



## 1 APPEARANCES:

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3 Office Box 12950, Pensacola, Florida 32591-2950,  
4 appearing on behalf of Gulf Power Company.

5 J.R. KELLY, PUBLIC COUNSEL, Office of Public  
6 Counsel, c/o The Florida Legislature, 111 W. Madison  
7 Street, Room 812, Tallahassee, Florida 32393-1400,  
8 appearing on behalf the Citizens of the State of  
9 Florida.

10 SUZANNE BROWNLESS, ESQUIRE, FPSC General  
11 Counsel's Office, 2540 Shumard Oak Boulevard,  
12 Tallahassee, Florida 32399-0850, appearing on behalf of  
13 the Florida Public Service Commission Staff.

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(No exhibits marked.)

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

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2           **CHAIRMAN BRISÉ:** Good morning. And welcome to  
3 our service hearing this morning for Gulf Power's  
4 petition, Docket Number 130140-EI. I'm going to take  
5 this time to introduce ourselves. My name is Ronald  
6 Brisé, and I have the honor, pleasure, and privilege of  
7 serving as the chair of Florida's Public Service  
8 Commission.

9           And I'm going to ask my colleagues to  
10 introduce themselves; we'll start from my right.

11           **COMMISSIONER BALBIS:** Good morning. My name  
12 is Eduardo Balbis, and it's a pleasure to be here today.  
13 I look forward to hearing from you, the customers.

14           **COMMISSIONER EDGAR:** Good morning. Lisa  
15 Edgar. Glad to be here.

16           **COMMISSIONER GRAHAM:** Good morning. Art  
17 Graham. Good to see you here this morning.

18           **COMMISSIONER BROWN:** Good morning. Julie  
19 Brown.

20           **CHAIRMAN BRISÉ:** All right. We're going to  
21 ask our staff counsel to read the notice, please.

22           **MS. BROWNLESS:** By notice this time and place  
23 has been set for a customer service hearing in Docket  
24 Number 130140.

25           **AUDIENCE:** We can't hear you.

1           **MS. BROWNLESS:** I'm sorry, we'll try again.

2           Is that better?

3           **AUDIENCE:** Yes.

4           **UNIDENTIFIED SPEAKER:** That's a little better.

5           **MS. BROWNLESS:** Thank you.

6           By notice this time and place has been set for  
7           a customer service hearing in Docket Number 130140-EI,  
8           petition for increase in rates by Gulf Power Company.

9           **CHAIRMAN BRISÉ:** Thank you. At this time  
10          we're going to take appearances of counsel.

11          **MR. STONE:** Commissioners, I'm Jeff Stone of  
12          the law firm Beggs and Lane, and I represent Gulf Power  
13          Company. At the appropriate time I have a few  
14          preliminary matters to take care of, but I assume you  
15          want to finish with appearances now.

16          **CHAIRMAN BRISÉ:** Sure. Thank you.

17          **MR. KELLY:** Good morning, everyone. I'm  
18          J.R. Kelly. I'm with the Office of Public Counsel, and  
19          we represent the consumers of Gulf Power Company.

20          **MS. BROWNLESS:** Good morning. My name is  
21          Suzanne Brownless, and I'm the attorney for the  
22          Commission staff.

23          **CHAIRMAN BRISÉ:** All right. So, once again,  
24          let me welcome all of you to be here this morning. This  
25          is your hearing, and we want to, at the appropriate

1 time, hear from you. And the way this works today,  
2 you're going to hear from the company, you're also going  
3 to hear from the Office of Public Counsel. They are  
4 going to make opening comments or opening statements,  
5 and at the appropriate time we're going to give you an  
6 opportunity to make your statements, as well.

7 So at this time, we'll ask Mr. Stone to come  
8 forward and do the preliminary matters and then your  
9 opening statement.

10 **MR. STONE:** Commissioners, as I indicated, I'm  
11 Jeff Stone, and I have a few preliminary matters.

12 First, I'd like John Ed McDanal to stand.  
13 Mr. McDanal is the Panama City District Manager for Gulf  
14 Power Company, and he's here with a staff of customer  
15 service representatives to assist our customers with any  
16 issues they may have. And so if anybody has any issues  
17 they'd like to present to the company, Mr. McDanal is  
18 available to you to help get you -- we have some folks  
19 set up across the hall in a room with access to computer  
20 terminals and can assist with any specific  
21 customer-service issues.

22 Yesterday at the service hearing in Pensacola,  
23 I distributed an exhibit that documented the efforts we  
24 have made, pursuant to the rule and to the order  
25 establishing procedure, to comply with all the notice

1 requirements, and that exhibit covered this hearing as  
2 well. So I won't repeat that information here, but I  
3 think it was marked as Exhibit 2.

4 **CHAIRMAN BRISÉ:** Yes, it was.

