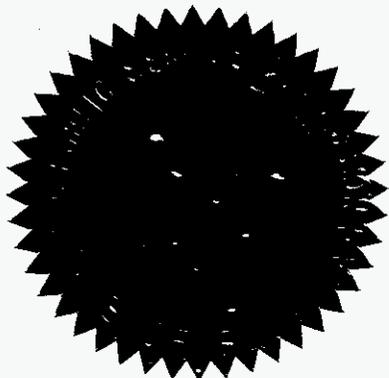


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI

In the Matter of:

PETITION FOR INCREASE IN
RATES BY FLORIDA
POWER & LIGHT COMPANY.



PROCEEDINGS: FT. MYERS SERVICE HEARING

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

DATE: Friday, June 19, 2009

TIME: Commenced at 6:00 p.m.
Concluded at 9:45 p.m.

PLACE: School Board of Lee County
Board Room
Lee County Education Center
2855 Colonial Boulevard
Ft. Myers, Florida 33966

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

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APPEARANCES:

PATRICK BRYAN, ESQUIRE, Florida Power & Light Company, 215 South Monroe Street, Suite 810, Tallahassee, Florida 32301-1859, appearing on behalf of Florida Power & Light Company.

ROBERT SCHEFFEL WRIGHT, ESQUIRE, c/o Young Law Firm, 225 South Adams Street, Suite 200, Tallahassee, Florida 32301, appearing on behalf of Florida Retail Federation.

CECILIA BRADLEY, ESQUIRE, Office of Attorney General The Capitol - PL01, Tallahassee, Florida 32399-1050, appearing on behalf of the Citizens of the State of Florida.

CHARLIE BECK, ESQUIRE, Office of Public Counsel, c/o The Florida Legislature, 111 W. Madison Street, Room 812, Tallahassee, Florida 32399-1400, appearing on behalf of the Citizens of the State of Florida.

LISA BENNETT, ESQUIRE, FPSC General Counsel's Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing on behalf of the Commission Staff.

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1
2 **CHAIRMAN CARTER:** I would like to call this
3 hearing to order. First of all, let me just say good
4 evening to all of you that came out tonight. You are
5 looking so lovely. Thank you for coming. Let me say to
6 our friends at the Lee County School District, thank you
7 for the opportunity to use this beautiful facility.
8 Thank you so kindly. To the citizens that came out
9 today, good to see you. We've got a few housekeeping
10 matters to take care of. Let me just say, by the way,
11 if you have to go to the necessary room it is down this
12 hallway to my right.

13 Before we do, we've got a few procedural
14 things to do. With that, Staff, would you read the
15 notice.

16 **MS. BENNETT:** Yes, Mr. Chair. By notice this
17 time and place has been set for a customer service
18 hearing in Docket Number 080677, petition for increase
19 in rates by Florida Power and Light Company.

20 **CHAIRMAN CARTER:** Thank you.

21 And with that, let's now take appearances of
22 the parties.

23 **MR. BRYAN:** Good evening, Mr. Chairman and
24 Commissioners. My name is Patrick Bryan. Can you hear
25 me?

1 **CHAIRMAN CARTER:** Hang on one second.

2 **COMMISSIONER ARGENZIANO:** Mr. Chair, is there
3 a way to turn up the volume?

4 **CHAIRMAN CARTER:** We're working on it right
5 now. Just hang on a second.

6 **COMMISSIONER ARGENZIANO:** Thank you.

7 **CHAIRMAN CARTER:** You're recognized.

8 **MR. BRYAN:** Thank you, Mr. Chairman and
9 Commissioners.

10 My name is Patrick Bryan appearing on behalf
11 of Florida Power and Light Company.

12 **MR. BECK:** Mr. Chairman, my name is Charlie
13 Beck. I'm with the Office of Public Counsel, and we're
14 appearing on behalf of the customers in this proceeding.

15 **MR. WRIGHT:** Mr. Chairman, Robert Scheffel
16 Wright appearing on behalf of the Florida Retail
17 Federation.

18 Thank you.

19 **MS. BENNETT:** Lisa Bennett, Attorney with the
20 General Counsel's Office for the Public Service
21 Commission.

22 **CHAIRMAN CARTER:** Thank you.

23 I also wanted to make sure that we recognize
24 Jack Shreve who's from the Governor's office.

25 Jack, would you just kind of wave.

1 Jack is from the Governor's Office. The
2 Governor has taken an interest in all matters pertaining
3 to the people of Florida, and Jack for 25 years served
4 as the Public Counsel for the state of Florida, and he
5 is here advising the Governor on this issue.

6 Jack, we're glad to have you with us tonight.

7 **MR. SHREVE:** Thank you, Mr. Chairman.

8 **CHAIRMAN CARTER:** Let me do this. Let me
9 start by, Commissioners, giving you an opportunity to
10 just have a few syllables, because then we can have the
11 rest of the time for those people who want to make
12 closing comments.

13 Commissioner Edgar, you're recognized.

14 **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.

15 Good evening. Thank you all for coming. My
16 name is Lisa Edgar, and I am -- I have been on the
17 Commission for about four and a half years. I believe
18 that we had a meeting like this here in Fort Myers about
19 four and a half years ago, and I don't think we had
20 quite as many people show up, so I'm so glad to see all
21 of you. I look forward to hearing your comments, and
22 thank you for coming out this evening to talk to us
23 about your concerns.

24 **CHAIRMAN CARTER:** Thank you.

25 Commissioner McMurrian.

1 **COMMISSIONER McMURRIAN:** Hi. I, too, am glad
2 to be here with you all tonight. I'm Katrina McMurrian.
3 As you can probably tell, I'm from the northern part of
4 the state. So it is good to get down here, you know, in
5 this warmer part of the state every once in awhile, and
6 it is good that you all came out to talk to us. We look
7 forward to hearing your comments. Thank you so much.

8 **CHAIRMAN CARTER:** Commissioner Argenziano.

9 **COMMISSIONER ARGENZIANO:** Yes, Mr. Chairman,
10 just a couple of things very quickly, and then I am
11 going to just remain quiet unless I need to ask the
12 public questions pertaining to the issue of the docket.
13 I do want to apologize for not being there in person. I
14 broke my leg, and it is not fun, but I'm here on the
15 phone. I just could not be there because of the broken
16 leg.

17 But, Mr. Chairman, I have to raise a point
18 that I hope to start the meeting off with, and I'll try
19 to be very, very quick because I really know we are all
20 here to hear the people. This afternoon, you know, we
21 heard about four hours of testimony regarding issues,
22 you know, that we're here for. But the majority of the
23 issues seemed to be of efforts, I guess -- the people
24 who came up told us about the goodwill of the regulated
25 utility in charitable ways.

1 The altruism of the company was spread out
2 into the community, and I can't commend them enough for
3 that. But I want to make certain that people understand
4 that the notice says the petition for increase in rates
5 by Florida Power and Light Company. The purpose of this
6 customer service hearing, and I will just read one
7 sentence, is to take testimony from the public on the
8 quality and adequacy of Florida Power and Light Company
9 service and other matters related to Florida Power
10 Company's petition for the rate increase.

11 Of course, we need to hear about quality, we
12 need to hear about the efforts in providing electric and
13 impacts of the rate increases or not granting the rate
14 increases, the pros and cons. And the reason I bring
15 this out is because we talked mostly about the
16 contributions, and people came up and almost the
17 majority of the people this morning came up and talked
18 about the financial contributions to the nonprofit
19 organizations in the community, which I commend the
20 company for. But I want to make sure that people
21 understand that is really not pertinent to what the
22 statute says that we are to take into consideration.

23 And I'll say this, that I'm just of the
24 opinion that the charitableness of the utility is a
25 great thing, but it is not pertinent or relevant to the

1 concerns. And there may be -- you know, somebody else
2 may believe that that testimony of the company is worthy
3 of consideration in the specific rate case. I don't.
4 It's not. The statute says it's not. As a matter of
5 fact, Mr. Chairman, the statute says that goodwill is
6 statutorily precluded as a cost component to calculating
7 the rate base.

8 And while I'm happy to hear that, all I ask is
9 can we put the relevant testimony, the people who have
10 relevant testimony, concerns about the rate increase,
11 not giving it or giving it, concerns about the quality,
12 the stuff that we are supposed to be looking at
13 according to the statutes, can we put them up front this
14 time, so that, you know, the other people who just want
15 to say, yea to the company, and it's a great job that
16 they are doing in giving their contributions, would be
17 on the back end rather than on the front end.

18 And I just want to tell the people whether you
19 are here to say great to the company, or yes and no to
20 the rate increases or not, I'm happy that you are there,
21 but I want to hear from everybody, but I also know the
22 relevancy of the notice and what it says that we should
23 be paying attention to, and I want to make sure that we
24 give those people who have relevant and pertinent to the
25 rate case itself information before us that they come

1 forward before. And I just think it may be -- let's put
2 the relevant testimony up front and those who want to,
3 you know, extol the virtues, and rightfully so, over the
4 company's contributions, which the shareholders pay, not
5 the rateholders.

6 **UNIDENTIFIED SPEAKER:** Okay, we got it.

7 **COMMISSIONER ARGENZIANO:** Maybe on the back
8 end rather than the front end. Thank you for the
9 opportunity of addressing that.

10 **CHAIRMAN CARTER:** Thank you. Mr. Beck will be
11 calling the list as we go through that.

12 Commissioner Skop.

13 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.
14 Just good evening to everyone. I would like to take
15 this opportunity to welcome everyone that came out
16 tonight and thank you for taking the time to appear
17 before us this evening. As this Commission considers
18 this pending rate case before us, it's certainly
19 important to hear from the consumers and customers as to
20 how they feel about the pending increase, and we do
21 greatly appreciate hearing your concerns and your
22 comments. Thank you, again, for taking the time to
23 appear before us this evening. Thank you.

24 **CHAIRMAN CARTER:** Thank you.

25 Welcome to Friday Night Live.

1 We have -- we have with us also staff members
2 of the Florida Public Service Commission, Mr. Dick
3 Durbin, Cheryl Banks, Tim Devlin, you met our attorney
4 there. And we have for you out front these -- I say
5 blue, it looks blue to me -- but we have these blue
6 forms here. Those of you that would like to make
7 additional comments -- if you have, as I have, one of my
8 over-50 moments, sometimes I forget stuff, you can
9 either use the website on the front or the last page, if
10 you are old school and you want to use graphite to
11 cellulose, you can just write it here and it's a nice
12 letter you can send it in to us.

13 **COMMISSIONER ARGENZIANO:** Mr. Chairman.

14 **CHAIRMAN CARTER:** Yes, ma'am.

15 **COMMISSIONER ARGENZIANO:** I'm sorry, I want to
16 go back to the point I made. Did you -- I'm not sure
17 what your answer was, and maybe I should ask the
18 question of Mr. Beck. Does he have -- does he have
19 discretion on how he calls the list? And the reason I
20 am making a point of this, Mr. Chairman, is I don't want
21 to spend four hours of not giving the people who are
22 there to talk about the relevant issue, the impact of
23 the rate increases, pro or con. I don't want them on
24 the back end. And many times I have seen over my years
25 in the Legislature that a lot of times people have to go

1 home or, you know. I wonder if Mr. Beck has discretion
2 on how he can call that, because I think you kind of
3 just blew me off on asking that the people who come to
4 talk about the relevant issues, according to the
5 statute. And not that I don't want to hear from
6 anybody, so I don't want anybody twisting my words.

7 What I'm saying is the statute says the
8 contributions of the company, the financial
9 contributions to nonprofit organizations, as nice as
10 they are and dependent as we are, are wonderful, but
11 they are not pertinent to the issues here. And if they
12 came first to sign up and just want to talk about the
13 contributions, I think we are really missing the point
14 on the relevant issues of what we do need to look at
15 according to the statute. I'm not sure what your
16 decision was.

17 **CHAIRMAN CARTER:** I was just -- I was
18 deferring to Mr. Beck.

19 Mr. Beck, do you --

20 **MR. BECK:** Mr. Chairman and Commissioner
21 Argenziano, I will certainly defer to the Commission --

22 **UNIDENTIFIED SPEAKER:** We can't hear you.

23 **MR. BECK:** Commissioner Argenziano and
24 Mr. Chairman, I will certainly defer to what the
25 Commission wishes. I have no way of telling what the

1 substance of a person's testimony will be.

2 **COMMISSIONER ARGENZIANO:** No, no, I'm not
3 asking the substance. I mean, I guess what I'm saying
4 is shift around, just randomly shift around. Because
5 this morning it seemed that a lot of people got there
6 early and some people maybe didn't get the message the
7 earlier you get there, the earlier you can speak. And
8 I'm not saying that their points weren't well taken or
9 important to the issues, but some of them were not
10 relevant.

11 And I don't want to have us go by a list of
12 people who may have been told to come early so you can
13 get to speak early, and it may be on just part of an
14 issue, maybe the contributions that I talked about
15 before, and then we don't get to hear the people who
16 came to talk about the rate increase itself or what we
17 are really here for.

18 So can you randomly pick names and go that
19 way? It may be a little fairer. From where I am I
20 don't see where it would be a problem.

21 **CHAIRMAN CARTER:** Well, we usually go --

22 **COMMISSIONER ARGENZIANO:** If you want me to
23 elaborate, I can.

24 **CHAIRMAN CARTER:** Well, I think the only
25 problem is, and I think what Mr. Beck is saying is the

1 only problem is that we just have a list as people sign
2 up, and there is no way to know, you know, what --

3 **COMMISSIONER ARGENZIANO:** That is not the
4 issue, Mr. Chairman, and let me -- I'll be perfectly
5 blunt. I have seen many times in my legislative career,
6 which was 12 years, that is not a drop in the bucket,
7 that sometimes -- you know, you can orchestrate a
8 meeting to go the way you want, and I'm not accusing
9 anybody of that. But this morning it certainly seemed
10 that four hours was dedicated to extolling the virtues
11 of the contributions, financial contributions, and I
12 don't want to make them little, but they are not
13 pertinent to the rate case. They shall be precluded, as
14 the statute says, from ratemaking, rate costs.

15 So instead of going through that tonight, what
16 I'm asking is just randomly pick. Don't ask for subject
17 matter, just randomly pick, because if the people were
18 told, certain people were told get there early so that
19 you speak early. And I have seen that happen before.
20 And I'm not saying that is a bad thing or a good thing.
21 What I'm saying is it is not fair to the people who came
22 to talk about the relevancy of the notice and the
23 statute that we have before us.

24 So it can be done. And I'm not trying to make
25 it difficult, and I don't want to be more blunt than I

1 have to be, but I think -- I saw this afternoon a
2 pattern, and I don't want to repeat that pattern. I
3 don't want to -- I want to afford the people the
4 opportunity to speak on the rate impacts, the cost, the
5 quality, the things that we need to hear. The pros and
6 cons of why the company should get it, why they
7 shouldn't, or the concerns that the individuals have,
8 rather than people talking about -- you know, I can see
9 the United Way and all of these people who definitely --

10 **UNIDENTIFIED SPEAKER:** I move the Chair takes
11 control.

12 **COMMISSIONER ARGENZIANO:** -- that the company
13 gives to the community, and we all are grateful for
14 that.

15 **COMMISSIONER EDGAR:** Mr. Chairman, if I may?
16 Thank you very much.

17 **COMMISSIONER ARGENZIANO:** Excuse me. I wasn't
18 finished. I will end it very quickly, but excuse me. I
19 will just end it with this, my point being is I just
20 want it to be fair and I want it to be of the nature
21 that we actually get the information that is pertinent
22 to the case before us up front, and maybe we can hear
23 from the apple-polishers, or whatever you want to call
24 it later. Those things are wonderful for the company,
25 but let's talk to the pertinence of the case.

1 **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.

2 It's Friday evening, and I'm so glad, as I
3 said early, to see so many of you who are interested in
4 this issue and interested in the issues that we
5 consider. So thank you again for coming.

6 Mr. Chairman, I would like to hear from
7 everybody who is here to speak to us, and, candidly, the
8 comments that come later in the evening carry just as
9 much weight to me as those that come earlier. So I
10 would like to move on and get through our preliminaries
11 and start to work. Thank you.

12 (Applause.)

13 **COMMISSIONER ARGENZIANO:** And I never said I
14 didn't want to hear from anybody. I want to hear
15 everybody, including the people who are there to tell us
16 whether you are doing a good job or a bad job. That is
17 not the issue.

18 And, Mr. Chair, as I said, the last thing I am
19 going to say --

20 **UNIDENTIFIED SPEAKER:** I move that the
21 Chairman take command.

22 **COMMISSIONER ARGENZIANO:** -- those
23 contributions are important to the community, and I'm
24 not saying they are not, but we also need to hear the
25 real issues of the rate case in front us. And I can

1 understand why these charitable organizations want to
2 make sure that we understand how important it is for --

3 **CHAIRMAN CARTER:** Okay. Commissioners, we're
4 going to move so we can get as many people as possible.

5 Also on the table out front, this is hurricane
6 season, so from the Public Service Commission we have a
7 flier out there to give you some tips, some safety tips
8 on that. The way we are going to go, we will proceed.
9 We will have the parties from the company, and the
10 Office of Public Counsel, and Mr. Wright to do their
11 presentations to you here. After they finish, I'll
12 swear those of you that wish to speak, I will swear you
13 in as a group, because we have a court reporter here who
14 is going to transcribe everything that you say. It is
15 going to be part of the record. We will turn the podium
16 around, so you speak directly to us.

17 With that, we will recognize the company for
18 their opening statement.

19 **MR. BRYAN:** Thank you, Mr. Chairman and
20 Commissioners. I apologize for putting my back to you.

21 **UNIDENTIFIED SPEAKER:** We can't hear.

22 **MR. BRYAN:** I just apologized for putting my
23 back to the council -- the Commission, I'm sorry.

24 **UNIDENTIFIED SPEAKER:** We can't hear you.

25 **CHAIRMAN CARTER:** Pull it a little closer to

1 you.

2 **MR. BRYAN:** Can you hear me now?

3 **UNIDENTIFIED SPEAKER:** No.

4 **MR. BRYAN:** I don't -- I don't think it's on.

5 **UNIDENTIFIED SPEAKER:** It's on. Speak louder.

6 **MR. BRYAN:** I will try to speak very loudly.

7 Good evening. My name is Patrick Bryan. I'm
8 an attorney for Florida Power and Light Company, and I
9 would first like to thank each of you for coming out
10 this evening to this quality of service hearing. We
11 sincerely appreciate your participation here. We know
12 your time is valuable. I can assure you that the
13 comments that you provide tonight with respect to the
14 level of service that FPL provides or with respect to
15 any other issue will be heard and carefully considered
16 by Florida Power and Light Company.

17 In a moment, you will hear from FPL's Vice
18 President of Customer Service, Marlene Santos. Marlene
19 will discuss our current rate proposal. She will talk
20 about our service, and she will explain certain FPL
21 programs and other services we have in effect to assist
22 our customers in lowering and paying their bills.

23 But before Marlene speaks, I wanted to inform
24 our customers tonight who are in attendance that we have
25 several other customer service representatives in the

1 building and they are available to meet with any
2 customer who has a question or an issue concerning his
3 or her electric account or electric service.

4 They are equipped with on-line computers and
5 can pull up your account information in realtime. They
6 are committed to resolving your issue here tonight
7 before the conclusion of this hearing. If that's not
8 possible, they will do their best to resolve it as
9 quickly as possible.

10 They are set up in a room outside these
11 chambers. If you go out the hallway and to your left,
12 they are in a room. In fact, we have some folks in the
13 back of the room who, if you raise your hand, would be
14 more than happy to escort any interested customer to the
15 appropriate place.

16 At this time, then, I'd like to introduce
17 Marlene Santos.

18 **CHAIRMAN CARTER:** Can you all hear?

19 **UNIDENTIFIED SPEAKER:** No.

20 (Simultaneous conversation.)

21 **MS. SANTOS:** Okay. There we go. Okay. Thank
22 you, Mr. Chairman, and thank you, Commissioners, for
23 holding this hearing today.

24 I also would like to acknowledge the presence
25 of several FPL employees that are here with us today who

1 are members of the IBEW. I know that you have the same
2 commitment as the rest of the 11,000 FPL employees to
3 provide an excellent customer service.

4 Thank you so much for everyone that is here
5 today. We have long deep roots here in this area that
6 go back for decades, and today we actually have nearly
7 400 employees in the Lee and Collier County areas. We
8 appreciate this opportunity to get your feedback and
9 understand that you have high expectations of us,
10 especially in this very difficult economy. So what I
11 would like to do this evening is talk to you about what
12 we are doing to continue to provide you with affordable,
13 reliable, and clean energy solutions.

14 I'd like to first start with affordability.
15 We understand that electricity is a significant expense
16 to our customers. At a time when family budgets are
17 tight, we know that we need to do everything that we can
18 to keep your bills low. With the lower fuel prices and
19 the efficiency gains that we have made, we were able to
20 lower our customer bills in January of this year, and in
21 September we will file our fuel costs for 2010, which we
22 project will be even lower.

23 We are committed to keeping our customer bills
24 as low as possible, and the charts that Patrick has put
25 up, in fact, shows you that according to the Florida

1 Municipal Electric Association's most recent data, which
2 is as of April, FPL's bills are the lowest of all 54
3 utilities in Florida. The chart actually shows the 54
4 utilities -- I think they are orange, and the blue is
5 FPL's, so you can see that we are the lowest in Florida.

6 A 1,000 kilowatt hour FPL customer bill in
7 April was \$110. The average across Florida is 135. So
8 our customers are getting a \$25-a-month savings from the
9 average. That adds up to \$300 a year.

