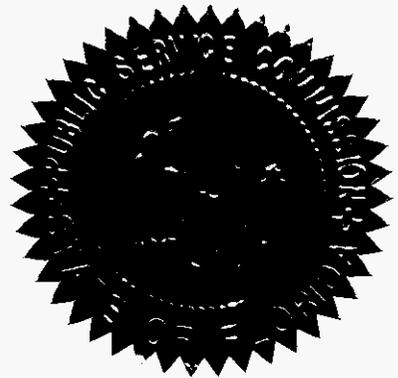


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI

In the Matter of:

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



PROCEEDINGS: PLANTATION SERVICE HEARING

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

DATE: Friday, June 26, 2009

TIME: Commenced at 6:00 p.m.  
Concluded at 10:00 p.m.

PLACE: Plantation City Council Chambers  
400 NW 73 Avenue  
Plantation, Florida 33317

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

DOCUMENT NUMBER - DATE

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## 1 APPEARANCES:

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4 Florida 33408-0420, appearing on behalf of Florida Power &  
5 Light Company.

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

10 CECILIA BRADLEY, ESQUIRE, Office of Attorney  
11 General The Capitol - PL01, Tallahassee, Florida  
12 32399-1050, appearing on behalf of the Citizens of the  
13 State of Florida.

14 CHARLIE BECK, ESQUIRE, Office of Public Counsel,  
15 c/o The Florida Legislature, 111 W. Madison Street, Room  
16 812, Tallahassee, Florida 32399-1400, appearing on behalf  
17 of the Citizens of the State of Florida.

18 THOMAS SAPORITO, Post Office Box 8413, Jupiter,  
19 Florida 33465-8413, appearing on behalf of himself.

20 ANNA WILLIAMS, ESQUIRE, FPSC General Counsel's  
21 Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida  
22 32399-0850, appearing on behalf of the Commission Staff.  
23  
24  
25

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## P R O C E E D I N G S

1  
2                   **COMMISSIONER McMURRIAN:** Good evening. I would  
3 like to call this customer service hearing to order.  
4 Ms. Williams, will you please read the notice.

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

9                   **COMMISSIONER McMURRIAN:** Thank you. Let me begin  
10 by welcoming you all here tonight. I am Katrina McMurrian  
11 with the Florida Public Service Commission. I am happy to  
12 be here with you all in South Florida tonight, and I want  
13 you to know that the reason we are here tonight is to hear  
14 from you all, the customers of FPL, about the rate request  
15 before us and encourage you to take this opportunity to  
16 talk to us today.

17                   And if so, please see our staff outside for a  
18 sign-up sheet if you haven't already. We use that to call  
19 the speakers later. And we will get through a few  
20 introductions and few other preliminary matters. And at  
21 this time I would like to add that I am filling in for our  
22 Chairman, Matthew Carter, today since he has had back  
23 surgery recently. He couldn't be here in person, but he  
24 is joining us by telephone. So I will ask him now to  
25 introduce himself and make sure he is with us.

1 Chairman Carter.

2 **CHAIRMAN CARTER:** Good evening. I'm Matthew  
3 Carter, Chairman of the Public Service Commission. I want  
4 to take an opportunity to welcome each and every one of you  
5 who have come out tonight and tell us what is on your mind  
6 about this proposed rate increase. We are looking forward  
7 to hearing from you because what you have to say is very,  
8 very important to us.

9 And, also, if I could put in a plug, staff has a  
10 form out there. In addition to the information about the  
11 meeting tonight, we have a form for hurricane season for  
12 you to be prepared -- to be prepared to assist you just in  
13 case there is a problem. There is some helpful hints on  
14 that.

15 Thank you, Commissioner.

16 **COMMISSIONER McMURRIAN:** Thank you. And we will  
17 also have another Commissioner joining us by phone a little  
18 bit later, Commissioner Nancy Argenziano. She also can't  
19 be with us here tonight. She has broken her leg recently,  
20 but she will be joining us by phone. Please keep our  
21 Commissioners in mind.

22 And, also, Commissioner Edgar can't be with us.  
23 She had a commitment made prior to the scheduling of this  
24 hearing. She will be reading the transcript, though,  
25 later to make sure she is aware of all of your comments.

1 Now I will ask Commissioner Skop to introduce  
2 himself.

3 **COMMISSIONER SKOP:** Good evening. I am  
4 Commissioner Nathan Skop and I am pleased to welcome each  
5 and every one of you here this evening.

6 **UNIDENTIFIED SPEAKER:** Your microphone is not on.

7 **COMMISSIONER SKOP:** I'm sorry, okay. There we  
8 go. Thank you.

9 Good evening. My name is Commissioner Nathan  
10 Skop, and I would like to welcome everyone here this  
11 evening, for taking their time to come out and give  
12 comments on the proposed FPL rate increase. At the  
13 Commission it is very important to us to hear from each of  
14 the customers and your concerns.

15 And I would also like to welcome our elected  
16 officials and local representatives, Representative Sands,  
17 as well as any other local elected officials that may be  
18 here this afternoon, and look forward to hearing comments  
19 from each of you. Thank you.

20 **COMMISSIONER McMURRIAN:** Thank you. Now, let's  
21 take appearances of counsel, starting with FPL.

22 **MR. BUTLER:** Good evening. My name is John  
23 Butler. I am an attorney for Florida Power and Light  
24 company.

25 **MR. BECK:** Hello and thank you for coming. My

1 name is Charlie Beck. I am with the Office of Public  
2 Counsel, and we have in intervened in this proceeding on  
3 behalf of customers.

4 **MR. WRIGHT:** Good evening. My name is Schef  
5 Wright, and I represent the Florida Retail Federation, also  
6 a large group of customers in this case. Thank you for  
7 coming.

8 **MS. BRADLEY:** I am Cecilia Bradley, and I work  
9 for Attorney General Bill McCollum, and we along -- work  
10 with Public Counsel to represent you. So we appreciate all  
11 of you coming tonight.

12 **COMMISSIONER McMURRIAN:** Thank you all. And I  
13 would also like to point out that Mr. Jack Shreve is here  
14 in the second row. If you would, raise your hand, Jack.  
15 Jack is here on behalf of Governor Charlie Crist, and Mr.  
16 Shreve was also Florida's Public Counsel for almost  
17 30 years, and he is here tonight to, of course, represent  
18 the Governor, and the Governor takes a great interest in  
19 the matters before the PCS as well as all other matters  
20 that affect Floridians. So we appreciate him being here  
21 tonight with us.

22 And I would also like to introduce some fine  
23 members of our staff who are here to keep me straight  
24 mainly, and also to help all of you with questions and any  
25 concerns you may have. So I'll start to my left. It is

1 Cheryl Banks with our technical staff; Marshall Willis,  
2 technical staff; Ms. Anna Williams, our legal staff;  
3 Ms. Jane Faurot is our court reporter, right here. She is  
4 going to be transcribing everything tonight. And,  
5 Mr. Dick Durbin -- I'm not sure if he is in the room or  
6 outside, and, Ms. Cindy Muir, both outside with our Office  
7 of Public Information, and they will help you with any  
8 issues you might have. If you have got any questions  
9 about how we do things or things you want to follow up on  
10 later, you can get some information from them, and they  
11 would be glad to help.

12 And, of course, we have several more staff back  
13 at the office in Tallahassee that are going to be working  
14 on this case. There is several auditors, engineers,  
15 analysts. So you see a few people here tonight, but there  
16 are a lot of people looking into this and working on this  
17 issue. Let say if you plan --

18 **COMMISSIONER ARGENZIANO:** Madam Chair.

19 **COMMISSIONER McMURRIAN:** Oh, hi, Commissioner  
20 Argenziano. I didn't expect you so soon.

21 **COMMISSIONER ARGENZIANO:** I just wanted to let  
22 you know I was here, and to thank the people for coming,  
23 and apologize for not being there in person. I have a  
24 broken leg, and, unfortunately can't be there. But I am  
25 here on the phone and am just looking forward to what

1 everybody has to tell us. Thank you.

2 **COMMISSIONER McMURRIAN:** Thank you. Okay.

3 I think I have already said if you plan to speak  
4 today, please see our staff outside and sign up, if you  
5 haven't already. We will be calling you from that sign-up  
6 sheet at that time.

7 Another important document that I think most of  
8 you have probably been given is this blue handout. And  
9 for your convenience, it has a designated space on the  
10 back for written comments that you can fold and mail into  
11 the Commission. And that is if you don't want to make  
12 public comments tonight, but you want to share your  
13 thoughts with the Commission, or if you don't get time to  
14 say everything you wanted to say, or if you have friends  
15 and neighbors who aren't here tonight and you would like  
16 to share with them, feel free to pick up extras and take  
17 them out.

18 And, of course, there is a lot of information  
19 about how to contact the PSC, including an 800 number, our  
20 e-mail address. There is a lot of information about the  
21 docket on the website. I think Number 7 refers to that.  
22 So there is a lot of good information here for you, and a  
23 lot of ways for you to contact the Commission outside of  
24 this hearing tonight. So, please do pick up one of those,  
25 or several of them.

1           And now I will invite the parties to this case  
2 to present brief opening statements, and we think you will  
3 find it helpful. We will start with FPL and then we will  
4 hear from the other parties on the consumer side.

5           **MR. BUTLER:** First of all, I would like to thank  
6 all of you for coming out tonight to this quality of  
7 service hearing. We sincerely appreciate your --

8           **COMMISSIONER ARGENZIANO:** Madam Chair, I can't  
9 hear a thing.

10          **MR. BUTLER:** Is this better?

11          **COMMISSIONER ARGENZIANO:** Nope.

12          **MR. BUTLER:** No?

13          **COMMISSIONER ARGENZIANO:** No. Are you speaking  
14 directly into the mike?

15          **MR. BUTLER:** I am.

16          **COMMISSIONER ARGENZIANO:** Okay. Then maybe we  
17 just can't do any better than that. Thank you.

18          **COMMISSIONER McMURRIAN:** Just a moment. We will  
19 see if --

20                 Mr. Durbin, is there any way for us to turn up  
21 the volume on this podium mike, because if we are having  
22 trouble hearing now, it's going to be the same with the  
23 customers.

24          **COMMISSIONER SKOP:** Hold on, Commissioner. I  
25 think that if we put the speaker phone maybe up a little

1 higher.

2 **MR. BUTLER:** Commissioner Argenziano, is this  
3 better?

4 **COMMISSIONER ARGENZIANO:** Much better. Thank  
5 you.

6 **MR. BUTLER:** We didn't have a mike for you that  
7 was very near the podium.

8 Let me start over. I am John Butler. I'm an  
9 attorney for Florida Power and Light Company. And, again,  
10 good evening, and welcome to all of you. Thank you for  
11 coming out to this quality of service hearing tonight.

12 We sincerely appreciate your participation. We  
13 know your time is valuable. I can assure you that the  
14 comments and input you provide this evening with respect  
15 to the level of service FPL provides or with respect to  
16 any other matter will be heard and carefully considered by  
17 FPL.

18 In a moment you will hear a short presentation  
19 from FPL's Vice-President of Customer Service, Marlene  
20 Santos. Marlene will address our current rate request,  
21 provide information on FPL's level of service, and discuss  
22 FPL's programs and services in place to assist our  
23 customers in lowering and paying their bills.

24 But, first, I wanted to inform our customers in  
25 attendance today or tonight that we also have several

1 other customer service representatives here. They are  
2 available to meet with any customer that has a question,  
3 concern, or issue -- excuse me -- about his or her  
4 electric account or service. They are equipped with  
5 on-line computers and can bring up your account  
6 information in realtime. They will make every effort to  
7 resolve your issue or question today before the conclusion  
8 of this hearing. If they are unable to resolve your issue  
9 tonight, they will do so or they will do their very best  
10 to resolve it as quickly as possible.

11 These representatives are set up in a room  
12 outside these chambers. It is actually to the left down  
13 the hallway immediately after you exit the chambers. If  
14 you are interested, we also have folks in the back of our  
15 auditorium who will be more than happy to direct you to  
16 the appropriate room. If you would raise your hands,  
17 please. Thank you.

18 At this time then I would like to introduce  
19 Marlene Santos.

20 **MS. SANTOS:** Thank you, Commissioners.

21 I want to take a moment to recognize the  
22 presence here tonight of several employees from the IBW,  
23 and I know that they share the same commitment that all  
24 11,000 FPL employees do to providing excellent customer  
25 service. Thank you all for taking the time to be here on

1 a Friday evening. I know that is tough.

2 I wanted to share with you that we have deep  
3 roots here in Plantation, and, actually, today we have  
4 more than 850 employees that work right here in Broward  
5 County. We appreciate this opportunity to get your  
6 feedback and understand that during this very difficult  
7 economic time -- we're good, okay -- we understand that  
8 during these very hard economic times you have high  
9 expectations of us. So what I would like to do this  
10 evening is talk to you about the things that we are doing  
11 in order to continue to provide you with affordable,  
12 reliable, and clean energy solutions.

13 I would like to first begin with affordability.  
14 We understand that electricity is a significant expense to  
15 our customers. At a time when family budgets are tight,  
16 we know we need to work harder than ever to keep your  
17 bills down.

18 I would like you for a moment to think of an  
19 analogy. When you improve the efficiency of your home by  
20 installing an air conditioner that is more efficient, or  
21 insulation, what you are doing is you are saving money  
22 because you are using less energy. Similarly, when we  
23 invest to improve the efficiency of our power plants, as a  
24 result they use less fuel and our customers save money.  
25 So, that is exactly what we have been doing. And these

1 types of efforts combined with lower fuel costs have  
2 allowed us to lower our customer bills this past January.  
3 In September, we will be filing fuel costs for the 2010  
4 time period, which we project will be even lower.

5 We are committed to keeping our customer bills  
6 as low as possible. You are going to see by the chart  
7 that John is going to put up that, in fact, according to  
8 the Florida Municipal Electric Association's data as of  
9 April, FPL's bills are the lowest of all 54 utilities in  
10 Florida. You can see the blue bar, which is FPL, which is  
11 all the way to your left, which is the lowest. And all  
12 the orange bars are the other 53 utilities in Florida.

13 What it shows you is that a 1,000 kilowatt hour  
14 customer bill for FPL is \$110. The average of all of  
15 those Florida utilities is 135. So what that is showing  
16 you is that FPL customers are saving \$25 a month, or \$300  
17 a year. So we have worked extremely hard to keep bills  
18 low for our customers.

19 The fact is FPL has not had a general base rate  
20 increase since 1985. Yet, as you all know, the cost of  
21 many things have gone up during this past quarter century.  
22 The fact that FPL customers have had the lowest typical  
23 bills in Florida reflects years of aggressive cost  
24 management. Our operating expenses per kilowatt hour are  
25 already less than half of the industry's average. And,

1 between 2008 and 2009, we have reduced our capital  
2 spending over \$1 billion to account for slower customer  
3 growth. In short, we have tightened our belt in response  
4 to the downturn of the economy.

5 Our low prices are also the result of the smart  
6 investments that we have been making. For example, FPL's  
7 fossil fuel plants are the most fuel efficient among large  
8 scale utilities nationwide. This has saved our customers  
9 \$3 billion in the last six years. And, with the approval  
10 of our rate proposal, we can continue to make these types  
11 of investments which we project will actually save our  
12 customers \$1 billion every single year beginning in 2014.

13 We understand that customers that are struggling  
14 to make ends meet need more than just low electricity  
15 prices, you need help to lower your bills. That is why we  
16 have been proactively helping our customers for many years  
17 by offering a wide range of energy efficiency solutions.  
18 Since the early 1980s, we have been a leader in energy  
19 efficiency and, actually, have conducted more than 2-1/2  
20 million energy surveys to help our customers lower their  
21 bills.

22 We also continue to sponsor programs like  
23 Care-to-Share, which is our payment assistance program.  
24 Care-to-Share has helped 55,000 Florida families with over  
25 \$11 million in aid. Last year, FPL shareholders once

1 again contributed \$1 million to this very essential  
2 program. And you should note that any charitable  
3 contributions that FPL makes are made through shareholder  
4 money, so it is not made from the rates, from the money  
5 that you pay to us.

6 In addition, we have sponsored home energy  
7 makeovers specifically right here in Broward County to  
8 help some of our low income customers improve the energy  
9 efficiency of their homes.

10 While we are very mindful of today's difficult  
11 economy, we are also responsible for ensuring reliable  
12 service. Our rate proposal is a vital part of our plan to  
13 make prudent investments in our electrical infrastructure.  
14 As a state and as a company, we learned very important  
15 lessons in the 2004 and 2005 hurricane seasons. That is  
16 why we are investing more to make our infrastructure  
17 stronger every single day, whether you have good weather  
18 or bad.

19 In 2009 alone, this investment will exceed  
20 \$200 million. It includes replacing poles, clearing trees  
21 from power lines, and strengthening services to hospitals  
22 and other essential facilities. Right here in Plantation  
23 this includes Plantation General Hospital and the area  
24 around Sunrise Boulevard and University Drive.

25 These efforts have helped improve the

1 reliability of our system. In fact, the chart that you  
2 are seeing now shows that according to the Edison Electric  
3 Institute, FPL's distribution reliability is 47 percent  
4 better than the national average.

5 We are also investing in smart technology that  
6 will give our customers more control of how you use your  
7 energy. We will be introducing smart meters, which will  
8 allow you to go on-line and check your consumption and see  
9 how you are using it, not only every month, but by the  
10 month, by the day, and by the hour.

11 We are also investing in cleaner energy to do  
12 our part to fight climate change. With the three solar  
13 power plants we are building in Florida we will avoid  
14 nearly 3-1/2 million tons of carbon dioxide emissions. I  
15 am very proud that according to the National Resources  
16 Defense Council, our company is one of the cleanest energy  
17 providers in the nation.

18 Most importantly, we can support these kinds of  
19 investments even as customers' bills will go down in 2010.  
20 As a result of lower forecasted fuel prices and our  
21 success at making our power plants more efficient, fuel  
22 costs are predicted to decrease \$17 per month on a typical  
23 bill. Our proposal will cost \$12 per month, so the net is  
24 a net decrease of \$5 per month. In 2011, we are  
25 requesting an additional base rate increase of \$2.84 per

1 month.

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

12 In a few minutes you will hear other parties  
13 state their views on several of the financial issues in  
14 our proposal, such as return on equity and depreciation.  
15 We respectfully disagree with their views and the way they  
16 characterize those issues. If you would like more  
17 information and want to understand FPL's position, we will  
18 be happy to provide that to you.

19 In closing, our rate proposal is all about  
20 looking at the long-term and investing to make our  
21 infrastructure stronger, smarter, cleaner, more efficient,  
22 and less reliant on any single source of fuel. What you  
23 will get for that is energy that will be affordable,  
24 reliable, and clean.

25 I thank you so much for your attention and am

1 looking forward to your feedback and to understanding how  
2 we can be making our services even better. Thank you.

3 **MR. BUTLER:** A minor housekeeping matter for  
4 which I apologize. Commissioner McMurrin, as we had  
5 discussed before the service hearing began, I have three  
6 affidavits that document respectively publication of the  
7 newspaper ads for the quality of service hearings, the bill  
8 inserts that describe the rate proceeding and the service  
9 hearings, and the synopsis of the rate case that was  
10 provided to the chief executives of municipalities and  
11 counties throughout our service territory. And I would  
12 like to have these marked as exhibits to the service  
13 hearings.

14 **COMMISSIONER McMURRIAN:** Thank you, Mr. Butler.  
15 If you could give those to Ms. Williams. And,  
16 Ms. Williams, if you can help us mark those. I think we  
17 are on Number 23.

18 **MS. WILLIAMS:** We are on Number 23, correct,  
19 Commissioner. So Number 23 will be FPL's Newspaper  
20 Affidavits.

21 **COMMISSIONER McMURRIAN:** Okay. It has been  
22 marked.

23 **MS. WILLIAMS:** And number -- excuse me. Number  
24 24 will be FPL's Bill Inserts.

25 **COMMISSIONER McMURRIAN:** Okay.

1           **MS. WILLIAMS:** And Number 26 should be marked as  
2 FPL's Rate Case Synopsis.

3           **MR. BUTLER:** 25.

4           **MS. WILLIAMS:** 25?

5           **MR. BUTLER:** Number 25 is the synopsis, yes.

6           **MS. WILLIAMS:** FPL's Rate Case Synopsis will be  
7 Number 25.

8                   (Exhibit Number 23, 24, and 25 marked for  
9 identification.)

10          **MR. BUTLER:** Thank you.

11          **COMMISSIONER McMURRIAN:** Now we will hear from  
12 Charlie Beck with the Office of Public Counsel.

13          **MR. BECK:** Thank you, Commissioners.

14                   And, again, thank you for coming tonight. I can  
15 tell you from having done this for many years that your  
16 testimony will have an effect on the Commission. It truly  
17 does have an important part of their decision-making  
18 process.

19                   I am one of the people who Ms. Santos mentioned  
20 has a different view of the case. I would like to explain  
21 what our office is and what we are doing in this to  
22 represent your interests before the Public Service  
23 Commission.

24                   The Public Counsel's Office was created by the  
25 Legislature to represent customers in proceedings before

1 the Commission. Florida Power and Light has numerous  
2 attorneys, they have filed testimony by quite a few  
3 witnesses, and they have all of their resources to commit  
4 to try to persuade the Commission to raise your rates.  
5 While our office has intervened in the proceeding to  
6 review that material and present an opposing viewpoint to  
7 the Commission, at the end of the day the Commission will  
8 be charged with making a decision from the different  
9 viewpoints.

10 We have been engaged in discovery with Florida  
11 Power and Light now for several months. We have literally  
12 served hundreds of interrogatories and requests for  
13 production. We will be filing our testimony next month,  
14 and it will be available on-line to anybody who wants to  
15 see it. It will be available on the Commission's website.  
16 We have retained five expert witnesses who will be filing  
17 testimony in the case from areas in accounting, finance,  
18 affiliate transactions, and depreciation.

19 Let me mention as we see it what this case is  
20 about and what it is not about. What it is about is about  
21 their request to increase their base rates by a billion  
22 dollars per year beginning next January 1st and another  
23 \$300 million per year in 2011. That is the single largest  
24 rate increase that any utility has ever filed in Florida.

25 Included in their request is a request that the

1 Commission approve a profit margin on their investment  
2 that they finance through their profits of 12-1/2 percent,  
3 which is an extremely high return in today's economy, and  
4 we think it is far excessive and not necessary that they  
5 receive a profit that high. They are certainly entitled  
6 to receive a reasonable profit, but we will be contesting  
7 that level.

8           The base rates that you pay are the rates that  
9 are used by the company to operate the business. It is  
10 used to pay for their investments and for their profit.  
11 But in addition to the base rates, there are a number of  
12 charges that are part of the bill you pay, because at the  
13 end of the day it is what you pay that matters.