5 **MR. STONE:** And when you're ready, Mr. Conley  
6 will make some brief remarks on behalf of the company.

7 **CHAIRMAN BRISÉ:** Sure. Thank you.

8 Before Mr. Conley comes up, we want to ask  
9 everyone to make sure that their telecommunications  
10 devices are on silent or on mute. We certainly  
11 appreciate mutual respect. So when someone is speaking,  
12 it kind of gets a little disturbing when the phones  
13 start ringing and things of that nature. So make sure  
14 you take a minute or a few seconds to take a look at  
15 your device so that it's in the proper position.

16 The company, Gulf Power, will have eight  
17 minutes to make their opening statement as will the  
18 Office of Public Counsel. The company will be able to  
19 use whatever portion of the eight minutes they want up  
20 front, and then they will have whatever balance is left  
21 for rebuttal comments, in essence, to some of the  
22 comments that are made by the Office of Public Counsel.

23 So at this time, Mr. Conley, the floor is  
24 yours.

25 **MR. CONLEY:** Thank you. Mr. Chairman and



1 Commissioners, welcome to Panama City, another important  
2 part of our service territory. If it's appropriate, I'd  
3 like to turn and address our customers for my statement.

4 Again, my name is Stan Conley, I'm the  
5 President of Gulf Power Company. I'm here to represent  
6 all my teammates at Gulf Power Company. We are proud to  
7 serve this area; we welcome you to this hearing; we  
8 certainly want to hear your feedback.

9 Certainly, the purpose is to hear from you,  
10 our customers, to the ladies and gentlemen behind us, so  
11 I'll make my comments relatively brief. But to our  
12 customers in the room, certainly there's people that  
13 look at an electric utility and us and simply and  
14 basically say we have got an obligation to serve you,  
15 our customers, whether it's your home or your business.  
16 And we do have an obligation to serve you. We set  
17 poles; we string power lines; we set transformers; we  
18 run services to your businesses or homes, and we don't  
19 take that obligation lightly, trust me.

20 We feel like, though, it's more accurate to  
21 say that we have got a privilege to serve you, and we  
22 don't take that lightly, either. And we don't look at  
23 you as ratepayers; we look at you as customers. And in  
24 communities like this, we look at you as partners in our  
25 community, because we work together on a number of

1 things.

2 We have been here 87 years, and we  
3 tremendously value the relationships we have built here  
4 over these 87 years, and we want to work hard to keep  
5 those relationships strong going forward. And while we  
6 understand there's never a good time to consider raising  
7 prices, we are in the midst of the largest grid  
8 construction program in our company's history, making  
9 some major investments. And that's largely what this  
10 price increase is about, those large investments.

11 But before I talk about those, I want to  
12 briefly talk about some other things we are doing,  
13 things you would expect us to do to try to hold costs  
14 down, and where we can, reduce costs. For instance,  
15 much like how you maintain your vehicle by changing the  
16 oil after you run a certain number of miles, we have to  
17 maintain our power plants in a similar way. We have to  
18 do maintenance on those facilities after they have run  
19 for months or years. And in the last couple of years  
20 they have run less, and therefore we have extended the  
21 maintenance cycle on those power plants and built those  
22 cost savings into the proposed rates that we are asking  
23 for today.

24 We'll continue to look for ways to be more  
25 efficient and keep those costs as low as we can. And,

1 by the way, doing so while keeping our system in as good  
2 a shape as possible, so we can keep your lights on. But  
3 it goes beyond just keeping your lights on, because we  
4 know every now and again the lights will be affected by  
5 the weather or storms. We try to have those poles in  
6 good condition. We try to have the trees trimmed  
7 effectively around those wires so that when our line men  
8 and women come to your home or your business, they can  
9 work safely and they can get your lights back on as  
10 quickly as possible.

11 We are going to continue to work on efforts  
12 like that to help you in the long run. But back to the  
13 investments I did mention earlier, we are making a  
14 significant investment in our system because we've got  
15 to plan for the long-term. We want your lights to be on  
16 today and tomorrow, but we also have to plan for 10, 20,  
17 30 years from now. And to make sure we can do that, we  
18 have to think about those investments for the long-term.

19 And we are making major investments like that  
20 today. To be clear, these grid construction projects  
21 span the whole system. They are replacing or  
22 refurbishing substation equipment, rebuilding or  
23 replacing transmission lines. And in some cases  
24 building new transmission lines, the high voltage power  
25 lines that will help us comply with the new federal

1 environmental regulations at our plants that are going  
2 to change the way we run those plants. And it's our  
3 obligation to keep the lights on for you, even in the  
4 face of those regulations.

