

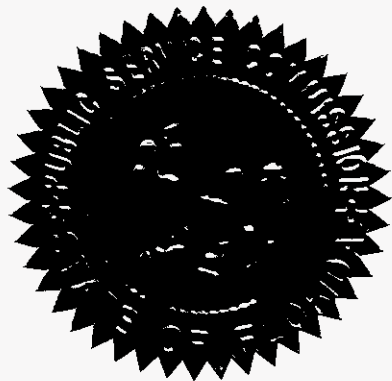
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI

In the Matter of:

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

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PROCEEDINGS: MIAMI GARDENS SERVICE HEARING

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

DATE: Friday, June 26, 2009

TIME: Commenced at 10:30 a.m.
Concluded at 2:33 p.m.

PLACE: North Dade Regional Library
2455 NW 183rd Street
Miami, Florida 33056

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

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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8 Retail Federation.

9 CECILIA BRADLEY, ESQUIRE, Office of Attorney
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11 appearing on behalf of the Citizens of the State of Florida.

12 CHARLIE BECK, ESQUIRE, Office of Public Counsel,
13 c/o The Florida Legislature, 111 W. Madison Street,
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15 behalf of the Citizens of the State of Florida.

16 THOMAS SAPORITO, Post Office Box 8413, Jupiter,
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P R O C E E D I N G S

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2 **COMMISSIONER McMURRIAN:** Good morning. I'd
3 like to call this customer service hearing to order.

4 Ms. Williams, would you please read the
5 notice.

6 **MS. WILLIAMS:** By notice, this time and place
7 has been set for a customer service hearing in Docket
8 Number 080677-EI, petition for an increase in rates by
9 Florida Power and Light Company.

10 **COMMISSIONER McMURRIAN:** Thank you.

11 Let me begin by welcoming you all here this
12 morning. I apologize for the mixup. I think some of
13 you are aware that there was a mixup with the newspaper
14 notice of the meeting this morning. It said it would
15 start at 9:00, but we apologize for that. I believe all
16 our publications said 10:30. So I apologize if any of
17 you have been waiting here an awfully long time, and
18 we'll get started and get to your comments here shortly.

19 I've also been asked to take a moment of
20 silence for a couple of people that are well-known in
21 our culture that recently died, Michael Jackson and
22 Farrah Faucett. So I would like to honor that, and so
23 if we could just take a quick moment of silence.

24 (Moment of silence.)

25 Thank you.

1 **COMMISSIONER McMURRIAN:** Now, before we get
2 into our introductions, Commissioners, I would like to
3 ask our interpreter to introduce herself and find out if
4 we will need her to help us at this point.

5 Ms. Jackie Guldris.

6 **MS. GULDRIS:** Good morning. My name is Jackie
7 Guldris. I will be interpreting for anybody that
8 doesn't speak any English. The only thing that I ask is
9 that you just speak slowly and softly so that I can
10 translate exactly what you're saying, and all of your
11 comments are in the record. Okay.

12 Thank you.

13 **COMMISSIONER McMURRIAN:** Thank you.

14 **COMMISSIONER ARGENZIANO:** Madam Chair.

15 **COMMISSIONER McMURRIAN:** Yes, Commissioner
16 Argenziano.

17 **COMMISSIONER ARGENZIANO:** I'm sorry,
18 but whoever is speaking keeps going in and out. I think
19 the microphones are very, very sensitive as to speaking
20 right into them.

21 **COMMISSIONER McMURRIAN:** We will see if we can
22 do anything about that.

23 **COMMISSIONER ARGENZIANO:** Thank you.

24 **COMMISSIONER McMURRIAN:** Maybe we can move
25 this.

1 Thank you, Commissioner Skop.

2 We moved one of the microphones closer to the
3 podium, so hopefully that will help.

4 Thank you, again. Good morning. I'm Katrina
5 McMurrian with the Florida Public Service Commission. I
6 am very happy to be here in South Florida today, and I
7 want you to know that the reason we're here is to hear
8 from you, the customers of Florida Power and Light,
9 about the request that's before us.

10 We encourage you to take this opportunity
11 today to talk to us. And if so, please see our staff
12 just outside the room. There are sign-up sheets out
13 there so that you can get on the list to talk to us.
14 And we'll get through a few introductions and a few
15 other preliminary matters.

16 And, first, let me say that I'm filling in for
17 our Chairman, Matthew Carter, today since he has had
18 back surgery recently and couldn't be here in person.
19 But he is joining us by phone, and I'll ask him to say
20 hello now, and then I will ask Commissioner Argenziano
21 to do the same, as she also can't be with us today due
22 to a broken leg. So I will let them both say hello and
23 talk to you a little bit further about that.

24 Chairman Carter.

25 **CHAIRMAN CARTER:** Good morning to everyone.

1 Thank you all for coming out; we're looking forward to
2 hearing what you have to say. Sorry we can't be with
3 you in person, but we are really looking forward to
4 hearing what you have to say.

5 **COMMISSIONER McMURRIAN:** Thank you, Chairman.
6 Commissioner Argenziano.

7 **COMMISSIONER ARGENZIANO:** Yes. Good morning,
8 and I'm very grateful to everyone who showed up to
9 speak. This is your Public Service Commission, and we
10 need to hear what you have to say. I apologize for not
11 being able to be there. As Commissioner McMurrian said,
12 I have a broken leg and am not doing well with it. So
13 I'm glad that I have been able to at least be there by
14 phone, and I'm just looking forward to hearing what you
15 have to say. Thank you for coming.

16 **COMMISSIONER McMURRIAN:** Thank you. And,
17 Commissioners, we wish you both a speedy recovery.

18 **COMMISSIONER ARGENZIANO:** Thank you.

19 **CHAIRMAN CARTER:** Thank you.

20 **COMMISSIONER McMURRIAN:** Commissioner Edgar
21 also cannot be with us today. She had a commitment made
22 prior to the scheduling of this hearing, and she will be
23 reading the transcript later to get your thoughts.

24 And now I would like to ask Commissioner Skop
25 to introduce himself.

1 **COMMISSIONER SKOP:** Good morning. I'm
2 Commissioner Nathan Skop, and happy that everyone was
3 able to come out this morning and take your valuable
4 time to provide comments with respect to the rate case
5 pending before us. I look forward to hearing from each
6 and every one of you. Thank you.

7 **COMMISSIONER McMURRIAN:** Thank you.

8 And now we'll take appearances of counsel,
9 starting with FPL.

10 **MR. BUTLER:** Thank you, Commissioner. John
11 Butler, attorney for Florida Power and Light Company.

12 **MR. BECK:** Good morning. Thank you for
13 coming. My name is Charlie Beck. I'm with the Office
14 of Public Counsel, and we are appearing on behalf of
15 customers in this proceeding.

16 **MR. WRIGHT:** Good morning. I'm Schef Wright.
17 Welcome and thank you for coming. I represent the
18 Florida Retail Federation, also a large group of
19 customers in this proceeding.

20 **MR. SAPORITO:** Good afternoon. My name is
21 Thomas Saporito. I'm a private citizen in Florida. I
22 represent myself and my fellow ratepayers in this
23 proceeding.

24 **MS. BRADLEY:** My name is Cecilia Bradley, and
25 I have the honor of working for Attorney General Bill

1 McCollum and representing all of you in these
2 proceedings. So I thank you for coming to tell us your
3 comments and your concerns about these proceedings.

4 Thank you.

5 **COMMISSIONER McMURRIAN:** Thank you all.

6 And I would also like to recognize a few folks
7 as we get started here. Mr. Jack Shreve is sitting here
8 in the front row to my right. He's here today on behalf
9 of Governor Charlie Crist. And Mr. Shreve was also your
10 Public Counsel for close to 30 years, and today he is
11 here to represent the governor and hear from you all.
12 As the Governor, of course, is interested in all the
13 matters that come before the PSC and that affect you.

14 I would also like to recognize a few other
15 folks. Shaquita Rahming, and I hope I didn't -- she is
16 waving in the back in the pink. She's here. She is a
17 legislative assistant to Senator Fredrica Wilson. Thank
18 you for coming.

19 Also, we have Representative Oscar Braynon
20 from District 103 here in Miami Gardens. Stand up and
21 wave. Thank you.

22 We have Representative James Bush from
23 District 109 in the back. Thank you for coming.

24 And, also, Councilman Melvin Bratton in the
25 back as well from the City of Miami Gardens.

1 Thank you all for being here today. And if
2 you all would like to make comments later, then we will
3 gladly accommodate that.

4 And I would also like to introduce some fine
5 members of our staff who are with us today to help keep
6 me straight and to address some of your concerns. From
7 our technical staff we have Marshall Willis and Cheryl
8 Banks. Thanks to them. And from our legal department
9 we have Ms. Anna Williams. And Dick Durbin and Cindy
10 Muir are probably out front, and he will get you all
11 signed up. Actually, here is Mr. Durbin here. Cindy
12 Muir is probably out front, and we thank them. And then
13 Jane Faurot is our court reporter, so she'll be
14 transcribing everything today.

15 And, of course, there are several more people
16 back in Tallahassee that are working on this case, a
17 number of engineers, analysts, auditors, customer reps,
18 and attorneys. So I just wanted you all to know there
19 are a lot of people looking into this for you.

20 Next, I want to say if you plan to speak
21 today, please see our staff outside, as I mentioned, and
22 sign up if you haven't already. We will be calling you
23 from that sign-up sheet at the appropriate time.

24 And another important document is the blue
25 handout that I see several of you have. Actually, I

1 don't have any handy here to hold up. Let me hold one
2 up. Thank you, Ms. Guldris. Here is the blue sheet,
3 and for your convenience it has been designed for
4 comments on the very back page. If anyone doesn't feel
5 like making any comments today and would like to do them
6 in writing, this conveniently folds up into thirds, and
7 you can mail it into us. Or if you know people that
8 couldn't be here, friends and neighbors, feel free to
9 take some extra copies to them, and they can mail it in.

10 There is also information on the front, some
11 general questions about the rate case as well as how to
12 contact the PSC. And we, also, of course, take
13 information by e-mail address. We have a toll free
14 number, and there's a lot of information on our website,
15 and there's information there about how to access those
16 things. So hopefully that will be helpful.

17 And I have one other introduction. Ms. Pamela
18 Paultre. I hope I haven't mispronounced your name.
19 Here she is. Thank you for being here. She's a
20 legislative assistant to Representative Ronald Brise
21 from District 108. So thank you very much. Okay.

22 Now, I will invite the parties to this case to
23 present brief opening statements, and we think you will
24 find it very helpful. We will start with Florida Power
25 and Light.

1 **MR. BUTLER:** Thank you, Commissioner. Good
2 morning. Again, my name is John Butler, attorney with
3 Florida Power and Light Company. I'd like to, first of
4 all, thank you all for coming out today to this quality
5 of service hearing. We sincerely appreciate your
6 participation. We know your time is valuable. I can
7 assure you that the comments and input you provide today
8 with respect to the level of service FPL provides or
9 with respect to any other matter will be heard and
10 carefully considered by FPL.

11 In a moment you will hear a short presentation
12 from FPL's vice president of customer service, Marlene
13 Santos. Marlene will address our current rate request,
14 provide information about FPL's level of service, and
15 discuss FPL's programs and services in place to assist
16 our customers in lowering and paying your bills.

17 But, first, I wanted to inform our customers
18 in attendance today that we also have several other
19 customer service representatives here. They are
20 available to meet with any customer that has a question,
21 concern, or issue with his or her electric account or
22 service.

23 They are equipped with on-line computers and
24 can bring up your account information in realtime. They
25 will make every effort to resolve your issue or question

1 today before the conclusion of this hearing. If they
2 are unable to resolve your issue today, they will do
3 their very best to resolve it as quickly as possible
4 thereafter.

5 They are set up in a room outside these
6 chambers. It is just to the left marked Conference Room
7 A. If you are interested, we have folks in the back of
8 our auditorium, let me point them out here, over here to
9 my left, your right, who will be more than happy to
10 direct you to the appropriate room.

11 At this time I would like to introduce Marlene
12 Santos. Thank you.

13 **MS. SANTOS:** Thank you, Commissioners, and
14 thank you to all of you who are in this room today. We
15 have very deep roots in Miami that go back many, many
16 decades. And actually today we have nearly 4,000
17 employees right here in Miami.

18 We appreciate the input that you will be
19 giving to us today and understand that you have very
20 high expectations of us, especially in this very
21 difficult economy. So this morning what I would like to
22 do is to tell you exactly what we are doing to continue
23 to provide you with affordable, with reliable, and with
24 clean energy solutions. I would like to begin with
25 affordability.

1 We understand that electricity is a
2 significant expense to our customers. At a time when
3 family budgets are tight, we know we need to work harder
4 than ever to keep your bills down. I'd like you to
5 think of this analogy for a second. When you do any
6 improvements in your home to improve the energy
7 efficiency of your home by installing air conditioning,
8 or put in ceiling insulation, what you are doing is
9 you're saving money because you are using less energy.

10 Similarly, we have worked very hard to improve
11 the efficiency of our power plants so that they can use
12 less energy and they can save you money. These types of
13 achievements, combined with lower fuel costs, allowed us
14 to lower our customer bills this year in January. In
15 September, we'll be filing our fuel costs for 2010,
16 which we project will be even lower.

17 We are committed to keeping our customers'
18 bills as low as possible. In fact, the chart that John
19 just put up shows you that according to the Florida
20 Municipal Electric Association's data as of April, FPL's
21 bills are the lowest of all 54 utilities in Florida.
22 You can see the blue bar at the end of the chart, which
23 is FPL's bill, and all those orange bars are all the
24 other 53 utilities in Florida, and their typical
25 electric bills are all higher than ours. It shows you

1 that an FPL bill is \$110 per 1,000 kilowatt hours. The
2 average for all of those Florida utilities is \$135. So
3 our customers are saving \$25 a month, or \$300 a year.

4 We work extremely hard to keep those low for
5 our customers. The fact is FPL has not had a general
6 base rate increase since 1985, yet the cost of many
7 things as you all know this last quarter century have
8 been increasing.

9 The fact that FPL customers have had the
10 lowest typical bills in Florida reflects years of our
11 very aggressive cost management. Our operating expenses
12 per kilowatt hour are already less than half of the
13 industry's average. And between 2008 and 2009, FPL has
14 reduced capital spending by nearly \$1 billion to account
15 for this lower customer growth. In short, we have
16 tightened our belt in response to the downturn of the
17 economy.

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

1 single year beginning in 2014.

2 We understand that customers who are
3 struggling to make ends meet need for than just low
4 electric prices. You need help in keeping your bills as
5 low as possible. That's why we proactively help our
6 customers with energy saving solutions. Since the early
7 1980s, we have been the leader in energy efficiency, and
8 we have actually gone out to customers' homes and done
9 over two and a half million energy surveys that have
10 reduced our customers' electricity usage.

11 We also continue to sponsor programs like Care
12 to Share, which is FPL's payment assistance program.
13 Care to Share has helped 55,000 Florida families with
14 over \$11 million. Last year, FPL's shareholders once
15 again contributed \$1 million to this essential program.

16 And if I may, this has been something that has
17 been talked about in other hearings. Any charitable
18 contribution that FPL makes does not come out of your
19 rates. That comes out of the profits that FPL makes.
20 So please be assured of that. In addition, we have
21 sponsored home energy makeovers in the Miami area that
22 have helped our low income customers improve their
23 energy efficiency.

24 So while we are very mindful of today's
25 difficult economy, we are also responsible for ensuring

1 reliable service. Our rate proposal is a vital part in
2 ensuring that we have the plans in place to make prudent
3 investments in our electrical infrastructure.

4 As a state and as a company we learned lots of
5 lessons in the 2004 and 2005 hurricane seasons. That's
6 why we are investing more to make our infrastructure
7 stronger every single day whether there is good weather
8 or bad. 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.

12 Right here in Miami, it includes places like
13 Jackson Memorial Hospital, North Shore Hospital,
14 Baptist, Mercy, Doctors, and Miami Children's Hospital,
15 as well as many key thoroughfares. These efforts have
16 helped to improve the reliability of our system and the
17 chart that we just put up, in fact, shows that according
18 to the Edison Electric Institute, FPL's distribution
19 reliability is 47 percent better than the national
20 average. That was in 2008.

21 We are also investing in smart technologies
22 that will give our customers more control of how you use
23 energy. We will be installing what are called smart
24 meters, and with these smart meters you will be able to
25 go on-line and understand how you're using energy. You

1 will be able to see your energy consumption not only by
2 the month, but also by the day and by the hour.

3 And we are also investing in cleaner energy to
4 do our part to fight climate change. The three solar
5 power plants that we are building here in Florida will
6 avoid nearly 3-1/2 million tons of carbon dioxide
7 emissions. I'm very proud to tell you that according to
8 the National Resources Defense Council, my company is
9 one of the cleanest energy providers in the nation.

10 Most importantly, we can continue to make
11 these types of investments even as our customer bills go
12 down in 2010. As a result of lower forecasted fuel
13 prices and our success at making our power plants more
14 efficient, fuel costs for a typical 1,000 kilowatt hour
15 bill are expected to continue to go down by \$17 per
16 month. Our proposal costs \$12 per month, okay. So the
17 net is a decrease of \$5 per month.

18 In 2011 we are requesting an additional base
19 rate increase of \$2.84. Over the next five years, we
20 need to invest almost \$16 billion. A significant amount
21 of that will come from the capital markets and our
22 return on equity request is what the market requires.

23 In the same way that someone with good credit
24 can get a better mortgage rate, FPL's customers will
25 benefit from the company's strong financial position.

1 We're able to obtain better, lower cost financing at an
2 overall rate of approximately 8 percent, which is what
3 is in our proposal. When we save on financing, our
4 customers save on their bills.

5 In a few minutes, you will hear other parties
6 state their views on several financial issues in our
7 proposal, such as return on equity and depreciation. We
8 respectfully disagree with their views and the way that
9 they characterize those issues. If you would like more
10 information on those and to understand FPL's position,
11 we will be glad to go over that in detail with you
12 afterwards.

13 So, in closing, our rate proposal is all about
14 the long-term and investing to make our infrastructure
15 stronger, smarter, cleaner, more efficient, and less
16 reliant on any single source of fuel. What you will get
17 for that at the end is energy that will be affordable,
18 reliable, and clean.

19 I thank you all so much for paying attention
20 to us, for being here this morning, and really look
21 forward to your feedback and, most importantly, to
22 understand how we can continue to give you good service
23 and make it even better.

24 Thank you very much.

25 **COMMISSIONER McMURRIAN:** Thank you.

1 Now we will hear from the Office of Public
2 Counsel, Mr. Charlie Beck.

3 **MR. BECK:** Thank you, Commissioners, and, good
4 morning, everybody. Thank you so much for coming out
5 this morning. I am one of the people who has a
6 different view of what Ms. Santos just mentioned for
7 Florida Power and Light in this case.

8 Our office has intervened in the case to
9 represent your interest. The Office of Public Counsel
10 was created by the Legislature to represent the public
11 interest. Just as the company has their attorneys and
12 their expert witnesses, and they have considerable
13 resources they are bringing to bear to convince the
14 Commission to grant this increase, our office is
15 essentially a law office, and we are hiring expert
16 witnesses to put on the other view in the case.

17 I'd like to recognize Jack Shreve who is here
18 on behalf of the Governor. I know Commissioner
19 McMurrian mentioned it, but Jack was the head of our
20 office for 25 years, and we are glad he is here today.
21 I am also going to ask -- a person in our office, Mike
22 Jenkins, is handing out a yellow sheet. The Commission
23 has a blue handout and ours is a yellow one. And what
24 this sheet does is it shows you some of the issues that
25 we will be litigating in this case where we disagree

1 with the basis for Florida Power and Light's request to
2 increase their rates.

3 This is the largest rate increase that has
4 ever been filed at the Public Service Commission.
5 Florida Power and Light is asking to raise your rates to
6 produce an extra one billion dollars a year beginning
7 next year and then an additional \$300 million a year
8 after that. Florida Power and Light has characterized
9 it as, well, fuel prices are going down and that's going
10 to offset some of the rate increase. Let me say that
11 that is simply mixing apples and oranges.

12 Let me mention a little bit about how your
13 bill is determined. When you get a bill there is a
14 dollar amount at the bottom of the bill that says pay
15 this amount, but it is actually composed of a number of
16 different things. The base rates pay for the general
17 operation of the company, and also pay for the profit
18 that they make, and it's one of the things they are
19 asking for in this case is a 12-1/2 percent return after
20 taxes on their investment. But in addition to those
21 base rates, there is a number of pass-through items that
22 when they go up, the higher costs are passed through,
23 and when they go down, those lower costs are required to
24 be passed through.

25 Some of those items are environmental costs,

1 conservation costs, and the biggest one is fuel cost.
2 You know, fuel costs go up and they go down. You
3 remember last year when we had a spike in fuel prices,
4 those are effectively the fuel that the utility pays.
5 Florida Power and Light increased their prices at that
6 time and flowed them through. And when they come down,
7 they are required to flow them through. In other words,
8 they have no choice. If their fuel prices come down,
9 they are required to flow them through.

10 Many companies in the state have already done
11 so. Just last week we had several companies announce
12 that they were reducing rates. Lakeland Electric is
13 reducing their rates by \$17 for fuel costs, and they are
14 doing that effective July 1st. Jacksonville Electric on
15 October 1st is going to reduce their fuel prices by
16 about \$14 a month per 1,000 kilowatt hours. So you are
17 going to see fuel reductions at the end of the year by
18 Florida Power and Light because they have to pass them
19 through.