10 The fact is FPL has not had a general base
11 rate increase since 1985. As a result of our ongoing
12 focus on cost control, our base rate is 17 percent lower
13 to date than they were back then, despite inflation of
14 99 percent over that same period. Our low prices are
15 also the result of all the smart investments that we
16 have made over time. As an example, our fossil fuel
17 power plants are the most fuel efficient among large
18 scale utilities nationwide. This has saved our
19 customers \$3 billion in fuel costs over the last six
20 years. And with the approval of FPL's rate proposal, we
21 can continue to make these types of investments which we
22 project will save our customers one billion dollars
23 every single year beginning in 2014.

24 We understand that customers struggling to
25 make ends meet need more than just these low electricity

1 prices. You need help keeping your bills down. That is
2 why we have proactively helped our customers with a
3 wide range of energy-saving solutions. Since the early
4 1980s, we have been a leader in energy efficiency. We
5 have conducted more than two and a half million home
6 energy surveys to help our customers save electricity.

7 We also continue to sponsor special programs
8 like Care to Share, which is our FPL payment assistance
9 program. Care to Share has helped 55,000 Floridians
10 with more than \$11 million in aid. Last year FPL
11 shareholders contributed one million dollars to this
12 very essential program.

13 While we are mindful of the difficult economy,
14 we are also responsible for ensuring reliable service.
15 Our rate proposal is a vital part of our plan to make
16 prudent investments in our electrical infrastructure.
17 As stated, as a company we learned very many lessons in
18 the 2004 and 2005 hurricane seasons. That's why we are
19 investing more to make our infrastructure stronger every
20 single day, whether it's good weather or bad. In 2009
21 alone this investment will exceed \$200 million. It
22 includes things like replacing poles, clearing trees
23 from power lines, and strengthening services to
24 hospitals and other essential facilities. Right here in
25 this area it includes places like Southwest Florida

1 Regional Medical Center, Lee Memorial, and Gulf Coast
2 Hospitals, and key sections of very critical roads like
3 South Point Boulevard, College Parkway, and Six Mile
4 Cypress Parkway.

5 These efforts have helped improve the
6 reliability of our system. As you can see on the chart,
7 according to the Edison Electric Institute, FPL's
8 distribution and reliability was 47 percent better than
9 the national average in 2008.

10 We are also investing in smart technology that
11 will give our customers more control over their energy
12 consumption and that will improve reliability. We are
13 introducing smart meters that allow customers to go
14 on-line and monitor how much energy they are using, not
15 just every month, but also by the day and by the hour.

16 And we're investing in cleaner energy to do
17 our part to fight climate change. The three solar power
18 plants we are building in Florida, including one not far
19 from here in DeSoto County, will avoid nearly three and
20 half million tons of carbon dioxide. I am very proud
21 that according to the National Resources Defense Council
22 my company is one of the cleanest energy providers in
23 the country.

24 Most importantly, we can support these kinds
25 of investments even as customer bills will go down in

1 2010. As a result of lower forecasted fuel prices and
2 our success at making our power plants more efficient,
3 fuel costs are projected to decrease by \$17 per month on
4 the typical bill. Our proposal would cost \$12 per
5 month. The net result is a decrease of \$5 per month.

6 In 2011 we're requesting an additional base
7 rate increase of \$2.84 per month. Whether the overall
8 bill will go up is unclear given the difficulty of
9 predicting world fuel markets 18 months from now. But
10 it is precisely because fuel prices may rise again that
11 we continue to fund investments to enhance the fuel
12 efficiency and the diversity of our power plants. It is
13 similar to buying a new more fuel efficient car. It
14 represents an investment up front, but over time it more
15 than pays for itself through lower fuel costs.

16 Over the next five years we need to invest
17 almost \$16 billion. A significant amount of that will
18 come from the capital markets and our return on equity
19 request is based on what the markets require. In the
20 same way that someone with good credit can get a better
21 mortgage rate, FPL's customers benefit from the
22 company's strong financial position. We're able to
23 obtain better lower cost financing at an overall rate of
24 approximately 8 percent, which is the actual request in
25 our rate proposal. When we save on financing costs,

1 customers save on bills.

2 FPL's rate proposal is all about looking at
3 the long-term and investing to make our infrastructure
4 stronger, smarter, cleaner, more efficient, and less
5 reliant on any single source of fuel. The result will
6 be energy that will be affordable, reliable, and clean.

7 Thank you again so much for taking your time
8 to come out. We look forward to hearing how we can
9 serve you even better.

10 Thank you, Mr. Chairman.

11 **CHAIRMAN CARTER:** Thank you.

12 With that, before I recognize Mr. Beck,
13 Mr. Wright, would you move over there because we will be
14 using that when we come up for your time.

15 At this point in time now we will have the
16 opening statement by Mr. Beck.

17 **MR. BECK:** Thank you, everyone.

18 My name is Charlie Beck and I'm with the
19 Office of Public Counsel. And just to let you know, the
20 Public Counsel's Office is completely separate and
21 independent from the Public Service Commission. Our
22 office was created by the Legislature to represent your
23 interests before the Commission in cases.

24 Earl Poucher, who's standing here has some
25 yellow sheets from our office, and he is going to hand

1 out a sheet which describes some of the issues we are
2 going to be raising in this case.

3 Just as the utility has their lawyers, and
4 they have their expert witnesses that they will be
5 presenting in the case, we are going to do the same
6 thing with putting on the other side of the case from
7 the customer's perspective. We will be cross-examining
8 their witnesses in the hearings in Tallahassee; we will
9 be filing briefs and making arguments to the Commission;
10 then the Commission sits as an administrative judge in
11 the proceeding. They have Florida Power and Light on
12 one side, our office on the other. There are
13 intervenors. You will hear from Mr. Wright with the
14 Retail Federation who will be representing the interest
15 of his clients. And at the end, the PSC weighs the
16 evidence and makes the final decision.

17 We have intervened to oppose the rate increase
18 by Florida Power and Light because, quite frankly, we
19 don't believe it's justified. This is the largest
20 request that has ever been made by a utility in Florida
21 for a rate increase. One million dollars per year
22 beginning next January, and then an additional \$300
23 million per year in 2011. This case is about that
24 request. What the case is not about is about fuel
25 costs, because they are determined in a completely

1 separate proceeding. And the way the Commission treats
2 fuel costs is it is a pass-through. If fuel costs come
3 down, the benefit of those lower fuel costs is passed
4 through directly to customers. If fuel costs go up,
5 which they have in the past, that's passed through
6 straight to customers.

7 Now, if fuel costs are going up by \$10 a
8 month, you wouldn't hear Florida Power and Light be in
9 here telling you about being responsible for lower fuel
10 costs and an offsetting rate increase. If fuel costs
11 are going up by \$10, then your bill will be going up
12 both by their request and that fuel cost, as well.

13 Many utilities in Florida have already been
14 flowing through lower fuel costs. Just earlier this
15 week we had two announcements, Lakeland Utilities
16 announced their third decrease in a year that's going to
17 take effect on July 1st. Their fuel costs have gone
18 down by \$17.69 since a year ago. JEA, the Jacksonville
19 Electric Authority is a very large municipal, they
20 announced earlier this week that they are dropping their
21 fuel charges 25 percent effective October 1st of this
22 year. We see the same thing is going on, the difference
23 here is Florida Power and Light won't be doing it until
24 January at the same time that they requested a rate
25 increase going out.

1 Now, you have heard them describe how the fuel
2 costs are going to offset the base rates. In effect, in
3 the Commission's handout, which is this blue handout, on
4 Page 5 there is a series of comparisons that
5 incorporates what FPL has said. What's important to
6 know is they have made no proposals to the Commission
7 for their fuel costs yet. The actual proposal will be
8 coming in September when they will use the updated
9 information that is available at that point as well as
10 the forecast at that point for fuel charges in 2010.

11 The one thing you know is it's not going to be
12 what they are saying today, it's going to be different,
13 because fuel costs go up and down. And right now the
14 forecast for 2010 has been going up quite a bit. The
15 forecasts for 2010 are much higher than the current
16 market is for natural gas and other fuels.

17 Now, we had a number of issues that were
18 raised. I'm just going to briefly discuss a few of
19 them. One of them is the profit level the company has
20 requested. From the funds that they invest themselves
21 in Florida, they are asking for a 12-1/2 percent return,
22 and that's after taxes. So what they're asking is that
23 you pay the taxes that they owe, and then after those
24 taxes are paid, they earn 12-1/2 percent on their
25 investment. We think that's far too high, far above any

1 reasonable level. We have retained a full professor of
2 finance from Penn State University, he will be telling
3 the Commission and testifying that a return under
4 10 percent is more reasonable.

5 Now, we're concerned about what the Commission
6 has done in recent cases. They have been giving very
7 high returns to the electric utilities, and we're going
8 to try to convince them that is the wrong decision. In
9 a recent Tampa Electric case, the company there was
10 asking for a 12 percent return. Our witnesses gave
11 evidence that less than 10 was more than reasonable.
12 There was evidence that Commissions around the country
13 on average were awarding 10-1/4 percent. What happened
14 was the staff of the Public Service Commission
15 recommended 10-3/4 percent, and then when the Commission
16 got to the time of deciding the case, they bumped it up
17 further to 11-1/4 percent.

18 Now, if they do that in this case, every
19 percent higher that they give Florida Power and Light on
20 that return costs \$130 million per year. There's a lot
21 of money at stake on that issue. We'll be presenting
22 that case and litigating it, again, with the Commission.
23 We hope they don't do the same thing they did earlier
24 with Tampa Electric and give among the highest profit
25 levels of any state utility commission in the country.

1 We will have other expert witnesses. We will
2 have one that focuses on affiliate charges. You're
3 going to find that there are many charges back and forth
4 from affiliates. For example, the salaries of the
5 officers of the parent company, they get flowed through
6 by about 35 percent to the regulated utility, and they
7 try to pass that on through rates. So we will be
8 looking at the reasonableness of those levels of
9 expenses as well as the other charges from affiliates.

10 We will have an expert witness on depreciation
11 to discuss that. Some of that is in the handout. I'll
12 be glad to discuss that with anybody. What it means is
13 that they have collected more in the past for the
14 depreciation on their plant than was required. And even
15 they admit it is over \$1-1/4 billion too much. The
16 question is going to be what do you do about that? How
17 quickly does that over-collection get returned to
18 customers. And we're urging the Commission to return it
19 much more quickly than Florida Power and Light is going
20 to propose.

21 We have a separate witness on accounting
22 issues. There's a slew of accounting issues that will
23 be presented, and that will affect the case. We are
24 also looking forward to hearing tonight from some
25 members of the public. Mr. Balogh is going to testify

1 about a plan for prepayment of charges that will be of
2 benefit to the customers. We'll be interested in that
3 issue tonight.

4 Florida Power and Light right now is earning
5 in 11 percent returns. We think that is more than
6 adequate. These are very difficult times. The economy
7 is hurting people's income, their savings. This is the
8 worst possible time for Florida Power and Light to be in
9 here trying to increase their profits to unreasonably
10 high levels, and we're going to do everything we can to
11 try to stop that and get the rates more reasonable.

12 We appreciate you coming here. I know your
13 testimony does make a difference to the Commissioners,
14 it effects the case, and we're looking forward to
15 hearing from you.

16 Thank you very much.

17 **CHAIRMAN CARTER:** Thank you, Mr. Beck.

18 Mr. Wright, you're recognized.

19 **MR. WRIGHT:** Thank you, Mr. Chairman.

20 Good evening. My name is Schef Wright. I was
21 born in south Florida some 59 years ago. I have been
22 working on energy issues in Tallahassee since December
23 of 1980. I've worked with Governor Graham's Energy
24 Office, I've worked with the Public Service Commission
25 staff, and for the last 17 years I've been a private

1 practice attorney mostly representing consumers and
2 local governments and producers of renewable energy.

3 I have the privilege to be here tonight
4 representing the Florida Retail Federation. The
5 Federation is a statewide organization of more than
6 9,000 members from the smallest mom and pop commercial
7 establishments to the largest chains of grocery stores,
8 retailers, electronics stores, department stores, drug
9 stores and so on. We appreciate your shopping in our
10 stores, and on behalf the Retail Federation I want to
11 thank all the customers who have turned out here
12 tonight.

13 Like the Public Counsel, your attorney, the
14 attorney for all the citizens of Florida in these rate
15 proceedings, the Florida Retail Federation opposes FPL's
16 request for a base rate increase. Now, this is
17 important. This case is about whether Florida Power and
18 Light Company needs an increase in its base rates in
19 order to be able to own, finance, operate, and maintain
20 its assets. It's not about their fuel costs. Their
21 fuel costs are passed through. When fuel costs go up,
22 your charges go up. Last summer your charges went up a
23 bunch. We went to the Commission and fought and got
24 them cut in half. And, fortunately, when the forecasts
25 turned out to be wrong that FPL and Progress were asking

1 for their increases on, the charges didn't go up. And,
2 actually, to put a tab on what Mr. Beck said, both
3 Progress Energy and Tampa Electric Company have also
4 reduced their fuel charges this year.

5 Now, the question is whether FPL needs an
6 increase in its base rates. They make the fair point
7 that they haven't had a base rate increase since 1985,
8 but I would make the equally fair point that they
9 haven't had one because they haven't needed one. During
10 those 20-odd years they have made refunds and agreed in
11 order to settle cases. They have agreed to rate
12 reductions, and four years ago they agreed to a base
13 rate freeze and remained highly profitable during the
14 whole time. They had enough money during the whole time
15 to own their system, to finance their system, to operate
16 their system, and to maintain their system.

17 I want to put the fuel cost issue in
18 perspective for you. Regardless of what happens with
19 fuel, assume that fuel were to be what FPL says it is
20 going to be. If we're right, Public Counsel is right,
21 and the Retail Federation is right, and FPL doesn't
22 really need a base rate increase, your rates wouldn't be
23 \$104 per 1,000 kilowatt hours come January, they would
24 be \$92.

25 We don't think they need the increase. Why

1 not? One, we believe that the 12-1/2 percent after tax
2 rate of profit on their stockholders' equity investment
3 is excessive. We think something in the range of 9 to
4 10 percent is more appropriate, reasonable, possibly
5 even generous.

6 The difference between a 10 percent after-tax
7 return on equity and 12-1/2 percent is more than
8 \$300 million a year. FPL has a huge depreciation
9 surplus, more than \$1.2 billion by its own estimates.
10 We believe that you customers who paid that in and pay
11 in depreciation expense that created that surplus should
12 get it flowed back to you sooner rather than later.
13 Making an appropriate adjustment would cut their
14 requested increase by \$250 million a year.

15 FPL is presently charging you for storm costs
16 in a storm cost-recovery surcharge, another pass-through
17 charge that you pay, and they've got a storm reserve in
18 place of roughly \$200 million. If, and we all pray this
19 is true, we don't have another storm this year, by the
20 end of the year it will be \$215 million, and they are
21 asking the Commission to let them roll another
22 \$150 million a year into rates starting next January.

23 What they need is to be able to respond to
24 storms. They don't need \$600 million. The Commission
25 cited that in an order three years ago, and I can quote

1 the order, but I'm not going to do that in the interest
2 of time. We don't believe they need this \$150 million.
3 Add that onto the other reductions, plus potential
4 accounting issues, rate base issues, other expenses that
5 we don't think are reasonable that will be addressed by
6 various witnesses in the case, and we are not at all
7 convinced they need an increase at all. The evidence
8 will tell. The Public Service Commissioners will
9 decide.

10 Please, tell the Commissioners your views on
11 this very important case.

12 Thank you.

13 **CHAIRMAN CARTER:** Thank you, Mr. Wright.

14 **COMMISSIONER ARGENZIANO:** Mr. Chair?

15 **CHAIRMAN CARTER:** Yes, ma'am.

16 **COMMISSIONER ARGENZIANO:** I just need to
17 clarify something Mr. Beck just said. And with all due
18 respect, Charlie, I don't mean this to be derogatory,
19 just a clarification.

20 When you had indicated that there was a recent
21 rate case that the Commissioners decided to give them
22 the increase, give them higher profits and even higher
23 than the staff had recommended, or higher than they
24 asked for, you had indicated that the Commission voted
25 for that, and I wanted to clarify that I did not. I

1 just want that clarified.

2 **MR. BECK:** Commissioner, I do apologize.

3 The vote was four-to-one. Commissioner
4 Argenziano voted against that.

5 **COMMISSIONER ARGENZIANO:** Thank you.

6 **CHAIRMAN CARTER:** Thank you.

7 For those of you that have come to testify
8 now, I am going to swear you in as a group. Not swear
9 at you, swear you in as a group. And so that we can
10 hear you, Jane is transcribing, our court reporter,
11 rather than having you come to the podium here, we will
12 have you come over here because the acoustics sound much
13 better there. So those of you who are wishing to speak
14 tonight, would you please stand and raise your right
15 hand.

16 (Witnesses sworn.)

17 **CHAIRMAN CARTER:** Thank you. You may be
18 seated.

19 Mr. Beck.

20 **MR. BECK:** Thank you, Mr. Chairman.

21 Our first customer is Dan Bergstresser.

22 **CHAIRMAN CARTER:** And when you do get up
23 there, please, for the record, since she is transcribing
24 and has her back to you, please state your name and
25 address for the record as you come up, each person.

1 Thank you.

2 DAN BERGSTRESSER

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

5 DIRECT STATEMENT

6 **MR. BERGSTRESSER:** Good evening. My name is
7 Dan Bergstresser. I've lived in Lee County since 1954,
8 two years before a Florida Power and Light plant was
9 built. Hurricane Donna came through and introduced them
10 to other problems.

11 I was coming here to tell what a great
12 partnership I had with Florida Power and Light at
13 Manatee Park. Obviously, that's not what they want to
14 hear, so I will simply say this. There is a lot of
15 wonderful people at Florida Power and Light, and I feel
16 that any increase with Florida Power and Light is an
17 increase for our environment. They are very
18 environmentally in tune. They are very conscientious
19 about what is happening in the state of Florida. And if
20 people in the state of Florida don't like the
21 environment and don't want to be here, then maybe this
22 is the wrong state for them to be in.

23 Florida Power and Light has shown to me to be
24 one of the frontrunners in any huge company organization
25 that's trying to save this state. And through the

1 Manatee -- we had a bumper year this year at Manatee
2 Park. I won't say a whole lot about it, but we had over
3 200,000 visitors from November to March, and it was all
4 because Florida Power and Light kept their generator
5 process running strong enough to keep them warm and
6 allowed them to have survival rates at Florida Power and
7 Light canals. With 200 in our canal at one time, 407
8 around the horseshoe of Florida Power and Light allowed
9 them to survive this winter, which was a devastating
10 winter for them. And that's all I will say, since that
11 is basically what they want to hear.

12 Thank you very much.

13 **CHAIRMAN CARTER:** Thank you.

14 Mr. Beck.

15 **MR. BECK:** The next customer is John Kiefer.

16 JOHN KIEFER

17 appeared as a witness and, swearing to tell the truth,
18 testified as follows:

19 DIRECT STATEMENT

20 **MR. KIEFER:** Chairman Carter and the
21 Commission, I would like to thank you for the
22 opportunity to speak today.

23 I'm not an expert in public policy matters. I
24 don't pretend to be. I'm an average guy who every month
25 signs two checks to FP&L, one for my home and one for my

1 business. But I am the president of a local energy
2 services company that specializes in developing energy
3 efficiency strategies. We provide energy audits for
4 both residential and commercial customers, and we have
5 done many pro bono audits to work in conjunction with
6 FP&L to determine how we can help people lower their
7 bills.

8 However, I'm here to speak not on their
9 behalf, but actually in support of the rate increase.
10 And the reason I say that is that I believe that we need
11 to fund additional energy efficiency programs, and I
12 will spend about 30 seconds and tell you why, and then I
13 will allow the Commission to go on.

14 The per capita energy consumption of Florida
15 is four times the world average and is significantly
16 greater than the developed countries of Western Europe.
17 At present, Florida and the southeast uses slightly more
18 than 20 percent of all the energy consumed in the United
19 States, and the southeast contributes more than
20 20 percent of the greenhouse gas emissions that take
21 place in this country.

22 The Florida population, depending on who you
23 ask, is slated to grow as much as 35 percent by 2030,
24 well above any other region in the country. This poses
25 unusual challenges to the infrastructure in the state of

1 Florida and, in particular, demand.

2 So what does all of this mean in the context
3 of an FPL rate hike? Well, FPL rates fund more than
4 just electricity. They fund programs that address
5 energy conservation. The BuildSmart program modestly
6 rewards builders in Florida that choose to build a more
7 efficient home, and it does work. They have certified
8 thousands of BuildSmart homes that are on average
9 minimally 15 percent more efficient than local codes.

10 I believe that FPL has to invest in
11 infrastructure to support the projected growth that's
12 going to take place in Florida. As much as I hate the
13 thought of increasing my utility bill, and the
14 pragmatists know that it is inevitable because our grid
15 is reaching a point where we can't keep up with the
16 demand.

17 So as much as I hate the thought of an
18 increased utility bill, I believe that there are two
19 things we can do. We can fund modest growth of the grid
20 and we can put for additional energy efficiency
21 programs. And those programs can be designed to limit
22 demand and also provide some monies to grow the grid.

23 Progress Energy has been talked about earlier.
24 They have some wonderful programs that reward builders
25 of energy efficient buildings, and they also help offset

1 some of the increased costs associated with those
2 efficiencies, the up-front costs. But those costs also,
3 those -- excuse me, those payments from Progress also
4 substantially shorten payback periods and encourage
5 people to adopt these long-term measures.

6 So at this time I would ask the PSC mandate
7 that any FPL rate increase, and I don't know if this is
8 within your purview, include a provision to require the
9 support of existing and potentially new energy
10 efficiency programs.

11 Thank you.

12 **CHAIRMAN CARTER:** Thank you.

