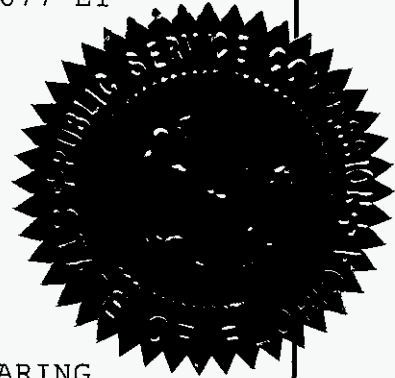


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI

In the Matter of:

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



PROCEEDINGS: FT. LAUDERDALE SERVICE HEARING

COMMISSIONERS
PARTICIPATING: COMMISSIONER LISA POLAK EDGAR
COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Thursday, June 25, 2009

TIME: Commenced at 9:11 a.m.
Concluded at 1:55 p.m.

PLACE: Broward County Main Library
Auditorium
100 S. Andrews Avenue
Ft. Lauderdale, Florida 33301

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

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9 Federation.

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13 State of Florida.

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COMMISSIONER EDGAR: Good morning, everyone. We'll get started here in just a moment if you could kind of gather. Thank you all, thank you all for coming, and thank you for your patience. We have people that were struggling a little bit to find parking, so that's why we wanted to give a few extra minutes. But we appreciate all of you coming.

My name is Lisa Edgar. I'm a Commissioner here with the Public Service Commission. Our Chairman, Commissioner Matthew Carter, was not able to join us this morning. He recently had back surgery and simply through his recovery is not able to travel right now. He sends his regrets, but will certainly have the opportunity to review the proceedings. And I will kind of be standing in to help us move through what we need to do today.

And with me are my colleagues. I'd like to ask them to introduce themselves briefly.

Commissioner McMurrian.

COMMISSIONER MCMURRIAN: Hi. I'm Katrina McMurrian. I'm pleased to be here with you all today. I look forward to hearing your comments. Thank you so much.

COMMISSIONER EDGAR: Commissioner Argenziano,

1 are you with us?

2 **COMMISSIONER ARGENZIANO:** Can you hear me?

3 **COMMISSIONER EDGAR:** We can. Go right ahead.

4 **COMMISSIONER ARGENZIANO:** I can hardly hear
5 you, Madam Chair. It's very, very, very low. I don't
6 know if they can fix it on this end, but if you can hear
7 me, I'm fine. I'd just tell the people I'm very happy
8 that people have shown up for their public service --
9 this service hearing meeting, and it is their Public
10 Service Commission and we need to hear from them.

11 I apologize for not being there. I have a
12 broken leg and cannot be there. But I thank staff again
13 and the facilities for allowing me to participate by
14 phone.

15 **COMMISSIONER EDGAR:** Thank you, Commissioner.
16 And we are having a little bit of an issue with the
17 sound system, some feedback, but I know they're working
18 on it, and we can hear you.

19 Commissioner Skop.

20 **COMMISSIONER SKOP:** Thank you. Good morning.
21 Nathan Skop. And I'm pleased to be here this morning
22 and to hear all the customer comments, and look very
23 forward to hearing from each and every one of you.
24 Thank you.

25 **COMMISSIONER EDGAR:** Thank you. And I'd like

1 to ask our staff -- I'd like to ask our staff to read
2 the notice.

3 **MS. WILLIAMS:** By notice, this time and place
4 has been set for a Customer Service Hearing in Docket
5 Number 080677-EI, petition for increase in rates by
6 Florida Power & Light Company.

7 **COMMISSIONER EDGAR:** Thank you. And let's go
8 ahead and take appearances by the attorneys who are
9 representing the parties in this proceeding.

10 **MR. BRYAN:** Good morning. My name is Patrick
11 Bryan, appearing on behalf of Florida Power & Light
12 Company.

13 **MR. KELLY:** J.R. Kelly, Office of Public
14 Counsel. Sorry.

15 **MR. WRIGHT:** Good morning. I'm Schef Wright
16 and I represent the Florida Retail Federation. Thank
17 you for coming.

18 **MS. BRADLEY:** I'm Cecilia Bradley with the
19 Office of the Attorney General, and I also want to thank
20 everybody for coming. I know it's kind of a hardship
21 for a lot of folks, and it's very important that you're
22 here and we can hear from you today. So thank you for
23 coming.

24 **COMMISSIONER EDGAR:** Thank you. And I would
25 also at this time like to recognize Jack Shreve, who is

1 with us, Senior Counsel to the Governor. He's here on
2 behalf of Governor Crist and is following our
3 proceedings and coming to all of our public meetings.
4 We appreciate you being with us.

5 Give us a wave, Jack. Thank you.

6 Okay. We have a couple of preliminaries that
7 we need to do. Let me just mention a few things. There
8 is a sign-up sheet outside, right outside the door I
9 hope that you all signed. For all of you, those of you,
10 any of you who would like to speak to us today, we hope
11 that you will take advantage of this opportunity.
12 That's why we're here. Please sign up on the sheet. In
13 just a little bit, Mr. Kelly, our Public Counsel, your
14 Public Counsel, will be calling names in the order in
15 which you sign up.

16 I'd also like to go ahead at this time and
17 mention there are some blue sheets out there at the
18 table that have some very general information about the
19 Commission, about what we do, about the issues in this
20 proceeding. And on the back sheet, already addressed,
21 is a place where you can write comments. If for some
22 reason you're not comfortable speaking, although we hope
23 that you will, will speak to us today, or if you have to
24 get back to work or you run out of time before we're
25 able to get to you, write your comments. You can hand

1 it to the staff on your way out, and that will also be a
2 part of the record of these proceedings.

3 Also, if you have family or friends or
4 neighbors who wanted to come today but could not, please
5 let them know, take some extras with you, you can hand
6 them out. It's already self-addressed. And this is
7 also available on our website. And please share that
8 information, because any comments that come in to the
9 Commission through this means also will be a part of the
10 record.

11 We will have here in just a moment some
12 opening presentations from the parties in this case.
13 They would like to speak directly to you about the
14 issues that are before us from their perspective.

15 I would -- a gentle reminder to all of the
16 parties to realize that we do have a number of people
17 that we want to hear from, so keep that in mind with
18 your comments. After we go through the opening
19 presentations, we will, as a group, I will swear you in.
20 That is because everything that is said today is being
21 transcribed by our court reporter and will be a part of
22 the legal proceeding and part of our record in this
23 case. And we'll talk about that very briefly when we
24 get to that portion.

25 But if it's all right with everyone here, I'd

1 like to go ahead and jump right in, and I will ask FP&L
2 to please come forward and be our first presenter.

3 **MR. BRYAN:** Thank you, Madam Chair and
4 Commissioners.

5 Good morning again. My name is Patrick Bryan.
6 I am an attorney with Florida Power & Light Company.
7 I'd like to first thank each of you for coming out to
8 this quality of service hearing this morning. We
9 sincerely appreciate your participation. We know your
10 time is valuable. I can assure you that the comments
11 that you provide today with respect to the level of
12 service FPL provides or with respect to any other matter
13 will be heard and carefully considered by FPL.

14 In a moment you will hear a short presentation
15 from FPL's Vice President of Customer Service, Marlene
16 Santos. Marlene will talk about our current rate
17 proposal, she'll talk about FPL's level of service, and
18 she'll also mention some programs and services that FPL
19 has in place to assist customers in lowering and paying
20 their bills.

21 But before Marlene speaks, I wanted to inform
22 any customers in attendance today that we have other,
23 several other Customer Service Representatives in the
24 building as well. And they are available to meet with
25 any customer who has an issue, a problem or any concern

1 with his or her electric account or electric service.
2 They have online computers and can access your account
3 information in realtime. They're committed to resolving
4 any issue you have today before the conclusion of this
5 hearing. If that's not possible, they'll resolve it as
6 quickly as possible. They are set up in a room on the
7 sixth floor. If you take the elevator up there, there
8 will be signs leading you to the appropriate place. We
9 also have some employees in the back of the room who are
10 raising their hands who would be more than happy to
11 assist you to the appropriate location.

12 At this time then, I'd like to introduce
13 Marlene Santos.

14 **MS. SANTOS:** Thank you, Madam Chair,
15 Commissioners, for holding this hearing today. But most
16 of all, thank you all for being here. We truly
17 appreciate that you are here.

18 We have very deep roots in this community in
19 Fort Lauderdale that go back for decades, and actually
20 today we have over 850 employees right here in Broward
21 County.

22 We appreciate this opportunity to get your
23 feedback, and understand that you have very high
24 expectations of us, especially in this very difficult
25 economy.

1 So this morning what I'd like to do is to talk
2 to you about the things that we're doing to continue to
3 provide you with affordable, reliable and clean energy
4 solutions.

5 I'd like to first begin with affordability.
6 We understand that electricity is a significant expense
7 for our customers. At a time when family budgets are
8 tight, we know we need to work harder than ever to help
9 keep bills low, and that's what we're doing.

10 I want you to think about an analogy. When
11 you improve the efficiency of your home, by let's say
12 either installing efficient air conditioning or
13 insulation, what you're doing is you're saving money
14 because you're using less energy. Similarly, we've been
15 working to improve the efficiency of our power plants,
16 and as a result they're using less fuel, which is saving
17 our customers money.

18 Those types of achievements that we've done
19 with our power plants combined with lower forecasted
20 fuel prices have allowed us to lower our customer bills
21 in January of this year. In September we will be filing
22 our fuel cost projections for 2010, which we are
23 projecting today will be even lower.

24 We're committed to keeping our customers'
25 bills as low as possible. In fact, the chart that Pat

1 and I put up here is showing you that, according to the
2 Florida Municipal Electric Association's data as of
3 April, FPL's bills were the lowest of all 54 utilities
4 in Florida. The blue bar is the FPL bill and the orange
5 bar is all the 54 utilities in Florida. So it shows you
6 that a 1,000-kilowatt-hour FPL customer bill was \$110.
7 The average across Florida was \$135. So our customers
8 are getting a savings of \$25 a month or \$300 a year.

9 We have worked extremely hard to keep the
10 bills low for our customers, and actually FPL has not
11 had a general base rate increase since 1985. Yet the
12 cost of many things, as all of you know, have gone up in
13 this past quarter century. The fact that FPL customers
14 have had the lowest typical bills in Florida reflects
15 years of aggressive cost management. Our operating
16 expenses per kilowatt hour are already less than half of
17 the industry's average, and between 2008 and 2009 FPL
18 has reduced capital spending by nearly \$1 billion to
19 account for slower customer growth.

20 In short, we've tightened our belt in response
21 to the downturn in the economy. Our low prices are also
22 the result of the smart investments that we've made. As
23 an example, FPL's fossil fuel power plants are the most
24 fuel efficient among large scale utilities in the
25 nation. This has saved customers \$3 billion over the

1 last six years. And with the approval of FPL's rate
2 proposal we can continue to make these types of
3 investments, which we project will save our customers
4 \$1 billion each year beginning in 2014.

5 We understand that customers struggling to
6 make ends meet need more than just low electricity
7 prices. You need help to keep your bills as low as
8 possible. So that's why we have been very proactively
9 offering our customers help with a wide range of energy
10 saving solutions. Since the early 1980s we have been a
11 leader in energy efficiency and have actually done over
12 2.5 million home energy surveys that have reduced our
13 customers' bills.

14 We also continue to sponsor very important
15 programs like Care To Share, which is FPL's payment
16 assistance program. Care To Share has helped 55,000
17 Florida families with \$11 million of aid. Last year
18 FPL's shareholders again contributed \$1 million to this
19 very essential program.

20 In addition, we've sponsored home energy
21 makeovers right here in Ft. Lauderdale, which have
22 helped lots of low income customers improve the energy
23 efficiency of their homes. So while we're very mindful
24 of today's difficult economy, we're also responsible for
25 ensuring reliable service.

1 Our rate proposal is a vital part of our plan
2 to make prudent investments in our electrical
3 infrastructure. As a state and as a company we learned
4 lots of lessons in the difficult 2004 and 2005 hurricane
5 seasons, and that's why we're investing more to make our
6 infrastructure stronger every single day in good weather
7 and in bad.

8 In 2009 alone this investment will exceed
9 \$200 million. It includes replacing poles, clearing
10 trees from power lines and strengthening services to
11 hospitals and other essential facilities. To give you
12 an example, right here in Ft. Lauderdale it includes
13 Imperial Point Medical Center, Holy Cross, Sunrise
14 Rehabilitation and kindred hospitals, Port Everglades,
15 and key sections of Sunrise and Davie Boulevards, and
16 also Federal Highway.

17 These efforts have helped improve our
18 reliability. In fact, the chart that Pat put up is
19 showing you that, according to the Edison Electric
20 Institute, FPL's distribution reliability was 47 percent
21 better than the national average in 2008.

22 We're also investing in smart technology to
23 give our customers more control over your energy
24 consumption. We're going to be introducing smart
25 meters, and these smart meters will allow our customers

1 to go online and see how much energy you're using, not
2 only every month, but also every day and by the hour.

3 We're also investing in cleaner energy to do
4 our part to fight climate change. The three solar power
5 plants that you'll see in a minute we're building in
6 Florida, and those are going to avoid nearly 3.5 million
7 tons of carbon dioxide emissions. I'm very proud that,
8 according to the Natural Resources Defense Council, our
9 company is one of the cleanest energy providers in the
10 nation.

11 Most importantly, we can support all these
12 kinds of investments even as our customer bills go down
13 in 2010. As a result of lower forecasted fuel prices
14 and our success at making our power plants more
15 efficient, fuel costs are predicted to decrease \$17 per
16 month on a typical bill beginning in 2010. Our proposal
17 will cost \$12 per month. So the net is a decrease of
18 \$5 per month.

19 In 2011 we're requesting an additional base
20 rate increase of \$2.84. Whether the overall bill will
21 go up is uncertain because it's difficult to project
22 fuel prices 18 months from now. But it's precisely
23 because of that difficulty and the fact that fuel prices
24 may rise again that we believe we need to continue to
25 make investments to enhance the fuel efficiency and the

1 diversity of our power plants. It's similar to buying a
2 new, more efficient car. It's an investment up front,
3 but you're going to get the savings through time through
4 fuel benefits.

5 Over the next five years we need to invest
6 almost \$16 billion. A significant amount of that will
7 come from the capital markets, and our return on equity
8 request is based on what the markets require. In the
9 same way that someone with good credit can get a better
10 mortgage rate, FPL's customers benefit from the
11 company's strong financial position. We're able to
12 obtain better, lower cost financing at an overall rate
13 of approximately 8 percent, which is the actual request
14 in our proposal.

15 When we save on financing, our customers save
16 on their bills. Our rate proposal is all about looking
17 at the long-term. It's about investing to make our
18 infrastructure smarter, stronger, cleaner, more
19 efficient and less reliant on any single source of fuel,
20 and with that the result will be energy that will be
21 affordable, it will be reliable and clean.

22 Thank you again for taking the time to be
23 here. We look forward to your feedback and to
24 understanding how we can make our service even better.

25 Thank you, Commissioners.

1 **COMMISSIONER EDGAR:** Thank you.

2 Mr. Kelly.

3 **MR. KELLY:** Good morning. Is that -- am I too
4 close? Too far away? How is everybody doing today?

5 Thank you. Thank you. I want to echo the
6 comments. Thank you so much for taking your time out,
7 whether you're a businessman, businesswoman, consumer,
8 retiree, whatever, thank you so much for taking time out
9 of your day to come downtown. I know we have to find
10 places to park, pay for parking, but it's very important
11 that you're here today.

12 What I want to do is I want to introduce
13 myself and what my office does, tell you real quick
14 about that, and then I want to talk a little bit about
15 some of the issues and why we're here today.

16 My name is J.R. Kelly. I have the pleasure
17 and honor of being the Public Counsel for the State of
18 Florida, and I represent you, the ratepayer. Whether
19 you're a businessman, businesswoman, individual, it
20 doesn't matter, my office represents you collectively on
21 issues that come in front of the Public Service
22 Commission. I represent you collectively, not
23 individually.

24 Our goal is very simple. It's to make sure
25 that you get the best quality of electric service for

1 the least cost possible. And we do that just like
2 Florida Power & Light will do in this case; where they
3 hire their attorneys and put on their case with their
4 experts, we do the exact same thing. We have five
5 attorneys that work in my office. We put on a case to
6 contest some of the issues -- I'm going to talk about
7 those in a few minutes -- and we also hire our experts.

8 And in this particular matter I want to let
9 you know we have a team of experts that are just
10 outstanding. We have a gentleman that is a professor at
11 Penn State University. He has a Ph.D. and an MBA. He
12 is our cost of capital expert. He will talk about
13 return on equity. He has testified in numerous,
14 numerous regulatory hearings throughout the nation and
15 many here in Florida.

16 One of our accounting experts is a CPA out of,
17 out of Orlando. She has over 20 years of experience
18 dealing specifically with regulatory or utility
19 accounting issues.

20 We have a depreciation expert, and I'll talk
21 about depreciation here in a few minutes. But we have a
22 depreciation expert that again has about 30 years of
23 experience working in the industry and also testifying
24 as an expert.

25 And then our last accounting expert is a lady

1 out of Baton Rouge. She has testified numerous times
2 here in Florida as well as around the nation for the
3 past 20, 25 years, and she's also an expert in
4 affiliated transactions. And those, folks, are
5 transactions between corporate brother and sister
6 companies that are, that are part of the same parent
7 structure.

8 Now why are we here today? Why are we here
9 today? We're here because Florida Power & Light has
10 filed a request to increase what are called base rates.
11 Okay?

12 What are base rates? My example I always use
13 is I want you to think of a test tube. Okay? A test
14 tube. If you fill it all the way to the top, that's the
15 rate you and I pay every month when we consume
16 electricity. Now there's a lot of different elements or
17 components that go into filling up the test tube. One
18 of those components are base rates. Base rates compose
19 only about 40 percent of your total test tube. Okay?

20 The other parts are made up of different
21 things that are -- you're going to hear things like cost
22 recovery clauses or pass-through clauses. What those
23 are, and I'll name a few for you in a second, those are
24 separate elements where utilities such as Florida Power
25 & Light can come in and ask for money through the Public

1 Service Commission from you to pay for certain
2 delineated types of expenses such as nuclear. There's a
3 nuclear cost recovery pass-through clause. They go
4 spend money on nuclear, it gets approved, they pay a
5 dollar for nuclear expenses, you pay a dollar for
6 nuclear expenses. It goes into that part of the test
7 tube.

8 Another one is fuel costs. You're going to
9 hear about fuel. I'm going to talk about it in a
10 minute. But fuel costs make up a huge part of the test
11 tube. They go out and pay a dollar for fuel, you pay a
12 dollar for fuel. They pay 50 cents for fuel, you pay 50
13 cents for fuel. If a year ago, like if it happens
14 again, you pay -- they pay \$2 for fuel, you will pay
15 \$2 for fuel. It's a dollar in, dollar out. They don't
16 make any profit on it, but you pay exactly what they
17 pay.

18 But that's a separate element. That has
19 nothing to do with base rates, why we're here today.

20 Okay? Base rates, generally speaking, it's
21 very complicated accounting wise, but I break it down
22 into really two issues. Base rates include, first,
23 normal operating and maintenance expenses. What does it
24 take to run the business day to day? There's a lot of
25 salaries, depreciation expenses, rent, their own

1 utilities, whatever, just normal things that a
2 businessman or woman use to operate their business on a
3 daily basis.

4 The other big component of base rates is they
5 are allowed -- and they should be -- they are allowed
6 under Florida law to earn a reasonable, reasonable rate
7 of return on the investment that they make in their
8 company. Okay?

9 Those two components make up base rates. Base
10 rates make up about 40 percent of your test tube. The
11 rest are made up of nuclear cost recovery pass-through
12 charges, environmental pass-through charges,
13 conservation pass-through charges, fuel pass-through
14 charges.

15 Now we're here today because in that
16 40 percent of your test tube Florida Power & Light is
17 asking for a \$1.3 billion increase, or a 30 percent
18 increase to base rates. Now, folks, I'm going to be the
19 first one to tell you today -- and there's going to be a
20 lot of you folks that will testify also, and I hope you
21 do -- Florida Power & Light is a very, very good
22 company. They are very well run, they're a good
23 corporate citizen. We know that they do a lot with the
24 charitable organizations. We know they do a lot with
25 energy efficiency. Folks, I don't dispute that at all.

1 I commend them for that. They are a great business
2 person in this community and around the state.

3 What I do have a problem with is we believe
4 the amount they're asking for is excessive. It's just
5 too much, especially, especially in today's economic
6 downturn recessionary times.

7 Now some of the issues that we're going to be
8 arguing on your behalf at the hearing are -- and this
9 will not be all of them, just a few. One is the rate of
10 return that they're asking for. Florida Power & Light
11 is asking for a rate of return of 12.5 percent. Folks,
12 that's after taxes. When you, when you use the
13 calculation to gross it up for taxes, it may be around
14 18 to 20 percent. But it's 12.5 percent after taxes.

15 That is just too much today. Maybe five years
16 ago, maybe hopefully five years in the future we will
17 have a flourishing economy and our unemployment rate
18 will not be 10.5 percent or whatever it is today. It
19 will hopefully be 2 percent or 3 percent. Folks will
20 not be out of jobs. They will have jobs. Folks will
21 not be saying, "I'm not getting a salary increase this
22 year." They'll be saying, "I'm getting a pay increase."
23 They will not be saying, "I'm on a fixed income with
24 Social Security and I'm not going to get an increase for
25 the next two or three years." "I'm going to get an

1 increase." But today, today this is too much money.

2 The authorized rate of return throughout the
3 nation right now, the average, folks, is only
4 10.29 percent. So Florida Power & Light is asking you
5 to bear the burden of about 2.25 percent higher than the
6 average.

7 Now the Public Service Commission in a recent
8 case did authorize a rate of return of 11.25. We argued
9 that that was too high. We're going to do that again in
10 this case. That is even way too high in today's
11 economic recessionary times. We're going to argue that
12 it should be much more -- around 9.5, maybe 10 percent,
13 maybe 10.5, somewhere in there. Our expert has not come
14 up with his final figure yet. But 12.5, folks, is just
15 too much money. And to put it in perspective, for every
16 1 percent up or down, that means \$130 million out of
17 your pocket. Okay?

18 Depreciation. Depreciation is going to be a
19 huge issue in this case. Why? Let me first tell you
20 real quickly what depreciation is, if you don't
21 understand it. Depreciation is when you have an asset,
22 say you buy a car. That car, you use it over time.
23 Over time it loses its value; right? So if you buy a
24 car and you expect it to, say, run for ten years and you
25 pay \$1,000 for it, every year it will lose \$100, give or

1 take, of its value. That's depreciation. Depreciation
2 is a terribly, terribly complicated calculation. I
3 can't even begin to tell you how it's done, but I can
4 tell you generally what it, what it means.

5 Florida Power & Light has probably millions of
6 assets. Okay? They have -- all of these assets have
7 different lives. They may have a truck that has a
8 ten-year life. They may have a nuclear plant that has a
9 40-year life. They're varied all over. You take all
10 those assets and you aggregate them and put them
11 together. You take all the useful lives and aggregate
12 those together. There is a very sophisticated formula
13 that you then calculate depreciation expense on an
14 annual or yearly basis. That goes into the rates that
15 you pay in base rates.

16 Now in this particular case Florida Power &
17 Light has already admitted, admitted by the documents
18 they filed in this case they have over collected
19 \$1.25 billion from you for depreciation. Now what they
20 would like to do is just lower the depreciation for the
21 rest of the next 30, 40, 50 years and have you pay less
22 all the way out. We don't think that's right in today's
23 economic times. We want to see that money refunded now,
24 over the next three, four years, and that will
25 significantly reduce the \$1.3 billion increase that

1 they're asking for.

2 Okay? You're going to get the money back, but
3 the question is when. And we believe today, you're
4 hurting today, your brothers and sisters are hurting
5 today. We want to put it back in your pocket today, not
6 20 or 30 years when I'll probably be dead and gone and
7 many of you may also be.

8 Increasing storm reserve expense. Storm
9 reserve is like a rainy day fund. Okay? Florida Power
10 & Light wants to collect \$150 million a year more than
11 they've been collecting right now to put into a rainy
12 day storm fund. It will be used if and when a hurricane
13 hits and causes damages. Folks, we believe in rainy day
14 funds, but not to the extent of \$150 million a year and
15 not today. Not today when people are hurting. We think
16 it is a very, very good idea, but not today. We think
17 the \$150-million-a-year figure should be significantly
18 less, again maybe -- hopefully three to four years from
19 now the economy is flourishing again, we can go back and
20 take a look at that.

21 But now I don't want you to think, well,
22 golly, J.R., you're being mean to FPL. What if a storm
23 hits? Folks, you will still pay because there is a
24 storm recovery in the statutes that says if a storm hits
25 two months from now or two weeks from now and it causes

1 \$200 million in damage, they can come to the Public
2 Service Commission and ask for a storm surcharge, just
3 like they did in '04 and '05. So you're going to pay
4 it. But you can pay it then, not now when many of you
5 are hurting financially.

6 There are going to be various accounting
7 issues. I'm not prepared today to talk about them in
8 detail. But our accountants have already identified
9 certain issues that collectively will have, we think, a
10 significant impact on how much Florida Power & Light is
11 asking for in their 30 percent rate increase.

12 Now I want to set the record straight on --
13 real quickly on a couple of issues. First off, Florida
14 Power & Light is a monopoly. Make no mistake about it.
15 Okay? Good corporate citizen, but they're a monopoly.
16 You can't go across the street and decide do I go to
17 this grocery store or that grocery store, this drugstore
18 or that drugstore? They're it. They're the only game
19 in town.

20 Fuel charges. You heard Ms. Santos talk about
21 fuel. Fuel -- they are projecting it to come down about
22 \$17 per 1,000 kilowatt hours. We hope that happens.
23 But if you listen carefully, she also told you something
24 very important. She doesn't know. None of us know what
25 fuel is going to do a month from now, much less six

1 months from now. We can guess. Goodness. If I knew
2 what it was going to do, I wouldn't be in my job. I'd
3 be a speculator out there making millions of dollars.
4 Okay? We don't know what it's going to do.

5 What happened last year? Within six months it
6 quadrupled or doubled or something. I don't even know
7 exactly what it did. But it went way, way up. What
8 happened to your bill? It went up. It's dropped down.
9 The bottom has fallen out this year. We hope it stays
10 there, but we don't know.

