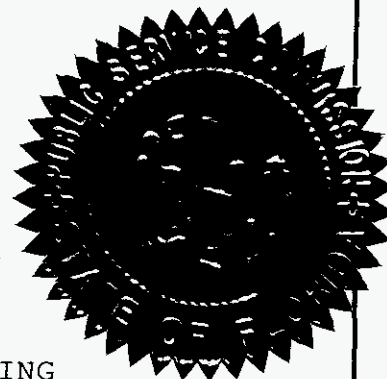


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI

In the Matter of:

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



PROCEEDINGS: MELBOURNE SERVICE HEARING

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

DATE: Wednesday, June 24, 2009

TIME: Commenced at 9:00 a.m.
Concluded at 1:07 p.m.

PLACE: Brevard County Governmental
Center
Commission Room, Building C
1st Floor
2725 Judge Fran Jamieson Way
Melbourne, Florida 32940

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

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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8 Federation.

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12 State of Florida.

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P R O C E E D I N G S

1
2 **CHAIRMAN CARTER:** Good morning to one and all.
3 We'll call this hearing to order. We want to thank you
4 all for coming.

5 First of all, let's begin -- staff, would you
6 please read the notice?

7 **MS. WILLIAMS:** By notice, this time and place
8 has been set for a Customer Service Hearing in Docket
9 Number 080677-EI, petition for an increase in rates by
10 Florida Power & Light Company.

11 **CHAIRMAN CARTER:** Okay. Thank you. Now let's
12 take the appearances of the parties.

13 **MR. BRYAN:** Good morning. My name is Patrick
14 Bryan. I'm an attorney for Florida Power & Light
15 Company.

16 **MR. KELLY:** J.R. Kelly, Office of Public
17 Counsel.

18 **MR. WRIGHT:** I'm Schef Wright and I represent
19 the Florida Retail Federation.

20 **MS. BRADLEY:** I'm Cecilia Bradley and I'm with
21 the Office of the Attorney General, and we're certainly
22 glad all of you have come here today. We're looking
23 forward to hearing from you.

24 **MR. WILLIAMS:** Anna Williams, Public Service
25 Commission.

1 **CHAIRMAN CARTER:** Thank you. We also have
2 with us Jack Shreve, who's with the Office of the
3 Governor. He's the Governor's senior counsel. And many
4 of you may know Jack. He served for 25 years as our
5 Office of Public Counsel. We're glad to have Jack here
6 with us today.

7 My name is Matthew Carter, Chairman of the
8 Public Service Commission. I'm going to give each one
9 of my Commissioners an opportunity to introduce
10 themselves, starting with Commissioner Edgar.

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

12 Good morning. My name is Lisa Edgar. I'm
13 glad to be here. It's such a beautiful area. Thank you
14 all for coming out, and I look forward to hearing all of
15 your comments.

16 **CHAIRMAN CARTER:** Thank you. Commissioner
17 McMurrian.

18 **COMMISSIONER McMURRIAN:** Hi. I'm Katrina
19 McMurrian. As my, as my colleagues have said, we're
20 glad to be here today with you, and we look forward to
21 hearing your comments about your service and what you
22 feel about the rate request that's before us. So we
23 look forward to hearing your comments. Thank you.

24 **CHAIRMAN CARTER:** Thank you.

25 Commissioner Argenziano.

1 **COMMISSIONER ARGENZIANO:** Thank you. Good
2 morning to everyone. As the other Commissioners have
3 noted, I'd love to hear everyone's comments. Hopefully
4 they're very rate-oriented, because we really need to
5 know how you feel about what's coming before us. And I
6 would be there in person, except -- and I hate telling
7 this every time I talk to people, but I have a very
8 broken leg, and -- unfortunately. But I do appreciate
9 staff enabling me to come to you via telephone. Thank
10 you for coming today.

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

12 And also Commissioner Skop will be joining us.
13 I think he's probably in the parking lot right about
14 now.

15 And just kind of by way of commercial
16 announcement, from time to time -- I recently had back
17 surgery, so I may have to get up from time to time.
18 It's not being disrespectful. I just have to get up and
19 walk around and kind of let those spasms work themselves
20 out. Or I could sit here and scream, if you'd like to
21 hear it, whichever you prefer.

22 (Laughter.)

23 When we begin the presentations, the parties
24 will make their presentation from the podium as it's
25 facing. And once they're finished, I'm hopeful that

1 we'll have someone here from the organization that could
2 turn it around. Okay. Good. We'll have the podium
3 turned around, so when you come up to speak, you can
4 speak to us here on the bench.

5 And with that, let's begin. Let's take a
6 couple of seconds here.

7 (Pause.)

8 Commissioner, we just took a moment to
9 introduce ourselves, and I'll give you an opportunity.
10 Commissioner Skop, you're recognized.

11 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.
12 I apologize for a few minutes late, but I look forward
13 to hearing all the customer comments this morning.
14 Thank you.

15 **CHAIRMAN CARTER:** Thank you.

16 Commissioners -- staff, is there anything
17 further preliminary?

18 Okay. Let's hear from the parties. From the
19 company, you're recognized.

20 **MR. BRYAN:** Thank you, Chairman Carter and
21 Commissioners.

22 Good morning again. My name is Patrick Bryan.
23 I am an attorney for Florida Power & Light Company. And
24 I'd like to first thank each of you for coming out this
25 morning to this quality of service hearing. We

1 sincerely appreciate your participation. We know your
2 time is valuable. I can assure you that the comments
3 that you provide today with respect to the level of
4 service that FPL provides, or with respect to any other
5 issue, will be heard by FPL and considered very
6 carefully.

7 In a moment you will hear from FPL's Vice
8 President of Customer Service, Marlene Santos. She'll
9 give a short presentation. She will discuss our current
10 rate proposal. She'll talk about FPL's level of
11 service. And she'll also mention some programs and
12 services that FPL has in place to assist customers in
13 lowering and/or paying their bills.

14 But before Marlene speaks, I wanted to inform
15 our customers who are here today that we have several
16 other customer service representatives in the building
17 as well, and they are available to meet with any
18 customer who has an issue or concern or problem with his
19 or her electric service or electric account. They're
20 armed with online computers, they can access your
21 account information in realtime, and they are committed
22 to resolving your issue or question here today before
23 the end of this hearing. If that's not possible,
24 they'll do their best to resolve the issue as quickly as
25 possible.

1 They're set up in a room outside these
2 chambers, just across the hall actually. And if anybody
3 is interested, we do have folks in the back of the room
4 raising their hands who will be more than happy to
5 assist you to the appropriate place.

6 At this time then, I'd like to introduce
7 Marlene Santos.

8 **MS. SANTOS:** Thank you, Mr. Chairman and
9 Commissioners, for holding this hearing today. I also
10 want to acknowledge the presence of several FPL
11 employees from the IBEW, and I am sure that they are
12 committed to providing excellent customer service, just
13 like all the other 11,000 FPL employees.

14 Thank you to all for being here today. We
15 have deep roots in Melbourne, and actually in Brevard
16 County we have over 300 employees. We appreciate the
17 opportunity to get your feedback today, and understand
18 that you have high expectations for us, especially in
19 this very difficult economy.

20 So this morning what I'd like to do is talk to
21 you about the things that we are doing to continue to
22 provide you with affordable, reliable and clean energy
23 solutions.

24 So I'd like to begin first with affordability.
25 We understand that electricity is a significant expense

1 for our customers. At a time when family budgets are
2 tight, we know we need to work harder than ever to keep
3 your bills low. We've worked hard to improve the
4 efficiency of our power plants. It's very similar to
5 just like when you invest in efficiencies in your home
6 like air conditioning, like ceiling insulation, your
7 usage goes down and your bills go down. As a result,
8 you save money. When we improve the efficiency of our
9 power plants, they use less fuel, which saves customers
10 money. These efforts, combined with lower fuel costs,
11 have allowed us to lower our customer bills this past
12 January. In September we'll file our fuel costs for
13 2010, which we project will be even lower. So we're
14 very committed to keeping the customer bills as low as
15 possible.

16 The chart that Pat is about to put up -- Pat,
17 go ahead and put up the chart now -- will show you, in
18 fact, that, according to the Florida Municipal
19 Electric Association's data as of April, FPL's bills
20 were the lowest of all 54 utilities in Florida. The
21 chart shows you -- the blue bar is FPL, which is the
22 lowest bill, and then all the others in the orange
23 are the 54 utilities across Florida and the prices for
24 those utilities. So what it shows is that a
25 1,000-kilowatt-hour FPL customer bill was \$110 in April.

1 The average across Florida is \$135. So that's a savings
2 of \$25 a month or \$300 a year.

3 We have worked extremely hard to keep those
4 low for our customers, and the fact is that FPL has not
5 had a general base rate increase since 1985. While the
6 cost of many things have gone up in the past quarter
7 century, our general base rate has not.

8 The fact that FPL customers have some of the
9 lowest typical bills in Florida reflects years of
10 aggressive cost management. Our low prices are also the
11 result of smart investments that we've made. As an
12 example, our fossil fuel plants are the most fuel
13 efficient in the nation. This has saved our customers
14 \$3 billion over the last six years. And we have other
15 very smart investments underway and nearby, such as the
16 modernization of our Cape Canaveral power plant. And
17 with the approval of FPL's rate proposal, we can
18 continue to make these types of investments, which we
19 project will save our customers \$1 billion a year
20 starting in 2014.

21 And we understand that customers struggling to
22 make ends meet need more than just the low electricity
23 prices that we are -- we have been providing. You need
24 help in keeping your bills as low as possible. And
25 that's why, in addition, we have been proactively

1 helping our customers, trying to come up with energy
2 solutions to help them. Since the early 1980s we have
3 been a leader in energy efficiency. We have actually
4 done over 2.5 million home energy surveys that have
5 saved our customers electricity.

6 And we also continue to sponsor programs like
7 Care To Share, which is FPL's payment assistance
8 program. Care To Share has helped over 55,000
9 Floridians with over \$11 million in aid. And just last
10 year, FPL's shareholders continued to make a \$1 million
11 investment in this very essential program.

12 So while we're very mindful of today's
13 difficult economy, we're also responsible for ensuring
14 that we're providing you with reliable service. Our
15 rate proposal is a vital part of our plan to make these
16 prudent investments in our electrical infrastructure.

17 As I stated, as a company we learned many
18 lessons in the 2004 and 2005 hurricane seasons, and
19 that's why we're investing more to make our
20 infrastructure stronger every single day, whether
21 there's good weather or bad.

22 In 2009 alone this investment will exceed
23 \$200 million. It includes things like replacing poles,
24 clearing trees from power lines, and strengthening the
25 services to hospitals and other essential facilities.

1 Right here in Melbourne it includes Sea Pines
2 Rehabilitation Hospital and the Holmes Regional and
3 Wuesthoff Medical Centers. These efforts have helped
4 improve the reliability of our system. As the chart
5 shows, according to the Edison Electric Institute, FPL's
6 distribution reliability is 47 percent better than the
7 national average in 2008.

8 We're also investing in smart technology that
9 will give our customers more control over the way that
10 they use energy. We're investing in smart meters that
11 will allow our customers to go online and understand
12 their energy consumption, not only just by the month,
13 but also by the day and by the hour.

14 And we're investing in cleaner energy to do
15 our part to fight climate change. The three solar power
16 plants that we're building in Florida, including one
17 nearby at the Kennedy Space Center, will avoid nearly
18 3.5 million tons of carbon dioxide emissions. I'm very
19 proud that our company, according to the Natural
20 Resources Defense Council, is one of the cleanest energy
21 providers in the nation.

22 Most importantly, we can continue to make
23 these types of investments even as customer bills go
24 down in 2010. As a result of lower forecasted fuel
25 prices and our success at making our power plants more

1 efficient, fuel costs are projected to decrease by \$17 a
2 month on a typical bill. Our proposal would cost about
3 \$12 a month, so the net will be a decrease of \$5 per
4 month.

5 In 2011, we're requesting an additional base
6 rate increase of \$2.84 per month. Whether the overall
7 bill will go up is truly unclear, based on the
8 difficulty of predicting fuel markets 18 months from
9 now.

10 But it is precisely because of that and
11 because fuel prices may rise again that we continue to
12 fund investments to enhance the fuel efficiency and the
13 diversity of our power plants. It's similar to buying a
14 new car. You make an investment up front, but then you
15 get the fuel savings in the future.

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

1 customers save on bills.

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

7 Thank you again so much for taking the time to
8 be here. We look forward to hearing from you and to
9 understanding how we can make our service even better.

10 Mr. Chairman, thank you.

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

12 Mr. Kelly.

13 **MR. KELLY:** Good morning, everyone. Thank
14 you, Mr. Chairman, for the opportunity to talk to the
15 folks today for a few minutes.

16 What I want to first do is introduce myself
17 and tell you what I do on your behalf, and then I want
18 to talk real quickly about some of what are the
19 important issues that we think are going to be an issue
20 in this case, and a little bit about what this case is
21 all about for those you of that may not quite understand
22 what base rates are.

23 First off, I'm J.R. Kelly. I'm the Public
24 Counsel for the State of Florida, and I have the honor
25 and privilege of representing you, the ratepayers,

1 everybody. Whether you're a business, individual, it
2 doesn't matter, I represent all of you collectively on
3 issues that come in front of the Public Service
4 Commission. My office is separate from the Public
5 Service Commission. We are, we're not part of the PSC.

6 I have a colleague here today with me, Mike
7 Jenkins, and when I get through or when I'm about
8 through with my remarks, he'll give you a little handout
9 that'll summarize a little bit of some of the points
10 that I'm going to briefly talk about.

11 Okay. First off, so what? Who am I? What do
12 I do? I represent you, the ratepayer. Okay? Just like
13 an attorney for FPL represents their interests, we're
14 your attorney. We go in front of the Public Service
15 Commission -- excuse me -- we put on our case, which
16 will be debating and contesting many of the points that
17 Florida Power & Light will be raising, we hire experts,
18 just like they do, in several areas.

19 And I'm pleased to tell you that we have some
20 of the top experts from around the nation on this
21 particular case. We have a cost of capital expert that
22 is at Penn State University. He is a Ph.D. He also has
23 an MBA. He has testified all over the nation in rate
24 cases. We have a lady, Sheree Brown, a CPA. She's
25 testified in over -- excuse me. She has over 20 years

1 of experience in regulatory accounting issues, has
2 testified all over the nation. We have a depreciation
3 expert. And I'm going to talk about depreciation in a
4 little bit. And this gentleman has, I believe, close to
5 30 years' experience on depreciation issues around the
6 nation with respect to regulatory affairs. And we have
7 a lady out of Baton Rouge that is an expert also in
8 accounting, has testified in front of the Public Service
9 Commission for many, many years, as well as around the
10 nation, and she deals with affiliated transactions.
11 Those are transactions that occur between two
12 corporations that are all part of the same corporate
13 family.

14 What is our mission? Our mission is to argue
15 on your behalf to make sure that you achieve, you
16 receive the best quality electric service at the least
17 cost possible.

18 Now, we're here today to talk about a base
19 rate increase. Florida Power & Light has asked for a
20 base rate increase. What does that mean? Well, I want
21 you to think of it, and the best example I've used time
22 and time again is like a test tube. Inside that test
23 tube there are a lot of different parts that make up the
24 total rate that you pay every month when you consume
25 electricity.

1 Years ago, the base rate used to take up the
2 entire test tube, 100 percent. Over the years, and I'll
3 explain this later, but the base rates now only make up
4 about 40 percent of the total rate you pay. You hear
5 people talk about fuel, you hear people talk about
6 nuclear and so on. Those charges are separate, and they
7 make up the balance of the test tube, again, for the
8 total rate that you pay.

9 So today we're here to talk to you about base
10 rates. It's about 40 percent of that test tube. Base
11 rates are basically, it gets more complicated, but
12 basically made up of two things.

13 One, the operating and maintenance expenses
14 that FPL has to expend on a day-to-day basis to bring
15 you the quality of electric service that they do. Okay?
16 Basically they're operating expenses and other account
17 expenses that go into that total amount. And in
18 addition, that is where they're allowed to receive,
19 under *Florida Statutes*, a fair and reasonable rate of
20 return on their amount of investment that they invest in
21 the company.

22 In this case Florida Power & Light is asking,
23 for that 40 percent of the test tube, they're asking to
24 increase that base rate by \$1.3 billion over the next
25 two years.

1 Now, I want to be the first one to tell you I
2 do not argue that Florida Power & Light is a bad
3 company. On the contrary, they are an outstanding
4 company. They're an outstanding corporate citizen.
5 We've heard from many, many people that they do a lot
6 for charities, they do a lot in the community. Folks,
7 we don't dispute that at all. They are a very well run
8 organization with a lot of good men and women that work
9 for them.

10 But where we disagree with them is we do not
11 believe what they're asking for is reasonable in today's
12 economic times. 1.3 billion is just not reasonable.

13 Some of the areas that we're going to be
14 contending that I want to explain to you -- there are
15 going to be a lot more than this, but these are some of
16 the main ones. First off, rate of return. You hear a
17 lot about return on equity. What is that? Folks,
18 that's just like you, and you go buy a piece of stock in
19 the stock market, okay, a share of stock, you expect to
20 earn a rate of return on that investment; correct? You
21 hope you don't lose money. You want to earn something
22 on it. That's what return on equity is.

23 Florida Power & Light is asking for
24 12.5 percent in this case. We believe that is just
25 very, very excessive, especially in today's recessionary

1 times. I don't know about how many of you -- let's see
2 a show of hands. How many are getting 12.5 percent
3 right now on anything you have in the stock market? I'm
4 sure not. I'm just trying to keep my head above water
5 on my investments, as most people are. We think that's
6 just too much to ask for in today's economic times.

7 Recently we had a case in front of the Public
8 Service Commission with another utility, and the Public
9 Service Commission approved an 11.25 percent return on
10 equity. We believe that was too high, and we're going
11 to be arguing an even lower rate. Our expert in that
12 particular matter argued 9.75 was a reasonable rate of
13 return. We think 11.25 is even way too high today.

14 And to put it in a little bit of perspective
15 here, over the past 12 months, according to the latest
16 reports filed by Florida Power & Light, they reported
17 earning 10.88 percent return right now, which we think
18 is outstanding in today's economic times. That amounted
19 to a \$1.1 billion profit, by the way. So we think 12.5
20 is just way too excessive.

21 Depreciation. For those of you that may not
22 quite understand depreciation, that's when you buy an
23 asset and over time it loses its value. You buy a car,
24 you expect it to run ten years, you pay \$1,000 for it.
25 Every year that you use the car, it loses 10 percent of

1 its value, or \$100. That's depreciation.

2 Florida Power & Light obviously has hundreds
3 of thousands, maybe even millions, of assets that they
4 purchase to run their business. All of those assets
5 have different useful lives: Maybe five years, maybe 50
6 years. But all of that is aggregated together, all of
7 those lives are aggregated together. It's a very
8 sophisticated formula that I have no idea how it works.
9 But you depreciate all the assets over the time. Okay?
10 That goes into the rate base. That's what you pay every
11 year, every day or every month when you pay your rates.
12 You pay part of that depreciation expense.

13 In this case, by its own admission by the
14 documents that have already been filed by Florida Power
15 & Light, they've collected, over collected or collected
16 in advance \$1.25 billion. Okay?

17 Now there's several ways you can deal with
18 that. You can lower the depreciation rate for the rest
19 of the remaining lives and eventually you sort of kind
20 of get your money back. We don't think that's the way
21 to go, not in today's economic times.

22 We believe that that money should be returned
23 to you, the ratepayers, today or over the next three or
24 four years, and that will reduce the rates you have to
25 pay today. And another way of looking at it is like

1 this, you that have been paying for, for electricity
2 from Florida Power & Light over the past few years have
3 been paying all this in advance. By the time it gets
4 back to you in 40 or 50 years, you may not be here then.
5 I don't think I'm going to be here then. If I am, I'm
6 going to be well over 100 years old.

7 **UNIDENTIFIED SPEAKER:** Do they get to also
8 take that out of their taxes, that depreciation?

9 **CHAIRMAN CARTER:** I'm sorry, ma'am. I'm
10 sorry, ma'am. We'll let the parties do their
11 presentation, then we'll go into our public hearing.
12 Okay?

13 Mr. Kelly, you may proceed.

14 **MR. KELLY:** Sorry about that.

15 Thank you, Mr. Chairman.

16 So we're going to be arguing that depreciation
17 over collection should be returned to the ratepayers
18 today and not over the next 30 or 40 years, and that
19 will make a huge, huge difference in the rates that you
20 will pay over the next few years.

21 Another issue is an increase in storm reserve
22 expense. What is that? Bottom line is that's a rainy
23 day fund. That's where FPL collects money from you in
24 your rates -- and they're requesting, by the way, in
25 this case \$150 million a year. They're going to take

1 that, put it in a rainy day fund. If and when a storm
2 hits, a hurricane hits and causes damage, they will take
3 money out of that fund and pay for the damages.

4 Again, we don't argue the concept of a rainy
5 day fund. That's, that's a very smart idea. However,
6 we do not believe, one, that \$150 million is reasonable
7 today, in today's economic times when unemployment is
8 well over 10 percent, most people are not getting any
9 salary increases or their stocks and their investments
10 are down. We don't believe that it's reasonable to ask
11 for \$150 million. Okay? Four or five years from now,
12 the economy is blossoming, we hope. I'm an optimist. I
13 do believe we're going to rebound. We'll rebound
14 strongly. We just don't know when it's going to be.
15 Maybe then we can increase the amount we put in the
16 rainy day fund, but not today. Not today.

17 And, by the way, if you're worrying about
18 whether Florida Power & Light will get their money
19 should a hurricane hit this year, there's a mechanism
20 under *Florida Statutes* for them to come to the Public
21 Service Commission and ask for a storm surcharge is what
22 they did several years ago, so they would still get
23 their money. I don't want you to think that I'm arguing
24 they shouldn't get their money for damages. I'm not
25 saying that. Just not right now in the form of

1 \$150 million a year.

2 In addition, there are going to be several
3 accounting issues. I'm not prepared to go into those in
4 detail. But our two accountants have identified several
5 areas that we think collectively will end up being
6 significant that we will be contesting the evidence that
7 they are going to be presenting asking for part of this
8 increase.

9 Real quickly, I want to set the record
10 straight on, on a few issues. Fuel, you hear the idea
11 about fuel. You hear Florida Power & Light say that
12 overall, yes, we're going to ask for a \$1.3 billion
13 increase, but your rates are going to come down because
14 fuel is coming down. Folks, that's mixing apples and
15 oranges. Okay? Here's -- remember my test tube.
16 40 percent is base rates, right? The majority of that
17 test tube are fuel charges.

18 How does fuel work? How do you pay for fuel
19 as an FPL customer? Whatever FPL pays for fuel, they
20 pay a dollar here, they collect a dollar from you in
21 what is called a fuel cost recovery hearing. Okay? It
22 has nothing to do with base rates, nothing whatsoever.
23 They pay a dollar, you pay a dollar. They pay 75 cents,
24 you pay 75 cents. Last year they paid \$1.50, you pay
25 \$1.50. Okay? It's completely dependent on the price of

1 fuel that they pay for year in and year out. Okay?

2 Right now, prices are down. Now, no one in
3 this room knows what they're going to do next year;
4 right? If we did, we'd be making jobs as speculators.
5 Okay? No one knows what they're going to do. We hope,
6 Florida Power & Light hopes they stay down, because if
7 they do, you will pay less. But they will pay less.
8 They don't make any profit on that, folks. It's a
9 straight dollar in, dollar out.

10 And you hear them say that, well, if you get
11 this increase, you're going to be paying \$4.90 per 1,000
12 kilowatt hours less per month. Well, guess what? If
13 they weren't here today asking for a rate increase,
14 you'd be paying \$17.32 less per 1,000 kilowatt hours
15 if their prediction, if, if their predictions about fuel
16 are true and fuel prices stay low. Fuel could turn
17 around and jump up just like it did a year ago, folks.
18 And if that happens, on top of the \$12.40 you're going
19 to pay if they got granted their entire fuel increase,
20 you're going to pay more for fuel. So don't mix the
21 two.

22 Secondly, going green. We've heard some
23 comments about, well, if Florida Power & Light doesn't
24 get any kind of their base rate increase, that's going
25 to hurt going green, renewable energy, et cetera. It

1 will not. It has no effect on it at all, folks.
2 Because -- remember the test tube. In that test tube,
3 40 percent base rates, different pass-through or cost
4 recovery parts, like fuel, like nuclear. Under that,
5 anything that they could invest in in renewables, for
6 example, their recent solar project, that didn't go into
7 base rates. They got that dollar for dollar through the
8 environmental cost recovery pass-through hearing. Okay?
9 They got that dollar for dollar. So that is not going
10 to affect the base rates. They can still invest and
11 they can still recover what they want to through
12 renewable generated energy.