13 And as you come up, friends, we want to hear
14 from everyone, but we want to make sure that we hear
15 from everyone. I think that -- Mr. Beck, how many are
16 there?

17 **MR. BECK:** Approximately 50.

18 **CHAIRMAN CARTER:** Approximately 50. So if we
19 could do about three minutes a person, I think that will
20 give ample opportunity for everyone to be heard.

21 Okay. Dick, would you ask them if they could
22 turn this mike on, because she is trying to look at
23 them. Jane is trying -- our court reporter is trying to
24 look at them and hear them. Ask them if they will turn
25 this one on and see if it will work.

1 recently as 2003, Florida Power and Light was recognized
2 for its achievements in clean energy production and
3 environmental excellence when FP&L won the electrical
4 industry's highest honor, the Edison Award. Florida
5 Power and Light is a great partner of the festival, in
6 particular the Edison Day of Discovery, which is
7 comprised of the Thomas Edison Alva (phonetic) Regional
8 Science and Invention Fair and Discovery Village. The
9 regional science fair awards over 500,000 in
10 scholarships locally and has produced national and
11 international scholarship winners.

12 The 2009 Discovery Village gave opportunity
13 for hands-on experiences, including Florida Power and
14 Light's interactive solar energy project that popped
15 popcorn for all attendees using only solar power. This
16 showcased Florida Power and Light's continuing
17 commitment to clean energy sources such as the solar
18 energy project.

19 The public was also entertained and educated
20 by Florida Power and Light's Professor Wise Powerful
21 Adventures that taught the wonders of science as they
22 relate to electricity. Florida Power and Light also
23 participated in the grand parade of light, a
24 multi-generational family experience which has an
25 attendance of over 200,000. All in attendance were

1 enlightened about the past and future of FPL service
2 vehicles beginning with their 1925 Model 18 Mack truck
3 followed by Florida Power and Light's 2008 hybrid
4 service truck, the first in service in the United
5 States.

6 Florida Power and Light's commitment to
7 service is easily experienced every day by our use of
8 electric alarm clocks, coffee maker, lights, and all
9 without power interruptions. These are all the obvious.
10 Not as recognized is Florida Power and Light's
11 commitment to the community. Florida Power and Light
12 and its employees contribute assets, volunteer their
13 time and talent, service others and to work and to
14 improve the quality of life in communities where they
15 live and work. The Edison Festival of Lights is honored
16 to be a partner of Florida Power and Light and thank
17 them for their community and their commitment to
18 community service.

19 **CHAIRMAN CARTER:** Thank you.

20 Mr. Beck.

21 **COMMISSIONER ARGENZIANO:** Mr. Chair, I'm
22 sorry, I have a question.

23 **CHAIRMAN CARTER:** Yes, ma'am.

24 Ms. Stage, would you come back for a second?

25 Commissioner Argenziano, you're recognized for

1 a question.

2 **COMMISSIONER ARGENZIANO:** And I will be asking
3 questions pertaining to the same issue, I guess, of
4 other speakers. And I understand the -- and I'm going
5 to say it again, I think it is a great thing the company
6 is doing, and I appreciate people coming forward to
7 extol those virtues, which are much needed in the
8 community. But can you tell me how that pertains to the
9 rate increase that's requested, or what your position is
10 on the higher profit margin or percentage that the
11 company is asking from the Commission, because that is
12 what I am here to find out.

13 And I do appreciate you coming, and I do
14 appreciate what the company does, but, again, that is
15 not within the statute for me to consider, and I ask you
16 about the pertinent issue before me as far as the rate
17 increase and the higher rates of return.

18 **MS. STAGE:** Commissioner, I'm here to speak
19 solely on goodwill. I actually have no opinion either
20 for or against the rate increase.

21 **COMMISSIONER ARGENZIANO:** Thank you very much.
22 Mr. Chair, that was my purpose in speaking up
23 before was that we heard a lot of goodwill, and I'm not
24 saying that's a bad thing, I am just saying that the
25 statute says that goodwill is precluded in the

1 calculating of rate base.

2 So I just want to make sure that we hear from
3 the moms and pops and the seniors who are on fixed
4 incomes also, and the guys who are struggling to make a
5 living. And I appreciate the fact that Florida Power
6 does so much, but I'm just going to ask the same
7 question of everybody who comes up with a goodwill issue
8 if you have information regarding the case at hand
9 before us.

10 **CHAIRMAN CARTER:** Thank you.

11 Our next witness, Mr. Beck.

12 **MR. BECK:** Jim Delony.

13 JIM DELONY

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

16 DIRECT STATEMENT

17 **MR. DELONY:** Good evening, Commissioners. My
18 name is Jim Delony. I am the public utilities
19 administrator for Collier County Public Utilities, and I
20 am here tonight by resolution of the Board of County
21 Commissioners of Collier County to speak to you. Thank
22 you very much for this opportunity.

23 I'm hear to talk to you about two things
24 specifically. First of all, to challenge this proposed
25 rate increase and, secondly, to request your support for

1 a large customer wholesale electric cost savings
2 concept, which we call prepay. So let me to the first
3 item.

4 Collier County government is challenging this
5 rate increase of 12.5 percent return on equity because
6 it's ill-timed in considering our present economic
7 environment here in south Florida. Let me give you a
8 few numbers that I think is not new to anyone here.
9 From April 2008 to April 2009 our state experienced the
10 second largest decrease in payroll and unemployment in
11 the nation. A lot of people without jobs.

12 Secondly, across our state and especially here
13 in south Florida, we're seeing our local governments,
14 our counties, our schools, our businesses tightening
15 their belts and trying to address the needs of the
16 people during these very tough economic times.

17 Now we see they are requesting for a
18 12.5 percent return on equity, which according to all of
19 the testimony that will be said over and over again we
20 believe is excessive for us, is heading for an adverse
21 current economic climate, and largely unwarranted.

22 Now, I heard tonight, and I have heard it
23 before, that FPL has not increased its base rates, or
24 base rate increase since 1985. But that does not
25 address the full spectrum of what I see on the electric

1 bills. And speaking now as a public utilities
2 administrator, let me talk to you about that. I see on
3 the bills things like fuel charge, energy conservation
4 charge, a capacity charge, an environmental charge, a
5 storm charge, all of which are passed through to the
6 customer. No question, all have greatly increased, and
7 all of them probably have contributed greatly to the
8 profitability of FPL.

9 Now, I know you know this, but I want to just
10 give you just one taste of one account. Oh, by the way,
11 the utility has 832 accounts, and I'm going to address
12 one tonight. This is for the water/wastewater treatment
13 plant. This is about a million dollars a year in terms
14 of total costs for utilities -- for electric utilities
15 for that plant. In the period of time since 2006 to
16 2000 and now, we have seen a 46 percent increase in the
17 energy conservation charge, a 35 percent increase in the
18 capacity charge, a 545 percent increase in the
19 environmental charge, and, finally, a 50 percent
20 increase in the storm surcharge.

21 Now, if you compare 2006 to 2000 and now, we
22 have about a 68 percent base rate increase coupled with
23 a 92 percent increase for energy. That's a lot of
24 money. That's a lot of rate. And all of that has to be
25 passed on to our customers. Our customers through our

1 rate cases and the things that we have to do as a
2 utility we have to take into account these costs and we
3 pass them through directly, as well.

4 The second reason why we don't believe this is
5 a warranted rate increase is that FPL is in good
6 financial condition given where we are in the nation
7 today. Their group, the FPL group profit on an adjusted
8 basis for 2009 first quarter net income was 90 cents a
9 share compared to 70 cents a share in 2008. Not an
10 indication of going downhill at all. FPL raised its
11 2009 profit forecast. It also raised it again for its
12 2010 profit forecast. And here we sit today with FPL
13 asking to increase their base rates over one million
14 dollars in 2010, and have a stated intent for another
15 rate increase of \$1.25 million in 2011.

16 FPL is saying they need that return on equity,
17 this 12.5 percent for long-term investment strategy.
18 They need \$16 million in the next five years to invest
19 in plants and technologies and save customers money in
20 the future. All good things. But is there a way, is
21 there a mechanism, is this case predicated on ensuring
22 this additional money, this money that's given to them
23 on their equity investments, will it, indeed, go to
24 those needed improvements as stated? Do we know that?
25 Can we guarantee that?

1 Unquestionably, in my mind and I think in the
2 large mind of everyone here, FPL remains and will remain
3 a profitable company even without this base rate
4 increase. And I will tell you clearly, given the
5 numbers I gave you earlier, they stand on a better
6 financial base than most utilities, probably not just in
7 our state, but in our nation.

8 Now, there has been a discussion about the
9 TECO case. I won't go through that anymore.

10 **CHAIRMAN CARTER:** Please hurry, because --

11 **MR. DELONY:** Yes. I'm going to wrap up. I
12 was not aware that we had a three-minute notice. I
13 apologize. I was not prepared for that, and I certainly
14 will get to my point.

15 **CHAIRMAN CARTER:** We need to hear everyone --

16 **MR. DELONY:** And I would not want you not to
17 do that.

18 **CHAIRMAN CARTER:** Yes, sir.

19 **MR. DELONY:** Over the last eight years our
20 utility has put roughly \$900 million of investment in
21 the ground in Collier County. Now, if you just take it
22 on a per million gallon basis of water treatment and
23 water production, we have seen our electric rates go up
24 76 percent. For every dollar that's charged in our rate
25 case, 23 cents of it goes to electrical cost. And that

1 is our current situation. And this in spite of the fact
2 that when we built these plants, we looked at the best
3 value in terms of energy efficiency. This is in spite
4 of us training our staff and adapting our operating
5 protocols to be energy efficient. This is in spite of
6 working closely with FPL staff, which is a compliment,
7 they are there to work with you, that we have the most
8 economical rates possible under the rate cases that you
9 approve.

10 Even after all of that is over with, we have
11 gone as far as paying FPL to be a business partner with
12 us to look at demand-side energy efficiencies. Despite
13 all of that effort, we are where I said we are today,
14 23 percent total cost, 76 percent increases since 2003.
15 This is all pass-through. We can't do anything about
16 the water sewer districts nor can the county government.

17 Lastly, and I will close with this, we are
18 requesting that you consider to allow us to have the
19 opportunity to prepay our electric bills as an FPL
20 customer. We think that this provides capital to FPL,
21 as well as it gives us some cost savings that we
22 potentially have with return with regard to these
23 advanced payments for electricity. There are many
24 examples across the country to do these. We have talked
25 to FPL. Up to now they have appeared to be favorable in

1 working with us and coming up with this prepay option,
2 and I encourage you to encourage them to do just that.

3 **CHAIRMAN CARTER:** Thank you.

4 **COMMISSIONER ARGENZIANO:** Mr. Chair, I have a
5 question.

6 **CHAIRMAN CARTER:** One second. Commissioner
7 Edgar and then Commissioner Argenziano.

8 Commissioner Edgar.

9 **COMMISSIONER EDGAR:** Thank you.

10 And thank you for your comments. The
11 suggestion that you have made here toward the end of
12 your comments about advanced payments or prepay to be an
13 infusion of capital for the utility, but also a good
14 savings for those that you work with and represent, is
15 that something that you -- do you have some documents
16 either now or later that you could submit into the
17 record on this to give us a little more --

18 **MR. DELONY:** I think I can. I think there
19 will be future speakers, ma'am, that will give you some
20 of the specifics. We just -- you know, I'm not sure we
21 are going to do it. I would like to see it as part of
22 our business case to see if it is an opportunity. That
23 would be a good partnership. I don't have any documents
24 here to present tonight, but it is something I think
25 that in the menu of things that we can do to work

1 together to conserve our cost and, in turn, you know,
2 provide the best value to our customers, it is something
3 we would like to have examined and something we would
4 like to have considered in that menu.

5 **COMMISSIONER EDGAR:** Thank you. And I guess
6 the point I'm trying to make is it is something that I
7 would need to be educated a little bit more about, and I
8 want to be, because it's intriguing. I would just need
9 a little more information, and our staff I know will
10 look into that, and I know they will, and I'm asking
11 them to. But if there are some documents or some
12 reference material that you could point us to, and it
13 doesn't have to be tonight. This is, of course, one
14 step in a many month long process. That could be
15 included I know into the record at some point. So,
16 thank you.

17 **MR. DELONY:** Thank you, ma'am. If I may, I
18 would like to close. I just want to --

19 **CHAIRMAN CARTER:** Hang on a second.

20 **MR. DELONY:** I'm sorry.

21 **CHAIRMAN CARTER:** We will go to Commissioner
22 Argenziano and then Commissioner Skop.

23 Commissioner Argenziano.

24 **COMMISSIONER ARGENZIANO:** Thank you.

25 Two things. One, sir, could you -- I know we

1 have a transcript, but could you somehow, I don't know
2 if it could be done tonight, get your presentation to my
3 office, because you are bringing up points that are
4 things that we need to look at, whether I agree or not,
5 but I would like to have your presentation.

6 And, also, in regards to the -- I think I
7 heard you say that the -- you know, FPL's testimony
8 about not having a rate case or an increase since 1985.
9 I think what I heard you say, and I don't want to put
10 words in your mouth, are you saying that that is kind of
11 misleading, and did you -- did you -- I think we cut out
12 when you were making points about why that was so.

13 **MR. DELONY:** Ma'am, if I may answer your
14 question.

15 **COMMISSIONER ARGENZIANO:** Please.

16 **MR. DELONY:** Whether or not they have had a
17 base rate increase I think is just part of the equation
18 of what you see on the electric bill. There are other
19 charges in that bill that have had significant increases
20 over the period of consideration that I outlined. And I
21 went through each one of those as I understand them from
22 the bill that we received for one of our water treatment
23 plants. Did I answer your question, ma'am?

24 **COMMISSIONER ARGENZIANO:** Yes, you did. And
25 if you could get me your presentation, I would

1 appreciate it, because that's the kind of information
2 that we do get to look at. I'm not making a
3 determination of whether I agree or not, but that is
4 pertinent to the case before us, and I would appreciate
5 that.

6 **CHAIRMAN CARTER:** Okay. Commissioner Skop.

7 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.

8 Just a comment along the same lines of the
9 prepay option. Just generally, I guess you said there
10 will be other speakers, but would you envision in
11 regards to prepayment where there would be some sort of
12 discount or why -- why would there be a desire to
13 prepay?

14 **MR. DELONY:** Well, I see it as a business
15 arrangement in terms of available capital and then pay
16 down at a discount rate to the electric bill or an
17 equity basis whereby actually you pay the customer a
18 percentage of return on providing those dollars in
19 advance. It would seem to me that that was something
20 that would be worth -- even at the residential level,
21 allowing residential customers to pay in advance of
22 their electric bills and earn interest on that payment
23 as well as give a break to FPL in terms of them going to
24 the equity markets.

25 **COMMISSIONER SKOP:** And just briefly speaking,

1 and as details come available, and you said that FPL and
2 Collier County are working towards discussing that
3 alternative, but in terms of providing that up-front
4 payment, if you will, again, I would wonder what type of
5 hardship in terms of the county would provide in terms
6 of cash flow issues?

7 **MR. DELONY:** Well, it would have to be a
8 business arrangement. You know, there are times when
9 you have got that opportunity in the rate case or it
10 just makes sense when you see that type of opportunity.
11 Either the use of your reserves, for example, would be
12 one example, or you could actually put that into your
13 rate base.

14 If there is a savings to be made in the
15 five-year window that we usually write a rate case for a
16 water and sewer district customer, then I absolutely
17 would like to see that as part of that business case.
18 Currently we are precluded from even considering that
19 because FPL does not have that in their menu of options
20 for us to explore together.

21 **COMMISSIONER SKOP:** And thank you, again. I
22 do appreciate your comment.

23 **CHAIRMAN CARTER:** Thank you, Mr. Delony.

24 Mr. Wright.

25 **MR. WRIGHT:** One quick question, Mr. Chair.

1 **CHAIRMAN CARTER:** You're recognized.

2 **MR. WRIGHT:** You mentioned, Mr. Delony --

3 **CHAIRMAN CARTER:** Mr. Wright, you are going to
4 need to go to a microphone so we can all hear.

5 **MR. WRIGHT:** You mentioned that you were here
6 by a resolution of the Collier County Board of County
7 Commissioners?

8 **MR. DELONY:** That's correct.

9 **MR. WRIGHT:** Would it be possible for you to
10 furnish that resolution?

11 **MR. DELONY:** It is a matter of public record.
12 I would have to surf through the website to find it. I
13 don't have it with me tonight.

14 **MR. WRIGHT:** Could you just send it in to the
15 Commission --

16 **MR. DELONY:** Sure. Absolutely.

17 **MR. WRIGHT:** -- so it could be made part of
18 the official record?

19 **MR. DELONY:** We will certainly -- we will work
20 with Earl or someone with staff.

21 **MR. WRIGHT:** Thank you.

22 **CHAIRMAN CARTER:** Commissioners, for the
23 record -- for the record, Commissioners, that will be
24 Exhibit Number 2. We will use that as a placeholder.
25 The exhibit will be Exhibit Number 2, a Resolution from

1 the Collier County Board of Commissioners.

2 (Exhibit Number 2 marked for identification.)

3 **CHAIRMAN CARTER:** And you can just get it to
4 the Office of Public Counsel and they will get it to us.

5 **MR. DELONY:** We certainly will, sir.

6 Sir, if I may I would like to conclude with
7 the following: By granting this 12-1/2 percent return
8 on equity, I ask you to ask yourselves are we in south
9 Florida investing in FPL to our benefit as with regard
10 to being customers or whether we're adding to the profit
11 measure, profits of their shareholders? If you find fit
12 that -- if you give them this rate, then I ask that you
13 would get a commitment from FPL that this rate increase
14 and the related increases associated with this return on
15 equity achieve some performance objectives, documented
16 performance objectives of reduced energy rates in the
17 future for our customers. That the payoff that has been
18 promised, indeed, comes true.

19 With that, I thank you very much for your
20 time.

21 **CHAIRMAN CARTER:** Thank you.

22 Mr. Beck.

23 **MR. BECK:** Thank you, Mr. Delony.

24 Our next customer is Molly Bundy.

25 MOLLY BUNDY

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

3 DIRECT STATEMENT

4 **MS. BUNDY:** To repeat, my name is Molly Bundy,
5 and I work for the Salvation Army. I tell you that not
6 because I'm speaking on behalf of the Salvation Army,
7 but in order for you to understand my appreciation for
8 Florida Power and Light you need to understand my
9 background with Florida Power and Light.

10 Up until Charley hit, Florida Power and Light
11 was the bill I paid every month and didn't worry about
12 it a great deal. However, in the months after Charley,
13 the months of disaster relief work that we did, I
14 developed a tremendous appreciation for the things that
15 Florida Power and Light did, their efficiency, their
16 thoughtfulness, the way they responded to us, the way
17 they responded to their customers.

18 Based upon that and the things that I have
19 watched since Charley, the things that they do in the
20 community, I have to tell you I support the increase. I
21 support it based upon the fact that I believe this is a
22 win-win situation. It's a win/win because if Florida
23 Power and Light gets their rate increase, faith-based
24 nonprofit agencies, such as ours, will continue to get
25 the benefits that we are receiving now, and the 11

1 families that we were able to help because of that will
2 continue. It is a win/win because if they get their
3 increase, I believe my personal FPL bill will decrease.

4 So I would just express my appreciation for
5 Florida Power, and I want to support the increase based
6 upon that.

7 Thank you.

8 **COMMISSIONER ARGENZIANO:** Mr. Chair, I have a
9 comment, a question.

10 **CHAIRMAN CARTER:** You're recognized.

11 **COMMISSIONER ARGENZIANO:** Is it Bundy? I'm
12 sorry, because I'm having a hard time hearing.

13 **MS. BUNDY:** Yes. It's Bundy, B-U-N-D-Y. Same
14 as Ted and Al, unfortunately. (Laughter.)

15 **COMMISSIONER ARGENZIANO:** Can you hear me
16 okay?

17 Okay. I appreciate you coming very much, and
18 let me just ask you this: The contribution that Florida
19 Power and Light gives I know goes a long way in the
20 community, and I know it is something that you want to
21 remain intact, and I can certainly understand why. Can
22 I ask you if you -- are you in fear that if they don't
23 get their increase that that contribution will go away?
24 Is that a concern? Is that how you are bringing this up
25 to us? I'm trying to figure it out.

1 **MS. BUNDY:** No, ma'am. It's just that I'm
2 here to express my support of this because I believe it
3 to be the right thing to do. I am actually a senior
4 citizen. I don't live so much in fear anymore, because
5 I have a Medicare heart card in hand, and so that takes
6 care of the insurance part. I am here because I
7 absolutely believe that Florida Power and Light is an
8 effective, efficient company that is going to leave a
9 very favorable footprint upon our state.

10 **COMMISSIONER ARGENZIANO:** You know -- and I
11 understand that. I think the question I'm asking you is
12 do you believe that if they do not receive the increase
13 or all the increase that they are asking for that your
14 contribution would disappear?

15 **MS. BUNDY:** Let me -- let me make it very
16 clear just so everyone understands. I'm not speaking on
17 behalf of the Salvation Army, but in order to answer
18 your question, you are -- for me you are opening up a
19 very spiritual question, and I'm not sure you really
20 want to go into that. It is absolutely my belief that
21 God is able to provide, and he will continue to do that.
22 So, no, I'm not here because I fear that if they do not
23 get their increase the support for the Salvation Army
24 and other nonprofits will stop, because I have a firm
25 belief that those things will be taken care of.

1 **COMMISSIONER ARGENZIANO:** Thank you.

2 (Applause.)

3 **MS. BUNDY:** Thank you.

4 **CHAIRMAN CARTER:** Mr. Beck.

5 **MR. BECK:** The next customer is Karen
6 Childress.

