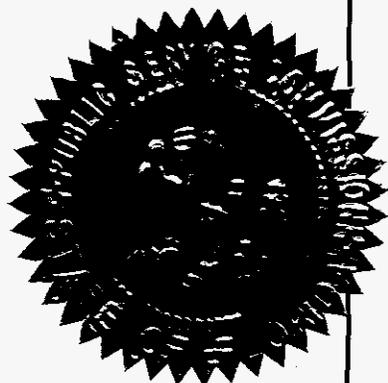


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 090079-EI

In the Matter of:

PETITION FOR INCREASE IN RATES BY  
PROGRESS ENERGY FLORIDA, INC.



PROCEEDINGS: INVERNESS SERVICE HEARING

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

DATE: Friday, July 17, 2009

TIME: Commenced at 9:01 a.m.  
Concluded at 12:32 p.m.

PLACE: Citrus County Auditorium  
3610 South Florida Avenue  
Inverness, Florida 34450

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

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## 1 APPEARANCES:

2 R. ALEXANDER GLENN, ESQUIRE, Progress  
3 Energy Service Company, LLC, Post Office Box 14042,  
4 St. Petersburg, Florida 33733-4042, appearing on behalf  
5 of Progress Energy Service Company.

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8 Florida 32301, appearing on behalf of the Florida Retail  
9 Federation.

10 CECILIA BRADLEY, ESQUIRE, The Capitol - PL01,  
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12 the Citizens of the State of Florida.

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21 the Commission Staff.

22  
23  
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## P R O C E E D I N G S

1  
2           **CHAIRMAN CARTER:** I would like to call this  
3 service hearing to order. Good morning to everyone.

4           Commissioner, can you hear us okay,  
5 Commissioner Argenziano?

6           **COMMISSIONER ARGENZIANO:** Yes. Can you hear  
7 me?

8           **CHAIRMAN CARTER:** I can hear you. Rick is  
9 going to turn the volume up just a little bit more here.  
10 We can hear you fine.

11           **COMMISSIONER ARGENZIANO:** Okay. I don't --

12           **CHAIRMAN CARTER:** Oh, yeah, absolutely.  
13 You're coming in loud and clear now.

14           **COMMISSIONER ARGENZIANO:** Okay. Very good.

15           **CHAIRMAN CARTER:** Thank you.

16           Let me just take a moment to have staff read  
17 the notice, and then I'll make, I'll do our  
18 introductions.

19           Staff, would you please read the notice?

20           **MS. FLEMING:** Pursuant to notice issued by the  
21 Commission Clerk, this time and place has been set for a  
22 --

23           **UNIDENTIFIED SPEAKERS:** We can't hear you.

24           **MS. FLEMING:** Pursuant to notice issued by the  
25 Commission Clerk, this time and place has been set for a

1 Customer Service Hearing in Docket Number --

2 **COMMISSIONER SKOP:** Chairman Carter, can you  
3 hear me?

4 **UNIDENTIFIED SPEAKER:** No.

5 **COMMISSIONER ARGENZIANO:** I can hear you.

6 **COMMISSIONER SKOP:** Okay.

7 **CHAIRMAN CARTER:** Yes. Commissioner Skop, is  
8 that you?

9 **COMMISSIONER SKOP:** Yeah.

10 **CHAIRMAN CARTER:** Good. Thank you, sir. I  
11 got you loud and clear.

12 Did you hear staff read the notice?

13 **COMMISSIONER SKOP:** I did not.

14 **COMMISSIONER ARGENZIANO:** We can't hear staff.

15 **CHAIRMAN CARTER:** Let's -- come and read it on  
16 this -- come over here and read it on this. Just one  
17 second.

18 **MS. FLEMING:** Pursuant to notice issued by the  
19 Commission Clerk, this time and place has been set for a  
20 Customer Service Hearing in Docket Number 090079. The  
21 purpose of this Customer Service Hearing is to take  
22 testimony from the public on the quality and adequacy of  
23 Progress's service and other matters related to  
24 Progress's petition for a rate increase.

25 **CHAIRMAN CARTER:** Thank you. Let me just kind

1 of tell everyone, we've got a little feedback coming  
2 here on, in the system and all, but if we -- if you  
3 speak clearly when you get to the mike, maybe it'll take  
4 care of things there.

5 Let me just take a moment to allow my  
6 colleagues to introduce themselves.

7 Commissioner McMurrin.

8 **COMMISSIONER McMURRIAN:** Hello. I'm Katrina  
9 McMurrin, and I'm happy to be here with you all today.  
10 And thank you for coming out. We look forward to  
11 hearing your comments about the petition that's before  
12 us.

13 **CHAIRMAN CARTER:** Thank you.

14 Commissioner Argenziano.

15 **COMMISSIONER ARGENZIANO:** Yes. Good morning  
16 Citrus County. I'm so sorry --

17 **CHAIRMAN CARTER:** Hang on one second,  
18 Commissioner. Let me see if we can work on that volume  
19 again.

20 Okay. Try it now.

21 **COMMISSIONER ARGENZIANO:** I don't want to be  
22 yelling at people. How is that?

23 **CHAIRMAN CARTER:** That's much better.

24 **COMMISSIONER ARGENZIANO:** Well, I said good  
25 morning to all my neighbors in Citrus County. I'm so

1       sorry I cannot be there today. I broke my leg and I  
2       can't walk around, and I really appreciate the ability  
3       to be here at least by phone. And I'll be here until  
4       every one of you speak and hear everything you have to  
5       say. So great to have you out. I know how great the  
6       people are in Citrus County and I know that you have our  
7       ears and our attention today and I'm just glad that  
8       you're here. And, again, I apologize. I just can't be  
9       there. But I'm here by phone and will take everything  
10      you have to say back with me in deliberation of this  
11      case. So thank you very much.

12                **CHAIRMAN CARTER:** Thank you.

13                Commissioner Skop.

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

15                Good morning. This is Commissioner Nathan  
16      Skop, and I look forward to hearing all of the comments  
17      from the people from Citrus County in Inverness this  
18      morning, and hope to join the meeting in person a little  
19      bit later. Thank you.

20                **CHAIRMAN CARTER:** Thank you. Let me kind of  
21      give everyone the lay of the landscape because we do  
22      have a lot of people signed up and we want to hear from  
23      the people. That's the reason we're here today. I'm  
24      going to ask the parties if they would keep their  
25      comments brief because we do want to hear from you.

1           And also, members of the public, we want  
2 you -- we have a lot of people here signed up and we  
3 want to hear from you. We've got about a three-hour  
4 window. So we're going to ask you if can keep your  
5 comments within three minutes so we can move -- our  
6 staff has to leave here to be two hours down the road in  
7 Ocala for our next hearing. But we can get it done. We  
8 can get it done, if we'll just be respectful like our  
9 Grandma taught us.

10           **UNIDENTIFIED SPEAKER:** Maybe you should have  
11 planned better so this wouldn't be such a rush.

12           **CHAIRMAN CARTER:** Anyway, we -- it's not a  
13 rush, sir.

14           Anyway, what we're going to do is we're going  
15 to have this hearing here because we want to hear from  
16 you.

17           At this point in time we'll take appearances  
18 of the parties.

19           Mr. Glenn.

20           **MR. GLENN:** Mr. Chairman, Alex Glenn --

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

22           **MR. GLENN:** Alex Glenn, Progress Energy  
23 Florida General Counsel.

24           **MR. KELLY:** Good morning. I'm J. R. Kelly.  
25 I'm the Public Counsel for the State of Florida.

1           **MR. WRIGHT:** Good morning. My name is Schef  
2 Wright and I represent the Florida Retail Federation.  
3 Thank you.

4           **MS. BRADLEY:** I'm Cecilia Bradley and I work  
5 for Attorney General McCollum. And together with your  
6 Public Counsel, we will be representing you in these  
7 proceedings. So thank you for coming.

8           (Applause.)

9           **MS. FLEMING:** Katherine Fleming appearing on  
10 behalf of the Commission.

11           **CHAIRMAN CARTER:** Also we have with us this  
12 morning Jack Shreve representing Governor Charlie Crist.  
13 Jack's been with us at all of these hearings. Some of  
14 you may know Jack. He served as the Public Counsel for  
15 25 years for the State of Florida. We're glad to have  
16 Jack with us here today.

17           (Applause.)

18           Let me just kind of let you know, the green  
19 sheets that are on the back table there, some of you may  
20 have picked those up. They serve two purposes. One is  
21 that they tell you the who, what, when, why and where  
22 about this proposed rate increase. It also, those of  
23 you that are techno savvy, there's a line that you can  
24 go online and send us your information. Those of you  
25 that are old school like me, on the back there's a

1 tear-away. You can complete your comments and mail  
2 those in to us. If you've got some friends and  
3 neighbors that were unable to be here today, please take  
4 extra -- we have extra copies back there. Please take  
5 them and send those in.

6 Also if you had an opportunity to speak today  
7 but you forgot something, take, take them home with you,  
8 fill them out and send those in to us because we do want  
9 to hear from you.

10 The other thing we have on the table back  
11 there is that we're in -- this is hurricane season. We  
12 have some safety tips for you on the table back there  
13 with our staff. Please, ma'am, please, sir, be safe  
14 during this time.

15 With that, let me just take a moment before I  
16 have the parties do their opening statements. Those of  
17 you that are wishing to speak today, would you please  
18 stand so I can swear you in as a group. Would you  
19 please stand and raise your right hand.

20 (Witnesses collectively sworn.)

21 Thank you. You may be seated.

22 Mr. Glenn.

23 **MR. GLENN:** Thank you, Mr. Chairman and  
24 Commissioners. And thank all of you for coming out. We  
25 value what you have to say, whether it's a concern, a

1 question or a compliment. Given the number of people  
2 who want to speak today, I'm not going to make an  
3 opening presentation. I want to hear from you guys.  
4 And so if any of you have a question about our proposed  
5 rate proceeding, please talk to me during the meeting,  
6 after the meeting. I'll stay as long as you want.

7 But one thing I want to say on behalf of all  
8 of the dedicated Progress Energy employees, the  
9 1,681 who live in this community and surrounding  
10 communities and who work every day, every day to serve  
11 you, thank you for listening, thank you for coming out  
12 today, and we welcome what you have to say.

13 **CHAIRMAN CARTER:** Mr. Kelly.

14 **MR. KELLY:** Good morning. Thank you so much  
15 for taking time out to be here today. I'm going to keep  
16 this very short and sweet.

17 My name is J. R. Kelly. I'm the Public  
18 Counsel. I have the honor and the privilege of  
19 representing you, the ratepayers, in front of the Public  
20 Service Commission to contest this rate hike that  
21 Progress Energy is asking for.

22 Let's cut to the chase. They're asking for a  
23 \$500 million increase, folks, a 31.5 percent increase in  
24 the base rates. Part of that request, they're asking  
25 for 12.54 percent return on equity. How many of you get

1 that today in your retirements, your stocks, your bonds?  
2 Okay. Enough said. It is not fair, it is not  
3 reasonable.

4 Depreciation expense is going to be a huge  
5 topic. I'm not going to get into it -- just to tell you  
6 this, Progress has over collected over the past years  
7 \$700 million of your money. We believe that should be  
8 returned to you over the next three or four years, not  
9 over the next 20 or 30 years.

10 (Applause.)

11 Finally, finally, and I'll sit down, finally,  
12 remember this, Progress is a monopoly. There is no  
13 other game in town. Part of the rates they pay, excuse  
14 me, they collect from you, some of it is in base rates,  
15 some of it is in pass-through clauses, pass-through such  
16 as nuclear, environmental, fuel. You hear a lot of  
17 those things thrown around. Pass-through means they pay  
18 a dollar, you pay a dollar. Very little risk involved  
19 in that. The base rates make up only 44 percent of the  
20 bill, and that's why we're here today. Folks, take this  
21 opportunity, speak up, speak up, speak up. These folks  
22 behind me need to hear from you today. Thank you.

23 (Applause.)

24 **CHAIRMAN CARTER:** Thank you.

25 **MR. WRIGHT:** Technical difficulties by the

1 lawyer. Good morning again. Excuse me. My name is  
2 Schef Wright. I'm a native Floridian. I have lived all  
3 of nine -- all but nine of my 59 years in Florida. I've  
4 been working in energy in Tallahassee for the last 29  
5 years, first for Governor Graham's energy office, then  
6 on the Public Service Commission staff, and for the last  
7 20 years as a private practice attorney.

8 I have the privilege of representing the  
9 Florida Retail Federation in this case. The Florida  
10 Retail Federation is a statewide organization of more  
11 than 9,000 members, from the smallest mom and pop  
12 establishments to the largest chains of grocery,  
13 department stores, electronic stores and pharmacies that  
14 serve you. We're not monopolies. We appreciate y'all.  
15 Thank you.

16 We are customers too. We oppose this rate  
17 increase. The Retail Federation and our principal  
18 members, Publix, Walmart, Target, Best Buy, Macy's, we  
19 oppose this rate increase. We are fighting with your  
20 Public Counsel, as we fought with Mr. Shreve, Public  
21 Counsel for 25 years, to keep a base rate freeze four  
22 years ago, to get a reduction seven years ago. We are  
23 fighting against this rate increase. This is an  
24 important case. The Commissioners need to hear from  
25 you.

1           Mr. Kelly mentioned a couple of the issues in  
2 this case. They're big dollars. The real issue is does  
3 Progress need another half a billion dollars a year of  
4 y'all's money and our money to keep the lights on to  
5 provide safe, adequate, reliable service? Our answer is  
6 unequivocally no. Thank you for coming. Tell the  
7 Commissioners what you think.

8           (Applause.)

9           **MS. BRADLEY:** I'm Cecilia Bradley. And I just  
10 messed up the mike, but I'll try to keep talking so I  
11 won't lose time here.

12           As I mentioned before, I work for Attorney  
13 General McCollum, and we work with your Public Counsel  
14 to represent you in these proceedings. So it's very  
15 important that all of you testify today and tell us how  
16 this will affect you.

17           We have some people that say \$13.83 isn't that  
18 big a deal. That's less than you pay to go to a movie.  
19 Those people don't understand that people aren't going  
20 to movies, they aren't doing, going to restaurants  
21 anymore because they simply can't afford it. People are  
22 on fixed incomes. And this is from the, you know,  
23 single parents with children who maybe are out of jobs  
24 today and are having trouble feeding them because  
25 everything but their income has gone up. And it goes

1 all the way through on our retired folks and disabled  
2 folks that are on fixed incomes and they don't have the  
3 money for any increase. That concerns us. We're  
4 concerned about the sacrifices that people are making to  
5 try to conserve energy, and, frankly, some of them have  
6 gone more than you can imagine, and that concerns us.  
7 Those are the people we're concerned about and how it  
8 affects them.

9 But this affects everybody differently, so  
10 it's important that you testify. Even if you get up and  
11 say, I'm kind of like Ms. so and so that just testified  
12 and I have the same concerns, let us know. Because we  
13 need to know if this is just one person or if is this a  
14 100 or more people. That's important.

15 Another thing we're concerned about is the  
16 trickle-down effect this has because when your  
17 electricity goes up, it also goes up for Mr. Wright's  
18 customers, the grocery stores, the pharmacies. So  
19 you're getting a double whammy. Not only is your  
20 electricity going up, but all your other goods and  
21 services are going up because those folks have to  
22 compete. They're not a monopoly.

23 So we have a lot of concerns, but hopefully  
24 you all will tell us what your concerns are because  
25 that's the most important thing. And I appreciate you

1 being here today and testifying.

2 (Applause.)

3 **CHAIRMAN CARTER:** Our staff is going to move  
4 the podium around because we're here to hear from you,  
5 and they're going to move this around so we can -- and  
6 as you come up to testify, this lady to my right is our  
7 court reporter. She's going to be transcribing what you  
8 say because it'll be part of the public record. So  
9 please, ma'am, please, sir, when you come up, give your  
10 name and address and we'll have that so we can take  
11 that -- make sure you put this one back too -- so we can  
12 have that into the record.

13 First we'd like to hear from Senator Charlie  
14 Dean. Senator.

15 (Applause.)

16 **SENATOR DEAN:** Chairman Carter, can hear me?

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

18 **SENATOR DEAN:** Can y'all hear me?

19 **UNIDENTIFIED SPEAKER:** Yes.

20 **SENATOR DEAN:** Chairman Carter, I want to  
21 thank you for coming here today to Citrus County and for  
22 so promptly granting my request to host these hearings  
23 in my letter of request back to you back this last  
24 spring.

25 This body today that you represent, the Public

1 Service Commission, will make the ultimate decision what  
2 if and if any base rate increase that Progress Energy  
3 will receive in this request.

4 We represent a part, here in Citrus County and  
5 part of my other 13 counties in the total district, of  
6 the 1.6 million customers that'll be affected by this  
7 rate. I appreciate you coming to Live Oak and Suwannee  
8 County. I appreciate this afternoon. I'll see you back  
9 in Marion County. And thank you for coming to Inverness  
10 in Citrus County.

11 I would like to be first to encourage you to  
12 decline this request. We cannot afford it at this time.  
13 No way, shape, form or fashion we can afford it. We've  
14 been strapped, the economy is strapped. And we're  
15 talking about a utility that's our neighbor also that  
16 participates in Citrus County economically, has helped  
17 develop a lot of the issues that we have been able to  
18 sustain in Citrus County. They're not bad neighbors.  
19 But, folks, we just can't afford this raise at this  
20 time, and I'd appreciate you very much looking into  
21 declining it. Thank you.

22 (Applause.)

23 **CHAIRMAN CARTER:** Thank you, Senator.

24 Councilwoman Marti Consuegra with the City of  
25 Inverness.

1                   **COUNCILWOMAN CONSUEGRA:** Thank you,  
2 Commissioner. The City of Inverness and Mayor Bob  
3 Plaisted --

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

5                   **COUNCILWOMAN CONSUEGRA:** The City of Inverness  
6 and the Mayor, Bob Plaisted, and council members welcome  
7 you.

8                   We want to thank you, the Public Service  
9 Commission, for giving us this opportunity to hear our  
10 concerned citizens. We're very concerned. We're  
11 citizens in a retirement community and we are facing no  
12 raise on our Social Security in 2010. We cannot afford  
13 this raise. We're all on fixed incomes. The majority  
14 of our citizens are on fixed incomes. We have families  
15 that husbands and wives have lost their jobs. We hope  
16 that you take this into consideration.

17                   You have come to a county that's the gem of  
18 the Nature Coast. We just hope that you stop by our  
19 cities and go into the rolling countryside and see why  
20 we value our county so much.

21                   I want to thank all of the esteemed senators  
22 who are listening, and please hear our cry, no rate  
23 hike. Thank you.

24                   (Applause.)

25                   **CHAIRMAN CARTER:** Thank you.

1 Representative Ron Schultz. Good morning.

2 **REPRESENTATIVE SCHULTZ:** Mr. Chair, thank you,  
3 and welcome to Citrus County and thank you for being in  
4 Citrus County. I think it is self-evident to all of us  
5 in this room, to the members of the Public Service  
6 Commission that we are in an unprecedented economic  
7 situation at the moment.

8 **UNIDENTIFIED SPEAKERS:** Speak up. We can't  
9 hear you. Speak up. Get closer to the mike.

10 **CHAIRMAN CARTER:** Get a little closer to it.  
11 Just get a little closer to it.

12 **REPRESENTATIVE SCHULTZ:** Yep. Is that better?

13 I think it's obvious to the members of the  
14 Commission as well as everybody in this room that we are  
15 in unprecedented economic conditions. Under these  
16 circumstances the decision making of this body must be  
17 tempered with the realization of what the economic  
18 situation is today and for the foreseeable future. I  
19 wish you great wisdom in the making of your decisions.  
20 Thank you very much.

21 **CHAIRMAN CARTER:** Thank you.

22 Mr. Kelly, will call your name. And as he  
23 does, remember, state your name and address for the  
24 court reporter as we go along.

25 Mr. Kelly, you're recognized.

1                   **MR. KELLY:** The first speaker will be  
2 Ms. Suzan Franks, followed by Gail Dolly.

3                   (Applause.)

4                   **CHAIRMAN CARTER:** Suzan, you may have to take  
5 the mike off. You may have to just take it off.  
6 Whereupon,

7                                   **SUZAN FRANKS**

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

11                                   **DIRECT STATEMENT**

12                   **MS. FRANKS:** I'll just, I'll just talk right  
13 into it. How is that?

14                   **CHAIRMAN CARTER:** Okay. Thank you.

15                   **MS. FRANKS:** Good morning. My name is Suzan  
16 Franks. I live at 652 East Dakota Court, Hernando,  
17 Florida.

18                   Progress Energy is a for-profit electric  
19 company and a monopoly that is privately owned and  
20 operated and whose sole purpose is to generate profit  
21 for the stockholders. The Public Service Commission is  
22 a group of five members appointed by the Governor that  
23 expresses their role in the Internet as the following.  
24 "The Commission is committed to making sure that  
25 Florida's consumers receive some of their most essential

1 services, electric, et cetera, in a safe, affordable and  
2 reliable manner. In doing so, the Public Service  
3 Commission exercises regulations authority, regulatory  
4 authority over utilities in one or more of these three  
5 key areas: Rate base economic regulation, competitive  
6 market oversight and monitoring of safety, reliability  
7 and service."

8 I come before you today to express my deep and  
9 heartfelt disappointment with the job that the majority  
10 of you have done in regard to your duty as Public  
11 Service Commissioners, as well as the job that has been  
12 performed by our state Legislature, both House and  
13 Senate members, as well as the Governor, as witnessed by  
14 the passage of the biggest \$17 billion sweetheart deal  
15 in Florida's history that authorized the legislation to  
16 require the ratepayers to pay for one of Progress  
17 Energy's for-profit nuclear power plants planned for  
18 Levy County. This is a violation of the Constitution of  
19 the State of Florida and it was a slap in the face to  
20 every single ratepayer in this state.