11 Fuel and base rate do not go hand in hand.
12 They're not -- they're apples and oranges. In my test
13 tube base rates are 40 percent. One of those separate
14 cost through -- excuse me -- cost recovery pass-through
15 elements is fuel. They pay a dollar, you pay a dollar.
16 Don't be misled by the fuel and adding in the base rates
17 are going to come down. Because let me tell you right
18 now, if Florida Power & Light was to withdraw their case
19 today, right now, if their, if their fuel projection was
20 accurate, then you'd be paying \$17 less and they'd still
21 be making the same profit they are today, but you'd be
22 paying \$17 less.

23 Going green. We all want to see renewable
24 energy take a foothold in our state. Okay? There's no
25 doubt about that. We're the Sunshine State. We hear it

1 over and over, solar, wind, geothermal, et cetera. We
2 all want that. This base rate case we're talking about
3 today, folks, has no effect on that. Florida Power &
4 Light is to be commended, and I know you've read in the
5 paper about their -- I think it's 110 megawatts of solar
6 plants that they're currently building just up, just up
7 the street, if you will, in Martin County, I believe.

8 Folks, that doesn't have anything to do with
9 base rates. You're paying for that out of a separate
10 pass-through. I believe that is the environmental cost
11 recovery clause. So that doesn't have anything to do
12 with base rates. They're still going to build it. They
13 don't -- if the Public Service Commission didn't approve
14 a dime in the base rate case, you'll still pay that.
15 Anything about going green and so forth, they can come
16 in and get that through a pass, pass-through cost
17 recovery clause. So don't mistake if we don't give them
18 anything in base rates, that means they won't invest in
19 renewables.

20 And last I want to mention, Ms. Santos
21 mentioned they have not received a base rate increase
22 since 1985. Technically, folks, that is 100 percent
23 true. Ah, but the rest of the story. Years and years
24 ago, I'm going to turn to my test tube again, base rates
25 made up 100 percent of that test tube. All expenses

1 that the company had were in base rates. Over the
2 years, through both legislation and orders from the
3 Public Service Commission, as I said, base rates are now
4 only 40 percent of the rates you pay every month.

5 Those other costs through, excuse me, cost
6 recovery pass-through elements have yanked expenses out
7 of base rates and put them somewhere else. Okay? Every
8 time you take an expense, a dollar that's not in base
9 rates and put it in a cost recovery, they get it dollar
10 for dollar. There's no risk. They're going to get it.
11 Okay? They're going to get it.

12 So to say they haven't had a base rate
13 increase is not technically -- technically it's true,
14 but realistically it's not. Because a lot of expenses
15 that they used to pay for in the base rates are now paid
16 for, like fuel, in a cost recovery clause. So don't be
17 misled by that.

18 Now, what can you do today? Folks, please,
19 please take this opportunity to come up here and speak.
20 You don't have to worry about being an eloquent speaker.
21 I'm certainly not. I try to speak from my heart. Come
22 up here and just talk to these fine men and women behind
23 me. They're the people that are going to make the
24 decision. They need to hear from you. And they -- and,
25 look, I don't want you to come up here and bash Florida

1 Power & Light. I want you to tell the truth. If you
2 think they're a good company, come up here and say it,
3 but also say how this rate increase can affect your
4 lifestyle and your manner of living.

5 And I want to leave you with one last thing,
6 that -- because a lot of folks feel like, well, if you
7 don't give them any base rate increase or don't give
8 them their 12.5 percent, golly gee, they're just not
9 going to make any money and they're not going to be a
10 good corporate citizen and the world is going to go
11 flat.

12 Well, folks, let me just tell you, over the
13 past 12 months -- this is the recent report they just
14 filed with the Public Service Commission. Over the past
15 12 months they have received a rate of return of
16 10.88 percent, just under 11 percent. That was on
17 \$11 billion in revenues. That transpires -- excuse
18 me -- calculates into a \$1.1 billion profit they're
19 making today.

20 Now are they going to be due any rate increase
21 in this case? We don't know. But we think it's going
22 to be significantly less than \$1.3 billion.

23 Please take this opportunity to come up here
24 and speak to these folks and tell them how you feel.
25 Good, bad, whatever, you know, please get involved and

1 share your feelings. Thank you very much.

2 (Applause.)

3 **COMMISSIONER EDGAR:** Thank you, Mr. Kelly.

4 Mr. Wright.

5 **MR. WRIGHT:** Thank you, Madam Chairman and
6 Commissioners.

7 Good morning. My name is Schef Wright. I was
8 born down the road in Jackson Memorial Hospital in
9 January of 1950. Except for nine years when I was in
10 graduate school, I had a little, a little work history
11 outside of the state, I've lived my whole life in
12 Florida. I moved to Tallahassee in 1980 to take a job
13 in Governor Graham's energy office, moved over to the
14 Public Service Commission staff where I worked for about
15 seven years, and then got a break and went to law
16 school.

17 I represent customers, I represent renewable
18 energy producers, I represent municipalities. I have
19 the privilege to be here before you today as the
20 attorney representing the Florida Retail Federation in
21 this billion dollar plus rate case.

22 The Retail Federation is a statewide --

23 (Sound system technical difficulties.)

24 **COMMISSIONER EDGAR:** Okay. Maybe those
25 technical people that out there are helping us, help us

1 again.

2 Go ahead, Mr. Wright.

3 **MR. WRIGHT:** Thank you, Madam Chairman.

4 The Retail Federation is a statewide
5 organization of more than 9,000 members, from the
6 smallest mom and pop commercial establishments to the
7 largest chains of grocery stores, department stores,
8 electronics, drugstores and other stores, the brands you
9 know when you drive down the street.

10 I want to make one point. We're all in this
11 together. We, the Retail Federation, and you,
12 individual customers, small businesses, municipalities,
13 we view this as all being in this together as customers.

14 Like your Public Counsel -- and by the way,
15 y'all owe a tremendous debt of gratitude to Mr. Kelly
16 and to Mr. Shreve. Mr. Shreve served as Public Counsel
17 for the State of Florida for 25 years, after four years
18 serving the state in the Legislature. They have done a
19 marvelous job for you, and without them your rates would
20 be higher than they are. So thank them. Here, here.

21 (Applause.)

22 Like your Public Counsel, we oppose FPL's rate
23 increase. We're not 100 percent sure yet whether we
24 oppose 100 percent of the rate increase. I'll come back
25 around to that as we get down to the end.

1 The issue in this case is whether Florida
2 Power & Light Company needs another \$1.3 billion a year
3 of y'all's money and our members' money in order to
4 finance, own, operate and maintain its system, and to
5 provide quality, reliable, sufficient, adequate and safe
6 electric service. We don't think so, and I'm going to
7 give you some very specific examples of big dollar
8 amounts as to why we don't think so.

9 But before I do that, I want to touch on a
10 couple of things. FPL hasn't had a general base rate
11 increase since 1985. Why? They haven't needed one. In
12 the last 24 years FPL has made base rate refunds,
13 one-time refunds, \$10 million here, \$16 million there,
14 totaling more than \$200 million. In 1999, led by
15 Mr. Shreve, the consumer side extracted a base rate
16 reduction, a settlement, a stipulated settlement
17 agreement with FPL to reduce their base rates by
18 \$350 million.

19 In 2002, again led by Mr. Shreve, with the
20 Retail Federation's participation, the Attorney
21 General's participation, and AARP's participation, they
22 agreed to a further \$250-million-a-year reduction in
23 their base rates.

24 Now there was -- they did -- I started to say
25 they didn't get one because they didn't ask for one, but

1 that's not true. Four years ago, in 2005, they came to
2 the Public Service Commission and asked for a
3 \$430-million-a-year increase in their base rates.

4 Again, through the efforts of your Public Counsel, your
5 Attorney General, the Retail Federation, we helped, AARP
6 helped, the Industrial Power Users helped, through the
7 efforts, the concerted efforts of those on the consumer
8 side FPL agreed a zero base rate increase.

9 They haven't had a general base rate increase
10 because they haven't needed one. During these 24 years
11 they have made a lot of money. They have made high
12 rates of return on their stockholders' investment. They
13 have been highly profitable.

14 Again, the issue in this case, and you're
15 going to hear this probably two more times, the issue in
16 this case is whether FPL needs another billion dollars
17 plus of y'all's money, our money to own, operate and
18 maintain their system. We don't believe that they do.
19 Why not? Here, here come the big dollar reasons that I
20 mentioned.

21 First, they want a rate of return on their
22 stockholders' equity, which is basically profit in this
23 context, of 12.5 percent after taxes. Actually the
24 number is -- before taxes when you gross it up, but you
25 have to pay the income taxes to get back down to the

1 12 percent -- is about 20.3 percent.

2 We believe -- we categorically reject this.
3 We're not saying they ought to get 3. That's crazy.
4 That's inadequate. We're not saying they ought to get 6
5 for equity. That's inadequate. We think the number is
6 probably between 9 and 10 percent. But to put dollar
7 numbers on this for you relative to their
8 billion-dollar-a-year increase request, if you use the
9 national average authorized rate of return of
10 10.29 percent that Mr. Kelly cited to you a few minutes
11 ago, the difference between that and 12.5 percent is
12 about \$296 million a year. That's about \$300 million a
13 year.

14 Frankly, we think that compared to the
15 miniscule risks that FPL faces in terms of their revenue
16 recovery -- and, remember, they recover 60 or 65 percent
17 of their total revenues through pass-through clauses
18 that are not part of this case at all. Compared to the
19 miniscule risks that they face, we think 10 percent is
20 generous. So \$300 million there.

21 Oh, and by the way, you know, they will talk
22 about, well, if we have a higher return on equity, that
23 will enable us to get lower interest rates. Well,
24 folks, I used to be an economist and, you know, I have a
25 full head for numbers, and I can't make that arithmetic

1 work. Why not? FPL's financing consists of about
2 \$8.2 billion of equity, according to their documents
3 filed in this case, and about \$5.4 billion of debt.
4 They want 12.5 percent after taxes on equity. They
5 project their cost, all their cost of interest on their
6 long-term debt at 5.55 percent.

7 Now, suppose if you could get the higher
8 return on equity, you could get a lower interest rate.
9 Well, one, we're not sure at all that that's true. We
10 went after, all of us, the consumers' counsels went
11 after Tampa Electric Company's witnesses in the recent
12 case that was tried this past January, and we said, "Can
13 you tell us for sure that you'll save such and such
14 amount of money?" "No, we can't really tell you that."
15 "Can you tell us what the interest rate will be if the
16 Commission awards you an ROE of 12 percent," which is
17 what Tampa Electric asked for. "No." "Can you tell us
18 what your bond rating is going to be?" "Not exactly."

19 Now we'll see what FPL's witnesses say in this
20 case. But leaving that aside, even if you assumed that
21 you could actually save, or save costs, an extra
22 1 percent on the debt component, say from 5.5 to
23 6.5 percent if you went down from 12.5 to 10 percent,
24 well, folks, 2.5 percent of \$8 billion is a whole lot
25 more than 1 percent of \$5.4 billion. When I do the

1 arithmetic, I can't see any merit in that claim
2 whatsoever.

3 Mr. Kelly mentioned depreciation surplus. To
4 put a dollar number on that for you, flowing it back to
5 you, who created it, soon, you know, while we're all
6 still here, while we're all still FPL customers, is
7 worth probably \$250 million a year to you. The storm
8 reserve is another \$150 million a year. And to be very,
9 very quick on this, as Mr. Kelly said, if FPL, if we,
10 God forbid, if we have a storm and FPL incurs costs to
11 restore service, they are fully entitled to get the
12 reasonable and prudent costs of restoring service, and
13 they will. Your Public Service Commission will give it
14 to them.

15 We may say, well, we're not so sure about that
16 \$5 million worth of poles or that \$22 million worth of
17 conductor or whatever, but if they really spent the
18 money and it is really prudent and reasonable for them
19 to spend the money, we're not going to argue about it.

20 And to put this in context, in '04 and '05 FPL
21 spent close to \$1.8 billion on storm restoration
22 activities. They went into that with a reserve fund, I
23 believe, of slightly less than \$400 million. It may
24 have been a little more, but I think it was 396 is the
25 number that sticks in my mind. Where did they get the

1 other money? They first borrowed it. They went to the
2 Commission and got a short-term bridge storm surcharge
3 approved, and then they got a longer term storm
4 surcharge approved.

5 They have a rainy fund today, folks, that is
6 pushing \$200 million, if it is not greater than
7 \$200 million. Their filings in this case show that
8 if -- again, God willing, we don't have a big storm this
9 year and they don't incur significant costs this year,
10 they'll have a rainy day reserve of \$215 million by the
11 end of this year. They do not need to build another
12 \$150 million a year into your rates to recover that.

13 So just add those three up. We're talking
14 about \$700 million -- 300, 250, 150 -- \$700 million.
15 There are, as Mr. Kelly said, other issues. There's
16 going to be issues on depreciation expense. There'll
17 probably be some issues on executive compensation,
18 although when it really comes down to it that's not,
19 that's not zillions of dollars, it's millions probably,
20 but it's not zillions. There will be other issues.

21 We doubt that they need any rate increase at
22 all to own, operate, finance and maintain their system.
23 And I told you some of the things we're talking about in
24 terms of what we think they shouldn't be allowed to
25 recover for. Let me tell you what we're not talking

1 about going after in this case. We're not talking about
2 cutting the pay of the linemen and the field workers who
3 keep your lights on. We're not talking about cutting
4 jobs of real live people who are out there working. FPL
5 may even need more employees. If they need more
6 employees in the field -- and we've actually had three
7 FPL employees come talk at previous hearings like this
8 to say "We need more apprentices. We need more worker
9 bees." You know, if they need them and if they'll
10 commit to really hire them, even though the jobs may not
11 be filled, I at least am not going to oppose it, and I
12 will advise my client accordingly.

13 We are not talking about cutting the amount
14 that FPL spends on new power plants. We are not talking
15 about cutting the amount that FPL spends on its storm
16 hardening efforts. Those are legitimate investments.
17 What we are talking about is how much they earn on those
18 investments and the depreciation surplus and
19 depreciation expense and the storm reserve. We're not
20 talking about touching one cent of the money that FPL is
21 already recovering from you to pay for their solar
22 project. As Mr. Kelly told you, that's recovered
23 through the environmental cost recovery clause through a
24 special act of the Legislature in 2008. We're not
25 talking about touching one penny of FPL's conservation

1 program efforts.

2 If the Commission approves the base rate
3 increase, denies the base rate increase, gives them
4 something in between, they're going to probably spend
5 the same amount on energy conservation programs. The
6 decision in this case is utterly irrelevant to those
7 charges.

8 In conclusion, we strongly doubt that FPL
9 needs a base rate increase, certainly not of a billion
10 300 million dollars a year to own, operate, maintain,
11 finance its system and provide adequate, safe, quality,
12 reliable service. The evidence will tell -- we've got
13 nine days of hearings looking at us in August and
14 September for the full evidentiary hearing in this case,
15 and your Public Service Commissioners will decide.
16 Please, like Mr. Kelly said, tell the Commissioners your
17 views on this very important issue. Thank you very much
18 for coming.

19 (Applause.)

20 **COMMISSIONER EDGAR:** Ms. Bradley.

21 **MS. BRADLEY:** Thank you.

22 I'm Cecilia Bradley, and it's my honor to work
23 for the Attorney General for all of you. We work
24 closely with Public Counsel to support you in these
25 cases and try to see that you are guaranteed the fair

1 and reasonable rate that *Florida Statutes* says you
2 should have.

3 Now we've got a lot of people here today and
4 we want to make sure that everybody gets heard. I can't
5 tell you how important that is. We serve you better if
6 we know what your concerns and your problems are. So we
7 appreciate you coming out. I know people have had to
8 take time off from work and things like that and are
9 sacrificing to be here, but it is very important. And
10 it gets tiring sitting for a while. But please stay
11 with us. If you need to -- if you get tired and you
12 need to take a break and just walk outside and walk
13 around for a few minutes, do that, but come back in
14 because we want to hear from you.

15 We got a lot of complaints last night because
16 people were wanting to be able to tell the Commission
17 their problems and their concerns, and they had to
18 listen to a lot of flower -- Florida Power & Light -- I
19 can't even talk this morning -- their witnesses and the
20 people they brought in to talk about their charitable
21 donations and this. They're to be commended for that.
22 We appreciate that. In this economy we certainly need
23 more of that.

24 But don't get frustrated. Please stick with
25 us. If you have to go outside, you may want to let

1 Mr. Kelly know that you're back in case they passed over
2 you because we want to hear from you.

3 And also I heard the other night on TV
4 somebody was talking -- we appreciate all the press and
5 letting you know about these hearings, but somebody said
6 these hearings are open to the public. Well, they are,
7 but that's not really correct. These are your hearings.
8 This is your opportunity to be heard and have your say.
9 And that's a very important thing.

10 And as I said before, we're not saying -- no
11 one here is going to say Florida Power & Light is a bad
12 company. But we're not going to say they shouldn't earn
13 a profit. To the contrary, we want our utilities in
14 Florida to be strong, profitable companies so they'll
15 continue to provide you with good service. However,
16 times are tough right now, a lot of people are
17 suffering, and, as the Attorney General has said, this
18 is just excessive. You know, we've got to look at
19 something more reasonable.

20 Now there was comments about -- actually the
21 other night we had people that came in and testified,
22 some of Florida Power & Light's witnesses, about, you
23 know, the good things they've done for the school
24 districts and for the zoos and the other groups there.
25 But your schools are on record as saying they've had

1 their budget slashed. They can't afford anymore. You
2 know, they don't have a Public Service Commission that
3 they can come to and say, "I need more money." They're
4 having to cut services and cut positions. And a lot of
5 businesses are looking at that. It's a, it's a tough
6 time for everybody. So we know the effect it's having
7 on your local government and some of the services that
8 you depend on, and that's a concern to us.

9 There was a comment made earlier about all the
10 storm restoration work that had been done, and after
11 some of the hurricanes that was an important thing. And
12 we litigated some of that with Florida Power & Light and
13 the other utilities, and the Public Service Commission
14 required them to implement a number of these programs,
15 to do a better job to be proactive, to make sure the
16 poles were in good condition so they'd be more likely to
17 stand up to bad weather and this type thing. They're
18 requiring more efforts to trim shrubbery and trees so
19 they won't get into the lines and short them out. And
20 the Public Service Commission is to be commended for
21 their efforts to work with the utilities to require them
22 to make those efforts on your behalf.

23 Now some of the witnesses yesterday and the
24 day before talked about, well, maybe they should get
25 this increase because they're looking at the future.

1 They're looking at the needs of their children and
2 grandchildren, and that's always important. But if
3 Florida Power & Light doesn't get this rate increase,
4 you're still going to get the same services. You know,
5 that's guaranteed. That's what the Public Service
6 Commission does is regulate the utilities and make sure
7 that you are provided these services. So if they don't
8 get the rate increase, you don't have to worry about
9 somehow losing services or coming home and suddenly, you
10 know, you won't have electricity or something. That's
11 something the Public Service Commission works to make
12 sure that you have these services and will regardless of
13 the outcome of these hearings. Your services will keep
14 going. That was a comment from some people. "I want to
15 make sure that my services keep going, so if it takes an
16 increase" -- well, it doesn't.

17 There's also been comment about they need more
18 money and a higher rate of return on equity, because if
19 they get one, then they can get money, they can borrow
20 money easier and their customers will benefit from that.
21 We've heard that before. We heard it at the last
22 hearing we had. And the experts did the calculations,
23 and at one particular hearing the customers were going
24 to get about a \$5 million benefit, but it was going to
25 cost them \$30 million. And that's not a real benefit.

1 You know, I put it in terms that I can
2 understand. I said that's like if somebody came out and
3 they gave you \$5. You'd say, "Well, thank you. I
4 appreciate that." But if they turned to you then and
5 said, "But you've got to pay me \$30," suddenly that
6 wouldn't look like such a good deal. And that's kind of
7 what we're looking here. You know, we're not saying
8 when all the evidence is in that they won't get some
9 type of increase, but our job is to try to work on your
10 behalf to look at your concerns and to try to keep it
11 down, because you're entitled to a fair and a reasonable
12 rate.

13 We have a lot of people from AARP here today,
14 and we appreciate them coming. They do a tremendous job
15 in helping us hear about your concerns and your issues,
16 and we appreciate that. We have a lot of people that
17 we've heard from the last few days that are retired.
18 One lady talked about she's been retired for 15 years
19 and has not had an increase in those 15 years in her
20 retirement benefits. You know, you can only squeeze
21 that so many times. She also talked about this
22 \$12 increase per month. That would pay for a copayment
23 for her medicine for that month. That would pay for a
24 copay for a doctor's visit for that month. That would
25 help her go to the store and buy food for that month.

1 So some people don't think \$12 is a lot, but to a lot of
2 people this is critical.

3 We also had people talk about the fact they
4 know seniors, you know, that are in their neighborhood
5 that they're concerned about. Because if it gets too
6 expensive, they don't run their air conditioner as much,
7 and they've found people that have succumbed to heat
8 stroke, other conditions. We don't want to see that
9 happen. We can work better to make sure that you get
10 electricity at a more affordable rate, and that's what
11 we're asking this utility and all the others to do.

12 I also wanted to mention the fact that -- I
13 think somebody mentioned this earlier, but there's a
14 huge trickle-down effect. Mr. Wright talked about his
15 businesses. A lot of small businesses, they're having a
16 tough time too. And that's jobs in the community.
17 Unlike Florida Power & Light, which is a monopoly, these
18 people have to compete with other businesses to earn
19 your respect and to earn your business. And if their
20 electricity goes up, all of the sudden they're having a
21 hard time making it too, and at some point they're going
22 to raise the rates of their goods and services.

23 So not only are you getting hit with a higher
24 utility bill, you're getting hit with higher groceries,
25 higher pharmacy, you know, bills. A lot of goods and

1 services that you're buying now, they'll have to go up
2 too. So that's another thing we're concerned about.

3 You know, we are here to hear from you and
4 this is your time. Unfortunately, with the number of
5 people and the time we have, don't get angry at the
6 Commissioner when she says your time is getting short.
7 It seems a lot shorter when you're doing the talking
8 than when you're, you know, when you're out there
9 listening. I appreciate you being patient with me and
10 we'll try to be patient with you, and we want to hear
11 from all of you.

12 Thank you.

13 (Applause.)

14 **COMMISSIONER EDGAR:** Thank you, Ms. Bradley.

15 Okay. Very briefly, I've been asked to remind
16 all of us to please double-check to make sure your
17 phones and electronics are on vibrate. That's very
18 helpful to everybody.

19 Also, very briefly, to all of the parties, all
20 of the exhibits that have been marked through the
21 hearings up to today, today and moving on, will be taken
22 up as a group as a preliminary matter at the hearing
23 before they're entered. So please note that and take
24 advantage of that at that time.

25 And now, as I said earlier, everything that is

1 said today is a part of the proceedings for the record,
2 for this case. So as part of that, those of you who
3 intend to speak, I need to swear you in. We will do it
4 as a group. Please, all of you, stand up with me and
5 raise your right hand.

6 (Witnesses collectively sworn.)

7 So, to get us started with the next part of
8 this proceeding I would like to recognize and ask to
9 come forward Representative Franklin Sands, Florida
10 House of Representative member from District 98.

11 And to all of the speakers, we apologize.
12 This is a wonderful facility but we are a little cramped
13 up here. The court reporter does need to be able to see
14 the speaker.

15 Thank you, Representative Sands, and thank you
16 for joining us.

17 **REPRESENTATIVE SANDS:** Thank you,
18 Commissioner. And good morning to you other
19 Commissioners. And welcome to beautiful Broward County.
20 And I thank you for your service and the expertise that
21 you bring to this issue. And, Commissioner Argenziano,
22 I certainly wish you a speedy recovery. I'm sorry
23 you're not here to have joined us.

24 I also at this moment would like to recognize
25 a colleague of mine who's also in the room, and that

1 would be State Representative Gwyn Clarke-Reed.

2 **COMMISSIONER EDGAR:** Absolutely. Thank you.
3 Thank you for joining us.

4 (Applause.)

5 **REPRESENTATIVE SANDS:** Okay. Much has been
6 said this morning that I had intended to speak about, so
7 I'll be pretty brief.

8 We're here basically this morning to talk
9 about a permanent base rate increase. And the base rate
10 charge is the most expensive part of our electric bill,
11 only after the fuel and purchased power recovery costs.
12 And to talk about that, the base rate was explained very
13 well in great detail, but I'm a pretty plain-spoken
14 person and I like to try to simplify things. And that
15 represents the charges to produce and deliver
16 electricity, which also includes everyone's salaries and
17 other attending costs.

18 But basically the other charges, the other
19 cost recovery charges, which really offer little risk of
20 not being paid and get back a dollar for dollar return
21 on them, are the fuel purchased power cost recovery,
22 which is the largest part of the bill, the energy
23 conservation cost recovery, the environmental cost
24 recovery, which goes to pay off the solar which I'll
25 talk about in another moment, the capacity cost

1 recovery, which, among other things, pays for the
2 nuclear plants, and storm damage cost recovery if, God
3 forbid, we do have a hurricane, and the gross receipts
4 tax.

5 So the base rate is actually less than half
6 the bill. But charges like environment and conservation
7 were formerly in the base rate and were subsequently
8 taken out, and additional base rate charges that had
9 been in there were absorbed through growth. So this is
10 one of those very rare instances where I can speak to an
11 issue that is not a partisan issue, because the
12 requested rate hike will hurt struggling Democrats,
13 Republicans and Independents right across the board.

14 So, having said that, you know, I also want to
15 say that my appearance here is not in an adversarial
16 position to FP&L. I think they're a very great company.
17 I do find myself, however, at the intersection of
18 political contributions and good public policy, and I
19 will veer off in the direction of good public policy.

20 The -- I guess, you know, having been in
21 business my entire life and gone through many
22 negotiations of various different types, I look at this
23 as kind of a game that's played, a very serious game,
24 but nonetheless a game, where the FP&L folks come here
25 with their list of dreams, wants and needs, and the

1 Public Service Commission has to respond to that by
2 making sure that the folks don't get their dreams
3 because they're just too expensive for us, and they get
4 all of the needs, and the point of negotiation will be
5 towards their wants. And I think that's, that is a very
6 important thing.

7 So if you can consider the permanent base rate
8 hike request and consider the history of these other
9 FP&L requests, you'll see very quickly that twice FP&L
10 filed papers to go through the full process and wound up
11 with a stipulation to agree or disagree. And once
12 Governor Crist as Attorney General intervened to freeze
13 the rates, but certain costs that FP&L would incur
14 during the next few years to create income became base
15 rate plus recovery billed as a rate freeze, this really
16 had built-in rate increases. And this expired in 2005.