7 KAREN CHILDRESS

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

10 DIRECT TESTIMONY

11 **MS. CHILDRESS:** Thank you very much,
12 Mr. Chairman and Commissioners. My name is Karen
13 Childress. I'm from Naples, Florida, and I'm a mom of a
14 mom and pop grouping. And I am a mom who is trying to
15 go as long into the summer as I can without turning on
16 the air conditioning. And I'm able to do that because
17 our house has cross-ventilation, and our house has
18 cross-ventilation because we learned early on before it
19 was built the importance of building homes that are
20 energy efficient.

21 From 2000 to 2007, I was employed in one of
22 the -- by one the areas largest home builders. And I
23 was the environmental stewardship manager for that home
24 builder, and I learned from Florida Power and Light and
25 the BuildSmart Program of their eagerness to help

1 builders build more energy efficient homes. At that
2 time, in early 2000, up to 2004, I don't think there
3 were a lot of builders that were interested in hearing
4 too much about anything else they could add to a house.
5 They were selling houses so fast it wasn't really a big
6 deal. But the BuildSmart representatives kept
7 returning, I kept working with them, and through that we
8 built over 500 energy efficient homes.

9 That group of people was an outstanding group
10 of people to work with because they helped me roll a
11 very large rock up hill in the building community.
12 Well, now the builders aren't building so much, and now
13 it's not so much about the builders as it is the
14 homeowners. So if the rate increase goes through, I
15 would like to just bring it to the attention of Florida
16 Power and Light that they need to have a staff that is
17 able to help homeowners to the degree that they have a
18 staff that is willing to help builders.

19 Homeowners on the individual basis, such as
20 myself, do need experienced, knowledgeable individuals
21 to come to us from the utility company and help us find
22 ways to be more energy efficient so that if the rates go
23 up, our homes are more efficient and perhaps we won't
24 feel it as much.

25 Thank you.

1 **CHAIRMAN CARTER:** Thank you.

2 Mr. Beck.

3 **MR. BECK:** Frank Balogh.

4 FRANK BALOGH

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

7 DIRECT STATEMENT

8 **MR. BALOGH:** I didn't realize you had to turn
9 it to unmute it. I'm Frank Balogh and this is Don
10 Morgan. We are just two old retirees. We would be a
11 lot better off if (inaudible), but they didn't come in
12 in time, so we will do the best we can.

13 I worked for 26 years with Florida Power and
14 Light. I know a lot of people in this room. I love
15 them to death. I've worked with some, and some I've
16 worked for. Don is a retired CPA in town. He has been
17 a CFO several times. We put our heads together here
18 about seven or eight months ago, and we thought how can
19 we possibly help the customers in the state. We are in
20 the worst depression -- I'm not going to go into that.
21 We're in the worst depression we have had in years. You
22 know all the numbers. Okay.

23 But, anyhow, I want to give you a little
24 history lesson. In 1995, around in that time when
25 deregulation was rearing its ugly head in this state,

1 Florida Power and Light was going to allow customers to
2 prepay. We were going to pilot it right here in Collier
3 County. What this boils down to -- I'm skipping a lot
4 of things, and I hope you catch up with me here today.
5 But, this company, Florida Power and Light's
6 8.35 percent, it's in their COG-2 rates, it's in their
7 QS-2 (phonetic) rates, and it's in their facility rental
8 agreements, and it is simply nothing more than their
9 after-tax cost of capital. It is 8.35 right at this
10 present time. Some people don't realize that FPL pays
11 7 percent on commercial deposits in this day and age.
12 That's incredible. But, anyhow, they have a high
13 discount rate.

14 So what we thought -- the feeling was back in
15 1995 was to stop large customers, TECO, whoever, coming
16 down here -- whoever coming down here that we would tie
17 these customers up in a contractual obligation so they
18 couldn't leave us. We were going to give them a year to
19 lock up power and then let them prepay for that power.

20 I heard the question earlier, how do you
21 prepay -- who would prepay for power? We met with Bank
22 of America. The vice-presidents had large contracts.
23 They loved this idea, because right now they are looking
24 at 250 to 300 basis points over (inaudible). That means
25 that 3-1/2 percent -- the university looked a lot better

1 than that -- based against a 8.35 discount rate just on
2 how you pay your electric bill, you have a 5 percent
3 spread.

4 Well, we went around and talked to customers.
5 One of the cities said can I do that now, and we said
6 no. One city wanted to say -- they said how about a
7 hybrid, can I pay half cash and half financing? We
8 don't know. We'll have to work out the protocol with
9 Florida Power and Light. Anyhow, it is very -- it's a
10 way that -- no capital expenditure that we can save a
11 lot of money for our customers in this state.

12 In that document you have, you are going to
13 see Florida Power and Light advantages, you are going to
14 see prepay advantages, you are going to see two
15 spreadsheets. Don will talk to you in a moment. And we
16 took Collier County and Lee County and did a spreadsheet
17 on it. I will tell what you kind of numbers we are
18 talking about. For Collier County alone it is over one
19 million dollars in savings. For Lee County it's about
20 \$950,000 that we would save by just how you pay your
21 electric bill.

22 Why we didn't do it back in the mid-'90s?
23 Deregulation went away. Duke made a mess of it in
24 California. You know how that ends, but anyhow. And
25 then what happened was Florida Power and Light was going

1 through -- every 24 months was going through
2 reorganization. I got all this gray hair from going
3 through four or five deregulations, I'm tell you. Some
4 will verify that in this room. But, anyhow, that's why
5 it went away and didn't -- it didn't even happen. But
6 it was a great idea. But please get the customer input
7 through people like us on this thing.

8 Now, I want to give you -- prepay is in many
9 forms. FPL has accepted a prepay component in their
10 facility rental agreement. They are accepting a prepay
11 component in their capacity clause recovery charge.
12 They are going to accept a quarter of a billion dollars
13 a year in that. In Pennsylvania right now they are
14 allowed -- the Public Service Commission in Pennsylvania
15 has frozen capped rates for years. The rate caps are
16 coming off in 2011. What they are allowing the
17 customers to do there is prepay 10 percent over their
18 existing monthly bill. They are going to give customers
19 7-1/2 percent back, and then they are going to establish
20 that as credits in 2011 to those customers. So they are
21 going to completely mitigate the increases they are
22 going to have in 2011, or a big part of it.

23 I can take you to Oklahoma, I can take you to
24 Salt Lake City, Phoenix, they have got all of these
25 prepay cards, all kinds of prepay meters. Phoenix has

1 got a real neat idea. They've got a deal that you plug
2 in the wall and the card prepay talks to the meter. I
3 mean, there are all kinds of technology out there right
4 now.

5 Ours is very simple. It's just that let them
6 prepay for a block of power and then anything outside
7 that block of power in the next four months would be
8 exposed to any fuel adjustments you might have. Do you
9 follow me so far? That's what it all boils down to.

10 I'm skipping over a lot of things here. We
11 feel it is revenue neutral at FP&L. I know that's a
12 test, and it has to be passed by you, the revenue
13 itself. And we think it is fair to all. I don't know
14 why this couldn't be offered anyway. And in the two
15 spreadsheets you see there, if you have got any
16 questions, ask Don. He's a CPA, okay. But it shows
17 breakups in two, four, and six percent down there.

18 Lastly, let me make a comment. And you have
19 heard it all before, but in my 26 years of experience
20 with Florida Power and Light, I have been in
21 transmission right-of-way, I have been in public
22 hearings like this before, but I have never seen -- it's
23 the most marketing genius I have ever heard of in my
24 life where you can say you are going raise the base rate
25 30 percent, but the total bill is going down. That is

1 all predicated -- that's all predicated on some proposed
2 fuel capacity -- fuel savings. That is apples and
3 oranges. You just don't do that. That's marketing
4 genius. I have to hand my -- whoever thought one up, I
5 have got to hand it to him. That is brilliant. Hope
6 you don't fall for it, but it is brilliant.

7 So, Don, do you have anything?

8 DON MORGAN

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

11 DIRECT STATEMENT

12 **MR. MORGAN:** As you notice on the spreadsheet
13 for Collier County -- I will use Collier County as the
14 example -- last year they had \$13,300,000 in fuel bills.
15 And what we're proposing is that we get an 8.35 percent
16 discount from FP&L compared to -- I don't know if you
17 see that -- the interest payments over in the last four
18 columns. You know, the customers are going to be able
19 to get different interest rates based on the credit
20 score. But one of the counties they have the tax money,
21 so they wouldn't have to borrow the money at all. They
22 could use their tax money that they get at the first of
23 the year to pay the whole bill. And talking about
24 reserves, a lot of people could have these monies
25 without borrowing it.

1 But what I have shown is the profit. If you
2 had to borrow money at two percent, three percent,
3 four percent, five percent, and like you say, it's a
4 million dollar savings to Collier County if they were
5 able to do that this year. Thank you.

6 **MR. BALOGH:** One last comment.

7 **CHAIRMAN CARTER:** Yes, sir.

8 **MR. BALOGH:** On the prepay side. the
9 utilities, a law was just passed not too long ago, a
10 year and a half ago, that for long-term tax exempt bond
11 financing for the long-term energy contracts, 33 major
12 wholesale contracts have been done in this country right
13 now. For instance, that is all on a prepaid basis.
14 Memphis Electric and Gas has prepaid 1.5 billion to TVA.
15 They saved \$13 million a year because of the prepay
16 basis. A&G in Ohio prepaid \$368 million on the
17 wholesale side for a 60-month contract savings.

18 Incidentally, while we are on Ohio, I don't
19 know if you know or not, Florida Power and Light just
20 took 600,000 customers away from First Energy
21 (phonetic). I thought it was another brilliant move on
22 their part. But, anyhow, so if you can do it on the
23 wholesale side, you should be able to do it on this
24 side.

25 **CHAIRMAN CARTER:** Thank you.

1 Commissioners, for the record -- hang on a
2 second. Commissioners, for the record -- let's see.
3 This will be Exhibit Number 3, and we are just saying
4 it's a memo from Frank Balogh and Don Morgan, memo with
5 exhibits. So that will be Exhibit Number 3.

6 (Exhibit Number 3 marked for identification.)

7 **CHAIRMAN CARTER:** Hang on one second,
8 gentlemen.

9 Commissioner Skop.

10 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.
11 Just a quick question, I guess, probably best directed
12 to Mr. Morgan, since he is the finance guy. With
13 respect to the cover page, you mentioned the amount
14 would be discounted using FPL's published discount rate
15 of 8.35 percent. Is that discount rate specific to
16 Florida Power and Light, or are you deriving that from
17 the FPL Group? There's a difference. FPL, Florida
18 Power and Light is regulated by the Commission. The
19 majority of FPL Group's earnings and its overall returns
20 that you see in published financial statements are
21 generated by its out-of-state operations. So, again,
22 there is a distinct difference.

23 **MR. MORGAN:** And Frank has got the answer to
24 that, it's FP&L.

25 **MR. BALOGH:** It's on the Florida utility

1 rates. It's their COG, cogeneration COG-2 rate. It's
2 also in the QS-2. They have a new rate. It's been out
3 since I retired, QS-2, and they use it in their facility
4 rental contracts. The utility, not the group.

5 **COMMISSIONER SKOP:** So it's published --

6 **MR. BALOGH:** Yes, sir, 8.35 percent.

7 **COMMISSIONER SKOP:** And just one quick
8 follow-up question, if I may. I looked at the
9 spreadsheet analysis -- and, again, this isn't really
10 the proper forum to discuss it, but I'm taking advantage
11 of you being here a brief moment. And feel free to
12 contact my office. This issue is actually documented in
13 terms of the reduction, is that correct? That's not a
14 separate issue in the rate case?

15 **MS. BENNETT:** It might be.

16 **COMMISSIONER SKOP:** Okay. Let me just speak
17 to it for the purpose of analysis provided. You took a
18 discount rate straight off the top. You wouldn't take
19 the net present value of the payment stream and discount
20 it by the 8.35 to come up with what the net present
21 value of the cash could be and then spread that over the
22 payments.

23 **MR. MORGAN:** My apology. I didn't do it in
24 net present value, but, you know, I just -- it was
25 pretty simple. What I did, I just took the total

1 amount, took the 8.35 percent discount on it, and then I
2 financed that over 12 months at those different interest
3 rates. So there is no net present value calculations on
4 it.

5 **COMMISSIONER SKOP:** So if I understand this
6 correctly, you just took the discount off the top and
7 then did an analysis based upon if FPL invested the
8 advance payment at various interest rates as to what
9 that would generate on top of what was paid?

10 **MR. MORGAN:** Yes. That is a revenue neutral
11 result, but if FP&L had that money to invest and
12 determined what it would cost and recover whatever costs
13 that they would incur to implement this program.

14 **COMMISSIONER SKOP:** Thank you.

15 **CHAIRMAN CARTER:** Thank you very kindly.

16 Mr. Beck.

17 **MR. BECK:** Thank you, Mr. Chairman. The next
18 witness is Chris Peudelton, I'm probably mispronouncing
19 your name, from the Edison and Ford Winter Estates.

20 Tracy Whirls.

21 TRACY WHIRLS

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

24 DIRECT STATEMENT

25 **MS. WHIRLS:** Hello. For the record, my name

1 is Tracy Whirls. I'm the executive director of the
2 Glades County Economic Council.

3 The last time Florida Power and Light had an
4 increase in their base rate, back in 1985, it was
5 shortly after they had built their last new power plant
6 from scratch back in 1980. And at that time the country
7 was reeling from an energy crisis, and people had begun
8 to talk about the possibility of using wind and solar
9 renewable energy to combat those power costs. But oil
10 prices went down and the movement didn't catch on in
11 Florida at that time. Sound familiar?

12 Now, even as FPL starts generating power at
13 their new natural gas-fired facility at the West County
14 Energy Center near Loxahatchee, it's now possible to
15 produce large scale power from the sun commercially, and
16 FPL is building three solar plants around Florida, and
17 it's ready to build more.

18 As the economic development director for
19 Glades County, one of the most impoverished counties in
20 the state of Florida, we want to say build more, build
21 here, and build now. What's stopping them? Plants are
22 designed and ready to go, but the utility needs the
23 Florida Legislature to act before it can build them and
24 recover the costs from customers.

25 A law enacted last year allowed utilities to

1 charge customers for 110 megawatts of solar power, but
2 FPL used all of that capacity in their first three
3 plants. And this year the Legislature didn't pass any
4 renewable legislation.

5 The Public Service Commission has wisely urged
6 FPL to diversify their fuel mix, which is currently
7 heavily dependent upon natural gas. We applaud the
8 Public Service Commission for its support of
9 diversifying Florida's fuel mix, and we urge them to
10 continue to support increased investment in renewable
11 energies to reduce Florida's dependence on fossil fuel.

12 We want to use this opportunity to urge our
13 legislators to support incentives for more solar and
14 other renewable energy projects, and would also like to
15 ask that a special effort be made to cite those projects
16 in Glades and Hendry Counties, the two communities that
17 are among the most to be impacted by the proposed
18 Everglades land acquisition. And for those that don't
19 know, that's the purchase of U.S. Sugar land by South
20 Florida Water Management.

21 Not only would our community benefit from
22 becoming a renewable energy provider, it would likely
23 also bring economic development opportunities such as
24 the manufacture of solar panels or research and
25 development facilities and that sort of thing to an area

1 that was designated a critical area -- a rural area of
2 critical economic concern long before the U.S. Sugar
3 purchase was announced.

4 We said nothing much about the proposed rate
5 increase, but we will say that if more renewable energy
6 is included in FPL's portfolio, more power will be
7 pumped into the statewide grid, and that will ultimately
8 mean reduced rates, not only for FPL customers, but for
9 utility customers around the state.

10 Thank you.

11 **CHAIRMAN CARTER:** Thank you.

12 Mr. Beck.

13 **MR. BECK:** Thank you, ma'am.

14 The next customer is Wendell Taylor.

15 WENDELL TAYLOR

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

18 DIRECT STATEMENT

19 **MR. TAYLOR:** Mr. Chairman, Commissioners,
20 thank you for the opportunity to speak to you. I am
21 Wendell Taylor. I'm the Glades County Manager. I have
22 been so for about four years. I have seen our county
23 since I got here go through Wilma and tropical storm
24 Faye. We were hard hit by both.

25 In Glades County we have two power providers

1 in our county. Florida Power and Light has the area
2 that is in the northeastern portion of the county, and
3 they also have the south or the west side of the
4 county -- excuse me, the southwest side of the county.
5 So we have had an opportunity to see those two utility
6 companies in the aftermath of some pretty bad storms,
7 and we have seen how they perform.

8 I speak in support of this rate increase
9 because I want to see that kind of support continue to
10 the county. I think that is a vital part of their
11 responsibility to get us back in water and electricity
12 and vital care to our citizens in the wake of a storm.
13 I think that that should be taken into account. Those
14 rates are modest, in our opinion.

15 As working in county government, we are
16 constantly under pressure to hold down the cost of
17 operations. Tallahassee has made sure that we don't
18 have any money, and they unilaterally made those cuts in
19 Tallahassee. They hurt. They hurt our citizens. And
20 now we have come back and we start cutting power and
21 everything else, then when we try to recover from the
22 storm, I guarantee you that a good shower, hot shower,
23 after two or three days without water in a house with no
24 electricity, it's important. And I think that these
25 modest amount of increases, particularly in our

1 county -- and we are the third poorest county in the
2 state, we are proud, but we are the third poorest in the
3 state -- we need that kind of support from the power
4 company when they come in. So I'm asking you to do
5 that.

6 I also hope, and we believe that our community
7 is as green as any community around here, and we want to
8 continue that way and we would urge Florida Power and
9 Light to continue in their development as they started
10 the only power company in the state with solar energy.
11 We believe there's a place for it in the Sunshine State,
12 we believe the technology is there now, and I urge the
13 Public Service Commission and the representative here
14 from the Governor, and if there is any legislative
15 members here, they hear that we get are alternative
16 energy passed in the state of Florida so we can move in
17 that direction.

18 Thank you very much.

19 **CHAIRMAN CARTER:** Thank you.

20 Mr. Beck.

21 **MR. BECK:** Thank you.

22 Matt Holiday and Steve Nice.

23 MATT HOLIDAY and STEVE NICE
24 were called as witnesses and, swearing to tell the
25 truth, testified as follows:

DIRECT STATEMENT

1
2 **MR. HOLIDAY:** Good evening, Mr. Chairman,
3 Commissioners. I am here on behalf of Edison State
4 College. My name is Matt Holiday, and our address is
5 8099 College Park, right here in Fort Myers, Florida.

6 I am here to express our appreciation for the
7 great customer service that FPL has provided us. They
8 have been a willing partner in helping us reduce our
9 costs and increase efficiencies. They have provided us
10 about \$51,000 worth of incentives to items such as
11 upgraded chillers and for thermal energy storage. They
12 have also helped us with the planning of lead
13 certification for the nursing buildings and we
14 appreciate their efforts greatly for (inaudible)
15 efficiencies and how we produce our -- how we take care
16 of our students through the facilities.

17 In the interest of saving you all time and let
18 you get you caught back up on the schedule, I will close
19 with our support of the prepaid option. I don't know if
20 that's something that we would take advantage of, but we
21 would certainly appreciate the opportunity to examine
22 that more thoroughly and have that option.

23 Thank you very much.

24 **CHAIRMAN CARTER:** Thank you.

25 Mr. Beck.

1 **MR. BECK:** Mel Fisher.

2 MEL FISHER

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

5 DIRECT STATEMENT

6 **MR. FISHER:** My name is Mel Fisher. I have
7 been a resident here in Lee County about 12 years, as
8 well as director of operations for Bonita Springs
9 Utilities.

10 And I really don't think that I can say it any
11 better than what I heard the gentleman, the county
12 manager at Glades County. Our service from FPL has been
13 great through the storms. I don't know how to -- I
14 guess I just put it in my mind that I'm glad they are on
15 our side.

16 We spend over \$2 million a year in power
17 costs, and we sure don't want them to go higher, but we
18 get the service. Just last week I got a call from the
19 account manager that provides service to us, and -- I
20 wasn't even going to bring this up tonight, but he
21 called me and said, Mel, it appears as though your
22 demand costs at one of our wastewater plants went up
23 significantly. And I laughed, and I said, yes, it sure
24 did. We had been sending all of our wastewater, our raw
25 sewage from our west plant to the east plant for

1 treatment purposes and maintenance purposes at the west
2 plant. So, yes, our east plant was treating twice as
3 much sewage.

4 I don't know of too many business people that
5 would have called me to tell me that that was a concern
6 of his. So I'm just going to speak -- I'm just speaking
7 on behalf of them. I am kind of a nervous speaker. I
8 was here, I guess, four years ago, so many recognized me
9 in the audience, and I just appreciate the chance to
10 talk to you.

11 Thank you.

12 **CHAIRMAN CARTER:** Mr. Beck.

13 **MR. BECK:** Myra Walters.

14 MYRA WALTERS

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

17 DIRECT STATEMENT

18 **MS. WALTERS:** Thank you for the opportunity to
19 speak before the Commission. My name is Myra Walters,
20 and I have been a resident of Lee County for over 25
21 years.

22 I would like to briefly address two topics.
23 First, community awareness and involvement of FPL. And,
24 secondly, the proposed rate increase.

25 Some may ask why address community awareness?

1 Because I believe that an organization is no better than
2 the people who manage it. And over the years that I
3 have lived in Fort Myers, I have had the opportunity to
4 get to know the now retired External Affairs Director
5 for this area and the current External Affairs Director.
6 I have actually -- I became acquainted with both of
7 these individuals because of their work on
8 not-for-profit boards. And I have to say because of my
9 involvement with these individuals, I realized that they
10 not only have been a part of this community, but they
11 have demonstrated that they care about the people in
12 this community and the decisions that impact them.