14           There are a number of items in there that are  
15 flow-through items. In other words, as they go up, they  
16 are passed through directly to you as part of the bill,  
17 and as they go down those reductions are flowed through.  
18 Some of those charges are for environmental costs,  
19 conservation costs, and fuel costs. And fuel cost is one  
20 of the largest items that are flowed through.

21           Now, what FPL is doing in this case is telling  
22 you that your overall bill will go down because, on the  
23 one hand they want to increase base rates, but reduce  
24 fuel. They have no choice but to reduce fuel when their  
25 fuel costs go down.

1           In fact, many utilities in Florida have already  
2           been doing that. Last week we had announcements by two  
3           large utilities in Florida they were reducing their fuel  
4           charges. Lakeland Electric on July 1st will make their  
5           third fuel reduction in a year. Their fuel is going down  
6           by \$17 per month per 1,000 kilowatt hours. JEA in  
7           Jacksonville announced they will be reducing their charges  
8           on October 1st by about \$14 per 1,000 kilowatt hours. So  
9           make no mistake, your rates should be coming down because  
10          fuel prices are down, and Florida Power and Light is  
11          required to flow through those charges.

12           Now, let me go over briefly some of the issues  
13          we are going to be raising. Mike Jenkins is passing out a  
14          yellow sheet from our office, and what that does is set  
15          forth some of the issues that we will be litigating with  
16          Florida Power and Light in the case.

17           Now, the first issue is the return on equity.  
18          Every one percent difference in return on equity means  
19          \$130 million a year difference from the bills that you  
20          will be paying to Florida Power and Light. We have been  
21          litigating this issue with the Commission. Earlier this  
22          year we had a strong disagreement with them. Tampa  
23          Electric requested a 12 percent return on equity, the  
24          Commission granted them 11-1/4 percent, and that is an  
25          after tax profit margin, if you will.

1           We think that is far too high. The evidence in  
2 that case indicated that the national average being  
3 awarded by other public service commissions around the  
4 country was about one percent less than that. We have  
5 retained a full professor of finance from Penn State  
6 University. He will testify that a return of somewhat  
7 less than 10 percent is fully fair and fully compensatory  
8 to the company. And, again, you can see there is quite a  
9 bit of money involved in that issue. If you go under 10  
10 percent versus 12-1/2 percent it is easily over \$300  
11 million a year.

12           Another issue is depreciation, and we will have  
13 an expert present testimony to the Commission on that.  
14 And, again, that is probably a snoozer issue to most  
15 people, but there is an awful lot of money at stake. And  
16 what that is, is Florida Power and Light has been  
17 collecting depreciation expense over the year, and in  
18 their filing they admit that today they have overcollected  
19 \$1-1/4 billion too much. And what they will propose is to  
20 flow that back to you over 20 -- over 20 years. Well, we  
21 disagree with that. First of all, we think that the  
22 number is larger than that, but even if you take their  
23 number, we feel that should be flowed back over no more  
24 than four years to help offset the rate increase that they  
25 are asking for in this case.

1           We will be looking at affiliate interests and,  
2 we have a witness who will look directly at that. Many of  
3 the charges that the utility pays are charges that go back  
4 and forth between the utility and their affiliate  
5 companies. They have a parent company, and some of the  
6 executives at the parent company receive some very high  
7 salaries. A portion of those salaries are allocated down  
8 to the utility. We will be looking at that and addressing  
9 whether we think they are reasonable or not, which we do  
10 not, and all the other charges that go back and forth.

11           The bottom line is, you know, we will be filing  
12 our testimony next month, but I am confident that our  
13 witnesses will present a case that will show that they do  
14 not need this rate increase at all. These are some of the  
15 most difficult economic times and the markets -- or the  
16 interest rates are very, very low today. We have  
17 unemployment over 10 percent in Florida. People's savings  
18 are decimated. Everybody else is having to tighten their  
19 belt, and we think Florida Power and Light can do the same  
20 thing.

21           They are currently earning, the most recent  
22 report on their earnings is showing they are earning  
23 10.8 percent. Well, that is a healthy return, and we  
24 think they can do with that.

25           So, again, thank you very much for coming, and

1 we look forward to your testimony.

2 **COMMISSIONER McMURRIAN:** Thank you.

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

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

6 On behalf of the Florida Retail Federation,  
7 welcome. Thank you very much for coming. My name is  
8 Schef Wright. I have the privilege of representing the  
9 Retail Federation in this important rate case. As  
10 Mr. Beck said, this is the largest rate increase request  
11 in the history of utility regulation in the State of  
12 Florida.

13 The Retail Federation is an organization  
14 statewide of more than 9,000 members. Times are tough.  
15 Four years ago it was about 10,400, from the smallest mom  
16 and pop commercial establishments to the largest chains of  
17 department stores, grocery stores, drug stores,  
18 electronics stores, and in other retailers that you are  
19 all familiar with. Thank you, again, for coming.

20 Like your Public Counsel, we oppose this rate  
21 increase. We don't believe -- the issue in this case is  
22 whether Florida Power and Light Company needs another  
23 billion plus dollars of your money and our members' money  
24 a year in order to finance, own, operate, and maintain its  
25 system and to provide quality, adequate, sufficient, safe,

1 and reliable electric service. We don't believe that they  
2 do.

3 I want to make a couple of points. First, FPL  
4 makes the true point that they have not had a general base  
5 rate increase in 24 years. This is true, but by itself it  
6 is misleading. They haven't had a general base rate  
7 increase in 24 years because they haven't needed one. In  
8 those 24 years since 1985 without a base rate increase  
9 FPL's revenues grew from \$3.2 billion in 1985 to  
10 \$11 billion this year. Their total investment, what we  
11 call plant-in-service, their total gross investment  
12 without a base rate increase grew from \$7 billion in 1985  
13 to \$28 billion this year. Their net investment, what we  
14 call rate base in utility regulation, grew from  
15 \$5.8 billion to \$15 billion.

16 And during this time period they were very,  
17 very, very profitable. They earned healthy returns. They  
18 didn't even ask for a general base rate increase until  
19 2005, and I will come back to that in a minute. But  
20 during that time period they had to give back individual  
21 year-by-year base rate refunds of more than \$200 million.  
22 And in the 1999 rate case, led largely by your Public  
23 Counsel at the time, Jack Shreve, to whom you all owe an  
24 incredible debt of gratitude, and other intervenor  
25 parties, including the Retail Federation, FPL agreed to a

1 base rate reduction of \$350 million and still remained  
2 profitable.

3 In 2002, again, led by your Public Counsel, by  
4 your Attorney General, the Retail Federal, and the AARP,  
5 FPL agreed to a further base rate reduction of another  
6 \$250 million a year and still was very, very profitable.

7 In 2005, FPL came to the Commission and asked  
8 for a \$430 million a year base rate increase. We,  
9 naturally, opposed that. Your Attorney General, now  
10 Governor Crist, opposed that. The Public Counsel's Office  
11 opposed it. The Industrial Power Users opposed it. The  
12 Florida Retail Federation opposed it, and the AARP opposed  
13 it.

14 At the end of the day on the eve of hearing we  
15 settled that case for zero, zero, zero base rate increase.  
16 They haven't had a base rate increase because they haven't  
17 needed one. So they don't get a pass because they haven't  
18 had one.

19 The issue in this case, folks, is whether they  
20 need another billion plus dollars a year of your money and  
21 our members' money in order to finance, own, operate, and  
22 maintain their system and provide quality electric  
23 service. We don't believe that they do. Why not? Here  
24 are some very concrete examples: They want a 12-1/2  
25 percent after tax return on equity. It is called net

1 operating income in utility regulation speak. It is the  
2 equivalent of profit in this context. They say they need  
3 it to attract investment. We categorically reject this  
4 assertion just like your Public Counsel does. We think it  
5 is excessive. We think it is far higher than is needed.

6 Other utility commissions in the United States  
7 are granting returns in the range of 10 or 10.25. The  
8 difference between a 10 percent return on equity and a  
9 12-1/2 percent return on equity in this case is about  
10 \$335 million a year. We don't believe -- we think  
11 10 percent is generous, frankly, but even at 10 percent,  
12 that is \$335 million a year we don't believe they need.

13 Flowing back -- and I am translating a couple of  
14 things Mr. Beck talked about into dollars. Flowing back  
15 the accumulated depreciation surplus, even if it is only  
16 the \$1.25 billion that FPL itself has acknowledged,  
17 flowing that back over four years would take another  
18 \$250 million a year off the increase.

19 FPL has asked for an increase in your rates for  
20 additional storm reserve accruals, money they want to put  
21 in their storm reserve fund of \$150 million a year. They  
22 want to take the reserve fund from about \$200 million a  
23 year today, where it is today that you all have paid for,  
24 we paid for and you paid for through the storm surcharge  
25 that you have been paying, they want to take \$200 million

1 to \$650 million.

2 They asked for the same thing three years ago  
3 and the Public Service Commission said no. The Public  
4 Service Commission recognized that the risk of storms  
5 falls on us, the customers, not on FPL. Their order says  
6 that almost verbatim. They rejected FPL's request for a  
7 \$650 million reserve. They said we agree with consumers  
8 that \$200 million is appropriate. God willing and our  
9 prayers are answered and we don't have a big storm this  
10 year, at the end of this year FPL will have a storm  
11 reserve fund of \$215 million according to their  
12 projections. They don't need another \$150 million a year  
13 of our money right now.

14 There are a bunch of other issues that will be  
15 in this case. There is going to be issues about  
16 depreciation expense calculations and others. At the end  
17 of the day, we doubt that the evidence will show that FPL  
18 needs an increase to continue providing quality electric  
19 service.

20 Now, I told you some of the things we think are  
21 inappropriate to be included in FPL's rate increase  
22 request. Excessive ROE, excessive depreciation that they  
23 ought to give back to us, and the excessive request for  
24 storm reserve. I want to tell you some things we are not  
25 talking about. We are not talking about cutting jobs of

1 people who are out there in the field keeping your lights  
2 on. We are not talking about cutting the wages of people  
3 who are out there in the field keeping your lights on. We  
4 are not talking about cutting the amount that FPL invests  
5 in new plants, generating plants, transmission lines,  
6 distribution lines, substations. We are not talking about  
7 touching one penny of the amount that FPL has been spent  
8 and is spending on constructing its solar facilities.  
9 That is a completely separate item. You are already  
10 paying for it, we are already paying for it through the  
11 environmental cost-recovery charge. We are not talking  
12 about cutting one cent of what FPL spends on its energy  
13 conservation programs. That is another separate matter  
14 not subject to this case. They recover those costs  
15 through the energy conservation cost-recovery charge that  
16 we all pay.

17 In short, what FPL is really asking for is  
18 another billion dollars a year to increase its profit from  
19 \$725 million to \$1.36 billion. That is what this case is  
20 about. A fair rate of return of 10 percent, knocking  
21 out -- knocking out excessive costs requests and flowing  
22 back depreciation requests we believe at the end of the  
23 day will probably result in no base rate increase.

24 If FPL needed an increase to keep the lights on,  
25 we wouldn't say no. In the Tampa Electric case we thought

1 Tampa Electric's case -- Tampa Electric's request was  
2 excessive, but we didn't say zero base rate increase. We  
3 said we think something like \$35 million a year is  
4 appropriate, and it was about 15 percent of what the  
5 company had asked for.

6 The bottom line, the evidence in this case. And  
7 there is going to be a two-week hearing in August and  
8 September, the evidence in this case will show whether FPL  
9 needs a base rate increase. We don't believe that they  
10 do. The evidence will tell. Your Public Service  
11 Commission will decide. Please tell them your views on  
12 this important issue.

13 Thank you very much.

14 **COMMISSIONER McMURRIAN:** Thank you.

15 And now we will hear from Ms. Cecilia Bradley  
16 with the Office of the Attorney General.

17 **MS. BRADLEY:** We are here tonight to hear from  
18 all of you, because as I said, I work for Attorney General  
19 McCollum, and we represent you in these proceedings. And  
20 in order to do that well, or as well as we can, it is  
21 important to know what your concerns, your problems are so  
22 that we can voice those and make sure that the Commission  
23 knows about all of this.

24 You being here tonight is important because  
25 there will be a transcript made. It probably will be

1 posted in a month or so, and you can go in and see what  
2 you said, or what somebody else said, and the Commission  
3 will have that to look at to remind themselves of what you  
4 said. We have been on the road for a few days, and they  
5 may remember everything better than I do, but by this time  
6 we are kind of beginning to forget a few things. So this  
7 transcript and you being here is very important.

8 And, also, if I should call the Public Service  
9 Commission Public Counsel, or vice versa, you know I  
10 didn't mean it.

11 Now, there may be people -- well, let me first  
12 say, Florida Power and Light keeps referring to this as a  
13 Public Service Commission quality of service hearing. And  
14 it is really not. It's a rate case hearing. Now, before  
15 Mr. Butler has a fit, I will point out the fact that one  
16 of the things that they will consider at the hearing is  
17 your quality of service. If you think you are getting  
18 good service, say so. If you don't think you are getting  
19 good service, you can say that, too. But, this is about a  
20 rate increase and how that effects all of you.

21 Now, there has been some discussions about  
22 Florida Power and Light, some of the things they are  
23 doing, such as energy efficiency programs. Well, those  
24 are important and we commend them for that. That has  
25 helped a lot of people reduce their costs. Unfortunately,

1 we have heard from a lot of people at the other hearings  
2 who have testified about the fact they can't afford to do  
3 the things they recommend. They can't afford to spend  
4 several hundred dollars on new energy efficient appliances  
5 and this type of thing. They are at the state now that  
6 they are trying to make that old whatever, that old  
7 appliance last as long as it will and hoping they don't  
8 have to buy another one because they can't afford to.

9           There has also been some mention about --  
10 throughout the proceedings about storm hardening and  
11 trimming limbs to try to clear things. Well, that is  
12 something the PSC has required Florida Power and Light and  
13 all the other utilities to do. The idea is to try to be  
14 proactive so that those things are done before the  
15 hurricane comes through. If there is rotten posts, that  
16 those are removed and replaced so that they are less  
17 likely to come down. The new ones will be less likely to  
18 come down in a storm. But this is things that the Public  
19 Service Commission has required the utilities to do.

20           Now, there is a lot of talk about profit and how  
21 much profit, and that kind of thing. I can't really tell  
22 you how much profit is appropriate. You know, we want  
23 good, strong, profitable utilities in Florida. That is a  
24 good thing. The problem is, as the Attorney General has  
25 said, this request is excessive at this time and with the

1 economy being in the condition and people hurting the way  
2 they are.

3 There were some people that have come in and  
4 testified, as I mentioned, and their testimony was, you  
5 know, \$12 is not that much, and we want to invest in our  
6 future. Well, as Mr. Wright pointed out, you know, they  
7 are still going to provide your same service. That is a  
8 requirement. They are a monopoly. They are regulated,  
9 and the Public Service Commission is going to make sure  
10 you still get service. So, they don't have to have this  
11 increase to keep you getting service.

12 There has been mention of they need to profit so  
13 that you can benefit from that. And that is the same  
14 argument we have heard from some of the other utilities.  
15 And they did some analyses, in fact, Mr. Tom Herndon, who  
16 is an economist and he also does a lot of investing, and  
17 he testified at the last hearing that the company was  
18 going to provide a \$5 million benefit to the customers if  
19 they increased their return on equity. The problem was  
20 that when he did the calculations, it was going to cost  
21 those customers \$30 million.

22 Now, I don't deal with millions of dollars in my  
23 personal life, I can assure you, and I have to put it in  
24 terms that I can understand. That is kind of like if  
25 somebody came over to you and said, here, let me give you

1 five dollars. You would be happy and say, thank you, I  
2 appreciate that. But then if they turn to you and said,  
3 but you are going to have to pay me \$30. Suddenly that --  
4 that benefit just doesn't look as good. And so that is  
5 why we think that you shouldn't have to pay the monies  
6 that you are going to have to pay for this benefit.

7 Now, we appreciate all the AARP members coming  
8 out tonight. They do a real good job of letting us know  
9 what your concerns are. And there is a lot of AARP  
10 members in Florida, and those concerns are important to  
11 us.

12 We had a lady, I think I mentioned, that came  
13 out last night and -- actually, it wasn't last night, it  
14 was a couple of days ago. And she told us, she said, I've  
15 been retired for 15 years. I haven't had an increase in  
16 my retirement in those 15 years. She said I was told  
17 that -- you know, when I was brought up they said you have  
18 to learn to live within your means. Well, at that time  
19 living within your means meant, well, you know, I am going  
20 to see if I have enough money this month to go buy a new  
21 whatever, a new luxury, or a new dress, maybe, or that  
22 kind of thing.

23 Nowadays people are looking at living within  
24 their means as am I going to be able to go and buy the  
25 food I need? Am I going to be able to go and pay the

1 medical bills? And she said, you know, \$12 may not seem  
2 like a lot of money to some folks, but she says that is my  
3 monthly co-payment for the doctor. That is my monthly  
4 co-payment for the prescriptions. That may be the money I  
5 spend at the grocery store for dinner for a week. These  
6 are important concerns to us.

7 We have had people that came in and said --  
8 there was a lady, I think this morning that talked about  
9 the fact that she tries to turn off her air conditioner a  
10 lot. Well, we want everybody to be as energy conserving  
11 as they can, but let's not go that far. I always get  
12 afraid this time of year, because we start reading the  
13 paper about seniors who have turned down the air  
14 conditioner or turned it off to save money, and they had  
15 heatstroke, some of them have even died. And that is not  
16 the kind of thing I want to read in the paper. So that is  
17 one of our concerns that we have been looking at.

18 We also had a young mother that came in. This  
19 is not just a senior citizen issue. This seems to input  
20 on a lot of people -- impact on a lot of people. A young  
21 mother came in yesterday, and I think she brought most of  
22 us to tears almost. She was talking about the fact that  
23 she was making a good living and she decided it was a good  
24 time to go back to school. And then suddenly the economy  
25 went bad. And she started looking for a job, but nobody

1 was hiring.

2 She has two young kids. She said her family is  
3 on fixed income, but they are still trying to help her out  
4 by providing an extra jar of peanut butter from time to  
5 time so her kids can eat. You know, that kind of thing  
6 hits hard.

7 We understand that people are already getting  
8 hit all over. We also look at the trickle down. I have  
9 mentioned this before. I think somebody else may have  
10 mentioned it. If your electricity rates go up, the small  
11 businesses that a lot of whom Mr. Wright represents, they  
12 are not a monopoly, they have to compete with others for  
13 your business. But if their electricity goes through the  
14 roof, then they are going to have to raise the rates on  
15 your goods and services. So this impacts you, not just  
16 once with an increase in your electricity bill, it may  
17 affect you in a lot of areas for other goods and services  
18 that are going to go up.

19 We also have had people come and testify from  
20 the school districts. Schools are in bad shape right now,  
21 and, certainly, that is a huge concern to everyone. And  
22 they say we don't have some place to go and get more  
23 money. We are having to cut things. And they don't want  
24 to cut. You know, what do you cut? Do you not provide as  
25 many teachers, do you not provide free lunches for kids

1 that don't have the money to eat? Where do you cut this  
2 money? And if electricity bills go up for them, then they  
3 are going to be looking at more cuts. So there is a huge  
4 impact, not just on your bill that you look at, but on  
5 everything.

6           Somebody asked me yesterday, you say this is  
7 excessive. Well, what is -- what do you think is the  
8 right rate? Well, I don't know. I'm still looking at all  
9 the discovery that we are getting from the company, and  
10 I'm still hearing from all of you. The statute guarantees  
11 you a fair and reasonable rate, and that is not just for  
12 the rich, that is for everybody.

13           So we appreciate you coming tonight. We know  
14 that it is hard sitting here for hours. We hope it won't  
15 be that long. And please don't get mad at Commissioner  
16 McMurrian if she tells you, okay, let's try to wrap that  
17 up. It is nothing against you. She is just trying to  
18 make sure that everybody gets a chance to speak.

19           So, again, we appreciate you coming, telling us  
20 your concerns, your problems. It is very important to all  
21 of us, and we appreciate it.

22           Thank you.

23           **COMMISSIONER McMURRIAN:** Thank you very much, Ms.  
24 Bradley.

25           First, I want to say there are some people

1 standing in the back. There is some room on the second  
2 row up here if you would like to take a seat. I know that  
3 we have a lot of people signed up, and if you would like  
4 to find a seat, I'm sure we can squeeze in and find a  
5 place for you.

6 Now we are at the point where I will swear in  
7 everyone who is coming to speak tonight. So if everyone  
8 who plans to present testimony to us would stand with me  
9 and raise your right hand, that would be great.

10 (Witnesses sworn.)

11 **COMMISSIONER McMURRIAN:** We are going to start  
12 with the Honorable Franklin Sands, Representative of the  
13 Florida Legislature, from here in District 98 in  
14 Plantation. And, actually, as they are getting that turned  
15 around, I will tell you that Representative Sands joined  
16 us -- was it last night -- I am losing track -- in Fort  
17 Lauderdale.

18 **REPRESENTATIVE SANDS:** Yesterday morning.

19 **COMMISSIONER McMURRIAN:** Yesterday morning.

20 Thank you.

21 So this is his second appearance with us, and  
22 he, obviously, cares a lot about this issue and is here to  
23 represent you all. So we are glad to have you here with  
24 us.

25 **REPRESENTATIVE SANDS:** Thank you, Commissioner.

1 I don't know if it was a coincidence or not, but this  
2 morning we had a very brief outage at my home. So I'm not  
3 sure if it was a message from God or a message from FP&L,  
4 but everything is good.

5 Good evening and welcome to the great City of  
6 Plantation, which I have the honor of representing in the  
7 state Legislature. And this meeting belongs to the  
8 people, there is no question about that. So my remarks  
9 will be very brief, and my remarks are for the folks who  
10 could not be here tonight, and I am substituting humbly as  
11 their voice.

12 Yesterday I echoed the comments that there had  
13 not technically been a rate -- base rate increase since  
14 1985. However, what we did several times during 1985 was  
15 to recalculate how the customer was billed. And so, in  
16 fact, there have been multiple rate increases.

17 FPL, in fact, is a monopoly. So investor risk  
18 is really minimal, and the rate of return for that minimal  
19 risk is quite excellent in relation to that risk. FPL is  
20 well-managed, at least I hope it is well-managed. I  
21 visited the FPL nuclear plant in Port St. Lucie and  
22 thought it was very well run. But without an independent  
23 study that I had suggested yesterday, we really don't  
24 know.

25 The management cost is included in the base

1 rate, so the current permanent base rate hike being  
2 considered would possibly include additional compensation  
3 for folks. And I want to talk about that a little bit.  
4 At current levels, top management is compensated between  
5 salaries and stock options in the millions. Just this  
6 month notice to sell or exercise millions of dollars worth  
7 of shares by management has been reported.

8 Now, I'm not suggesting that this compensation  
9 is too high, too low, or just right. What I am saying is  
10 that these payments are being made at the current base  
11 rate level. The current base rate level.

