

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 130040-EI

PETITION FOR RATE INCREASE
BY TAMPA ELECTRIC COMPANY.

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COMMISSION
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PROCEEDINGS: TAMPA SERVICE HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN RONALD A. BRISÉ
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER ART GRAHAM
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Wednesday, May 29, 2013

TIME: Commenced at 6:00 p.m.
Concluded at 7:52 p.m.

PLACE: Hillsborough Community College/
Dale Mabry Campus
Student Services Auditorium
DSTU Building, Room 11111
4001 West Tampa Bay Boulevard
Tampa, Florida

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

1 APPEARANCES:

2 J. JEFFRY WAHLEN, ESQUIRE, and ASHLEY M.
3 DANIELS, ESQUIRE, Ausley McMullen Law Firm, Post Office
4 Box 391, Tallahassee, Florida 32302, appearing on behalf
5 of Tampa Electric Company.

6 ROBERT SCHEFFEL WRIGHT, ESQUIRE, Gardner, Bist,
7 Wiener, Wadsworth, Bowden, Bush, Dee, LaVia & Wright,
8 P.A., 1300 Thomaswood Drive, Tallahassee, Florida 32308,
9 appearing on behalf of the Florida Retail Federation.

10 J.R. KELLY, PUBLIC COUNSEL, Office of Public
11 Counsel, c/o The Florida Legislature, 111 West Madison
12 Street, Room 812, Tallahassee, Florida 32399-1400,
13 appearing on behalf of the Citizens of Florida.

14 MARTHA BARRERA, ESQUIRE, FPSC General Counsel's
15 Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida
16 32399-0850, appearing on behalf of the Florida Public
17 Service Commission Staff.

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8
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10
11
12
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14
15
16
17
18
19
20
21
22
23
24
25

OPENING STATEMENTS

PAGE NO.

| | |
|------------|----|
| Ms. Lewis | 12 |
| Mr. Kelly | 16 |
| Mr. Wright | 20 |
| Mr. Wahlen | 24 |

WITNESSES

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

| NAME: | PAGE NO. |
|--------------------|----------|
| Geneive DeCilio | 27 |
| Ryan McDonald | 29 |
| Elizabeth Sandifer | 36 |
| Bob Joyce | 38 |
| Mark Klutho | 43 |
| MaryEllen Elia | 45 |
| P.J. Crespo | 50 |
| Michelle Cyr | 56 |
| Ileana Santini | 59 |
| Susan Glickman | 61 |
| William Sessions | 65 |
| Richard Formica | 69 |
| Tom Kester | 71 |
| Robert Brown | 78 |
| Sandra Devita | 79 |
| Deborah Armstrong | 81 |
| Henry Valenti | 86 |

EXHIBITS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

| NUMBER: | | ID. | ADMTD. |
|---------|--|-----|--------|
| 1 | TECO Notice to Customers | 89 | |
| 2 | Composite Handout by Mr. McDonald re: Avila Customer Concerns | 36 | |
| 3 | Composite E-mail Dated May 20th from Bob Joyce | 43 | |
| 4 | Kester Documentation of One Month Power Outages | 77 | |
| 5 | Copy of Remarks Made by Sandra Devita | 81 | |

P R O C E E D I N G S

CHAIRMAN BRISÉ: Good evening, everyone.

All right. We will introduce ourselves. We are here for the customer service hearings for Docket Number 130040-EI for Tampa Electric Company. My name is Ronald Brisé and I have the honor and pleasure of serving as Chairman of the Public Service Commission. And we will introduce ourselves from my left going to my right.

COMMISSIONER BROWN: Thank you, Chairman Brisé.

Good evening. My name is Julie Brown, and I'd like to welcome my fellow Commissioners, staff, and our intervenors here to my hometown, Tampa Bay. I'm glad to be here. I'm glad to see you all here. I know there's a lot of things that you could be doing tonight, like watching the Rays game, but we're very excited to have you here. So we appreciate all of you coming out, and we will give you the great credence that you deserve and we're looking forward to hearing from you. So, welcome.

COMMISSIONER GRAHAM: Good evening. My name is Art Graham, and I am also a Commissioner on the Public Service Commission, and thank you for coming out.

COMMISSIONER EDGAR: Hello. Lisa Edgar. I'm glad to be here tonight. It's nice to see you.

1 **COMMISSIONER BALBIS:** I'm Eduardo Balbis, and
2 I'm happy to be here and look forward to your comments.

3 **CHAIRMAN BRISÉ:** Okay. At this time we will
4 ask Martha Barrera if you would read the notice.

5 **MS. BARRERA:** By notice this time and place
6 has been set for a customer service hearing in Docket
7 Number 130040-EI, petition for rate increase by Tampa
8 Electric Company.

9 **CHAIRMAN BRISÉ:** Thank you very much,
10 Ms. Barrera. At this time we will take appearances of
11 the counsel which are present.

12 **MR. WAHLEN:** Good evening, Commissioners. I'm
13 Jeff Wahlen of the Ausley and McMullen law firm,
14 appearing on behalf of Tampa Electric Company. With me
15 tonight is Ashley Daniels, who is one of the lawyers in
16 our firm. We also have a number of people from Tampa
17 Electric here tonight. Karen Lewis is our director of
18 Customer Service, she's with us. Bruce Narzissenfeld is
19 the Vice-President of Customer Service, and our
20 President, Gordon Gillette, is here.

21 We also have a number of customer service and
22 engineering and regulatory people here to listen and
23 help customers if customer-specific issues come up. So
24 we appreciate the opportunity to be here and are anxious
25 to hear you tonight. Thank you.

1 **CHAIRMAN BRISÉ:** Thank you.

2 **MR. WRIGHT:** Thank you, Mr. Chairman.

3 Robert Scheffel Wright appearing on behalf of
4 the Florida Retail Federation. Thank you.

5 **CHAIRMAN BRISÉ:** Thank you.

6 The Office of Public Counsel.

7 **MR. KELLY:** Good evening. I'm J.R. Kelly.

8 I'm with the Office of Public Counsel, and I'm here with
9 Tarik Noriega, and we have the pleasure and privilege of
10 representing the consumers in this matter.

11 **CHAIRMAN BRISÉ:** Staff Counsel.

12 **MS. BARRERA:** Martha Barrera, attorney for the
13 PSC.

14 **CHAIRMAN BRISÉ:** All right. With that, thank
15 you, Counsel. Once again, let me welcome you to our
16 customer service hearing tonight. As Commissioner Brown
17 stated already, there are many other things that many of
18 you could be doing tonight, but we certainly appreciate
19 the fact that you have taken the time out of your
20 schedule to come and participate.

21 We are certainly interested in hearing from
22 you, and your thoughts and your comments are very
23 important to us, and will play a great deal in our
24 decision-making process down the line.

25 We also have representatives from the PSC who

1 are here, and so I will introduce some of the staff
2 members that are here. And we have Mr. Dean, we have
3 Mr. Willis, we have Ms. Muir, who certainly probably
4 helped you sign in, we have Mr. Durbin, and we have
5 Ms. Jane Faurot, who is our court reporter. Am I
6 missing anyone? Tom Ballinger. Ms. Draper, as well,
7 who's here with us.

8 And then many of the Commissioners have our
9 senior advisors here with us this evening, so we can
10 hear what you have to say. And we have our Executive
11 Director, as well, Mr. Baez, who is here this evening.

12 As time progresses this evening, we definitely
13 want to hear from you, and as the time approaches for
14 you to speak, we want you to know that what you say will
15 be transcribed. And so at the appropriate time we will
16 swear you in and you will have approximately three
17 minutes to make your comments.

18 We have a light system down here, which will
19 let you know. Green is pretty good. You can continue
20 talking. Yellow, you have about a minute or so left.
21 When it's red then, you know, you probably need to bring
22 it to a close, or should have brought it to a close. If
23 it starts blinking, then you really should have brought
24 it to a close.

25 So we certainly appreciate your participation

1 and recognition and respect of everybody else's time,
2 and so we want to respect you in the same way we want
3 you to respect the process. And so we don't want to
4 have to cut anybody off if you go over the allotted
5 time.

6 Let me see. Commissioners, is there anything
7 else that I'm missing? Oh, yes. There is something I
8 am missing. You may be cross-examined, so there may be
9 questions that come. And generally for clarification
10 purposes the Commissioners may ask you questions, and
11 one of the counsel may ask you questions just so that
12 there will be clarifications on the record, or if there
13 is something that was unclear as to what you said.

14 We also want, for the record, for you to state
15 your name and your address so that that is part of the
16 transcript so that we can identify who said what. And
17 on the special report document that you received as you
18 came in, if for some reason you are uncomfortable
19 speaking in front of the people who are here this
20 evening, you are welcome to put your comments in the
21 comment section, and these comments are just as good as
22 comments that you will provide here this evening. You
23 can also send the comments to us on-line, as well, and
24 those comments will become part of the record just as
25 the ones that you write here or the ones that you

1 provide here in the public.

2 Mr. Kelly will help us by calling up the names
3 based upon the list as you signed in. And we hope to
4 have a very smooth hearing this evening, and certainly
5 appreciate the fact that we will all respect each other
6 and recognize that this is a public forum, and we expect
7 everyone to comport themselves in that way.

8 I'm trying to see if there is anything else
9 that I'm missing here. Yes. And if there are
10 exhibits -- you may have exhibits. Some of you may
11 bring documents, and just let us know that you have an
12 exhibit and we will file it and it will go along with
13 your testimony.

14 I have a sheet here that, you know, we will
15 identify and give it a number starting with one or
16 whatever the number that our staff attorney says that we
17 are at at this point in the process. And, you know, put
18 your name down and that will travel with the testimony
19 for this evening.

20 I just enjoy this part of the process. I love
21 hearing from individuals who are in the service area.
22 It gives us a perspective that we may not have without
23 coming and participating in these hearings. So we
24 are -- we certainly expect for you to express whatever
25 is on your mind, good, bad, ugly, or indifferent,

1 whatever it is. We are interested in hearing what you
2 have to say this evening.

3 I think I have taken way too much of your time
4 on these things, so we will go ahead and begin with the
5 rest of the process. We are going to hear from the
6 company, and the company is going to provide basically a
7 summary of what their case is about. And they will have
8 eight minutes, and that time will be divided this way:
9 They will use whatever portion of the eight minutes they
10 want on the front end, and then we will hear from the
11 Office of Public Counsel, which will have eight minutes,
12 as well, and then we will hear from the Florida Retail
13 Federation with Mr. Schef Wright, and he will have eight
14 minutes, as well. And on the back end of that, whatever
15 time that the company has not used they will be able to
16 use that balance of time, in essence, to complete their
17 comments.

18 Okay. So with that, we are ready to begin,
19 and we will ask the representative for the company to
20 come forward.

21 **MS. LEWIS:** Good evening, Commissioners. Good
22 evening, ladies and gentlemen. My name is Karen Lewis
23 and I'm Tampa Electric's Director of Customer Service.

24 We appreciate the opportunity to participate
25 in the service hearings. This is part of the

1 Commission's process of evaluating Tampa Electric's
2 request for an increase in base rates.

3 While the cost of fuel that's passed along to
4 customers changes from time to time, it has been over
5 five years since Tampa Electric has requested an
6 increase in base rates. Base rates recover the cost of
7 producing and delivering electric service to our
8 customers exclusive of fuel. It also includes the
9 capital costs that are associated with dollars invested
10 in new electric plant.

11 Tampa Electric has an obligation to serve all
12 of its customers in a safe and reliable manner. We take
13 that obligation very seriously. While the day-to-day
14 operations of the utility is left up to utility
15 management, the regulators are here to ensure that our
16 customers receive reliable service at a just and
17 reasonable rate while providing the opportunity for
18 utilities to earn a fair return on their investment.