17 But I think we also have to look at the return
18 of equity, and over a five-year period we will see that
19 sales at FP&L have increased by 11.2 percent, income by
20 12.9 percent, and the dividend rate was 8.21 percent.
21 And FP&L's stock is doing pretty good trading around 58,
22 and that's great. And it's a testimony to how well
23 managed the company is, and that's a very good thing,
24 and none of that is at issue here.

25 The fact of the matter is FP&L is a monopoly

1 or a quasi-monopoly. It's certainly not a free
2 enterprise subject to being able to compete with a lot
3 of other companies.

4 But one question that I have is whether or not
5 an OPPAGA type study has been done to look at the base
6 rate itself, to determine whether FP&L has truly
7 tightened their belts just the way every other company
8 in the State of Florida has been forced to tighten their
9 belts? And I would have a greater comfort level about
10 their request once I knew the answer to that question.

11 And the fact of the matter is that while I do
12 feel that FP&L should be entitled to a, to a base rate
13 increase, I, along with the Attorney General, the folks
14 from the Retail Federation and certainly the Public
15 Counsel, agree that perhaps it should be a smaller rate
16 increase. After all, folks in Florida are really
17 struggling, and they're struggling in the sense that we
18 have over 10 percent unemployment in the state right
19 now. We've got 1.2 million homes that are in some stage
20 of foreclosure. And if you kind of relate that
21 1.2 number, it keeps popping up, they want a
22 \$1.2 billion rate increase. We've got 1.2 million homes
23 in foreclosure.

24 The fact of the matter is that we, we can
25 actually really do a lot better than the request that

1 they're making, and I think we have the opportunity to
2 scale it back and yet give them everything that they
3 actually need.

4 We talked briefly about solar, and I had the
5 folks, some of the good folks from FPL in my office a
6 few weeks ago talking about the feed-in tariffs as they
7 do in Europe, but they weren't having any of that
8 because they said that it was more of a socialistic type
9 thing, I believe, and it wasn't exactly what we should
10 have in the State of Florida. And while I think
11 possibly that is not the best model, because over the
12 last ten years in Germany they've seen their electric
13 bill go up by \$2.50, so that may not be the best rate,
14 but -- the best method.

15 But what I did think would be a good method
16 would be some sort of a hybrid which would allow people
17 other than FP&L to be in the solar business, and
18 individual citizens, if they desired, to actually have
19 their own solar generating plant on their homes. The
20 fact is that we are now in the solar business, and that
21 is a very, very important thing. And the Legislature
22 came up with a program where the initial 110 megawatts
23 of renewable energy that would emit zero greenhouse
24 gases, all the costs of just -- with those, with that
25 110 megawatts would be recovered by the company or

1 companies doing that work. And lo and behold, FP&L has
2 all the 110 megawatts under their umbrella.

3 And the fact of the matter is the reason they
4 did that was that the projects would be allowed to show
5 a feasibility and viability study under those
6 environment recovery, environmental recovery costs. So
7 FP&L took all those 110 megawatts off the table, and I
8 would suspect that that was originally scheduled for
9 them to have regardless. But I still think there is
10 room for other companies, although we're a little bit
11 off topic, in that same area.

12 The renewable energy portfolio was supposed to
13 be ratified by the Legislature this year.
14 Unfortunately, although it was supposed to be a bridge
15 until this, we just failed to act as a Legislature and
16 we have basically a zero energy policy out of the last
17 session, and that is not a very positive thing. I'm
18 hoping the Governor will call us back into session so we
19 can revisit those very important issues.

20 The things that we do here today are so
21 important. And the opportunity for public input is, is
22 critical to not only the process here today, but to our
23 way of life as Americans. And I think that the fact
24 that you've taken the time to be here, and you'll be in
25 my district again tomorrow night in Plantation, and I

1 know we have an evening meeting. I think it's from
2 6:00 on. And I would hope people who can't make this
3 today, and hope it will be reported in the press, that
4 they will have an opportunity to come tomorrow evening
5 to Plantation City Hall and address you at this point.

6 So I thank you very much once again for being
7 here and for allowing me to make these remarks. Thank
8 you.

9 (Applause.)

10 **COMMISSIONER EDGAR:** Thank you. Thank you.

11 Now I'd like to recognize Mayor Joy Cooper
12 from the city of Hallandale Beach. Mayor Cooper.

13 **MAYOR COOPER:** Good morning. Thank you very
14 much for giving us the opportunity to share our thoughts
15 on this very critical issue.

16 I wanted to start off, first of all, by
17 thanking the PSC, and working with FP&L with net
18 metering and those issues that are so important to
19 sustainability throughout our state. And I also want to
20 thank FP&L. I don't like to talk with my back to the
21 audience. But I also wanted to thank them for their
22 partnership. That's been, you know, resaid over and
23 over again, that they're good community partners.
24 They're there when we have issues with hurricanes.
25 They're there when people have needs. So that's not,

1 you know, what we're discussing.

2 And it's interesting, as a mayor, and a lot of
3 people might not be aware, I always get all your -- the
4 hearing notices. So one of my colleagues, who I believe
5 is going to speak next, said, "Boy, you come to every
6 meeting." I said, "No. I come and do my job as a
7 mayor," understanding that your work is very important.

8 But reading through the hearing notice, it was
9 quite interesting, and everybody keeps bringing it up,
10 that 12.9 ROI. And I'm sitting at my desk reading,
11 going, wow, wouldn't I like that guarantee for my
12 pension fund. Wouldn't I like that for my personal
13 investment fund. And, you know, that's really dollars
14 and cents, and that's what caught my eye to bring this
15 forward to my commission and discuss it.

16 And I would like to submit a resolution that
17 we passed in support of opposition of, you know, this
18 rate increase. And I guess I'll give it --

19 **COMMISSIONER EDGAR:** If you could just hand it
20 to Ms. Williams right here on the end, our staff
21 counsel.

22 **MAYOR COOPER:** Great. Thank you.

23 You know, as a city we have cost of
24 operations, and everybody is taking a look at their
25 budgets and trying not to lay off people, trying to cut

1 corners and make do and do more with less, not do the
2 same with more. So I think that's what I summarized,
3 what -- you know, we're kind of doing the same. And in
4 this economy, I know I'm faced with it every day,
5 looking at possible police layoffs, costs for my
6 residents on a daily basis, and can feel the pain of
7 corporations, what they have to do, the same thing.

8 However, with that said, again, a return on
9 investment in this economy, I'm sitting here and
10 actually I think counsel has been very generous.
11 10 percent? I'm also on the advisory board of the U.S.
12 Conference of Mayors, and, of course, we're facing
13 pension issues. And, you know, we look at a return on
14 investment in one of our pensions at 7.75 and at 8.

15 I cosponsored a resolution at the U.S.
16 Conference with Mayor Bloomberg and Manny Diaz to even
17 just ask for maybe 8 percent. You know, wouldn't that
18 be generous?

19 So I think that's what it, what it comes down
20 to. But to put it more on a grassroots level, on my
21 drive over here we talked a little bit about
22 foreclosures in South Florida. My city actually has
23 almost 40,000 residents. The majority of those
24 residents live in condominiums. They are facing to have
25 double assessments. One condominium just last month had

1 to assess over a half a million dollars to address their
2 needs because of foreclosures and unkept bills. So we
3 are seeing that trickle-down effect that's been related
4 to earlier.

5 And my, one of my residents, I said, "Well,
6 I'm on my way." He says, "Tell them, please, do not do
7 this, not now. Now is not the time."

8 And in any corporation -- and I also thought
9 over the past couple of weeks, we're looking at General
10 Motors and a bailout and, you know, trying to come to
11 grips with owning a company or shares in that company.
12 But I keep thinking to myself, and, you know, what do
13 you do when you have a corporation? It's part of the
14 corporate structure to continue to reevaluate the
15 future, to do the good things that corporations do, to
16 tighten the belts, and looking at their business models
17 that may not be working.

18 So it's all well and good, you know, to keep
19 passing it on to the consumer. I think as a for-profit
20 publicly traded corporation, they do have some
21 responsibility to tighten their belt. And a return on
22 investment, as I said, I think counsel is being
23 generous, is even too high and now is not the time. We
24 need to ask FP&L to do more with less, not the same with
25 more. Thank you.

1 (Applause.)

2 **COMMISSIONER EDGAR:** Thank you. Thank you.

3 And, Ms. Williams, we will mark as Exhibit 17
4 Witness Mayor Joy Cooper's City of Hallandale Beach
5 Resolution.

6 (Exhibit 17 marked for identification.)

7 Thank you. And now I'd like to recognize
8 again Representative Clarke-Reed from District 92 --

9 **UNIDENTIFIED SPEAKER:** Point of order, Madam
10 Chairman. Point of order. How long do we have to wait
11 before the public can be heard?

12 **COMMISSIONER EDGAR:** We have --
13 Representative, please come forward. We have had our
14 presentations stretch on. I did give a gentle request
15 to all of our parties, and I would just note that having
16 all of the parties speak to the customers I think is a
17 very, very important opportunity and we all appreciate
18 that, but we do have a tendency to, each time we do
19 this, to get longer and longer and longer. So we will
20 get to that here in just a few moments.

21 And, Representative Clarke-Reed, thank you so
22 much for joining us. District 92. And we would like to
23 ask you to make a few comments, please.

24 **REPRESENTATIVE CLARKE-REED:** Thank you very
25 much, Madam Chair. I'll be very brief, because this a

1 public hearing and I do want to hear what the local
2 residents, what the residents have to say.

3 But I would like to say that I wish you would
4 take into consideration all that you hear this morning,
5 particularly about the unemployment rate that we have in
6 the state, our seniors who do not have increases yearly
7 on their requirement income, also the economy and where
8 we are at this time.

9 I'd like to note -- for you to know that in my
10 district the foreclosure rate is probably one of the
11 highest in this county, and I cannot see where at this
12 time an increase from FP&L, although they're our service
13 provider and, as others have said, they do a good job,
14 this definitely is not the time to have an increase.
15 Thank you very much.

16 (Applause.)

17 **COMMISSIONER EDGAR:** Thank you. Thank you for
18 joining us.

19 And I have one more person that I'd like to
20 ask come forward, and then, Mr. Kelly, I will turn to
21 you. And that is Deputy Mayor Rosen of the City of
22 Sunrise.

23 Mayor, thank you for joining us.

24 **DEPUTY MAYOR ROSEN:** Good morning, Madam
25 Chair, Commissioners, staff.

1 I'm here to today to represent the 93,000
2 residents of the City of Sunrise. About a year ago we
3 had a senior citizen population of about 13 percent. It
4 has dropped below 9 percent. Cost is an extremely
5 important issue to our senior citizens.

6 I had a lady come up to me yesterday after she
7 saw that we had presented you with a resolution -- you
8 already have it in your possession, we passed it Tuesday
9 night, and basically saying we are against this rate
10 increase of any type at this point, especially knowing
11 that FP&L has made profit of over a billion dollars. A
12 woman approached me yesterday, a senior citizen, and
13 said, "\$12.40, that's almost \$150 a year to me. That's
14 food on my table."

15 How do I turn around and say to her, "Well,
16 you know, this is, this is what they want," when people
17 are saying to me that that could make the difference of
18 having food on their table for a week? I understand
19 that business is business and we have to look at it from
20 that perspective.

21 My city alone faces a \$14 million deficit this
22 year because of ad valorem taxes going down. We still
23 have to provide services, and I recognize the fact that
24 FP&L has the same responsibility. But we have to look
25 at two basic principles, and they both begin with the

1 letter M. It's been elicited by some of our more
2 eloquent speakers this morning that FP&L is a monopoly.
3 We can't go anywhere else. We have to purchase from
4 them. And the second M is money. There's only so much
5 money you can pull out of that paycheck every week.

6 What we are finding, just like Commissioner
7 Cooper talked about earlier, is that foreclosures have
8 gone up radically and that the people who still remain
9 are still being left with the burden.

10 I beseech you on behalf of my community to
11 really consider that and look at how we can make it
12 through the next 24 to 36 months, knowing that it's
13 important to keep the economy flowing and food on
14 people's table. I thank you so much.

15 (Applause.)

16 **COMMISSIONER EDGAR:** Thank you.

17 **MR. WRIGHT:** Madam Chairman?

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

19 Ms. Williams, do you have a copy of the resolution?

20 **MS. WILLIAMS:** Yes, we do.

21 **COMMISSIONER EDGAR:** Okay. We will mark it as
22 18.

23 **MS. WILLIAMS:** I believe we already have it.

24 **COMMISSIONER EDGAR:** But we don't -- give me
25 just a second. You don't have it?

1 **MS. WILLIAMS:** Huh-uh.

2 **COMMISSIONER EDGAR:** Okay. I have it and I
3 will give it to you, okay, in just a moment. So we will
4 mark it as 18. You can go ahead and --

5 **DEPUTY MAYOR ROSEN:** I have an extra copy.

6 **COMMISSIONER EDGAR:** We've got it. We're in
7 good shape. Give us just a second to work through it.

8 I have a copy right here. Ms. Williams, I
9 will give it to you and we'll mark it as 18. Witness
10 Donald Rosen, description, City of Sunrise Resolution.

11 (Exhibit 18 marked for identification.)

12 And, Mr. Wright, briefly.

13 **MR. WRIGHT:** Madam Chairman, that was it. I
14 just wanted to make sure that the resolution was
15 admitted into the record. Thank you.

16 **COMMISSIONER EDGAR:** Okay. Yes. Okay. We're
17 in good shape. Okay.

18 Mr. Kelly, I am going to ask you to begin
19 calling names here in just one second. As we have done
20 before, I'll ask you to call two names at a time.

21 If you're the second name, then we would ask
22 you to kind of move forward so you can be ready to step
23 up. I know that we've had a lot we've had to work
24 through. I hope you have found it worthwhile. And we
25 do have a lot of people who have signed up. As everyone

1 has said, we want to hear from everybody. So please do
2 also be cognizant of the fact that there are many others
3 waiting to speak when you bring your points forward to
4 us.

5 Mr. Kelly.

6 **MR. KELLY:** The first speaker is Ken Winter,
7 followed by Ken Reinardt.

8 Whereupon,

9 **KEN WINTER**

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. WINTER:** Thank you, Madam Chair. It's a
15 pleasure to be here today.

16 My company is FL Energy and we market and
17 install solar energy systems, domestic hot waters,
18 swimming pool heaters, photovoltaic. I was going to
19 speak about the base rate increase, but something the
20 good counsel mentioned regarding the overcharge on
21 the --

22 **COMMISSIONER ARGENZIANO:** Madam Chair, can you
23 hear me?

24 **COMMISSIONER EDGAR:** Commissioner Argenziano?

25 **MR. WINTER:** -- the depreciation, the

1 depreciation. Yes.

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

4 Commissioner Argenziano, yes.

5 **COMMISSIONER ARGENZIANO:** I can tell with
6 different speakers, if you're not speaking directly into
7 the microphone, I just get every fourth word.

8 **COMMISSIONER EDGAR:** Okay. We will ask our
9 witness if you could pull it a little closer to you. I
10 know we've had some feedback, but help us work through
11 it.

12 **MR. WINTER:** Sure. I want to, I want to
13 change my focus and speak about the overcharge on their
14 depreciation. That's all of our monies that FP&L has in
15 their accounts. And all during the discussion so far
16 I've not heard a disparaging word about FP&L. I've
17 heard that they are a good company and they're involved
18 in the community. I'd like to see them be a great
19 company and a model for the rest of the nation. I have
20 some suggestions as to how we might be able to take
21 advantage of that money and use it to help all of us,
22 not by getting a 22.5 cent one-time deduction in our
23 bill, but something that might be able to help us and
24 affect us forever.

25 Take that money, as the good counsel

1 mentioned, it was \$1.2 billion, and we can use it, and
2 I'd like to address four specific areas first of all.

3 FP&L has a watt miser program where they send
4 inspectors to people's homes on request. They also
5 charge \$30 for this inspection. And one of the things
6 that the inspectors will look at is insulation. FP&L
7 uses a gauge of R19, which is four inches of insulation
8 in the attic. This falls far below the Federal Energy
9 Conservation Code, which requests a minimum of
10 10 inches. Insulation in attics is the least expensive
11 and most effective way of reducing energy costs.

12 The second area that I want to speak about is
13 the Florida rebate. Several years ago the Florida
14 Legislature allocated \$5 million in a fund which would
15 return \$500 in rebate to families who install domestic
16 hot water systems, solar systems, and that \$5 million
17 was depleted very rapidly. There are more people who
18 have requested the refund than there is money, than
19 there was money that was allocated.

20 Recently the Legislature allocated another
21 \$6 million from the recovery program, from the federal
22 government. That additional money is going to be used
23 to pay the \$500 rebate to additional families, and it's
24 been suggested that that \$6 million will be depleted
25 within another 30 to 45 days.

1 The third area is more local. Broward County
2 just laid off about 400 schoolteachers. One of the ways
3 that we can reduce the county's costs in relationship to
4 our public schools is the installation of solar hot
5 water systems in our public schools for our cafeterias.
6 There's thousands and thousands and thousands of dollars
7 being spent to produce hot water needlessly when the sun
8 is free.

9 The fourth area involves international crises.
10 I don't think it's a -- anybody is surprised that we
11 have issues with Iran and now North Korea. When any
12 kind of international incident occurs, oil spikes. Why
13 don't we take this \$1.2 billion that is owed to us and
14 use this money, at least in four of these areas, rather
15 than allowing FP&L to pay down whatever their
16 depreciation or however they were going to use it
17 themselves? This would affect not only the county but
18 the state. The goodwill FP&L would receive by doing
19 something like this would be national. It would be an
20 example for the entire country. That's how we can make
21 and help FP&L become a great company.

22 (Applause.)

23 **COMMISSIONER EDGAR:** Thank you.

24 Commissioner Skop.

25 **COMMISSIONER SKOP:** Thank you, Madam Chair.

1 Just a quick question for the gentleman.

2 **COMMISSIONER EDGAR:** I'm sorry, sir. Could
3 you, could you maybe step forward again for just a
4 moment? My colleague here has a quick question for you.

5 **COMMISSIONER SKOP:** Just clarification to a
6 point that was raised. With respect to the solar
7 rebates that you mentioned --

8 **MR. WINTER:** Yes.

9 **COMMISSIONER SKOP:** -- it is true that
10 currently for 2009, 2010 there is \$14.4 million
11 available, of which the \$6 million, as you mentioned,
12 are rebates that are pending payment, leaving
13 \$8.4 million available for 2009 and 2010 rebates.

14 **MR. WINTER:** Does that include the \$4 per watt
15 on the photovoltaic?

16 **COMMISSIONER SKOP:** Yes, it does. And that's
17 what I wanted to mention too. Although the rebates had
18 been previously depleted -- as you mentioned, there was
19 a backlog -- there is that new funding input that was
20 made available in part by the economic stimulus package,
21 and that combined -- the state rebate combined with the
22 Commission's net metering and interconnection rule,
23 which is recognized as being one of the best in the
24 nation, as well as the potential availability to avail
25 themselves under convertible investment tax credits, which

1 would be a 30 percent payment from the Treasury once
2 they get those rules hashed out, could do wonders in
3 terms of stimulating solar in terms of what we have
4 today.

5 I know there's been discussion about feed-in
6 tariff and the Legislature taking further action. That
7 would all be good things.

8 But in terms of dealing with what we have
9 today, those three existing programs, the state rebates,
10 the convertible investment tax credit that should be
11 available under the federal stimulus package, the
12 Commission's net metering interconnection rule, I think
13 should provide sufficient stimulus for solar to the
14 extent that consumers should be able to see a seven- to
15 ten-year payback under the current incentives on the
16 solar.

17 **MR. WINTER:** Thank you very much. One
18 comment. \$14.5 million is still a drop in the bucket.

19 **COMMISSIONER SKOP:** I understand. And, again,
20 I tried to in the draft RPS --

21 **MR. WINTER:** If they put in \$50 million.

22 **COMMISSIONER SKOP:** I understand. The draft
23 RPS proposal that my colleagues sent over as well as the
24 one that I had prepared, again, I tried to address
25 maintaining that rebate program to stimulate small solar

1 construction in the State of Florida, and I think that's
2 an important thing, not only for our economy, but to
3 encourage certainly solar generation throughout Florida.

4 Thank you.

5 **COMMISSIONER EDGAR:** Thank you, sir. Thank
6 you, Commissioner.

7 Mr. Kelly.

8 **MR. KELLY:** Ken Reinardt, followed by Melissa
9 Aiello.

10 Whereupon,

11 **KEN REINARDT**

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. REINARDT:** Madam Chair, Commissioners,
17 thank you for the opportunity to come and speak with you
18 this morning.

19 What's in your wallet? We've all heard that
20 on TV. As an income, a fixed income retiree, my answer
21 is fewer dollars and more hands. I just learned
22 recently the City of Coral Springs was forced to raise
23 its property tax rate to pay for shortfalls. The
24 Legislature approved the telephone company's rate
25 increase of 10 percent a year for who knows how long.

1 Their hand is in my wallet.

2 Healthcare is a biggy. With AARP, obviously
3 we're very active and working in healthcare issues, and
4 every day we hear more and more horror stories. Now
5 with healthcare and with FP&L and utility rates, there
6 are programs out there to help low income people as long
7 as they pass certain asset and income tests. However,
8 there's a large number of seniors who don't qualify for
9 those programs who are still hurting nevertheless.
10 They're just above those limits and sometimes
11 substantially above, but still have a great deal of
12 difficulty living month to month or day to day.

13 Homeowners insurance is another one. That's
14 gone up in recent years obviously. We don't see any
15 major relief there. Social Security is not expected to
16 increase over the next couple of years too, so there's
17 not going to be more of those dollars flowing into my
18 wallet anytime soon.

19 So consequently I feel this rate increase is
20 excessive and the timing is just not correct for it, and
21 I consequently oppose it at this time. Thank you very
22 much.

23 (Applause.)

24 **COMMISSIONER EDGAR:** Thank you.

25 **MR. KELLY:** Melissa Aiello, followed by Gloria

1 Reinhardt.

2 Whereupon,

3 **MELISSA AIELLO**

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

7 **DIRECT STATEMENT**

8 **MS. AIELLO:** Good morning. Thank you, Madam
9 and Commissioners.

10 I'm the President of Junior Achievement of
11 South Florida, and I'm here really to talk to you a
12 little bit about investment. I heard a lot about
13 investment today, and I want to share with you that
14 Florida Power & Light is a very strong investor in the
15 future of our kids in this community.

16 Junior Achievement is about to embark on a new
17 program that will be reaching every single fifth and
18 eighth grader in Broward County schools. Our mission
19 being to teach our students, number one, financial
20 literacy so that they as an individual can learn how to
21 manage their own money and how to become financially
22 sound, which is obviously something in our country that
23 we really need.

24 And when I tell you that FP&L has been a
25 terrific supporter, I say that with great pride. And I

1 know that many speakers have talked about the good work
2 that Florida Power & Light does in the community and
3 kind of dismisses it as, well, of course they would do
4 that and we expect that from a well managed company.
5 But many of the challenges that we're hearing about
6 today in the community, I can guarantee you, beyond
7 Junior Achievement, Florida Power & Light is supporting
8 the needs of the families and the people in the
9 community that have been falling on some hard times.

10 But, again, our, our program is designed to
11 help build citizenry so that they're responsible and
12 able to help our community be a better community. So I,
13 I salute Florida Power & Light for their commitment to
14 our children. They do believe in investing now for a
15 better future. And sometimes it's easy to forget that
16 what is really good now, it may not stay that way, and
17 we have to invest in the future. So I just wanted to
18 make a note that they are taking care of our community.

19 **COMMISSIONER EDGAR:** Thank you.

20 **MS. AIELLO:** You're welcome.

21 **MR. KELLY:** Gloria Reinhardt, followed by
22 Cindy Burkett.

23 Whereupon,

24 **GLORIA REINHARDT**

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. REINHARDT:** Madam Chair and Commissioners,
5 thank you for letting me speak today.

6 I can't probably add that much more to what
7 has been said. I am representing AARP members as well
8 as the retirees in this community. And one of the
9 things that, that I, I guess I have a question for
10 everyone -- is who among us has seen a 30 percent
11 increase in our revenue? Wouldn't that be swell? In
12 fact, as many in this room and certainly across this
13 country probably saw at least a 30 percent reduction or
14 greater, maybe 50 percent of their investments. Those
15 of us that are retired are living on less dollars and
16 that's not going to stretch as far going into the
17 future. We have less years to make up that money.

18 I wish that I could get an after-tax return of
19 12.5 percent risk free. But you know as well as I do,
20 if you're investing, you're not going to get that return
21 unless you're risking a lot. As an aged person, you
22 have less years to make up the losses from the previous
23 years.

24 I was -- as we were driving here today, I
25 asked the question, "Why now? Why would FP&L be coming

1 for an increase when we're in the worst recession that
2 I've ever seen, and so many people are hurting, losing
3 their jobs, losing their health insurance, why would
4 they do it now?" And I, I don't have an answer for
5 that. But it's curious to me that in this Page 5 of
6 this, this report, the proposal shows that we're going
7 to be -- our FP&L bills are going to drop in 2010.

8 And the way they put this out in the financial
9 page where they're using the reduction in the fuel cost
10 to get us that drop, I find that disingenuous. And it's
11 more like a bait and switch, and I'm offended by it. I
12 would like for them to be truthful in their numbers and
13 their needs, and I think it's unfair to the citizens of
14 this, this county that they're not being factual. It
15 may be technically factual, but they're using dollars
16 that they don't know what will be to say that we're
17 going to have a drop in our bills next year, and that's
18 just untrue.

19 And, and I think that I've probably said
20 enough, so thank you so much.

21 (Applause.)

22 **MR. KELLY:** Cindy Burkett, followed by Tom
23 Kennedy.
24 Whereupon,

25 **CINDY BURKETT**

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. BURKETT:** Good morning, and thank you for
6 the opportunity to speak.

7 I will be brief. I wanted to share that I
8 have lived in South Florida for all of my almost 50
9 years now. Currently I'm living very far out west where
10 we are frequently affected by the weather, by the way,
11 many times, but I have always, always been pleased by
12 the service that FP&L has provided to me and to my
13 family. And, yes, we are definitely in financially
14 difficult times. I have parents that are retired on
15 fixed incomes that have medical problems. I have
16 extended families that have lost jobs. So I feel this,
17 this difficulty as well.

18 I'm not here or knowledgeable enough to
19 discuss the amount of increase or the base rate or any
20 of that, but what I am here for is to share that my
21 belief that a quality and continually improved product
22 in either personal life, relationships, family or
23 business requires growth and improvement and a wise
24 investment. Whatever the relationship is or business,
25 it requires a wise investment of time and energy and

1 money. Thank you.