5 To be sure, electricity prices impact every  
6 single person in this room. We know that. And we know  
7 that some of you are on a fixed income. Many of you may  
8 be on a fixed income. And this community, Northwest  
9 Florida, our state and indeed our country, we are still  
10 recovering from a long recession. It's never easy to  
11 think about raising prices, and that's why we were so  
12 pleased last year to be able to offer a significant  
13 decrease. And, in fact, prices today are below where  
14 they were in January of 2009.

15 But to be clear, these grid investments are  
16 necessary. They cannot be delayed any longer, and  
17 they're critical to us serving you for the long-term.  
18 We can't think about delaying them or shutting down a  
19 piece of the business and achieve those ends in mind of  
20 serving you reliably for the long-term.

21 So, in closing, once again, I want to say on  
22 behalf of my entire team, we remain committed to serving  
23 you reliably and effectively with outstanding customer  
24 service for the long-term.

25 Some of my teammates are here with me today.

1 I hope if you have got a specific item we can assist you  
2 with, we would love to do that while you are here today,  
3 but I can assure you from me to the line person in the  
4 bucket truck to the customer service rep on the other  
5 end of the telephone, we are absolutely committed to  
6 serving you and this community for the long-term.

7 So, Commissioners, again, thank you for the  
8 opportunity to speak. Again, welcome to Panama City,  
9 and I look forward to hearing from our customers.

10 **CHAIRMAN BRISÉ:** Thank you. And you have  
11 about three minutes left for rebuttal.

12 Mr. Kelly, the floor is yours.

13 **MR. KELLY:** Thank you.

14 Good morning. As I said earlier, my name is  
15 J.R. Kelly. I'm with the Office of Public Counsel, and  
16 my office has the privilege and the honor of  
17 representing you, the consumer, in this matter.

18 For those of you not familiar with our office,  
19 we are a separate office. We are not part of the Public  
20 Service Commission. We are funded independently by the  
21 legislature, and we have one statutory mission, and that  
22 is to represent consumers on issues that come before the  
23 Public Service Commission.

24 We are here today because Gulf has filed a  
25 petition for a \$74 million annual increase to their base

1 rates. That's approximately 14.1 percent over their  
2 current rates. In addition, they are asking for another  
3 \$16 million that would go into effect July 1 of 2015.  
4 When you add those together, that's a 17.2 percent  
5 increase over current rates.

6 And many of you will recall just some 18  
7 months ago the Public Service Commission authorized a  
8 \$68 million increase for Gulf Power over their current  
9 rates, and at that time they gave them a very, very  
10 healthy 10.25 percent return on their equity. We are  
11 here, back again, it has not even before two years.

12 We have intervened in this matter, and we will  
13 contest those areas that we feel the evidence does not  
14 support what Gulf is asking for. And I want to state  
15 right up front that we are not here contesting the  
16 personality of Gulf. We know that they are a good  
17 corporate citizen. We know that they have some very,  
18 very good people that work for them, many of them your  
19 friends, neighbors, maybe relatives. We are not here  
20 disputing any of that. We know they give back a lot to  
21 the communities that they serve. We are not here to  
22 dispute that.

23 The bottom line is this. They are given a  
24 monopoly area to sell electricity. You don't have a  
25 choice. They are required to provide safe, adequate,

1 and reliable service to you, the consumer. In return,  
2 they are allowed to recoup their prudent and reasonable  
3 expenses for operating their company, and be given an  
4 opportunity to earn a fair and reasonable, remember  
5 those words, fair and reasonable return on their  
6 investment, but nothing more. And our job will be to  
7 make sure that we hold the Commission's feet to the fire  
8 that they adhere to that standard when they decide and  
9 make a final decision in this matter.

10 At this time we have hired several nationally  
11 recognized experts that will be testifying on your  
12 behalf. We have hired an accounting expert, cost of  
13 capital expert, a depreciation expert, and an  
14 engineering expert. We are currently going through  
15 voluminous documents either we have obtained through  
16 discovery or that Gulf filed in this matter, and we will  
17 be putting together our positions and our testimony  
18 which is due to be filed about October 16th.

19 At this time, I cannot tell you exactly what  
20 the issues are we are going to be contesting, because  
21 we've still got awhile to go as we evaluate all the  
22 information, but I will point out a few areas. Number  
23 one, Gulf is asking for an 11.5 percent return on  
24 equity. Basically, an 11.5 percent profit margin. I  
25 don't have to argue to you that's excessive, extremely

1 excessive. We will be contesting that, and we don't  
2 believe under any scenarios are they entitled to that  
3 kind of return.

4 We are also currently evaluating many of their  
5 operating and maintenance expenses. We have identified  
6 some that we're doing some additional discovery on, but  
7 we believe there will be some areas there that we will  
8 definitely be contesting.

9 Depreciation. This is an area that we have an  
10 expert that has already gone through their depreciation  
11 documents. He has already identified several areas that  
12 we will definitely be contesting with respect to  
13 depreciation expense.