19 Tampa Electric has done all possible to
20 provide reliable service in a cost-effective manner.
21 There is a need for a base rate increase in order to
22 continue providing safe and reliable service to our
23 customers. By the time our new rates go into effect in
24 2014, Tampa Electric will have invested \$1.1 billion in
25 new electric plant. These costs are not being recovered

1 in our current rates. The \$1.1 billion of investment
2 covers things like new power lines, power plant
3 improvements, and a reclaimed water pipeline that serves
4 our Polk generating units. These capital investments
5 benefit our customers in many ways. The improvements
6 that we make for our power plants improves reliability
7 and performance, and, in turn, that reduces the fuel
8 costs for our customers, and it also reduces outages.

9 These improvements have also enabled Tampa
10 Electric to have the fewest and among the shortest
11 interruptions in Florida, service interruptions over the
12 past five years, and we are very proud of that. Tampa
13 Electric will continue to make significant improvements
14 in its electric generating units and its transmission
15 and distribution system. We want to ensure that our
16 customers continue to receive reliable service at the
17 lowest cost possible.

18 Over the years, Tampa Electric has found
19 various ways to control costs through efficiencies and
20 other cost-control measures. We have lowered employee
21 head count, we refinanced long-term debt at low rates --
22 at lower rates, we have made smart use of technology, we
23 have introduced conservation programs which have helped
24 reduce the need to construct new power plants, and those
25 conservation programs have also helped our customers use

1 energy efficiently.

2 We have asked our employees to work harder and
3 smarter, to do more with less as all of our customers
4 have had to do over the past several years. As we all
5 know, the cost of running our households and running
6 businesses has increased. That's no different for Tampa
7 Electric.

8 It's never a good time to raise rates. But
9 even with the proposed increase, Tampa Electric will
10 remain among the lowest in the State of Florida in terms
11 of its rates.

12 We take pride in providing service to
13 approximately 600,000 customers in Hillsborough and
14 portions of Pinellas, Polk, and Pasco Counties.

15 We want to thank the Commissioners, the staff,
16 and especially customers who have come out to attend
17 this service hearing. We know that the quality of your
18 electric service and the amount that you pay for this
19 service is very important to you. Tampa Electric is
20 here to listen to our customers. Listening and
21 understanding the needs of our customers gives us the
22 opportunity to provide better service.

23 Some of you may have specific questions about
24 your individual utility service. And if that's the
25 case, please let us know. We do have customer service

1 representatives here to assist you. We can do that here
2 in the adjoining room.

3 Thank you for your time and attention.

4 (Applause.)

5 **CHAIRMAN BRISÉ:** Thank you very much,
6 Ms. Lewis. So you have -- Tampa Electric has about
7 three minutes and three seconds left. That's where we
8 are on that.

9 So at this time we will hear from Mr. Kelly
10 from the Office of Public Counsel.

11 **MR. KELLY:** Good evening, and thank you so
12 much for coming out tonight. As I said, I'm J.R. Kelly,
13 and I'm with the Office of Public Counsel.

14 For those of you that are not familiar with
15 our office, we are an office that's separate from the
16 Public Service Commission. We are part of the
17 Legislature. And we were created specifically for one
18 purpose, and that is to represent consumers in matters
19 that come in front of the Public Service Commission,
20 such as this.

21 Why are we here today? We are here because
22 TECO has requested rates to be increased by
23 \$134.8 million annually. That equates to an
24 18.6 percent increase in their base rates, or if you
25 want to look at it in terms of usage, for someone that

1 uses 1,000 kilowatt hours per month, that's a \$10.41
2 increase per month.

3 Our office has intervened on your behalf, the
4 consumer, to represent you in this matter. We have
5 already contracted with several nationally recognized
6 experts in the areas of accounting, cost of capital, and
7 depreciation. They are currently reviewing the
8 voluminous documents that TECO has filed in this matter
9 and they will be presenting expert testimony on your
10 behalf.

11 Now, folks, we don't dispute that TECO is a
12 well-run company. It's made up of many fine men and
13 women in this community; probably many of them that are
14 some of your friends and neighbors. But our job is to
15 review TECO's filing and ensure that we will contest
16 those areas where the evidence does not support any
17 increase.

18 In effect, TECO is given a monopoly to operate
19 in this area. In return, they're subject to regulation
20 by the Public Service Commission. They're entitled to
21 recoup their prudent and reasonable operating expenses
22 as well as the opportunity to earn a fair and reasonable
23 rate of return on their investments. In return, they
24 must provide safe, adequate, and reliable service to
25 you, the consumer.

1 At this point, we have not identified all of
2 the issues that we will be contesting in this matter,
3 but I will give you a few areas that we are currently
4 looking at. First and foremost, we are and will be
5 contesting what we consider to be the excess profit
6 level that TECO is requesting. In their filing they
7 have asked for an 11.25 percent return on equity.
8 Folks, we believe that is extremely, extremely excessive
9 in light of today's economy, as well as the fact that
10 the cost of capital has decreased significantly over the
11 past two years. We recently submitted testimony in
12 another case on this issue, and we will be doing the
13 same in this matter.

14 Some other areas that we are looking at. TECO
15 has recently implemented a corporate reorganization
16 after the last rate case of a few years ago, and we are
17 reviewing how this has impacted their labor costs and
18 their compensation levels that they are requesting.

19 The level of storm damage reserve accrual,
20 that is monies that you pay in per your rates that will
21 cover any storms that may hit the area. Now, historical
22 storm damage costs have been minimal, and TECO is
23 approaching its current storm damage reserve limit, but
24 in this matter they want to raise that limit. They are
25 currently collecting \$8 million per year, and they want

1 to collect more. We're not sure that that is a
2 reasonable level.

3 We are looking at the prudence of their
4 projections with respect to capital additions and plant
5 maintenance. We are looking at their vegetation
6 management and storm hardening projects for
7 reasonableness and prudence. And, last, we are looking
8 at the number of customers and revenues and expenses
9 that they are projecting to make sure that they are fair
10 and reasonable.

11 Now, you heard the Chairman mention why we are
12 here tonight. This is your hearing, folks; your
13 hearing, the consumer. Please, take the opportunity to
14 come up here and share your opinion about TECO; good,
15 bad, whatever, we want to hear it all. These
16 Commissioners want to hear it.

17 You can testify today, or as the Chairman
18 said, you can do it in writing, but we ask, if you are
19 willing, to please come up here and testify in person.
20 If you don't speak up, these Commissioners will not be
21 able to develop the most informed judgment in rendering
22 their final decision.

23 If you want to talk about the quality of
24 service, if you want to talk about the impact of the
25 rate case, whatever, please come up and share your

1 opinion.

2 I want to thank you, again, for coming out
3 today and taking time out of your busy schedule. But
4 most importantly, I want to ensure to you that our
5 office is doing everything we can and we will continue
6 to work hard to protect your interest in this matter.

7 Thank you.

8 (Applause.)

9 **MR. WRIGHT:** Thank you, Mr. Chairman,
10 Commissioners, members of the audience, Tampa Electric
11 customers. Good evening, thank you for coming out.

12 My name is Schef Wright, and I have the
13 privilege of representing the Florida Retail Federation
14 in this important case. I will tell you, I'm one of the
15 luckiest people I know. I was born in Florida. My wife
16 and I live on a small farm just outside Tallahassee, and
17 for the past 32 years I've been blessed to work on
18 important energy issues in our wonderful state. First
19 for Governor Graham's Energy Office, then as a member of
20 the Public Service Commission staff for about seven
21 years, and for the last 20-plus years as a private
22 sector attorney where I represent customers, renewable
23 energy producers, and cities.

24 For the last nine years, I have been honored
25 to be the utility attorney for the Florida Retail

1 Federation. The Federation is a statewide organization
2 with more than 8,000 members, from the largest
3 groceries, big box stores, department stores, and so on,
4 like, Publix, Wal-Mart, Target, Macy's, to literally
5 thousands of mom and pop stores.

6 In these rate cases where utilities are asking
7 for tens or hundreds of million of dollars more of your
8 money, we work side-by-side with your Public Counsel to
9 advocate to fight for the lowest possible rates for all
10 customers. Now, this case is about Tampa Electric's
11 request to recover in its rates nearly another
12 \$135 million a year from you, its customers. At the
13 Retail Federation we are business people, and we
14 understand that every business, whether it's a grocery
15 store, department store, big box store, a florist shop,
16 a law office, or a utility company needs sufficient
17 money to run its business, to pay its bills and to
18 provide its service.

19 We don't just say no when a utility comes in
20 for a rate case. We take a hard look at what the
21 utility is asking for and whether it really needs it.
22 What does that mean? What does that mean? As a
23 regulated monopoly providing a necessity -- electric
24 service is a necessity for all practical purposes in
25 today's world -- with no meaningful competition, Tampa

1 Electric's job is to provide safe, reliable service at
2 the lowest possible cost. And it's your Public Service
3 Commission's job to ensure that they get enough money to
4 do their job, to provide safe and reliable service, but
5 only enough money.

6 We want healthy utilities, but we don't
7 believe that customers -- you or our members -- should
8 pay for any excessive costs or excessive profits. We
9 agree with the Public Counsel that Tampa Electric is a
10 well-run company. Where we differ with utilities
11 generally, and with Tampa Electric Company in this case,
12 is on how much money they really need to do their job.

13 For example, in this case, Tampa Electric is
14 asking for an after-tax rate of profit, rate of return
15 on investors' equity of 11.25 percent. That's a
16 before-tax rate of return, folks, of about 18.2 percent.
17 We believe that's excessive. We say not so fast, my
18 friends.

19 We believe that in light of the minimal risks
20 that Tampa Electric faces as a monopoly provider of a
21 necessity, that a return more like 9, 9-1/4, 9-1/2
22 percent tops is more reasonable, and, frankly, probably
23 even generous in light of the overall business
24 proposition here. Making this one adjustment, cutting
25 the return on equity, the profit rate from a before-tax

1 level of 18.2 percent to a before-tax level of 14-odd
2 percent, which corresponds to an after-tax return of 9,
3 9-1/4 would basically cut their \$135 million ask in
4 half. This would save you money.

5 Now, this case is still in its early stages,
6 and we are all still looking at what the various issues
7 are, but there are other issues. We believe, for
8 example, that Tampa Electric wants to use too much
9 expensive equity capital to run its business or to
10 finance its capital than less expensive debt capital.
11 Shifting that slightly, you know, from 54 percent equity
12 to 50 percent equity would save you money.

13 We believe that Tampa Electric, which already
14 has a storm reserve of \$50 million, doesn't need to keep
15 on collecting \$8 million a year of your money, our
16 members' money to protect against future storm costs.
17 Reducing this amount would save you money.

18 There will be other issues in this case as it
19 progresses towards hearings. And in the hearings Tampa
20 Electric will try to convince the Commissioners that
21 they need all the money they have asked for, and we'll
22 try to convince the Commissioners that they only need as
23 much as they need to provide safe and reliable service.

24 We believe that number is a lot less than
25 \$135 million a year. Even with no increases at all, and

1 even assuming that Tampa Electric would be able to
2 justify all of its costs -- and by the way, that has
3 never happened in the history of rate cases before the
4 Public Service Commission -- with no increase at all and
5 assuming all their costs are as represented, Tampa
6 Electric would still cover all of its costs and make
7 \$210 million a year in profits on sales of about
8 \$1.9 billion.

9 Thank you all for coming out. As Mr. Kelly
10 said, this is your hearing. We are here for you to tell
11 the Commissioners what you think, and you should do
12 that, whether pro or con. Whether you support the rate
13 increase, oppose the rate increase, or have some other
14 comment you want to make about Tampa Electric Company's
15 service, we are here to hear what you have to say.
16 Thank you, again, for coming out. Have a great evening.

17 (Applause.)

18 **CHAIRMAN BRISÉ:** Thank you, Mr. Wright.

19 **MR. WAHLEN:** Thank you, Commissioners.

20 On behalf of Tampa Electric Company, I'd just
21 like to say we appreciate hearing from the intervenors.
22 We, of course, disagree with some of the things that
23 they said. We think our request is reasonable, it's
24 defensible.