2 (Applause.)

3 **MR. KELLY:** Tom Kennedy, followed by Gen
4 Harvey.
5 Whereupon,

6 **TOM KENNEDY**

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. KENNEDY:** Good morning. Welcome,
12 Commissioners, staff. Thank you.

13 My name is Tom Kennedy. I am Comptroller of
14 RL Schreiber. We're a food manufacturing company in
15 Pompano Beach. I'm also Chairman of the South Florida
16 Manufacturers Association.

17 Two of the issues that I'd like to speak to
18 today, which will be very brief, obviously the portion
19 related to the rate increase and the other to quality of
20 service.

21 With respect to the rate increase, to
22 determine the appropriateness, if any, of the rate
23 increase is really -- even though I'm a CPA -- probably
24 beyond my capabilities, given the facts that both of
25 your sides will be discussing with your experts, the

1 validity and the amount by which they -- you feel
2 appropriate. I know that there will be assumptions and
3 estimates on both sides. Quite frankly, I think that
4 FP&L is well represented on their own right, and I look
5 to the Commission to help us as taxpayers to determine
6 what is appropriate. And we can talk about the concept
7 of guaranteed rate of returns. I as a businessman do
8 not have that luxury, but there are reasons for public
9 policy that that was instituted.

10 That being said, we are very, very cognizant
11 of the cost of inputs into production. It is obviously
12 something that I'm going to have to deal with, but I
13 also am somewhat torn by the fact that as a businessman
14 I report to shareholders. And my job is to maximize
15 profits for my shareholders. I do not have to report to
16 the public. So it is a very interesting situation in
17 which we stand with respect to today's event.

18 The other aspect is quality of service. FP&L
19 has been a tremendous partner with both the South
20 Florida Manufacturers Association, the Manufacturers
21 Association of Florida. They have initiated a number of
22 green initiatives in which we are, in which we also
23 contribute to. And we also -- they have been very
24 instrumental in coming into our facility, doing an
25 energy evaluation, which in terms of inputs, operating

1 costs have saved us substantial money.

2 So that being said, that's what I have. Thank
3 you very much.

4 **COMMISSIONER EDGAR:** Thank you.

5 **MR. KELLY:** Gen Harvey, followed by Sennetha
6 Desroches.

7 **UNIDENTIFIED SPEAKER:** Mr. Harvey stepped out.

8 **MR. KELLY:** Okay. When he comes back, if you
9 see him, just tell him to signal to me and I'll put him
10 back in line.

11 Sennetha -- if I'm pronouncing this right --
12 Desroches, followed by Mark Haurde.
13 Whereupon,

14 **SENNETHA DESROCHES**

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

18 **DIRECT STATEMENT**

19 **MS. DESROCHES:** Good morning. Thank you for
20 the opportunity to speak here at the hearing.

21 First of all, I would like to say I'm here to
22 share my experience as a resident and my experience with
23 FP&L. My experience has been pleasurable. FP&L has
24 been efficient in providing me and my family with the
25 services that we need. And very simple and short, I

1 just trust that the Commission will make the best and
2 the wise decision. Thank you.

3 **COMMISSIONER EDGAR:** Thank you.

4 **MR. KELLY:** Mark Haurde, followed by Alyce
5 Ritten -- or Ritter. I'm sorry. Ritter.
6 Whereupon,

7 **MARK HAURDE**

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. HAURDE:** Good morning.

13 First of all, I'm appearing on behalf of the
14 Haurde family, and we are very pleased with our service.
15 Although the timing of this request certainly is bad, if
16 it is justified, it certainly should be approved,
17 although the fact is it may be unpopular.

18 In my six years in my home, really I've not
19 recognized any increase in my power bill. And at the
20 same time, by making some improvements efficiency wise,
21 my bill has actually gone down. I don't think we can
22 say the same thing for other commodities out there.

23 Everyone seems to agree that FP&L is very well
24 run, and based on having the lowest rates in the state,
25 they seem to be due a certain level of trust to target a

1 required ROE to attract investors and maintain that
2 efficiency.

3 Behind air and water there is nothing more
4 important than efficiently delivered electricity for our
5 and our children's future. So I wish the PSC good luck
6 in making this decision. Thank you.

7 **COMMISSIONER EDGAR:** Thank you.

8 **MR. KELLY:** Alyce Ritter, followed by Joan
9 Goodrich.

10 Whereupon,

11 **ALYCE RITTER**

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. RITTER:** Good morning, Commissioners,
17 staff members.

18 I'm here to say, number one, I appreciate
19 FP&L. That's number one. But due to the fact, as a
20 retiree, I really can't afford this raise. It is almost
21 impossible. But I was looking at the chart which she
22 gave, and it said that FP&L was one of the lowest in
23 Florida. In my household FP&L is one of the highest
24 bills that I have. I can't afford it. Number one, when
25 you're retired, when you're retired, you cannot raise

1 your salary, you can't go out and make a little
2 overtime, so you have to work with what you have and
3 it's not going up. So during the course of the years,
4 I'll say insurance went up, tax went up, homeowners tax
5 went up. That sets you behind. Your medication goes
6 up. You're still not making any money.

7 So FP&L, I really would appreciate if you'll
8 consider this and not do it right now, that we can get a
9 little leverage, you know, to stay afloat. We're
10 struggling. We like your service, but right now we
11 can't really afford that. I'm speaking for, excuse me,
12 I'm speaking for me personally, and I'm speaking for my
13 community where there are a lot of elderly people. They
14 can't afford it.

15 My question is, what, what do you want us to
16 do? Not pay, not pay FP&L, ruin our credit, or cut off
17 our air conditioner and die from heat stroke? It's like
18 six in one hand, half a dozen in the other. We love
19 your service, but we can't afford it. Thank you.

20 (Applause.)

21 **COMMISSIONER EDGAR:** Thank you.

22 **MR. KELLY:** Joan Goodrich, followed by Steve
23 Carbone.
24 Whereupon,

25 **JOAN GOODRICH**

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. GOODRICH:** Good morning. Thank you for
6 the opportunity to speak to you today.

7 My name is Joan Goodrich, and I'm the
8 Executive Vice President of the Broward Alliance,
9 Broward County's public/private partnership for economic
10 development.

11 FPL is a great partner to economic development
12 and a strong supporter of strengthening and diversifying
13 our economy here in Florida and in Broward County. I
14 particularly appreciate the capital, major capital
15 investments that FPL continues to make in retrofitting
16 our -- their existing facilities with new technologies
17 that are generating cleaner air emissions. I understand
18 that FPL has invested almost \$100 million alone for our
19 Port Everglades plant.

20 Why is this important to the economy? Well,
21 because cleaner air leads to a higher quality of life.
22 A world-class quality of life is a key factor to
23 companies and businesses that are looking to make
24 business investments and create jobs in our community.
25 I support FPL's commitment and plans to provide

1 affordable, reliable, sustainable, quality, state of the
2 art green energy which will meet the short- and
3 long-term needs of our ever-changing economy. I hope
4 you will give them a fair evaluation in their request.
5 Thank you.

6 **COMMISSIONER EDGAR:** Thank you.

7 **MR. KELLY:** Steve Carbone, followed by Mike
8 Moore.

9 Whereupon,

10 **STEVE CARBONE**

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 **MR. CARBONE:** Good morning, Commissioners.
16 Thank you for this opportunity.

17 My name again is Steve Carbone. I live in
18 Ft. Lauderdale and I'm a business consultant. Some of
19 my clients are Fortune 100 companies.

20 I'm here today because I believe we need to
21 make FPL a better company, and the only way to begin
22 doing that would be to deny this rate increase
23 completely. When Lee Iacocca took over a very troubled
24 Chrysler company, at his first annual meeting he was
25 asked, "Who's more important to you, your shareholders

1 or your employees?" Without hesitating he said, "My
2 customers are the most important thing to me, because if
3 I take care of them, the shareholders and the employees
4 will be happy."

5 I don't believe that FP&L is properly
6 customer-focused, and I plan to present a little bit of
7 evidence to that from my own personal experience.

8 Today we hold companies to higher standards:
9 ISO 9000, Six Sigma. To say, "Hey, most of the time
10 their service is great" -- would you fly an airline who
11 said, "Well, most of the time we hit the runway when we
12 land the plane?" I don't think so.

13 FPL's rate increase had a, I guess, a proposal
14 that was made public by them justifying and, you know,
15 sort of talking about different points as to why they
16 really need this, and one of the things they said was
17 very interesting. They said, "Although we've added
18 200,000 new customers this year, our income is flat."
19 So what are you telling us? That if we conserve
20 electric, we're going to be punished through rate
21 increases?

22 If they have more customers and our income is
23 flat, that means people are conserving. Everyone is
24 cutting back because they can't afford it, or businesses
25 are out of business and there is no bill to send to

1 them. That should be a message to them that this rate
2 increase is not timely and not warranted.

3 And the fact that they haven't raised their
4 base rate since 1985 just shows no company should do
5 that and make a profit each year. There's so much
6 slush, so much other funding, so many other methods of
7 income, they certainly didn't need to do that.

8 I believe FPL has poor service too often.
9 They're not reaching for the Six Sigma type company.
10 They're just being a probably better than adequate
11 supplier of service but they're not striving for
12 excellence.

13 And I'll give you -- just the seven years that
14 I've been their customer, I'll give you a few things
15 that have happened to me personally, which I'm sure they
16 could verify. They record their conversations, so
17 lately I've been recording mine.

18 I have several computer systems and a lot of
19 electronic gear at the house and I was getting repeated
20 power failures for a minute, 30 seconds, just enough
21 that everything would shut down and everything needed to
22 be restarted again. And when you're traveling like I do
23 a lot and you call in to your computer, it's not on,
24 uh-oh, now what? I have to call a neighbor, "Can you go
25 over, can you turn it on?"

1 You know, I called up and I said, "What is
2 causing this? This has been going on for months now."
3 They said, "Well, you know, there's a lot of trees that
4 slap the wires. And when they do that, you get
5 interruptions in power." I said, "Well, you know,
6 you're supposed to have an infrastructure that provides
7 reliable service. If that's the case and you know it,
8 that has to be remedied."

9 Instead, they suggested I buy an
10 uninterruptible power supply for my critical equipment,
11 basically predicting their own poor service. They even
12 went as far as to say they had vendors that could sell
13 them to me cheaply so I would save money when I bought
14 this device. Not customer-focused. That's not the
15 answer.

16 New air conditioners now that go in rooms,
17 room air conditioners, have a ground fault outlet.
18 That's the only way they'll sell them anymore, and
19 that's a safety feature. Well, when voltage fluctuates,
20 ground fault outlets trip. They shut off. I happen to
21 have one. That's how I found out. Shutting off
22 continually throughout the night, in the morning,
23 sometimes during the day. Not all the time, not
24 intermittent, but constant.

25 So I called FPL. They said, "Well, there's

1 not much we can do. You go to check with your vendor,
2 the air conditioner manufacturer." They said, after
3 calling them, "You should have the power company come
4 in, put a monitor on your, on your home and find out if
5 that voltage is fluctuating enough that it's creating a
6 problem." Because the only alternative is to cut the
7 plug off and have a non-safe device, based on UL's
8 recommendation.

9 Well, they don't install monitors in homes.
10 Other companies do. They don't. "We're not required to
11 do that. We sent a guy out, he looked at your box. The
12 service is good." I go, "Give me an idea of what my
13 voltage is in a 24-hour period." "We can't do that."
14 So they're not customer-focused. They're not looking to
15 solve the problem. They're looking for you to get off
16 the phone and leave them alone. Okay? So that's not
17 good, not customer-focused.

18 My resulting thing is I did have to cut the
19 plug off, buy a plug that's not safety recommended, and
20 use that. It's the only way it'll run continually.

21 During Wilma, I was without power for 12 days.
22 Obviously it was a tremendous storm. No one anticipated
23 it. But after the storm they recovered a lot of the
24 money that they spent for that, and in a promise to
25 improve infrastructure so that the next time we have

1 another storm we'll be ready. And that's not going to
2 happen again. We will not have a repeat of Wilma. The
3 infrastructure will be different, the systems will be
4 different. We will use process controls that are going
5 to make that a nonevent. It won't be as bad.

6 Well, on Tuesday we had a minor thunderstorm
7 go through town. I guess everyone was here. You know
8 about it. I lost power twice that night for a brief
9 period of time, and then at 8:00 a.m. power went off
10 completely. For more than an hour I called them, as
11 most people are required to do to let them know there's
12 an outage. They said there was, it would be restored by
13 a certain time. And the long and the short of it is
14 after about 20 phone calls and talking to supervisors
15 and everything else, we eventually were told, "Look,
16 it's out and we don't know when it will be restored. We
17 can't even give you a time." Well, it was out for 17
18 hours. It was out from 8:00 a.m. to 1:30, 2:00 a.m. the
19 following day. So, again, not customer-focused, not
20 responding.

21 Even though I mentioned that in this block
22 there's many infirm people, not once did that person
23 say, "Well, we have someone who could go out and check
24 on them or some kind of backup like that." "You're
25 causing the problem." "There's infirm people in the

1 building." "Well, I'm really sorry." You're sorry.
2 Not customer-focused.

3 I don't believe FPL does the required regular
4 maintenance they're supposed to do. And all I can do is
5 tell you, if you want to prove it to yourselves, I call
6 it count the trucks. When you're out on the road, have
7 a little pad in your car, and every Ft. Lauderdale -- we
8 live at Ft. Lauderdale -- every Ft. Lauderdale, count
9 your truck you see, put a little line. Every Broward
10 County truck, put a little line. Every police car, put
11 a little line. And then every FPL truck, put a little
12 line. There will be weeks, weeks go by, you don't have
13 an FPL truck, because they're not out doing regular
14 maintenance, in my opinion. I don't see them. If
15 they're doing it, they must be doing it in the middle
16 of the night.

17 I think we need to deny this rate increase,
18 get their attention, make them customer-focused and make
19 them a better company.

20 **COMMISSIONER EDGAR:** Thank you.

21 **MR. CARBONE:** Thank you.

22 (Applause.)

23 **COMMISSIONER EDGAR:** Mr. Kelly.

24 **MR. KELLY:** Mike Moore, followed Dennis Myer.

25 Whereupon,

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MIKE MOORE

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. MOORE: Good morning, Commissioners.

As we sit at the onset of the hurricane season, we certainly think about the importance of FP&L to our community. They bring value and security to us in many ways. For example, we heard earlier about the millions of dollars that FP&L is investing in infrastructure. I am encouraged by their interest to invest in infrastructure for underground lines in communities with heavy foliage, such as Coconut Grove and Victoria Park.

Furthermore, FP&L has worked tirelessly to restore power after recent storms. I am confident that this Commission and in their ability to make an effective decision today and make the right decision. Thank you.

COMMISSIONER EDGAR: Thank you.

MR. KELLY: Dennis Myer, followed by G.L. Lugo.

COMMISSIONER EDGAR: Mr. Myer.

Whereupon,

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DENNIS MYER

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. MYER: Thank you for this opportunity.

Just -- I came here with the idea I was going to say "I oppose," and leave, but I realized that -- I started a nonprofit, Career Connection of Broward, to help the disabled people find work. And now I have some information that might be important to you, because all of my clients that are seeking work cannot live on their Social Security disability benefits. And to take 12 more dollars from their pockets would be astronomical. So I would like to oppose this for those people. Thank you.

(Applause.)

COMMISSIONER EDGAR: Thank you.

MR. KELLY: G. L. (phonetic) Lugo, followed by Reed Smith.
Whereupon,

GIL LUGO

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

1
2 **MR. LUGO:** Good morning, Commissioners.

3 My name is Gil Lugo. I have a small
4 consulting company here in Hollywood, Florida. I work
5 primarily with manufacturing companies. We try to help
6 them reduce their costs and their operating expense so
7 they can keep their people on the payroll and they can
8 stay in business.

9 A couple of the benefits that we get out of
10 FPL is that they have this energy survey. They come in
11 and help the company reduce their energy costs. They
12 also can help them with reducing the amount of sales tax
13 they pay their manufacturer. So while nobody likes a
14 rate increase, it's important to these small
15 manufacturing companies who maintain a large workforce
16 collectively throughout South Florida to stay in
17 business and be able to have access to the services
18 provided by FPL. Thank you.

19 (Applause.)

20 **COMMISSIONER EDGAR:** Thank you.

21 **MR. KELLY:** Reed Smith, followed by Don
22 Prince.
23 Whereupon,

24 **REED SMITH**

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. SMITH:** Hi. My name is Reed Smith. I
5 want to thank the representatives from Florida Power &
6 Light and the Office of the Public Counsel.

7 And everybody here who hasn't looked, we have
8 a great system here where we have this Public Service
9 Commission. You look at the resumé of these people, and
10 I probably couldn't have put together a better
11 Commission myself out of all of my personal friends that
12 I know. So we're lucky to have you all representing us,
13 so I want to thank you on behalf of the citizens.

14 But more importantly, I wanted to just kind of
15 talk about the policies and the rate increase. First of
16 all, it's kind of bittersweet for me, and why I say that
17 is because I'm a solar contractor. So everything that
18 I've been saying over the last couple of years to my
19 clients has been coming to fruition, so it makes me look
20 really good. When I start talking about, you know,
21 possibly there could be rate increases, there are --
22 even by FP&L's own accounts, there's a lot of question
23 marks as to the cost of fuel in the future, which is a
24 pass-through.

25 I was at the meeting last night and somebody

1 brought up a very good point about these pass-throughs.
2 I know in the past that -- I'm not sure about the
3 regulation of these pass-throughs. In other words, are
4 they just buying fuel at whatever rate it is out there,
5 or is there a specific regulation and is that monitored,
6 or any of the other pass-throughs as well?

7 This is a -- this is great. This is what I
8 like to see also, ensuring a clean energy future. And
9 other states would do this, and rather than see a
10 25-megawatt facility, a 75-megawatt facility and a
11 10-megawatt facility, you'd see about 45,000 homes in
12 those states each producing their own clean renewable
13 energy with about a 2.5-kilowatt facility, which would
14 produce a good amount of energy, but not take somebody
15 off the grid. I don't want to mislead any homeowners or
16 residents here.

17 And those states' policies and the solar
18 industry, which that's kind of why I'm here, the solar
19 industry is booming. And as we know, we even had a
20 representative here a couple of minutes ago, maybe an
21 hour ago, speak about our renewable energy portfolio,
22 which, which didn't happen this year. And we were, we
23 were promised -- I say we -- I'm a member of FARE, which
24 is the Florida Alliance for Renewable Energy.

25 And I look at this like everybody is paying to

1 put up one gas station, and they're paying for the gas
2 station and they're paying for all of the gas and that's
3 the only one you can go to. Whereas -- and you have to
4 pay whatever they're going to pay because, make no
5 mistake, there is a monopoly. But, again, like I
6 mentioned, the Public Service Commission is here to
7 protect our interests and obviously the Office of Public
8 Counsel as well.

9 So my, my final note is just to say that pain
10 is a great motivator. And now that the citizens or I
11 guess the ratepayers of Florida Power & Light are
12 feeling a little bit of pain, maybe this can help us to
13 voice our opinions, not just for solar, for renewable
14 energy, for alternative energy, anything else out there,
15 even energy reduction. So let's just -- let's remember
16 the pain that we're potentially about to feel if this
17 Commission decides to approve this increase.

18 Thank you.

19 **COMMISSIONER EDGAR:** Mr. Smith, very briefly.
20 Very briefly. Could I ask you quickly? As a solar
21 contractor, are you aware of the net metering rule that
22 this Commission adopted a little less than two years
23 ago, I think, which was intended to facilitate, I think,
24 the type of things that you're talking about?

25 **MR. SMITH:** I am. And clients ask me about

1 that all the time because that does get a lot of press.
2 But rarely is there, unfortunately right now with the
3 technology, enough roof space on a roof to really take
4 somebody off the grid, unless -- like I'm working on a
5 LEED Platinum project in the City of South Miami. So it
6 is possible to design and construct a home and take it
7 off the grid using renewable energy and the right
8 construction practices.

9 But in reality, net metering -- yes. For
10 everybody that's here right now, if your home is shut
11 down and you have solar, your meter is probably spinning
12 backwards, unless it's raining and cloudy. I don't
13 know. I haven't been outside for a couple of hours.
14 But in reality, when you get home, you're going to turn
15 your computer on and you're going to use that energy.

16 So, yeah, I am aware of that and that is a
17 great factor. In other words, none of the energy is
18 wasted that's produced through solar. And for that --
19 and I can only imagine the work that went into
20 developing those interconnection standards. From what I
21 understand, it was before I got into the industry, and I
22 appreciate all that work. Thank you.

23 **COMMISSIONER EDGAR:** Thank you. I think that
24 was an important step, but clearly we all agree there's
25 more work to be done.

1 Mr. Kelly.

2 **MR. KELLY:** Don Prince, followed by Steve
3 Hickman.

4 Whereupon,

5 **DON PRINCE**

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. PRINCE:** Good morning, and thank you. I
11 just wanted to say that I personally feel FPL is a good
12 company that provides good services and programs to the
13 community. Thank you.

14 **COMMISSIONER EDGAR:** Thank you.

15 **MR. KELLY:** Steve Hickman, followed by Samuel
16 Ringel.

17 Whereupon,

18 **STEVE HICKMAN**

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

22 **DIRECT STATEMENT**

23 **MR. HICKMAN:** Good morning. My name is Steve
24 Hickman. I'm the President and CEO of a local community
25 bank here in Pompano Beach, Florida, and it's a new

1 small business. So I'm a small business owner, like
2 many of the folks in this room.

3 First of all, I want to thank you, Madam Chair
4 and the Commission, for allowing this event to occur,
5 and the staff. I also want to -- and I empathize with
6 what you had to go through looking at the -- I can just
7 imagine -- I haven't seen it yet, but I can tell by the
8 presentations that were made there's a tremendous amount
9 of paper document support for both sides of this issue,
10 and I can just imagine what you have to go through to
11 evaluate that and then come to a decision. So I
12 empathize with you for that. I'm glad I'm not sitting
13 there trying to do that.

14 But I also want to say I empathize with all
15 the fixed income people, the retirees of this community.
16 Not just the folks who are here attending today, but
17 also those in the community. And I'm hopeful that with
18 all of the new things coming, all the new stimulus
19 programs coming out of Washington, that we're able to
20 take care of our fixed income folks and not allow this,
21 what I, what I would consider, as I just look at this
22 one document here, this blue document, to be a
23 relatively meager personal increase at the individual
24 level. It's a big, it's a big number, \$1.3 billion,
25 when you throw out those numbers, that's a big, that's a

1 big number and it's a big -- to anybody that's a big
2 number. But when you bring it down to the individual
3 level, I'm hopeful that we are able to find ways to help
4 these, these individuals that are on fixed income.

5 I also want to thank the audience today. When
6 they, when they come up, it's very professional. I've
7 been in various presentations in cities and counties
8 around, and the discourse is combative oftentimes, and I
9 applaud the audience here for being very professional in
10 their approach on both sides of the issue.

11 I'm really not here to debate whether or not
12 we should rate -- or allow this increase to occur or
13 not. But I am here to say that I personally appreciate
14 everything that Florida Power & Light does. And there's
15 already been comments made about how effective they are
16 in our communities and what they do for us, whether it
17 be for the Junior Achievement or whether it be for
18 schools or wherever. They're very effective in our
19 community. There's no question about that.

20 But running a small business, I know, for
21 example, in my business just to put the back room
22 together, as in -- this is a bank now, and a brand-new
23 bank, a small bank -- to put the back room together cost
24 \$3 million of investment in equipment infrastructure
25 just to put that together. Meat and potatoes compared

1 to what Florida Power & Light has.

2 I do want to say that I appreciate the, what
3 they do from the standpoint of all the infrastructure
4 costs that they have to incur to make sure that when I
5 go into my office and I flip on a switch, I get power.
6 And that's important to me.

7 So I support Florida Power & Light and
8 everything they do, I support their investments that
9 they make. And I'm hopeful as you evaluate everything
10 that you have in front of you, that it is an appropriate
11 thing to do.

12 Thank you for your time. I appreciate it.

13 **COMMISSIONER EDGAR:** Thank you.

14 **MR. KELLY:** Samuel Ringel, followed by Frances
15 Lewis.

16 Whereupon,

17 **SAMUEL RINGEL**

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. RINGEL:** Thank you for your patience and
23 enabling me to hobble up here. I'm post-surgical
24 recovery.

25 There's been a lot said today, and I agree

1 with most of what's been said with respect to the
2 negative aspects and the stroking in a sense of FP&L.
3 My presence here is not for that purpose, because I do
4 agree with much of what has been said. Sometimes when I
5 put on the switch the lights don't go on. When I have
6 the switch on, the lights are on, they go down. Yes, we
7 have these problems.

8 But I'd like to just indicate my own personal
9 experience with respect to FP&L. I have been a resident
10 in the Tamarac area for over 24 -- well, since 1984.
11 And I must say that anytime I've called FP&L, they've
12 been tremendously responsive from the viewpoint of
13 energy conservation. They also have been extremely
14 civic-oriented in this direction, and I'll just
15 exemplify for a few moments in that aspect.

16 With respect to the civic, I live in Section
17 22 where FP&L came in and at no cost to any of the
18 homeowners added insulation to every attic.
19 Unfortunately I was out of town at the time, so I was
20 not able to benefit by that. I inquired of and FP&L
21 came to check my duct system. It was wonderfully
22 refrigerated up in the attic. That's not where it's
23 supposed to be. Had a lot of problems, loose, things
24 had to be put together. FP&L took care of that,
25 probably through state subsidization, but from whatever

1 aspect, it didn't cost me anything and it was done
2 properly.

3 Continuing in the energy conservation area, I
4 asked for a survey of my home structure. They came in,
5 and I think there was a \$30 fee on my part, and they
6 went through an entire checklist. And most all of the
7 things that needed to be done had been done, so I
8 benefited by that. And I can mention other things.

9 What I really want to say is that this is a
10 customer service awareness. We -- irrespective of the
11 rate increases, we can save money, and I have. I've
12 been on the power option type thing that they have and
13 it's saved me thus far close to \$1,000 over a number of
14 years.

15 What I'm trying to say in conclusion is that
16 we can, with FP&L's help, show how we can save money,
17 make a smaller carbon footprint, and it would be to our
18 advantage. Unfortunately there are too many of us
19 senior citizens or otherwise that don't know how to ask,
20 but those that do can be helped. Thank you.

21 **COMMISSIONER EDGAR:** Thank you.

22 Ms. Bradley.

23 **MS. BRADLEY:** Next is Frances Lewis, and then
24 Georgi Celusnek. And I apologize if I mispronounced
25 that.