21 In addition, years ago Progress Energy  
22 Corporation and other electric companies across the  
23 state were guaranteed a profit by the PSC in order to  
24 encourage private investment in the building of our  
25 power grid. Although that task was accomplished decades

1 ago, at the present time the PSC now has a guaranteed  
2 profit for Progress Energy of 10 percent. Why haven't  
3 the members of the PSC looked at this huge guaranteed  
4 profit as an area to be adjusted downward, especially  
5 given the harsh economic times Floridians are facing?

6 In the case of Progress Energy, a private  
7 corporation that holds a monopoly on its ratepayers, not  
8 only has the profit margin not been adjusted, but  
9 because Progress Energy is a private corporation, they  
10 have refused to make public the compensation they pay to  
11 their corporate staff.

12 In my -- it is my understanding that the CEO  
13 of Progress Energy in North Carolina receives a salary  
14 of over \$5 million a year and that we are paying for  
15 this huge salary in our electric rates. Recently,  
16 excuse me, Mr. Lyash was elevated to Vice President of  
17 Progress Energy, and I assume he's going to be  
18 overcompensated for his, his position as well.

19 The PSC has not been given the information  
20 from Progress Energy that you need to fulfill your  
21 stated role, which, to repeat, is to exercise your  
22 regulatory authority over the electric company when it  
23 comes to rate base economic regulation, competitive  
24 market oversight.

25 My first question is this: How can any of

1 your membership possibly vote to increase the rate base  
2 for Progress Energy when, because Progress Energy  
3 refuses to open their books, you don't have the  
4 information to make an informed decision?

5 Secondly, in addition, it has come to my  
6 attention that during the recent Progress Energy  
7 employee contract negotiations in Florida, 297  
8 employees, of which over half were plant operations and  
9 management workers, were terminated to save the company  
10 money and increase their profit. At the same time  
11 Progress Energy has terminated contracts with outsourced  
12 contractors that maintain the power lines. As I read  
13 the law as it relates to Progress Energy's liability, it  
14 makes clear the maintenance of the power plant and the  
15 lines are the responsibility of the power company.

16 Also in reviewing the laws, I discovered that  
17 if a hurricane strikes, the repair cost to the power  
18 lines fall on the ratepayers. That's right, folks. It  
19 will be another charge on our electric bill.

20 Now let's connect the dots. Due to the  
21 terminated maintenance employees and all --

22 **CHAIRMAN CARTER:** Ms. Franks, are you close,  
23 are you close to winding up?

24 **MS. FRANKS:** I am. I am closing.

25 **CHAIRMAN CARTER:** Keep going. Please, ma'am.

1                   **MS. FRANKS:** Yeah. I'm almost done.

2                   **UNIDENTIFIED SPEAKERS:** Let it go on. Let her  
3 go on. Let her speak.

4                   **MS. FRANKS:** Due to the terminated maintenance  
5 employees and also due to the terminated outsourced  
6 contracts for maintenance of the power lines, I question  
7 Progress Energy's stewardship of the safety, reliability  
8 and service to provide electricity to the ratepayers.  
9 With such a lack of stewardship by Progress Energy  
10 towards these most important responsibilities, my second  
11 question is this: Do you really think that increasing  
12 the base rate to Progress Energy would be the proper  
13 response to the dereliction of duty to their 1.7 million  
14 electric consumers in Florida? These reasons and others  
15 should lead you to conclude that no base rate increase  
16 is warranted and that the PSC should be looking to lower  
17 the base rate for the 1.7 million ratepayers in Florida.  
18 Thank you.

19                   (Applause.)

20                   **MR. KELLY:** Gail Dolly, followed by Theodora  
21 Rusnak.

22                   **UNIDENTIFIED SPEAKER:** At a girl, Sue.  
23 Whereupon,

24   **GAIL DOLLY**

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

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

3 **DIRECT STATEMENT**

4 **MS. DOLLY:** Good morning.

5 **CHAIRMAN CARTER:** Good morning.

6 **MS. DOLLY:** My name is Gail Dolly, and I drove  
7 all the way down from --

8 **UNIDENTIFIED SPEAKERS:** We can't hear you.  
9 Can't hear you.

10 **MS. DOLLY:** Oh, sorry.

11 **CHAIRMAN CARTER:** Just pull it off. There you  
12 go. Just pull it off and talk into it. There you go.

13 **MS. DOLLY:** All right. Good morning. My name  
14 is -- can you hear me?

15 Okay. My name is Gail Dolly, and I drove all  
16 the way down from Suwannee County just to give you, the  
17 members of the Public Service Commission, a piece of my  
18 mind, and I don't have much to spare.

19 Progress Energy Electric Company has not been  
20 a good steward of our electric power. They're a  
21 privately owned and operated company whose goal is to  
22 make lots of money for their stockholders and not  
23 consider the ratepayers in doing so.

24 We, the ratepayers, cannot afford their rate  
25 as it is, never mind an increase. People are suffering

1 in these hard economic times in loss of jobs, loss of  
2 their homes, and stretching to the limit those family  
3 resources that they must go to for food and clothing to  
4 just get by, and that is why the PSC must act to protect  
5 us, the ratepayers.

6 This behavior reminds me of nothing as much as  
7 when Enron, and I'm sure we all remember Enron, invaded  
8 the West Coast, California, Oregon and Washington  
9 specifically, and brought rolling blackouts and wrecked  
10 businesses to its customers. This was the worst  
11 economic crisis to hit the West Coast in decades.  
12 Electricity prices skyrocketed. A kilowatt of power  
13 that a year earlier cost \$30 was now priced at \$600.  
14 And even when the people cut back on their use of power,  
15 the prices stayed artificially high. Even when -- we  
16 are seeing this in gasoline, and Progress wants to do  
17 this to us with electricity. I'm so mad.

18 It is absolutely inappropriate for the PSC  
19 members to consider an increase in electric rates. In  
20 fact, what the PSC membership, the Legislature and the  
21 Governor should be doing is taking steps right now to  
22 lower our electric rates.

23 The PSC has guaranteed the power companies in  
24 our state a 10 percent profit. Currently, Progress  
25 Energy is making a 12.5 profit. I wish I got that kind

1 of raise from the Social Security. It's time for the  
2 PSC to not only say no to a rate increase, but to lower  
3 their profit to something that is affordable to the  
4 ratepayers.

5 Therefore, I am formally asking you to lower  
6 the guaranteed rate from 10 percent to half that amount,  
7 to at most 5 percent as a step in the right direction,  
8 and I would like an answer to this request within seven  
9 days from today, July 17th, 2009, in writing.

10 Remember, Progress Energy is a monopoly, and  
11 Progress Energy's profits are too high and not  
12 reflective of the ability of the ratepayers to pay.

13 Suwannee County is a small, poor county. We  
14 are dying up there, really. We've lost -- what  
15 Pilgrim's Pride did to us, and it's, it's just awful.  
16 That's that.

17 (Applause.)

18 **CHAIRMAN CARTER:** Gail, the case will be  
19 proceeding. We'll get an answer to you after the case  
20 has proceeded. We won't be able to get you a letter --  
21 I don't want to mislead anyone. You won't get a letter  
22 in seven days.

23 **MR. KELLY:** After Ms. Rusnak, it'll be Hank  
24 Hemrick.

25 Whereupon,

**THEODORA RUSNAK**

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

**DIRECT STATEMENT**

5  
6 **MS. RUSNAK:** Good morning, ladies and  
7 gentlemen. My name is Theodora Rusnak. My address for  
8 the record is 749 West Massachusetts Street, Hernando,  
9 Florida 34442.

10 Ladies and gentlemen, I am here today as the  
11 President of the Citrus County Council. Now this is a  
12 consortium of civic government -- I'm sorry, not  
13 government -- but civic homeowner organizations and  
14 environmental groups in the county. We have over 17  
15 organizations and represent very conservatively at least  
16 16,000 citizens of Citrus County. We respectfully  
17 request that the PSC not grant this proposed rate  
18 increase to Progress Energy.

19 The four remarks that I'm going to be reading  
20 into the record come from our members and delegates.  
21 This whole issue is like the Hydra, the four-headed  
22 monster of Greek mythology.

23 Head number one, the fuel charges that are  
24 being added into our bill each month. In a comparison  
25 with one delegate's bill going back to July of 2004,

1 that fuel charge was at a flat 3.458 cents per kilowatt  
2 hour. It is now at a two-tiered system with a combined  
3 rate of 12.2 cents per kilowatt hour, effectively almost  
4 a quadruple in five years' time for a service charge.  
5 This today -- at one time in 2004 this represented  
6 something like 62 percent of the actual cost for the  
7 electricity. This now doubles the cost of electricity  
8 alone.

9 Head number two of this monster, the current  
10 base rates have continued to increase exponentially.  
11 Again, a delegate's bill comparison of summer of 2004  
12 showed this person was using 1,857 kilowatt hours for a  
13 30-day period. That same 30-day period reflected in  
14 this month's bill, five years later, was only for 1,594  
15 kilowatt hours. This delegate was very careful to  
16 reduce her electric usage, yet her bill went from  
17 \$176 to \$229. This doesn't make sense.

18 Head number three of the monster deals with  
19 the location of the proposed nuclear plant in Levy  
20 County. Many of our organizational members and  
21 individual associate members are very environmentally  
22 concerned. They -- one of the groups, for example, is  
23 the Nature Coast Group of the Sierra Club. I myself am  
24 the representative from that group and I'm the current  
25 secretary for that group. We oppose the location of the

1 Levy plant. We feel this is the wrong plant in the  
2 wrong place. It is an unsound site due to the springs  
3 and wetland location for this new plant. This is one of  
4 the reasons for the proposed rate increase is to be able  
5 to recoup through this and other pass-through charges  
6 preconstruction and construction costs. There exists a  
7 persistent probability of aquifer damage and saltwater  
8 intrusion if this construction site continues to be  
9 used. It is indeed the wrong plant at the wrong place.

10 And lastly, head number four, the whole issue  
11 of trying to collect by Progress Energy costs for  
12 preconstruction and construction costs way before they  
13 even have a license to build this plant. Ladies and  
14 gentlemen, this is unconscionable. This is a risk and a  
15 cost that needs to be borne by the stockholders.

16 In this morning's *Chronicle* it was brought to  
17 my attention that Progress Energy is now seeking to  
18 guarantee not just the mere 10 percent, the modest  
19 10 percent guaranteed return to investors, but now they  
20 want to increase it to 12.2 percent. I will gladly pay  
21 the extra costs that they are looking for if I can get,  
22 one, a share, a certificate of stock every time I pay my  
23 monthly bill, and then I am guaranteed at least a  
24 12 percent rate of return on that stock certificate.

25 (Applause.)

1           For these reasons, we contend that the Public  
2 Service Commission do not approve this for any future  
3 rate hike increases by Progress Energy. Thank you very  
4 much.

5           (Applause.)

6           **CHAIRMAN CARTER:** Thank you. Before, before  
7 our next, before our next witness, Commissioners, for  
8 the record, Ms. Suzan Frank's comments will be entered  
9 into the record as Exhibit Number 7. Ms. Dolly's  
10 comments will be entered into the record as Exhibit 8.

11           And also, Senator Fasano, Senator, did you  
12 want to bring -- Senator Fasano, President Pro Tem of  
13 the Florida Senate.

14           They're marked for identification, Exhibits 7  
15 and 8 marked for identification.

16           (Exhibits 7 and 8 marked for identification.)

17           Senator, good morning.

18           **SENATOR FASANO:** Good morning, Mr. Chairman.  
19 Good morning, Commissioners.

20           **CHAIRMAN CARTER:** You've got to speak a little  
21 closer to it. It's one of those -- there you go.

22           **SENATOR FASANO:** Will do. I see that you're  
23 running out of Commissioners.

24           **CHAIRMAN CARTER:** We've got two on the phone.

25           **SENATOR FASANO:** Yes, sir. Commissioners,

1 thank you very much for scheduling again today's public  
2 hearing. As I have in the past -- this will be the  
3 third time that I'm speaking to you today. So if I'm  
4 being repetitious, I apologize, but I think it's  
5 important that those behind me and those in front of you  
6 understand what the impact will have on not, on not only  
7 the State of Florida, but also to every constituent of  
8 mine and every customer of Progress Energy.

9 **UNIDENTIFIED SPEAKER:** Please hold the mike  
10 better.

11 **SENATOR FASANO:** I want to thank you again for  
12 scheduling today's public hearing. This hearing and  
13 others scheduled in other parts of Progress Energy's  
14 service area of course is allowing the customers the  
15 opportunity to voice their concerns with the  
16 extraordinary high rate increases requested by a  
17 utility, Progress Energy.

18 As a Progress Energy customer myself, I  
19 personally oppose the rate increase. As a legislator  
20 who represents customers from Pinellas to Citrus  
21 Counties, I speak on behalf of the countless number of  
22 people who have called, e-mailed or sent letters  
23 expressing their opposition to the rate increase as  
24 well. I am so very impressed by the turnout today.  
25 Many of them are here today and many of them could not

1 make it for a variety of reasons. For those who are not  
2 here, I'm expressing their concern with the impact that  
3 these potential rates could have on the constituents  
4 already struggling to pay their monthly bills. If the  
5 rate increases are granted, those on fixed incomes, the  
6 unemployed and families already trying to make ends meet  
7 in these tough economic times are going to be hurt the  
8 most.

9 The increase coupled with the proposed nuclear  
10 advanced cost recovery rate increase translates into a  
11 base rate increase of over \$26 per month.

12 Commissioners, these are not dollars that  
13 can't be conserved away. These are base rate increases  
14 that come as part of the cost or privilege to receive  
15 electricity from Progress Energy. The bottom line is  
16 regardless of people trying to conserve, if the base  
17 rate is allowed to increase, they will, they will get  
18 hit with a base rate increase regardless if they try to  
19 conserve their energy. Most people who will be forced  
20 to pay these rates, if approved, will not have any way  
21 to come up with additional monies other than to cut  
22 their already stressed budgets further.

23 Progress Energy, some might say that they're a  
24 fine company doing good things in our community, and  
25 that's fine as well. However, Progress Energy enjoys

1 the status of being a monopoly. They are the only game  
2 in town.

3 Despite this fact, the current application  
4 includes an additional \$100 million in depreciation  
5 expenses. And as per the Office of Public Counsel here  
6 today representing the people, rather than asking for  
7 more depreciation expense, the utility should be asking  
8 for the ability to refund its customers the total amount  
9 of the over collected dollars.

10 (Applause.)

11 It is outrageous that this monopoly, this  
12 utility will be raking in huge profits while its  
13 customers will be digging deep into their pockets just  
14 to pay their monthly power bill.

15 From the accounting point of view, reports  
16 that Progress Energy has over collected from its  
17 customers more than, for more than ten years in  
18 depreciation expenses. The excess collected during this  
19 time equals to \$700 million. Because their customers  
20 have no where else to go to purchase their electricity,  
21 the company has a captive customer base. While the  
22 customers will have to scrimp and save to pay for these  
23 increases, if approved, Progress Energy will be enjoying  
24 a greater guaranteed rate of return. And as we all  
25 know, the proposed rate increase would allow Progress

1 Energy to profit at a level of 12.5 -- 12.54 percent. I  
2 don't think there's anybody behind me or anybody  
3 listening today getting a 12.54 percent on their, on  
4 their investment. I'm certain, I'm certain that many of  
5 our retirees and working families would like to see  
6 that. Progress Energy is asking for a 12.54 percent  
7 return on their investment.

8           Additionally for the base rate application, it  
9 should be remembered that Progress Energy's financial,  
10 financial forecast for 2010 is only an estimate.  
11 Currently the Office of Public Counsel, the Attorney  
12 General, Bill McCollum, the Intervenors in this rate  
13 case, the Public Service Commission staff and the larger  
14 customers of Progress Energy have completed their  
15 respective reviews of Progress Energy's estimates. It's  
16 very possible that the rate hike request might be  
17 excessive. Please keep in mind that the estimates were  
18 made in the fall of '08 and may be out of date.

19           Although this hearing is primarily about the  
20 base rate increase request, it is important that the  
21 nuclear, nuclear advanced cost recovery application be  
22 taken into consideration as well. Progress Energy has  
23 also requested a \$466 million increase that, if granted,  
24 will go into effect on the same day as the base rates.  
25 In April, Progress Energy removed about \$200 million

1 systematic -- systemwide from its customer bills to  
2 lessen the short-term impact of the nuclear cost  
3 recovery. Although that move was appreciated, it has  
4 just delayed the implementation of the rate increase.  
5 And, of course, the current request puts the  
6 \$200 million back into play.

7           It should be kept in mind that the nuclear  
8 plant construction has been delayed for 22 months. And  
9 as I said to you yesterday, Commissioners, and I gave to  
10 you as well, that's going to be more than 22 months. In  
11 fact, the -- as reported in the *St. Petersburg Times*,  
12 the Nuclear Regulatory Commission has ruled that an  
13 environmental group challenge to the Levy County nuclear  
14 plant's federal construction permit can move forward.  
15 This is going to delay those plants even further beyond  
16 the 22 months. Progress Energy should not be asking for  
17 any recovery costs for a nuclear power plant that they  
18 can't even tell us when they're going to start building  
19 it, let alone when it's completed.

20           (Applause.)

21           And, of course, with the uncertainty of the  
22 Federal Nuclear Regulatory Commission's decision to put  
23 on hold this project, again, why should Progress Energy  
24 be granted a rate increase for a project that is being  
25 delayed for nearly two years and potentially more? With

1 the earliest operational date of the plant projected to  
2 be now 2018 and now it probably is going to be even  
3 further out, it is conceivable that those who pay for  
4 advanced costs now, if approved, may never see the  
5 benefits of their contribution towards the plant  
6 construction.

7 (Applause.)

8 Commissioners, I wholeheartedly understand the  
9 mandates that have been put on you by the Legislature.  
10 But with this in mind, consider now holding off in  
11 approving any rate increases or cost recovery until the  
12 Legislature has the ability to act next session. It is  
13 not going to prevent Progress Energy to move forward  
14 because they haven't been given permission by the  
15 Nuclear Regulatory Commission to move forward. So  
16 there's no need for any rate increases or any additional  
17 cost to build nuclear plants that have not been approved  
18 yet.

19 Additionally, in 2006 when the Legislature  
20 allowed Progress Energy to file for advanced nuclear  
21 cost recovery, it was done so when Progress Energy's  
22 cost estimate for the project was approximately  
23 one-third of what it is now estimating the project will  
24 cost. Meaning they came before the Legislature; they  
25 told the Legislature it was going to cost one-third of

1 what now they're estimating it to cost as far as cost  
2 recovery. Either Progress Energy misled the Legislature  
3 when it asked for the legislative authority, something I  
4 hope they did not, or else it grossly miscalculated  
5 their costs. In either case, it is fair to say that  
6 Progress Energy cost estimates need greater scrutiny  
7 since time has proven them to be incorrect. In either  
8 case, greater scrutiny should be given to this  
9 application which will have a monthly impact of \$13 per  
10 month on each customer.

11 I would ask the Commission to think long and  
12 hard before approving Progress Energy's application for  
13 the \$499 million for base rates and \$446 million for the  
14 nuclear advanced recovery. \$26 a month may not seem  
15 like much to a company the size of Progress Energy, but  
16 it is enormous to the individual families struggling to  
17 get through each and every day. For some, the increase  
18 may be the cost of a prescription or a couple of packets  
19 of diapers; however, it translates to each customer an  
20 expense that cannot be borne. I encourage you to  
21 strongly deny these applications.

22 And, again, yesterday I gave you, I gave you  
23 articles. One that showed Progress Energy being told by  
24 the regulatory commission that they are going to allow  
25 an environmental group to challenge the Progress Energy

1 nuclear plants, and that's -- of course, the permit now  
2 will not move forward. The other one clearly shows that  
3 Progress Energy charges 25 percent more for power in  
4 Florida than it does in nearby South Carolina and North  
5 Carolina, and I hope you'll take that into  
6 consideration.

7           And finally, finally I want to bring something  
8 to your attention. I spoke in St. Petersburg yesterday.  
9 There was a gentleman that got up -- actually it wasn't  
10 a gentleman that got up. A gentleman that wrote me an  
11 e-mail this morning, and it was, it was sent to someone  
12 on your staff, Elaine (sic.) Plendl, I believe, and it's  
13 regarding this docket.

14           And he says, "Thank you kindly for your  
15 response to my previous e-mail. I hope that your health  
16 is fully recovered and that you are in good spirits by  
17 the way of your annual leave." He says, "I attended and  
18 testified at the St. Petersburg public hearing. My  
19 documents were received by the board as hearing  
20 exhibits, and I ask that be made part of the docket file  
21 as well." So I'm going to give this to you this  
22 morning. And he says, "I would be grateful if the  
23 following comments could also be included in the docket,  
24 to wit." And I tell you this because I hear it from  
25 other, other public hearings, from others who have gone

1 to them, I've seen it where I've been to three -- this  
2 is my fourth now public hearing, of Progress Energy  
3 getting people to come forward and speak so kindly about  
4 them, and it really shocks me. But yet not one of those  
5 people who speak so kindly about them tells you whether  
6 they're in favor or against the rate increase, which you  
7 think they would take a position. But this gentleman  
8 notes this.

9 "During the St. Petersburg public hearing, two  
10 gentleman from the Urban League rose to speak in support  
11 of Progress Energy Florida by praising Progress Energy's  
12 financial contribution for those who are unable to pay  
13 Progress Energy's electrical power invoices. The  
14 Florida Public Service Commission needs to be aware of  
15 the following rebuttal," and this is what he states.  
16 And which really shocks me, because in the 15 years that  
17 I've been a state legislator, when anyone has called me  
18 to tell me that they're having their electricity turned  
19 off because they can't afford it, Progress Energy, to my  
20 knowledge, has never stepped up to the plate and  
21 assisted anyone with their electric bill.

