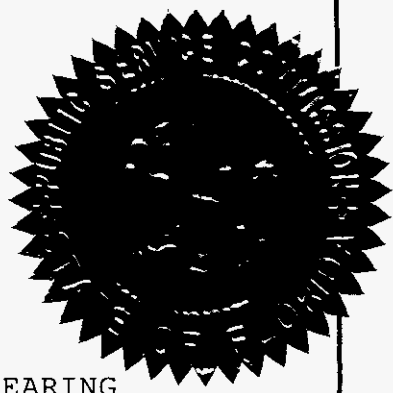


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI

In the Matter of:

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



PROCEEDINGS: DAYTONA BEACH SERVICE HEARING

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

DATE: Tuesday, June 23, 2009

TIME: Commenced at 4:02 p.m.
Concluded at 6:32 p.m.

PLACE: Daytona Beach City Commission
Chambers
City Hall
301 South Ridgewood Avenue
Daytona Beach, Florida 32114

REPORTED BY: LINDA BOLES, RPR
Official FPSC Reporter
(850) 413-6732

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APPEARANCES:

BRIAN P. ARMSTRONG, ESQUIRE, c/o Nabors Law Firm, 1500 Mahan Drive, Suite 200, Tallahassee, Florida 32308, appearing on behalf of the City of South Daytona.

PATRICK BRYAN, ESQUIRE, Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408-0420, 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.

J. R. KELLY, 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.

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APPEARANCES (continued):

ANNA WILLIAMS, 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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P R O C E E D I N G S

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2 **CHAIRMAN CARTER:** Good afternoon. My name is
3 Matthew Carter, Chairman of the Public Service
4 Commission. I'd like to call this meeting to order.
5 We're going to take care of a few housekeeping matters
6 and then we'll go further from there.

7 First and foremost, the most important thing
8 that I can tell you today, if you really got to go to
9 the necessary room, out this back door and to my left.
10 Okay? I can go home now. I've done my job.

11 (Laughter.)

12 With that, staff, would you please read the
13 notice.

14 **MS. WILLIAMS:** By notice, this time and place
15 has been set for a customer service hearing in Docket
16 Number 080677-EI, petition for an increase in rates by
17 Florida Power & Light Company.

18 **CHAIRMAN CARTER:** Thank you. Okay. Now let's
19 take the appearances of the parties. Just for those of
20 you that are left, what we do with the parties, they'll
21 come up and address you from the podium here. And once
22 we get into the public testimony portion, we'll turn the
23 podium around so you can address the Commissioners
24 directly.

25 You're recognized.

1 **MR. BRYAN:** Good afternoon. My name is
2 Patrick Bryan, appearing on behalf of Florida Power &
3 Light Company.

4 **MR. KELLY:** Hi. I'm J.R. Kelly. I'm Public
5 Counsel with the Office of Public Counsel.

6 **MR. WRIGHT:** Good afternoon. My name is
7 Robert Scheffel Wright. I'm an attorney representing
8 the Florida Retail Federation.

9 **MR. ARMSTRONG:** Good afternoon. My name is
10 Brian Armstrong. I'm here on behalf of the City of
11 South Daytona and South Daytona residents.

12 **MS. BRADLEY:** Hi. I'm Cecilia Bradley, and
13 I'm with the Office of the Attorney General.

14 **CHAIRMAN CARTER:** Any of the other parties?
15 You're recognized.

16 **MS. WILLIAMS:** My name is Anna Williams with
17 the Public Service Commission staff.

18 **CHAIRMAN CARTER:** Thank you, counsel.

19 Let me begin by thanking all of you for coming
20 out on this beautiful afternoon to be with us here.

21 First of all, I'm going to ask, give the
22 Commissioners an opportunity to say a few words and that
23 way we can use all of our time to hear from you, because
24 that's why we're here.

25 First of all, Commissioner Edgar, you're

1 recognized.

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

3 Good afternoon. My name is Lisa Edgar. I'm
4 glad to be here today. I'm looking forward to hearing
5 all of your comments. Thank you for coming.

6 **CHAIRMAN CARTER:** Commissioner McMurrian.

7 **COMMISSIONER McMURRIAN:** Hi. I'm Katrina
8 McMurrian. It's great to be here with you in Daytona
9 Beach, and I look forward to hearing from you today.

10 **CHAIRMAN CARTER:** Commissioner Skop.

11 **COMMISSIONER SKOP:** Thank you, Mr. Chair.

12 Good afternoon. I'm Commissioner Nathan Skop.
13 I'm happy to be here and look forward to hearing
14 customer comments.

15 **CHAIRMAN CARTER:** Okay. Also Commissioner
16 Nancy Argenziano is part of our Commission. She has
17 broken her leg and she's not with us. So our prayers
18 are with her that she will have a speedy recovery and be
19 with us.

20 We also have some of our staff here. We have
21 Marshall Willis and Cheryl Banks. We also have two of
22 our staffers out front at the table. We have -- who do
23 we have out there? We have Dick Durbin and Cindy Muir.

24 The fun thing about that table out there --
25 two important things about that table. First of all,

1 there's a blue sheet out there that kind of tells you
2 the who, what, when, why, where and how we're here. The
3 nice thing about it is that if you want to -- if you
4 have a brain cramp and don't remember what you wanted to
5 say today, you can use our website here and send the
6 information to us that way. The other thing about is
7 there's a neat little flier. If you're old school like
8 I am and not married to the new technology, you can pull
9 this off and put your comments on that, it's a nice
10 little folder, and send it in to us. Or if you want to
11 pick up a few for some friends and neighbors that didn't
12 have an opportunity to get off from work today, please
13 take some of those and use those.

14 The most important thing I can tell you today
15 is that you know we're in hurricane season. Also out on
16 our table out front, the Public Service Commission
17 table, we have for you some fliers about being prepared
18 for hurricane, national hurricane season. Okay? Good
19 stuff. I'm going to get my commercials out of the way.

20 We're also fortunate to have with us today a
21 representative of the Governor of the State of Florida,
22 Mr. Jack Shreve. Jack is with the Office of the
23 Governor. He was our Public Counsel for about 25 years,
24 and Governor Crist has brought him on board to help him
25 with a lot of issues, and we're glad to have Jack with

1 us today.

2 Here's the lay of the landscape. We're here
3 today because we want to hear from you, your opinion,
4 what you think about the proposed rate increase. And as
5 I said to you earlier is that the parties, the company
6 and the parties will come up and they'll make their
7 presentation to you from the podium. And after that
8 then we'll swear all of you in that wish to speak today,
9 I'll swear you in as a group, and then we'll come up and
10 take testimony from the public. Okay?

11 I told them where the restrooms were, I told
12 them -- and so any preliminary matters before we go?

13 Okay. Let's hear from the parties. Now the
14 parties will give their opening statement. From the
15 company, you're recognized.

16 **MR. BRYAN:** Thank you, Chairman Carter and
17 Commissioners.

18 Good afternoon. My name is Patrick Bryan
19 again. I am an attorney for Florida Power & Light
20 Company. I'd like to first thank each of you for coming
21 out to this quality of service hearing today. We
22 sincerely appreciate your participation. We know your
23 time is valuable. I can assure you that the comments
24 that you provide today with respect to the level of
25 service that FPL provides to you or with respect to any

1 other matter will be heard and carefully considered by
2 FPL.

3 In a moment you will hear a short presentation
4 from FPL's Vice President of Customer Service, Marlene
5 Santos. Marlene will discuss our current rate proposal.
6 She'll talk about some services that FPL provides to, to
7 lower or help customers pay their bills, and she'll talk
8 about the level of service that FPL does provide.

9 But before Marlene speaks, I wanted to inform
10 the customers, our customers here today, that we have
11 several other Customer Service Representatives in the
12 building, and they're available to meet with any
13 customer who has a question or issue or problem with his
14 or her electric account. They're armed with online
15 computers, they can access your account information in
16 realtime, and they are committed to resolving your
17 question or problem today before the conclusion of the
18 hearing. If that's not possible, they will resolve your
19 issue as quickly as possible.

20 They are located outside these chambers in
21 Room 116B. It's on the lower level. If any customers
22 are interested, we have folks in the back of the room
23 who would be happy to escort you to the appropriate
24 place.

25 At this time then I'd like to introduce

1 Marlene Santos.

2 **MS. SANTOS:** Thank you, Mr. Chairman and
3 Commissioners. Thank you to everyone that is in this
4 room. Thank you to everyone who is in this room today.
5 We have deep roots here in Daytona Beach, and they go
6 back actually many decades. And today we nearly have
7 300 employees that work in Volusia and Flagler Counties.

8 We appreciate this opportunity to hear your
9 concerns, to help you out today, and understand that you
10 have very high expectations of us, especially in this
11 very difficult economy. So what I'd like to do this
12 afternoon is to talk to you about what we're doing to
13 continue to provide you with affordable, reliable and
14 clean energy.

15 I'd like to begin with affordability. We
16 understand that electricity is a significant expense for
17 our customers. At a time when family budgets are tight,
18 we know we need to work harder than ever to keep your
19 bills as low as possible. We are very pleased that,
20 thanks to declining fuel prices and our energy -- our
21 efficiency gains, we were able to lower customer bills
22 in January of this year. And this September we'll file
23 a fuel cost for 2010 which we project will be even
24 lower.

25 We're committed to keeping our customers'

1 bills as low as possible. In fact, the graph that Pat
2 is showing you there shows you that according to the
3 Florida Municipal Electric Association's most recent
4 data, which is as of April of this year, FPL's bills are
5 the lowest of all 54 utilities in Florida. The first
6 bar, which is the blue bar, is an FPL bill, and the rest
7 are all the 54 utilities in Florida. So what that shows
8 you is that a 1,000-kilowatt-hour FPL customer bill was
9 \$110 as of April. The average across Florida is \$135.
10 So FPL customers are saving \$25 a month or six -- or,
11 I'm sorry, \$300 a year.

12 The fact is that FPL has not had a general
13 base rate increase since 1985. As a result of our
14 ongoing focus on cost control, our base rates are
15 17 percent lower today than they were back then, despite
16 inflation of 99 percent over the same time period.

17 Our low prices are a result of the smart
18 investments that we have made. For example, FPL's
19 fossil fuel power plants are the most fuel efficient
20 among large scale utilities nationwide. This has saved
21 our customers \$3 billion over the last six years. And
22 with the approval of our rate, our proposal, we can
23 continue to make these types of investment, which we
24 project will save our customers more than \$1 billion
25 every single year in fuel costs beginning in 2014.

1 We understand that customers struggling to
2 make ends meet need much more than just low electricity
3 prices. You need our help to help keep your bills low.
4 That's why we have been proactively helping our
5 customers with a wide range of energy saving solutions.

6 Since the early 1980s we have been a leader in
7 energy efficiency. We have provided our customers with
8 over 2.5 million home energy surveys that have helped
9 our customers reduce their electricity costs. We also
10 continue to sponsor programs like Care To Share, which
11 is FPL's payment assistance program. Care To Share has
12 helped 55,000 Florida families with over \$11 million of
13 aid. Last year, FPL's shareholders contributed a
14 million dollars to this very essential program.

15 While we're mindful of today's difficult
16 economy, we're also responsible for ensuring reliable
17 service. Our rate proposal is a vital part of our plan
18 to make prudent investments in our electrical
19 infrastructure. As a state and as a company we learned
20 very important lessons in the 2004 and 2005 hurricane
21 seasons. That's why we're investing more to make our
22 infrastructure stronger every single day, whether in
23 good weather or bad. In 2009 alone this investment will
24 exceed \$200 million. It includes replacing poles,
25 clearing trees from power lines and strengthening

1 services to hospitals and other essential facilities.

2 Right here in Daytona Beach this includes
3 Halifax Hospital, which many of you drove by on your way
4 here, the Emergency Operations and 911 Center on Kenyon
5 Drive, and key sections of International Speedway
6 Boulevard. These efforts have helped improve the
7 reliability of our system. In fact, according to the
8 Edison Electric Institute, FPL's distribution
9 reliability is 47 percent better than the national
10 average in 2008.

11 We're also investing in smart technology that
12 will give our customers more control over their energy
13 consumption and will improve reliability. We're
14 introducing smart meters, which will allow our customers
15 to go online and see their energy consumption not only
16 by the month but by the day and by the hour. And we're
17 investing in cleaner energy to do our part to fight
18 climate change. Three solar power plants we're building
19 in Florida, actually including one that's not far from
20 here at Kennedy Space Center, will avoid nearly 3.5
21 million tons of carbon dioxide. I am proud that,
22 according to the research from the Natural Resources
23 Defense Council, our company is one of the cleanest
24 energy providers in the nation.

25 Most importantly, we can support these kinds

1 of investments even as customer bills will go down in
2 2010. As a result of lower forecasted fuel prices and
3 our success in making our power plants more efficient,
4 fuel costs are projected to decrease by \$17 per month on
5 a typical bill. Our proposal will cost \$12 per month.
6 The result will be a net decrease of \$5 per month. In
7 2011, we're requesting an additional base rate increase
8 of \$2.84. Whether the overall bill will go up is
9 unclear at this time, given the difficulty of predicting
10 fuel prices 18 months from now.

11 But it is precisely because fuel prices may
12 rise again that we continue to find investments to
13 enhance the fuel efficiency and diversity of our power
14 plants. It's similar to buying a new, more fuel
15 efficient car. It's an investment up front, but over
16 the life you'll save in fuel costs.

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

1 in our rate proposal. When we save on financing, our
2 customers also save on their bills.

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

9 I thank you again for taking the time to come
10 out here. We look forward to hearing from you and
11 understanding how we can make our service even better.
12 Thank you.

13 **CHAIRMAN CARTER:** Thank you.

14 **MS. SANTOS:** Thank you, Mr. Chairman.

15 **CHAIRMAN CARTER:** Thank you.

16 Mr. Kelly. And after Mr. Kelly we'll go with
17 Mr. Wright. And after Mr. Wright, Mr. Armstrong. And
18 after Mr. Armstrong, Ms. Bradley.

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

20 Good evening. First off, let me echo what
21 Chairman Carter said. Thank you so much for taking time
22 out of your busy day to come tonight to what is a very,
23 very important issue.

24 I want to start off by telling you first off
25 who I am and what my office does and how we represent

1 you. I'm with the Office of Public Counsel. I was
2 appointed just under two years ago. And the purpose of
3 my office is basically to represent you, the ratepayers,
4 businesses, individuals, everybody, with respect to
5 issues that come in front of the Public Service
6 Commission, just like this request for a base rate
7 increase by Florida Power & Light. We don't represent
8 you individually, we represent you collectively. Okay?

9 How do we do that? Well, just like Florida
10 Power & Light hires their attorneys, we have attorneys
11 in our office and we also hire experts that will come
12 and present testimony on your behalf once we go over the
13 documentation, the evidence and the discovery that we do
14 during the rate case.

15 What's the focus our office? On your behalf,
16 the ratepayer, the focus of our office is to achieve the
17 best quality of electric service from Florida Power &
18 Light for the least cost possible.

19 In this particular case I'm very happy to tell
20 you that we have put together a team of experts,
21 consultants, that we believe are a tremendous group. We
22 have a gentleman out of Penn State University. He has a
23 Ph.D. and an MBA. He is our cost of capital expert. He
24 has testified all over the nation in public service type
25 hearings with respect to cost of capital. We have a CPA

1 that has over 20 plus years' experience in regulatory
2 matters dealing with utilities. We have a depreciation
3 expert with over 25 years' experience. And I'm going to
4 talk about depreciation in a little bit. And we have
5 another lady that is also an accounting expert, and she
6 is going to be an expert in what they call affiliated
7 transactions. That is where you have different
8 corporations that are all part of the same corporate
9 body that do business with each other, and many times
10 they will do transactions that need to be studied and
11 reviewed, and that is her expertise.

12 Now, I want to try to explain to you why we're
13 here. We're here because Florida Power & Light asked
14 for an increase in base rates. Okay? What are base
15 rates? Okay. What you care about is the rate you pay.
16 Well, base rates makes up a portion of the rates you
17 pay.

18 I want you to think about it sort of like a
19 test tube, okay, if you will. You have a test tube
20 that's made up of different parts to get to the top.
21 The whole test tube are the rates that you pay every
22 month when you consume electricity. Down on the bottom
23 of that, about 40 percent of that are base rates.