20 Just as they go down, as sure as you are
21 sitting here, at some point they are going to go up.
22 And at that point you are going to get hit with a double
23 whammy. In other words, the base rate increase that you
24 are seeing here as well as the higher fuel costs. So
25 don't mask -- let those two mask each other. You know,

1 at some point you are going to get hit with all of them,
2 and it's going to be a very large increase if they get
3 this one in this case.

4 Let me briefly mention a couple of the issues
5 that we are going to litigate and why we think Florida
6 Power and Light does not deserve any rate increase at
7 all in this case.

8 First, is the return on equity, which you can
9 think of that as their profit margin. Florida Power and
10 Light recently recorded their earnings. They are
11 earning a 10.8 percent return or profit margin on their
12 investments. In this case they are asking for 12-1/2
13 percent return on equity.

14 Now, we have been litigating this in other
15 cases with our Commission. We are concerned about the
16 profit margin that the Commission is allowing the
17 companies. Early this year in the case of Tampa
18 Electric, the Commission authorized a return of 11-1/4
19 for Tampa Electric Company. In that case the company
20 was asking for a 12 percent return, and it was a
21 four-to-one vote. Commissioner Argenziano, who's on the
22 speaker, voted against it, but the other four
23 Commissioners voted in favor of that.

24 And we are concerned about that, because the
25 national average around the country and what the

1 commissions are granting utilities is about
2 10.29 percent, or basically 4 percent less. We are
3 hiring a professor of finance from Penn State who is
4 going to testify that the reasonable and fully
5 compensatory return to the company is less than
6 10 percent. Why is this important? For every percent
7 higher on return that the Commission authorizes that is
8 \$130 million out of your pockets to Florida Power and
9 Light. And they are certainly entitled to make a
10 profit. We don't disagree with that, but we certainly
11 disagree with the level of the profits they are making.
12 Twelve and a half percent is simply unreasonable and
13 doesn't reflect the economic conditions that exist
14 today.

15 Another issue we are going to raise is
16 depreciation, which is probably a real snoozer to most
17 people, but there is a lot of money at stake on this.
18 One of the startling things in this case is Florida
19 Power and Light admits that they've collected more than
20 a \$1-1/4 billion too much in the past for depreciation.
21 They say that is a charge for the wear and tear on
22 assets, and they're proposing to give this back to you
23 over a 20 to 30-year period.

24 We disagree with that, and we propose they
25 give it back much quicker. We will be proposing --

1 first of all, we think the difference is much larger
2 than they are saying, but we think at least the amount
3 that they concede to should be flowed back -- over no
4 greater than four years.

5 We will be addressing affiliate transactions
6 and there is a lot of accounting issues that go in
7 there. This will be charges from one Florida Power and
8 Light affiliated company to the other. So, for example,
9 there are salaries at the parent company for their
10 officers, and a portion of that gets charged to the
11 utility's customers. And we will be contesting the
12 reasonableness of those salary levels and also other
13 transactions that flow between Florida Power and Light.

14 Typically, there will be over 100 issues in
15 the case, so it is a complicated little case. The
16 Commission will hear both sides. We'll be presenting
17 testimony by our expert witnesses. Our witnesses will
18 show the Commission that there is simply no need at all
19 for a rate increase. These are very difficult times,
20 unemployment is over 10 percent in Florida, people's
21 savings have been decimated by the stock market.
22 Florida Power and Light simply can make do with what
23 they have. They are making a handsome profit right now,
24 and we think the Commission shouldn't give them any
25 profit at all -- or any increase at all in this case.

1 Thank you so much. We are looking forward to
2 hearing from you. (Applause.)

3 **COMMISSIONER McMURRIAN:** Thank you, Mr. Beck.

4 Now we will hear from Schef Wright with the
5 Florida Retail Federation.

6 **MR. WRIGHT:** Good morning. My name is Schef
7 Wright. I was born down the street at Jackson Memorial
8 Hospital a little more than 59 years ago. I have had
9 the good fortune to be working in energy issues in
10 Tallahassee for the last 29 years. First for Governor
11 Graham's Energy Office, and then on the staff of the
12 Public Service Commission for about seven years, and
13 more recently for the last 20 years as a private
14 practice attorney.

15 I represent consumers. The Florida Retail
16 Federation is my main client. They are a statewide
17 organization of more than 9,000 members from the
18 smallest mom and pop commercial establishments to the
19 largest chains of grocery, department, Big Lots, drug,
20 electronic stores that you know all well by name. I
21 also represent renewable energy producers. I also
22 represent municipalities in their dealings with Florida
23 Power and Light and other utilities throughout the
24 state.

25 Just to make one thing perfectly clear,

1 representing the Florida Retail Federation in this case
2 we are all in this together. This is not retailers
3 against residential customers. This is not retailers
4 against industrial customers. Our view is we are all in
5 this together. We're all customers. We're going after
6 the dollars. And you are going to hear me talk about
7 dollars with real numbers here.

8 Like your Public Counsel, we, the Florida
9 Retail Federation, opposes FPL's rate increase. The
10 question in this case, the issue that the Florida Public
11 Service Commission eventually has to decide in this case
12 when all the evidence is in is this: Does Florida Power
13 and Light Company need another \$1.3 billion a year of
14 your money, our members money, in order to maintain,
15 own, finance, operate its system, and to fulfill its
16 statutory duty to provide safe, adequate, reliable
17 service. We don't believe that they do. Why not? I'm
18 going to tell you why we don't believe that.

19 Let me give you some quick history here.
20 Ms. Santos told you that FPL has not had a general base
21 rate increase for 24 years. That's true. Let me tell
22 you some history. In 1985, the last time they had a
23 general base rate increase, FPL's revenues were
24 \$3.2 billion. This year with no base rate increase,
25 this year they are \$11 billion. A lot of this is due to

1 another \$250 million a year, and they remained highly
2 profitable. Mr. Beck just told you today they are
3 highly profitable today. They are earning an after tax
4 rate of return which is the profit equivalent in this
5 context of 10.8 percent after taxes. Today. This year.

6 In 2005, they came to the Commission and asked
7 for yet -- they did ask, they asked; they didn't get it.
8 They asked for a base rate increase of \$430 million a
9 year. Through the efforts of your Attorney General,
10 your Public Counsel, the Retail Federation, the
11 Industrial Power Users, and the AARP, Florida Power and
12 Light Company eventually agreed to a base rate freeze.
13 They asked for \$430 million, and at the end of the day
14 as you will hear, they agreed to no base rate increase.
15 They haven't had a base rate increase because they
16 haven't needed one, and during these 24 years they have
17 remained very, very profitable.

18 Again -- and by the way, I will touch on fuel
19 very briefly. If the Commission gives FPL no base rate
20 increase in this case, and if fuel costs come down the
21 way FPL projects that they will -- and, by the way, they
22 haven't made a formal filing asking to reduce their
23 rates yet. But if they do, if the Commission grants a
24 no base rate increase, your rates will be \$12.40 a month
25 less than what FPL is asking for.

1 customer growth, a lot of it is due to the proliferation
2 of vastly increased number of pass-through clauses and a
3 vast increase in dollars recovered through the
4 pass-through clauses like fuel clause, capacity clause,
5 the environmental cost recovery clause, energy
6 conservation cost recovery clause, storm clause, and
7 there have been others.

8 In 1985, FPL's rate base was \$5.8 billion.
9 Without a base rate increase in 24 years, FPL's rate
10 base is now \$15 billion. And during this time, FPL has
11 been earning handsome profits. They have been earning
12 so much money that they have had to make base rate
13 refunds to all customers totaling more than \$200 million
14 over the years.

15 And in 1999 in a rate proceeding led largely
16 by your Public Counsel along with the Retail Federation,
17 the Industrial Power Users, and other consumer
18 representatives, Florida Power and Light Company agreed
19 to a base rate reduction of \$350 million a year. And
20 they remain profitable.

21 In 2002, again led by consumer
22 representatives, your Attorney General, the Public
23 Counsel, Mr. Shreve, the Florida Retail Federation, the
24 Industrial Power Users, the AARP, Florida Power and
25 Light Company agreed to a further base rate reduction of

1 Again, the issue here is does FPL need another
2 billion dollars-plus per year of your money and our
3 members' money to maintain, operate, finance, construct,
4 and own its system. We don't think so. Why not? We
5 believe they have overstated their costs. We believe
6 they have overstated their need for returns to their
7 investors for profit to attract investment.

8 Now, I want to touch on this briefly. FPL's
9 own filing shows that without a rate increase their
10 adjusted net operating income, which is the profit
11 equivalent in this case, in this context, will be
12 \$725.8 million in 2010. Now, we had a customer come
13 last night and say how much is enough? It's tempting to
14 say -- he said, we are all struggling to break even, and
15 it is tempting to say \$725 million is enough. I
16 actually don't happen to believe that. I think they do
17 need more money to finance their system, because they
18 need money to attract investment. I don't think they
19 need anything like what they are asking for, and I don't
20 think -- we don't think that when all of their costs are
21 adjusted properly that they should get a rate increase.

22 The difference between 12-1/2 percent return
23 on equity and 10 percent return on equity which,
24 frankly, facing the risk they face, I believe it's
25 generous. The difference between those two numbers is

1 \$335 million a year of your money. We think that should
2 be probably a little more than that when all the
3 evidence is in.

4 Mr. Beck mentioned the accumulated
5 depreciation surplus. This is a surplus that you
6 created by paying your rates, paying your bills over the
7 months and over the years. We think it ought to be
8 flowed back to you, and to us, to our members, to all
9 customers, over a reasonable period of like four years.
10 Even if the number is only \$1.25 billion as FPL has
11 admitted, that adjustment alone will take another \$250
12 million a year off the increase. To the extent the
13 surplus is bigger, that adjustment, that downward effect
14 on rates will be bigger.

15 FPL has asked to build in another \$150 million
16 a year of storm reserve accrual charges in your rates.
17 They are already recovering a storm surcharge today.
18 They already today have a storm reserve fund that is
19 either at or pushing \$200 million. I am sure of that,
20 because this was as of -- as of now they are projecting
21 it to be \$215 million at the end of this year. God
22 willing and pray we don't have a storm this year, that
23 is what it will be at the end of this year.

24 And make no mistake, if Florida Power -- if we
25 had a storm, if Florida gets whacked again like we did

1 in 2004 and 2005, FPL is going to have storm costs, and
2 we're going to have to pay for the reasonable and
3 prudent costs of restoring service. That is what
4 happened in 2004 and 2005, and that is what will happen
5 again.

6 And we don't object to paying that. We expect
7 reliable service, and we expect to pay for it. The
8 point is FPL already has a rainy day storm -- excuse me,
9 reserve fund of around \$200 million. They don't need
10 another \$150 million a year of your money and our money
11 to provide reliable service.

12 There are other accounting issues, as Mr. Beck
13 mentioned, that are going to include depreciation
14 expense, probably executive compensation, and some other
15 issues that we believe when all the evidence is in will
16 result in the Commission -- I think they should grant no
17 base rate increase.

18 Now, I've told you what we are talking about
19 in terms of reducing FPL's increase. I want to tell you
20 what we are not talking about. We are not talking about
21 cutting jobs. We're not talking about laying people
22 off. We are not talking about cutting positions of
23 people who are out in the field keeping your lights on.
24 We are not talking about cutting their salaries. We are
25 not talking about cutting the amount that FPL invests in

1 new power plants, or new lines, new transformers, and
2 new meters. We're talking about how much they earn on
3 that investment.

4 We are not talking about touching one cent of
5 FPL's recovery for its solar projects. We are not
6 talking about touching one cent of what FPL recovers to
7 run its energy conservation programs, which provide
8 rebates to a lot of you.

9 So at the end of the day, we believe when all
10 the evidence is in, FPL will be entitled to at most a
11 small increase, and we think probably a zero increase.
12 The evidence will tell. That's going to come out in two
13 weeks of hearings in August and September. The Public
14 Service Commissioners will have a tough decision to
15 make. We believe that decision should be no rate
16 increase. Please tell them your views today.

17 Thank you. (Applause.)

18 **COMMISSIONER McMURRIAN:** Thank you.

19 Now we will hear from Mr. Thomas Saporito, who
20 is representing himself.

21 Mr. Saporito.

22 **MR. SAPORITO:** Good afternoon. Again, my name
23 is Thomas Saporito, and I am a private citizen and a
24 ratepayer of Florida Power and Light Company, and I am
25 also a stockholder of Florida Power and Light. Florida

1 Power and Light is a quality company and the stock is
2 worth holding. You heard the rate of return that
3 stockholders get.

4 FPL wants to raise our electric rates by
5 \$1.3 billion. And if you've read some of the literature
6 FPL has outside, they tell us we can save electric or
7 lower our electric bill by setting our AC thermostat to
8 80 degrees. Now, I don't know about you, I would rather
9 sit out on my porch and watch my TV with a breeze than
10 sit inside a residence of 80 degrees.

11 How does FPL's \$1.3 billion increase effect
12 you personally? That's what these folks here behind me,
13 the Public Service Commission, want to know. If you
14 think they need \$1.38 billion, that's fine. Tell them
15 why you think that. If you don't think they need \$1.3
16 billion, that is fine also. Tell them why. That is why
17 they are here.

18 Everybody knows FPL is a great company.
19 Everybody knows FPL contributes to the United Way, et
20 cetera, et cetera, but that's not the issue. The Office
21 of Public Counsel told us that FPL shouldn't get any
22 increase. Counsel for the Florida Retail Association
23 said FPL should not get any rate increase.

24 My position is FPL should be ordered by the
25 Public Service Commission to reduce our electric rates

1 by \$1.3 billion, and I'll tell you why. (Applause.)
2 You saw the fancy chart that the FPL attorney held up
3 for the PR representative here. Well, I have -- I have
4 a little graph, a little display myself. These are 51
5 states in the United States of America. These are the
6 average kilowatt rates per state.

7 Although Florida Power and Light -- it's true,
8 Florida Power and Light is the lowest of all utilities
9 in the state of Florida. That doesn't mean anything,
10 because if you take the average of the electric rates
11 for all the residents in the state of Florida, whether
12 you are paying FPL, or Progress Energy, or Tampa
13 Electric, whoever, the national average is \$9.83 per
14 kilowatt. Florida comes in 37th out of 51 states at
15 \$11.89. And this June 5th, 2009, and it's a government
16 publication. You have got to question the judgment of
17 our Public Service Commission in allowing Florida to
18 slip down to position Number 37 out of 51 states.

19 Next, the unemployment rate in Florida is well
20 over 10 percent now. People don't have jobs. People
21 can't pay any more money. The good folks here in
22 Florida have their homes foreclosed. They have to leave
23 their homes. Some people left their homes with their
24 pets in them, and they can't pay any more in electric
25 rates. They don't even have a roof over their heads

1 anymore.

2 The entire U.S. economy is in a crisis, a
3 crisis not seen or paralleled since the likes of the
4 1930 depression. In my view, this country is in a
5 depression, not a recession.

6 I'd like to have a show of hands, and I will
7 tell you a number, \$5,528. How many people think that
8 is a lot of money, put your hands up. How would you
9 like to get paid \$5,520 an hour for every hour you work?
10 Florida Power and Light's Chief Executive Officer, Lewis
11 Hays, III, is compensated at a rate of over \$11,500,000
12 a year. That comes out to \$5,528 an hour. What does he
13 do? And should we have to pay that? Isn't that not
14 excessive?

15 Other CEOs of other companies get far less. I
16 researched it. Some get 500,000, some get a million.
17 The executives of Google, a multi-billion-dollar
18 corporation, much, much, much larger than Florida Power
19 could ever dream of being they are paid a dollar a year.
20 That's all. Apple's CEO, a dollar. GM, Chrysler, a
21 dollar.

22 I think FPL needs to tighten their belt. I
23 don't think they have tightened it at all. They are
24 loosening it. They want to get room for another
25 \$1.3 billion in there.

1 Now, I've got to tell you, I'm not an attorney
2 and these people are a lot more intelligent than I am,
3 and they are going to represent you very, very, very
4 well. But I approach it from a more common sense area,
5 and I took a look at Florida Power's government bonds at
6 the Security Exchange Commission. And they show that
7 Florida Power and Light's customer service costs have
8 been rising. Why? People aren't paying their electric
9 bills. Customers are in default. People's homes are
10 foreclosed. They are not even there. They are shown on
11 FPL's books. FPL's customer base is here, but their
12 revenues are going down.

13 Good people are leaving the state. They don't
14 have jobs here for anybody. So do we need an electric
15 rate -- an increase in our electric rates when the
16 demand is going down because people aren't using
17 electricity because they're not even in their homes
18 anymore. They don't have jobs to even pay their bills.
19 I think we don't.

20 Next, FPL's mismanagement of their nuclear
21 power plants has cost us tens of thousands of dollars in
22 the payment of overtime wages in the likes of 72 hours a
23 week, 72 hours a week. Nuclear power operators are
24 working 72 hours a week. How do you stay awake? I
25 don't know. But the NRC Chairman, Mr. Klein, he came

1 here recently, and he criticized Florida Power and
2 Light. He said you people cannot have your plant
3 operators working 72 hours a week, and your training
4 program has failed.

5 Should we be responsible for paying FPL's
6 mismanagement which resulted in payment of overtime
7 wages? Hey, I don't mind paying a nuclear operator, you
8 know, \$50 an hour as long as he's doing it on straight
9 time. But I shouldn't have to pay time and a half,
10 double time wages for that operator to operate that same
11 nuclear plant because FPL can't seem to manage their
12 nuclear plants.

13 **COMMISSIONER McMURRIAN:** Mr. Saporito, can you
14 wrap up?

15 **MR. SAPORITO:** A few more minutes.

16 **COMMISSIONER McMURRIAN:** I am just trying to
17 get us --

18 **MR. SAPORITO:** I understand.

19 **COMMISSIONER McMURRIAN:** -- we started shortly
20 after 11:30 here, and I have still got Ms. Bradley.

21 **MR. SAPORITO:** I'll be as quick as I can.

22 FPL pays huge bonuses in the tens of thousands
23 of dollars to get people to work at the Turkey Point
24 nuclear plant. Should we have to pay for that? FPL
25 pays huge bonuses in the tens of thousands of dollars to

1 make employees stay at Turkey Point nuclear plant.
2 Should we have to pay for that? FPL has paid at least
3 \$338,000 to the United States Nuclear Regulatory
4 Commission because their security guards were found
5 sleeping on the job at the nuclear plant. Other
6 security guards were covering for the ones that were
7 sleeping. Other security guards were even provided with
8 weapons while on duty at a nuclear plant.

9 Should we have to pay for the \$338,000 they
10 paid to the government because they mismanaged the
11 nuclear plant? The NRC is now going to require Florida
12 Power and Light to hire an independent contractor to
13 evaluate the working environment at Turkey Point.
14 People think they're being retaliated against when they
15 raise safety concerns. Should we have to pay for the
16 costs of FPL to hire an independent contractor because
17 of their mismanagement of the plant? I don't think so.

18 The last thing point I want to make here to
19 bring this to a halt because really we are here to hear
20 your comments. I'm going to make a commitment to you.
21 I have never done it. I'm a private citizen, and I
22 don't have to do this, but I'm going to make this
23 because I am very serious on this issue. As God as my
24 witness today, if this Public Service Commission seated
25 behind me approves FPL's \$1.3 billion rate increase, I

1 will campaign to be Florida's next governor, and if
2 elected I will fire this Public Service Commission.

3 (Applause.)

4 **COMMISSIONER McMURRIAN:** Thank you.

5 Ms. Bradley. Cecilia Bradley with the
6 Attorney General's Office. Ms. Bradley, take what time
7 you need.

8 **MS. BRADLEY:** We are here today because, as
9 Commissioner McMurrian mentioned, I work for the
10 Attorney General and we represent you. We work with the
11 Public Counsel, and I have to tell you, I think somebody
12 has already mentioned it, they do a great job on their
13 behalf -- on your behalf. It may not always come out
14 the way we want it, but they certainly are in there with
15 some great experts and a lot of people that are very
16 knowledgable, and they work long, hard hours on your
17 behalf.

18 Now, you come in here today -- I heard
19 somebody the other day that said, you know, this is open
20 to the public. And technically it is, but it is more
21 than that. These are your hearings. This is your
22 opportunity to appear before the Public Service
23 Commission and tell them what you think about this rate
24 increase. We have had some people that have said, oh,
25 this is a public service -- quality of service issue,

1 but it's not. It doesn't have anything to do with these
2 proceedings.

3 This is strictly about the rate increase and
4 the effect it is going to have on you. And the more we
5 know about the effect that this will have on you, the
6 problems or concerns that you have about this, then the
7 easier it is to try to represent those concerns when we
8 go before the Public Service Commission in the hearings
9 that are coming up next month. Well, in August, excuse
10 me.

11 So we appreciate you coming. We know it's a
12 hot day. We know some of you have left work, you have
13 left children or grandchildren, you have had to do
14 things to be here, and we appreciate the sacrifice of
15 you being here.

16 Now, I warn you, we have gotten comments at
17 all the other public hearings we have done before this
18 one. We have been doing these since -- some of them
19 since last Friday. And recently there has been a lot of
20 comments about people coming in for FPL and talking
21 about charitable donations, and good things that they
22 have done, and energy audits. And it's very frustrating
23 for you, I know, because that doesn't have anything
24 really to do with this proceeding and you want an
25 opportunity.