14 The last area we're taking a very close look  
15 at are sales forecasts. Gulf has represented that they  
16 missed the mark in the last case. Well, we don't want  
17 them to miss the mark in this case on the other side of  
18 the coin and make it too low, thus requiring you to pay  
19 a higher rate.

20 But the bottom line is we are here today, as  
21 Chairman Brisé said earlier, for you, the consumer.  
22 This is your hearing. This is not my hearing, the  
23 Public Service Commission's hearing, or Gulf's hearing.  
24 This is you, the consumer's hearing. We want to hear  
25 from you. It is so important that you come up here and



1 address the Commission.

2 If you believe Gulf has given you good  
3 service, please come say that. If you have concerns  
4 with their service, please come say that. If you have  
5 concerns about this rate increase and how it's going to  
6 effect you, I implore you to please come and give your  
7 opinion to this Commission.

8 You do not have to be a learned speaker. All  
9 you do is speak from the heart, be honest, and these  
10 folks behind me want to hear you and they will hear you.  
11 Thank you so much for taking time out of your busy  
12 schedules to be here today. And as everyone said, I'll  
13 join in that I look forward to hearing your remarks.

14 Thank you.

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

16 Gulf, you have the opportunity to provide  
17 rebuttal.

18 **MR. STONE:** Mr. Chairman, in the interest of  
19 our customer's time, we will dispense with remaining  
20 remarks.

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

22 We are moving into the time that is most  
23 important to us, and that's hearing from you, the  
24 customers. The way this will work, you have signed up  
25 up front if you have an interest in speaking, and if you

1 haven't signed up, it may not be a bad time for you to  
2 go to the front and sign up to speak.

3           Some of you may not be inclined to speak  
4 publicly, so we have these green special reports. In  
5 the rear of the special report you have a sheet that has  
6 a space for comments. You can place your comments  
7 there. And you can mail them to the Commission, or you  
8 can make it available to our staff, and these comments  
9 are just as good as the comments that are made here live  
10 on the mike.

11           You can take some of these and make them  
12 available to your friends and neighbors. You can  
13 suggest to your neighbors that they can go to the Public  
14 Service Commission website and they can place their  
15 comments there, as well, and all those comments will  
16 become part of the record and will aid us in making our  
17 decision.

18           This is a public hearing, and so therefore  
19 everything that is being said here today is being  
20 transcribed by our court reporter, Mrs. Faurot, and we  
21 thank her for her service, as well. So at the  
22 appropriate time, I'm going to ask those who are in  
23 interested in speaking this morning to join me in  
24 standing, and I will swear you in.

25           We are five Commissioners, but there are about

1 297 people that really make the Commission work. And  
2 some of them are here with us today, and I would be  
3 remiss if I didn't recognize some of them this morning.  
4 So at the table with us you have heard already from one  
5 of our attorneys, Ms. Brownless. Mr. Willis is here at  
6 the table with us, as well. In the audience we have a  
7 few people: We have Mr. Maurey; we have Ms. Maria  
8 Carbonell; we have Tom Ballinger; we have Jim Dean, who  
9 is present with us here.

10 Our Executive Director, I think, has stepped  
11 out of the room; Mr. Baez is also here with us this  
12 morning. We have Mr. Durbin, who's in the rear, who  
13 helped set up the sound and certainly helped you as you  
14 were coming in and helped get you situated. Also we  
15 have Ms. Cindy Muir, who is our Public Information  
16 Officer, and she helped find the location and all those  
17 type of things and made sure that, on our end, we let  
18 people know that this hearing was moving forward here  
19 today.

20 And I'm trying to see if there's anyone that  
21 I'm missing. Okay. I don't think I'm missing anyone.  
22 And so with that, as we stated before, we are really  
23 interested in hearing from you, and that's why we are  
24 here. And so, please, express what's on your mind;  
25 good, bad, or indifferent. Your experience helps inform

1 us as getting a perspective of what's going on with you  
2 and how you're receiving your service and the quality  
3 and how whatever is going on is going to impact your  
4 life, as well.

5 If you have documents that you brought with  
6 you and that you want to make part of the record, just  
7 let us know and we will put that in as an exhibit, and  
8 it will go along with your testimony this morning. So  
9 I'm going to look to the two former chairpersons who sit  
10 to my left and my right and see if there's anything that  
11 I'm missing.

12 Okay. No? All right; good. You would think  
13 that at this point in the life of my career at the  
14 Commission -- I'm about two or three months out from my  
15 chairmanship, that I would probably have a good handle  
16 on this, but you learn every day.

17 So with that, if you are going to testify  
18 today, please stand with me as I'm going to swear you  
19 in.

20 (Witnesses sworn collectively.)

