, 2009, and the agenda with the
10 Commissioners' deliberation will be on April 7th of next year
11 for those issues.

12 CHAIRMAN CARTER: Thank you, Mr. Willis.

13 Ever so briefly, Mr. Twomey.

14 MR. TWOMEY: Well, this is, it follows, it follows
15 from what you were saying and this gentleman's question, what
16 Mr. Willis just said. It will probably be instructive and
17 beneficial, Mr. Chairman, for you or for me to say that you
18 have a, the Commission has a rather excellent website. And for
19 those of you that have a computer and access to the Internet,
20 you can go to the Commission's website and they typically have
21 these evidentiary hearings broadcast on video or at a minimum
22 on audio so you can either listen to or watch the entire
23 hearings in case you're having trouble sleeping.

24 And as well they typically have their, they have
25 their --

1 CHAIRMAN CARTER: I think that was a compliment.

2 MR. TWOMEY: Well, it's, I'm including myself in
3 this. They have their Agenda Conferences where they make their
4 decisions and vote are covered the same way through their
5 website. It's an excellent website that has the company's
6 testimony and their petition and so forth and the, which will
7 later have the testimony of Public Counsel and those of us that
8 offer witnesses in opposition to the company's case. So
9 there's a wealth of information that you can go and get off of
10 the website now, and later you'll have an opportunity to watch
11 the hearing, if you wish, and watch their decision-making
12 process. So that's my input.

13 CHAIRMAN CARTER: Thank you, Mr. Twomey.

14 MR. WILLIS: Chairman, if I could just add one more
15 thing.

16 CHAIRMAN CARTER: Mr. Willis.

17 MR. WILLIS: To follow up on what Mr. Twomey said, if
18 you have cable TV and you get the Florida Channel, you can
19 always watch live coverage of those hearings and the
20 Commission's Agenda Conferences.

21 MS. BRADLEY: Mr. Chairman.

22 CHAIRMAN CARTER: Ms. Bradley.

23 MS. BRADLEY: Thank you, sir. Just to follow up on
24 that, there's a docket number on the yellow sheet that you
25 have, and if you go on that internet site and want to see

1 what's going on, you can just go into the, the docket and type
2 in that number and that will take you to this docket so you can
3 look at what's been filed. After the hearing there will be,
4 they'll put the transcript on there so you can read that as
5 well. But just keep that yellow sheet with the docket number
6 if you want to do that.

7 CHAIRMAN CARTER: Thank you. Commissioners, as we --
8 let me do this before I come to you for your closing comments.
9 Mr. Young, any, any final matters? I think we've got all of
10 the exhibits listed properly and numbered. We've gone, we've
11 got Exhibits 1 through 12.

12 MR. YOUNG: Yes, sir.

13 CHAIRMAN CARTER: Is that correct? Okay. I think
14 that takes care of our housekeeping matters. Let me do this.
15 I'll start --

16 MR. YOUNG: Mr. Chairman.

17 CHAIRMAN CARTER: Yes, sir.

18 MR. YOUNG: They mentioned the website but they
19 didn't give the address.

20 CHAIRMAN CARTER: You're recognized. You're
21 recognized, sir.

22 MR. YOUNG: The address of the website is
23 www.psc.state.fl.us.

24 CHAIRMAN CARTER: Thank you. And again --

25 COMMISSIONER ARGENZIANO: Well, is that not on our

1 yellow sheet?

2 MR. YOUNG: It's at the bottom of the yellow sheet.

3 COMMISSIONER ARGENZIANO: Okay.

4 CHAIRMAN CARTER: And, again, those of you that have
5 friends and neighbors that couldn't make it today, please take
6 some of those yellow forms with you and share them with your
7 friends and neighbors. With that, Commissioners, I'm going to
8 start to my immediate immediate left for final comments with
9 Commissioner Skop, then Commissioner McMurrin, then
10 Commissioner Argenziano and then Commissioner Edgar. And then
11 if there's anything left to say, I'll -- otherwise, we'll just
12 go home. Commissioner Skop.

13 COMMISSIONER SKOP: Thank you, Mr. Chairman.

14 I just wanted to thank everyone for coming out and
15 sharing your experiences and their input. It's very important
16 to the Commission to hear from consumers in light of the
17 importance of a rate case, particularly in light of a rate
18 case. So we appreciate your time and you taking the
19 opportunity to come out and hear from you. Thank you.