12 It has been said that FPL is a good corporate  
13 citizen, and I agree. Tonight we heard that Care to Share  
14 uses one million dollars, one million dollars from  
15 shareholder money. And, you know, I guess that's a good  
16 thing. Of course, people benefit. But let us not lose  
17 sight of the fact that there are millions of dollars that  
18 are spent on contributions to charities, public events,  
19 and political parties that may come from monies we pay  
20 each month to FPL.

21 This last session in Tallahassee, the party in  
22 power could not find a single meaningful corporate  
23 loophole to close, but was able to pass \$2 billion in new  
24 taxes which are about to be unleashed against unsuspecting  
25 Floridians. This will be a very big hit to working

1 Floridians and people on fixed incomes.

2 This evening, we heard Ms. Santos say that we  
3 have very high expectations during these hard economic  
4 times. Well, truthfully, my expectation, I think, is very  
5 low, and I think the peoples' expectations are that when  
6 they turn on the light switch the lights will gone on.  
7 Beyond that I don't think we have any other expectations,  
8 other than hopefully they stay on.

9 You know, we also were shown a chart today that  
10 showed us that FPL had the lowest electric rates. And  
11 that is a very good thing. But instead of bringing up  
12 the -- you know, the chart to show us that we have the  
13 lowest rates so that as we increase the rates, we will be  
14 up to everyone else. Why don't we reverse that and try to  
15 bring everyone else's rates down for the people?

16 While FPL's finances at current rates are in  
17 very good shape, there are 1.2 million homes in the state  
18 of Florida that are in various stages of foreclosure. And  
19 more than 10 percent, and that number is growing, of  
20 Floridians are unemployed. So this makes a very difficult  
21 time for any rate increase that is really not needed. To  
22 the widow living on a Social Security check, this rate  
23 increase is the difference between her being able to have  
24 a family Thanksgiving dinner and not having a dinner.

25 Florida used to be a very low wage and a low

1 cost state, but now Florida seems to have morphed into a  
2 high cost, low wage state. But wait, today, I received in  
3 the mail something from FPL Energy Services. I don't know  
4 if that is the same as FPL or that is another division.  
5 And to their credit, they are looking to get into other  
6 business than just the transmission of electricity. Now  
7 they are looking to go into the -- or they are in the  
8 business of insurance and appliance repair business.

9 Now, this is good, but these are additional  
10 sources of income to FPL. Question. Are these additional  
11 sources of income and others being considered when this  
12 base rate hike is being considered? I'm not saying it's a  
13 bad thing, because it does help people. It's a very  
14 positive thing, but it is additional income to the company  
15 and should be recognized as such, if it isn't already  
16 being so.

17 Commissioners, you are charged today, as you are  
18 every day, with making a decision that will affect the  
19 lives of millions of Floridians. As a businessman, I am  
20 always looking for the highest rate of return on my  
21 investment. But I'm not here as a businessman, I am here  
22 as a legislator. And as a legislator I try to make  
23 decisions to provide the best quality of life for my  
24 constituents. And rather than taking the easy way out and  
25 splitting the difference between FPL's dream rate increase

1 and their want increase, I urge you to vote FPL the  
2 increase that they actually need at this time. And based  
3 on what I have read and based on what I've heard, that  
4 increase amount would actually be zero.

5 So, thank you very much for your time. Chairman  
6 Carter, Senator Argenziano -- Commissioner Argenziano, I  
7 hope you both are feeling better and are on the mend.

8 Thank you very much for your time.

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

10 **CHAIRMAN CARTER:** I appreciate that.

11 **COMMISSIONER McMURRIAN:** Thank you,  
12 Representative. Commissioner Skop.

13 **COMMISSIONER SKOP:** Thank you. To the  
14 Representative real quick. The flyer that you had  
15 mentioned, I don't have it, but I think you mentioned FPL  
16 Energy Services on it, and I will probably look to the  
17 company, but I would suspect that this is an unregulated  
18 affiliate of Florida Power and Light. Is that correct,  
19 Mr. Butler?

20 **MR. BUTLER:** Yes, that is correct.

21 **COMMISSIONER SKOP:** So to answer your question,  
22 Representative, those revenues from that would not be  
23 considered within the rate case.

24 **REPRESENTATIVE SANDS:** It should be considered.

25 **COMMISSIONER SKOP:** Yes, sir. Thank you.

1           **REPRESENTATIVE SANDS:** Thank you.

2           **COMMISSIONER McMURRIAN:** Thank you.

3           And now we have a couple of officials from the  
4 city of Lauderhill. First, we have Mayor Richard Kaplan  
5 with us. Thank you so much, Mayor, for joining us here  
6 today.

7           **MAYOR KAPLAN:** Thank you, Commissioners. I do  
8 appreciate it. I have been trying to meet with some of the  
9 PSC staff for the last six months, and nobody has returned  
10 my call, so I am taking this opportunity to address you  
11 directly on this particular issue.

12           I serve in a variety of positions, not just as  
13 the mayor of Lauderhill, but in a variety of --  
14 transportation and others.

15           One of those is dealing with the water resource  
16 task force, because like electricity, we are running out  
17 of water that is usable in Florida. And we are dealing  
18 with virtually the same type of issues, and we are trying  
19 to figure out how to overcome them.

20           We can't keep drawing water out of the ground as  
21 we have been doing. The South Florida Water Management  
22 District is capping us off. It's hard to talk about water  
23 conservation when in the last month we have been flooded  
24 for the most part, but we do get droughts. The easy  
25 answer is to build more plants, drill deeper,

1 desalination, reverse osmosis. Pretty much the same  
2 philosophy as FP&L, make your plants more efficient, build  
3 more plants, produce more electricity.

4 We have found that that is the most expensive  
5 way of doing that. What we have found is by looking at  
6 the low hanging fruit, we can pretty much get where we  
7 need to go for the most part in predominately water reuse,  
8 conservation.

9 Now, I have heard FP&L talk a bit about their  
10 conservation program. Yet, when I have tried to work with  
11 them on conservation programs, I have run into a few  
12 problems. As you may well know, the federal government  
13 has provided a lot of funds to governments and to public  
14 for different things. One of them is called the energy  
15 block grant fund. In our case, the City of Lauderhill is  
16 getting \$595,200. I do not know what the City of  
17 Plantation is getting, but I assume, being a slightly  
18 larger city, they probably get more funds.

19 Our job is to take those funds and find ways of  
20 reducing energy consumption. Being that I have been  
21 working in the energy issues for the last two years, and  
22 recently I got elected as an environmentalist saving  
23 trees. And now that I am in the position I am, I have  
24 been able to combine trying to save the environment and  
25 reducing our cost of government. So these funds, we were

1 looking to figure out how to spend them in a way that  
2 would get permanent reduction in energy areas.

3 One of the things that is listed by federal  
4 regulation, which is extremely important, and it is a high  
5 priority item for the feds, is to change out light bulbs,  
6 street lights to LEDs. Now, like, many cities, we pay per  
7 light pole per month. We do not have them metered. So  
8 one of the things that I have been trying to investigate  
9 with FPL was would we be able to change out the bulbs to  
10 LED bulbs, and, therefore, get a reduction in our rates.

11 LED bulb street lights, somewhere between a 40  
12 and 60 percent savings per street light. The City of  
13 Lauderdale has over 3,000 of them. I don't know what  
14 Plantation has, but if you add up FPL's territory, it adds  
15 up to be quite a bit and if you can save 40 to 60 percent.

16 FP&L's answer to me was, yes, you can change  
17 them out, but you are going to be charged the same rate.  
18 Well, if we are saving them 40 to 60 percent of the  
19 energy, but we are paying the same amount of money, I  
20 can't save anything to my public. And right now city  
21 governments are under a lot of trouble and they are trying  
22 to cut their costs anywhere they can. So as far as  
23 working out LED lights on street lights to replace the  
24 ones that we have, we couldn't go that route, because they  
25 don't have -- I think it is called a tariff -- to be able

1 to allow that accommodation.

2 Now, interestingly enough, I believe Progress  
3 Energy has finally developed it, so they can do it there.  
4 And the response I got is they weren't sure exactly what  
5 kind of energy reduction it would be. So they decided to  
6 do an experiment. They put in LED bulbs, according to  
7 what I understand in the streets lights in the FP&L  
8 parking lot to see how much they saved.

9 Just so you know, LED street lights are already  
10 in the City of Tamarac along Commercial Boulevard. And if  
11 you didn't realize they were LED lights, you wouldn't  
12 know. They are just standard street lights and they are  
13 working perfectly fine. And for those people who don't  
14 know what LED lights actually are, though I'm not exactly  
15 sure, because these lights are a little bit older, most of  
16 them today are, those exit signs are LED lights. They  
17 will burn forever pretty much, and it is very difficult  
18 for them to go out.

19 Now, as a city, we are using the funds for  
20 different things. One is we are giving out 10,000 CFL  
21 bulbs. A 60-watt bulb in a CFL bulb is around 13 watts.  
22 You can see how much energy, less energy it uses. We  
23 estimate -- now, I'm going by memory, and I wish I had  
24 brought the actual statistics with me -- 10,000 CFL bulbs,  
25 and I'm sure FP&L will research it out, will save

1 approximately \$156,000 a year in usage if used ten hours a  
2 day. One bulb. That is how much over 10,000 bulbs.  
3 Imagine if FP&L gave out -- rather than investing in a  
4 power plant, invested in giving away CFL bulbs throughout  
5 their territory to reduce their consumption. We are  
6 looking at potentially not having to build more power  
7 plants.

8 We, as a city, we are using the money as  
9 permitted by the feds to provide an interest free loan to  
10 change our your appliances either to ENERGYSTAR appliances  
11 or to those that would be under the federal energy tax  
12 credit, such as air conditioners would qualify. If you go  
13 from an 8 SEER air conditioner to a 15 SEER air  
14 conditioning, between -- there is an FP&L credit, I  
15 believe, for that, there is the federal energy tax credit  
16 of \$1,500, there is very often a manufacturer's rebate and  
17 there is very often a local retailer rebate they have been  
18 doing. Plus you add on the interest free loan, you are  
19 talking about very little money, again, to replace it.

20 And I will tell you that as an example I have  
21 been over the years trying to reduce the energy  
22 consumption of my house. My first house in Lauderhill,  
23 house, house, was around 2,000 square feet. It had one  
24 air conditioner, and my electric bills in the summer were  
25 around 250 to \$300 back in about the 1980s. I now live in

1 a 3,000 square foot house with two air conditioners  
2 running, and my electric bill is about 130, because I have  
3 now replaced both my air conditioners, I have CFL bulbs.  
4 I am looking to do several other things. I am going to  
5 replace my refrigerator, because anyone who has a  
6 refrigerator over ten years old, even if you don't buy  
7 ENERGYSTAR, the consumption is reduced.

8 Now, what is my point of this situation. My  
9 point is wouldn't we be better off applying whatever funds  
10 that we have towards energy conservation to the retail  
11 level as opposed to FP&L directly and avoid building power  
12 plants which pollute the environment? Isn't that what the  
13 Governor is also trying to do in trying to reduce climate  
14 control issues, to avoid climate control issues. Our city  
15 is presently proposing -- what we have come up with is a  
16 climate neutral public facility. It will not take  
17 anything out of the energy stream. It will at least be  
18 neutral. And if we are a little bit lucky, we may add to  
19 the grid and get our meters to run backwards, which is  
20 what we are looking forward to do a little bit.

21 With that, I thank you very much, and I will  
22 take my seat.

23 **COMMISSIONER McMURRIAN:** Mayor, Commissioner  
24 Skop, I believe, has a question for you.

25 **COMMISSIONER SKOP:** Thank you, Mr. Mayor. Just a

1 quick comment with respect to what you made mention of, the  
2 increased efficiency air conditioners and such.

3 **MAYOR KAPLAN:** Uh-huh.

4 **COMMISSIONER SKOP:** And this may be of general  
5 benefit to those in the room. I actually replaced one of  
6 my older inefficient air conditioners with a Trane heat  
7 pump, and it was 13 SEER. Again, none of the rebates are  
8 offered.

9 **MAYOR KAPLAN:** Now I think it is 14 or 15 is the  
10 SEER. They have increased it.

11 **COMMISSIONER SKOP:** Right. And, again, it wasn't  
12 the top of the line. It wouldn't qualify for a GRU rebate  
13 where I have my town home, but my electric bill went down  
14 \$40 a month just by making that one election. So, again,  
15 when those rebates or federal --

16 **COMMISSIONER ARGENZIANO:** Commissioner Skop, you  
17 are going in and out.

18 **COMMISSIONER SKOP:** Sorry. Can you hear that  
19 better?

20 **COMMISSIONER ARGENZIANO:** Yes, thank you.

21 **COMMISSIONER SKOP:** Okay. The microphone is very  
22 sensitive. But those rebates that you offer as well as the  
23 federal tax credits to make that conversion to more  
24 efficient equipment, you do see those electrical savings.  
25 So, again, I think that point that you made was very well

1 taken.

2 **MAYOR KAPLAN:** Yes. We are structuring our  
3 program that over the life of the term of the loan the  
4 energy savings were more than enough to pay for whatever  
5 your increase in payments happen to be. So if your payment  
6 is \$50 a month, we are hoping that you will actually see an  
7 energy savings in excess of \$50 a month. So, \$50 will go  
8 back to the city to loan in the future and you will still  
9 come away with a savings. And now you have got a more  
10 efficient unit, and you've reduced drastically the amount  
11 of energy. That is where I think FP&L needs to work on in  
12 trying to -- if they just gave everyone CFL bulbs. If they  
13 allowed us to do the street lights, we could reduce energy  
14 consumption tremendously.

15 Thank you.

16 **COMMISSIONER SKOP:** Thank you. And, Madam Chair,  
17 if I may. Madam Chair, also with respect to the flyer that  
18 Representative Sands provided, again, I would ask that we  
19 enter this into -- or mark it for identification and enter  
20 it into the record, since he left it with us.

21 I would also ask staff, again, we do not  
22 regulate FPL Energy Services. However, some of the  
23 information that I see on this flyer gives me some  
24 concerns. Again, the limitation and the exclusions with  
25 respect to the warranty services provided, again, that is

1 an issue. But what concerns me more, though, is I am  
2 wondering whether these are marketed through bill inserts,  
3 and also, too, the last bullet on the back side says  
4 conveniently applies to the monthly fee to your monthly  
5 FPL bill. And, again, that seems to me to be something  
6 that we may need to take a look into to address  
7 Representative Sands' concerns.

8 **COMMISSIONER McMURRIAN:** So I ask the staff  
9 counsel to tell us what number we are on and we will mark  
10 it for identification.

11 **MS. WILLIAMS:** Commissioner McMurrian, that would  
12 be Exhibit Number 27. Excuse me, Number 26, and we can  
13 mark that as FPL Energy Services Flyer.

14 (Exhibit Number 26 marked for identification.)

15 **COMMISSIONER McMURRIAN:** Thank you.

16 Okay. We have also from the City of Lauderdale,  
17 Commissioner Howard Berger. Please come forward.

18 **COMMISSIONER BERGER:** Thank you, Commissioner. I  
19 will be very brief. I just want to thank you for this  
20 opportunity to come here to you and to -- at your  
21 invitation and to just relate to you my personal  
22 observations from a personal perspective in dealing with  
23 Florida Power and Light, and basically it has been a  
24 positive one.

25 Whenever any of my constituents have contacted

1 me, I would, of course, on any type of service related  
2 issues, I would contact the staff of Florida Power and  
3 Light, and I would find them to be very expeditious in  
4 responding to resident concerns and complaints. And in  
5 some cases actually physically go out into the  
6 neighborhood, into the community to observe issues that  
7 have been brought up to me. In some cases it might be a  
8 service issue, or in some cases observing a potential  
9 hazard in the community. So, those are two points that,  
10 of course, I want to make.

11 And it always seems to me that the staff of  
12 Florida Power and Light would go the extra mile to satisfy  
13 my constituents, which are also their customers. So,  
14 basically, I did want to have this opportunity to say this  
15 to you. As a commissioner of a city, I do receive many  
16 concerns and complaints from citizens in the city, some  
17 critical, some not. But none really have -- Florida Power  
18 and Light has not been the focus of any of those concerns  
19 or criticisms. I always found them to be very accessible,  
20 professional, and responsive.

21 So, again, thank you, and I appreciate you  
22 taking my comments into account.

23 Thank you very much.

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

25 Commissioner Skop.

1                   **COMMISSIONER SKOP:** Thank you, Madam Chair. And  
2 I just want to go back to my prior comment. And, again, I  
3 don't mean this with any disrespect, but, again, someone  
4 from the regulated entity on the FPL side should talk to  
5 the unregulated affiliate to the extent of piggybacking off  
6 of what the regulated entity does.

7                   Again, I find that to be somewhat problematic to  
8 the extent that Representative Sands made some comments,  
9 and some of the things, again, that I am seeing give me  
10 concern. Again, it could be easily remedied by keeping  
11 things at arm's-length, not piggybacking off existing  
12 services. And I think that if FPL wants to offer  
13 unregulated products through its -- I mean, nonregulated  
14 products or services through its unregulated affiliate,  
15 that needs to be separate and distinct from trying to  
16 commingle that and/or cross-subsidize that through the  
17 regulated entity.

18                   **COMMISSIONER McMURRIAN:** Thank you, Commissioner.

19                   And I will just add a quick thank you to the  
20 Mayor of the City of Plantation, Ray Carol Armstrong. We  
21 very much appreciate --

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

24                   **COMMISSIONER McMURRIAN:** Yes, Commissioner  
25 Argenziano.

1           **COMMISSIONER ARGENZIANO:** Yes. I'm sorry. To  
2 the gentleman who just spoke, was that a commissioner?

3           **COMMISSIONER McMURRIAN:** Yes. Commissioner  
4 Howard Burger from the City of Lauderhill.

5           **COMMISSIONER ARGENZIANO:** I was having an  
6 extremely hard time hearing him. Can he answer was he in  
7 opposition, or support, or -- I don't know what his  
8 comments were. I apologize.

9           **COMMISSIONER McMURRIAN:** He is coming back to the  
10 podium, Commissioner.

11           **COMMISSIONER ARGENZIANO:** Okay.

12           **CHAIRMAN CARTER:** While he is coming back, Madam  
13 Chair, it is very, very difficult to hear people tonight.

14           **COMMISSIONER ARGENZIANO:** It is.

15           **CHAIRMAN CARTER:** Very, very difficult.

16           **COMMISSIONER McMURRIAN:** We will see what we can  
17 do to try to turn that up.

18           **COMMISSIONER BERGER:** My comments still --

19           **COMMISSIONER ARGENZIANO:** If he is really  
20 speaking into the mike, Madam Chair. That's the key.

21           **UNIDENTIFIED SPEAKER:** We are working on it,  
22 Commissioners.

23           **COMMISSIONER BERGER:** My comments basically dealt  
24 with customer service, and I had positive things to say  
25 regarding that matter. From my personal perspective, I

1 made commendable remarks about Florida Power and Light.

2 Thank you.

3 **COMMISSIONER ARGENZIANO:** Okay. But no comments  
4 regarding whether you supported or oppose the rate  
5 increase?

6 **COMMISSIONER BERGER:** No, I didn't address that  
7 issue. No, ma'am.

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

9 **COMMISSIONER McMURRIAN:** Commissioner Argenziano  
10 and Chairman Carter, was that better, the sound?

11 **CHAIRMAN CARTER:** That was about the same. I  
12 guess it is just the system, but it is very, very difficult  
13 to hear tonight.

14 **COMMISSIONER McMURRIAN:** We'll see if we can do  
15 anything else. And we are about to start calling  
16 witnesses. I was just trying to thank the Mayor of the  
17 City of Plantation, Rae Carole Armstrong, for the use of  
18 these facilities, and we appreciate that tonight.

19 And now I will turn to Mr. Beck, and we are  
20 ready to start taking customer testimony in addition to  
21 hearing from the public officials. And I will just say  
22 please be mindful that we want to hear from everyone, so I  
23 ask that perhaps you try to keep your comments around  
24 three minutes. And how many people do we have signed up  
25 to speak at this point?

1           **MR. BECK:** We have 54 customers that have signed  
2 up to speak.

3           **COMMISSIONER McMURRIAN:** Mr. Beck says we have 54  
4 people who signed up to speak so far. So you will see if  
5 we all do about two or three minutes, perhaps -- perhaps we  
6 won't be sleeping here tonight, but we will stay here until  
7 we hear from everyone. So we appreciate your cooperation  
8 in doing that. Be respectful.

9           And if you have additional comments you don't  
10 get time to make tonight, definitely there are ways to get  
11 those to us that I mentioned earlier.

12           So, Mr. Beck, would you call our first witness.

13           **MR. BECK:** Thank you, Commissioner.

14           The first customer is Joe Curtis. Joe Curtis.  
15 I know the mike is not working, so I will speak up.

16           **COMMISSIONER McMURRIAN:** Mr. Joe Curtis.

17                           JOE CURTIS

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

20                           DIRECT STATEMENT

21           **MR. CURTIS:** Thank you, Commissioners, for  
22 allowing me to speak, and I will try to set the stage for  
23 the rest of the people after me and keep it under three  
24 minutes.

25           I am not going to speak to the rate increase. I

1 don't know enough to speak about it, and you folks are  
2 going to hear from dozens of experts on either side of the  
3 fence, and that will give you the information you need,  
4 obviously.

5           However, from a service point of view, I am  
6 certainly impressed with the various consumer programs  
7 that FPL pushes to its customers to save energy. They  
8 give people options for paying bills where you can equal  
9 them out all on a yearly basis similar to what oil  
10 companies do up in the northeast to keep people on a  
11 better budget conscious on a budget. You can have a  
12 survey to your home to lower energy use. All that makes  
13 sense.

14           My experience with calls, with service calls  
15 have been few. About two years ago there was an outage in  
16 our community. The truck was working outside. It was  
17 very late at night. These guys were wiped out, tired. I  
18 don't know if it was the end of their shift or not, but  
19 they were working. They got through fixing it. I  
20 happened to be taking the garbage out because that is my  
21 job, and as I walked out, I noticed that half of the house  
22 went on and half didn't. And the problem wasn't in my  
23 house.

24           These folks that were working, maybe four of  
25 them or five of them had all their equipment back on the

1 truck, they had started to go away. I couldn't chase  
2 them, but I was out in the middle of the road there waving  
3 at them. And they saw me and they stopped, asked me what  
4 the problem was. I told them. Turned the truck around,  
5 came back, took everything off and spent another hour  
6 getting it fixed.

7 They could have just as well have either kept  
8 going or said we will call it in and have someone else  
9 come. And experiences of lots of people that we know have  
10 been the same. Whenever I have had to call them, I have  
11 gotten positive responses.