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

22 Mr. Kelly is going to call you by twos, and so  
23 the first person is going to be coming up, and then the  
24 next person will sit on the first row so that we can be  
25 efficient and move along.

1           The other thing is that you will have five  
2 minutes to make your comments. We have a device on the  
3 desk lectern that's out there, podium that's out there.  
4 So long as the light is green, just as you are driving,  
5 you can go. When the light is yellow, you need to start  
6 slowing down and begin to wrap up; and when the light is  
7 red, you obviously don't want to get a ticket.

8           (Audience laughter.)

9           So we are going to try to avoid getting a lot  
10 of tickets today. And so we want to be respectful of  
11 your time, and we trust that you will be respectful of  
12 everyone else's time who's here, as well. We recognize  
13 that you have taken time out of your busy schedule to be  
14 here and we want to respect that.

15           So with that, Mr. Kelly, if you would assist  
16 us in calling the first two witnesses.

17           **MR. KELLY:** The first speaker is Mr. Jimmy  
18 Williams followed by Ms. Barbara Day.

19                           **JAMES R. WILLIAMS**

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

22                           **DIRECT STATEMENT**

23           **MR. WILLIAMS:** I'd like to thank you for this  
24 opportunity to come out and speak my peace, so to speak,  
25 and thank the PSC for being a representative of the

1 citizens of Florida.

2 **CHAIRMAN BRISÉ:** Mr. Williams, before you  
3 begin, I failed to state something that's crucial. We  
4 need your name and your address for the record. So  
5 before you speak, if you will provide your name and  
6 address.

7 **MR. WILLIAMS:** My name is James R. Williams.  
8 My address is 4304 Misty Lane, Lynn Haven, Florida. I'm  
9 a resident of Bay County and have been since 1947. I  
10 would like to thank the service of Gulf Power Company  
11 for their good service that they have provided to Bay  
12 County over a number of years. I have never called them  
13 that they didn't come out and produce and fix whatever  
14 the problem was.

15 I like to see every company and individual  
16 make a fair living. And over the last few years, on my  
17 retirement, I have noticed -- I have had time to take  
18 notice of all the requests for raises by different  
19 companies, power companies, gas companies, just the  
20 general cost of living.

21 And I feel like that as a person and a citizen  
22 that we all have to learn to live off of what we make.  
23 And I, for one, have tried to do that. And I just feel  
24 like that what Gulf Power is asking for is a little bit  
25 too much at this particular time as the economy is

1 beginning to show some type of recovery. And there's a  
2 lot of people out there now that can't hardly buy the  
3 gas to get to work, much less pay an increase in a power  
4 bill or a doctor bill that, unfortunately, some of us do  
5 have to deal with.

6 But I would like to thank any of you Public  
7 Service Commissioners, and counsel, and representatives  
8 to help just keep a watch on these companies, not only  
9 Gulf Power, but whomever, to help to control the  
10 inflation in this country and the hard times that a lot  
11 of people are suffering through at this time. And that  
12 would be about all I can say is thanks to the Commission  
13 and to the good service that Gulf Power does render to  
14 the citizens of Bay County and the other parts of  
15 Florida.

16 **CHAIRMAN BRISÉ:** Thank you, Mr. Williams.

17 Are there any questions for Mr. Williams from  
18 the Commissioners?

19 All right. Thank you for your testimony this  
20 morning.

21 **MR. WILLIAMS:** Thank you, sir.

22 **MR. KELLY:** After Ms. Day is Jean Driver.

23 **BARBARA DAY**

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

**DIRECT STATEMENT**

1  
2           **MS. DAY:** Good morning. Thank you so much for  
3 being here today. My name is Barbara Day. I live at  
4 1120 Tennessee Avenue, Lynn Haven, Florida. I am also  
5 here to represent AARP Florida, and I am a Gulf Power  
6 residential customer.

7           I agree that many of Gulf Power's endeavors  
8 have been very commendable, but there are a few reasons  
9 I find this particular rate increase proposal very  
10 troubling. First, the base rate increase may not sound  
11 like too much to some people, but to those who may be  
12 working two, three, four different jobs to make ends  
13 meet, those also who have no jobs and cannot even find  
14 one, it could mean a choice of electricity or food on  
15 the table. And I'm here today to speak for those  
16 customers in dire straits who can't be here to testify  
17 before you.

18           Second, in 2012, the Public Service Commission  
19 approved a revenue increase for Gulf Power in the amount  
20 of \$64 million effective April the 11th, 2012, and a  
21 step increase of \$4 million effective January 1st, 2013.

22           Once again, the company is requesting that the  
23 Commission approve a two-step rate hike that would  
24 increase the total bill for an average customer buying  
25 1,000 kilowatt hours from the current price of \$118.88



1 to \$127.82. That's by a 7.5 percent in 2014. Then in  
2 2015, the rates would again increase by an additional  
3 \$1.99. How long will the Commission continue to approve  
4 rate increases year after year at the expense of the  
5 customers?