13 And finally, you heard Ms. Santos mention
14 they've received no base rate increase since 1985.
15 Technically that is true, but I'm going to talk about my
16 test tube again. Remember I said that years ago the
17 test tube -- the base rates used to be 100 percent of
18 that, and then much of it has been carved out through
19 these cost recovery clauses either through the Public
20 Service Commission orders or *Florida Statutes*? Well, a
21 lot of the expenses that used to be included in base
22 rates are -- have been pulled out of there and now go
23 into the pass-through clauses that they get dollar for
24 dollar. So while base rates haven't gone up, folks,
25 you're still paying those expenses through a

1 pass-through clause. Okay? If that doesn't make sense,
2 I'll talk to you later and try to explain it easier.
3 But the bottom line is it's a misnomer to say they
4 haven't received any base rate increase because those
5 expenses have been pulled out and recovered earlier.

6 All right. I'll wrap up here real quick and
7 just say this. It's very, very important that you speak
8 up today and take this opportunity to speak to the
9 Florida Public Service Commission. This is your
10 opportunity, unless you're going to come to Tallahassee,
11 to talk to them today.

12 And what we ask, folks, is that you come up
13 and say whatever is on your mind. Okay? Good, bad.
14 I'm not asking you to come up here and bash Florida
15 Power & Light. Not, not at all. On the contrary. I
16 want you to come up here and I want you to be truthful,
17 I want you to speak from the heart and I want you to
18 tell what you think about Florida Power & Light and what
19 impact this base rate increase will have on you and the
20 life, the quality of life that you have right now.

21 Thank you very much. I look forward to
22 hearing from you.

23 (Applause.)

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

25 Mr. Wright.

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

2 **CHAIRMAN CARTER:** Commissioner Argenziano.

3 **COMMISSIONER ARGENZIANO:** Yes. Just as I did
4 the other day -- just with all due respect to Mr. Kelly,
5 and I appreciate his presentation, I just want the
6 record to reflect that while the Commission did overall
7 pass the rate increase of another case that he
8 reflected, it was not unanimous. I did not vote in
9 favor of that. I'd like that reflected that way.

10 **CHAIRMAN CARTER:** Okay, Commissioner. Thank
11 you.

12 Mr. Wright.

13 **MR. WRIGHT:** Thank you, Mr. Chairman. Thank
14 you all for coming. My name is Schef Wright. I was
15 born in South Florida a bit more than 59 years ago.
16 I've had the privilege of working in Tallahassee on
17 energy issues since December of 1980. I worked for Bob
18 Graham's energy office, I worked on the Public Service
19 Commission staff for seven years. I got a break, I went
20 to law school, and I've been practicing in the private
21 sector representing consumers and renewable energy
22 producers and municipalities for most of the last 20
23 years.

24 I represent in this proceeding the Florida
25 Retail Federation, a statewide organization of more than

1 9,000 members, from the smallest mom and pop florist
2 shops, cobbler shops, et cetera, to the largest chain
3 stores of groceries, department stores, drugstores and
4 electronics stores and all the other retailers you can
5 think of. On behalf of the Retail Federation, I thank
6 you for coming out.

7 It's important for the Public Service
8 Commissioners to hear what you have to say. I'm going
9 to be as brief as I can. Before I go on, I want to tell
10 you all, you owe a tremendous debt of gratitude, both to
11 Mr. Kelly, who does a wonderful job for y'all, and
12 Mr. Shreve, who not only served for 25 years as Public
13 Counsel, but also served y'all, this area, as your
14 legislator -- as your state representative from 1970 to
15 1974. They have done a marvelous job for you for the
16 last 30 years.

17 Mr. Kelly covered a whole lot of the stuff I
18 was going to cover, so I'm going to try to be as brief
19 as I can. I've got to say one thing first. I love his
20 test tube. The last thing he said, he was talking about
21 the base rates and the little pass-through clauses
22 again. I mean, there's a bunch of them, folks. We have
23 fuel, environmental, energy conservation. It used to be
24 oil backout. I think that's gone. Storm cost recovery,
25 nuclear cost recovery. Pretty soon we're going to have

1 capital cost recovery, I think, and then we won't have
2 any base rates at all.

3 But the thing I want to say is this. Talking
4 about the test tube, compare it to 24 years ago. You
5 got to get a bigger test tube.

6 The issue in this case is not fuel, it's not
7 whether FPL should get some kind of pass because they
8 haven't had a base rate increase for 24 years. The
9 issue is real clear: Does Florida Power & Light Company
10 need another \$1.3 billion a year, which is what it'll be
11 come January 2011? Do they need another billion plus a
12 year in order to maintain their system, to finance their
13 system, to provide safe, adequate, reliable, sufficient,
14 efficient service? Those are words in the statutes. We
15 don't believe that they do.

16 I've got to touch on one thing. They have not
17 had a base rate increase other than a couple of special
18 increases for new power plants over the last four years,
19 but they haven't had a base increase because they
20 haven't asked for one, because they haven't needed one.
21 They have agreed to settle cases for \$600 million in
22 base rate reductions first in '99, then in 2002.

23 And also during those 20 odd years they were
24 giving back base rate refunds that altogether totaled
25 more than \$200 million, during which time they remained

1 extremely profitable. They were doing real well. And
2 by the way, four years ago they came to the
3 Commission -- I was in this part of the state and around
4 the state in other hearings just like this one -- they
5 came to the Commission and asked for a \$430 million a
6 year base rate increase. We, the consumer side and FPL,
7 ultimately agreed to settle that case for a base rate
8 increase of zero.

9 Yeah, I say it again. The issue is does FPL
10 need more than a billion dollars a year of your money to
11 maintain its system, to finance its system, to operate
12 its system to provide safe, adequate, reliable service?
13 We don't think so.

14 Why not? Here are three quick reasons.
15 Mr. Kelly talked about the return on equity. They're
16 asking for a 12.5 percent after-tax return on their
17 stockholders' investment. We think this is unreasonable
18 in this market. And other than back in the early '80s
19 when the prime rate was in the 15 range, we don't, we
20 don't think it's been reasonable for anything like the
21 last ten or 15 years. We believe a more reasonable rate
22 is something like 9 or 10 percent. Compared to the
23 miniscule risks that they face, 10 percent, folks, is
24 generous.

25 The difference between a 10 percent after-tax

1 rate of return on equity and a 12.5 percent after-tax
2 rate of return on equity is around \$335 million a year,
3 extrapolating from their testimony. They've got this
4 huge depreciation surplus. They want to give it back to
5 you by just offsetting rate base and flow it back over
6 the next 20 years, which is about the average life of
7 their facilities. We think that y'all and our members
8 who have paid in the money that have created this
9 surplus should get it back over something a lot more
10 reasonable, like four years. If you just make that
11 adjustment, that's \$250 million a year less of revenues
12 that they need.

13 And as to the storm reserve, they have a storm
14 reserve. It is pushing, if it does not already exceed,
15 \$200 million. If, God willing, and it is all of our
16 prayers that we don't have a big storm this year, their
17 projections are that their storm reserve will be \$215
18 million at the end of the year. We believe that's
19 plenty. We believe that the extra \$150 million per year
20 that they're trying to add to it is unreasonable.

21 I want, I want to tell you, we had a couple of
22 cases about this in '04 and '05, and the last of which
23 was tried in 2006, and FPL was there asking to have a
24 target reserve of \$650 million, which is the same target
25 they're proposing in this case.

1
2 I want to first read you very briefly from the
3 Public Service Commission's order in that case. It goes
4 directly to the point, our point, that they don't need
5 this \$150 million.

6 FPL -- this is Order PSC-06-0464 at Page 25.
7 "FPL proposed that its reserve be replenished to a level
8 of \$650 million, to be financed through storm recovery
9 bonds authorized in this proceeding. Intervenors," that
10 included us and Public Counsel and the Attorney General,
11 "support funding the reserve to a level of between
12 zero and 200 million. The record clearly establishes
13 that the level of FPL's reserve has no impact on FPL's
14 exposure to storms." I'm going to leave a few words
15 out, but I'll be happy to give you the order.

16 "Further, under the current approach to the
17 recovery of storm restoration costs, the risk associated
18 with a lower reserve level," there's a long
19 parenthetical, "is completely borne by FPL's customers."
20 That's our members. That's y'all.

21 We don't -- like Mr. Kelly, if FPL reasonably
22 and prudently spends money to restore service after
23 storms, they should get it back and they will get it
24 back. History has proven that. In '04 and '05 they
25 spent \$1.8 billion restoring service. They had a

1 reserve going in, I think, of \$395 million. That could
2 be off by a little bit. They borrowed the money, they
3 went to the PSC, the PSC approved the storm surcharges,
4 they got the rates. They don't need this \$150 million a
5 year.

6 I want to make a couple of quick points and
7 I'm going to wrap up. Note, the three items I
8 mentioned, and there are more, as Mr. Kelly said, the
9 three items I mentioned, excessive ROE, giving y'all
10 back the depreciation surplus, and not, no increase in
11 storm reserve accrual charge built into their rates,
12 that's \$725 million, we think, off the top that they do
13 not need. We believe there are other items that they
14 don't need.

15 But note what we're not talking about. We are
16 not talking about laying off employees, we are not
17 talking about cutting the salaries or the wages of the
18 people who are out there working in the field keeping
19 your lights on. We are not talking about FPL not making
20 expenditures. We're talking about giving you back some
21 depreciation, and we're talking about them not earning
22 12.5 percent after tax on their investment.

23 Do they need these things to maintain
24 adequate, reliable service? No. Do they need any rate
25 increase at all? We doubt it. The evidence will tell.

1 Your Public Service Commissioners will make the
2 decision. Please, as Mr. Kelly said, tell them what you
3 think. Thank you for coming.

4 (Applause.)

5 **CHAIRMAN CARTER:** Thank you, Mr. Wright.
6 Ms. Bradley.

7 **MS. BRADLEY:** Mr. Chairman, Commissioners. We
8 really appreciate you all being here. I'm Cecilia
9 Bradley and I'm with the Attorney General's office. And
10 we have the privilege of working with your Public
11 Counsel's office and representing you.

12 And that's why it's so important for you to
13 come here and tell the Commission how this rate increase
14 is going to affect you, because we need to hear from
15 you. Now we know that nobody likes their rates to go
16 up. That's just a given. But we're talking about more
17 than that.

18 We had testimony yesterday from a couple of
19 people that work with the elderly or people on fixed
20 incomes, people that have retired, and these people were
21 saying, "We haven't had any increase in years. You
22 know, we're still having to get by on the same money we
23 have for several years, and everything is going up."
24 And that's a burden on people. And that's the kind of
25 things we need to know. If this is going to have that

1 effect on you, the Public Service Commission needs to
2 know that.

3 Now there's been several misstatements or
4 misunderstanding, I'm not sure what caused this, but we
5 had a lot of people that came, some came from distances
6 to talk about what a good company Florida Power & Light
7 is. There's nobody here that's going to tell you they
8 don't provide good service to you. You know, we're not
9 challenging that. But that's not the issue that's
10 before the Commission right now.

11 What's before the Commission is whether or not
12 they should get a rate increase. And it's not a matter
13 of, well, they're a good company, so we should give them
14 more, or this other company, they don't provide as good
15 a service, so we may not give them quite as much.
16 That's not the way this works. They have to show that
17 these are needed expenses. It's not how good a company
18 they are.

19 Now there was some mention made about, and
20 some of the other people have talked about it, but --
21 that they need this big return on equity because they
22 can get cheaper money for their plants. And, you know,
23 that's, that's -- we had a -- Mr. Kelly mentioned
24 another hearing that we had recently. And some of the
25 economists, they did some calculations, and then they

1 were making the same argument in that case. And he did
2 the calculations -- it was Tom Herndon, who has been a
3 public servant for years and is well respected, and he
4 did the calculations and said, "Well, that would provide
5 a \$5 million benefit for the customers, but the cost
6 would be \$30 million."

7 So you kind of have to look at, well, you
8 might get a benefit, but what is it going to cost you?
9 Is it worth that much money? Is it worth that high
10 return on equity? And after looking at it, our Public
11 Counsel's experts and the others say, no, it's not. And
12 that's part of our argument on your behalf at the
13 hearings that are coming up.

14 You know, we have to be able to afford to be
15 benefited. And I usually look -- I told the people
16 yesterday, that would be like if somebody came up to you
17 and said, "Here, have \$5." And you'd say, "Well, thank
18 you. I appreciate that. You know, I'll go get a burger
19 for lunch." But then if they turn to you and said, "But
20 you have to pay me \$30 for that \$5," wow, you know, that
21 kind of changes things.

22 And that's kind of what we're looking at here.
23 You would get a benefit, but can you afford it? And the
24 answer we're getting from a lot of people is, "We
25 can't."

1 It was very disturbing last night to hear some
2 of the people that came forward and said, you know,
3 "It's hot." We're having a lot of heat. I think record
4 highs in at least some parts of the state. And they're
5 concerned about our elderly citizens who really cannot
6 afford to pay their utility bills and they're having to
7 cut down on the amount of air conditioning they're
8 using. And, you know, the police and the EMTs are going
9 in and finding these people that have suffered heat
10 stroke and things because they just can't afford to run
11 their air conditioner anymore.

12 Those are the kind of things we are really
13 concerned about. You know, the Attorney General has
14 described this as excessive. We want to work with
15 everyone to try to get it down to a more affordable
16 rate, because the statute guarantees you a fair and
17 affordable rate. And that means you have to be able to
18 afford it on your income and what you have to pay.

19 Now one of the other things that we look at
20 when we, when we look at these requests -- you heard
21 from Mr. Wright a few minutes ago. He represents a lot
22 of the small businesses, a lot of the business folks in
23 Florida. Well, this kind of has a trickle-down effect
24 because when their rates up -- you know, they're not a
25 monopoly. They don't have a guaranteed rate that they

1 can charge. And if they have to pay a lot more for
2 fuel, they have to make up that difference somehow, and
3 usually that means raising your rates on goods and
4 services. So not only do you get a higher utility bill,
5 but you have to pay more for the other goods and
6 services that you need for your lives. And we're
7 concerned about that.

8 I think the other speakers have touched on a
9 lot of this. But, again, I just want to say we
10 appreciate you coming out. I know it's hot out there.
11 I know there are more things that you would have enjoyed
12 doing today than coming and sitting in a public hearing
13 and listen to all of us talk. And so we really do
14 appreciate it.

15 As I mentioned, we represent you, but we can't
16 do a good job with that unless we know how this is going
17 to affect you. And so we appreciate you coming and we
18 look forward to hearing from you. And if we can answer
19 any questions or help you in any way, please let us
20 know. Thank you.

21 (Applause.)

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

23 While we're getting the podium turned around,
24 let me give you a commercial announcement. In the back
25 we have these blue forms that -- we have our staff back

1 there. Cindy Muir is holding one of those up. These
2 forms tell you about the information about this hearing,
3 who, what, when, why, and where. Those of you that are
4 techno savvy, there's an e-mail address on there, a
5 website. You can submit your information to us at the
6 Public Service Commission. Additionally, on the back
7 there's a mailer. You can pull those off.

8 And please take some with you if you've got
9 some friends and neighbors that were unable to be here
10 today. Let those have them. They can either send them
11 to us in writing or they can e-mail them to us on that.

12 The other thing I want to mention that we have
13 on the table back there is we're in hurricane season,
14 and we have what we call *Be Prepared*, and we have some
15 safety tips for you. We want to be preventative. If we
16 can prevent some things and we can save you some
17 problems and some property damage and things like that,
18 let's go ahead on and do that.

19 Now let me do this. Mr. Kelly, if I can kind
20 of get some kind of idea about how many people we've got
21 so we can organize our time. We do have another hearing
22 this afternoon down in West Palm Beach, I believe it is.
23 Mr. Kelly?

24 **MR. KELLY:** You have 39 people that have asked
25 to speak.

1 **CHAIRMAN CARTER:** Okay. 39. What we can
2 probably do is if we -- if you could speak, you know,
3 for three minutes or so. And if you agree with someone
4 else's, you know, I agree with them and all like that,
5 because we do want to hear from you, and we want to hear
6 from you. We want everyone here to be able to speak.
7 And that's why if we can do that, we can obviously --
8 everyone can be heard.

9 And what we'll do is Mr. Kelly will be calling
10 your name. And as he calls you up, come on up and give
11 your name and address for the record. We have our court
12 reporter down to my right here. She's taking down
13 everything for the record, because everything you say
14 will be in the court record. So, as you come down --
15 yes, ma'am?

16 **UNIDENTIFIED SPEAKER:** There are over
17 60 speakers.

18 **MR. KELLY:** I was going to say, they just
19 handed me another stack.

20 **CHAIRMAN CARTER:** Oh, over 60. So much for
21 39. But I think that if we could do it within three
22 minutes, give you three minutes. Then if you agree with
23 someone else, just say I agree with them and all like
24 that, that way, because we do want to hear from everyone
25 here.

1 Mr. Kelly will be calling your names. And as
2 he, as he calls your name, if you'd come up to the
3 podium, tell us your name and address, and then go ahead
4 on and give us your, your presentation.

5 With that, Commissioners, we'll proceed
6 further.

7 Mr. Kelly, you're recognized.

8 **MR. KELLY:** Thank you, Mr. Chairman. And I'll
9 call two people that are -- two names out so you'll know
10 who's on deck and you can be ready to come on down.

11 The first is Mr. Russ Foster, followed by
12 Ms. Mary Keating.

13 **CHAIRMAN CARTER:** You may proceed.

14 **MR. FOSTER:** My name is Russell Foster --

15 **CHAIRMAN CARTER:** Hold up for me. I forgot a
16 major thing. I'm having so much fun down here in
17 Brevard County that I forgot to do a very important
18 thing.

19 All of you that are wishing to speak, would
20 you please stand, because we have to have it on the
21 record. I'm going to need to swear you in. Or I could
22 swear at you, whichever you prefer.

23 (Laughter.)

24 (Witnesses collectively sworn.)

25 Thank you. Please be seated.

1 Mr. Foster.

2 Whereupon,

3 **RUSS FOSTER**

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 **MR. FOSTER:** Thank you, Mr. Chairman,
9 Commissioners. I'm Russ Foster. I'm the Energy Manager
10 for St. Lucie County School District in Port St. Lucie
11 and Fort Pierce. We represent about 7 million square
12 feet of school space and other ancillary buildings.

13 But in my capacity as Energy Manager I have
14 had a very close, personal working relationship with
15 Florida Power & Light representatives, and every utility
16 bill that comes to the schools crosses my desk. I see
17 every one of them personally, analyze our consumption
18 usage and so forth, in order to make recommendations
19 about how to save energy.

20 Well, in that capacity I work very closely
21 with our field representative from Florida Power &
22 Light, and he lends support almost on a weekly basis
23 certainly, if not a daily basis, under certain
24 circumstances. But they advise me on equipment that we
25 can use, techniques that we can apply in order to save

1 energy, and I think that's rather unique.

2 In analyzing the bills, I noticed that our
3 particular bills for the first 11 months of this school
4 year went up about 2.6 percent for total charges for
5 kilowatt hours from Florida Power & Light. I think in
6 light of what the fuel adjustment charges have been and
7 the fuel costs have been, that's pretty reasonable. By
8 the same token, there's another utility that supplies
9 electricity to our school district, that's Fort Pierce
10 Utilities. Their rates during that same time went up
11 29.1 percent. That's quite a distance between the two,
12 the two rate schedules.

13 What I would really like to propose is that we
14 find some way to regulate the municipal utilities. I
15 think really that's where the crux of the matter is.

16 But having said that, I just wanted to mention
17 that, with the help of Florida Power & Light, regardless
18 of what their rate costs have been and what their
19 proposed rate increases may be or what you may or may
20 not grant to them, I feel that I get far more back in
21 service and results for the schools and the children of
22 our county for the efforts that Florida Power & Light
23 applies on my behalf.

24 We have saved so far this year nearly
25 \$2 million. And if you apply the fact that we added

1 three schools this year and express that figure as a
2 cost avoidance, we've actually avoided spending
3 \$3.3 million. And a lot of that was due in part to
4 Florida Power & Light's assistance: Advising us on
5 energy efficient lighting, air conditioning, even a new
6 technology thermal energy storage, which uses ice plants
7 to generate cool air and cool water to cool the air for
8 our air conditioning system. It's a new technology for
9 our county, and I think it's going to be very profitable
10 as far as saving energy for the school district.

11 But I would just like to say that in light of
12 what our savings record has been, when I add to that the
13 prompt personal service I get if I have a problem from
14 my field rep, I don't know what I'd do if ever I lost
15 that contact. Whatever that takes to keep that person
16 at my beck and call is what I need to supply energy to
17 the students of St. Lucie County.

18 And having said that, we've, we've gotten --
19 of course, I guess they have a lot of their own energy,
20 but I supply the rest of it. But having said that, as
21 far as storm restoration, we get very prompt service.
22 In one instance in particular, this is not storm
23 related, this is another matter, but we had two schools
24 that were side by side where their chillers, their air
25 conditioning systems were kicking out kind of

1 intermittently. I called our representative, he sent a
2 service truck out immediately, told us what the problem
3 was and how we could work to save our equipment, to keep
4 from damaging our equipment, and then they made the
5 necessary switching operations that were necessary to
6 avoid that. It was really an imbalance of power being
7 supplied to the schools. But that was done
8 instantaneously.

9 Without, again, without that contact, without
10 that ability to have those people available on a
11 moment's notice, I really don't know how we would do the
12 job that we do. And I would just like to say
13 personally, my relationship with Florida Power & Light
14 has always been very satisfactory and I feel that I'm
15 getting what I pay for. That's something my dad raised
16 me to practice and to believe even as a young child.
17 You get what you pay for. If you want good service,
18 you're going to have to pay for it.

19 And I'd like to think that, regardless of,
20 again, what your actions might be, I know that I'm going
21 to get far more in return than what you grant or do not
22 grant. Thank you for your time.

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

24 **CHAIRMAN CARTER:** Commissioner Argenziano.

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

1 question for the gentleman. A couple of questions real
2 quick. Thank you so much for coming today. And I think
3 there's no disagreement on the good service that the
4 company brings to the community, and that's quite
5 frankly what they get paid for. That's part of the
6 service of a good electric company, and FPL certainly is
7 a good electric company. They wouldn't get the past
8 recoveries that they have had if they hadn't had quality
9 of service for customers.

10 But I need to ask you, are you representing
11 the school district?

12 **MR. FOSTER:** Yes. Well, the school district
13 did not ask me to come. I took a personal day off and
14 came on my own.

15 **COMMISSIONER ARGENZIANO:** So then you are not
16 representing the school district. You are here
17 personally.

18 **MR. FOSTER:** Yes. I'm not speaking on behalf
19 of the school district, no.

20 **COMMISSIONER ARGENZIANO:** Okay. Okay. And
21 the other question I wanted -- just a couple of quick
22 questions. The other company that you referred to, the
23 other electric company with higher rates, are they in
24 any way comparable to the size of Florida Power & Light?

25 **MR. FOSTER:** Certainly not. No.

1 **COMMISSIONER ARGENZIANO:** Okay. That may be a
2 difference in the rates. And one other question, I
3 think, because it's very important. You talk about the
4 gentleman that you have at your -- that helps you with
5 so many things that the school really needs help with
6 today. The schools are faced with slashed budgets, and
7 having that help for efficiency is incredible. But in
8 your opinion, do you think that that would go away if we
9 didn't give them what they ask today? Are you worried
10 about that?

11 **MR. FOSTER:** I'm concerned that it may not be
12 there in the future. I don't know that it would go away
13 immediately. I just want to make sure that whatever
14 level of service that I've been used to can continue,
15 and I think that's part of it.

16 **COMMISSIONER ARGENZIANO:** Okay. And one other
17 question, the last question. Are you here speaking for
18 the rate increase or against the rate increase, or no
19 opinion?

20 **MR. FOSTER:** I'm not opposed to a rate
21 increase, no, because I know that I'm going to get the
22 return on my investment through energy savings.

23 **COMMISSIONER ARGENZIANO:** So then that is to
24 say that you are for the rate increase?

25 **MR. FOSTER:** Yes, I would be.

1 **COMMISSIONER ARGENZIANO:** Okay. But not as
2 the school district, just you personally.

3 **MR. FOSTER:** That's my personal opinion, yes.

4 **COMMISSIONER ARGENZIANO:** Thank you.

5 **CHAIRMAN CARTER:** Ms. Keating.

6 Whereupon,

7 **MARY KEATING**

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. KEATING:** Mr. Chairman, members of the
13 Commission, thank you for the opportunity to speak with
14 you.

15 I'm not a lawyer. I used to be a
16 businessperson. As a matter of fact, I worked and lived
17 in Brevard County for 20 years. I'm a senior, 75 years
18 old, and I think I speak for a lot of seniors in our
19 county. I grew up in a time where we learned to live
20 within our means. It was a hard time during the
21 Depression, and I passed that on to my children. They
22 became very moral, ethical citizens, and they also
23 learned to live within their means.

24 I have no qualms with Florida Power & Light.
25 We -- although we don't have a choice, you know, in

1 power companies and so forth, they've been very good. I
2 can't give them -- I just can't take that away from
3 them. Very, very good. I commend them for all the
4 community work that they do.

5 However, at 75, having gone through my life
6 doing all the good things like working hard, trying to
7 save for my future and trying to give a good impression
8 and lessons to people around me and especially my
9 family, I find myself in a rather difficult position.
10 Through no fault of my own, as a matter of fact, thanks
11 to the stock market, thanks to rising healthcare, thanks
12 to the rising cost of healthy food, I find myself on a
13 very, very small fixed income.