25 We look forward to having the technical

1 hearing in September where we can go into all those
2 details. Of course, tonight is not a night where you
3 want to hear lawyers arguing about the details of the
4 case. We are interested, as you are, in hearing from
5 the customers. And with that, I would like to just
6 thank everyone for being here, and tell you that we
7 appreciate the opportunity to listen to customers, and
8 we hope to do that for however long it takes tonight.

9 Thank you very much.

10 **CHAIRMAN BRISÉ:** Do you have a notice?

11 **MR. WAHLEN:** A customer notice? We did not
12 bring it --

13 **UNIDENTIFIED SPEAKER:** I have one with me.
14 Oh, it's in the car. I'll bring it after I speak.

15 **MR. WAHLEN:** Yes, we'll get the customer
16 notice.

17 **CHAIRMAN BRISÉ:** Thank you.

18 All right. At this time we are prepared to
19 hear from the customers. Just before we do that, we
20 always recognize elected officials or their staff that
21 are present and see if they have any comments that they
22 would like to make. At this time I don't know that
23 anyone has signed in representing a legislative office,
24 or county office, or a city office, but if one did not
25 sign in, please let us know so that we recognize you and

1 the presence of the elected official or their
2 representative.

3 Someone from Senator Legg's office?

4 **MR. PYLANT:** Yes, sir. My name is Spencer
5 Pylant. I'm a legislative aide for Senator John Legg.

6 I don't have any comments. I'm just here to
7 observe and see how everyone feels about the process.
8 But if you have any questions, I'm always happy to talk
9 to you afterwards.

10 **CHAIRMAN BRISÉ:** All right. Thank you very
11 much for your presence here, and let the Senator know
12 that we appreciate your presence here this evening.

13 **MR. PYLANT:** Thank you, sir.

14 **CHAIRMAN BRISÉ:** Yes, I'm sorry.

15 **MS. ELIA:** Yes. I'm MaryEllen Elia. I am the
16 Superintendent of Hillsborough County Schools, and I am
17 here to speak to the group.

18 **CHAIRMAN BRISÉ:** Perfect. Thank you very
19 much. Did we miss anyone else? All right.

20 So as I stated earlier, if you are going to
21 speak this evening, we are going to ask two things; make
22 sure that you sign in, and if you intend to speak and
23 you haven't signed in, we are going to go ahead and
24 swear you in, and you can go to the rear and sign in so
25 that we can include you on the list. But if you intend

1 to speak this evening, please stand with me as we are
2 going to swear you in.

3 Please raise your right hand.

4 (Witnesses sworn collectively.)

5 **CHAIRMAN BRISÉ:** All right. Thank you very
6 much.

7 For the public comment, we're going to ask
8 that you come to the microphone that is here in the
9 middle. It gives you a clear eye view of the timer
10 there, as well as we have the opportunity to view you as
11 you speak and address you as you speak, and you can
12 address us directly, as well.

13 So with that, Mr. Kelly, if you would help us
14 in reading the first name.

15 **MR. KELLY:** Do you want me to call two?

16 **CHAIRMAN BRISÉ:** Yes, call two at a time.
17 Thank you.

18 **MR. KELLY:** The first speaker is Geneive
19 DeCilio followed by Ryan McDonald.

20 **CHAIRMAN BRISÉ:** Just as a reminder to
21 everyone, please state your name, your address, and
22 telephone number so that it is available for the record.
23 Whereupon,

24 **GENEIVE F. DECILIO**
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. DeCILIO:** My name is Geneive DeCilio and I
5 live in Riverview. I have a new cell number, and I
6 don't have it memorized right off the bat.

7 Okay. I'll get on to what I have to say. I'm
8 pretty sure that I'm not the only one in here that is
9 (sic) pleased with the rate increase. And as a senior,
10 I know it's going to be really hard on me. I only get
11 \$723 a month to live on. And I keep all of my expenses
12 low. I don't have air conditioning. I don't have a
13 dishwasher, and all I have is a small TV and a
14 refrigerator, and I use hot plates. I don't have a
15 stove.

16 In other words, I'm very low impact. And if
17 you ever view my electric bill, you'll see why it's
18 extremely low.

19 And like I said, I'm speaking for everybody
20 here, especially for the seniors that are living on
21 small checks. This will be a real bad hardship. But
22 like everything else at the grocery store, you still
23 have to pay the higher prices. I'm really not for it,
24 but I understand that you probably have to do it just
25 like the stores have to raise their prices on things.

1 But I'm just hoping that you won't do it, if at all
2 possible.

3 And I have ideas about how people can save
4 money. They don't have to use all of their electronic
5 gadgets. It's really not necessary. There was a time
6 when it wasn't like that. Because I was born in 1949,
7 and I know what it was like in the days before cell
8 phones, and this and that, and all these other gadgets
9 that run on power. And believe me, if you try you
10 really can do it.

11 That's all I have to say. Thank you.

12 **CHAIRMAN BRISÉ:** Thank you very much, Ms.
13 DeCilio.

14 Are there any questions for Ms. DeCilio?

15 Seeing none, thank you for your testimony this
16 evening.

17 **MR. KELLY:** After Mr. McDonald is Elizabeth
18 Sandifer.
19 Whereupon,

20 **RYAN MCDONALD**

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

24 **DIRECT STATEMENT**

25 **MR. McDONALD:** I have some handouts that I

1 would really like to -- hopefully it doesn't cut into
2 the time.

3 All right. My name is Ryan McDonald. I live
4 at 16503 Adaja De Avila in Tampa, Florida. First off, I
5 want to say thank you for coming down here to Tampa.

6 Commissioner Brown, welcome back home. I
7 have -- I'm here to oppose the rate increase as well as,
8 more important, inform you of customer service issues we
9 have had as well as the power supply issues we have had.

10 We have a fundamental problem in our
11 neighborhood. We have three different circuits that
12 feed our neighborhood. We have outages that are short
13 in term, long in term, and medium in term. We have had
14 this since 2007. Many residents have had appliances
15 break, equipment such as computers and other things
16 break.

17 I liken TECO to that school bully that takes
18 your money, and when it gets talked about with the
19 principal, it gets okay. And then after the principal
20 leaves they take your money again. And here is why I
21 say that. First off, we have about 400 homes in there.
22 An average house is about 4,000 square foot; a utility
23 bill is about 500 bucks. So there's about \$2.4 million
24 that is generated from just our neighborhood that goes
25 to TECO.

1 I was born and raised in Tampa; I understand
2 storms. I lived in California; lived through those
3 rolling blackouts. But with Avila, since 2007 we have
4 off and ons. Data from 2007, 19 outages; 2008 is 24;
5 2009, 21. Avila beats them. I'm sorry, I get excited
6 because I'm trying to rush. But in 2009, we finally
7 said enough is enough. So we met with Ted Brown and
8 Stephanie Angelino and informed them of our problems.
9 Well, January 4th, an outage; January 5th, an outage;
10 January 7th, an outage; January 9th, an outage. It kept
11 going and going and going.

12 So Ted Brown wrote a letter, and that's in the
13 handout, that they are going to clear trees, lines, and
14 install animal protection. Well, guess what, the bully
15 got talked to. It was good for three months. May, May
16 of 2010: May 16th, outage; May 19th, two outages. Go
17 to June 11th, June 1st, June 25th; all outages, off and
18 ons.

19 Well, after multiple outages, I have an issue.
20 My stuff starts breaking. So I was told by Stephanie to
21 file a complaint, which is Complaint TEC 2010008757. A
22 week later on my birthday I get denied. The denial came
23 from a P. Flowers with
24 streetlightingcomm@TampaElectric.com. It says that
25 there is -- no relevant -- there is no neglect on TECO.

1 The letter wasn't even dated or, I mean, Dear Ryan. It
2 was Dear Sir or Madam. Nobody even called me.

3 So all of a sudden there's a denial. So
4 finally I got upset. My cousin is a county commissioner
5 here in Hillsborough, so I called his office. Who does
6 TECO report to? You guys. Thank you so much for coming
7 down here. So I said I'm going to call TECO one more
8 time and tell them that I am now going to the
9 Commission. So I talked to Mike Copenoch (phonetic).
10 He says I will get to it in two days. Three weeks later
11 he has never returned my call. So finally I called
12 David Jopling with you guys and filed a complaint.
13 Guess what? Outages, outages, outages.

14 They trimmed trees, they -- sorry, it's
15 blinking. They trimmed trees, get the animals, we still
16 have outages. Guess what? Outage this morning.
17 Nothing is getting done.

18 Thank you guys for your time.

19 **CHAIRMAN BRISÉ:** I don't know if there are any
20 questions for you.

21 **MR. McDONALD:** Oh, I'm sorry.

22 **CHAIRMAN BRISÉ:** Commissioner Brown.

23 **COMMISSIONER BROWN:** Thank you, Mr. McDonald,
24 for coming out. I appreciate the summary. And you are
25 rushing. We will read this and take this into

1 consideration.

2 **MR. McDONALD:** Sorry that I said Public
3 Utility Commission instead of Public Service Commission,
4 but --

5 **COMMISSIONER BROWN:** We get it. We
6 understand. And I'm familiar with Avila and the homes
7 there. It's a nice area. And I'm curious --

8 **MR. McDONALD:** Which I did not want to
9 dissuade. I just want to say as a Floridian we have
10 power outages. I'm sorry to interrupt you.

11 **COMMISSIONER BROWN:** Thank you. I appreciate
12 that, what you're saying. I just wanted a follow-up
13 question.

14 **MR. McDONALD:** Yes.

15 **COMMISSIONER BROWN:** You talked about these
16 repeated outages, including an outage today, which, you
17 know, there is a storm around the area today here. I'm
18 curious, is it -- has there been evidence to support the
19 fact there has been lack of tree trimming in the area?
20 Has that --

21 **MR. McDONALD:** Well, they blame it on trees.
22 And it was this morning, at 7:24 a.m., so I don't know
23 if there was a storm at 7:24 a.m.

24 But they trim trees and they say, hey -- there
25 was one last week where they said a bird nest fell on

1 it. Okay. I understand that. But when they are daily
2 and happening -- what happens, they trim trees, they do
3 something -- and I asked Mr. Ly, L-Y, with TECO, he
4 called me last week, and he says -- I asked him about is
5 it because we have buried lines, because of the power
6 coming in? What do you think it is? He goes, well,
7 power lines usually underground last 30 years. We're
8 30 years old. I go, how do you know when the power
9 lines buried are going to be -- they go bad? He said
10 well, because, your breakers go out and all that. Guess
11 what? They repaired that a year ago.

12 So they repair the little things, but the --
13 there's something I forgot to say. We need a
14 power plant-to-home analysis, not just breaker analysis,
15 from A to Z to cover why we have these issues. There's,
16 again, three different circuits. Your neighbor across
17 the street will have power and you won't. A lot of them
18 are off and on, but it does get better for three months
19 and then it gets worse again for me, for my home.

20 **COMMISSIONER BROWN:** Just a follow-up.

21 **CHAIRMAN BRISÉ:** Sure.

22 **COMMISSIONER BROWN:** So there is an active
23 complaint going on with the Commission?

24 **MR. McDONALD:** Yes. I was actually called
25 last week from David saying there is a public hearing,

1 so we have a complaint active, are you finished with the
2 complaint or not? I said heck no. I'm not dumb. You
3 know what happens, you just get tired of complaining and
4 complaining and complaining, that it false on deaf ears.

5 **COMMISSIONER BROWN:** Thank you. Thank you so
6 much, and we will definitely -- I know we have
7 Commission staff here; there's utility representatives
8 and, you know, folks here. This is an active complaint,
9 so we will definitely get an opportunity to hear more
10 about that. So we appreciate it.

11 **MR. McDONALD:** Thank you for your time.

12 **MR. KELLY:** I have a question.

13 **MR. McDONALD:** Yes, sir.

14 **MR. KELLY:** Mr. McDonald, would you like for
15 this to be made a part of the record?