6 Our third cause for concern and a very crucial  
7 point of this entire rate request is that Gulf Power  
8 wants a profit margin of 11.7 percent. Yes, I did say  
9 11.7 percent, when we're lucky to just get 1 percent on  
10 our CDs.

11 In closing, I believe that instead of being  
12 buried in a base rate increase during a time that even  
13 Gulf Power acknowledges as a slower than expected  
14 economic recovery from the severe nationwide economic  
15 recession, customers should not be burdened while the  
16 company continues to earn a reasonable return on their  
17 equity.

18 Thank you so much for this opportunity to  
19 testify today.

20 **CHAIRMAN BRISÉ:** Thank you, Ms. Day.

21 **MS. DAY:** Thank you.

22 **CHAIRMAN BRISÉ:** Are there any questions for  
23 Ms. Day?

24 All right. Seeing none, thank you for your  
25 testimony today.

1           **MS. DAY:** Thank you.

2           **MR. KELLY:** After Jean Driver is Janice  
3 Anderson.

4                           **JEAN DRIVER**

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

7                           **DIRECT STATEMENT**

8           **MS. DRIVER:** Good morning. My name is Jean  
9 Driver, and I live at 2511 East 9th Circle, and I have  
10 lived in this residence for 35 years.

11                   I don't have much to say, but I'm thankful for  
12 the consumer public office, the gentleman who more or  
13 less will represent my interests here today. And I'm  
14 always -- I always pay my bills on time, but this has  
15 been an exceptionally financial strain for me this year  
16 due to lots of things coming into my life.

17                   And this increase doesn't seem to fit into my  
18 budget at this time. As a matter of fact, I can see me  
19 living on the streets of some sorts, in that category,  
20 due to I don't have family here retired. And I'm just  
21 looking forward to some kind of relief when it comes to  
22 paying bills, especially that you are asking for an  
23 increase in your service to us consumers regarding  
24 electricity.

25                   And that's about all I have to say. I'm just

1 thankful that the Office of Public Counsel is here more  
2 or less in my behalf. Thank you so much.

3 **CHAIRMAN BRISÉ:** All right. Thank you.

4 Are there any questions for Ms. Driver?

5 Seeing none, thank you for your testimony  
6 today.

7 **MR. KELLY:** After Ms. Anderson is Doctor R.W.  
8 Snare.

9 **JEAN ANDERSON**

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

12 **DIRECT STATEMENT**

13 **MS. ANDERSON:** Good morning, and thank you for  
14 having this meeting for us today. My name is Janice  
15 Anderson. I live at 2804 C Lagoon Knoll here on the  
16 beach, Panama City Beach. And I'm here today to speak  
17 not only for myself, but for all the retired people that  
18 are living on a fixed income that I think all of us will  
19 acknowledge is below the poverty level by a great deal.

20 This would constitute a really hardship for  
21 most of the retired people here on the beach. This is a  
22 very limited income available, even for the local people  
23 that are trying to work. In the wintertime we know the  
24 beach is very poverty stricken.

25 I do appreciate all the service that we have

1 gotten from Gulf Power. I think they have done an  
2 outstanding job. And I, like the others, want to see  
3 them have what they need to continue to serve us as they  
4 are doing. But by the same token, I don't want to see a  
5 rate increase that is going to bring me and maybe others  
6 where we will not be able to pay our bills and they will  
7 have to cut off this wonderful service that they are  
8 giving us.

9 So I hope you will consider that. I really  
10 think that the rate increases that they have gotten, the  
11 last two, should be sufficient for them to work with.  
12 So I thank you, again, for listening to me, and I really  
13 hope you will consider all of the retired people, of  
14 which the majority in this area are retired living on a  
15 fixed income, which we do not get rate increases of  
16 10 percent. We really don't get a rate increase of even  
17 one percent most years. So thank you, again, for your  
18 time and for letting me speak.

19 **CHAIRMAN BRISÉ:** Thank you, Ms. Anderson.

20 Are there any questions for Ms. Anderson?

21 Okay.

22 Seeing none, thank you for your testimony this  
23 morning.

24 **MR. KELLY:** After Doctor Snare is Jay Easkold.

25 **ROBERT W. SNARE, M.D.**

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

3 **DIRECT STATEMENT**

4 **DR. SNARE:** My name is Robert Snare, a retired  
5 physician from Chipley, Florida, 909 Carol Court is the  
6 address. And I also have a unit down here at Edgewater,  
7 so I pay two Gulf Power bills.

8 Several questions come up. What is the status  
9 of Lansing Smith Plant? Is it running on coal or is it  
10 running on gas?