22 He says, "To test Progress Energy's public  
23 assistance program," he says, "I asked my secretary to  
24 contact the Salvation Army, the organization  
25 administering the public assistance program in

1 St. Petersburg. For three months my secretary was  
2 unable to get details on the program because the  
3 Salvation Army personnel wouldn't tell her that all  
4 available funds had been expended; to call again the  
5 first of the following month and that the program would  
6 be discussed with her at the point if she called while  
7 funds were still available." Only when funds were still  
8 available.

9 "On the third month, my secretary obtained the  
10 following information from the Salvation Army who  
11 distributes the money or takes care of the program.  
12 Speaking on condition, this is what they said. 'The  
13 appointments to apply for public assistance are to be  
14 made by telephone only. Appointments to apply for  
15 public assistance are made from the first calendar  
16 business day of the month until available public  
17 assistance funds are exhausted.' The employee stated  
18 that funds run out right away. Appointments are  
19 approved only for those who have received a service  
20 cutoff notice from Progress Energy or are so severely  
21 delinquent they are about to have electric service cut  
22 off." I will tell you I know people who have had their  
23 electric cut off and Progress Energy did not come to  
24 their help.

25 "Those who are truly in need of assistance but

1 unable to have their telephone call received due to high  
2 call volumes do not receive assistance. Those who are  
3 truly in need of assistance but have their telephone  
4 call received after available funds are exhausted do not  
5 receive any assistance whatsoever. And those who are  
6 truly in need of assistance but do not have telephone  
7 access do not receive assistance. Those who are truly  
8 in need of assistance only on a monthly basis do not  
9 receive assistance unless they are fortunate enough to  
10 have their telephone call received each and every month  
11 while available funds are not exhausted. The employee  
12 of this program stated that the money goes so fast that  
13 most people who need help never get help."

14 So when you hear these stories from groups who  
15 I believe probably, I'm sure, have gotten a nice  
16 contribution or donation from Progress Energy praising  
17 them of all the good work they do, I would suggest that  
18 they don't. They're in it for the profit. And at 12.54  
19 percent, that's the profit they should not be making. I  
20 would ask you, please, please, do not allow this rate  
21 increase to move forward. Thank you very much.

22 (Applause.)

23 **CHAIRMAN CARTER:** Thank you so much. Senator,  
24 give that to her.

25 Commissioners, that will be Exhibit Number 9.

1 Exhibit Number 9.

2 (Exhibit 9 marked for identification.)

3 **COMMISSIONER ARGENZIANO:** Mr. Chair.

4 **CHAIRMAN CARTER:** Commissioner Argenziano.

5 **COMMISSIONER ARGENZIANO:** I don't want to  
6 waste time because I'm really afraid that the way we've  
7 scheduled this meeting that people are not going to be  
8 heard and I want them to be heard. But I need to ask  
9 Senator Fasano and our senators and representatives  
10 while they're in the room, because we all know what  
11 happened when the bill came up, anybody (phonetic) could  
12 start screaming about that now, but we'll talk about how  
13 the Legislature does those things sometimes another day.

14 What I want to hear from staff, are we, are we  
15 capable -- I mean, we have a mandate from the  
16 Legislature. And I heard Senator Fasano, and I'm going  
17 to take his words to heart because I know he means them,  
18 I heard him suggest that we have the ability to hold up  
19 on the pre-recovery clause that was legislated or  
20 mandated by the Legislature. And I want to know if  
21 staff could tell me now, can we do that? Because if  
22 not, then we need our legislators to give us a hand.  
23 And I certainly understand where Senator Fasano is  
24 coming from. But before he leaves the room, I want  
25 staff to answer to me do we have the ability to hold up

1 or to hold back on any of those pre-recoveries?

2 **CHAIRMAN CARTER:** Mr. Willis.

3 **MR. WILLIS:** Chairman, Commissioner  
4 Argenziano.

5 **COMMISSIONER ARGENZIANO:** I can't hear you.  
6 Sorry.

7 **MR. WILLIS:** Let me come to the other mike.

8 **COMMISSIONER ARGENZIANO:** The reason why I'm  
9 asking is because I don't want to hear later when  
10 there's no legislators around that we can't do it.  
11 Either we can or we can't.

12 **MR. WILLIS:** Can you hear me now,  
13 Commissioner?

14 **COMMISSIONER ARGENZIANO:** Very slightly, but  
15 I'll pay close attention.

16 **MR. WILLIS:** Hopefully you can hear me now.

17 **COMMISSIONER ARGENZIANO:** That's better.

18 **MR. WILLIS:** Staff's interpretation, our legal  
19 staff's interpretation as well as our technical staff's  
20 interpretation of the way the statute is written right  
21 now, the Commission does not have the latitude to defer  
22 any of the costs.

23 The way the statute is written, the utility  
24 can come to the Commission and ask for a deferral over  
25 more than one year of certain costs, but only the

1 company has that right to do that and --

2 (Dissent from audience.)

3 **COMMISSIONER ARGENZIANO:** I doubt that's going  
4 to happen. And I'm just wondering, Marshall, is there  
5 anything else that you can add to that? Because I would  
6 like to ask the senators if there's something, and our  
7 representatives if there's something we can do, if  
8 that's what they're asking? And I want them to  
9 realize -- I'm not trying to put anybody on the spot.  
10 I'm really trying to figure out how, if we're going to  
11 do this at the suggestion of the senator or if we can do  
12 it, how it's going to be done.

13 **UNIDENTIFIED SPEAKER:** Rescind the statute.

14 **SENATOR FASANO:** Could I answer that?

15 **CHAIRMAN CARTER:** Senator.

16 **SENATOR FASANO:** Senator, Senator  
17 Argenziano -- Commissioner Argenziano, your question is,  
18 is outstanding. And when you met with me last year, as  
19 you know, you and others helped in putting my  
20 legislation forward to rescind what was put in place  
21 back in 2006.

22 **COMMISSIONER ARGENZIANO:** Absolutely.

23 **SENATOR FASANO:** That unfortunately did not go  
24 forward.

25 What I'm suggesting to the Commission here is

1 that now that we know that the delay of the nuclear  
2 power plants are beyond, what, 2018 now, maybe even  
3 farther now with the Nuclear Power Commission itself in  
4 Washington delaying the permits even further because  
5 they've allowed this environmental group to come in and  
6 take, you know, take up their protest, what I'm  
7 suggesting is before this Commission moves too quickly  
8 on doing anything, give us the opportunity -- give me  
9 and my colleagues, if I can get enough votes --  
10 unfortunately, the public hearings I've been to, very  
11 few of my colleagues have been at. I'm hopefully going  
12 to get the people behind me and others will get their  
13 attention over the next few months. Give us the  
14 opportunity to look at the statute and change that.  
15 That if the nuclear power plants are not going to be  
16 built as, as told to us back in 2006, then we ought to  
17 give you, the Commission, to delay these increases. And  
18 that's what I would ask the Commission to consider if  
19 they have the ability to do that until the Legislature  
20 meets again in the spring of next year.

21 **COMMISSIONER ARGENZIANO:** I hear you and I  
22 appreciate that. I just wanted to, to get that on the  
23 record so as we move forward I have an understanding of  
24 what I can and can't do, and will definitely keep that  
25 in mind.

1                   **SENATOR FASANO:** And, Commissioner, if I may,  
2 I am saddened to say that of the four public hearings  
3 I've been to, and I know today that Citrus County is  
4 well represented at this public hearing, but I'm sad to  
5 say I was at the Pinellas, two Pinellas public hearings  
6 yesterday where I believe there are about 14 members of  
7 the Legislature that represent Pinellas County and only  
8 three of us showed up in opposition to this. That's,  
9 that's a sad signal coming from Tallahassee, and I hope  
10 I can change some minds next year. Thank you very much.

11                   **COMMISSIONER ARGENZIANO:** Senator Fasano,  
12 that's true. But at least you were there and  
13 Representative Nehr, and that makes a big difference to  
14 your constituents.

15                   **SENATOR FASANO:** Yes, ma'am. God bless you.  
16 Thank you.

17                   **CHAIRMAN CARTER:** Thank you.

18                   (Applause.)

19                   **MR. KELLY:** The next speaker is Hank Hemrick,  
20 followed by Renee McPheeters.  
21 Whereupon,

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

**DIRECT STATEMENT**

1  
2           **MR. HEMRICK:** Good afternoon. My name is Hank  
3 Hemrick. I live at 618 North Hambletonian Drive,  
4 Inverness, Florida. I am a concerned ratepayer.

5           I want to read something here that was in the  
6 paper last week, Attorney General McCollum. I quote,  
7 "'This proposed rate increase is concerning and will be  
8 difficult for utility customers to bear,' said McCollum,  
9 whose office has intervened before the PSC in the rate  
10 increase hearings. Given the tough economic climate for  
11 power companies, these requests must be carefully  
12 weighed considering the cost for consumers."

13           Now in my research I came up with how the  
14 Public Service Commission makes some of their decisions.  
15 One of them kind of intrigued me. The Commission looks  
16 at the amount utility stockholders have invested in  
17 utility plant and other facilities and allows a  
18 reasonable, and I say it again, a reasonable return on  
19 the investment necessary to provide good service.  
20 That's all well and good, but what does reasonable mean?  
21 Is a 12.54 percent profit reasonable in these times? I  
22 think not, and I suspect that you people probably think  
23 the same thing.

24           Progress Energy is at least a monopoly. We  
25 have nowhere else to go. There's no other company;

1 Progress Energy, that's it. We can only go to you and  
2 we can only hope that you guys are going to do the right  
3 thing for us, the already over-bearred ratepayer. And I  
4 thank you for your time, and I hope you do the right  
5 thing.

6 (Applause.)

7 **MR. KELLY:** Renee McPheeters, followed by Tom  
8 Barron.  
9 Whereupon,

10 **RENEE MCPHEETERS**

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

14 **DIRECT STATEMENT**

15 **MS. MCPHEETERS:** Good afternoon,  
16 Commissioners. My name is Renee McPheeters. I live at  
17 940 North Suncoast Boulevard, Crystal River. If I  
18 missed the Pledge of Allegiance, I'd like to say a  
19 pledge of allegiance to the U.S. flag. Thank you.

20 Way back in July of 1890, the Sherman  
21 Antitrust Act was passed by the federal government of  
22 the United States of America. This is a federal law  
23 that was passed because corporations found it easy to  
24 implement unfair advantage of U.S. citizens to a  
25 monopoly by incorporating in states that offered them

1 special privileges such as legislation passed by the  
2 Florida Legislature allowing utilities to charge  
3 25 percent more for a nuclear power plant that is not  
4 even in the process of being built.

5 Recently, in February of 2009, I asked the  
6 Citrus County Board of County Commissioners to pass a  
7 resolution, which they did unanimously, against the  
8 *Florida Statute* 366.93 that grants a 25 percent  
9 additional charge by Progress Energy or utilities. The  
10 BOCC resolution is against, quote, charges for cost  
11 recovery for siting, licensing and construction of  
12 nuclear and integrated gasification combined cycle power  
13 plants. And I'll give you a copy of that resolution  
14 before I leave.

15 To break the Sherman Trust Act, a corporation  
16 must have monopolistic characteristics from one state to  
17 another. I have discovered through the PSC that  
18 Progress Energy Florida sells electric to Cobb Electric  
19 of Georgia. Is this a violation of the Sherman  
20 Antitrust Act?

21 A third rate hike for Progress Energy this  
22 year is out of the question if especially we can't be  
23 assured that Progress Energy is not in violation of the  
24 Sherman Antitrust Act.

25 I feel that our economic recession has in part

1       been caused by excessively concentrated corporate power.  
2       Progress Energy is a monopoly here in Florida because it  
3       is our only choice for electric. You as regulators must  
4       move forcefully to curb corporate power, not increase it  
5       through any rate hike. It is time to launch a genuine  
6       assault on this monopoly. If you do not, the citizens  
7       will through legal means.

8                Instead of the citizens being given a rate  
9       hike by Progress Energy, require Progress Energy to  
10      return the vast number of dollars collected since last  
11      January for an unpermitted nuclear power plant, money  
12      charged because of faulty and unconstitutional  
13      legislation. Environmental groups have recently been  
14      granted standing by the Nuclear Regulatory Commission to  
15      prevent plant construction due to radioactive waste and  
16      concern for what is said to be the largest subterranean  
17      aquifer in the world. Protection of our water resources  
18      and citizens' economic welfare should have top priority,  
19      instead of raising Progress Energy Florida's rate of  
20      return from 10 to 12.5 percent, according to the July  
21      *Ocala Star Banner*.

22               My recommendations to you is, one, deny any  
23      rate hike. Two, demand a refund of all money since  
24      January for the imaginary nuclear power plant. Three,  
25      investigate whether or not Progress Energy Florida

1 should be charged in violation of the Sherman Antitrust  
2 Act. Thank you.

3 (Applause.)

4 **CHAIRMAN CARTER:** Commissioners, that will be  
5 Exhibit Number 10. And let me just say before the next  
6 person comes up, I've recently had back surgery, so I'll  
7 be getting up, walking over to the wall, but we'll  
8 continue our hearing. We're going to continue.

9 (Exhibit 10 marked for identification.)

10 Mr. Kelly.

11 **MR. KELLY:** Tom Barron, followed by Lawrence,  
12 I apologize if I get this wrong, Golicz.  
13 Whereupon,

14 **TOM BARRON**

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

18 **DIRECT STATEMENT**

19 **MR. BARRON:** My name is Tom Barron. I live at  
20 361 East Hartford Street in Hernando, Florida. I'm  
21 going to turn around and ask the crowd here -- I think  
22 that you can hear me.

23 **COMMISSIONER McMURRIAN:** Sir, sir, we're going  
24 to need you to speak into the mike because she's  
25 transcribing everything. But they can hear you if you

1 speak directly into the mike.

2 **MR. BARRON:** Okay. Will everyone here who  
3 feels that we're in a recession or depression, please  
4 stand up.

5 I will ask everyone here with problems paying  
6 their bills --

7 **COMMISSIONER McMURRIAN:** Sir, sir, she can  
8 can't pick you up if you don't speak into the mike. I'm  
9 sorry.

10 **MR. BARRON:** Okay. Will everyone here who has  
11 trouble paying their bills put up their right hand?  
12 Will everyone here that can't pay their bills put up  
13 their left hand? Okay. It seems like quite a few  
14 people here are in real trouble, and all indications, of  
15 course, point to the fact that things are going to get  
16 worse before they get better. We definitely do not need  
17 a rate hike at this time.

18 Let me tell you a little story. I was --  
19 about Mary. Last week an AC technician came over to  
20 check out my AC heating system and air conditioning  
21 system. I was lucky; everything was okay. But my air  
22 handler was put in 1996 and my Frigidaire outside unit  
23 in 2000. The fellow who examined my system told me,  
24 "Your air handler is now 13 years old and down the line  
25 it's going to have to be replaced." He said, "You're

1 going to have to replace the whole system even though  
2 maybe your Frigidaire outside unit is okay." It seems  
3 there is a regulation that you have to have both units,  
4 air handler and outside air conditioner, of the same  
5 make. Now I think this is a ripoff. I don't know  
6 whether it's true or not. Maybe Mike Fasano or Charlie  
7 Dean might want to check into something like this.

8           Anyway, what happened to Mary was probably  
9 this, that she had to replace her whole air conditioning  
10 system, a guy came over, and she couldn't do it, she  
11 didn't have the money. So this particular dealership,  
12 which I'm not going to mention who they are, coaxed her  
13 into taking out a second mortgage on her house. And she  
14 didn't tell her son, her son is a lawyer in New York,  
15 and he found out about it through somebody else I guess.  
16 He said, well, if he had known the circumstances, he  
17 certainly would have, you know, paid the bill. As it  
18 turns out, this schlock AC dealer is now in big trouble  
19 and maybe will get, have a big-time lawsuit on their  
20 hands.

21           For the most part, Mary was lucky in the sense  
22 that she had someone to help her. I know there are many  
23 widowed, old ladies who are living here in this county  
24 barely existing solely on their dead husbands' Social  
25 Security. If they had to pay higher electric bills,

1 they just couldn't cut it and their electricity would be  
2 shut off. Are the people at Progress Energy so callous  
3 as deliberately wanting to hurt old people? I hope not.

4 Everyone except people who are brain dead know  
5 that Washington is out of control. Common sense has  
6 flown out the window. I hope here in Florida that  
7 common sense is well and healthy.

8 What I propose to the Commission is to put a  
9 moratorium on any rate hikes until there is clear  
10 evidence that the economy is turning around. That means  
11 jobs so people can afford to pay their bills.

12 If Progress Energy really wanted to help their  
13 customers in these bad times, they would have reduced  
14 their electric rates by 5 percent at least, and maybe  
15 some of their big-time executives might consider a  
16 10 percent salary cut and put their dollars in a fund  
17 (applause) to help pay electric bills for those people  
18 who through no fault of their own have lost their jobs  
19 and can't pay their bills. Wouldn't that be a  
20 magnanimous gesture, the way to make friends and  
21 influence people, rather than make enemies with rate  
22 hikes? Think about it, Progress Energy, what a big rate  
23 PR coup that would be for the future. Everyone  
24 agrees -- everyone who agrees with these suggestions,  
25 please stand up and say yes.

1 (Audience responding yes.)

2 I didn't hear you. I didn't hear you.

3 Louder.

4 (Audience responding yes.)

5 Okay. I think the audience has spoken. Thank  
6 you.

7 (Applause.)

8 **COMMISSIONER McMURRIAN:** Thank you,  
9 Mr. Barron.

10 **MR. KELLY:** Lawrence Golicz, followed by,  
11 followed by Lou Kiefer.

12 Whereupon,

13 **LAWRENCE J. GOLICZ**

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

17 **DIRECT STATEMENT**

18 **MR. GOLICZ:** Ladies and gentlemen of the  
19 Commission, first of all, I wish to compliment all the  
20 speakers before me for their excellent presentations in  
21 objection to this rate increase. I think it's  
22 horrendous, it's outrageous. It's an insult to the  
23 intelligence of the people in this community, and it  
24 doesn't reflect reality.

25 35 percent of the people in this community

1 live in manufactured housing. This is not a rich  
2 community. The people here struggle day to day to get  
3 by. My wife works for the county. In her department 14  
4 people lost jobs. One person has found reemployment.  
5 My son has been unemployed for a year. We are  
6 supporting him.

7 Counties all over the state are laying people  
8 off. Companies and businesses all over the state are  
9 letting people go. The unemployment rate is over  
10 10 percent. Tampa is suffering terribly. Banks are  
11 closing their branches.

12 A friend of mine does work for the cooling  
13 systems for Publix stores and groceries. They use a  
14 tremendous amount of electricity just to refrigerate the  
15 food that we get every day from them. Do you think that  
16 a rate increase to them is not going to affect the price  
17 of food to a person in this community or any community  
18 in the state? It will raise prices. That effect will  
19 continue through all the services that we receive  
20 through communities and services that use electricity.

21 Aside from that, looking at Progress, one gets  
22 disgusted very quickly. 12 percent plus return? You  
23 can go in the bond market today and get a bond maybe at  
24 6 or 7. You can be an apartment owner and get a  
25 capitalization rate with a much higher risk and a higher

1 vacancy rate at 6 or 7 percent on most real estate  
2 investments which are must riskier than a granted  
3 monopoly by the State of Florida, and they might get 7  
4 to 10 percent. There is no return in the marketplace  
5 that justifies their demand, none whatsoever, and yet  
6 they have the audacity to ask for it and almost demand  
7 it.

8 \$700 million in depreciation taken from us.  
9 Where did it go? It was expensed against their income.  
10 What did they do with \$700 million? Pay it out in  
11 bonuses, salary increases, benefits here and there? Did  
12 they replace the equipment that they supposedly applied  
13 the depreciation against? I'm willing to bet they  
14 didn't. Those towers out there will last 100 years.  
15 They depreciate them in less than 50, I believe.

16 We are, we are being bamboozled. Yes, Enron  
17 was mentioned, and they bamboozled California. They  
18 played games and joked about how they were going to  
19 raise rates. I believe the same is happening here.  
20 They're making fun of us. We are paying more than other  
21 states from the same company. Why? Because Florida is  
22 richer? It's not richer. People are leaving the state  
23 because they can't find work. The school enrollments  
24 are down. Teachers are being laid off. What is  
25 happening to Florida? Florida is suffering. People are

1 suffering from day to day.

2 We need help from the Commission. We need you  
3 to lower our rates, not raise them. We want recoveries  
4 for charges that were unreasonable and unconscionable.  
5 We need to see a better way to live in Florida.

6 Believe me, these rates do take food off the  
7 table. People do have to buy their medications. They  
8 suffer for this. And I'm going to quote the president  
9 of the United States in the past when he was in Berlin,  
10 and I'm going to say to you, the Commission,  
11 Commissioners, tear down these rates now. Thank you.

12 (Applause.)

13 **MR. KELLY:** Lou Kiefer, followed by Stan  
14 Clewett.  
15 Whereupon,

16 **LOU KIEFER**

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

20 **DIRECT STATEMENT**

21 **LOU KIEFER:** Chairman Carter, Commissioners  
22 Argenziano, McMurrian and Skop, and members of the  
23 Public Counsel, my name is Lou Kiefer, a permanent  
24 Florida resident, ratepayer residing at 349 Grandview  
25 Avenue, Hernando, and I ask that my written remarks be

1 entered into the record.

2 **CHAIRMAN CARTER:** Commissioners, for the  
3 record that will be Exhibit Number 11.

4 (Exhibit 11 marked for identification.)

5 **MR. KIEFER:** As a former labor representative  
6 with the International Association of Machinists, I  
7 spent the last ten years of service introducing and  
8 implementing high performance work organization  
9 partnerships around the country culminating with  
10 landmark consensus decision-making contracts between the  
11 machinists and Harley Davidson and the city. I tell you  
12 that simply to apprise you of the fact that we've had  
13 extensive experience in work system renewal, new methods  
14 of activity-based accounting and effective operational  
15 change intended to save jobs and at the same time  
16 cost-effectively increase net assets and grow the  
17 business instead of down-sizing, right-sizing and  
18 eventually capsizing the business.