14 As such, \$12 may not seem a lot to some
15 people, but \$12 here, \$12 there, it all adds up. I know
16 many seniors who keep their temperature at 81 degrees
17 even during the day, and maybe they'll lower it to 78,
18 77 hopefully to be able to sleep at night. Their
19 electric bills have probably doubled in the last
20 20 years that I've been here. And that's as it should
21 be, capitalism, the American way of living, free
22 enterprise. That's all good. I was part of it at one
23 time.

24 But now we face an economic crisis in our
25 country where I don't think increases of any kind are

1 conscionable, particularly when you have so many seniors
2 here in Florida who live on -- I'm a single person. I
3 don't have anymore money. Where do I get it from? I
4 don't go out to dinner, I don't go out to different
5 things like that. I'm happy because I'm living within
6 my means as I was taught, so I don't know how to be
7 unhappy about it.

8 And I think that many, many seniors are going
9 to face a hardship, even with that small \$12 a month.
10 \$12 a month can pay for maybe a doctor's co-visit, a
11 co-pay. \$12 a month can pay for another co-pay on
12 medication. \$12 a month, you can go to the produce
13 store and buy healthy food so that maybe we won't become
14 even a bigger burden on the taxpayers.

15 We have to look at who we have for citizens in
16 Florida. Someday many of us may be taxing the state
17 even more. So the decision that you make here today
18 may, if you make a decision that I don't agree with,
19 open the door to more service people, more utilities to
20 come to you for bigger increases. If that happens, I
21 don't know. In my mind it looks like the State of
22 Florida will have many more citizens on its services,
23 such as Medicaid, and you just go right down the list.

24 We're all trying to be proud people. I grew
25 up at a time where our pride was everything, and it

1 still is today. And I ask you, please, don't tax us
2 anymore. I didn't mean to use the word "tax," but don't
3 levy another expense on your people in Florida. And I'm
4 not speaking just for seniors. I'm speaking about for
5 all the out-of-work people through no fault of their
6 own. I'm speaking of young children and everything.
7 They're going to live in those homes that can't afford
8 the electricity.

9 So, please, let's put a hold on increases that
10 affect all of us and try to live within our means until
11 things turn around, and I assure you I pray that they
12 will. Thank you very much.

13 (Applause.)

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

15 Mr. Kelly.

16 **MR. KELLY:** Mr. Phil -- if I get it correct --
17 Koechlein, followed by Randall Hunt.
18 Whereupon,

19 **PHIL KOECHLEIN**

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 **MR. KOECHLEIN:** Thank you. I appreciate the
25 opportunity to speak. It's very hard to follow Mary

1 after what she had to say. She did an excellent job.

2 I live also here in Brevard County and I'm
3 also a senior citizen. I'm also in the same position
4 she is and so on, that I'm basically a fixed income. So
5 it's very, very hard to consider a company in this time
6 coming along and asking for an increase.

7 If you take a good look at a thought, what's
8 about to happen in the next couple of years ahead of us,
9 even Social Security and many of the other things are
10 not going to see increases because of the way the
11 economy is going. So anybody -- so why should someone
12 such as these people see an increase on their own?

13 A 10.9 percent return on investment would be
14 honored by most companies around the world. They'd love
15 that. So I don't see why, any reason that they at this
16 time deserve such an increase. We've all said they're a
17 good company. But let's face it, it's a hard time.
18 They've done an excellent job doing with what they have
19 now. I say they need to continue to do so. They should
20 not have the increase. Thank you very much.

21 (Applause.)

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

23 Mr. Hunt.

24 **MR. KELLY:** Followed by Abby Walters.

25 Whereupon,

RANDALL HUNT

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. HUNT:** Mr. Chairman and Commissioners, I
7 stand before you to affirm a point that Mr. Kelly made,
8 and I think it does -- it is worth affirming. As the
9 CEO of Senior Resource Alliance -- that's also the area
10 Agency on Aging and PSA 7 -- I've worked with the
11 Florida Council on Aging, and Florida Power & Light has
12 worked very closely to help us advocate for senior
13 services.

14 Some people have talked about the rate
15 increase. I suspect there's never a good time for a
16 rate increase, and I understand how difficult this is.
17 I represent seniors. It's, you know, it's a very
18 difficult spot for, for me and for the agency. But they
19 have helped us advocate for services so services would
20 not be cut for seniors.

21 And I think it's important that in your
22 consideration that that information be affirmed and on
23 the public record, and I wanted to provide that
24 information for you today.

25 **CHAIRMAN CARTER:** Thank you.

1 **MR. HUNT:** And you have a difficult job, and
2 good luck to you.

3 **CHAIRMAN CARTER:** Thank you very kindly.
4 Abby Walters.

5 **MR. KELLY:** Abby Walters, followed by Ed
6 Moran.

7 Whereupon,

8 **ABBY WALTERS**

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 **MS. WALTERS:** I came from Indian River County.
14 I know most of the people here are from Brevard, but I'm
15 speaking as an consumer today. I am very fortunate. I
16 have a great job. I know a lot of people, a lot of my
17 friends are out of jobs right now, and it's really
18 tough. But, like my friends who still have their jobs,
19 I don't get an increase this year, and it's really tough
20 when you're not getting raises and everything is rising.
21 My medical bills rose, like a lot of other people.

22 I'm asking you, please oppose this increase.
23 It's -- as you've heard from, from people who are, who
24 are older, but the 50 to 60-year-olds are also going to
25 be hurting as well as those under. So please think

1 about it.

2 I mean, Florida Power & Light, again, people
3 have said they're doing a good job. But what we need to
4 realize is during these times that are very, very
5 difficult for all of us, we can't -- nobody can afford
6 an increase at this point. So I really appreciate it.
7 It's just, it's just not the time.

8 (Applause.)

9 **CHAIRMAN CARTER:** Thank you.

10 **MS. WALTERS:** Thank you.

11 **MR. KELLY:** Ed Moran, followed by Walter
12 Shepard.

13 Whereupon,

14 **ED MORAN**

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 **MR. MORAN:** Good morning. My name is Ed
20 Moran. I support this rate increase. I believe that
21 Florida Power & Light, when it comes to hurricane
22 restoration, does over and above their -- what they have
23 to do. And I also believe that the combined cycle and
24 Cape Canaveral plant is long coming, way overdue as far
25 as building the new unit up there. So that's all I have

1 to say. Thank you very much.

2 **CHAIRMAN CARTER:** Thank you.

3 Mr. Shepard.

4 **MR. KELLY:** Walter Shepard, followed by Thomas
5 Oneill.

6 Whereupon,

7 **WALTER SHEPARD**

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. SHEPARD:** Good morning. My name is Walter
13 Shepard. I've lived in Brevard County for 55 years, and
14 I've seen my share of the hurricanes come through here,
15 as many of us have. The response that we have gotten
16 from FP&L and the response time to fix this area and to
17 get and to restore power to us has just been phenomenal.
18 Their outreach to the residents of Brevard County is
19 also just excellent. We keep talking about the, the
20 level of service, and the excellence that we expect from
21 Florida Power & Light is because we have received so
22 many years of that same excellence.

23 Whatever this board decides to do, I would
24 hope that they respect and learn from the experiences
25 that we have had with Florida Power & Light, that they

1 provide for the future, not just in this hard economic
2 times, but they're looking down the road to what we
3 might face tomorrow, which none of us knows.

4 And I would just like to say that it's been my
5 pleasure to be a customer of Florida Power & Light, and
6 I do believe that they're one of the best in the nation.
7 And we should respect that and try to support them in
8 what they do for all of us. Thank you.

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

10 **MR. KELLY:** Tom Oneill, followed by Jackie
11 Burns.

12 Whereupon,

13 **PAT ONEILL**

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

17 **DIRECT STATEMENT**

18 **MR. ONEILL:** Good morning, and thanks for the
19 opportunity to speak to you about the proposed rate hike
20 for Florida Power & Light. I will be brief.

21 Allow me to introduce myself. I am Pat
22 Oneill. Thomas is what my mother chose to name me. I'm
23 a Florida native. I'm a husband, a father, a homeowner,
24 a taxpayer, a registered voter, never missed an election
25 in my life, and a proud resident of the City of

1 Rockledge, a city four miles north of here. I am also a
2 retiree from the State of Florida. I retired recently
3 from the Florida Highway Patrol after 33 years of
4 service to the state.

5 Before I begin, let me ask you a question. If
6 you walked into your kitchen and you turned that knob
7 over the sink, what would you expect to happen? I
8 expect clean, pure water to come out every time. I
9 expect nothing less. I will accept nothing less. Ask
10 you one more question. You walk into a dark room, you
11 flip the light switch. What do you expect to happen? I
12 expect the lights to come on, just like my water, every
13 time.

14 Do you ever think exactly what it takes to get
15 the water and the power to your house? A little brief
16 history. Again, I'm a Florida native. I began my
17 history with Florida Power & Light as a consumer.
18 Again, I grew up here. I'll die here. I can't live
19 anywhere else.

20 During my career with the highway patrol I was
21 usually tasked with the Brevard County Emergency
22 Management Center in Rockledge during every natural
23 disaster: Tornado, wildfire, hurricane, you name it, I
24 was there. Also in that room were representatives from
25 Florida Power & Light every time. Their sole mission in

1 that room was the restoration of power. Methodical,
2 prioritized, calculated, it was done, it was done right.
3 Every year we would go through and prioritize our list
4 of candidates who needed to have power restored in a
5 priority order: Hospitals, wastewater treatment plants,
6 emergency facilities. They were always there.

7 I've also worked with Florida Power & Light
8 when I was on patrol. 2:00 in the afternoon, 2:00 in
9 the morning, it makes no difference, cars hit utility
10 poles. Utility poles fall down, lines fall across the
11 roadway. I'll tell you now, police officers and firemen
12 and live power lines are a lousy mix. You don't want to
13 mess with it. I don't know if it's alive or dead. I
14 don't know if it's a cable TV line. All we would do is
15 block the road and call Florida Power & Light.

16 Their prompt response each and every time was
17 a benefit to every citizen in Florida, because they had
18 people available to come, take them off whatever they
19 were doing or wake them up, get them to us. Because
20 we're going to close that road every time. Now if you
21 live on a little side street way back in a neighborhood,
22 it's not a big deal. But when that road (sic.) falls
23 across the 520 Causeway or U.S. 1, it's a very big deal.

24 As I understand it, they're asking for a rate
25 increase for maintenance and capital improvements. And

1 I'm going to go back in my history a little bit. I used
2 to drive an MG, a little two-seater, no AC. I got in
3 it, threw the top back, drove where I was going, got
4 where I was going, pulled the top back up. I got
5 married, had kids. The MG doesn't work anymore. It's
6 got two seats. I've got four kids -- or two kids and a
7 wife. I had to do better.

8 Well, our population of Florida has done the
9 same thing. You're going to have to build new to meet
10 the demands we're going to have in the future, and you
11 can't wait until that demand gets here to build it.
12 Otherwise, we're going to go through this lag period
13 where we cannot meet our demands.

14 Do I want to pay more for my electricity? Of
15 course I don't. I just retired. I'm on a -- I won't
16 say a fixed income. My wife's still working. Do I want
17 to pay more? No, I don't. But am I willing to pay more
18 to ensure I have the service that I've come to expect
19 from Florida Power? If I wasn't happy with them, trust
20 me, I wouldn't be here. If I didn't support this rate
21 increase, wanting to keep what I've got and to give us a
22 chance to go green or greener, I wouldn't have come.

23 I recently took a tour of the Cheyenne
24 Mountain facility in Colorado, the old NORAD
25 headquarters. I went in the power room where they

1 generated their electrical power. And the funniest
2 thing I saw on the entire tour, everywhere I went, was
3 one statement on every wall and every piece of equipment
4 in there. "Without us this is just a cave."

5 Thank you.

6 (Applause.)

7 **MR. KELLY:** Jackie Burns, followed by Marcos
8 Romero.

9 Whereupon,

10 **JACKIE BURNS**

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

14 **DIRECT STATEMENT**

15 **MS. BURNS:** Thank you for giving me this
16 opportunity to speak. I feel almost like I'm wasting
17 your time, because I really didn't come to speak to the
18 rate increase. I just came to relate a little -- a
19 personal thing.

20 I work in municipal government, and a former
21 mayor came in one day to City Hall. And he said,
22 "Jackie, the funniest thing happened this morning." He
23 said, "I looked out my back door when I let my dog out
24 and I saw people out beyond my yard." And he said, "And
25 you know me, I like to go see what's happening."

1 And he went out to talk to them. They
2 happened to be Florida Power & Light people. And he
3 said, "What they're doing, Jackie, they're going around,
4 500 poles a week, they're checking them out, they're
5 retrofitting them, they're replacing them if they need
6 to." He said, "That really is going to be great for us
7 for restoration."

8 And I just came to tell you that that's always
9 been our experience with Florida Power & Light. I have
10 sat in that Emergency Operations Center. It's funny. I
11 saw Pat Oneill this morning. Didn't expect to see him.
12 It's good to see him. Great job, Pat, all the years.

13 But that's all I came to say was that they
14 really do give us great, great service. And I have
15 empathy for everyone who has spoken here today, and I
16 thank you for listening.

17 **CHAIRMAN CARTER:** Thank you.

18 Mr. Kelly.

19 **MR. KELLY:** Marcos Romero, followed by John
20 Schantzen.
21 Whereupon,

22 **MARCOS ROMERO**

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 **MR. ROMERO:** Good morning, Mr. Chairman and
3 Commissioners. My name is Marcos Romero. I live in Palm
4 Bay. I've been a resident of Brevard County for about
5 20 years. I'm also a Senior Line Specialist employee of
6 Florida Power & Light.

7 There's a few things that haven't been brought
8 up here, but they relate to pass-through costs and storm
9 restoration and how these costs are constantly
10 increasing, and they affect the customer. One is the
11 increased age of the workforce at Florida Power & Light.
12 It's 50 years plus. A lot of people are close to
13 retirement. You just do not turn linemen over
14 overnight. It takes years of experience to be able to
15 respond in the manner that so many people have spoken,
16 with that kind of efficiency and professionalism. To
17 get the lights back on quickly, you can't not just throw
18 people into the mix and expect to get that done.

19 And the training has not been forthcoming. We
20 don't have the people to replace the ones that are going
21 to be retiring. This has led to a dependence on the
22 company's part, excuse me, on foreign contractors,
23 utilities when we have severe storms. The cost of these
24 foreign contractors and utilities are extremely high.
25 They're far more than FPL crews would cost.

1 An example, the 2004 hurricane season, the
2 cost of those three storms, according to the docket that
3 I looked up on the PSC website, was \$710 million.
4 Contractors' costs, foreign utility costs was
5 \$412 million and FPL employees was \$111 million. And
6 out of that \$111 million, if -- I didn't find a
7 breakout, but that included a lot of nonessential
8 personnel basically, a lot of personnel that were not
9 involved in actually doing the work. They're support
10 personnel.

11 So the cost of linemen, cable splicers, so be
12 it, is far less. And this is part of that pass-through
13 cost that the Public Counsel was talking about. And I
14 guess I just realized that there's been a shift, a
15 transfer of cost in the rates by this reduction of the
16 workforce and allowing this cost for restoring of power
17 during the hurricanes to fall into this pass-through
18 category, which is separate from the rates.

19 If we had more people like we had 20 years
20 ago -- our staffing is actually less today than it was
21 20 years ago, and Florida has incurred a tremendous
22 amount of growth. And you'd think that the growth of
23 the employee base would go along with the growth in
24 customer base, but it has not. This dependency on
25 contractors I think is detrimental to the service.

1 Another part of the cost of storm restoration
2 is the months after we have to go back behind what
3 contractors have done. A lot of them come from faraway
4 states and their standards for construction are
5 different than ours, the material is different than
6 ours. We spend months replacing nonstandard
7 construction, defective, which leads to more future
8 outages for the customer.

9 In fact, I had a trouble call recently, just
10 two days ago. There's still a span of wire missing,
11 guys not pulled, and the customer said this happened in
12 2004 and he hasn't gotten a response.

13 You're hearing about a lot of customers being
14 happy. But I can tell you, as a first responder going
15 out there, a lot of customers are not happy and we have
16 to hear the brunt of it. It's not our fault. We come
17 out -- we answer our phones practically 24/7 when
18 there's a storm out here. Just these little storms
19 coming around every day, you go into a service center,
20 FPL service center, you'll find half the people are on
21 rest time because they've been working all night.

22 Increasing the staffing levels to a reasonable
23 level will save the customer money, will increase
24 reliability, and it will give you -- instead of this
25 crazy cost every year, you don't know how much you're

1 going to spend on storms, it will give you a better
2 gauge of what the storm's cost will be.

3 First, by increasing the level of staffing,
4 you will have more people to respond to calls that
5 require preventative maintenance, which often we're not
6 able to get to. We're not able to get to a huge amount
7 of no loss of service calls. If customers call in about
8 trees in the wire, blown lightning arresters that we
9 refer that take out the line -- we have lightning
10 arresters that are old, that are defective. They're
11 tracking and taking out the circuits, and you have to
12 take them offline and they stay offline. The guy wires
13 that just get nailed to the poles instead of being
14 pulled and replaced because we're too busy answering
15 calls where the customers are actually out of service.
16 So you don't get time.

17 We should be replacing transformers before
18 they actually go out. If they're leaking, we should
19 find them before they're leaking. The majority of the
20 transformers, we find them when they go out because
21 they've leaked out all their oil and they overheat and
22 they blow up. The customer is out in the middle of the
23 night. If this happens during a storm, a named storm
24 when there's so much work, something that could have
25 been preventable, it's now going to put that customer

1 out for weeks.

2 Now personally I find that unfair. I believe
3 maintenance is truly defined as being preventative, and
4 which you try to get there, to that piece of equipment
5 before it fails. That is not happening, to my
6 estimation, based on my experience. Most of our
7 approach to maintenance is reactive. We have a severe
8 salt fog, they call it on the western coast of the
9 United States --

10 **CHAIRMAN CARTER:** You need to bring it in for
11 a landing there, Mr. Romero. Can you bring it in for a
12 landing?

13 **MR. ROMERO:** Yes, I'll bring it in for a
14 landing.

15 **CHAIRMAN CARTER:** Thank you.

16 **MR. ROMERO:** And on our beaches we have severe
17 hardware problems with the rust.

18 Now FPL has done very well, has been very
19 prosperous, and we need these jobs also in our
20 communities. By bringing these jobs, you will secure
21 the future of being able to restore power to the
22 customers of Florida Power & Light, and you will also
23 bring down the cost. And you will be stimulating the
24 economies of these communities that are your ratepayers.
25 Thank you.

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

2 **COMMISSIONER ARGENZIANO:** Mr. Chair, I have a
3 question.

4 **CHAIRMAN CARTER:** Commissioner Argenziano,
5 then Commissioner Skop.

6 **COMMISSIONER ARGENZIANO:** And forgive me. It
7 was hard hearing. For some reason it was not coming
8 through. I got some of it. I think I got most of it.
9 It was just hard to hear it.

10 Sir, are you an employee of FPL?

11 **MR. ROMERO:** Yes, ma'am.

12 **COMMISSIONER ARGENZIANO:** Oh, you are? Okay.
13 So this comes from personal experience on your part?

14 **MR. ROMERO:** Yes. Twenty years of experience.

15 **COMMISSIONER ARGENZIANO:** Okay. Okay.

16 **MR. ROMERO:** I can tell you, I climbed a lot
17 of rotten poles before you got this pole inspection
18 program back online.

19 **COMMISSIONER ARGENZIANO:** Okay. I appreciate
20 very much you coming today, and I look forward to
21 reading your transcript, because I couldn't hear it all,
22 but I'd like to hear more of what you had to say. Thank
23 you very much.

24 **CHAIRMAN CARTER:** Thank you.

25 Commissioner Skop.

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

2 Mr. Romero, I guess from your comments, are
3 you suggesting that the lack of linemen training and/or
4 discontinuation of the apprenticeship program impacts
5 reliability?

6 **MR. ROMERO:** Yes, it does. It's not just
7 linemen. I mean, they're short of substation
8 electricians. It's all across the board. I mean, you
9 have an aging workforce and they haven't been replaced.
10 We haven't had a real viable apprenticeship program for
11 quite a while. They try hiring already ready-made
12 linemen from throughout the country, and there's a
13 shortage all across the country of linemen. I mean, I
14 think the average age of linemen throughout the country,
15 basically in the trades field, in the utility trade is
16 above 50 also. So it's a difficult task to hire
17 qualified people. And not everybody wants to work in
18 this Florida heat; I can tell that you much also.

19 **COMMISSIONER SKOP:** Thank you.

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

21 What's the purpose? Because --

22 **MR. BRYAN:** May I just respond briefly?

23 **CHAIRMAN CARTER:** No. At the end, if we have
24 time, I'll let you do that. But right now we've got to
25 hear from the customers. Okay? It's not rebuttal.

1 Mr. Kelly.

2 **MR. KELLY:** John Schantzen, followed by Tony
3 Farace.

4 Whereupon,

5 **JOHN SCHANTZEN**

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. SCHANTZEN:** Good morning.

11 **CHAIRMAN CARTER:** Good morning.

12 **MR. SCHANTZEN:** And I appreciate the
13 opportunity to be here regarding this matter.

14 And to start off with, I will tell you I'm
15 neither for nor against. I am a former employee of
16 Florida Power & Light. I worked for Florida Power &
17 Light for almost 35 years, although much of that time I
18 was on leave of absence as the employee representative
19 for the bargaining unit employees, the field workers
20 that we talk about in distribution, substation,
21 transmission and power plants, both nuclear and fossil.
22 I originally was employed at the Cape Canaveral power
23 plant just up the street, up U.S. 1 from here.

24 I too want to talk about the aging workforce
25 and the training issues in that the Public Service

1 Commission did an audit on Florida Power & Light
2 regarding such things as training in the early 1990s,
3 and they did compliment Florida Power & Light on their
4 apprentice training program during that audit.

5 However, they did say that Florida Power &
6 Light was lacking journeymen training for the purposes
7 of keeping their journeymen up with technologies and
8 that sort of thing, such as when you eliminate the power
9 plant at Cape Canaveral and build the new power plant,
10 it's a new technology. And how do you get your
11 journeymen up and trained and ready for that new
12 technology before it comes so that you don't have that
13 lag in experience?

14 And since that audit, Florida Power & Light
15 has eliminated many of their apprentice training
16 programs. Power generation does not have an apprentice
17 training program anymore. As a matter of fact, they
18 don't have a single trainee, period, in power
19 generation. Nuclear does. Nuclear has started their
20 apprentice training program, and it is working. And
21 they are in joint partnership with the community
22 colleges in Dade County and St. Lucie County on these
23 programs. But there is not a single trainee in the
24 power generation division of Florida Power & Light.

25 And it has an aging workforce just like our

1 line program has an aging workforce. I was part of that
2 aging workforce until 2007 in July I retired. And we
3 still have those employees that I worked with on a daily
4 basis are still in those plants. They are hitting 62,
5 63, and the only reason they haven't left is because of
6 the stock market. But as soon as there is a recovery
7 where they see that they can afford to retire, they're
8 going to be exiting.

9 And where are you going to get those skilled
10 personnel? You don't have anybody in the pipeline. An
11 apprentice training program is four years long. You
12 don't become a journeyman in four years. You become --
13 you get your ticket in four years, but you must work out
14 in the field along with that to become a true skilled
15 craftsman. And that takes at least five years when
16 you're a journeyman before you start building that
17 confidence where you can appropriately respond to it.

18 And it's unfortunate. We did have a very
19 successful apprentice training program. I have two
20 certificates from it and I'm proud of it. And that's
21 gone by the wayside now. We still don't really have any
22 comprehensive journeymen training program. We had a
23 joint program in that department. We don't have any
24 program now.

25 We do have a joint program that is very

1 limited in south -- in the state now for our apprentices
2 that very quickly it's going to hit all the utilities,
3 but Florida Power & Light particularly. They stopped
4 training -- almost all the utilities started tapering
5 off their training in '88, and that's why we now have a
6 shortage of craftsmen. And we have many consortiums
7 southeast, in the southeast regarding the upcoming and
8 pending retirement of those skilled craftsmen with
9 nobody in the pipeline. Thank you.

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

11 **MR. KELLY:** Tony Farace, followed by Joe -- I
12 believe it's Lefever.

13 Whereupon,

14 **TONY FARACE**

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 **MR. FARACE:** Good morning. My name is Tony
20 and I live in Palm Bay. I'm very opposed at this rate
21 increase. Those poles that went down in Broward County
22 in 2005, I had called FPL back in the late '70s and
23 warned them about a lot of those poles, that they were
24 rotting away, and they ignored all that there. Because
25 there's still poles down there the same way because I

1 took visits down there, and there's nothing being done
2 about it. And they're going to come back for more
3 recovery money on this, which I'm opposed of this.

4 And then also a lot of us cannot meet our
5 bills, and they want double the amount of money for
6 deposits so that we can have our electric in our house.
7 And if my electric bill is \$300 a month, I got to pay
8 \$600 and better to them for a deposit, which I don't
9 think that's fair. And they said, "Well, the Public
10 Service Commission gave us the permission to do that."
11 That's the answer I got from Miami. Now I think
12 something ought to be done about that.