13 Now I would like to move quickly to my second
14 point, and that is the proposed rate increase. There
15 are two questions that I will address here. First, do I
16 want a rate increase? And, secondly, is a rate increase
17 a responsible request to make at this time?

18 To answer the first question, no, I do not
19 want a rate increase at this time when family budgets
20 are very tight. I do not want the base rate increase
21 any more than I like paying extra money for making
22 healthy choices at the grocery store.

23 Now, on to answer the second question. Is the
24 rate increase a responsible request to make at this
25 time? Without a doubt I think that it is. Just as I

1 feel very strongly that by paying a little more for
2 healthy food choices at the grocery store I will
3 increase my longevity and my quality of life, without a
4 doubt I believe that this proposal considers what is
5 best for the community and for the environment. I
6 applaud the FPL management team for making -- for being
7 responsive to the people of this community and for
8 demonstrating responsible leadership.

9 Thank you.

10 **CHAIRMAN CARTER:** Thank you.

11 Mr. Beck.

12 **MR. BECK:** Lou Pontius.

13 LOU PONTIUS

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

16 DIRECT STATEMENT

17 **MS. PONTIUS:** Good evening. Thank you,
18 Mr. Chairman and Commissioners. My name is Lou Pontius,
19 and my address is 16742 Panther Paw Court, Fort Myers,
20 Florida.

21 I have been a resident of Fort Myers and a
22 customer of Florida Power and Light for 23 years.
23 During that time, I have received excellent and reliable
24 service before, during, and after hurricanes, and I
25 support the rate increase.

1 During my years in Lee County I have had the
2 privilege and honor of serving on over 14 not-for-profit
3 boards of directors. As a resident, I believe that the
4 responsibility a company takes in the communities where
5 they make their money is relevant and pertinent, and not
6 just goodwill. And I'm certainly no apple polisher.

7 Doing community service, I have learned there
8 are some companies in southwest Florida that do nothing
9 more than offer a service, take their profit, and give
10 nothing back to the community. Florida Power and Light
11 is just the opposite. FPL uses their shareholder
12 profits to help our community and its residents with
13 essential human services. I have been directly involved
14 with Florida Power Light's donations of their
15 shareholder funds to improve the lives of Lee County
16 citizens as I have chaired the United Way, president of
17 the American Heart Association of Lee County, a board
18 member of the Citizen Coleman Race for the Chair
19 (phonetic), and vice-president of the Dubin Alzheimers
20 Resource Center.

21 I know their generosity personally with Junior
22 Achievement, Southwest Florida Children's Charities,
23 Boys and Girls Clubs, the Calusa Nature Center, and
24 Florida Gulf Coast University Foundation, just to name a
25 few. In addition to sharing their funds to help our

1 community, FPL also provides valuable leadership to
2 local not-for-profits in the form of volunteers from
3 their senior management team who serve as directors and
4 members of community boards of directors, including
5 Edison State College Foundation, Junior Achievement,
6 United Way, Southwest Florida Chamber, Edison Ford
7 Winter Estates, and numerous other service
8 organizations. In other words, Florida Power and Light
9 plays an important role in the community service
10 network, as well as being a good business partner.

11 My understanding after doing the research is
12 that the rate change that Florida Power and Light is
13 requesting will help me, a Lee County citizen and an FPL
14 customer, have lower bills in the future due to a more
15 efficient system, and it will help Florida Power and
16 Light continue to be a great community partner. No one
17 likes rate increases, especially in this economy, but in
18 this particular instance this adjustment is a good
19 investment in our community's future.

20 Thank you.

21 **COMMISSIONER ARGENZIANO:** Mr. Chair, I have a
22 question.

23 **CHAIRMAN CARTER:** Commissioner Argenziano has
24 a question.

25 **COMMISSIONER ARGENZIANO:** Thank you.

1 And, ma'am, I'm sorry, I didn't get your name,
2 and I apologize.

3 **MS. PONTIUS:** Lou Pontius.

4 **COMMISSIONER ARGENZIANO:** Pontius?

5 **MS. PONTIUS:** Pontius.

6 **COMMISSIONER ARGENZIANO:** Thank you. Thank
7 you for your presentation.

8 And I want to make something very, very clear.
9 Not once have you heard me indicate anything other than
10 my support of community service and the community
11 contribution, not once. I have been a supporter of many
12 of those organizations that you mentioned. I have
13 supported them, worked for them, and believe in them 100
14 percent. But I want you not to leave that meeting
15 tonight thinking that I said anything other.

16 What I said was we have a statute to go by,
17 and the statute says that we shall not consider goodwill
18 in calculating those costs. So I can't. I cannot break
19 the law. Now, if you want to speak to your legislators
20 about changing that statute that's something that you
21 can do.

22 The other point I wanted to make and mention
23 was that I cannot, just as I cannot disregard the many
24 comments that are made here today, but I can take the
25 ones that I have to by statute and incorporate into the

1 ratemaking case. I cannot disregard the other people
2 who have contacted me and said that this is not about
3 them not wanting to raise the rates. And some people,
4 yes, they do -- they just don't want to have their
5 raised rates for anything, but yet they want the lights
6 on when they flick them on, and they want renewable
7 energy. And by the way, I was one of the people that
8 fought very hard for the renewable portfolio standards
9 to include renewable and alternative energy. I am a big
10 supporter of that. But I cannot disregard the many,
11 many other people who have legitimate -- legitimate
12 concerns, just as you do, who cannot stand any increases
13 and are bringing to me issues that are in the statute
14 that I have to adhere to.

15 So I just want you to understand I so much
16 appreciate the contributions of all of our companies to
17 our community and can certainly understand how our
18 charitable organizations don't want that money to go
19 away, but I'm telling you that it is statutory --
20 goodwill is not something that is in the statute that I
21 can include and that is all I meant. But I thank you
22 for your compassionate presentation.

23 **MS. PONTIUS:** And I appreciate your opinion,
24 but I hope you will appreciate mine, that I feel that
25 what a company does with its money that it takes out of

1 the community is not just goodwill.

2 **COMMISSIONER ARGENZIANO:** Absolutely. But the
3 statute tells me I can't consider that, and I understand
4 that, but I do agree with you (inaudible).

5 Thank you.

6 **MS. PONTIUS:** Thank you.

7 **CHAIRMAN CARTER:** Before I go back to
8 Mr. Beck, Jane, do you need a break? Let me let her go
9 to the necessary room, and we'll kind of pick up -- will
10 five minutes be okay?

11 Let's take a five-minute recess to give the
12 court reporter a break.

13 (Recess.)

14 **CHAIRMAN CARTER:** Okay. We are back on the
15 record.

16 Commissioner, can you hear us okay?

17 **COMMISSIONER ARGENZIANO:** Yes, I can.

18 **CHAIRMAN CARTER:** Okay. Mr. Beck, you're
19 recognized.

20 **MR. BECK:** The next customer is Clark Hill.

21 CLARK HILL

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

24 DIRECT STATEMENT

25 **MR. HILL:** Good evening, Commissioner, and

1 Commission. Thank you for allowing me to speak tonight.
2 My name is Clark Hill. I'm general manager of the
3 Hilton Naples in Naples, Florida, 5111 Tamiami Trail.
4 And I have been in the hotel management business in
5 southwest Florida now for over 20 years in Fort Myers
6 and in Naples.

7 And I came tonight to speak to the service,
8 the excellent service that I've received over the years
9 from representatives here that assisted me in
10 controlling my utility expenses which are about
11 400,000 -- my electrical bill is about 400,000 a year.
12 We have a (inaudible) Hilton in Naples. And various
13 programs that I have utilized over the years have
14 allowed me to save some of that expense, and that is
15 directly from the representative who would call on the
16 account. And then I have seen the follow-through with
17 the workers who actually installed the programs and help
18 us to do what is necessary to make the changes to
19 control those costs.

20 Having said that, this is a difficult time in
21 the hotel business. It's a difficult time for our
22 economy, as we all know. And when I hear, you know,
23 alternatives to rate increases such as the prepay
24 concept, I get excited, because I know there's a need
25 for capital to invest to keep Florida Power and Light

1 current and on the right track for sustainable energy
2 and alternative energy sources. I know that takes
3 capital, but I think there may be alternatives to where
4 we find that capital. I like the prepay concept very
5 much. Tonight was the first night that I've heard it.

6 And in closing I will just say that Florida
7 Power and Light has been a good partner, a good business
8 partner with us, and we appreciate that. We appreciate
9 the service it has delivered. I'm in the hotel business
10 and what we deliver is service. They do a good job at
11 it. It is a challenging time for any business in
12 southwest Florida. I am seeing a lot of pain right now.
13 Let's try to find a compromise. Let's try to resolve
14 this issue to everybody's benefit by being creative and
15 smart and looking for things like what Mr. Balogh has
16 suggested here with the prepay concept.

17 Thank you.

18 **CHAIRMAN CARTER:** Thank you.

19 Mr. Beck.

20 **MR. BECK:** Andrea Rousseau.

21 ANDREA ROUSSEAU

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

24 DIRECT STATEMENT

25 **MS. ROUSSEAU:** Good evening. First off, I'll

1 apologize because I am a very bad public speaker, so if
2 I babble on, I'm sorry about that.

3 My name is Andrea Rousseau, and I have been a
4 Lee County resident for 11 out of the last 13 years.
5 Two of those years I was in Martin County. And for all
6 13 of those years I have had FPL as my service provider.
7 I have never ever had any problems with them, even after
8 Charley. I love the fact that I can call a local number
9 if there's a problem and get someone on the phone who is
10 here in this area, and not someone who is in another
11 country, or another state, or whatever it might be.

12 I also want to say that I support the rate
13 increase because it's going to help things to become
14 more green. Everyone talks about being more green, and
15 I have a three-year-old son at home, and I want to make
16 sure that when he is in his forties, and his fifties, or
17 in his sixties that our economy and our life the way we
18 live are the way they are now, if not better. And if we
19 keep using up all kinds of resources, it may not be.
20 And we just -- we really need to make sure that
21 everything we do is for our children and our
22 grandchildren. And if that means a little bit of a rate
23 increase, then you know what, let's go for it, because
24 that's just the way it is.

25 You know, I can't necessarily afford a rate

1 increase, but if, you know, if it's 10 or \$20 a month
2 rate increase, I will find a way, because that's going
3 to make it happen.

4 Thank you.

5 **CHAIRMAN CARTER:** Thank you.

6 Mr. Beck.

7 **MR. BECK:** The next customer is Susan McManus.

8 SUSAN MCMANUS

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

11 DIRECT STATEMENT

12 **MS. McMANUS:** Good evening, and thank you very
13 much for your time.

14 I am here tonight not to persuade you one way
15 or the other with regard to a rate increase, and I also
16 don't come with the expertise that I've marveled at
17 listening to tonight. It has been a great education for
18 me.

19 I'm here because I worked with Florida Power
20 and Light Company over the past 20 years as president of
21 the Education Foundation in Collier County. And I'm
22 here not because of money or a potential future
23 contribution; what I would like to bring to your
24 attention as you all work very diligently to plan
25 capacity and to actually work with Florida Power and

1 Light Company to invest in the future of our community,
2 I'd like to just have the opportunity to give you a
3 glimpse at their record as a corporate citizen. And I
4 want to thank them and hold them up for their vision.

5 Twenty years ago in Collier County when we
6 founded and began the Education Foundation, it was for
7 these very same reasons. It was to plan an investment
8 for our future and it was to build capacity. And we
9 have worked together not only with financial support
10 from their company, but we have worked together through
11 volunteerism. And I believe that as a corporate citizen
12 I would like to just be here to testify tonight as to
13 that expertise and the contributions that they have
14 made.

15 And I commend you all. I think you have a
16 great challenge ahead, and I hope that together these
17 wonderful ideas that you are hearing about that you will
18 build that kind of capacity and make the very best
19 investment for all of our children just like we would
20 when we consider education.

21 Thank you for your time.

22 **CHAIRMAN CARTER:** Thank you.

23 Mr. Beck.

24 **MR. BECK:** Jim Collier.

25 JIM COLLIER

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

3 DIRECT TESTIMONY

4 **MR. COLLIER:** Mr. Chair and members, thanks
5 for the opportunity to be here. I hope you will excuse
6 me for wearing my cap. It's a little cool in here. I
7 didn't expect to see so many suits. And I appreciate
8 the chance to see my government at work; thanks a lot
9 for the opportunity.

10 I think Mr. Beck has it right. In my opinion,
11 you have to give these companies some money to operate
12 with. I think that, you know, a 12 percent return on
13 investment in these days -- I made a note on my paper
14 early on, do I have any bonds out? Let's go get
15 involved in that. But some rate hike is probably a good
16 thing.

17 If you just look at what is happening in the
18 world, money is getting spent, everything costs more
19 than it did. In my personal experience and opinion and
20 from what I have seen living in a different parts of the
21 country, mostly in Texas and here, FPL and the other
22 utilities in southwestern Florida do a magnificent job
23 of maintaining, operating, and running a business.
24 Their ability to respond and repair service is unequalled
25 anywhere in the world that I have seen, and it certainly

1 beats what I have been used to in the Texas environment.

2 Watching those guys come out at night and fix
3 stuff in the dark with hot lines and wires down on the
4 road after a tornado went through my neighborhood in
5 Cape Coral was remarkable. I had my power back on at
6 11:00 o'clock that night, and I was just, wow. I
7 expected it to be out for a couple of days. And they
8 came out and fixed it, and everybody that was
9 appropriate for electricity had power. I think they do
10 a great thing.

11 And clean, reliable power, it's there. I run
12 out of my home for my business, and it is just
13 remarkable how good the computers run and all of that.
14 If you don't have -- my business is located in Texas
15 mostly, and I'm very sensitive to having reliable, clean
16 power out of the wall, and computers don't work right if
17 you don't have that. They definitely provide it.

18 If you have anything -- I believe -- I want to
19 tell you that feed-in tariff is the way to go. I think
20 if you provide them some impetus to need less money if
21 there is production of even tiny elements of electricity
22 by individuals, that's a good thing. And if they use a
23 little bit less by using fluorescent lights or whatever,
24 their demand for money and new equipment and new lines
25 and all of that stuff will not be as high. So it seems

1 to me that if there is some way the Commission can urge
2 that to take place, that's a good thing.

3 So you are going to have to give them a little
4 money. I don't think you are going to have to give them
5 what they asked for, but they always ask for more than
6 they're going to need. If you have anything to do,
7 please put a red fish hatchery somewhere either in Tampa
8 Bay or Charlotte Harbor. (Laughter.)

9 I'll be happy to answer any questions you may
10 have. My wife is going to probably burn you up on solar
11 power, and that is a great thing. It is a wasted
12 resource. We have 350 days of sun down here in South
13 Florida, and I think all new construction should require
14 some kind of solar (inaudible). If you have a pool, and
15 if you have a hot water heater, everybody has got a hot
16 water heater, you can put a timer on your hot water
17 heater for 45 bucks, and it will cut your electrical use
18 about \$15 a month. You don't need that hot water 24
19 hours a day unless you have got kids that are running
20 through the shower all the time and you run the
21 dishwasher and washing machine all the time.

22 Look, it's great, it's great to see what FPL
23 can do. They are obviously very well run. They're
24 asking for money, and you're going to have to give them
25 some.

1 Diversity of power plants. I think that is
2 very important and that may lessen than their cash
3 request. They don't need all the money they are asking
4 for, but they are going to get some. We all know that.
5 (Laughter.)

6 Thanks a lot.

7 **CHAIRMAN CARTER:** Thank you.

8 Mr. Beck.

9 **MR. BECK:** Cheryl Anderson.

10 CHERYL ANDERSON

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

13 DIRECT STATEMENT

14 **MS. ANDERSON:** I brought a show and tell to
15 show the Commissioners, and you can put it on the screen
16 after you have seen it. I don't if any of you have
17 seen -- individual solar power on our home in Cape
18 Coral. We installed 5.07 kilowatts in January, and we
19 are producing between 900 and 1100 kilowatt hours per
20 month. In energy savings, my electric bill in March
21 over March of the previous year went from \$140 to \$35,
22 okay? That was without the air conditioner. When we
23 turned the air conditioner on the following month, the
24 power bill went from 157 to \$77, but \$15 of that is a
25 membership fee, you know, it's not actual electric use.

1 So you can cut your power by \$100, \$120 a month on your
2 own roof, and you'll see this when he shows you the
3 picture.

4 The amount of noise this makes, zero. The
5 amount of space it takes, it's on my roof, you would
6 never see it. If you drove up to my house, you would
7 never know it was there. The amount of maintenance it
8 takes, zero. Once you have it on your roof, and you
9 look around and you see all the roofs without it, you
10 see all of this power that's going to waste. And you
11 could have it on your roof, your hotel, you could have
12 it on your hotel roof, the people at the utilities could
13 have it on the utility companies' roofs, and the
14 solution is not building big mega solars. I'm not
15 saying that is maybe not what we need, but if everybody
16 could produce two-thirds to three-fourths of the
17 electricity they use on their own home, wouldn't that be
18 the ideal solution? You know how to make this work? A
19 feed-in tariff. They're using it in Gainesville right
20 now.

21 What you need to do is make this profitable.
22 Now, we paid for it because it's the right thing to do,
23 because we wanted to guarantee that we would be able to
24 generate our own electricity. But if you make it
25 profitable for the individual, you, Commissioners, on

1 your house, the hotel manager on the hotel, if you make
2 it profitable for them to generate their own
3 electricity, we won't need the nuclear plants which
4 haven't been mentioned, and Florida won't have to buy
5 natural gas from Texas. Florida will be an energy
6 exporter. We can sell 361 days of sun to the rest of
7 the country.

8 Now, this could happen tomorrow. You know how
9 long it took to put that up on our roof? Two days. Two
10 days it took our guys to install it, and it feeds into
11 the current electrical system. You don't have to have a
12 bunch of new grids up to make this work, unlike the big
13 wind turbines that they're building in other places in
14 the country.

15 So the only rate increases I would go along
16 with would be a feed-in tariff that would allow
17 individual people to have some control over their own
18 power production. This will bring jobs to Florida, this
19 will bring energy independence to Florida, and this will
20 reduce all of you all's power bills.

21 With regard to the good that FPL has done, I
22 would like to just ask the FPL representatives if you
23 don't get this rate increase, are you going to quit
24 warming the manatees? Are you going to quit giving free
25 power to the people that need it for the Salvation Army

1 or are you maybe going to accept a 10 percent profit
2 margin instead of a 12-1/2 percent?

3 Thank you.

4 **CHAIRMAN CARTER:** Thank you.

5 Commissioner Skop.

6 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.

7 Just a quick question to the speaker, please.

8 **CHAIRMAN CARTER:** Ms. Anderson.

9 **COMMISSIONER SKOP:** Ms. Anderson. I'll keep
10 it real brief. On the photo that you gave us --

11 **MS. ANDERSON:** Yes, sir.

12 **COMMISSIONER SKOP:** -- do you need that back?

13 **MS. ANDERSON:** No, sir.

14 **COMMISSIONER SKOP:** Okay.

15 **MS. ANDERSON:** But I will explain to you what
16 each unit is if you don't know what they are.

17 **COMMISSIONER SKOP:** I think I do. I have a
18 background in renewables. It looks like not only do you
19 have solar PV, but you also solar thermal for your hot
20 water.

21 **MS. ANDERSON:** And for the pool. We have a
22 solar pool.

23 **COMMISSIONER SKOP:** And just one quick
24 question. Do you know when this was installed? Was it
25 this year?

1 **MS. ANDERSON:** January 7th, 2009.

2 **COMMISSIONER SKOP:** One point in passing, too,
3 under the stimulus package, I don't know if you are
4 aware of that, but they have something called a
5 convertible investment tax credit that --

6 **MS. ANDERSON:** Yes, I've already applied for
7 all the tax credits.

8 **COMMISSIONER SKOP:** Okay. Thank you.

9 **MS. ANDERSON:** Thank you.

10 **CHAIRMAN CARTER:** Commissioners, let's do
11 this, since Ms. Anderson gave that to us, that will
12 be --

13 **MS. ANDERSON:** You can have it.

14 **CHAIRMAN CARTER:** That will be Exhibit Number
15 4. So, staff, that will be Exhibit Number 4, and we
16 will just call it a photo from Ms. Anderson, a photo of
17 her house with the solar panels for the record.

18 (Exhibit Number 4 marked for identification.)

19 **CHAIRMAN CARTER:** Mr. Beck.

20 **MR. BECK:** Thank you. Martha Kebhart.

21 MARTHA KEBHART

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

24 DIRECT STATEMENT

25 **MS. KEBHART:** My name is Martha Kebhart, and I

1 have been a resident of Lee County for 30 years, and I
2 will make it short and sweet.

3 I do support the increase, because I think it
4 is going to be better for us in the future. I have had
5 nothing but positive interactions with FPL, especially
6 after the hurricanes. We had the power back on in two
7 days. I was one of the lucky ones. So I just support
8 it.

9 Thank you.

10 **CHAIRMAN CARTER:** Thank you.

11 Mr. Beck.

12 **MR. BECK:** Lee Dixon. Lee Dixon.

13 Jack Pointer.

14 JACK POINTER

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

17 DIRECT STATEMENT

18 **MR. POINTER:** Good evening, Mr. Chairman. My
19 name is Jack Pointer. I'm from Collier County. My wife
20 and I have been down here for about 24 or 25 years, and
21 she needs the reliable service of an energy company,
22 because she needs cool air in order to keep breathing,
23 and we are very pleased with the reliability of the
24 service that we have had from Florida Power and Light
25 since we have been living down here.