24 Base rates in effect are made up of two
25 things. Now they're made up of more and it's very

1 complicated. I want to break it down, try to make it
2 very simple. They're made up of essentially two
3 components. One, the operating and maintenance expenses
4 that the, that Florida Power & Light needs to run their
5 business; the everyday expenses plus depreciation plus
6 accounting expenses that go into running their company.
7 In addition, they are, under Florida law, allowed to
8 earn a reasonable rate of return on the investments that
9 they make. The investments when they build a nuclear
10 plant, a natural gas generating plant, whatever they
11 invest in, they're allowed to earn a reasonable rate of
12 return. We don't argue that point at all.

13 In this case, Florida Power & Light is asking
14 to increase base rates \$1.3 billion over the next two
15 years. Now let me be the first one to tell you, I do
16 not stand up here and try to argue to you that Florida
17 Power & Light is in any way a bad company. They are
18 not. They're a very, very fine company, well run
19 company. What I do disagree with on your behalf is the
20 fact that what they're asking for is just not reasonable
21 in our eyes. And what we're going to be arguing to the
22 ladies and gentlemen behind me on your behalf, that what
23 they're asking for is reasonable, especially in today's
24 hard economic times.

25 The two gauges, and these ladies and

1 gentlemen behind me will look at everything, basically
2 boils down to two things. Every issue will be looked at
3 under this: Is it reasonable and is it prudent? If it
4 doesn't meet those two criteria, it should not and will
5 not be allowed by the Public Service Commission.

6 Now I just wanted to mention to you a few
7 issues that, that we see as already being issues of
8 contention that we're going to be arguing in the
9 particular case here. First off is return on
10 investment, rate of return, return on equity. Excuse
11 me. In this particular case, Florida Power & Light is
12 asking for a 12.5 percent return on equity. Ladies and
13 gentlemen, we argue on your behalf that's too much to
14 ask for in today's recessionary times. It is simply too
15 much.

16 The average authorized rate of return around
17 the nation right now is 10.29 percent. So that's
18 almost, what, 225 basis points or two and a quarter
19 percentage points higher, if I'm doing my math
20 correctly -- no, two. I'm sorry. Just under 200 basis
21 points or 2 percent higher than the average authorized
22 rate of return around the nation right now.

23 In a recent case the Florida Public Service
24 Commission authorized a rate of return of 11.25 percent
25 for Tampa Electric. We argued in that case and we're

1 going to argue again in this case, that's too much
2 money. That's just too much, too high a rate of return
3 in today's time. Now if they came in three, four years
4 from now, the economy is booming, we have -- you know,
5 the employment rate has gone from 10 percent as it is
6 today to maybe 3 or 4 or whatever, maybe it would be
7 reasonable then, but not today, ladies and gentlemen.

8 Depreciation expense. That's a terribly,
9 terribly complicated issue. But the bottom line is
10 this. Depreciation is when you buy an asset, you buy a
11 car, you think it's going to last ten years. Every year
12 that you use the car the value goes down; right? That's
13 depreciation. Well, Florida Power & Light buys all
14 their assets, they go into a big aggregate. Okay? They
15 have different useful lives. Some are good for 20
16 years, some for 30, some for 50, whatever. There's a
17 very complicated formula that is used to calculate
18 depreciation expense. And then they are allowed to
19 collect the depreciation expense from you, the
20 ratepayers, through their rates over the years.

21 By FPL's own admission in their documents,
22 ladies and gentlemen, they have over collected or
23 collected too much in advance to date over
24 \$1.25 billion. Okay? Did they do something wrong? No.
25 But they've collected it at too quick of a rate. Okay?

1 We believe the number is going to be much, much higher.
2 We have our depreciation expert looking at this very
3 closely now. It is going to be much, much higher in our
4 eyes.

5 Now there's several ways we're going to try to
6 deal with that, and we're going to argue to the folks
7 behind me that some portion of that should be refunded
8 to you now, not over the next 40 years when some of us
9 here in this room today are going to be dead and gone.
10 But we want it refunded now, over the next three or four
11 years, to you, the people that have been paying it over
12 the last few years. That's going to be a very, very
13 important issue as the case proceeds.

14 Another important issue, storm reserve.
15 That's basically a rainy day fund, ladies and gentlemen,
16 where you collect money, it goes into a fund. And if a
17 hurricane -- or I should say when, living in Florida --
18 when a hurricane or storm hits, that money then can be
19 used to take care of the damages. Florida Power & Light
20 is proposing to collect \$150 million annually as part of
21 their storm reserve. Again, we think that is way too
22 much money today. Okay?

23 We believe in rainy day funds. Don't get me
24 wrong. They're very important. But in today's economic
25 times it's too much money to put on your backs, and

1 we're going to argue that that number should be
2 substantially, substantially lower.

3 And then one thing to keep in mind is that
4 Florida Power & Light can still recover if a hurricane
5 was to hit. If a hurricane was to hit this year, they
6 can come, under *Florida Statutes*, to the Public Service
7 Commission and ask for a storm surcharge. So it's not
8 like they can't get their money if a storm was to hit
9 and damages were caused.

10 The last issue, and I'm not going to go to
11 into detail because I really don't know the details
12 today, there's going to be several accounting issues
13 that we think collectively will add up to a substantial
14 sum of money that we believe should be disallowed, and
15 that the evidence has not been proven in our eyes that
16 they are entitled to that money.

17 Now, I want to set the record straight on
18 several issues. You probably read in the press about
19 things and you're going to hear some things tonight. I
20 want to set the record straight on three things.

21 One, fuel charges. You heard Ms. Santos
22 mention fuel charges. She mentioned that, guys, yes,
23 we're here for a \$1.3 billion rate increase, but you're
24 going to pay \$4.90 less per month. Whoopee. All right?

25 Let me explain something to you first off.

1 Remember the test tube that I mentioned to you,
2 40 percent of base rates? Another portion of that, the
3 largest portion, is fuel charges. The way it works is
4 for every dollar Florida Power & Light pays for fuel,
5 they collect a dollar from you. They're not supposed to
6 make any profit on it and they don't. But at the same
7 time, I'm not going to give them credit when prices go
8 up and I'm not going to give them blame -- excuse me,
9 when prices go down. I'm not going to give them blame
10 when prices go up. Okay? They are stuck with whatever
11 the fuel costs at the time. Remember last year, natural
12 gas went through the roof; right? We all paid more.
13 Fortunately this year the price dropped. You're paying
14 less. Okay? That's -- and I hope it stays down,
15 although I don't think it will forever. We know it's
16 going to go back up sometime. So don't mix fuel and
17 base rate charges together.

18 Think of it this way: If Florida Power &
19 Light wasn't here today asking for a base rate increase,
20 your charge for 1,000 kilowatt hours would go down
21 \$17.32. Now I would much rather be up here announcing
22 that than saying we're fighting a \$1.3 billion rate
23 increase. And understand, again, Florida Power & Light
24 is a very good company, but they're not the only company
25 whose charges are coming down. Almost all utilities,

1 not all, but almost all are dropping their prices right
2 now. I think the City of Lakeland just announced a few
3 weeks ago their prices are coming down because of fuel
4 also.

5 Going green. We all want more renewable
6 generated energy. We all want to go green. Don't be
7 mistaken by the fact that if Florida Power & Light
8 doesn't somehow get their base rate increase, that
9 they're not going to be able to use and generate
10 renewable energy -- excuse me, energy by renewable
11 sources. Okay? As a matter of fact, when they
12 generate, if they come with a proposal for green energy,
13 it doesn't go into base rates. It goes through a
14 separate pass-through clause that in my test tube is not
15 part of the 40 percent. It's somewhere else. They're
16 going to spend a dollar. Guess what? You will pay a
17 dollar for that. So don't be misled by the fact that if
18 they don't somehow get a rate increase, they can't do
19 green renewable energy.

20 And the last thing is I do want to comment on
21 something Ms. Santos said about they've had no base rate
22 increase since, I believe, 1985. I may get the date
23 wrong. Somewhere in the '80s. While technically that
24 may be true, remember my test tube. Years ago the whole
25 test tube was base rates. Okay? Everything was in base

1 rates. Over the years the Public Service Commission and
2 the Florida Legislature have carved out parts of the
3 base rates into separate, what they call pass-through or
4 cost recovery clauses. There's an environmental,
5 there's a conservation, there's nuclear. You hear a lot
6 about that today. There's fuel. I already talked about
7 that. Folks, whatever goes in there flows in dollars.
8 You pay the dollar. So while base rates may not have
9 gone up, a lot of expenses that were in the base rates
10 are now up in the other parts of the test tube. You're
11 still paying. Okay? So don't be misled by the fact
12 that they haven't had a base rate increase. That's
13 technically true. I do not argue that point. But at
14 the same time, parts of the expenses that were in base
15 rates are now in another cost recovery clause and you're
16 still paying for it.

17 Okay. I'm going to wrap up real quickly here.
18 What can you do tonight? Folks, it is so vitally,
19 vitally important that you come up here to the podium
20 and talk to the Public Service Commission tonight and
21 tell them what's on your mind, good, bad, whatever.
22 Okay? I'm not telling you to just come up here and say
23 something bad about Florida Power & Light. Not at all.
24 If you've got something good to say, come say it. Share
25 your comments, share your thoughts. This is your

1 opportunity. Okay?

2 But be mindful of this. I just want to end
3 with this. The latest surveillance report filed by
4 Florida Power & Light shows that they're earning
5 10.88 percent return on equity, that they had
6 \$11 billion in the last 12 months in revenues and they
7 made \$1.1 billion in profit. Think about it. Thank you
8 very much.

9 **CHAIRMAN CARTER:** Thank you, Mr. Kelly.

10 Mr. Wright.

11 **MR. WRIGHT:** Good evening. My name is Schef
12 Wright. I'm an attorney representing the Florida Retail
13 Federation. The federation is a large statewide
14 organization that has more than 9,000 members, from the
15 smallest mom and pop operations to the largest
16 commercial grocery and department store chains. I'm
17 especially happy to be here in Daytona because my dad,
18 who is still kicking at age 92, was born here in 1914.
19 I'm a second generation native Floridian. I was born in
20 South Florida in 1950. I've been working in the energy
21 area in Tallahassee for pushing 29 years now.

22 Thank you very much for coming. And you all
23 owe a great debt and gratitude -- debt of gratitude to
24 your Public Counsel, who does a wonderful job. He
25 covered almost everything I was going to cover, so I can

1 be even briefer than I was already going to be. But I
2 do really want to say a couple of things.

3 The real issue here is whether Florida Power &
4 Light Company needs \$1.3 billion a year of additional
5 money to be paid by you and by our members and by all of
6 their other customers in the State of Florida, whether
7 they need that much money to provide safe, adequate,
8 sufficient, reliable service at the lowest possible
9 cost.

10 Now Mr. Kelly pointed out very well that they
11 haven't had a base rate increase for 24 years, but
12 during that time they've agreed to rate freezes, they've
13 agreed to \$600 million of rate reductions, they've given
14 back base rate refunds of more than \$200 over that time
15 because they were making too much money. They have been
16 extraordinarily profitable during this time, and four
17 years ago they agreed to a continued freeze of base
18 rates, even though I was here in this room, and probably
19 a bunch of y'all were too, about four years ago when
20 they were trying to justify a \$430 million a year
21 increase in their base rates then. At the end of the
22 day we settled with them for a base rate freeze.

23 So the issue -- and I'm going to be a little
24 bit more specific than Brother Kelly was. The issue is
25 does FPL need more than a billion dollars a year of

1 additional revenues to provide adequate, sufficient,
2 reliable service? We don't believe so. The other
3 customer representatives, parties in this case don't
4 believe so. Why not? Here's some specific examples.

5 A big chunk of their requested increase is
6 based on a 12.5 percent after-tax return on their
7 stockholders' equity. It's a lot like profit, folks.
8 We don't think that's reasonable. We think something
9 more like 10 percent is a lot more reasonable. The
10 difference between 12.5 percent and 10 percent is about
11 \$325 million.

12 Mr. Kelly talked about their depreciation
13 surplus. It's huge. It's probably bigger than even
14 they have admitted that it is. Even if you just float
15 it back to y'all, who have paid it in, over four years,
16 that would knock another \$250 million or more off of
17 their rate increase.

18 They already have a rainy day fund for storm
19 accrual that's close to, if not in excess of,
20 \$200 million. I know the projected value for the end of
21 this year is \$215 million, and they're still collecting
22 42 cents a thousand kilowatt hours from all of y'all to
23 continue funding that and increasing that.

24 Adding another \$150 million of storm reserves
25 onto their base rate increase per year is not necessary.

1 As Mr. Kelly pointed out, and as the history shows from
2 the 2004 and 2005 storms, if they need the money, if
3 they spend the money and it's a reasonable and prudent
4 expenditure to restore service, the Public Service
5 Commission will quite rightly give them the money back.

6 Now add those three numbers together: 325,
7 250, 150. That's \$725 million that we don't believe
8 they need in increased rates.

9 Now I want you to note we're not talking about
10 cutting workers in the field, we're not talking about
11 cutting any investments. What we're talking about is
12 cutting the profit, flowing back to you depreciation
13 expense that they've over collected, and just basically
14 not increasing a substantial storm fund that they
15 already have \$215 million for.

16 We strongly, we strongly doubt that Florida
17 Power & Light Company needs any rate increase at all to
18 continue providing safe, adequate, efficient,
19 sufficient, reliable service. The evidence will tell
20 these ladies and gentlemen, the Florida Public Service
21 Commission, will make the decision. Please tell the
22 Commissioners your views on this very important subject.
23 Thank you for coming.

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

25 Mr. Armstrong.

1 **MR. ARMSTRONG:** Thank you, Commissioner.

2 Good evening. My name is Brian Armstrong. As
3 I mentioned, I'm here on behalf of the City of South
4 Daytona. For four minutes I'd like to address four very
5 significant topics. I'm going to be rather quick here.

6 Make no mistake, what FP&L is requesting is a
7 big rate increase, a 30 percent increase in your base
8 rates. The increase is primarily driven by a requested
9 increase to shareholder profits. You've been hearing
10 return on equity. Make no mistake, shareholder profits
11 at 12.5 percent. It just so happens at the same time as
12 FP&L is asking for this increased profit, fuel costs are
13 going down. It just so happens that way. FP&L is
14 attempting to hide its request for a big rate increase
15 and big profits behind what could be a temporary
16 decrease in fuel costs. If fuel costs go back up, so do
17 all of your bills. If FP&L were not asking for this
18 increase in its profits, for this huge rate increase,
19 then your bills wouldn't be going down by a few dollars.
20 They would be going down, as your Public Counsel said,
21 \$17 a month.

22 A legal point, *Florida Statutes* do not allow
23 FP&L to secure increased rates by projecting speculative
24 cost increases and investments that they might not make
25 for more than 24 months, more than two years. They're

1 suggesting they want rates to go into place so that they
2 could make -- based upon speculative cost increases and
3 investments they might make more than 24 months from
4 now. The *Florida Statutes* don't allow that to happen.

5 If you look at the *Florida Statutes* that apply
6 to water utilities, specific authorization in the
7 statutes in Section 367.081, to anybody who's
8 interested, specifically allows water utilities to
9 recover in rates today for increases in costs and
10 investments to be made up to two years later. *Electric*
11 *utility law does not allow that. FP&L is asking for two*
12 *years of speculative increases in costs and investments.*

13 This -- FP&L is asking for a 12 percent return
14 on equity. Again, that's profits, folks. Shareholders,
15 the 12 percent -- 12.5 percent profit for shareholders
16 that you all will pay for in your bills.

17 FP&L already is a very favored utility. The
18 *Florida Statutes* allow adjustments for things like
19 temporary adjustments you all pay for every month,
20 things like fuel costs, environmental costs, costs to
21 plan nuclear plants that aren't even built yet and won't
22 be built for years. You're paying for those things
23 right now. They're already favored in the statutes.
24 FPL has argued for those adjustments that are provided
25 in law. They argued and said, "If you give them to us,

1 Legislature, if you give them to us, Commission, our
2 risks will go down, our profit, the amount of profit
3 that we need, will go down, because we'll be able to
4 invest, to encourage shareholders to invest in our
5 facilities because we have a reduced risk, we have all
6 these adjustments we can make over time, and recover our
7 costs quickly without a rate case like this one."

8 So they argued that and said, "Give me these
9 adjustments." And they got them, they got them from the
10 Legislature. They get them every month in your bills.
11 But now what happens? Now they come to you and they
12 say, "We forget about all the decreased risk. We want a
13 12.5 percent profit for our shareholders." You know, it
14 doesn't sound like decreased risk to me. They're saying
15 they need 12.5 percent to convince their shareholders to
16 make investments. I think they're right. I mean,
17 wouldn't you want to invest now in FP&L's stock and get
18 12.5 percent on your investment? I think they're right.