13 And then the fire that we had in Palm Bay
14 where people were calling up and saying about the
15 branches hitting the transformers, that was ignored by
16 FP&L.

17 **UNIDENTIFIED SPEAKER:** Thank you.

18 **MR. FARACE:** And that wasn't even on that. I
19 have called FP&L on several things. Even I got
20 right-of-ways near my house. Branches do need to be
21 trimmed very bad, but we're going to wait for a
22 hurricane. Maybe they'll short out a transformer.
23 Maybe we'll have a nice fire. Maybe it'll burn all the
24 houses around there in the middle. Is that what we're
25 going to wait for, for somebody to wake up around here?

1 I'm really opposed of all this here what
2 they're doing. There's a lot more I can go on about
3 this. And I'll tell you one thing I'd like to do, I'd
4 like to turn around -- I hate to say it, but take all of
5 yous and take it off where the government appoints you,
6 but let's put it to a vote to the people of Florida who
7 we want in office.

8 (Applause.)

9 **MR. KELLY:** Joe Lefever, followed by Paul
10 Batick or Batick.

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

12 **CHAIRMAN CARTER:** Commissioner?

13 **COMMISSIONER ARGENZIANO:** Hello?

14 **CHAIRMAN CARTER:** Yes, ma'am. Did you want to
15 say something?

16 **COMMISSIONER ARGENZIANO:** I wanted to ask
17 Tony -- I didn't get his last name. I wanted to ask
18 him --

19 **CHAIRMAN CARTER:** Tony Farace --

20 **MR. FARACE:** Yes.

21 **CHAIRMAN CARTER:** -- would you come back for a
22 second?

23 **MR. FARACE:** Sure.

24 **CHAIRMAN CARTER:** He's here, Commissioner.
25 You're recognized.

1 **MR. FARACE:** Go ahead.

2 **COMMISSIONER ARGENZIANO:** Okay. Tony, I
3 apologize. I didn't hear your last name.

4 **MR. FARACE:** Farace, F-A-R-A-C-E.

5 **COMMISSIONER ARGENZIANO:** Okay. Tony, you had
6 said -- did you say -- I wasn't sure, because I didn't
7 hear. Did you say that you had called FPL about
8 branches that were problematic and they did not do
9 anything?

10 **MR. FARACE:** I have called FP&L. I have to --
11 let's put it this way. You have to threaten them that
12 you're going to call the Public Service Commission to
13 even get them to come out there, and they'll cut it back
14 a little bit. They need to be cut back, way back on
15 there. They just give it enough maybe to last, say,
16 another year or so. And then if we should get a
17 hurricane in between there and we have major problems,
18 we can't get them out there because they're busy with
19 restoring electric to hospitals, fire department, police
20 department, all those there. And we're stuck maybe a
21 week or two weeks with no electricity on account of
22 that.

23 **COMMISSIONER ARGENZIANO:** If you have a
24 problem in the future, because normally the company
25 seems to be very responsive in those areas, but if you

1 have a problem in the future, you could feel free to
2 even call my office, if you'd like, and we can try to
3 help you get something, you know, get something to the
4 company and maybe get them out that there quicker, if
5 that's the case.

6 **MR. FARACE:** I have called the office and they
7 referred me back down to FP&L down in Miami, and we're
8 just getting nothing but a runaround on this deal.

9 **COMMISSIONER ARGENZIANO:** Okay. Well, let me
10 ask you to do this. If one of the staff members will
11 give him my number, my office number -- well, the direct
12 number, which is -- I'll say it out loud --
13 (850)413-6004.

14 **MR. FARACE:** I've got to get it from you.

15 **CHAIRMAN CARTER:** The young lady in the black,
16 she'll give it to you.

17 **MR. FARACE:** Yeah. Because what I can't see
18 too is this deposit, which right now people are having a
19 hard time and we cannot make these deposits that they're
20 asking. And if you don't pay the deposit, they're
21 willing to shut your electric off. And I can't -- the
22 one other thing I can't see is where they say your house
23 has to be down to 58 degrees before they turn on your
24 power when they shut the power out, especially in the
25 winter months on some of the people. You know,

1 70 degrees, your house is cold over here. It's not, you
2 know, where it's going to be warm all the time in there.

3 **COMMISSIONER ARGENZIANO:** Thank you very much.

4 **MR. FARACE:** Thank you.

5 **CHAIRMAN CARTER:** Thank you.

6 Mr. Lefever.

7 Whereupon,

8 **JOE LEFEVER**

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. LEFEVER:** Good morning, Commissioners,
14 Chairman.

15 **CHAIRMAN CARTER:** Good morning.

16 **MR. LEFEVER:** My apologies to anyone that has
17 to read my handwriting. Joe Lefever from Port St. John.

18 **MR. KELLY:** I'm sorry.

19 **MR. LEFEVER:** My apologies.

20 I can't speak to the operation of FPL. I
21 don't understand that aspect of it. My interface with
22 them has been good. What I can tell you is I'm one of
23 many on a fixed income, a good portion of it stock
24 market based. You can imagine how that's going. And
25 the lady from FPL mentioned some of the things you can

1 do to improve. I've already got load shed relays, air
2 conditioners turned up, water heaters turned down, added
3 insulation. This hot weather, the only thing I haven't
4 done is reinforced the wall with the power meter on it.
5 That's on the list.

6 But the timing is just bad. We're not talking
7 about a make-or-break raise. This company will be in
8 business without this raise. And when the market looks
9 better, I think that's when they should come to us for a
10 rate increase. Right now it's just bad. And the fuel
11 increase, we all passed gas stations coming here and we
12 all watch the news in the Middle East. Anybody that's
13 projecting lower fuel costs is daydreaming. Anyway,
14 thank you for listening.

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

16 Mr. Kelly.

17 **MR. KELLY:** Paul Batick or Batick, followed by
18 Larry Weber.

19 Whereupon,

20 **PAUL BATICK**

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 **MR. BATICK:** Good morning. My name is Paul

1 Batick. I'm -- I live at 2237 Spring Creek Circle in
2 Palm Bay, Florida. This has been a very interesting
3 meeting and a lot of good comments this morning.

4 I relocated to Palm Bay, Florida, in January
5 of 2004 from the State of Connecticut. I retired after
6 40 years of service with Sikorsky Aircraft, which is
7 part of United Technologies.

8 And I was shocked to experience the beginning
9 of a heightened hurricane cycle here in Florida. Four
10 major hurricanes hit Florida in 2004, of which two
11 passed through our area: Frances on September 5th and
12 Jean on September 25th. I'm happy to report that I
13 experienced loss of power for only one day, and I
14 contribute that to the outstanding performance and
15 planning that Florida Power & Light has, has performed.

16 I have a four-bedroom home which is 1,875
17 square feet under air, and my annual average bill for
18 electrical power is \$88.22 a month, which I feel is very
19 reasonable compared to other services I receive.

20 Florida Power & Light has many energy saving
21 tips on their website. I recently had a quote for a new
22 air conditioning system installed in my home, of which
23 on the quote Florida Power & Light would provide an
24 \$880 rebate. So I think Florida Power & Light does a
25 lot of good things relative to providing energy saving

1 methods for consumers.

2 And I'm here today as a residential customer.
3 I'm, I'm retired. I've been retired for the past five
4 years. I'm also on a fixed income. But I'm here in
5 favor of an increase to afford Florida Power & Light to
6 continue to invest in infrastructure and maintain the
7 level of service that I have become accustomed to.
8 Thank you.

9 **CHAIRMAN CARTER:** Thank you.

10 Mr. Durbin.

11 **MR. DURBIN:** The next speaker is Larry Weber,
12 followed by Howard Herrick.
13 Whereupon,

14 **LARRY WEBER**

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 **MR. WEBER:** Thank you, Commissioners. My name
20 is Larry Weber. As I said, I've lived in Florida in
21 this area for about the last 15 years, and during that
22 time I've had the pleasure of serving on city councils,
23 I've been involved in the state and local environmental
24 organizations and community enhancement organizations.

25 And my, my experience with Florida Power &

1 Light has been outstanding of course. I've served on
2 several boards with some of their employees. I just
3 want to tell you they do invest time, money, technology
4 in several nonprofit and community enhancement programs
5 here in Brevard County and throughout the State of
6 Florida. They're dedicated to the maintenance and
7 enhancement of our environment.

8 Mr. Kelly had indicated earlier that, you
9 know, how, how dedicated they are and they do do a good
10 service. And I'm just kind of reiterating what
11 Ms. Burns said, Mr. Oneill, and several other speakers
12 that have talked about how well that -- the great
13 service that Florida Power & Light gives to the, not
14 only the county but throughout the State of Florida.
15 They're very involved in the green movement, as you
16 talked about the solar energy they're buying, things
17 like that.

18 I think they do a great job in restoring the
19 electricity. I lived through the -- many of us did --
20 the hurricanes of '04, and that was a bear. And as you
21 know, you know, these -- I've got to hand it to their
22 employees. They were out there around the clock. I'm
23 not sure how they did it. I don't think I could have
24 dedicated myself to work as hard as they did to restore
25 the electricity to many of our, many of our clients.

1 And overall, I, you know, rate them as
2 exceptionally high quality as far as their dedication to
3 the environment, to the community and, and to the
4 individual homeowners. So thank you very much.

5 **CHAIRMAN CARTER:** Thank you.

6 **MR. DURBIN:** The next speaker is Howard
7 Herrick, followed by James Eubanks.
8 Whereupon,

9 **HOWARD HERRICK**

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

13 **DIRECT STATEMENT**

14 **MR. HERRICK:** My name is Howard Herrick and
15 I'm a retired Navy veteran. I live in Palm Bay.

16 I am opposed to this rate increase, as I was
17 to the one in '05 when I came before the Commission then
18 with Ms. -- Commissioner Edgar was here at that time
19 also. At that time their base rate was \$32.64, which is
20 highlighted in yellow on the sheets at the top. That
21 rate hasn't changed until this January. And, according
22 to their published newsletter that came out, their rate
23 is now \$33.98.

24 They've already had a rate increase. They
25 just put one out without saying anything to it or

1 getting it approved through you, I guess. I don't know.
2 And now they want an additional rate increase on top of
3 it. And the new one that they want to have is
4 35 percent over the one that they have now, which is a
5 10 percent increase of the previous year, from January
6 of '08 or back in '05, saying they've never increased
7 their base rate. They just increased it this January by
8 \$1.34 per month.

9 In addition with that, if you look at the top,
10 there's the energy conservation charge, there's an
11 environmental charge, and there's a capacity payment
12 charge that are not shown anywhere, except if you call
13 FPL and you request to have an audit of your record, it
14 shows these charges. These charges are added and they
15 make up the total nonfuel charge. As part of that, what
16 they have increased it to now, the \$33.98, the actual
17 nonfuel charge is \$45.11. That's an increase of \$3.77.
18 The base rate only went up \$1.34 on 10,000 -- or on
19 1,000 kilowatts.

20 Where's the increase of the other two dollars
21 and 40 some cents in these surcharges? There's nowhere
22 showing what increases those went to. I'm assuming it's
23 to these other three charges, or it might be some other
24 ones.

25 As far as the new increase again, when they

1 raised it from \$33.98, they want to increase it to
2 \$45.81 in January of 2010. That's a 35 percent increase
3 in addition to the 10 percent that they've increased it
4 this year.

5 They want to increase also the basic customer
6 charge from \$5.33 to \$5.90. As far as an increase, it
7 has been a long time. I can see them increasing that
8 particular charge. It's a 10 percent increase. But the
9 additional charge of another dollar the following year,
10 that adds up to almost a 30 percent increase.

11 One final thing I'd like to ask. Mr. Wright
12 mentioned that in that 2005 order from this Commission,
13 that the storm charge would only be a three-year charge.
14 In February of 2005 they added a storm charge of \$2.07
15 per month for 1,000 kilowatts. That was basically one
16 of these hidden charges that's the difference between
17 the base rate and the nonfuel total.

18 That was in there for three years. Fine.
19 Then they added a storm charge as a separate line item
20 on everybody's bill starting in January of '08, and
21 we've been paying an additional storm charge for the
22 past year and a half. Why are we paying that additional
23 charge when they were only supposed to have a three-year
24 time limit on the storm charge from your order in '05?

25 Those are the points that --

1 **CHAIRMAN CARTER:** Commissioner -- one second.
2 Hang on a second.

3 **MR. HERRICK:** Yes, sir.

4 **CHAIRMAN CARTER:** First of all, Commissioners,
5 for your records, this will be Exhibit 8. It will be
6 Exhibit 8, staff, for the record. It'll be
7 Mr. Herring's (sic.) exhibit.

8 **MR. HERRICK:** Herrick.

9 **CHAIRMAN CARTER:** Herrick.

10 **MR. HERRICK:** Herrick, H-E-R-R-I-C-K.

11 **CHAIRMAN CARTER:** Sorry. Mr. Herrick's
12 exhibit.

13 Commissioner Skop, you're recognized.

14 (Exhibit 8 marked for identification.)

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

16 Thank you, Mr. Herrick.

17 Going to the, your concern in 2009 on the base
18 energy charge, again, I'd encourage you to speak to our
19 staff with respect to that increase. But I believe at
20 least part of that was due to the generation base rate
21 adjustment that was adopted within the 2005 settlement
22 agreement, that when a new plant comes in line, they're
23 able, pursuant to that settlement agreement, to have
24 that incremental adjustment to base rates. So part of
25 that may be explained by that. Again, I don't want to

1 speak to numbers that --

2 **MR. HERRICK:** But that's already a 10 percent
3 increase that came into effect this year, and now they
4 want an additional 35 percent.

5 **COMMISSIONER SKOP:** Again, I don't want to get
6 into the merits, but I'm just trying to explain or
7 address some of the concerns that I thought I heard.
8 But I'd ask you to speak to our staff, if you have
9 specific concerns, to better understand that.

10 **MR. HERRICK:** Okay.

11 **COMMISSIONER SKOP:** Thank you.

12 **CHAIRMAN CARTER:** Thank you, Mr. Herrick.

13 Mr. Durbin.

14 **MR. DURBIN:** Mr. James Eubanks, followed by
15 Robert Scolah.

16 Whereupon,

17 **JAMES EUBANKS**

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. EUBANKS:** Good morning. My name is James
23 Eubanks. I've lived here for 57 years. I'm a single
24 parent. And I approve of this rate hike. I think it's
25 going to be great for my kids in the long run. I'm

1 sorry. I'm nervous.

2 **CHAIRMAN CARTER:** That's okay.

3 **MR. EUBANKS:** But basically that's all I have
4 to say.

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

7 Mr. Kelly.

8 **MR. KELLY:** Robert Scorah, and followed by
9 Neal Johnson.

10 Whereupon,

11 **ROBERT SCORAH**

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. SCORAH:** Good afternoon. My name is
17 Robert Scorah and I live at 4950 Ralphs Lane in Merritt
18 Island.

19 I won't say anything about fixed income
20 because that's already been spoken on, and I'm one of
21 them in that position.

22 People spoke on FPL's reliability. They
23 obviously are living somewhere different than where I
24 am. I, I object to any increase in our rates. Our
25 power is the most unreliable of any I've experienced

1 anywhere in the country. I purchased my property in
2 1978. I've had to replace five refrigerators. I have a
3 bad heart and lungs; therefore, I need air conditioning.
4 My power was off five times yesterday. My neighbor is
5 on life support. When power is off, they have to
6 scramble to reset his machines.

7 There are lines and vines in the power lines
8 on Ralphs Lane. I've called FPL and complained since
9 the last hurricanes. I was told the lines are my
10 responsibility. I'm not trimming next to a power line
11 with a pole saw. I feel that FPL is not trimming
12 because they're waiting for the next hurricane so they
13 can collect from FEMA. I'm forced to have two
14 generators on my back porch so I can have power. I feel
15 FPL's power in Florida is becoming more like that in a
16 Third World country. And I thank you.

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

18 **COMMISSIONER EDGAR:** Mr. Chairman?

19 **CHAIRMAN CARTER:** One second.

20 Commissioner Edgar.

21 **COMMISSIONER EDGAR:** That's okay. Just for
22 the -- did we get his address? Did you give us your
23 address? I think you did, but I want to make sure that
24 it was entered in the record.

25 **MR. SCORAH:** My address is 4950 Ralphs Lane in

1 Merritt Island. That's 32953.

2 **COMMISSIONER EDGAR:** Thank you. And, Mr.
3 Willis, I would ask that we have somebody on our staff
4 specifically look into the issues that he's raised.

5 **MR. SCORAH:** They came out and looked at the
6 vines in there and they said, "That's an unsafe
7 condition," but they haven't been out. But as far as
8 the limbs, they couldn't look at that at the same time,
9 and I was told that was my responsibility. So I'm not
10 climbing up there with a pole saw.

11 **COMMISSIONER EDGAR:** Thank you. Please don't.
12 But I would ask that our staff look into those. Thank
13 you, Mr. Scorah. Thank you.

14 **CHAIRMAN CARTER:** Commissioner Skop.

15 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.
16 And, Mr. Scorah, also it's my understanding
17 that FPL has Customer Service Representatives here
18 today. You may wish to speak to them also. Hopefully
19 they can address the issues that you raised.

20 **CHAIRMAN CARTER:** Thank you.

21 Mr. Kelly.

22 **MR. KELLY:** Neal Johnson, followed by Keith
23 Houston.

24 Whereupon,

25 **NEAL JOHNSON**

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. JOHNSON:** Good morning, Mr. Chairman,
6 Commissioners. My name is Neal Johnson. I live at 308
7 Lee Avenue in Satellite Beach. I've been a resident of
8 Brevard County for approximately 43 years.

9 I'm here to speak in favor of a rate increase.
10 We talked a little bit earlier, and -- Mr. Kelly
11 mentioned a good corporate citizen. I want to talk a
12 little bit about what that means.

13 A good corporate citizen is a lot more than
14 writing a check. A good corporate citizen is a lot more
15 than playing in golf tournaments. A good corporate
16 citizen is a lot more than going to another rubber
17 chicken dinner. A good corporate citizen is somebody
18 that stands next to you when you are talking to the
19 Department of Defense about why they should not close
20 the naval ordnance test unit, and they didn't, which
21 happens less than 10 percent of the time. They changed
22 their mind and saved over 1,000 jobs for Brevard County.

23 A good corporate citizen volunteers their time
24 to go to a middle school and talk to them about our
25 economic system through Junior Achievement. A good

1 corporate citizen walks next to you when you're walking
2 for the Heart Association to fund research for heart
3 disease. That's a good corporate citizen. I think it's
4 important that we understand that.

5 I would offer that in my 30 years of business
6 experience in the banking and finance industry in this
7 county that Florida Power & Light has stood next to me
8 for all those 30 years as what I would offer as an
9 outstanding corporate citizen. And any rate increase
10 that enables them to not only invest in cleaner, more
11 efficient fuel or electric technology, generating
12 technology, but allows them to continue to be that
13 outstanding corporate citizen, I would be in favor of.
14 Thank you very much.

15 **COMMISSIONER EDGAR:** Thank you.

16 Mr. Kelly.

17 **MR. KELLY:** Keith Houston, followed by Keith
18 Winsten.

19 **MR. WINSTEN:** I'm the second one. I'm the
20 Winsten.

21 Whereupon,

22 **KEITH HOUSTON**

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 **MR. HOUSTON:** Good morning. Thank you for
3 having us. Keith Houston, 345 Porcher (phonetic) Drive,
4 Merritt Island.

5 I just have a couple of comments. In our
6 business dealings with Florida Power & Light throughout
7 the years, it's just been fabulous. They've been
8 reliable, honest and reasonable in all of our dealings
9 with them throughout the past. And I know that times
10 are challenging right now, but their corporate
11 responsibility in our community, the several times that
12 I've seen them, has just been outstanding throughout the
13 boards and the different activities that I've been in.
14 So I just wanted to let you know that they're a great
15 asset for our community. Thank you.

16 **COMMISSIONER EDGAR:** Thank you.

17 **MR. KELLY:** Keith Winsten, followed by Jack
18 Smink.
19 Whereupon,

KEITH WINSTEN

20
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:

DIRECT STATEMENT

24
25 **MR. WINSTEN:** Too many Keiths. I'm Keith

1 Winsten. I'm the Executive Director of Brevard Zoo.
2 And although no one likes a rate increase, including a
3 small business like the one that I'm in charge of, our
4 number one concern is always the health and safety of
5 our staff, our guests and our animals. And having
6 worked 20 years at three different zoos in three
7 different parts of the country, and arguably in the area
8 that would be most affected in terms of storms, Florida
9 Power & Light has provided us with the most reliable
10 power that I've had the pleasure to work with. That is
11 one of the things. They really come forward for us in
12 storms, our power supply is very constant and reliable,
13 and that's critical to my business and to the safety of
14 our animals. In addition, they've worked hard with us
15 to reduce costs.

16 So I'm in favor of this if that continues and
17 supports the excellent service that we've come to expect
18 from Florida Power & Light. Thank you.

19 **MR. KELLY:** Jack Smink, followed by Kris
20 Rauha.

21 Whereupon,

22 **JACK SMINK**

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 **MR. SMINK:** Good morning. How are y'all? My
3 name is Jack Smink. I'm a third generation Floridian.
4 I've lived in Brevard County now for 44 years. I
5 consider FP&L excellent. I've never had any real
6 problems with FP&L through the years. They've always
7 done what they said they were going to do. They
8 responded excellently. I believe that their storm
9 restoration has been great. I also feel that the new,
10 you know, clean burning power plant is going to be
11 outstanding. Clean and green, that's what it's got to
12 be about, the future of our children. That's been the
13 problem here, I feel, in the United States. We haven't
14 looked to take care of our children in the future, and I
15 believe FP&L has made appropriations for that. So I'm
16 definitely behind them on whatever they need to help
17 them continue to do their job.

18 **COMMISSIONER EDGAR:** Thank you.

19 Mr. Kelly.

20 **MR. KELLY:** It's -- I think it's Kris Rauha,
21 followed by Jim and Mary Evans or Jim or Mary Evans.
22 Whereupon,

KRIS RAUHA

23
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. RAUHA:** Hello. I'm Kris Rauha, and I'm
4 represented as a consumer. And I am for the rate
5 increase for FP&L. Having lived in Brevard County all
6 my life and having to call on them for issues related to
7 power when I have a two-year-old son that is on a
8 breathing machine and my power goes out in the middle of
9 the day, and they have it back on, replacing the pole
10 and the transformer within about two hours' time. I
11 think it's saying something for a company that really
12 takes care of its consumers.

13 Also, working for the phone company, I've had
14 to call on them for energized poles, lines tied
15 together. For the, just the response that these people
16 and service that they've always given me, I, I just
17 acknowledge that, and especially for the chance for them
18 to do something about their infrastructure. Because,
19 yes, it is an aging thing for us here. And we need to
20 look forward, our future in Florida for making it a lot
21 greener. Thank you.

22 **COMMISSIONER EDGAR:** Thank you.

23 **MR. KELLY:** Jim or Mary Evans followed by
24 Nancy Jepsen.
25 Whereupon,

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MARY EVANS

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

DIRECT STATEMENT

MS. EVANS: Good morning. We're Jim and -- good morning. We're Jim and Mary Evans of Viera.

We applaud the decision of FPL to go with clean energy and realize there is a cost for this. We believe in the long run this will be much better for the environment and will ultimately result in lower costs.

We're happy with the current service we receive from FPL. We would like to maintain this high level of service. When our power has gone out both times that we've lived in Viera -- we owned a condo in Cocoa Beach from 1987 through 2007, then we bought in Viera and we've lived here in Viera ever since. So we are very familiar with FPL.

Both times our power went out when we lived in Viera the response was accurate and reliable. We were told what the problem was and the approximate time to resolution. After the power was restored, we received a courtesy call to check the status of our power. Even on the hottest days we've not experienced brownouts or power outages. We've come to expect this from FPL and

1 want it to continue, want this standard to continue.

2 Thank you.

3 Whereupon,

4 **JIM EVANS**

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

8 **DIRECT STATEMENT**

9 **MR. EVANS:** I'd like to add that we were told
10 today that we have the lowest rate in the state, and I'm
11 sure we'd all like that to continue. But if the hidden
12 cost of that is the deference of modernization or
13 Mr. Romero's improvement of maintenance, I think that
14 would be unsustainable in the long run, and we'd have to
15 concede the need for a modest increase. Thank you.

16 **COMMISSIONER EDGAR:** Thank you.

17 **MR. KELLY:** Nancy Jepsen, followed by Larry
18 Bryan.

19 Whereupon,

20 **NANCY JEPSEN**

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. JEPSEN:** Good morning. I'm Nancy Jepsen

1 and I live in Rockledge, Florida.

2 I agree with what others have said about fixed
3 incomes and how difficult it would be for me, but I also
4 would like to bring up another issue. I'm a condo
5 owner, and we have -- as part of our assessment,
6 electric costs are included. Well, as many of you may
7 know, there are many condo owners who aren't paying
8 their, for their assessments these days due to economic
9 conditions, and that puts additional burden on other
10 owners. And I think the timing of this is very poor
11 because of the situation, so I am not in favor of an
12 increase. Thank you for your time.

13 **COMMISSIONER EDGAR:** Thank you.

