Ruth Nettles

080677-EI

From: Thomas Saporito [support@renewableelectricsystems.com]

Sent: Friday, August 28, 2009 8:50 PM

To: support@renewableelectricsystems.com

Cc: 'Wade Litchfield'; Anna Williams; 'Brian P. Armstrong, Esq.'; 'Cecilia Bardley'; Filings@psc.state.fl.us; Jean Hartman; 'John T. LaVia, III, Esq.'; 'John W. McWhirter, Jr., Esq.'; 'Jon C. Moyle, Jr.'; 'John T. Butler'; 'Jennifer L. Spina, Esq.'; 'J.R. Kelly, Esq.'; 'Kenneth L. Wiseman, Esq.'; Lisa Bennett; 'Lisa M. Purdy, Esq.'; 'Mary F. Smallwood'; 'D. Marcus Braswell, Jr., Esq.'; Martha Brown; 'Joseph A. McGlothlin, Esq.'; 'Marlene K. Stern, Esq.'; 'Mark F. Sundback, Esq.'; 'Barry Richard'; 'Stephanie Alexander'; 'Shayla L. McNeill'; 'Robert A. Sugarman, Esq.'; 'Robert Scheffel Wright, Esq.'; 'Tamela Ivey Perdue'; 'Vicki Gordon Kaufam'

Subject: <<<FPL RATE CASE >>>

Attachments: 2009-08-27 Letter to Chairman Carter.pdf

In accordance with the electronic filing procedures of the Florida Public Service Commission, the following filing is made:

The name, address, telephone number and email for the person responsible for the filing is:

a) Thomas Saporito
Executive Director
RenewableElectricSystems.com
Post Office Box 8413
Jupiter, Florida 33468-8413
Tel: 561-247-6404
Email: Support@RenewableElectricSystems.com
Website: http://RenewableElectricSystems.com

b) This filing is made in Docket No. 080677-EI, In re: Petition for increase in rates by Florida Power & Light Company, and 090130-EI, In re: 2009 depreciation and dismantlement study by Florida Power & Light Company.

c) The document is filed on behalf of Thomas Saporito.

d) The total pages in the document are 5 pages.

e) The attached document is Thomas Saporito's August 28th, 2009 letter to Chairman Matthew M. Carter.

Thomas Saporito, Executive Director
RenewableElectricSystems.com
Post Office Box 8413, Jupiter, Florida 33468-8413
Voice: 561-247-6404 Fax: 561-952-4810
Email: Support@RenewableElectricSystems.com
Web: http://RenewableElectricSystems.com

RenewableElectricSystems.com

Post Office Box 8413, Jupiter, Florida 33468-8413
Voice: (561) 247-6404 Fax: (561) 952-4810
Email: Support@RenewableElectricSystems.com
Website: RenewableElectricSystems.com
Not-For-Profit Educational Organization

28 AUG 2009

The Hon. Matthew M. Carter, Chairman
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

In re: Florida Power and Light Company Rate Case in Docket No. 080677-EI

Dear Chairman Carter:

As you may recall, I recently wrote you a letter in response to Florida Power and Light Company's (FPL's) CEO's letter to you regarding FPL's current rate case now before the Commission. In my earlier letter to you, I addressed the very basis for FPL's request to the Commission to raise their base rates and whether FPL's rational was prudent and necessary to require the construction of two more nuclear power plants and a 16-billion dollar build-out of related infrastructure. I recommended that the Commission deny FPL's rate case and instead consider ordering FPL to provide its 4.5 million customers with lease-to-own solar voltaic systems tied directly to FPL's electric grid.

A recent article published on August 28, 2009, by RISMEDIA describes, amongst other energy saving ideas, the installation of solar voltaic systems. Specifically, the article describes a solar system installed by Spike Marro, a Miami Shores area homeowner who invested about $54,000 for the entire system providing electric power for his three-bedroom home. Notably, Mr. Marro received a $20,000 rebate from the State of Florida and a $10,200 tax credit from the federal government. Therefore, the total cost of this solar system for Mr. Marro was about $24,000. Once the system was installed, Mr. Marro's electric bill was reduced to less than $100 per month and in some months to less than $20. Here, Mr. Marro's solar system will pay for itself over time and reduce the demand-load on FPL's electric grid.

The undersigned respectfully suggests that the Commission take a more ***aggressive advocacy approach*** in the current FPL rate case and directly inquire of FPL executives about installation of these types of renewable energy systems including wind turbines. FPL executives would have to admit under oath that installation of such systems by FPL's 4.5 million customers would significantly decrease the demand-load on FPL's electric grid and would therefore obviate any need to build two more nuclear power plants near Miami, Florida and would obviate any need for an additional 16-billion dollar build-out of related infrastructure.

The Commission should further require FPL to provide lease-to-own renewable energy systems to its 4.5 million customers like the system installed by Mr. Marro. Installation of these renewable electric systems would (1) provide stability for FPL's electric grid; (2) offset the demand load during peak operating hours; (3) decrease FPL's base-load demand on its electric grid; (4) provide for more reliable and uninterrupted power for FPL's customers; and (5) significantly decrease and/or completely eliminate the power bill for FPL customers through net-metering.