1 I want to use a couple of examples from the
2 third grade, because that's about as far as I know with
3 arithmetic. But if you go back in history to the time
4 of the beginnings of the electric utility business,
5 about 90 years ago in 1920, at that particular time the
6 pricing for electricity per kilowatt hour was in the
7 range of 20 cents per kilowatt hour. At that time the
8 United States Government Postal Service provided a stamp
9 for first class service at a cost of about 2 cents.

10 Recently the cost of a first class postage
11 service from the postal service of the United States is
12 in the range of 44 cents, or up about 22 times since
13 1920. On the other hand, the 20-cent electricity of the
14 year 1920, 90 years later is now around 10 cents or
15 about half. The electric utility has provided the
16 continuing service at a lesser rate over the past nearly
17 century than otherwise was done. Whereas, the services
18 that we have had from our government in the case of the
19 postal service has gone up 22 times.

20 If we listen to what they are proposing in the
21 federal government, they want to put a tax, a carbon tax
22 of some kind or another on the electric utilities. In
23 my opinion, if we could snap our fingers like this at
24 this moment and say all electricity from Florida Power
25 and Light is free of charge, no charge; at the same time

1 when we snap our fingers and move forward to the dates
2 that the carbon tax is fully implemented, that price of
3 electricity which we got for nothing, we were paying ten
4 cents a kilowatt hour, would suddenly become 30 cents a
5 kilowatt hour, and none of it would be going to the
6 electric company, it would all be going to the
7 government.

8 Thank you so very much.

9 **CHAIRMAN CARTER:** Thank you. Mr. Beck.

10 **MR. BECK:** Peter Dys.

11 PETER DYS

12 appeared as a witness and, swearing to tell the truth,
13 testified as follows:

14 DIRECT STATEMENT

15 **MR. DYS:** Good evening. My name is Peter Dys.

16 I am president of the Shell Point Retirement Community
17 here in Fort Myers, 15000 Shell Point Boulevard.

18 I come representing an organization that
19 serves 2,200 people, average age of 80. It includes
20 assisted skilled nursing and assisted living, and all
21 the amenities that go with it. I would join in the
22 accolades that have been made about FPL. Our experience
23 with this organization -- I've been in Fort Myers for 24
24 years and lived at Shell Point for that period of
25 time -- has seen dramatic increases in their acuity,

1 addressing the acuity of the organization, keeping the
2 infrastructure where it needs to be.

3 I have nothing but accommodations for every
4 asset of their organization, from the people I see
5 working on the poles to the people who are working on
6 the management and the industrial side of things. But
7 at the same time I recognize that the people come to our
8 community, and I happen to have about 150 a year new
9 ones come in, they expect quality and they expect
10 reasonable pricing. And my experience with FPL is that
11 this cannot be an emotional decision, and they don't
12 expect one. I think they have to be held to the same
13 standards that they hold us to as we utilize their
14 facilities.

15 You, as the Commission, I think are charged
16 with that responsibility, and it should weigh heavily on
17 you because you represent a clientele throughout the
18 state. One of the great things about FPL is that they
19 are a vertically held organization. As a vertically
20 held organization, I contend that their efficiency
21 should be greater than many others who don't have the
22 vertical capability. So I think it is an important
23 element to keep in mind.

24 One of the things that I want you to keep in
25 mind, however, is that in our organization because of

1 the economy, I have had to cut \$5.5 million out of my
2 operating budget this year. I have residents who have
3 little increase in their income, and any increases that
4 we receive I have got to pass along. There is no other
5 place to go with it. It is a not-for-profit
6 corporation. So it's important to watch that.

7 We have a \$3 million electric bill, and it is
8 something that is critical for us to watch, because it
9 is something that has to be passed along to them. So I
10 think there is a need. As good as the company is, it
11 stays better if they are asked the right questions and
12 they perform with defensible rationale for increases
13 that you are charged to discern. You have heard the
14 pros and cons, and you know many more, and you will have
15 many more experts. So I would only reemphasize that
16 point.

17 I also would like to point out that as an
18 organization, we have some history in this community
19 that I think is notable. We are the first facility back
20 in 1967 that recycled water. I think that was the first
21 in Lee or Collier County. So it talks about our
22 conservancy. We obviously have done everything we can
23 with lights and with generators that are in our
24 facilities at off-peak hours all working hand in hand
25 with FP&L.

1 We also have had the privilege of working with
2 them in establishing one of the largest demand-side
3 services that exists this side of the Mississippi River.
4 Not only is Shell Point the largest retirement community
5 in the State of Florida, it's probably the fifth largest
6 in the country. And I believe we have one of the
7 largest demand-side services this side of the
8 Mississippi River, 230 or 40 ice tanks, buying
9 electricity at off-peak hours so that we run on ice
10 through the bulk of the hot time of the day.

11 Again, I cannot say enough for FPL and their
12 excellent service and their excellent support to it that
13 it has allowed us to do that and get to this point.
14 They want to stay the best. Sometimes the best thing is
15 to be challenged. And I think good organizations that
16 are challenged are going to get better, and it is your
17 job to work that capacity along with the public at
18 large.

19 And along that same line, I would only echo
20 what has been said before about the prepay provision. I
21 think it is a critical option for you to consider. It
22 is done in many aspects of business, and it is one that
23 I think ought to be available to the public. It's
24 revenue neutral when you look at the overall process,
25 and I think it ought to be given to the customer as an

1 option. If it can work for FPL and it can work for the
2 customer, I think there is merit. In our own case that
3 would mean probably a quarter of a million dollars that
4 would be allowed to be used for the nonprofit focus of
5 our organization and keep the costs from having to be
6 passed on to those 80-plus who make up our community.

7 So with that, I, again, commend FPL. I charge
8 you to make a practical decision, not an emotional
9 decision, and that we all walk arm in arm with FPL as a
10 strong provider of services to this community.

11 Thank you.

12 **CHAIRMAN CARTER:** Thank you.

13 Mr. Beck.

14 **MR. BECK:** Jeffery Holbrook.

15 JEFFERY HOLBROOK

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

18 DIRECT STATEMENT

19 **MR. HOLBROOK:** Thank you all for giving me the
20 opportunity to speak. I will be very brief. I know
21 there is a lot of you that would love to speak, as well.

22 I'm just going to make three quick points. It
23 takes money to make money, and Florida Power and Light
24 in my belief from my personal experience from them is
25 going to use this money in a positive way. We all need

1 renewable energy nowadays, and especially the younger
2 generation is really jumping onto this. And we are not
3 just doing it for us, we are doing it for our fathers
4 and our grandfathers and even our children.

5 There is so much that we could do with solar
6 energy with these -- they are also proposing a multiple
7 cycle new power plant. They didn't even list that.
8 Florida Power and Light is going to build gas and oil
9 plants in West Palm Beach and those are going to employ
10 people. We need jobs in Florida. They're going to
11 employ people. Those plants pay taxes, which is
12 something no one has even mentioned yet. If you build a
13 new plant, you are creating tax revenue which, you know,
14 that is positive. I think that could be added, as well.

15 Florida does have a very high growth rate, one
16 of the highest in the country, and I think it is very
17 important to keep our grid in line with our growth. And
18 you have to make an investment in that to have a
19 sustainable future. And judging by FPL's excellent
20 customer service that I've received, as earlier during
21 Wilma we only had our power out for a day. It was less
22 than a day. And it was a big hurricane. I mean, I have
23 just had great interactions with them.

24 I look forward to seeing what they do in the
25 future. I am for this rate increase. I would love to

1 see what they do with the money. And, hopefully, they
2 will stick to their promises and build these new
3 factories and build these new solar plants, employ
4 Florida workers, and create tax revenue which is much
5 needed in our economy.

6 Thank you.

7 **CHAIRMAN CARTER:** Thank you.

8 Mr. Beck.

9 **MR. BECK:** George Bronosema.

10 GEORGE BRONOSEMA

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

13 DIRECT STATEMENT

14 **MR. BRONOSEMA:** My name is George Bronosema.
15 I have been a Florida resident for only five years. I
16 moved here from Chicago, where I spent 31 years as a
17 firefighter. Many, many years also working close in
18 hand with the power company.

19 What all of these -- what I have heard to this
20 point from everyone speaking so far has come down to
21 word one word for me and that's trust. You know, when
22 things are running smooth in its day-to-day operations
23 and nothing is happening, you know, you kind of -- well,
24 about the only contact you have with the power company
25 is you get that thing in the mail, and you say, well,

1 you know, Jesus, that's bad. That's not good. That's
2 not good for us.

3 But, then again, having never experienced a
4 hurricane in Chicago, when I moved here and I moved in
5 my house three weeks before Charley, okay. So, you
6 know, the builder told me, don't worry about it. We
7 haven't had a hurricane since 1960. But I found that
8 you have to -- you have to give trust, and trust is
9 something you have to earn.

10 Now, I have had -- we have had a couple of
11 bouts with hurricanes in the last -- since I've been
12 here. Maybe I brought them with me. I'm sorry. But
13 since I have been here, I have been amazed by the
14 response we have had in the tough times, the times that
15 aren't the every day routines. When you have the people
16 coming out there working all hours of the night trying
17 to get us back up on line.

18 I'm retired myself. Sure, I mean everybody
19 wants everything for nothing, and, you know, we don't
20 want to pay for this; we don't want to pay for that.
21 But years ago when I lived up north, they were building
22 a lot of schools, and we're in a school district
23 facility here right now. And I know in my experience
24 from working with the fire department, they were
25 building them and building them and building them,

1 because they just kept -- you know, the population was
2 going crazy and all of that. And then shortly before I
3 retired they were selling schools, brand new buildings,
4 beautiful, beautiful, just like this facility.

5 And, you know, sometimes you have to know and
6 you have to trust and you have to see who has had the
7 best judgment long-term. And I don't have -- the
8 longest term I have here is five years. In my opinion,
9 Florida Power and Light Company has earned that trust.
10 And I only speak for myself as a resident of Florida and
11 as a customer of FPL when I say that I would lend my
12 support to the rate increase.

13 Trying to go back and make things right after
14 you have let it slide for a few years is very difficult
15 and very expensive. These same schools that I was
16 talking about that closed over a period of ten years now
17 have had a surge in population growth. Now they need
18 schools, but now the money is not there and they cost
19 more. I'm in favor of having a good, you know, strong
20 bank account, and if it takes a little extra money I'm
21 willing to pay it.

22 Thank you.

23 **CHAIRMAN CARTER:** Thank you.

24 Mr. Beck.

25 **MR. BECK:** Clarke Dahlgren.

1 CLARKE DAHLGREN

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

4 DIRECT STATEMENT

5 MR. DAHLGREN: Good evening. I thank you for
6 being here in Fort Myers so that we can make some
7 comments with regard to the rate increase requested by
8 Florida Power and Light. And let me be clear. We are
9 talking about a rate increase. I have heard a lot of
10 references to different terms this evening, but the
11 increase that is anticipated is in the neighborhood of
12 20 to 30 percent.

13 My name is Clarke Dahlgren. I am a resident
14 from Fort Myers, and I'm an advocacy coordinator for
15 AARP. And to that extent, I attempt to speak for those
16 hundreds and thousands of customers of Florida Power and
17 Light that are not able to be here tonight. They
18 have -- in Florida, there are over three million AARP
19 members. And if they were here tonight, you would hear
20 all of them or you would hear most of them speak out and
21 say, Florida Power and Light, your actions to increase
22 rates at this time are inappropriate, irresponsible, and
23 totally inconsistent with the severe economic climate
24 that this country is now is facing.

25 Your customers, Florida Power and Light's

1 customers are currently struggling with developing
2 household budgets that are being stretched thinner and
3 thinner as we go forward. Unfortunately, they are
4 having to deal with these potential increases at the
5 same time that the income portion of that budget is not
6 increasing.

7 Yes, even Social Security has announced that
8 in 2010 there will be no increase. You have heard a lot
9 of comments made and very favorable comments, such as
10 trust, customer service, willingness to do the -- go the
11 extra mile, but let us keep focused on the fact that
12 this is a rate increase in the neighborhood of 12-1/2
13 percent at a point in time that there are many of us
14 that would like to be able to realize that kind of a
15 return. It's just not in the cards. And to that
16 extent, I don't believe that it should be permitted to
17 proceed forward.

18 Just in closing here, I would like to point
19 out that in the words FPL has posited that they need an
20 increase in order to secure the capital necessary to
21 satisfy the customer needs, I think that's a stretch.
22 We need to be mindful of the fact that the Commissioner
23 pointed out that the job that you are -- the Commission
24 is facing is one of determining whether the rate
25 increase at 12-1/2 percent is justified. And we for

1 one, or I for one, representing a group of many, believe
2 it is not.

3 Thank you.

4 **CHAIRMAN CARTER:** Thank you very much.

5 Mr. Beck.

6 **MR. BECK:** Brian Miles. Brian Miles.

7 Sarah Spector.

8 Alexis Crespo.

9 Dustin Crimmins.

10 We lost a lot of people.

11 Jack Wilson.

12 JACK WILSON

13 appeared as a witness and, swearing to tell the truth,
14 testified as follows:

15 DIRECT STATEMENT

16 **MR. WILSON:** Mr. Chairman, Commissioners, my
17 name is Jack Wilson. My address is 5475 West County
18 Road 78, and I live in Labelle. I'm here as an employee
19 and customer of Florida Power and Light.

20 I believe I'm going to talk about Commissioner
21 Argenziano, excuse me, talking about issues relevant to
22 the statute, and I believe this falls under the rules
23 and responsibilities of this Commission. And what I
24 wanted to talk about is two things, and the first one
25 being training.

1 Has Florida Power and Light told this
2 Commission what its plans are for its employees in the
3 training arena? We have five different business units.
4 We have little or no training going on at any of those
5 business units. In Marlene Santos' business unit, we
6 discontinued that training program. It costs money. We
7 have -- we no longer have that in the meter department.
8 The only existing training we have has just started in
9 the nuclear arena. So the other business units, there
10 is no training.

11 If you ask Florida Power and Light to supply
12 you with what their planning training is, where is the
13 monies? Where is some of this money that they are
14 asking for? Where is it going to go to the employees
15 for their training, because we're in a crisis. We have
16 3,300 -- 3,500 bargaining unit employees that work out
17 in the field. We have 1,200 of them -- more than 1,200,
18 I believe it is 1,285 that are eligible for retirement
19 today. They are 50 years old or older. If they leave
20 tomorrow, I don't know what we're going to do.

21 These gentlemen you see sitting in red shirts,
22 they are working 600 to 1,000 hours of overtime every
23 year. They are tired. We need somebody young being
24 trained. The average new hire's age is 51 years old,
25 because they are hiring from all over North America,

1 Canadians, Jamaicans, and we're losing 15 Jamaicans this
2 month because their visas have run out. They are
3 working on visas because we don't have anybody -- there
4 is nobody out there to hire. So we would hope that they
5 would supply this Commission with their plans on what
6 they're going to do to staff their employees.

7 My second question is in regards to wages. I
8 believe the company proposed -- they projected their
9 wage increases out to 2012 for labor. I believe that
10 proposal to this board was over four percent, 4-1/4 or
11 somewhere thereabouts. My question to you is if they
12 only pay out two percent wage increases, which is what
13 they are averaging, where does that additional two
14 percent go? When they told you they are going to pay
15 four percent and they are going to end up spending --
16 they are going to save \$100 million in two or three
17 years on a two percent wage increase instead of the four
18 that they said they were going to use. Who gets that
19 money? Is it given back to the customer or do they put
20 it in their pocket? Do you know? You're looking at me
21 like the question --

22 **COMMISSIONER ARGENZIANO:** Sir, could I ask you
23 to maybe speak into the mike, because you are bringing
24 up some very interesting points, but I'm losing you.

25 **MR. WILSON:** Certainly.

1 **COMMISSIONER ARGENZIANO:** Thank you.

2 **MR. WILSON:** I can hear you loud and clear,
3 though. Bear with me just one second.

4 **CHAIRMAN CARTER:** Commissioner Skop.

5 We have a question from Commissioner Skop.

6 **MR. WILSON:** Sure.

7 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.

8 Mr. Wilson, with respect to the training that
9 you mentioned, what functional unit would you be in?
10 Are you talking about linemen?

11 **MR. WILSON:** I was speaking of every business
12 unit, but specifically in the lineman arena, we have no
13 future apprentice program. They have discontinued that.
14 The existing apprentices that are there, they are fixing
15 to max out and become journeymen, we'll do that sometime
16 this year. It takes at least two years to get an
17 apprentice through a program to teach him how to do that
18 every night. There is nobody in the hopper. So when we
19 lose 1,200 people in the lineman arena, or we lose 900
20 people in the lineman arena, there's nobody to hire.

21 In power generation there is no training
22 program. This is a national crisis. There is no
23 training everywhere across the nation, because you can
24 save money by not spending \$30,000 to train somebody.
25 But in power generation, we're hiring mechanics from the

1 sugar mill to run the power plants, and we are calling
2 them mechanics. That's not a plant mechanic. I believe
3 they just hired an automotive -- I believe they just
4 hired an automotive mechanic in Turkey Point to be a
5 mechanic in the plant because there is nobody out there
6 to hire. That's in every business unit.

7 And in nuclear they have started an apprentice
8 program, because they're in crisis, and they have the
9 NRC that regulates them, so they had to. They didn't do
10 that because they thought they needed to; they did it
11 because they had to do that.

12 Thank you.

13 **CHAIRMAN CARTER:** Commissioners, any further
14 questions?

15 **COMMISSIONER ARGENZIANO:** Yes, Mr. Chair.

16 **CHAIRMAN CARTER:** Commissioner Argenziano,
17 you're recognized.

18 **COMMISSIONER ARGENZIANO:** Yes, I do. I want
19 the gentleman to go back to the two percent or the four
20 percent he talked about before, because he talked about
21 not having guarantees on where the other two percent
22 went, and I need more information on that because he is
23 right, it's very -- I guess it pertains to what I feel
24 like is part of my job here. And after all, I would
25 like staff to also comment, because many people got up

1 and said the money -- they want FPL to have the increase
2 for renewables.

3 Is there any guarantee that the company will
4 use it for that? And, sir, could you elaborate more on
5 the four percent you were talking about?

6 **MR. WILSON:** Well, my understanding from
7 reading the docket is that Florida Power and Light
8 supplied to the Public Service Commission the projected
9 labor costs through 2012, and that projected increase
10 for each year was 4-1/4, or actually a little more than
11 4-1/4 per year. If they only pay out two percent, do
12 they put the other 2-1/4 percent in their pocket? Where
13 does it -- does it go back to the customer?

14 **COMMISSIONER ARGENZIANO:** I can tell you this:
15 If you leave me your name and number, I will make sure I
16 find out the answer to that question, and I appreciate
17 it. And, staff, also, if you can answer my question or
18 at some point get to me, because these people are
19 deserving of understanding if the company will guarantee
20 to use the income or the increase -- that if we do give
21 them an increase on the renewables or alternatives that
22 the people have supported.

23 Thank you, sir. I appreciate your comment.
24 And may I ask one other thing and take this wherever you
25 want it. Sir, you said you work for the company?

1 **MR. WILSON:** Yes, I do. I'm a lineman in Fort
2 Myers.

3 **COMMISSIONER ARGENZIANO:** Okay. And if you
4 should suddenly lose your job, would you please let me
5 know?

6 **MR. WILSON:** Yes, I will.

7 **COMMISSIONER ARGENZIANO:** Thank you.

8 **CHAIRMAN CARTER:** Thank you.

9 Commissioners, staff is taking notes, and they
10 will be fleshing out that issue to get back to the full
11 Commission.

12 Commissioner Skop.

13 **MR. WILSON:** If I could, my boss is sitting
14 right back there, so I'm glad he heard you.

15 **CHAIRMAN CARTER:** Commissioner Skop.

16 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.

17 With respect to the comments that were made on
18 the four percent request versus the two percent that Mr.
19 Wilson was speaking to, I just wanted to give assurances
20 that it is something that the Commission staff will look
21 at in great detail through the discovery process. To
22 the extent the request is made, it needs to be justified
23 by what is provided in the scope of the process, but I
24 appreciate your point. Thank you.

25 **CHAIRMAN CARTER:** Thank you.

1 Mr. Beck.

2 **MR. BECK:** Reggie Snell.

3 REGGIE SNELL

4 appeared as a witness and, swearing to tell the truth,
5 testified as follows:

6 DIRECT STATEMENT

7 **MR. SNELL:** Good evening, Commission. My name
8 is Reggie Snell. I am the director of construction
9 services for the School District of Lee County, and I
10 hope everybody is enjoying our facility here tonight. I
11 would like to speak on behalf of the school district
12 concerning the relationship that we maintain with
13 Florida Power and Light.

14 The district and FPL have an excellent
15 partnership between our administrators and the FP&L
16 staff. FPL staff is available 24/7 to assist in
17 emergencies or whenever the school district requests,
18 and we are probably the largest FPL customer in Lee
19 County. I could be wrong on that, but I don't think I
20 could think of anybody that spends more money with FPL
21 than we do.

22 The district has 145 different FPL account
23 locations, so that means we have a lot of communications
24 with FPL. Overall, the district would rate FPL's
25 quality of power and service as excellent for this area

1 in servicing our schools and needs. FPL has assisted
2 school district staff on numerous occasions when issues
3 were clearly on our side of the meter. The school
4 district has also been an active participant in FPL's
5 conservation energy programs since 1991, receiving
6 \$3.8 million in incentive money from FPL.

7 The school district has entered into two
8 performance contracts with FPL. The first contract
9 resulted in \$5-1/2 million in savings of electric and
10 water bills over a ten-year period. The second contract
11 is currently in progress and will be completed by the
12 end of this year and will save our district an
13 additional 10,200,000 over the next ten years, which in
14 these times of tough budgets, especially for an
15 organization like ours, is sorely needed.