14 **MR. KELLY:** Larry Bryan, followed by Mark
15 Sailer.
16 Whereupon,

17 **LARRY BRYAN**

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. BRYAN:** I'm Larry Bryan, Indian Harbor
23 Beach, Florida.

24 **THE COURT REPORTER:** I'm sorry?

25 **MR. BRYAN:** You know, the timing of this thing

1 is, is essential, you know. We have businesses failing,
2 record numbers of foreclosures, and over the past three
3 years -- in 2006, FPL's profit was \$802 million. In
4 2007, it was \$836 million, and in 2008 it was
5 \$789 million. That's profit. That's after the bills
6 were paid. So they're a very profitable company, and I
7 can't imagine them needing another \$1.3 billion,
8 especially in these economic times. These times are
9 tough.

10 Also, the maintenance that Mr. -- by the way,
11 I do work for the company also. I'm a lineman for the
12 company. And the maintenance that Mr. Romero spoke of
13 over on the barrier islands is deplorable. We've been
14 trying since 2006 to get some repairs done over there.
15 Repairs have been very minimal, and we're still
16 struggling to try to bring it to the company's attention
17 so that they can go over and get some repairs done.
18 We've been, we've been fighting this battle for a long
19 time. We would like some help in that, too. And that's
20 all I have. Thank you.

21 **COMMISSIONER EDGAR:** Thank you.

22 Mr. Kelly.

23 **MR. KELLY:** Mark Sailer, followed by Bill
24 Cunningham.
25 Whereupon,

MARK SAILER

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. SAILER:** Good morning. My name is Mark
7 Sailer from Palm Bay, Florida. And I'm here to discuss
8 a generator that I have that would probably help FP&L.
9 My generator's 100 percent electric. I'm generating
10 electricity with no fuel and zero emissions, using a low
11 voltage motor, getting high voltage out the other end,
12 which would qualify them for federal funding to retrofit
13 all their generating plants. That's all I have to say.
14 Thank you.

15 **COMMISSIONER EDGAR:** Thank you.

16 **MR. KELLY:** Bill Cunningham, followed by Bill
17 McCarthy.
18 Whereupon,

BILL CUNNINGHAM

19
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:

DIRECT STATEMENT

23
24 **MR. CUNNINGHAM:** Good morning. Thank you very
25 much for the opportunity to be here today along with

1 everybody else.

2 My name is Bill Cunningham. I'm an officer of
3 the Economic Development Commission of Florida Space
4 Coast here in Brevard.

5 Florida Power & Light, we find, is a very
6 active supporter of the EDC and our efforts to promote
7 economic development in Brevard County. We consider
8 them a very strong partner and a very strong corporate
9 citizen.

10 Recently our executive board at our last
11 meeting passed two resolutions in support of, number
12 one, the Cape Canaveral Next Generation Clean Energy
13 Center and, number two, the Florida Energy Secure Line.
14 We also recognize and support FPL's initiative to
15 develop clean renewable energy sources with the
16 10-megawatt plant -- solar power generation plant that
17 they recently broke ground for out at the NASA grounds,
18 as well as the programs elsewhere within Florida. These
19 three things represent very solid investments in
20 controlling long-term energy costs and protecting the
21 environment and in promoting and developing economic
22 growth.

23 As you weight your deliberations to consider
24 all the very diverse viewpoints you're hearing this
25 morning, and I'm sure hearing around the state, I ask

1 that you consider not just the current economic times,
2 but recognize in tough economic times maybe when you
3 want to make those investments that will lead to
4 long-term opportunity, long-term economic growth, and
5 potentially a restoration of the employment market in
6 Brevard and elsewhere within Florida. Thank you very
7 much.

8 **COMMISSIONER EDGAR:** Thank you.

9 **MR. KELLY:** Bill McCarthy, followed by Ed
10 Aubrey.

11 (No response.)

12 **COMMISSIONER EDGAR:** Mr. Kelly?

13 **MR. KELLY:** Is there a Bill McCarthy?

14 (No response.)

15 Ed Aubrey.

16 Whereupon,

17 **ED AUBREY**

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. AUBREY:** How are you doing? My name is Ed
23 Aubrey from West Melbourne, Florida. I'm also a Florida
24 Power & Light employee, a Senior Line Specialist. I've
25 been there 26 years.

1 A lot of people have talked on behalf of the
2 company. I mean, I've been there and I know a lot of
3 people there. We take pride in what we do, both the
4 union and the management people, putting the lights on.
5 Like some of these people said, you'll see us out here
6 all night long putting lights on. We work 30, 40, 50
7 hours straight, believe it or not, excuse me, with no
8 sleep during these hurricanes. But we're no different
9 than like the fire department, police department; they
10 take pride in their, you know, what they contribute to
11 the community. We just want to keep that going.

12 Some of the things as far the money goes, the
13 rate hike, to be honest with you, I don't know enough to
14 make that decision whether they need it or don't need
15 it, to look at all the books. I see a lot of the other
16 ways. Personally I want to ask y'all, because I've
17 never been to one of these meetings, can we correspond
18 with the Commission as a, as a customer and an employee,
19 like with ideas and stuff like that that we have?

20 **CHAIRMAN CARTER:** Absolutely. And, in fact,
21 we have staff in the back, and if you want to have it
22 made part of the record, our staff will take it and put
23 it in there. As I said earlier, remember when I talked
24 about the blue sheets? Excuse me, y'all. As I talked
25 about the blue sheets, you can go online and send the

1 information to us that way. You could also send it to
2 us on the tear-away here. You can also give it to one
3 of the Commissioners and we'll make it part of the
4 record ourselves.

5 **MR. AUBREY:** Okay. Excuse me. There's a lot
6 of things that we see where we could save money, but
7 it's kind of like the glass ceiling as far as getting
8 somebody to listen to you. It only goes so far and then
9 it doesn't go.

10 I think when I started here -- a couple of
11 points I wanted to make is number one, we used to have
12 like 12,000 -- I don't remember the exact number --
13 12,000 employees. We had 6,000 worker bees and 6,000
14 support people. Well, through the years, changes, they
15 hired, I think, up to 18,000 at one time and it came to
16 corporate cutbacks like a lot of corporations do. Well,
17 now we're down to 3,000 worker bees and 9,000 support
18 people.

19 And if you look at any company, I mean, if you
20 go to hang drywall and you got three guys out hanging
21 drywall and you got nine people sitting inside answering
22 the phone and doing all the paperwork, the payroll and
23 stuff like that, it's not -- that's not what gets the
24 lights on. That's not what provides service to the
25 customers. So I'd like to see -- maybe look at that

1 again as getting back to numbers the way they used to to
2 provide a better service. Because that's what we want
3 to do, provide a better service.

4 I've personally worked over 1,000 hours
5 overtime a year for the last seven, eight years running.
6 That's just because of the staffing. The overtime we
7 work, we're probably three to 400 linemen short of what
8 we should be based on the amount of customers, et
9 cetera, trouble calls, stuff like that. So we get --
10 and that's what we want to do. We want to provide a
11 good quality service.

12 You know, some people, like you see both
13 sides, they say, oh, they've had great service. I mean,
14 some of it looks like a setup. But then again other
15 people are coming in here saying that they haven't. We
16 want to give everybody good quality service. And I
17 guess that's it. Like I said, I've got other points,
18 but I'd rather just correspond later. Sitting up here,
19 for some reason my mind doesn't work right.

20 **CHAIRMAN CARTER:** That's okay. That's okay.
21 Hang on one second.

22 Commissioner Edgar.

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

24 Mr. Aubrey, thank you for coming. And I would
25 ask -- and I know we have staff in the back. Cindy,

1 would you raise your hand? Ms. Muir, who is on our
2 staff -- Mr. Aubrey, if you would maybe get with Cindy.
3 Cindy, could you make sure that he has a phone number to
4 contact our staff and provide another opportunity for
5 you to go into more detail? And we look forward to it.

6 **MR. AUBREY:** Okay.

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

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

9 Commissioner McMurrian, then Commissioner Argenziano.

10 Commissioner McMurrian.

11 **COMMISSIONER McMURRIAN:** Thank you, Chairman.

12 Mr. Aubrey, I just didn't catch -- you said --
13 you gave us a number of how many linemen you thought
14 that they were short, and I didn't quite catch that. So
15 I wanted to make sure I got that.

16 **MR. AUBREY:** Based on overtime records, they
17 looked at probably three to 400 linemen short because of
18 the amount of hours that we've had to work to make up
19 for that. And that's -- I don't know if you want to
20 call it corporate America or business. I mean, I don't
21 have an MBA. Sometimes it's cheaper to pay somebody
22 time and a half than it is to have all the benefits, I
23 mean, the medical costs. That's not FPL's fault.
24 That's nationwide, you know. But that's running a lot
25 of our costs up too.

1 And they talk about costs going up, but that's
2 just another point I wanted to make too. They're
3 actually trying to do away with costs by stripping us of
4 our medical benefits that we got. I mean, it's a
5 constant battle to keep medical, you know, and they're
6 trying to take it away. I mean, I'd rather see them
7 come here and say, hey, I want a rate hike because our
8 employees that put the lights on every night, 24 hours a
9 day, seven days a week, look, we need to take care of
10 them too, so we need this money here for their medical
11 costs, not for something else that they need to do.

12 But --

13 **CHAIRMAN CARTER:** Hang on one second. Hang on
14 one second.

15 **COMMISSIONER EDGAR:** Thank you very much. We
16 all thank you for your hard work.

17 **MR. AUBREY:** Thank you.

18 **CHAIRMAN CARTER:** Commissioner Argenziano.

19 **COMMISSIONER ARGENZIANO:** Yes. And I'm having
20 a more -- a difficult time hearing, but I wanted to
21 speak to the gentleman.

22 Number one, I want to give my office number
23 out again, because sometimes people maybe want to talk
24 to the Commissioner, and I would be happy to talk to
25 them. It's (850) 413-6004.

1 And I want to thank the gentleman for coming
2 today and everyone else. But I needed to ask, you said
3 something before that sparked my attention. I think you
4 said something, that you wanted to be able to save money
5 and having a hard time getting anybody to listen to
6 that. I'd like you to tell me maybe more, or if you
7 want to call me later and let me know whatever that is.

8 I'm concerned about that. Because what we've
9 heard is so many people come up and attest to the great
10 service that you all are giving. And, you know, if I'm
11 going to consider higher increases for profits, I'd like
12 to know that some of those are going to the guys and the
13 women out there who are making that great service
14 happen. So if you could maybe expound.

15 Have you gone to higher-ups and talked to them
16 about maybe suggestions? And I'm not saying -- I don't
17 know whether your suggestions are valid or not. But had
18 anybody listened to you as far as the suggestions you
19 may have to saving money for the company?

20 **MR. AUBREY:** Well, they do. In their defense,
21 I guess locally it doesn't hit the ceiling here. I'll
22 say that everybody that's here in Brevard County that
23 works for Florida Power & Light, they're all good people
24 and they're all part of this community and they all want
25 to do the right thing. It just hits somewhere way up

1 the line that they don't want to hear it. So, you know,
2 the people we tell, as it goes up, I mean, they're all
3 for it. But then when it goes somewhere else, it
4 just -- they can't do nothing. You know, it's a shame
5 because it doesn't have to be that way. You know,
6 there's a lot of good ideas that we could save -- if we
7 save FPL money, we save the customers money, we save
8 everybody money. It's a good thing, you know.

9 **COMMISSIONER ARGENZIANO:** Okay. Well, I
10 appreciate that. And it's really an example -- when so
11 many people come up to talk about the quality of
12 service, they are, and I understand that some don't,
13 don't have the same view, but so many people coming up
14 talking about the quality of service, it has to reflect
15 on the workers, the guys, the men and women that are out
16 there in the field and actually taking care of that.

17 So thank you. Thank you for coming, and I'll
18 look forward to talking to you.

19 **MR. AUBREY:** Thank you.

20 **CHAIRMAN CARTER:** Thank you.

21 Mr. Kelly.

22 **MR. KELLY:** Ron Thorstad, followed by Jack
23 Rood.

24 Whereupon,

25 **RON THORSTAD**

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. THORSTAD:** Good morning, Commissioner,
6 Commissioners. I'm Ron Thorstad representing the
7 Brevard Nature Alliance. I'm a member of the Alliance,
8 on the board of directors, and have served as the
9 chairman and the treasurer in the past.

10 The BNA, the Brevard Nature Alliance, was
11 formed way back in 1998 to provide a strategic alliance
12 among all Brevard stakeholders for natural resource
13 initiatives. We're chartered as a not-for-profit
14 corporation, and our members come from all walks of life
15 who combine their knowledge to protect our distinctive
16 ecology and raise the awareness of citizens and visitors
17 to the value and importance of the natural resources in
18 Brevard County.

19 We know firsthand that Brevard Power & Light
20 (sic) is a good neighbor of this community, lending
21 support to many organizations that speak loudly to
22 issues involving quality of life for our residents, and
23 we also know that being a good neighbor does not come
24 cheap. Florida Power & Light has demonstrated a strong
25 commitment to wind power and solar energy research and

1 implementation, such as the new solar power plant at
2 Kennedy Space Center, as well as at two other Florida
3 locations. Their commitment to environmental issues and
4 education is well documented, as are their strong
5 recycle and reuse programs. Consider their efforts
6 involved in the plan to keep the manatees warm during
7 the changes at the local plant so it won't interfere
8 with their comfort.

9 Research clearly shows that FPL's
10 implementation of all their projects and plans for
11 renewable energy are designed to leave a smaller
12 environmental footprint in each community that they
13 serve. I personally and the Brevard Nature Alliance
14 applaud their efforts to be part of Florida's
15 environmental solutions instead of adding to our
16 environmental problems. Thanks for letting me speak on
17 their behalf.

18 **CHAIRMAN CARTER:** Thank you.

19 Mr. Kelly.

20 **MR. KELLY:** Jack Rood, followed by Marlene
21 Abbott. Mr. Rood?

22 (No response.)

23 Marlene Abbott, followed by Hugh Muller.

24 Whereupon,

25 **MARLENE ABBOTT**

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. ABBOTT:** Good morning. I've enjoyed
6 hearing all the different opinions, and that's why I
7 served my country for 20 years in the Air Force, so that
8 we all have our right to those opinions and disagree.

9 I'm currently unemployed. I'm on a fixed
10 income. If we use fixed income as an excuse, we're
11 never going to make any progress anywhere. There's
12 always going to be fixed income. I understand that.

13 I'm here as a homeowner. I've had a great
14 relationship with Florida Power & Light. We've not had
15 problems as a community. I totally agree with what Neal
16 Johnson and others said, they are good community people.
17 I know -- I don't know quite a few. I maybe know two or
18 three of the employees. I like them. They're
19 reputable. Their values, my values that I have from
20 serving my country, I like those kind of values. Call
21 me naive. I'm actually getting my MBA. I know about
22 ROE. I bet the stakeholders really like better the
23 shareholders, you know. And if we want to invest, maybe
24 that's the way to go.

25 But I believe it's the right thing to do. I

1 believe in the future. There's never going to be a good
2 time, never. You know, we can drag this out two, three
3 years. But then when suddenly it's a crisis and you
4 need it today, it's not going to be there because
5 there's been no planning, no forethought.

6 So I think we need to give -- I trust Florida
7 Power & Light, I believe they're making the right
8 decision for us, and I think we need to plan for that
9 future.

10 I just want to look at my notes. It was
11 interesting, in the Air Force we called it a
12 tooth-to-tail ratio. For every one pilot you had seven
13 support people. And so there is a ratio, and I'm sure
14 Florida Power & Light can talk about what their
15 appropriate ratio is. So some of those arguments I
16 thought were interesting.

17 But I agree -- Pat Oneill was another person I
18 really agreed with, and so you've had some good
19 testimony here. But I am totally in support of it. I
20 believe it in the future, I believe it for my future.
21 If not now, when? It's going happen. Thank you.

22 **CHAIRMAN CARTER:** Mr. Kelly.

23 **COMMISSIONER ARGENZIANO:** Mr. Chair, I have a
24 question.

25 **CHAIRMAN CARTER:** Commissioner Argenziano,

1 you're recognized.

2 **COMMISSIONER ARGENZIANO:** Sorry, Mr. Chair.

3 Yes, ma'am. I appreciate your coming today.
4 Could you tell me, were you referring to alternative
5 energies? Is that what the gist of your support was
6 for?

7 **MS. ABBOTT:** To going green, to going
8 efficient. I believe, yes, you do need to -- from the
9 money standpoint, if you have money, you are going to
10 get lower rates. That's a fact of life when you get
11 into your credit rating. So while I understand their
12 ROE is high, I also believe that they've got their -- I
13 felt that the arguments in the beginning were very
14 one-sided negatively, and I'm more the optimist. I
15 believe, I trust, and I would have loved to have heard a
16 rebuttal from FPL, because I just can't believe they
17 would come up here and do something stupid. That's not
18 the FPL I know. So I'm in support of the whole program.

19 **COMMISSIONER ARGENZIANO:** Thank you very much.

20 **CHAIRMAN CARTER:** Thank you.

21 **MR. KELLY:** Hugh Muller, followed by Nell
22 Muller.

23 Whereupon,

24 **HUGH MULLER**

25 was called as a witness on behalf of the Citizens of the

1 State of Florida and, having been duly sworn, testified
2 as follows:

3 **DIRECT STATEMENT**

4 **MR. MULLER:** My name is Hugh Muller. I live
5 in Suntree, here in Brevard County. I'd like to say I'm
6 retired retired. I'm retired Air Force and I'm retired
7 County Facilities Manager for Brevard County.

8 I have a perhaps unique perspective of FP&L,
9 having worked with them for 20 years. I am a former
10 professional engineer and a former certified facility
11 manager, and the past president of the Space Coast
12 Chapter of International Facilities Managers
13 Association.

14 In my job as the Facilities Manager for the
15 county, I had to pay their electric bill, about \$1
16 million a year. So I had a million-dollar relationship
17 with FP&L for 20 years, and I'd like to say that it was
18 spectacular. They worked with us to establish many
19 savings such as the thermal storage up at the historical
20 Titusville courthouse, which we started, I'll say, 15
21 years ago. I could be off by a couple of years. We
22 also have worked with them for thermal storage for other
23 facilities such as our libraries. And they have worked
24 with us to conserve energy and to do things right. I
25 have also worked with them in the emergency op center,

1 they sat next to me, where we were able to see how
2 professional they were in responding to things, to help
3 us recover from fire storms, hurricanes and just
4 practice for the future.

5 As a facilities manager, I realize that
6 infrastructure is super important, and that you can only
7 provide continuously good service if you spend money and
8 time taking care of the things that need to be taken
9 care of. I think FP&L does a very good job in doing
10 that. I noticed the service of the approximately, I'll
11 say, several hundred facilities throughout Brevard
12 County that I was more or less responsible for, and my
13 house as well.

14 I have lived in many different states and
15 recognized power problems. I have been in places where
16 we have generated power and I have been over the
17 production of power. Several years ago a constituent
18 brought to one of the commissioners the idea that since
19 we have these five buildings here at the government
20 center, the justice center across the street and the
21 school board across the street, why didn't we build our
22 own power plant to save money and just make our own
23 power here as opposed to paying FP&L.

24 We did an assessment of that in depth. We got
25 some help from FPL and what the cost is, and it

1 reiterated to me and to those that read over the report
2 the expense associated with having reliable power.

3 As people said, they want to be able to turn
4 on the switch and get power when it's there. Most of us
5 don't have the cheapest form of transportation. We
6 don't all ride mopeds. Most of us will have a car other
7 than the cheapest one because we want value, we want
8 comfort. We want something that is sustainable and
9 maintainable so that we can depend on it. We want our
10 air conditioners working 24/7. When it goes out, we
11 want somebody that will respond when our power goes out
12 and our air conditioner goes out. FP&L has done that
13 and has been very reliable in the past, and I'm sure
14 they will be in the future. I support their rate
15 increase.

16 **CHAIRMAN CARTER:** Thank you.

17 Mr. Kelly.

18 **MR. KELLY:** Nell Muller? Did she want to
19 speak?

20 **MR. MULLER:** She's my wife and I think she
21 agrees with me.

22 **MR. KELLY:** Are you sure? Can we get that on
23 the record?

24 (Laughter.)

25 She was sworn in earlier. No, I'm just

1 kidding.

2 **CHAIRMAN CARTER:** You'll be sleeping on the
3 couch tonight.

4 Mr. Kelly.

5 **MR. KELLY:** Eugene Hajdaj, followed by Suzanne
6 Sparling. Mr. Hajdaj? Suzanne Sparling? Oh, I'm
7 sorry. I didn't see you come down. I apologize.
8 Whereupon,

9 **EUGENE HAJDAJ**

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

13 **DIRECT STATEMENT**

14 **MR. HAJDAJ:** I'm just a little slow here on
15 the aisle. Good morning, Mr. Chairman.

16 **CHAIRMAN CARTER:** Pull that mike a little
17 closer to you, please.

18 **MR. HAJDAJ:** How's that?

19 **CHAIRMAN CARTER:** That's perfect.

20 **MR. HAJDAJ:** All right. Good morning,
21 everybody. I'm just a resident. I --

22 **CHAIRMAN CARTER:** Do you mind saying your name
23 for the record?

24 **MR. HAJDAJ:** Yes. I'm Gene Hajdaj, resident
25 of Broward County, and I'm a power user.

1 And listening to all these issues, this is all
2 well beyond me, but I have a, hopefully a relevant story
3 for you.

4 My wife and I take the current energy crisis
5 very seriously. We don't think we're out of the woods
6 by any stretch of the imagination. And we came across
7 this audit survey from FP&L, and we said, well, let's
8 try it. And we just kind of covered our eyes, not
9 knowing what's going to come of this. And we made the
10 arrangements, and a gentleman by the name of Mr. John
11 Wahlen (phonetic) headed up a team of two to come over
12 to the house and I want to tell you about it.

13 He came over on time, just exactly when he
14 said, had all his equipment, had all his test gear, ran
15 the test right there on the spot, comprehensive, crawled
16 up into the attic and everything, had his laptop, had
17 his printer, loaded all the data in there, printed out
18 the report for us right there on the spot. And that was
19 pretty impressive. Told us what we could do, and they'd
20 split the cost with us.

21 Now the best part of this, this is, I guess,
22 like the punchline, is almost as an aside, he says, "You
23 know, in your attic you've got a duct that's a little
24 bit too long and it kind of snakes through there, and
25 that's why you're not getting a whole lot of air coming

1 out, because you've got a lot of losses. And you don't
2 even have to replace it, just straighten out the kinks
3 by hanging it from the, from the rafters."

4 And so let's take a timeout here. Here's an
5 FP&L employee showing me how to buy less electricity.
6 And I'd like to bring that before the Commission from
7 the standpoint of our energy crisis, that whatever you
8 all decide, whether you want to approve or disapprove
9 the increase, I'd like to encourage the Commission and
10 everyone here, FP&L, to continue new ways to find how to
11 cut energy consumption, how to improve efficiency, and
12 maybe how to get more folks like John Wahlen on the
13 front lines. Thank you, folks.

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

15 Mr. Kelly.

16 **MR. KELLY:** Suzanne Sparling, followed by Bino
17 Campanini.
18 Whereupon,

19 **SUZANNE SPARLING**

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. SPARLING:** How's everyone today? Thank
25 you for giving me the opportunity to speak. My name is

1 Suzanne Sparling, and I live in Titusville, Florida.
2 I've been a resident of Brevard County for more than 40
3 years.

4 **UNIDENTIFIED SPEAKER:** Pick up the mike a
5 little.

6 **MS. SPARLING:** Oh, I'm sorry. Thank you.

7 I would be more than happy to speak on behalf
8 of my employer. I work at United Way of Brevard. But
9 you have already heard what an amazing and responsive
10 corporate citizen Florida Power & Light is in our
11 community, and I will say that there are very few that
12 are as exceptional as they are.

13 But as a resident, I would also like to say
14 that they're also an efficient and effective
15 organization. And I think it is really sad that
16 sometimes in our world we want to penalize organizations
17 that are effective and efficient for doing their job
18 well and producing a profit for their investors, because
19 that is their job, on top of providing quality service
20 to their customers, and they do both exceptionally well.

21 I would say that organizations that are
22 efficient and effective at what they do and have their
23 mind to the future need to be supported. And as a
24 resident of our community with two young children at
25 home, I want to make sure that they have their needs met

1 well beyond the years that I will be their parent. So
2 as a resident I would support their increase.

3 **CHAIRMAN CARTER:** Mr. Kelly.

4 **MR. KELLY:** Bino Campanini, followed by Peter
5 Lewis.

6 (No response.)

7 Bino Campanini? Peter Lewis.

8 Whereupon,

9 **PETER LEWIS**

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

13 **DIRECT STATEMENT**

14 **MR. LEWIS:** Good morning. I am Peter Lewis.
15 I live in Rockledge, Florida.

16 I've been listening all morning, and it is
17 kind of interesting. I'm quite confused if we're doing
18 a rate increase for the stockholders and they can
19 benefit more, or are we doing it to hire employees,
20 which I've never seen any ad in the paper for any
21 employees to go to work for Florida Power & Light.

22 It's amazing the many times I drive along
23 U.S. 1, Wickham Road, and I see four and five, six of
24 the big utility trucks with the booms. One truck is up
25 in the air with one person working. The other six

1 people are walking and standing around and BSing. Okay?