1 For those that have been standing here since
2 9:00 o'clock, I'm so sorry. I know this is hard, but
3 please stay with us. If you need to take a break and
4 walk outside, just let somebody know when you are back,
5 and they will get you back in the schedule. Please
6 don't leave, because if you leave, then we can't hear
7 what you have to say. And I can't emphasize enough how
8 important that is today.

9 Now, you may hear some of those people talk
10 about they're with the school district or something like
11 that. They have been questioned after they testified,
12 and it has come out that they are not really there
13 representing the school districts. The school
14 districts, especially down here, have already been on
15 record as saying we're hurting. We don't have someone
16 to go to and say we need more money because we are short
17 this year. They have already been cutting.

18 And certainly our schools are important to all
19 of us. And, unfortunately, they're getting hit with
20 this, too. And if there is a rate increase, they are
21 going to have to pay even more, because they are not
22 going to get any more money this year. So that's
23 certainly one of our concerns.

24 I think they talked about storm hardening and
25 things they have done to trim the branches and this type

1 of thing. Please understand that I understand from one
2 of the last hearings that you all were still having a
3 problem with some of that, but that is something the
4 Public Service Commission has been requiring Florida
5 Power and Light and some of the other utilities to work
6 on that, because it's a lot easier to put stronger poles
7 in that are not rotten, and they are much more likely to
8 stand up if we do have a storm coming through. So the
9 Public Service Commission has been trying to get the
10 utilities to make improvements on that. And I
11 understand you're still having some problems, and we are
12 sorry about that. I guess there are some other things
13 we have to work on, too.

14 Now, there has been some people that come in
15 and talk about, well, I think Florida Power and Light
16 maybe should get more money because we want to continue
17 to get services. Please understand that doesn't have
18 anything to do with that. Florida Power and Light is a
19 monopoly, and they're a regulated industry, so you are
20 going to continue to get your services even if they
21 don't get any increase. So please don't worry that if
22 they don't get this increase, my goodness, I may come in
23 and flip on the switch and not have electricity. That's
24 not going to happen, or at least it shouldn't happen.
25 Sometimes I understand you are having some power

1 outages, but, technically, even without the increase you
2 should continue to get the same service that you are
3 getting now.

4 Now, there has been comments about, and people
5 have made comments about, well, I think maybe they
6 should get an increase because it is good for our
7 futures, it's an investment. Somebody even made the
8 comparison the other night that this was like buying a
9 car. You pay for it, but you get the benefit of it for
10 a period of time. Well, I don't think they have noticed
11 that not many people are going out and buying cars right
12 now. Some of our car dealerships have gone out of
13 business because people aren't buying cars.

14 In the same manner, people can't afford to pay
15 for a huge increase right now. They're cutting as much
16 as they can. They have requested a 12 percent return on
17 equity. The Attorney General thought it excessive, and
18 we think it is excessive because, as somebody mentioned
19 before, they made something over a billion profit last
20 year. Their current records show that they are doing
21 quite well. And we are not saying they shouldn't get
22 profits, and return on equities, and this type of thing,
23 because we want strong profitable utilities here to
24 provide you services. But this is not a good time for a
25 12 percent return on equity with people that are

1 suffering. They're having hard times trying to pay
2 their bills.

3 We appreciate all of the energy audits that
4 they are doing. That is extremely helpful to a lot of
5 people, but we have lot of people that can't afford to
6 do the things that they are suggesting. They don't have
7 thousands of dollars to go out and buy new energy
8 efficient appliances. They are trying to make their
9 appliances last as long as they can to get through this
10 time. They don't have time to go out and buy new air
11 conditioners that, you know, use less power.

12 People are trying to get by on what they have
13 now in a lot of places, and those are the people that we
14 are concerned about. Of course, we also want
15 shareholders to be able to make some money, folks that
16 are dependent on that, but we have got to look at how
17 this is going to affect everyone.

18 We usually have a lot of people from AARP that
19 come in, and we appreciate them being here. They do a
20 good job of letting us know what your concerns are and
21 we thank you for that.

22 We have had some people that have testified at
23 the other hearings like AARP members. Some of them were
24 just older people or people on fixed incomes. One of
25 the ladies said she retired 15 years ago, and she hasn't

1 had an increase in that retirement during that 15 years.
2 She talked about living within your means and that is
3 how she was raised. You know, that used to mean you
4 don't buy more luxuries and more things than you can
5 afford. It has a different meaning now.

6 You know, living within your means these days,
7 she mentioned the fact that \$12, which people say is not
8 that much, she can make a co-payment on her doctor's
9 visit for that much, or she can make a co-payment on
10 medication with that \$12, or she can go out and buy
11 groceries. She talked about I want to be able to pay
12 for what I use, but it's getting to the point that I
13 don't want to be a burden on society. You know, that
14 just kind of tears your heart up to hear people talking
15 like that. These are people that have worked hard. You
16 know, they paid Florida Power and Light to put them
17 where they are today, and we don't want to see that.

18 We also had a lady that came in and she talked
19 about she was doing quite well, and she decided to go
20 back to school, and all of a sudden the economy went
21 bad. She can't find a job now because nobody is hiring.
22 She is a single mother with two little boys. And she
23 said, there are times that I am just wondering how I am
24 going to feed them tonight. And her parents are on
25 fixed incomes, but occasionally they will buy an extra

1 thing of peanut butter so that her kids can have
2 something to eat that night.

3 We know a lot of people who are just cutting
4 back and doing what they can, and we are sympathetic
5 with that. But the people we are really concerned about
6 are the people that say I am having a hard time paying
7 now. I am having to make decisions about do I use my
8 money this month to pay medication, or doctors, or --
9 people shouldn't be having to make that choice. And if
10 you're in that condition, please let us know, because we
11 want to have your concerns and your problems heard.

12 I also briefly want to mention the fact that
13 this has a real trickle down. Mr. Wright talked about
14 his businesses and their concerns. A lot of small
15 businesses are going out of business. They are not
16 monopolies, and they are having to compete for your
17 business. If they get a raise in fuel costs, you know,
18 a lot of businesses they have to use a lot of
19 electricity. You go to the grocery store, they have to
20 keep your food cold and where it will be safe for you to
21 consume, and they are huge consumers of electricity. If
22 their rates go up, at some point they're going to have
23 to raise your goods and services. So this is not just
24 an increase in your utility rates, this is an increase
25 for a lot of the things that you buy.

1 You know, I have touched on some of the
2 concerns that we have been hearing from people during
3 the week, but we want to hear what you have to say. And
4 please come up and talk to us and let us know. We
5 appreciate that. (Applause.)

6 **COMMISSIONER McMURRIAN:** Thank you all very
7 much.

8 Okay. Now we are almost ready to hear from
9 you, but I will need to swear in those wishing to speak
10 to us today, because today's hearing is being
11 transcribed, as you can see to my right, and it will
12 become part of the official record in this case. So
13 would all of you who want to speak to us today please
14 stand with me and raise your right hand.

15 (Witnesses collectively sworn.)

16 **COMMISSIONER McMURRIAN:** Just a moment here.

17 **MR. BUTLER:** Commissioner McMurrrian, I would
18 like to ask for a brief clarification from you. There
19 was a comment made by Ms. Bradley to the effect that
20 these hearings aren't about quality of service and they
21 even noticed as such. And certainly, other subjects are
22 appropriate as well, but if you would I would appreciate
23 you clarifying that those individuals who are here to
24 speak to FPL's quality of service are entitled and
25 welcomed to do so.

1 **COMMISSIONER McMURRIAN:** I would turn to
2 counsel, but I will say it is my understanding that
3 generally in these rate cases we do have an issue that
4 is usually, I believe, the first issue with respect to
5 quality of service.

6 **MS. WILLIAMS:** That is correct. Commissioner
7 McMurrian, that's correct. The testimony that is given
8 here today is under oath and will become part of the
9 record and the Commissioners can put what weight they
10 want.

11 **COMMISSIONER ARGENZIANO:** Excuse me. Could
12 you speak directly into the mike?

13 **COMMISSIONER McMURRIAN:** Thank you,
14 Commissioner Argenziano. We will have Ms. Williams
15 repeat that.

16 **MS. WILLIAMS:** Can you hear me better now?
17 Commissioner Argenziano?

18 **COMMISSIONER ARGENZIANO:** Yes, that was
19 better.

20 **MS. WILLIAMS:** Okay.

21 **COMMISSIONER ARGENZIANO:** Thank you.

22 **MS. WILLIAMS:** That is one of the issues, and
23 all of the testimony that's given here today will be in
24 the record, and the Commissioners can give what weight
25 they want to give to it, but it is a customer service

1 hearing.

2 **COMMISSIONER McMURRIAN:** And I guess I'll just
3 add that that means that we are here to hear from you,
4 whether your quality of service you consider it to be
5 good, bad, whatever you would like to tell us today,
6 that is what we are here to hear from.

7 Ms. Bradley, would you like to say something?

8 **MS. BRADLEY:** I just want to clarify. When we
9 are talking about the people that have been coming in,
10 they have been talking about charitable contributions
11 and that type of thing, and that is the thing that
12 really is not related.

13 Certainly, and I've said it before, and I
14 should have said it tonight, if you want to say that you
15 have bad service, you can. If you want to say you have
16 gotten good service from them, please feel free to do
17 so, but the other things are not relevant to these
18 proceedings.

19 **COMMISSIONER ARGENZIANO:** Madam Chair.

20 **COMMISSIONER McMURRIAN:** Sure, Commissioner
21 Argenziano, go right ahead.

22 **COMMISSIONER ARGENZIANO:** Yes. It should not
23 be contorted through anyone's imagination that anyone
24 does not want to hear from people today. I think what
25 is being asked is the frustration I felt the first day

1 of the hearings we had several days ago and the
2 adversity that we have had was that many people wanted
3 to come out and speak. And I think they were maybe
4 advised to get there very early because first come,
5 first serve. And what they spoke of was not
6 related to -- or very briefly (inaudible) -- can you
7 hear me?

8 **COMMISSIONER McMURRIAN:** Yes, we can.

9 **COMMISSIONER ARGENZIANO:** Quality of service,
10 but the gist of their conversation, which usually took a
11 while was non-related to what we were there for. And it
12 did take up time for those who were there for the
13 reasons we are there for. And I think what is being
14 asked and the frustration that is being felt, and I knew
15 that was going to come around, because I felt it the
16 first day, was that if you are here to speak to other
17 than what we are here for, the rates and so on, can you
18 kind of wait until the end.

19 I will hang out. I'll wait for you. But give
20 those people a chance who may have to leave, may go to
21 work, may not be able to stay a chance to speak, too.
22 Because, after all, they may not have gotten notice to
23 get there a little early as first come, first serve. So
24 I think that is what is being expressed and not that we
25 don't want to hear from anybody. We will hear from

1 everybody. I know that all the Commissioners -- I could
2 say that I have seen them sit many, many times and wait,
3 and that is what we are here for, so I don't want it to
4 be contorted to the fact as it was the other day when I
5 made mention that I didn't want to hear from people.
6 That is not true. We want to hear from everyone.

7 But those who are here just to say something
8 other than what we are here for, can you wait until the
9 end and let those that are here for the rate case and
10 the quality of service issues speak first.

11 Thank you.

12 **COMMISSIONER McMURRIAN:** Thank you,
13 Commissioner.

14 And I think that -- let's see, we have got
15 everyone sworn in, and I wanted to check one more time
16 with -- we had a few representatives here earlier that I
17 mentioned, and I just wanted to see. I think that they
18 might have had to leave already and, of course, they
19 know how to get in touch with us and give us their
20 comments, but I want to check.

21 I think I see Representative Bush. Would you
22 like to come forward and make a few -- did you want to
23 make a few comments? And it is Representative James
24 Bush from District 109. Thank you for joining us here
25 today.

1 **REPRESENTATIVE BUSH:** Thank you. Thank you
2 very much, Madam Chairman. I assume the Chairman is on
3 the phone.

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

5 **REPRESENTATIVE BUSH:** Mr. Chairman and to the
6 Commission, let me just say this: I wanted to come and
7 stand before this Commission because we, as the
8 legislators, have the responsibility of appointing this
9 Commission, and we appoint you to look out for our
10 interests and our back and especially for the
11 constituents that we serve throughout this great state.

12 Secondly, let me just say that I've heard both
13 sides of this issue. I am here more on a fact-finding
14 mission so that I can hear both sides. When we get
15 ready to make a decision on this issue, I would like to
16 be able to say that we are doing what is right and what
17 is in the best interest of the citizenry of this great
18 community.

19 I do have some concerns as a representative
20 representing a large portion of a district that have
21 individuals that are having very difficult times eating,
22 holding onto their homes, and being able to do and get
23 the basic necessities in order to function as civilized
24 human beings. So when we look at whether it's a
25 \$1.3 billion proposition, or increase, or when we look

1 at whatever figure we want to also factor in that those
2 citizens that are having difficulty with, let me say,
3 rate increases because of they are on fixed incomes,
4 they can't make ends meet on a daily basis, I think
5 these are the kinds of things that we need to take under
6 consideration when we look at this kind of major
7 initiative.

8 So having said that, I'm going to be watching
9 this issue very closely with my colleagues. Hopefully,
10 when we come to the conclusion in terms of all of the
11 hearings, that we will do what is right and what is best
12 for the AARP members, and we do have a lot of members in
13 our district, not only AARP members, but for the
14 children and those families that are almost about to
15 drown because of the economic situation that we are in
16 in this country.

17 So having said that, I want to thank you for
18 giving me this opportunity, and I hope that even the
19 Attorney General's Office -- I would like for our
20 citizens to take up what the Attorney General's Office
21 said in terms of going to them and expressing their
22 concerns. I think that you should do that, because it
23 is very important.

24 And having said that, I want to say let's look
25 at what devastation that it will bring to the citizenry

1 of this community, and not only this community, but
2 throughout this entire state when we look at this kind
3 of initiative. With that, thank you very much for this
4 opportunity.

5 **COMMISSIONER ARGENZIANO:** Madam Chair.

6 **COMMISSIONER McMURRIAN:** Commissioner
7 Argenziano.

8 **COMMISSIONER ARGENZIANO:** Yes.
9 Representative, thank you so much for coming, and I'm
10 sorry, I don't know if we have had the pleasure of
11 meeting. I just want to thank you for coming, and I ask
12 you, as I did the other day I think at our first meeting
13 when there were representatives and a senator in the
14 audience. You need to follow -- follow the whole case,
15 all the way to the end, okay? And that's my best advice
16 to you.

17 And I don't know if you know me, I served six
18 years in the House of Representatives, and then six
19 years in the Florida Senate before being appointed to
20 this position. And what I want to tell you is that over
21 those 12 years in the legislature, the legislature has
22 mandated a lot of things on the PSC. And you need to be
23 aware that while we have discretion over the ROE and
24 over the rate increases, whether they are justified and
25 how much and so on, you need to also understand that

1 your constituents are very concerned and some of the
2 issues of up-front costs and whether -- some of them are
3 very good to have, some of them are not. I'm not
4 passing judgment on those. But what I want to say is
5 that a lot of things that are upon the PSC, now that I
6 am in this position, too, are mandated by the
7 legislature.

8 And the reason I mention that is because you
9 may want to look at some of those things in the future.
10 And people need to understand that the PSC's hands are
11 tied to a certain degree. Not when it comes to the rate
12 increase. We do have discretion there, and the ROE.
13 But other issues that are, I know, of concern to your
14 constituents. And if you would follow it through, I
15 think that goes a long way than just stopping at one
16 meeting.

17 And I just can't express enough how much I
18 appreciate you coming out today not casting judgment on
19 what increases should be or not, but you need to be
20 here, and I think you are doing a good service to your
21 constituents. So I would love to talk to you in the
22 future also about some of the things that I see that the
23 legislature may be able to tweak in the statute.

24 But thank you for coming.

25 **REPRESENTATIVE BUSH:** Okay. Let me say I do

1 know you. And let me just emphasize here that I
 2 understand that your hands are tied. There are mandates
 3 that the legislature gives that you have to follow, but,
 4 also, your discretion -- your discretion and the ability
 5 that you have within your hands need to be considered
 6 and used wisely so that we won't further put working
 7 class citizens and families further and further behind.

8 Again, I came here on a fact-finding mission.
 9 This will not be the last meeting that I will attend.

10 **COMMISSIONER ARGENZIANO:** Great.

11 **REPRESENTATIVE BUSH:** I will also follow this
 12 to the very end. If it's bumped up to the Legislature,
 13 to us in the Florida House, and the Senate, I will do
 14 what is necessary to make sure, after gathering all the
 15 information and better educating myself to both sides,
 16 that will give me the right information to make an
 17 intelligent decision on where I think we need to go with
 18 this.

19 Again, thank you also for giving me this
 20 opportunity to comment.

21 **COMMISSIONER McMURRIAN:** Thank you,
 22 Representative Bush.

23 Representative Bratton, did he have to leave?
 24 I think he had to leave.

25 Now I will introduce Ms. Dorothy

1 Bendross-Mindingall. I'm probably butchering that. She
2 is the Commissioner with the Florida Commission on the
3 Status of Women, and we are thankful to hear from her
4 today.

5 Commissioner.

6 **COMMISSIONER BENDROSS-MINDINGALL:** Thank you
7 very much and good morning.

8 I am the former State Representative to
9 District 109. I am still working diligently to help the
10 people in that district. That district is kind of an
11 interesting district in that you have the poorest of the
12 poor, Overtown, Liberty City, et cetera, and you have
13 the richest of the rich, rich Miami Beach and those
14 wonderful islands over there. So we have a dichotomy
15 here in terms of representation.

16 But I promise you that I'm glad to hear that
17 you are here to hear of those kinds of good deeds that
18 have been done by FPL. I believe some of my playmates
19 and classmates are in here from Liberty Square Housing
20 Projects where we grew up, and we know what it's like to
21 be poor, and we know what it is like to be blessed.
22 Many of us have come through.

23 And I want to say that I visited that place
24 this morning. They are doing wonderful work over there
25 making the lives better for people who have said to

1 me -- they still call me Representative, you know what
2 it is like to have been poor, and I'm not rich now,
3 because I am a public servant. You know what it's like,
4 and I said yes. So when you go to the meeting -- I told
5 them I was coming here -- please let them know that
6 there are some things that need to be mentioned that we
7 would call good deeds. And I told them I would.

8 And the reason that I am going to tell you
9 that is because I have a family member who lost her
10 husband not too long ago, thus lost great income. She
11 has a severe knee problem. If you were to see her walk
12 in here now, you would think that she could have been in
13 the cast of Happy Feet, because she walks just like a
14 penguin. But does she work? Yes. Does she have to
15 work? Yes.

16 So having been in the position to ask her to
17 make phone calls to members of FPL, and she did, her
18 lights were about to be cut off. Now, you probably
19 wonder, well, how does that happen to a state
20 representative's -- former state representative's family
21 member? Well, because we are all in this together.
22 Many of us don't have what we used to have. We are on a
23 fixed income. So she made her call. I have to say to
24 you, they were more than gracious to assist her.

25 When I say to you that she was behind in her

1 payments, and this is a woman with a Master's degree,
2 had it before I even thought about getting one. But
3 things happen. Remember, she lost her husband, so she
4 lost all of her deposit. It was just horrible, but they
5 worked something out with her. Allowed her to pay a
6 little by little by little to get back to where she
7 needed to be. And she told me just yesterday, which is
8 about six months later, that she is on even keel. Now,
9 that is a good thing that FPL did.

10 I feel that we need to educate all people that
11 that is a great possibility. Don't give up. Don't just
12 say my lights are out. I don't have any power. And
13 that is what we, as public servants, should do. Yes, we
14 are having this event today, but we should have more
15 events that would tell the people you have a right to
16 call FPL. You have a right to ask them to work with
17 you. I know that many of us think that they won't.

18 I have a 95 and a half year old mother, and
19 I'm getting ready now to ask them to do a walk through.
20 My mother's light bill -- and the house is probably as
21 big as where I am standing going across and to where you
22 are. It is a small house. It's where I grew up. My
23 mom's light bill is over \$300 a month. But I'm not
24 going to sit back, and it has nothing to do with being
25 an elected official.

1 I'm a former teacher, a former elementary
2 school principal, and I have taught a lot of children,
3 and I have them know you have the right to ask for what
4 you want. That is why you have the people here. Why
5 don't they say that? Do not allow anyone to tell you
6 that you will have to pay this without asking questions.
7 I have heard both sides. And I for one -- I think that
8 was Nancy on the phone, Argenziano. I know Nancy.
9 She's a fighter. But I want you all to know that I,
10 too, will continue to represent people, not only in my
11 family, but anyone who comes to me, whether you have an
12 elected position or not, that's why we are here still
13 here.

14 So let's just know that FPL does some good
15 deeds. Do I want a rate increase? No. I'm one of
16 those that would say let's make it on what we are doing.
17 However, I came home yesterday and my lights were off.
18 Had I paid my bill? Yes. I don't know why they were
19 off, but I will know.

20 I thank you very much.

21 **COMMISSIONER McMURRIAN:** Thank you,
22 Representative. And that also gives me the opportunity
23 to say as well that there is always an 800 number to
24 call the Commission as well if you ever need us to
25 help -- help you look into any issues like that. We

1 will be glad to help. We have a lot of consumer
2 representatives that will help you with those kind of
3 issues. So thanks for allowing me that plug.