19 But, you know what, they're very, very wrong
20 in terms of the reasonableness of this request. They
21 shouldn't be getting speculative increases in rates
22 based upon speculative costs and investments. They
23 shouldn't be getting 12.5 percent return on equity when
24 they have all these adjustments they get each month that
25 reduce their risk.

1 The City of South Daytona has asked us to come
2 in and to look at these issues. There's one final issue
3 that you all should be aware of. And, again, electric
4 utilities are favored nations in this state. The
5 statutes applying to water utilities say you can only
6 recover in your water utility rates for used and useful
7 property. The electric utilities statutes say you can
8 only recover in your rates for used and useful property.
9 If I'm a water utility and I have put lines in the
10 ground to serve a 1,000-lot development and only
11 100 lots are occupied by homes, only 100 customers are
12 there, basically I get 10 percent of my investment in my
13 rates, so that you all have to pay for 10 percent of the
14 investment that that water utility makes in rates.

15 What about FP&L? The used and useful language
16 is even more, is even more specific that they should
17 only get used and useful investment in actual investment
18 in lines. Not projected, but actual lines. But they
19 come in and there's no adjustment whatsoever for
20 non-used and useful property. Instead of a water
21 utility that only recovers 10 percent of its investment,
22 FP&L, 100 percent of its investment. You tell me how
23 that's logical. FP&L's electric lines run above the
24 ground, water lines below the ground. A water utility,
25 the law is applied, they only recover 10 percent. An

1 electric utility, they get 100 percent. Those are
2 things that are driving all your rates up.

3 That's why the City of South Daytona has
4 retained me to help them in this rate case, and that's
5 what we'll try and do. And I really appreciate the
6 opportunity to speak with you all so that you do have a
7 better understanding of what this rate increase is all
8 about.

9 **CHAIRMAN CARTER:** Thank you, Mr. Armstrong.

10 Ms. Bradley.

11 **MS. BRADLEY:** I'm with the Office of the
12 Attorney General, and we are here -- we frequently work
13 with the Office of Public Counsel and have been doing so
14 since when Mr. Shreve was Public Counsel, and it's our
15 pleasure to work with them and support them.

16 But we represent you, and that's why it's so
17 important for you to come here tonight and tell us how
18 this is going to affect you. We know nobody wants a
19 rate increase. Nobody wants to pay more for goods and
20 services. But sometimes it's not just that it's having
21 to pay a little bit more. It has a huge impact on a lot
22 of people and their lives and the way they live. And
23 that's what we want to know about, how it's going to
24 affect you if this rate increase goes through.

25 The other speakers have, have commented on

1 various things and I won't go over them again. But one
2 of the things I would just mention is this has a
3 trickle-down effect on a lot of folks. Not only would
4 you have to pay more for your utilities, but you may
5 have to pay a lot more for your other goods and services
6 because the companies that you get those goods and
7 services from are going to have to pay more for their
8 utilities. So you're getting a double whack with this,
9 and we're concerned about that kind of thing.

10 You know, we would agree that we can't say
11 that utilities and other companies don't get -- need
12 more money sometimes to do their business. But I think
13 the Attorney General referred to this as excessive when
14 you're looking at this kind of an increase and this kind
15 of a return on equity. And these other companies that
16 you're getting goods and services from, they're not a
17 monopoly, they have to compete with other companies,
18 and, you know, they're kind of in a bad situation. So
19 at some point they may have to raise their rates on
20 things.

21 There was also mention of the benefit that you
22 would get and how this would be passed on to you if they
23 get this high return on equity. Well, this is kind of
24 the same thing we've been getting from the other
25 utilities. We had a case recently where they were

1 making the same argument, and one of the tremendous
2 economists, Mr. Tom Herndon, did some calculations, and
3 he figured that the customers would be getting about a
4 \$5 million benefit but they would be paying \$30 million
5 for that benefit. Now I have a hard time dealing with
6 that because I don't deal with millions of dollars in my
7 personal life, and I figure most of you don't either.
8 But I figure that's kind of like somebody coming and
9 offering you \$5 and you say, "Well, thank you. That's
10 very nice of you."

11 (Telephone difficulties.)

12 I hate to detract from the Lifeline service.

13 **CHAIRMAN CARTER:** Ms. Bradley, in all fairness
14 to you, that's our internal system at the Florida Public
15 Service Commission where we try to get people to sign up
16 for our Lifeline and Link-up. And someone back at the
17 home office pushed the wrong button, so I apologize.

18 **MS. BRADLEY:** Well, we support that, that
19 program, so I don't want to detract from that.

20 (Laughter.)

21 But going back to my illustration, if somebody
22 offered you \$5, you'd say, "Great. Thank you. I
23 appreciate that." But then if they turned to you and
24 said, "But I want \$30 from you for this \$5," you'd be
25 thinking, "I don't think so." And that's kind of what

1 we think about some of the arguments that you've got to
2 have this huge return on equity. Yeah, you may get a
3 benefit from it, but you're going to pay a lot more than
4 it's worth.

5 So we're going to be working with Public
6 Counsel and looking at all the facts that are laid out
7 on this to make sure that you, as the statute
8 guarantees, you get a fair and reasonable rate, and that
9 will be our argument on your behalf.

10 And I want to thank you again. I'm sure
11 tonight you could have been at home watching TV or going
12 out to dinner or doing something a lot more fun than
13 having to come and sit in this meeting, but we
14 appreciate it, because we want to hear what you have to
15 say and how this is going to affect you. I want to
16 thank you all for being here.

17 **CHAIRMAN CARTER:** Thank you, Ms. Bradley.

18 Before we go further, we've got a little
19 technical difficulty that we need to take care of.
20 Dick, do you want to -- we have also some of our staff
21 back at the offices listening in, some of our technical
22 staff. Obviously we couldn't bring everybody down, but
23 I wanted to make sure that they had an opportunity to
24 listen in.

25 (Pause.)

1 We're going to turn the podium around so we
2 can get ready to hear from the public. I'll have to
3 remember when our staff calls in to tell them to mute
4 their phone so it doesn't distract us here.

5 Those of you wishing to speak today, would you
6 please all stand and I'll swear you in as a group. And
7 a nice looking group it is.

8 (Witnesses collectively sworn.)

9 Let me give you the rules of the road. This
10 beautiful young lady down here to my right is our court
11 reporter. She's going to be transcribing everything
12 that you say, because what you're saying -- that's why
13 we're here, to hear what you have to say. So she's
14 going to be transcribing everything that you say. It'll
15 be part of the record. So when we do our evaluation of
16 the case, we can consider all of that.

17 And, staff, if you're calling in, please mute
18 your phones so we don't get cut off again. Thank you.

19 Let me do this, first of all, before we go
20 into our public testimony, we have Representative Dwayne
21 Taylor. Mr. Representative, would you like to come and
22 speak? It's good to be in your city. It's a wonderful
23 place to visit and we hope to spend some money by eating
24 dinner here.

25 **REPRESENTATIVE TAYLOR:** I was going to suggest

1 that, Mr. Chairman. And I want to say good afternoon to
2 each and every one of you. It is good to see you
3 outside of Tallahassee. But I want to welcome you to
4 the City of Daytona Beach and House District 27, where I
5 serve as the Representative of this district. I know
6 your job is very difficult, and I'm not going to belabor
7 my welcome to you. But I also want to welcome my
8 citizens, my folks here who are going to give you
9 adequate testimony on their feelings and what they would
10 like to see this Commission do.

11 My staff is here today. I have Beth and Emily
12 and Shanae. Would you please just stand up so that the
13 rest of my citizens can see you? If we can be of any
14 assistance to you while you're here spending all of that
15 money, please feel free and let us know. We'll be
16 available. And I want to thank you again for choosing
17 Daytona Beach, the world's most famous beach, the world
18 center of racing. I do want to put a plug in that the
19 Coke Zero 400 is on July the 4th, and I welcome you all
20 back. Thank you so much.

21 **CHAIRMAN CARTER:** Thank you, Representative
22 Taylor.

23 Also we have with us today Frankie Robert, who
24 is from Senator Evelyn Lynn's office. She just wanted
25 to let you know that Evelyn Lynn is here to -- thank

1 you.

2 **MS. ROBERTS:** Good to see you.

3 **CHAIRMAN CARTER:** Thank you. Good to see you.

4 Also Edith Miller from Representative Hukill's
5 office. Good to see you. Thank you for coming. Thank
6 you all for coming.

7 Also we have visiting with us today the City
8 Manager for the City of South Daytona, Mr. Joseph
9 Yarbrough.

10 **MR. YARBROUGH:** I'd like to say something.

11 **CHAIRMAN CARTER:** Come on up. Come on down.

12 **MR. YARBROUGH:** Thank you for this
13 opportunity. And I'm not going to be repetitive with
14 the Public Counsel. I think he did an excellent job.
15 He covered a lot of the City of South Daytona's
16 concerns.

17 But I want to give you a city perspective, if
18 I may. And I'm, while I'm President of the Volusia
19 Manager's Association and have been honored to be there
20 for 23 years, we haven't taken a formal position, but
21 I'm sure you'll be hearing from them individually in
22 other municipalities and other public entities across
23 the state.

24 But I manage a small city, small in comparison
25 to cities in Volusia County, but a large city in

1 comparison to average size cities in the State of
2 Florida. It's the City of South Daytona. It's the
3 neighbor immediately to the south. It's a compact city,
4 3.3 square miles built out. It has approximately 13,000
5 residents. It has a \$28 million budget. In the last
6 two years we went from 120 to 101 employees starting
7 this next fiscal year.

8 Every single solitary revenue the city
9 receives is down for next year compared to this year.
10 Not one, not two, not a couple, every single revenue.
11 Now remember, we're 20 employees down going into next
12 year, and every revenue is less. You know, everybody
13 talks these aren't normal times. I've been in the
14 business for 35 years. This is the third city I've been
15 honored to manage. I've never seen the economy at the
16 public sector in this kind of disarray. As a matter of
17 fact, I don't know when we're going to get out of it.
18 I'm praying that in 24 months we can see little bit more
19 light at the end of the tunnel.

20 I tell you this because I asked my finance
21 director to tell me what the 30 percent increase on the
22 40 percent rate would have on our city. Our utility
23 bill is well over \$300,000 a year to Florida Power &
24 Light. On the rate it averages around \$45,000. \$45,000
25 is two street employees or one policeman or one fireman.

1 It also means that as soon as this fuel goes up, we
2 don't have another revenue source. One police officer,
3 one fireman, and a couple -- or a couple of street
4 employees, the general employees, will be let go. So
5 the ripple effect is services to the community. Where
6 are those services going to come from?

7 I think the timing couldn't be worse. As a
8 matter of fact, I think people say why are you
9 concerned? How can you be that out of touch? How can
10 you not have a better pulse on the public? We're
11 cutting basic services -- and I'm not saying that power
12 isn't a basic service. I think air conditioning in
13 Florida is right up there with public safety just about.
14 But it is, it's just to the point that I don't think the
15 public sector can take it, particularly when the power
16 bill, I mean, when the fuel goes up. Thank you.

17 **CHAIRMAN CARTER:** Thank you very kindly. Let
18 me take care of a couple of housekeeping matters. One,
19 by way of a commercial announcement, is that I recently
20 had back surgery. So from time to time I'll have to get
21 up and walk to kind of keep those muscle spasms -- but
22 we're going to continue. I'll just pass the gavel over
23 to my distinguished colleague here. So I won't be -- I
24 just don't want you to think that I'm being rude. I
25 want to -- you know, unless you want me to scream. I

1 could sit here and scream. That may be more
2 entertaining for you. But just, just so you know if I
3 get up, it's not because of what you're saying, it's
4 because I'm following my doctor's advice.

5 Let's take a couple of seconds and get with
6 Mr. Kelly, and then we'll see -- we want to hear from
7 everyone, so what we want to do is we want to get with
8 Mr. Kelly, see how many people we have so we can have a
9 layout. Usually it kind of works when you have about --

10 **MR. KELLY:** Thirty.

11 **CHAIRMAN CARTER:** Thirty people? Usually it
12 kind of works if you average out about three minutes. I
13 think you've been in city commission meetings before.
14 They usually give you about three minutes. We do want
15 to give everyone an opportunity to speak because we do
16 want to hear from everyone. All right? Okay.

17 Any further -- anything? Commissioners,
18 anything further before we begin?

19 Okay. And Mr. Kelly will be calling your
20 name. And as you come up to speak, when you get to the
21 podium, please state your name and address for the
22 record so that she can put it on the record for you
23 there. Anything further?

24 Mr. Kelly.

25 **MR. KELLY:** Thank you, Mr. Chairman. And what

1 I'll do is, if it's okay, I'll call one name and then
2 I'll say who's on deck so you can be -- know you'll be
3 next in line.

4 **CHAIRMAN CARTER:** Excellent.

5 **MR. KELLY:** The first speaker is Mr. John
6 Nicholson, and on deck will be Lowell Wynn.
7 Whereupon,

8 **JOHN NICHOLSON**

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

12 **DIRECT STATEMENT**

13 **MR. NICHOLSON:** I'm John Nicholson, 413 North
14 Grandview Avenue, Beachside.

15 **CHAIRMAN CARTER:** Start over. Pull the mike a
16 little closer to you.

17 **MR. NICHOLSON:** I can't go any closer. I'm
18 accustomed to the podium. Thank you.

19 I'm John Nicholson, 413 North Grandview
20 Avenue, Daytona Beach, Florida.

21 I have a problem with this guaranteed return
22 on investment. I've been in several businesses, and
23 nobody guarantees that you're going to make a profit and
24 that you're going to be successful. I understand that
25 they need to make money. They are a monopoly, and to be

1 a monopoly means that we as the citizens do not have a
2 choice. If it were Brighthouse, I could switch to
3 Direct TV or to another entity. Unfortunately with
4 Florida Power & Light we don't have that option. You
5 are our last resort.

6 And I kind of laughed a little bit in the back
7 when the phone had a problem, I realized you guys are
8 human. Normally -- the last time I was here, it was
9 several years ago, there were blank faces and there was
10 no movement whatsoever. So the idea that you're alive
11 means something.

12 (Laughter.)

13 Secondly, I do have problems with Florida
14 Power & Light, everybody does, as with any monopoly.
15 I'm not asking that they be perfect. I'm not asking
16 that my streetlights are all on. I do have a problem
17 with that, but that's not the problem. The problem is
18 the excessive profits.

19 Right now I'm very active in the city. I'm
20 watching what's going on. We barely eliminated the
21 possibility of laying off people. We came this close.
22 But, knock on wood, we're not eliminating any of our
23 employees. That cannot be said with other businesses
24 throughout the state and throughout the city.
25 Everybody's having a difficult time, and during that

1 time they're not getting profits.

2 You're familiar with car dealerships. Nobody
3 is telling them they're making a 10 percent profit.
4 They almost went under, and there's a good possibility
5 that more of them will. What we're saying is we don't
6 expect Florida Power & Light to go under. We just don't
7 want them to have excessive profits, and they are.

8 When they talked about the hurricane, when I
9 was here last, about four years ago, they were saying,
10 "Oh, we're going to lose all this money. We'll have to
11 do all this infrastructure. You need to give us all
12 this money." All right? Now they're saying, "Well, we
13 haven't had a rate since '85." Well, I moved to Daytona
14 Beach in '85, and, trust me, my electric bill is not the
15 same as it was in '85. It has gone up. Everything goes
16 up.

17 So I don't worry about that it's going to go
18 up. But to say to people that we're going to guarantee
19 you a 12 percent return on your profit, when every other
20 businessman out there would love to have the 10 percent.
21 They're going around with 1 percent or 2 percent and
22 they're surviving, barely. To ask us to generate this
23 kind of money -- it's a great deal of money. It's not
24 just a little bit. And they're getting money left and
25 right, fuel surcharges, this and that. This is not

1 their only source of income.

2 And I did not realize it was a 30 percent
3 increase in the base. Nobody gets a 30 percent
4 increase. Right now city employees are getting a
5 0 percent increase on their salary. So compare a
6 30 percent compared to a 0 percent that everybody else
7 is doing, I think it's excessive. I wish you would look
8 into it. Thank you very much.

9 **CHAIRMAN CARTER:** Thank you, Mr. Nicholson.

10 Mr. Wynn, Lowell Wynn.

11 **MR. KELLY:** And on deck will be Colette -- I
12 think it's Vallee. Vallee, I believe. I apologize if I
13 mispronounced that.