2 If they're looking for more money than the
3 \$700, \$800 million that they're already currently making
4 a year, what they need to do is look at time management.
5 The stockholders need to look at the outrageous incomes
6 that are going out of these companies today. We have
7 all been made totally aware of Wall Street and these
8 \$30 million bonuses and these \$50 million salaries a
9 year. It's ludicrous. They need to look at everybody's
10 income. They need to do their cutbacks if they need to
11 do cutbacks. Okay? They don't need to come after the
12 average person again.

13 Again, I will bring up where they're asking
14 for two times the deposit, with this time -- whether
15 it's this time or not, the economy is in dire need of
16 being straightened out. No foreseeable future in the
17 next four to five years can be even thought of before
18 this economy will straighten out. People don't have the
19 money. If they can't pay their electric bill, how do we
20 expect them to pay two, three, four, \$500 in deposit?

21 My electric bill runs in the summer \$350. I
22 want that guy's meter put to my house that pays \$82. My
23 house is three bedrooms, 1,700 square feet. Okay? I
24 don't know how he gets away for \$82. Okay? There's
25 just absolutely no way. All right? I've questioned it,

1 I've done all the investigations on it. There is
2 nothing different other than I have 14-foot ceilings,
3 which I'll never have again. Okay?

4 I got a bill. I was going to be eight days
5 late on paying. I got the nasty letter from them, okay,
6 that my power would be cut off and I would be charged
7 \$650 in deposit to have it turned back on, plus the
8 \$200. If I didn't have the \$270 at that time, how in
9 the heck am I going to have \$800 to get my power put
10 back on?

11 **COMMISSIONER ARGENZIANO:** Sir, can I ask you a
12 question?

13 **MR. LEWIS:** Yes, ma'am.

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

15 **MR. LEWIS:** It's Lewis.

16 **COMMISSIONER ARGENZIANO:** -- for a moment.
17 Was that the first time you had been late in a long
18 time, or -- I remember when the subject came up, and I'm
19 going to have to go back into detail and look at that
20 when it came up before before the Commission, but I was
21 very concerned that, just as you said, if they couldn't
22 pay the bill, how could you pay a larger deposit? And I
23 think the conversation, and I have to go back again and
24 look, but I think the conversation was something as if
25 the person was more of a perpetually late, you know, we

1 needed to get a larger deposit. And I thought it was
2 from new customers, and I will check on that. But had
3 you been, had you been late more than once or twice
4 or -- can I ask you that?

5 **MR. LEWIS:** I am self-employed and, yes, I've
6 been running about 30 days late -- not even 30 days.
7 Okay? But the bill was always paid in full. Never a
8 partial payment. When I did -- in this particular case,
9 two years ago, three years ago, they did it. They cut
10 the power off. Okay? And I had to come up with \$600,
11 which I got back a year later. Okay? But I think it
12 was ludicrous, I think it was wrong.

13 The bottom line in this category of business
14 today is called greed. It's total greed. It's money
15 for them. They care nothing about the individuals. All
16 I've heard today is these corporate people coming up and
17 saying how wonderful they are. Yeah, they're great to
18 the corporations and the companies. Okay? They allowed
19 Rathman Chevrolet to keep power. That was public
20 knowledge in the paper. They allowed them to keep power
21 for six months, and owing over \$65,000 in an electric
22 bill that the company ended up being locked down, and
23 I'm sure it never got paid. Okay? They would never in
24 this day allow that to happen to an individual. They
25 don't care.

1 And I do take my hat off to the guys during
2 the seasons when we have the hurricanes. I bless them
3 every day. They're out there working their butts off
4 getting it put back on. But as far as the upper
5 echelon, as the one guy said, Florida, you know, or this
6 area they could handle. The upper echelon don't want to
7 hear anything about it. Okay?

8 Do I accept this increase? Absolutely not,
9 not one penny. Not when they're making \$800 million a
10 year, and all these other companies are folding and all
11 these other people are out of jobs and losing their jobs
12 daily. Brevard County is 10 percent plus in
13 unemployment. Florida is one of the largest foreclosure
14 states in the country. That is one of their deficits
15 right now, because all those homes are not pulling
16 energy. So they're not making any profit whatsoever.
17 All right? That's why they're coming to the board now
18 for a price increase.

19 **CHAIRMAN CARTER:** Thank you.

20 Commissioners, any further questions? Thank
21 you so kindly.

22 (Applause.)

23 Mr. Kelly.

24 **MR. KELLY:** Edward Lanni, followed by Raymond
25 Reeves.

1 **CHAIRMAN CARTER:** After, after Mr. Lanni
2 speaks, we're going to have to give -- we've only got
3 one court reporter. We're going to have to give the
4 court reporter a necessary break.

5 Whereupon,

6 **EDWARD LANNI**

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. LANNI:** Good timing. Ed Lanni, Cocoa. I
12 am from the Village of Cocoa City of Cocoa.

13 I'm here because of a incident that we had
14 with the Florida Power & Light. On the 4th of June they
15 took over 50 homes, and they had 12 teams of FP&L
16 employees and volunteers, civilian volunteers of Cocoa
17 and staff of Cocoa, to go through these homes and just
18 check them out for energy. It was called The Home
19 Energy Makeover. And we changed lights, we changed
20 showerheads, we put in electrical outlets, safety plugs,
21 AC filters. And the techs, we had a -- the team was two
22 techs and a staff member of Cocoa and a volunteer. And
23 I was the volunteer, which was, it was a lot of fun.

24 We partnered in this energy makeover, as I
25 said, with 50 homes. And the thing that impressed me

1 was the FP&L employees. They, not only were they doing
2 their job, they took their job to heart, they really
3 were worrying about the people that they were checking
4 on. These homes had holes in the ceilings, the doors
5 were not tight, the vents were not correct. They
6 corrected all of these and sat there until they were
7 done. We did this, as I say, on 50 homes.

8 The two FP&L men that I was with were from the
9 south area. They weren't even from the Cocoa area. The
10 first home we went to, we couldn't get in the door. The
11 car was there. And they weren't going to leave until
12 they found out why those people weren't there. Well, it
13 turned out that they were asleep in the bed. We've got
14 the nextdoor neighbor. The next house, the poor guy had
15 to go to his job. We said, "Go ahead. We'll go ahead
16 and do the job and we'll shut the, lock the door when we
17 leave."

18 So Florida Power & Light is a very, very
19 human, human outfit, and they did -- I just, I just
20 enjoyed working with them. And everything that they do
21 is, is for the, for the people, for us. Thank you.

22 **CHAIRMAN CARTER:** Thank you.

23 Commissioners, we're going to give our court
24 reporter a break so she can go to the necessary room and
25 take five. And with that, we're on recess.

1 (Recess taken.)

2 **COMMISSIONER EDGAR:** Folks, we're going to go
3 ahead and pick back up again here in just a moment. If
4 I could ask you all to gather for us.

5 We are back on the record after a very short
6 break to give us a stretch.

7 And, Mr. Kelly, if you would start again with
8 the next name, please.

9 **MR. KELLY:** Raymond Reeves, followed by
10 Stephen Houser.

11 **COMMISSIONER EDGAR:** Mr. Reeves?

12 (No response.)

13 **MR. KELLY:** Stephen Houser.

14 **COMMISSIONER EDGAR:** Mr. Houser?

15 (No response.)

16 **MR. KELLY:** All right.

17 **COMMISSIONER EDGAR:** Mr. Kelly, I may ask, if
18 we have time, we may have to watch our time, but we
19 may -- realizing that we are coming back from a break,
20 we may be able to come back to those shortly, however
21 you would like, but let's move ahead.

22 **MR. KELLY:** Jose Farinos.

23 **COMMISSIONER EDGAR:** Thank you, sir. Please
24 come on down.

25 Whereupon,

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JOSE FARINOS

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

DIRECT STATEMENT

MR. FARINOS: Good morning, everybody. Jose Farinos from Palm City. I work in Fort Pierce. I work at Indian River State College. I am the point of contact between the college and Florida Power & Light.

I've heard quite a bit about training and about employee support. From my perspective, in the -- I've been working with Florida Power & Light for 18 years, but more intensely in the past four years. We have created a pipeline of workers for the nuclear power plant. It's a program that has produced already graduates. It's a program that FPL supports.

I want to make this point, because when we were told at the beginning of this meeting that this meeting was about rates, I have a hard time extracting the rates from the context in which FPL operates, on the community value of FPL on what they do. My testimony here today is about that. It's about what they're doing for the community, for education, for the college.

The program that we have includes incumbent employees. They're all part of the IBEW, IBEW. They --

1 all the way to the top of FPL and all the way to the top
2 at the college. We've worked for hundreds and hundreds
3 of hours developing a training program, excuse me, that
4 supports the apprenticeships that actually replaces part
5 of the apprenticeship training with a college degree,
6 which keeps a career ladder for all those employees.

7 FPL sends faculty, they pay for those faculty,
8 they send subject matter experts, they provide
9 technology and equipment. They have advised the college
10 and engineers in the design of a new building to save
11 energy. They are our provider for four of our campuses,
12 not for one of them. We're building a facility in our
13 main campus. That is the one that they do not serve.
14 And yet they sent their experts so we can save energy on
15 getting to the energy efficient design that we are
16 trying to do.

17 They're providing equipment for our new energy
18 center to train FPL people. We're not just training
19 nuclear. We have shared with the rest of the colleges
20 in the state our curriculum so they can adopt it for
21 fossil power plants. We are doing a lot of work in the
22 development of curriculum for alternative energies. The
23 college has become a banner center for energy, and we
24 will continue partnering with them. They're part of the
25 advisory board.

1 So there's so much they do for the community,
2 for education, for their own workers. I'm not here to
3 talk about the rate, and in that I differ from previous
4 comments. I'm talking about the context and the value
5 of a company that supports their employees, their
6 education with not only resources and funding at a time
7 when -- I don't know if those, if those expenses are
8 considered in this, in these rates.

9 A very positive experience. And I know that
10 it's very polarized when you are talking about
11 increasing rates. Nobody likes to pay taxes. I have to
12 agree with the fact that unless you pay for some
13 services, they will not happen.

14 I am in charge of a division of the college
15 called Advanced Technologies. Part of my job is to
16 anticipate what's coming, how is this new emerging field
17 going to affect economic development, sustainability,
18 job creation. And part of what we're doing with FPL is
19 trying to look at this crystal ball and say, what are
20 the jobs that are going to be coming, what are the
21 emerging technologies that will be integrated with
22 energy, how can we prepare for these mega power plants
23 where we're going to have hybrid solutions, some of them
24 with solar solutions, some of them with natural gas,
25 some of them naturally with fossil and nuclear?

1 So I am in the business of education. I'm in
2 the business of helping people improve their lives
3 through career ladders, and I have to say that Florida
4 Power & Light is a phenomenal partner. They are
5 committed, and their investment in education and the
6 community is, is very unselfish, because they do, they
7 do pay. And I resent some people who actually have a
8 chance to speak in public but they just limit themselves
9 to those comments. So I will leave it at that. They
10 have just been very helpful to the college and to the
11 community. I appreciate the opportunity.

12 **COMMISSIONER EDGAR:** Thank you. Thank you.
13 Excuse me, sir. If you could wait just a moment.
14 Commissioner Argenziano, did you have a question or a
15 comment?

16 **MR. FARINOS:** Sure. Sure.

17 **COMMISSIONER ARGENZIANO:** Yes. There's a
18 question, but there's also -- I'm having a hard time
19 hearing. If there's any way of increasing the volume at
20 that microphone.

21 **COMMISSIONER EDGAR:** Okay. We're, we're going
22 to work on that.

23 **COMMISSIONER ARGENZIANO:** Okay. And, sir, I
24 have a question for you, just to make sure. I tried to
25 listen to most of what you said. You are not here

1 regarding the rate increase. You are here just to talk
2 about the company's generosity or their --

3 **MR. FARINOS:** I wouldn't put it that way,
4 ma'am. I'm not talking about their generosity. I'm
5 talking about the context in which our relationship, the
6 college education and this company operate. I, honestly
7 I wasn't sure that this was about a rate increase.

8 **COMMISSIONER ARGENZIANO:** Okay.

9 **MR. FARINOS:** I came here to support the
10 company in respect with our relationship and what they
11 do for the community, for education, for their workers.

12 **COMMISSIONER ARGENZIANO:** Okay. So you are,
13 you are employed by the company to train, is that --

14 **MR. FARINOS:** No. I'm not employed -- I am an
15 employee of Indian River State College, and I am the
16 point of contact at the college for training operations
17 in emerging technologies, including energy, and for that
18 purpose I work with Florida Power & Light.

19 **COMMISSIONER ARGENZIANO:** Okay. So you work
20 with Florida Power & Light. But you do not, you're not
21 here regarding the rate increase?

22 **MR. FARINOS:** No, ma'am.

23 **COMMISSIONER ARGENZIANO:** Okay. Thank you.

24 **MR. FARINOS:** You're welcome.

25 **COMMISSIONER EDGAR:** Thank you. Thank you.

1 Mr. Kelly.

2 **MR. KELLY:** Randy Rodriguez followed by Neta
3 Harris.

4 Whereupon,

5 **RANDY RODRIGUEZ**

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. RODRIGUEZ:** Good morning.

11 **COMMISSIONER EDGAR:** Good morning.

12 **MR. RODRIGUEZ:** My name is Randy Rodriguez. I
13 am from Port St. John, a city not so blessed by having a
14 Florida Power & Light plant on our southern border and
15 the RRI energy plant, formerly OUC, on our northern. So
16 we're surrounded.

17 My relationship with FPL began not so much as
18 a matter of a bill, et cetera, as the amount of
19 emissions from the stacks of two power companies located
20 within two miles. So we began as combatants. That
21 said, we worked over a couple of years and they formed a
22 citizens advisory panel and we began working out
23 problems unusually. I was shocked to find out I was
24 invited to that panel, and more shocked to find more
25 than half the board were equally combatants.

1 FPL did this in the fashion of a neighbor
2 trying to create things better. They stepped up in so
3 many ways over the years. And I know I can bore you
4 with all of that, but you've heard that from a lot of
5 places. They help our schools. We are not a city.
6 They are a major funder to our fireworks, to our
7 Christmas parade, things our community wouldn't have
8 without it. And they're reducing emissions, which I'll
9 come back to in a few minutes, because I think that's
10 important.

11 I am nowadays too old to know everything like
12 I did in my younger years, and I've been learning a lot
13 today. And I know this meeting is about base rate and a
14 whole lot of other things we probably drifted in and
15 more people will that we don't need to.

16 Let me come to the things that are important
17 to me for that. In holding, reducing or increasing that
18 rate, I would not like to see my good neighbor default
19 on the things they've done with the community or reduce
20 the services we see. When the Commission considers what
21 they're going to do with this, it seems like the real
22 stick in the mud is the 12.5 percent return on equity.
23 You know, if that's all stock margin profits, and I've
24 heard people accuse it of that, that's probably one
25 thing, and you and FPL and Public Counsel can work that

1 out. That's a quick one.

2 But what else is in that figure that's
3 important? What are they doing now? What will they do
4 with the funds? That becomes more important. My
5 grandparents understood electricity as lighting in their
6 house. They died young. They never understood indoor
7 air conditioning. I'm kind of fond of that. My parents
8 discovered that. Electricity means a lot more to me.
9 My children need to really understand education, because
10 it's now a kind of worldwide concern because of
11 emissions, which I'm a little versed on.

12 Does tampering with this rate stop them from
13 doing the new solar plants that they're building?
14 Brevard is about to get two of those, and I think that's
15 great. It may not be a return on it today, but what's
16 their future return to that base rate? Are we arguing
17 over the 40 percent of Mr. Kelly's test tube that may be
18 reducing that 60 percent of the test tube in the future?
19 Basic math says that's the high side. If we can reduce
20 it, let's.

21 In my community, having two power plants,
22 having one of them change to a new plant with roughly
23 60 percent less emissions, that's a major thing just for
24 our community, for our air, for our children, for our
25 future. When you measure the world, which we all have

1 to think in now with power plants coming online every
2 day, do we really want to stop from improving or
3 removing the ones that are there? The Cape Canaveral
4 plant is an old coal-fired facility. Their allowable
5 permissions -- emissions, rather, are just ridiculous in
6 today's world. And if you compounded those and let
7 everybody else build them, that's bad. So I would not
8 see you vote against anything that stops them from,
9 excuse me, from these improvements.

10 Two things came up that I really don't see
11 have to do with this and I'll hit them. One seems
12 means. Ms. Santos says Florida or FPL has the lowest
13 rates in the state and they haven't had a raise in 15
14 years. Not really an issue. If you can produce a
15 profit -- or a product at a profit at the old rate, I
16 don't see changing it just to change it. I understand
17 the position.

18 I'm also hearing about fixed income a lot, and
19 I know this sounds hardhearted, but that's not the
20 reason to tell them they can't have the rate. But if
21 you can't produce the product at a price, then we all go
22 back to cave dwelling, and that's not right either.

23 FPL has a share of the energy fund, and I put
24 money in that box every month. I know not everyone
25 does. But really we have electricity, we have power, we

1 have the best standard of living in the world because of
2 what the two generations before us accomplished. So if
3 I need to throw in a little extra in my bill for that,
4 have at it. They've earned it.

5 I will also add -- it's not really for this
6 meeting, but when you turn 50, I guarantee you within
7 two months you get a notice from AARP that says "Happy
8 birthday." Someone out there has a database that's
9 marvelous and can tell us who's hitting those fixed
10 income years. That could be adjusted, much like the
11 county tax assessor does. There's a different rate.
12 And I'm fine with paying five extra dollars. So if
13 somebody else pays five less, again, that generation and
14 the one before it has earned it.

15 Okay. Quick notes. Also, power poles came
16 around. That's news to me. Wouldn't want to see them
17 funding that. I heard they have an awful lot of money
18 in the depreciation fund. Hey, someone make a vote,
19 take some of that money, go fix the poles. Someone
20 mentioned if one falls on a back street, that's not real
21 important. Anyone here with children or grandchildren,
22 if that line comes down on your street, that's
23 extraordinarily important. Okay. So let's tap those
24 funds instead of taking them away and go use them to fix
25 future problems. We know they're there. Electricity

1 has been around 100 years. The stuff's old. Fix it.

2 In hurricanes, we've had that, and I know
3 there's all kinds of funds for that. But there's
4 another item that we bounced off of, maybe again not for
5 this, but don't deduct the money that it needs for
6 trees. My village has 30,000 people. We've got our
7 share of idiots. They clear-cut the land to do a lot of
8 building and new idiots decided to plant oaks, maples,
9 magnolias under these lines and let them grow up into
10 them, as if all that shade was never going to touch a
11 power line.

12 I understand that they can't trim them. And
13 someone made a valid complaint earlier that when they
14 call and call because the trees get into the lines, to
15 come out and trim them, they come out and trim them.
16 They have to come back next year. It's a property
17 rights issue. If the Commission would talk to Congress
18 and maybe change the law, let them just cut those darn
19 trees down. Tell the owner to move them over and start
20 again. Because in a year when you have more hurricanes
21 than you have alphabet, those trees need to be away. I
22 mean, that was just an extraordinary amount of work for
23 nothing.

24 And I would hope that this Commission would
25 carry on the funding that addresses all of these

1 problems and maybe adds a couple of others that I went
2 into. Change the database to help the fixed income
3 people and maybe solve multiple problems at once, but
4 allow the rates that allow us to do that. Thank you.

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

6 **COMMISSIONER ARGENZIANO:** Ms. Chair?

7 **COMMISSIONER EDGAR:** Excuse me, Mr. Rodriguez.
8 Just a moment.

9 Commissioner Argenziano.

10 **COMMISSIONER ARGENZIANO:** Yes. Just a, just a
11 couple of things. And staff might be able to clear up
12 one of these things, because it's an issue that's come
13 up several times. And I commend people for coming up
14 and having the, the, I guess, wherewithal to express how
15 their desire is for green energy and alternative energy
16 and the reduction of emissions. But I need to ask staff
17 to clarify.

18 Is anything -- is there a guarantee of any
19 kind, if a rate increase is given or an ROE increase is
20 given, that that money be used for alternative fuels or
21 green energy? And if staff can answer that, and then I
22 just have a couple of questions for the gentleman.

23 **COMMISSIONER EDGAR:** Mr. Willis, briefly can
24 you respond to the Commissioner?

25 **MR. WILLIS:** Yes, Commissioner. Is this on?

1 **COMMISSIONER EDGAR:** I think so.

2 **MR. WILLIS:** There is no guarantee. It's
3 something that we do watch. We do look at where the
4 company puts its funds, especially after a rate
5 increase. But there is, as Commissioner Argenziano
6 said, there is no real guarantee that that's where the
7 money is going to be placed.

8 **COMMISSIONER ARGENZIANO:** Okay. I just wanted
9 to clarify that. But I do want to also commend the
10 company because they have made great efforts to go with
11 solar. And I think in a time when our Legislature and
12 our Governor have indicated that we want renewables,
13 this company has stepped up to the plate. But I want
14 people to also understand there's no guarantee that if
15 they're given the rate increase, that's where the money
16 will go.

17 And, secondly, I just wanted to talk to the
18 gentleman. When it comes to contributions that the
19 company gives, and goodness knows, we know in many
20 communities, the United Way, the Boys Club, all the
21 things that are mentioned are very, very important to
22 the community, but you have to aware that they're not
23 part of a rate case. They come from the shareholders,
24 not from the rate base. So we've got to thank the
25 shareholders of FP&L or the larger company because

1 that's where the contributions come from. So they
2 really can't be considered in a rate case.

3 And I think I heard the gentleman say that he
4 didn't want them to default. I think one of those
5 things included were the contributions. And I want him
6 to understand they are just separate, separate things.

7 And as far as the borrowee is concerned, when
8 we talk about having to do with economic conditions,
9 when we're talking about increasing the profits to the
10 company, it has a lot to do with economic conditions.
11 Our case law and statutes all point to the economic
12 surroundings. Yes, we do have to take into
13 consideration when people come up and say that they're
14 on a fixed income, because it's all based -- a very
15 large -- not all of it, but a very large portion of that
16 decision, whether to give larger profits to a company,
17 has to be -- you have to look, if you look at case law,
18 at economic conditions. So that is a very big part of
19 the case, and I just wanted the gentleman to understand
20 that.

21 **COMMISSIONER EDGAR:** Commissioner, did you
22 have any question for Mr. Rodriguez?

23 **COMMISSIONER ARGENZIANO:** Yes, I did. I had
24 asked it already. I can't hear with a lot of things
25 that were going on.

1 But the question that he had, that he thought
2 that the default -- I think the word he used was
3 "default." He did not want to see the company default
4 on the many things it does in the community. And I
5 wanted to know if he was aware that the contributions
6 were not part of the rate base. The ratepayers don't
7 pay that. The shareholders of the corporation
8 contribute that, and was he aware of that.

9 **COMMISSIONER EDGAR:** Thank you, Commissioner.
10 Thank you, Mr. Rodriguez, for your comments.

11 **MR. RODRIGUEZ:** Thank you. I hope your leg
12 heals quickly, Commissioner.

13 **COMMISSIONER EDGAR:** Thank you.

14 **COMMISSIONER ARGENZIANO:** Thank you so much.

15 **COMMISSIONER EDGAR:** Mr. Kelly.

16 **MR. KELLY:** Neta Harris, followed by Jerry
17 Woods.
18 Whereupon,

19 **NETA HARRIS**

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. HARRIS:** Good morning.

25 **COMMISSIONER EDGAR:** Good morning.

1 **MS. HARRIS:** I too am a consumer, and I'm a
2 semi-retired individual. I do some contract work for a
3 couple of agencies in the community.

4 And as far as calling my income fixed, I would
5 call my income budgeted. And I think that's a little
6 bit different than saying a fixed income, because I
7 budget how I'm going to spend my money during the month
8 or during the year, and I think that's very important.

9 But speaking on behalf of my relationship with
10 Florida Power & Light, I have found that to be a very
11 good experience.

12 Any of the corporations or agencies or
13 organizations that I do business with, I try to
14 familiarize myself with how they do business to a
15 certain extent, such as AT&T, Bright House, and
16 certainly Florida Power & Light.

17 I've lived in Brevard County since 1970 and
18 have been a Florida Power & Light customer since that
19 time. As I have aged, my home has aged and had several
20 requirements that programs from Florida Power & Light
21 have helped me with.

22 I'm also an avid reader. Florida Power &
23 Light has a very good newsletter. When they first
24 started the newsletter, it came in their printed bill.
25 Then as they progressed to online it came online. But

1 their information is, is -- I mean, their newsletter is
2 full of good information, and I've picked up a number of
3 things that has helped me personally.

4 One is their energy review, and there's
5 several people who have spoken to that. But they did
6 come and do an energy review and crawl through my ducts
7 and suggested that we have our ducts cleaned out. And I
8 said, "Well, who do you recommend?" And they said,
9 "Well, we can't recommend, but here in your phone book,
10 you know, is a list of businesses that do this."

11 So we had that done. And the gentleman said,
12 "And I'll be glad to come back and, you know, check the
13 results after you've had that, had that service done,"
14 and they did. And it, and it proved to be very
15 economical for me as far as having that done.