4 I think now we will begin our public
5 testimony. So, Mr. Beck -- actually, before we start
6 that, let me just --

7 **CHAIRMAN CARTER:** Madam Chairman.

8 **COMMISSIONER McMURRIAN:** Yes, Chairman.

9 **CHAIRMAN CARTER:** Did you swear the witnesses
10 in? I didn't hear that part. Maybe I missed that.

11 **COMMISSIONER McMURRIAN:** Yes, we did,
12 Chairman. Thank you, though, for making sure. And if I
13 miss anything else, definitely remind me.

14 I will say that we have at least 40 people
15 signed up to speak, perhaps more by now. We will have
16 another service hearing tonight in Plantation. So I
17 just -- I mention that to ask you all to be mindful that
18 there will be a lot of people probably behind you. If
19 you can try to keep your comments to around three
20 minutes that would be helpful. And I also remind you
21 that on the back of that blue sheet that we talked about
22 earlier there is also a way that you can give additional
23 comments. If you feel like that time frame is too
24 short, feel free to use that, as well as the e-mail
25 addresses and phones numbers and all that I have

1 mentioned before.

2 So we want to hear all of your comments, but
3 perhaps today if you could try to keep it so that -- be
4 mindful of the people that come behind you. So with
5 that, I will ask Mr. Beck to call our first witness.

6 **MR. BECK:** Thank you, Commissioner. Our first
7 witness is Bobby Rosenthal.

8 BOBBY ROSENTHAL

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

11 DIRECT STATEMENT

12 **MR. ROSENTHAL:** Good morning. Thank you for
13 the opportunity to speak to you all today. I'm Bobby
14 Rosenthal. I'm here today on behalf of the Florida
15 Health Care Association. Florida Health Care is a
16 federation representing the majority of the state's
17 long-term care facilities. Each year our members care
18 for almost 80,000 frail elders and individuals with
19 disabilities.

20 My remarks today are in the context of FP&L's
21 commitment to emergency preparedness and response in
22 their work to restore power to nursing homes after a
23 major storm. At the threat of any major storm in
24 Florida, our association is in continuous communication
25 with FPL regarding nursing home power outages in their

1 service areas. Prior to the season, we provide FPL with
2 the current contact information for each facility, and
3 they cross-check it against their databases to ensure
4 that they can contact the facility very quickly during
5 their power situation. After the storm they have a
6 system that allows us daily communication helping to
7 ensure that it's restored as quickly as possible.

8 We can attest to the fact that FPL works very
9 hard prior to and immediately following a storm to
10 restore power in nursing homes. I also think that it's
11 important to note FPL's commitment to vulnerable elders
12 is unique in the nation. We believe no other nursing
13 home association reports a similar relationship with
14 their energy providers in the area of emergency
15 management and response. We believe that this is a
16 national template, a national model. We are very
17 appreciative of FPL's leadership in this area.

18 I thank you.

19 **COMMISSIONER McMURRIAN:** Thank you.

20 Mr. Beck.

21 **MR. BECK:** The next witness is Joe Chi to be
22 followed by Soren Spiers.

23 Joe Chi.

24 Soren Spiers.

25 Rita Pierre.

1 RITA PIERRE

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

4 DIRECT STATEMENT

5 **MS. PIERRE:** Good morning.

6 **COMMISSIONER McMURRIAN:** Could you get a
7 little bit closer? I'm sorry about that.

8 **MS. PIERRE:** Good morning to all our state
9 representatives from Tallahassee from the city of Miami.
10 My name is Rita Pierre, and I live in the neighborhood
11 of Miami Gardens. And I would just like to say on
12 behalf of all the seniors and retirees, we really do not
13 need an increase. It's going to be very hard on a lot
14 of us. Our income is minimum, and I just want to put
15 that out for the citizens of Miami Gardens, seniors, and
16 retirees.

17 Thank you. (Applause.)

18 **COMMISSIONER McMURRIAN:** Thank you very much,
19 Ms. Pierre.

20 **MR. BECK:** The next customer is John Pace.
21 Mr. Pace.

22 Caesar Seijas.

23 If I mispronounce your name, I apologize.

24 CAESAR SEIJAS

25 appeared as a witness and, swearing to tell the truth,

1 testified as follows:

2 DIRECT STATEMENT

3 **MR. SEIJAS:** Good morning. Thank you for the
4 opportunity to address you. My name is Caesar Seijas,
5 and I am here to represent myself and my company, Energy
6 Alternatives, Incorporated. I am an electrical
7 engineer, energy management expert, and a cogeneration
8 professional. I worked with FP&L for 15 years, and for
9 the past 14 I have been a consultant with their
10 customers, working with commercial/industrial customers
11 mainly in the area.

12 I'm here to say that basically the services
13 that I have -- and not always is it friendly, it is
14 sometimes adversarial, because I represent my customer
15 and FPL, but I have found them to be professionals in
16 every way and service to be very, very good. Whenever
17 they have a problem, they try to work it out with me.

18 Now, the other thing that I want to point out,
19 as a consumer my first feeling would be if there is a
20 rate increase and it's 30 percent of electric, hell, no,
21 I don't want it. But as a professional working in the
22 area and looking at things, I understand that they need
23 to have some increases. I don't know exactly how much,
24 and I can't tell you because I don't analyze anything
25 like that. That is your job and, hopefully, you will do

1 a good job at that.

2 But I have seen my gas bill go up 100 percent.
3 I have seen my milk bill go up percentages that are
4 outrageous. Food bills, we have no control over that.
5 So it's very easy to jump on the bandwagon when you have
6 a Public Service Commission that controls the rates and
7 say, okay, look, we can't afford this because everything
8 else we can't do anything about. But we have got to
9 look at it from a business standpoint. And if they need
10 the money and we need the reliability, I want my air
11 conditioner on. Like somebody said, 80 degrees inside,
12 no, he wants to be outside. Well, I want my air
13 conditioner on. And I don't want a weak FPL or a
14 financially-strapped utility to have a problem in the
15 future.

16 And with the challenges that we have going
17 right now with the economy, and the energy crisis, and
18 everything else, they are going to be facing a lot of
19 expenses and lot of challenges ahead. And I think that
20 they are entitled to request what they need, and you
21 guys have to evaluate that and come up with the correct
22 decision on how much they should get, and that's
23 basically my position.

24 **COMMISSIONER ARGENZIANO:** Madam Chair. Madam
25 Chair.

1 **COMMISSIONER McMURRIAN:** Yes, Commissioner
2 Argenziano.

3 **COMMISSIONER ARGENZIANO:** I just have a
4 question. Sir, you said that -- I thank you for coming
5 today. I really appreciate that. You said that you
6 consult for FPL?

7 **MR. SEIJAS:** No, no. I consult for their
8 customers.

9 **COMMISSIONER ARGENZIANO:** For their customers.

10 **MR. SEIJAS:** I represent their customers with
11 them. I represent commercial/industrial customers and
12 municipalities.

13 **COMMISSIONER ARGENZIANO:** When a customer is
14 looking for your consultation services, who directs them
15 to you, is it FPL?

16 **MR. SEIJAS:** No, that's not something that
17 they want to do. I happen to be an expert on FPL rates,
18 applications, and energy management. Cogeneration,
19 which is not big now, but that's also my expertise. And
20 customers that I dealt with when I was at FPL have
21 continued to have a relationship with me, and I have
22 represented them in dealings with FPL. They feel --
23 sometimes they feel inadequate to deal with rates,
24 applications, or any questions of technical issues, and
25 so they need somebody that represents their interests.

1 **COMMISSIONER ARGENZIANO:** I understand what
2 you do now, and now I've got a better understanding.
3 And you did mention one thing about -- I guess you were
4 mentioning -- I can't quote you, because I didn't write
5 it down, that the company may not be able to function or
6 something in the future if they didn't get the increase.
7 Is that what you said, or can you repeat that for me?

8 **MR. SEIJAS:** Yeah. What I meant is, you know,
9 with the economy the way it is going, and some of the
10 requirements that are going to be put on them in the
11 future with energy conservation and so forth, I want to
12 make sure that you guys review the situation carefully.
13 Because I don't want to be in a situation as a consumer
14 that years down the road FPL is in bad shape financially
15 and their services start going down the drain so that my
16 air conditioning doesn't turn on.

17 **COMMISSIONER ARGENZIANO:** Oh, of course not.
18 Now I understand what you said.

19 **MR. SEIJAS:** Now, I don't know that that is
20 going to happen. What I'm saying is I want to make sure
21 that that possibility doesn't exist, and that somebody
22 really looks at this and doesn't look at it from the
23 emotional point of view of, hey, the only thing that we
24 can control here is the electric bill because the PSC
25 can cut and not give them anything.

1 We can't go out and tell the gas companies you
2 can't charge us twice as much as we were paying last
3 week. We can't do that, and we can't buy the milk. You
4 have got to buy the milk for whatever price they are
5 selling it for. Retail, the retail consumers are at the
6 mercy of the pricing that is out there. And I'm sure
7 that the retailers would not like anybody over their
8 shoulders telling them, hey, you can't make more than
9 this percentage. Obviously, they are not -- they are
10 not -- they are not public utilities. I understand
11 that.

12 **COMMISSIONER ARGENZIANO:** It's a very
13 different scenario.

14 **MR. SEIJAS:** It is a different scenario; but
15 we, as consumers are feeling it from them --

16 **COMMISSIONER ARGENZIANO:** What I wanted to
17 assure you, sir, is that that is exactly what we do. We
18 do look at profits. We do look -- we want to keep the
19 companies healthy to be able to service the people in
20 Florida as they have, and that I can assure you is
21 something that we do look into. We would not put a
22 company out of business and not be able to provide the
23 services for the people. So you can rest assured that
24 we definitely will look into those things.

25 **MR. SEIJAS:** Thank you so much.

1 **COMMISSIONER McMURRIAN:** Thank you.

2 Hold on just a second, Mr. Saporito.

3 Ms. Williams.

4 **MS. WILLIAMS:** Commissioner McMurrian, if he
5 wants to ask the customer a question, I believe he's
6 entitled to do that.

7 **COMMISSIONER McMURRIAN:** Okay. Could you come
8 to the microphone, and I hate to ask you all to share,
9 but Mr. Saporito.

10 **MR. SAPORITO:** Yes. The question -- the two
11 questions I have for you, as you testify you are an
12 expert. In that capacity, sir, is Florida -- are you
13 aware of whether or not the Florida Legislature has
14 passed laws which allow a customer who puts a solar
15 electric system on their home and a wind generating
16 system on their home to tie that into FPL's grid, what
17 is called a net meter, which allows a customer to sell
18 back excess power to FPL?

19 And the second question would be if the
20 majority of the Floridians who have -- who are
21 homeowners and the residential businesses that exist in
22 Florida were to adopt similar measures and put in solar
23 collectors and wind generators on their commercial
24 buildings, would not that collective power generation by
25 the customers, both residential and commercial,

1 significantly reduce FPL's base load demand and thereby
2 require FPL to reduce its electric grid? Thank you.

3 **MR. SEIJAS:** The answer to the first question
4 is sure, and even when I was working at FPL 14 years
5 ago, we had a windmill in Hialeah where the customer was
6 netting out. I worked with many cogeneration customers
7 because I negotiate purchased power contracts for FPL,
8 and they would provide energy to FPL.

9 Now, going back to another thing, I consulted
10 with Keys Electric Co-op on their 20-year plan. And
11 their expansion plan, the main part of their plan, was
12 distributed generation. Unfortunately, because they
13 cannot build any power plants, they can't increase the
14 size of the transmission lines. I did the analysis on
15 all of that. And what they are planning to do is,
16 hopefully, put generation in each home and business so
17 that they can then have that rather than being able
18 to -- not be able to serve. And that is something that
19 the electric co-op in the Keys is looking at.

20 **MR. SAPORITO:** But specifically the question
21 is --

22 **COMMISSIONER McMURRIAN:** Mr. Saporito, you
23 will need to come to the microphone.

24 **MR. SAPORITO:** Thank you for your answers. I
25 appreciate it. Can you hear me?

1 **COMMISSIONER McMURRIAN:** Yes.

2 **MR. SAPORITO:** Thank you for your answers. I
3 appreciate that. But specifically I would like to know
4 the answer, in your expert opinion, if the majority of
5 residential customers of Florida Power and Light and the
6 commercial customers of Florida Power and Light were to
7 install these renewable energy devices to the extent
8 that they generate electricity back to Florida Power and
9 Light's grid, would that not thereby reduce Florida
10 Power and Light's base load demand and require Florida
11 Power and Light to file a base rate reduction for its
12 customers?

13 **MR. SEIJAS:** That is quite a complicated
14 analysis, but I can tell you that it would have a
15 positive impact on FPL to have that kind of generation
16 available to them. And I think there are programs in
17 place right now that do allow that. I represent
18 customers that are actually involved in some of these
19 programs. They have generators on site and they sell
20 back to FPL whenever they don't need it.

21 So that is something that is being looked at
22 and it has been looked at for quite awhile and it
23 probably will be a bigger chunk of the pie in the future
24 rather than now. But, again, that will impact the
25 generation capacity and whether they will be able to

1 serve new customers or not, but it is there.

2 Thank you.

3 **COMMISSIONER McMURRIAN:** Thank you,
4 Mr. Seijas.

5 Mr. Beck.

6 **MR. BECK:** The next witness is David Morales.
7 Is David Morales here?

8 DAVID MORALES

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

11 DIRECT STATEMENT

12 **MR. MORALES:** Good morning, Commissioners.
13 Thank you for your time to speak.

14 **COMMISSIONER McMURRIAN:** Would you get closer
15 to the microphone, please. Thank you.

16 **MR. MORALES:** Good morning. I am here to --
17 you know, I am not an electrician. I'm not a lawyer. I
18 don't know what a kilowatt is or what it looks like, but
19 I do know that my relationship with FPL started August
20 24th of '92, during Andrew. And subsequent to that, I
21 only worry about FPL when there is -- when my power is
22 out.

23 I trust the company to restore my power
24 quickly and adequately. They have done so in the past.
25 And do I want a \$1.3 billion increase? That number is

1 pretty big. In my case, it will turn out to a
2 \$50-a-year difference. It may be worth it; it may not.
3 But I trust FPL, and I trust what they do, and I trust
4 that they will do right by us, their customers.

5 Thank you very much.

6 **COMMISSIONER McMURRIAN:** Thank you.

7 Mr. Beck.

8 **MR. BECK:** The next customer is Alan Rigerman
9 who will be followed by Al Christie.

10 ALAN RIGERMAN

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

13 DIRECT STATEMENT

14 **MR. RIGERMAN:** Did I just hear wind generator?

15 Alan Rigerman, community of Palm Springs
16 North.

17 Wind generator? Has anybody heard of zoning
18 codes. Yes, I'm very familiar with that wind generator
19 in Hialeah. Do you believe only in Hialeah in a
20 townhouse, in a townhouse. Come on, that's ridiculous.
21 In an agricultural area it's fine. But so much that we
22 look at won't work unless we live in a particular type
23 of area. Solar is what we need to look at here. But in
24 any event, Alan Rigerman, Palm Springs North.

25 There is no doubt that Florida Power and Light

1 does good things for the community. I'm not going to
2 take the time to list them all. However, I would like
3 to remind this group that John Gotti did good things in
4 New York City, that Ricky Brownlee (phonetic), who is in
5 prison, did good things in the triangle, a former
6 student of mine in Hialeah, and in fiction Michael
7 Corleone gave to the poor, and that is fiction.

8 Now, before I trash Florida Power -- excuse
9 me, before I trash Florida Power and Light, which I'm
10 really not going to do, we need to know something. This
11 group, this business gave to the public schools hundreds
12 of thousands of pamphlets, the so-called Florida
13 Panther, The Wood Stork, The Alligator, books. They
14 provided a gentleman years ago. He is now retired as I
15 am, Tom Hopkins, who worked with the Florida schools.
16 Who worked with the Miami/Dade County schools. And
17 Florida Power and Light also has spent much money on
18 conservation. How am I going to find these, 25 years,
19 Ecological Association of America; 30 years, (Inaudible)
20 Society of New York, and the education to match.

21 We trash Florida Power and Light often, but
22 you know something, we develop and develop and develop,
23 and development is an economic engine, but then they
24 have to follow, the company has to follow with power,
25 and then we scream about where they are going to put it.

1 Green space. Nobody wants it near them, but we all want
2 power.

3 However, if you take a look back to the '60s
4 and earlier, you find out that a lot of the doom and
5 gloom just never happened. I mean, I'm responsible. On
6 the Alaska Pipeline, I was so negative on it. I was
7 wrong.

8 In any event, let's now talk about the rate
9 increase. Eleven percent not too long ago, 8 percent,
10 8 percent, and now the base going up that amount? No,
11 no, no. Twelve and a half percent interest on your
12 investment is pretty, pretty good, especially these
13 days. Ten percent is pretty good, especially these
14 days. I don't really feel that Florida Power and Light
15 getting such an investment return needs a rate increase.
16 If the Public Service Commission feels otherwise, so be
17 it.

18 So let me leave you with this: Think about
19 the economy as it is now, and think about what Florida
20 Power and Light is getting for its stockholders, 10
21 percent, 12 percent. Hey, what are we all getting on
22 our certificates of deposit? Look what happened to
23 savings -- my God, we bought savings bonds ten years
24 ago, 15 years ago, and they used to double in ten years;
25 now it is 16 years. No, Florida Power and Light needs

1 to take a hit like we are all taking a hit.

2 Ma'am and gentleman, whoever is here, I want
3 to thank you very much for listening to me, being
4 available. All my best.

5 **COMMISSIONER McMURRIAN:** Thank you very much.

6 **MR. BECK:** Thank you.

7 The next customer is Al Christie to be
8 followed by Lincoln Young.

9 AL CHRISTIE

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

12 DIRECT STATEMENT

13 **MR. CHRISTIE:** The service that I've had --

14 **COMMISSIONER McMURRIAN:** If you could speak
15 directly into the mike. I'm sorry, but it is just for
16 the Commissioners to make sure they can hear you.

17 **MR. CHRISTIE:** The service that I had done on
18 my house, it was great service. I had no --

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

20 **COMMISSIONER McMURRIAN:** Speak up and maybe
21 get a little bit closer to the mike if you can. I
22 apologize.

23 **MR. CHRISTIE:** I had some duct work done in my
24 house that -- and some air conditioning. I don't agree
25 with the -- shucks, I forget. All right, that's it.

1 I'm done.

2 **COMMISSIONER McMURRIAN:** Thank you, sir.

3 Mr. Beck.

4 **MR. BECK:** The next customer is Lincoln Young
5 to be followed by Gerald Lofton.

6 **COMMISSIONER McMURRIAN:** Mr. Young.

7 LINCOLN YOUNG

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

10 DIRECT STATEMENT

11 **MR. YOUNG:** Good morning. My name is Lincoln
12 Young. I am a citizen of Miami, Florida. I have been
13 here for the last 50-odd years, and I have did work for
14 Florida Power, and they are a very good company, and
15 they are doing wonderful things for the community. But
16 to make a long story short, let all of us take a look at
17 the United States economy, the overall picture, and
18 let's say no to an increase in rates.

19 Look at the amount of people that is being put
20 out of a job today, and that is coming up. If General
21 Motors can make a downsize, what about Florida Power?
22 They have to stand pat on what they are doing.

23 Now, they have the best business there going.
24 They are not developing solar power. They are still
25 running in the same old grade of fuel power right now,

1 and they are way ahead of the game. And if one have to
2 lose, we all have to sacrifice if we are to stay afloat
3 in the world economy.

4 Thank you.

5 **MR. BECK:** Thank you.

6 The next customer is Gerald Lofton to be
7 followed by Aleja Pagan.

8 Gerald Lofton.

9 Aleja Pagan.

10 Chris Burns.

11 **COMMISSIONER McMURRIAN:** Mr. Burns.

12 CHRIS BURNS

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

15 DIRECT STATEMENT

16 **MR. BURNS:** Good afternoon, everybody.

17 **COMMISSIONER McMURRIAN:** Can you get a little
18 closer. I apologize.

19 **MR. BURNS:** My comments, I am here --

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

21 **COMMISSIONER McMURRIAN:** Sir, they can't hear
22 you in the back. Maybe we can -- can we adjust it a
23 little bit higher, maybe?

24 **MR. BURNS:** Yes. Pretty much FP&L, they
25 are -- they are -- FP&L, they are doing a very good job.

1 They came to my house, and they did an energy survey.
2 And, you know, I was -- I was very, you know, very much
3 impressed. I was very pleased. And, you know, pretty
4 much they are doing a very good job. Pretty much FP&L
5 is doing a good job. The service is. I know the
6 different stuff that they are doing. You know, they
7 came to my house, they did an energy survey and pretty
8 much -- you know, I was, you know, very impressed. So
9 that's pretty much what I have to say.

10 **COMMISSIONER McMURRIAN:** Thank you, Mr. Burns.

11 I'm sorry. I'm told that we have got it
12 turned up as high as we can. And if you all, when you
13 would come up, try get as close to the mike as you can.
14 I apologize. I know the sound is not great here, but we
15 will try to do what we can.

16 **MR. BECK:** The next customer is Joe Chi to be
17 followed by Julia Davis.

18 JOE CHI

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

21 DIRECT STATEMENT

22 **MR. CHI:** Hello. Hello, Commissioners, how
23 are you?

24 I am here to express my satisfaction with
25 FP&L. They have been very, very good at providing

1 services. And, also, during the last hurricane season
2 they were very, very, very good and very fast in putting
3 up power -- returning power back to the system.