19 There was a time I joined with Lon Dode  
20 (phonetic), a utility-specific best practice consultant  
21 who has served over 70 North American energy utilities  
22 in the last eight years. In Steubenville, Ohio, he had  
23 assembled the skilled workers and top executives from  
24 five separate American and Canadian energy companies so  
25 that we could instruct them on the Harley IAM

1 operational change process. Well, except for the hourly  
2 line workers who brainstormed about how to broaden their  
3 core business beyond the generation of power, we made  
4 damned little program, but we sure as hell learned a lot  
5 about utility companies and their reluctance to change.

6           What I hadn't learned until now was how  
7 insulated and remote from the hearts and minds of their  
8 customers some of these utility folks have become.  
9 Until now, as Vice Chair of the Citrus County Democratic  
10 Executive Committee, I learned these things from citizen  
11 ratepayers and working linemen, much as Senator Fasano  
12 has just spoken about, who came forward with the  
13 following examples and are quite naturally fearful of  
14 retribution.

15           Let's say Progress has a power outage and  
16 people are calling you at the Public Service Commission  
17 and complaining that it's taking more than a few  
18 agonizing hours for service to resume. But a Progress  
19 report to the Commission comes in a week later on this  
20 incident and it portends that downtime without power was  
21 only a matter of 30 minutes or so. Come the next  
22 morning in certain cases there's a lineman with a ticket  
23 for a work order. He's still out there working on the  
24 outage, but what you receive in the Progress  
25 transmission is a notice that the power outage was

1 obviously already fixed. Think about that. Situations  
2 when customers call with a complaint and you doubt the  
3 complainant because the answer coming from the other end  
4 doesn't compute.

5 Next, it may very well be that a certain  
6 outage occurs as a result of a fix that hadn't been  
7 taken care of under routine operation and maintenance  
8 procedures, O&M. Now it's being fixed under an act of  
9 nature, something extraordinary. Perfectly legal;  
10 right? But what if that oversight turns out to be quite  
11 deliberate so that the cost of the fix can now come out  
12 of capital expenditures instead of O&M? And capital  
13 expenditures automatically get charged to Progress  
14 customers. It's a perfectly legal manipulation on the  
15 surface, on the surface. But let's say the same thing  
16 occurs when worn and rusted transformers and rotted  
17 telephone poles are not attended to under routine O&M.  
18 Instead, things get conveniently overlooked until a  
19 breakdown happens out of the blue. What then?  
20 Transformers and pole replacements become an  
21 extraordinary, so to speak, cost filed under capital  
22 expenditures instead of O&M, and once again legally  
23 allowable recouped costs get charged in a way that none  
24 other than the customer gets the shaft.

25 Now let's take the undeniable fact that 297

1 employee positions were abolished in Florida when  
2 Progress came on the scene, and 157 of those people were  
3 out in the field doing hands-on work, troubleshooters,  
4 first responders in emergencies, critical job cuts that  
5 affect customer reliability and ensure safety during  
6 outages. And what happened to the money saved with the  
7 termination of those employees?

8 **CHAIRMAN CARTER:** Mr. Kiefer, could you round  
9 it up?

10 **MR. KIEFER:** Well, I'd like to appreciate, you  
11 know, a little time since Senator Fasano took as much as  
12 he did.

13 (Applause.)

14 And what happened to the money saved? Did the  
15 savings get passed on to the customers? Yet Progress  
16 continues to add new middle and upper management jobs to  
17 build a nuclear plant that may or may not happen. A  
18 plant, may I remind you, wherein one reactor averages  
19 \$9 million and the DOE has allocated \$18.5 billion in  
20 loan guarantees with the industry clamoring for  
21 considerably more. Has Progress factored in this  
22 potential for a federal handout? They hardly need to  
23 when they successfully control a braindead Florida  
24 Legislature to knuckle under under all but the unanimous  
25 passage of S 366.93, (applause), a law that set the

1 stage for preconstruction and projected costs on the  
2 actual construction of the nuke facility, its  
3 transformers and outbuildings, projected capital  
4 expenditures again headed for customer mailboxes in the  
5 form of an ever-increasing light bill. Worst yet, the  
6 prospect of customer refund if the project is rejected  
7 by the NRC or terminated for any reason is disallowed  
8 under Florida 366.93. That law, unlike (phonetic)  
9 preconstruction, only statutes in other states is on its  
10 face patently unconstitutional.

11 And I have cited, I won't repeat it here, but  
12 the, the Article III sections of the constitution,  
13 "There shall be no special law or general law or local  
14 application pertaining to granted privilege in private  
15 corporations," and also consumer protection under Title  
16 33, "To protect consuming public and legitimate business  
17 enterprises from those who engage in unfair methods of  
18 competition and unconscionable," this is a quote,  
19 "deceptive or unfair acts or practices in the conduct of  
20 any trade or commission."

21 It's common knowledge now that Progress raised  
22 \$1.9 billion in credit markets with a bond issuance that  
23 pays interest to investors but avoids financing costs on  
24 the Levy County plant by raising rates on customers  
25 interest free. Progress shareholders' dividend yield is

1 currently 6.7 percent. Compared to Treasury securities  
2 and CDs, that's pretty high. No problem there. While  
3 Progress's executive suite tops the guaranteed profit  
4 approaching 13 percent, plus all those other cash  
5 reimbursements for capital expenditures which I gave you  
6 examples of.

7           Where does it end? Any attempt to save and  
8 create jobs and grow business in the process? No. It  
9 doesn't say much for Progress when as of July 16th,  
10 2009, yesterday, 41 vice presidents from BP (phonetic)  
11 transmission office and planning, the BP operational  
12 readiness LNP, that's an operational, let alone an  
13 economic glut of 41 upper managers in the organization.  
14 No down-sizing here.

15           At any rate, nothing comes close to the  
16 numerous allowable cost extrapolations designed to  
17 increase utility bills as permitted under a law that  
18 provides, as if by design, for family budgets to become  
19 obliterated and a chance of home foreclosures to  
20 increase exponentially. That I believe is corporate  
21 privilege on a rampage hell bent, I might add, for  
22 short-term profits. Unthinkable and irresponsible at  
23 the worst possible time. Thank you.

24           (Applause.)

25           **MR. KELLY:** Stan Clewett, followed by Gerard



1 fly by night company. You worked all day, and if you  
2 had to fly out to the west coast, you did it after 4:00.  
3 Very few of our people ever worked a 40-hour week, and  
4 it was really tough to make a 5 or 6 percent profit.

5 Early in my career I was employed by a large  
6 electrical utility. I worked two years on a hydro  
7 plant, two years on a fossil plant, and then I got a,  
8 some type of an advancement into the home office. But  
9 it turned out when I got there that I had about a day  
10 and a half worth of work in a 40-hour week. And that  
11 sounds nice, but it gets quite tiresome after a while,  
12 and after a year I left that company.

13 Sometime later the utility hired a consulting  
14 company to review their operations. The result was that  
15 the company reduced their total employment from 3,000  
16 (sic.) employees to 3,200. While it's easy to become  
17 complacent when you are in a government or a monopoly, a  
18 utility company operation, people, supervisors and  
19 managers gravitate into positions and continue operating  
20 as always unaware that what they're doing might, you  
21 know, not be the most efficient way.

22 I hope that Progress Energy has taken a hard  
23 look at their operations. It sounds like they have, as  
24 mentioned by the previous speaker, laid off a couple  
25 hundred people. The PUC (sic.) should also look at any

1 evidence of, in this regard.

2 Companies like ours, you know, face stiff  
3 competition and really have to scramble to make  
4 5 percent. It's unreasonable that a company with a  
5 monopoly would ever ask for a 12 percent return on  
6 investment, let alone a 9 percent return on investment.

7 That's all I have to say.

8 **CHAIRMAN CARTER:** Thank you.

9 (Applause.)

10 **MR. KELLY:** Gerard, if I'm pronouncing it  
11 right, Meyn.

12 **MR. MEYN:** Meyn.

13 **MR. KELLY:** Meyn. I'm sorry. Followed by  
14 Tommy Thompson.

15 Whereupon,

16 **GERARD MEYN**

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

20 **DIRECT STATEMENT**

21 **MR. MEYN:** Good morning. My name is Gerard  
22 Meyn, spelled M-E-Y-N. I live at 1969 Southwest 92nd  
23 Street, Dunellen, Florida.

24 I'm going to abridge my remarks. Some of it  
25 is redundant, so let me just make a few.

1                   First of all, I believe it is wrong,  
2 especially in these difficult economic times, to seek a  
3 31 percent increase. The value of our homes have  
4 decreased, our property insurance has increased, our  
5 real estate taxes have certainly not been paid, Social  
6 Security recipients face a likelihood of no cost of  
7 living increase for the next two years and possibly  
8 beyond in federal funding. And finally add to that the  
9 burden of a family or a parent losing their job. These  
10 all make a 31 percent rate increase appear scandalous.

11                   In looking at Progress Energy's list of  
12 accomplishments that is listed in their investor fact  
13 sheet, it states, I quote, that "Progress Energy has  
14 achieved constructive legislative and regulatory  
15 outcomes. *Florida Statute* 366.93 has accorded Progress  
16 Energy the opportunity to accomplish these legislative  
17 and regulatory outcomes of customers paying up-front for  
18 the construction via the Commission's decision."

19                   On the other hand, Article III, Section 11,  
20 Subsection 12, of the Florida Constitution states,  
21 "Privileges will not be granted to a private  
22 corporation." It appears that these two regulations are  
23 certainly incongruous, and perhaps *Florida Statute*  
24 366.93 is in essence unconstitutional.

25                   The bottom line is that even if there were a

1 return on investment for the up-front construction costs  
2 for the Levy County nuclear facility, there are many  
3 Florida families that cannot afford to make that kind of  
4 investment with a 31 percent rate increase added on top.  
5 Thank you.

6 (Applause.)

7 **CHAIRMAN CARTER:** Thank you.

8 **MR. KELLY:** Tommy Thompson, followed by  
9 Richard Davis.  
10 Whereupon,

11 **TOMMY THOMPSON**

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

15 **DIRECT STATEMENT**

16 **MR. THOMPSON:** Good morning.

17 **COMMISSIONER McMURRIAN:** Good morning.

18 **MR. THOMPSON:** Thank you for coming,  
19 Commissioners, Senator, Representative, counsel. I  
20 appreciate the chance to be talking to you here.

21 This rate increase is certain -- certain to  
22 raise the ire of this old Seabee. I'm getting a little  
23 bit old now, but I'd like to voice my objections to this  
24 rate increase.

25 Repeal the nuclear recovery statute and rid

1 the users of this totally unjustified and  
2 unconstitutional statute. The statute is in direct  
3 violation of the Article III, Section 11, Section 12, of  
4 the Florida State Constitution.

5 Two, remove the nuclear cost recovery charges  
6 from the base rates with a schedule of the kilowatt hour  
7 base rate schedule on our monthly bills. This charge  
8 has absolutely nothing to do with the delivering of  
9 power to consumers and the user has no idea what the  
10 base rate really is. This illegal monthly charge is  
11 directed at a class of aged citizens who will never  
12 realize one cent of return from their confiscated  
13 monthly payment.

14 Three, the proposed 32 percent hike in base  
15 rates is highly inflationary and eventually lead to  
16 price increases in everything we buy -- this  
17 inflationary trend cannot be overstressed -- to the  
18 detriment of our citizenry.

19 Four, protect Floridians against the insidious  
20 designs of a greedy power monopoly. It is quite obvious  
21 that the Legislature and the Public Service Commission  
22 has bowed somewhat to accompany lobbyists. Please  
23 protect us, for we pay your salaries. Immediately  
24 remove the \$8 monthly surcharge bill to 1.7 million  
25 customers to the tune of over \$14 million monthly this

1 power company receives with strings -- with no strings  
2 attached and do not deliver one microwatt of  
3 electricity. This amount is more than sufficient to pay  
4 for the total pay package of the production, service and  
5 maintenance budget.

6 Six, since users are unconstitutionally paying  
7 the monthly nuclear recovery charges, the very least the  
8 Public Service Commission should do is require Progress  
9 Energy to issue to their customers a warrant granting  
10 them a share of common stock prorated to their payments.  
11 Thank you for holding this meeting. Thank you.

12 (Applause.)

13 **CHAIRMAN CARTER:** Thank you. Thank you for  
14 being a good neighbor. Thank you. Appreciate that.

15 **MR. KELLY:** Richard Davis, followed by  
16 Patricia Parker Foreman.

17 **CHAIRMAN CARTER:** Thank you.  
18 Whereupon,

19 **RICHARD C. DAVIS**

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

23 **DIRECT STATEMENT**

24 **MR. DAVIS:** My name is Richard C. Davis. My  
25 address is 19349 Southwest 90th Lane Road, Dunellen,

1 Florida 34432. I live in Rainbow Springs Country Club.  
2 I'm proud to say that Tommy Thompson is a neighbor of  
3 mine, and so is Gerard Meyn. And we are tremendously  
4 concerned, and I'm not going to take a lot of time with  
5 you.

6 I totally support Senator Fasano's comments,  
7 having heard them in June, and I'm a little disappointed  
8 that he didn't get done what he said he would do in that  
9 senate before they closed for their vacation time or  
10 their time off. Senator Fasano, I'm sure, will follow  
11 through on what he has said today. I also support Ms.  
12 Franks, I support Mr. Thompson, I support Mr. Meyn and  
13 many of the other people who have spoken here. This is  
14 the most probably obscene request for any increase in  
15 any activity in the time and climate of the economics  
16 that we all face here. I appreciate your time. Thank  
17 you so much for coming. I look forward to visiting with  
18 you again, Mr. Carter.

19 **CHAIRMAN CARTER:** Thank you. Looking forward  
20 to it. Thank you.

21 (Applause.)

22 **MR. KELLY:** Patricia Parker Foreman, followed  
23 by -- is it Janet Masaoy?  
24 Whereupon,

25 **PATRICIA PARKER FOREMAN**

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

4 **DIRECT STATEMENT**

5 **MS. FOREMAN:** Good morning. Everybody smile.  
6 We need some smiles.

7 **CHAIRMAN CARTER:** Yes, ma'am.

8 **MS. FOREMAN:** I want to really congratulate  
9 Citrus County residents. I didn't know we had so many  
10 smart people here. I must be living in the woods.

11 My name is Patricia Parker Foreman. I live at  
12 323 East Hill Street, Inverness, 344 --

13 **UNIDENTIFIED SPEAKER:** We can't hear you. We  
14 can't hear you.

15 **CHAIRMAN CARTER:** Get a little closer to the  
16 mike.

17 **MS. FOREMAN:** Generally I can yell for my  
18 kids.

19 **CHAIRMAN CARTER:** You can just hold it. Just  
20 hold it. That will be fine.

21 **MS. FOREMAN:** You know, and they hear me six  
22 blocks out.

23 **CHAIRMAN CARTER:** Yeah. Use your mother  
24 voice.

25 **MS. FOREMAN:** Use my mother voice. Well, so

1 many people have hit on some of the things I wanted to  
2 say. But I do have some statistics, and my sympathy  
3 goes out to the CEO, Mr. Johnson. He lost, let me get  
4 my total thing here, 304 -- \$304,571.

5 **UNIDENTIFIED SPEAKER:** I can't hear you.

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

7 **MS. FOREMAN:** I wasn't talking. But I don't  
8 feel too sorry for him because he made \$6,380,000 last  
9 year. Their whole deal is salary, stock and incentive.  
10 Pension, he gets a million dollars over for pension, and  
11 he gets \$304 which they don't explain.

12 Now Mr. Lyash, I'm not sure I'm pronouncing  
13 that, he lost \$500,000 in stock last year. His salary  
14 is only \$432,885, but he got \$905,000 in stock. They --  
15 he also had an incentive of \$225,000, a pension of  
16 \$323,904. His total take-home was \$2,027,619.

17 Now if they would just contribute 35 of their,  
18 percentage of their income the way I have to every  
19 month, we might be in better shape; right? (Applause.)  
20 But I bet you ten to one they don't even pay for  
21 electricity. We've got the biggest CEO in North  
22 Carolina, Mr. Lyash, just moved there. So we have two  
23 of the CEOs living in North Carolina operating a company  
24 in Florida. I don't like that. But they have hired a  
25 new CEO, Mr. Dolan, but it has not been publicized yet

1 what he's going to get in salary. Can you guess?

2 Man, when I started my career and got my  
3 education, why didn't somebody tell me there was so much  
4 in electrical income? I, I didn't know it then. I do  
5 now.

6 Now the idea I came here with today, which I  
7 thought was really unique because I hadn't heard anybody  
8 talk about it, I would like to form a coalition of  
9 citizens to hire an advocate attorney to take, I'm  
10 sorry, Commissioners, you to court and Progress Energy  
11 to court.

12 (Applause.)

13 Now this is not my idea. I joined such a  
14 group in Palm Beach County and we went after Florida  
15 Power & Light. For a \$10 investment in the  
16 correlation -- coalition I got back \$13.75, which is  
17 pretty good in today's standard -- or back then, which  
18 is 30 years ago. But I got a reduction of over \$20 in  
19 my electric bill every month, so I thought it was  
20 terrific. And the advocate attorney, I am sure, is not  
21 living today, but he was terrific and he really  
22 investigated and went after it. Maybe some of you would  
23 be interested.

24 His main focus was on the fact that the power  
25 plant was five miles from port. They were shipping the

1 oil from the port to the plant by trucks and drivers.  
2 So the advocate attorney turned to the CEO and he said,  
3 "What did you build that pipeline for from the port to  
4 the plant? And you don't use it and yet you pay for  
5 drivers, men, trucks and you charge the people for it."  
6 That was just one of the things he found, but that was  
7 our biggest amount of monies given back to us.

8 I just feel that, and like everybody has said  
9 here today, I have a daughter raising three teen-agers.  
10 Her husband was laid off two months ago. He's been in  
11 Biloxi, Mississippi, looking for work. They don't know  
12 if they're going to lose their brand new home. So I've  
13 cried for three days over that. And she says, "Mom, how  
14 am I going to pay the electric?" And I said, "We'll do  
15 something, honey. I don't know what."

16 But, you know, this is what kills me. Here's  
17 a mom with three teen-agers, they're all in sports, they  
18 each have their own little car, they used to. What do  
19 these families do? How are they making it? I'm old.  
20 If I drop dead tomorrow, to heck with it. Who cares? I  
21 do. But spending 35 percent of my income a month for  
22 electric, does that tell you how much I have left for  
23 food, rent, so on and so forth? Just nothing.

24 So if there's anybody in this room interested  
25 in forming a coalition and hiring a good advocate

1 attorney, there are 1.9 million customers. If you  
2 figure a dollar from each one, that would hire a pretty  
3 good attorney, or one that would be proud to be an  
4 attorney for us.

5 So I just open that up. I will go to the  
6 back. If anyone is interested, they can sign up. And I  
7 thank you for your time. Are you tired? I'm hungry,  
8 too.

9 (Applause.)

10 **MR. KELLY:** Janet, and I apologize if I say  
11 this wrong, Janet Masaoy, Masaoy, followed by Emily  
12 Casey.  
13 Whereupon,

14 **JANE MASAoy**

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

18 **DIRECT STATEMENT**

19 **MS. MASAoy:** My name is Janet Masaoy. I live  
20 at 5365 West Ranger Street, Beverly Hills. Before I  
21 make my presentation of my short comments I would like  
22 to show you something which came from the July 2nd  
23 *Chronicle*.

24 **COMMISSIONER ARGENZIANO:** I can't hear.

25 **CHAIRMAN CARTER:** You can't hear,

1 Commissioner?

2 **COMMISSIONER ARGENZIANO:** No. Janet, could  
3 you speak up, please?

4 **MS. MASAQY:** Yes, I'll try. This was in the  
5 July 2nd *Chronicle* and I had spotted it. It's an  
6 advertisement put in by Progress Energy, and it talks  
7 about this hearing right here in this lower left corner.  
8 It lists the time as 2:00 today, and I knew that it  
9 wasn't. I've known for months that it was at 9:00. I  
10 wonder how many people haven't quite shown up. I'm  
11 looking at my time. That's not right either. Anyway, I  
12 never saw a recall from Progress Energy about that  
13 advertisement. I never saw it run again. And a very  
14 reputable lady called the *Chronicle*, and the *Chronicle*  
15 said that it was not their fault as a misprint.

16 I've been a resident of Citrus County for 16  
17 years. I am absolutely opposed to the rate increases  
18 being proposed by Progress Energy, as I have been  
19 opposed to the rate increases for which we have been  
20 charged this year. How can a private corporation charge  
21 its customers to build proposed nuclear power plants  
22 which are not even designed to, excuse me, to provide  
23 additional power in this area and the proceeds of which  
24 will go to the corporation stockholders? Is this an  
25 ethical way to treat customers?

1           The *Florida Statute* granting this privilege to  
2 Progress Energy, I have been told, should be voted  
3 unconstitutional and repealed. And I have some  
4 literature to go along with that explaining how this is  
5 unconstitutional.

6           We who are customers have no other available  
7 company from which we may purchase electricity which we  
8 need for health and safety reasons, not just for  
9 fulfilling our preferred lifestyles. I appreciate this  
10 opportunity to ask the Florida Public Service Commission  
11 to reverse these wrongs which are being imposed on us by  
12 making a decision to deny these rate increases.

13           **CHAIRMAN CARTER:** Thank you. You had some  
14 information you wanted to give to us?

15           **MS. MASAQY:** Yes. I don't know whether you  
16 want the newspaper ad.

17           **CHAIRMAN CARTER:** Yes, ma'am. That will be  
18 exhibit, Commissioners, that will be Exhibit Number 12.  
19 Exhibit Number 12. Thank you.

20           (Exhibit 12 marked for identification.)

21           (Applause.)

22           Mr. Kelly.

23           **MR. KELLY:** Emily Casey will be followed by  
24 Dixie Hollins.  
25 Whereupon,

**EMILY CASEY**

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

**DIRECT STATEMENT**

5  
6 **MS. CASEY:** My name is Emily Casey, 1430 East  
7 Hartford Street, Inverness, Florida. I'm going to make  
8 my comments very short for the interest of all the  
9 people out here. I do want them to have time to speak  
10 their mind.