16 **MR. McDONALD:** No. It was kind of more just
17 so you can see the communication between e-mails and
18 stuff like that. I would rather --

19 **UNIDENTIFIED SPEAKER:** Make it part of the
20 record.

21 **MR. McDONALD:** Part of the record, please.

22 **MR. KELLY:** And I assume you are going to get
23 it marked for identification?

24 **CHAIRMAN BRISÉ:** Yes, indeed.

25 **MR. KELLY:** Thank you.

1 **MS. BARRERA:** We will identify this exhibit as
2 Exhibit 2, and the description will be Composite Exhibit
3 Handout by Mr. McDonald Regarding Customer Concerns.

4 **MR. McDONALD:** That would be fine.

5 **CHAIRMAN BRISÉ:** Exhibit Number 2. Okay.

6 (Exhibit 2 marked for identification.)

7 **CHAIRMAN BRISÉ:** Thank you very much,
8 Mr. McDonald.

9 **MR. McDONALD:** Thank you for your time.
10 Whereupon,

11 **ELIZABETH SANDIFER**

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

15 **DIRECT STATEMENT**

16 **MS. SANDIFER:** Good evening.

17 **CHAIRMAN BRISÉ:** Good evening.

18 **MS. SANDIFER:** And thank you for holding this
19 meeting. My name is Elizabeth Sandifer and I am the
20 Executive Director for the Avila Property Owners
21 Association. Our address is 16727 Valseca de Avila.

22 And I have to laugh because you were talking
23 about customer service and you want to hear from us.
24 Well, picture 400 homes standing behind me, because my
25 job is to listen to all their complaints. I have been

1 with Avila for 24 years, and I can tell you since 2007
2 we have had power outages, and I get every -- this file
3 is a list of the complaints just from 2009.

4 I mean, I hate to use these words, because
5 it's a public arena, but I'm getting calls, like, "Do we
6 live in Baghdad?" "What is this, third world service?"
7 I mean, you name it and I'm getting it.

8 So while we appreciate the things that TECO
9 has done, it's not enough. Our residents are not in
10 favor of an increase. They're in favor of TECO giving
11 us a plan that will tell us, you know, how's the power
12 going to get to our homes, get to their homes -- I don't
13 live there; I manage it for them -- and what is being
14 done to resolve the issue.

15 You know, there's buried power lines that have
16 been there 30 years, and we have been told that that is
17 a problem. So I won't take up much of your time, I will
18 just tell you that we are not in favor. We'd like a
19 plan to fix it, and we have a very thick file. So, you
20 know, I don't want to enter this into your exhibit, but
21 I will tell you I have it if you need it. Okay.

22 **CHAIRMAN BRISÉ:** All right. Well, thank you
23 very much.

24 Any questions? Commissioner Balbis.

25 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.

1 It's more of a comment to you, Ms. Sandifer
2 and to Mr. McDonald. I appreciate you bringing the
3 specific issues with quality of service, and I think it
4 is important to us.

5 Mr. McDonald made the comment that, you know,
6 it falls on deaf ears. And I can assure you that these
7 comments will not fall on deaf ears, and this is why we
8 are here today to hear complaints. And thank you for
9 bringing that to us.

10 **MS. SANDIFER:** Thank you.

11 **MR. McDONALD:** Thank you.

12 **CHAIRMAN BRISÉ:** Any further questions for
13 Ms. Sandifer?

14 Thank you very much for your testimony this
15 evening.

16 **MR. KELLY:** The next speaker is Bob Joyce
17 followed by Mark Klutho.

18 Whereupon,

19 **BOB JOYCE**

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. JOYCE:** Mr. Chairman, Commissioners, Mr.
25 Kelly. Bob Joyce, 16312 Millan de Avila, M-I-L-L-A-N de

1 Avila, A-V-I-L-A.

2 First of all, thank you for giving us the
3 opportunity to talk to you. And I'd like to adopt the
4 comments of my esteemed colleague here, Mr. McDonald,
5 and Ms. Sandifer. We live in Avila, as well. I have
6 lived there for 21 years. It has been a recurring
7 problem in my 21 years where the electricity goes out.
8 And to address something that Ms. Brown touched upon
9 obliquely, I appreciate that this is an imperfect world
10 and it's imperfect service, and you can't have
11 electricity 24/7/365. I get that.

12 However, within our community there are
13 different circuits -- I think that's the term --
14 circuits cover different streets. And our street
15 happens to go out with unbelievable repetitiveness,
16 okay? If someone sneezes across the fence, then the
17 electricity goes out.

18 By the way, I'll give you an e-mail that I
19 sent, and I'll have that adopted, I guess it would be
20 Number 3. And I'll give that to Mr. Chairman.

21 And so I complain and nothing happens. The
22 electricity goes out, and you call this number and you
23 get a recording. It's kind of like calling the suicide
24 hotline and getting put on hold. You know, nothing
25 really happens.

1 I looked up what the Florida Public Service
2 Commission is. It says it's committed to making sure
3 that Florida consumers receive, among other things,
4 electricity in a safe, reasonable, and reliable manner.
5 I submit it is not safe for this recurring problem. We
6 have a child with special needs, cerebral palsy, and she
7 needs care 24/7. And for us to have -- not have
8 electricity when it can be avoided -- I'm not talking
9 about things that can't be avoided, but it's clear to me
10 that when the rest of the community has electricity in a
11 nonevent like this morning at 7:24 a.m. -- the storm
12 didn't happen until this afternoon -- that it can be
13 fixed.

14 And the next thing, is it reasonable? I don't
15 think it is reasonable for that reason. And is it
16 reliable? Yes, it is reliable; it's reliable in its
17 unreliability. So they are, in essence, asking for a
18 raise. And, you know, the mantra today is that, "Oh, we
19 ought to run the public sector like the private sector."
20 If this were the private sector they wouldn't get a
21 raise, they'd get fired.

22 And to comment on what Mr. Kelly talked about
23 and the other gentleman, 18 percent before tax is
24 11.25 percent. After tax guaranteed is unconscionable.
25 Getting back to the private/public sector, what are we

1 getting guaranteed? You have bonds at 1 percent. We're
2 talking about 18 percent? 11.25 percent after tax is
3 unconscionable. And as a voice of the people, I suggest
4 that they shouldn't be allowed to get that.

5 Now, you know, I'm not -- and I empathize with
6 the first speaker, the elderly person who -- not
7 elderly, the person that's living on a fixed income, I
8 empathize with her. I'm a little bit on the other end
9 of the spectrum in that if they do get a rate change,
10 it's not going to change my life, just to be honest with
11 you, but I wouldn't even mind paying it if we got the
12 service. We're just not getting the service.

13 And one cannot complain unless they get
14 involved, and so I'm here to get involved. I would
15 rather watch the Ray's game. And so I don't think until
16 it costs them more to not -- to not do the right thing
17 than it does, you know, then we'll never see any
18 changes. So, in other words, if they don't get this
19 raise maybe they will start doing the changes.

20 And, you know, I heard the counsel for TECO
21 say -- I see the light's blinking; I'm winding down -- I
22 see the counsel for TECO saying that, you know, they are
23 here to listen, but I find it ironic the only time they
24 are here to listen is when they have their hand out for
25 money.

1 And so I'm going to ask you, as the
2 Commissioners and Mr. Chairman, to do the right thing to
3 speak for our first speaker, to speak for people like
4 us. Do the right thing and don't allow them to get this
5 raise. In fact, I would make an ore tenus motion to say
6 that they should get a reduction. And so I will ask
7 that you all look into our problem or have them look
8 into our problem and deny the raise. And I'm open to
9 any questions.

10 **CHAIRMAN BRISÉ:** Thank you very much. Are
11 there any questions for Mr. Joyce?

12 All right. You said you have an e-mail?

13 **MR. JOYCE:** Yes, sir.

14 **CHAIRMAN BRISÉ:** If you could make that
15 available for us and we will introduce that into the
16 record.

17 **MR. JOYCE:** Thank you for your time.

18 **CHAIRMAN BRISÉ:** No, thank you for your
19 testimony.

20 **MR. KELLY:** After Mr. Klutho is P.J. Crespo.

21 **COMMISSIONER BROWN:** Okay. Let's make sure
22 that we have this identified and marked properly. So it
23 will be Exhibit 3 by Bob Joyce.

24 **MR. JOYCE:** Just as an addendum to that
25 Exhibit 3, I asked them for some -- it's an e-mail to

1 their Quality Assurance. I asked for certain things so
2 I could have empirical data to compare our circuits to
3 other circuits. Obviously we -- they didn't even
4 respond. They didn't respond. So I think that would be
5 important for your consideration. Thank you.

6 **CHAIRMAN BRISÉ:** Thank you. So e-mail
7 composite.

8 **MS. BARRERA:** Composite E-mail Dated May 20th
9 from Bob Joyce.

10 (Exhibit 3 marked for identification.)

11 **CHAIRMAN BRISÉ:** Okay. Thank you.

12 Whereupon,

13 **MARK KLUTHO**

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. KLUTHO:** Mark Klutho, 14496 120th Avenue
19 North, Largo, 33774.

20 Why is TECO requesting a rate increase? To
21 cover increasing operating costs. Now, I heard a couple
22 of times that they are a well-run business. It couldn't
23 be further from the truth. The first time I went before
24 the PSC, I had this photograph, and I quizzed you about
25 how many bulbs there were in that photograph. Not

1 three, just one.

2 Go look at the lighting system over at the
3 TECO building. Now, if you would extrapolate statewide,
4 go up in your boardroom; you have four bulbs more than
5 what you need in your boardroom up there in Tallahassee.

6 Well-run? It's money up in smoke. It's why
7 this headline reads pace of CO2 rise scary experts say.
8 Scientist says it's another point of no return. And
9 what's happening here is money up in smoke. You're
10 talking about a return on investment, but investment --
11 we're talking what is an investment; what's a liability?

12 We heard from the individual talking about
13 conservation when the correct term is efficiency. They
14 mean two different things. You can't get the right
15 judgment when they aren't using the language correctly.
16 And we are going to hear from the school system crying
17 about the rate increase, when they are making dumb
18 school buildings.

19 They put me into Who's Who in America in 2004
20 because I have been bringing this science over and over
21 again to all the public agencies. What Winston
22 Churchill said in 1960, "We shape our buildings;
23 thereafter they shape us." And this company is just
24 burning, and burning, and burning. And you are the
25 facilitators to this nonsense, and the Public Counsel is

1 standing there and letting it happen.

2 By the way, wearing coats and ties to the
3 building means you buy more air conditioning. The
4 planet is burning.

5 **CHAIRMAN BRISÉ:** Thank you very much. Any
6 questions? Thank you for your testimony this afternoon.

7 **MR. KELLY:** After P.J. Crespo is MaryEllen
8 Elia.

9 **MS. ELIA:** If you don't mind, I'll speak first
10 and then Mr. Crespo, who works with the school, will
11 speak after that.

12 **CHAIRMAN BRISÉ:** Sure, that's fine.

13 **MS. ELIA:** Thank you very much.

14 Whereupon,

15 **MARYELLEN ELIA**

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 **MS. ELIA:** I do want to underscore how much I
21 appreciate you being here. I've had the opportunity
22 over the last few years to speak to you earlier about
23 TECO rates.

24 Let me just point out a couple of things.
25 First of all, I want to thank Mr. Kelly for his comments

1 and for the plan that he has outlined for us where he
2 will be presenting information to you about the rate
3 increase.

4 I just want to make this very easy for all of
5 you to understand from the school system's perspective.
6 Hillsborough County is the eighth largest school
7 district in the country. We have over 250 facilities.
8 And as you can imagine, our utility bill is large.

9 Mr. Crespo will speak to you in a moment about
10 some of the things that we have done to be good stewards
11 of energy. We have decreased our bill down to
12 approximately \$38 million. I'm sure you question
13 whether I should be happy with that or not. I can tell
14 you we are. It was much larger. And so we are working
15 very closely with Mr. Crespo and his energy workers to
16 make sure that we can address that issue.