16 Also, Florida Power & Light has a program for
17 budget billing, and I've been taking advantage of that
18 for, oh, ten or 12 years now, or as long as that's been
19 in operation.

20 Also in reading their newsletter I found out
21 that they had a utility guard insurance program. So I
22 called and found out about that, you know, what that
23 entailed, and it's insurance that covers water damage to
24 the structure of your home or under your home. So I
25 checked with my homeowners insurance and they did not

1 offer that. But the premium through Florida Power &
2 Light, my homeowner insurance agent told me that that
3 was very economical, so I did take that. And three
4 years ago I had a -- from my house to the street, the
5 waterline broke. And I had a plumber come out to check
6 that, and the cost was \$750, and the insurance paid
7 that. It didn't cost me a penny. So I consider that a
8 savings.

9 The other new program that I read about and
10 called and got information and had someone come out and
11 explain it to me and showed me where they would, would
12 put this is the surge shield protection, and that goes
13 right on your water meter. And of course that is a
14 charge. And I was -- I willingly paid it because I have
15 a number of electronics in my home plus a new big
16 picture TV. So I feel confident that that's in place
17 and that it's working. We don't have surges that often,
18 but only one could wipe out all of your electronics in
19 your home. So I'm using that.

20 As an elderly person who's living alone, I
21 have an outside light in my backyard, and that was
22 explained -- and I've had that for years too. And that
23 also is a charge, but I willingly pay that because my
24 backyard is not dark and I feel more secure.

25 Anytime that, that there has been a question

1 or an issue and I have contacted someone at Florida
2 Power & Light, they have responded. In the few
3 instances when there has been an electricity stoppage
4 and we're out of power, I've gone to the phone and
5 called, and they have a service that will respond and
6 say where the power outage is and approximately how long
7 it will be to be repaired, and that's very helpful.

8 So whatever Florida Power & Light has to do to
9 keep this type of service going, I am for a rate
10 increase, not only to support the new programs that
11 they're bringing online, but to preserve the other
12 programs that are for the citizens' benefit, the
13 consumers' benefit.

14 And many people may not be aware of what they
15 have to offer, but you certainly can get that in their
16 newsletter. You can call and talk to a representative,
17 if you, you know, want to know if they have a particular
18 program, and they'll certainly be glad to explain it to
19 you. I think Florida Power & Light has been very
20 proactive in their planning for the new services that
21 they're going to bring online, and I must applaud them
22 for doing that. It's not just something that they did
23 overnight. It was very thought, very thought out.
24 Thank you.

25 **COMMISSIONER EDGAR:** Thank you, Ms. Harris. I

1 appreciate your comments.

2 **COMMISSIONER ARGENZIANO:** Madam Chair?

3 **COMMISSIONER EDGAR:** Just a moment.

4 Commissioner Argenziano.

5 **COMMISSIONER ARGENZIANO:** Yes, just a comment,
6 because this is a recurring theme, and it's a good one,
7 because the company really does a great job on its
8 energy efficiencies.

9 But I would like people to know, because it
10 seems that they're fearful that if we don't give a rate
11 increase, that these things will go away. And I
12 understand, and, staff, please correct me if I get this
13 wrong, that all companies have energy audits and
14 cost-effective programs, and they're required and
15 they're very important to have. But the costs also are
16 recovered through energy conservation costs, which are
17 annual pass-throughs. So those are things that are
18 required by the companies. And I don't want people to
19 think they will go away. And if staff can tell me if
20 I'm correct on that, so we have the people understanding
21 of that before they leave the room.

22 **MR. WILLIS:** Yes, Commissioner, you are
23 correct.

24 **COMMISSIONER ARGENZIANO:** Okay. Thank you.

25 **COMMISSIONER EDGAR:** Thank you, Commissioner.

1 Thank you. Thank you, Ms. Harris.

2 **MS. HARRIS:** You're welcome.

3 **COMMISSIONER EDGAR:** Mr. Kelly.

4 **MR. KELLY:** Jerry Woods, followed by Catherine
5 Boyle. Mr. Woods?

6 (No response.)

7 All right. Catherine Boyle, B-O-Y-L-E.

8 (No response.)

9 Janet Bender -- Bonder (phonetic).

10 Whereupon,

11 **JANET BENDER**

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 **MS. BENDER:** Good afternoon. I grew up in
17 Central Florida and we didn't have air conditioning and
18 we all survived. I moved over here to the coast when
19 Mickey Mouse came to town. I ran away from home. I
20 moved to Merritt Island, which is where we probably get
21 the hurricane damage the earliest. Our lights go out.
22 Florida Power is there to help us and get it back on.
23 Not only that, they get the trees and the branches and
24 the debris out of the road so that we can have egress
25 and ingress.

1 Their response to the community has been
2 outstanding. For the schools, the civic organizations,
3 and the charities, I've worked with a great many of
4 these, and they're always there for us and they're a
5 great responder to the community needs.

6 They spend a great deal on research for
7 alternative energy, which is very important, I think we
8 all agree, and their upgrading of the equipment that
9 they have now I think is -- they're right on top of
10 everything. All of this is for our comfort and our
11 safety.

12 When I look at the billions of dollars our
13 government is spending of our tax money for automobiles
14 and banks, I think Florida Power certainly deserves a
15 rate increase. Thank you.

16 **COMMISSIONER EDGAR:** Thank you, ma'am.

17 Mr. Kelly?

18 **MR. KELLY:** Betty Moore, followed by Shay
19 Baranowski.

20 Whereupon,

21 **BETTY MOORE**

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 **MS. MOORE:** Good afternoon. My name is Betty
2 Moore. I don't know being like number 50 on this is a
3 plus or a minus, I must tell you.

4 But this is like the what comes first, the
5 chicken or the egg? We need -- you need consumers in
6 order to pay for all these projects that we're talking
7 about. We've talked about fixed incomes. There are
8 many people who have to decide whether they're going to
9 pay their Florida Power & Light bill, their telephone
10 bill, if they can't get Safe Link, which is a free
11 service, and/or do they buy their medication.

12 \$10 may not, \$12 may not sound like a lot of
13 money to people, but that will feed a kid breakfast for
14 a week, cereal as well as milk. Right now the Space
15 Coast is looking at a large unemployment if we lose a
16 lot of our space industry with our shuttles. We have
17 people that are working four days a week in order to
18 maintain their jobs. We're looking at people who have
19 taken pay cuts. We're looking at unemployment at double
20 digits. This is not the time to come in and ask for a
21 large increase.

22 Volunteerism, there's many of us that
23 volunteer. That's just a part of our life and these are
24 things that we want to do.

25 I hear about some of the -- sat and made a

1 list of the EDC, not picking on one particular one,
2 Brevard Nature, et cetera, et cetera. Well, a lot of
3 our tax money goes to support these and a lot of our
4 other funds through grants go to support these. We
5 don't have any grants to support people who cannot
6 afford to pay for their electricity. Now I understand
7 that there is a program that you -- they will help
8 subsidize you. But I have tried to help people get
9 through that having to be subsidized, and it is an
10 absolute nightmare to get through. And I don't consider
11 myself a person who is unintelligent. If I can't get
12 through it with a college degree, how can I get someone
13 through it that has barely not made it through high
14 school?

15 So we're looking at some of these issues.
16 We're looking at how great Florida Power & Light is. I
17 can't, I can't dispute that. But I did have to buy a
18 surge protector to protect my house because I live in an
19 area where I would have eight, ten, maybe more power
20 surges during the day. If anyone has bought new
21 appliances, they all know -- after the hurricane, what,
22 didn't we all have to buy new appliances -- that surges
23 do not work well with all the computers on these
refrigerators, washing machines, stoves, dishwashers, et
cetera.

1 So I would like the Commission to think long
2 and hard before they go into a rate increase at this
3 time. Can we afford it down the road when cities are
4 not looking at a \$3 million deficit, \$6 million deficit?
5 Of course. But maybe this is not the time.

6 And I thank you for your time, and that's the
7 reason I sat through this and was number 50 when I
8 signed up. Thank you.

9 (Applause.)

10 **COMMISSIONER EDGAR:** Thank you, Ms. Moore, and
11 thank you for your patience.

12 Mr. Kelly.

13 **MR. KELLY:** Shay Baranowski, followed by David
14 Spain.

15 Whereupon,

16 **SHAY BARANOWSKI**

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. BARANOWSKI:** You do a better job of
22 pronouncing that than I do. Thank you.

23 My name is Shay Baranowski. I'm the general
24 manager of the largest resort in Brevard County. It's
25 the Holiday Inn Cocoa Beach Oceanfront Resort. And I'm

1 also a consumer. My resort is up for sale, so I'm
2 mindful that I'll be out of a job most likely at the end
3 of year as I talk about this.

4 And the State Attorney's Office just recently
5 gave me an award, so I don't want to offend them, but I
6 thought that this was a quality of service hearing. And
7 maybe that's the reason there is so much
8 misunderstanding.

9 But I can speak to two things, and I'll be
10 brief because I'm number 51. And God bless you guys. I
11 don't know how you do it.

12 The -- Florida Power & Light has been an
13 effective partner for my resort and my community. I've
14 seen it from both sides. And, you know, there was a
15 fuel increase in which I think the average bill went up
16 about 12 percent. My representative for Florida Power,
17 it pained him to come and tell me how much of an
18 increase that I might see in my power bill, and he spent
19 an awful lot of time going over the resort with me and
20 my chief engineer and reviewing all of the things that
21 we could do and avail ourselves of, all of the programs
22 we could avail ourselves of.

23 And actually I called my office before I came
24 here just to double-check. But we've got a 7 percent
25 decrease over last year in our energy bill because of

1 the things that we took advantage of. Everything from
2 the rebate program where we bought more energy efficient
3 PTAC units for our rooms to really managing the on-peak,
4 offpeak usage in the hotel, everything that we could do.
5 We put in the energy wise lightbulbs, everything that we
6 could do to avail ourselves of that.

7 And we talked about the test tube and the base
8 rate and everything else. And one of the things that
9 FP&L taught me, and I think that it's colliding here, is
10 that they taught me how to avail myself of those
11 programs. It seems to me that they availed themselves
12 of as many programs as possible in order not to pass on
13 the cost to the consumer.

14 Those pass-through things that we talk about,
15 all of those things, there's an increase in the cost of
16 doing business, a natural increase, and it seems to me
17 that they attempted to pass or to find ways to pass that
18 cost away other than to the consumer. And now it seems
19 to have hit a threshold where now they need to continue
20 to operate in a profitable fashion, as does every
21 business in this country.

22 I've lived all over the State of Florida and I
23 haven't worked with a power company like this before.
24 I've run resorts all over the State of Florida and other
25 states. I've never had a power company come to me and

1 try to show me how to use less power, both as a
2 professional and as a residential customer. I've never
3 worked for a company that involved themselves as much in
4 the community as they did. And I've never worked for a
5 company that really gave a darn about whether or not
6 they passed on an increase to me or not.

7 In this country businesses have to be
8 profitable, they have to be, or they go away. So I
9 understand that some of those environmental issues and
10 things like that aren't required to go away, but a
11 company can go away if they're not successful and not
12 profitable.

13 So those are my comments, and I want to thank
14 everybody for their time. I appreciate it. Thank you.

15 **COMMISSIONER EDGAR:** Thank you.

16 Mr. Kelly?

17 **MR. KELLY:** David Spain, followed by Robert
18 Reger. Mr. Spain?

19 (No response.)

20 Robert Reger?

21 Whereupon,

22 **ROBERT REGER**

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 **MR. REGER:** Good afternoon.

3 **COMMISSIONER EDGAR:** Good afternoon.

4 **MR. REGER:** Thank you for the time for me to
5 speak. I have quite a few topics. I'll try to make it
6 as brief as possible.

7 I am also a senior citizen. I'm 72 next
8 month, the middle of next month, and I've been down here
9 in Brevard County a little over 36 years, which
10 qualifies me to be a freshwater cracker. That means
11 you've spent half, more than half your life down here.

12 And somebody mentioned how many refrigerators
13 they've gone through. My wife and I have gone through
14 six refrigerators. And I know from living up north that
15 without the power surges and off and on and everything
16 else, you generally got ten or more years out of a
17 refrigerator and other things.

18 Now I'm against the Florida Power & Light,
19 Florida Power & Light increase because frankly they
20 don't deserve it, and I'll tell you why. A number of
21 years ago they made a petition to bring these
22 high-powered lines right through our subdivision from
23 I-95 to Fiske Boulevard here in Rockledge. We all got
24 together and we invited somebody who was an energy
25 expert in Europe, and he said that most industrialized

1 nations have their power underground, which would
2 eliminate a lot of the problems that Florida Power &
3 Light has.

4 And they said, "Oh, no, no, no. Wait a
5 minute. That costs us too much money." Well, my answer
6 to that is, yes, maybe it will cost you a little bit of
7 money to begin with. I worked for over 30 years for the
8 Bell system, for New York Tel and for Southern Bell
9 before it became BellSouth and everything got, you know,
10 turned upside down. At any rate, they had two ways of
11 bringing the telephone into the home. One was a drop
12 wire coming from a pole and the other way was that
13 they -- it was called the UG drop, an underground drop.

14 Sure, that took a little longer to put that
15 in. But you very seldom had a problem with the
16 underground drop, but the drops coming from the pole you
17 sure did because lightning would hit it and the weather
18 and whatnot.

19 So if Florida Power & Light wants to improve
20 their service and their infrastructure, they should
21 start putting the power lines underground like most of
22 the industrial nations of the world.

23 There was a man here from -- he was a law
24 enforcement officer, retired, and he says he expects
25 every time he walks into the room to flick the light

1 switch on and the light to come on. Well, sometimes it
2 doesn't come on. You know, every time a flea sneezes
3 around here we get a brownout or we get a momentary
4 blackout lasting from a few seconds to a few minutes,
5 and then it comes on.

6 And as far as the 2004 hurricanes, we were
7 without power three times for over a week each, and it
8 was hot and humid. We have pets and we have to keep all
9 the doors and windows open and just try to keep as quiet
10 as possible. And after that we had to go out and buy a
11 whole house generator so that if the power goes out for
12 more than, I don't know what it is, 15 seconds, it kicks
13 in and it works on propane. That -- the cost of that is
14 \$5,000.

15 So when they, you know, when they tell us how
16 much money that we're going to save or how much money
17 it's costing them, well, how much money is it costing
18 us? I'm sure that everybody, young or old, has some
19 sort of an entertainment system, a TV, DVRs, tape decks,
20 DVD player, CD player and, if you're really old, a VHS
21 and 8 tracks, and then -- and this, the power going out
22 and coming back on again, you have to reset all the
23 clocks, the electric clocks, you have to reset your VCR
24 or your DVD players. And the TV scared me a couple of
25 times because the thing would not come back on again.

1 It has to rest up for 15 or 20 minutes and then you can
2 turn it back on again. It will come on.

3 And we do have -- so we went out and bought
4 surge suppressors. I have a whole house surge
5 suppressor which didn't do me any good because we blew
6 out a -- something that we have attached to the air
7 conditioning unit to -- it was like a blue light that
8 sterilizes the air. That blew out and that cost us. We
9 had to replace that. And a printer. And we had to go
10 out and buy individual surge suppressors and battery
11 backups for our computers because you would lose your
12 work.

13 And also we've had the unfortunate experience
14 of having, you know, a blackout, losing what we were
15 doing, and the computer created I don't know how many
16 phantom files. So by the time you either do that or
17 have it done by an IT tech, that costs you money. So
18 you have to have these battery backups.

19 This is all because Florida Power & Light
20 refuses to put their lines underground, so -- and I
21 don't want to belabor the point of being on a fixed
22 income, I am also, and these figures I'm going to give
23 you now are from the AARP magazine. Every year since
24 Social Security there has been a COLA increase. Okay?
25 And they gave us, maybe ten years you get \$20, you get

1 \$30 here, this is a month, \$50. Coming from '07 to '08,
2 we got a \$5 a month increase. And if that wasn't an
3 insult enough, they have now said that there will be no
4 COLA increase for Social Security beneficiaries in 2010.
5 None.

6 And here Florida Power & Light wants how much,
7 a 12.5 percent increase? Hey, I'll take that. Give me
8 a 12.5 percent increase and I'll be glad to pay it. And
9 as far as that gentleman is -- that came from Port St.
10 John, since he's so willing to pick up, you know, when
11 somebody else can't afford to, he can pick up that
12 12.5 percent increase of mine.

13 **COMMISSIONER EDGAR:** Mr. Reger, I'm sorry.
14 I'm going to have to ask you to wrap up or we're going
15 to run out of time, and I do want to get to everybody.

16 **MR. REGER:** All right. The person that said
17 that they didn't have any training for linemen or
18 something like that, well, they didn't in the telephone
19 company either. It's called on-the-job training. They
20 don't, they don't hire these people and give them top
21 wages. You are in progression. It took me ten years to
22 get the top pay.

23 And I've turned the water heater down to
24 90 degrees. Our air conditioner is on 80, and in the
25 off season we're still up over \$200, \$250 for

1 electricity.

2 So I don't want to belabor any more time.
3 Thank you very much for the opportunity to speak.

4 **COMMISSIONER EDGAR:** Thank you. Thank you,
5 sir.

6 Mr. Kelly.

7 **MR. KELLY:** Laurillee Thompson.

8 (No response.)

9 All right. J.B. Kump.

10 Whereupon,

11 **J.B. KUMP**

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. KUMP:** Commissioners, thank you for the
17 opportunity to speak today. I'll try to keep my
18 comments brief and only supply you information that I
19 don't think you have already had access to.

20 My name is J.B. Kump and I live in Titusville,
21 Florida. I think I have a somewhat unique perspective
22 to those that have testified up to this point. For some
23 seven years I served as the District Director for
24 Congressman Dave Weldon, all of Indian River County,
25 parts of Osceola, Polk, and Brevard County, and was

1 responsible for constituent relations for the
2 Congressman during that period of time.

3 That included '04 and '05, heavy hurricane
4 seasons, which have already been responded to. A number
5 of constituents of the Congressman contacted him to
6 receive assistance for a variety of problems related to
7 electrical power. I was responsible for the Congressman
8 to go to FP&L and seek their assistance. I can
9 categorically state their responsiveness was above
10 reproach. They weren't able to solve every problem
11 instantaneously, but they did address every problem and
12 they came up with adequate solutions to those problems.
13 Quality of service I believe from FPL on behalf of those
14 500,000 constituents in those four counties were, were
15 quite good.

16 I, as a receiver of power from FP&L, put my
17 trust in you all. I don't know all, all the things that
18 you know, and I haven't had the opportunity to hear all
19 the testimony you have. So I'm not here to recommend or
20 speak against, but I'm here to simply give you that
21 unique perspective and ask you to give due consideration
22 to the request. Thank you for your time.

23 **COMMISSIONER EDGAR:** Thank you, Mr. Kump.

24 Mr. Kelly.

25 **MR. KELLY:** Maureen Rupe or Rupee (phonetic).

1 (No response.)

2 Doris Taggart.

3 Whereupon,

4 **DORIS TAGGART**

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

8 **DIRECT STATEMENT**

9 **MS. TAGGART:** Good afternoon. My name is
10 Doris Taggart.

11 **COMMISSIONER EDGAR:** A little closer to the
12 mike, if you would. We want to be sure we pick you up.

13 **MS. TAGGART:** My name is Doris Taggart and I
14 live in Cocoa. And I'm vehemently against the increase
15 for the reasons that a number of people have already
16 stated. And I will not call my income fixed. I am
17 retired. I will not get an increase. And so I'm, I'm
18 budgeted, as the lady said, but I didn't budget for an
19 additional 12 percent increase.

20 And I'd like to say this, that as an American,
21 and the people who work for Florida Power & Light and
22 the people who get the benefits of the increase, the
23 stockholders or whatever they're called, are Americans.
24 And if we're in trouble as Americans, then we should all
25 have to toe the same line, you know.

1 That -- why should -- I mean, I'm all for
2 increases in every area of everybody's life. But when
3 all of us are not increasing, the majority, it appears
4 though to me that the majority of us here today -- well,
5 not so much here today, but the people that I know and
6 the people that they know, they're decreasing because
7 someone is losing their jobs almost every day in
8 somebody's family. And so that's a loss of income.
9 That's not an increase of anybody.

10 And the people who have spoken for Florida
11 Power & Light, I'd like to thank them for their jobs,
12 and I always pray for their safety, those guys, and
13 the -- not only just the Florida Power & Light people,
14 but for the people of protection, the policemen and the
15 firemen and all of that.

16 But having said that too, they're looking for
17 increases in their jobs as far as money is concerned,
18 and they deserve it. But we're not getting increases,
19 and not because -- and I'm not saying that they don't
20 deserve increases, but what I am saying is this. This
21 is not the time for Florida Power & Light to get
22 increases. We're all called to hold the line somewhere.
23 And so, no.

24 (Applause.)

25 **COMMISSIONER EDGAR:** Thank you, Ms. Taggart.

1 Mr. Kelly.

2 **MR. KELLY:** Victor Johnson, followed by Thomas
3 Swindal.

4 **UNIDENTIFIED SPEAKER:** That'll work.

5 **MR. KELLY:** Thank you.

6 Whereupon,

7 **VICTOR JOHNSON**

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. JOHNSON:** Thank goodness I have one of
13 those easy names to pronounce.

14 I'm short and hopefully succinct.

15 **COMMISSIONER EDGAR:** And tell us your name
16 again, if you would.

17 **MR. JOHNSON:** Victor Johnson.

18 **COMMISSIONER EDGAR:** Thank you, Mr. Johnson.

19 **MR. JOHNSON:** I live in Palm Bay. I am
20 retired, like many of the folks that have been here
21 today.

22 If I read their proposal correctly and compare
23 it to my bill that I get, I find that the change in the
24 base rate for 1,000 kilowatt hours is 40 percent.
25 Additional kilowatt hours over the 1,000 is an

1 additional 36 percent increases, that is. And if you're
2 up where my house is, around 1,500 kilowatt hours, you
3 really get rapped. For the first 1,000 kilowatt hours,
4 you're 55 percent increase. And the additional kilowatt
5 hours is about the same, about 55 percent increase.
6 Needless to say, I think this is absolutely ludicrous
7 really. It is a very bad, hard hit.

8 The other thing that I have to say is since
9 we're dealing with Florida Power & Light and all the
10 wonderful things they do, it's time to get their butts
11 off of the 1800s era power distribution system and get
12 these power lines underground where every time the wind
13 blows you're not coming out with power shortages and
14 this and that all over the place. And how well they
15 respond to it is they continue to have the upper -- the
16 power lines aboveground. And as long as we continue to
17 have the big winds and they have power lines aboveground
18 it isn't going to get any worse -- or any better. I've
19 had my bitch.

20 (Applause.)

21 **COMMISSIONER EDGAR:** Thank you, Mr. Johnson.

22 Mr. Kelly.

23 **MR. KELLY:** Thomas Swindal, followed by
24 Valerie Dictrid.

25 **UNIDENTIFIED SPEAKER:** Dictrid.

1 **MR. KELLY:** Dictrid. Sorry.

2 Whereupon,

3 **THOMAS SWINDAL**

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 **MR. SWINDAL:** Good afternoon. My name is
9 Thomas Swindal.

10 I didn't initially come here to bitch about a
11 rate increase. After listening to 58 other consumers,
12 I'm really saddened by what I see, by what I've heard
13 here. Really seriously saddened actually. What I've
14 heard is that the consumers in Florida are -- a lot of
15 them are truly suffering, and in some cases they're
16 suffering needlessly. They're suffering because I
17 guess -- I believe I'm standing in front of the Public
18 Service Commission, and I suspect that y'all's
19 responsibility is to stand between us and Florida Power
20 & Light and to protect the consumers against excessive
21 or any type of wrongdoing.

22 I'm a native Floridian. I was born next to
23 Turkey Point in 1950. I believe that's the first
24 nuclear power plant. My family has had a business in
25 Florida since 1923, since before the Great Depression.

1 I look at my grandfather on a daily basis and look for
2 wisdom to understand how he got through the last Great
3 Depression.

4 There's a lot of suffering going on in this
5 country, but what truly brings me here today is that I
6 moved to Brevard County in 1997 from South Florida. I
7 bought myself a home here for me and my wife and my
8 family, and of course I hooked up to Florida Power &
9 Light. I currently own 15 homes in Brevard County. And
10 initially when we hooked up, I could get through the
11 year and my power bill averaged about \$100 a month. And
12 somewhere in 2001, 2002 I just could not get to that
13 \$100 a month average. And this was like an elusive goal
14 of mine, a personal goal. I want to hold my expenses
15 down. I want to be responsible.

16 I don't want to -- you know, I'm not a tree
17 hugging individual. I wanted to try to be responsible.
18 I see all the problems that are going on in the world
19 around me, how we're just destroying this country that
20 all the generations that worked before us in the past
21 ten or 12, 15 years, we've destroyed all the work of our
22 fathers and our grandfathers and their fathers. And all
23 these people that have died throughout these, all these
24 wars, they've died in vain because we've destroyed it
25 all in the past ten or 15 years through corporate greed

1 and irresponsibility from the top. Not from these
2 linemen out here. These linemen are doing what they're
3 supposed to be doing. And the guy is telling me he's
4 working 60, 70 hours a week, which is totally
5 ridiculous, because when he falls off that power line
6 because he hasn't slept in three days, okay, that's
7 FPL's fault. Okay? So, no, they should hire some more
8 employees.