1 Whereupon,

2 **FRANCES LEWIS**

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

6 **DIRECT STATEMENT**

7 **MR. LEWIS:** Good morning, Commissioners.

8 **COMMISSIONER EDGAR:** Good morning.

9 **MR. LEWIS:** I do sympathize with the decision
10 that you have to make. I know it's a very tough one.

11 I'd just like to share some of my personal
12 experience. I've lived in South Florida for many years
13 and have experienced many hurricanes and storms. As a
14 matter of fact, I am part of the first responders after
15 a major hurricane or storm. And I can attest that while
16 out there I have experienced and seen FPL crews out
17 there analyzing, doing damage assessments in different
18 neighborhoods and communities. So from a customer
19 service point of view I think that they're topnotch.

20 When speaking about a monopoly, typically if
21 you are -- if there is no other option, a company can
22 treat you pretty much how they want. And I'm here to
23 attest that on a personal note, in calling in with
24 issues with my home and different things, that the
25 customer service that I receive from FPL I would say is

1 probably second to none.

2 Tying in to what the gentleman before me spoke
3 about in terms of affording customers the opportunity to
4 save and to do certain energy efficient, be exposed to
5 certain energy efficient programs and probably do
6 certain things to their particular homes in terms of air
7 duct repairs, insulation in your, in your attic, I have
8 personally participated in those.

9 So what I'm trying to say is even if, yes,
10 there probably is going to be an increase in fees, there
11 also are other options that we can use as citizens to
12 reduce our monthly bills. So I endorse FPL
13 wholeheartedly. Thank you.

14 **COMMISSIONER EDGAR:** Thank you.

15 **MS. BRADLEY:** Ms. Celusnek, and you can
16 correct that. And then that will be followed by --
17 Whereupon,

18 **GEORGI CELUSNEK**

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

22 **DIRECT STATEMENT**

23 **MS. CELUSNEK:** The U is silent. It's
24 Celusnek.

25 **MS. BRADLEY:** I'm sorry.

1 **MS. CELUSNEK:** But that's fine.

2 **MS. BRADLEY:** Followed by Joe Roberto.

3 **MS. CELUSNEK:** Okay. Hi. Good morning.

4 I'm a South Florida native, so I've been
5 through several hurricanes here and can remember back to
6 Hurricane Andrew. And I've seen FP&L's work after the
7 storm. They always seem to work to get everybody's
8 power back on as fast as possible and with crews coming
9 from other states. And I understand that nearly all of
10 the FPL workers take on storm duty roles after
11 hurricanes, working overtime, when, when some of us get
12 actually some paid time off because our offices aren't
13 running.

14 So, but they really work together to, to get
15 the power restored. And I think that's just one shining
16 example of very good quality, high quality service. And
17 it's been my experience that you get what you pay for,
18 and I hope the Commission will remember that.

19 **COMMISSIONER EDGAR:** Thank you.

20 **MS. BRADLEY:** Joe Roberto, and that will be
21 followed by Sharon Ness.

22 **COMMISSIONER EDGAR:** Mr. Roberto, give me just
23 a second.

24 How are you doing?

25 **THE COURT REPORTER:** I'm fine.

1 **COMMISSIONER EDGAR:** A little longer?

2 **THE COURT REPORTER:** Yeah.

3 **COMMISSIONER EDGAR:** Okay. Mr. Roberto.

4 Whereupon,

5 **JOE ROBERTO**

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. ROBERTO:** Good morning. Thank you,
11 Commissioners, for the opportunity to speak.

12 I have to just publicly say, both as the owner
13 of a, you know, principal residence here in South
14 Florida as well as a business owner, that I absolutely
15 have no respect for FP&L. And let me just kind of cut
16 straight to the chase. All right? This is a for-profit
17 company, they are a monopoly, they've made \$1.8 billion.
18 Okay. They've made 900 -- almost a billion dollars just
19 in South Florida. All right?

20 As a company, as a good corporate steward,
21 yes, they do charitable work, yes, they do surveys, yes,
22 they do inspections. Quite frankly, folks, get out of
23 the State of Florida and all utility companies do that.
24 It's a PR campaign. And I think that they should help
25 consumers to do that. So the mere fact of them offering

1 it, that's all wonderful, that's all well and good.

2 But, guys, think about this. 12.5 percent
3 guaranteed return. They don't need that for investors.
4 Investors know that they are a multi-billion-dollar
5 company. That -- they're probably one of the strongest
6 companies out there. They don't need a guaranteed
7 12.5 percent rate -- you know, what do you call it --
8 return to attract investors. Investors are going to
9 them already. Where else are they going to go? The
10 real estate market, the stock market, everything else is
11 crumbling. So that's number one.

12 Number two is the fact that they cannot prove
13 that in fact it's going to reduce rates. I actually --
14 you know, everyone keeps saying FP&L is a good corporate
15 company and all this kind of stuff. Let's go back a
16 second, guys. It was the State Attorney General's
17 Office and the Public Service Commission that forced
18 them to go in there and strengthen the lines. FPL
19 didn't do that up front.

20 I think it's actually quite frankly -- we had
21 a Category 1 storm a couple of years ago. How long did
22 it take them to come and bring the power back?
23 Actually, quite frankly, it was pathetic in my
24 estimation. Okay? I have lived in other states where
25 they have ice storms, okay, where there's tornadoes.

1 Quite frankly, I lived in St. Martin. I have to tell
2 you, St. Martin had more reliable electrical service,
3 and those lines are on the ground, they lay on the
4 ground, and I didn't have the situation that I have down
5 here.

6 FP&L is quite frankly the laugh of South
7 Florida. Take a look at the *Sun-Sentinel*, which is not
8 the gospel. Okay? But every week there's an editorial,
9 there's a comic strip. I think there are a lot of
10 people here that are supporting FP&L because they do get
11 company contributions, they are partnering. I respect
12 that.

13 Quite frankly, though, I don't appreciate
14 having a 30 percent rate increase. And me as a business
15 owner, which, by the way, I handle foreclosures and
16 short sells, and I'm making a commitment to spend
17 two and a half hours here to state my case when in fact
18 I've got people struggling. And it's not just the
19 retired folks. It's the people, it's the
20 schoolteachers, it's the 20-year-olds in their first
21 apartment, it's everything, and they're getting hammered
22 at their home, then they're going to get hammered by the
23 county and the city who can't meet their budgets.

24 The profit is extravagant. Okay? I think
25 they can do exactly what they're doing now, make the

1 same substantial profits, and still be able to
2 contribute.

3 Okay, great, FP&L is the lowest in the State
4 of Florida. Okay? I'd like to take a look at it
5 compared to the nation. Remember, folks, FP&L is the
6 electric company. They, they provide service to us 365
7 days. They're also getting our revenue for 365 days.
8 Other electric companies do not get that amount of
9 revenue the entire year. They have oil costs, so
10 there's less electricity, more gas. Okay?

11 Let me give -- that's just in terms of the
12 revenue and so forth. Let me give you some specifics.
13 Okay? First of all, I absolutely applaud the Public
14 Service Commission. If you folks ever have a problem
15 with FP&L, you call the Public Service Commission up,
16 they will return your phone call within an hour, unlike
17 FP&L.

18 I've had, I've had -- this is -- and, guys,
19 understand, I'm going to give you, now give you facts
20 about FP&L in terms of my exact experience. I live in
21 Oakland Park. My business is in Ft. Lauderdale. Look
22 it up, FP&L, Joe Roberto. Okay? There's two public
23 service complaints, okay, both on my home and my
24 business. Three years at both locations. My power --
25 notice that there's no R in FP&L? There's no

1 reliability. This whole reliability coordinator stuff
2 has got to stop.

3 Number one is in my home and my office -- and
4 this is a true story. Okay? Every other week my
5 power -- I, trust me, I have been trained by FP&L.
6 "Well, it's a momentary interruption. The definition of
7 that is" -- look, give me a break. Okay? I have
8 never -- I can go to my office and I have a crew of
9 employees with computers. The power goes down, it comes
10 back on. "Oh, well, that's not an outage. That's a
11 momentary interruption." Well, it kicks my computers
12 off. I lose data. Okay? And I'm in it to make
13 business as well. If you can't supply the electricity
14 that's reliable so I can conduct business, then get out
15 of the area and let some other electric company come in
16 and do it.

17 Then if I have a good week at work, I
18 guarantee you -- and this is documented with the Public
19 Service Commission -- maybe two weeks later I'll go home
20 and all my, all my things, I have to reset all the
21 clocks. There was a momentary interruption there. For
22 three years you call customer service, "We'll have the
23 regional engineer call you up." They never call you up.
24 Never once has FP&L ever come out.

25 Finally I got them to come out and take a look

1 at vegetation that's on my neighbor's property. Twice
2 I -- no, three times I called them up. I finally get
3 the vegetation, it's blowing, the wind is blowing, the
4 palm trees are hitting the top of the transformer,
5 they're sparking. The vegetation coordinator says
6 that's not a problem. If they were so
7 customer-oriented, they would have just trimmed it and
8 tried it. Okay?

9 Now in my home they replaced, okay, after
10 three years of problems -- and this is a group of eight
11 of our homes. Okay? In three years this has been going
12 on and on. Finally, after I finally made a complaint
13 with you guys, all of the sudden FP&L, they call me up
14 now every three days. "Just want to let you know we're
15 going to have vegetation come out there. Just to let
16 you know we're going to replace the transformer, we're
17 going to replace the telephone pole. We've cut back the
18 vegetation."

19 You know what's interesting? Was before I
20 filed the complaint with you guys, we get this -- again,
21 FP&L is brilliant on public relations. Okay? We get a
22 letter, all of us neighbors got letters, they're going
23 to trim back vegetation. Nobody in Oakland Park up and
24 down the Coral Isles area ever once saw an FP&L truck,
25 and nobody ever could prove that there was vegetation

1 ever cut. It was a PR stunt. They never came to my
2 backyard.

3 So we finally get there, they come out there
4 and they trim it. They replace the lines. I swear, and
5 this is again also documented with FP&L, there was tree
6 limbs on the power line after they had even done their
7 vegetation cutback. They replaced the line, put it
8 right back up, a big tree of my neighbor's still sitting
9 on the line. I called them up. "We don't know what
10 you're talking about, Mr. Roberto." I have to sit there
11 and take time off work and show them, "Look at the
12 tree." "Oh, okay. I got you. We'll cut it down."

13 This is the kind of stuff that is just
14 absolutely aggravating. So I'm absolutely against the
15 rate increase. I want to see them struggle like
16 everyone else. They'll still make profit. They'll
17 still deliver electricity. They still will be a good
18 company. They're a good company. There's no scandals.
19 You know, they do deliver clean energy. I think that
20 they're trying to get their power plants and so forth
21 cleaner and cleaner, and I commend all that. Okay?

22 But maybe I'm a little asking too much. I
23 kind of expect that. Okay? And I don't think that
24 their customer service or any of that -- I'm here
25 largely because I don't want another South Florida

1 resident to ever have to go through what I've gone
2 through by having to file a complaint with you guys,
3 talk with you, then talk with them, then all of the
4 sudden they come, they meet with me, they show me
5 pictures of the trees. It's enough.

6 If they have reliability coordinators and
7 they're supposedly tracking the lines, I should never
8 even have to call them and tell them my power is
9 flickering. If they're such great companies and all
10 this, all this technology and hardening, they should
11 know without me even having to waste my time. I'm a
12 business owner. I'm working 14 to 16 hours a day to be
13 able to determine that.

14 At this point I say just absolutely deny it.
15 Let FP&L truly strengthen. Let them be in the
16 forefront. I mean, we're talking a look at depreciation
17 costs. Yeah, you know, they're talking about the fact
18 that the average bill will go down through the fuel
19 cost. That's a pass-through. Okay? It's a PR
20 campaign. They don't need to increase their operating
21 expenses, I mean, their revenue for their operating.
22 Period. Thank you.

23 (Applause.)

24 **COMMISSIONER EDGAR:** Thank you. Thank you,
25 Mr. Roberto.

1 Mr. Bryan, I see you're taking notes.

2 **MR. KELLY:** Sharon -- I'm sorry. Sharon Ness,
3 followed by Lilly Gallardo or Gallardo.

4 **COMMISSIONER EDGAR:** Ms. Ness.

5 (No response.)

6 **MR. KELLY:** Lilly Gallardo. G-A-L-L-A-R-D-O.

7 (No response.)

8 Ray Dettmann.

9 Whereupon,

10 **RAY DETTMANN**

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 **MR. DETTMANN:** I'm a landlord, and what I've
16 observed in the last couple of years really distresses
17 me and concerns me. Vacancy rates have gone up, and the
18 tenants themselves are, are really struggling.

19 And, you know, as far as running a, FP&L
20 running a business, you know, I would say a majority of
21 their base is the working class. And if you have high
22 vacancies, people are leaving the state, you're going to
23 have less revenue and you won't have the equity return
24 on your money.

25 So at this time I just don't see that, that

1 the public can afford the amount of increase that you're
2 asking for. And, you know, what I've learned here is
3 about the depreciation, the overcharge. I would say at
4 the very least that should be returned or delaying the
5 increase. I mean, I think it's gotten to the point for
6 some folks that you're taking food out of their mouth
7 because of the charges. And if you overcharge, if FP&L
8 has overcharged, I think there's -- it's unexcusable
9 that they keep that at this time.

10 The world has changed. The returns on
11 investment are not what they were in the past. And then
12 for us to get back to that, you know, you have to work
13 with your base, the customers.

14 And so I oppose an increase at this time and I
15 think the depreciation should be returned. Thank you.

16 (Applause.)

17 **COMMISSIONER EDGAR:** Thank you. Thank you.

18 Mr. Kelly, we've been going for about two and
19 a half hours. I think that our court reporter could use
20 a break to stretch her fingers, and I could maybe use
21 one. How about two more names and then we take a very
22 short break? Does that work for you?

23 **MR. KELLY:** Yes, ma'am.

24 **COMMISSIONER EDGAR:** Okay.

25 **MR. KELLY:** Adam Kustin, followed by Chuck

1 Lanza.

2 **COMMISSIONER EDGAR:** Mr. Kustin?

3 (No response.)

4 And, I'm sorry, the next name, Mr. Kelly.

5 **MR. KELLY:** It was Adam Kustin. Chuck Lanza.

6 L-A-N-Z-A.

7 (No response.)

8 Lee Rickels.

9 **COMMISSIONER EDGAR:** Ms. Rickels.

10 **MR. KELLY:** Followed by Joyce Salomon.

11 Salomon.

12 **COMMISSIONER EDGAR:** And then we'll take a

13 very short recess.

14 **MR. KELLY:** Okay.

15 Whereupon,

16 **LEE RICKELS**

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. RICKELS:** Good morning, Ms. Commissioner,
22 members of the public. Thank you for being here.

23 First, I'm representing the Town of Southwest
24 Ranches, which is a small rural municipality amongst
25 urban small -- sprawl, rather, in Southwest Broward

1 County. We're not on a major grid out there and
2 99 percent of our homes are on well and septic. So when
3 we get a major storm event, of course, through the EOC
4 I'm there begging, "Please put our power back on because
5 we have no water, we have nothing to do our animals or
6 our own personal needs." They've been fairly
7 responsible with that.

8 I'd also like to say that we've requested
9 underground wiring; however, that has not happened. And
10 a lot of our residents have asked that. We're not a
11 planned community. We're an older residential
12 community. We have a dark sky ordinance in our town,
13 and actually FP&L is pretty responsive to us in that.
14 Being a rural community, we don't like lights on for our
15 horses and livestock. They know now that the big box
16 lights, which they sell, don't go over in our town, and
17 they have partnered with us on that. So in their
18 defense, I say thank you for that.

19 As a citizen myself, I am the only breadwinner
20 in my family and a municipal employee. Budgets in our
21 town, I'm sure, I know I'm faced with a cut in my
22 personal income. Will this be more difficult? Yes. Do
23 I take advantage of FP&L's cost savings things? Yes.
24 When I go in my garage and see that little meter with
25 the red or green light, I know I've tried to do my part.

1 I would like to see the company do more as far
2 as alternative energy sources. I think we all would,
3 the solar, you know, water or wind. So, you know, it's
4 in your hands. I appreciate this opportunity. Thank
5 you very much.

6 **COMMISSIONER EDGAR:** Thank you.

7 **MR. KELLY:** One more. Joyce Salomon.

8 Whereupon,

9 **JOYCE SALOMON**

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 **MS. SALOMON:** I'm one of the vertically
15 challenged.

16 (Laughter.)

17 Thank you for hearing me today. As you can
18 see, I'm with AARP.

19 I agree with Attorney General McCollum. This
20 proposed rate increase is excessive, especially in these
21 recessionary times with Florida's unemployment rate over
22 10 percent and climbing. Where are people supposed to
23 get money for a 30 percent base rate increase? From
24 their food budget? From the mortgage payments they're
25 struggling with? Where is it supposed to come from?

1 It's not as if a person can shop around for
2 the best utility rate. We're stuck with whichever
3 company is the local supplier. It is a monopoly. FP&L
4 is looking to raise their profits in a recession, and
5 that's unconscionable.

6 I'm an FP&L stockholder, and I still think
7 it's wrong. My father, who is 101 years old and an FP&L
8 bond owner, also thinks it's a bad thing to do.

9 And now about these nice charts that the
10 charming lady from FP&L was showing us, we didn't all
11 fall off the turnip truck. Don't tell me about fuel
12 cost savings. Those hikes you hit with us are supposed
13 to be revenue neutral. I hope we don't find out down
14 the road that you've been making money on this. When
15 costs go down, we're supposed to get that money back.

16 Now if Intel builds a new chip plant, the
17 money comes from operating capital funds, from stock
18 offerings and bond sales, and then they don't go out and
19 tell HP and Dell that chip prices are going up because
20 they have competition, they have AMD. FP&L can build
21 all the plants they want, they've got a pass-through,
22 and yet Intel and AMD still manage to make a profit. I
23 don't know how that works.

24 And charitable contributions. Well, they make
25 charitable contributions to the community. They are a

1 good corporate citizen. They get a tax credit for that.

2 Depreciation. They want to pay this back over
3 30 or 40 years. Well, I'm with AARP. I don't know if
4 I'm going to be here in 30 or 40 years. I paid the
5 money out now, I ought to get it back now. Thank you
6 very much.

7 (Applause.)

8 **COMMISSIONER EDGAR:** Thank you. Thank you.

9 Okay, folks, we are going to take a short
10 recess of approximately ten minutes. I assure you that
11 we will be coming back, and I hope that you will too.

12 Just a reminder. Should you not be able to
13 stay, please take advantage of the blue sheets that are
14 out there. Leave those with our staff. And we are on
15 recess.

16 (Recess taken.)

17 We're going to get started here in just a
18 moment, so I'm going to ask everyone to please take a
19 seat. Or if you have a conversation, take it out into
20 the entryway area. I think we, I think we have -- we
21 have our court reporter, the most important part.

22 Mr. Kelly.

23 **MR. KELLY:** Pepi Dunay, followed by Peg --
24 it's either Buchan or Buchan.

25 D-U-N-A-Y?

1 (No response.)

2 All right. Peg Buchan. Is that correct,
3 ma'am?

4 **MS. BUCHAN:** Buchan.

5 **MR. KELLY:** Will be followed by John Simon.
6 Whereupon,

7 **PEG BUCHAN**

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. BUCHAN:** Good afternoon. It is afternoon
13 now. This is quite a process, and I thank you for
14 serving us. This is a real service that you do for us.

15 I represent Port Everglades, and I'm here to
16 talk about quality of service. I think sometimes we use
17 those words and people don't understand what it might
18 mean to the community or to the business community.

19 Port Everglades is one of the leading economic
20 engines of the State of Florida, and we are
21 self-supporting. It's an enterprise fund. We are
22 responsible for 15,000 direct jobs during cruise season,
23 11,000 direct jobs all year long. So when there is a
24 storm, it's very important for Port Everglades to get
25 back up and running.

1 One-fifth of the energy supplied to the entire
2 State of Florida comes through the petroleum that comes
3 through Port Everglades. We service 12 counties and
4 three international airports. As such, the partnership
5 that is given to Port Everglades when there is a
6 hurricane or even a very, very large storm is incredibly
7 important, not just to the people who are directly
8 impacted at Port Everglades, but to the lower half of
9 the State of Florida.

10 And so I stand here to tell you that we have
11 never received anything but stellar cooperation and
12 assistance. We cannot open the port until it's
13 electrically safe. We cannot operate petroleum tanks
14 without electricity because we need the pumps to pump
15 the petroleum into the tankers. The tankers need to get
16 to the hospitals, the schools, the generators, the
17 nursing homes that we all depend upon and, of course,
18 the gas stations.

19 So in order to keep the wheels turning
20 literally, we need Florida Power & Light to give us a
21 clean bill of health electrically so that the Coast
22 Guard has the comfort to open up the port and we begin
23 the process of starting business again.

24 And so from that perspective, I want people to
25 understand how important it is, our partnership with

1 Florida Power & Light.

2 My only other comment is their commitment to
3 be green has definitely affected Port Everglades. We
4 have a great concern for air quality and so does Florida
5 Power & Light. Florida Power & Light has partnered with
6 us just recently. We're literally talking about the
7 last couple of months.

8 One of the major cruise lines came to us and
9 suggested that they would like to investigate the
10 opportunity to have alternative shore power, sometimes
11 called cold ironing, which means that instead of during
12 the ten hours a cruise ship is in port burning fuel --
13 it's about 10,000 gallons, incidentally, per visit --
14 instead they would connect to the power grid, a much
15 cleaner alternative. It's documented it would actually
16 take 50 percent of the CO2 out of the air. Florida
17 Power & Light has given us nothing but technical
18 assistance and cooperation in the endeavor to explore
19 this possibility.

20 And so I just wish to attest to the quality of
21 service that the business community has received in Port
22 Everglades in particular. Thank you.

23 **COMMISSIONER EDGAR:** Thank you.

24 Mr. Kelly.

25 **MR. KELLY:** John Simon, followed by Deborah

1 Jones.

2 John Simon?

3 (No response.)

4 Deborah Jones, followed by George Danz.

5 Whereupon,

6 **DEBORAH JONES**

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 **MS. JONES:** Good afternoon, Madam Chair and
12 Commissioners and all others present.

13 I'd just like to say thank you for the service
14 that I've received from Florida Power. I am a massage
15 therapist, but I did 30 years of missionary duties in
16 this country and in other countries abroad. I have been
17 in countries where there was no power and the bartering
18 system was the order of the day. And in this country,
19 as my grandmother and my grandparents raised me from one
20 year old, and they taught me that great empires rise and
21 fall. God gave you two hands. If one fails, work with
22 the other. He gave you two ears, two eyes, two feet.
23 If one fails, work with the other.

24 He's thrown you alternatives. We as a people,
25 as a nation, need to learn that great empires rise and

1 fall. Florida Power & Light is a monopoly in this state
2 right now, but it can rise. It has risen. It can fall.
3 What will we be and where will lean on, what will we do
4 if we have no Florida Light & Power? God has given us
5 alternatives.

6 We have heard already in this gathering of
7 solar energy, which I'm a firm believer in that. We
8 have wind energy. God gives wind, he sends us sun. He
9 has created rivers that give us the power to harness
10 them and have the water, hydropower. The elements in
11 our soil, like the oil and gas, those are alternatives
12 that we can use. There are many other elements that we
13 can use as alternatives.

14 So as one rises, one empire rises and falls,
15 we need to learn to develop our alternatives. We need
16 to learn to reach out so just in case we have to turn to
17 the bartering system, we can do that.

18 People need to learn survival skills. Some
19 countries that I lived in, if the tailor could sew
20 clothes for the teacher, his children were taught and
21 her children were clothed. The banker would pay the
22 farmer for his produce. The banker ate and the farmer
23 received money to get more seeds to sow. It's the
24 bartering system.

25 Maybe we could make an appeal to our mayors

1 and to our governors to lift every ban in every
2 municipality that would hinder solar energy panels from
3 being installed on homes or windmills to harness the
4 wind for energy, and then our citizens wouldn't have to
5 keep paying these increases because wind is free and the
6 sun is free.

7 And there are other things that we could turn
8 to, but I'd just like to say, develop your survival
9 skills. We don't know what this country is coming to.
10 But one thing I do know, the light is growing darker.
11 Because as businesses shut down and homes shut down,
12 there's a darker area of every municipality, of every
13 community is getting darker. And our people will need
14 to learn survival skills. We cannot depend on one
15 company, on one eye, on one member that can serve us.

16 The human brain may be one brain, but it
17 consists of millions of cells, and each one of us has a
18 talent that we can use and we can contribute with our
19 personal talents through every community.

20 I was raised in a community where the whole
21 community raised all the children. All the neighbors
22 raised us. They cared for us. And it's coming to that,
23 Americans, that we will have to help each other in this
24 present evil time.

25 I would just simply like to encourage us again

1 to note that God is there. And as my grandmother said,
2 "He'll make a way when there is no way." Thank you for
3 your service, and I'll continue to do my best. But I do
4 not want an increase because as things fail, we have to
5 realize that there are alternatives.

6 In my own personal little business I have cut
7 my salary by 30 percent. My charges, my fees are
8 30 percent decreased. And do you know something? I
9 still make a profit. Because with every decrease that I
10 have cut, my costs, my charges, my clients are so
11 pleased they give me referrals. FPL could extend their
12 base, they could reach out to other areas. They could
13 extend their company to have more customers and they
14 could decrease our costs. Thank you so much.

15 (Applause.)

16 **COMMISSIONER EDGAR:** Thank you. Thank you.

17 **MR. KELLY:** George Danz, followed by Joe
18 Schwartz.

19 Whereupon,

20 **GEORGE DANZ**

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. DANZ:** Madam Chairman, Commissioners, my

1 name is George Danz. I'm retired, so I represent
2 myself, maybe some other citizens, but no other vested
3 interest.

4 I might make a recommendation that in the
5 future you might want to put a time limit on
6 presentations so that more people can speak.

7 I applaud FP&L for the job they've done. They
8 do an excellent job delivering electricity. I'm also
9 aware of their community partnerships and charitable
10 activities; right they should be with the revenues, the
11 surpluses of our money that they have. If this
12 Commission would direct all of these citizens to provide
13 me a pot of money, I could also be more charitable in
14 our community.