As you are aware, FPL customers are currently assessed for FPL's intent to build two more nuclear power plants and FPL customers are currently assessed for FPL's advertisements to encourage its customers to reduce energy usage. These funds would be better placed in investment vehicles used to provide lease-to-own renewable energy systems like solar and wind generating systems for FPL's 4.5 million customers. In addition to the above, FPL should be required to install 10-12 kw wind turbines on all of its existing utility poles where such systems can readily be connected to FPL's electric grid. Considering the hundreds of thousands of utility poles that embrace FPL's existing infrastructure, these systems could generate power in the megawatt range collectively and offset any need to build two more nuclear power plants or to invest an additional 16-billion dollars to build-out more infrastructure.

The residents of Florida, including not only customers of FPL but also customers of other electric utilities regulated by the Commission, depend and rely on the Commission to act in their behalf as an <u>advocate to protect their interests</u>. This is the time for the Commission to stand-tall on behalf of all Florida residents and to DENY and REJECT FPL's request to raise their base rate for electric power. Instead, the Commission should **<u>reduce</u>** FPL's base-rate by the amount recommended by the Office of Public Counsel and require FPL to implement the renewable electric systems described above for the benefit of its 4.5 million customers.

In closing, in this time of recession across our great country with unemployment in the State of Florida above 10% and home foreclosures at record levels, FPL simply cannot justify a reasonable and prudent reason to raise the base rate for electric power to its customers. I note here that FPL executives have already testified under oath, that they will NOT take any pay cuts and have decided to instead, provide wage increases across the board at FPL. Moreover, FPL is a monopoly with one of the best credit ratings in the industry and therefore has no trouble soliciting investment from the private sector with their current rate of return for their stockholders of record. To the extent that FPL seeks a rate increase to raise stockholder equity, the Commission should ORDER FPL to reduce its rates to bring down the existing and excess ROE for its stockholders. To the extent that FPL contends that they need additional capital to make investments in plant and infrastructure to make their power plants more efficient and thereby reduce the electric bills to its 4.5 million customers, FPL's arguments lack merit. As discussed above, if FPL were required by the Commission to provide its 4.5 million customers with lease-to-own solar voltaic systems tied to FPL' electric grid through net-metering, FPL would have NO need for a $1.3 billion dollar rate case as these solar systems would generate more than sufficient power to FPL's electric grid to meet the needs of any potential future growth in the State of Florida in the coming years.

Notably, FPL recently acknowledged the loss of 5,000 customers and coupled with the recession and resultant decrease on FPL's base-load demand no further generation capacity is required at this time. Moreover, FPL's profits have surged to record levels by their own admission. Thus, FPL should finance any further investment in plant and infrastructure from their own profits and not on the backs of their financially strapped customers who have lost their jobs and their homes due to the dire economic conditions facing our nation and specifically enhanced in the State of Florida. As previously discussed, FPL intends to use monies from any rate increase to provide an across the board pay raise for its employees – and FPL has taken extreme measures and legal maneuvers to avoid providing documentation to the Commission's staff regarding wage records of FPL employees making $165 thousand dollars or more.

To the extent that FPL has acted evasively to avoid the lawfully required disclosure of wage records to the Commission and to the extent that FPL knowingly filed for a rate increase with the Commission without proper support or justification for such a rate request, the Commission should (1) DENY FPL's rate request; (2) ORDER FPL to reduce its base rate for electric power to its 4.5 million customers by an amount recommended by the Office of Public Counsel; and (3) ORDER FPL to refund all attorney costs and fees, including expert witness fees and paralegal services, deposition costs, copy charges, etc. related to FPL's rate case in Docket No. 080677-EI back to FPL's customers accordingly.

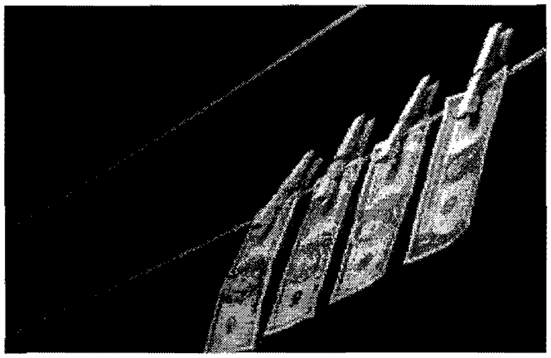
Respectfully submitted,

Executive Director

Cc: Commissioner Nancy Argenziano
Commissioner Lisa Polak Edgar
Commissioner Katrina J. McMurrian
Commissioner Nathan A. Skop

Homeowners Save Energy, Cash with Tax Breaks

Posted By susanne On August 27, 2009 @ 3:31 pm In Homeowner's Toolkit, Real Estate, Today's Marketplace, Today's Top Story, Today's Top Story - Consumer | Comments Disabled



[1]RISMEDIA, August 28, 2009-(MCT)-Bob Menconi enjoys his newly replaced air conditioner at his house. The A/C was replaced by a federal tax rebate. So your car isn't a clunker? And you're not buying a new home? But maybe your air-conditioning unit is on the fritz. Or your small business needs new equipment or office furniture. Perhaps you have always wanted solar panels. Then there is a tax break waiting for you, too.