17 This increase for Hillsborough County Schools
18 will be approximately a \$2.3 million increase. Since
19 all of you are in the State of Florida, I know you are
20 well aware of the fact that budgets have been very
21 tight. The school district budgets K12 have been
22 particularly tight. A \$2.3 million increase in its
23 utility bill that is already \$38 million, I think, is
24 egregious.

25 And I have to say I think that we work closely

1 with TECO. We constantly are getting feedback from
2 them. We think that there are ways that we can do
3 better and that they can do better and they work with
4 us. So it is not anything that I feel like we don't
5 have responsiveness. I feel that the rate increase is
6 not responsive to a public school system.

7 Let me just give you an example. My students
8 come to me -- I have almost 200,000 students that come
9 every day and their parents are paying for the
10 electricity at their home. When they come to our
11 schools, and we are paying for electricity at our
12 schools, their parents, who are citizens paying for the
13 bills of schools, are paying a rate that we don't think
14 is a friendly rate.

15 \$38 million is a lot of money. \$2.3 million
16 in addition is a lot of money. I appreciate the fact
17 that the Public Service Commission is charged with
18 making sure that there are fair rates going to
19 utilities, because I agree, I think it's very important
20 for us to have good utilities that provide to everyone.
21 However, I think it's also equally important for you to
22 think about the public. And I represent 200,000
23 students and the public, those families. They are
24 paying twice for electricity. And although it has to
25 happen to an extent, we would like a consideration

1 different than we have on rates that hasn't occurred.
2 And I think it's important to know that Florida Power
3 and Light has much lower rates, they're in parts of
4 Pinellas County, and that's a factor for us.

5 As you pointed out, utilities have a monopoly.
6 Your responsibility is to make sure that that is a fair
7 thing. That they get what they need to be responsive,
8 but that the public, represented by large entities like
9 school systems, like universities, are also charged with
10 cutting their bills, making sure that they are as tight
11 as they can possibly be. This will be a very difficult
12 increase for Hillsborough County Schools to weather.

13 So thank you very much for being here. Thank
14 you for listening, and I would be happy to speak to
15 anyone else at any point in the future about this
16 particular issue.

17 **CHAIRMAN BRISÉ:** Thank you, Madam School
18 Superintendent.

19 Commissioner Brown.

20 **COMMISSIONER BROWN:** Thank you.

21 And thank you, Ms. Elia, for coming. You are
22 one of the best superintendents in the State of
23 Florida -- I have followed you -- and you are doing a
24 great job.

25 **MS. ELIA:** Thank you.

1 **COMMISSIONER BROWN:** And you are giving us a
2 great perspective about the impact on Hillsborough
3 County Schools, which is very interesting to hear. So I
4 appreciate that.

5 I'm curious about the partnerships that
6 Hillsborough County School System has done with TECO.
7 Have you explored different partnerships; and, if so,
8 could you elaborate?

9 **MS. ELIA:** Yes. Well, let me say I think TECO
10 is a great partner in this community, so I'm not in any
11 way taking away from the good work that TECO does as a
12 corporate entity in this community. I think they do do
13 good things.

14 We have worked, and Mr. Crespo can speak to
15 the specifics, but we have worked on programs with TECO
16 that specifically relate to energy conservation and
17 rebates, et cetera. I think anytime we have that, to be
18 more responsive to energy conservation is a great thing,
19 and TECO has built those programs. I think we can build
20 more. I think that that is something that definitely
21 should be part of any plan. But I also think that in
22 the big picture that we have to be responsive to
23 communities. And an entity that takes care of 200,000
24 children in the community has to be responded to, and so
25 that's why I'm here.

1 There are a lot of things that TECO's staff
2 members and leaders in that organization do for this
3 community, so I'm not taking away from any of those. I
4 just really want you to see the perspective from
5 district. I have cut in excess of \$150 million from my
6 budget over the last five years, so I know it's tough.
7 And I think, the last time I checked, there was a profit
8 margin with TECO. And I think you are being asked to
9 increase the rates which will give more profit. I'm
10 just telling you that from the perspective of a very
11 large public entity that serves the children of the
12 community, and from a perspective of parents, they are
13 paying for it at home, they are also paying for their
14 children when they go to school for the electricity. So
15 it's a big issue for us, and I appreciate you being
16 understanding of that.

17 **COMMISSIONER BROWN:** Thank you.

18 **MS. ELIA:** Thank you.

19 **CHAIRMAN BRISÉ:** Thank you very much.

20 Any further questions? Thank you very much,
21 and thank you for the work that you do within the school
22 system.

23 **MS. ELIA:** Thank you.

24 **CHAIRMAN BRISÉ:** Mr. Crespo.

25 Whereupon,

P.J. CRESPO

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 **MR. CRESPO:** Thank you and good evening. My
7 name is Pedro Crespo. I am the HVAC and Energy
8 Management Department Manager for Hillsborough County
9 Public Schools. Piggybacking on some of the things that
10 have already been said. A lot of people have already
11 stolen my thunder, but I'm going to go ahead and rehash
12 them for you.

13 Once we became aware of the rate increase, Ms.
14 Elia charged -- I'm sorry, Cathy Valdes and Bob Wedmann
15 to find out exactly what impacts it would have on us and
16 to look at the rate case. And I can tell you I looked
17 into it. I looked through all the calculations. It's
18 very elaborate. I have no doubt that Mr. Kelly has
19 scrutinized every number. Some of the numbers I am
20 going to go ahead and reiterate here aloud coincide with
21 what Mr. Kelly has already brought up. I didn't know if
22 it was going to be brought up or not, but, okay, here
23 goes.

24 We are not questioning the methodology or
25 approach, the guidelines that you set forth in order to

1 regulate monopolies. Every i is dotted, every t is
2 crossed, and I'm sure Mr. Kelly has dissected that very
3 well, okay? However, TECO's rate case is just an
4 elaborate report on how to justify maintaining a profit
5 margin. Yes, according to the ER reports, which we
6 scrutinized, they have gone down, but they are still
7 pretty healthy, okay?

8 According to the TECO 2002 year-end report
9 filed with you, I got this directly off your website,
10 okay, their net operating income was \$300 million, okay,
11 that's Page 114, which represents about 17.6 percent.

12 Now, this is the measure of operating income,
13 our electric bills, versus the total utility operating
14 expenses, okay? Yes, it's down from 18.9 percent in
15 2011, but it's pretty significant. The pure profit
16 margin, and that's on Page 117, is \$202 million. And
17 that represents over 11 percent, which is what Mr. Kelly
18 has already pointed out. They are still making great
19 profits in an economy that has seen businesses close and
20 people lose everything.

21 Companies that compete in this economy do not
22 raise their prices. On the contrary, they reduce the
23 costs of their goods and services to remain competitive,
24 enough to keep their doors open and people employed.
25 School districts could also provide elaborate cases to

1 the state government stating why we need more money,
2 which we do, okay, but the state has repeatedly said do
3 more with less. I heard that from Ms. Lewis here. We
4 really do do more with less, okay? Our budgets have
5 continually diminished since I have been with the school
6 board, which is five years now.

7 The Public Service Commission is charged with
8 being fair to the utility companies. Absolutely, we
9 need healthy utilities to make sure our lights stay on,
10 but you are also charged with looking out for the
11 public, okay?

12 We are held captive by these utility
13 companies. This is not just TECO, it's Florida Power,
14 and Duke, and all the other utility companies in the
15 state, okay? But last year to rehash, let me just
16 repeat this, we paid \$38 million, okay? That's
17 significant. Again, the \$2.3 million financial impact
18 of this rate case to this district means an entire
19 elementary school renovation that is very much needed in
20 this district. So you can basically kiss one elementary
21 school renovation goodbye by approving this rate case,
22 okay?

23 As a district we would like to see better
24 rebates -- I'll go on, I've got the floor -- they are
25 good partners, but they can certainly do more. Other

1 utilities -- and we continuously look at the other
2 utilities and see what they are providing their
3 customers, and we would like rebates on the order of,
4 for example, Duke Power. They have energy conservation
5 rebates. That's energy recovered, okay?

6 We could do the same thing, but we have to do
7 it under a conservation value rebate program. It
8 doesn't have quite the same payback, okay? We would
9 like to see that come across.

10 In their notification to file, okay, they
11 brought up their demand-side savings strategies, okay?
12 We'd like to see that expanded into a true time-of-day
13 rate similar to Florida Power and Light's, okay? I'm
14 sure you are aware of it, but I guess I want to say it
15 for the crowd and the record, I guess. If we had the
16 same time-of-day rate of Florida Power and Light, the
17 demand that we save if we could shift all our ice, all
18 our schools and make them all ice, we would save seven
19 fold on our demand costs, seven fold.

20 Right now, TECO is about three fold, okay. On
21 energy, and I've got the rate cases here, on energy we'd
22 be saving four times on our rates similar to Florida
23 Power and Light. TECO, they do have a time-of-day rate,
24 but it's not really not true, because we can't
25 capitalize and go full ice yet and give them the demand

1 savings that they really are looking for. And not only
2 would we take advantage of it, which we have, other
3 clients would, as well.

4 It's only about three times the impact on
5 demand savings, so Florida Power doubles the savings
6 that TECO does. And, again, on the energy charge, it's
7 three times for TECO. It's about four times for Florida
8 Power and Light. Like I said, I'm sure you are all
9 familiar with everybody's rates since you have to review
10 everybody's rates. But, like I said, I needed to point
11 that out to you.

12 Back to the rebates again. On the demand-side
13 savings, like I said, it was in their letter. We would
14 like to see the amount of rebates that we get, they are
15 generous, but we'd like to see a little more. Duke
16 Power -- TECO is \$275 per kW of shift. Duke Power is
17 300. Florida Power and Light is 508. We would like to
18 see that be a little more generous if they could.

19 Lastly, a couple of items that were brought
20 about by people discussing things here. I have to agree
21 with everybody here. I have been with the school
22 district five years now, and there has been no
23 significant increase in reliability for us. It is what
24 it is. I have nothing to measure it against. We
25 don't -- we are not able to get power from somewhere

1 else, okay, but I can tell you it has stayed the same.

2 One of last things I wanted to mention is just
3 observing this crowd here, I was also here -- I was also
4 in the north part of town when we were here five years
5 ago with the TECO rate increase. I'm sorry. We all sit
6 around and we made our comments and asked you, please,
7 do not give people a rate increase that are already
8 making money. The economy was in the tank then, we all
9 know it has gone further down from there. And, please,
10 this go-around be the Public Service Commission, look
11 out for the public, not just districts and businesses,
12 but also the homeowners and the people that really
13 struggle on a fixed income.

14 I appreciate your time.

15 **CHAIRMAN BRISÉ:** Thank you, Mr. Crespo.

16 Any questions for Mr. Crespo?

17 Okay. Do you want to introduce those
18 documents?

19 **MR. CRESPO:** They are already there. The
20 documents were yours.

21 **CHAIRMAN BRISÉ:** Okay. Thank you.

22 **MR. KELLY:** The next speaker is Michelle Cyr
23 followed by Ileana Santini.

24 Whereupon,

25 **MICHELLE CYR**

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. CYR:** Good evening. My name is Michelle
6 Cyr. I'm a representative of AARP Florida. I'd like to
7 thank the Commission and HCC for hosting this event
8 tonight and for hearing from the consumers here in the
9 Bay Area about their concerns about this rate increase.

10 AARP Florida also has concerns about any base
11 rate increase, any increase that consumers would see.
12 As minute as some of us may think a \$10 or \$15 increase
13 per month may be, to some people it could mean choosing
14 between their utility bill and putting food on the
15 table.