4 But I would like to address another issue here
5 today. I think it's very important for us to support
6 FP&L, because FP&L represents a segment of our economy
7 which is still very strong in this country, which is the
8 energy production sector. Our banking industry, our
9 financial industry is in shambles. As you can see also
10 from the news, our auto industry is going down the
11 drain. We're losing jobs left and right. I mean,
12 economically this country is dying.

13 We need to support local industry. We need to
14 support industries like FPL, which have a future. And
15 the reason they have a future is FP&L, according to what
16 I have read here, is actually the largest investor in
17 solar energy in the country and perhaps in the world at
18 this point. Also, in wind generation they are also
19 among the world's biggest investors. And in order to be
20 able to support this type of investment which will
21 support the creation of hundreds of thousands of jobs in
22 the future, and millions of jobs, perhaps even millions
23 of jobs in the future, we need to support the direction
24 that FPL is moving in.

25 What they are asking for, one point something

1 billion dollars, is a lot of money, granted. Our
2 citizens, we have a lot of (inaudible). There is
3 foreclosures all over the place, but at the same time we
4 need to look into the future. We need to provide for
5 our children. We need to provide for our local economy.
6 We need to provide local jobs and FPL is doing this.
7 Please support FPL.

8 Thank you.

9 **COMMISSIONER ARGENZIANO:** Madam Chair.

10 **COMMISSIONER McMURRIAN:** Yes, Commissioner.

11 **COMMISSIONER ARGENZIANO:** I have a question
12 for the gentleman.

13 **COMMISSIONER McMURRIAN:** Go right ahead.

14 **COMMISSIONER ARGENZIANO:** Thank you, sir, for
15 being here and coming to share your thoughts. And, yes,
16 companies that act quickly and respond quickly after
17 storms and so on, and FPL has done that, are wonderful.
18 That is a real true testament to the men and woman who
19 are the on-line workers for FPL. They do a wonderful
20 job, and at those times they really are our heroes.

21 And that is required. That's what the state
22 of Florida requires of our utilities to do, and FPL
23 lives up to that requirement. But I need to ask you,
24 because I have heard this a few times now. Are you of
25 the belief that if they don't get this increase that

1 they will not be able to provide the jobs and do the
2 things that they are doing that is required by them of
3 the state? Is that what you think?

4 **MR. CHI:** Not only the jobs which are required
5 of them, but also the projected jobs in the future that
6 they will create from the demand as they move into the
7 solar energy field, which they are the biggest at this
8 point, and also the wind energy fields where there is a
9 great future. We shouldn't turn our back on it.

10 **COMMISSIONER ARGENZIANO:** What I need from
11 you -- and no one would ever turn their back on that.
12 But what I need from you is specifically where do you
13 think that that won't occur if they don't get this
14 increase? I'm trying to figure out -- because I have
15 heard this from a few people, and I'm trying to take
16 information to make a judgment. There's a lot of other
17 information that is not at the meeting, of course,
18 today. But how do you think that not giving them this
19 increase affects that in the future? I just need to
20 know.

21 **MR. CHI:** I'm not -- well, actually the
22 urgency of that is yesterday. It's not really in the
23 future. This is something that we should have done
24 since the last energy crisis back in the '70s, but FPL
25 is moving in the right direction, and I definitely see

1 the need to support them.

2 **COMMISSIONER ARGENZIANO:** Okay. But you -- I
3 understand what you are saying, we need to support them,
4 and we do. Obviously, you have heard that the profits
5 they make and the rates they do get. And the statutes
6 allow them to recover almost all of their expenses, so
7 we do support them. Actually, the ratepayers do, but --
8 and I understand the need to go to solar.

9 I'm trying to figure out where it is in this
10 rate case that that affects them moving forward and
11 moving in that direction, and I don't know if you have
12 that information.

13 **MR. CHI:** No, I'm not -- I'm not part of an
14 accounting firm, and I'm not into their internal
15 financial systems, either. But this I can say, is that
16 the situation is that if we don't move on this quickly,
17 and we don't support them in the future we can see some
18 very different consequences which could be quite
19 unpleasant.

20 **COMMISSIONER ARGENZIANO:** Okay. So what you
21 are saying is to move forward to alternatives and so on
22 and that type of, you know, moving forward into
23 different ways of providing electric and making sure
24 they have adequate ability to do that?

25 **MR. CHI:** Exactly. We are in a capitalistic

1 economy, and in a capitalistic economy investment moves
2 towards the place of highest reward. And if we are able
3 to provide them with the resources in order to move in
4 that direction in the end they can succeed this way.
5 And if they succeed, we all succeed.

6 **COMMISSIONER ARGENZIANO:** Okay. I think I
7 understand what you're trying to say. Thank you.

8 **MR. CHI:** Thank you.

9 **COMMISSIONER McMURRIAN:** Thank you, Mr. Chi.
10 (Applause.)

11 **MR. BECK:** The next customer is Julia Davis.
12 Julia Davis to be followed by Juanita Bolton.

13 JULIA DAVIS

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

16 DIRECT STATEMENT

17 **MS. DAVIS:** Hello. I don't have a problem
18 with FP&L. If we have a power surge, they are there in
19 a reasonable amount of time. But, nevertheless, I do
20 have neighbors. We have a heated pool in our community,
21 and we have a lot of unit owners that goes into the pool
22 to use the shower at the club house in order to take
23 baths in the morning and the evenings because they don't
24 have hot water heaters on.

25 I don't see a problem with an increase with

1 FP&L, but at this time I don't think we should have an
2 increase. They are not hurting for what I have
3 observed. I don't think they are hurting at this time,
4 and it's going to cause a hardship for a lot of people
5 with an increase.

6 Thank you.

7 **COMMISSIONER McMURRIAN:** Thank you.

8 Commissioners on the phone, can you hear okay?
9 I think we have got it turned up as well as we can.

10 **COMMISSIONER ARGENZIANO:** If the individuals
11 speak directly into the microphone it is clear as day.
12 I guess when they are a little far away or move away,
13 side to side, that's when I lose them.

14 **CHAIRMAN CARTER:** Yes, that's correct.

15 **COMMISSIONER McMURRIAN:** Okay. Well, we'll
16 try and remind them. Some of us speak a little bit
17 softer than others, and they are about as close, I
18 think, as they can get. But we are having a little bit
19 of trouble hearing them, too.

20 Okay. Mr. Beck, let's call our next witness.

21 **MR. BECK:** The next customer is Juanita Bolton
22 to be followed by William Ruiz.

23 **MS. BOLTON:** I'm Juanita Bolton. (Inaudible).

24 **MR. BECK:** Okay. I'm sorry.

25 William Ruiz.

1 WILLIAM RUIZ

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

4 DIRECT STATEMENT

5 **MR. RUIZ:** Good afternoon. My name is William
6 Ruiz. (Inaudible.) I am a customer of Florida Power
7 and Light. On behalf of the company I work for, we have
8 clients that come in our hotel and they demand good
9 service. We provide good service. We demand good
10 service from our providers and we get good service from
11 them.

12 Back about seven years ago we had a big
13 problem with the power. In the area that we are located
14 there was a lot of trees and the power was interrupted
15 every time we get a little wind, and we called Florida
16 Power and Light. They came and they spent over \$100,000
17 in our project.

18 Our project is assigned to be fed through two
19 different locations. If one of the power goes off on
20 one side of the location, it clicks on automatic, and it
21 provides service from the other automatic, which is
22 great. It worked out great.

23 As a customer of Florida Power and Light, we
24 need to educate ourselves in keeping our bill down in
25 our property. One of the things is, I've seen a lot of

1 places that air conditioning, they don't take care of
2 their air conditioning. They don't change filters.
3 They leave lights on all day and all night. Insulation
4 on a property, it has to be kept up.

5 There is programs out, and there is -- this
6 little green paper that they gave here, it shows a
7 picture of lights. Their lights, their bulbs, they
8 work. Use them and it will keep your bill down.

9 Towards the purpose that we are here, it's we
10 need good service, they have to operate our service and
11 the money has to come from somewhere. So that is your
12 decision as the rep from our government that on your
13 behalf, and Florida Power needs on their behalf and what
14 they need we have to supply them with. We have to pay
15 for a lot of things, the service that we need.

16 Thank you very much.

17 **COMMISSIONER McMURRIAN:** Thank you, Mr. Ruiz.

18 **COMMISSIONER ARGENZIANO:** Madam Chair.

19 **COMMISSIONER McMURRIAN:** Go ahead,
20 Commissioner.

21 **COMMISSIONER ARGENZIANO:** I'm sorry. I just
22 need to ask a question because I really want to
23 understand the -- I guess the people that come up and
24 their comments, I want to understand where it's coming
25 from.

1 And I guess what you are saying, sir, and I
2 appreciate you coming, but I need to know are you
3 saying -- do you think that if they don't get this
4 increase you won't get good service? And did you know
5 that the state of Florida basically requires that every
6 company that does business in the state of Florida
7 provide good service to you?

8 I'm not sure if that's what you are saying to
9 me. Are you saying today that if we don't give them an
10 increase you won't get that good service? Does anybody
11 agree with that?

12 **MR. RUIZ:** If we -- we have good service, but
13 to keep our service better, we need to have -- upgrade
14 our service, and that's a cost of money, and I think
15 somehow somebody has to pay for it. And us, as a
16 consumer, I think we have to -- we need to share part of
17 it.

18 **COMMISSIONER ARGENZIANO:** When you say upgrade
19 your service, at your hotel or do you mean from the
20 company?

21 **MR. RUIZ:** Well, as a customer I have seen
22 that some poles in service on the lines are upgrading by
23 putting bigger poles, and they are doing changes from
24 concrete -- from wood poles to concrete and aluminum.
25 They are doing that in the area that I'm working on, and

1 it is a better service.

2 **COMMISSIONER ARGENZIANO:** And do you know that
3 that's a requirements of storm hardening, and the
4 companies are doing that because they know they need to,
5 and it is a good thing, but that it is required, and
6 they are allowed to recover for that now? They can
7 recover for that. That's why I'm asking you, do you
8 think that because we don't give them an increase you
9 won't get those poles? Is that what you are saying?

10 **MR. RUIZ:** No. Negative.

11 **COMMISSIONER ARGENZIANO:** Because I wanted to
12 tell you that that is not correct.

13 **MR. RUIZ:** That's not correct.

14 **COMMISSIONER ARGENZIANO:** I want to make sure
15 you have a good understanding.

16 **MR. RUIZ:** Yes, ma'am, I do.

17 **COMMISSIONER ARGENZIANO:** Okay. But I'm not
18 sure what you're really asking. You are saying that the
19 company needs to upgrade its service, but you are saying
20 that is what you think this increase will do -- help you
21 do.

22 **MR. RUIZ:** No, I'm saying for a company to
23 provide in the long-run a good service, there is a cost
24 involvement.

25 **COMMISSIONER ARGENZIANO:** I understand that.

1 And that's why I'm telling you that everything the
2 company does they are allowed to recover for now. So I
3 don't want people to leave the room, or I don't want
4 them to be under the impression that they won't get the
5 things that they need. The company is allowed to
6 recover for those expenses currently. And I just want
7 you to understand that they are supposed to be providing
8 you with good service, and that's great hearing that
9 they are, but I didn't want people to go leaving the
10 room with the wrong impression, that all of a sudden you
11 won't have the storm hardening or you won't have that
12 pole if they don't get the increase.

13 **MR. RUIZ:** No, ma'am. I'm not giving the
14 people the wrong impression in here. I'm trying to be
15 neutral on all things as a customer and consumer.

16 **COMMISSIONER ARGENZIANO:** We are having a
17 terrible screeching there. I appreciate what you are
18 saying. I think I have got an understanding. I think
19 you are under the impression that that increase will
20 continue the pole -- and I think I know where you are
21 coming from. Thank you.

22 **MR. RUIZ:** Okay.

23 **COMMISSIONER McMURRIAN:** Thank you, Mr. Ruiz.

24 (Applause.)

25 **MR. BECK:** We have two customers next with AGC

1 Electric in Hialeah. I'm not sure of the name of the
2 first person. Thomas Curbelo and Enrique Guzman.

3 **CHAIRMAN CARTER:** Madam Chairman, while you
4 are waiting, you can probably get better -- you guys on
5 the bench and others who talk, if you can get a little
6 closer to the mike.

7 TOMAS CURBELO

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

10 DIRECT STATEMENT

11 **MR. CURBELO:** My name is Tomas Curbelo, and I
12 am a small business owner and minority. And I just came
13 here to trust the Commission that you make the right
14 decision. I know that it is a lot of fact and financial
15 issues that we don't have access to, and we hope that
16 you make the right decision in this case.

17 Nobody, including us, want the bill to really
18 increasing, but we don't want the quality of the service
19 to be compromised in this case. And FPL has been a
20 really good vendor for us. (Inaudible) and the high
21 quality and professional to our organization. And if
22 FPL is affected, the service -- my service and my
23 employees are going to be affected also. And I hope --
24 once again, I hope you, the Commission, that was
25 elected -- was appointed by the government, and we

1 elected the government, you guys make the right decision
2 in this case. And that is not a magic bowl.
3 (Inaudible). That's all I have to say.

4 Thank you.

5 **COMMISSIONER McMURRIAN:** Thank you.

6 Just a second, Mr. Beck. Commissioner Skop
7 has question.

8 **COMMISSIONER SKOP:** Thank you, Madam Chairman.

9 I have just a quick question. I wanted to go back to
10 Commissioner Argenziano's previous point, and I would
11 look to Mr. Willis to help clarify this. But it's my
12 understanding that the Commission through ordering storm
13 hardening, that those costs for hardening are not
14 covered through a separate clause. Those are already
15 included in base rates. Is that correct?

16 **MR. WILLIS:** That's correct, Commissioner.

17 They are already included.

18 **COMMISSIONER ARGENZIANO:** And, Madam Chair.

19 **COMMISSIONER McMURRIAN:** Go ahead,

20 Commissioner.

21 **COMMISSIONER ARGENZIANO:** And I didn't mean to
22 say they were a separate clause, but they are recovered,
23 and that was the point that I was trying to make. It's
24 not as though we are not allowing them to recover thus
25 putting a burden on them. That was my point to the

1 gentleman. They do recover that from the ratepayer now.

2 **COMMISSIONER SKOP:** And thank you,
3 Commissioner. I was just trying to better understand
4 your question. That was my understanding, also.

5 **COMMISSIONER ARGENZIANO:** And I wanted to
6 clarify, because I may not have clarified that. Thank
7 you.

8 **COMMISSIONER McMURRIAN:** Mr. Beck.

9 **MR. BECK:** Linda Eaford.

10 LINDA EAFORD

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

13 DIRECT STATEMENT

14 **MS. EAFORD:** Good morning, everyone.

15 Commissioners and everyone that is on the phone, and all
16 the people who came here because of the rate increase.

17 I would like to thank FPL for their good
18 service that they have given Miami, Florida, and other
19 Floridians, but the main issue is do we really need a
20 rate increase? Thank you very much; no.

21 The number one issue is senior citizens, the
22 economy, working class people, and people without jobs.
23 Senior citizens, they don't get any kind of benefits for
24 their FPL payment. No one says that a senior citizen
25 could pay less than any other customer.

1 Number two is the rate is going up because we
2 have a lot of people that don't have homes now. You
3 have a lot of businesses that has gone down, closed
4 down. So where is the fuel going? There is no fuel
5 being used if you don't have homeowners, if you don't
6 have businesses. So why is there an increase?

7 What about jobs? FPL's has had a very good
8 increase in their revenue. Have they really hired
9 anyone from Florida, Miami, or other areas? Have they
10 opened their doors to the people who have supported
11 them? Let's be real. Let's look at the whole outcome.
12 On your bill -- I don't know whether any of you all read
13 it properly. There's a section that says would you like
14 to contribute to FP&L? I know people who have. And I'm
15 talking about people who felt like I'm supporting FP&L.

16 Do anyone here has the amount of money that
17 has been supported to FPL for some of the citizens of
18 Miami? That is -- I haven't heard anything stated how
19 much money they have collected from people who have
20 contributed freely, but there is always an increase.

21 I understand increase has to come sometime,
22 but you are also making money. Are we going to really
23 say yes to this, Commissioners? Let's help the people
24 sometime. The people, the poor people, the rich people.
25 Everybody pays, but who really collects?

1 Thank you.

2 **COMMISSIONER McMURRIAN:** Okay. I think we
3 will continue until about 1:00 and we will take a break
4 for the court reporter, I was just checking with her.

5 Go ahead, Mr. Beck. Thank you.

6 **MR. BECK:** The next customer is Walter Branch
7 to be followed by Elaine Adler.

8 Walter Branch or Elaine Adler.

9 Jose Rocca.

10 JOSE ROCCA

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

13 DIRECT STATEMENT

14 **MR. ROCCA:** I'm ready for lunch. It may sound
15 a little ironic that I am here as a resident of South
16 Florida and a business owner to support an adjustment on
17 the rates from FP&L, but I also have to be realistic of
18 the fact that the geographical zone where we are, we are
19 facing a series of hurricanes, and there has been a lot
20 of power failures. But it is not the increase in the
21 rate on the monthly basis that worries me. What worries
22 me as a business owner is the down time. How long can I
23 afford not running my business on a daily basis.

24 We had the experience at one time where we had
25 to be down for two weeks. That two weeks actually

1 jeopardized more the business and the labor force than
2 it does a minor rate increase on a monthly basis. So
3 how can we do that? How can we look at FPL and see what
4 we have been seeing in the last few years where I have
5 seen an improvement on their services. I have seen an
6 improvement on restoration of power. Why did that take
7 place? You know, I can see a company that has actually
8 given back to the community what we need and what we are
9 paying for. So I need to come here and support this
10 company to continue making these improvements.

11 I can't wait for power to just go down and be
12 out of business. So whatever they need to do in terms
13 of improvements, you know, these adjustments, I cannot
14 look into the finances and see exactly the books to know
15 whether they are getting the return or not, but what I
16 can see here is what we are getting back. We are
17 getting back quality services. It is coming back to us.

18 I want to maintain it, yes, but actually I
19 want improvements. I want to make sure that as we move
20 forward they are giving back to the community, they are
21 improving with the technologies, and the only way for
22 that is for them to do adjustments which will require
23 some sacrifices perhaps. So, in general, I would say
24 that I'm very happy with the services and we need to be
25 very supportive.

1 **COMMISSIONER McMURRIAN:** Thank you.

2 Mr. Beck.

3 **MR. BECK:** The next customer is Richard Mialy
4 followed by Richard Mason.

5 RICHARD MIALY

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

8 DIRECT STATEMENT

9 **MR. MIALY:** Thank you for having me. I am
10 just a regular guy. You know, a family guy with kids,
11 family. I have been living in Miami for awhile. I
12 would like to say FPL, yes, they do have great customer
13 service and, yes, I do support the rate increase. The
14 reason why I support it is simply because the FPL lawyer
15 gave some examples earlier of what this -- of what
16 this -- what type of improvements they would do with
17 this type of rate increase. And the reason why I
18 support it, I've actually seen stuff like that happen
19 with my own eyes.

20 I want to say, what, a few months ago she gave
21 an example about cutting trees. A few months ago -- I
22 have two kids. In the backyard we have a tree that was
23 hitting the power line. It was sparking. And the kids,
24 they love playing outside, but because it was sparking,
25 hitting the power line, I told the kids they can no

1 longer play outside. So what I did, is I contacted
2 some -- the guys that cut the trees, and they told me,
3 like what, probably a grand or 1,500 just to cut the
4 tree down so my kids would be able to play safely
5 outside.

6 With this bad economy, just coming up with a
7 grand, 1,500 is really, really tough. To my surprise,
8 like the next day, literally the next day without
9 calling, I got home and my wife tells me, hey, FPL came
10 by. They cut the tree. And I'm like that's seeing what
11 they are proposing to do with that type of investment
12 firsthand, and I am happy. I'm like it's bad, the
13 increase is bad, but, I mean, after seeing the amount I
14 would have to pay on a monthly basis and to get
15 something like my cost for cutting a tree, hey, I say
16 I'm all for it, you know.

17 And right now the way the environment is with
18 the increase and global warming, I mean, the North Pole,
19 South Pole, they're all like melting down. And if they
20 are going to use this money to, you know, help their
21 operating costs and improve the way they produce energy,
22 or distribute energy, whatever it is, if they are going
23 to use it for that purpose, I'm all for it. I say FPL
24 is great. They have been good to me, and I'm all for
25 it.

1 Thank you.

2 **COMMISSIONER McMURRIAN:** Thank you, sir.

3 **COMMISSIONER ARGENZIANO:** Madam Chair, can I
4 ask a question, please?

5 **COMMISSIONER McMURRIAN:** Certainly.

6 **COMMISSIONER ARGENZIANO:** Staff, can you
7 address that, or address my concern that a lot of people
8 I think are here -- and I understand what some of them
9 are saying for certain projects down the road, or
10 certain ways they want the company to go down the road,
11 but can you address today would -- would this increase
12 in any way stop the tree cutting or the tree -- storm
13 hardening, or -- and could you address the recovery that
14 the company is allowed to make now on those issues, so
15 that the people have an understanding.

16 I really, truly don't want people to leave
17 that room thinking that that's going to end. And the
18 company doesn't want them to think that, either.
19 Because, obviously, the citizens look at that service as
20 a very valuable service. But with regards to how the
21 company gets paid back, do they get paid back for that
22 now, and if you could address that.