12 In closing, I would like to say that it is  
13 really nice to read in the paper how many hundreds of  
14 people have showed up talking about the rate increases. I  
15 would love my electric bill to be \$20 a month, all right?  
16 That is not feasible. So as I said, I can't comment on  
17 what it should be. That is your job. But I would love to  
18 see as many people that have been complaining about  
19 Florida Power and Light complain about no regulation about  
20 our oil companies and our gasoline prices for the cars.  
21 If we can do that, it would be a better off  
22 company -- better off country, rather.

23 So, thank you very much.

24 **COMMISSIONER McMURRIAN:** Thank you, Mr. Curtis.

25 **COMMISSIONER ARGENZIANO:** Madam Chair, may I ask

1 a question, not of the gentleman, but could you do me favor  
2 and please have the individuals repeat their name when they  
3 get to the mike, because I am having a very hard time  
4 jotting down their names.

5 **COMMISSIONER McMURRIAN:** Absolutely, we will try  
6 to do that. If everyone could try to repeat their name  
7 when they come to speak, that would be wonderful.

8 Thank you.

9 **COMMISSIONER ARGENZIANO:** Thank you.

10 **MR. BECK:** The next customer is Flora Almany.

11 FLORA ALMANY

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

14 DIRECT STATEMENT

15 **MS. ALMANY:** Hello, Commissioners, and thank you  
16 for taking my message. I wrote this for the Sun Sentinel  
17 Editorial, but I decided to come here and say it tonight  
18 myself. I am Flora Almany. I have lived in my home in  
19 Plantation for the last 19 years, and I have been a  
20 resident of Fort Lauderdale for a total of 48 years. I am  
21 here tonight because I would like to compliment Florida  
22 Power and Light on the great service they have always  
23 provided for me over the years.

24 On May the 18th of this year, my power was out.  
25 About 7:15, I called Florida Power and Light to report it,

1 and they told me they would call me back. It was only 15  
2 minutes later that the phone rang. It was Florida Power  
3 and Light to tell me the service person was on-site and  
4 working on it and that 605 homes were without power. It  
5 is always nice to know that you are not the only one that  
6 is out.

7 They said I should have power in about 15 to  
8 30 minutes. Before I knew it, my power was back on. I  
9 felt safe again. I could put my alarm on as I live all  
10 alone, and then the phone rang again. It was Florida  
11 Power and Light again. They wanted to know if everything  
12 was okay, and if I needed anything else.

13 Now, where do you get service like that? That  
14 is all I can say is what great customer service. I have  
15 lived in California, Colorado, Virginia, and North  
16 Carolina. The rates have all been higher than they have  
17 here. And I'm not going to complain about any rate  
18 increase as I think that we can -- you know, we have -- I  
19 think they deserve the rate increase as they do a great  
20 job and they have great customer service. I have never  
21 had customer service in any state I have ever lived in  
22 like I have here in Fort Lauderdale.

23 Thank you.

24 **COMMISSIONER McMURRIAN:** Thank you, Ms. Almany.

25 **MR. BECK:** The next customer is Joel Slotnick.

1 JOEL SLOTNICK

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

4 DIRECT STATEMENT

5 **MR. SLOTNICK:** Good evening, Commissioner, and  
6 thank you for the opportunity to be able to speak tonight.  
7 My name is Joel Slotnick. I have lived in South Florida  
8 for 38 years.

9 Like FPL wanting an increase, I can understand  
10 that because where I work I haven't had an increase in  
11 five years. However, everything else goes up. What FPL  
12 wants to do I can only say can be tantamount to legalized  
13 rape of the citizens. They sit here and tell us about how  
14 much they are doing to give us better service and  
15 everything. There isn't a week that I come home where my  
16 power hasn't gone out during the day.

17 They sit here every summer and tell us to be  
18 prepared for hurricane season. There isn't a single  
19 thunderstorm, an average Florida thunderstorm, where  
20 thousands of people don't lose their power. Why aren't  
21 they prepared? There is no way that you can tell me they  
22 can be justified to take more money to do stuff that they  
23 haven't fixed already.

24 When we had Wilma, I had countless people who  
25 were weeks without power telling me that the people who

1 came from other states to help out were told by FPL fix  
2 what you have got to work with. We are not putting in  
3 anything new.

4 Now, yes, I understand what hearsay is, but when  
5 you hear stuff like this, for them to ask an increase, I  
6 think it is your jobs because, yes, we don't sit on  
7 commissions, no, we are not public figures, but we are the  
8 ones who keep you in your seats, and it is up to you to  
9 make sure this does not happen.

10 Thank you.

11 **COMMISSIONER McMURRIAN:** Thank you, Mr. Slotnick.

12 And I know there are some FPL representatives  
13 here that you might want to talk to about your outage  
14 issue. And just to let everyone know, as well, that we do  
15 keep up with -- obviously, we have a transcript of this  
16 proceeding, and we do follow up on a lot of things that we  
17 hear here, and the staff will follow up on things,  
18 especially any particular trends or anything about service  
19 problems. I just wanted to let you all know that.

20 Mr. Beck.

21 **MR. BECK:** Diane Costello.

22 DIANE COSTELLO

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

25 DIRECT STATEMENT

1           **MS. COSTELLO:** Okay. Thank you. Thank you for  
2 letting me speak tonight, and thank you for making it  
3 easier.

4           Okay. I just have about seven or eight points,  
5 and I'm not going to be redundant, because a lot of it has  
6 been discussed, but I am going to stress a couple of  
7 things, too.

8           First of all --

9           **COMMISSIONER McMURRIAN:** Could you repeat your  
10 name?

11          **MS. COSTELLO:** Diane Costello, I'm sorry.

12          I have lived in several states briefly in my  
13 life, and, you know, I can't say that our electric is  
14 better or worse. It just all seems the same.

15          The first thing I would like to say that is on  
16 my mind is a lot of companies are lowering salaries. A  
17 lot of companies are asking people not to take their pay  
18 for a month or several weeks, and I think that is a nice  
19 gesture, and maybe something FPL can look into also.

20          I also feel that after one month in which my  
21 home was destroyed, I had insurance, because you are  
22 responsible for paying for your own repairs and what  
23 goes wrong, you pay for it. And why doesn't -- or maybe  
24 they do, why doesn't FPL have insurance to repair all of  
25 the damage? Just a question.

1 I also know that in my lifetime of learning  
2 about businesses and having my own, operating costs are  
3 actually part of any company, and they are factored into  
4 their profit and their losses. So I don't think that  
5 some of the things that we are being told we have to pay  
6 extra now for are justified. They are just operating  
7 costs.

8 If you want to upgrade, you have to do that.  
9 Every company has to keep up with their -- with their  
10 quality of their service if they wish to continue making  
11 money. And that seems to be -- you know, when you make  
12 a lot of money that is what you use some of it for.

13 People, we are all making less. We are all  
14 getting less for our money now. Everything is going up.  
15 It is almost like we are being exploited and, like that  
16 gentleman said, we are being raped. You know, I know  
17 myself, the water is going up, the electric is going up,  
18 everything is going up. And it just looks like it will  
19 never stop. The problem that is going on now in this  
20 country and in the world is that everybody wants bigger,  
21 better, faster, and more. And now we have just ruined  
22 the country and the world, you know. It just looks like  
23 it's never going to stop. They just keeping asking for  
24 more and more and more.

25 And to address this to the low income and

1 disabled, people with limited income, of which I am one,  
2 unfortunately, not by choice, but I am. Twelve dollars  
3 for me is less food, or less medicine co-pays, or less  
4 doctor visits. I certainly don't live a luxurious life,  
5 because after my house was destroyed I was forced to  
6 leave here for two years to try and recoup and get some  
7 money saved up buying a house in the Carolinas, which it  
8 is much cheaper to live there, much, much cheaper. And  
9 I was able to do that and come back here, and I am still  
10 in a manufactured home. This time it is a new one. It  
11 is very frugal, you know, it is not extravagant. And I  
12 have insurance on it that will be paying me better.

13 If there is another hurricane and destruction  
14 with a newer home now it is going to pay me more. But  
15 it is still not something I look forward to. But then,  
16 again, we pay for our own damages and losses. You know,  
17 that is what you have insurance for.

18 But, being low income, I have -- I have  
19 medical needs. I can't live without my air conditioner  
20 on, plus I have -- I have medicine that has to stay  
21 refrigerated. There is just so much I can cut out of my  
22 life, and I certainly don't live with a lot of luxuries,  
23 because I am on very low income. And I don't see any  
24 discounts or programs for limited income people, or  
25 disabled people, or seniors. I don't see this company,

1 FPL, giving us any kind of incentives, any kind of  
2 assistance at all. The phone company does. FPL  
3 doesn't.

4 You know, it is almost like I am looking at a  
5 company that makes so much money, and they just keep  
6 wanting to get bigger and bigger, and are they really  
7 wanting to just be a utility company, or are they trying  
8 to just keep getting richer and richer and richer and  
9 have more and more money. And now they are branching  
10 out into other areas from what I heard some gentleman  
11 say, and that is great, but I don't want to pay for  
12 that, and that should be lowering some of my costs.

13 You know, for wealthy -- the wealthy people in  
14 Florida, this is not a big deal probably. And a lot of  
15 them, I'm sure have stock in FPL. But, you know,  
16 Florida used to be a state for the retired people. Now  
17 it seems to be a state for the wealthy who come in here,  
18 the foreigners buying and investing and selling, you  
19 know, it just seems to have changed so much.

20 But there still are a lot of us who are older  
21 or disabled or both. And, you know, we are lowering our  
22 standards of living to live and stay afloat every day,  
23 and maybe a few salaries should be cut like other  
24 companies are doing, and maybe some of these FPL people  
25 can stop living extravagantly like a lot of them do.

1 Because I know some of their salaries are really high  
2 and, you know, maybe starting to think about doing some  
3 of those other things and getting a little more  
4 green-minded, not just in what we want to charge you  
5 more money to do more, you know, clean air, clean  
6 quality. That is a given. It should be that way  
7 anyway. That is part of the progress of every company  
8 that does a service.

9 So, I think -- I think that is pretty much  
10 what I wanted to say. And I thank you all for listening  
11 and, you know, I just don't want to see a bunch of  
12 disabled or elderly people laying on the street dead  
13 because they just had a strokes because they have no air  
14 conditioning on because they can't afford it. I turn  
15 mine off most of the day now, and with this 102 and  
16 109-degree heat index, I am in danger of having  
17 problems. But, you know, I have to survive.

18 **COMMISSIONER McMURRIAN:** Thank you, Ms. Costello.

19 **MS. COSTELLO:** Thank you.

20 **MR. BECK:** Richard Clark.

21 RICHARD CLARK

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

24 DIRECT STATEMENT

25 **MR. CLARK:** Richard Clark. Thank you very much,

1 members of the Commission, and also my fellow citizens who  
2 are here tonight.

3 I came to Plantation in 1974, and I have had a  
4 lot of experience working with community organizations. I  
5 am a small business owner and the economy has affected my  
6 business as it has everyone else's. I think we are also  
7 used to, and I think it was said earlier, that we flick a  
8 wall switch and the lights go on. And we hope that will  
9 continue, but we can't just flick a switch and create the  
10 renewable energy sources and our need to be green and  
11 reduce our reliance as the President and other leaders in  
12 our country and in our state have reminded us.

13 While we are all trying to reduce our personal  
14 expenses and certainly want to be resistant to any  
15 increase in cost anywhere, we still need to be cognizant  
16 and make wise decisions regarding making sure that we  
17 provide a company like FPL with the resources they need in  
18 order to accomplish, not just our short-term, but our  
19 long-term needs.

20 I serve on a number of for profit -- not for  
21 profit, I'm sorry. Let me say that again. I serve on a  
22 number of not for profit boards in the community, and it  
23 has been my honor to donate my time as many of the  
24 citizens in this room have probably done, as well. But  
25 what I have seen is people from the FPL team not just

1 offering, but being aggressive. And I have been very  
2 impressed that they have been proactively going out and  
3 saying let me help you reduce your energy cost that will  
4 help you save money to operate your business. And it  
5 hasn't been casual. It has been formal and it has been  
6 aggressive, and I can tell you from the other businesses  
7 like mine that they have talked to, it has worked.

8 So, I for one, want to support the proposed rate  
9 increase, and I appreciate the Commission having this  
10 opportunity to coming to Plantation and listen to us who  
11 have opinions.

12 Thank you very much.

13 **COMMISSIONER McMURRIAN:** Thank you.

14 **MR. BECK:** The next customer is John Braun.

15 JOHN BRAUN

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

18 DIRECT STATEMENT

19 **MR. BRAUN:** Well, I'm John Braun from Pembroke  
20 Pines. I've lived in Pembroke Pines for 12 years, and in  
21 the 12 years that I have lived there I think I can count  
22 maybe with both hands on how many times the power has been  
23 out in my home. So I wanted to say that I think the power  
24 quality and the reliability for FPL is very good. The  
25 storms that we had Tuesday, on WROD they were saying that

1 we had 12,000 customers without power. Next morning, 6:30  
2 in the morning, they were down to 100. So I think the  
3 service guys for FPL, they are awesome. I want to say that  
4 the longest I have been without power was the three days  
5 during Wilma.

6 I replaced by AC unit a year and a half ago  
7 saving 30 percent on my monthly -- my monthly bill. I  
8 track by kW usage through FPL's website. But what it  
9 comes down to, I think, the timing for this is pretty bad.  
10 We had three different layoffs in the company that I work  
11 at. I had to take a five percent pay cut. My in-laws are  
12 retired. They are on a fixed income.

13 I mean, I can afford the \$12 a month that they  
14 are asking. I definitely support, you know, improving the  
15 infrastructure, the green power solutions and programs.  
16 The gentleman over there was saying that that is kind of  
17 different. I wasn't really aware of that. So I can  
18 afford the \$12. My in-laws really can't. So, I would say  
19 consider just a smaller increase. If it is \$12, maybe go  
20 for six and see what happens. But that is what I have to  
21 say.

22 Thank you.

23 **COMMISSIONER McMURRIAN:** Thank you.

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

25 The next customer is Tim Haynick.

TIM HAYNICK

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

4 DIRECT STATEMENT

5 **MR. HAYNICK:** I would like to say thank you,  
6 Commissioners, for the opportunity here. My name is Tim  
7 Haynick. I am the President of the International  
8 Brotherhood of Electrical Workers, Local Unit 759, here in  
9 Fort Lauderdale. We have about 430 members that -- from  
10 the power plant all the way to the meter. We are the ones  
11 that are keeping the lights on, at least trying.

12 And just a little information I think the Public  
13 Service Commission needs to keep in mind, and then a  
14 comment. Over the last five years we have seen a lot of  
15 information out there that relate to the aging work force  
16 in the utility industry. Right here on Florida Power and  
17 Light property, we are told that the average age of a  
18 lineman is 47 years old. Besides what would appear to be  
19 obvious, the need to hire and train, is the fact that this  
20 aging work force has had significant increases in the  
21 medical premiums. We are getting older, we are breaking.

22 My question to the Public Service Commission and  
23 something that I would ask that they keep in mind, has  
24 Florida Power and Light indicated to you what the plans  
25 are going to be to address the aging work force and also

1 the medical premiums caused by the aging work force. I  
2 think that is something that every ratepayer, every  
3 customer, everybody out here that has electric needs to be  
4 aware of. We have got to get some bodies in here to keep  
5 the lights on.

6 Thank you.

7 **COMMISSIONER McMURRIAN:** Thank you.

8 Mr. Willis, can you address that area?

9 **MR. WILLIS:** Commissioner, I don't feel  
10 comfortable enough to really address that at this point.

11 **COMMISSIONER McMURRIAN:** Mr. Haynick, I will just  
12 say that it is something that has come up at a few other  
13 meetings, and we will be reviewing in total the company's  
14 request and looking into a lot of these areas. So we may  
15 not have that information at this time, but --

16 **MR. HAYNICK:** Thank you very much.

17 **COMMISSIONER McMURRIAN:** Thank you.

18 **MR. BECK:** The next customer is June Wolfe.

19 JUNE WOLFE

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

22 DIRECT STATEMENT

23 **MS. WOLFE:** Good evening, Commissioners. I am  
24 June Wolfe, President of the South Florida Manufacturers  
25 Association. I am here today in support of Florida Power

1 and Light.

2 South Florida has 33 percent of the state's  
3 manufacturers and 25 percent of the employment in  
4 manufacturing, and contributes over a billion and a half  
5 dollars to the South Florida economy. So it is an  
6 industry that needs to be kept viable.

7 Florida Power and Light was a founding member of  
8 the Manufacturers Association in 1960, and for 50 years  
9 has supported the industry by performing energy  
10 evaluations to make sure that the manufacturers are not  
11 wasting energy by encouraging the use of efficient  
12 processes and equipment that may qualify for energy  
13 incentives and rebates, and by fighting for the sales tax  
14 exemption on energy used in the manufacturing process,  
15 finally making Florida competitive with our neighboring  
16 states.

17 Manufacturers are one of the largest users of  
18 energy, and the industry really needs Florida Power and  
19 Light's services to be continually updated and at least  
20 maintained at the current level. Manufacturers struggle,  
21 as you know, you hear it every day, they struggle every  
22 day to become and stay globally competitive and every dime  
23 taken off the price of a manufactured piece gives us a  
24 better chance of selling it and gives us a competitive  
25 edge, helping us to contribute to the state's economy and

1 the nation's economy, and we value our relationship with  
2 Florida Power and Light.

3 Today no one wants an increase in any expense,  
4 least of all manufacturers, but we have to look to the  
5 future, future generations and future manufacturers.  
6 Making an investment in finding and using new energy  
7 sources is a necessity today. What kind of resources does  
8 that discovery require? I don't know that. My thought,  
9 though, is that for the manufacturers, by saving energy  
10 with more efficient usage and by installing processes and  
11 equipment that qualify for energy incentives and rebates,  
12 with FPL's guidance and with innovative energy sources and  
13 solutions, the manufacturers will save in the end.

14 Thank you.

15 **COMMISSIONER McMURRIAN:** Thank you.

16 Mr. Beck.

17 **MR. BECK:** The next customer, Henry Salomon.

18 HENRY SALOMON

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

21 DIRECT STATEMENT

22 **MR. SALOMON:** Thank you, Commissioners. My name  
23 is Henry Salomon. And Florida Power -- FPL has not  
24 decreased in any way, the rest of the market has. For the  
25 past five years, FPL Group stock has gone up dramatically.

1 Yes, there was a falloff in November of 2008 along with the  
2 rest of the market, but the recovery has been dramatic.  
3 This attests to the fine leadership and strength of a  
4 well-managed company. They offer a forward annual dividend  
5 rate of 3.30 percent, better than most other publicly  
6 traded companies. With a beta, which is the risk factor,  
7 of .74, very low. Because of these factors, I own shares  
8 of Florida Light and Power. They have a 10.2 percent  
9 profit margin with a return on equity of 15.5 percent and a  
10 return on assets of 4.28 percent.

11 In this year's first quarter they made a profit  
12 of 127 million, up from a mere 108 million in 2008. This  
13 is not the picture of a company in financial straits.  
14 This is not a picture of a company that needs a 30 percent  
15 base rate increase in a time when we are having stress in  
16 the rest of Florida's economy.

17 This rate increase cannot be supported by facts.  
18 The cost of solar development, nuclear plants, fuels, et  
19 cetera, that they cite are all passed through and they are  
20 compensated by the law. They have nothing to do with the  
21 rate increase. They have not proven their case.

22 **COMMISSIONER McMURRIAN:** Thank you.

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

24 Ida Pamenta.

25 IDA PAMENTA

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

3 DIRECT STATEMENT

4 **MS. PAMENTA:** Good evening. My name is Ida  
5 Pamenta. I have been a resident of South Florida for 38  
6 years, and it is almost impossible to live in Florida  
7 without air conditioning, especially if you come from New  
8 England.

9 I live on a fixed income, and just this month,  
10 my FPL bill went from \$85 to 114. Last year my home  
11 insurance went from 1,700 to 2,500. My water bill  
12 increased from 58 to \$95. This is within the last year.

13 Medical costs, groceries have increased, and  
14 these are basic needs. On January 1, 2009, I received a  
15 three percent increase from Social Security. Therefore,  
16 as a senior, I oppose very strongly to the 30 percent  
17 increase. And, in addition, I find this proposed  
18 30 percent increase unconscionable. These cost increases  
19 have become a burden and very stressful to seniors.

20 Thank you for allowing me to speak.

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

22 Gloria Fleitman.

23 GLORIA FLEITMAN

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

## DIRECT STATEMENT

1  
2           **MS. FLEITMAN:** Good evening, Commissioners, and  
3 thank you for allowing me to address you. My name is  
4 Gloria Fleitman, and I have lived in Plantation since 1983.  
5 That is 26 years. As a matter of fact, I live up the  
6 street here.

7           I live in a fourth floor condominium, and when  
8 the power goes out, guess what else goes out? The  
9 elevators. We have two inside stairways. They are dark.  
10 I have a leg and a back injury. I'm not able to  
11 manipulate stairs. So guess what, I am stranded. We had  
12 a storm last Tuesday. Guess where I stayed? Up stairs in  
13 my fourth floor apartment, because I couldn't get down.  
14 Thank you, Florida Power and Light, for restoring service  
15 as quickly as you did.

16           However, moving on. The power came on, the sun  
17 came out. I went down to the mailbox because the elevator  
18 was on, and guess what I found? My electric bill. Just  
19 sheer coincidence. Anyway, my fixed income for 2010 is  
20 projected at zero percent increase. How can you justify a  
21 30 percent increase in my power bill? That \$12.55 a month  
22 is not the national debt. It is not going to poorhouse  
23 me, but by the time that I take my expenses and my budget  
24 for 2010, and I figure up the bottom line, I am in a  
25 negative position, and it means I have to go into my

1 reserves.

2 I worked hard all of my live. I think I am  
3 entitled to my retirement. I'm not saying that Florida  
4 Power and Light is not entitled to a reasonable increase,  
5 something that is fair. After all, you do have an  
6 infrastructure to maintain. Other people here have stated  
7 the other obvious things that need to be maintained  
8 throughout the course of Florida Power and Light's service  
9 to us. I am not denying an increase. I am looking at the  
10 factor of fairness.

11 My scaled down living I can deal with. I have  
12 learned how to do all of the things that other people are  
13 talking about within my means, to cut back, to replace  
14 bulbs, to replace my air conditioning unit. I turn the  
15 lights off. I turn the fans off. I turn the television  
16 off when I am not using it instead of letting it be  
17 company during the day.

18 I try do the things that normally reasonable  
19 people would do. However, seniors also have more of a  
20 susceptibility to injury and to other problems that come  
21 up medically. I know that this past year was a very  
22 severe time of personal financial -- yes, financial, it  
23 sure was. But personal medical issues to me which had to  
24 be addressed, so reserves had to be taken into  
25 consideration.