14 Whereupon,

15 **LOWELL WYNN**

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

19 **DIRECT STATEMENT**

20 **MR. WYNN:** My name is Lowell Wynn. I live at
21 3043 South Atlantic Avenue, Apartment 1103, Daytona
22 Beach Shores, Florida. And I would make one suggestion.
23 I wish you could get a chairman with some personality,
24 but if not --

25 (Laughter.)

1 **CHAIRMAN CARTER:** I've been trying to get a
2 transplant, a personality transparent.

3 **MR. WYNN:** I think you did okay. I'm
4 President of the Daytona Beach chapter of AARP. I'm a
5 past Vice Chairman and current member of the City Code
6 Enforcement Board for the City of Daytona Beach Shores.
7 So I have interest in the city and politics and many
8 other things.

9 First I want to say I have great respect for
10 Florida Power & Light Company. I find no fault with
11 them. I think they're a great company. I moved from
12 Georgia, 60 years up there. We had Georgia Power, and I
13 thought we had a great company up there. I don't, I
14 don't have any problems with them or their service.

15 And if they were asking for a 3 to 5 percent
16 rate increase, I wouldn't be here right now, and
17 probably y'all wouldn't be here either. Everybody
18 expects things to go up. My Social Security went up.
19 My retirement went up. Everything I know went up 2, 3,
20 4, 5 percent. But that's not what happened.

21 And I would have like to have been in the
22 boardroom the day this came up, when someone thought,
23 "Well, you know if we ask for a 3 to 5 percent increase,
24 we'll probably get 3 percent and be happy with that."
25 But somebody, I don't know who, said, "Wait a minute.

1 Why should we settle for 3 to 5? Let's ask for 30 and
2 maybe we can get 8 or 10 percent."

3 Now this is when the Public Service Commission
4 gets involved, because at that point they went from
5 being a business, discussing business affairs in a
6 normal way -- and I hate to use this word, or two
7 words -- but they crossed the line into price gouging
8 and greed, because asking for 30 percent is nothing
9 short of absolute outrageous greed.

10 Since they have no competition, the customers
11 will be helpless. As the gentleman before me said, we
12 can't go anywhere else. If they keep the rates down, we
13 wouldn't want to go anywhere else. We're content. But
14 we're helpless.

15 So that's why it's so important that y'all are
16 sitting here, because without the Public Service
17 Commission we're helpless. Who would we, who would we
18 complain to? What could we do? We'd be just stuck. So
19 we want you to know that we appreciate that y'all are
20 here, that you're going around the state to listen to
21 people, because this is our only opportunity to talk to
22 somebody that can do something about it.

23 Your job is to look out for the company's best
24 interests. I have no doubt about that and no worry.
25 You need to make sure the company is going to get by,

1 because we've got to have Florida Power & Light. We
2 can't operate without electricity. But you also have to
3 balance that with the customers' rights, and the
4 customers happen to be the citizens of the State of
5 Florida.

6 And as this gentleman said, I can't understand
7 why in the world you need to make a 12 or 13 percent
8 rate to draw investors. I play the market, I invest
9 money. If I can make 7 or 8 percent on a solid basis,
10 I'm content. I would never dream of making 10, 12,
11 13 percent. And I know the people that they work for
12 would be happy to say, well, we've got you a 10 percent,
13 11 percent return from a good company. I'm lost at
14 their argument there.

15 I appreciate being able to tell you my views
16 and I know that you will utilize all the facts available
17 to come to a just and equitable solution of both sides
18 of the question.

19 But still to come -- now they're asking for
20 this this year, and they'll ask for more next year, and
21 y'all hear this every year, and then they'll ask for
22 more the next year, and then a hurricane is going to
23 come along, and they're going to ask for more, and we
24 will grant them that, and then they're going to have the
25 nuclear power plants and they're going to ask for more

1 than that, and they're going to find out what they've
2 set aside is nothing like what it's going to cost,
3 because you know what cost overruns are, and they're
4 going to be right back here for that. And these things
5 are just going to keep adding up and adding up.

6 And the one thing I'm encouraged by is I read
7 this, your resumés. And I admire you for what I read on
8 here. I thought Commissioner, Chairman, I didn't know
9 whether to call you the chairman or a doctor or, since I
10 was a Southern Baptist for 60 years, I could call you
11 brother.

12 **CHAIRMAN CARTER:** That's all right with me.

13 **MR. NICHOLSON:** Yes, sir. Listen, I
14 appreciate y'all listening, and I hope you will take
15 into consideration -- you're going to hear people take
16 the other side of this, and that's what a democracy is.
17 Thank goodness for it.

18 **CHAIRMAN CARTER:** Mr. Kelly.

19 **MR. KELLY:** Colette Vallee, and on deck is
20 Doug Littleton.
21 Whereupon,

22 **COLETTE VALLEE**

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

DIRECT STATEMENT

1
2 **MS. VALLEE:** Colette Vallee, 1018 Thomasville
3 Road, Tallahassee. Good afternoon.

4 **CHAIRMAN CARTER:** Oh, Thomasville Road? You
5 took a wrong turn, didn't you?

6 (Laughter.)

7 **MS. VALLEE:** Four hours wrong. My name is
8 Colette Vallee, and I'm here today representing
9 Margaret Lynn Duggar, who is President of Margaret Lynn
10 Duggar & Associates. We're a consulting firm in
11 Tallahassee that specializes in aging issues.

12 Our firm serves as a management firm for the
13 Florida Council on Aging and the Florida Association of
14 Aging Services Providers.

15 Margaret Lynn first came in contact with
16 Florida Power & Light Company in December of 1981 at the
17 White House Conference on Aging. It was at this event
18 that Marshal McDonald, the Chief Executive Officer,
19 spoke with Margaret Lynn about the company's interest in
20 addressing the special needs of its older customers.

21 Since then, FPL has been a national model in
22 corporate leadership in aging issues. They established
23 gatekeeper programs, conducted special training for
24 personnel on aging issues and worked alongside aging
25 services providers in local communities and statewide.

1 FPL has also supported aging related trainings
2 and events such as the Florida Department of Elder
3 Affairs' Ambassadors for Aging Day, which is held
4 annually at the state capitol.

5 FPL's partnership with the Florida Council on
6 Aging began in the early 1980s and has been consistent,
7 responsive and immensely helpful. In 1989, they
8 undertook the sponsorship of the quality senior living
9 awards, and they have held that role now for 20 years.
10 In 1993, FPL was inducted into the FCOA Hall of Fame.
11 Prior to that, only five Floridians had ever been
12 inducted, beginning with Claude Pepper in 1983. No
13 other business or company has been inducted before them,
14 and no company has reached this level of recognition in
15 our state since.

16 Many people, even those in the aging network,
17 are unaware of the extent of the advocacy work that FPL
18 supports on behalf of Florida's older residents. Some
19 of this advocacy is for targeted groups, like FPL's
20 amazing success on the federal level to increase the low
21 income energy assistance funding. FPL approached this
22 uphill challenge in their typical style, creating
23 partners and working harder than any of us. This
24 accomplishment of additional funds for energy assistance
25 for low income persons is commendable by itself, but it

1 had an additional benefit for Florida. Because the
2 increase put the total amount of funding over a
3 threshold, a different allocation formula kicked in and
4 Florida received a larger portion of the federal funds.

5 FPL has also made a huge difference in the
6 2009 advocacy efforts of the Florida Council on Aging
7 when they supported the work of FCOA and partners like
8 AARP to preserve the state funding for in-home services
9 for frail elders. The success of this effort saved
10 programs like Community Care for the Elderly, where
11 frail older adults get Meals On Wheels and help with
12 bathing and dressing and meal preparation. The direct
13 care services for persons with Alzheimer's disease was
14 also preserved, along with assistance for caregivers.

15 FPL has been the Florida Council on Aging's
16 best corporate partner for decades. We appreciate their
17 professionalism, their excellent corporate citizenship
18 and their leadership and hard work on behalf of
19 Florida's elders. I thank you for your time.

20 **COMMISSIONER EDGAR:** Thank you, Ms. Vallee.
21 Thank you, Ms. Duggar.

22 Mr. Kelly.

23 **MR. KELLY:** Doug Littleton, and on deck is
24 Gregory Taylor.

25 Whereupon,

DOUG LITTLETON

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

DIRECT STATEMENT

5
6 **MR. LITTLETON:** Good afternoon.

7 **COMMISSIONER EDGAR:** Good afternoon.

8 **MR. LITTLETON:** My name is Doug Littleton. I
9 live at 2515 South Atlantic Avenue, Daytona Beach
10 Shores, 32118.

11 I'd like to thank you for being here in
12 Daytona Beach. My first ever public appearance before
13 any government commission. I really appreciate the
14 opportunity to speak to you.

15 What is FP&L trying to pull over your eyes and
16 we, the people, of this district? This 30 percent base
17 rate increase is unconscionable regardless of economic
18 conditions, but especially now.

19 The CPI for the past three years, through May,
20 has averaged only an increase of 1.9 percent. How can
21 you allow a rate increase almost 16 times more than the
22 CPI average over the past three years? This rate
23 request is shameful. I am no rocket scientist, but I
24 am, and these people behind me, are certain that a
25 30 percent rate increase cannot be reasonably justified

1 by the numbers or by all the spin that FP&L has written
2 in their documents submitted to you.

3 Your final decision on November the 13th must
4 be more reasonable than a 30 percent increase on basic
5 rates. Please show some common sense in these economic
6 times. That said, during these economic conditions,
7 maybe a rate reduction is more justified rather than a
8 rate increase. Are the CEOs of FP&L cutting their
9 bonuses or taking a base pay cut? Are FP&L employees
10 taking a pay cut to keep costs low? Those are questions
11 that you need to ask and ask FP&L. Please wake up.
12 This time in America's history is not the boom years of
13 the 1990s. Regardless, no more than a 1.9 percent basic
14 rate increase is reasonable, responsible, and the right
15 thing to do for all the people and businesses in the
16 FP&L district.

17 Finally, in my judgment, a 30 percent increase
18 can never be justified under any circumstances. Thank
19 you very much.

20 (Applause.)

21 **COMMISSIONER EDGAR:** Mr. Kelly.

22 **MR. KELLY:** Gregory Taylor. On deck, Karen
23 Card.
24 Whereupon,

25 **GREGORY TAYLOR**

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

4 **DIRECT STATEMENT**

5 **MR. TAYLOR:** Good evening.

6 **COMMISSIONER EDGAR:** Good evening.

7 **MR. TAYLOR:** I'm glad to be here tonight. I'm
8 not a very good speaker, but I can let you know I am a
9 scientist and I am an inventor. And I go back a few
10 years, some 35 years, 30 or 35 years, in electrical
11 energy conservation reduction.

12 Jimmy Carter had a program back in the early
13 '80s called the Energy Saving Tips For Business, the
14 National Energy Watch. And in this little booklet right
15 here, they borrowed money from the federal government to
16 build power plants throughout -- over on the other side
17 of the coast where their grid is.

18 I'm a native Floridian, I've been here all my
19 life, and I found out a few things about the power
20 company that you guys need to know. One of them is
21 this. They borrowed money and they sent this out to all
22 their customers. They even got the address on the back
23 here in Winter Haven. I have all the evidence here I'd
24 like to present to the Commission, if you don't mind.
25 Okay.

1 So in this little pamphlet here you're going
2 to see that we've done a lot of the things that has
3 suggestions, how to read your electric meter, what your
4 meters look like, what the bills look like, how to
5 decipher your bill, the definitions, and heating and
6 cooling designs. If you remember, they did that. They
7 rewound the compressors and the air conditioners and
8 raised the serial rating up so we can reduce, reduce the
9 consumption. That was part of Jimmy Carter's program
10 back then.

11 You've got controls, you know, set your
12 temperature 68 to 78 degrees. That's right here in this
13 program that Jimmy Carter asked the power companies to
14 teach us to do. Then you've got ventilation, insulating
15 the attics. You know, we went through that whole
16 scenario with this, insulating all of our attics. And
17 window shading, glass shading is in here, weatherization
18 stripping, you know, lighting designs. They went to the
19 new high-power factory ballasts from Frank Nola out of
20 NASA where they changed the ballasts out to the T8s and
21 all these things to help conserve energy. Different
22 controls. It even gets into the restaurants and
23 maintenance on your equipment, and blah, blah, blah,
24 right on down to this thing.

25 And even back then, back here it says,

1 "Motors." All right. Now, motors, it says, "Correct
2 motor power factor to 95 percent individually or in
3 groups using capacitors that switch with the motors."

4 Now, the National Fire Protection Association,
5 the definition, I always thought, was to save lives and
6 property. The National Fire Protection Association
7 wrote Article 460 of the National Electrical Code, and
8 it has in there where to hook a capacitor up on the load
9 side of a contact or on the load side of the switch.

10 When I seen this in 1980, I said, I can do
11 that. So I got a milk crate, filled it full of
12 capacitor banks and a pair of needle-nosed pliers, and I
13 went out and started correcting the power factor. And
14 the reason I did that is because Tampa Electric Company
15 here has a power factor clause in their tariffs. It
16 says, "Power factor." At the present time the company
17 has a power factor credit for all of us, and a penalty
18 clause, which pays a customer 2.5 cents per kW for each
19 1 percent increase in its power factor above 85 percent.

20 So I took a power factor meter, went out to
21 the motors, and I did it, and I raised the power factor.
22 They were supposed to give a credit back. They said
23 they weren't going to do it. So I went before the
24 Public Service Commission in 1984. They were ordered to
25 do it. They haven't, still haven't done it. Okay.

1 (Laughter.)

2 Now let's move the program further ahead. I'm
3 a scientist and an inventor. All right? This right
4 here happens to be a United States patent issued by the
5 government. I am also a utility. Less than 1 percent
6 of the people in the world has ever received a utility
7 patent. And what this patent does is optimizes the
8 efficiency of electricity and reduces the consumption on
9 every motor, pump, chiller, refrigeration equipment,
10 dropping the kVA and volt amp demand back to the
11 electric company, increasing their capacity, not only
12 for the customer and getting rid of the losses in the
13 line, but increasing the capacity for the power company.
14 So they have more electricity to sell without building
15 more generators, transmission and distribution lines.
16 All right?

17 Now the next one. When you leave here
18 tonight, take you a camera, drive down Ridgewood, and
19 you look at the capacitor banks that's been unplugged on
20 the high voltage side that makes the kVA demand go up so
21 they can go back to their substation where their meters
22 are and bring the information to you and say, we ain't
23 got enough. For God's sake, we ain't got enough. We
24 need more. We need more money. We need more power
25 plants. We need more. And then they'll go out and plug

1 the capacitor banks back up on the poles and make a
2 windfall profit.

3 Thank you very much.

4 (Applause.)

5 **COMMISSIONER EDGAR:** Mr. Taylor, let me just
6 ask you, if I may, did you want to leave this document
7 with us?

8 **MR. TAYLOR:** Yes, ma'am.

9 **COMMISSIONER EDGAR:** Yes? Okay. Thank you.
10 Then, Ms. Williams, we'll go ahead and mark that. And I
11 think we're on Exhibit 5; is that correct?

12 **MS. WILLIAMS:** Yes.

13 **COMMISSIONER EDGAR:** Okay. We'll mark that as
14 Exhibit 5. Mr. Gregory Taylor -- we'll just call it
15 composite documents.

16 (Exhibit 5 marked for identification.)

17 Yes, ma'am, if you'd go ahead and give us your
18 name, please.

19 Whereupon,

20 **KAREN CARD**

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

24 **DIRECT STATEMENT**

25 **MS. CARD:** Good evening. My name is Karen

1 Card. My address is 4070 Boulevard Center Drive,
2 Jacksonville, Florida.

3 I am with the Northeast Florida Community
4 Action Agency. We service seven counties: Duval,
5 Flagler, Putnam, St. Johns, Clay, Baker, and Nassau. We
6 have been in existence for over 34 years, and most of
7 those years we have had a partnership with FPL. We have
8 worked together to assist low income families through
9 the LIHEAP program, which is the Low Income Home Energy
10 Assistance Program. This past year we assisted together
11 over 7,500 households. Each household had to go through
12 an energy conservation class, which was a partnership
13 with us and FPL, to help low income family members learn
14 how to make their homes more energy efficient.

15 We are also a member of a statewide
16 collaboration with FPL of FLEAC, which is the Florida
17 Energy Affordability Coalition. FPL's initiatives and
18 projects on behalf of Florida's families in need has
19 maximized the availability of payment assistance, like
20 the Care To Share program.

21 It has also helped the low income members,
22 like I said, learn about energy efficiency education.
23 They have also implemented programs that will enable low
24 income community members to become more self-sufficient.