16 With FPL's incentives and the school
17 district's continuous improvement plans, lean and green
18 as other people have talked about earlier, we continue
19 to reduce our utility bills. And last, I'd like to say
20 the school district has enjoyed working with FPL.

21 Thank you.

22 **COMMISSIONER ARGENZIANO:** Mr. Chairman, I have
23 a question.

24 **CHAIRMAN CARTER:** Commissioner Argenziano,
25 you're recognized for a question.

1 **COMMISSIONER ARGENZIANO:** Sir, thank you so
2 much for making your presentation. Just a couple of
3 questions. Are you here advocating the increase for the
4 school district?

5 **MR. SNELL:** I am here not to advocate for the
6 increase or against the increase.

7 **COMMISSIONER ARGENZIANO:** So, basically, you
8 are just saying that the way things are currently is
9 great and they are doing a very good job.

10 **MR. WILSON:** Yes.

11 **COMMISSIONER ARGENZIANO:** That's great. By
12 the way, that is what we hope our companies do, and they
13 do. They do a great job as witnessed today in providing
14 services, and that is what they are supposed to do. But
15 let me ask you, are you -- who asked you to speak here
16 today? Was it the school district?

17 **MR. SNELL:** Yes.

18 **COMMISSIONER ARGENZIANO:** They did. And they
19 asked you to come as far as to speak to the current
20 relationship you have, but not to the increase?

21 **MR. SNELL:** That is correct.

22 **COMMISSIONER ARGENZIANO:** Okay. Because the
23 reason I asked you that is because the school districts
24 have talked to me and come before us before and said
25 that they are just so financially strapped that they

1 could not afford a rate increase. And I wanted to make
2 sure that you weren't speaking on behalf of a rate
3 increase.

4 **MR. SNELL:** No.

5 **COMMISSIONER ARGENZIANO:** Or if you were or
6 not. Maybe they changed their mind.

7 **MR. SNELL:** That is correct.

8 **COMMISSIONER ARGENZIANO:** Okay. And,
9 basically, I guess one other question is do you believe
10 that the rate increase, whether granted or not, would
11 somehow change the service that you get now?

12 **MR. SNELL:** I do not.

13 **COMMISSIONER ARGENZIANO:** Okay. So then you
14 are just here to tell us that you have a great
15 relationship with them, and they do a good job, and I
16 appreciate that. But it has really nothing to do with
17 the rate case.

18 **MR. SNELL:** That is correct.

19 **COMMISSIONER ARGENZIANO:** Okay. Thank you.
20 Thank you very much for your time.

21 **CHAIRMAN CARTER:** Mr. Beck.

22 **MR. BECK:** Terry Elder.

23 TERRY ELDER

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

DIRECT STATEMENT

1
2 **MS. ELDER:** Terry Elder, Naples, Florida. A
3 lifelong FPL customer. I am here in opposition to the
4 request for the base rate increase. I feel it's the
5 wrong ask at the wrong time. I need FPL and the Public
6 Service Commissioners to remember the FPL customers and
7 who they are representing. Those folks are on fixed
8 income. They have lost jobs. They are unemployed.
9 They are two income families that are down to one
10 income. This is a time when folks are cutting back.
11 This is not a time to make something as crucial as
12 electricity to have us go through an increase.

13 Most customers of FPL have not enjoyed the
14 same rate of return that the shareholders have of FPL.
15 We ask that the Commissioners take a serious look at
16 this request for an increase and remember those who are
17 not here but still need to be represented in terms of
18 these economic times.

19 **CHAIRMAN CARTER:** Thank you.

20 Mr. Beck.

21 **MR. BECK:** Carol Dunekirchen.

22 CAROL DUNEKIRCHEN

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

25 DIRECT STATEMENT

1 **MS. DUNEKIRCHEN:** Good evening. I am Carol
2 Dunekirchen, and I have been a resident of Charlotte
3 County, Port Charlotte, Florida, since 2000, and I am an
4 FPL customer.

5 I am not questioning FPL's service to the
6 community, and I'm not questioning or commenting on
7 their relationships, which are excellent with the
8 emergency directors in our community and other
9 communities in Florida. I have had first-hand
10 experience with both as a resident of Charlotte County,
11 as Director of the Emergency (inaudible) program for six
12 years, and as a volunteer with the emergency management
13 department. So I value FPL, and I understand the -- and
14 have worked with nonprofit boards that they have
15 contributed to. So I know the contributions they make
16 to the community.

17 However, my husband and I are on a fixed
18 income. We are both on Social Security. We are not
19 going to be receiving cost of living increases. My
20 husband has a very small pension. He lost \$100 a month.
21 A hundred dollars a month means we have to make some
22 serious adjustments in our budget.

23 We both have some medical issues. Our cost of
24 prescriptions are going up. I have a sister-in-law who
25 is disabled, who is fortunately able to live on her own.

1 She lives on a total of \$720 a month Social Security.
2 She volunteers at the library. She calls Bingo in a
3 local assisted-living facility. They provide her with
4 lunch. They take her to plays for opening nights. She
5 comes to dinner at our house at least once a week. My
6 husband and I provide any transportation she needs to
7 doctors, to grocery stores, et cetera. Okay.

8 I see in my role as the president of our AARP
9 chapter in the county and as someone who has been very
10 involved in the community what our residents, both
11 seniors and younger residents now who are facing
12 unemployment and all sorts of challenges, what they are
13 facing, and I really don't think this is the time for an
14 increase from FPL.

15 Thank you.

16 **CHAIRMAN CARTER:** Thank you.

17 Mr. Beck.

18 **MR. BECK:** Erik Leitzes.

19 ERIK LEITZES

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

22 DIRECT STATEMENT

23 **MR. LEITZES:** Good evening, Chairman,
24 Commissioners, and PSC staff. My name is Erik Leitzes.
25 My address is 2260 First Street, Fort Myers, Florida

1 33901.

2 FPL has been in my life for 12 years. In that
3 12 years, FPL has always given me exceptional service.
4 During Hurricane Charley my power was out for two hours.
5 To me they are a life saver. I am in support for the
6 rate increase, because I support anyone who supports me,
7 supports us, and supports our planet.

8 Thank you.

9 **CHAIRMAN CARTER:** Thank you.

10 Mr. Beck.

11 **MR. BECK:** Steve Tirey.

12 STEVE TIREY

13 appeared as a witness and, swearing to tell the truth,
14 testified as follows:

15 DIRECT STATEMENT

16 **MR. TIREY:** Good evening. Mr. Chairman,
17 members of the Commission, staff members, thank you.

18 My name is Steve Tirey. I work for the
19 Chamber of Southwest Florida. I am their present Chief
20 Executive Officer, but I am here to speak to you as a
21 resident of Florida tonight. More importantly probably
22 to give you some observations.

23 I have been a 28-year resident of southwest
24 Florida. I have been an FP&L client for 21 years,
25 either directly or being a client of somebody who was a

1 client of FP&L. But perhaps more uniquely, I am also a
2 customer of two other electrical providers, service
3 providers, in the state of Florida right now. And I
4 have had some unique experiences with Florida Power and
5 Light.

6 I've had the opportunity to visit their
7 offices and work with their staff in my role in the
8 community. I have been exposed to the culture of their
9 organization, and I can tell you that based upon those
10 observations they are unparalleled in terms of the quality
11 of service and in terms of their ability to use the
12 resources provided to them to maximize the return to
13 their customers and their shareholders.

14 During the time I have been in the community,
15 I remember a time when the fuel for our peaking plant on
16 the Caloosahatchee River was delivered by barge to
17 (inaudible), and then put on a barge literally and sent
18 to -- around the river, threaded through the bridges of
19 our community, in what I always thought was a fairly
20 precarious trip, often in the middle of the night, to
21 deliver that fuel so that this community would be able
22 to have adequate power during its peak requirements.

23 And over the last several years I have watched
24 FP&L improve their infrastructure. I have seen them
25 improve from a peaking plant to a gas-fired recycle

1 turbine technology that creates power for our community
2 and put literally billions of dollars into the
3 infrastructure here in South Florida. I have seen them
4 improve the transmission facilities and distribution so
5 that we have redundant capacity between here and the
6 furthestmost points south in southwest Florida, so that
7 if one major transmission facility goes down, there will
8 still be power to the southern end of our community.

9 I have seen them make significant investments
10 in the infrastructure in the community that has hardened
11 the infrastructure and provided us with a place that is
12 a good place to live because of the quality of
13 electrical power and service that we have in the
14 community. I am one of those people that believes that
15 in Florida the quality of our electrical power is a
16 fundamental leg of our infrastructure and our economic
17 development infrastructure. I can assure you I have
18 talked to more than one lifetime native in southwest
19 Florida who has told me none of these yankees would have
20 moved here had we not had electricity and air
21 conditioning in southwest Florida.

22 It's a fact. We have become to depend upon
23 it, and I have talked to business people over my career
24 here in southwest Florida who have told me time and time
25 again that the quality of their electric power and the

1 quality of their electric service is as important to
2 them in this community as the transportation
3 infrastructure and as their labor force.

4 There is no good time to ask for a rate
5 increase. However, I believe that Florida is a boom and
6 bust economy, and we happen to be in one of those times
7 in the Florida economy where we are having an
8 opportunity to find out what is most important to us to
9 lean our organizations and to make them more efficient
10 as we prepare for the next cycle of growth and
11 development in South Florida and in Florida. And in the
12 southeast United States, and I believe that it is
13 coming.

14 So I am encouraging you, as an individual, to
15 consider positively this request for more access to
16 capital through the rate increase. I do think it is
17 warranted, and I think if history is any indicator as to
18 what Florida Power and Light will do with their access
19 to this capital, it will be in good hands. They will do
20 a good job for Florida and they will not disappoint the
21 members of the Commission.

22 Thank you very much.

23 **COMMISSIONER ARGENZIANO:** Mr. Chair.

24 **CHAIRMAN CARTER:** Commissioner Argenziano.

25 **COMMISSIONER ARGENZIANO:** Yes. I have a

1 question for the gentleman. And, of course, thank you
2 for coming and staying and taking the time to have us
3 hear your comments.

4 **MR. TIREY:** Well, thanks for being with us.
5 Although you seem like somewhat of a voice from above
6 here in the auditorium this evening.

7 **COMMISSIONER ARGENZIANO:** Well, that's just
8 the way it is projecting. I am actually right there in
9 spirit and wish I could be there in body, but a
10 shattered a bone in my leg just won't let me be there.

11 But I just wanted to make -- ask a couple of
12 questions. One, you mentioned that you were from the
13 chamber, and I have heard from some of your chamber
14 members, smaller members than FPL. And would it be safe
15 for me to say that you are speaking for the chamber and
16 on the other members' behalf for the rate increase?

17 **MR. TIREY:** No, it would not be fair to say
18 that. As a matter of fact, I was very specific in the
19 fact that my experience was drawn from my work of over
20 28 years in the community as the chamber executive, but
21 I was here this evening speaking as an individual who
22 has also has a 28-year history in the community. So
23 please don't be confused just because you are not in the
24 room.

25 **COMMISSIONER ARGENZIANO:** Oh, I'm not

1 confused. Trust me, sir, I am old enough never to
2 really be that confused. My point is for you to make a
3 distinction loud and clear so that you couldn't be or no
4 one else could confuse the fact that when you opened and
5 said you worked at the chamber that you were not
6 representing the chamber. So it really was a
7 clarification. But, no, I'm not confused. Thank you
8 for your concern on my confusion.

9 Let me ask you also. Is FPL one of the
10 largest members of the chamber?

11 **MR. TIREY:** They are probably one of our
12 largest members. I would imagine if you look at any
13 chamber of commerce in the state of Florida they may be
14 one of the largest members.

15 **COMMISSIONER ARGENZIANO:** Thank you.

16 **CHAIRMAN CARTER:** Thank you.

17 Mr. Beck.

18 **MR. BECK:** Thank you. Francine Stevens.

19 FRANCINE STEVENS

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

22 DIRECT STATEMENT

23 **MS. STEVENS:** Good evening.

24 **CHAIRMAN CARTER:** Pull the mike closer to the
25 table.

1 **MS. STEVENS:** Good evening, and thank you for
2 having us all. And I thank you, FPL, for all of your
3 community service, but I do not agree with your
4 increase. Your timing is very poor. There are too many
5 of us who have taken a tremendous cut in our incomes,
6 and I don't really think it's going to improve a lot. I
7 pray constantly that it is going to improve, but in our
8 own family we have three sons who are out of work in
9 Reno, in Michigan, and in Cleveland. That's different
10 parts of the country.

11 And for Florida Power and Light to ask
12 increases down in Florida with our economy down here not
13 exactly hustling along, I just feel it's wrong. But I
14 thank you anyway. Oh, I lost electricity for three
15 weeks during Charley, but thank you anyway.

16 **CHAIRMAN CARTER:** Thank you.

17 Mr. Beck.

18 **MR. BECK:** Jim Stevens.

19 JIM STEVENS

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

22 DIRECT STATEMENT

23 **MR. STEVENS:** Thank you, Mr. Chairman and
24 members -- Commissioners. My name is Jim Stevens, and I
25 live in Punta Gorda, Florida. I have been retired for

1 15 years living there, and I'm living on Social Security
2 and a small pension. As you know, we will not have any
3 increase next year in our Social Security, and I have a
4 pension from a company that never has increases. So I
5 do believe that your 30 percent increase is totally
6 unwarranted and it is absolutely the wrong time, the
7 wrong year to try to do it.

8 Thank you.

9 **CHAIRMAN CARTER:** Thank you.

10 Mr. Beck.

11 **MR. BECK:** Erin Freeman. Erin Freeman.

12 Joyce Giordaro.

13 Joyce Gardener.

14 JOYCE GARDENER

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

17 DIRECT STATEMENT

18 **MS. GARDENER:** Good evening, Mr. Chairman,
19 members of the Commission. My name is Joyce Gardener.
20 I'm from Port Charlotte, Florida. I'm a consumer of
21 FPL. However, at this present time in our history I
22 think this is not the right time for the increase in the
23 basic rates. Especially for our millions of seniors
24 that are retiring and not will be getting any increase
25 in their Social Security.

1 I thank you for your time.

2 **CHAIRMAN CARTER:** Thank you.

3 Mr. Beck.

4 **MR. BECK:** Dorlene Little.

5 DORLENE LITTLE

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

8 DIRECT STATEMENT

9 **MS. LITTLE:** Thank you, Commissioners, Public
10 Counsel, and Florida Power and Light.

11 I don't believe we are here to dispute the
12 good Florida Power and Light has accomplished. I am
13 thinking on behalf of the seniors, which I am, that this
14 is the wrong time in facing the economy as it is to even
15 request a small increase in Florida Power and Light's
16 bill. I'm speaking on behalf of myself as a senior
17 citizen and many who could not come tonight who are in
18 the same situation.

19 I live on a fixed income, Social Security, and
20 half of the retirement that my husband had, because he
21 is now deceased. Very fair, right? As the increase has
22 gone up on everything except my income, including my
23 medicines, and now I am facing one that I'm told will
24 cost me \$4,000 a year. It is unacceptable to ask a
25 business to increase their billing at this time. Please

1 take this into consideration.

2 I thank you.

3 **CHAIRMAN CARTER:** Thank you so kindly.

4 Mr. Beck.

5 **MR. BECK:** Paul Audre.

6 **MR. ANDRESEN:** Andresen?

7 **MR. BECK:** Andresen.

8 **CHAIRMAN CARTER:** Please state your name and
9 address for the record, so we can have the proper
10 pronunciation. You might want to give us the spelling,
11 too.

12 PAUL ANDRESEN

13 appeared as a witness and, swearing to tell the truth,
14 testified as follows:

15 DIRECT STATEMENT

16 **MR. ANDRESEN:** Good evening, Commission. My
17 name is Paul Andresen, spelling, A-N-D-R-E-S-E-N. My
18 residence is at 3710 Metro Parkway, our community, zip
19 code 33916. I am in a leased dwelling in a large
20 apartment community, and it's an undetermined length for
21 my visit there.

22 Because I had transferred during the recent
23 change this year, I had been rather dismayed because for
24 a dozen or more years in residential use of utility
25 electric, either with FP&L or the other major utility

1 company, I had been able to waive any requested deposit
2 on the service account in use. This year, even with
3 submission on my part of the recent payment record for
4 the previous residence, it was only that a cash deposit
5 be placed for my account use.

6 I believe that the efficiency and the nature
7 is indispensable, of course, for the use of electricity.
8 I feel efficiency will be the major influence to keeping
9 our rates in line, and I would not be in favor of a rate
10 increase. In my understanding of the bevy of beliefs of
11 ratepayers and consumers of electricity somewhat in the
12 position that I am, I believe there is a strong
13 predominance that an increase wouldn't be felt to be
14 necessary.

15 I want to thank the Office of Public Counsel.
16 It is my understanding for a number of years that their
17 forthrightness and first rate representation for the
18 needs of we consumers and citizens of our state can't be
19 paralleled.

20 Thank you, ladies and gentlemen.

21 **CHAIRMAN CARTER:** Thank you.

22 Commissioner Skop.

23 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.

24 Just briefly in digressing. What reason, if any, did
25 they give for requiring the posting of the deposit? I

1 know that the rules may have changed recently, but if
2 you had a prior payment history, certainly that would be
3 relevant, I think, to the analysis. Did they give you
4 an expressed reason?

5 **MR. ANDRESEN:** When I initially requested, and
6 it had been so routine, I took it as an objective with
7 the onsetting of the residential account that the waiver
8 of a deposit would be what manner I would, you know,
9 have going there that essentially it didn't qualify, in
10 other words. So I would get on the telephone, the 800
11 number, for people with the utility company. It was
12 not -- they didn't see it my way, and it wasn't to avail
13 to, as I say, have a deposit not be needful.

14 **COMMISSIONER SKOP:** Okay. It is my
15 understanding that FPL has customer service
16 representatives here this evening. I would ask that the
17 company work with you to take a look at that and see if
18 maybe an oversight was made on FPL's part.

19 **MR. ANDRESEN:** The concerns are very much
20 appreciated. Thanks.

21 **CHAIRMAN CARTER:** Mr. Beck.

22 **MR. BECK:** Bob Krasowski.

23 BOB KRASOWSKI

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

DIRECT STATEMENT

1
2 **MR. KRASOWSKI:** Good evening, Commissioners.
3 Bob Krasowski. I'm from Collier County. I just wanted
4 to take the opportunity to express my appreciation or to
5 just tell you that I'm glad to be able to come and
6 attend your meeting tonight, that you have come down to
7 South Florida. It's quite a heck of a trip for us to go
8 up to North Florida, although it was very enjoyable.

9 It was very interesting, as tonight has been
10 very, very interesting. I haven't read all the
11 documents you were citing. I really -- I just have that
12 generic resistance to the rate increase based on my
13 general understanding. And after hearing from FPL, and
14 hearing from Mr. Beck, and the other gentleman attorney,
15 I certainly favor their position with the rate increase,
16 but I will follow along as things develop. I'm sure it
17 will be interesting.

18 I understand Commissioner Argenziano has
19 broken her leg, so she can't be here. Is that -- is
20 that correct, and -- and how long ago did this occur? I
21 mean, not to deviate from the issue, but was it awhile
22 ago, because I am -- I know that it is very painful, a
23 bone fracture, and I hope she is being properly
24 medicated, which may (laughter) -- I am being very
25 serious. I'm not suggesting anything, but I know --

1 I've heard it's very painful.

2 **COMMISSIONER ARGENZIANO:** Well, let me answer
3 that. (Laughter.) And, no, I do not need any meds and
4 don't take any, especially while I'm working. So you
5 can rest assured that I am very clear of mind. And
6 while some may not agree and really don't like my way of
7 thinking or research, no, it is not attributable to
8 meds. And thank you for your concerns. The leg is
9 shattered, and it has been about two weeks.

10 **MR. KRASOWSKI:** Well, I'm -- I'm sorry for you
11 that that happened. And I didn't make -- want to make
12 too light of it, but a little levity maybe could bring
13 certain things forward. I do support your position and
14 wish people would have listened to you. We are here to
15 talk about our opinions on the rate increase, not all of
16 this -- this other information. Although, as a
17 customer, as a ratepayer, I found it very fascinating to
18 learn how much money FPL spends in the community,
19 although I suppose it's worked out tax-wise somehow.
20 But it is nice to know that they are saving manatees,
21 and we need to see their logo and get a baby manatee and
22 maybe a puppy and a kitten next time, you know, so we
23 can all appreciate them.

24 I will be -- I'll wrap this up quickly. I
25 really would like to reiterate the concept of feed-in

1 tariffs. You know, that's something that has been
2 floating around for quite awhile, and I know it's been
3 considered and evaluated, and I hope it makes it into
4 the process again as you discussed. And, you know,
5 Ronald Reagan said -- this is the one thing I like about
6 Ronald Reagan in particular. He said trust, but verify.
7 So it's not that we don't trust the good people of FPL,
8 but everybody -- there's business and there's personal,
9 and so we have got to keep everything real straight and
10 business-wise.

11 And, you know, this -- this prepaid concept is
12 very interesting, although I think we really have to
13 mull it over and work through it, because there is
14 always these -- you know, they prepay up, and FPL uses
15 it instead of borrowing money, then they are going to
16 have to maybe borrow money to run the show from that
17 point on or something. So it has to be fully evaluated.

18 And then if we prepay, what happens to the
19 poor banks and poor, poor Wall Street people that would
20 be lending the money to FPL instead? We don't want to
21 hurt the banks. We don't want anything to happen to
22 them. And I say that facetiously just so I'm not
23 misunderstood.