15 People are hurting, current conditions,
16 businesses are cutting back, they're laying off people,
17 they're cutting salaries, they're doing a lot of things.
18 So I'm somewhat appalled of a 30 percent increase that
19 they're requesting. Maybe the clue is shoot for the
20 moon. We don't need that much certainly, maybe we don't
21 need any, but certainly they'll get some. And if the
22 Commission gives them some, 10 percent, 20 percent,
23 whatever, the Commission may have a fuzzy feeling that
24 they didn't give them everything. They can take the
25 surpluses they got and continue to run on to the bank

1 and deposit them.

2 I wish my portfolio would increase 12, 10, 12,
3 15 percent. It would be good. But certainly in this
4 day and age a 30 percent and maybe no increase is
5 warranted. Thus I don't think that they need a rate
6 increase. Thank you.

7 (Applause.)

8 **COMMISSIONER EDGAR:** Thank you.

9 **MR. KELLY:** Joe Schwartz, followed by Deborah
10 Schwartz.

11 (No response.)

12 J. P. Newell, followed by Gary Hecker.
13 Whereupon,

14 **J. P. NEWELL**

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. NEWELL:** Thank you. I appreciate you
20 making time to come down here.

21 This is the first time I've ever got up out of
22 my chair, got out of my truck to come and talk to people
23 like yourself. Okay? But I'm getting a little
24 aggravated, I'm getting a little stressed, because this
25 thing is happening now that all of us are hurting. I'm

1 not the only one.

2 I have done everything I know how to do. I've
3 increased my insurance on the properties that I have, my
4 liability, to, to lower the price. I have counseled the
5 renters that I have. I have lost my average rental
6 period from 3.9 months, I'm down to less than two years.
7 Okay? And I'm losing two of those now, so that fallacy
8 is now gone.

9 I have lost my own job that I had in addition
10 to that which gave me some cushion, which now I no
11 longer have. The percentage of increase that this, that
12 y'all are having to deal with is the difference between
13 I want a and I need a. Okay? They want something.
14 They don't need it. I cannot make anymore money than --
15 if I were making 10 percent, baby, I want to tell you
16 right now I'd be the happiest client in the world.
17 Okay? But I can't borrow, I can't borrow against my
18 houses because -- I've got six houses, and I cannot --
19 and all of these were bought in '99 and 2000, so I'm
20 not -- thank the good Lord, I'm not upside down.

21 But the problem is, is that I've had to reduce
22 my rates of my rental, even though I have a lease, to
23 keep the people in the houses because turnover is going
24 to cost me more money than it is to be able to keep them
25 in there. So I've sacrificed, I've sacrificed my

1 profitability on the houses and now put my own credit
2 and my own professionalism at risk, because now I either
3 have the choice to go bankrupt or take an empty house or
4 find another way to do it.

5 Now we cannot support -- I don't have
6 pass-through costs. My costs end with me. Okay? They
7 don't -- I don't get to come to you and just give you a
8 bill and say, thank you, take care of it. Okay? If
9 we've got, if we've got -- if what they say is true, and
10 I know everybody is trying to build their own boat, and
11 I understand that, you know, bullshit is just as good as
12 the shovel that you shovel it with, but the thing is, is
13 that when you have \$130 million overcharges and you go
14 for a 12.5 percent increase in profitability, I do not
15 see how anybody as smart as you guys are on this
16 Commission and with the educational background you've
17 got on this Commission, okay -- that I'm looking at
18 y'all's bios and I'm amazed at what y'all do, that I --
19 have done, I just don't understand how you in any
20 logical form can even consider -- I know you have to do
21 the law, but I just can't see how you could sit there
22 and consider anything such as like this. Okay? Thank
23 you very much.

24 (Applause.)

25 **COMMISSIONER EDGAR:** Thank you.

1 **MR. KELLY:** Gary Hecker. Next after him is
2 Sharon Leslie Clarke.

3 Whereupon,

4 **GARY HECKER**

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. HECKER:** Good afternoon. My name is Gary
10 Hecker. I'm here representing the Ecology Party of
11 Florida.

12 There have been a lot of comments made today
13 for FP&L and against FP&L. My big concern is a lack of
14 innovation on the part of FP&L. It appears to me and to
15 many people who live in South Florida that FP&L fights
16 every piece of progress that might actually bring us
17 into the 21st century.

18 A little bit earlier you talked about net
19 metering. It took us forever to get net metering. And
20 I don't think it was because FP&L was saying, "Yeah,
21 let's go for net metering, let's go for net metering."
22 On the contrary, they were opposed to net metering.
23 They are opposed to feed-in tariffs. They are opposed
24 to renewable energy dividends. They are opposed to
25 burying power lines. So they are opposed to all of

1 these things.

2 And a lot of it, it kind of confuses me,
3 because with a guaranteed rate of return and with the
4 flow-through cost measures that we have in place, it's
5 not costing them anything. So I don't really understand
6 why they are opposed to some of these things.

7 I would like to see FP&L be an innovator.
8 Putting a couple of small solar plants in place and
9 cutting down trees to build these plants does not appear
10 to me to be particularly innovative. Putting a bunch of
11 solar panels on schools, companies, homes with no
12 infrastructure required, no transmission lines, nothing
13 like that, that seems to me to be innovative. That
14 seems to me to be the wave of the future, and yet we're
15 not getting anything like that.

16 A few years ago FP&L came out with a program
17 where, for just a small surcharge of \$10 a month or
18 something like that, you could buy renewable energy. Is
19 that program still in place? And the reason why it's
20 not in place? Because 80 percent of the money went to
21 administrative costs. It was a misuse of the funds of
22 people who were paying expecting a service that they did
23 not receive.

24 So to ask for an increase when some of this
25 money is going to pay lobbyists to try to stop the

1 innovation that I'm looking for, that a lot of these
2 people are looking for, to pay management an increase
3 when my rates where I work now, I'm working at 1992
4 rates -- I don't see too many upper level management
5 people working for 1992 rates. I think it's just
6 really, really outrageous.

7 You know, we need to look at other power
8 companies and see what they're doing. Gainesville has a
9 public utility, a true public utility. They have net
10 metering -- they have net metering. They have a feed-in
11 tariff. Their solar panel business is booming, booming,
12 booming, creating jobs, creating manufacturing
13 opportunities, creating small businesses, and getting
14 people off of the grid, becoming more self-sufficient,
15 making it even easier for power companies to come in and
16 repair the damage after a storm or after a power outage
17 because the transmission lines are no longer there.
18 They're not required.

19 So rather than talking about an increase, we
20 should be talking about a pay cut; a pay cut for their
21 management and a pay cut for the corporation until they
22 can start getting some of this innovation in to look to
23 the 21st century, to get us clean energy, real clean
24 energy, not another nuclear power plant that they're
25 going to pass the costs on to the consumer, and God

1 knows what they're going to do with all the, the
2 radioactive waste. We don't know.

3 You know, there are a lot of renewable energy
4 outlets out there that FP&L is not pursuing in any
5 meaningful way. It's all just a PR campaign and it
6 needs to stop. Thank you.

7 (Applause.)

8 **COMMISSIONER EDGAR:** Thank you, sir.

9 Mr. Kelly.

10 **MR. KELLY:** Sharon Leslie Clarke, followed by
11 Joe Schwartz.

12 Whereupon,

13 **SHARON LESLIE CLARKE**

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 **MS. CLARKE:** Good afternoon. Thank you so
19 much for allowing me this time to speak.

20 I've learned a lot here this morning -- or,
21 yeah, this morning primarily. And I'm going to make
22 this very short and not so sweet.

23 I was laid off from a nonprofit organization,
24 the one I worked for, because of the economy. Unable to
25 really get anything meaningful, so my income consists of

1 my Social Security and an occasional clerical job, which
2 I get paid the same thing I was paid in 1984. My total
3 monthly income, averaged out over the years, \$1,800. My
4 total monthly expenses is \$1,156, a little bit more, of
5 which 14 percent is my FPL bill, leaving me \$262 to buy
6 groceries and buy gas, but I don't have to worry about
7 that because I have no place to go. So this increase is
8 just going to be impossible for me and for many others.
9 Thank you.

10 (Applause.)

11 **COMMISSIONER EDGAR:** Thank you.

12 **MR. KELLY:** Joe Schwartz, followed by Deborah
13 Schwartz.

14 Whereupon,

15 **JOE SCHWARTZ**

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

19 **DIRECT STATEMENT**

20 **MR. SCHWARTZ:** Good afternoon, Commissioners.
21 I come here both as an FP&L consumer and also
22 representing AARP.

23 I've heard a lot of talk and a lot of facts
24 and a lot of figures, but I think what we need to
25 refocus our attention to right now is putting a human

1 face on this issue. If you look around the room and
2 look at those faces, you hear the stories. Remember
3 those stories, remember the faces that went with those
4 stories. There's a world of hurt out there right now.

5 As a volunteer for AARP, I'm a speaker for
6 AARP. I speak to a lot of groups and organizations
7 throughout the Broward County area, Miami-Dade and Palm
8 Beach. And I got to tell you, people are reaching into
9 their pockets and finding nothing. And when we say we
10 need to get some more money up for FP&L, what do you do
11 when it's not there? What do you do when you go to the
12 grocery store and you've got to put stuff back on the
13 shelf? What do you do when you don't pick up
14 prescriptions anymore or you cut them in half because
15 you can't afford to pay for them? What do you do when
16 you go to the gas pump and you're filling up with half a
17 tank because you can't afford to pay the full tank?
18 What do you do when all other expenses are going up and
19 you don't have any additional income coming in? This is
20 a very serious problem.

21 Now as a corporation, FP&L has an obligation
22 to its stockholders, and it also has an obligation to
23 the consumers that it serves. And I'd like to orient us
24 all back to the fact that we need to look at consumers
25 that they serve. And we need to understand that there's

1 just no more stuff there to, to give back to FP&L right
2 now.

3 Now perhaps down the road, things turn around,
4 the economy looks different, we have more income coming
5 in, that's a different story. And if they could justify
6 it, that's a different story. But right now I do not
7 support this increase at all. I hope everybody else
8 agrees. Thank you very much.

9 (Applause.)

10 **COMMISSIONER EDGAR:** Thank you.

11 **MR. KELLY:** Deborah Schwartz, followed by
12 Rick -- uh-oh. Mur -- oh, God. M-U-C-C-I-A-C-C-I-O.
13 Whereupon,

14 **DEBORAH SCHWARTZ**

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

18 **DIRECT STATEMENT**

19 **MS. SCHWARTZ:** Good afternoon, Madam Chairman
20 and Commissioners, staff.

21 My name is Deborah Schwartz. I'm a Coral
22 Springs resident, I'm a homeowner. Back a few years ago
23 when the economy was good I came down to Florida to live
24 and start a new life after a divorce. I purchased a
25 home, had a great job, decided I'm hitting the glass

1 ceiling, it's time for me to go back to school. So now
2 I'm a homeowner, a single parent, and full-time student
3 with no income. Unemployment doesn't adjust to the fact
4 that I'm unemployed (phonetic).

5 More than once today you've heard that the
6 unemployment rates in Florida are at about 10 percent,
7 except the unemployment rates don't just affect those
8 that are unemployed. It affects people who are
9 receiving child support from people who haven't had
10 jobs. I am \$742 in the red every month. I don't say
11 "about 740." 742. Every dollar counts. That's been
12 since last September. Do the math.

13 So now here I am. It's the summer. I get to
14 be here. I'm out of work. Can't find a paying job.
15 Anybody looking for a legal clerk to pay? I can
16 volunteer all I want. There's lots of volunteer work
17 out there.

18 So here I am. I've reduced my energy in my
19 home, gotten fluorescent bulbs, make sure the fans are
20 on, shut the lights. My son knows that if he walks out
21 of the bathroom, the light's getting flushed -- the
22 light is getting turned off. Sorry. We've really done
23 everything we can in our house. I've managed literally
24 penny by penny to reduce my electric down to under \$100
25 a month on purpose because every penny counts.

1 So here we are faced with only \$12 in
2 increases. Well, tell my son, you know, you can't have
3 a peanut butter sandwich today because we can't afford
4 another jar of peanut butter. Well, thank God for Mom
5 and Dad, because Grandma and Grandpa are also on fixed
6 incomes and also taking care of my disabled brother, get
7 to buy Mom -- me -- a jar of peanut butter every once in
8 a while and so on so I can feed my son. \$12 and change
9 is just too much. Thank you.

10 (Applause.)

11 **MR. KELLY:** Again, I'm going to spell this. I
12 apologize. Rick M-U-C-C-I-A-C-C-I-O.

13 (No response.)

14 Robert Perrotti.

15 (No response.)

16 Cara Campbell, followed by Bunny Brenneman.

17 Whereupon,

18 **CARA CAMPBELL**

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

22 **DIRECT STATEMENT**

23 **MS. CAMPBELL:** Hi. I have heard a lot of
24 people talk about how great FP&L is. I have to tell you
25 that I don't have a lot of love for corporations, but

1 probably the corporation that I hate the most is FP&L.
2 And I really wish the Public Service Commission would
3 hold their feet to the fire. I feel that they've been
4 given a huge pass over and over. It took forever to get
5 the net metering, which really isn't true net metering,
6 because at the end of year if you have a surplus, you
7 only get paid half of it.

8 Now why would that be? I'm producing energy
9 on my house and I'm feeding it into the grid, and they
10 get to keep half of it and they need a 12 percent
11 increase? It's outrageous. It is outrageous.

12 As far as them being good corporate citizens,
13 that went down the tubes with me when I sat in a meeting
14 with a bunch of commissioners of local cities and the
15 Sierra Club and I was representing the Green Party at
16 the time, and an official at FP&L sat there, and in
17 response to one of the commissioners, who asked why they
18 weren't doing more solar, had the unmitigated nerve to
19 say, "Florida is not a good place for solar energy."
20 This is the kind of company that we're thinking about
21 giving them one penny more? All right.

22 So another thing a good corporate citizen
23 would do, a good corporate citizen would be trying to
24 reduce the amount of energy that people use. They would
25 be supplying them with compact fluorescents, they would

1 be doing meaningful audits on their energy, they would
2 be helping them pay for not just insulation, but also
3 radiant barrier, which decreases the amount of heat that
4 comes into your house.

5 They would not be trying to build a nuclear,
6 two new nuclear power reactors in Turkey Point when if
7 they would just institute the energy savings and energy
8 efficient and energy, renewable energy measures, they
9 wouldn't have to build those plants. They could take
10 the money that they want to use to build those plants --
11 but of course they don't care because they have been
12 voted that all the money is going to come from us
13 because of the early cost recovery, which is the biggest
14 boondoggle, and I'm ashamed that I live in Florida and
15 that was allowed. We are going to pay for those nuclear
16 power plants whether or not one bit of energy ever comes
17 out of it. It comes from our pockets. They have no
18 risk involved.

19 But when they do build the plant, they get to
20 increase their rates. Even before they build the plant
21 they can increase their rates. They make their money by
22 putting in new nuclear plants. But if they would spend
23 that money to put solar panels on people's houses so
24 that we could, we could produce our own energy, that
25 money isn't taxable for them. The IRS says that when

1 you -- when they institute energy efficiency and
2 conservation measures, that's not taxable.

3 Why are they not doing it? I think they're
4 greedy, I think they're horrible corporate citizens, and
5 I think I agree with the other person who said they
6 should get a pay cut, not a pay raise.

7 (Applause.)

8 **MR. KELLY:** Bunny Brenneman, followed by Chris
9 Chiari. Chiari.

10 Whereupon,

11 **BUNNY BRENNEMAN**

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. BRENNEMAN:** Good afternoon, Madam Chair,
17 members of the Commission. We're delighted that you're
18 having the five hearings here in the city of -- here in
19 the area of South Florida.

20 My name is Bunny Brenneman. I am Chairman of
21 the City of Ft. Lauderdale's Utility Advisory Committee.
22 Part of our mission is to determine whether or not there
23 are indeed complaints from our residents and people in
24 our -- in the area that Ft. Lauderdale covers. There
25 are complaints, a lot of which I'm not going to go into

1 because people have said things before.

2 Our residents were not happy about being out
3 of power after Wilma. They were not happy and, in spite
4 of what people think, they have long memories. Eighteen
5 days without power. That's without basic human needs.
6 That's without everything that is important to our
7 lifestyles. Granted, we have some of the best
8 lifestyles in the entire world. For that we should be
9 grateful. But that doesn't mean that we should be made
10 to suffer because we have these lifestyles.

11 I think it's important to note that people are
12 unhappy. People are very unhappy because of the
13 conditions in the country and in the world, and they
14 feel trapped. They feel that they can't do anything.
15 They feel powerless. They are concerned because things
16 have overreached their pocketbooks, their ability to
17 pay, their salaries, the work that they do each day for
18 the wages that they are paid. They feel that it's no
19 longer enough. They cannot meet the needs of their
20 family. They're concerned about nearby family members.
21 They're concerned about friends. People are worried.

22 If you looked at the television lately, you
23 would think that we are almost in a Shangri-La, because
24 things go on, life goes on, but that doesn't mean that
25 these people who are awake at night who are worried are

1 any less so. They are working hard. They're working
2 harder than they ever have in their lives.

3 It is now normal to have a two-income family,
4 but we must at all times remember those people who only
5 have one breadwinner, or maybe not a breadwinner, maybe
6 somebody living on Social Security, a pension or
7 retirement income. These people matter. I am here to
8 state that I want to stand up for all of those people.
9 I want you as Commissioners to consider the plight of
10 every person in Florida. We all need power.

11 We are thankful and grateful for your service
12 to our state. At the same time, we want to implore you
13 to think of every single resident, even those not able
14 to speak for themselves, even those not able to come
15 here today because they are working hard, even those who
16 cannot come to the hearings at all. I applaud you for
17 making these additional methods available to communicate
18 with you. Your outreach is good.

19 Florida Power & Light has great public
20 relations, some of the best I have ever encountered.
21 They are rewarded by a good public opinion in general.
22 They are cooperative, they listen to the community and
23 they partner with the community. But that does not mean
24 that we approve of an excessive petition and request for
25 basic rate change.

1 It's absolutely outrageous, given the time,
2 what is happening. I cannot believe that they had the
3 absolute audacity to file this petition at this
4 particular time. Somebody wasn't doing the proper good
5 public relations. Please help. I urge you to not
6 reward them with this kind of a thing.

7 The people of Ft. Lauderdale do not ask for
8 much. They're asking for reliability of power. We
9 don't have reliability of power. We have flickering, we
10 have the famous flashing 12s, we have power that goes
11 off when you least expect it. And you're saying, "But
12 you live in a hurricane zone." Yes, we know that we do,
13 but this is not hurricane caused. This is a little bit
14 of wind, maybe a tree branch brushing the famous cable.

15 The cables and the hardening that they are
16 doing, Florida Power & Light is to be commended because
17 the Public Service Commission, in combination with other
18 folks, held their feet to the fire and said, "You will
19 harden." That is a good thing. But that seems to be
20 only on the lines.

21 The pole inspections came out. Absolutely
22 amazing information. Some of these poles had not been
23 inspected, documented or anything else. Nobody even
24 knew which ones belonged to AT&T and which ones belonged
25 to Florida Power & Light. But there's a little marker

1 on them. But, boy, you'd have to get out of your car
2 and go up and walk all the way around the pole to find
3 out what that is. Then you'd need an engineering degree
4 to decipher what those little numbers and symbols mean.
5 In the end, hardening is good and we are grateful, but
6 that does not mean we're going to get any more reliable.

7 This is outrageous. I urge you to not grant
8 this. We're not saying that they should not receive the
9 amount of money that they put into something, the amount
10 of effort. That's the American way. You should be
11 rewarded for your efforts. But to be rewarded for not
12 being reliable, to be rewarded for what has gone on and
13 the amount of outages and flickering and things that we
14 endure on a daily basis, this is not the American way.
15 This is not what we need to encourage. This is not what
16 we need to do to set an example to the rest of the
17 world.

18 What is needed is telling Florida Power &
19 Light, while we understand what your filing is and we
20 appreciate the things that you have stated, you have not
21 proven the need for this. Thank you very much.

22 (Applause.)

23 **COMMISSIONER EDGAR:** Thank you.

24 **MR. KELLY:** Chris Chiari, followed by Celeste
25 Ellich.

1 Whereupon,

2 **CHRIS CHIARI**

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

6 **DIRECT STATEMENT**

7 **MR. CHIARI:** Hi, Commissioners. Thank you.

8 My name is Christian Chiari. I'm also a
9 member of the Ft. Lauderdale Utility Advisory Committee.

10 We've heard a lot of discussion today.

11 There's no question that when you compare FPL to other
12 national energy providers, they are near the top of that
13 list as far as reliability, service, low bills and
14 integrating green initiatives into our grid. That's
15 great. They're near the front.

16 But what we need here in Florida is
17 leadership. What we need is a corporation that will
18 step forward. And keep in mind what Mr. Schwartz said
19 before, their obligation is to do right by their
20 shareholders. But absent a commitment to the consumer,
21 absent a commitment to providing reliability, absent a
22 commitment to living up to the expectations of the \$9
23 that some people paid on the bill to support renewable
24 energy that never materialized, consumers say, "We don't
25 have a choice. I can only go through FP&L. I will get

1 an FPL bill every single month as long as I turn the
2 lights on in my house. I have no choice."

3 So we're coming forward and asking you that at
4 a time like this -- what a great conjunction of two
5 things. We're watching dramatically falling energy
6 prices, so the fuel cost surcharge that FPL is passing
7 through is dramatically lower. At the same time they're
8 asking for an increase. Looks great though because
9 we're still getting a decrease.

10 But absent making a true commitment to the
11 future of Florida, all this is is something that will
12 put an undue burden on families across the state that
13 are already struggling.

14 How about a different alternative? How about
15 FP&L sits there and says, "Yes, rates are going to
16 reduce by \$30 next year. We're not going to ask for the
17 baseline increase this year, but we'd like to kick
18 10 more dollars per bill towards energy conservation and
19 renewable to stimulate billions of dollars of new
20 construction on renewable energy." Exactly the kind of
21 thing that we need here in Florida right now: Jobs.
22 Exactly the kind of thing that we need happening in our
23 own backyards, and our own communities, on the roofs of
24 people's homes.

25 FPL, they're leaders. But it's time they

1 shift that focus back to not just being near the top of
2 the list, but working hard to get to the very, very top.

3 Now I have a question on the storm surcharge.
4 I brought this up at our committee meeting on Tuesday,
5 because we wanted to look at some of the numbers. FPL
6 insures the grid. FPL collected insurance compensation
7 after the storms. They came to you for recovery. They
8 came to us to make sure they had the reserves in place.
9 They used the reserves they had from prior billing
10 cycles and they put the grid back together.

11 But are we any more prepared for a storm today
12 than we were before? And I think the answer to that
13 question is no. And I can give you local information
14 that supports that.

15 In the end of March, I think it was
16 March 22nd, in my neighborhood, northeast Ft.
17 Lauderdale, we had seven blackouts, a couple of micro
18 outs, little brownouts, but one substantial that lasted
19 45 minutes. Elected officials in the city, the one that
20 I serve as their representative, experienced the same
21 thing.

22 Now ultimately our representative from FP&L,
23 who I know is here, and we have a very good
24 relationship, there is absolutely a commitment to
25 working with local advisory boards and certainly having

1 a strong relationship with the Public Service Commission
2 because they need to be effective, but it did take two
3 months to get the answer. And the answer -- there were
4 no real specifics. And the specific question that we
5 asked was, here we were, years after these hurricanes
6 hit, we've made a commitment, we've seen increases in
7 our rates to harden the system, and we had seven
8 blackouts in a rainstorm. There was no wind that night.
9 It was a rainstorm.

10 Now I was originally born in New Jersey. I've
11 been down here for a number of years. My grandfather
12 retired in Pompano in 1968. So I've known about the
13 weather situation very unique to South Florida my entire
14 life. You don't need to tell me that there's a chance
15 we could get hit by a hurricane this year. I don't
16 think we need to tell anybody that. But if
17 Ft. Lauderdale wants to play on the southeast coast of
18 the United States where the likelihood that we could get
19 hit by a hurricane is very high, well, then they need to
20 make sure they invest in the infrastructure that's
21 appropriate for where it's being applied.

22 You know, absent a discussion of decoupling
23 the relationship between power production, service and
24 transmission along lines, minus that discussion, which
25 would be deregulation, we have no other choice but FP&L.

1 And I really do hope that you will make the
2 ultimate determination to reject this rate increase at
3 this time and encourage corporate citizens like FP&L to
4 come forward not just with a request that benefits them,
5 but a request that benefits the state as a whole with a
6 commitment to renewable energy.

7 We're talking about a 30 percent increase on
8 40 percent of the bill, a 12 percent increase. FP&L's
9 stock, since its 52-week low, is up over 75 percent.
10 That's a substantial return. They're doing very well.
11 Maybe it's time to go to their public to ask them to
12 make another follow-on commitment to investing in the
13 infrastructure and the capacity here in Florida. You
14 know, maybe it's time that they open up and allow. I'm
15 ready. I'll make the investment.

16 Look, if FP&L wants a nice place to put a
17 solar panel, don't go up to Cape Canaveral. There are
18 more of us living down here in Broward County. You're
19 more than welcome to have my roof. I'll go, I'll go
20 re -- I'll get a roofer to give you a 20-year commitment
21 so that you know we both have a long-term relationship
22 here. And I don't want anything else from that. Charge
23 me the same bill every single month. But if you need
24 the real estate and the ground to put it on, put it on
25 my house. Don't put it on an empty field in the middle

1 of nowhere.

2 (Applause.)

3 Don't cut down on local property tax
4 collection, because we know FP&L isn't paying property
5 taxes on these large facilities. I'm already paying my
6 taxes. Put it on my roof.

7 The biggest thing is photovoltaic needs to be
8 used at point of consumption because transmission -- how
9 much energy is lost on transmission? A significant
10 amount. Renewable energy needs to be used and consumed
11 at the point of production. That's on my roof. You're
12 welcome to it.

13 We are well positioned in Ft. Lauderdale
14 because we are right now four and a half months away
15 from negotiating a renewal of a 30-year franchise
16 agreement with FP&L. Thirty years. We got a
17 once-in-a-30-year opportunity to do this. I think FP&L
18 is ultimately going to end up with a new franchise. I
19 think they will. Looking at the numbers, I think that's
20 just the way we're going.

21 But we need room through the mechanism that
22 you provide, reliability of service and our ability to
23 interact, and through our municipalities. It's time --
24 we need a brand-new relationship with our electrical
25 production. We're not trying to take away their profit.

1 They're going to be healthy companies. We need them to
2 be profitable so that they're in business tomorrow so
3 they can keep moving forward.

4 Thank you for your time. Thank you for being
5 here, and please do reject this rate increase.

6 (Applause.)

7 **COMMISSIONER EDGAR:** Thank you.