25 We have enjoyed working with FPL and what we

1 have seen is that they have and we hope will continually
2 work to find better ways to help Florida's families in
3 need.

4 **CHAIRMAN CARTER:** Thank you very kindly.
5 Mr. Kelly.

6 **MR. KELLY:** Michael Morgan, and on deck Sue
7 Thompson.

8 **CHAIRMAN CARTER:** Mr. Morgan? Mr. Michael
9 Morgan?

10 (No response.)

11 **UNIDENTIFIED SPEAKER:** Mr. Chairman,
12 Mr. Morgan had to leave.

13 **CHAIRMAN CARTER:** Ms. Thompson? Sue Thompson,
14 come on down.

15 **MR. KELLY:** And on deck, I believe this -- I'm
16 not sure. Geneva or Gwen. I apologize.

17 **CHAIRMAN CARTER:** He's from North Florida, so
18 y'all got to give him a lot of leeway.

19 (Laughter.)

20 **MR. KELLY:** Sorry. E-U-G-U-T-E-R, I believe,
21 that would be on deck. I apologize.

22 **CHAIRMAN CARTER:** Ms. Thompson, you may
23 proceed.

24 Whereupon,

25 **SUE THOMPSON**

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

4 **DIRECT STATEMENT**

5 **MS. THOMPSON:** My name is Sue Thompson. I
6 live at 2037 Snook Drive in Deltona.

7 This is going to be very short. I'm very
8 intimidated. This is a first for me. Whatever is
9 decided in November, I hope that we can preserve the
10 energy efficiency level of service that they now
11 provide. They have personally saved me a lot of money.
12 My husband died two years ago. I started having trouble
13 with heating and air conditioning, one of the things
14 that I routinely pushed off on him, and I did a lot of
15 things wrong. I finally called Mr. Don Williams and he
16 helped me a great deal and followed up, and his staff
17 did too, over the phone, and I've been so grateful for
18 that. I just wanted to state that.

19 **CHAIRMAN CARTER:** Thank you, Ms. Thompson.

20 Mr. Kelly, give it a shot.

21 **MR. KELLY:** Give it a shot. Okay. It
22 looks -- it starts with a G.

23 (Laughter.)

24 **CHAIRMAN CARTER:** Go phonetically.

25 **MR. KELLY:** I apologize. Are you the lady?

1 I'm sorry if I butchered your name.

2 Whereupon,

3 **GENEVA WYNTER**

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

7 **DIRECT STATEMENT**

8 **MS. WYNTER:** It's all right. Everybody does.

9 (Laughter.)

10 Good afternoon. My name is Geneva Wynter.

11 **CHAIRMAN CARTER:** Geneva Wynter.

12 **MS. WYNTER:** I come here today just to speak
13 and represent me.

14 **CHAIRMAN CARTER:** Excellent.

15 **MS. WYNTER:** I have dealt with FPL and the
16 huge bills that I receive. I was given instructions
17 what to do and I did them, but it didn't help. The
18 bills continued to go up. And I want to know why. For
19 me, that's not logical. I put in new windows, I put in
20 a \$1,900 system, and I keep my thermostat at 80 degrees,
21 not always comfortable, but that's what I do because,
22 first of all, it gets too cold. And if you keep it at
23 a -- I was told that you can control your cost. That
24 didn't work either.

25 I'm here to tell you that increases is just

1 not something that should happen. Now I don't know how
2 to deal with the huge figures and I didn't do any of
3 that. All I know is that if this happens, you are going
4 to have senior citizens in their homes without air
5 conditioners, suffering, and you're going to find a few
6 of them dead, because a lot of us live alone. And when
7 the heat gets you, you can't move. You're going to find
8 them dehydrated. And it just shouldn't happen. It just
9 shouldn't happen. Thank you.

10 (Applause.)

11 **CHAIRMAN CARTER:** Thank you so kindly,
12 Ms. Wynter.

13 Mr. Kelly.

14 **MR. KELLY:** This one I got. Thomas Brown.
15 And on deck, Frank Spalla.

16 Whereupon,

17 **THOMAS BROWN**

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

21 **DIRECT STATEMENT**

22 **MR. BROWN:** My name is Tom Brown. I reside at
23 824 Black Duck Drive in Port Orange, Florida, 32127.
24 I've lived in the Daytona area for nearly 20 years. I
25 retired last year after 38 years as a news reporter.

1 And over that period I've written dozens of articles
2 about utility rate increases, both here in Florida, also
3 in New York and New England.

4 My first suggestion to the Public Service
5 Commission and to the consumers here would be to shake
6 many, many grains of salt on any press releases or
7 public statements you receive from Florida Power &
8 Light. I had only a few hours to research the documents
9 that FPL filed with the Commission, but it became clear
10 to me that their press releases are telling only half
11 the story and omitting some important points.

12 For example, their public relations campaign
13 proclaims that residential electric bills will go down
14 in January because the fuel charge will go down. What
15 the press release doesn't say is that this rate relief
16 probably will be very temporary. We all know when crude
17 oil gets back up to \$100 or more per barrel, the fuel
18 surcharge will bounce right back up. And since the fuel
19 charge is the biggest part of a customer's total
20 electric bill, consumers can expect to be paying a lot
21 more a year from now.

22 I looked closely at a ten-page statement that
23 FPL gave the Commission last November 17th when it first
24 proposed this rate increase. They lay out a rationale
25 that I consider very unpersuasive. As I went through

1 it, I found that it ignores the big picture of what is
2 going on with our economy. They say they're in the
3 middle of big capital improvements and they originally
4 expected that rising electricity sales would help cover
5 the costs, but now they have discovered that electricity
6 sales are not rising.

7 So they want consumers to pay more, not only
8 to cover the shortfall in their revenue, but also to
9 boost the profits that they give to stockholders. They
10 say that a 10 percent return on equity is not enough.
11 The shareholders deserve 12.5 percent. Frankly, this is
12 ludicrous. What other business during a recession has
13 the luxury to raise its prices and hike its profits at
14 the same time?

15 By the way, FPL's current profit margin with
16 its existing rates is hardly shabby. According to its
17 first quarter figures, its operating profit margin for
18 the past 12 months has been running 17.7 percent and its
19 return on equity has averaged more than 15 percent. But
20 FPL doesn't tell consumers about that.

21 I would urge the Commission to set aside this
22 \$1.3 billion rate increase for at least a year and tell
23 FPL to come back with a new business plan, one that
24 realistically takes the recession into account.

25 Take a close look at their projections for

1 population growth and electricity consumption. Florida
2 stopped growing last year, and we have tens of thousands
3 of houses sitting vacant. Maybe it's time for FPL to
4 scale back its expensive expansion plans. I realize a
5 utility does have to project ten years into the future,
6 but I don't think FPL can assume any longer that Florida
7 is going to keep growing the way it did in the 1980s and
8 the '90s.

9 Another little detail in the November
10 statement that bothers me is a vague reference to its
11 rate structure. This was found on Page 9. Let me read
12 the one sentence that relates to it. Quote, "In
13 connection with its request for a change in retail base
14 sales, FPL plans to address the imbalance in rate parity
15 that currently exists among several rate classes where
16 the rates of return are either under or over the
17 company's overall jurisdictional rate of return," end of
18 quote.

19 Very honestly, I can't say what that mumbo
20 jumbo actually means. But what I suspect it means is
21 that FPL will be coming back to you with a proposal to
22 lower rates charged to commercial and industrial
23 customers and raise the rates for residential customers.
24 Maybe I'm wrong. And if so, I hope the company will
25 take the opportunity to correct me. But once again,

1 it's a detail that's been omitted from the press
2 releases.

3 Finally, I'd like to mention an issue that's
4 of concern to the state and local elected officials at
5 this hearing, if we still have some here. It's
6 wonderful that you come here to tell the public that you
7 feel their pain. But when I look at the electric bill I
8 received last week, I see a charge of \$159 for
9 electricity usage, but then another \$21 tacked on for
10 three separate taxes, the gross receipts tax, the
11 franchise charge and the utility tax. Those taxes added
12 13.2 percent to my monthly bill. That's much worse than
13 a sales tax. I really hate these piggyback taxes that
14 the Legislature puts on the necessities of life, hoping
15 no one will notice. If you're going to make speeches
16 against higher electricity bills, let's hear you also
17 promise to cap or roll back these expensive add-on
18 taxes.

19 Thank you for your attention.

20 (Applause.)

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

22 Frank Spalla.

23 **MR. KELLY:** On deck, Harley Hoffman.

24 Whereupon,

25 **FRANK SPALLA**

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

4 **DIRECT STATEMENT**

5 **MR. SPALLA:** My name is Frank Spalla. I live
6 at 710 Aldenwood Trail, New Smyrna Beach, Florida.
7 Thank you for the opportunity of speaking.

8 When I heard about the proposed -- or the
9 request for a base rate increase, having been a CEO, I
10 thought, well, I'm going to go look at the financials of
11 FPL and see how they're doing. And I just found
12 something that was I thought rather interesting and
13 actually pretty shocking.

14 Just to expand on the comments that other
15 people made about the financials, if I were to go back
16 to '05, they had a net, a net income of 7.5 percent.
17 The following year they had an 8.2 percent net income.
18 The following year they had an 8.6 percent net income.
19 Last year they had a 10 percent net income. There's
20 another column in here -- and incidentally this is taken
21 off Morningstar. Anybody can find it. If you look
22 at -- they call it TTM, trailing 12 months, so if we
23 look at last month and we go back 12 months, they're now
24 running at a rate of 10.5 percent income. And I think
25 that's rather astonishing for a company. That's

1 admirable; 10.5 percent is very admirable. To think
2 that they want to increase rates at this particular time
3 with results like this is just inconceivable. Thank
4 you.

5 (Applause.)

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

7 Mr. Hoffman.

8 Who do we have on deck, Mr. Kelly?

9 **MR. KELLY:** On deck, Tony Welch.

10 Whereupon,

11 **HARLEY HOFFMAN**

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

15 **DIRECT STATEMENT**

16 **MR. HOFFMAN:** Good afternoon, ladies and
17 gentlemen. My name is Harley Hoffman and I live at 108
18 Seminole Drive, Ormond Beach. I would like to thank the
19 members of the Commission for coming to our area to
20 allow us to give you our opinions on this proposed
21 increase.

22 I live in a community called Tomoka
23 View/Tanglewood, which is an unincorporated enclave of
24 192 homes surrounded by the City of Ormond Beach. I'm
25 the President of the Tomoka View/Tanglewood Civic

1 Association. As a result of our enclave status, I
2 believe that we are the only community in this FPL
3 service area that has both its water and electric
4 utilities supervised by the Public Service Commission.

5 I am sure that you all are aware that many
6 Floridians, including our civic association, actively
7 protested at public hearings over a period of two years
8 against a rate increase for Aqua Utilities, our water
9 provider. We ultimately lost that battle, and Tomoka
10 View residents got the first full month billing with the
11 new rates approved by you this past month. For persons
12 who use under 10,000 gallons per month, the monthly
13 increase was about 400 percent. For some that used over
14 10,000 gallons of water per month, the rates went up
15 nearly 800 percent. That means that a former bill of
16 \$25 now is \$100 or \$200 or more.

17 Many of our residents in Tomoka
18 View/Tanglewood, particularly the unemployed and
19 elderly, are struggling to adapt to these changes.
20 Without a job and with little hope for any fixed income
21 increases this year, this water rate increase has struck
22 to the bone for many people.

23 Now we are faced with an increase in the base
24 rate for our electric utility. Some will say that in
25 the long run this is only \$12 or \$15 per month and a

1 necessary adjustment for FPL to continue to provide
2 service to us. But to many fixed income and unemployed
3 people in our Tomoka View/Tanglewood community, this is
4 additional money that must be found to pay utilities.

5 They are looking at a total utility budget
6 change of over \$100 or more per month for water and
7 electric. They must look to their church, a charity or
8 in some cases to family members to be able to maintain
9 basic water and electric service for their family.

10 The frightening thing is that we all know that
11 these rate changes for both water and electric will
12 continue to rise in the future. As the number of
13 unemployed continues to rise and the number of elderly
14 becomes an increasing proportion of our population, I
15 believe that the Public Service Commission and the
16 utility companies have to address this problem.

17 Having a substantial portion of our population
18 living without water and electric because they cannot
19 afford it is not acceptable.

20 I don't know the answer, but I have one
21 suggestion. Although it is contrary to my conservative
22 nature, it may be time to revisit the concept of a
23 tiered means test for implementing residential utility
24 rates. Many people can afford increased rates and will
25 pay them. For those that cannot and need help, there

1 should be a way to allow them to pay what they can and
2 still receive service.

3 As I watch some of my friends and neighbors
4 struggling with their pride to make ends meet with our
5 water rate increase, I know that this FPL base rate
6 increase will add to their troubles.

7 You, the five members of the Public Service
8 Commission, stand between us and the utility companies.
9 I ask you to reject this present request and delay any
10 further increases until our economy turns around. FPL
11 and their investors must economize along with the rest
12 of us. If that means reductions in service and cutbacks
13 in dividends, so be it. Many other great companies are
14 biting that same bullet.

15 In the meantime, I encourage you to search for
16 a way to allow our Tomoka View/Tanglewood residents and
17 other public utility customers in Florida to live with
18 dignity, even though all of them may not be able to
19 afford the water and electric rates that you may approve
20 in the future. Thank you.

21 (Applause.)

22 **CHAIRMAN CARTER:** Thank you.

23 Mr. Kelly.

24 **MR. KELLY:** Tony Welch, followed by Liz
25 Taylor. I'm not sure if that's the actress or not, but.

1 Whereupon,

2 **TONY WELCH**

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

6 **DIRECT STATEMENT**

7 **MR. WELCH:** Good afternoon, and thank you for
8 the opportunity. My name is Tony Welch. My address is
9 81 Diane Drive, in Ormond Beach, Florida.

10 And after listening to these previous speakers
11 talk about the rate of return and the profit, I think
12 tomorrow morning I'm going to call my broker and buy
13 some FP&L stock.

14 (Laughter.)

15 Now I'm the former owner of WROD Radio, and I
16 used to buy electricity by the kilowatt. So I'm no
17 stranger to huge electric bills every month. At least
18 they sure seemed huge to me because the money came out
19 of my own pocket.

20 What I really want to do is ask you, did I
21 wake up this morning and say to myself, boy, I really
22 would like to pay FP&L more money and give them a rate
23 increase? No, I don't think so.

24 But what I do want to say to you, I'd like to
25 tell you that about five years ago when we had four

1 hurricanes within a matter of days, that I wanted to
2 thank -- every morning I thanked FP&L because I could
3 look out my window and there were their crews and there
4 were the crews from the other companies that had come
5 into our area and they brought us electricity and they
6 got us back on our feet.

7 I'm glad that FP&L is cutting back on fossil
8 fuel and their inherent emissions, and I'm glad FPL is
9 investing in solar and wind generators. Well, of
10 course. Do I think everything from hundreds of crews
11 repairing lines after a storm or these modern techniques
12 are free? No, I don't think so. Nothing is free. They
13 have to be paid for it. And I vote for a rate increase
14 that makes progress possible. Thank you.

15 **CHAIRMAN CARTER:** Mr. Kelly.

16 **MR. KELLY:** Liz Taylor, followed by Bill
17 Ternent.
18 Whereupon,

19 **LIZ TAYLOR**

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

23 **DIRECT STATEMENT**

24 **MS. TAYLOR:** Good afternoon. I am Liz Taylor.
25 12 Iroquois Trail, Ormond Beach, Florida, 32174. No,

1 I'm not the actress. I'm actually an educator with
2 Volusia County schools.

3 **CHAIRMAN CARTER:** I was going to ask you were
4 you on your ninth husband.

5 (Laughter.)

6 **MS. TAYLOR:** Probably. About that.

7 Actually I'm here to speak today on behalf of
8 the educational commitment that FP&L has made with
9 Volusia County schools. As a partner in the career
10 connection consortium, which is Volusia and Flagler
11 County schools, Daytona State College and the business
12 community, they have been at our side for 15 years
13 building a partnership with business and industry and
14 education.

15 Early on they realized that economic
16 development -- the key to economic development is really
17 in training the workforce, and that means getting into
18 our schools and working side by side with our teachers
19 and our students so that we have workers to lure
20 businesses into this area and we can fulfill the jobs.
21 They have been with us through the development of our 30
22 career academies at all of our high schools, they have
23 worked through the development of the advanced
24 technology center, and urged other businesses throughout
25 the years, through these last 15 years, to work side by

1 side with education because that's how committed they
2 are to our young people and our educators.