1           Basically, since going back to work is not a  
2 viable option, and I have put in my years, I do feel that  
3 at this point I want to stay in the light and not be in  
4 the dark. I think if we can be reasonable, since Florida  
5 Power and Light does have adequate finances, they are in a  
6 sound position financially, the financial demographics I  
7 don't have to go over again, because we have heard them  
8 all, but I do think that it is important that we all work  
9 together. And very simply I think my shirt says it all,  
10 together we can do anything, but divided we fail.

11           Thank you.

12           **COMMISSIONER McMURRIAN:** Thank you.

13           **MR. BECK:** Thank you.

14           Delores Pamenta.

15                           DELORES PAMENTA

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

18                           DIRECT STATEMENT

19           **MS. D. PAMENTA:** Thank you for having me coming  
20 up to speak. It is very difficult to follow Gloria  
21 Fleitman. My name is Delores Pamenta and I am a resident  
22 of Cooper City.

23           I have been a customer of FPL for 38 years. And  
24 I oppose the base rate increase, especially because I  
25 think from what I have been reading and hearing, the

1 increase of 30 percent being proposed is unreasonable,  
2 especially in these poor economic times.

3 I am retired, and I try to live within my Social  
4 Security, and believe me, I have not ever received a  
5 30 percent increase, whatsoever. It is just not  
6 affordable to pay the 12.50 a month that is being spoken  
7 of, because I am worrying about paying mortgage, all of  
8 the utilities, and medications within my Social Security  
9 money. And I believe I'm not the only one.

10 I belong to a charter -- excuse me, a chapter of  
11 AARP. There are 42 members, and this is what I hear  
12 speaking, this is what I hear them talking about. I have  
13 friends who have lost their job. There is no way that  
14 these two people who are in their fifties, who for six  
15 months have not found a job, are going to be able to pay  
16 12.50 more.

17 And from what I have been reading and what I  
18 have been hearing, FPL is in good straits. There is not a  
19 need for an unreasonable increase. And I just wanted to  
20 point out that on this yellow sheet from the Florida  
21 Office of Public Counsel, it says they have a storm  
22 reserve, which is very good. I'm not able to have a storm  
23 reserve. If a hurricane comes and I lose my house, I  
24 don't know what I am going to be able to do. I have  
25 family all up in New England, and they are young and they

1 have children of their own. They can't take another aunt  
2 or great aunt in and take care of me. So I am very  
3 worried.

4 When I looked at this blue special report from  
5 the Florida Public Service Commission, and it says for  
6 June, that is Number 3, those of you who have it, for June  
7 2009, a 1,000-kilowatt monthly bill for residential  
8 customers is 107. No. I got my bill for 997, it was  
9 \$115. In Number 4 it says using FPL's proposal, a 1,000  
10 kilowatt monthly bill for residential customers will be  
11 104 in January 2010, and 116 in January of 2011. Well, it  
12 is 2009, and I already am paying \$115.

13 So, once again, I appreciate that FPL has done  
14 good in their service and that they have a lot of these  
15 programs trying to help. However, I don't see, I don't  
16 understand that there is a need to have an increase and  
17 especially at this time. I listened and I looked at the  
18 charts, and it just doesn't come to my thinking that it is  
19 necessary.

20 So with that in mind, I would like to say that I  
21 oppose the increase at this time, that it does not appear  
22 to be a need, and if you, the Commissioners, feel that  
23 perhaps an increase is important and they do need it, I  
24 think it should be reasonable, and I don't consider the  
25 30 percent that is proposed reasonable.

1 I appreciate for being allowed to speak at this  
2 public forum, and thank you for your attention.

3 **COMMISSIONER McMURRIAN:** Thank you, Ms. Pamenta.

4 **MR. BECK:** Thank you. The next customer, Henry  
5 Cepeda.

6 HENRY CEPEDA

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

9 DIRECT STATEMENT

10 **MR. CEPEDA:** Good evening, Commissioners, and  
11 good evening, Counsel. Thank you. My name is Henry  
12 Cepeda. I am a resident of Plantation, Florida for the  
13 last eight years. Prior to that I lived in Dade County  
14 Florida.

15 For 35 years I was a public servant like you  
16 all, and as a firefighter/paramedic, I had experience in  
17 dealing on an emergency basis with Florida Power and Light  
18 on many occasions and found them always to be prompt,  
19 professional, and ethical in getting the job done.

20 I understand this is a hearing and testimony as  
21 far as a rate increase. It is way above my pay scale,  
22 which currently is a pension, in determining whether this  
23 is justifiable or not, but I understand that Florida Power  
24 and Light is a public company. It is -- it has a  
25 fiduciary responsibility to its shareholders and its

1 shareholders only. So I trust that you all will do your  
2 diligent effort and work in determining whether this is  
3 fair or not.

4 I won't state a personal opinion, because as I  
5 said, I don't have all of the facts. And until all of the  
6 facts are presented and evaluated an honest decision can  
7 then be made. I appreciate your service. Thank you.

8 **COMMISSIONER McMURRIAN:** Thank you, Mr. Cepeda.

9 **MR. BECK:** The next customer is Michael Melendez.

10 MICHAEL MELENDEZ

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

13 DIRECT STATEMENT

14 **MR. MELENDEZ:** Good evening. Thank you for the  
15 opportunity to speak. My name is Michael Melendez. I am  
16 here to speak in support of FPL and the men and women that  
17 work with FPL.

18 In the spirit of full disclosure, I do -- I have  
19 worked for the State of Florida for six years, and I have  
20 worked with FPL in a business manner, and I also work for  
21 a private firm that also does business with FP&L.

22 But I am here to speak as a resident and someone  
23 that has received service from FP&L for 12 years in  
24 Broward County, and I can tell you that I think the  
25 biggest impacts to me are when I see the men and women

1 that are basically trying to restore power in 40-mile an  
2 hour winds, and that really has an effect on me. Because  
3 you think -- you hear the stories about these guys losing  
4 their lives, and it really hits me hard. So I'm not going  
5 to sit here and pretend that I have seen enough detail  
6 that I can make some estimate of how much the rate  
7 increase should be. But anything that decreases the level  
8 of service that I have received, I would say that the  
9 responsibility is there to maintain that. So with that, I  
10 thank you very much.

11 **COMMISSIONER McMURRIAN:** Thank you, Mr. Melendez.

12 **MR. BECK:** Thank you. The next customer is Vilma  
13 Lubellero.

14 VILMA LUBELLERO

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

17 DIRECT STATEMENT

18 **MS. LUBELLERO:** Good afternoon. Good evening.  
19 My name is Vilma Lubellero. Actually, I want to share with  
20 you this evening that I am a resident of Lake Worth, but I  
21 work in Fort Lauderdale. So I can compare the service that  
22 we have in Lake Worth where we only have the option of  
23 using Lake Worth Utilities. And during the hurricane  
24 times, in the season when we have Hurricane Wilma, I was  
25 without power for more than 20 days. And I had a chance to

1 compare with the people that I work with, and seriously  
2 20 days is a lot. So I recognize FPL for being proactive  
3 and very responsive and restoring the power with more  
4 reasonable time.

5 Thank you.

6 **COMMISSIONER McMURRIAN:** Thank you.

7 **MR. BECK:** The next customer, Ms. Carol Smith.

8 CAROL SMITH

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

11 DIRECT STATEMENT

12 **MS. SMITH:** Good evening, and thank you very much  
13 for having us here. My name is Carol Smith, and I live in  
14 Coral Springs. I have been an FPL customer for over  
15 20 years.

16 The service of FPL is certainly not in question,  
17 and I also appreciate all of FPL's community support that  
18 they have given to organizations that I have been  
19 affiliated with over the years. They have helped many  
20 non-profits. However, that is not what we are here  
21 talking about.

22 I urge the Public Service Commission to deny  
23 this request. A 30 percent increase in the basic electric  
24 rate is outrageous. Everyone is scrimping trying to  
25 manage their finances to stay afloat. My investments have

1 lost over 30 percent this past year. My bill would  
2 increase by over \$150. FPL's profits are now 10.7 or  
3 10.2, depending on which report you are reading, generally  
4 considered more than adequate and certainly more than most  
5 other investments. There is something inequitable here.

6 I have heard it said that our actual costs might  
7 go down because of the fuel cost adjustment. That would  
8 be helpful, but it could just as well go up. Fuel costs  
9 fluctuate because of actual costs. The base cost,  
10 however, is what is now under consideration.

11 I would agree that FPL deserves a reasonable  
12 profit. I wish we all could have a reasonable profit, but  
13 asking for this increase is just greed. Please deny the  
14 request.

15 Thank you.

16 **MR. BECK:** Thank you.

17 Jackie Meli.

18 JACKIE MELI

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

21 DIRECT STATEMENT

22 **MS. MELI:** Hi. My name is Jackie Meli, and I am  
23 a LEED AP, which is Leadership in Energy and Environmental  
24 Design, and I am just here to comment that FPL has not only  
25 been so generous with the United States Green Building

1 Council, who I am a former member of, and a former board  
2 member of the South Florida chapter, but also I am a state  
3 employee with the Department of Transportation, and my  
4 efforts with FPL have been wonderful working with them as a  
5 partner.

6 So I am here not to comment on the rate  
7 increase, but to let them know that I support their  
8 research in photovoltaic systems. I support their  
9 donations that they have made to Nova University for, I  
10 believe, it was almost \$500,000, but don't quote me, I  
11 could be wrong, and numerous programs that they have set  
12 up with Broward County School Systems to teach our next  
13 generation about alternative energy. That's all.

14 Thank you.

15 **COMMISSIONER McMURRIAN:** Thank you.

16 **MR. BECK:** The next customer is Shane Le Mar or  
17 Le Mar.

18 SHANE LE MAR

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

21 DIRECT STATEMENT

22 **MR. LE MAR:** My name is Shane Le Mar, and I am a  
23 south Floridian. First, I want to say best wishes to the  
24 Commission. I only wish you guys were in charge of our  
25 national banking system. We probably would not be in this

1 economic mess, and please do good work.

2 My family moved here in 1973, and we lived in  
3 West Palm Beach, and I went to elementary school, junior  
4 high school, high school, and college. I am now a  
5 business owner. I live in Fort Lauderdale where I am an  
6 FPL customer. I have two warehouses in Oakley Park  
7 (phonetic) where I am an FPL business customer.

8 For me this issue is about quality of life and  
9 customer service. All around the country I see news  
10 reports of initiatives that are voted by voters that don't  
11 fund them, and then they wonder where their public service  
12 dollars have gone, or where the services they don't get  
13 are no longer in play. I see people who love cheap  
14 airline tickets, then hate the airlines and say flying is  
15 a terrible experience.

16 Here in South Florida we have a barely adequate  
17 mass transit system. We have very few east/west corridors  
18 that will not get you stuck in traffic, and we have a  
19 terrible and very expensive cable system. One of the  
20 bright points here in South Florida is that we have a  
21 pretty good electric company called Florida Power and  
22 Light. I know this because I live on the beach. I have  
23 been living through hurricanes since Hurricane Dave in  
24 1979. During Hurricane Wilma, I was without power for  
25 almost a month and a half. I was one of very last people

1 in (inaudible) to get my power back.

2 As I drive through the cities, all right, I can  
3 look around and I can see old poles, I can see wood poles,  
4 I can see transmission lines that need to be changed, I  
5 can see transformers that need to be changed. As a  
6 business person, I realize these things all have cost.

7 Now, I don't know the facts that you guys have  
8 seen, okay, but I do know when I was without power, and I  
9 have lived here for so many years, the people that get me  
10 back up very quickly are Florida Power and Light people.  
11 And I know -- you may say they may not need the money, but  
12 when I drive around and look at the infrastructure, I know  
13 it needs upgrading, and that is going to cost money.

14 So here is what I am going to say: I don't know  
15 how much the increase should be. I am going to trust you  
16 guys to do your job, but I have got great service now. I  
17 want to keep living in South Florida. I don't want to be  
18 without power for two months. So, please, give them what  
19 they need and regulate them.

20 Thank you very much.

21 **COMMISSIONER McMURRIAN:** Thank you.

22 Mr. Beck.

23 **MR. BECK:** Thank you. The next customer is Jack  
24 Kubasek.

25 JACK KUBASEK

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

3 DIRECT STATEMENT

4 **MR. KUBASEK:** Good evening, Commissioners. My  
5 name is Jack Kubasek. I am a director of operations in a  
6 retirement community in northern Broward that houses 10,000  
7 residents.

8 I want to speak to you about my personal  
9 interaction representing this community with FP&L.  
10 Basically, customer service and energy management. Our  
11 relationship started with some severe power outages that  
12 you hear a lot of people complaining about. And I called  
13 FP&L, and they responded. They sent over a team. We were  
14 able to work out a plan to find the cause of it, and over  
15 a period of a year they replaced all of the direct buried  
16 cables that were causing the problems in our property.

17 The response that we got from them was very  
18 good. They also responded to my requests for advice and  
19 help on energy management programs that helped us reduce  
20 the cost for our senior community.

21 And two examples I will give you. We have two  
22 commercial areas. One is a theater area and one is a club  
23 house area, and with the programs that they helped me  
24 design to put in there, we were able to reduce the bills  
25 \$2,000 per month and \$1,500 per month, respectively.

1           And as one of the other gentlemen said, they are  
2 very aggressive in coming forward and following up and  
3 asking you where can we help and showing us different  
4 ways. We also have some two-story buildings on our  
5 property that have attics just like residential homes, and  
6 they came in and insulated all 40 of them for nothing  
7 under programs that they offer. And I found that there  
8 are many programs out there for individual residents  
9 who can't afford to do these things that FPL sponsors, and  
10 helps people get to the point where, you know, where they  
11 can help themselves and reduce their costs.

12           The rate increase no one wants, but as a  
13 reality, we have to look into things that are there. I'm  
14 sure that everyone is not satisfied with the service that  
15 they get. No one is with a company that is that large,  
16 but from my experience, I see constant improvement and  
17 cooperation from FPL to help us get towards a common goal.

18           I was kind of impressed with the first speaker,  
19 Ms. Santos, who was talking about long-range planning. If  
20 the people in our government had talked like she did and  
21 did long-range planning like she is speaking of we might  
22 not be in the mess that we are in today.

23           Performance should be very important in this  
24 issue and the quality of service should also be very  
25 important. I, for one, am glad to hear all of this

1 information tonight that FPL is financially stable and how  
2 strong they are. I would hate to be standing here tonight  
3 talking about the possibility of us absorbing the cost of  
4 a company that went like the banks went or like Goldman  
5 Sachs or Bear Sterns, who everyone thought were so  
6 financially sound, and then they found out they weren't  
7 because they didn't plan properly for the future.

8 Another gentleman said that in Tampa they were  
9 giving -- they gave the Tampa power company the rate  
10 increase that they needed to keep the lights on. Well,  
11 when you give a rate increase to keep the lights on, it is  
12 already too late.

13 I think that the rate issue should be decided on  
14 a strictly business issue, a business decision rather, not  
15 a social issue. There are a lot of programs out there to  
16 help people that do need help and assistance in keeping up  
17 with the ever-increasing costs that we are all facing now.  
18 But to arbitrarily say that they don't need it, again, I  
19 don't know all the facts, as the previous gentleman said,  
20 and we have to trust in you guys to make the right  
21 decision.

22 Another fact that was brought up here was that  
23 FPL had no increase in 25 years, and I think that is a  
24 sign of a well-run company. And you have to also keep in  
25 mind that during those 25 years we had very long periods

1 of strong economic growth, which I'm sure aided that. Now  
2 it is different time, and it is a different place, and  
3 things have to be looked at differently.

4 Thank you.

5 **COMMISSIONER McMURRIAN:** Thank you.

6 **MR. BECK:** The next customer is Philip and Wanda  
7 Bartley.

8 WANDA BARTLEY

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

11 DIRECT STATEMENT

12 **MS. BARTLEY:** My name is Philip -- no, he didn't  
13 want to come. Good evening, everyone. I am Wanda Bartley  
14 and my husband, Philip, are here from Coral Springs. We  
15 recently moved from New York City permanently, but we have  
16 owned our home since 2001.

17 However, FPL has been very, very responsive.  
18 They are very good, and we have called them so many times,  
19 and they have come and they have come and shown us  
20 different programs and given us an energy audit. And so  
21 they have done a wonderful job.

22 About the rate increase. We are retired, so,  
23 you know, we would hope the Commissioners and all the  
24 parties review everything carefully, and see -- and, you  
25 know, do everything that is fair and reasonable. That is

1 all that we ask, because we definitely can't afford a  
2 large rate increase.

3 But, in regards to FPL, they are a very  
4 wonderful company. I can't have any complaints. They  
5 have been very responsive to everything we asked them to  
6 do. Okay.

7 Thank you very much.

8 **COMMISSIONER McMURRIAN:** Thank you, Ms. Bartley.

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

10 The next customer is Godwin Graham.

11 GODWIN GRAHAM

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

14 DIRECT STATEMENT

15 **MR. GRAHAM:** Commissioners, my name is Godwin  
16 Graham, residing in Tamarac. I am on the phone with FPL  
17 almost every month. The reason why, I cannot understand  
18 why I am paying fuel cost of \$97 every month. My bill is  
19 \$200 every month. I have a three bedroom, two bathroom  
20 single family residence. I am living on my retired fixed  
21 income. I do not want you all to increase this because my  
22 bill will be more. I will experience more hardships.

23 I see there was two charts over here presented  
24 to you all, but they did not include how many -- we have  
25 got to pay for fuel every month. That should have been

1 included in that chart.

2 I thank you very much.

3 **COMMISSIONER McMURRIAN:** Mr. Graham, I just  
4 wanted to ask you, you said what was presented to us. I'm  
5 sorry.

6 **MR. GRAHAM:** I reside in Tamarac.

7 **COMMISSIONER McMURRIAN:** Right. But you said  
8 that something was presented to us and something should  
9 have been included it, and I just didn't quite --

10 **MR. GRAHAM:** No, I said there was two charts  
11 presented.

12 **COMMISSIONER McMURRIAN:** Oh, the charts. Okay.

13 **MR. GRAHAM:** But there was no -- there was no --  
14 they did not show the increase that we are going to pay for  
15 fuel.

16 **COMMISSIONER McMURRIAN:** Okay. I understand now.  
17 Thank you very much, Mr. Graham.

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

19 The next customer is John Baston.

20 JOHN BASTON

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

23 DIRECT STATEMENT

24 **MR. BASTON:** Thank you for allowing me to come  
25 tonight and talk to you. My name is John Baston, and I am

1 going to talk to you about two things that are important to  
2 me, and that is reliability and value for my dollar.

3 From a reliability standpoint, I travel a lot  
4 with my job. I have been in Trinidad when it is in the  
5 upper 80s sitting in a hotel with no electricity wishing I  
6 was home where my FPL power was on. I have been in  
7 California, a deregulated industry, that had rolling  
8 blackouts wishing I was home sitting in my FPL house with  
9 the power on. So reliability is very important to me.  
10 And as a part of reliability, I know that is going cost  
11 money. If FPL makes a profit off of it, I am okay with  
12 that, because the second part is value.

13 The value for my dollar is very good with FPL.  
14 When I look at my cable bill, I look at my water bill, I  
15 look at my car payment, I look at all the bills I have,  
16 FPL gives me the best value for my dollar. So if they  
17 raise the rates -- also, I looked at this -- is this from  
18 the Commission, this blue sheet?

19 **MR. BECK:** Yes.

20 **MR. BASTON:** I looked at this and based on where  
21 I use -- my total increase would be about seven percent in  
22 January of 2011, so the 30 percent plus fuel costs and  
23 stuff like that, makes the seven percent increase.  
24 Seven percent is a much lower increase than my water bill  
25 has had, than my cable bill has had, than all my other

1 bills have had. So I still think my value for my money is  
2 the best here.

3 Thank you.

4 **COMMISSIONER McMURRIAN:** Thank you.

5 **MR. BECK:** Don Maines.

6 DON MAINES

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

9 DIRECT STATEMENT

10 **MR. MAINES:** Hi. Good evening. Thank you. My  
11 name is Don Maines. Everyone else is mentioning it, so I  
12 guess I will, too. I moved here in 1967, so I have been  
13 here for awhile myself. And I am here to talk about, also,  
14 the quality of service from FPL and my experience with it  
15 and my support.

16 I am a former council member of Southwest  
17 Ranches, and through that position I worked closely with  
18 some of the representatives from FPL. And as far as  
19 continuing service there, the pruning of the trees on the  
20 high wires, the old poles and the old service we have  
21 there so it has to be updated. So going along with what  
22 everyone here is saying, that the investment that has to  
23 be done in Broward County and through FPL's service area  
24 for upgrading service is going to be a large cost.

25 And I would also like to speak of the type of

1 company that FPL is and the way that they do care about  
2 their employees. Now, we have heard some of the residents  
3 getting up speaking about how they packed up the truck,  
4 they went back out, they performed excellent service.  
5 Well, they are a caring company. I am also the former  
6 director of the Member Assistance Program for the AFL-CIO,  
7 and a president of the Employee Assistance Professional  
8 Association. Through that I have worked closely with  
9 management and labor from FPL, and they have probably the  
10 best program in the state of Florida as far as a combined  
11 labor/management program and caring for their employees.  
12 And that is why their employees show it and work the way  
13 they do.

14 You know, they put time and effort into  
15 supporting them to save jobs, save families, and keep them  
16 working and it shows with the service that they provide.  
17 So, yes, I am here in support of the FPL contract.

18 Thank you.

19 **COMMISSIONER McMURRIAN:** Thank you, Mr. Maines.

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

21 The next customer is Joe Schwartz.

22 JOE SCHWARTZ

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

25 DIRECT STATEMENT

1           **MR. SCHWARTZ:** Good evening, Commissioners. My  
2 name is Joe Schwartz. I am from Coral Springs. I am on a  
3 fixed income, disabled, and retired.

4           I have listened carefully to all the numbers  
5 FP&L has proudly remitted in word and chart to bolster  
6 their argument for increasing the base rate 30 percent.  
7 All I can say is they have managed to take the term fuzzy  
8 math and have it evolve to a new level of fuzziness. So  
9 let me see if I got it straight.

10           FPL has admittedly confessed to overbilling its  
11 customers 1.2 billion, which it has not returned to its  
12 customers, and at the same time is asking for a  
13 \$1.3 billion increase. Sure, that makes sense. Afraid  
14 not.

15           FPL says that an average bill of \$100 per  
16 kilowatts, the net increase to the consumer is expected at  
17 \$12.50 on their bill. I have been living in Coral Springs  
18 now for about 15 years. I'm really getting confused here.  
19 I find that my kilowatt usage is at 2,000 kilowatts. Mind  
20 you, that is after an FPL inspection, repair of the ducts,  
21 which they indicated needed to be repaired, tune up of my  
22 air conditioner, which needed to repaired, which is a  
23 high-efficiency air conditioner, new energy efficient  
24 windows, and caulking and molding and all that goes with  
25 it, as well as insulation.