11 Can anybody answer that question?

12 **MR. STONE:** Commissioners, there are multiple  
13 units at Lansing Smith. There are two coal units; there  
14 is a combined cycle that is primarily gas-fired; we also  
15 have a CT there that is diesel-oil fired.

16 **DR. SNARE:** Okay. The things that bother me  
17 about this rate increase are I'm sure Gulf Power gets  
18 some bills from Southern Company, is that not right?

19 **MR. STONE:** Commissioner, this seems a little  
20 awkward.

21 **CHAIRMAN BRISÉ:** Right.

22 If you can provide some testimony, you can put  
23 questions into the record.

24 **DR. SNARE:** I will put some questions into the  
25 record. I'm sure Gulf Power --

1 (Inaudible; simultaneous conversation.)

2 **CHAIRMAN BRISÉ:** -- at this point.

3 **DR. SNARE:** Thank you. I'm sure Gulf Power  
4 gets some bills from Southern Company. What bothers me  
5 about Southern Company is they have a Crystal River  
6 nuclear plant that is now defunct due to poor  
7 engineering. I'm sure there are stranded costs in that,  
8 bonds that have to be paid over 30 to 40 years, and they  
9 are going to extract that from somebody. So that means  
10 that we are going to have increased rates is my  
11 estimation. I'd like for that to be part of the record,  
12 and also for our consumer advocates to look into that,  
13 too.

14 I looked up some costs of coal. This is from  
15 Wall Street, Barron's and IBD; these are well known.  
16 Coal costs 98 cents per kilowatt hour, which on the  
17 1,000 hours that we're talking about, that's \$98. And  
18 now, according to our blue sheet here or green sheet,  
19 it's \$118 for 1,000 hours.

20 Now, gas is a whole different ballgame. Gas  
21 is 6.64 cents per kilowatt hour, so that translates to  
22 about \$66 per 1,000 kilowatt hours. So we could cut our  
23 bills in half by going with gas.

24 Solar is still out of sight, 15.3 cents. So  
25 that's \$153 per 1,000 kilowatt hours. Wind is 9.6 cents

1 per kilowatt hour, or \$96 per 1,000 kilowatt hours. So  
2 we can see that gas is the most economical way to go, in  
3 spite of people in Washington.

4 And can we look for a reduction in power bills  
5 once gas is instituted at Gulf Power here, since the  
6 price would be half of what -- or the cost would be half  
7 of what we're paying for coal now?

8 In case you were living on a different planet  
9 and you just came back today, the president in his  
10 infinite wisdom has decided to close down the utility  
11 companies that use coal. He has shut down about 150  
12 already. He has got 250 that he is going to try and  
13 shut down. And, initially, this was for global warming.  
14 Now global warming is not the nomenclature you want to  
15 use, because it turns out that's not what is happening.  
16 There is no global warming. So they changed it to  
17 climate control, which is another bogus thing to be  
18 looking at.

19 They are going to blame tornadoes on climate  
20 change and base hurricanes on climate change and  
21 anything else they can think of, except for George Bush,  
22 they'll blame that on him, too.

23 I think that concludes my testimony before I  
24 get too mad.

25 **CHAIRMAN BRISÉ:** All right. Thank you very

1 much for your testimony. I just want to make sure that  
2 there aren't any questions for Doctor Snare.

3 Seeing none, thank you.

4 I just want to make sure that I clarified  
5 something. The Crystal River plant is actually owned by  
6 Duke, and that's not a Southern Company.

7 **DR. SNARE:** Thank you.

8 **CHAIRMAN BRISÉ:** All right.

9 **MR. KELLY:** After Mr. Easkold is J.M. Thomas.

10 **JAY EASKOLD**

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

13 **DIRECT STATEMENT**

14 **MR. EASKOLD:** My name is Jay Easkold. I live  
15 at 200 Grand Island Boulevard here on the beach. A lot  
16 of my questions were kind of answered. But I pulled my  
17 power bill up, and it has got on there a base charge of  
18 \$15. Then I looked at this handout that you gave, and  
19 it says the base rate charge is \$58.13. What's the  
20 difference? What goes into a base charge?

21 I Googled it, and the only thing I could find  
22 was in Alabama they said the base charge was just the  
23 privilege of connecting to, in their case, Alabama  
24 Power. So what's your base charge? What is the  
25 difference between the \$15 and the \$58.13?



1           Also, what are you guys doing on your power  
2 grid to prevent hackers from causing havoc? Are you  
3 protecting yourselves to the degree that you won't be  
4 susceptible to somebody knocking us off the grid?

5           I appreciate the fact that your power is  
6 basically cheap, inexpensive, and I appreciate the  
7 return on your investment to your investors of some  
8 degree, but I think 11 percent plus in this day and time  
9 and in this economy is bogus, and I would appreciate you  
10 looking into that. And like one of the previous  
11 customers that you have stated, we don't get any raises.  
12 We're not like congress where we have to vote not to get  
13 a raise.