8 **MR. KELLY:** Someone asked me. We're on number
9 44, to give you an idea of where we're at.

10 Celeste Ellich, followed by Roger Messenger.
11 Whereupon,

12 **CELESTE ELLICH**

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

16 **DIRECT STATEMENT**

17 **MS. ELLICH:** Good afternoon, Commission.

18 I agree with something one of the earlier
19 gentlemen said about trying to keep comments to three
20 minutes. I think that would help move this along where
21 people would have a chance to speak.

22 I've been an FP&L customer since 1984. So for
23 25 years I've been paying to FP&L. And I can tell you
24 their level of customer service to me has improved
25 greatly over the years. In the past few years I've had

1 some customer service issues at my house where there
2 were electrical issues that no one could figure out what
3 was going on, and I had troubleshooters from FP&L come
4 out and actually figure out what was wrong and help me
5 cure my issues on my house.

6 So I've had no issues with the customer
7 service, the linemen. I actually wrote a letter to
8 recommend that these people be commended because they
9 went above and beyond. So I, I have a good relation
10 with FP&L.

11 I put on the Wilton Manors 5K, which is a race
12 in the City of Wilton Manors for the last four years.
13 FP&L has graciously been a sponsor, and the money has
14 gone to the PACE Center for Girls, which is a school for
15 at-risk girls. I've contacted FP&L in the past as a
16 member of a neighborhood association, asked them to come
17 in and do a presentation, believe it or not, on line
18 clearing before a hurricane. We had people drive up
19 from Miami, give us a speech, pass out, you know, things
20 to the residents, and it was very well received and
21 FPL's speakers were wonderful.

22 Just yesterday I had an issue with my
23 electricity going off, believe it or not. Knowing that
24 I was coming here today, it was kind of humorous. About
25 9:05 I hear the boom outside the back door. And I said,

1 "Oh, well, okay. I guess I'm going to have to go and do
2 something" -- hold on.

3 (Interruption. Alarm sounding.)

4 **COMMISSIONER EDGAR:** I guess someone is
5 working on it. I apologize. Go right ahead.

6 **MS. ELLICH:** That's okay. So, of course, I'm
7 assuming my neighbor calls and he's assuming that I'm
8 calling and I leave. And when I come back home, the
9 power is still off. And he says, "Oh, well, I just
10 called." And I said, "Okay. I'm "going to call, pick
11 up my things, and I'm going to leave."

12 And so I called in to the FP&L service, the
13 1-800 line, which works great, and placed the service
14 call, and the recording said they had reported the
15 outage. It reflected only six houses were down, so I'm
16 thinking this is not a major deal. It's not going to be
17 fixed anytime soon. I find out at about 1:15, which was
18 probably about two hours and a half, it was fixed. FP&L
19 actually called me on my cell phone with the recorded
20 message that the power transformer issue had to do with
21 a small animal on the power line. So you can't blame
22 FP&L for small animals being on the power line. So I
23 was very pleased that it took less time. It was fixed
24 two hours earlier. I've had no issues with them.

25 I heard somebody mention burying power lines.

1 I asked one of the FPL guys one day, "Why don't we bury
2 more power lines?" And he said to me, "Well, because if
3 there's a problem with a power line and it's
4 aboveground, I can tell you where the problem is. If
5 it's underground, we've got to dig up everybody's
6 yards." So every time somebody brings that up to me, I
7 remind them it's very possible to bury power lines.
8 And, yeah, if you're going to have a problem, it's going
9 to cost even more to fix it.

10 So on that note, Mr. Kelly made a comment in
11 his speech note that he thought FPL was a good company.
12 I totally agree. FPL is a good company. Thank you.

13 **COMMISSIONER EDGAR:** Thank you.

14 **MR. KELLY:** Roger Messenger, followed by Dodie
15 Keith.

16 Whereupon,

17 **ROGER MESSENGER**

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. MESSENGER:** Thank you. I don't know if
23 there are any retired people left here or not.

24 **UNIDENTIFIED SPEAKER:** I'm going to be in a
25 couple of years.

1 **MR. MESSENGER:** Maybe you remember the story
2 of Charlie and the MTA and he didn't have that extra
3 nickel. These proceedings today kind of remind me of
4 that. The younger folk on the Commission, of course,
5 wouldn't remember that. But back a long time ago when
6 the MTA raised their rates from a dime to 15 cents, and
7 Charlie didn't have his extra nickel, so he couldn't get
8 off the train. And I'm sensing a lot of that in the
9 room around us today.

10 And on the other hand, maybe they needed that
11 nickel in order to make the train safer so that another
12 train wouldn't, with older cars wouldn't run into the
13 back end of it. So it's sort of what are they going to
14 do with that nickel, I think, that it amounts to.

15 In any case, I happen to be a designer of
16 solar photovoltaic systems. That's the way I make my
17 second living. I retired as a professor of electrical
18 engineering four years ago. And in any case, today I'm
19 here just as a ratepayer, because I am a grandfather and
20 I would like to leave the world a better place for my
21 grandchildren, and I think Florida Power & Light and
22 everybody in the room can help us to do that.

23 Life is full of tough choices. And this is
24 really weird, by the way. I've never read a speech in a
25 long time, so trying to read something is unusual for

1 me.

2 Two years ago I had to decide whether to
3 replace my ten-year-old car or get my teeth fixed, and I
4 decided to put my money where my mouth is.

5 (Laughter.)

6 And as Florida Power & Light asked for a rate
7 increase, ratepayers face a similar choice, and, for
8 that matter, so does Florida Power & Light. My concern
9 is that if Florida Power & Light receives all or part of
10 the requested increase, that they'll put their money
11 where their mouth is, that they'll put it to good use.
12 And, for example, after we bailed out Wall Street, Wall
13 Street executives got big bonuses. And I think if
14 Florida Power & Light were to do this, the ratepayers
15 wouldn't be real happy about it. So let's take a look
16 at what happens to salaries.

17 Certainly when schools are laying off
18 teachers, the news coming out in the *Sun-Sentinel* about
19 Florida Power & Light employees all get a 10 percent
20 raise may not sit real well at this time in history. So
21 let's make sure the money goes to where it's the most
22 benefit to the ratepayers because, as someone prior to
23 me mentioned, that's when the company itself will
24 flourish best.

25 So let's see now. Obviously if Florida Power

1 & Light can create new jobs with some of this money,
2 that would help the economy a whole lot. So some of the
3 repairs they're proposing to their system and bringing
4 the infrastructure up-to-date, that makes sense. And,
5 of course, if they use some of this money for a
6 transition to renewable energy and energy efficiency, I
7 see this as a pretty good investment in the future.

8 When I retired from Florida Atlantic
9 University four years ago, we had some students there
10 who were on scholarships based on need. So maybe some
11 of this money could go to some of these retired folks in
12 the form of some kind of scholarship based on need to
13 help them pay their electric bill. Now rather than
14 using that money to pay their bill, I'd much rather buy
15 them a fancy new energy efficient refrigerator or
16 something like that so they would actually lower their
17 bill and that makes sense, and maybe in the short-term
18 help them pay their electric bill. But then let's help
19 them reduce their electric bill with some of these
20 dollars.

21 And by the way, if Florida Power & Light is
22 collecting these dollars to help people meet their
23 energy needs, let's let them make a profit on it. Why
24 shouldn't they be rate-based? I mean, I've been
25 preaching that for about 30 years. I don't know if it's

1 ever going to happen. But I think that the utilities
2 should be allowed to earn a profit on money they spend
3 on energy efficiency and renewable energy. It shouldn't
4 just be passed through.

5 See, I can imagine a utility that has a smart
6 grid and where the grid can ask my hybrid electric car,
7 if I had one, I haven't bought it yet because of my
8 teeth, but if the utility had a smart grid where the
9 grid could buy electricity from the batteries that would
10 plug in on an electric or hybrid car when it needs it,
11 and if it could turn off loads, which they can already
12 do when they need that electricity, and maybe there's a
13 photovoltaic system out there that has battery backup
14 just in case there's a hurricane and they need power
15 for, say, the 15 or 20 minutes that their power is down
16 after a hurricane. Maybe those batteries could be used
17 to supply some people with electricity if the utility
18 had a smart grid that would simply say, "PV system
19 number 105677, please, how much electricity do you have
20 to donate today and/or sell back at some reasonable
21 price," and the system would -- I think you get the
22 idea. But that's what a smart grid is all about, and
23 I'm certain the Commission is very familiar with that.
24 But I can envision that. And it may take a little money
25 to invest in the future so that we have something like

1 that.

2 I can imagine a utility that provides a
3 sustainable incentive program for energy efficiency and
4 renewable energy, unlike the one we currently have that
5 is not sustainable. The \$8 million or \$9 million
6 currently available is not going to be available very
7 long. And it's -- we're even afraid to promise people
8 that they'll get any kind of a rebate because you just
9 can't know for certain.

10 And so if we're going to be serious about
11 renewable energy, we need some kind of sustainability in
12 the incentive programs for a few years until we reach
13 grid parity, which presumably is going to happen in
14 2017, according to the Department of Energy. And then
15 when renewable -- well, and that's just for
16 photovoltaics. We already have grid parity with solar
17 water heaters and other renewable systems, and you've
18 heard that story before, I'm sure.

19 I can imagine a utility that makes low
20 interest loans to their customers that can be paid back
21 with money saved on their electric bills because the
22 money was used for energy efficiency improvements. I
23 can imagine a utility that makes a low interest loan to
24 the customer that can be paid back by the customer
25 selling electricity from the renewable energy sources

1 that they made it from selling it back to the utility.

2 I can imagine a utility that recognizes that
3 massive renewable energy deployment will require
4 covering rooftops, walkways, parking lots, as well as
5 large utility scale projects. In other words, that
6 distributed generation is as important as central
7 station generation. I can imagine -- I can't even read
8 my own writing.

9 I can imagine where utilities and the
10 renewable energy and energy efficiency industry could
11 actually work together in cooperation to produce a
12 healthier planet. And I hope that I don't have too much
13 of an imagination here.

14 So, in any case, I can support investing for
15 my grandchildren. All right? I'm not opposed to
16 investing for my grandchildren's future so they'll
17 inherit a planet that is healthier than the one that
18 we're currently living on. And so I just encourage the
19 Commission to incorporate the accountability that's
20 necessary, and I would expect Florida Power & Light to
21 demonstrate the public responsibility that's necessary
22 in order to resolve this issue that's very complicated
23 for everybody obviously.

24 **COMMISSIONER EDGAR:** Thank you.

25 **MR. KELLY:** Dodie Keith, followed by Sam

1 Fields.

2 Whereupon,

3 **DODIE KEITH**

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

7 **DIRECT STATEMENT**

8 **MS. KEITH:** Good afternoon. My name is Dodie
9 Keith. I am a long-time resident of Broward County and
10 a business owner here in Pompano Beach. My business is
11 an engineering and construction management firm, and in
12 that we are in the development and redevelopment area.
13 And as you know, our industry has had a good setback
14 with the economy, and a lot of us are rocking with
15 what's been going on.

16 One of the things that hasn't been brought up
17 here today though is the partnership that we have with
18 FP&L. The development that goes on in Florida, not just
19 Broward County but statewide, requires FP&L and other
20 providers to work with us to make -- get us through the
21 process. No development or redevelopment process or
22 roadway project can move forward without their
23 involvement. They are key in their development teams'
24 responsiveness to us in helping us stay on schedule,
25 because schedule -- time is money. It truly is. And

1 it's vital to the private client that's got one unit
2 they're doing, up to the government buildings, the
3 schools, the roadways that affect the businesses
4 throughout the whole length of the corridor. The
5 quicker we can get the jobs completed and done and
6 people in there operating, the better opportunity they
7 have to be successful.

8 I am here to say in my experience and my years
9 of working here in Broward County with FP&L, the
10 development teams in FP&L are very responsive. They've
11 been there to help us. We know and believe that this
12 industry is going to come back and will be a vital part
13 of our community for the future, and we need them to be
14 there and be able to be responsive and continue to
15 provide those services for us.

16 I trust this Commission, you understand what's
17 going on in our community. I've had cuts in my
18 business. I've had to reduce staff salaries. You know
19 that. You're aware of what's going on around the entire
20 country, what's happening to us. I trust that you can
21 weigh what's going on with us economically as well as
22 the need for those services from FP&L to be there and be
23 able to be there two years from now when hopefully we're
24 back ready to roll.

25 So I appreciate your time and I appreciate you

1 having me, allowing me input here. And, you know, I
2 don't, I don't -- you've got a tough job. Thank you.

3 **MR. KELLY:** Sam Fields, followed by Donnie
4 Carter.

5 Whereupon,

6 **SAM FIELDS**

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. FIELDS:** Good afternoon. Like a few
12 people here, I wear two hats. I'm a shareholder in
13 FP&L. And in regard to that, I want them to gouge every
14 dime they can out of everyone because their one
15 responsibility as a corporate is to the shareholders.
16 And being a monopoly, it's arguable they shouldn't even
17 be giving a dime to charity since they don't have to
18 worry about the competition. But they do it and it
19 takes it out of my pocket as a shareholder.

20 But I also wear another hat, and that's I'm a
21 citizen of the State of Florida. And as a citizen of
22 the State of Florida, I want to fight them, their rates
23 down because I have to pay the rate.

24 Now I heard about the rates, but I don't think
25 the answer lies directly with the rates. The real

1 answer lies in efficiency. And I've done this on my
2 own, and I don't think it's that difficult to do.

3 I went to FP&L and they sent out their people
4 that did a, an energy analysis of my house. I think
5 they're charging \$30 for that now. I think that's
6 probably a mistake. It was free. And they told me,
7 "You've got a problem here, here, and here." And I
8 spent a reasonable amount of money. I guess I'm
9 fortunate that I can afford to spend that money, but I
10 have a solution for those who can't.

11 And I changed my air ducts. When I changed
12 out my air conditioner, I spent a little -- about an
13 extra thousand or so and got myself the 17 and 18 SEER
14 instead of the 13 and 14 SEER. And I did the three most
15 important things in the world you can do to reduce your
16 energy consumption: Insulation, insulation and
17 insulation. And as a result, although I have increased
18 the number of items in my home that use electricity,
19 some of them I think would be in many people's minds
20 wasteful, the fact is -- and I'd make my own electric
21 bills for the last ten years available to anyone -- I
22 have not altered my lifestyle. I don't live like Ed
23 Begley. I have cut my electrical consumption by 30 to
24 40 percent, and it's made no real great difference in
25 the way I live. I live exactly the same. And I don't

1 think that anybody can't do the same thing that I have
2 done.

3 And I think there are some things that you
4 should be mandating. The first thing is everybody
5 should be required to be in the on-call system. I just
6 don't understand why people have to worry about the fact
7 that they might turn off your pool pump once every five
8 or six years for 20 minutes on the hour. I think most
9 people could survive that. And by putting everybody on
10 the on-call system, we could avoid the peak watt
11 production that's now got you building and they're
12 wanting and you're approving new nuclear facilities.
13 Because it appears that what's going on here is there
14 is -- you'll pardon the pun -- the Oedipus complex. The
15 answer to everything is let's just build more buildings
16 to do it. The fact is that we have no shortage of
17 energy in this state. What we have is a shortage of
18 efficiency.

19 Instead of building another Turkey Point, what
20 if we just put the only thing that really is efficient,
21 because -- let me just sidestep. The one thing I
22 learned was it costs about five times as much to produce
23 a watt of electricity as it does to produce the need for
24 that particular watt of electricity, yet I don't think
25 we're constructing an energy policy that way. The only

1 exception to that are hot water solar heaters. We could
2 finance all of that to each individual.

3 While I'm fortunate enough to be able to pay
4 for it in cash, I don't see why others and FP&L with the
5 leadership of the Public Service Commission could not
6 allow people to finance this through their electric
7 bill. I believe that with the right amortization you
8 literally could finance all the efficiencies to your
9 home and actually reduce your monthly electric bill and,
10 once it is paid off, have a whopping savings.

11 It's about \$4,000 for a hot water, solar hot
12 water heater. You knock off the \$500 you get from the
13 state, the 30 percent you get in a tax deduction, it's
14 about \$2,300. You finance that over seven or eight
15 years through your electric bill -- I believe your
16 electric bill would decrease more on a monthly basis,
17 because hot water is very expensive, than actually the
18 cost of the financing. And I'm suggesting that we could
19 use that. And FPL would charge interest. After all,
20 we're not communists. I mean, let them -- to quote my
21 favorite character, Don Barzini.

22 I mean, that is -- I believe that we could do
23 it. I believe the leadership should come from the
24 Commission, not from FP&L. Their motivation is not in
25 that interest, and I accept that. That's the way it's

1 supposed to be. But the leadership should come from
2 you. And instead of building a Turkey Point, put
3 500,000 solar hot water heaters on in Dade -- in Broward
4 County, finance it through people's bills, and you
5 wouldn't need a Turkey Point, you wouldn't need another
6 terrorist target, you wouldn't need tens of millions of
7 hot water gallons going into Biscayne Bay, and you
8 wouldn't need something that would be vulnerable.

9 I think you need to look in that directions of
10 savings of energy, savings of money and not building new
11 construction.

12 (Applause.)

13 **COMMISSIONER EDGAR:** Thank you.

14 Mr. Jenkins.

15 **MR. JENKINS:** We're looking for a Donnie
16 Carter.

17 **UNIDENTIFIED SPEAKER:** Carter?

18 **MR. JENKINS:** Carter. Donnie Carter, followed
19 by Todd Hennen.

20 Whereupon,

21 **DONNIE CARTER**

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

25 **DIRECT STATEMENT**

1 **MR. CARTER:** Good afternoon, Madam Chair, and
2 Commissioners.

3 My name is Donnie Carter, and I'm the Chief
4 Operations Officer for Broward County public schools.

5 Needless to say, based on our budgetary
6 situation presently, we think that the current rate
7 increase request comes at an inopportune time. We also
8 think that when such increases are made by FP&L, that
9 for the most part these increases come after the
10 districts have already made their budgets.

11 As many of you know, the school district just
12 laid off 393 teachers. The current rate increase is
13 anticipated to be approximately \$6.6 million. Should
14 that rate increase be allowed, that would cause us to
15 potentially lay off another 133 teachers.

16 With the assistance of FP&L, the school
17 district implemented a cost reduction program in our
18 schools this year targeted at reducing our energy costs
19 by \$5 million. What resulted from that program was, to
20 date, a 34-million-kilowatt-per-hour rate -- I mean,
21 reduction in usage, which will most likely increase to
22 close to \$40 million by fiscal year end. That reduction
23 in kilowatt-per-hour usage equates to approximately
24 \$4 million. Our target was \$5 million.

25 The problem is although FP&L works very

1 closely with the district and although the district has
2 what is probably a model program certainly among school
3 districts, even though we have reduced our usage, the
4 rate increase voids the dollar reduction that goes with
5 it.

6 So we don't think that the rate increase is,
7 is warranted at this time, given the nature of the
8 budget that affects the school districts across the
9 state. Thank you.

10 **COMMISSIONER EDGAR:** Thank you, Mr. Carter.

11 **MR. JENKINS:** Todd Hennen.

12 (No response.)

13 Arthur Hazelwood.

14 (No response.)

15 Joshua?

16 **UNIDENTIFIED SPEAKER:** Otero?

17 **MR. JENKINS:** Yes, sir. That's exactly right.

18 Whereupon,

19 **JOSEPH OTERO**

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. OTERO:** I got it right. I want to thank
25 everybody for this opportunity to speak.

1 I do not come to praise FP&L. I come to bury
2 FP&L's increase. As the -- as my -- the small history
3 that we have with FP&L, I can say that in the 1970s when
4 we came down, FP&L convinced Paula Hawkins that if we
5 went to nuclear, more nuclear power plants, that we
6 would have a decrease in the amount of electrical bill
7 we'd be paying. But they did not factor in the
8 maintenance of that nuclear plant, nor have we been
9 rated at the high level -- I think a rating by the
10 Commission is five. We've always been the average of
11 three.

12 So if you ask me about the history of the
13 faith I have in the service of FP&L -- and they
14 mentioned hospitals that they have partnerships with as
15 far as their, their -- they mentioned that as far as
16 what they used for as competence in their program. I
17 work for Memorial Regional Hospital, and their faith in
18 FP&L is they bought and constructed their own power
19 plant.

20 If we look at the complaint, the complaint --
21 am I a compliant consumer? I am. I put double the
22 insulation in my roof, I changed the air conditioners to
23 a split unit in order to save. Instead of repairing a
24 refrigerator, my wife said, "No. You have to go out and
25 get one that's energy efficient." I did that. So I am

1 a compliant consumer.

2 When someone speaks to us about safety, and a
3 young lady said earlier that, you know, burying the
4 power lines, they'd have to dig up to know where the
5 problems are. Well, with today's technology, they
6 should be able to not only be able to tell where the
7 problem is, but they should be able to say where the
8 problem is within a few inches, because testing
9 equipment and technology today is much more advanced
10 than what we're being led to believe.

11 When we're talking about the older
12 communities, yes, they've replaced power poles in my
13 neighborhood twice. If they would have buried the
14 lines, it would have been much safer for everyone.
15 There would not have to be a redundancy of the cost
16 factors that they're claiming. So I don't believe that
17 that's the way to go.

18 When someone says to me, yes, they provide us
19 with inspectors to come to our home -- yes, I asked for
20 a gentleman to come to my home to inspect how I can do
21 better with the fuel in my home. He drove up in a
22 high-performance Trans Am Pontiac, black, wearing black
23 clothes. My first impression was this gentleman cannot
24 help me with the consumption of energy.

25 The AARP mentioned earlier that one of the

1 cost factors that we have that's consistent is health
2 costs. Health costs, it's true, it is consistent. And
3 if you want a reliable future, go into the health
4 profession. But their increase that they get annually,
5 if you want a raise for doing a good job -- not a good
6 job, but an excellent job -- is a maximum of 4 percent.
7 The average individual gets a pay raise of 2 percent.
8 12 percent? I'll take it annually to help my costs.
9 But the people who are on fixed incomes and those who
10 are trying to struggle, I can't ask them to bear that.

11 They give to the community. This is true. I
12 believe they do give to the community, but so did Al
13 Capone, so did all the other mobsters. So I say to you,
14 beware of those who stretch out their hand.

15 And I thank you very much again for this
16 opportunity.

17 (Applause.)

18 **COMMISSIONER EDGAR:** Thank you.

19 Mr. Jenkins, just a moment. Before we go on,
20 could I get from everybody in the room sort of just a
21 show of hands as to how many have signed up and would
22 still like to speak so I have a feeling for where we are
23 time-wise, which is, I'm afraid, slipping away on us.

24 Okay. All right. I think we're good. We
25 need -- just so everybody knows for planning purposes --

1 to break at 2:00ish in order for the room to be cleaned
2 and for us to be able to get on to the next hearing and
3 all of that. So I think we're in pretty good shape. I
4 just wanted to make sure. I appreciate, as do my
5 colleagues, everybody's patience in working with us.

6 So, Mr. Jenkins, let's go on to the next name.

7 **MR. JENKINS:** Mike Antheil, Antheil.

8 (No response.)

9 Okay. Barry Silver.

10 (No response.)

11 Margaret Belcher.

12 (No response.)

13 Herbert Simpson.

14 (No response.)

15 Okay. And I've got Barry Silver again on deck
16 from the first time. It'll be Mara Shlackman on deck.
17 Whereupon,

18 **BARRY SILVER**

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

22 **DIRECT STATEMENT**

23 **MR. SILVER:** The gentleman who's calling out
24 the names, Commissioners, staff, I thank you for your
25 service.

1 I'd like to address a question to the Chair.
2 Is it true that FPL is asking for a 12.5 percent after
3 tax return on equity?

4 **COMMISSIONER EDGAR:** Mr. Willis?

5 **MR. WILLIS:** Yes, it is.

6 **COMMISSIONER EDGAR:** Our staff says yes.

7 **MR. SILVER:** Okay. I had completely other
8 things to mention, but I'd like to address or talk about
9 the rate of return that they're asking for and the
10 purpose of a rate of return on equity.

11 My bona fides -- I'm a trader in the financial
12 markets. I have to know what's going on, I have to know
13 what's required, I have to know what's looked at as
14 reasonable in order for me to not lose all my money.

15 About a year ago, last July, I had a complete
16 physical collapse, and I just started working again last
17 month. You can imagine I didn't have much money left,
18 so I know the value of a \$5 bill or a \$10 bill or a
19 \$20 bill.

20 Is there anyone in this room that has any kind
21 of investment that returns them 12.5 percent after
22 taxes? Because return on equity is a return on money
23 that I put into the company. I can't believe that
24 they're asking for 12.5 percent. The return on equity
25 is used to make sure that they have -- oh, dear. I'm

1 losing it.

2 **COMMISSIONER EDGAR:** That's okay.

3 **MR. SILVER:** A return on equity helps with the
4 price of the stock, it keeps people interested in
5 putting money into the company should the company need
6 to raise money by issuing more stock. If we look at
7 what is needed for getting loans at the lowest possible
8 rate, that's the safety of the company. That's what the
9 company says we are financially capable of providing you
10 with extreme safety, and that's what FPL has.

11 So if the company needs money, which they do
12 constantly, they borrow it. They don't dip into a fund
13 to go to plant, repair, or whatever else they do. And
14 they borrow it at the lowest rate that any company in
15 this country borrows at. So that has nothing to do with
16 their return on equity. It has to do with the safety
17 and the ability of the company to repay the loan, and
18 that is operational.

19 That is not -- it does have nothing to do with
20 their giving to the community, with their fostering any
21 kind of energy sustainability. It has to do with their
22 ability to repay, and they're rock solid.

23 Now I look at rates of return on equity, and
24 theirs is stratospheric at 12.5 percent. It's just not
25 needed. It will not benefit the company, their

1 performance as a provider of electricity. The only
2 thing it represents is what Gordon Gekko said, "Greed is
3 good." 8 percent return on equity after tax. Is there
4 anybody in this room who has any kind of money invested
5 where they get an 8 percent return after tax?

6 FPL has no risk. Everything they have is
7 expenses, aside from plant building, that sort of thing.
8 It's pass-through. So what does the company need this
9 money for? To pay it out to their investors. 8 percent
10 will get them what they need as a company, not
11 10 percent, not 9 percent. I'm not saying give them
12 7 percent or 6 percent. But 8 percent will accomplish
13 what this company needs to thrive on. Right now, to get
14 10 percent, and I believe they're getting a little bit
15 more return on equity after tax, it's almost too much.

16 **COMMISSIONER EDGAR:** Thank you.