1           The increase, if granted, would amount to almost  
2 \$25 more per month. Although FPL claims not to have  
3 increased the base rate since 1985, they do not talk about  
4 the separate line or pass-through increases they have  
5 clearly done, which when factored in since 1985, would  
6 actually increase -- show an increase percent of  
7 31 percent.

8           The fuel drop expectation, is just that, an  
9 expectation. Supply and demand and a volatile Middle East  
10 situation cannot guarantee that. If FP&L were granted the  
11 30 percent increase in their base rate, the domino effect  
12 will make the real cost -- will make the 30 percent  
13 increase look miniscule.

14           A base rate increase of 30 percent will also  
15 roll over to the cities, the counties, the school  
16 districts, supermarkets, retailers, and many other  
17 entities will in turn pass this extra cost on to us in the  
18 way of higher taxes, higher costs, or less services.  
19 There is a domino effect.

20           There is no unlimited source of cash in my home  
21 to afford this increase. I and my wife are retired.  
22 Every day we move closer and closer to a negative cash  
23 flow. We are being told our Social Security income will  
24 be frozen for the next two years and possibly three.  
25 Unemployment in our family and our families around us is

1 growing. Florida families are beyond tightening their  
2 belts. As a matter of fact, they are going to the  
3 breaking point, if not there already. I ask that FP&L do  
4 no less.

5 Now is not the time for an increase in FP&L base  
6 rates. I ask you, the Commissioners of the Public Service  
7 Commission, to look at the real numbers and impact this  
8 will cause, and not the fuzzy math FP&L tries to cloud  
9 yours and our best interests.

10 Thank you.

11 **COMMISSIONER McMURRIAN:** Thank you, Mr. Schwartz.

12 Mr. Beck, I think we will take one more before  
13 we take a break for the court reporter, a short break.

14 **MR. BECK:** The next witness is Cynthia Feenstra.

15 Cynthia Feestra.

16 Stephanie Nagel.

17 STEPHANIE NAGEL

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

20 DIRECT STATEMENT

21 **MS. NAGEL:** Thank you for letting me speak. I  
22 really appreciate it.

23 I am here representing my neighborhood. I'm not  
24 happy with FP&L.

25 **COMMISSIONER McMURRIAN:** Could you repeat your

1 name?

2 **MS. NAGEL:** My name is Stephanie Nagel. Thank  
3 you for reminding me.

4 I am here because I live in a neighborhood that  
5 is almost 40 years old, straight back there, called Mirror  
6 Lake Estates. I have been living in Florida for 38 years.

7 Four years ago we had Hurricane Katrina, lost  
8 power for two weeks. Then we had Wilma, lost power for  
9 four weeks. We were told with FP&L's increases they got  
10 from different fees they would fix the infrastructure.  
11 They have failed to do that.

12 After Tuesday's storms, where what, over 30,000  
13 people lost power, I decided to write you. And I did  
14 write you over the Internet, and I called FPL and, as a  
15 matter of fact, three people called me back because they  
16 saw I was furious. Why did some power go out? When power  
17 goes out for me, I have to do the microwave, my  
18 coffeemaker, my stove, all the bedroom clocks, and my VCR  
19 clock, which is easy to see. I did it three times on  
20 Tuesday.

21 FP&L promised us after Wilma, when all of those  
22 things happened and prices went up, they would fix the  
23 infrastructure. Today one of the people told me by  
24 looking through the records nothing was done in my  
25 neighborhood. So I paid more money and nothing got done.

1 So, my neighborhood, if we have a big hurricane will have  
2 another month with no power.

3 If you speak to people from newer areas, newer  
4 developments, they will tell you power comes on quickly.  
5 Not in the older areas, which seems to be ignored. That  
6 is why I am here. I am tired of it. I mean, I went away  
7 to visit my son and my new granddaughter this weekend. I  
8 come back, there was a power failure. Every week there is  
9 a power failure at least one or twice in my neighborhood.

10 FP&L is nice on the phone, but they promised to  
11 fix the infrastructure, and they have done zero in Mirror  
12 Lake. You can look it up because -- I would have brought  
13 names, but someone told me today, oh, no, they haven't  
14 done anything. Maybe they will go do something now. They  
15 promised us four years ago.

16 The CEO got over a million dollar increase. He  
17 makes millions of dollars. Maybe the people who love FP&L  
18 on that side of the room want to pay for it, I do not.  
19 And when you think of some of the people now suffering in  
20 this country, barely getting by, and FPL is making a ton  
21 of money and not keeping its promises about the  
22 infrastructure, I don't think they deserve one cent.

23 And you are supposed to represent us.  
24 Unfortunately, a lot of the us people -- I am on vacation.  
25 I'm a teacher. The us people are probably exhausted

1 trying to work and make money for all their bills. But I  
2 am here representing the average person, and I wish FP&L  
3 was more competent and they kept their promises. I don't  
4 think they deserve anything.

5 Thank you.

6 **COMMISSIONER McMURRIAN:** Ms. Nagel, Commissioner  
7 Skop has a question for you.

8 **MS. NAGEL:** Go ahead.

9 **COMMISSIONER SKOP:** Thank you, Ms. Nagel. I  
10 appreciate your comments. Also, not to give you any  
11 inconvenience, but it is my understanding that FPL does  
12 have their service representatives --

13 **COMMISSIONER ARGENZIANO:** Commissioner Skop, once  
14 again, I can't hear you.

15 **COMMISSIONER SKOP:** I'm sorry. Can you hear me  
16 now? Is that better? Okay.

17 Ms. Nagel, it is my understanding that FPL  
18 does have its customer service representatives here and,  
19 perhaps, if you could provide your specific service  
20 address to them, they may be able to remedy the  
21 inconveniences that you are experiencing in your  
22 neighborhood. And, hopefully -- again, it is up them to  
23 do that, but it seems as if you have contacted them and  
24 asked them to address the problem and, you know, again,  
25 I think that they need to take a look at that.

1           **MS. NAGEL:** Let me add that I haven't seen any  
2 worker from FP&L for over five or six years. The people  
3 who restored my service after those hurricanes were from  
4 Wisconsin and one was from another state. Not one person  
5 from FP&L. FPL, where are you?

6           **COMMISSIONER SKOP:** Hold on, Commissioner. Ms.  
7 Nagel, like I say, if you can speak to the customer service  
8 representatives --

9           **MS. NAGEL:** Okay. Where are they?

10          **COMMISSIONER SKOP:** They should be outside, and I  
11 think a representative -- Ms. Nagel, hold on. And if you  
12 are not able to get satisfaction with that, if you will  
13 contact my office, I will look into it on your behalf.

14          **MS. NAGEL:** Do you have a card?

15          **COMMISSIONER SKOP:** Yes, ma'am.

16          **MS. NAGEL:** Thank you.

17          **COMMISSIONER McMURRIAN:** Commission Argenziano  
18 also has a question.

19          **MR. WILLIS:** Is it Dory, Dory Lakes?

20          **MS. NAGEL:** No. Mirror, Mirror, M-I-R-R-O-R,  
21 Lakes in Plantation.

22          **COMMISSIONER McMURRIAN:** Commissioner Argenziano  
23 wants to ask you a question, as well.

24                   Commissioner Argenziano.

25          **COMMISSIONER ARGENZIANO:** Yes. What I was going

1 to suggest is instead of having -- I mean, the woman maybe  
2 should go talk to the FPL representative, but maybe our  
3 staff can follow up and find out what has been done in her  
4 neighborhood, and what is lacking, or what the problems are  
5 rather than put it on the customer. Can we do that,  
6 please?

7 **MR. WILLIS:** Commissioner Argenziano, that is  
8 exactly what I was doing by asking what her neighborhood  
9 was. We will do that.

10 **COMMISSIONER ARGENZIANO:** And, Marshall, can you  
11 let me know what you find out about that, or what the  
12 company did do about -- you know, what the company side of  
13 that is, too, please?

14 **MS. NAGEL:** Yes, the frequent blackouts.

15 **MR. WILLIS:** Yes, Commissioner.

16 **COMMISSIONER SKOP:** Commissioner Argenziano, this  
17 is Commissioner Skop. Again, I assumed that our staff  
18 would be doing that automatically. So, again, that's why I  
19 didn't mention that to staff.

20 **COMMISSIONER ARGENZIANO:** I'm not faulting you.  
21 I just want to make sure that the staff knows right now and  
22 that Marshall will be right on it to make sure that we, the  
23 Public Service Commission, heard what she said and will  
24 follow up and look into it. I agree with you she should  
25 speak to the representative there, also, but I want to make

1 sure that if the Public Service Commission is sitting here  
2 listening to her that we also follow up.

3 **COMMISSIONER McMURRIAN:** Thank you very much,  
4 Ms. Nagel.

5 **MS. NAGEL:** Thank you very much for your  
6 suggestion. Maybe we will have less blackouts now.

7 **COMMISSIONER McMURRIAN:** Thank you.

8 And I think we are going to take a stretch break  
9 for the court reporter and for all of us, and we will be  
10 back in -- Jane, ten minutes or --

11 **THE COURT REPORTER:** That's fine.

12 **COMMISSIONER McMURRIAN:** So in ten minutes we  
13 will convene, about 8:40.

14 (Recess.)

15 **COMMISSIONER McMURRIAN:** Commissioner Argenziano,  
16 Chairman Carter, we are about to get started again.

17 **COMMISSIONER ARGENZIANO:** I am here, thank you.

18 **COMMISSIONER McMURRIAN:** Thank you.

19 Okay. I think we will get started again.

20 Mr. Beck, can you give us our next customer?

21 **MR. BECK:** Yes, Commissioner. Just so everybody  
22 knows, the next customer is the 27th person. So if know  
23 what number was next to your name, we are on 27 right now.  
24 The next customer is Kelly Costa.

25 KELLY COSTA

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

3 DIRECT STATEMENT

4 **MS. COSTA:** Good evening. My name is Kelly  
5 Costa, and I am the project director for Northwest Focal  
6 Point Senior Center. We are a senior center and adult day  
7 care facility that serves over 2,000 seniors in the  
8 northwest section of Broward County, and we operate through  
9 the grant system through federal, state, county, and city  
10 grants. And as you know, with how the economy is going a  
11 lot of those grants have been cut lately. And we are more  
12 and more dependent on support through communities and  
13 through organizations in the communities and through  
14 individuals. And one of the organizations that we can  
15 always count on for support has been FPL.

16 I have been there for nine years. There is  
17 times when we call them and they are always there for us.  
18 And there is times when they call me and say we are  
19 looking for a community project, what can we do for you.  
20 So I am here to support FPL.

21 We do have a lot of seniors who are lower  
22 income. We help them by paying their electric bill or  
23 just by providing a hot meal every day. So I cannot say  
24 that I support a rate increase, but I do support the  
25 company of FPL, and I know that they support us.

1 Thank you.

2 **COMMISSIONER McMURRIAN:** Thank you, Ms. Costa.

3 **MR. BECK:** The next customer is Lloyd Madansky.  
4 Michael Liberatore.

5 MICHAEL LIBERATORE

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

8 DIRECT STATEMENT

9 **MR. LIBERATORE:** Good evening, Chairman Carter  
10 and Commissioners. My name is Michael Liberatore. I am  
11 vice-president for Macy's, Inc. with regional offices in  
12 Miami, Florida.

13 I am here today representing 44 Macy's,  
14 Bloomingdales, and warehouse operations which would be  
15 negatively impacted by the FPL requested rate increase.  
16 Macy's waives and opposes the FPL rate hike request.

17 Thank you. Good evening.

18 **COMMISSIONER McMURRIAN:** Thank you,  
19 Mr. Liberatore.

20 **MR. BECK:** The next customer is Wesley Noll.

21 WESLEY NOLL

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

24 DIRECT STATEMENT

25 **MR. NOLL:** Good evening and thank you for having

1 this hearing tonight. My name is Wesley Noll, and I live  
2 in one of the oldest areas in Plantation.

3 **COMMISSIONER McMURRIAN:** Could you speak a little  
4 closer into the mike. People are saying they can't hear  
5 you.

6 **MR. NOLL:** Can you hear me now? Is it working?

7 **COMMISSIONER McMURRIAN:** Commissioner Skop is  
8 also an engineer.

9 **MR. NOLL:** This has been the story of my life.

10 **COMMISSIONER McMURRIAN:** Thank you.

11 **MR. NOLL:** You can hear me now?

12 **COMMISSIONER ARGENZIANO:** That seems better.

13 **COMMISSIONER SKOP:** I had to turn it down  
14 previously because one speaker was talking real close and  
15 we were getting feedback, so I forgot to turn it back up.  
16 So, I apologize.

17 **MR. NOLL:** My name is Wesley Noll, and I live in  
18 one of the older areas in Plantation.

19 We have had an unresolved issue with FPL for  
20 three years now. And, hopefully, it will be in the  
21 process of getting resolved, because I did meet with some  
22 representatives prior to the meeting. They pulled the  
23 records up on their computer out there, and they promised  
24 me that they would get involved in it.

25 Prior to this three-year issue, I had nothing

1 but praise for FPL. But my question is is that if the  
2 proposed increase goes through, will FPL upgrade the  
3 services and the infrastructure in the older  
4 neighborhoods? And I guess that is something that needs  
5 to be, you know, answered and you people need to stay on  
6 top of it to see if that happens.

7 Thank you.

8 **COMMISSIONER McMURRIAN:** Thank you, Mr. Noll.

9 **MR. BECK:** The next customer is --

10 **COMMISSIONER ARGENZIANO:** Madam Chair, is he  
11 going to get an answer to that question?

12 **COMMISSIONER McMURRIAN:** Mr. Willis, can you  
13 address that. Commissioner Argenziano took him to say that  
14 he wanted us to look into that, but, Mr. Willis, if you  
15 would address that.

16 **MR. WILLIS:** Well, that is a question,  
17 Commissioner, that I can't answer.

18 **COMMISSIONER ARGENZIANO:** Marshall -- Mr. Willis,  
19 I think what he said was are they going to --

20 **COMMISSIONER McMURRIAN:** Upgrade in the older  
21 neighborhoods.

22 Commissioner Argenziano.

23 **COMMISSIONER ARGENZIANO:** And I think that  
24 deserves an answer.

25 **MR. WILLIS:** Well, Commissioner, that is a

1 question that FPL would have to answer. I don't have  
2 enough information before me to know that. That is  
3 something we need to look at in the rate case itself.

4 **COMMISSIONER ARGENZIANO:** Well, then I guess the  
5 answer is -- if the company wants to answer that for the  
6 gentleman, but then that begs the question to us is can we  
7 ensure the people today or any other day that any increase  
8 will go towards upgrading?

9 **MR. WILLIS:** Commissioner, I don't think we can  
10 do that today. I think the full Commission would have to  
11 make that decision, and that's --

12 **COMMISSIONER ARGENZIANO:** I'm sorry. I don't  
13 mean today, but I want to make sure that the people leave  
14 here today with the understanding if we have the ability to  
15 do that at the proper time.

16 **MR. WILLIS:** I believe that is correct.

17 **COMMISSIONER ARGENZIANO:** Thank you.

18 **COMMISSIONER McMURRIAN:** Thank you.

19 Mr. Beck.

20 **MR. BECK:** Margie Sue Oates.

21 MARGIE SUE OATES

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

24 DIRECT STATEMENT

25 **MS. OATES:** Good evening. My name is Margie Sue

1 Oates, and I appreciate you all having time to hear my  
2 voice.

3 There is a few points that I have heard here  
4 tonight, and one of them I don't think everyone realizes  
5 is increase will not affect the workers or their money,  
6 this increase affects the higher-ups and their profit. I  
7 am against this increase. I am for the workers. They do  
8 a great job, they do keep us on line, but they are told to  
9 do what they can with what they have got. They are not  
10 supplied extra stuff on sites. If the increase was about  
11 that, I would have no problem, but this is about profit  
12 for the higher-ups.

13 And 12.55 does not sound like a lot until you  
14 are feeding eight people, and you take that \$12 and you  
15 make it two night's meals because there is only one person  
16 and one widow in the house with any income of a family of  
17 eight, which is what I am dealing with.

18 There is no jobs. I'm out there hunting. It's  
19 not happening. You say, you don't look like you want a  
20 job. Yes, I want a job. I have a Bachelor's in Criminal  
21 Justice, and I still don't have a job, and that \$12 does  
22 make a difference.

23 As far as our elderly go, they need their money  
24 for medicines. Even Wal-Mart got on board and said we are  
25 going to give you your medicines for four bucks a month.

1 Now, FPL needs to get on board. There are the only ones  
2 we have got. Unless, as they told me, you get a generator  
3 or a windmill. If you get a windmill, it is in line with  
4 their lines, and you can't have it. You get a generator,  
5 your neighbors are knocking on your door, turn the thing  
6 off. So it is monopolized. I'm sorry. They don't need  
7 it, we do. I oppose it.

8 **COMMISSIONER McMURRIAN:** Thank you very much,  
9 Ms. Oates.

10 **MR. BECK:** Thank you.

11 Linda Grant.

12 LINDA GRANT

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

15 DIRECT STATEMENT

16 **MS. GRANT:** Good evening. I'm a resident -- I am  
17 going to read this because I am so tired. I am a  
18 residential customer here. I live and work in Plantation,  
19 and I am not a shareholder. I have no financial investment  
20 with FPL, like I believe a lot of the speakers here have.

21 But I wish I did, because according to CEO Lewis  
22 Hay in his 2008 annual report, which I will gladly give to  
23 you, in his summary he states that FPL Group outperforms  
24 84 percent of the other S&P electric utilities. Quote,  
25 adjusted earnings per share grew by 10 percent in 2008,

1 the third consecutive year of double digit growth. FPL  
2 Group's adjusted return on equity was 13.8 percent, tied  
3 for the highest in 20 years. Our successful strategy has  
4 generated outstanding value for shareholders over the  
5 longer term, as well. Since 2002, FPL Group has  
6 outperformed 84 percent of the companies in the S&P  
7 Utility Index and 85 percent of the companies in the S&P  
8 500 Index as measured by total shareholder return. Our  
9 total shareholder return during this period was  
10 127 percent compared with 32 percent for the S&P Utility  
11 Index.

12 This came off FPL's website yesterday. This  
13 came off FPL's website yesterday. Their stock chart  
14 historical performance over the last ten years as compared  
15 to S&P electric utilities and they have outperformed every  
16 single year.

17 According to the Miami Herald, CEO Lewis is the  
18 second highest paid public executive in South Florida. In  
19 2008, his salary with compensation and benefits was  
20 12,000.01 million (sic). In 2007, he was the second  
21 highest paid executive in South Florida. His compensation  
22 was 10.39 million. It sounds like a cliché, because I  
23 think this is about Wall Street and not the citizens of  
24 Florida that live and work on main street.

25 The rate increases are excessive and are taking

1 advantage of a faltering economy. Because aside from base  
2 energy rate increases, I haven't heard anyone address the  
3 other proposals, and I don't know if that's -- that came  
4 in the flyer, they talk about almost tripling the  
5 reconnection charge from \$17.66 to \$48. South Florida,  
6 with the struggling economy, and I am sure a lot of  
7 foreclosures, I'm sure there is a lot of reconnection  
8 charges that have to be done.

9 They talk about increasing the late payment fees  
10 to at least \$10 from a 1.5 rate of the balance owed. That  
11 means that someone that has a \$100 bill will be paying the  
12 same late fee as someone with a \$665 bill, and this has  
13 been a changed propose for 2010 and 2011.

14 We all know that the fuel costs are irrelevant  
15 to the rate increase because, basically, FPL is only  
16 supposed to charge us what it costs them. Therefore,  
17 their publications and media blitz regarding this matter  
18 that state the rate increases are offset by fuel savings  
19 amounts to misrepresentation and, in my opinion, borders  
20 on being fraudulent dissemination of information.

21 I am shocked by honestly, the people that --  
22 some people that come here that have spent three hours to  
23 tell us how great FPL is, and it turns out it sounds like  
24 they all have some kind of investment or special interest  
25 with them. Because, generally, I deal with the public. I

1 investigate fraud and people don't spend three hours here  
2 on a Friday night to tell you how great it is. It just --  
3 either they are planted or they have some kind of  
4 investment.

5 I happen to live in old Plantation and work in  
6 old Plantation, and I am a state of Florida employee. I  
7 can tell you as an aside that the infrastructure in the  
8 old neighborhoods have not been addressed. The power goes  
9 out continuously from my home and from my job. Maybe in  
10 new communities where they have underground lines it works  
11 better, but here we are forgotten.

12 Thank you.

13 Would you like any of this?

14 **COMMISSIONER McMURRIAN:** Actually, I wanted you  
15 to hang out there just a second while we ask Mr. Willis to  
16 address -- I think you brought up a couple of things about  
17 some charges in the flyer there, and -- do we want to -- do  
18 we need to get the flyer from Ms. Grant?

19 **MR. WILLIS:** Only if you want it in the record,  
20 because we can get it on the Internet, too.

21 **COMMISSIONER McMURRIAN:** Okay.

22 **COMMISSIONER ARGENZIANO:** Madam Chair, I would  
23 hope that you would want to put that in the record.

24 **COMMISSIONER McMURRIAN:** Okay. We can do that,  
25 if you are willing to give us --

1           **MS. GRANT:** I am more than willing.

2           **COMMISSIONER McMURRIAN:** Okay. Let's do that.

3           And, Mr. Willis, can you tell us whether the --  
4 I know that Ms. Grant mentioned the tripling of  
5 reconnection charge and the late fee charges. I know that  
6 sometimes those kinds of service charges are included in  
7 rate requests. Is that the case with respect to FPL's  
8 request?

9           **MR. WILLIS:** That one, Commissioner, I wish I  
10 could tell you. My rate supervisor is the one who is going  
11 to be dealing with that. It is very possible, but I don't  
12 know until I get back and talk to her.

13           **COMMISSIONER McMURRIAN:** And perhaps if I could  
14 ask Ms. Banks -- we were talking a little bit earlier on  
15 the break about how customer input here is addressed after  
16 the fact. And I would like her to just go ahead and share  
17 that with everyone, because I think that might be helpful.

18           **MS. BANKS:** Yes, Commissioner. At the end of all  
19 of these hearings, we look at every one of the comments and  
20 look to see how they have been addressed, and we actually  
21 get with FPL. We ask them to give us a document that  
22 addresses every one of the concerns and the recap of what  
23 they have done to resolve the issue. And those that we  
24 believe need to be investigated further, my staff and I  
25 will actually take charge to go further into those.

1           **COMMISSIONER McMURRIAN:** So, Ms. Grant --  
2           Commissioner Argenziano, I'm sorry.

3           **COMMISSIONER ARGENZIANO:** You can tell when I'm  
4           interrupting, and I don't mean to interrupt.

5           **COMMISSIONER McMURRIAN:** No, that's okay. I  
6           understand. Go right ahead.

7           **COMMISSIONER ARGENZIANO:** And if -- and if staff  
8           could add one thing to that, and I agree that they do that,  
9           and that is a great thing to do, but they also need to  
10          investigate whatever the Commissioners ask them to, and I  
11          know they will, but I just want to make sure the people  
12          understand that.