3 This -- their latest project, one of six in
4 the state, is a solar community awareness project that
5 will be happening right here at Hinson Middle. It will
6 be a beautiful platform to raise, to raise awareness for
7 our teachers, our parents, our students and our
8 community on what solar can bring, give us a curriculum
9 that we can teach and educate our students with, and it
10 will be a beautiful next step in this partnership.

11 We thank FP&L for being, being at our side,
12 and we look forward to many, many years of working with
13 them. Thank you.

14 **CHAIRMAN CARTER:** Thank you, Ms. Taylor.

15 Whereupon,

16 **BILL TERNENT**

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

20 **DIRECT STATEMENT**

21 **MR. TERNENT:** Good afternoon, or is it early
22 evening?

23 I'm Bill Ternent. I live at 6467 Longlake
24 Drive in Port Orange. I'm with AARP. I'm an advocate.
25 I'm a volunteer. And obviously you understand that one

1 of the things that I would say to you is that we in AARP
2 are extremely concerned about the unreasonableness of
3 this request.

4 I'd like to move from that though and say some
5 personal things. And also I happen to -- in advocacy
6 work I move around quite a bit and have the opportunity
7 to talk to quite a few folks. The other night, as we
8 were talking together with some folks, one person who
9 could not be here today scribbled out a little note that
10 she wanted me to deliver to you. So I will do that and
11 leave it with you.

12 **CHAIRMAN CARTER:** Thank you.

13 **MR. TERNENT:** I'd like to start --

14 **CHAIRMAN CARTER:** And before you do that --

15 **MR. TERNENT:** Pardon?

16 **CHAIRMAN CARTER:** The note, please make sure
17 you have her name and address on there.

18 **MR. TERNENT:** It's on there. It's on there.

19 **CHAIRMAN CARTER:** We'll put it into the
20 record. Thank you.

21 Commissioners, just for the record, why don't
22 we do that now.

23 **MR. TERNENT:** Sure.

24 **CHAIRMAN CARTER:** And let's make that -- that
25 will be -- staff, that will be exhibit number -- what's

1 our number now?

2 **MS. WILLIAMS:** Six.

3 **CHAIRMAN CARTER:** Number 6. And we'll just --

4 (Exhibit 6 marked for identification.)

5 **MR. TERNENT:** Okay. I'll leave it with you.

6 **CHAIRMAN CARTER:** Thank you so kindly. You
7 may proceed.

8 **MR. TERNENT:** I'd like to start with the many
9 fine things that have been said about Florida Power &
10 Light. Several folks have said many things that I would
11 agree with. I am deeply grateful for the service that
12 the folks of Florida Power & Light deliver. Every time
13 my power goes out, they do an extraordinary job, I
14 believe, in bringing it back. There's only been one
15 time that I didn't feel that way, and that's when the
16 power didn't come back for five or six days. But even
17 then I recognized that under the circumstances they were
18 working under that that was probably quite reasonable.

19 So there's much to say about what I consider
20 to be really the good manage -- just take a look at the
21 results on paper. Just take a look at the financials.
22 You know that you have a company that is well managed,
23 they know how to look out for themselves, they know how
24 to tend to their bottom line, which says that they must
25 be pretty good at what they do.

1 So I want to, want to agree with all those
2 things. But I don't, I don't appreciate the deceit that
3 I occasionally encounter. And I find a lot of deceit in
4 what it is that is being presented in relationship to
5 this request for additional profits. And it's similar
6 to the deceit that I felt as a customer, when for many,
7 many months I received requests that I send in, not with
8 any stock coming back, but just send in money that would
9 be used in order to allow Florida Power & Light to
10 become a greater user of solar energy, only to find out
11 later when the truth came out that a paucity of what it
12 was that people gave to the company and gave to the
13 shareholders to do something good for everyone was
14 really abused. And I find it very difficult to really
15 feel good about -- I have to question the, the ethics,
16 the morals of this company at times when they do those
17 kinds of things, and the way they have distorted things
18 in this request. That's from a personal point of view.

19 Let me read what this person, Dolly -- or
20 Sally Dodge had to say.

21 "I'm a 71-year-old widow living on a fixed
22 income. I will not be receiving a COLA increase, so how
23 can I afford an increase in my bills?"

24 Incidentally, the reason she couldn't be here
25 tonight is that those bills had gotten to the point

1 where she couldn't live anymore and she finally did find
2 a job, and she's out there working now in order to pay
3 those.

4 "My son-in-law is unable to work and my
5 daughter is on disability, so I'm helping them also.
6 Who's going to help us if utilities increase?"

7 And Sally Dodge, 1099 Green Acres Circle
8 North, South Daytona, Florida 32119, and her phone
9 number. I'll leave that with you.

10 **CHAIRMAN CARTER:** Thank you. Thank you.

11 **MR. TERNENT:** I would just, in concluding, say
12 that I hope that you live up to what it is that is your
13 charge, and that is to represent the people of Florida
14 and not just companies. We recognize the companies are
15 also the people of Florida, and you must be looking out
16 to deal with the balanced best interest of us all. And
17 there is nothing in this proposal that works to the
18 balanced best interest of all people of Florida,
19 including Florida Power & Light. Thank you.

20 (Applause.)

21 **CHAIRMAN CARTER:** Thank you, Mr. Ternent.

22 **MR. KELLY:** The next speaker is Ron Nowviskie.
23 On deck, Nick Sacia.

24 Whereupon,

25 **RON NOWVISKIE**

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

4 **DIRECT STATEMENT**

5 **MR. NOWVISKIE:** Good evening. My name is Ron
6 Nowviskie, and I'm Vice President of Real Estate --

7 **CHAIRMAN CARTER:** Ron, help me out here. I'm
8 from South Georgia. Would you mind spelling your last
9 name for us?

10 **MR. NOWVISKIE:** N-O-W, V like in Victor,
11 I-S-K-I-E. I'll leave it with your scribe here. I'm at
12 275 Clyde Morris Boulevard in Ormond Beach, Florida.

13 Since this is a quality of service hearing,
14 I'm pleased to be here to give you our experience with
15 Florida Power & Light.

16 The Root Organization is a 108-year-old
17 company that owns and operates 13 office buildings and
18 shopping centers here in the Daytona Beach area. And
19 over the years we've worked with FP&L in the development
20 and construction and operation of numerous commercial
21 real estate projects. And, of course, providing our
22 facilities with reliable and economical electric service
23 is critical, critical to our operation and our tenants'
24 success, and we're very pleased with the high level of
25 service and assistance we receive from Florida Power &

1 Light and its employees.

2 We work very closely with Florida Power &
3 Light to operate our buildings in as an efficiently
4 manner as possible with respect to energy consumption.
5 One of our properties is a 20-year-old five-story
6 multi-tenant office building here in downtown Daytona
7 Beach. By working with our tenants and with Florida
8 Power & Light on almost a monthly basis, we've lowered
9 the average annual peak demand from 484 kilowatt hours
10 in 1999 to 347 kW in 2008. Last month our load factor
11 was 42 percent, well below what's typical for a building
12 of this type. And we appreciate Florida Power & Light's
13 assistance in this regard.

14 Needless to say, electricity is a large
15 component of our cost of doing business. We don't want
16 to pay any more for electricity than is absolutely
17 necessary for Florida Power & Light to sufficiently
18 attract investment capital and to earn a fair and
19 reasonable return for its shareholders, and we trust
20 that you will determine what that amount is. Thank you.

21 **CHAIRMAN CARTER:** Thank you kindly, Ron.

22 Next.

23 **MR. KELLY:** Nick Sacia; is that correct?

24 **MR. SACIA:** Correct.

25 **MR. KELLY:** And on deck, Shannon Hay.

1 Whereupon,

2 **NICK SACIA**

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

6 **DIRECT STATEMENT**

7 **MR. SACIA:** I'm Nick Sacia with the
8 St. Johns County Chamber of Commerce, 1 Riberia Street,
9 St. Augustine, Florida.

10 We just wanted to comment on the
11 responsiveness of FPL to the business community in
12 St. Johns County. Whenever we receive inquiries as to
13 power issues or cost of power from existing businesses,
14 FPL has been very responsive to take corrective measures
15 in what they can do with the business facility or the
16 business unit to be able to reduce costs in energy
17 savings and the things that businesses can take steps to
18 do. And also if there are technical issues with the
19 electricity and the way that the facility is receiving
20 the electricity, they are always there to make those
21 corrections as well.

22 And with that thought, I do work in the
23 Economic Development Office for the Chamber of Commerce
24 there in St. Johns County, and an important issue with
25 the economy, I know we talked about how the economy is

1 now and what are we doing in this situation, but when
2 businesses look to locate or to conduct business in a
3 community, it's not only the cost of power but also the
4 reliability. They have to reduce their risk in loss of
5 power. Because an increase in the rate to have a
6 greater reliability and less risk is a value to
7 business, because they know that for every minute
8 they're down costs them more money in the long run.

9 So by understanding the economics in the
10 business community and the value of risk versus money,
11 businesses really need to be sure that they can depend
12 on the power that they're receiving, and understand that
13 rate increases at times are necessary and willing to pay
14 that.

15 And with that, FPL, just to reiterate, has
16 been very responsive to those issues and to helping us
17 with our local businesses and those that are looking to
18 come to the area.

19 So I think in FPL's willingness to help
20 companies to reduce their power usage, to reduce their
21 costs and expenses, to be responsive to those needs,
22 they also know that there's a tipping point as the rates
23 go up when they start to lose that ability to attract
24 new customers and to conduct business in an affordable
25 manner.

1 So as we look at the rate increases, I can
2 reiterate what the last gentleman said, that it is
3 understandable that at times it's necessary. We want it
4 to be responsible and reasonable, but still that
5 service, quality of service, is what's important.
6 Businesses know you don't necessarily want to deal with
7 the cheapest provider on the block because that doesn't
8 always mean reliability. So a fair and balanced rate
9 increase is certainly understandable, and we do enjoy
10 working with FPL and their representatives.

11 **CHAIRMAN CARTER:** Thank you.

12 Shannon Hay. Did I get it right?

13 **MR. KELLY:** Yes. And on deck, Aldine Stonom.

14 Whereupon,

15 **SHANNON HAY**

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

19 **DIRECT STATEMENT**

20 **MS. HAY:** Good afternoon. My name is Shannon
21 Hay, 5 Tomoclone (phonetic) Drive, Ormond Beach.

22 I know that we have two different
23 conversations here. We have one about the price
24 increase, and then also about the quality of service.
25 I'm here to discuss with you the quality of service that

1 we recently had with FPL.

2 I'm the reading coach and the Volusia County
3 Council of PTAs president. I work at Westside
4 Elementary School. I'm here representing Judith Winch,
5 the principal.

6 This year FPL had a project to replace power
7 lines and poles right outside of our school. Before the
8 project began, Vern Simmons came to the school to meet
9 with the administrative team. During this meeting his
10 passion for children was evident, and the safety for our
11 children. He wanted to form a partnership in the
12 planning of the project to ensure our students were safe
13 and to see that we had no disruptions to our children's
14 education.

15 Mr. Simmons met several times with our
16 principal, Judith Winch, who felt he was polite,
17 respectful and interested in our school, children and
18 our community.

19 All the FPL employees during working hours
20 showed excellent work ethic and were always aware of
21 their surroundings. Westside Elementary School and the
22 surrounding community appreciates the service received,
23 and we're impressed with FPL's ability to satisfy the
24 customer.

25 As the Volusia County Council of PTAs

1 president, I hope that this model continues throughout
2 the district to ensure the safety of our children.

3 Thank you.

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

5 **MR. KELLY:** On deck, Katy Cuthill.

6 Whereupon,

7 **BERNARD MCRAE**

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

11 **DIRECT STATEMENT**

12 **MR. MCRAE:** Good evening.

13 **CHAIRMAN CARTER:** Good evening.

14 **MR. MCRAE:** My name is Bernard McRae.

15 **CHAIRMAN CARTER:** Speak a little closer,
16 please.

17 **MR. MCRAE:** My name is Bernard McRae.

18 **CHAIRMAN CARTER:** Bernard McRae?

19 **MR. MCRAE:** Yes. I'm speaking on behalf of
20 Aldine Stonom because she's speech and hearing impaired.
21 But I'm a resident here in Daytona.

22 On behalf of Daytona Beach and the years I've
23 been here, and what Florida Power & Light is asking for,
24 I can't even see approving a 10 percent increase. And
25 we're -- just tourism with the city, and I love this

1 city, I can't see us recovering from the increase
2 they're asking for. Please take that into
3 consideration.

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

5 **MR. MCRAE:** Yes, sir.

6 **CHAIRMAN CARTER:** Mr. Kelly.

7 **MR. KELLY:** Katy Cuthill, and on deck Tyler --

8 **MR. DURBIN:** Ms. Cuthill had to leave.

9 **MR. KELLY:** Oh, she did?

10 **MR. DURBIN:** Yes.

11 **MR. KELLY:** Okay. Tyler Rosenke.

12 **CHAIRMAN CARTER:** You guys are having fun with
13 him calling those names, aren't you? I can tell.

14 (Laughter.)

15 **MR. KELLY:** He's with David Hinson Middle
16 School.

17 (No response.)

18 **CHAIRMAN CARTER:** Okay. Next.

19 **MR. KELLY:** Robert Ricketts.

20 Whereupon,

21 **ROBERT RICKETTS**

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

25 **DIRECT STATEMENT**

1 **MR. RICKETTS:** Thank you. My name is Robert
2 Ricketts. I live at 7 Curved Creek Way, Ormond Beach,
3 Florida 32174.

4 Mr. Chairman, I'd like to thank you very much
5 for giving me the opportunity to speak. I've heard a
6 lot of people come up here and tell you what wonderful
7 things FP&L does, and I'm sure they do a lot of good,
8 good work; however, I don't see how that's relevant to
9 what the issue is here.

10 There are a lot of companies that do
11 charitable work; they work with the elderly and children
12 and schools and so on. But what in the world has that
13 got to do with a 31 percent basic rate increase? I
14 don't see it.

15 The other thing is, one of the earlier
16 speakers discussed briefly this note that we all got in
17 our, our utility, our electric bills for -- oh, it's
18 been a number of months ago, maybe a year -- asking
19 people to voluntarily send money in to, so that they
20 could upgrade their equipment. Now any thinking person
21 obviously knows that that's a ridiculous request. I'm a
22 retired airline person, and that would be like an
23 airline sending out everybody letters saying, send us in
24 some money so we can buy new airplanes that are more
25 fuel efficient. All of that should have been budgeted

1 for. And this is a very profitable company that's --
2 all that's been testified to here beforehand.

3 If you're an investor, you know anything about
4 the stock markets, you know that over time -- since the
5 Depression the stock market has generally returned a
6 little less than 10 percent, and that's with risk. The
7 utilities have no risk. They can come to you, and you
8 said that it's already statuted that they're allowed to
9 have a, quote, reasonable return on equity. Well, I
10 think that this is not reasonable. This is way out of
11 the area of reasonable.

12 And right now, especially with the economic
13 times as they are, another gentleman remarked about his
14 retirement goes up and everything goes up. Well, my
15 retirement doesn't go up. And, as a matter of fact,
16 Social Security is not going to go up for two more
17 years, thanks to our new leader in Washington.

18 I'm totally against this. And I don't see the
19 need -- there was another speaker that spoke to the
20 necessity, and there is no necessity here. Most
21 companies would be extremely happy with a 10 percent
22 return. And they're a monopoly. They're guaranteed.
23 So, please, please consider the speakers here. I know
24 you're here to listen.

25 And it touched my heart to hear people testify

1 here about there are some elderly and poor that are
2 going to be really, really hurt. It won't hurt me that
3 much financially, but to think about people having to --
4 especially elderly people sitting in their house when
5 it's 95 degrees outside. I mean, that's unconscionable.
6 Thank you.

7 (Applause.)

8 **CHAIRMAN CARTER:** Thank you very kindly,
9 Mr. Ricketts.

10 Mr. Kelly.

11 **MR. KELLY:** Betty Browning. On deck, Veronica
12 Brady.
13 Whereupon,

14 **BETTY BROWNING**

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

18 **DIRECT STATEMENT**

19 **MS. BROWNING:** Mr. Chairman and Commissioners,
20 thank you very much for listening this evening. I want
21 to ditto to a lot of the things that have been said. I
22 really feel encouraged today. I'm 73 years old. I've
23 been retired 16 years. It must be nice for these people
24 who are retired to be able to get a 3 percent or a
25 5 percent, because my retirement has not gone up one

1 cent from the day I retired in 1993 until this year.