24 And I guess that about covers it, other than
25 one last statement. When I have been up to Tallahassee

1 to workshops on these various things, the Chairman has
2 always invited the people there from out of town to
3 stick around in Tallahassee and spend lots of money. So
4 I would like to invite you -- this is the beginning of
5 the weekend. We are getting way into the weekend now.
6 I would like to invite you all to stick around Lee
7 County, Collier County. There are a lot of great things
8 here, and spend lots of money.

9 **CHAIRMAN CARTER:** We will do so. We are
10 certainly going to spend some money tonight. I'm not
11 sure about tomorrow.

12 Mr. Beck.

13 **MR. BECK:** Jan Krasowski.

14 JAN KRASOWSKI

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

17 DIRECT STATEMENT

18 **MS. KRASOWSKI:** Hi. This is a tough act to
19 follow. Nice to see you all again.

20 First of all, let me say to FPL you are some
21 of the nicest people I have ever met. We have had our
22 differences, and in the way that we have communicated
23 with each other, and the way that you have treated us,
24 you have always been stand up people.

25 But I don't think that FPL needs such a large

1 base rate increase because they already apparently give
2 a lot of it away. I would like for FP&L to print out
3 and publish a complete list of how much and to whom they
4 are giving contributions to either in monetary or in
5 kind, because every time I hear more and more things,
6 and I'm just wondering where is all of this money coming
7 from. And part of it is coming from me. Part of it is
8 also coming from my property taxes, because I have to
9 pay for the running of the schools, I have to pay for
10 the running of the government center and everything
11 else. So it's coming in various ways.

12 And as far as trust and returns to FPL
13 customers, they already had to suspend their Sunshine
14 Renewable Energy Program because they were not holding
15 up their end of the bargain. And they got people to
16 actually pay extra money into the Sunshine Energy
17 Program and then it was disbanded and that money was
18 never given back.

19 Now, part of the reason that that is important
20 to me is because my daughter was a college student at
21 the time who was really a big promoter of this energy
22 program at the time, and the whole thing just fell
23 through. And that disappointed a lot of our younger
24 people.

25 Like Bob said, I haven't been really keeping

1 up on all of the -- on all of the paperwork and
2 everything, but I was wondering how much of Florida
3 Power and Light's infrastructure needs are related to
4 the proposed -- the two proposed nuclear reactors at
5 Turkey Point. I haven't read anything about that. You
6 may know. And if any of this infrastructure need is
7 used for Turkey Point and the nuclear reactors, which
8 are two which are proposed which have not been -- which
9 have not been permitted yet by the Nuclear Regulatory
10 Commission, and with the way that things are going
11 economically, they may not fly because of that, are we
12 going to get a refund on that? And those are my
13 comments.

14 Thank you.

15 **CHAIRMAN CARTER:** Thank you.

16 **COMMISSIONER ARGENZIANO:** Mr. Chairman.

17 **CHAIRMAN CARTER:** Commissioner Argenziano.

18 **COMMISSIONER ARGENZIANO:** Yes. Just to
19 clarify something the lady said. First of all, thank
20 you also for coming.

21 From my understanding, and that's what I had
22 mentioned before, that all contributions we can thank
23 the shareholders for. It does not come from the
24 ratepayers and that I believe to be true. It is my
25 understanding, and if it is wrong, staff needs to stand

1 up right now and correct me. So we can thank the
2 shareholders for their contributions, and that's a great
3 thing that they do. And that was my point earlier, and
4 I wanted to make sure that the lady understood that it
5 wasn't coming out of the ratepayers.

6 But that was my point earlier tonight. It is
7 not even part of the rate base, and that is why --
8 although it is a great thing and those people who want
9 to keep those contributions coming forward need to
10 understand, it's not rate base. It comes from the
11 shareholders and not the ratepayers.

12 **CHAIRMAN CARTER:** Mr. Devlin.

13 **MR. DEVLIN:** Commissioner Argenziano, this is
14 Tim Devlin. That's 100 percent true. It has been past
15 Commission practice that charitable contributions would
16 not be recoverable from ratepayers, it would be
17 stockholders' contributions.

18 **MS. KRASOWSKI:** Thank you for clarifying that.

19 **CHAIRMAN CARTER:** Thank you, Jan. Good to see
20 you again.

21 Mr. Beck.

22 **MR. BECK:** Helen Hicks-Wiley.

23 HELEN HICKS-WILEY

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

DIRECT STATEMENT

1
2 **MS. HICKS-WILEY:** Good evening. First, thanks
3 for the opportunity to share my experience. I have been
4 a resident of Fort Myers for 42 years. I recently
5 retired. I have had some very positive experiences with
6 Florida Power and Light. Being a single parent for 12
7 years, I have always been able to go to Florida Power
8 and Light if I had a concern with my bill. Also, one of
9 the most important things for me was once I got married
10 and moved into an unincorporated area, Florida Power and
11 Light was able to connect, install, and do all the
12 things that were necessary without frustration. Being
13 an educator, we don't have time to deal with a lot of
14 little things. We call them little things, but life is
15 important and to make sure we have electricity.

16 Hurricane season. I know we don't want to
17 say, but it is very important to have electricity when
18 we have small children. Florida Power and Light
19 definitely, I say, even though I am on fixed income, my
20 husband recently laid off, I still think it's necessary
21 that Florida Power and Light get this increase.

22 Having read the paper, I clearly understand
23 the situation and am willing to accept my
24 responsibility. And when I say accept my
25 responsibility, now that I'm home, I have to make some

1 adjustments. When we are using, and you are home all
2 day, for those of you that use the TV, and if you have
3 the TV on 12, 14, 18 hours, since I have been retired, I
4 have scheduled to have my TV on two hours in the morning
5 and one hour for my time, and three hours for my
6 husband's time. So a total -- when we talk about it, we
7 have like six hours of TV time.

8 And washing, that's very important. So to
9 make an adjustment, I wash clothes every two weeks,
10 saving water. I mean, you do what you need to do.
11 There is some adjustments that we have to do. Florida
12 Power and Light cannot do it all. So the race is I am
13 willing to support the increase for Florida Power and
14 Light Company.

15 **CHAIRMAN CARTER:** Thank you.

16 Mr. Beck.

17 **MR. BECK:** Richard Purcell.

18 RICHARD PURCELL

19 appeared as a witness and, swearing to tell the truth,
20 testified as follows:

21 DIRECT STATEMENT

22 **MR. PURCELL:** My name is Richard Purcell. I'm
23 a Lee County resident. I have been a resident of the
24 state of Florida for 44 years and an FPL customer for as
25 long. Let's hope that what I have to say is not as

1 rhetorical as a lot of the previous speakers.

2 First of all, I recognize that organizations
3 are speaking highly of FPL, but I'm appalled for the
4 fact that part of my money that I pay every month is
5 going to buy that public relationship.

6 Now, let's get down to quality of service.
7 Prior to Charley -- I moved into my neighborhood two
8 years prior to Charley. And at that time I noted that
9 the tree branches in almost my entire neighborhood of
10 three blocks -- it is only a three-block neighborhood --
11 were overwhelming the power lines. And at times we had
12 power glitches because of branches rubbing along power
13 lines. I got together with a bunch of my neighbors, we
14 asked politely that FP&L trim those branches. Nothing
15 happened. Charley came along, a tree came down, took
16 out a power line and a transformer. We were without
17 power for six days.

18 Now, I don't belittle Florida Power and Light
19 for taking six days to restore power. They had
20 emergency things to do, okay? But since that time, we
21 have consistently asked Florida Power and Light to trim
22 those branches and limbs, and as of yet they have not
23 done it.

24 You'll have to excuse me. I really didn't
25 prepare anything to say here today, and I have been

1 picking up on what other people have been saying. I
2 have changed my comments I was going to make.

3 One of the things this lady over here, I
4 didn't catch her name, but one of the things she
5 mentioned -- she just kind of got into the exposure by
6 transparency of where -- what is FPL doing with our
7 money? And I would really like to see what -- I would
8 like to become very transparent, openly -- open to the
9 public. What expenses -- what income does FPL have?
10 What are their expenses? What are their CEOs' and other
11 executives' salaries? How much is going to their
12 shareholders? I mean, they are not Wal-Mart. Wal-Mart
13 can hide these facts from the public. But they are a
14 public utility, and these facts and financial statements
15 should be available to the average citizen.

16 Another thing that really bothered me was
17 awhile back there was a lot of media exposure about FPL
18 and Kitson (phonetic), which is, as you -- as you well
19 know it is Babcock Ranch, getting together and putting
20 in photovoltaic cells, which you know what those are.
21 Anyway, I wondered why is FPL getting in on this? Why
22 doesn't Mr. Kitson himself do this. He has got all of
23 this land he proposes to allow FP&L -- why doesn't he do
24 this, and then sell the energy back to FPL? And we
25 simply -- well, we are in the process of closing on

1 another home and we are very close, and when I say very
2 close, I mean we are about half a mile away from all of
3 these gigantic power lines that are used to transmit
4 energy from one end of the county to the other, to
5 another county, and et cetera. Can you hear me okay?

6 **CHAIRMAN CARTER:** Oh, yeah.

7 **MR. PURCELL:** And their easement under these
8 gigantic power lines goes out at least 1,000 yards.
9 It's 1,000 yards wider. Why does FPL have to go to
10 somebody like Kitson, or buy land, or anything else to
11 put these photovoltaic panels in when they can do it
12 right on their easements, which -- I mean, they have got
13 thousands of square miles of these easements. Why can't
14 they do that?

15 And I think I have just about covered
16 everything that I have got to say, but I am totally
17 against the rate increase. I think that they don't need
18 the money. That's the bottom line.

19 Thank you very much.

20 **CHAIRMAN CARTER:** Thank you very kindly.

21 Mr. Beck.

22 **MR. BECK:** Don Lucas. Don Lucas.

23 Mike Clark.

24 Jason Grabowski.

25 Carol Newcomb-Jones.

1 V. Anthony Luna.

2 V. ANTHONY LUNA

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

5 DIRECT STATEMENT

6 **MR. LUNA:** Good evening. Everybody is so
7 solemn in here, I feel like I'm in church.

8 **CHAIRMAN CARTER:** I hope your church is not
9 this quiet. (Laughter.)

10 **MR. LUNA:** Good evening to my fellow public,
11 all of you from FPL, Mr. Chairman, Commissioners, both
12 present and disembodied. My name is Victor Anthony
13 Luna. I've been a resident of Lee County for quite a
14 while now.

15 Right off the bat, I've heard pretty much a
16 lot of what everyone has said, from their thanks to
17 their dislikes with FPL. But to FPL and Pike Electric
18 for their positive response with Charley, Wilma, and
19 Faye and for all the other reasons that crews respond to
20 when it comes to what goes on in our neighborhoods. I
21 was without power for eight days. My whole neighborhood
22 was. I live by Help Park (phonetic). I was happy to
23 see Help Park up and running even before it was on
24 emergency generators, and I saw a lot of people go to
25 Help Park because they had to. But these were natural

1 disasters. Okay.

2 FPL couldn't be there in eight days. But what
3 FPL couldn't do, what God couldn't do, what the church
4 couldn't do, was my neighborhood came together. And
5 when it came down to the point where FPL finally came
6 in, everybody said take care of them first, take care of
7 this first. It was bound to happen. It just happened
8 in a very strange way that we didn't quite expect it to.

9 So my positive thinking when it comes to FPL,
10 they have very much helped me out. And it turns out
11 that I am also the community advocate for the small
12 community I live in. I also do a lot of work for
13 nonprofits. And where I see cases where individuals
14 need help with their electric bills because, yeah, money
15 is tight. I, personally, my household is down from, you
16 know, the 100 percent, it's now down to 35-1/2 percent
17 due to layoffs and other issues happening.

18 The one thing I would ask FPL is now that
19 these times have happened, please consult with us about
20 flexible pay slots. If you want me to pay at the
21 beginning of the year -- beginning of the month, I can't
22 do it. FPL, please, I have spoken to your
23 representatives, and they are like we have no power.
24 Hey, as big as you are and most of the people that you
25 have are as intelligent as most of the people that I've

1 worked with. In fact, anybody here, please, have a
2 heart. There is one way -- there is more than one way
3 to be able to get some type, some form of payment from
4 us. And keep listening, because when you do listen, we
5 truly appreciate it.

6 As far as the increase, I don't know how it is
7 going to go. FPL, I will tell you this, though, I
8 better get my bang for the buck. I have personally seen
9 FPL do good things and, just like any corporation and
10 company, they screwed up, and they fixed it. Well, here
11 they go. They are asking for money. I'm sure that
12 other people have asked for money. I have been to other
13 meetings where people want this and that. Well, you
14 know, FPL, please show me.

15 And thanks for those positive notes that you
16 have been sending me via e-mail and in the mail saying
17 this is what is going on with your money. But I want,
18 just like everybody else wants, if there is going to be
19 any type of pay increase, bang for buck has to be the
20 promise. Give it -- if you get it, give it back,
21 please.

22 Please, I ask that your representatives
23 understand when we call, like myself and others, we ask
24 that you broaden and clarify energy saving programs for
25 the consumer. I have had some frustration when

1 inquiring about them. Are any of our representatives
2 hands-on or are they just going through their computers
3 and just saying this is what the typical response is? I
4 want someone from FPL to say, oh, yeah, I know what
5 program you're talking about.

6 Instead of me having to go on-line, or it's
7 something that I heard on the media, or having to call
8 them and say I heard this program FPL is offering can
9 save me money, to help save the environment, to help
10 other people out. Maybe a little bit more hands-on
11 instead of, I'm sorry, I can't find that information. I
12 get that from -- I get that from 411. That is not what
13 I'm expecting from your company. But you have tried,
14 and I truly do appreciate that, as well. As I said,
15 more bang for the buck.

16 But one thing, one thing I would appreciate.
17 One of the things that we would like as homeowners, and
18 I speak for myself as an individual only, but, sure, my
19 home is not exactly a newer home, it is an older home.
20 It is almost nine years old, but it has some energy
21 efficient qualities to it. I'm sure that myself, as
22 well as others, would like more energy efficiencies
23 included into their home post-construction.

24 Let's go with the photovoltaic cells, let's go
25 with the solar panels on the top. If you have got

1 something that I can put on my roof and I can actually
2 save energy or it would help me educate somebody else
3 when it comes to these fluorescent light bulbs. I love
4 information. That is the kind of stuff that you can
5 actually pass forward, pay forward to other individuals.
6 This is something that is phenomenal that FPL is giving
7 information and stuff like that, and, you know, I would
8 appreciate if they would keep doing it. But please
9 continue educating us.

10 And when it comes to -- the only name I wrote
11 down is Mr. Wilson. I see that there is not only other
12 consumers here, but as well as employees. I see that
13 there is going to be a glut when it comes to positions
14 being filled. I know many who want jobs. FPL, I
15 implore upon you, give us jobs. I need a job. I don't
16 care if I have to start with scrubbing the toilets, give
17 me a job and give the community a job. There's no
18 reason to pull people from out of the country, let alone
19 out of state. I'm here, I am telling you, employ us.
20 There is many of us who are tired of not doing anything,
21 who volunteer just to keep their minds as sharp as they
22 can, because they want to put something back into the
23 community as I always have.

24 And the one thing that everybody else has
25 brought up is real simple as I close, we have heard all

1 sorts of different devices from solar energy panels to
2 everything. I have not heard of one thing, which I'm
3 very happy that my home came with, and that is a heat
4 recovery unit for the air conditioner. I unplug my air
5 conditioner -- my hot water heater in February or March.
6 My air conditioner runs at 76 degrees. It stays on all
7 day. It runs and heats my hot water heater to the point
8 where I don't need hot water. So I don't plug my hot
9 water heater in until, most of the time, November or
10 December. Something else that you can either put into
11 the new homes or you can actually go in
12 post-construction.

13 I thank you for your time here. I wish there
14 was something that I could say that others haven't been
15 able to say. If this happens, if this pay rate goes
16 through maybe for a 100 percent positive for the full
17 12.8, or 5, or whatever it is, or maybe it's going to go
18 for something lesser, or maybe it's not going to go at
19 all. Maybe FPL will find a magician somewhere or
20 somebody who is going to come up with an idea, wow, you
21 know what, we have money here that we can actually take
22 and go ahead and put -- from this area where it is not
23 going to be used, and put it here and make it more
24 productive. In fact, giving not only the stockholders
25 what they need, because they are stockholders, but

1 those, we, the consumer, back what we want. And that's
2 just put out a little -- pay out a little bit less, and
3 at the same time keep the quality of life that we enjoy.

4 Thank you for your time and God bless.

5 **CHAIRMAN CARTER:** Thank you, Mr. Luna.

6 Mr. Beck.

7 **MR. BECK:** Elizabeth Tetresald.

8 ELIZABETH TETREALD

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

11 DIRECT STATEMENT

12 **MS. TETREALD:** Hello. I come from Miami. And
13 the nice thing about being last is that you get to hear
14 so many passionate and well-informed people. And the
15 tough thing is that your head is so swimming with
16 everybody else's input that it's hard to remember
17 exactly what I came to say. But I do know what I came
18 to say.

19 I own an energy solution company, which began
20 two years ago. I worked for my father who was an
21 engineer at 99, and I live in Vermont and in Florida. I
22 grew up in Miami. I am old enough to have been on
23 Sanibel Island when there was no place to stay, just a
24 snack bar. So I have seen a lot of changes.

25 And I met, through working with my dad, I was

1 asked by another company if I would just promote
2 their -- sell their light bulbs in Broward County. They
3 needed a rep. They said I would do that part-time, and
4 I did. I found out I didn't really like selling what
5 they wanted me to sell, which were energy hog lights and
6 very expensive lights that burn out quickly and that we
7 sell.

8 And through a condo or a condo manager I
9 worked on a project, called FPL, there was one person
10 assigned to the whole area. He happened to be on
11 vacation for a month. So I got a call back from his
12 boss, who I am here to speak about. His name is Al
13 (inaudible) and he has been amazing in promoting the
14 energy saving options that Florida Power and Light has
15 for businesses and for residences.

16 It's kind of a sparse crowd now, but if you
17 will indulge me. Does anyone know about the white roof
18 rebates that Florida Power and Light is offering? Raise
19 your hands. Not too many. Okay. Education is very
20 necessary. I promote it everywhere I go. It's just a
21 wonderful concept, and our new Secretary of Energy said
22 that one thing we could do to save a lot of money is
23 white roofs.

24 It is going to take all of us working
25 together. It's going to take homeowners associations to

1 stop outlawing clotheslines. It's going to take
2 architects to stop putting up orange roof in places
3 where white roofs will reflect 84 percent of the sun's
4 rays and make your house without air-conditioning
5 seven degrees cooler. That's significant. So we have a
6 lot to do.

7 I feel a little funny being asked to speak
8 either before -- either for or against a rate increase
9 since I'm not privy to all of the financials, all of
10 what goes into deciding how to make the rate. So, of
11 course, we depend on you, as the Public Service
12 Commission, to ask the questions, to find out how much
13 money is being spent on future training, and, you know,
14 whether -- I'm not sure if you can do this, but I know
15 that our federal government is making stipulations on
16 corporations on what they would like to see and how they
17 would like to see things arranged. If that can be done
18 at our state level through the Public Service Commission
19 looking for a certain amount of money going toward
20 training the linemen of the future, that you would be a
21 great thing.

22 I hear -- I heard a lot of people speaking
23 about their own situations, and we are all in a very
24 difficult situation, but I was at -- a couple of months
25 ago I was lucky enough to hear T. Boone Pickens speak at

1 Nova Southeast University, and he had with him Mike
2 Jackson, who is the CEO of Autonation (phonetic). And
3 he made a comment that some of you might find odd for a
4 man who is CEO of, I believe, the largest auto
5 dealership conglomerate in the United States. He said
6 what is killing America -- what would save America is \$6
7 a gallon oil. What is killing America is cheap
8 gasoline. And in some ways you have to think about
9 this. One gentleman spoke, and I see him right there,
10 who spoke about the fact that if we had free electricity
11 we would have 30 cents -- actually he said kilowatt
12 taxes or whatever. He's so right. We all need to
13 conserve all over in all different communities, both
14 commercial and residential, and there is an incredible
15 amount of waste.

16 We can all help save. If we save
17 collectively, if the education comes out there through a
18 public/private partnership, FPL, the state of Florida, I
19 will repeat that, the state of Florida and those who
20 work with the state of Florida, the Public Service
21 Commission, all be able to give your time, I think we
22 can save enough energy so that we don't have to build
23 new plants, so that we can keep the capital.

24 As far as the rate increase, as I said, I'm
25 not in a position to say. If it is needed, if you do

1 your due diligence and you have gotten the numbers that
2 you need and you believe that a rate increase is
3 necessary for Florida Power and Light to continue
4 serving the people of Florida, and to plan for growth,
5 and to plan for the times that -- I mean, Florida Power
6 and Light also takes a hit when customers can't pay
7 their bills, when the large customers go bankrupt.

8 So if you believe that a rate increase is
9 necessary, please, go ahead and give the rate increase.
10 I am all for that. We will all find a way. We have all
11 been dealing with 20 percent increases in the gasoline
12 costs about every two weeks. We will find a way as
13 communities to use less and to be more thrifty. And,
14 hopefully, to continue to help those who need our help.
15 Those of us to whom much is given much is expected, and
16 I am very glad to hear that that's built into the
17 Florida Power and Light way of doing business.

18 **CHAIRMAN CARTER:** Thank you very much.

19 Mr. Beck.

20 **MR. BECK:** That completes of those who signed
21 up.

22 **CHAIRMAN CARTER:** Commissioners, let me just
23 say this: We have gone an hour and forty-one minutes
24 over our allotted time, and I think that our court
25 reporter has done a yeoman's job here. And at this

1 point in time, we have heard from all of our witnesses,
2 I think the hour is late. It is time now for us to
3 adjourn. We are adjourned.

4 (The service hearing concluded at 9:45 p.m.)
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