13          **MR. WILLIS:** We will do that, Commissioner.

14          **COMMISSIONER ARGENZIANO:** Thank you.

15          **COMMISSIONER McMURRIAN:** Okay. Ms. Williams, we  
16          need to mark Ms. Grant's exhibit.

17          **MS. WILLIAMS:** Yes. We will mark this as Exhibit  
18          Number 27, Linda Grant's exhibit.

19                        (Exhibit Number 27 marked for identification.)

20          **MS. GRANT:** Thank you.

21          **COMMISSIONER McMURRIAN:** Thank you, Ms. Grant.

22          **MR. BECK:** The next customer is Phyllis Finney  
23          Loconto.

24          **COMMISSIONER CARTER:** Madam Chair, while the next  
25          customer is coming up, you probably can't do anything about

1 it, but I am catching like every other word. But don't  
2 worry about it. Just go ahead on, and I will just --

3 **COMMISSIONER McMURRIAN:** We will see if we can do  
4 anything about it, Chairman.

5 **CHAIRMAN CARTER:** I don't think you can do  
6 anything about it. It just may be the system. Just go  
7 ahead on.

8 **COMMISSIONER McMURRIAN:** Has that been even  
9 before the break or just since the break?

10 **CHAIRMAN CARTER:** It's been -- it was before the  
11 break. It's a little -- I thought it would be a little  
12 better, but that's okay. Just go ahead.

13 **COMMISSIONER McMURRIAN:** Okay. We will see if we  
14 can get the mike a little bit --

15 **CHAIRMAN CARTER:** I can hear you perfectly.

16 **COMMISSIONER ARGENZIANO:** Mr. Chairman, I can  
17 hear you perfectly.

18 **COMMISSIONER McMURRIAN:** Okay. And I'm sorry, I  
19 didn't catch your name.

20 **MS. LOCONTO:** My name is Phyllis Finney Loconto,  
21 and I am located at 7930 North Nob Hill Road in Tamarac,  
22 Florida.

23 **COMMISSIONER McMURRIAN:** Thank you.

24 PHYLLIS FINNER LOCONTO

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

1 testified as follows:

2 DIRECT STATEMENT

3 **MS. LOCONTO:** And thank you, Commissioners, for  
4 having this public hearing tonight to hear these concerns.

5 I have been a resident of Broward County,  
6 Florida for more than 50 years. I have witnessed the  
7 tremendous population growth in South Florida and what has  
8 developed into a major metropolitan urban community of the  
9 United States, in fact, the world.

10 We have gone from a tropical paradise with  
11 mosquitoes and critters of the Everglades, where residents  
12 abandon South Florida in the summer months to return to  
13 the north or to run to the mountains of Carolina, where  
14 businesses boarded up not to return until the season from  
15 November to April, and all of these events that have  
16 brought us to our present thriving year-round beautiful  
17 communities made possible because of one thing, air  
18 conditioning.

19 As a result of our exceptional geographical  
20 location, we have collectively learned how to prepare and  
21 deal with any hurricane threat by developing an evacuation  
22 and post-storm plan to facilitate the return of our  
23 community life and business. As the executive producer of  
24 a public policy issues television program seen daily here  
25 in the tri-county South Florida area, I would like to

1 refer to remarks made by three prominent South Floridians  
2 during a recent broadcast on economic forecasts and share  
3 some of the specific comments on the energy industry which  
4 is relevant to your public hearings.

5 Mike Cannon, who is a renowned analyst for the  
6 real estate market and a good friend of mine, told how he  
7 had taken advantage of new initiatives of FPL in reviewing  
8 his electrical systems. After changing the outdoor and  
9 indoor lighting fixtures and updating his kitchen  
10 appliances, he saw savings of up to 50 percent on his  
11 monthly bill, and that FPL gave him a rebate for his  
12 initial investment.

13 Keith Koenig, who is the president and CEO of a  
14 large city furniture -- large manufacturing and retail  
15 facility in Tamarac, have introduced an ongoing management  
16 program to reduce energy electrical costs, and he was  
17 surprised at how they have implemented a plan to save  
18 costs by monitoring their operations and utilizing updated  
19 electric equipment.

20 The third panelist on that television program  
21 was Tom Miller, a large general contractor here who has  
22 been pioneer in the LEEDS environmental construction  
23 project. The hallmark is providing construction products  
24 and designs into each project at the design phase. He  
25 stated that the initial costs may be higher, but the

1 savings benefits in the daily operations and maintenance  
2 over the life of the project is substantial.

3 To sum up, by the application of new and  
4 innovative technologies into the design and construction  
5 of current projects and redevelopment of existing  
6 structures, which I am quite interested in, because I am  
7 also Chairman of the Broward County Historical Commission,  
8 so I am really interested in our preservation program, a  
9 larger investment in higher costs to consumers may be  
10 necessary, but over the long-term substantial savings are  
11 realized in every day operational costs.

12 FPL continues to lead in innovative and improved  
13 technologies that benefit the entire community, including  
14 ourselves, our kids, and our future generations. Looking  
15 to the future, the investment costs may have to be shared  
16 by the entire community. The Public Service Commission,  
17 I'm sure, needs to be certain that they are fair share  
18 costs and savings for all of us.

19 And thank you for listening today, and I did  
20 leave a copy of my statement for your files.

21 **COMMISSIONER McMURRIAN:** Thank you. And  
22 Commissioner Skop, I think, has a question for you.

23 **COMMISSIONER SKOP:** Yes. A quick question,  
24 Ms. Loconto.

25 **MS. LOCONTO:** Yes.

1           **COMMISSIONER SKOP:** Just with respect to, I  
2 guess, the last page of your presentation, it says: Beacon  
3 Education TV (phonetic), owned and operated by Broward  
4 public schools. Are you affiliated with that?

5           **MS. LOCONTO:** Yes. I am the executive producer  
6 of the television program.

7           **COMMISSIONER SKOP:** Okay. But the school board  
8 would not necessarily share your views in terms of the  
9 proposed rate?

10          **MS. LOCONTO:** No, and I'm not saying that they  
11 have. As a matter of fact, we do a co-production, so I am  
12 the producer of the program.

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

14          **MS. LOCONTO:** Uh-huh. Thank you very much.

15          **MS. WILLIAMS:** Commissioners, would you like to  
16 enter this into the record as her written testimony,  
17 Exhibit 28?

18          **COMMISSIONER McMURRIAN:** We can. I just  
19 assumed -- she read it into the record, but would you like  
20 to?

21          **MR. WILLIAMS:** I was listening, I didn't follow  
22 it along.

23          **MS. LOCONTO:** I left copies. Well, I left copies  
24 with her.

25          **COMMISSIONER McMURRIAN:** Okay. Thank you very

1 much, Ms. Lonconto.

2 **MS. LOCONTO:** Thank you.

3 **MR. BECK:** The next customer is Siobhan Edwards.  
4 Siobhan Edwards.

5 Adele Berger.

6 ADELE BERGER

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

9 DIRECT STATEMENT

10 **MS. BERGER:** Good evening. My name is Adele  
11 Berger. I reside in Century Village, Pembroke Pines, which  
12 is a community of 14,000 senior residents, where many are  
13 ill or disabled.

14 When Katrina hit us, I received a call from FPL  
15 asking if I would help in tracking down the buildings that  
16 were without power. By driving around the village and  
17 calling directors, we were able to accomplish this until  
18 all power was restored.

19 When Wilma hit this was much more severe. FPL  
20 was again responsive to our needs. This problem was far  
21 greater than Katrina because of the direct hit. There  
22 were many poles down, grids and underground cables broken,  
23 which made it difficult to get around. I worked closely  
24 with FP&L, and eventually all 141 buildings regained their  
25 power.



1 inconvenienced. I commend and thank them for their  
2 consideration.

3 With the economy as it is, and companies cutting  
4 back services to make ends meet, I feel FPL has  
5 consistently provided us with outstanding service. And  
6 may I add that, yes, I would spend four hours sitting here  
7 to tell you when I think something is nice. It is not a  
8 waste of time.

9 Thank you.

10 **MR. BECK:** Anita Steinberg.

11 ANITA STEINBERG

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

14 DIRECT STATEMENT

15 **MS. STEINBERG:** I am Anita Steinberg and I am  
16 also from Century Village.

17 And I am here to thank FP&L for their help  
18 during the storms and hurricanes. I think you deserve the  
19 rate that you are getting. And I am on the budget with  
20 you people, and I really appreciate you helping me and  
21 helping the village.

22 Thank you.

23 **COMMISSIONER McMURRIAN:** Thank you,  
24 Ms. Steinberg.

25 **MR. BECK:** Arline Fischer.

ARLINE FISCHER

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

4 DIRECT STATEMENT

5 **MS. FISCHER:** Good evening.

6 **COMMISSIONER McMURRIAN:** Good evening.

7 **MS. FISCHER:** My name is Arline Fischer, and no  
8 surprise, I am from Century Village, Pembroke Pines, I can  
9 add that.

10 I just have this to say. I will never make  
11 light of what FPL does for us. To me, FPL means "for  
12 protecting lives." I really became acutely aware of the  
13 importance of FPL during Katrina and Wilma. They stood by  
14 us and tried to render comfort, expertise, and repair. I  
15 felt that although these two outages were the longest that  
16 we had ever weathered, FPL was out there trying to fix the  
17 problem.

18 When I was in my dark and hot kitchen, I  
19 suddenly heard the hum -- I could fill up just thinking of  
20 it -- of my empty refrigerator. I knew FPL had given us  
21 back all the electrical items we so sorely missed. So  
22 thank you for caring and curing the electrical nightmares  
23 of Century Village.

24 Thank you for letting me speak.

25 **COMMISSIONER McMURRIAN:** Thank you.

1           **MR. BECK:** Clarence Oatman.  
2           Yvonne Oatman.  
3           Charles Spivey or Spivey.  
4           Alana Mersinger.

5                           ALANA MERSINGER

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

8                           DIRECT STATEMENT

9           **MS. MERSINGER:** Good evening. Alana Mersinger.  
10          You guys are the ones, I don't really know if they should  
11          get a raise or not. That is up to you guys. It is up to  
12          the Office of the Public Counsel. I am not a forensic  
13          accountant, nor am I -- if you have seen my checkbook, I'm  
14          not any kind of accountant.

15                 But, I have lived here about 16, 17 years. And  
16          when we first moved in, we had outages -- a lot of  
17          outages. And in this past week when the storm came  
18          through, it was almost like another hurricane by the  
19          house. I did not lose my power. During it was Wilma, I  
20          was only out, and we were very lucky, seven hours. And to  
21          me, FPL was the gods. Seven hours, I was so thrilled.

22                 In the storms that we had on Miramar Parkway, we  
23          had a couple of powers lines go down. I think it was two  
24          days ago, or three days when the storm that came through  
25          really bad. Within 15 minutes they were there working on

1 it. Within 15 minutes.

2 You guys will figure out if it is legitimate or  
3 not for the money. All I know is the service that I get  
4 has been excellent, and I just want to make sure that I  
5 keep that level of service for myself and my family.  
6 That's it. You guys, that is what you are here for. That  
7 is what the Office of Public Counsel is supposed to do.  
8 You are here to protect us. If it is legitimate, give  
9 them the money, but make sure my service stays at the  
10 level I have learned to enjoy.

11 Thank you.

12 **MR. BECK:** The next customer is Kelwyn White.  
13 Kelwyn White.

14 Rhonda Roff.

15 RHONDA ROFF

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

18 DIRECT STATEMENT

19 **MS. ROFF:** I'm kind of tall. My name is Rhonda  
20 Roff. Thank you for coming all the way down here. We  
21 really appreciate you being here. It is hard to get up to  
22 Tallahassee.

23 I spend most of my time worrying about issues of  
24 energy efficiency and climate change, so my concern is not  
25 as much the rate increase possibilities, but it is how the

1 company chooses to spend its money.

2 Now, currently in this regulated utility state,  
3 the companies, the investor-owned utilities profit, if I  
4 understand it correctly, from their infrastructure  
5 developments, their power plants, transmission lines, not  
6 on the power that they sell or the fuel. Now, the current  
7 infrastructure is the old business as usual model of the  
8 central power plant, coal, oil, gas, nuclear. And FPL, I  
9 have to admit, has been a champion in moving into the  
10 direction of solar and wind, but only minutely compared  
11 to, I think, what we should be or could be doing in  
12 Florida. I would prefer that FPL spend its money for  
13 energy efficiency conservation and truly clean, preferably  
14 distributed renewable power generation.

15 Having customers spend almost \$20 billion to  
16 increase the size of the Turkey Point nuclear power plant,  
17 which is directly -- the current plant is right directly  
18 in the path of sea level rise is to me like a bank giving  
19 me a loan to put a new home on a shifting sand bar. I  
20 don't think it is a wise investment.

21 I was looking at the early cost-recovery clause,  
22 and I recognize this is a different docket, and I  
23 apologize for that, but I am thinking holistically, so  
24 please forgive me this. Florida statute on early  
25 cost-recovery, 25-6.0423, Section 5(c)5, the company shall

1 submit by May 1st of every year an analysis of the  
2 long-term feasibility of completing the power plant. What  
3 I am hoping the Public Service Commission will do in  
4 reviewing this submission in FPL's case is to consider the  
5 larger picture of our climate crisis.

6 And I commend Armando Olivera, who, I believe,  
7 has been visionary in many cases, and my colleague, Eric  
8 Draper, from Audubon currently, in their guest opinion in  
9 the newspaper recently for talking about the benefit and  
10 the capability and our potential, our technical potential  
11 for developing new solar resources in the state.

12 As far as I know, solar does not require  
13 90 million gallons of water for cooling a day. It doesn't  
14 require an evacuation plan in the event of a radiological  
15 emergency. It isn't a worrisome terrorist target. It  
16 doesn't require billions of federal dollars to  
17 decommission, or to transport, or store its long-term  
18 waste.

19 So, I don't really know how I feel. On behalf  
20 of the fixed income people of the state, I would say I  
21 would not support a rate increase at this moment. There  
22 are plenty of them, and we are in economically dire  
23 straits. But whatever we do, I am requesting that FPL  
24 find a better way to supply us with power efficiently,  
25 employing conservation and distributed, truly clean,

1 renewable sources of power.

2 Thank you very much for your time.

3 **COMMISSIONER McMURRIAN:** Thank you, Ms. Roff.

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

5 Robert Wilson.

6 ROBERT WILSON

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

9 DIRECT STATEMENT

10 **MR. WILSON:** Hi. My name is Robert Wilson. I  
11 live in the City of Sunrise. I have been a resident for 40  
12 years. I live in one of those older neighborhoods in an  
13 older house. And, you know, I experience outages  
14 occasionally. I mean, it just goes with the territory. We  
15 live in South Florida.

16 I am an electrician by trade. I'm currently  
17 employed as a building engineer for Verizon. I have had  
18 many interactions with customer service of FPL. I cannot  
19 speak highly enough of the professionalism, and, you know,  
20 they will go out of their way to aid you in energy  
21 savings, cost savings.

22 I can't speak to how much of a rate increase  
23 they should get, but I agree with other speakers here  
24 tonight that I have come to expect the service that I get  
25 from FPL, and I would like to keep that same type of

1 service. So, you know, whatever that rate increase is,  
2 you know, I think they should get it.

3 Thank you.

4 **COMMISSIONER McMURRIAN:** Thank you, Mr. Wilson.

5 **MR. BECK:** The next customer is Michael Barbere.

6 MICHAEL BARBERE

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

9 DIRECT STATEMENT

10 **MR. BARBERE:** Good evening. My name is Michael  
11 Barbere. I have been a resident in Plantation, Florida for  
12 19 years now. I have three small children, one of them  
13 autistic, and I have been out of a job for about nine  
14 months.

15 Right now it seems, being that my father was in  
16 politics, I need to stand up and vote and say something.  
17 Politically appointed panel here, what we need to find out  
18 is would you be getting testimony for the last three to  
19 four days and countless hours of -- and countless papers  
20 of testimony, what is the actual problem here? They seem  
21 to want a rate increase. What is the justification for  
22 the rate increase? Do they really need the rate increase?  
23 And like some of the people said, is it just pocket, you  
24 know, change to the higher-upees (phonetic), and, you  
25 know, or is it really something that is needed for

1 infrastructure.

2 I have had three small businesses here in South  
3 Florida. I have lost all three of them. I am not here to  
4 say that I have had bad luck. It is what it is. The  
5 problem I have is what do they need the rate increase for.  
6 Is it just to infrastructure? They have a business with  
7 making a 10 percent profit on -- you know, it is a  
8 monopoly, they can't win or lose. They are the only game  
9 in town. So do they really need it?

10 You five people are going to have to make this  
11 decision. Like I said, there is a lot of poor people  
12 nowadays in the state of Florida, and especially hit down  
13 here. So, I mean, what we need to do is figure out is  
14 this justifiable, is it going to be something that they  
15 are using to build up the infrastructure? It seems like  
16 it is not.

17 They have had plenty of record profits. Do they  
18 really need this extra money? I mean, you people have to  
19 make that decision. We are just here giving you more  
20 papers to read and more stuff to hear. What is going to  
21 be the outcome, I don't really know. But does FP&L really  
22 need this or is it just money in their pocket?

23 I mean, there is going to be a lot of people  
24 saying, yeah, it is good for the bottom line. I am the  
25 bottom line, and I'm not getting any bottom line lately.

1 That's all I've got to say, much of it.

2 Thank you.

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

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

5 Jim Dunmire.

6 JIM DUNMIRE

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

9 DIRECT STATEMENT

10 **MR. DUNMIRE:** Good evening and thank you. I work  
11 for a municipality here in Broward County. I am on a crew  
12 that gets called out in the middle of the night to repair  
13 water lines, and we respond as quickly as we can. We know  
14 we have got to get service back to the people, and FPL does  
15 that, too, but we are not here to talk about that. They  
16 are great people. Their workers are great. Our workers  
17 are great.

18 Ms. Santos, I believe, all the great things that  
19 FP&L has coming up, and they do a lot of wonderful things  
20 that they already have going, those are all great things.  
21 We are not here for that, either. We're here because they  
22 want to have a rate increase.

23 Some figures I got out of an article from the  
24 Sun Sentinel, which actually got me on to wanting to come  
25 here today, was that FP&L's power division had a profit of

1 \$789 million and their projection for this year is going  
2 to be slightly over 500 million. Now, that is probably  
3 lower because of the fuel costs going down. However, if  
4 they are looking for 1.3 billion, last year and this year  
5 combined is over 1.3 billion. They have got their money.  
6 I don't know why they need to have more. Then they are  
7 going to get more profit in '10 and they are going to get  
8 more profit in '11.

9 Thank you.

10 **COMMISSIONER McMURRIAN:** Commissioner Skop has a  
11 question for you. Hang on just a minute.

12 **COMMISSIONER SKOP:** Thank you. Just a point of  
13 clarification with respect to the fuel coming down. I just  
14 wanted to let you know that they don't receive any profit  
15 on fuel costs. It is just a strictly dollar-per-dollar  
16 pass-through cost.

17 **MR. DUNMIRE:** Oh, okay. Thanks.

18 **MR. BECK:** The next customer is Yolanda  
19 Rodriguez.

20 YOLANDA RODRIGUEZ

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

23 DIRECT STATEMENT

24 **MS. RODRIGUEZ:** Good evening, members of the  
25 Public Service Commission. Welcome to Plantation. Thank

1 you for taking our testimony this evening.

2 Before I begin, I would like to tell you that  
3 I'm not a plant, and when I raise my right hand I take an  
4 oath of objectivity before you seriously, and there is  
5 always two sides to every story.

6 But, I can tell you in my experience with  
7 Florida Power and Light is Florida Power and Light has  
8 done exemplary work in the community. It has stepped in  
9 when even our state legislators have not answered the  
10 calls to the needs of the residents of the state of  
11 Florida.

12 More specifically, I am talking about the  
13 elderly population. I have been an advocate for the  
14 seniors for many years, and what I can tell you is that I  
15 am constantly disappointed by a Legislature that doesn't  
16 make right decisions and is always cutting the very  
17 necessary funding to home and community-based services.

18 Right now, Florida Power and Light is one of the  
19 few companies in this state who steps up to help those in  
20 need. And what I can tell you is that if it were not for  
21 FP&L coming in with dollars to support the aging network,  
22 it would have been suffering much more after this last  
23 session.

24 My concern, however, is that it is a little bit  
25 of a tale of two cities. I don't have any problem with

1 FPL making a profit, because this is the United States and  
2 companies that do well should have a return on investment  
3 to their shareholders. My biggest concern is the timing,  
4 and I believe that at a time when 65 percent of us in this  
5 country that are 45 years and older have decided we cannot  
6 afford to retire and that we have to continue being in the  
7 work force, when so many people are in a financial  
8 hardship that they have stopped contributing to 401-Ks  
9 altogether, if they have a job, that they are willing to  
10 take on funds -- premature penalties for withdrawing money  
11 from their retirement accounts, this is not the time for  
12 one more increase on the backs of Floridians of this  
13 state.

14 And all I can tell you is that I oppose the rate  
15 increase now at this particular time because we are  
16 hurting so desperately. And I would prefer that FP&L  
17 withdraw its application and that we not waste any more  
18 time. And I hope that as many times as you can step up  
19 and act on behalf of Floridians, because we cannot take  
20 any more increases that you would take that opportunity on  
21 our behalf.

22 Thank you.

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

24 Dale Wilson.

25 Mike McNeal.

MIKE MCNEAL

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

4 DIRECT STATEMENT

5 **MR. MCNEAL:** I am Mike McNeal, and I am a  
6 retiree, and I have been in South Florida since the early  
7 '50s. And I have seen lots of changes here in Florida, and  
8 I find that if we have a hurricane, more than likely we are  
9 going to have to rebuild this nice area at a terrible  
10 expense. And if we don't have funds to do that, I don't  
11 see how it can happen in two weeks or two months or three  
12 months. So we all have to consider what it is going cost  
13 us to live here, whether we be young, old or otherwise.

14 I am a retiree, but I am semi-retired. I have  
15 apartment buildings. I have mostly elderly people, and  
16 these elderly people are truly, you know, running out of  
17 funds. So if you do decide that the power company needs  
18 an increase for their infrastructure, I am for that.  
19 However, if it goes to other sources, things like  
20 executives like we saw in Wall Street, I would hope that  
21 you would not take that into consideration. You should  
22 really use it towards the infrastructure that this state  
23 needs, especially if we have a hurricane and things like  
24 that.

25 The other thing I would like to bring up is that

1 I read an article in Popular Science. And you have to  
2 excuse me, I've got a bad cold. I just got in town. But,  
3 Steven Chu, who is the U.S. Secretary of Energy, states  
4 that we need to invest heavily in our infrastructure  
5 because we need to be independent of oil companies. And I  
6 know that if we don't invest, we will be poor forever.  
7 And I think this is one thing we ought to consider in  
8 hopes that if you find that FPL needs this rate increase,  
9 it should get it. However, if it needs a portion of it,  
10 they should get that, too.