23 **MR. WILLIS:** Commissioner Argenziano, this is
24 Marshall Willis with the Commission staff.

25 Currently, the Commission has no order that

1 requires FPL to harden its system, and FPL has been able
2 to, at this point, do that through its base rates. I
3 suspect that they would continue that even after this
4 rate case, but that's about the best I can address it at
5 this point.

6 **COMMISSIONER ARGENZIANO:** So they would
7 continue to get -- to get reimbursed. It is not being
8 done free, or is it?

9 **MR. WILLIS:** No, they have been able to do it
10 through their current base rates.

11 **COMMISSIONER ARGENZIANO:** The current base
12 rates. Okay. So what I'm trying to establish is there
13 a problem for the company to continue doing that; and if
14 there is, we need to know that.

15 **MR. WILLIS:** Well, the future is hard to tell.
16 At this point with the company's rate of return --

17 **COMMISSIONER ARGENZIANO:** (Inaudible.)

18 **MR. WILLIS:** Basically, what I can say is
19 that is what this case is about.

20 **COMMISSIONER ARGENZIANO:** Would it disappear
21 tomorrow? Would that effort --

22 **MR. WILLIS:** No, Commissioner.

23 **COMMISSIONER ARGENZIANO:** -- or requirement on
24 the company to provide that service, would it disappear
25 tomorrow if they didn't get their increase, or their

1 full increase. That's what I'm trying to get at,
2 because that is what we are here for.

3 **MR. WILLIS:** Commissioner, I do not believe it
4 would disappear tomorrow. The company has to adjust
5 what it desires to do as far as where they choose to
6 harden and where they don't choose to harden and where
7 they choose to cut vegetation. I do not believe it
8 would disappear tomorrow.

9 **COMMISSIONER ARGENZIANO:** And one other
10 question. This part of the increase would -- I mean,
11 the hardening and expending the dollars the company has
12 to expend for hardening, and clearing bush, and limbs
13 would be part of the base rate increase, not the profit
14 or ROE increase, is that correct?

15 **MR. WILLIS:** That would be a dollar-for-dollar
16 expense; yes, Commissioner.

17 **COMMISSIONER ARGENZIANO:** Because we have two
18 separate issues, and I want to make sure that that would
19 be considered as part of the base rate increase for this
20 type service, is that correct?

21 **MR. WILLIS:** Well, that's correct. Now, there
22 is some storm hardening going on where the company is
23 making capital improvements. That's part of the rate
24 base addition and the company would be allowed a rate of
25 return on those items.

1 **COMMISSIONER ARGENZIANO:** Right. Okay. Okay.
2 Thank you.

3 **COMMISSIONER McMURRIAN:** Thank you.

4 **MR. SAPORITO:** This is for the attorney for
5 the staff. Could you just please for all the ratepayers
6 explain what you all mean by the definition of hardening
7 for our (inaudible) --

8 **COMMISSIONER McMURRIAN:** Mr. Saporito, I don't
9 believe it's appropriate for you to question the staff.
10 That's not what -- we're here today to hear from the
11 customers. I will allow Mr. Willis to address your
12 question.

13 **MR. SAPORITO:** You need to be using terms that
14 everyone is familiar with. I mean --

15 **COMMISSIONER McMURRIAN:** Yes. But, also, we
16 have a limited amount of time, and we have a lot of
17 things that we could try to clarify about what's in the
18 rate case and what's not today. If a customer brings up
19 a question like that, that's okay. But you are a party
20 to this case and you have got more opportunity to
21 address these types of issues, but the customers here
22 today, they are only here today, and so we need to -- we
23 need to focus on listening to them. But I will allow
24 Mr. Willis to address your question.

25 **MR. WILLIS:** Commissioners, as simple as I can

1 put this is the Commission required the company --
2 actually, required all the companies to go out and
3 perform what we call storm hardening. By hardening it
4 is to go out and actually examine so many of the wood
5 poles every year to make sure those poles are not
6 rotted, to treat those poles. It required that certain
7 poles be replaced with concrete poles, aluminum poles
8 where necessary to withstand a higher level of storm
9 wind. In other words, it's to increase the ability of
10 the structure to withstand a higher level of a storm.
11 That's about the best way you can put it.

12 **COMMISSIONER SKOP:** This is Commissioner Skop.
13 I just want to add to that. Thank you, Mr. Willis.

14 Again, the hardening initiative adopted by the
15 Commission pursuant to the Commission order resulted in
16 part from the hurricanes that Florida experienced, and
17 the need to take lessons learned away from what we saw
18 in the field and apply that into adopting higher wind
19 loading criteria and such through the various service
20 areas to better encourage utilities to strengthen their
21 systems.

22 As Mr. Willis mentioned, that includes doing
23 numerous pole inspection, vegetation management on the
24 auspice of improving reliability and reducing
25 storm-related outages. If you have a major hurricane

1 outages are going to happen, nothing is going to stop
2 that, but being able to restore service to customers as
3 quickly as possible. And many of the hardenings are to
4 critical facilities such as Emergency Operations
5 Centers, hospitals. I guess FPL has elaborated on that.
6 But those large concrete poles that you see going in,
7 replacing what used to be wooden poles, all of those are
8 designed, again, to increase the wind loading that those
9 distribution lines are able to withstand during a major
10 storm.

11 Thank you.

12 **COMMISSIONER McMURRIAN:** Thank you.

13 Mr. Mason.

14 **MR. MASON:** Yes. Thank you.

15 RICHARD MASON

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

18 DIRECT STATEMENT

19 **MR. MASON:** My name is Richard Mason. I spent
20 over 30 or 40 years in the utility business in the gas
21 industry starting out in 1951. I was the Sales and
22 Marketing Director for both Florida Gas' Miami Division
23 and City Gas' Florida division.

24 During the '60s and '70s and early '80s we
25 battled very hard against Florida Power and Light's

1 marketing program, and a lot of the issues that Florida
2 Power and Light is facing today to do with power
3 generation was of their own making back then. Because
4 while we were trying to sell balanced energy homes to
5 the home builders, they were pushing the all electric
6 concept. In fact, I even filed a few complaints with
7 the federal government's agency on truth in advertising
8 with some of their literature at that time. So I'm no
9 real, you know, friend of Florida Power and Light.

10 But I will say that they have always provided
11 good service and where I lived until I moved to Miami
12 Shores. And during the last hurricane, we had trees
13 that were growing into the wiring and calls were made
14 and they were never trimmed. And the light poles looked
15 30 or 40 years old, and during the hurricanes of a few
16 years ago they did snap and we did lose power. But
17 other than that, they have done a pretty good job.

18 But the issue is this; I am here to protest
19 any changes in their residential rate, because I feel
20 that their residential rate as it is today is improperly
21 structured. I live in a house that I recently purchased
22 two years ago. It was all electric. It is surrounded
23 by natural gas lines, but the builder made the decision
24 for me by going all electric, which is a very
25 inefficient way of handling energy in this country.

1 Trying to change to a balanced energy home, I
2 get no bonuses from Florida Power and Light. When I
3 took out my electric range and put in gas, I got no
4 bonus. I get no bonuses from them if I take out the
5 major appliances which are the major items that hit the
6 electrical system at peak load, but they are willing to
7 give me money if I have a contractor charge me \$10,000
8 to coat my roof white. But I did it myself for the cost
9 of about 5,000 with a 92 or 94 percent reflection, and
10 there was no rebate because I did it myself.

11 The issue is this, at this rate a person
12 living in a balanced energy home pays the same
13 electrical rate structure as a person living in an all
14 electric home. The all electric home peaks out at the
15 worst time of the day with their water heating, clothes
16 drying, cooking. In the wintertime, of course, home
17 heat because people come home from work at about the
18 same time.

19 This creates a tremendous demand of
20 electricity on the grid. A person living in a balanced
21 energy home that has gas cooking, gas water heating, and
22 gas clothes drying, he has no impact at all on the grid.

23 Now, Florida Power and Light has to build
24 those excessively large power plants to handle that peak
25 load. A new thing coming on is these instantaneous

1 electric water heaters. I found one in my house and it
2 has a 13.5-kilowatt hour demand. The tank storage
3 electric water heater was a 4.5-kilowatt. So you see
4 here that the instantaneous water heater, which is being
5 promoted as more efficient, is actually equal to three
6 electric water heaters coming on at the same time, or
7 three homes, you know, using electric. Yet there is no
8 demand charge on the electric meter of that homeowner.

9 So what I am suggesting, and if you read my
10 commentary is that before we increase their rates that
11 we have some kind of review of RS Rate 1. And maybe
12 those homes that are impacting the electrical grid, they
13 should have a demand meter on them or some way of them
14 paying the greater share of the power generation
15 facilities.

16 We are in an era now where we are trying to
17 encourage people to be energy efficient. Well, here is
18 the thing, everything equates in energy to Btu values,
19 and if you burn a therm of natural gas at the power
20 plant, which is 100,000 Btus, and you deliver that to a
21 home that has an electric water heater, they are getting
22 about 17 to 20,000 Btus of energy. So you have
23 approximately an 80 percent loss of Btu value in that
24 transfer.

25 If a person has a natural gas water heater in

1 the house and they are burning it at 75 to 80 percent
2 efficiency, you have had a 20 percent loss. So it makes
3 no sense for us to continue the way we are in this
4 country allowing builders to build all electric homes.

5 Now, back when I was active in trying to get
6 gas specified, we had no program other than gas is good.
7 It will be much cheaper for the homeowner. I would put
8 together -- starting in 1968, I would put together a
9 sheet that basically said you save money in construction
10 costs. The homeowner will save 500 to \$1,000 a year.
11 The United States will import 2,000 to 4,000 less
12 gallons of fuel oil per home.

13 What I found out was the builder don't pay the
14 electric bill; he basically don't care. Also, with
15 Florida Power and Light coming along with advertising in
16 the newspapers, giving rebates if they go all electric
17 to help subsidize the underground wiring, we were at a
18 tremendous disadvantage in being able to get a builder
19 to use a balanced energy home.

20 And so back then, starting in '68, I used to
21 say in writing to builders that if you continue to build
22 all electric homes, some day your sons and grandsons
23 will be fighting in the Gulf of Arabia to protect our
24 oil supply, and we have seen that happen. And today, 50
25 to 60 percent of our defense budget in this country goes

1 to protecting our oil supply. And here we are as a
2 Public Service Commission ignoring the specification of
3 appliances.

4 So maybe if you really want to solve the
5 energy problem, and rather than seeing Florida Power and
6 Light asking for more money to build more power plants
7 and putting in solar plants to generate electricity, why
8 don't we require home builders to build a balanced
9 energy home. Maybe get Florida Power and Light in the
10 gas business, but something has to be done in this
11 state -- in this country, but basically in this state to
12 mandate the specification of the correct appliances in
13 homes, and until then we are not solving the problem.

14 So in my commentary here I am basically saying
15 I would like to see the Public Service Commission review
16 RS-1, so that people who are living in energy
17 responsible homes are not paying more than they should
18 to support power plants so the person in the all
19 electric home is basically freeloading on the system.

20 Thank you.

21 **COMMISSIONER McMURRIAN:** Thank you, Mr. Mason.
22 Would you like your --

23 **MR. MASON:** At the beginning of the meeting it
24 would have been nice to have Florida Power and Light
25 sworn in before they spoke, number one. Number two, in

1 having a moment of reflection, as a Korean War veteran,
2 I would like to have seen a moment of reflection for the
3 people that are in Iraq and Afghanistan.

4 Thank you.

5 **COMMISSIONER McMURRIAN:** Absolutely. And I
6 would be happy to do that. I had that specific request
7 this morning, and I was honoring that. But, absolutely,
8 we are definitely mindful of our veterans.

9 Mr. Mason, would you like to enter your
10 document into --

11 **MR. MASON:** Yes. I gave this lady two of
12 them.

13 **COMMISSIONER McMURRIAN:** I mean, not enter it,
14 mark it for identification.

15 **MR. MASON:** Pardon?

16 **COMMISSIONER McMURRIAN:** Would you like your
17 document marked for identification?

18 **MR. MASON:** Yes, I would.

19 **COMMISSIONER McMURRIAN:** Okay. Is that Number
20 22, Ms. Williams?

21 **MS. WILLIAMS:** Yes, Commissioner McMurrrian.
22 It's Number 22.

23 **COMMISSIONER McMURRIAN:** Okay.

24 **MR. MASON:** It is unique in that I don't
25 have --

1 **COMMISSIONER McMURRIAN:** Mr. Mason, we will
2 need you to speak at the microphone, but I think at this
3 point we'll just mark your --

4 **MR. MASON:** Right. I'm just saying it is
5 unique in that no one has ever addressed the issue from
6 this point of view. Thank you.

7 **COMMISSIONER McMURRIAN:** Thank you. And we
8 will have your document so that anyone can take a look
9 at those. We'll call that Richard Mason's Composite
10 Exhibit?

11 **MS. WILLIAMS:** Yes.

12 (Exhibit Number 22 marked for identification.)

13 **COMMISSIONER McMURRIAN:** Okay. And I said
14 earlier, I think it's about time for a break for our
15 court reporter. But let me say just before we break
16 that we are going to come back. We are going to
17 continue to hear from everyone that signed up to speak.
18 So, please don't go anywhere. We will get to you. So
19 we will take a break. Let's come back at a quarter
20 after. We are on temporary recess.

21 (Recess.)

22 **COMMISSIONER McMURRIAN:** If everyone will take
23 their seats, please, we can get started again. I hope
24 everyone enjoyed the stretch. I think we will get
25 started again.

1 Mr. Beck, could you call our next witness?

2 **MR. BECK:** Our first customer in the afternoon
3 session is Mr. Wendell James.

4 WENDELL JAMES

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

7 DIRECT STATEMENT

8 **MR. JAMES:** Good afternoon.

9 **COMMISSIONER McMURRIAN:** Good afternoon.

10 MR. JAMES: Commissioners, staff, citizens of
11 Miami Gardens. I am a citizen of Miami Gardens for over
12 30 years, and I would like to just mention that I am
13 very happy to have the proceeding happen in my city.
14 And better yet, it would have been nice, nicer if we had
15 it in the p.m. hours, where people that work today could
16 have been here, or over the weekend where we would have
17 more people in the city. This city -- we have a number
18 of over 1,000 people that live in this city. I am quite
19 sure we would have a full house if we had it in the p.m.

20 I would like to just say that the service of
21 FP&L has been good as a consumer. One concern, whether
22 the increase right now is needed or not. But I think it
23 is quite contraindicated to our present national
24 economic situation. Because with all of the stimulus
25 that we are getting, with this increase means that

1 everything else went to increase and it will trickle
2 down. So here we get it in one hand, however, we lose
3 it in the other hand. So I think FPL need to be warned
4 or concerned about the status right now of the economy.

5 While I am here, I would like to just mention
6 to FPL staff that we have -- in our city here we have
7 been neglected for quite sometime in the upgrade of our
8 street lights. And also if you drive around, don't take
9 my word for it, we have a lot of trees that have grown
10 into the transformers that need attention. We have made
11 numbers of phone calls to FPL and in some cases we have
12 not had any results.

13 I thank you very much.

14 **COMMISSIONER McMURRIAN:** Mr. James. Did I get
15 your name right, Mr. James?

16 **MR. JAMES:** Yes. Wendell James.

17 **COMMISSIONER McMURRIAN:** Okay. I just wanted
18 to ask you about that, and there are people here from
19 Florida Power and Light that perhaps you could talk to.
20 If they could raise their hand in the back of the room.
21 And if you could talk to them about the problems that
22 you are having and the trees growing in the transformers
23 and things, and perhaps give them more information about
24 that and make sure, you know, that you get in contact
25 with them here.

1 **MR. JAMES:** Yeah. I think the only way that
2 they would know about it in some cases is that somebody
3 have to report it, so we have done that. But I think it
4 is vitally important due to the fact that we live in a
5 hurricane corridor that being proactive about it in
6 attending to these trees before the hurricane is
7 actually very important, because it will reduce the
8 amount of damage in case of a hurricane.

9 **COMMISSIONER McMURRIAN:** I agree with you,
10 Mr. James. And the other thing that you mentioned that
11 I wanted to say about the timing, and we have heard
12 similar comments to that before about the timing. We
13 try to do the best we can about scheduling these in as
14 many cities as we can. But if you could help us, and
15 let people know ways they can contact us; you can feel
16 free to take some of these sheets to people that you
17 know, if they want to give us input.

18 You don't have to be here today to give input
19 to us. We will get it if they put -- you know, if they
20 either fill out this form or send something to us by
21 e-mail. Feel free to let your friends and neighbors
22 know that they can get in contact with us.

23 **MR. JAMES:** Yes, I have not because I really
24 just found out this about an hour prior to me coming
25 here. And this is someone called me and told me about

1 it. Now, it might have been in the newspaper, which I
2 really don't read, and whatever other means that you
3 used for advertising. But I think that it needs to be
4 advertised better due to the importance that it
5 represents right now. And you guys coming to our city I
6 think is something great. It's something that needs to
7 be done more often and under other circumstances,
8 whatever might come up. I think it's important to
9 come -- to come to the city and let us know really what
10 is going on.

11 And, FPL, it will be nice also if they could
12 have a town hall meeting ever so often to really assess
13 what is going on with your customers. You know, we
14 don't have an Office of FPL in our city, and this is
15 something that's a problem that comes up where people
16 don't know where to go. And if they get on the phone,
17 they get into these problems that tell you hold on or
18 whatever the case might be. You know, having an office
19 would really help a lot.

20 All right. Thank you.

21 **COMMISSIONER McMURRIAN:** Commissioner Skop has
22 a question.

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

24 I just wanted to go back to your vegetation
25 management issue. And, again, there are, as

1 Commissioner McMurrin mentioned, customer service
2 representatives available from FPL today outside. And,
3 hopefully, you can get with them and provide specific
4 service address where there may need to be remedial
5 action on those issues that you brought to our
6 attention.

7 Again, FPL has a very vast service area
8 through the state, particularly in the Miami area, where
9 vegetation growth is at probably triple the rate in some
10 other places within the state. It's very important to
11 address those issues that you mentioned. And, again,
12 they do rely in part on customers to report such things.

13 But, again, there is always room for
14 improvement. And some of the things that have been
15 brought to the Commission's attention, you know, need to
16 be remedied. So I do appreciate your concern. Thank
17 you.

18 **MR. JAMES:** Thank you very much.

19 **COMMISSIONER McMURRIAN:** Thank you.

20 And let me check for a minute. Commissioner
21 Argenziano and Chairman Carter, are you both back with
22 us? I'm sorry I didn't check earlier.

23 **CHAIRMAN CARTER:** Yes, I'm back.

24 **COMMISSIONER ARGENZIANO:** Yes.

25 **COMMISSIONER McMURRIAN:** Thank you.

1 Mr. Beck.

2 **MR. BECK:** The next customer is Francisco
3 Miranda.

4 Jeff Hunt.

5 JEFF HUNT

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

8 DIRECT STATEMENT

9 **MR. HUNT:** Good afternoon. My name is Jeff
10 Hunt. I am the Scout Executive of the South Florida
11 Council of Boy Scouts of America, and also a customer of
12 Florida Power and Light. We serve over 72,000 young
13 people throughout Broward, Miami-Dade, and Monroe
14 County. I would like to just state for the record that
15 Florida Power and Light is a great corporate citizen in
16 our community.

17 Whenever we have had an issue in terms of our
18 Boy Scout camp when trees have fallen on the power lines
19 after a storm, they have been there to support us and to
20 get our power back up and running. In addition, they
21 have helped kids go to summer camp. And I would just
22 like to let the community know that Florida Power and
23 Light is here to support many organizations like the Boy
24 Scouts.

25 **COMMISSIONER McMURRIAN:** Thank you.

1 **MR. HUNT:** Thank you.

2 **MR. BECK:** Thank you.

3 Myrna Hernandez.

4 MYRNA HERNANDEZ

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

7 DIRECT STATEMENT

8 **MS. HERNANDEZ:** Good afternoon. My name is
9 Myrna Hernandez, and I live in Hialeah. I've lived
10 there, like, for 35 years. I am here today because I
11 found out that FPL would be raising their -- I would be
12 getting a higher bill in 2012. I was okay with it,
13 because I was thinking, you know, FPL manages very well.
14 They have managed very well for many years. Why would I
15 question something that in these days if you don't have
16 good management, your business or, you know, our having
17 light and all of that -- I know it really wouldn't
18 change, but still it would be -- they have good
19 management, so I am -- I'm just going to go ahead and
20 agree with it. And that's basically why I came today,
21 just to say, yes, I am for the FP&L.

22 **COMMISSIONER ARGENZIANO:** Madam Chair.

23 **COMMISSIONER McMURRIAN:** Go ahead,
24 Commissioner Argenziano.

25 **COMMISSIONER ARGENZIANO:** Just a question.

1 May I ask, could you be more specific as to what
2 management or what you think the increase means?

3 **MS. HERNANDEZ:** Well, the management as far
4 as, you know, they are thinking of the future. They are
5 thinking how bad things are now, but if you don't manage
6 well today, tomorrow is uncertain. And in that aspect
7 thus far is -- you know, everybody has to pay 10, 15,
8 \$20 more on the bill, I don't see it as a problem.

9 **COMMISSIONER ARGENZIANO:** Okay. Then you are
10 here believing that this rate increase involves
11 management?

12 **MS. HERNANDEZ:** Yes.