11 Obviously you know that we are all, almost all  
12 of us are against this rate increase. Against this rate  
13 increase, also against the next rate increase that will  
14 come again for the nuclear power plants. I understand  
15 that's sometime soon. What I have to say is -- there's  
16 three points.

17 One, I want to say that there are a lot of  
18 people who could not come today because they had to  
19 work. I am representing a few privately owned  
20 businesses who used to have people that could work for  
21 them and they could get off. But now due to the economy  
22 the way it is, they of course are working their own  
23 business now and could not get here. And so, therefore,  
24 they are against this because, as many people have  
25 stated, it's going to hurt everybody, you know. So they

1 have to watch their budget and have to allocate an extra  
2 increase for their power that they are going to be using  
3 or need to use to run their business.

4 I also would like to make you aware of the  
5 fact that the Florida Center for Fiscal and Economic  
6 Policy released their report Tuesday. Of course they  
7 say that this should be used as a guide for state  
8 lawmakers to reverse a lengthy roster of downward  
9 trends. And, of course, that's 119 pages long. I have  
10 not had the opportunity to read it all yet, but of  
11 course everything is going down. As far as our income  
12 growth, it's 45th in the nation. There's a rising  
13 property rate. It states that one in ten Floridians are  
14 drawing food stamps, and unemployment and foreclosure  
15 rates are among the highest in the U.S. And one thing  
16 that's not stated on this but in the report is that the  
17 migration rate out of the state has increased  
18 tremendously. There is no migration inward into the  
19 state. That's not the trend anymore. Like I said,  
20 that's a 119-page report. You all have access to that.

21 The next thing I want to point out that has  
22 not been mentioned is of course the nuclear power plant  
23 cost increases. Do you realize that if these start  
24 being built in 2018, if they would be built or start  
25 being built -- or not being built but go online, I'm

1       sorry, that somewhere around 2024 that Progress Energy  
2       states that they will no longer be serviceable as far as  
3       providing a 20 percent -- I forget the --

4               **CHAIRMAN CARTER:** Reserve.

5               **MS. CASEY:** Right, reserves that they have to.  
6       And at that time I had asked in the past, "Okay. So we  
7       pay for these, and six years after they've gone online  
8       what's going to have to be done if you can't meet your  
9       20 percent reserves?" And the reply I got from one of  
10      the project engineers was, "Well, we'll have to build  
11      something else, you know. Maybe it'll be another  
12      nuclear power plant or maybe we'll go solar." And my  
13      reply to him was, "Why don't we go solar, wind, whatever  
14      the renewables are now, not 2024?"

15              (Applause.)

16              Thank you. That's really all, because I don't  
17      think we'll ever finish paying for them to build nuclear  
18      plants and whatever if we allow this to go on. So  
19      that's my comments. Thank you.

20              **MR. KELLY:** Dixie Hollins, followed by John  
21      Wells.

22      Whereupon,

23                              **DIXIE HOLLINS**

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

1 as follows:

2 **DIRECT STATEMENT**

3 **MR. HOLLINS:** Mr. Chairman, members of the  
4 Commission.

5 **CHAIRMAN CARTER:** Good morning.

6 **MR. HOLLINS:** I applaud you for coming here  
7 today, Representatives, Senators and the public here  
8 that's taken the time out of their busy schedule to come  
9 to this auditorium here in Citrus County. My name is  
10 Dixie Hollins. I live at 938 Kings Bay Drive. And I'm  
11 here not representing any organization, nor am I here to  
12 represent any business. I again want to thank you all  
13 for coming.

14 This is a very difficult time for all of us  
15 economically and the decision process. Progress Energy  
16 provides all of us here electricity. They provide us  
17 good service. They're one of the largest employers in  
18 Citrus County and also in the State of Florida. They  
19 are very important to the economic backbone of the State  
20 of Florida, and they're one of the largest taxpayers of  
21 Citrus County for ad valorem taxes, which is very  
22 important for our growth, our hospitals, our security  
23 and our well-being here in Citrus County.

24 Progress Energy is responsible to continue  
25 electrician provisions for people who need to buy

1 electricity, houses, commercial and industrial. They  
2 are also responsible for the future growth of the State  
3 of Florida and their generation complexes hopefully in  
4 Levy County, and they're also responsible for  
5 retrofitting the nuclear power plant that is out in the  
6 west part of Citrus County, and they're also responsible  
7 for providing us good, clean environment, which they're  
8 in the process of doing their scrubber systems out there  
9 at the power plant.

10 I encourage you all to make the right  
11 decision, and I feel that you all have the faith, the  
12 courage and the expertise and the knowledge to make the  
13 right decision on this difficult rate increase that is  
14 here before you today. I thank you very much for your  
15 time. Have a great afternoon.

16 (Applause.)

17 **CHAIRMAN CARTER:** Thank you.

18 Mr. Kelly.

19 **MR. KELLY:** John Wells, followed by Otis  
20 Brown.

21 Whereupon,

22 **JOHN WELLS**

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

**DIRECT STATEMENT**

1  
2           **MR. WELLS:** I'm John Wells. I live at 213  
3 South Barber Street in Beverly Hills. I would like to  
4 thank you for coming today, but I would hope that you  
5 will defeat this increase.

6           We have over 7,000 united workers retired in  
7 Citrus County and we are not getting any younger. We're  
8 getting older and we'll never see this increase that  
9 you're -- that Progress Energy is wanting you to okay.  
10 So I hope you will vote no on this increase. Thank you.

11           (Applause.)

12           **MR. KELLY:** Otis Brown, followed by Janis  
13 Lentz.

14           Whereupon,

**OTIS BROWN**

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

**DIRECT STATEMENT**

19  
20           **MR. BROWN:** My name is Otis Brown. I live at  
21 7690 North Greendale Drive, Citrus Springs, Florida. I  
22 am opposed to the rate increase. Why are the Florida  
23 utilities being allowed the high rate of return when  
24 most states allow only 10 percent? In Florida it's in  
25 excess of 12 percent recently. Progress Energy is

1 taking us for a ride and they are laughing at us. Thank  
2 you.

3 (Applause.)

4 **MR. KELLY:** Janis Lentz, followed by Linda  
5 Hall.  
6 Whereupon,

7 **JANIS LENTZ**

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

11 **DIRECT STATEMENT**

12 **MS. LENTZ:** Good morning. My name is Janis  
13 Lentz, and I live at 6238 Southwest 100th Loop on the  
14 southwest side of Ocala. I want to thank you all for  
15 being here today. I particularly want to thank Mike  
16 Fasano because he is the only legislator to my knowledge  
17 in Southwest Florida, North Central Florida who has done  
18 a tinker's damn to help us, the ratepayers, in this  
19 matter. (Applause.) And I want to thank him. He's  
20 done extensive work on this, and none of the others have  
21 that represent you who are in this room today.

22 And I want to scold Nancy Argenziano because  
23 she voted against us in this matter, and so did Senator  
24 Dean.

25 (Applause.)

1                   **COMMISSIONER ARGENZIANO:** Excuse me. Could  
2 you tell me what I voted against again? I didn't hear  
3 you.

4                   **MS. LENTZ:** The main point I'd like to make is  
5 --

6                   **COMMISSIONER ARGENZIANO:** Mr. Chair, I can't  
7 hear.

8                   **CHAIRMAN CARTER:** Hang on a second,  
9 Commissioner.

10                   **COMMISSIONER ARGENZIANO:** And I'd like to know  
11 what I'm being scolded for. If I deserve it, I'll take  
12 it. I'm big enough to do that. But I'd like to hear  
13 what she has to say.

14                   **CHAIRMAN CARTER:** She's asking you what do you  
15 think she --

16                   **MS. LENTZ:** Well, I didn't hear your question.

17                   **COMMISSIONER ARGENZIANO:** I can't hear you,  
18 ma'am. And I heard you scold me, and I'm big enough to  
19 take scolding, but I'd like to know --

20                   **MS. LENTZ:** Well, all I know is what I read in  
21 the paper, Nancy.

22                   **COMMISSIONER ARGENZIANO:** Sorry?

23                   **MS. LENTZ:** All I know is what I read in the  
24 paper. And --

25                   **COMMISSIONER ARGENZIANO:** I'm sorry. Can you

1 repeat what it was. I didn't hear it.

2 **MS. LENTZ:** Yeah. I'm scolding you because  
3 you voted against your constituents. I believe it was  
4 when you were the state senator you voted. And then  
5 your excuse afterward was, well, we didn't know that's  
6 what we were voting for.

7 **COMMISSIONER ARGENZIANO:** No. No. No. Okay.  
8 I got what you're saying. You're talking about the  
9 pre-recovery costs.

10 **MS. LENTZ:** Yeah. Yeah.

11 **COMMISSIONER ARGENZIANO:** Okay. Let me make  
12 that clear, everyone voted for that because it was never  
13 told to the floor. And it's very hard to say -- there's  
14 no excuses other than, other than I can tell you that  
15 for ten years of being in the Legislature I fought the  
16 telecom bills and fought totally for the consumers.  
17 Because of some of these things that I changed, I'd like  
18 to tell you that's not true.

19 What had happened is that was a big renewable  
20 green energy bill, and I did not sit on those  
21 committees, they would never let me sit on those  
22 committees from the time that I fought against the  
23 telecom bill. So they wouldn't let me on those  
24 committees anymore. And when that bill came to the  
25 floor, it had 33 amendments, which I came back every

1 year and told people this was the wrong way to run our  
2 legislative process, to ram through stuff, and not one  
3 word was spoken about that being embedded in the bill.  
4 So I understand your frustration. Trust me. I don't  
5 like being duped either.

6 And I'm one of those people who has the  
7 reputation of reading many bills, but you can't read  
8 thousands of them. So I do want to let you know I  
9 understand your frustration. And people can sit there  
10 and now, and play politics and not understand the  
11 process, but you can either blame or help us or look at  
12 people who are helping you to move forward, and I'm  
13 trying to do that. (Applause.)

14 So just to make it clear, I did not vote for  
15 that knowing that was in there. I voted for the solar  
16 issues, for the renewables and the reduction of  
17 emissions. And it is a shame that the legislative  
18 process has to be one that shoves through amendments, 33  
19 of them, and never speak to what's in a bill, embedded  
20 in the bill. And I'd be the first one to come back for  
21 years and tell you that either my party or the other  
22 party does that all the time. So while I said yes, I  
23 voted for that not knowing because it was hidden in the  
24 bill. And I do want this to be passed to the  
25 Legislature and have worked with Senator Fasano, as he

1 told you before, in trying -- I met with him and we came  
2 up with language to change that and make it right.  
3 Because it's wrong to do that to legislators, it is  
4 wrong to do it to the people of the state. Thank you,  
5 Mr. Chair, for letting me express that.

6 (Applause.)

7 **MS. LENTZ:** Nancy, I understand that we have  
8 huge systemic problems in our Florida Legislature and I  
9 understand what you're saying, that this one slipped  
10 through. So --

11 **COMMISSIONER ARGENZIANO:** Thank you. Thank  
12 you.

13 **MS. LENTZ:** Thank you for your explanation of  
14 that. Okay.

15 The main point I'd like to make is that that  
16 precharge to build that nuclear power plant, it violates  
17 the Constitution of Florida. A for-profit company when  
18 they need to raise money to build a big capital  
19 improvement project, they have to float bonds to finance  
20 them. They don't stiff their customers in advance ten  
21 years for the money to build these things. And we all  
22 need to get up in arms -- not literally -- and oppose  
23 this because it will be opposed in court in a class  
24 action suit if that doesn't happen. And that's my main  
25 point.

1           And I want to let, Florida Power is what I  
2 call them because that was their name before they sold  
3 out and moved to North Carolina, I want to let them know  
4 that we do not intend to become their little colony down  
5 here in Florida subsidizing their ratepayers in South  
6 Carolina and North Carolina so they can pay their nice  
7 low rates and they can stiff us for 30 percent more  
8 every month. It ain't going to happen, folks. And  
9 that's all I have to say. Thank you.

10           (Applause.)

11           **CHAIRMAN CARTER:** Mr. Kelly.

12           **MR. KELLY:** Linda Hall.

13           **CHAIRMAN CARTER:** We want to hear, we want to  
14 hear from everyone. But those of you that have  
15 statements that you wanted, just give those to us, we  
16 can read them into the record. But we do want to hear  
17 from everyone. Please be respectful of your neighbors.  
18 We have a finite amount of time. I asked you initially  
19 about three minutes -- we need to do that because we do  
20 want to hear from everyone. Thank you, folks, so  
21 kindly.

22           **MR. KELLY:** Ms. Hall will be followed by Sara  
23 Belanger.

24           Whereupon,

25                           **LINDA HALL**

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

4 **DIRECT STATEMENT**

5 **MS. HALL:** Hello. My name is Linda Hall, and  
6 I live at 12421 South Aster Point, Floral City. I'm  
7 here today because I am totally against any rate hike.  
8 In today's economic times, we, the people, do not have  
9 more money to subsidize projects that we will not see  
10 any benefit from for many, many years.

11 I feel that we also should have a return on  
12 our \$700 million collected for the depreciation  
13 expenses. I can tell you that I don't feel the work is  
14 so hot that they do to begin with. A few years ago they  
15 came through my community and replaced poles that were  
16 fine and destroyed the back end of my property. As far  
17 as their customer service goes, it's not so hot. And I  
18 don't feel that the services that they provide for us  
19 are warranting any increase in rates whatsoever. Thank  
20 you.

21 (Applause.)

22 **COMMISSIONER McMURRIAN:** Thank you. Thank  
23 you.

24 Mr. Kelly.

25 **MR. KELLY:** Sara Belanger, followed by Paul

1 Jasler.

2 Whereupon,

3 **SARA BELANGER**

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

7 **DIRECT STATEMENT**

8 **MS. BELANGER:** My name is Sara Belanger. I  
9 live on 12474 South Aster Point, Floral City. And I'm  
10 just hear to say I'm against the rate hike.

11 **UNIDENTIFIED SPEAKER:** Louder. We can't hear  
12 you.

13 **COMMISSIONER McMURRIAN:** Move it closer.  
14 There you go.

15 **MS. BELANGER:** I'm against the rate hike.  
16 Thank you.

17 (Applause.)

18 **COMMISSIONER McMURRIAN:** Thank you.

19 **MR. KELLY:** Paul Jasler, followed by Robert  
20 Hammel.

21 Whereupon,

22 **PAUL JASLER**

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

**DIRECT STATEMENT**

1  
2           **MR. JASLER:** My name is Paul Jasler. I live  
3 at 220 West Quince (phonetic) Street, Hernando. I want  
4 to thank the Commission for coming out today and  
5 listening to the citizens of Citrus County.

6           It is unconscionable for me to believe that a  
7 utility company will ask for a 31.5 percent increase at  
8 any time, much less in a time like these as our tough  
9 economic, in our tough economic situation. Therefore, I  
10 oppose any proposed rate increase.

11           Another reason I oppose any rate increase is  
12 my experience with Progress Energy and their  
13 reliability. I moved into a new home that I had built  
14 two and a half years ago. Since that time I have  
15 experienced 25 power outages. I could attribute maybe  
16 two or three to lightning strikes. The rest have been  
17 unaccounted for by Progress Energy.

18           May I remind this Commission that electricity  
19 is not a luxury; it is a necessity for life and must be  
20 affordable to all. It is your job to assure this.  
21 Thank you.

22           (Applause.)

23           **COMMISSIONER McMURRIAN:** Thank you.

24           **MR. KELLY:** Robert Hammel -- Hummel, I'm  
25 sorry -- followed by Michael Hall.

1 Whereupon,

2 **ROBERT HUMMEL**

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

6 **DIRECT STATEMENT**

7 **MR. HUMMEL:** On behalf of the few moments I  
8 have to express my personal feelings of reality, I want  
9 to thank everybody before me because we're all telling  
10 the same basic thing, except that one person that got  
11 hooked into some kind of spider web of ridiculousness.

12 All right. Basically I'm not the brightest or  
13 sharpest pencil in the drawer, so don't expect too much  
14 out of me. If any of us remember Jack Webb, and he said  
15 something like, "Just the facts," he put a "ma'am," in  
16 there, whoever is ma'am, facts to you, and whoever is  
17 the sir, facts to you. The rubber meets the road. I'm  
18 a customer. I've been ripped off, and your friendly  
19 people at Progress Energy did it.

20 Green, going green, going solar is the best  
21 way to go. How many of us are solar now? If we're  
22 able, thank the Lord we were able to put that money out.  
23 However, the facts have it, my records that just the bar  
24 code on the stupid electric bill I'm getting every month  
25 shows how the company has ripped me off. You don't need

1 a pay raise. You don't need more money. You need to  
2 give back what you stole from me. (Applause.) Basically  
3 with a solar system I employed (phonetic) over \$8,000 of  
4 solar property from the solar water heater -- I got to  
5 keep my water heater running for two hours or two years  
6 to get that credit. If I turned my electric water  
7 heater off, I don't even need it anymore, I do not need  
8 it -- compulsive, I have to keep it on or I lose the  
9 value contract with Progress Energy. That's a fallacy,  
10 stupid and ignorant and a ripoff.

11           However, the average rates of utility bills  
12 prior to all the solar in winter months or cool months,  
13 it was \$175. In hot months it maxed out about \$275.  
14 After the solar energy was placed into gear and applied,  
15 in October of 2008 the utility bill went down, right  
16 down to \$140 and it was a cold month. It stayed that  
17 way until December. Then all of the sudden -- of  
18 course, in these times I'm also receiving the alleged  
19 \$450 rebate from Progress Energy, ta da, ta da, ta da,  
20 when that bill was paid in full. My next billing, three  
21 months of really low utility bills, my next billing  
22 showed \$376. I did not raise my thermostats, I've had  
23 less -- my grandson is a full-time grandson. My wife  
24 just passed away. I've got a fixed income. I've  
25 done -- I took my life savings, what I had, little,

1 mediocre as it was, to go solar, and you gave me a  
2 rebate and then took it right back from me. I sent a  
3 nasty gram all the way up there in North Carolina or  
4 wherever that hick town is and I told you the facts of  
5 life.

6 Does anybody know what the word suicide is?  
7 That's what, that's what Progress Energy is doing to us.  
8 You're creating us an essential we need, putting dollars  
9 and cents in a fictitious format process, and telling us  
10 you can do all the yelling you want, sunshine from  
11 Florida. The red light is we're going to give you a  
12 nasty bill and you have no say about it except pay for  
13 it. That's what's wrong and it's got to stop. And the  
14 suicide is the emotional trauma, the real value that we  
15 human people, like you should be, God knows the trauma  
16 and the difficulties we're experiencing. But think of  
17 them seniors out there that got to pay a stupid electric  
18 bill that they shouldn't be paying near as much of  
19 because you're already -- I wish that each of your big  
20 shot people could only go 5 percent. Of course, the  
21 House and the Senate of our America got their own  
22 problems and it seems like they're beating them people  
23 out.

24 In the meantime, in the meantime, how many of  
25 these people need essential medical prescription drugs?

1 We've been ripped off by the government. Now, hey,  
2 we're going to pay the electric bill so we can live on  
3 the little bit of cut up, marginalized pharmaceuticals  
4 that are also out of our control.

5 So there's -- the other suicide is the games  
6 that are being played to us. The real thing, the rubber  
7 hits the road, we're people, we're getting ripped off,  
8 and Progress Energy is doing it. And unfortunately our  
9 leadership that we elected here in the Florida House and  
10 Senate are playing the same silly games. I mean, wipe  
11 them all out. Lord knows, Lords knows --

12 **COMMISSIONER McMURRIAN:** Do you have a  
13 concluding thought, because we're trying to make sure  
14 everyone gets heard?

15 **MR. HUMMEL:** Okay. There's more facts, the  
16 facts have it you people are ripping us off. And the  
17 monopoly game you're playing, please get the last card  
18 in the bottom of the deck because, you're all -- either  
19 you're going to jail or some of us are going to have  
20 some weapons shooting down some of them super cops that  
21 are, that are messing up our electric bill.

22 **COMMISSIONER McMURRIAN:** Thank you, Mr.  
23 Hummel.

24 **MR. HUMMEL:** I'm only halfway human.

25 **MR. KELLY:** Michael Hall, followed by Bernard

1 Belanger.

2 Whereupon,

3 **MICHAEL HALL**

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

7 **DIRECT STATEMENT**

8 **MR. HALL:** Thank for coming today. My name is  
9 Michael Hall, at 12421 South Aster Point, Floral City.  
10 And there are a lot of speeches today, I agree with just  
11 about everything everybody said. There's no sense to  
12 repeat it all. It'll just take up everybody else's  
13 time. I just wanted to let everybody know that I am  
14 totally against this rate increase. These days with  
15 fixed incomes, pensions, Social Security, nothing being  
16 increased, and they want an increase, that's just not  
17 justified. So I want to let you know I'm totally  
18 against it. Thank you.

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

20 **MR. KELLY:** Mr. Belanger. Mr. Belanger will  
21 be followed by Mark Hankins.

22 Whereupon,

23 **BERNARD BELANGER**

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

1 as follows:

2 **DIRECT STATEMENT**

3 **MR. BELANGER:** My name is Bernard Belanger. I  
4 live at 12474 South Aster Point, Floral City. I was a  
5 Project Superintendent for Bechtel Corporation at a  
6 nuclear power plant. There was no \$15 a month paid ten  
7 years in advance. They floated bonds to build the  
8 nuclear power plants. Let Progress Energy do the same  
9 thing. Thank you.

10 (Applause.)

11 **MR. KELLY:** Mark Hankins, followed by Ellen  
12 Morgan.

13 Whereupon,

14 **MARK HANKINS**

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

18 **DIRECT STATEMENT**

19 **MR. HANKINS:** My name is Mark James Hankins.  
20 I live at 6500 Southwest 62nd Court, Ocala, Florida.  
21 I'm a former City of Miami policeman, I'm a United  
22 States Marine Corps veteran and I'm a union carpenter.