17 **MR. SILVER:** Thank you very much. Oh, and
18 reliability. Gosh, I wish they could figure out how to
19 keep my two- to three-week or week lack of electricity
20 after a storm comes anywhere near my area out of my
21 world. But that's what I suffer through almost -- not
22 every year, but whenever we get a close call from a
23 hurricane.

24 Thank you, folks.

25 (Applause.)

1 **COMMISSIONER EDGAR:** Thank you.

2 Mr. Jenkins.

3 **MR. JENKINS:** Ms. Shlackman, followed by Kurt
4 Thompson.

5 Whereupon,

6 **MARA SHLACKMAN**

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 **MS. SHLACKMAN:** I'm a lifelong South Florida
12 resident, born and raised here in South Florida.

13 FP&L may have some token green initiatives,
14 but FP&L is more about green washing than about true
15 green. Let's not forget this is the company that wanted
16 to build a coal-fired power plant in Glades County,
17 which this Commission wisely turned down. This is a
18 company that's building the West County Energy Center in
19 western Palm Beach County, even though you have
20 declining population in Palm Beach County and there's no
21 need for this new plant that will spew out a high volume
22 of greenhouse gases.

23 And in building these, wanting to build these
24 plants, they keep arguing, well, sunshine in Florida,
25 solar is not a reliable source of energy in Florida.

1 Germany is further ahead than us in solar energy
2 development, Vermont, Ontario, and these are hardly
3 places that are known for their sunshine.

4 This Commission should take the next step
5 beyond net metering and mandate feed-in tariffs, and
6 that would, that would go a long way towards, towards
7 solar energy on every roof in the state.

8 Meanwhile, FPL is underperforming in the
9 energy efficiency area. FPL's goal that it set for
10 itself in terms of energy efficiency is less than half
11 the achievable efficiency that a consulting firm has
12 estimated. So this rate increase is not warranted. We
13 need more energy efficiency and we do not need this rate
14 increase. Thank you.

15 (Applause.)

16 **COMMISSIONER EDGAR:** Thank you.

17 **MR. JENKINS:** Skipping Mr. Thompson and Mitch
18 Howard. Maurice Lord, and following Mr. Lord will be
19 David Camp.
20 Whereupon,

21 **MAURICE LORD**

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

25 **DIRECT STATEMENT**

1 **MR. LORD:** Good afternoon, Madam Chairperson.
2 Good afternoon to all in attendance today.

3 My name is Maurice Lord. I'm an electrical
4 engineer here locally. I work for a consulting firm.
5 And I work with FP&L on a day-to-day basis in developing
6 new properties and new buildings, and I also am a
7 resident here of Broward County. So to me I have a
8 bottom line that I would like to protect.

9 But in my, in my day-to-day dealings with
10 FP&L, I see what they do for the community. Whenever
11 we're developing new projects, if the power is
12 warranted, FP&L provides it at no charge. The monthly
13 bills are based on the same rates that everyone gets.
14 But if you need the power, you get it. And there's a
15 lot, there's a lot that goes into bringing that power to
16 each location.

17 And also as an engineer I see that in the past
18 few years the cost of concrete, aluminum and other
19 resources have gone up significantly. And I noticed
20 that those costs are not always passed on to the
21 consumers. There's, you know, I've seen FP&L tighten
22 their belt in order to not pass some of these costs on.

23 I deal with the service planners on a
24 day-to-day basis and I know that each service planner is
25 responsible for hundreds of square miles. So I know

1 there's a need for additional service planners in the
2 area. It's, you know, a difficult task for them as
3 well.

4 In my design I noticed most of the buildings
5 that were constructed in the '70s do not meet the power
6 requirements for today's usage. I guess back in the day
7 people had one television. People are now having three
8 televisions in their home and a lot of other electronic
9 equipment. They're charging up their cameras, their
10 cell phones. So I've noticed there's a significant
11 demand increase.

12 And whenever I am designing a building and I
13 notice that there is a lack of infrastructure, if
14 warranted, FP&L, I know, will come in and provide the
15 power at no charge. If warranted.

16 I worked in the City of Hollywood where I know
17 that they are suffering because they do not have enough
18 power for what they need. I noticed that FP&L has gone
19 out of their way to provide new services wherever
20 required and the rates remain the same.

21 So in seeing a lot of these things, I want to
22 be fair in, you know, adding, adding my input that there
23 are a lot of costs that FP&L does incur that we don't
24 see on a day-to-day basis.

25 And I'd like to add that in, you know, just so

1 that, you know, all points are addressed in making this
2 decision. It's a very important decision and I applaud
3 your efforts.

4 **COMMISSIONER EDGAR:** Thank you.

5 Mr. Jenkins, if you could go ahead and give us
6 maybe two to three names.

7 **MR. JENKINS:** Next up would be Paul Ren --

8 **UNIDENTIFIED SPEAKER:** Renneisen.

9 **MR. JENKINS:** Thank you, Paul. Appreciate
10 that.

11 **COMMISSIONER EDGAR:** Thank you.

12 Whereupon,

13 **DAVID CAMP**

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. CAMP:** Good afternoon. The last time I
19 came to testify before a public service --

20 **COMMISSIONER EDGAR:** Tell us your name again.

21 **MR. CAMP:** David Camp, C-A-M-P.

22 **COMMISSIONER EDGAR:** Thank you.

23 **MR. CAMP:** 27 years ago, in 1982, Florida
24 Power & Light had the audacity in the middle of a
25 recession to ask for a rate increase. And I went there

1 with evidence of the voltages that they were providing
2 and asked the Commission when was the last time they had
3 promulgated new rules for the quality of power, let
4 alone the reliability of it, delivered to the grid.

5 And I was told, "Well, we're not really
6 covering that. This is strictly a return on
7 investment." I said, "Well, if you're not doing your
8 job, and you're working under rules that were written at
9 the time in 1958, how is it you need extra money?" That
10 was the first time the Public Service Commission ever
11 denied Florida Power & Light a rate increase based on
12 new investment.

13 The next time I went to testify, I had all
14 sorts of vice presidents of Florida Power & Light
15 wanting to be my friend.

16 Anyway, getting back to the fact, this is a
17 bottom line issue. It has nothing whatsoever to do with
18 any public service, I mean, any goodwill that their PR
19 people go out and drum up. I mean, how many shills did
20 they have here today?

21 Anyway, what is at issue is what they need, as
22 the man said, return on investment. They're already
23 getting more than enough right now without any rate
24 increase whatsoever to garner all the investors they'll
25 ever want, need or desire.

1 Now part of that reason is we've already
2 allowed them to pass through all of their costs. There
3 is no risk. What are they risking? You know, we have a
4 hurricane. Well, our consumer is our insurer now. We
5 don't have to go out and buy insurance. We have a
6 storm, we'll just go hook up the wagon and send out
7 another bill. I mean, basically you have taken all the
8 costs and all the risk out of their business already and
9 put it up here where they can just pass it through.
10 There is no risk for them to be rewarded with or on.

11 They're already making more than enough money
12 to attract investors. The idea that in a recession
13 they're coming to ask for more return on their
14 investment, this is absurd. Thank you.

15 (Applause.)

16 **COMMISSIONER EDGAR:** Thank you. Following
17 Paul call will be John Holmes, and then we'll have
18 Nadine Floyd and Mason Jackson. You can jump down here.
19 Whereupon,

20 **PAUL RENNEISEN**

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. RENNEISEN:** Commissioners, counsel, staff,

1 and our fellow South Florida citizens. The last time I
2 spoke at one of these events was in Minnesota at the
3 Dakota Electric Co-op. And the Minnesota co-op put me
4 in their engineering committee to go see the Garrison
5 project. And, like the previous gentleman, I'm not
6 interested in getting that kind of notoriety this time.

7 But I have come to stand in opposition to this
8 rate increase. My name is Paul Renneisen and I live in
9 Ft. Lauderdale, Florida. And my opposition is simply
10 because it appears from all the testimony today and the
11 presentations of staff that there's a great revenue
12 shifting from the loss of great revenue over the big
13 economic boom we've experienced to those that can least
14 afford it, being the fixed base cost ratepayers.

15 So just to talk about the ratepayer and the
16 rate dollars -- this is one example I'll give you to be
17 brief today. In my community in Ft. Lauderdale, just
18 south of Pompano Beach, we have one of the older grids.
19 We're fortunate enough to be by the hospital so we have
20 more reliability because of the initial design.

21 The transformers are either new, refurbished,
22 or very old originals. And I'll just share this with
23 you just to show you about many of the testimonies that
24 we've heard today about infrastructure, inspection,
25 risk -- what are we buying with the new rate dollars?

1 I take my King Charles spaniel, a small dog,
2 for a walk, it's a slow moving animal, and I go down to
3 the bike lane on Bayview Drive. I'm going down the bike
4 lane and I get hit by a raindrop, but there's no clouds
5 in the blue sky. I look up and I'm underneath a
6 transformer. This transformer is dripping oil. You
7 know the environmental impact of those transformers and
8 the oil that's contained in them.

9 In bringing it to the attention of those
10 rarely seen FPL guys that do a good job when they're
11 there on a work order, these gentlemen indicate that
12 they can't do anything about that transformer. Now we
13 all know I can call on our streetlights when I see them
14 broken, but not everybody is going to know if a
15 transformer is out of service in terms of being an
16 environmental hazard.

17 So, you know, I looked up, and then I looked
18 down. There was an oil -- you could just see that oil
19 had stained an area. And for those that aren't present
20 that are listening to this from afar, it's about a
21 12-by-6-foot area, the size of what's in front of your
22 panel of tables here today, of oil drops that are coming
23 down on visitors to South Florida that come from
24 Lauderdale by the Sea to jog through our community.
25 It's coming down on kids and the families that go

1 underneath that. It's coming down on cyclists and all
2 of us, those of us that just enjoy walking around our
3 community.

4 That's just one transformer. I started to
5 take a look at many others. You know, while the spray
6 pattern is smaller, this is the area of where are those
7 FPL people that inspect these communities and look for
8 that infrastructure? And if you're going to talk about
9 getting those things fixed, it's definitely an
10 environmental hazard.

11 In closing, I'd just like to say again I stand
12 opposed to the rate increase as structured, and I'd
13 recommend having goggles anytime you're going to look up
14 at a light pole. Thank you very much.

15 **COMMISSIONER SKOP:** Thank you. Commissioner
16 Skop would like to ask you a question, brief question.

17 **MR. RENNEISEN:** Yes, sir?

18 **COMMISSIONER SKOP:** Thank you, Madam Chair.

19 And if you don't mind, I'm going to call you
20 by your first name. I won't attempt to pronounce your
21 last name.

22 **MR. RENNEISEN:** Yes, sir. No problem.

23 **COMMISSIONER SKOP:** But, Paul, with respect to
24 the transformer you mentioned, the transformers, do you
25 have a service address or any information our staff

1 could take a look into on that?

2 **MR. RENNEISEN:** Commissioner, thanks for
3 asking that question. I meant to tell you that. 56th
4 and Bayview Drive. And that's the one that was dripping
5 on us. And we did try to get it in with your
6 technicians, so we don't know if they've addressed it
7 yet.

8 **COMMISSIONER SKOP:** And then also too, I
9 believe FPL has customer service personnel here, and
10 hopefully they will address that if it is an operational
11 issue.

12 **MR. RENNEISEN:** I'll check with them on the
13 way out. Thank you, sir. Anything else? Appreciate
14 the time. Thank you.

15 (Applause.)

16 **COMMISSIONER EDGAR:** Thank you.

17 **MR. JENKINS:** John Holmes.

18 (No response.)

19 Nadine Floyd, followed by Mason Jackson, and
20 then Gary -- we'll get to that in a minute.
21 Whereupon,

22 **NADINE FLOYD**

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

DIRECT STATEMENT

1
2 **MS. FLOYD:** Good afternoon. I just want to
3 say what a wonderful venue this is, because I've learned
4 a lot, you know, listening to the opposing sides, and
5 really everyone has been very polite in all these
6 proceedings and it's a testimony to your dealings here.

7 I'm a -- I own a business and I'm a consumer,
8 obviously, and I've had nothing but good with FP&L. I
9 mean, I've had rapid response. I live out west and my
10 lines are buried. I do lose my power, maybe I get it
11 back quick enough, but if it's wet, it may not. But,
12 you know, that's the chances you take down here.

13 And I've had nothing but courtesy, prompt
14 response when we've had outages. And one time when they
15 came out it was our transformer. It was old. I mean,
16 they came out, they got it working, they came back,
17 fixed it. And they had cracked the sidewalk, fixed it
18 immediately the next day. I own a business. We were
19 out for 18 days. We used generators. It's an act of
20 God.

21 I run a business. Everything is going up, it
22 costs money. You know, you get what you pay for. If
23 you go in the grocery store, everything has gone up.

24 I mean, if this is to keep the level of
25 service, the biggest chunk is payroll and people.

1 You're paying for that. You're paying for trucks.
2 You're paying for -- I get the concept. I'm not in
3 favor of paying more for anything, but the reality is
4 sometimes you have to get what you pay for.

5 So I'm glad I'm not in your position to see
6 what kind of a raise, but I'm all for what FP&L is and
7 stands for and what they do for the community. Thank
8 you.

9 **MR. JENKINS:** Gary Kaganowich?

10 **MR. JACKSON:** No, I'm Mason Jackson. I'm
11 after Nadine.

12 **MR. JENKINS:** Well, thank you, Mason. I
13 appreciate that.

14 **MR. JACKSON:** Thank you.

15 **MR. JENKINS:** Thank you.

16 **MR. JACKSON:** You're welcome. That's all
17 right.

18 **COMMISSIONER EDGAR:** Sorry. And would you
19 state your name one more time, please.

20 Whereupon,

21 **MASON JACKSON**

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

25 **DIRECT STATEMENT**

1 **MR. JACKSON:** Yeah. I'm Mason Jackson.

2 **COMMISSIONER EDGAR:** Thank you.

3 **MR. JACKSON:** I'm with WorkForce One.

4 However, I'm here today as a private citizen. I want to
5 make it clear that the board of directors of WorkForce
6 One has not considered or taken a position on the rate
7 increase. I am -- and I'm not speaking for or against
8 the rate increase. I am here to praise the quality of
9 service that they provide and their community service.

10 Personally I've experienced a great quality of
11 service in Pompano Beach where I live; very few power
12 outages and very quick service when there is a problem.
13 The lights may flicker, but they come back on almost
14 immediately in the few times that it has happened.

15 One quick anecdote. About 40 miles,
16 40 minutes, rather, away from my home while driving, I
17 remembered that the previous morning I had noticed a
18 transmitter spitting near my home. So I got on my cell
19 phone, called the repair folks and told them about it.
20 When I got there, the truck was there. They beat me
21 home to, to check it out and do the repairs. It was
22 just incredible.

23 The last hurricane, I will say this as the
24 head of WorkForce One, that my career centers were up
25 and running very quickly after the hurricane so that we

1 could put people to work quickly doing humanitarian aid
2 and cleanup.

3 They have been tremendously supportive in the
4 community, and I would urge you to make sure that they
5 have the resources to continue their great record.
6 Thank you.

7 **COMMISSIONER EDGAR:** Thank you.

8 **MR. WILLIS:** Gary Kaganowich.

9 (No response.)

10 Tom Hall, with Pedro Monteiro on deck, and
11 then Dan Lindblade.

12 **COMMISSIONER EDGAR:** Come on down and we'll be
13 glad to listen to you. And if -- one of the people that
14 we've missed, we'll listen to them too. So go right
15 ahead, sir.

16 Whereupon,

17 **PEDRO MONTEIRO**

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. MONTEIRO:** I'm Pedro Monteiro.

23 **COMMISSIONER EDGAR:** Thank you.

24 **MR. MONTEIRO:** Thank you for the opportunity
25 to speak.

1 I noticed that this is a daytime hearing, and
2 I would like you to keep in mind which sections of the
3 population are underrepresented today and which sections
4 are overrepresented. A lot of people earn minimum wage
5 and they are paid by the hour and they can't afford to
6 be here, so their voice isn't being heard. It's
7 probably also not being heard because Broward County
8 increased the price of the bus fare and that probably
9 adds to their hardship.

10 Now who might be overrepresented here? I
11 notice that people in suits tend to be in favor of the
12 rate increase and people without suits tend to be
13 against it.

14 I'm truly impressed by the number of people
15 here who have apparently no stated relationship with FPL
16 other than a customer who are taking a few hours out of
17 their weekday to come here and ask for a rate pay
18 increase for FPL. It's truly amazing. And I can't help
19 but wonder why they're being so good-hearted, unless
20 perhaps they do have a relationship with FPL, either
21 financial or political or otherwise, and they forgot to
22 mention it because they didn't think it would be
23 relevant. So when you weigh all the comments, I hope
24 you take that into account.

25 One of the people here installs solar panels,

1 he stated, and he said he'd be for the rate increase
2 because financial hardship will encourage people to
3 become more efficient or maybe invest in solar panels.
4 I'm all for renewable energy, but the, the rate increase
5 will amount to a regressive fee that will be
6 disproportionately borne on the shoulders of the people
7 with the lowest income. And those people will not be
8 able to afford new refrigerators, let alone solar panels
9 on their homes. So that is not the way to encourage
10 people to buy renewable power generation.

11 Anyway, FPL, as you know, has been taking
12 money out of our bill to be spent on encouraging energy
13 savings. If you compare the return on investment for
14 how much FPL spends on energy saving programs and how
15 much energy savings you get per dollar spent on the
16 energy saving program, all public utilities, sorry, all
17 private, you know, utilities score at the bottom.
18 Obviously it's the hen, sorry, the fox guarding the
19 henhouse. It's a very, very poor use of the money. But
20 I don't blame FPL for doing so poorly in improving
21 energy efficiency and lowering, lowering consumption.

22 FPL, as you know, deceived the public with the
23 \$10-per-month fee that they said they were going to use
24 to spend on solar in Florida, and then they spent it to
25 line the pockets of administrators who weren't even in

1 the State of Florida. But I don't blame them for that
2 either.

3 I was at a meeting with the League of Cities
4 where we sat with FPL to try and see what they could do
5 to reduce pollution and improve things for the
6 community, and they told us that solar was not
7 appropriate in Florida. Now, that's a bold-faced lie,
8 but I don't blame them for that either.

9 So now FPL is asking for guaranteed, more
10 guaranteed profits so they can line their pockets, and I
11 don't blame them for that.

12 So who do I blame for this? Why don't I blame
13 FPL? I don't blame FPL because they have a rule book
14 and they're just playing the game and they're following
15 the rule book. I don't blame them for being greedy.
16 They have an obligation to their shareholders to be
17 greedy. It's human nature.

18 You probably know before you even joined the
19 Public Service Commission that the PSC had a very poor
20 reputation and a long history of basically being in bed
21 with the utilities, according to what we read in the
22 papers. So it's the PSC and the legislators that wrote
23 the rule book that FPL is playing by. And as a
24 consequence of that, there is no incentive for FPL to do
25 things like improve efficiency.

1 The energy that FPL generates comes primarily
2 from fossil fuels. The conversion of that chemical
3 energy into electrical energy is about one-third.
4 33 percent of that chemical energy gets converted into
5 electricity. That's abysmal. In Scandinavia, that
6 efficiency is double what it is here industrywide,
7 nationwide.

8 Now why is that? The reason is there's a
9 financial incentive -- the way, the way the rules were
10 written, the incentive is for FPL to make money by
11 building new power plants. There's no financial
12 incentive for them to increase the power generation of
13 their existing plants by improving efficiency. So I
14 have some homework for the PSC.

15 **COMMISSIONER EDGAR:** Okay. I am going to have
16 to ask you to kind of wrap it up and give your
17 concluding thoughts.

18 **MR. MONTEIRO:** Okay. My homework for the PSC
19 is to restore, restore the reputation of the PSC by
20 rewriting that rule book to make it so that nonprofits,
21 whose sole purpose is to improve efficiency, will
22 collect the money from the ratepayers to improve
23 efficiency. Because you can't have the plant -- the
24 people who profit from selling electricity doing that.
25 That's number one.

1 Number two is change the game so that FPL will
2 profit from improving their generation efficiency rather
3 than from building new power plants.

4 And another thing that I would like to see you
5 do is structure things to promote distributed power
6 generation. The public schools are used as hurricane
7 shelters. During a hurricane when FPL power goes down,
8 those public schools should have hot water and
9 electricity. If they have photovoltaics and solar
10 thermal on their roofs, it will save them money in the
11 long-term and they'll have, you know, those facilities
12 available for people in a hurricane shelter. That
13 should happen throughout the state.

14 But I wouldn't stop there. Anyone who wants
15 distribute -- anyone who wants to generate solar on
16 their homes should be able to do it and they should be
17 paid at the full rate that FPL receives and they
18 shouldn't have to give away half of their, you know, at
19 the end of year as it is now.

20 So, and finally I'd like to say that the FPL
21 request for rate increase during these hard economic
22 times is basically a cruel joke, and it's obvious that
23 it's, it's something they don't expect to get and I
24 don't expect you to give it to them, but it must be an
25 excuse so that when things improve in a couple of years,

1 they can say, "Oh, look, you denied it to us last time,
2 so, you know, why don't you give it to us now."

3 Don't fall for that. Deny it now, deny it
4 next time, and change the rules so that their incentive
5 is to improve efficiency rather than build new power
6 plants. Thank you.

7 (Applause.)

8 **COMMISSIONER EDGAR:** Thank you.

9 Commissioner Skop.

10 **COMMISSIONER SKOP:** Thank you, Madam Chair.

11 Just a quick -- Mr. Monteiro, just to your
12 second and third points with respect to the Commission
13 incentivizing generating efficiency. The Commission
14 already does that, I believe. And, Marshall, please
15 help me if I do -- but we have something called a
16 generation performance incentive factor where we
17 encourage facilities to have operational excellence in
18 terms of their availability of their units to
19 incentivize that efficiency.

20 Also, too, with respect to the comment for
21 public schools, you know, we've heard through many of
22 the service hearings that FPL is an outstanding
23 corporate steward, does a lot of things for nonprofits,
24 public schools. Each of our utilities in Florida has
25 contributed towards bringing solar to the public

1 schools. Certainly I think that's something that I
2 would like to see continued. I think that that's a good
3 partnership, as well as promoting solar, an educational
4 basis for that.

5 So, again, I just wanted to briefly respond to
6 those two points. But we see some of those things in
7 place already. So I just wanted to, you know, heighten
8 your awareness.

9 And on a personal note, if my memory serves me
10 correctly -- I'm going to go out on a limb, I could be
11 wrong -- but I think you may have been a classmate of
12 mine. UF, 1985, Tolbert Hall. Does that ring a bell?

13 **MR. MONTEIRO:** Yeah.

14 **COMMISSIONER SKOP:** All right. It's good to
15 see you again after all these years. Thank you.

16 **COMMISSIONER EDGAR:** Mr. Jenkins.

17 **MR. JENKINS:** We left off with Dan Lindblade.

18 (No response.)

19 That's not Mr. Lindblade. Ira Silverman.

20 (No response.)

21 Jennifer O'Flannery Anderson.

22 **COMMISSIONER EDGAR:** Come on down.

23 Mr. Jenkins, did you say that was the last
24 name you called?

25 **MR. JENKINS:** This is the last person that had

1 signed up.

2 **COMMISSIONER EDGAR:** Okay. You are our
3 concluding commenter.

4 Whereupon,

5 **JENNIFER O'FLANNERY ANDERSON**

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 **MS. ANDERSON:** I feel like I'm on a game show.

11 (Laughter.)

12 First of all, I want to thank each of you for
13 your service to our state and our community. I'm very
14 humbled to have the opportunity to speak before you, and
15 I am grateful for your time taking. I know you're going
16 to Miami, I think, tonight. So I very much appreciate
17 it.

18 I am the president and CEO of United Way here
19 for Broward County. I've served in the capacity for
20 11 months. Before that I was at Florida Atlantic
21 University in Boca Raton. I'm here as a citizen, not on
22 behalf of either organization or the boards. But
23 because of the positions that I've had, I've been able
24 to interact with FP&L on a very regular basis. And I am
25 very struck by the professionalism, the staff, and the

1 commitment to our community.

2 The United Way serves on the county's
3 emergency operations center team, and we are responsible
4 for providing donated goods and services and all the
5 volunteers for after storms. So we've worked side by
6 side with FP&L professionals, and it's quite humbling to
7 see the commitment that they have to our community and
8 to making things right. After a storm it's very
9 difficult for all of us.

10 I also know firsthand for the past year,
11 working with the results of our economy and the way it
12 is hurting our citizens, how many people can't pay their
13 power bills, how many people are struggling, and how
14 FP&L has set up funds in our community that I can have
15 people tap to help get their bills paid. And I think
16 that's very important, a very important service that is
17 provided to several agencies throughout our community.

18 And for Hurricane Wilma, FP&L was -- used the
19 Boca Raton campus as its center to work from, and they
20 were amazing to watch in the way that they were trying
21 to get power restored and the organization that they
22 used to do that.

23 So I know this is a difficult situation,
24 nobody wants to have to pay more. I, I represent so
25 many people who can't pay more. But I know that this is

1 a good company and I know that the need is great and the
2 struggles to be more environmentally sensitive and to
3 provide much more efficient power, you know, binds us
4 all.

5 So I just wanted you to know that they have
6 been very supportive of the organizations that I am
7 associated with and the commitment to our community is
8 very strong.

9 And the employees of FP&L personally give to
10 United Way just in this community, Broward County, over
11 a quarter of a million dollars from their paychecks each
12 year, and I find that to be incredibly humbling.

13 So thank you for your attention, thank you for
14 your service, and I wish you a good day.

15 **COMMISSIONER EDGAR:** Thank you.

16 Okay. It has been a long session but a good
17 session. So let me just say on behalf of all of us up
18 here, if I may, thank you to everybody for your patience
19 and for your participation. We are on our way to
20 another meeting in just a couple hours in Miami.

21 So once again, thank you all, and we are
22 adjourned.

23 (Service hearing adjourned at 1:55 p.m.)
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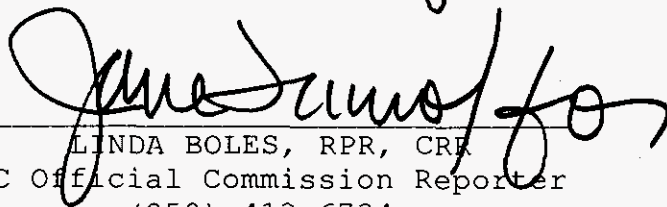
STATE OF FLORIDA)
 : CERTIFICATE OF REPORTER
COUNTY OF LEON)

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

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

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

DATED THIS 20th day of July, 2009.



LINDA BOLES, RPR, CRR
FPSC Official Commission Reporter
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