16 Now, part of my job as a field coordinator for
17 the Bay Area isn't to go around and survey our members
18 or the 50-plus population on the quality of service that
19 they receive from TECO. No, my job is about engaging
20 these people in conversations about the challenges they
21 face. And what I hear day in and day out in Pinellas,
22 Hillsborough, Pasco, and Polk County is that seniors
23 aged 50-plus are facing challenges based on their
24 limited income. For instance, Social Security. Some
25 people are relying solely on Social Security to make

1 ends meet, and we are looking at shareholders, TECO's
2 shareholders who are looking to make 11.25 percent on
3 return on equity. And after doing a little bit of
4 research, I found that other utility shareholders around
5 the country are lucky to make 10 percent. So what makes
6 TECO able to -- what makes them think that 11.25 percent
7 is reasonable?

8 I didn't make 11.25 percent on any of my
9 investments this year or over the past five years due to
10 the recession. And I know that our members and those
11 seniors who are on fixed incomes, they didn't see an
12 increase either. In fact, Social Security
13 beneficiaries, they got a 1.7 percent cost-of-living
14 adjustment increase this year. That's not
15 11.25 percent. It's also not going to cover the
16 10 percent increase, should this rate increase be
17 passed.

18 So that again -- I'm going to say it again --
19 it means making very difficult choices. Again, we live
20 in the State of Florida, and 1,000 kilowatt hours per
21 month -- probably most of us are spending more than that
22 because we rely on our air conditioning. Those of us
23 who are home-bound seniors, those home-bound seniors who
24 rely on their air conditioning, on medical equipment
25 that runs off of electricity, they are probably looking

1 at more than 1,000 kilowatts per month, which means more
2 than just a \$10 increase.

3 So those are our concerns, and I'm going to
4 stick with my three minutes, but I am going to go ahead
5 and open it up. If you have any questions, I'd be happy
6 to answer those.

7 **CHAIRMAN BRISÉ:** Thank you.

8 Are there any questions? Seeing none, thank
9 you for your testimony.

10 **MR. KELLY:** After Ms. Santini is Susan
11 Glickman.

12 Whereupon,

13 **ILEANA SANTINI**

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

17 **DIRECT STATEMENT**

18 **MS. SANTINI:** Hi. My name is Ileana Santini.
19 I live at 12215 Coldstream Lane, Tampa, 33626, and I am
20 a Tampa Electric Company residential customer.

21 I believe that Tampa Electric is a good
22 provider and many of the services and endeavors are
23 commendable, but I find this particular rate increase
24 proposal troubling. Their request for a rate increase
25 of approximately \$135 million and a request for a return

1 on equity of 11.25 percent would place TECO among the
2 highest of any Florida investor-owned utility. This
3 increase, if approved, would mean an average of \$10 to a
4 consumer's monthly bill of an average 1,000 kilowatt
5 hours per month. If you use more, then that raise is
6 greater. The base rate increase is forever or until the
7 next increase.

8 My first concern is that the base increase may
9 not sound like much to some people, but to those who
10 have lost one job out of two or the retired people who
11 may only depend on their Social Security check, it could
12 mean a choice of electricity or food on the table. Not
13 to mention those who need it because of health problems
14 who could not make it here to this meeting.

15 Secondly, a cause for concern is that TECO is
16 asking for a profit margin increase up to 11.25 percent
17 when we, nonstockholders, are lucky to get one percent
18 on our CDs. My aim is not to deny TECO a fair return on
19 equity, but to limit any increase to what can be
20 justified.

21 Honestly, I cannot see, during these tough
22 times, the 11.25 percent return on equity can be
23 justified. I'd feel much better about paying a higher
24 rate if I know it would go to the linemen who will be
25 making repairs on downed electrical lines during a

1 hurricane and not to the stockholders.

2 Thank you for this opportunity to talk to you.

3 **CHAIRMAN BRISÉ:** Thank you for your testimony
4 this evening.

5 Are there any questions?

6 Seeing none, thank you once again.

7 **MR. KELLY:** After Ms. Glickman is William
8 Sessions.

9 Whereupon,

10 **SUSAN GLICKMAN**

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. GLICKMAN:** Good evening, Commissioners.
16 I'm Susan Glickman. I'm representing Southern Alliance
17 for Clean Energy, which is a regional nonprofit, and we
18 are working to make better energy choices here in
19 Florida and across the nation.

20 I am a native of Tampa. I was born in Tampa
21 General Hospital. Most of you are more familiar seeing
22 me up in Tallahassee. I chose to spend my birthday here
23 this evening where I was born not too many years ago at
24 Tampa General Hospital because this is so important.

25 And Southern Alliance for Clean Energy does

1 have concerns about the rate increase as the landscape
2 for energy is rapidly changing. There has been a
3 fundamental market shift in costs in the economics of
4 traditional fossil fuels in business models, and we
5 really need to be thinking about this because this is
6 not just Tampa Electric's rate increase, but Gulf Power
7 has just opened up a filing for a rate increase, and
8 that follows both Florida Power and Light as well as
9 Progress Energy, now Duke.

10 So we need to look at sort of the fundamental
11 question about how utilities are regulated and where the
12 current business model of utilities is going. It was in
13 the Edison Electric Institute who in January -- and if
14 you haven't read this everyone needs to -- entitled,
15 "Disruptive Challenges, Financial Implications, and
16 Strategic Responses to a Changing Retail Electric
17 Business." It is changing. Recent technological and
18 economic changes are expected to challenge and transform
19 the electric utility industry. And it is imperative
20 that the Public Service Commission, where you are in
21 charge of being the rigorous discerning regulators, that
22 you are taking into account where energy is going.

23 It makes no sense to continue down the path of
24 utility regulation where investor-owned utilities get a
25 guaranteed rate of return or guaranteed range of a rate

1 of return on their capital expenditures. So the
2 incentive is to build power plants whether we need them
3 or not. It is not, necessarily, to help people use less
4 energy, until we fundamentally look at that problem.

5 Tampa Electric Company claims that it is a
6 leader in energy efficiency except in Direct Testimony
7 by your own consultant, Dick Spellman, in a 2008 FEECA
8 proceeding, which is Florida Energy Efficiency and
9 Conservation Act, for people who don't eat, breathe, and
10 sleep this every day, they said that not one single
11 investor-owned utility broke the top 100. And TECO was
12 behind Florida Power and Light and Progress, now Duke.
13 And as you all know, the goals for conservation in the
14 State of Florida was thrown out for half the state. In
15 half the state, Florida Power and Light and Duke
16 territory are operating on eight-year-old goals.

17 As you know, the Southern Alliance for Clean
18 Energy took that case to the Florida Supreme Court. But
19 when we set conservation goals, the first thing
20 investor-owned utilities do is to deploy a two-year
21 payback screen. They eliminate the cheap stuff. The
22 stuff that in leading states, 63 to 82 percent of their
23 programs is what we eliminate.

24 So I think it is very important, and I'll wrap
25 up with this. We have to look at the utility planning

1 process. And I understand why the first half of this
2 century this model might have made sense to get a
3 guaranteed rate of return on their capital expenditures,
4 but that doesn't make sense for the 21st century. So we
5 have a disjointed planning process where they come to
6 you for a need determination to decide whether we need
7 to build a new power plant and argue for every reason
8 why they need to put something else into their rate base
9 or to raise their rates, that's the utility executive's
10 job. Your job is to moderate that with the needs of
11 people.

12 So we do the needs determination, we do
13 Florida Efficiency and Conservation Act where we set
14 conservation goals, where, unfortunately, the
15 investor-owned utilities take the posture of why they
16 don't need to save energy. Or they will do peak saving,
17 but not real load reduction that we need to be doing.

18 And then lastly, the ten-year site plan. So
19 we have this disjointed planning process. We need to
20 put supply and demand on a level playing field. We need
21 integrated resource planning like 28 states have, and we
22 are going to get better decisions when it comes to
23 building nuclear power plants that are way too expensive
24 and economically unfeasible, or whether or not we can
25 invest in more energy efficiency. You heard that from

1 the school system here today.

2 So I appreciate your kind attention. Welcome
3 to my hometown. I hope everybody will get to enjoy a
4 little bit of it. It is a fabulous place, as
5 Commissioner Brown knows.

6 Thank you. I'll stand for questions.

7 **CHAIRMAN BRISÉ:** Thank you very much.

8 Are there any questions?

9 Commissioner Edgar.

10 **COMMISSIONER EDGAR:** Hello, Susan. Happy
11 Birthday!

12 **MS. GLICKMAN:** Thank you.

13 **COMMISSIONER EDGAR:** It's nice to see you
14 again.

15 **MS. GLICKMAN:** It's good to see you, too.
16 That was a softball.

17 (Laughter.)

18 **CHAIRMAN BRISÉ:** All right. Thank you very
19 much.

20 **MR. KELLY:** Mr. Sessions is followed by
21 Richard Formica.

22 Whereupon,

23 **WILLIAM C. SESSIONS**

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. SESSIONS:** First of all, good evening,
4 staff, and also Public Counsel, and also everyone in the
5 forum here today.

6 I have a couple of questions of why, so if you
7 can't answer that's understandable. Some of this is
8 going to probably be reiterated, but hopefully you all
9 can understand it, too.

10 First of all, why are these rates being
11 increased? I pretty much don't understand that, but
12 maybe that's something that you can answer for me.
13 Also, determine why they asked for a rate extension.
14 They just received one in 2009, and that was a pretty
15 nice rate increase. That was very modest and I'm paying
16 for it, so I'm looking at that.

17 With all these rates, you know, I'm just
18 wondering why they can't produce better service. I live
19 at 512 East James Street in Tampa, Florida; Tampa
20 Heights, for the record. And where I live at -- I live
21 by a fire station, Number 5. My power goes off, their
22 power stays on. They say it is because of the trees and
23 squirrels. Okay. I can give you that. However,
24 because I work for the City of Tampa, I watch their
25 crews come out and clean trees. And they don't clean

1 trees, they butcher trees. Chop them up, leave an open
2 area in it, and for anything else. What happens after
3 that? That branch falls right back on the power line,
4 breaks it, you have a downed power line in the street.

5 It comes to this question, why does it take
6 them so long to send a crew out to the emergency?
7 Whether it's an emergency or a non-emergency. If I call
8 them, it takes them forever. A fire rescue call them,
9 they would be there in probably 30 minutes, 45 minutes
10 tops.

11 Also, I have one issue to call the Public
12 Service Commission, but I got to talk to staff about an
13 issue on my electric bill. I'm in a bad way myself.
14 Yes, my bill has been high, but I have learned to be
15 within my means. I got them down. But one time I
16 called them to ask for just a rate extension, I thought
17 my bills were paid for. You know the thing, the
18 electronic thing they send, they said no. I said but my
19 bill is paid for. Still no. Okay. No problem. So I
20 just paid my bills like I was supposed to.

21 To this point right here, my kilowatts are
22 under 943 a month. That's is \$400 for my home, which is
23 a three bedroom, two bath. However, I have a mother I
24 have to take care of, and I'm glad she is still here
25 with me. She is a retired nurse, and she is with AARP.

1 Thank you very much. She's a member. Now, her money
2 only goes so far, and when she breaks down I have to go
3 help her out.

4 This increase of 11.25 percent is outrageous,
5 gregarious (sic), and straight up not even fair. And
6 this is going to be going to the streets with this.
7 Keep it real. Let's keep it real for the customers.
8 Let's keep it real with everyone in the State of Florida
9 including businesses.

10 But I'm going to go back to the other side.
11 Let us be fair with everyone else. We all deserve
12 fairness in this community, it don't matter who you are
13 or where you come from. Please vote this down. Thank
14 you.

15 **CHAIRMAN BRISÉ:** All right. Thank you,
16 Mr. Sessions. I'm going to respond to your first two
17 questions. You asked two questions. The other one I
18 can't respond to.

19 So they are seeking a rate increase. We
20 haven't approved a rate increase.

21 **MR. SESSIONS:** Okay.

22 **CHAIRMAN BRISÉ:** The process is that we are
23 going to go through the documents, our staff is going to
24 go through the documents, we are going to go through a
25 full hearing, and they are going to put up witnesses.

1 The Office of Public Counsel is going to put up
2 witnesses, the intervenors are going to put up
3 witnesses. And we are going to listen to the testimony
4 and evaluate whether they are putting -- whether there
5 is value in what they are requesting.