11 But not to do anything -- and what I am talking  
12 about is the state of Florida has consistently said that  
13 we don't want to have any more taxes. Well, guess what,  
14 we are trying to sell the Alligator Alley. A sale to me  
15 is a lease that goes beyond two years. So we don't want  
16 that to happen to FPL where they end up having to go  
17 bankrupt, you know, because of other circumstances.

18 But all we need is one hurricane and we have to  
19 rebuild practically half the state. If we have a  
20 hurricane come from Miami and go right up the coast to  
21 Tallahassee, we have got a terrible, terrible expense. No  
22 one is thinking about that. And I hope you consider that  
23 when you look at this -- this rate request.

24 Thank you.

25 **MR. BECK:** Thank you. Jean Hansen.

1                   **COMMISSIONER McMURRIAN:** See, it wasn't that  
2 long.

3                   **MS. HANSEN:** No. So many people left. Thank  
4 you.

5                                   JEAN HANSEN

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

8                                   DIRECT STATEMENT

9                   **MS. HANSEN:** My name is Jean Hansen. I live in  
10 Fort Lauderdale east of I-95. I have been here for 45 --  
11 40 years.

12                                   When I moved here my insurance was \$150, and  
13 that included flood and hurricane. Now it is \$975, and I  
14 can't afford hurricane or flood. So, when Wilma came, I  
15 had to take care of that cost. So, you know, it is, hey,  
16 I would love to get solar. I would like to have  
17 insulation. Unlike the man who had three storage units  
18 where FPL paid for his insulation, nobody is offering to  
19 pay for mine. I would like to save that money. I would  
20 like to have a generator. I can't afford it. So, I mean,  
21 I don't even have a computer. So I am not asking you to  
22 do what you think is right, I am telling you what is  
23 right. We cannot afford an increase.

24                                   On my way here, there was a repeat of Barack  
25 Obama's election speech on energy. And he said if I get

1 my energy bill, which I will, and which I don't know what  
2 happened because I was here all evening, he said your  
3 energy costs will skyrocket. Well, we have got that to  
4 look forward to. So, I'm sorry, I am saying don't vote  
5 for an increase.

6 And I can give you a lot of suggestions in what  
7 to do. One thing is it took me 30 years to learn this,  
8 when they trim trees, I say, you know, could you cut it  
9 lower. And they said, no, we would be without a job, you  
10 know. So they have to come back every year. Well, I'm  
11 sorry, somebody should look into that.

12 And I finally learned I couldn't get through to  
13 anybody, because when you call any number for any reason  
14 you get dial 12345, and it isn't anything that I want to  
15 have anything to do with. So I finally called the mayor's  
16 office, and I said who do you call at FPL when you have to  
17 get something done? And that is how I got through to  
18 somebody. And they finally did cut it a little lower.  
19 But they mushed all of my beautiful plants.

20 But, I just -- I just want you to know we may  
21 have to go back to an elected Public Service Commission if  
22 you don't listen to us. Because, I mean, I'm really  
23 serious. I can't afford it here. And if I could sell my  
24 house, I would be in North Carolina tomorrow. So do  
25 listen to us.

1 Thank you.

2 **MR. BECK:** Don Foster.

3 DONALD FOSTER

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

6 DIRECT STATEMENT

7 **MR. FOSTER:** Good evening, and thank you for this  
8 opportunity. My name is Donald Foster. I live at 7810  
9 Northwest 5th Place, Plantation, Florida. I have been here  
10 for 18 years.

11 And my concern about the rate increase is this:  
12 Just last week within the three little storms that we had  
13 come through, I have been without power on two or three  
14 different occasions. The last time we had a storm, I  
15 can't even remember the different names of them at this  
16 point, I was out for two weeks. Once before I was out for  
17 ten days. I have a generator just for various things in  
18 the house. I have a mother that is living with me that is  
19 94 that has Alzheimer's, and when the storms come, she  
20 goes bananas.

21 My real concern is if they need the increase is  
22 it really 30 percent? And the last time we had storms, I  
23 remember that they said along 441 they were going to  
24 replace all the wooden poles, they were going to do all  
25 the infrastructure that was going to be done to make these

1 things a little easier to deal with. And I want to know  
2 if you get this money, if you get this increase, are you  
3 really, really, really going to do something about the  
4 infrastructure so that we are not without power? I have a  
5 generator right outside, or whatever you call it,  
6 transformer, these big things you have out there, and I  
7 hear it blow. I live right behind the church here. And I  
8 hear it blow. And as soon as it pops, my wife says, well,  
9 we are going to be without power, and that's true.

10 I don't know how many times they have replaced  
11 this big thing out there, but it is evidently not doing  
12 the job, because we still hear it go. We still see the  
13 guys out there working their tails off trying to get it  
14 done. I don't have a problem with the workers. I don't  
15 have a problem with anything except -- I wish I owned  
16 stock in your company instead of some of the stocks I've  
17 got right now, which are going down the tubes. But if the  
18 money is definitely needed, and that is you guys'  
19 decision. I don't have enough knowledge about it to  
20 really make a true decision, except 30 percent seems  
21 enormously high.

22 I have heard some of the numbers they expressed  
23 here tonight in regard to how much money you are making  
24 and how much profit there is, and 10 million here and 10  
25 million there. That doesn't equate to me when my job has

1 just been cut from five days to four days. It doesn't  
2 equate. But what does equate, 30 percent is going to hurt  
3 a lot of people.

4 If that money is needed, and if that money is  
5 being done to increase the possibilities that when  
6 hurricanes come through here that we will have power, we  
7 will have power, the only thing that I bet anybody in this  
8 room really cares about is when they turn the switch on,  
9 the lights come on, when they set the thermostat, the AC  
10 comes on.

11 If you can say that you are going to take the  
12 30 percent and we are going to put this percentage of it  
13 into the infrastructure to fix the wooden poles that I  
14 don't think have been replaced on 441, then I am for it.  
15 But it is your decision, and, remember, you are doing it  
16 for the people that you supposedly represent.

17 Thank you very, very much.

18 **COMMISSIONER McMURRIAN:** Thank you. Hang on just  
19 a second, Mr. Foster. Commissioner Skop wanted to ask you  
20 a question.

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

22 Mr. Foster, thank you for your comments.  
23 Unfortunately, they haven't made those transformers  
24 squirrel proof yet, so you see those things happen. I  
25 actually had a transformer once at a substation that a

1 bobcat got into it. It wasn't good for the bobcat, and it  
2 certainly wasn't good for the substation.

3 **MR. FOSTER:** Well, you can have that raccoon that  
4 goes through my yard and put him up there.

5 **COMMISSIONER SKOP:** It might be a raccoon. But  
6 as I said, those things do happen. But it is good to hear  
7 that they are repairing it in a timely manner, if I heard  
8 you correctly.

9 **MR. FOSTER:** Right.

10 **COMMISSIONER SKOP:** Thank you.

11 **MR. FOSTER:** Since I have another chance, can you  
12 address the 441 as far as the wooden poles that are being  
13 supposedly fixed along that area?

14 **COMMISSIONER SKOP:** I will take a stab at it.  
15 I'll look up to Marshall. I know that FPL, pursuant to the  
16 Commission's storm hardening order, which came as a result  
17 of lessons learned from the major hurricanes of 2004 and  
18 2005, that the Commission has required all of Florida  
19 investor-owned utilities to engage in hardening practices,  
20 which include looking at wind loadings and hardening their  
21 structures.

22 And what I mean by hardening is replacing  
23 those -- inspecting those old wooden poles, replacing  
24 those poles with concrete poles, hardening around critical  
25 infrastructure such as hospitals and emergency

1 communication centers. So they are getting to that.  
2 Again, none of that happens overnight. At least FPL has a  
3 very vast service territory spanning from Daytona all the  
4 way to Miami and over to the west coast. So those  
5 improvements are coming. That is some of the things that,  
6 you know, FPL would be better prepared to talk to you  
7 about, and they do have customer service representatives.

8 They have made some improvements, but, again,  
9 having the vast service territory and a certain amount of  
10 dollars, again, it is impossible to replace everything  
11 overnight. They are making improvements. But I would ask  
12 that when you talk to them, and also our staff, we have  
13 heard concerns from customers on certain neighborhoods  
14 that need to have some deficiencies taken a look at, and I  
15 would be happy to have FPL have one of their service  
16 managers try to get to -- to address some of the concerns  
17 that you mentioned along the 441 segment.

18 Is it a specific neighborhood that you were  
19 mentioning on 441?

20 **MR. FOSTER:** I don't remember exactly, but I  
21 believe it was from Broward Boulevard -- would that be  
22 north on 441 through that area of Fort Lauderdale. I guess  
23 it is -- I'm sorry. That would be Lauderdale, Lauderhill,  
24 somewhere in those areas, but that was four years ago.

25 **COMMISSIONER SKOP:** Okay. And our staff -- our

1 staff is -- will follow up on your concern, also. I expect  
2 they are taking copious notes, because when the  
3 Commissioner talks, they are usually ahead of me. But,  
4 again, that is something we will look into in terms of what  
5 pole inspections have been done in that specific area, what  
6 hardening activities have occurred, and whether that is  
7 something that needs to be further followed up. But I  
8 appreciate your concerns.

9 **MR. FOSTER:** Okay. Thank you very much.

10 **COMMISSIONER McMURRIAN:** Mr. Foster, did we get  
11 your address? Will that be helpful?

12 **MR. FOSTER:** 7810 Northwest 5th Place,  
13 Plantation. It's right down the street here, really.  
14 Thank you.

15 **MR. BECK:** Alan Gary.

16 ALAN GARY

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

19 DIRECT STATEMENT

20 **MR. GARY:** My name is Alan Gary. I am born and  
21 raised here in Florida, and actually lived in Plantation  
22 for the better part of my younger days, and I am also a  
23 business owner in Pompano Beach. I own a manufacturing  
24 facility that employs about 80 people, so we use a lot of  
25 energy in that. I would like to talk about my personal

1 experiences with FPL and, also, my business.

2 As far as the business is concerned, after Wilma  
3 we had to put in a new roof on our building, and we have a  
4 local FP&L rep that came in, and he looked at what we had  
5 and offered us a suggestion that they have a rebate  
6 program. And so we were able to save about \$8,000 on our  
7 roof, a reflective roof. So not only did we save the  
8 \$8,000, which I was able to invest in my business for  
9 other equipment that we needed to run our business, we  
10 were also able to save on our monthly bill thereafter,  
11 which was -- which was very beneficial.

12 One of the things I noticed sitting in this room  
13 was that there is a lot of people complaining about this  
14 or that from a personal or from a business end. One thing  
15 that I like to do is, you know, challenge the people that  
16 have spoken how they have been accountable for their own  
17 actions.

18 Have they taken advantage of all the programs  
19 that FP&L has used? And I personally have had FPL come to  
20 my house and do the insulation. You know, done all of  
21 those things, and I found out I had some leaks in my air  
22 conditioning, so I was able to repair those and reduce my  
23 bills there.

24 At my business, they also came in and did a full  
25 business survey for free and told us about how our air

1 conditioners could be more efficient. We did replace some  
2 of them. So they are offering quite a few programs that I  
3 don't know that maybe a lot of people in this room are  
4 aware of, or if they are aware, that they are really not  
5 taking accountability of how they could reduce their own  
6 bills for free, or that FPL will actually help them do  
7 that.

8           It is never a good time for a rate increase. I  
9 mean, I run my own business and one of the things that --  
10 in my business, being a manufacturing company, we have to  
11 invest a lot of money in capital equipment. And sometimes  
12 it doesn't come at the best times, but equipment does wear  
13 out, and you have to replace it. Otherwise, you don't --  
14 you are not competitive, and you don't offer the best  
15 product to your customers.

16           And I think that now with energy the way it is,  
17 FPL, you know, has been very progressive in their efforts  
18 for renewable energy and investing in the future for  
19 green, and I think we need to support them for that and  
20 not wait until it is too late. I think some of the oil  
21 companies, you know, they waited a little too long and now  
22 the price of gas jumped, you know, doubled in one year,  
23 and we are all complaining. Well, you can't get that  
24 infrastructure in place overnight, and I think that now is  
25 a good time for FPL to be investing in our future.

1           So, you know, if they asking for a rate hike,  
2 you know, I think that you officials will have to make  
3 that decision. But I think if they are using it for  
4 investing in our future, I think it is a wise decision.

5           Thank you.

6           **COMMISSIONER McMURRIAN:** Thank you.

7           **MR. BECK:** Ira Cor.

8                           IRA COR

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

11                           DIRECT STATEMENT

12           **MR. COR:** My name is Ira Cor. I am a resident of  
13 Plantation and have lived in Broward County for almost  
14 60 years. I am a real estate broker. I am not a lobbyist,  
15 and I have never worked for nor have I been compensated by  
16 FPL, but I have worked with FPL and where FPL helped to  
17 expedite public and private projects, they are the standard  
18 that you can be proud to participate in.

19           Over the years -- I have been a broker for over  
20 38 years. Even as much as last week, I was fortunate  
21 enough to arrange for the first -- President Obama's first  
22 funded health clinic for people who don't have insurance  
23 in a portion of the county that desperately needs this  
24 kind of a facility. And the owner was making  
25 improvements, and I got the -- unfortunately, the owner's

1 contractor really didn't appreciate the fact that I had  
2 Broward County Minority Builders Coalition do the interior  
3 spaces, and he forgot to order the meter. I called  
4 Florida Power and Light because it was essential. If we  
5 didn't get the place operating and serving customers by  
6 July 1st, this forerunner of future health care centers in  
7 the country would lose its funding.

8 I called FPL, and the person that I normally  
9 deal with -- I am glad that he took his wife and his  
10 children on a holiday for her birthday. I didn't know who  
11 I was calling. I called somebody I didn't have any  
12 knowledge of, explained the direness of the circumstance,  
13 and an hour and a half later the meter was installed. I  
14 don't how to respond to that. I hope I give my customers  
15 the same level of service that I was receiving just this  
16 one instance.

17 I didn't know what to say. There was no  
18 additional charges. There was no additional compensation.  
19 No one got any glory. No one got anything other than a  
20 guy simply saying thank you because I didn't know what  
21 else to say.

22 I called the executive director of this health  
23 center that was beside herself with this good news, and  
24 this typically hard as nails director almost cried with  
25 relief and gratitude. So I don't know how to say thank

1 you to Florida Power and Light other than to be here  
2 tonight and to respond.

3 But, beyond that they are good corporate  
4 citizens, and I, too, am a citizen. And I like to see  
5 money spent intelligently. And I read in yesterday's  
6 paper, The Sun Sentinel, in the editorial section, a  
7 spokesman from Florida Power Light stated that the rate  
8 hike is going to cost about eight percent a year in  
9 capital costs, the interest rate on capital costs in order  
10 to raise the \$16 billion needed to fund its capital  
11 projects. I believe eight percent is more than FPL needs  
12 to spend.

13 I work with a group that believes it can raise  
14 the needed capital at a much lower cost, and I will be  
15 specific, 30-day LIBOR rates, which is now approximately  
16 half a percent. Even after -- even after Florida Power  
17 and Light pays for necessary letters of credit, this  
18 program could still save over one billion dollars a year  
19 that can be passed on to the public in the form of a lower  
20 hike, if one is necessary. I would encourage you, and I  
21 am grateful that you spend your time traveling all over  
22 the state, and thank you for that dedication.

23 If Florida Power and Light can justify what they  
24 are doing, I would endorse it to the level that is  
25 justifiable, but to the extent that we can help mitigate

1 some of those costs, I would welcome an opportunity to  
2 help in any way we can.

3 Thank you.

4 **COMMISSIONER McMURRIAN:** Thank you.

5 **MR. BECK:** Bunney Brenneman.

6 BUNNEY BRENNEMAN

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

9 DIRECT STATEMENT

10 **MS. BRENNEMAN:** Good evening, Madam Chair,  
11 Commissioner. My name is Bunney Brenneman. I am the chair  
12 of the Utility Advisory Committee, City of Fort Lauderdale.

13 I rise because I think some of these things  
14 haven't been covered tonight. Mr. Beck and his  
15 associates, Mr. Wright, and Ms. Bradley will all  
16 responsively and intelligently argue the case for the  
17 consumers' side of the case. I am convinced of that  
18 because they have done so in the past.

19 But this is a basic rate increase hearing.  
20 Unlike some of the other people who have spoken before me  
21 who didn't want to deal with the rate case and the request  
22 for an increase, I think that that is important. It is  
23 important for a lot of reasons.

24 FP&L is a great community partner, that goes  
25 without stating. They are a stellar company. They

1 support many worthwhile causes, but that is not part of  
2 the rate hearing. They also have great PR. There is one  
3 lady that works for them who personally attends all of the  
4 various commission meetings, council meetings, and other  
5 committee hearings that are held by the various  
6 municipalities within her domain. She does a great job  
7 all by herself and creates many good relations and good  
8 contacts for Florida Power and Light. But that is not  
9 part of the rate case hearing.

10 Thanks to the Public Service Commission and its  
11 order, Florida Power and Light was ordered as long -- as  
12 well as the other utilities, were ordered to institute a  
13 program of storm hardening. They inspected all the poles.  
14 They had a subcontract, I believe that was the case, to  
15 have this done, and they determined the status of these.  
16 But how many years did they not take care of maintaining  
17 and repairing and doing something about the poles and the  
18 other things? Too many or they wouldn't have been found  
19 to be in the condition that they actually were found to be  
20 in.

21 It is important for a good community partner,  
22 any responsible business to take care of repair and  
23 maintenance. You just don't consider something that is  
24 standing there and the lines -- you don't consider it  
25 unimportant. This is part of your bread and butter. It

1 also speaks to the issue of reliability.

2 We don't have reliability that I think is good.  
3 I want them -- if they want to be good citizens and good  
4 corporate partners, I want them to do more. I want them  
5 to do more than we expect them to do, because if we expect  
6 the level of service that they say that we have, I want it  
7 to be reliable.

8 I don't want to keep hearing about outages of 18  
9 days. I don't want to hear about that poor man who talked  
10 about being out for a month when he lives on the beach. I  
11 want it to be reliable. It is taking more time, making  
12 that investment and doing what is right and proper is  
13 necessary, I want Florida Power and Light to do that for  
14 all of its customers. Not just here in South Florida, I  
15 want it done for all of the people in their service area  
16 anywhere in the state.

17 I want somebody -- I don't even know that lady  
18 that was living alone. I want her to feel secure in her  
19 home, not that her alarm system is going to be off and she  
20 should worry about having somebody break in. It is  
21 important. Critical infrastructure and things that they  
22 are working on and hardening around those areas is  
23 important.

24 I have two hospitals near me. If I was injured  
25 in the storm, could somebody really get to -- and I needed

1 some kind of emergency service, could somebody really get  
2 to me? If the pole fell over, dragged down the wires, and  
3 I am looking at these wires and they are sparking. Too  
4 many times after Wilma, no matter where you went they  
5 had -- they kept making videos and they kept warning on  
6 the radio and the television, if you could get radio or  
7 television because you didn't have any power and you were  
8 battery operated, they kept warning don't go out. We have  
9 poles laying down all over, or there might be wires, and  
10 be sure and report them. Good. The point is, it happens  
11 every single time. That is not reliable service when  
12 poles fall down.

13           There were too many old wooden ones. They  
14 needed to take -- they needed to catch this problem a long  
15 time ago. It didn't take a decision from the Public  
16 Service Commission to order them to do this. As good  
17 corporate citizens they should have figured it out  
18 themselves. No, they didn't do anything about it. I  
19 would be concerned if I needed hospitalization or  
20 something.

21           The residents and the businesses in the City of  
22 Fort Lauderdale want only two things, what anybody wants  
23 from an electric utility, not only here in the state of  
24 Florida, but anywhere in the country. They want reliable  
25 service and they want it at an affordable rate. We are

1 not going to get any more reliable with this rate  
2 increase, which I think is absolutely excessive, and it is  
3 not going to help them to be able to afford it.

4 At this time, in these economic times when  
5 people are struggling, it is not the fault of Florida  
6 Power and Light that people are struggling. This is a  
7 national problem. We have a national economy. But what  
8 can be done is addressing reliability.

9 The Florida Office of the Public Counsel brought  
10 up these five points, return on equity, 12-1/2 percent,  
11 that is too much. Depreciation, I would like to see the  
12 Public Service Commission address that issue.

13 Overcollected and not doing anything about it in this  
14 particular rate case, unconscionable. They may say what  
15 they want, but it is up to you not to give them what they  
16 want because they say it. It is up to you, and you are  
17 charged with the responsibility of thinking about what all  
18 of us think when we read that they have overcollected at  
19 least 1.25 billion, and maybe it might be nice if they are  
20 going to refund it over a period of years. Do it now.

21 **COMMISSIONER McMURRIAN:** Ms. Brenneman, can you  
22 give us a concluding thought?

23 **MS. BRENNEMAN:** The storm reserve, they are not  
24 about to go out of business or bankruptcy, contrary to what  
25 the gentleman said. They have a storm reserve. They have

1 a nice one. They don't need to add to it.

2 Thank you.

3 **COMMISSIONER McMURRIAN:** Thank you,  
4 Ms. Brenneman.

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

6 Ms. Brenneman was our final witness that signed  
7 up.

8 **COMMISSIONER McMURRIAN:** Okay. Well, at this  
9 time I will ask -- I know we are at 10:00 o'clock or very  
10 close. Is there anyone that didn't sign up to speak that  
11 wishes to speak tonight? I don't see anyone else. So I  
12 guess at this time I will thank everyone for bearing with  
13 us. We did get through a lot of people in a short time.  
14 Thank you all for your -- for your very brief comments. It  
15 allowed us to get through a lot of people and we appreciate  
16 that very much. Thank you for sticking it out so late, and  
17 we hope you all have a safe drive home. And, Commissioner  
18 Skop, did you want to say something?

19 **COMMISSIONER SKOP:** Yes. Thank you, Madam Chair.  
20 Thank you, again, everyone for coming out. I know it has  
21 been a long evening, but I do appreciate everyone taking  
22 their Friday evening to come out and share their concerns.  
23 So thank you very much and have a safe trip home.

24 **COMMISSIONER McMURRIAN:** And I think with that, I  
25 will call this hearing adjourned. Thank you all.

(The service hearing concluded at 10:00 p.m.)

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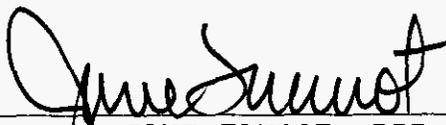
STATE OF FLORIDA        )  
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                                  :       CERTIFICATE OF REPORTER  
COUNTY OF LEON        )

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.



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JANE FAUROT, RPR  
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