13 **COMMISSIONER ARGENZIANO:** Okay.

14 **MS. HERNANDEZ:** And I think it is a good
15 thing. You know, they have done very well for many
16 years. I have never had a problem with them.

17 **COMMISSIONER ARGENZIANO:** I appreciate that.
18 I just wanted to make sure you understood what the rate
19 increase was for, and you just answered that for me.
20 Thank you.

21 **MS. HERNANDEZ:** Okay. You're welcome.

22 **COMMISSIONER McMURRIAN:** Mr. Beck.

23 **MR. BECK:** Francisco Miranda.

24 FRANCISCO MIRANDA

25 appeared as a witness and, swearing to tell the truth,

1 testified as follows:

2 DIRECT STATEMENT

3 **THE INTERPRETER:** Yes. For the Commissioners
4 and the telephone, the interpreter is now present with
5 Mr. Francisco Miranda, who will address himself in
6 Spanish. However, he does understand more English than
7 he speaks.

8 **MR. MIRANDA:** My address is 199 North Miami
9 Beach. I want today to try to explain. I wanted to
10 speak in Spanish. It's better for me.

11 **THE INTERPRETER:** I am here to tell you
12 face-to-face to the Commissioners who have the high
13 responsibility when FPL presents to you the increases to
14 approve, and you have -- you are the ones that have the
15 huge decisions for the people that use your services,
16 for the people that use FP&L.

17 When the bill comes to me and I look at it, I
18 pay storm charges, I pay taxes, franchise charges. I
19 mean, I don't know if I am a partner of FPL. Why do I
20 have to pay that, and who has made that decision for me,
21 because I did not vote for that to make that decision.
22 I would like to have a company where the Governor, the
23 Public Service Commission puts me when I can increase
24 the rates whenever I want to, to increase the rates for
25 the customers.

1 And that was an example that I wanted to make,
2 because you make those decisions, and you have the
3 responsibility to make those decisions. And the entire
4 time that I have lived in Florida, I have never met you
5 face-to-face, and never knew who you were, and you were
6 in charge for, you know, run for public office, governor
7 or anything. I am going to see the decisions that you
8 made against the government, the public rather. And
9 this is all that I have to say.

10 Thank you so much for listening to me and
11 giving me your time.

12 **COMMISSIONER McMURRIAN:** If you could wait
13 just a second, Commissioner Skop has a question.

14 **COMMISSIONER SKOP:** Thank you.

15 Just briefly with respect to the franchise
16 tax, and I will look to our staff, Mr. Willis, to
17 provide clarification. It's my understanding that the
18 franchise tax is assessed by local municipalities in
19 consideration for allowing FPL to provide service in
20 their territory, and so I would not have the
21 jurisdiction to approve that. And I will look to
22 Mr. Willis to clarify.

23 **MR. WILLIS:** That is correct.

24 **THE INTERPRETER:** Okay. Thank you very much.

25 **COMMISSIONER McMURRIAN:** Thank you.

1 **COMMISSIONER ARGENZIANO:** Ms. Chair.

2 **COMMISSIONER McMURRIAN:** Yes, Commissioner
3 Argenziano.

4 **COMMISSIONER ARGENZIANO:** I think if we could
5 get staff to answer his other question. He didn't just
6 ask about franchise fees, he also asked about the other
7 charges, and maybe staff could just let him know how
8 those come about.

9 **COMMISSIONER McMURRIAN:** Okay. We'll have
10 Mr. Willis address that.

11 Mr. Willis, if you could make small sentences.

12 **MR. WILLIS:** Exactly.

13 As far as the storm charges, the Commission
14 did approve the utility's request to securitize the
15 storm charges from the 2004/2005 storm season, and
16 that's where your storm charge comes from. That's the
17 company's ability to recover their costs for those
18 storms.

19 **COMMISSIONER McMURRIAN:** And, Mr. Willis,
20 could you also speak to the term of that surcharge.
21 You're talking about the storm surcharge.

22 **MR. WILLIS:** It's not a storm surcharge. It's
23 a line item on the bill to pay off the bonds with the
24 securitization. I think the term right now for that is
25 about seven years, I believe.

1 **CHAIRMAN CARTER:** You're fading in and out.

2 **MR. WILLIS:** Sorry, Commissioner.

3 The taxes that you spoke of, there are
4 franchise fees that are placed upon the utility by local
5 governments and municipalities. There are income taxes
6 that the company has to pay, because they are a
7 corporation. There are utility taxes that are placed on
8 the company by the state. There is a gross receipts tax
9 that is placed on it by the state of Florida.

10 **THE INTERPRETER:** I have a question, may I?

11 **MR. WILLIS:** Yes.

12 **THE INTERPRETER:** Florida Power and Light is
13 the only company that guarantees income in Wall Street
14 or earnings in Wall Street and investments. That's why
15 it is a franchise tax. It is monies so that they could
16 never lose with their investments. Aside from that,
17 they ask 20 or 30 percent of extra charges for the
18 people, the citizens. They are strangling people
19 because people are losing jobs.

20 What I was making a day, 150, now I make 75,
21 and that is something that is really heavy at the end of
22 the month, and very little work. I have a company, and
23 I pay taxes to Tallahassee, and I pay taxes to Miami,
24 and everything adds up, and it is very, very difficult
25 and a hardship at the end of the month. When the day is

1 done, it's difficult to add up the numbers.

2 Thank you very much.

3 **COMMISSIONER ARGENZIANO:** Madam Chair, just a
4 comment to the interpreter.

5 **COMMISSIONER McMURRIAN:** Go ahead.

6 **COMMISSIONER ARGENZIANO:** Because the
7 gentleman seemed interested in knowing how it all comes
8 about. And this is not to disparage whether it's right
9 or wrong, but he also needs to know that the recovery is
10 allowed to all utilities, not just FPL. Electric
11 utilities are granted by statute, meaning his elected
12 representative in the Legislature. If you would let him
13 know that, please.

14 **COMMISSIONER McMURRIAN:** I think she is doing
15 that for us. Thank you, Commissioner.

16 Commissioner Skop.

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

18 And, Mr. Miranda, I just wanted to thank you
19 for your comments and I want to also assure you that
20 this is only at this point a proposed increase, and that
21 the Commission will carefully consider the request to
22 ensure that only reasonable and necessary costs are
23 approved for recovery in accordance with the law.

24 **THE INTERPRETER:** Thank you so much.

25 **COMMISSIONER McMURRIAN:** Thank you.

1 (Applause.)

2 **COMMISSIONER McMURRIAN:** Mr. Beck.

3 **MR. BECK:** The next customer is Heather Jones
4 followed by Marcus Gonzalez.

5 Heather Jones.

6 Marcus Gonzalez.

7 Constance Cooper.

8 Pat Lightfoot.

9 PAT LIGHTFOOT

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

12 DIRECT STATEMENT

13 **MS. LIGHTFOOT:** Good afternoon. Thank you. I
14 am here as a resident of the City of Miami Gardens, and
15 I would like to say that I am speaking on behalf of my
16 family, friends, neighbors, and all of the other
17 residents that were unable to be here today, perhaps
18 because they had to pay FP&L and didn't have the money
19 for the bus or a car.

20 So I'd like to say I'm against this base rate
21 increase. I do not think that it is fair to us as
22 residents for them to get a raise when our salaries are
23 being cut, our jobs are being lost, and you have people
24 out there that have to make a decision as to whether or
25 not they are going to pay Florida Power and Light or

1 they are going to put food on their table.

2 During the break, I was walking out, the young
3 lady asked what was going on and I mentioned to her.
4 She said, well, I just paid Florida Power and Light and
5 I had to let a car payment go. I have no other choice.

6 And I'd like to say two words in regard --
7 well, before I say that. This base rate increase to me
8 is really in reality a raise. They are asking for a
9 raise. Bad timing as far as I'm concerned. And then
10 you get -- this base rate increase does not include
11 other costs, such as fuel costs, conservation,
12 environmental, and charges for the nuclear projects that
13 are paid for by consumers through separate cost recovery
14 hearings. I mean, those are other hearings. Those are
15 other costs that they are going to come and ask for for
16 the consumer -- for us to pay for. And that is not even
17 included in this.

18 So when are they going to come -- in 2010 they
19 are going to come back for another base rate. We are
20 going to have to go through this for them to get the
21 nuclear power plants. What is that, 62.8 million for
22 FPL for 2010? They want -- you know, for the nuclear --
23 for the nuclear facilities. I mean, we have -- the
24 costs are going up and up and up.

25 It was almost 15 years ago, I let them put a

1 box in my yard, and they said if I let them hook that
2 box up to my house that it would cut down -- it was
3 designed to shut off my power during peak hours, and I
4 would get a credit on my bill. I have yet to see that
5 credit on my bill and that box is still in my property.

6 And, again, I agree with the gentleman that --
7 Mr. James that said this area has been very neglected.
8 The power lines, the transformers; I mean, you ride
9 through this area, these power lines have not -- they
10 did not work in our area upgrading our power lines,
11 upgrading our transformers, and doing things in this
12 area.

13 When we have a hurricane, we have to wait a
14 long time to get our services restored. And our bills
15 do not go down because of it, and we are paying just as
16 much as everybody else that gets theirs restored right
17 away. I understand they have feeder patterns where you
18 have your hospitals, and if you are not in that feeder
19 pattern, yours doesn't -- you don't get on right away.

20 However, when you have to wait three months to
21 get your power back on, your insurance company says I'm
22 not responsible for the food that you lost. FP&L says
23 we are not responsible for the food that you lost. So I
24 just think that it's unfair. It is unfair to us as
25 citizens.

1 And I just have two words here that I think
2 will sum it up. And that is monopoly and hostage. They
3 are a monopoly. We are held hostage. We have no other
4 choice. We have no other recourse. They're at the
5 point now when you are late paying your bill you have
6 three choices: First of all, you can get your power cut
7 off. Secondly, you can pay an additional higher deposit
8 they want to put on file. Of course, if you can't
9 afford to pay your bill and the deposit is almost twice
10 as much as your bill, they give you a third option.
11 Well, let us automatically deduct from your account
12 every month, that way you don't have to pay that
13 additional deposit.

14 Well, some people depend on that money. They
15 have to manage and juggle funds to eat, to feed their
16 family. My home is 1,200 square feet, three bedroom,
17 two bath. I average \$500 a month on my electric bill
18 every month. I have had the conservation study and I
19 have that little box there. So I am against it. I
20 think it is wrong. They do not need -- why should they
21 get a raise when I get a salary cut?

22 Thank you. (Applause.)

23 **COMMISSIONER SKOP:** Thank you, Ms. Lightfoot.
24 And, hopefully, I pronounced your last name correctly.

25 But just with respect to the demand-side

1 management device you mentioned, the black -- the little
2 box, there are customer service representatives here and
3 perhaps they might be able to look into your specific
4 account and look to see what equipment you have
5 installed and to see -- to answer your specific concern
6 as to why the credit that you allege that should have
7 been credited was never done. So I would ask you to do
8 that in the hopes that that might resolve that specific
9 concern.

10 Thank you.

11 **MS. LIGHTFOOT:** Thank you.

12 **COMMISSIONER McMURRIAN:** I think that they are
13 back in that back corner, if you would like to speak to
14 them.

15 Okay. At this time we are going to ask --

16 **THE INTERPRETER:** (Translating to the public
17 in Spanish.)

18 **COMMISSIONER McMURRIAN:** Thank you very much.

19 **THE INTERPRETER:** Bye-bye.

20 **COMMISSIONER McMURRIAN:** And, actually, can we
21 take just a second for me to ask something else of
22 Ms. Guldris. It will take just a second.

23 (Off the record briefly.)

24 **COMMISSIONER McMURRIAN:** Okay. Thank you for
25 that break.

1 Mr. Beck, I apologize. Thank you.

2 **MR. BECK:** The next customer is Dexter
3 Bridgeman to be followed by Peggy Finley.

4 Dexter Bridgeman.

5 Peggy Finley.

6 PEGGY FINLEY

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

9 DIRECT STATEMENT

10 **MS. FINLEY:** Good afternoon. My name is Peggy
11 Finley. I am also vice president --

12 **COMMISSIONER McMURRIAN:** Closer.

13 **MS. FINLEY:** Can you hear me? -- vice
14 president of Opalocka AARP, and I am against the
15 increase.

16 I live in a neighborhood where the average age
17 is 70. By the time we pay our light bill that we have
18 to pay, our water bill, it's just too much. We don't
19 have our co-payments for our medicines. I have seniors
20 that own their homes. They have no mortgage, and they
21 are thinking about going into senior housing because the
22 water bill has gone up, the light bill has just gone up,
23 the taxes, and some of them have insurance. Some of
24 them can't even afford to have insurance on their
25 houses. And I think this is really sad.

1 Another thing is the upgrade of the poles in
2 our area. When it rains now, and that's almost every
3 day, our lights blink. They blink off and on all the
4 time. We called Florida Power and Light, they came
5 because the wires were going between the trees. They
6 came out and they cut this little doughnut hole just
7 around the wires. But when the wind blows the tree
8 moves and the lights are blinking again.

9 We also have trees that if you enter that
10 little pathway between the houses on -- you know, in the
11 backyard where you are supposed to leave five feet, I
12 called and reported that. They said since I wasn't the
13 property owner, I had no right to. But when the tree
14 falls, I am without lights. You know, it's -- it's a
15 real problem. So I just want you to know that I can't
16 afford it, my neighbors can't afford it, and I wish you
17 guys would do something about it.

18 Oh, one other thing before I forget. I am
19 retired, disabled, I have asthma, and I'm a diabetic. I
20 do breathing treatments. I have to have air. With the
21 weather the way it is now, my bill is terrible. I don't
22 know what to cut out. I mean, what can I cut out, food?
23 I have a garden, but I can't water it because the water
24 bill has gone up. I'm kind of like between a rock and a
25 hard place, and I need help. I mean, it is not just you

1 guys, you know, it's the whole economy. So if you could
2 think about us when you're making this decision, I would
3 appreciate it.

4 Thank you. (Applause.)

5 **COMMISSIONER McMURRIAN:** Thank you, Ms.
6 Finley.

7 **MR. BECK:** The next customer is Elizabeth
8 Davis followed by Barbara King.

9 **UNIDENTIFIED SPEAKER:** She just left. She had
10 to leave.

11 **COMMISSIONER McMURRIAN:** Let me bring you to
12 the microphone.

13 **GLADYS MALOY**

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

16 **DIRECT STATEMENT**

17 **MS. MALOY:** Thank you very much. We have the
18 same complaint. While I was sitting there, she was
19 talking, too. I said, well, your complaint is the same
20 as mine. With the lights here recently and all the
21 time, as soon as it rains, the wind blows just a little
22 bit, the lights is off. And this was last year during
23 the raining, too, the same thing in this entire block.
24 Okay. FPL, they comes out, and the lights is back on.
25 But it is still constantly the same thing, as soon as it

1 rains, a little light wind blows, the lights goes out
2 for like a couple of hours.

3 **COMMISSIONER McMURRIAN:** Ma'am, could you
4 state your name and address for us? Could you state
5 your name and address for us?

6 **MS. MALOY:** Gladys Maloy, M-A-L-O-Y. The
7 address, 3261 Northwest 213 Terrace, Miami Gardens,
8 Florida 33056. Thank you.

9 **COMMISSIONER McMURRIAN:** Thank you very much.

10 **MS. MALOY:** Oh, again, I would like to talk
11 about the solar, the solar system, that was when it
12 first came out, the way I had to put on my roof, it's
13 supposed to be a change in your light bill. And at that
14 time I think it was a 20-year service payment, and I
15 paid that for the 20-year service, and I didn't see no
16 change in my light bill.

17 Right now it's taken off, I had it taken off
18 my roof. I had to replace my roof. I had them to take
19 that off. And then my problem is where I pay the repair
20 service, they kept changing from one company to another.
21 And it was -- I was reading in the Miami Herald where it
22 was somewhere in Tampa the family stayed. It was a big
23 suit, a big problem with that, okay, with this company
24 here. They keep changing from one company to another.
25 And lot of people was -- you know, they sued that

1 company. I cut out the clip, but I don't know where it
2 is now. But they -- they went out of business because
3 they keep changing off from one company to another. It
4 was a big write up in Tampa with this. But my point is,
5 I didn't see no kind of saving in my light bill. I just
6 had that solar system removed just off my roof.

7 **COMMISSIONER SKOP:** Thank you, Ms. Maloy. I
8 appreciate it.

9 And just to staff, based on the concerns that
10 we have heard from a couple of residents so far, can we
11 review the service interruption data for Miami Gardens?

12 **MR. WILLIS:** We are already on that.

13 **COMMISSIONER SKOP:** Thank you.

14 **COMMISSIONER McMURRIAN:** I apologize. We've
15 having quite a time with the microphone system.

16 Ms. Maloy, I didn't -- I hate to ask you this,
17 I know we have got to keep going back and forth with
18 these microphones, but I didn't quite understand what
19 you were referring to with the solar system and the
20 company. Perhaps it's something you could talk about
21 with someone on our staff or with FPL to follow up,
22 because I'm not sure --

23 **MR. WILLIS:** Commissioner.

24 **COMMISSIONER McMURRIAN:** Mr. Willis, can you
25 shed light on that?

1 **MR. WILLIS:** Ms. Maloy, I believe what you
2 were talking about you had the solar panels on your
3 roof?

4 **MS. MALOY:** Yes.

5 **MR. WILLIS:** And you are talking about the
6 company, the solar panel company that repairs and
7 maintains that?

8 **MS. MALOY:** It was through FPL. It was sort
9 of like a savings.

10 **MR. WILLIS:** Right. You were supposed to get
11 a net metering sort of with that. That is what she is
12 talking about is the actual maintenance of the solar
13 panels, and that is not with FPL, the maintenance
14 portion. That's whoever provided and put the solar
15 panels on.

16 **COMMISSIONER SKOP:** Thank you.

17 And as a brief follow up to that, if I heard
18 Ms. Maloy correctly, she had it installed previously and
19 paid for, I think, a maintenance plan. But then you
20 mentioned that your roof had to be repaired, at which
21 time you took the solar panels completely off, and they
22 are no longer installed. Is that correct?

23 **MS. MALOY:** Yes. They replaced my water
24 heater and put one of their hot water big tanks inside.
25 Anyway, I just went -- I just went in debt because of

1 that trying to save on my light bill. I didn't get no
2 results from it.

3 **COMMISSIONER SKOP:** Thank you.

4 **COMMISSIONER McMURRIAN:** Ms. Maloy, I'll go
5 back to my original suggestion, perhaps you might want
6 to get with someone to follow up on that. I'm not sure
7 we fully addressed your problem, but perhaps someone can
8 today.

9 **MS. MALOY:** And I'm against the rates, the
10 base rate increase.

11 **COMMISSIONER McMURRIAN:** Okay. Ms. Maloy
12 added that she is against the rate increase.

13 Okay. Mr. Beck.

14 **MR. BECK:** Thank you. Barbara King.

15 Cyril Taylor.

16 Ramiro Moreno.

17 RAMIRO MORENO

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

20 DIRECT STATEMENT

21 **MR. MORENO:** Good afternoon. Thank you for
22 allowing me the opportunity to come here and speak to
23 you. I am here to speak as a residential customer as
24 well as a small business customer.

25 I am in favor of being able to recover not

1 only your cost, but also being able to look at your base
2 rate and decide whether future improvements and
3 efficiencies of the system are needed. So if those are
4 needed, then you are and have done a good job in the
5 past, and I hope you will continue to do a good job, as
6 Commissioners for the PSC, to overlook what they do.
7 But I think the company has been a professional company,
8 it has been around for years. And if we look at what
9 Andrew did, and we look at what all of these hurricanes
10 have done in Texas, as well, a Category 5 hurricane
11 requires a revisit of the facilities that they use.
12 Build up to it and make the changes required.

13 So I think they have done a great job, and I
14 want to make sure that in the future we continue to have
15 the efficiency and the professional outlook that FPL
16 brings to this community, as well as being able to
17 recognize that our basic needs are electricity. They
18 all run -- without electricity our business is not --
19 will not be able to function as well as our needs on a
20 day-to-day basis. So I thank you for looking at what we
21 do here, and giving us -- being able to give you input.

22 Thank you.

23 **COMMISSIONER McMURRIAN:** Thank you.

24 **MR. BECK:** Thank you.

25 The next customer is Barbara Johnson.

1 Georgina Hernandez.

2 GEORGINA HERNANDEZ

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

5 DIRECT STATEMENT

6 **MS. G. HERNANDEZ:** Good afternoon.

7 **COMMISSIONER McMURRIAN:** Good afternoon.

8 **MS. G. HERNANDEZ:** I originally came here as a
9 representative of AARP, more so as a volunteer just to
10 take care of our wonderful senior citizen members, but
11 they have come up here and they have spoken for
12 themselves. But I feel like my generation has been
13 unrepresented up here, so I'm here to speak on behalf of
14 young adults.

15 After I graduated college, I immediately found
16 a job and six months later I was let go. I could no
17 longer pay my bills, including my utility bill, so I was
18 forced to move back home with my parents. So what does
19 that mean? That means a higher electricity bill for
20 them. So I just feel like there are tons -- there
21 hundreds of thousands of college graduates every
22 semester who either cannot find jobs or once they do,
23 they are let go just like I was just because of the
24 economy.

25 I feel like they are all in the same

1 situation. They cannot pay their bills. They need to
2 take loans out to pay their bills, or like me, we are
3 going back to school to kind of wait out the economy
4 situation. So that's just my statement.