6 **MR. SESSIONS:** Okay.

7 **CHAIRMAN BRISÉ:** Now, the second question as
8 to why they are seeking the increase, I can't answer
9 that question. That is information that we are, in
10 essence, going to hear from the testimony that's coming
11 to us.

12 And the third question with respect to why
13 does it take them so long, that is not a question that I
14 can answer.

15 **MR. SESSIONS:** Okay. That's fine. Thank you
16 very much.

17 **CHAIRMAN BRISÉ:** You're welcome. Are there
18 any questions for Mr. Sessions?

19 All right. Thank you very much for your
20 testimony this evening.

21 **MR. KELLY:** After Mr. Formica is Tom Kester.
22 Whereupon,

23 **RICHARD FORMICA**

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. FORMICA:** Good evening. My name is
4 Richard Formica. I live on the 8700 block of Pawnee
5 Avenue in Tampa where I've lived for 30 years.

6 I would like to begin with a rhetorical
7 question. What does the PSC really mean? In my
8 opinion, and it seems also to many Florida citizens
9 based upon many past decisions made in favor of
10 electrical power generating companies in Florida, PSC
11 could be defined as power services committee.

12 The Public Service Commission is supposed to
13 be committed to making sure that Florida consumers
14 receive their most essential services in a safe,
15 reasonable, and reliable manner. To do so, the PSC is
16 charged with exercising regulatory authority over these
17 essential utilities in one or more of three areas --
18 basic rate, economic regulation, competitive market
19 oversight, and monitoring of safety, reliability, and
20 service.

21 TECO has said it is seeking a 10 percent rate
22 increase. This claim needs to be reexamined. The
23 requested increase in the standard residential basic
24 service charge is actually a 42.85 percent increase, and
25 the usage charge for up to 1,000 kW is a 12.9 percent

1 increase. This could be interpreted as an overall
2 27.9 percent increase.

3 I wish I could get a 27 percent increase in
4 the retirement benefits I have earned after working for
5 50 years. Maybe then I could afford all the other rate
6 and cost increases we seniors citizens are suffering.
7 Therefore, as a Florida electricity consumer, I urge
8 these rate increases be denied.

9 **CHAIRMAN BRISÉ:** Thank you very much,
10 Mr. Formica.

11 Are there any questions for Mr. Formica?

12 Thank you for your testimony this evening.

13 **MR. KELLY:** After Mr. Kester is Robert Brown.
14 Whereupon,

15 **TOM KESTER**

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. KESTER:** Good evening. My name is Tom
21 Kester. I live at 4005 West Cleveland Street, Tampa,
22 Florida. I have been a TECO customer for 50-plus years,
23 and I've always considered them to be the best deal in
24 town. They provide me with a service I can't get
25 anywhere else. I can't live here without them. And I

1 am now President of the Swann Estates Neighborhood
2 Association which has a lot of older folks which will be
3 affected by this increase.

4 Twenty-two percent in the usage fee going up
5 to the next tier can be a little excessive for our older
6 citizens, but mostly I'm concerned with the power
7 maintenance. I suspect that TECO may not be maintaining
8 their equipment. I'm very disappointed to hear that
9 they want a profit instead of a maintenance program
10 improvement.

11 Anecdotally, in my home -- I will just give
12 this April -- 4/18, the power went off at 2:30, 3:00
13 p.m., both times; Saturday, the 20th, 4:45 p.m.; Sunday,
14 the 21st; a dozen times that I have documented. I have
15 called their office, and they say we will send someone
16 out. He will call you before he comes, and they don't
17 show up and they don't call you. And you call them back
18 and they do not return your calls as they promised to
19 do.

20 The main problem I have is a lot of these new
21 air conditioning units, high-efficiency, are circuit
22 boarded. They don't have the mechanical connectors and
23 contactors that the older units do. And I try to stay
24 green; I bought one of those units. But if you
25 disconnect it from the power three times, the computer

1 inside tells it to turn off, and it will not turn back
2 on. And it took me three service calls to find a Ruud
3 mechanic that said, no, no, that's what it's supposed to
4 do. You have to go out in the rain and turn your
5 breakers off, disconnect the unit before it will decide
6 to come back on, because it's protecting itself against
7 these power outages.

8 As we are encouraged more and more to use this
9 high efficient equipment, it's going to cost us more and
10 more money. Because even though the equipment is
11 efficient, and it has cut my electric bill 30 percent; I
12 am very impressed with this air conditioning system.
13 But if it turns off because TECO can't provide me
14 dependable service -- I have just documented one month.
15 I have yet to talk to a lineman, I have yet to talk to a
16 supervisor, and I have been promised twice.

17 I spent almost three decades working for the
18 City of Tampa. I understand large corporations, that
19 can be discouraging. I have run my own business, so I
20 know sometimes it is not easy to figure out what to do.
21 But TECO is full of experts. They know how to make this
22 work. They are either not doing it -- someone is not
23 doing their job. But they need to spend some of these
24 excessive fees on maintenance and making sure the older
25 folks have a little bit of a break.

1 This is a 43 percent increase in the base fee
2 that will not go down, it will go up. That's a big
3 increase. I don't have any problem with it, I'm
4 comfortable, but I have a lot of people in my
5 neighborhood association that don't have that money.

6 And older people stay inside. They can't go
7 out and play like you and I do. They have to have air
8 conditioning and they have to have the television going,
9 and they use more electric than they did when they were
10 working. And they have no choice; they have to pay for
11 it. That lady that was here that has managed to do that
12 under 1,000 kilowatt hours a month, I envy her tenacity.
13 But thank you.

14 **CHAIRMAN BRISÉ:** Thank you very much, Mr.
15 Kester.

16 **MR. KESTER:** Any questions?

17 **CHAIRMAN BRISÉ:** Commissioner Balbis.

18 **COMMISSIONER BALBIS:** Thank you, Mr. Kester.
19 Thank you for your testimony. I just wanted to confirm
20 when you said that you indicated that you have had a
21 dozen outages just in one month alone?

22 **MR. KESTER:** Yes, sir. I've documented it.

23 **COMMISSIONER BALBIS:** Okay. And you have --
24 you mentioned you had a document with you. Is there a
25 way we can have --

1 **MR. KESTER:** I have a sheet of paper that I
2 kept on my counter. I didn't mind my air conditioning
3 going out, now that I know how to turn it back on and I
4 don't have to pay the service people, but I do object to
5 my coffeemaker not making coffee for me. I'm retired,
6 and I deserve my coffee. I have a scratch sheet, and I
7 will be glad to give it to you if you like.

8 **CHAIRMAN BRISÉ:** Sure. If you could make it
9 available. Thank you. There's another question for
10 you.

11 **MR. KESTER:** Sure.

12 **CHAIRMAN BRISÉ:** Commissioner Brown.

13 **COMMISSIONER BROWN:** Thank you.

14 Mr. Kester, you look familiar. You worked for
15 the City of Tampa for how many years?

16 **MR. KESTER:** Twenty-seven.

17 **COMMISSIONER BROWN:** What department were you
18 in?

19 **MR. KESTER:** Police department, Lieutenant of
20 Narcotics.

21 **COMMISSIONER BROWN:** Okay. Well, good job on
22 all of your work.

23 (Laughter.)

24 **MR. KESTER:** I was hoping nobody would
25 recognize me.

1 **COMMISSIONER BROWN:** I used to work at the
2 City of Tampa.

3 **MR. KESTER:** Yes, you did.

4 **COMMISSIONER BROWN:** Are you speaking on
5 behalf of the Swann Estates Neighborhood Association?

6 **MR. KESTER:** Half way and (inaudible).

7 **COMMISSIONER BROWN:** How many neighbors are in
8 the --

9 **MR. KESTER:** We have 700 people in the
10 neighborhood. Not all are members, no.

11 **COMMISSIONER BROWN:** Okay. And you talked
12 about the maintenance and the power outages at your
13 house over a period of time. Did that occur throughout
14 the neighborhood or was it just --

15 **MR. KESTER:** I don't know. I have to assume
16 that if I have it and we are on the same power grid that
17 some of it did. I can only give you anecdotally what
18 happened to me. I have had neighbors complain about
19 power outage, but they don't document it. You know,
20 it's a gossip thing. So I can't give you that with any
21 factual information, no, ma'am.

22 **COMMISSIONER BROWN:** Stimulating gossip, too.
23 Thank you very much for your testimony.

24 **MR. KESTER:** Yes, ma'am.

25 **CHAIRMAN BRISÉ:** There is another question for

1 you.

2 **MR. KESTER:** Okay.

3 **CHAIRMAN BRISÉ:** Commissioner Balbis.

4 **COMMISSIONER BALBIS:** Thank you, Mr. Kester.

5 I just want it clear for the record that you do not look
6 familiar to me.

7 (Laughter.)

8 **MR. KESTER:** You are way too young to be
9 familiar.

10 **COMMISSIONER BROWN:** But I'm not.

11 **MR. KESTER:** Yes, ma'am, you are, too.

12 **CHAIRMAN BRISÉ:** There are individuals here
13 from the company, and so you can talk to them this
14 evening. And it wouldn't hurt that you talk to them
15 while we are here.

16 (Laughter.)

17 **MR. KESTER:** It would be nice. The first.
18 Interesting.

19 **CHAIRMAN BRISÉ:** All right. Yes, if we could
20 enter the exhibit into the record. This would be
21 Number 4.

22 **MS. BARRERA:** And it would be Tom Kester
23 Documentation of One Month Power Outage.

24 **MR. KESTER:** Yes, ma'am.

25 **CHAIRMAN BRISÉ:** That sounds good to me. All

1 right. Thank you for your testimony this evening.

2 (Exhibit 4 marked for identification.)

3 **MR. KELLY:** The next speaker is Robert Brown
4 followed by Sandra Devita.

5 Whereupon,

6 **ROBERT BROWN**

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

10 **DIRECT STATEMENT**

11 **MR. BROWN:** Good evening, everyone. My name
12 is Robert Brown at 10302 Nixon Road.

13 My concern is with the rate increase and
14 increasing the profit margin. Is there other ways of
15 not having such a bigger rate increase than -- without
16 increasing their bill? I know an average of \$10 a month
17 for some people would be quite a bit that's on a fixed
18 income. And with the economy down, it's really hurting
19 a lot of our families here, especially retired people
20 and some of the older people. So that's my concern. Is
21 there other ways of doing it without increasing the
22 rate? Thank you.

23 **CHAIRMAN BRISÉ:** Thank you, Mr. Brown.

24 Are there any questions for Mr. Brown?

25 Thank you, once again, for your testimony.

1 **MR. BROWN:** Thank you.

2 **CHAIRMAN BRISÉ:** After Ms. Devita is Deborah
3 Armstrong.
4 Whereupon,

5 **SANDRA DEVITA**

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

9 **DIRECT STATEMENT**

10 **MS. DEVITA:** I have a copy of the remarks I'm
11 making to be put into your -- into the record. I'm
12 sorry. Senior moment. It happens more often now.

13 Good evening. My name is Sandra Devita. I
14 live at 3410 East 22nd Avenue, Tampa, 33605.
15 813-247-1536.

16 I am a TECO customer on a fixed income. The
17 increase I received from Social Security has already
18 been deducted from my income by increases in my car and
19 home insurance, Medicare D Plan increases, and general
20 costs for food, over-the-counter medication, and
21 personal care needs. Because I worked prior to becoming
22 disabled, I get no food stamps, no free eyeglasses, no
23 dental care. I have been unable to afford a new pair of
24 eyeglasses for two years, and a new bottom denture
25 needed due to bone recession.

1 An increasing electric will do one of two
2 things to me; take away from food, over-the-counter
3 medication, or personal care items, or cause me to only
4 use my heat in winter to keep my pipes from freezing. I
5 can wear layers of clothing. Due to my heart condition,
6 I must use my air conditioner.