2 And I'm really encouraged that we really do
3 have some people -- sometimes we people get so
4 discouraged when we're retired on fixed incomes and
5 everything going up. The world is closing in on us.
6 But tonight Mr. Kelly, Mr. Kelly, Mr. Schef,
7 Mr. Armstrong, Ms. Bradley, they encouraged me that we
8 do have people out there working for us.

9 And Ms. Evelyn Lynn, who is our state senator,
10 I want this known on the recording, and we have -- even
11 though she couldn't be here tonight, we have Ms. Frankie
12 Robert, who we have talked to in her office many times,
13 and also the Florida House of Representatives, Becky
14 Little, who is here, and it makes us feel good when we
15 have somebody here to back us and to know how we
16 people -- because we've been in contact with these
17 people. We've been working with Ms. Lynn's office for
18 eight months. We've learned a lot about Florida Power.
19 We've learned a lot about the Public Service Commission.

20 How many of you know Mr. Lewis Hay, the CEO of
21 Florida Power, what his salary is? Does any one of you
22 know? Does anyone know out here? \$6.5 million plus
23 bonus.

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

25 **MS. BROWNING:** His bonus (sic.) is

1 \$6.5 million plus bonus. That hurts when we retired
2 people have little income and we're told this. And then
3 they're asking for a raise like this, a rate increase,
4 when our electric bill -- I feel very weak, I'm about to
5 fall.

6 **COMMISSIONER EDGAR:** Sit down.

7 **CHAIRMAN CARTER:** Just take a moment. Just
8 take a moment. Take a moment.

9 (Interruption.)

10 **UNIDENTIFIED SPEAKER:** She's been having these
11 dizzy spells.

12 **UNIDENTIFIED SPEAKER:** It's enough to make
13 anybody dizzy.

14 **MS. BROWNING:** I've been dizzy for eight
15 months with our electric bill being \$278 a month with
16 two people living in the house.

17 **CHAIRMAN CARTER:** Ms. Browning, we've got some
18 water coming your way. Hopefully that will help you
19 some there.

20 Thank you so kindly for your courage. Thank
21 you.

22 Veronica, Veronica Brady.

23 **MR. KELLY:** Veronica Brady, followed by
24 Charles Craig.

25 (No response.)

1 **CHAIRMAN CARTER:** Veronica's not here. Let's
2 go with Charles Craig.

3 **MR. KELLY:** Charles Craig. And on deck,
4 Kevlin, excuse me, Kevin Kilian.
5 Whereupon,

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

10 **DIRECT STATEMENT**

11 **MR. CRAIG:** Good evening, Mr. Chairman and
12 members of the Public Service Commission. My name is
13 Charley Craig, and I am the Director of Emergency
14 Management for Volusia County.

15 I wanted to come before you just to express a
16 quality of service issue. And I am here not for the
17 rate increase. I'm here to talk about the
18 professionalism and the cooperation that we have with
19 Florida Power & Light with regard to the priority of
20 restoration after the number of disasters that have
21 befallen Volusia County in the last ten, 12, 14 years.

22 What I wanted to say to you is that, what
23 you've heard echoed earlier, a well-managed company, but
24 how proactive this company is. Their account executives
25 sit down with us every year in my office and we review

1 the priorities for restoration throughout this county.
2 That has become very critical with the advent of the
3 building of new hospitals, the movement of certain
4 companies that have left the area and other companies
5 that have come in. There are essential services that we
6 must restore in order to restore the community back to a
7 healthy state after a disaster.

8 And it is through assistance with Florida
9 Power & Light that we review every one of these accounts
10 and look at what we can do to restore power quickly and
11 efficiently, and, more importantly, what we can do to
12 restore power in a way that it protects and provides for
13 the safety and -- of the residents of Volusia County.

14 So I just wanted an opportunity to come before
15 you and express to them that we are well pleased in
16 Volusia County government with the quality of the
17 service of Florida Power & Light Company. They have
18 taken the extra initiatives of putting their crews out
19 with our road and bridge crews to clear roads. We don't
20 do power, they don't do chainsaws and trees. And
21 together we have a team that has worked very well to
22 keep our arteries open and our evacuation routes clear,
23 and I just wanted to come before you and express those
24 sentiments. And I thank you for your time.

25 **CHAIRMAN CARTER:** Thank you very kindly. Is

1 it Kevin Kilian?

2 **MR. KELLY:** Kevin Kilian, followed by Jayne
3 Fifer.

4 Whereupon,

5 **KEVIN KILIAN**

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

9 **DIRECT STATEMENT**

10 **MR. KILIAN:** Hello. I'm Kevin Kilian, 1218
11 Champions Drive, Daytona Beach, Florida.

12 I've had an opportunity as a citizen of
13 Daytona Beach to deal with FPL, both personally and
14 professionally. And to echo some of the comments that
15 were made here earlier, they have been both responsive
16 and responsible.

17 I too sit in that, in that Emergency
18 Operations Center with Charlie during emergencies. They
19 have been exemplary in their response.

20 It's my understanding that this is about
21 quality of service, and I will tell you that the quality
22 of service is unmatched in my mind. They have been
23 responsible stewards of their responsibilities with the
24 community. I don't think you would find a better
25 community citizen as it relates to charitable endeavors

1 and things of that nature.

2 So I believe that they have been great
3 stewards of their responsibility, and I have no reason
4 to believe that they will not continue to do so. So I
5 hope you will consider that in your deliberations.
6 Thank you.

7 **CHAIRMAN CARTER:** Thank you. Ms. Fifer, Jayne
8 Fifer.

9 **MR. KELLY:** Jayne Fifer, followed by Karen
10 Jans.

11 Whereupon,

12 **JAYNE FIFER**

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

16 **DIRECT STATEMENT**

17 **MS. FIFER:** Jayne Fifer, 3 Blockhouse Court,
18 Ormond Beach, Florida 32174. Obviously Florida. Sorry
19 about that.

20 I represent the Volusia -- you know, I
21 represent the Volusia Manufacturers Association, and I'm
22 here to speak on quality of service.

23 Florida Power & Light is always right there
24 for our manufacturers to help them reduce costs with
25 their account execs going in there, showing them every

1 way that they can reduce their costs.

2 I ask you -- it sounds like you have a lot of
3 information, it sounds like you're going to have a big
4 pros and cons list, and I just ask you to really take a
5 look at it. And when you consider the rates, and,
6 again, I was here to talk about the excellent quality of
7 service, is that you consider the competitiveness of
8 business so that business can stay in good condition and
9 keep all of our employees working.

10 And I thank you very much and I thank you for
11 this great thing. It's something about America that we
12 can have these kind of commissions. Thank you.

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

14 **UNIDENTIFIED SPEAKER:** Mr. Chairman?

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

16 **UNIDENTIFIED SPEAKER:** Could I ask a point of
17 order? Is this hearing for -- on a rate increase; is
18 that what this hearing is about?

19 **CHAIRMAN CARTER:** It's a, it's a rate
20 increase, and people can talk about quality of service
21 during the process.

22 **UNIDENTIFIED SPEAKER:** Okay.

23 **CHAIRMAN CARTER:** We allow people to be heard.
24 We allow people to be heard. That's what makes America
25 great.

1 Mr. Kelly.

2 **MR. KELLY:** Karen --

3 **MS. JANS:** That's me.

4 **MR. KELLY:** Karen Jans, followed by Minister
5 Nadine Anderson.

6 Whereupon,

7 **KAREN JANS**

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

11 **DIRECT STATEMENT**

12 **MS. JANS:** I'm Karen Jans, 312 Georgetown
13 Drive, Daytona Beach, Florida.

14 Thank you for coming to Daytona Beach. We
15 appreciate that tremendously. And I am glad it is an
16 open society where we can all speak about all kinds of
17 good things, and certainly I'm here to talk about
18 quality of service.

19 As you look at the quality of FPL's service,
20 I'd like to share my appreciation on what they have been
21 doing that has been visionary in many ways, especially
22 when it comes to the importance of partnerships in our
23 communities and understanding that what lies in the
24 present is part of what becomes our future. They
25 understand that to be prepared for what lies ahead lies

1 in the development of the present.

2 Some of the strongest, most critical
3 partnerships have been in education, as you heard
4 earlier, whether it's been through active pilot programs
5 in the K-12 schools that instills interest in math and
6 science, or, as we know, their leadership role with
7 alternative energy sources in partnership with many of
8 our state's higher education institutions, they are
9 investing in our future.

10 Their forethought and planning attracts
11 continuing investment in the State of Florida and will
12 result in sound, economic development, education and
13 alternative energy sourcing for our future. So thank
14 you for allowing me to share that good news.

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

16 Reverend Nadine Anderson.

17 **MR. KELLY:** Followed by Jim Tobin.

18 Whereupon,

19 **MINISTER NADINE ANDERSON**

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

23 **DIRECT STATEMENT**

24 **MINISTER ANDERSON:** Good evening.

25 **CHAIRMAN CARTER:** Good evening.

1 **MINISTER ANDERSON:** My name is Minister Nadine
2 Anderson. I'm the Pastor of the Truth of God's Word
3 Ministry in Daytona Beach. My address is 710 Flanders
4 Avenue, 32114.

5 And thank you all for being here, and for the
6 Commission and for the representative of Florida Power &
7 Light. I'm here to represent those who are disabled,
8 those who are unemployed, those who are on Social
9 Security, and everyone else, someone else who might lose
10 their job, have lost their job today or may lose their
11 job tomorrow.

12 A lot of people that have gotten up here
13 already got jobs or representing companies, and they
14 don't see or seem to acknowledge the hardship that
15 people are going through. That single mother that's
16 trying to raise three kids and maybe lost her job, or
17 that husband that got a wife and children that got the
18 pink slip and not working.

19 And I believe it was Ms. Kelly who was talking
20 about the trickle-down effect. We're not just talking
21 about an increase in our electricity bill. We're
22 talking about once you increase with the grocery stores,
23 they're going to increase the food prices once they have
24 to pay higher electricity. Everyone -- it trickles
25 down. And these people, they're already having a hard

1 time feeding their kids.

2 My, my mother gets \$800 a month, \$800 a month
3 disability, Social Security. I mean, she struggles when
4 she go to the grocery store to buy food. I can't
5 imagine her paying extra on her electricity bill.

6 And I agree with our Public Counsel,
7 Mr. Kelly. Mr. Kelly, you did a great job. You opened
8 my eyes. You showed all of us a lot of stuff, and thank
9 you for making that base rate thing clear to all of us.

10 But I just want Florida Power & Light to
11 understand, they do an excellent job. I mean, when we
12 have a storm and my lights go out, I don't even panic.
13 I know they're going to be there. If you call them,
14 they're going to be there, they're going to turn it on.
15 If there was a choice and I could have another electric
16 company, I wouldn't. I would stay with them because
17 they do an excellent job. And for an excellent job you
18 deserve to get excellent pay. I believe that. But like
19 Mr. Kelly said, come back in four or five years.

20 I'm appalled. I mean, I can't even believe
21 that these people behind these huge conglomerate
22 getting -- I know they want money for their investment,
23 but someone said -- they said, and these investors must,
24 they must economize along with the rest of us. Don't
25 you think so? They're getting a return, but they want

1 more. They want their return to stay up here? They
2 don't even want it to decrease a little bit? It's going
3 to decrease a little bit. The economy is bad, so it's
4 going to decrease a little bit. Let them experience a
5 little decrease while they let these other people eat.
6 They just want to eat. They just want to be cool in
7 Florida.

8 And Ms. Geneva Wynter, I mean, she was
9 wonderful because she said everything I wanted to say.
10 People will die in Florida trying to be cool. My mother
11 just switched over from oil to electric, you know, in
12 her heating and cooling, and -- because oil was too
13 expensive. Can you imagine the irony? Oil was too
14 expensive. Now she's switching over to electric and
15 it's going up. But for the in-between time there was
16 nothing in her house to keep cool. And in the
17 wintertime I was trying to help her keep warm with
18 \$800 a month.

19 She's not the only one spending -- I mean,
20 making \$800 a month income. And these people that have
21 jobs or own businesses, got companies, they see nothing
22 new. If I would have knew about this meeting before
23 now, I would maybe have statistics of the people who are
24 on Social Security, the people who are retired, people
25 who are getting their pension, the people who cannot do

1 this. So I just hope that you all would look at those
2 people, see those people. I mean, Florida Power &
3 Light, they will survive. They will survive. But these
4 people, they absolutely will not.

5 And I thank you for your time. I thank you
6 for being here. And I know that you're going to do the
7 right thing, because I know you're going to take
8 everything into consideration, the fact that Florida
9 Power & Light does an excellent job, they do deserve to
10 get paid and get -- I believe in paying people for doing
11 an excellent job, because, you know, a lot of times
12 people don't get good service. But they do a good job.
13 But let them come back in four or five years and
14 hopefully we'll have some money to give them. Right now
15 we don't. Thank you.

16 (Applause.)

17 **CHAIRMAN CARTER:** Thank you, Minister
18 Anderson.

19 Jim Tobin.

20 **MR. KELLY:** Jim Tobin, followed by Betty
21 Powers.

22 Whereupon,

23 **JIM TOBIN**

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

1 as follows:

2 **DIRECT STATEMENT**

3 **MR. TOBIN:** My name is Jim Tobin and I live at
4 107 Atwood Lane, Ormond Beach.

5 Thank y'all very much for coming today. Mr.
6 Chairman, you mentioned that you were from South
7 Georgia?

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

9 **MR. TOBIN:** Well, you know, I'm originally
10 from Jacksonville. A lot of people think Jacksonville
11 is truly South Georgia.

12 **CHAIRMAN CARTER:** We used to go to the beach
13 there all the time.

14 **MR. TOBIN:** What I have is a letter that I
15 wrote to Florida Power & Light several years ago. I
16 have a copy for you. And if you all would like one
17 individually, I can do that.

18 **CHAIRMAN CARTER:** Yes.

19 **MR. TOBIN:** Okay.

20 **CHAIRMAN CARTER:** Commissioners, for the
21 record, Commissioners, for the record, that would be
22 Exhibit Number 7. Is that right? Exhibit Number 7.
23 And it'll be the -- it's for identification purposes
24 called the Tobin letter. You're famous.

25 (Exhibit 7 marked for identification.)

1 **MR. TOBIN:** I am. Famous or infamous? You
2 know, I get those two words confused a lot.

3 **CHAIRMAN CARTER:** We haven't read your letter
4 yet.

5 (Laughter.)

6 **MR. TOBIN:** Uh-oh. Uh-oh. This is as far as
7 I go.

8 **CHAIRMAN CARTER:** I think you're going to go
9 with infamous.

10 **MR. TOBIN:** Let me get over before the mike.
11 What I wrote about was several years ago
12 lightning struck the back of my house. It actually hit
13 the transformer in the back of my house. Fire went
14 along the wires. And the fire dropped down, burned the
15 grass, destroyed the plants, and FPL's trucks were out
16 there. Not only were they out there, they worked all
17 night to restore the power, because when it hit the
18 transformer, the power went out in the entire
19 neighborhood.

20 And what I really appreciated more than
21 anything else is you think, okay, they've got to fix the
22 transformer, they've got to replace the wire, got to do
23 that. They went beyond that. They replaced the grass
24 and they replaced the plants. And speaking for myself
25 only, I truly appreciated that. And for that, you know,

1 I did send them a letter and I said thank you, and I
2 truly mean thank you to them. They're always there.

3 We've heard a number of people say how good of
4 a corporate neighbor they are. And here in Daytona, you
5 know, we've discovered that as well. And whatever
6 decisions you all make, I just wanted to put that little
7 input in, that they go beyond what you would normally
8 think to be good customer service. Thank y'all very
9 much.

10 **CHAIRMAN CARTER:** Thank you, Mr. Tobin.

11 Betty --

12 **MR. KELLY:** Betty Powers, followed by Joe
13 Petrock.

14 Whereupon,

15 **BETTY POWERS**

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

19 **DIRECT STATEMENT**

20 **MS. POWERS:** To the Chairman and the
21 Commission, my name is Betty Powers, and I'm here to
22 speak on behalf of Florida Power & Light, for the
23 wonderful community service they do to my school.

24 I'm an educator. I have an inner city school
25 in Daytona Beach. I'll be retiring at the end of this

1 month. But I want Mr. Bob Coleman to know how much
2 we -- for the past ten years has contributed to our
3 school and our students.