23 We should be embarrassed to have people at  
24 this age being asked so their electric bills are not  
25 increased. This is a direct reflection of deregulation

1 of electricity, Americans. If you don't demand  
2 regulation, this country is going to spin out of  
3 control. Most of you people are older than me. I  
4 happen to be selling (phonetic) my tools for the people  
5 that understand that language. I've worked at that  
6 nuclear power plant. This is a down payment. It's  
7 unnecessary to match hedge funds which are being  
8 controlled by multinational corporations.

9           And just for, letting the cat out of the bag,  
10 with the last presidential administration through an  
11 executive order they allowed legal H-2B Visa workers who  
12 are currently building a nuclear power plant in Mexico  
13 to be brought here to one of the poorest parts of the  
14 State of Florida in the glorious south where Americans  
15 are already held down by low wages because of the people  
16 that want to sit in their rocking chairs while other  
17 people did their work, they're willing to bring in H-2B  
18 Visa workers and put poor southern people from Tampa,  
19 Florida, to Orlando to Jacksonville, Ocala and  
20 Gainesville, if you have a chance to let workers make a  
21 living so they can buy decent homes other than mobile  
22 homes -- I'm a carpenter. I built half of The Villages.  
23 I was asked to leave neighborhoods because we were too  
24 loud at the end of the day building million dollar  
25 mansions for \$10 an hour. In 1981 when I got out of the

1 Marine Corps I was making \$10 an hour at a power plant.  
2 Most Americans aren't making ten bucks an hour right  
3 now.

4 America, 1 percent of the population controls  
5 22 percent of the wealth, that was in 1933. As of 2006,  
6 that same 1 percent now controls 22 percent of the  
7 country's wealth. If you do not organize and regulate  
8 these out of control businesses, you're going to be  
9 manipulated by multinational corporations. I could name  
10 the contractor that's coming in here to build this.  
11 It's called Shaw. Shaw has already -- if you go to  
12 their website, just Google "Shaw." Who's building that  
13 nuclear power plant? They've already scheduled to put  
14 workers out of business. So there won't be any homes  
15 built, there won't be any homes occupied, there won't be  
16 any apartments, there won't be hotels filled, there  
17 won't be cars bought from the dealerships that are  
18 closing. It's time to pull in, close in ranks and look  
19 at your American history. This all took place under  
20 somebody who said, "Tear down that wall." That was  
21 (inaudible.)

22 (Applause.)

23 **COMMISSIONER McMURRIAN:** Thank you, Mr.  
24 Hankins.

25 **MR. KELLY:** Ellen Morgan, followed by Mr., I

1 think it's E. F. Renfro.

2 Whereupon,

3 **ELLEN MORGAN**

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

7 **DIRECT STATEMENT**

8 **MS. MORGAN:** Hello. My name is Ellen Morgan.  
9 I live at 41 South Scarboro Avenue in Lecanto, Florida.  
10 I'm a ratepayer. I'm a small business owner. I've been  
11 in Citrus County for about three years. When I started  
12 my business five years ago I was making pretty good  
13 money.

14 I'm a printer and I don't have a monopoly. So  
15 in the past year my income has decreased by about  
16 50 percent. And in order to pay my bills, every month I  
17 have to decide to pay the mortgage or the electric bill  
18 or buy groceries.

19 During the winter, in January of 2009 my  
20 electric bill -- I'm a single woman living alone in a  
21 small concrete block home, and my electric bill for the  
22 month of January 2009 was \$457. I called Progress  
23 Electric and said, "What on earth happened?" And they  
24 said, "Well, our electric, your electric bill went up  
25 25 percent, and it was the coldest month in the history

1 of Florida for 50 years," or something like that. "And  
2 so we show it to be consistent with what you should  
3 expect." So for the month of February I turned the  
4 heat, the thermostat down really low and slept in bed  
5 with a blanket over my head.

6 So I plead with you guys, do not allow them to  
7 raise the electric bill again. I just can't make it.  
8 Thank you.

9 (Applause.)

10 **MR. KELLY:** E. F. Renfro, followed by Pam  
11 Webb.

12 Whereupon,

13 **EDWARD RENFRO**

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

17 **DIRECT STATEMENT**

18 **MR. RENFRO:** My name is Edward Renfro. I live  
19 at 6588 West Cannondale Drive in Crystal River. I want  
20 to take just a brief few minutes to talk about the  
21 nuclear power requirements and how we're going to pay  
22 for them.

23 I come with a rather extensive background with  
24 the nuclear business, having started way back in the  
25 early '50s in my Navy career when we took bomb

1 technology and converted it to power technology and  
2 built the first nuclear power plants in the whole world.  
3 And that incident included the first commercial nuclear  
4 power plants.

5 On retirement from the Navy I spent some time  
6 as the Director of Research at a major university where  
7 we were also involved part-time on nuclear engineering  
8 and research. I finished up my working career as the  
9 Director of Nuclear Operation at a major utility.

10 I have three points. Number one, there's  
11 absolutely no question, I don't think anywhere in the  
12 world, that nuclear power is the safest, the cheapest  
13 and the cleanest or, if you like, the greenest power  
14 available today providing any significant electric power  
15 to the world and particularly here in the United States  
16 and in our area. Now you can talk about solar, you can  
17 talk about wind, you can talk about other alternatives,  
18 but there's not a one of them that in today's world can  
19 provide any significant power requirements. And,  
20 secondly, they're all very expensive.

21 My second point, I live here in Citrus County,  
22 as we all do, my neighbors at least. It's been a  
23 growing environment. The whole State of Florida has  
24 been growing. Now it's slowed down some because of the  
25 economics, but that's going to change. We're going to

1 continue to see growth in this state and in this area  
2 without any question in the future. And the need for  
3 additional power requirements is in the near future, not  
4 in the way out far future. It's the near future. These  
5 two nuclear power plants that have been talked about  
6 here today that Progress Energy is going to build in  
7 Levy County are the best possible solution to our future  
8 power requirements, and we need them.

9 I might also add that, it hasn't been brought  
10 up here, but I think it is a very important additive, is  
11 when these power plants are built, Progress Energy is  
12 going to close down two very dirty, polluting coal  
13 plants. And if you live within 20 miles of that power  
14 complex, as I do, you see it every single day. We need  
15 to get rid of these dirty coal plants and this is one  
16 mechanism to do so.

17 My third point, we talked about how you're  
18 going to pay for it. And I've heard everything here  
19 today. There's no question about that. But any big  
20 business, any small business that's running their  
21 business in an effective manner provides reserves for  
22 future capital expenditures. And that's what Florida  
23 Power is talking about here right now, is establishing  
24 reserve funds to build a major expensive complex. No  
25 question about it. But whatever you do in the future,

1 it's going to cost money. And any good, reasonable  
2 businessman, business organization provides reserve  
3 funds in advance so that you are not stuck with a huge  
4 tremendous bill all at once later on.

5 So what I'm saying to you is I think when you  
6 all take a look at the facts, the real facts, now, you  
7 can't ignore the public opinions and the public emotion  
8 that you've heard here today, you can't ignore the  
9 politicians that are talking about it, but when you get  
10 the real facts, there's a very definite need for future  
11 power in this area. The nuclear program that Progress  
12 Energy is suggesting is the best alternative available  
13 today. And I think the only way you're going to be able  
14 to pay for it and take care of it is through some  
15 advanced amount that you may consider today. So I  
16 encourage you to consider it and approve some part of  
17 it, if nothing else. Thank you.

18 (Dissent from audience.)

19 **MR. KELLY:** Pam Webb, followed by Dick Tursh  
20 (phonetic).

21 **COMMISSIONER ARGENZIANO:** Mr. Chair. Excuse  
22 me.

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

25 **COMMISSIONER ARGENZIANO:** Yes. Excuse me. I

1 just want to reiterate that it's really hard to hear. I  
2 sure wish I didn't have a broken leg because this is  
3 difficult. We can send people to the moon and to the  
4 space station, but we can't get clear reception on a  
5 phone.

6 Can I ask the speakers, because I really am  
7 taking notes and want to hear you, every time you move  
8 or turn to the right or left of the microphone, it just  
9 totally goes out dead. So if you could, if you could be  
10 conscious of that, I'll be able to hear you well, and  
11 I'd sure appreciate that.

12 **COMMISSIONER McMURRIAN:** Thank you,  
13 Commissioner Argenziano. We'll do a our best. A lot of  
14 the speakers are holding the microphone in their hand  
15 and sometimes they're turning around and talking. So  
16 maybe it's a good, a good reminder, if you all could  
17 maybe speak directly to us, I think everyone else can  
18 hear you, speak directly into the mike and stay turned  
19 this way. That may help the reception so that the  
20 Commissioner on the phone can also hear you as well. So  
21 I appreciate that.

22 And it's probably good -- ma'am, I'm sorry --  
23 to tell you that the Chairman had to leave. I think it  
24 was mentioned earlier he's had back surgery recently and  
25 he's having a real tough time. So we're going to

1 continue without him. We do have one court reporter  
2 here, but we're going to try to continue. I will --  
3 this is another reminder about if you can, try to keep  
4 your comments to three minutes.

5 A couple of things, if you can condense your  
6 comments a little bit and perhaps write any additional  
7 thoughts and leave them with us, that would be fine. If  
8 you've got some prepared remarks you want to leave with  
9 us, that's another way. They still will be considered  
10 part of this hearing today. So we do want to get all  
11 your comments. And, of course, you can always e-mail  
12 and get thoughts to us even after today. So I want to  
13 encourage that. We're going to do our best to make sure  
14 everyone gets heard today. Thank you.

15 Whereupon,

16 **PAM WEBB**

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

20 **DIRECT STATEMENT**

21 **MS. WEBB:** My name is Pam Webb, and I live at  
22 5505 East Arthur Street in Inverness. I grew up in  
23 South Florida but lived in York County, Pennsylvania,  
24 from 1986 to 2007 sandwiched in between Three Mile  
25 Island and Peach Bottom nuclear power plants. I never

1 received one kilowatt hour of electricity from them but  
2 certainly helped pay for them.

3 Even though most in this county are retired  
4 and on a limited income, there's still lots of working  
5 folks who are on limited incomes also after having to  
6 really tighten their belts. Citrus County's  
7 unemployment rate is high and it's not a mecca for good  
8 jobs. If my husband didn't work the overtime he does,  
9 we'd have an even harder time paying our bills.

10 We know Progress Energy is a monopoly here.  
11 None of us receive a 12.54 percent increase on any  
12 investment we have. People have taken pay cuts and  
13 furloughs to survive, while those at certain power  
14 companies receive bonuses and other attaboy perks.  
15 Please help us. Citrus County can't afford to pay  
16 increases which Progress Energy seems to think are  
17 insignificant. As Hank Hemrick stated, "Please do the  
18 right thing." Thank you.

19 (Applause.)

20 **COMMISSIONER McMURRIAN:** Thank you very much.  
21 Hang on a second, Mr. Kelly.

22 **MS. FLEMING:** Yes. Thank you, Commissioners.  
23 There's a gentleman in the back, John Marmish. He's on  
24 the list to speak. He had to leave. So he provided  
25 written comments, and I would ask that his written

1 comments be marked as Exhibit Number 13.

2 **COMMISSIONER McMURRIAN:** Thank you.

3 (Exhibit 13 marked for identification.)

4 Go ahead, Mr. Kelly. Thanks.

5 **MR. KELLY:** Dick Tursh, followed by Harriet  
6 Haywood.

7 Whereupon,

8 **DICK TURSH**

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

12 **DIRECT STATEMENT**

13 **MR. TURSH:** Hi. Thank you for being here. My  
14 name is Dick Tursh. I live at 990 North Spiny  
15 (phonetic) Avenue in Inverness.

16 I'm totally against these bills. The way this  
17 thing has taken place -- let me just give a little  
18 background. My wife and I are both retired. We moved  
19 into a home last year. We've been in Citrus County  
20 since 19 -- 2004. And our electric bills have never  
21 been higher since we've been in Florida since 1992.

22 When we moved in in April of last year the  
23 first bill was \$190. The next month was \$167.74. We  
24 went to \$211.34, \$209.08, \$192.62, \$227.84. And in  
25 October we were gone for a couple of weeks, we had a

1 \$148.91. The next month it was \$219.67. Then in  
2 December we jumped to \$337.43. \$305.58 in January. In  
3 February, \$490.38. \$233.81 in March. Now our lease was  
4 up so we had to make a decision. Unlike the geniuses we  
5 have in Washington, I haven't figured out how to print  
6 money and I had to do something. So I can't spend my  
7 way out of the debt situation, so we had to move. So we  
8 worked for three months to find a place. During those  
9 three months I spent \$125.35, \$166.85 and \$120.37, for a  
10 grand total for 13 months for \$3,674 worth of  
11 electrical.

12 Now we're on a fixed income. That  
13 represented, between our rent, the electric, the  
14 utilities, the water and so forth, over 50 percent of  
15 our income each month. With our health bills and  
16 medical issues that we have it's made it pretty tough.  
17 But we had to move. That move cost us \$2,000. I'm  
18 still in debt trying to catch up as a result of this.  
19 So I think you ought to stop this because this is crazy.  
20 Thank you.

21 (Applause.)

22 **COMMISSIONER McMURRIAN:** Thank you.

23 **MS. BRADLEY:** Next is Harriet Haywood,  
24 followed by Wendy Morgan.

25 **COMMISSIONER McMURRIAN:** Do we have the last

1 speaker's to mark as Number --

2 **MS. FLEMING:** Number 14.

3 **COMMISSIONER McMURRIAN:** 14. Thank you.

4 (Exhibit 14 marked for identification.)

5 Go right ahead, Ms. Haywood.

6 Whereupon,

7 **HARRIET HAYWOOD**

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

11 **DIRECT STATEMENT**

12 **MS. HAYWOOD:** Thank you. My name is Harriet  
13 Haywood. My address is 2036 South Colonial Avenue,  
14 Homosassa.

15 I don't want to be redundant, so I just want  
16 to thank Senator Fasano for his information. I agree  
17 with everything he said, and also Suzan Franks and  
18 everybody that said, no, that they don't want a rate  
19 increase. I'm going to pick through here and just say  
20 some things that are important to me and leave out the  
21 rest.

22 The main reason that I'm speaking is I want to  
23 reiterate that I don't feel comfortable subsidizing  
24 shareholders' investments on dirty fuel. If I were  
25 going to be, you know, subsidizing investments, it would

1 be on clean energy like solar and wind power.

2           Aside, I wanted to say that I'm a small  
3 business holder, and I make products and I sell them at  
4 my store up in Live Oak in the Spirit of the Suwannee  
5 Music Park. I've noticed that my sales have really gone  
6 down over the last year especially. And I want to say  
7 that this rate increase is bad for our local economy and  
8 I'm sure that's why I'm not selling as much. People  
9 will spend less when their rates go up, bottom line.  
10 And I'm spending less. And that's why I'm against the  
11 rate increase. Thank you.

12           (Applause.)

13           **COMMISSIONER McMURRIAN:** Thank you.

14           **MS. BRADLEY:** Wendy Morgan, followed by Tim  
15 Brennan.

16           Whereupon,

17                           **WENDY MORGAN**

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

21                           **DIRECT STATEMENT**

22           **MS. MORGAN:** Good morning. My name is Wendy  
23 Morgan. I'm a Progress Energy ratepayer. I live at  
24 5362 West Yearling Drive, Beverly Hills, Florida.  
25 Again, I want to be brief. I strongly support the

1 comments of Suzan Franks, of Senator Fasano, of Harriet  
2 who just spoke before me, and she's made the point that  
3 I don't think anybody else has made that I strongly  
4 underline, which is that if I were being asked to  
5 support a rate hike for an alternative form of energy  
6 that I consider clean as solar or wind, it would be  
7 something I'd consider. But I strongly oppose rate  
8 increases for an out-of-state company to continue what I  
9 consider to be a very dirty and unsafe form of energy.  
10 Thank you.

11 **COMMISSIONER McMURRIAN:** Thank you.

12 **MS. BRADLEY:** Tim Brennan, followed by Sally  
13 Ann Collins.

14 Whereupon,

15 **TIM BRENNAN**

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

19 **DIRECT STATEMENT**

20 **MR. BRENNAN:** Hi. My name is Tim Brennan.  
21 Thank you, Commissioners, for appearing here today and  
22 giving us this opportunity to express our objections to  
23 this rate hike.

24 Ms. Argenziano, I can sympathize with your  
25 injury. I hope that you recover soon. I might add that

1 I've always been a strong supporter of yours, although I  
2 could never bring myself to vote for you because I'm in  
3 the opposite party. Sorry about that.

4 I just want to mention a couple of things and  
5 I'll give back the rest of my time because you have all  
6 expressed yourselves quite well in opposition to the  
7 rate increase. I would note that one of three  
8 legislators present seemed to indicate that the utility  
9 in question, PEF, is a good neighbor to Citrus County.  
10 I want to ask each and everybody here present, does a  
11 good neighbor reach in your pocket to finance the  
12 renovation or the improvement of his personal property?  
13 I don't think so. And that's why I object to this. I  
14 don't think that riding the back of the consumer, when  
15 it is more properly the stockholders' obligation to  
16 finance this improvement. With that, I yield back the  
17 rest of my time to the next speaker.

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

20 **MR. KELLY:** Sally Ann Collins, followed by  
21 Robert Cox.  
22 Whereupon,

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

1 as follows:

2 **DIRECT STATEMENT**

3 **MS. COLLINS:** Hi, Ms. Nancy. This is Sally  
4 Ann Collins, 12450 Southeast 19th Street, Morriston,  
5 Florida. That's Levy County. And, Ms. Nancy, last time  
6 I saw you you had a broken ankle.

7 **COMMISSIONER ARGENZIANO:** Yes.

8 **MS. COLLINS:** I hope this isn't a precedent.

9 I am a Progress Energy user. I am a senior  
10 citizen. I am with AARP and several other  
11 organizations. I think I'm a frugal person. My mother  
12 grew up during the Depression. I grew up during World  
13 War II. I know when I have to save. I have tried to  
14 save. I have cut back on everything I can possibly do  
15 except turn off my water heater, which is going to be  
16 this month. I have no dryer. I hang my clothes  
17 outside. I moved to this part of this country for that  
18 very purpose. I enjoy that. I put all the new green  
19 lightbulbs in. I have my thermostat set at 65 in the  
20 winter and I have an electric blanket which takes less  
21 electricity. I have put in a new air conditioner heat  
22 pump so that I can cut back on the electricity on the  
23 air conditioning, which I keep at 83.

24 I had my bill down to almost 500 kilowatts per  
25 month. And then, bless their hearts, they passed on an

1 energy raise. They said they hadn't been charging us  
2 for gas increases and they passed on that energy raise  
3 in January and all our bills went up. And the  
4 electricity didn't go down, the bill didn't go down when  
5 the fuel prices came down. Fuel prices are starting to  
6 come down a little bit again, and yet they want to go  
7 ahead and increase our, our bills.

8 And I understand, I have at the bottom of my  
9 bill here and on other information that our increase is  
10 not going to include the pass-through charges. So that  
11 means that's going to be in addition. They've already  
12 mentioned the fact that Social Security will get zero  
13 cost of living in 2010. That means this is an  
14 additional cost over and above what I will get in  
15 income.

16 I like being very prudent. I like not having  
17 to pay for all these extra costs. I try my best. I  
18 want you to help me and those others of us who are  
19 trying to be frugal, trying to keep our costs down. I  
20 was livid two days ago when there was an ad on  
21 television that said, "Progress Energy, how fantastic,  
22 they now have twitter. Twitter is going out to all the  
23 communities to tell them how to reduce their electric  
24 costs." I don't think that's necessary. I don't even  
25 have a cell phone. I don't want to pay for someone

1 else's twitter. Thank you.

2 (Applause.)

3 **COMMISSIONER McMURRIAN:** Thank you,  
4 Ms. Collins.

5 **MR. KELLY:** Robert Cox, followed by Cheryl  
6 Cox.

7 **COMMISSIONER McMURRIAN:** Mr. Kelly, how many  
8 do we have signed up to speak while we're -- where are  
9 we now?

10 **MR. KELLY:** Commissioner, we're on -- Mr. Cox  
11 is on number 37. We have 59.  
12 Whereupon,

13 **ROBERT COX**

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

17 **DIRECT STATEMENT**

18 **MR. COX:** My name is Robert Cox. I live at  
19 2598 Sable Point, Homosassa. And I am against the rate  
20 increases. I'd just like to ask the Commission, I take  
21 it you are the people, the folks that approve this;  
22 right? You will eventually approve this rate increase  
23 that they're looking for. If you were doing business  
24 with a company that was guaranteed a 10 percent increase  
25 on a return on what they were selling to you and they

1 asked for 12.5, what would you do? Would you give it to  
2 them? I doubt it very much. So that's what I'm asking  
3 you to do, not to give it to them. That's enough.

4 Thank you.

5 (Applause.)

6 **COMMISSIONER McMURRIAN:** Thank you, Mr. Cox.

7 **MR. KELLY:** Cheryl Cox, followed by Edward  
8 Reisig.

9 Cheryl Cox?

10 (No response.)

11 Edward, if I'm pronouncing it right, Reisig,  
12 R-E-I-S-I-G.

13 Mr. Reisig will be followed by Lynda Hartman.  
14 Whereupon,

15 **EDWARD REISIG**

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

19 **DIRECT STATEMENT**

20 **MR. REISIG:** I'm Ed Reisig, 3539 North  
21 Buckhorn Drive, Pine Ridge, Florida 34465. I have no  
22 written anything. I just want to say a few things.  
23 I've been retired 14 years. I feel for the people of  
24 this county who are retired and also the workers. We  
25 lived on stocks, bonds and Social Security. Through the

1 meltdown we have lost a lot.