7 TECO offers no discount to seniors or the
8 disabled. Your low-usage discount is only pennies
9 lower, not dollars from your high-income usage
10 customers. They pay a few cents more than I do. Most
11 of these customers are businesses, of which many are
12 multi-million dollar corporations. The larger
13 businesses can afford a little larger increase to offset
14 an increase for the poor.

15 Why not start a fund for low-income customers
16 as a surcharge for large businesses. This could offset
17 a discount for people in my income bracket. Perhaps
18 that surcharge could be used to start a TECO foundation
19 that would enable poor people like myself to get a
20 monthly discount on their bill rather than an increase.

21 Didn't we all have to pay a hurricane
22 surcharge after the Florida triple header? People in my
23 income bracket cannot afford any more increases. We
24 need our electric. In the scope of things, I am sure
25 that a large power company such as yours can find a way

1 to help the elderly and disabled live their lives to the
2 fullest without removing any more of their meager
3 income. To quote the Bible, the Lord giveth and taketh
4 away. TECO is not the Lord.

5 Thank you.

6 **CHAIRMAN BRISÉ:** Thank you very much. Are
7 there any questions?

8 Thank you for your testimony this evening.

9 **MR. KELLY:** After Ms. Armstrong is Henry
10 Valenti.

11 **CHAIRMAN BRISÉ:** Okay. We are going to go
12 ahead and enter Ms. Devita's exhibit.

13 **MS. BARRERA:** Copy of Remarks made by Sandra
14 Devita.

15 (Exhibit 5 marked for identification.)

16 **CHAIRMAN BRISÉ:** Thank you.
17 Whereupon,

18 **DEBORAH ARMSTRONG**

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

22 **DIRECT STATEMENT**

23 **MS. ARMSTRONG:** Good evening. My name is
24 Deborah Armstrong. I live at 12901 Lazy Pine Place,
25 Tampa, 33624.

1 I'm a licensed registered nurse in the State
2 of Florida. My husband is a recently retired K-9 deputy
3 with the sheriff's office. We have two adult daughters
4 who reside in Hillsborough County. We are all Tampa
5 Electric customers.

6 We have lived at our address since 1993. Our
7 home is 2,100 square feet and it is a one-story home. I
8 have always my entire life been focused on energy
9 efficiency and reducing my carbon footprint on the
10 environment. And because of that, I'm going to tell you
11 some of the things that I have done over 20 years to try
12 to reduce my energy bill at considerable expense.

13 We are on our third air conditioning unit in
14 20 years. Two years ago we upgraded to the 410 Series
15 to try to save money on our cooling costs on our
16 electric bill. It was over \$7,000 to replace that unit.
17 We also spent an extra \$700 on a heat-recovery system
18 that would trap the hot air from going out into the
19 environment and recirculate the water into our hot water
20 heater so that we could reduce our energy costs in that
21 way.

22 We have ceiling fans in every room, including
23 our patio. We have solar shades on our patio. We have
24 awnings on every window. When we replaced our washing
25 machine a few years ago, I got a front loader to reduce

1 our water usage and reduce our electric bill to heat the
2 hot water. We had our kitchen redone six years ago.
3 Every appliance is ENERGY STAR®. We had our skylight
4 replaced. We have a non-electric water softener that we
5 have had since 1994. We took it from our first home to
6 our second home so that we wouldn't have to use
7 electricity to soften our water. Those are very
8 expensive. We paid the money.

9 Last year we spent \$16,000 to replace all of
10 the windows and the sliding glass doors in our house to
11 make our home more comfortable and reduce our energy
12 bill. We got a rebate from that, by the way, from TECO.
13 Thank you.

14 Two months ago we had our insulation in our
15 attic upgraded. We had our roof replaced. We had them
16 rip off the plywood in our cathedral ceiling so that
17 they could add insulating batting so that our family
18 room wouldn't be so uncomfortable so that our electric
19 bill would come down.

20 We have CFLs on every light fixture. Six
21 years ago I spent over \$200 to have dimmable CFLs in our
22 kitchen when we had it redone. That's a lot of money
23 for light bulbs. The only thing we haven't done in our
24 home to save electricity is replace our pool pump, which
25 needs to be replaced, but I understand that you have to

1 have a vari-speed pool pump now because of the new
2 energy requirements and so on and so forth.

3 I guess in summary what I'm trying to say is I
4 am a residential customer. I've been a good steward all
5 these years. I have done everything that I know to do
6 as a person to lower my rate and do what I'm supposed to
7 do. And now I turn around and see that there is going
8 to be another rate increase, or an application for a
9 rate increase, and I'm just asking what else do you want
10 me to do? What do you want me to do? I don't have
11 another answer; I don't have any answer. Does
12 anybody -- can anybody help me figure out what I can do?
13 Because obviously what I'm doing is not enough. My
14 rates are going to go up.

15 **CHAIRMAN BRISÉ:** Thank you. Are there any
16 questions?

17 **COMMISSIONER GRAHAM:** All those changes you
18 have made over the past, you said, six years?

19 **MS. ARMSTRONG:** Twenty.

20 **COMMISSIONER GRAHAM:** Twenty years.

21 **MS. ARMSTRONG:** Everything we have done as a
22 homeowner we've done in the name of energy efficiency.
23 And I'm not a -- I believe that the Earth cools when she
24 wants to and she heats when she wants to and that man's
25 activities has very little impact, okay? I think a lot

1 of that is overblown. So I'm not doing it from that
2 kind of a standpoint entirely. I do it because it's the
3 right thing to do, but yet my rates are still going to
4 go up.

5 And TECO has been great. We don't have
6 problems with power outages in our neighborhood. They
7 are very brief. Service is not a problem. I feel for
8 the people who live in Avila. I would not want to be in
9 their shoes. I wouldn't want to be in any neighborhood
10 when the power is always going out and you can't get it
11 fixed for whatever reason.

12 **COMMISSIONER GRAHAM:** How much of an impact
13 have all those changes made?

14 **MS. ARMSTRONG:** Well, it's hard to say.
15 Because two months ago when we had the insulation in the
16 roof put on, the bill dropped down to 160 a month, and
17 I'm not sure how much kilowatt hours that is. And then
18 this bill is 208. Now, over the years if we had done
19 nothing we would have probably been, maybe, summertime
20 getting close to maybe \$400 a month. That's a lot for a
21 2,100 square foot home.

22 **COMMISSIONER GRAHAM:** Thank you.

23 **MS. ARMSTRONG:** But I feel powerless at this
24 point, powerless. And that's about all I have to say.
25 So thank you.

1 **CHAIRMAN BRISÉ:** Thank you very much. Any
2 further questions?

3 Thank you for your testimony this evening.

4 **MS. ARMSTRONG:** Thank you.
5 Whereupon,

6 **HENRY VALENTI**

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

10 **DIRECT STATEMENT**

11 **MR. VALENTI:** Good evening, Commission, and
12 thank you for having this public hearing on this issue.

13 My name is Henry Valenti. I am a
14 third-generation Tampanian who has lived on and off in
15 Tampa a number of times. I live at 824 South Oregon
16 Avenue in Tampa.

17 My field is -- I'm a professional facilities
18 director, I have been doing this for 30 years. I've
19 worked in different areas from profit to nonprofit and
20 city government as a facilities director. In all that
21 time that I have worked as a facilities director, the
22 biggest item on my budget in every place that I have
23 ever worked is the electric bill.

24 We had an incident happen in parts of
25 2007/2008 that made us change the way we operated in

1 every facility that I have had to deal with since then,
2 and I think all of you know it is the economic downturn.
3 It changed things dramatically. We could no longer
4 operate in the same way that we operated if we wanted to
5 continue to operate. It caused us and me a lot of
6 pressure in trying to bring down the operations costs on
7 a daily basis, including the electrical bill.

8 I was able to do that in a lot of places, and
9 I have always worked hard at trying to reduce the cost
10 of operations at any place that I have worked. And I
11 have to say that I'm happy to report that I have
12 succeeded at every place that I have worked.

13 Since 2008, one of the things that happened
14 was a lot of people had to either take pay cuts, lose
15 their jobs, or their job's pay was frozen, and continue
16 to be frozen even up until today. I'm asking the
17 Commission to realize that we have a historical
18 precedent over here. We are trying to survive from an
19 economic downturn that most of us had no responsibility
20 for and became victims of it even though we really had
21 very little to do with what caused it.

22 We've had to make big changes. We've had to
23 consider everything, all the way from wages to
24 utilities, to operations, to staff. I am asking you to
25 do the same thing today. We can't operate the same way.

1 To be asking for an 11 percent profit in this day and
2 age is unconscionable. We should not be looking at just
3 the way things have operated in the just recent past,
4 but we should start looking at everything.

5 I understand that TECO gives money to charity.
6 They don't ask me which charities I like. I understand
7 that TECO gives money to politicians. They don't ask me
8 which politicians I like, but I'm the one that's giving
9 them the money for them to spend on those kind of
10 things. So when we look at this that they are
11 requesting, I think you need to look at every bit of it.
12 Not only what I consider an exorbitant profit for a
13 public utility, but also the money that they use to put
14 toward their outlook on things, the money that is given
15 to executives, the money that they are paying for
16 operations and improvements.

17 I think operations and improvements -- that's
18 my field -- are very worthy things to spend money on. I
19 think there's a lot of things that are not worthy to
20 spend money on. I want to remind you to facilitate --
21 your mission statement, to facilitate the efficient
22 provision of safe and reliable utility service at fair
23 prices.

24 Please do your job; consider everything. And
25 consider what we as the people, employees, and workers

1 have had to do to try to get by since 2008 and hold them
2 to those standards, too.

3 Thank you.

4 **CHAIRMAN BRISÉ:** Thank you, Mr. Valenti.

5 Are there any questions for Mr. Valenti?

6 Thank you for your testimony.

7 **MR. KELLY:** That's the last one.

8 **CHAIRMAN BRISÉ:** All right. Thank you very
9 much. I think we do have a notice to enter into the
10 record.

11 **MR. WAHLEN:** Yes, sir. I have the bill
12 inserts and also the newspaper notice. And with the
13 Commissioner's permission, the way we have done this in
14 the past, we have filed a late-filed exhibit complete
15 with the proof of publications and all those things, and
16 we'd like to do that, too. So I'd like to offer the
17 exhibits right now, and then also maybe get a number for
18 a late-filed exhibit, also.

19 **CHAIRMAN BRISÉ:** Thank you very much.

20 **MR. WAHLEN:** Thank you very much.

21 (Exhibit 1 marked for identification.)

22 **CHAIRMAN BRISÉ:** Okay. So that's the last
23 individual that is on the list. Is there anyone else
24 who is present tonight that wishes to talk that was not
25 on the list?

1 Okay. If not, we certainly appreciate your
2 presence here this evening. As we stated before, you
3 can write your comments, you can send your comments via
4 e-mail, and we will look forward to hearing more from
5 you as it informs us as we go through the process and
6 eventually get to the decision-making phase of the
7 process.

8 With that, I think there's no other business
9 for us this evening, and we stand adjourned for this
10 evening's hearing. All right. Have a good night and
11 travel safely.

12 (The service hearing concluded at 7:52 p.m.)

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

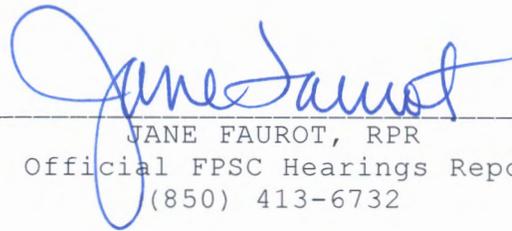
4
 5 I, JANE FAUROT, RPR, Chief, Hearing Reporter
 6 Services Section, FPSC Division of Commission Clerk, do
 7 hereby certify that the foregoing proceeding was heard
 8 at the time and place herein stated.

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

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

19 DATED THIS 7th day of June, 2013.

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 24
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JANE FAUROT, RPR
 Official FPSC Hearings Reporter
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