4 Each year, Bob and his staff -- I don't even
5 have to call him, he'll call me. We know that the
6 students will get supplies, they will get clothing, they
7 will get things that they need, and anything else. And
8 I cannot say thank you enough to Bob for all that you've
9 done for our school at Jurie T (phonetic). We're an
10 inner city school; we average about 500 students. And
11 for the community to know what a good and wonderful
12 business partner they are and do community service,
13 because it's about giving back. And I want the
14 Commission to know that they do give back to our school
15 in Daytona Beach.

16 And thank you, Bob. And on behalf of the
17 students and myself, and whoever the new principal will
18 be, I'm going to make sure he knows Bob.

19 (Laughter.)

20 **COMMISSIONER EDGAR:** Thank you.

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

22 Mr. Kelly.

23 **MR. KELLY:** Joe Petrock, followed by Sherry
24 Hudson.

25 Whereupon,

JOE PETROCK

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

DIRECT STATEMENT

5
6 **MR. PETROCK:** Good afternoon. First, thank
7 you for being with us today. I'm Joe Petrock. I live
8 at 112 Panama Valley (phonetic) Court, Daytona Beach,
9 Florida.

10 I'm here to talk about, not the rate case, but
11 about service at Florida Power & Light. You know, I
12 know we all agree that successful and strong companies
13 have strong values. They understand the customer is the
14 most important part of their business and they place the
15 customer first.

16 Florida Power & Light seems to work best
17 during adversity. During 2004 this community
18 experienced four storms, a major undertaking for this
19 company, for our community. That's a major undertaking
20 for their employees during these most difficult times
21 when we're all experiencing the outages that were caused
22 by the hurricanes. But they're there, they're readily
23 available, they coordinate all their activities for our
24 community, our homeowners' groups. They're to be
25 commended for that and how they restored service during

1 that difficult time of not one, not two, not three, but
2 four storms right back to back to back. That impresses
3 me about what they do and how important they feel
4 customers are to their company and to our community.

5 Another thing that's impressive to me too is
6 the BuildSmart program. I built a new home seven years
7 ago, and FPL informed me about a BuildSmart Program, an
8 energy efficient way to build my home. That has reduced
9 my home costs by over 35 percent. What's impressive
10 about that, not only did it reduce my cost by
11 35 percent, my home is about 700 square foot bigger than
12 my previous home, and I have 12-foot ceilings in the
13 house. I received a Gold Seal of Approval, which will
14 not only help reduce my costs throughout the year, but
15 also when I sell my home, it makes it much more
16 valuable.

17 So they worked, they worked with my builder,
18 they talked about ways to make it energy efficient to
19 ensure it would be safe during a storm. And, of course,
20 I didn't realize it at the time we were building that
21 storm (sic) of how valuable that would be since we
22 experienced all the storms during that quick period of
23 time. That's meant a lot to me.

24 The service that they have, they respond
25 expeditiously. And I think that's key to any company,

1 when we're looking about service. I know when you look
2 at all the things you could do as a Commission, service
3 plays heavily on your decisions and what you decide to
4 do.

5 Something that's also important to me is this
6 past couple of -- oh, about three weeks ago we
7 experienced a 100-year storm with over 24 inches of rain
8 in that short period of time. That's something that
9 this community couldn't, as you know on national news,
10 handle in that period of time. The Governor was here
11 several times. But, again, Florida Power & Light was
12 readily available to restore and work with the community
13 to restore service expeditiously.

14 We don't think of power until we lose it. We
15 don't think of the costs we're going to experience until
16 we lose power, until they're not able to restore power
17 expeditiously, and the impact it'll have on our
18 community, on us as individuals, and the economic impact
19 it'll have on this community. When we're a community
20 that is able to restore power quickly, it helps us
21 attract industry. It helps us grow and prosper.

22 As we look at ways to generate money for this
23 community and prosper, we're trying to attract higher
24 paying jobs, and having a partner like Florida Power &
25 Light being able to provide their service expeditiously

1 and with that quality will help us attract higher paying
2 jobs and grow. So I encourage them to continue to focus
3 on service, to continue to focus on what they have for
4 so many years, that the customer is the most important
5 part of their business. So I felt it was important to
6 tell you that I think that's important for them as a
7 company, and they've done that, and I encourage them to
8 continue to do so.

9 Thank you for being with us and letting me
10 speak today.

11 **CHAIRMAN CARTER:** Thank you.

12 Mr. Kelly.

13 **MR. KELLY:** Sherry Hudson, followed by Norma
14 Jean Guida.

15 Whereupon,

16 **SHERRY HUDSON**

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

20 **DIRECT STATEMENT**

21 **MS. HUDSON:** Good evening.

22 **CHAIRMAN CARTER:** Hi.

23 **MS. HUDSON:** I'm actually going to be very
24 brief, and I think I'll need these on to talk. But I
25 live at 1258 Comerwood Drive in Deltona. And I still

1 don't say that I'm a Floridian yet. I'm still a
2 Michigander.

3 But I can say that I have seen a lot of things
4 that Florida Power has done, especially when the
5 hurricanes came, and I see a lot of things that have
6 been done in Deltona with the power outages. When I
7 first moved here, it was constantly going out. And I
8 see the new poles that are up in Deltona now and the
9 wooden poles are no longer there. And I commend them.

10 I think commendation needs to be given there,
11 as well as -- me changing from commending Florida Power
12 & Light for the things that I've seen them do, restoring
13 the power quickly when it's out, keeping the customers
14 informed as to things that are going on within the
15 community, within the cities as far as trimming the
16 trees and poles coming up, poles coming down, and why
17 certain things are happening.

18 But there are economical times that we're all
19 facing right now and it's hard for everyone, not just
20 myself. I'm employed, I have a job, I'm able to take
21 care of my bills right now. But I think about the
22 elderly and I think about the ones who are disabled and
23 I think about the ones who are not able, who are on a
24 fixed income and who are not able to afford this
25 continuous increase in rates. And with it being hot and

1 100-degree temperatures, you know, it really breaks your
2 heart when you think about an elderly person or a
3 disabled individual having to choose between do I have
4 this rate increase, do I turn up the air, or do I sit
5 here and suffer? And sometimes it even results in
6 death.

7 So I think -- I hope that when the decisions
8 are made, as far as the increases that are being done,
9 that we not think about greed and ourselves and our
10 pocket, we think about people. Because we are -- maybe
11 we are able to financially take care of ourselves now,
12 but what about when we're not? What about when we're
13 old? What about when we have disabled ones and family
14 members that we have to think about? We have to deal
15 with these issues, how -- think about those people as
16 well and not just ourselves.

17 So I hope that when the decision is made, that
18 you take all this into consideration. Thank you.

19 **CHAIRMAN CARTER:** Why did you look at me when
20 you said, "When we get old"?

21 (Laughter.)

22 **MS. HUDSON:** Well, now that I'm using this,
23 I'm not too far.

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

25 **MR. KELLY:** Norma Jean Guida, followed by Joe

1 Longo.

2 Whereupon,

3 **NORMA JEAN GUIDA**

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

7 **DIRECT STATEMENT**

8 **MS. GUIDA:** Norma Jean Guida, also from
9 Deltona, 3126 Byington Terrace.

10 I'd like to make this mercifully short. I
11 just don't see a 30 percent increase as being at all
12 fair. Come back in ten years. Reality check.

13 (Applause.)

14 **MR. KELLY:** Joe Longo.

15 **CHAIRMAN CARTER:** One second. Commissioner
16 Skop?

17 **COMMISSIONER SKOP:** Thank you, Mr. Chair. You
18 just -- if we could check with our reporter perhaps.
19 She's been going for quite some time.

20 **CHAIRMAN CARTER:** Oh, sorry, Linda. I'm so
21 sorry.

22 **THE COURT REPORTER:** I'm good for right now.

23 **CHAIRMAN CARTER:** You're okay for now?

24 **THE COURT REPORTER:** Uh-huh.

25 **MR. KELLY:** We have four left.

1 **THE COURT REPORTER:** Oh, okay. Good.

2 **CHAIRMAN CARTER:** Can you hang on?

3 **THE COURT REPORTER:** Sure. Thank you though.

4 **CHAIRMAN CARTER:** Thank you, Commissioner.

5 Sometimes I forget we've got one court reporter here.

6 Mr. Kelly.

7 **MR. KELLY:** Joe Longo, followed by Anthony

8 Porcelli.

9 Joe Longo? Is Mr. Joe Longo here?

10 (No response.)

11 Okay. Anthony -- it's either Porchelli

12 (phonetic) or Porcelli.

13 (No response.)

14 All right. Gwen Azoma-Edwards.

15 **MS. AZOMA-EDWARDS:** Azoma.

16 **MR. KELLY:** I'm sorry. Gwen.

17 (Laughter.)

18 Whereupon,

19 **GWEN AZOMA-EDWARDS**

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

23 **DIRECT STATEMENT**

24 **MS. AZOMA-EDWARDS:** Awesome. I'm Gwen

25 Azoma-Edwards. I live at 104 Water Turkey Court in

1 Daytona Beach, Florida. And I too thank you all for
2 coming and coming to Daytona Beach.

3 I'm a former City Commissioner here, retired
4 City Clerk. I do have a small business and I do a lot
5 of community service, and am a member of AARP as well.

6 I, I also want to applaud all of those who
7 have spoken earlier, if I could, because, you know,
8 someone said how proud they felt, you know, being here
9 and hearing people speak and having people have this
10 opportunity. I'm equally proud, because we live in a
11 country where we can do this, where it really doesn't
12 matter when you think about it as to sometimes how, how
13 many things somebody might do to help others.

14 But to me, in terms of this particular
15 activity, it really and truly does come down to business
16 costs and affordability. I too have to applaud
17 everything that Florida Power & Light does. You know,
18 having been in community service and still in community
19 service, and having been on the firing line in terms of
20 the political arena, I've seen what they do and how they
21 go out of their way to help the community. They're a
22 great community partner and they're a great business.

23 But the bottom line is that times are
24 difficult, things cost so much. And people are making
25 decisions. I volunteer at an elderly -- a nursing home

1 once a week. I volunteer with -- as a guardian ad litem
2 working with neglected and abused children. I'm out
3 there in the community. My husband is pastor of a
4 church. We're seeing people, we're talking to people.
5 And I don't know during my lifetime of a time more
6 difficult than it is now, a time when people are having
7 to make decisions about things that, you know, five
8 years ago, two years ago, one year ago, we wouldn't have
9 thought twice about. But we have to think about those
10 things now.

11 So when you think about such an increase, a
12 30 percent increase, I mean, as someone said earlier,
13 somebody is out of their mind. Seriously. How can
14 anybody, anybody during this day and time -- when the
15 government is going into such a great deficit just
16 trying to get money out there that can flow back into
17 the economy that can help people?

18 I mean, we're, we're going to be paying for
19 this stuff for years beyond my lifetime and the lifetime
20 of my sons and probably my grandchildren, heaven help me
21 that I have some.

22 (Laughter.)

23 But the bottom line is that, you know, we're
24 doing all of this to try to help the economy, and all
25 we're seeing is greed and greed and more greed.

1 Profiteering, and saying that on the backs of people,
2 the middle class that's fast disappearing, the poor, the
3 elderly, those who can least afford it, they have to
4 again pick it up and take on that added cost of helping
5 somebody that doesn't need the help right now, somebody
6 who's -- a company that's already making money, but it's
7 not enough.

8 You know, the truth is that consumers -- and
9 you've heard from these people. These are wise people.
10 I mean, consumers and citizens are getting smarter every
11 day. They're seeing what's going on, and they see that
12 people are making money day in and day out and they're
13 the ones picking up the tab for it. They're the ones
14 being asked to actually dish it out, go into their
15 pocket more and more, and they can't dig any deeper and
16 they can't pull out any more.

17 The truth is that in terms of this request --
18 and we can say in terms of quality of service, yeah, you
19 know. Do I still get out or just where I live, and I
20 live in the better part of town -- but in terms of the
21 quality of service, okay. But in terms of a rate
22 increase, a 30 percent rate increase, absolutely no.
23 Absolutely no.

24 And, you know, I know we hear from politicians
25 and those that are running for office, and all they want

1 to say is we're right with you, we're right there with
2 you. Yeah. But you don't really know and understand
3 what the people, the average person is going through
4 right now to really and truly say to us that you're
5 right there with us.

6 You know, talk is cheap. A 30 percent
7 increase is a lot. It's an awful lot. And during this
8 day and time, 5 percent is a lot. Somebody said
9 10 percent. That's a heck of a lot. You know, I, I'm
10 retired from the city. I do have an income. But I tell
11 you, those on a fixed income who are not getting what
12 I'm getting. Someone mentioned about their mother. My
13 mother gets \$700 a month in Social Security. And you
14 know what? She makes sure -- she's in rehab now
15 recovering from a total knee replacement. She still has
16 me take her bills to her so she can pay all of her bills
17 on time. She hasn't been in her home in four months
18 because of her surgery and her rehab and everything, but
19 it's important to her to pay her bills.

20 Elderly people, you know, they will be hurting
21 trying to do everything they can to pay their bills,
22 because they were raised during a time when that was a
23 value, paying your bills and doing what you had to do.
24 But we've got to get beyond the point of greed in this
25 country. We've got to get beyond the point of greed

1 when it comes to our local basic necessities. People
2 can't live without water, they can't live without
3 electricity in Florida. Somebody said that.

4 I would encourage you -- you know, I haven't
5 read any of my notes.

6 **CHAIRMAN CARTER:** You're kidding, right?

7 **MS. AZOMA-EDWARDS:** Just from my heart, truly,
8 I would just encourage you to please represent us,
9 represent the average person who too joins everybody
10 else here who's spoken. And I know these folks have
11 come to tell you what a great job Florida Power & Light
12 does, because I work with them and I was in Rotary with
13 them and everything else.

14 But the bottom line is that the average
15 citizen, I don't care, you know, who they are, where
16 they come from, cannot afford to pay one cent more, less
17 more 15 to more dollars more in power costs. They
18 cannot afford it. And I would ask that you represent
19 us, the average person, the average citizen, many of
20 whom who are not here.

21 You know, they've got a lot on their plate.
22 Please don't judge their, their not being here by being
23 a lack of interest. They just can't get here. But for
24 all of them, I would say to you and plead to you,
25 please, please, please do not, do not approve this

1 increase. Thank you so much.

2 (Applause.)

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

4 Mr. Kelly.

5 **MR. KELLY:** The last speaker I have signed up
6 is Ben Meek.

7 Whereupon,

8 **BEN MEEK**

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

12 **DIRECT STATEMENT**

13 **MR. MEEK:** How you doing? Ben Meek. I live
14 at 134 Washington Street, Lake Helen. I work for
15 Allsolar Energy.

16 I wanted to ask FP&L what they plan to do with
17 the solar market. Other utility companies offer rebates
18 and other things. FP&L says they're going to go green
19 by building a solar power plant. That's great. You get
20 to get free energy and sell it back to us.

21 What are they going to do for the normal
22 consumer who is trying to get solar? And, you know,
23 they want to keep increasing the rates. Do they want
24 to, you know, give us back some incentives to, you
25 know -- the rate increases are always going to go up.

1 What kind of incentives and rebates are you guys going
2 to give back to us?

3 Thank you.

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

5 We have -- according to Mr. Kelly's list, that
6 was the last person to sign up. Did we overlook anyone?

7 Let me say on behalf of the Florida Public
8 Service Commission how much we sincerely appreciate each
9 and every one of you. We thank you for what you had to
10 say. A lot of people came from the heart, and that's
11 what makes us great as a country, is that, you know, we
12 feel for one another. You know, we are our brother's
13 keeper. And we thank you for that.

14 Commissioners, thank you for your time.
15 Staff, do we have -- we've got all the exhibits listed?
16 Any outstanding matters?

17 **MS. WILLIAMS:** Do you want to enter them into
18 the record right now?

19 **CHAIRMAN CARTER:** Let's just mark it for
20 identification. And also for the record, Exhibit Number
21 1 would be the staff composite exhibit. They'll all
22 just be marked for identification, and we'll probably
23 enter them in at a later point in time, probably at the
24 culmination of all the public hearings.

25 Mr. Kelly, anything further?

1 **MR. KELLY:** No, sir.

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

3 Thank you all for coming, and with that we are
4 adjourned.

5 (Service hearing adjourned at 6:32 p.m.)

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STATE OF FLORIDA)
 :
COUNTY OF LEON)

CERTIFICATE OF REPORTER

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

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

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

DATED THIS 13th day of July, 2009.

Linda Boles
LINDA BOLES, RPR, CRR
FPSC Official Commission Reporter
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