5 Thank you for hearing me out.

6 **COMMISSIONER McMURRIAN:** Thank you.

7 **MR. BECK:** Thank you.

8 Milly Estrada.

9 Wendi Robano (phonetic), and I know I'm not
10 pronouncing that correctly, from Coral Gables.

11 Hugh Bryan.

12 Larry Wilcox.

13 LARRY WILCOX

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

16 DIRECT STATEMENT

17 **MR. WILCOX:** Good afternoon, ladies and
18 gentlemen --

19 **COMMISSIONER McMURRIAN:** Good afternoon.

20 **MR. WILCOX:** -- Commissioners, elected
21 officials, and citizens, AARP. I am Larry Wilcox, of
22 course. I have resided in Miami-Dade County for about
23 35 years. I moved here from Georgia. My parents moved
24 here, as well. I say I moved, but they moved me here.

25 Nevertheless, I'm here to speak on behalf of

1 the Commission of FPL's rate increase. Of course, at
2 this time in point I have two issues to raise. If we
3 think that we have come to a place where we can assess
4 any community for energy costs, we are wrong. If we,
5 too, now believe that we have, quote, unquote, made it
6 in society in our lives, we are wrong. We are looking
7 to see another time of a downturn in our economy. You
8 think this is happening just because of those that are
9 greed in our society? Yes, perhaps. But I leave you
10 with this: If we don't consider other sources of
11 energy, wind, hydro, coal, fossil fuels, and most of all
12 solar, we no longer will be able to have our children to
13 live a better quality of life. No to the increase.

14 Thank you.

15 **MR. BECK:** Thank you.

16 Ivonne Fernandez.

17 IVONNE FERNANDEZ

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

20 DIRECT STATEMENT

21 **MS. FERNANDEZ:** Good afternoon. Ivonne
22 Fernandez is my name. I am going to speak in reference
23 to several hats that I use day by day. I will start
24 saying that I work as a community builder and organizer
25 with seniors. Yes, I work with AARP. But what you hear

1 today is pretty much what I hear day in and out. It is
2 a very distressing economy affecting people that at
3 50-plus that live in this community in south Florida
4 where I have to agree that the government in this
5 country is very grateful because they force an
6 organization like FPL to provide (inaudible) and
7 donations to the community that they serve.

8 I agree they have very good community
9 programs, and I agree -- like I hear along this hearing
10 many of the receivers of the benevolence programs to be
11 grateful with that. And, of course, we are an
12 organization, nonprofit. That's AARP. We recognize the
13 reason of those programs, but we need to be remindful
14 about the economy and the way that it is affecting every
15 single citizen and how 30 percent in the base rate is a
16 lot.

17 And as one of the ladies stated this morning,
18 if they put donation and it is something that as a
19 citizen you are willing to participate with FPL, it has
20 to be something that is volunteer and not imposed in a
21 bill. Myself, I am a minister of a congregation, and I
22 know that there is still people that is able to in the
23 midst of difficulties to share with others. But there
24 are people like myself (inaudible) to service, I can't.
25 I have a five-year-old. I have gone -- I'm going

1 through financial difficulties. I can't even if I did
2 want that. So I don't want to see any in my bill, and
3 the FPL bill that is the only provider that I have for
4 my service. I don't have choices.

5 But I am very grateful that a Commission like
6 yours is able to hear the real people, the community,
7 the community that I hear day by day talking about their
8 needs and the real situation that is going on.

9 Thank you very much and have a good day.

10 **COMMISSIONER McMURRIAN:** Thank you.

11 **MR. BECK:** Daniel Hernandez.

12 DANIEL HERNANDEZ

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

15 DIRECT STATEMENT

16 **MR. HERNANDEZ:** Good afternoon, Commissioners.

17 I feel sorry for you guys and the decision you have to
18 make here today. I wouldn't like to be in your shoes.

19 My name is Daniel Hernandez. I live in the
20 city of Hialeah, 5855 West Third Lane. I have been
21 there for the last 20 years of my life, and the previous
22 27 years (inaudible) living in the city of Hialeah. And
23 after listening to all the problems that I hear today,
24 Hialeah has been blessed, because Florida Power and
25 Light have gone out of their way to ensure that the

1 citizens of Hialeah, businesses and citizens in Hialeah,
2 have the best quality of life possible. And they have
3 always come up -- when the hurricanes happen, they were
4 there every time. I own a business. It is a small
5 pharmacy, a small business on 65th Street on West Fourth
6 Avenue, and all the customers that I have around me
7 don't speak any English. So every time they need a tree
8 trimming, they come to the pharmacy for me to please go
9 ahead and call Florida Power and Light up and come for
10 them.

11 And I hate to see an increase in my light
12 bill, but I understand if we want service, if you don't
13 pay for your service, you will never be able to get it.
14 And this is beautiful and most grateful country in the
15 world, which is the United States, but if we don't pay
16 for our bills and we don't pay for our services, we
17 won't be able to get them. I thank you very much, and I
18 know you guys will make the wise decision. Thank you
19 and have a good day.

20 **COMMISSIONER McMURRIAN:** Thank you, Mr.
21 Hernandez.

22 **MR. BECK:** Thank you.

23 Naomi Wright.

24 NAOMI WRIGHT

25 appeared as a witness and, swearing to tell the truth,

1 testified as follows:

2 DIRECT STATEMENT

3 **MS. WRIGHT:** Good afternoon.

4 **COMMISSIONER McMURRIAN:** Good afternoon.

5 **MS. WRIGHT:** Commissioners, staff, residents.

6 My name is Naomi Wright. I'm a resident of Miami
7 Gardens.

8 It's interesting to hear all of the various
9 points of view that have come forth today because we all
10 know that the economy is tight. It's very tight. It is
11 tight on all of us, and I am, believe me, no exception.
12 You don't want to hear my story.

13 However, the reality is that FPL provides very
14 good service. It's a service that we need. We must
15 have. We cannot function without the services of FPL.
16 No, we don't have choices. FPL is it, so we have to
17 deal with what we have.

18 And one of the things that we have to realize
19 is -- and I know I'm going to be right on this, I pray
20 I'm right -- this economy downturn is not going to be
21 this way forever. This is not going to be something
22 that lasts throughout the rest of our lives. So we have
23 to look beyond where we are now.

24 Yes, it's tight, but we do need to pay for the
25 services that we are getting. We need to pay for the

1 services of tomorrow, and I believe FPL can assist us in
2 moving into what we need to do in the future. And we
3 have to be prepared to pay for that. I think about the
4 President of the United States and how he is trying to
5 move the health care into where it needs to be and what
6 it is going to cost. And people are balking at what it
7 is going to cost, but somewhere we have to fix it.
8 Somehow it needs to be fixed.

9 Where is the money coming from? I don't know,
10 but it still has to be fixed. And if we think we have a
11 problem now, we are going to have more of a problem if
12 we don't address it. It didn't just start with his
13 administration. It started well beyond that. So I
14 liken that to this in terms of looking at what we need
15 to provide for the future.

16 We won't be in this position forever. Look
17 beyond where we are now. Is it tight? Yes. It is
18 tight for me, as I stated earlier, but I think we have
19 to pay for what we get. We can't exist otherwise. And
20 I think FPL provides very good service, and I think that
21 we do need to support them in that.

22 The other thing I'd like to add, I am a
23 resident of Miami Gardens. I would like you all to look
24 into the discrepancies that I have heard as far as the
25 service in our city. As you know, we are a new city.

1 We are very proud of our city. If you look around, we
2 are building it up, beautifying it, the whole nine
3 yards, and FPL is a major partner. It needs to be a
4 major partner in that. So I would like to see that
5 addressed, as well.

6 Thank you so much.

7 **COMMISSIONER McMURRIAN:** Thank you, Ms.
8 Wright. And just let me say, and it's probably good for
9 everyone here to hear this, but that we have this
10 testimony on the record, and sometimes when we hear
11 trends and things about certain areas, staff is able to
12 follow up with that in questions to the company and
13 formal discovery. So just to let you know that we do
14 look at those kinds of things and follow up on them with
15 the company.

16 **MS. WRIGHT:** Fabulous. Thank you so much.

17 **MR. BECK:** The next customer is Virginia
18 McBee.

19 VIRGINIA MCBEE

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

22 DIRECT STATEMENT

23 **MS. MCBEE:** Good afternoon. I'm Virginia
24 McBee. I am a member of AARP, vice-president of the
25 Park View Elementary PTA, and a really active church

1 member. Thank you for giving me the opportunity to
2 speak today. I also am a customer of FPL and have been
3 for over 40 years.

4 Let's talk about the elderly first. They're
5 living on a fixed income. We are. There's no cost of
6 living raise this year from the Social Security. Bills
7 are increasing every day. There's no deductions for FPL
8 like I go to on Monday, I go to one store and I can get
9 10 percent off. On Tuesday I go to another store, and I
10 can get 10 percent off. I'm not calling no names.

11 I conserve my lights. I changed all my
12 lights, and I am afraid of heights. I had to have
13 somebody there when I changed my lights to the new kind
14 of bulbs. I clean my filters every month. I change my
15 bulbs through the house, and I turn off the lights, and
16 I open the windows every morning as I get up.

17 I have my air conditioning tuned up every
18 summer. I have a solar hot water system and panels on
19 the top, but my bill is still high. My church's bill
20 which, you know, church money comes from citizens'
21 money, then the citizens' money comes from the economy.
22 You know, it all kind of goes hand-in-hand.

23 Now, their light bill is over \$3,000 a month.
24 Giving is down because of this economy. In this economy
25 with people losing homes, jobs, and becoming homeless,

1 just living on the street. I have heard some stories
2 that just blow your mind, and I know you don't have time
3 to listen to that. The saving is down. In fact, some
4 of us who have 401K thought we had a retirement. We
5 don't have anything anymore. Is this rate hike
6 important at this time? Wait. Let me answer my own
7 question. No.

8 Thank you for your time and listening, but
9 consider this economy, and just say no to this rate
10 hike. Thank you.

11 **COMMISSIONER McMURRIAN:** Thank you, Ms. McBee.

12 **MR. BECK:** Our next customer is John Rile.

13 JOHN RILE

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

16 DIRECT STATEMENT

17 **MR. RILE:** Good afternoon.

18 **COMMISSIONER McMURRIAN:** Good afternoon.

19 **MR. RILE:** I want to thank the Commission for
20 coming to North Dade. I, too, understand with the
21 Commission that you are in a thankless position. Most
22 times you get criticized. I do appreciate the job that
23 you have to do, and the choices which you have had to
24 make, and the difficulty in doing so, and the thought
25 process that you (inaudible) in order to come to those

1 decisions.

2 Life is about choices. We are faced with a
3 bad economy. We are faced with high health costs. We
4 have an automobile industry that is a problem. We have
5 got a financial system that is a problem. All of that
6 has an effect on us.

7 I am a senior citizen. I am on a fixed
8 income. I'm a father of 11. I still have two children
9 at home, and I'm raising four grands, so I've got six
10 kids in my house. Food costs have gone up 70 percent in
11 the last year. Everything has gone up. But guess what,
12 FPL have not had a rate increase since the '80s. Since
13 the '80s. So how do we prepare to move forward to get
14 alternative energy, to prepare for the future, to set
15 aside funds for an investment, to look at the needs of
16 the community. Because as some people have indicated,
17 we have wires and poles that may be 40 or 50 years old.
18 Where do we have these accounts set aside in order to
19 meet the needs of the community?

20 We have had more storms in South Florida in
21 the past 15 years than we have had in Florida since the
22 early '20s. So everything has to be planned. I am
23 happy that we have a management team in FPL who is
24 willing to plan out the future. My time is limited, but
25 my grandchildren's time has the time. And I must look

1 out not just for myself and consider just for myself, I
2 must consider those who are coming behind me.

3 As I participated in the civil rights movement
4 from Alabama to Mississippi, I looked at not only what
5 was addressed then, but how it was going to affect those
6 grands that I have here today. And we need to look at
7 it the same way when we address energy in the state of
8 Florida.

9 I want to thank the Public Service Commission
10 personally. I know that you have a difficult job, you
11 are in a thankless position, but you have been
12 professional and considerate in every step that I know
13 of for the office and for this Commission ever since
14 Paula Hawkins was on there. So we can go back a ways.

15 And, of course, we had the opportunity to vote
16 for the appointment rather than elections, and I think
17 we made a good choice. I stand before you in support of
18 the rate increase because I think our children are our
19 future, and when investing in this rate we are also
20 investing in the future with our children.

21 Thank you very much. (Applause.)

22 **COMMISSIONER McMURRIAN:** Thank you.

23 **MR. BECK:** Thank you.

24 The next customer is Sandy Kindell.

25 A. J. Gonzalez.

1 A. J. GONZALEZ

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

4 DIRECT STATEMENT

5 **MR. GONZALEZ:** Good afternoon, Commissioners.

6 **COMMISSIONER McMURRIAN:** Would you pull that
7 mike a little bit closer to you.

8 **MR. GONZALEZ:** Is that better?

9 **COMMISSIONER McMURRIAN:** That's great. Thank
10 you.

11 **MR. GONZALEZ:** I'm getting old.

12 **COMMISSIONER McMURRIAN:** It beats the
13 alternative.

14 **MR. GONZALEZ:** Thank you very much for the
15 opportunity to voice my opinion. I have been in
16 business for over 15 years, and in the course of those
17 years, I have had many positive experiences with FPL.
18 One being the quality and reliability of electrical
19 power they provide to my home and business. Many
20 consumers do not realize -- excuse me -- and take for
21 granted the service they receive from FPL. We have
22 become accustomed to it. However, it is important to
23 realize that if we want to continue to receive and enjoy
24 this service, changes need to be made, the
25 infrastructure to improve it and make it even stronger,

1 greener, and efficient. These changes are not just for
2 now, but also for generations that have not even been
3 born yet.

4 I approve of this increase because once the
5 dust settles on the economic crisis, FPL and its
6 consumers need to be ready for the growth that will
7 emerge from the aftermath. That was my prepared
8 statement, but the young lady that was sitting here made
9 a lot of good points.

10 I am a real estate broker, so you realize that
11 I am suffering like most of us are in this economy. But
12 we must look beyond today. I expect that we are going
13 to improve, and we need the power, hopefully, more green
14 power, so when the upturn comes around we can all
15 benefit. And the power is there to have jobs for all
16 those people that don't have it right now.

17 We don't need to have company bashing or
18 things like that. What we need is to work together so
19 that we can overcome this. Like she mentioned, there
20 will be trillions of dollars spent in health care and
21 other things to improve our life in the future.

22 I was looking at this pamphlet here. If I
23 read it correctly, we are looking at \$5, maybe 10,
24 whatever the case may be. But it's a small dollar
25 percentage to have the ability when the market improves

1 for the power to be there so we can employ everybody
2 that we need in the future.

3 I thank you so much.

4 **MR. BECK:** Thank you.

5 The next customer is H. Soberon-Ferrer.

6 H. SOBERON-FERRER

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

9 DIRECT STATEMENT

10 **MR. SOBERON-FERRER:** Good afternoon. My name
11 is Horacio Soberon-Ferrer. I am the vice president for
12 the Alliance for Aging. I am also the chief financial
13 officer of the same organization. We are the area
14 Agency of Aging for Miami-Dade and Monroe Counties. I
15 am also a professional economist by train. I have a
16 Ph.D in economics, and I have ten years of experience in
17 public policy as it concerns consumer economics and the
18 economics of (inaudible).

19 So, first, let me say that much of what I
20 heard today is consistent with my experience as an
21 officer for the Alliance of Aging. Florida Power and
22 Light is an excellent corporate citizen. I am proud of
23 much of the testimony that we heard today concerning
24 Florida Power and how they are. It is correct.

25 However, let me point out that today's hearing

1 is not about whether or not Florida Power and Light is a
2 good corporate citizen, which again I repeat, it is. It
3 has been very good to my organization, and they have won
4 repeatedly awards on that account. The Florida Council
5 on Aging just honored them last year as best corporate
6 citizen.

7 But today's hearing is not about whether
8 Florida Power and Light is a good corporate citizen,
9 whether it is a charitable organization, or whether it
10 even provides good or bad service. Today's hearing is
11 about whether Florida Power and Light needs a rate
12 increase authorized and what are the consequences of
13 such increase.

14 First, let me address the issue of the
15 consequences on the people that we serve. There are a
16 half a million elders in Miami-Dade and Monroe Counties.
17 About 450,000 of them in Miami-Dade. They have the
18 highest poverty rate in the state for the age group 60
19 and older.

20 Raising the rate will have substantial
21 economic consequences on about 100,000 elders who may
22 have to make a choice between food or pay the electrical
23 bills. And that's the stark reality. Now, I'm not
24 going to say that, you know, they may be pro to a rate
25 increase, okay?

1 And we have heard from business people and
2 some other people supporting it that we need to have a
3 strong power supplier and an electric company that is
4 there for us when power is needed is a benefit of
5 everyone. However, is this rate required for Florida
6 Power and Light to sustain its strength, and I have to
7 look at the rate request -- increase request, and I have
8 to tell you that I don't find any support for that. And
9 I don't know if this is because typically rate increase
10 stories beginning with a long lag -- lead, I'm sorry.
11 It may be that the studies being one of or maybe a
12 couple of years, I don't know.

13 The economic times are different now. The
14 cost of raising capital is substantially lower today
15 than it was a year ago. This morning before I headed
16 here, I went and checked on the Internet on the yield on
17 electrical utility bonds rated AA or better, four and a
18 half percent, and those yields are going down. So now
19 you tell now me how is a 30 percent rate increase on the
20 basic rate justified when now it cost you less to raise
21 capital than it cost you five years ago? And I don't
22 think it is supported.

23 In January of this year, the Federal Reserve
24 Board published a very good study in support of 30 years
25 of (inaudible) on the issue of whether the way that

1 economic, electric utilities or public utilities are
2 being regulated. As Commissioners, you have probably
3 heard about the Averch-Johnson effect (phonetic). The
4 utilities have an incentive to invest, because they
5 get -- they make their profits or their return
6 investment on the amount that they have invested. Once
7 an asset loses its book value, it is not producing
8 profit. It may be still useful, but it is not producing
9 profit.

10 So electrical utilities (inaudible) regulated
11 industry has an incentive to put more capital. For that
12 they need to raise money and they need to get investors.
13 Now, at this point I would propose to you that Florida
14 Power and Light can probably go on without losing any
15 strength, without having to lose substantial investments
16 for the next couple of years.

17 Now, again, is this the time? This is not the
18 time. Somebody else has already addressed the issue of
19 elders not getting cost of living adjustments. If you
20 think that raising the cost of gas has some impact on
21 economic growth, not everybody drives, but everybody
22 uses electrical power. Every household, even those who
23 don't drive.

24 Now, just think about the economic
25 consequences of such a raise. What is the effect on the

1 state's gross product of authorizing such rates? So,
2 again, I don't want to be ungrateful, FPL has given and
3 given big to my organization. But, you know, I have to
4 think about the 100,000 people that are going to have to
5 make hard choices, food or lights, you know. And I have
6 to speak on behalf of them.

7 Thank you very much.

8 **COMMISSIONER McMURRIAN:** Thank you.

9 **MR. BECK:** Thank you.

10 The next customer is Loretta Pollock.

11 The next customer who signed up is Marion
12 Dussie.

13 **COMMISSIONER McMURRIAN:** Ms. Dussie.

14 I guess it would be a good time to ask if
15 there is anyone else who would like to speak who didn't
16 sign up. If there is anyone here today, if you would
17 raise your hand. I don't see anyone.

18 Commission Skop, did you want to say
19 something?

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

21 Just a quick follow-up, again, as we bring
22 this to a close. I do appreciate all of the customers
23 bringing issues to our attention, particularly Miami
24 Lakes and some of the vegetation management issues. And
25 I would ask FPL to pass these concerns along to FPL's

1 service area managers, particularly for Miami Lakes and
2 Bradenton. Again, Mr. Horton's concerns I think were
3 legitimate. Thank you.

4 **COMMISSIONER McMURRIAN:** Thank you.

5 I will look to Ms. Williams and our staff and
6 see if there is anything else that we need to address
7 before we adjourn.

8 **CHAIRMAN CARTER:** Madam Chairman.

9 **COMMISSIONER McMURRIAN:** Chairman, go right
10 ahead.

11 **CHAIRMAN CARTER:** I would just like to say
12 thank you to all the people that participated. We got a
13 lot of great information. And as Commissioner Skop
14 said, I hope that the -- I think they have some staff
15 people there from FPL that they could work on some of
16 problems that were identified today, and look at Miami
17 Gardens and places like that where it seems potentially
18 they could get a crew over there to kind of deal with
19 those situations. But thank you so very much to
20 everybody that showed up today. Thank you.

21 **COMMISSIONER McMURRIAN:** Commissioner
22 Argenziano, did you want to say anything?

23 Okay. I want to echo the Chairman's comments.
24 Thank you all for being here and sticking it out with
25 us. I appreciate you all. You were very mindful of

1 folks coming behind you. And, again, I'm happy to be
2 here. We will be tonight in Plantation to listen to
3 more customers of Florida Power and Light regarding this
4 case. And with that we are adjourned.

5 (The service hearing concluded at 2:33 p.m.)
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STATE OF FLORIDA)
 :
 : CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, 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' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 20th day of July, 2009.



JANE FAUROT, RPR
Official FPSC Hearings Reporter
(850) 413-6732