2 We built and we moved in our new home in Pine  
3 Ridge in '03, April of '03. My first 12 months of  
4 electric bills were \$3,200. We don't live in a big  
5 house, 2,200 feet, very well built. I built it myself,  
6 my wife and I. Last year's electric bills, same house,  
7 same habits, same everything, were \$4,988.

8 The fuel charge on all these bills is more  
9 than the usage actually. Now fuel has come down, but my  
10 fuel has not come down on the bills.

11 I just feel that something is wrong here. We  
12 just, we can't go any higher, we really can't.

13 As far as all our representatives in  
14 Tallahassee that have put this bill in that we pay for  
15 electric companies before they build their plants and  
16 their excuse is they did not read the bill, this is not  
17 right. If they can't read the bills, they shouldn't be  
18 signing them.

19 So, again, I feel for everybody out there.  
20 We're all hurting. I don't think there's anybody in  
21 this county that's not hurting. Okay? So, please, you  
22 know, we just can't take anymore. I thank you for your  
23 time. Appreciate it.

24 (Applause.)

25 **COMMISSIONER McMURRIAN:** Thank you.

1 Mr. Kelly.

2 **MR. KELLY:** Lynda Hartman, followed by David  
3 Werder.

4 Lynda Hartman?

5 (No response.)

6 David Werder, W-E-R -- after Mr. Werder will  
7 be Jim Gillespie.

8 Whereupon,

9 **DAVID WERDER**

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

13 **DIRECT STATEMENT**

14 **MR. WERDER:** My name is Mr. Werder. I'm a  
15 candidate for United States Congress. It is unfortunate  
16 that this company is a profitable one because maybe if  
17 it was in bankruptcy, it could get in line for some of  
18 the bailouts the federal government is giving out. I  
19 don't like to admit it to people in front of an audience  
20 that I'm a poor man. In my house I can't afford to run  
21 an air conditioner because it would push me off the fine  
22 knife edge I walk and into foreclosure.

23 On behalf of the majority of people that  
24 showed up here today, the customers of this company and  
25 the constituents in this district, I'd like to let it be

1 known that if you allow this rate increase to go  
2 through, you personally will be responsible for helping  
3 to fuel one of the largest and worst foreclosure rates  
4 that has happened in the State of Florida. Thank you.

5 (Applause.)

6 **COMMISSIONER McMURRIAN:** Thank you,  
7 Mr. Werder.

8 **MR. KELLY:** Jim Gillespie, followed by Rosella  
9 Hale.

10 Whereupon,

11 **JIM GILLESPIE**

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

15 **DIRECT STATEMENT**

16 **MR. GILLESPIE:** Good morning, board members,  
17 and good morning to you, Nancy. I'd just like to say --

18 **COMMISSIONER ARGENZIANO:** Good morning. Thank  
19 you.

20 **MR. GILLESPIE:** My name is James A. Gillespie  
21 and I live at 3900 Tamarack Avenue, Beverly Hills. I'd  
22 just like to say that I just moved here from Texas, and  
23 heat-wise it's a lot harder over in Texas than Florida  
24 is. And the, excuse me, and the bills I used to get  
25 over there in Texas, in Dallas, my average bill averaged

1 around anywhere from \$145 to \$160 a month and that was  
2 in the middle of the summers. I come here in May and my  
3 first bill here was \$194. Also my next bill, which I  
4 have right here, went from, say, round figures \$200 up  
5 to \$312, and nothing was adjusted as far as the  
6 thermostats or anything.

7 And I just can't see all this increase here.  
8 I think it's totally ridiculous and it's really absurd.  
9 And I really don't think that, I really don't think that  
10 anybody should allow this to happen. And as far as I'm  
11 concerned, I speak to the people of Citrus County, like  
12 this, we're nothing, but like this we'll be a weapon to  
13 behold against them. So shut that down. That's all I  
14 ask.

15 (Applause.)

16 **MR. KELLY:** Rosella Hale, followed by Elaine  
17 Quarton.  
18 Whereupon,

19 **ROSELLA HALE**

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

23 **DIRECT STATEMENT**

24 **MS. HALE:** Rosella Hale, 84 Roosevelt  
25 Boulevard, Beverly Hills. I'd like to welcome the

1 Commissioners to Citrus County, and I'd like to take a  
2 couple of seconds to tell you about Citrus County.

3 Citrus County is divided into three main  
4 groups. Those who are retired, and believe me they are  
5 not the got-rocks people. With the meltdown and the  
6 fact that we have a lot of elderly widows, who when  
7 their husbands passed away their pension went with them,  
8 so they're living on \$400 and \$500 Social Security  
9 checks.

10 The next part of Citrus County is the service  
11 people. With the exception of those who work for  
12 Progress Energy, many of our service people make \$8,  
13 \$9 an hour. You're talking \$13.83. They're practically  
14 going to have to work an hour and a half just to pay  
15 that extra.

16 The third is the construction, and  
17 unfortunately Citrus County has a lot of construction  
18 workers. Most of them are laid off. We're having runs  
19 at the food banks just to try to help keep people fed.  
20 The last thing we need is anymore stress on what little  
21 income they have. You've got a lot of them living on  
22 unemployment, some whose unemployment has run out.  
23 Their homes are being foreclosed on. We need somebody  
24 to give us something rather than take it away from us.  
25 And to even ask for a 12.5 percent return in these

1 economic times garnered on the backs of people who  
2 cannot even afford to buy groceries is unconscionable.  
3 I ask that you please say no to this. Thank you.

4 (Applause.)

5 **MR. KELLY:** Elaine Quarton, followed by  
6 Michael Gudis.

7 Whereupon,

8 **ELAINE QUARTON**

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

12 **DIRECT STATEMENT**

13 **MS. QUARTON:** Hi. My name is Elaine Quarton.  
14 I live at 1430 East Monopoly Loop in Inverness, and I  
15 thoroughly agree that we cannot let them have this rate  
16 increase. It's just devastating for the economy and the  
17 people in Citrus County. I'll go over my high points  
18 because a lot of this has already been spoken for.

19 The current rates are unacceptable. The  
20 recent bills and the last increase were a pain already.  
21 I have a friend with a small three bedroom home. Air  
22 conditioning, basic appliances and a TV, nothing fancy,  
23 no pool, no extra items. Her highest bill in the three  
24 years that they've been here was \$178. Yesterday she  
25 got a bill for \$314. The only thing added is an oxygen

1 machine that she needs because she just had open heart  
2 surgery. For that \$126 or \$136 difference is the  
3 difference between her getting her medications or paying  
4 her electric bill. That's a terrible choice for  
5 somebody to have to make.

6 In my own electric -- I've been down here  
7 several years. In 2004 my budget bill was \$184. I was  
8 just given notice with this last bill that my budget  
9 will go up to \$295. That's a 60 percent increase in  
10 five years. Now I don't know how, what they call it,  
11 whether it's energy or what, but 60 percent is too much  
12 in five years for a base to increase.

13 The people are asked to suffer for a new plant  
14 to be constructed. In most businesses they would float  
15 a bond issue to pay for these things, you know. Capital  
16 expense and capital improvement should be done as an  
17 investment for the business, not on the backs of the  
18 ratepayers that have to -- probably won't live to see  
19 this thing come to fruition. They need to cap their  
20 profits at a reasonable return. Right now they're at  
21 9.75 or 10 percent. If they were -- if you were to  
22 reduce their profit margin down to 7 percent and make  
23 them use that other 3 percent as investments for their  
24 expansion, they could well afford to pay for this  
25 themselves without burdening the people to do it for

1           them.

2                       (Applause.)

3           The request for such a huge rate increase  
4           couldn't come at a worst time, when everybody is feeling  
5           the squeeze just to meet their basic needs. I implore  
6           you, please don't let this happen. Thank you.

7                       (Applause.)

8                       **COMMISSIONER McMURRIAN:** Thank you,  
9           Ms. Quarton.

10                      **MR. KELLY:** Michael Gudis, followed by Darrell  
11           Weston.

12                      **COMMISSIONER McMURRIAN:** Ms. Quarton's will be  
13           marked as number -- hang on just a second.

14                      **MS. FLEMING:** Number 15.

15                      **COMMISSIONER McMURRIAN:** Number 15.

16                      (Exhibit 15 marked for identification.)

17           Whereupon,

18                                      **MICHAEL GUDIS**

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

22                                      **DIRECT STATEMENT**

23                      **MR. GUDIS:** Thank you, Commissioners, for  
24           being here in Citrus County. Nancy, I hope you feel  
25           better.

1           My name is Mike Gudis. I live at 253  
2 Northwest Bay Camp Drive in Crystal River. I'm a former  
3 county commissioner in Maryland and a four-year city  
4 council member in Crystal River, so I have 16 years of  
5 legislative experience. One of the main things that I'm  
6 concerned about is the constitutionality of the  
7 preconstruction costs that was put into law. I have  
8 often said from the beginning that it was  
9 unconstitutional. I have today asked the Office of  
10 Public Counsel to ask for an opinion from the Attorney  
11 General as to whether it's constitutional.

12           I agree with many of the things that have been  
13 said before and certainly I'm against rate hikes. But I  
14 am on the firing line with two organizations that I'm  
15 very active in. One is the Treasurer of the Veterans  
16 Coalition where we are feeding almost 300 veterans and  
17 their families, and many of them are asking us for money  
18 to pay their electric bill. They cannot afford to pay  
19 their electric bill. Now we're being asked to pay even  
20 more and I think we're reaching the point of it just  
21 can't happen.

22           Number two, I am the Chairman of the Emergency  
23 Food and Shelter for Citrus County. This is a group  
24 that gets money from FEMA every year. Every county in  
25 the country gets it. We have gotten a tremendous

1 increase over last year although it's a relatively small  
2 amount of money. The main reason we got the increase is  
3 because our unemployment rate is so high. Citrus County  
4 has an unemployment rate that is much higher than many  
5 other counties in this neighboring area. We supply  
6 money to the Citrus County Family Resource Center and  
7 other nonprofit organizations in order to help feed and  
8 shelter and pay utility bills for people that can't  
9 afford it.

10 I am asking you, Commissioners, to take a big  
11 look at this rate increase. It is not warranted. I'm  
12 an accountant. I'd be glad to discuss with you any time  
13 some of the things that they're doing that really should  
14 not be -- an increase should not be warranted. I thank  
15 you very much for your attention.

16 (Applause.)

17 **COMMISSIONER McMURRIAN:** Thank you.

18 **MR. KELLY:** Darrell Weston.

19 **COMMISSIONER ARGENZIANO:** Madam Chair?

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

22 **COMMISSIONER ARGENZIANO:** Yes. I hate to  
23 interrupt. But just one thing for staff here because  
24 there is a case about the constitutional issue that's  
25 been brought up here many, many times going on right now

1 in the State of Georgia. And I don't know if staff has  
2 been keeping track of that. We might be able to tell  
3 the people that are here what the outcome of that is and  
4 what that would mean if something happens one way or the  
5 other in the course of Georgia for Florida in moving  
6 ahead with the constitutionality issue. If staff could  
7 just briefly tell the people, and advise me also.

8 **MS. FLEMING:** Commissioner Argenziano, this is  
9 Katherine Fleming from legal staff. I am not aware of  
10 the court case in Georgia.

11 **COMMISSIONER ARGENZIANO:** I can't hear you at  
12 all.

13 **COMMISSIONER McMURRIAN:** She's moving to a  
14 hopefully better mike, Commissioner.

15 **MS. FLEMING:** Commissioner Argenziano, can you  
16 hear me now?

17 **COMMISSIONER ARGENZIANO:** No. You sound like  
18 you're in a tunnel far away.

19 **MS. FLEMING:** Okay. Can you hear me now?

20 **COMMISSIONER ARGENZIANO:** That's better.

21 **MS. FLEMING:** Okay. Let's try this again. As  
22 far as the court case in Georgia, I do know that there  
23 has been something in the clips lately. I have not had  
24 access. That's one thing we will definitely go back and  
25 look at and research when we get back to the offices,

1 and that's something I will commit to you that we will  
2 look into and see what sort of decision the court of  
3 Georgia, the Georgia court is doing and how that impacts  
4 the constitutionality of this statute.

5 **COMMISSIONER ARGENZIANO:** Thank you. I would  
6 like to know how that is progressing there. I don't  
7 know what stage that's at. I know it's been filed, but  
8 I don't know how it's progressing. And of course what  
9 the courts do there will also have some bearing on what  
10 we're doing in the State of Florida. So if you could do  
11 that, I'd appreciate it. I would like to let the people  
12 know.

13 **MS. FLEMING:** We will be more than happy to do  
14 so. Thank you.

15 **COMMISSIONER ARGENZIANO:** Thank you.

16 **COMMISSIONER McMURRIAN:** Go ahead, sir. I  
17 didn't get your name. Did you tell us your name?  
18 Whereupon,

19 **DARRELL WESTON**

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

23 **DIRECT STATEMENT**

24 **MR. WESTON:** My name is Darrell Weston. I  
25 live at 3491 West Daffodil Drive, Beverly Hills,

1 Florida. I do not represent any political entity. I do  
2 not represent any business organization or any other  
3 organization. I represent my wife, Deloris, and myself.

4 Just briefly in background. My education  
5 extends into major electronics and three years of  
6 management courses with General Electric Company, my  
7 former employer. I served in a nonsalaried position 14  
8 years, St. Lawrence-Eastern Ontario Commission,  
9 providing planning assistance for a four-county region  
10 in upstate New York. I was also their representative at  
11 another nonsalaried position as the Treasurer and  
12 Finance Committee Chairman for two and a half years for  
13 the New York state non-for-profit Seaway Trail  
14 Corporation, a 465-mile trail on the St. Lawrence River,  
15 Lake Ontario and Lake Erie. I also served 18, 16 years,  
16 18 years, excuse me, as an elected official in upstate  
17 New York. I took an eight-year leave of absence from  
18 General Electric to serve as a full-time Supervisor and  
19 Chief Financial Officer. So I've worked with numerous  
20 projects. I've held several positions with General  
21 Electric, two of which includes Coordinator of Quality  
22 Control, Coordinator of Test Equipment and Projects, and  
23 also Supervisor for Radar Projects, Contracts in General  
24 Electric.

25 My wife and I bought property in Citrus County

1 and had a total electric home built in 1999. We have  
2 been paying our electric service on a budget plan. All  
3 of our appliances were energy efficient. We entered a  
4 program with the power company where they can shut off  
5 our power during peak hours of the day. The review of  
6 some of the current rates -- our electric payments from  
7 August 2008 to 2009 averaged \$155.97 a month. From  
8 February through April 2009 were increased \$178.30 a  
9 month. From May and June of this year they were  
10 increased \$212.30 per month. That's an increase of \$57  
11 per month since August of 2008. And each monthly  
12 statement of electric service is a customer charge of  
13 \$8.03, which is defined by Progress Energy as, and I  
14 quote, a fixed monthly amount to cover the cost of  
15 providing service to your location. This charge is  
16 applicable whether or not electricity is used during  
17 that period of time that you're paying the service.  
18 With this, with a monthly fuel charge per kilowatt hour  
19 equal to the energy charge per kilowatt hour, there is,  
20 where is the justification for this customer charge?

21 Now that Progress Energy is seeking to raise  
22 the rate by \$8 for every 1,000 kilowatts, this  
23 represents a 30 percent increase of this base rate. In  
24 2006, Florida law S 366.93 was passed by a Republican  
25 Legislature, signed by a Republican Governor, that

1 permits a utility to pass along certain capital costs  
2 and rate hikes to its customers. With the explosion in  
3 population growth, demand for housing, commercial  
4 infrastructure and electric energy, the timing was ripe  
5 for Progress Energy to take advantage of this law at the  
6 expense of its customers.

7 As reported, the higher utility bills are  
8 linked to the construction of a nuclear power plant in  
9 Levy County, Florida. Of the proposed Progress Energy  
10 rate hike of \$27.28 per 1,000 kilowatt hours for Central  
11 Florida customers, \$11.42 goes toward building the new  
12 plant and the remaining \$14.09 is for their cost of  
13 fuel. Florida customers should not be paying in advance  
14 towards this \$17 billion project that will not be  
15 completed for 20 years. If completed and operation  
16 approved, thousands of customers who've paid this rate  
17 hike would not be alive.

18 **COMMISSIONER McMURRIAN:** Mr. Weston, do you  
19 have some closing thoughts? I'm sorry. I'm just trying  
20 to be cognizant of the time, so.

21 **MR. WESTON:** Pardon? I realize. I'm  
22 concluding it.

23 **COMMISSIONER McMURRIAN:** Can you make some  
24 closing comments? Thank you.

25 **MR. WESTON:** Florida State Constitution,

1 Article III, Legislature, Section 11, special provision  
2 of law, A, there should be no special law of local  
3 application pertaining, granting privilege to a private  
4 corporation. Enacted law S 366.93 is in violation of  
5 the Florida State Constitution which specifically the  
6 state legislators and the Governor ignore.

7 **COMMISSIONER McMURRIAN:** Thank you.

8 **MR. WESTON:** Thank you very much.

9 (Applause.)

10 **MR. KELLY:** I apologize. I'm having trouble  
11 reading this last name. Douglas -- it looks -- Elvers,  
12 E-L -- with the Osceola Civic Center. I apologize.

13 (No response.)

14 Ken -- is it Schlueter? And after Mr.  
15 Schlueter will be Mary Tomkins.

16 Whereupon,

17 **KEN SCHLUETER**

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

21 **DIRECT STATEMENT**

22 **MR. SCHLUETER:** I'm Ken Schlueter. I live at  
23 6146 East Carmel Lane, Inverness. I want to talk about  
24 the school children that are collecting free lunches or  
25 reduced lunches, how great of a number it is, and our

1 school system is paying to feed these kids. Not only  
2 that, we are in summer school, but yet the school system  
3 is still open for breakfast and lunch to feed the poor.  
4 It's unbelievable.

5 We are actually in a depression. We have  
6 bread lines. That's from the depression eras. Nowadays  
7 we call them food lines. We have in the paper 35 bread  
8 lines in Citrus County. I volunteer at one that is not  
9 listed in the paper. Yesterday we served 85 families.  
10 They were very thankful for the food they got. We have  
11 the post office collecting food on behalf of the post  
12 office to donate to these organizations.

13 It's amazing what is going on in America, and  
14 our government don't care. I'm ashamed that we have to  
15 be here doing what we're doing telling them, look. But  
16 then next month if we don't show up, we have to come  
17 back because they will add something to it and pass it  
18 anyway, just like the Congress did. We complained, no,  
19 do not pay off the banks. They sent it back for more  
20 pork, passed it anyway. Yeah. We did not like it, but  
21 we have to keep coming back month after month after  
22 month to reject this raise. They will pass it anyway.  
23 That's all I got to say.

24 **COMMISSIONER McMURRIAN:** Thank you, Mr.  
25 Schlueter.

1 (Applause.)

2 **MR. KELLY:** Mr. Douglas Elvers will be  
3 followed by Mary Tomkins.

4 Whereupon,

5 **DOUGLAS ELVERS**

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

9 **DIRECT STATEMENT**

10 **MR. ELVERS:** My name is Douglas Elvers. I  
11 live at Mile 6 in Ozello Trail. I'm an ex-Energy  
12 Advisor to the Department of Interior, so you're going  
13 to see just a couple of the numerous data that I have.

14 **COMMISSIONER McMURRIAN:** Rick can help you  
15 hold them up, if you'd like.

16 **MR. ELVERS:** All right. I'm not going to be  
17 able to submit these, these things because they cost me  
18 too much money. But this is the energy use that people  
19 have been using worldwide.

20 **COMMISSIONER McMURRIAN:** Sir, I'm going to  
21 need you to speak into the mike. The court reporter is

22 --

23 **MR. ELVERS:** Yeah. Worldwide.

24 **COMMISSIONER McMURRIAN:** There you go.

25 **MR. ELVERS:** From 1990 to 2008. And in 2008

1 we literally came in to a rollover point. This happened  
2 about a month before the election. The country nearly  
3 went bankrupt. We're not going to have the energy  
4 available to us in the future that we had from, from the  
5 growth from 1990 to 2008.

6 Now I show that nuclear is one of the growing  
7 energy needs. So is natural gas and methane, and the  
8 renewables is the fastest growing energy need worldwide.

9 But you'll see a glitch in the nuclear.  
10 Building a nuclear plant is much more expensive than  
11 putting up a windmill or a solar panel and you don't get  
12 energy right away. Once you put that windmill up, the  
13 wind blows, and it starts to turn. Once you put that  
14 solar panel up, the sun shines on it, it starts to give  
15 you electricity.

16 I don't know how long Progress Energy is going  
17 to take or if they'll ever get a nuclear plant up.  
18 Unfortunately we need that nuclear plant. I am not  
19 antinuclear, but I'm very suspicious in what's going on.  
20 And the cost is not going to be less than any of the  
21 other renewables. So I will ask this gentleman over  
22 here to hold this up so you can see it. I'll talk to  
23 you later about it, if you need.

24 So what happens is then we're back to the  
25 coal-fired power plant. Now the coal-fired power

1 plants, and that's probably where our, all of our money  
2 is going, we're raising CO2 at a very rapid rate. And  
3 when you raise CO2 in the atmosphere, you raise the  
4 general temperature of the earth. And this has been  
5 happening. There's plenty of data from NOAA, the USGS.  
6 All the foreign agencies are looking at this. And what  
7 this does is eventually melt the ice.

8 Now you look on the television at where the  
9 ice road truckers that were driving the ice roads in  
10 Canada are now driving. And the television shows,  
11 they're driving over in Alaska. You had a huge meltdown  
12 of the lake they were driving on in Canada. You've now  
13 got a glacier the size of New Jersey that is broken off  
14 the Antarctic. You're having a huge meltdown in the  
15 Arctic ice right now and in Greenland.

16 We have about an extra foot of water on the  
17 roads out in Ozello, and for eight days one of those  
18 roads in Ozello has been underwater by a foot for eight  
19 days. So if you continue with your coal-fired power  
20 plants, you're going to continue to drown the coastal  
21 zone in Florida.