9 But that's not why I'm here. I submitted a
10 statement -- I didn't really come fully prepared for
11 this because I didn't expect to be here. This morning I
12 asked my 15-year-old son to put this together for you,
13 and this is a track record of my power consumption over
14 the past five years.

15 My goal was to reduce my consumption so I
16 could reduce my power bill so that, you know what, maybe
17 I can supply power into my house for a hundred bucks.
18 So I started to do what I felt was the responsible thing
19 to do, and that was is I was going to invest in myself.
20 I didn't want to be a victim or a slave to FPL. I don't
21 want to be a slave to Southern Bell. I don't want to be
22 a slave to the cable company. I don't want to be a
23 slave to the water company. I don't want to be a slave
24 to Brevard County and their taxation. I pay \$38,000 a
25 year in property taxes. They've literally just about

1 totally put me out of business. I don't want to be a
2 slave to insurance companies.

3 With regards to this, this is energy, and
4 energy is what's destroying our future because we have
5 become gluttonous pigs in the world that we live in. We
6 consume a huge portion of the energy, and we don't need
7 to. Okay? What I want to explain to you is if you look
8 at this chart, you will see that since 2004 my average
9 consumption was 1,991 kilowatts of power. Year after
10 year after year I have reduced my consumption. I'm
11 currently below 1,000 kilowatts. I've just hit my
12 900 numbers, 900 kilowatt numbers a month for the first
13 time since I've lived in this house in ten years.

14 My standard of living, my quality of life
15 inside this 3,000-square-foot house with a \$100 power
16 bill, my quality of life is as good, if not greater or
17 better than ever, in all of the years I've lived there
18 when I used to consume as much as 2,600 kilowatts a
19 month, which in today prices would cost me over \$300 a
20 month.

21 It saddens me to see these people come to this
22 lectern and tell me that they're suffering, that they
23 can't pay their bills, they can't feed themselves, and
24 they're suffering. And what really just -- it just
25 hurts me to no end. These are my brothers and my

1 sisters. These are fellow Americans. They don't need
2 to be suffering.

3 What they need to be is educated. They need
4 to be helped. They need to be guided. People need to
5 take the time and explain to them, you know what, if you
6 replace your air conditioner, we might be able to reduce
7 your power consumption by 30 percent. If you put in a
8 solar hot water system, we might be able to reduce your
9 power bill by 20 percent. If we put solar attic fans
10 in, we might be able to reduce your energy consumption
11 by 5 percent. If we put in attic insulation, we might
12 be able to reduce it another 5 percent. And if we put a
13 power save system in, which, by the way, FPL doesn't
14 want you to know about, because the power that they sell
15 you, you can't even use, because the --

16 **COMMISSIONER EDGAR:** Mr. Swindal, I need to
17 ask you to pause just for a moment.

18 Ms. Williams, did you get a copy of
19 Mr. Swindal's handout? Okay. Let's go ahead and --

20 **MR. SWINDAL:** The quality of power --

21 **COMMISSIONER EDGAR:** Just a moment, just a
22 moment, sir.

23 Let's go ahead and mark this as 9 so we can go
24 ahead and enter it into the record. So this will be
25 Exhibit Number 9, and it is Thomas Swindal.

1 **MR. SWINDAL:** That's correct.

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

3 (Exhibit 9 marked for identification.)

4 And, Mr. Swindal, we only have about
5 20 minutes, so I need to ask you to bring it together.
6 Thank you.

7 **MR. SWINDAL:** I'm going to bring, I'm going to
8 bring it into a landing. Okay. I'll bring it into a
9 landing, like the Chairman mentioned earlier.

10 **COMMISSIONER EDGAR:** Thank you.

11 **MR. SWINDAL:** The quality of the power that
12 FPL sells us isn't really good quality clean power, and
13 that kind of depends on where you live. I don't need to
14 get into all of that. They know what the power quality
15 is that they're selling. They know what the power
16 factor is that's going into your house. They know that
17 some of that power is usable and some of it's not
18 usable.

19 What they don't want the consumer to know is
20 that the consumer can spend a few dollars and increase
21 the quality of the power coming into your house, and you
22 can make that power go farther. They spend millions and
23 millions and millions and millions of dollars to do this
24 on the lines so that when they produce a kilowatt,
25 rather than selling half a kilowatt, they can actually

1 get and charge for that whole kilowatt because they're
2 losing half of it in the line. Every major corporation
3 that consumes huge amounts of electricity knows this.
4 And FPL has gone out and worked with them and explained
5 to them how they can improve the quality of the power
6 that they're billing for so that they can get more use
7 out of it inside their building. The everyday consumer
8 is clueless about this.

9 What I chose to do -- and I'm bringing it in
10 for a landing, I promise you.

11 **COMMISSIONER EDGAR:** Because I am running out
12 of time.

13 **MR. SWINDAL:** What I chose to do was invest in
14 myself. Okay? And I have spent a total of \$8,000 over
15 five years. So I spent \$1,000 a year, \$1,500 a year.
16 That \$8,000 is bought and paid for today. My power
17 savings is in my pocket today. Every single consumer in
18 the State of Florida can do the same thing I did.

19 The PSC's responsibility is to advise the
20 consumer how they can save money, rather than we -- you
21 sitting here today, whether we're dickering over \$12,
22 whether FPL deserves \$12 or doesn't deserve \$12, that is
23 a moot issue. The real issue is can you reduce their --
24 that lady's power bill in half? I can do that. Can you
25 do that? You can do that through education. I can do

1 it through education. Us sitting here and fighting over
2 a \$12 rate increase, we know FPL is not entitled to a
3 \$12 rate increase. Okay? We know it. The only thing
4 that --

5 **COMMISSIONER EDGAR:** Mr. Swindal, I'm sorry,
6 but we are --

7 **MR. SWINDAL:** Okay. The lady came up here.
8 She explained to you that she's paying \$9 a month to
9 clean up the power spikes, which is an up sell for FPL.
10 She would have been better off spending \$200 to buy her
11 own unit, which will pay for itself in two years, and
12 then she's not a victim of FPL for the next 20 years,
13 paying for something that was bought and paid for in
14 two.

15 **COMMISSIONER EDGAR:** Thank you, Mr. Swindal.

16 **MR. SWINDAL:** God bless you.

17 **COMMISSIONER EDGAR:** Thank you. I appreciate
18 your comments. Thank you.

19 Mr. Kelly.

20 **MR. KELLY:** Valerie Dictrid, followed by
21 Trudie Infantini.

22 **COMMISSIONER EDGAR:** And just we have about 20
23 minutes -- and everybody has been so patient, and I
24 thank you. We do want to hear from everybody. Thank
25 you for your patience and you're recognized.

1 Whereupon,

2 **VALERIE DICTRID**

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 **MS. DICTRID:** Thank you, and thank you for the
8 opportunity. Everybody that's here, thank you.

9 I'm, I'm pretty disappointed in FPL or I
10 wouldn't be here. And I really think you guys need to
11 think about who you're hearing from. I'm a
12 schoolteacher, so I can come here during the day, but I
13 think a lot of people cannot. Okay? The people who
14 this is really going to hurt can't come here. The good
15 corporate citizens all can, and you've heard a lot from
16 them, and I kind of envision them being out on the golf
17 course with FPL people or whatever, and, you know,
18 they're giving to their fireworks and their parades and
19 walking in charity stuff.

20 That stuff is all great, but who does FPL
21 serve? I think we've got a dualism here that's a real
22 problem. And I think in an ideal world consumers would
23 own the electric companies, but that's not, that's not
24 what's going on. So you guys are our representative.
25 Okay. Who do they serve? Do they serve the consumers

1 or do they serve, do they serve the stockholders? Okay?
2 They, probably they serve the stockholders. Okay?

3 I've only lived here four or five years. My
4 husband had to relocate. I teach school. I live in
5 Palm Bay. I work in Rockledge. Our power goes on and
6 off on a regular basis. Everything is blown up. We
7 need, we need a new answering machine for, I think, the
8 fourth or fifth time. Okay? Last year FPL almost burnt
9 our house down, and I was actually for a rate increase
10 before then to cut back branches. My air conditioning
11 guy saw the transformer and the tree rubbing together,
12 saw the fire start. Not only would they not take
13 responsibility, they didn't even bother to call up and
14 say sorry. And here's a little exhibit for you. It
15 even says that the power pole started it.

16 **COMMISSIONER EDGAR:** Thank you. You can go
17 ahead and give that to Linda for me, and we'll mark it
18 in a moment. Thank you.

19 **MS. DICTRID:** I just think -- in Missouri we
20 call this the fox guarding the henhouse. Okay. If they
21 have a rate increase -- and they may need it. Lord
22 knows electrons don't just show up at your house. It's
23 an expensive proposition, I know. But we're paying far
24 and above I think what it costs. Who, who makes sure
25 this rate increase goes for what it's supposed to go and

1 doesn't go into -- I've heard numbers, \$8.2 million
2 profit, \$800 million profit. I don't really know how
3 much, but I know they're a for-profit company and
4 they're making their profit.

5 And like so many people have said more
6 eloquently than I am, there's a lot of poor people here.
7 It's not like electricity is like cable. I can give up
8 cable. I can give up, you know, fresh vegetables or
9 whatever. It's really tough -- in fact, I don't even
10 know if it's feasible in this day and age for people to
11 give up electricity, you know. And so I think it's your
12 job to protect us from them. And if you give rate
13 increases, I think there needs to be some kind of
14 safeguards.

15 And I just want to end with -- I just thought
16 of this while I'm sitting here. If they're calling
17 nuclear green energy, they're trying to trick you. We
18 still don't know -- I'm a chemistry teacher. We still
19 don't know what to do with nuclear radioactive waste.
20 And it sounds like they're giving money to community
21 colleges to train people for this technology while
22 linemen are fighting to get medical benefits.

23 I think we need to guard against corporate
24 buzz words and catch phrases that aren't true. I heard
25 on NPR on the way here, like 80 percent of the things

1 marked environmental aren't in the store. And I just
2 want to make sure that we think about nuclear. It
3 sounds great in the short-term, but I think in the
4 long-term it's going to be a lot more costly, and
5 there's nothing green about it. But thank you.

6 (Applause.)

7 **COMMISSIONER EDGAR:** Thank you, Ms. Dictrid.

8 Mr. Kelly, if you would go ahead and call the
9 next name, and while -- go ahead.

10 **MR. KELLY:** Trudie Infantini.

11 **COMMISSIONER EDGAR:** Come ahead. And while
12 she's walking forward, could you hand me --

13 **THE COURT REPORTER:** Sure.

14 **MR. KELLY:** And the next person will be Alfred
15 Daking.

16 **COMMISSIONER EDGAR:** Thank you. And we will
17 go ahead, Ms. Williams, and I'll get this to you and
18 mark this Exhibit 10. Witness Valerie Dictrid. And I'm
19 going to call it Space Coast News Clip. And we'll go
20 from there.

21 (Exhibit 10 marked for identification.)

22 Yes, ma'am.

23 Whereupon,

24 **TRUDIE INFANTINI**

25 was called as a witness on behalf of the Citizens of the

1 State of Florida and, having been duly sworn, testified
2 as follows:

3 **DIRECT STATEMENT**

4 **MS. INFANTINI:** Hi. Thank you for working
5 through lunch. I'm sorry this is dragging on so long.

6 My name is Trudie Infantini. I'm a County
7 Commissioner for Brevard County.

8 **COMMISSIONER EDGAR:** Welcome. Thank you.

9 **MS. INFANTINI:** However, I'm not serving --
10 I'm not here before you representing all of Brevard
11 County as a spokesperson for the Commission. But I am
12 here -- I was elected to represent some 50,000 plus
13 constituents, and many of our folks are currently losing
14 their jobs. They're not even on a fixed income.
15 They're on a less than fixed income.

16 So what I'd like to say is Brevard County is
17 facing a budget shortfall, which is not your problem.
18 It's mine. And I've promised that I won't increase the
19 tax rate. Well, our taxes -- our tax revenue is going
20 down 18 percent this year. So I've told the staff that
21 I will not approve any tax increases, which means we
22 need to decrease our budget by 18 percent.

23 Well, if you come forward and increase the
24 rate for FPL, that's going to cut into what we're --
25 right now we're planning, I imagine, using last year's

1 numbers. But if we increase those rates, that's going
2 to cut further into our budget, which I understand
3 really isn't your problem, but it is mine, so therefore
4 I'm sharing. And so we're, we're holding the line.
5 We're not even holding the line at our last year's
6 revenue. We're decreasing it by 18 percent.

7 And I'm not asking you to decrease their
8 revenue by 18 percent just because we have to. But if
9 you could just hold the line for a little bit longer,
10 that would empower a lot of our residents a little more
11 time to get on their feet.

12 Further, because it didn't seem like there
13 came any guarantees with where this rate increase was
14 going to go, and I know they have a wholly owned
15 subsidiary. I think it's called Next Era Energy
16 Resources Subsidiary, and I just wanted to make sure, if
17 there are any rate increases, that that money stays in
18 Florida and goes to Florida sources, not to a wholly
19 owned subsidiary which is out of this state. Thank you.

20 **COMMISSIONER EDGAR:** Thank you, Commissioner.
21 And thank you for coming. I appreciate your comments.

22 And let me just say, we have about ten minutes
23 before I get booted out, so --

24 Whereupon,

25 **ALFRED DAKING**

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. DAKING:** I'll be -- I'll be -- my name is
6 Alfred Daking.

7 **COMMISSIONER EDGAR:** Thank you.

8 **MR. DAKING:** I'm from Sebastian, Florida, and
9 I'll be relatively brief.

10 First of all, it's wonderful all these
11 accolades that we've been throwing at Florida Power &
12 Light, and then they -- whether they deserve them or
13 don't deserve them isn't really the issue. The issue
14 here was pretty narrowly focused. It was whether their
15 stockholders should be able to get 12.5 percent return
16 on their investment while, while we all suffer.

17 I think it's a gross, obscene amount. The
18 fact that they're even earning 10 percent now, when the
19 market isn't certainly producing anything near that,
20 they -- as far as I'm concerned, they should have their
21 rate decreased. I think that somebody earlier said -- I
22 think the gentleman down here said that he thought that
23 maybe 9.5 is more appropriate. I think 8 might be more
24 appropriate.

25 But going back to one more point, and that is

1 the point of the nuclear. Nuclear is by no means green.
2 My father spent his life working for the DuPont company.
3 The DuPont company assigned him to the Savannah River
4 plant in Aiken, South Carolina, among other things. He
5 was responsible for the teams that built the second two
6 bombs, and after that he was responsible for what to do
7 with a lot of the nuclear waste. And they still haven't
8 figured it out. Do you bury it in a mountain? What do
9 you do with it? Because, you know, what, what are you,
10 what are you going to do with all this nuclear waste?

11 Because this nuclear waste is going to be a
12 problem. It's got a half-life that's going to be here
13 for generations and generations and generations. And if
14 you happen to put it in along a fault line or something,
15 it's, it's going to cause an awful lot of pollution and
16 kill an awful lot of people, plus the fact we want to
17 talk about nuclear generation.

18 I actually come from the Delaware/New Jersey
19 area. And back when they were -- a number of years ago
20 when they were building the new plants in New Jersey and
21 they were looking for welders to work on these plants,
22 they went out and they hired a lot of people who really
23 weren't qualified. And it turned out that when they
24 built these plants, though they were supposed to take
25 pictures of each of these welds in the dome and to

1 secure that the welds were proper, they took pictures of
2 the same weld over and over and over again. So a lot of
3 these atomic plants, you don't know what the hell is in
4 them.

5 Thank you very much, and have a good
6 afternoon.

7 **COMMISSIONER EDGAR:** Thank you.

8 Mr. Kelly.

9 **MR. KELLY:** Frank Montelione, followed by
10 Wallace Perkins.

11 Whereupon,

12 **FRANK MONTELIONE**

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 **MR. MONTELIONE:** You said that perfectly well.
18 Frank Montelione, Satellite Beach.

19 J.B. Kump is a friend and an associate. I
20 also have a unique perspective, because I work for State
21 Representative Mitch Needelman.

22 During the storms, yes, we did get a calls.
23 What J.B. failed to say was that by the time they called
24 the Congressman's office, by the time they called the
25 State Representative's office, these were frustrated

1 people. They called because we were the last resort.
2 They had tried to get through to FPL but they couldn't.

3 I appreciate Commissioner Argenziano's point
4 that the increases will not affect the current services.
5 It's something that people kept coming up and talking
6 about, and I kept sitting there thinking -- especially
7 when I heard "corporate citizenship," which personally,
8 as chair this year of the Relay for Life for the
9 beachside area for the cancer society, we got a total
10 corporate citizenship donation of \$250. We didn't get a
11 team, we didn't get -- I mean, I don't consider that a
12 corporate. We had more individuals give more than \$250.
13 So for a corporate that was kind of absurd.

14 Storms they talked about. Well, people are
15 forgetting that there's a storm surcharge after the
16 storms to make up for the differences that are made from
17 the, from the bill.

18 I'm glad Commissioner Infantini was here,
19 because one of my notes was that this is not just an
20 increase to our personal bills. This is going to affect
21 the cities, the school boards, the counties, which will
22 all wind up reflecting on us, increasing our taxes.

23 And I also am on a fixed income, and thank God
24 that I have that income, because there are too many
25 people who don't have any income at all. I have a house

1 nextdoor to me that can't be sold. I have a house on
2 the other side of me that is going into foreclosure.
3 But we're talking about increasing bills and increasing
4 utility issues.

5 My crystal ball says gas is going to hit \$3 a
6 gallon before Labor Day. I don't need a crystal ball to
7 decide or try to figure out what the price of oil is
8 going to be in the future. We know what the price of
9 oil is going to be. It's not coming down. It came
10 down. It went right back up.

11 I like bullet points. That's why I'm looking
12 down and just going quickly through it.

13 I have a generator. Thank God I didn't have
14 to use it. But I did loan it to three people over the
15 three storms that we had.

16 Profits. When profits are low, when their
17 profits are, when their return to their investors dry
18 up, they come and ask for an increase. But until that
19 time -- the idea that you're asking me to subsidize
20 Florida Power & Light's investors is ridiculous.

21 That's my talking points. I like it bulleted.
22 When I was working for the Representative that's the way
23 we liked to get them. But, believe me, I got plenty of
24 phone calls then and I'm sure you'll get plenty of phone
25 calls in the future. Thank you.

1 **COMMISSIONER ARGENZIANO:** Madam Chair?

2 **COMMISSIONER EDGAR:** Thank you. Just a
3 moment.

4 Commissioner Skop.

5 **COMMISSIONER SKOP:** Thank you, Madam Chair.
6 Just real quick.

7 Thank you, Mr. Montelione. I just wanted to
8 ask, any relation to Joe Montelione?

9 **MR. MONTELIONE:** From?

10 **COMMISSIONER SKOP:** The Orlando area.

11 **MR. MONTELIONE:** From where?

12 **COMMISSIONER SKOP:** Orlando area.

13 **MR. MONTELIONE:** No.

14 **COMMISSIONER EDGAR:** Thank you.

15 Commissioner Argenziano?

16 **COMMISSIONER ARGENZIANO:** Yes, just a comment.
17 Probably a message to the Representative as well as the
18 County Commissioner that came there. And I want to make
19 it clear that the persons who are coming before us that
20 are representing -- not representing the school
21 districts, but are there basically -- we had one this
22 morning who came in and also indicated, I mean, great
23 support for the community, things that the company does,
24 but also was kind of like almost borderline saying --
25 and he didn't say that he was representing the school

1 district, but opened up with saying that I'm here for
2 the school board.

3 And I think we've got to be really careful,
4 because I know that schools' budgets have been slashed,
5 and I just want to make sure that it goes down on the
6 record that maybe the school boards should come out and
7 say this is not a representative of them. Because then
8 they're going to wind up in trouble with their own
9 counties and their own Representatives as far as budgets
10 are concerned, that they are not sending people to speak
11 towards the rate increase but maybe for other quality
12 things or whatever. But I just wanted to make that
13 point.

14 **MR. MONTELIONE:** Well, yeah. And I appreciate
15 that, because I counted about 15 different corporations
16 that came here, you know, that really truly don't
17 represent the individual who's paying the bills. You
18 know, corporate entities coming here -- and employees.
19 Now the employees are great. I mean, they did their
20 jobs.

21 But, you know, to have employees, corporate
22 entities come here and talk about a bill that's going to
23 affect each individual citizen, I don't think that was
24 very -- that's kind of disingenuous.

25 (Applause.)

1 **COMMISSIONER EDGAR:** Thank you,
2 Mr. Montelione.

3 Mr. Kelly, my understanding is we have two
4 more people signed up to speak. We are out of time.
5 However, I'll ask for understanding from those that we
6 have, that have allowed us to use the room and -- that
7 we can go ahead and hear from those last two speakers.
8 And thank you all for your patience.

9 **MR. KELLY:** Wallace Perkins.

10 **COMMISSIONER EDGAR:** Mr. Perkins?

11 (No response.)

12 **MR. KELLY:** The last one would be Richard
13 Dutcher.

14 **COMMISSIONER EDGAR:** Mr. Dutcher, come on
15 down.

16 Whereupon,

17 **RICHARD DUTCHER**

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. DUTCHER:** I get to close the show.

23 **COMMISSIONER EDGAR:** Yes, sir.

24 **MR. DUTCHER:** Okay. Real quickly. I live in
25 Suntree, Florida. I have been a resident of the county

1 for like four decades. I moved down here in 1969.

2 Pros and cons on FP&L, just a couple of
3 comments. My personal opinion -- and I'm an engineer by
4 trade -- it's a maintenance issue that bothers the heck
5 out of me. And let me give you a few examples. My old
6 house in West Melbourne I almost lost, if it were not
7 for the West Melbourne fire department, because they
8 brought all aluminum cable, all aluminum fed the house,
9 and the whole box, the external box, the source box
10 outside went up in smoke. So that was my first trying
11 time with FP&L.

12 But what bothers me more is I moved up into
13 the Suntree area. One of the considerations on leaving
14 West Melbourne was getting into underground cabling, you
15 know, and I understood that that would give me somewhat
16 better reliability. And yet over the last five weeks
17 I've had three separate outages: One was for 36 hours,
18 two nights ago it was for 14 hours, and the night before
19 that it was for eight hours. Okay? All of them are
20 maintenance-related.

21 The one that was basically a full day was the
22 main switch box on Pinehurst, which I believe -- I don't
23 remember exact numbers, but I believe when I called the
24 FP&L reporting people there were like 2,100 people that
25 were affected by this. Okay? If you looked at the

1 switch box -- and I did, I spent the night out there
2 with the FP&L team because I'm a techy and I like to
3 know what's going on -- that box was rusted beyond
4 belief. There had clearly been no maintenance
5 whatsoever on that box at all.

6 So I guess my question is if we agree to throw
7 them some more money, can we get some insurance that
8 they're going to actually take care of the plant that
9 they already have in place? And if not, then I don't
10 really want to give them any more money. Okay?

11 And that's just sort of my comments. The last
12 two nights were hellacious because they came out and did
13 a temporary fix and they replaced some fuses. I told
14 them probably they're going to have to replace a
15 transformer. They pooh-poohed that. And 24 hours later
16 they were out there replacing a transformer.

17 So, you know, what can I tell you? Those are
18 just my thoughts, comments. I know you guys all want to
19 head on down south. I guess you're all on the same
20 schedule; right?

21 **COMMISSIONER EDGAR:** We are.

22 **MR. DUTCHER:** Okay. So I'll let you get out
23 of town. Thank you for your time. God bless everyone.

24 (Applause.)

25 **COMMISSIONER EDGAR:** Thank you, Mr. Dutcher.

1 Thank you for your comments.

2 Commissioner Skop?

3 **COMMISSIONER SKOP:** Thank you, Madam Chairman.

4 And I appreciate all the comments. I know that
5 Mr. Bryan had expressed the desire to respond to one of
6 the concerns raised by the lineman. If you would want
7 to do so, I'd allow him perhaps 30 seconds or so limited
8 to the lineman comment.

9 **MR. BRYAN:** In the interest of time we will
10 just file some written comments.

11 **COMMISSIONER EDGAR:** We would like to have
12 your response to that and, of course, anything else from
13 any of the parties filed as part of the record so that
14 it will be available to all.

15 I thank everybody on behalf of my colleagues
16 for coming, for your patience, for your participation,
17 for your interest, for your comments. Thank you to my
18 colleagues, our staff, to all the parties. And we are
19 on our way to another hearing later this evening a
20 little further south. Thank you to our court reporter.

21 And we are adjourned.

22 (Service hearing adjourned at 1:07 p.m.)

23

24

25

1 STATE OF FLORIDA)
 2 COUNTY OF LEON) : CERTIFICATE OF REPORTER

3
 4 I, LINDA BOLES, RPR, CRR, Official Commission
 5 Reporter, do hereby certify that the foregoing
 6 proceeding was heard at the time and place herein
 7 stated.

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

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

18 DATED THIS 20th day of July,
 19 2009.

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 LINDA BOLES, RPR, CRR
 FPSC Official Commission Reporter
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