20 CHAIRMAN CARTER: Commissioner McMurrin.

21 COMMISSIONER McMURRIAN: Thank you, Chairman. And
22 I'll just echo those concerns. I know I've been pretty quiet.
23 I have been listening to you all, and I do want to assure you
24 we have access to all the information in this case. We've just
25 been talking about that a good deal. In fact, I was going to

1 point to number eight on the yellow sheet is a question about
2 the website and gives the docket number there and tells you how
3 to get to that information. But we have access to that. There
4 are a lot of other good people back at the Commission. You see
5 several of them here, but there are several more at the
6 Commission that are working on this, going through the
7 information, and they help us get through the information to
8 help us make the right decision. And, again, it was very
9 important for us to hear from you and several other residents
10 last night in Tampa, and we appreciate you taking the time to
11 come out.

12 CHAIRMAN CARTER: Thank you.

13 Commissioner Argenziano.

14 COMMISSIONER ARGENZIANO: Just thank you for coming
15 out. We are the Public Service Commission, so without you we
16 only have part of the information we need. So it's very
17 important. Also to let you know that nothing is a done deal.
18 There's a lot of information to gather. We have to act very
19 fair. And you also need to know in many cases we're mandated
20 by your legislators, which I used to be, so you know I know how
21 it works, that we're mandated to make sure that the
22 companies -- in order for the companies to be there, that when
23 you flip the switch and you need the electric, we have to make
24 it fair for them to do business in the State of Florida, but
25 there are certain recoveries that are mandated by your

1 legislators. And sometimes they need to hear from you also.
2 They need to know that the water, that everything together is
3 just getting to be, getting to be to the point where I'm
4 hearing consumers saying I can't do anymore. But we need to
5 let them know also to be fair. And just to let you know that
6 nothing is a done deal and we'll be looking at so much
7 information coming in. And your information today gave us a
8 great deal to take back with us when we do deliberate on the
9 hearings that come before us. So thank you for being here.

10 CHAIRMAN CARTER: Thank you.

11 Commissioner Edgar.

12 COMMISSIONER EDGAR: Thank you. And just to wrap up,
13 thank you all for your time. It's such an important part of
14 our process to hear from you, to hear from the customers. I
15 know it's helpful to us as a Commission and also to the
16 parties, the company and to the Intervenors. And I always
17 enjoy coming to Central Florida.

18 CHAIRMAN CARTER: Thank you. I want to say to our
19 unsung "she-ro," to Linda, our court reporter, who has been a
20 loyal trooper. We usually give her a break, but we just kind
21 of plugged on through because it was important to us to hear
22 from everyone. And, Linda, you did a yeoman's job last night
23 and I, just on behalf of my colleagues and I, we sincerely
24 appreciate that, your hard work in what you're doing and
25 transcribing. And, I mean, anybody that can write down what I

1 say with my accent and all like that is doing a great job.

2 But, again, we are, as my colleagues have said, we
3 are the Public Service Commission. It's our job to review this
4 information and look at that. And as Commissioner Argenziano
5 said, there's no done deal. And as Commissioner Edgar said, we
6 love coming to Central Florida. Any time there's something
7 impacting the ratepayers, we like to come to where the
8 ratepayers are so we can hear what you feel about it, what you
9 think about it. And believe it or not, we get some of our best
10 ideas from people like you.

11 And with that, Commissioners, we are adjourned.

12 12:27.

13 (Service Hearing adjourned at 12:27 p.m.)

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1 STATE OF FLORIDA)
 :
2 COUNTY OF LEON)

CERTIFICATE OF REPORTER

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4 I, LINDA BOLES, RPR, CRR, Official Commission
Reporter, do hereby certify that the foregoing proceeding was
5 heard at the time and place herein stated.

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

9 I FURTHER CERTIFY that I am not a relative, employee,
attorney or counsel of any of the parties, nor am I a relative
10 or employee of any of the parties' attorneys or counsel
connected with the action, nor am I financially interested in
11 the action.

12 DATED THIS 10th day of November
13 2008.

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Linda Boles
LINDA BOLES, RPR, CRR
FPSC Official Commission Reporter
(850) 413-6734

Late Filed

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080317-^{E2} EXHIBIT 10

COMPANY Rpse Thompson

WITNESS two year Billing history

DATE 10/21/08

See Document No. 10397-08

Late Filed Exhibit

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080317-E7 EXHIBIT 11

COMPANY TECO

WITNESS Non-fee-paying sites map

DATE 10-21-08

See Document No. 10397-08

Late Filed Exhibit

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080317-EE EXHIBIT 12

COMPANY TECO

WITNESS Percentage of customers by Usage level

DATE 10-21-08

See Document No 10397-08