22 **COMMISSIONER McMURRIAN:** Mr. Elvers, I, I can  
23 see that you've got a lot of information to share with  
24 us, but we're running out of time. Is there --

25 **MR. ELVERS:** Yeah. I'll just wrap it up. So

1 if you want to kiss the coastal zone of Florida goodbye,  
2 just wait until 2050. The projected sea level rise, if  
3 we're continuing to use coal-fired plants, is that we're  
4 going to be drowned by 20 feet of salt water. So is  
5 coal-fired power plants cheap or not?

6 **COMMISSIONER McMURRIAN:** Thank you,  
7 Mr. Elvers.

8 **MR. ELVERS:** Thank you.

9 (Applause.)

10 **MR. KELLY:** Mary Tomkins, followed by Mr. Carl  
11 Preston.

12 Mary Tomkins?

13 (No response.)

14 Carl Preston. Mr. Preston will be followed by  
15 Lew Eisenberg.

16 Whereupon,

17 **CARL PRESTON**

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

21 **DIRECT STATEMENT**

22 **MR. PRESTON:** Thank you. My name is Carl  
23 Preston. I live at 1601 Southeast 8th Avenue in Crystal  
24 River, part of Crystal River Village. I represent --  
25 I'm president of the homeowners association. I also am

1 a delegate or a representative of the Citrus County  
2 Coalition, Coalition, which comes out to be around  
3 1,300 units within Citrus County.

4 I came here today to speak on behalf of my  
5 homeowners association, and I know these other groups  
6 have a big concern because they're in the same boat that  
7 we are. I'm not going to go over a lot of points that  
8 have already been done today because they were all good  
9 points.

10 I want to bring and try to put a human face on  
11 this. And what I mean by that is as this year has went  
12 by, I have noticed more people having a difficult time  
13 being able to put things on, in their home and so forth.  
14 I know one fellow in my village has -- we had people in  
15 to do studies and try to show us ways to save energy.  
16 One fellow goes to the actual point to go out every day  
17 and reads his meter to make sure he can try to stay  
18 under the 1,000 kilowatts of electricity a month so his  
19 bill won't go up.

20 But people have done all the things they've  
21 been told to do by Progress Energy and other people and  
22 their bills are still traveling up and up and up. And  
23 I -- there are more people in my village that are using  
24 Meals On Wheels because they're trying to meet their  
25 everyday needs and they're hurting.

1           Behind closed doors, I don't know for a fact,  
2           but I would almost guarantee that people are not taking  
3           their medicines or they're cutting their medicine in  
4           half or doing what they've got to do to make, be able to  
5           survive. They are hurting, and this utility increase is  
6           going to hurt them just that much more. The people have  
7           had a problem with their, over the last year. Their  
8           pensions have been cut or their investments have gotten  
9           hit by a third or more. They're not getting any  
10          interest on CDs in the banks. And they've been all --  
11          what I'm getting at is they've all been forced to  
12          tighten their belts, and I think it's time for Progress  
13          Energy to tighten their belt and take this into mind  
14          that these senior citizens -- which I didn't realize  
15          Citrus County has the third largest senior citizen  
16          population in Florida. So Citrus County is mostly  
17          seniors and we're hurting.

18                 The other thing that I wanted to bring out is  
19                 that energy costs from last year to this year have,  
20                 crude oil have actually went down. We all remember  
21                 160 some odd dollars a barrel of crude oil. Gas was  
22                 four something a gallon, which is a byproduct of crude  
23                 oil. The energy crisis, I believe, last week we were  
24                 down to 60 some odd dollars a barrel for crude oil. So  
25                 how come the price -- their product to generate, some of

1 their product to generate electricity is down and the  
2 prices they're asking want to go up? That's one of the  
3 questions I get by my people.

4 The utility companies are, have to make a  
5 profit. They're, they're public utilities. And it's  
6 your job to make sure that we are all represented and  
7 they are making a fair profit but they're not gouging  
8 the consumers. And that's what I am going to leave you  
9 with, that charge. Please help the consumers make sure  
10 that this is a fair increase. If it isn't, to deny it.  
11 Thank you very much.

12 (Applause.)

13 **COMMISSIONER McMURRIAN:** Thank you,  
14 Mr. Preston. Our next speaker.

15 **MR. KELLY:** Lew Eisenberg will be followed by  
16 Carlis Harman.

17 Whereupon,

18 **LEW EISENBERG**

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

22 **DIRECT STATEMENT**

23 **MR. EISENBERG:** Good morning. I'm just a  
24 middle American, a civilian, a veteran, a disabled  
25 senior citizen. I'm depressed and I'm angry. I'm going

1 to make some claims, and it's for your consideration.

2 **THE COURT REPORTER:** Would you hold the mike  
3 up?

4 **MR. EISENBERG:** I hope that you will do  
5 whatever can be done to take control of all of the  
6 utilities in this country, not only in Florida, but  
7 throughout the United States. It should be a federal  
8 enterprise.

9 Public information should be given to any  
10 corporation that deals with the public. No secrets.  
11 Progress is a cartel. A cartel is a private institute  
12 that is given a monopoly. We are captives, but the  
13 tradeoff, the cartel must be regulated and controlled by  
14 we, the people. The Commission that you sit on should  
15 sit on top of that enterprise and regulate it and  
16 control it. You must take control of the income. You  
17 must regulate the prices that they charge we, the  
18 people. It must be no salaries in millions or billions  
19 of dollars. Profiteers should have no business in this  
20 country.

21 What can we do to correct it? My prescription  
22 would be to take it under eminent domain, declare it to  
23 be a public institution, not private. It's got to be  
24 regulated by we, the people, and our representatives.

25 In the Great Depression in the 1930s it was

1 made good by places like the workers, the WPA. And I  
2 apologize for my hesitation in speech because I'm  
3 recovering from a stroke, so bear with me. I hope what  
4 I have to say is valuable.

5 In the 1930s when the deepest depression was  
6 on and unemployment was as bad as it is today --

7 **COMMISSIONER McMURRIAN:** Sir, could -- sir,  
8 I'm sorry. Could you put the mike closer? Our court  
9 reporter is having trouble. And if you maybe, if you  
10 could look more this way, that might help too.

11 **MR. EISENBERG:** I will. I apologize.

12 **COMMISSIONER McMURRIAN:** That's okay.

13 **MR. EISENBERG:** In the '30s they put the WPA  
14 to work. The unemployed got employment, and they went  
15 to work building all the public facilities, they had the  
16 CCCs went to work and they put -- all the properties  
17 were taken care of and the economy got back on its feet,  
18 and once again we were a very comfortable place to live.  
19 The finest country in the world.

20 Comes 2008 and the bottom fell out, and now  
21 all of us are suffering. We must take control of this  
22 situation, and to do that is to take over the utilities.  
23 They are a public interest. It's not private. When  
24 we're captives, we've got to have control of it.

25 I'm going to ask that this Commission not only

1 declare to Progress that they're not going to get any  
2 increase, but they're going to get a decrease. We're  
3 going to cut their income by 50 percent and they're  
4 going to have to live with that.

5 (Applause.)

6 **COMMISSIONER McMURRIAN:** Thank you,  
7 Mr. Eisenberg. Is that -- can you give us your  
8 concluding thought?

9 **MR. EISENBERG:** What's that?

10 **COMMISSIONER McMURRIAN:** Can you give us a  
11 concluding thought? I'm just -- again, we've got  
12 another public hearing at 2:00 in Ocala, so I apologize.

13 **MR. EISENBERG:** I think -- I'm trying to  
14 present to you a remedy to take control of these people  
15 and tell them you're going to get this much income  
16 because the fees are going to be regulated by this  
17 Commission, and that's your charge. Thank you.

18 (Applause.)

19 **COMMISSIONER McMURRIAN:** Thank you,  
20 Mr. Eisenberg.

21 Mr. Kelly.

22 **MR. KELLY:** Carlis Harman, followed by David  
23 Bruty.

24 **COMMISSIONER McMURRIAN:** And, again, if anyone  
25 feels like they've got comments that they're not able to

1 make because of the time, please feel free to leave them  
2 with us before you leave. I realize people have other  
3 things going on. So I apologize again.

4 And to the comment earlier about we could have  
5 planned better, I think that that's criticism that we  
6 will definitely take into account. I apologize for it.  
7 But we do have to be at 2:00 p.m. in Ocala. So I hope  
8 you all understand we're doing the best we can.

9 **UNIDENTIFIED SPEAKER:** You should have planned  
10 it here -- planned it better.

11 **COMMISSIONER McMURRIAN:** Go ahead, sir.  
12 Whereupon,

13 **CARLIS HARMAN**

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

17 **DIRECT STATEMENT**

18 **MR. HARMAN:** My name is Carlis Harman. I live  
19 at 3 Gray Twig Court South in Homosassa. I'm a retired  
20 Postmaster of Homosassa. I also served 18 years as  
21 Postmaster of Homosassa Springs. I am a native of  
22 Homosassa.

23 I feel like, and I speak for not 100 percent,  
24 I'm sure, but I probably speak for about 99 percent of  
25 the citizens of Homosassa and Chassahowitzka. We are a

1 low income group of people. My family lives -- and my  
2 Harman family has lived in Homosassa since 1896. And  
3 we're, we're a proud people, but we're a hard working,  
4 fishing, primarily fishing community. We really cannot  
5 afford these rate increases, and I do hope that, that  
6 they will be rejected by the Commission.

7 By the way, I meant to say hello to Nancy.  
8 I've known Nancy for a long time when she was first  
9 running for, for House of Representatives, and I hope  
10 that her leg is getting well. But, anyway, we  
11 appreciate you being here as well.

12 But the, you have a big responsibility to  
13 regulate Progress Energy. Progress Energy no longer --  
14 like Florida Power used to, they were more community  
15 active and used to reach out and try to help in  
16 different projects in the community. I remember when I  
17 first got out of the Navy I worked for Florida Power as  
18 a groundman. We even set poles in the football field as  
19 a community service. But, anyway, those type of  
20 services have ended since Progress Energy has taken  
21 over.

22 It's my feeling that just like you have  
23 recently seen, I'm sure, if you watch Fox News, which I  
24 do, you have seen what has happened with Social Security  
25 and their big parties and everything that they do, they

1 do. Also as being a past Postmaster I know that the  
2 meetings that we would have, we'd end up staying at  
3 places like Adam's Mark and Sheratons and the Hiltons  
4 and that type of places when they were demanding that we  
5 cut costs and that we get more out of each hour that we  
6 work, and but yet we were supposed to be going through  
7 some stress management and all this type of thing.

8           These executives of these companies like  
9 Progress Energy, as one of the ladies brought out, and I  
10 did not have those statistics and I was glad to hear  
11 them, here they are making multimillion dollars. And we  
12 people in Homosassa and Chassahowitzka, the natives of  
13 those areas, not just a lot of people that have moved in  
14 the past and more recently, but, but we are, we have  
15 limited income. And I think that what you need to do is  
16 regulate Progress Energy more closely. I think that as  
17 far as those unions and the executives that are drawing  
18 their high salaries, I think those should be controlled.  
19 And it looks like to me that, that energy is something,  
20 power is something that should be controlled by the  
21 federal government. I really don't think like -- I  
22 don't, I hate to say that I want to see federal  
23 government get more involved, but with the Obama  
24 administration and the way our country is going, it  
25 looks like to me that it is time that the federal

1 government, since it is a power company that represents  
2 all the southern states, that they need to get more  
3 involved in regulating Progress Energy because they are  
4 in all the southeast, if I'm not mistaken. Am I not  
5 correct? I know they're in South Carolina and North  
6 Carolina, they're in Georgia. I don't know what  
7 other -- but, anyway, take that into consideration. And  
8 thank you very much for hearing all of us.

9 **COMMISSIONER McMURRIAN:** Thank you,  
10 Mr. Harman.

11 **COMMISSIONER ARGENZIANO:** Thank you.

12 **MR. HARMAN:** Good to hear from you, Nancy.

13 (Applause.)

14 **MR. KELLY:** David Bruty. David Bruty.

15 (No response.)

16 Al Giannone. Giannone.

17 (No response.)

18 Theresa Waldron. After Ms. Waldron will be  
19 Doug Lobel or Lobel.

20 **COMMISSIONER McMURRIAN:** Hi, Ms. Waldron.  
21 Whereupon,

22 **THERESA WALDRON**

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

**DIRECT STATEMENT**

1  
2           **MS. WALDRON:** Good afternoon. My name is  
3 Theresa Waldron. I live in Lecanto. My mailing address  
4 is P.O. Box 438, Lecanto, Florida 34460. And I appear  
5 representing the Nature Coast Group of the Sierra Club.

6           **COMMISSIONER ARGENZIANO:** I'm sorry. I can't  
7 hear you.

8           **MS. WALDRON:** Yes. The Nature Coast Group of  
9 our Sierra Club here in Florida, and that's the group I  
10 represent, over 1,000 members. And with the nuclear  
11 industry being an old industry, it has in the past, of  
12 course, everyone knows of all the pollution and  
13 detriment it's done to the ecology. But the main point  
14 I want to make is that we are turning a point in America  
15 where things are changing at every angle and every  
16 industry, and the renewables need to be rebated more.  
17 The money needs to be directed more to the renewables.  
18 Because if all of the money that these nuclear plants  
19 are spending or planning to spend, if all of that money  
20 was directed to the American people in the form of  
21 rebates, not tax credits, half of America could produce  
22 the energy and totally wipe out the need for any new  
23 nuclear plants. It's such a simple thing.

24           And solar panels, the government already owns  
25 miles and miles of interstate and national highways.

1 The high -- the center medians of highways could very  
2 easily maintain enough solar panels across the country  
3 that we don't need anything but renewables. The nuclear  
4 plants need to be weeded out, and solar and wind,  
5 geothermal -- the earth has everything needed by man.  
6 We don't need the nuclear. So thank you, and let's  
7 promote solar.

8 (Applause.)

9 **COMMISSIONER McMURRIAN:** Thank you, Ms.  
10 Waldron.

11 **MR. KELLY:** Doug Lobel or Doug Lobel,  
12 L-O-B-E-L.

13 (No response.)

14 James McLaughlin. McLaughlin.

15 (No response.)

16 Leonard Bates. That's the last card that I  
17 have, Commissioner.

18 **MS. FLEMING:** Commissioner.

19 **COMMISSIONER McMURRIAN:** Ms. Fleming.

20 **MS. FLEMING:** I did receive a written comment  
21 from Doug L-O-B-E-L that Mr. Kelly just called. We've  
22 also received written comments from Robert Burke and  
23 Joann Laudicina. So I would just suggest that we  
24 mark --

25 **COMMISSIONER ARGENZIANO:** I'm sorry. I can't

1 hear you at all. Can you help her get the mike close  
2 by?

3 **COMMISSIONER McMURRIAN:** Well, for some reason  
4 Ms. Fleming's mike is very low. She was just saying,  
5 Commissioner Argenziano, so that it'll make it a little  
6 quicker, she was just saying that a couple of customers  
7 who had left had handed her their comments and she was  
8 getting ready to mark those for identification. And  
9 I'll pass the mike for now.

10 **MS. FLEMING:** We received comments from Joann  
11 Laudicina, Doug Lobel and Robert Burke, and I would just  
12 suggest that we mark those as composite Exhibit Number  
13 16.

14 (Exhibit 16 marked for identification.)

15 And I also received written comments from  
16 Darrell Weston. Is Mr. Weston still here?

17 **COMMISSIONER McMURRIAN:** He spoke earlier.

18 **MR. KELLY:** He spoke earlier.

19 **MS. FLEMING:** Well, we'll go ahead and label  
20 this as Exhibit 17.

21 **COMMISSIONER McMURRIAN:** Okay.

22 (Exhibit 17 marked for identification.)

23 **COMMISSIONER McMURRIAN:** That's it. Sir?

24 **MR. BATES:** Hi. I'm Len Bates. I live in  
25 Pine Ridge, 5287 West Chippewa Drive.

1                   **COMMISSIONER McMURRIAN:** Hang on just a  
2 second. Did you sign up to speak already or --

3                   **MR. BATES:** Yes.

4                   **COMMISSIONER McMURRIAN:** Oh, you did? Okay.  
5 We're just coming back to you. Okay. You were here  
6 when we swore the witnesses in earlier?

7                   **MR. BATES:** I came a little late. I was at  
8 the VA today.

9                   **COMMISSIONER McMURRIAN:** Okay. Well, we'll  
10 just take care of that real quick, if you don't mind.  
11 You'll have to put the microphone down and I'll swear  
12 you in real quick.

13                   (Witness sworn.)

14                   **COMMISSIONER McMURRIAN:** Thank you. Okay.  
15 Go ahead. And if you could repeat your name  
16 for us and maybe hold the mike kind of close.  
17 Whereupon,

18                   **LEONARD BATES**

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

22                   **DIRECT STATEMENT**

23                   **MR. BATES:** Okay. My name is Leonard Bates.  
24 I live in Pine Ridge, 5287 West Chippewa Drive, Beverly  
25 Hills 34465. I bought my property prior to inflation of

1 the property, so I am not a very wealthy person.

2 A couple of comments. I live by a rule my  
3 mother taught me, my wife taught our kids: If you don't  
4 have it in your pocket, you can't afford it. Business  
5 in America says that you take your stockholders, if you  
6 want to make money, you borrow the money, borrow it, I  
7 didn't say demand it, start your business. And  
8 eventually when it pays off, you will get a return for  
9 your input. That's not what's happening here. I'm 29  
10 years in the service, and I feel I'm being forced to  
11 change my lifestyle for Progress Energy.

12 Number two, I moved here about five years ago  
13 now. The average was about \$180 a month. I have a  
14 pool. I worked for it, I paid for it, I deserve it. It  
15 went up. Now it's running an average of \$280. I have a  
16 hard time living with that. I don't -- I didn't bear a  
17 couple of children in the last five years and I'm not  
18 feeding the neighborhood, but my bills are up. The top  
19 bill, \$350. Really hard to live with that. Things  
20 change. I keep the thermostat at 80, 82 in the summer,  
21 comfortable, don't sweat. 65 to, 60 to 65 in the winter  
22 at nighttime. So my wife, I should say, is very  
23 conscious about the energy and the cost of everything in  
24 our lifestyle.

25 If Progress Energy forces me to pay money for

1 a plant that isn't here, does not exist, I will not get  
2 interest on the money that they put in the bank, I want  
3 common stock. This is not a public utility. It is a  
4 privately owned company. The stockholders in that  
5 company should be made to take the money out of their  
6 pockets or take no profit from their investment for a  
7 number of years before this pays off. They're going to  
8 be receiving the profits for many years to come.  
9 Unfortunately, I don't have that many years. So I don't  
10 feel bad for them.

11 I invested many years ago. I got caught in  
12 the market twice, lost my shorts both times. Progress  
13 Energy is making 12, 10 and 12 percent interest. If I  
14 could get in there, I would have everything in there.  
15 They only give you what you're going to get. The rest  
16 they're going to take. Anyway, Nancy, I don't want to  
17 get upset here.

18 The other thing I would recommend, and I would  
19 recommend it, that the state actually looks at different  
20 power companies throughout the United States in the link  
21 to get people here in Citrus County a choice to buy  
22 their power and let them bid for the business. My  
23 business is worth bidding for. Make them bid for it.  
24 They have us in a way that is not natural.

25 (Applause.)

1 I usually say, I usually say to our senator,  
2 "Stop over for lunch," when she's in town. Nan, if  
3 you're down here, I'll feed you lunch and you can even  
4 use the pool.

5 **COMMISSIONER ARGENZIANO:** Thank you. I do  
6 need hydrotherapy. Thank you.

7 **MR. BATES:** The retired -- I've heard some  
8 comments here today that were disturbing. Some peoples'  
9 retired income is higher than some people made when they  
10 were working 40 to 50 to 60 hours a week for their  
11 entire life. Those people that are receiving benefits  
12 from Social Security now get \$400 a month. Most people  
13 can't buy their food for \$400 a month and then they're  
14 expected to pay the utilities and everything else. I  
15 believe it's greed. It's greed.

16 Some, and I won't say all, but some young  
17 people have this thing that they're owed something in  
18 life. You got to work for what you get. You got to pay  
19 for it first before you can collect a profit on it.  
20 That is business in America. But, as you know, that's  
21 not the way it is now.

22 Our system is changing. You have a chance to  
23 put it back in line a little bit by forcing them to,  
24 demanding, tromping down on them, making them do their  
25 job as businesspeople in America.

1           And the last thing, and I'll get out of here,  
2           it's going to come up and it's going to choke us to  
3           death. There's going to be a desalination plant here.  
4           Progress Energy is probably going to build that. We  
5           should build it, sell them the water, than them build it  
6           and force us to buy it from them.

7           So have a nice day, Nancy. Stop around for  
8           lunch.

9           (Applause.)

10          **COMMISSIONER ARGENZIANO:** Thank you. Thank  
11          you very much. You have a great day too.

12          **COMMISSIONER McMURRIAN:** Thank you, Mr. Bates.  
13          Mr. Kelly, is that --

14          **MR. KELLY:** That's it.

15          **COMMISSIONER McMURRIAN:** Okay. Well, just let  
16          me say thank you to everyone for bearing with us. We  
17          got through everyone.

18          Again, if you've got any neighbors that  
19          weren't able to come, feel free to pick up some of those  
20          sheets, take them back to them. Let them know that they  
21          can contact the Commission other ways.

22          Thanks again to our staff, to our one court  
23          reporter who is a real trooper today, to my colleagues  
24          and, most of all, to you all who came out and took your  
25          time to share your thoughts with us. This hearing is

1 adjourned.

2 (Service hearing adjourned at 12:32 p.m.)

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1 STATE OF FLORIDA )  
 2 COUNTY OF LEON ) : CERTIFICATE OF REPORTER

3  
 4 I, LINDA BOLES, RPR, CRR, Official Commission  
 5 Reporter, do hereby certify that the foregoing  
 6 proceeding was heard at the time and place herein  
 7 stated.

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

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

18 DATED THIS 3<sup>rd</sup> day of August,  
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