Although there hasn't been much hype surrounding these credits and deductions-all increased or expanded by federal stimulus bills passed this year and last year-retailers say sales of new, energy-efficient products are beating expectations in the midst of the recession.

The reason, they say, is the prices are that good.

In Davie, Fla., Menconi said he paid the same amount for a new air conditioner as he did for the one he bought about 20 years ago. The price for his new Ruud air conditioner: $6,295. But the combination of a rebate from Florida Power & Light, the manufacturer and a $1,500 credit on his taxes next year means he will pay $3,520. On top of that, he said, the first month, the family electric bill was $200 less than the previous month. The tax credit "pushed us in the direction to do it," Menconi said. The old one "cooled the house, it was just not efficient. We wanted to catch it before it broke. At 20-plus years old, it was just waiting to bust."

Any air conditioner that qualifies for the tax credit will also definitely qualify for the FPL rebate, said Ralph Scanga, owner of Air Conditioning Excellence in Hollywood, because the federal energy efficiency requirement is more stringent than the power company's.

Federal stimulus laws allow homeowners to get a tax credit of 30% of the cost of energy efficient windows, doors, water heaters, air conditioners and furnaces, up to a maximum of $1,500. So if you max out the credit on your new A/C, you can't use it for one of the other items. But if you don't use any or all of the credit this tax year, you can buy a qualifying item and claim the credit or any remaining credit in 2010, said Amy McAnarney, an executive director at H&R Block's Tax Institute. The items have to be installed by Dec. 31, 2010, for taxpayers to claim the credit. McAnarney also cautioned buyers not to take a company's word that an item qualifies. She said to get a copy of the manufacturer's statement.

Another tax credit allows homeowners to get up to 30% of the cost of solar energy systems, such as solar water heating and solar power, small wind systems and geothermal heat pumps if they are installed by Dec. 31, 2016. It's separate from the credit for windows, doors and air conditioners, so homeowners can use both.

And there's no cap on the amount of the credit, much to the liking of Miami Shores area homeowner Spike Marro. Marro spent about $54,000 to install solar panels and a battery back-up system for his three-bedroom home. But he got about $20,000 from a state solar energy rebate program, and will receive a further $10,200 as a credit on his taxes. That puts the final price tag for his system at around $24,000-and he will keep saving because his electricity use has shrunk to less than $100-and some months, less than $20. "In the long run it pays for itself," he said.

But to keep customers like Marro buying, the state needs to keep the rebates coming in addition to granting the tax credit, said Paul Farren, owner of The Energy Store in Hollywood. The program had run out of money until the state padded the fund for rebates with federal stimulus dollars.

Water heaters are also a hot item because energy efficient water heaters might also qualify for more money back than just the tax credit, said John Lipka, owner of E.H. Whitson Plumbing in Hollywood. For example, he said, a natural gas tankless water heater, which can run from $1,600 to $2,000, would net a $450 rebate from gas company TECO and a 30% tax credit on the purchase price. That price is competitive with a traditional $800 tank water heater, he said.

Some of the deductions and credits might be harder to come by than others though. Miami-Dade and Broward counties have strict codes for impact resistant windows, but many energy efficient windows don't meet that code, said Susan Roeder, corporate affairs manager of Andersen Windows. But at least one company, PGT Windows, based in Venice, has a product that meets both counties' impact resistant standards and the federal tax credit program's energy efficiency rules, said Jim DiPietro, administrative director of Broward County's Board of Rules and Appeals, which oversees building code enforcement in the county. "The products do exist," said Rusty Carroll, the county's chief structural compliance officer. "You just have to dig a little to find them."

Another obscure tax break: a bigger deduction for businesses that buy new equipment or furniture, IRS spokesman Mike Dobzinski said. Land, buildings and items like a new central air conditioner don't count. Section 179 of the tax code has been around for a while, but the 2008 stimulus package doubled the amount deductible to a maximum of $250,000 and the 2009 law extended the deduction through the end of 2010. In this case, businesses could claim the entire deduction each year, he said.

Still not enough? A whole new set of government gifts will arrive late this year or early next. That's when Florida's version of a Department of Energy rebate program for energy efficient appliances should be approved, said Jeremy Susac, director of the Florida Energy Office.

The state is expecting at least $17.5 million in federal dollars it can issue in the form of rebates to buyers of the right kinds of dishwashers, washing machines, refrigerators, dryers, air conditioners and other items. But the Feds have to approve Florida's list of appliances, and that might not happen until later this year.

Think carefully before you run out and buy a new fridge right away, he said. It's unclear whether the state will be able to issue rebates for items bought before the federal government approves Florida's plan. "We've asked that question," he said. "Certainly, save the receipt."

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