14           So, you know, I appreciate you guys get your  
15 bonuses. I used to get bonuses, but no more. Now, it's  
16 whatever comes in is what you've got to work with, and I  
17 think that's what you guys have to do. Switch over to  
18 gas as much as possible; look at the cheapest rates; is  
19 it the cleanest burning stuff we can get if we are not  
20 using sun power, and just get with the program. I  
21 appreciate it. Thank you.

22           **CHAIRMAN BRISÉ:** Thank you, Mr. Easkold.

23           Are there any questions for Mr. Easkold?

24           I think Mr. Marshall is going to clarify the  
25 issue about the base rate issue for us.

1           **MR. WILLIS:** Just to quickly explain the  
2 difference between what you were talking about, the \$15  
3 charge and what's listed in the blue sheet as \$58. The  
4 base rate -- your bill is made up of two components.  
5 There's the fuel charge, which is one component of your  
6 bill, and the other part of your bill is called the base  
7 rate charge, and that's what this proceeding is about.

8           The base rate charge consists of a flat, I  
9 believe it's a \$15 fee, maybe in this case, which is  
10 really to pay for your meter, your meter drop, and a few  
11 fixed components there. The rest of the charge is based  
12 on 1,000 kilowatt consumption of energy. That's why the  
13 \$58 is in here. That's just a floating variable cost of  
14 the actual bill itself. So when we say base rate, that  
15 is just that portion of your bill that consists of the  
16 small flat fee plus 1,000 kilowatts of usage. It  
17 doesn't include the fuel cost, the purchased power  
18 costs, and the environmental costs, all the clauses that  
19 are on the other part of your bill.

20           **MR. EASKOLD:** But don't you depreciate your  
21 meters?

22           **MR. WILLIS:** As you are depreciating the  
23 assets you are adding assets at the same time. Meters  
24 are replaced each year.

25           **MR. EASKOLD:** Yeah, but things don't go down,

1 they just keep going up.

2 **CHAIRMAN BRISÉ:** Thank you.

3 I just wanted to clarify something for  
4 everyone. We are the Public Service Commission, so we  
5 will be making a decision. We are not a company, so  
6 bear that in mind.

7 And the Office of Public Counsel is here, and  
8 as he stated, his responsibility is to represent the  
9 whole body of customers and not individual customers, so  
10 bear that in mind, as well.

11 Okay. So if we can go with our next --

12 **MR. KELLY:** After J.M. Thomas is Mr. John  
13 Robbins.

14 **J.M. THOMAS**

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

17 **DIRECT STATEMENT**

18 **MR. THOMAS:** J.M. Thomas, 181 Boca Lagoon  
19 Drive on the beach, 32408. Thank you for allowing us to  
20 come in and speak with you people.

21 I have an ethical problem with this pay  
22 increase base raise. Your own paperwork shows you had  
23 one in 2012, and now you're asking for another one. I  
24 believe there was one in 2010. I'm not sure on this,  
25 but I do know that at the height of this recession, some

1 people call it a depression, whatever it is, nobody in  
2 the country was getting a raise. Unemployment was 10,  
3 12, 13 percent, and Gulf Power gave themselves a raise.  
4 And now they're asking for another one and they just got  
5 one in 2012.

6 I have not noticed that the quality of the  
7 service has gone up that much. In other words, you  
8 leave your house on this beach here a couple of days, go  
9 fishing and come back, every light in there is blinking.  
10 There is a power surge. And my TV repairman says, well,  
11 you disrupted the power. I said I didn't disrupt  
12 anything. But if you talk to people over here at  
13 Radio Shack and you take your computer to the computer  
14 people, these momentary power outages before -- the  
15 appliance, or the computer, or the air conditioner,  
16 especially, spools down. It does a great deal of  
17 damage, you know.

18 And I have the utmost respect -- the people I  
19 think that should get a raise are the linemen, the  
20 people that are out here in the tropical depressions and  
21 the hurricanes and all areas of the weather, but not the  
22 person that I call and talk to that tells me to turn my  
23 thermostat to 78 degrees.

24 I am not a servant or a subject out here, I'm  
25 a retired person and I don't get a raise anymore.

1 Speaking of being retired, and I'm sure a lot of people  
2 here are not getting raises either this day and time, so  
3 that's the ethical question I have got with Gulf Power  
4 getting a raise across the board, or whatever it is.

5 Here's the deal. I have asked this question a  
6 couple or three times, once in writing, a couple of  
7 times on the phone. I have a boathouse out here. I  
8 keep my old bass boat in it, and a '53 Chevrolet, and  
9 I've got a meter out there. And for years it has been  
10 \$12.40, because there is no power being used out there.  
11 I may go out to the shop and work a little bit, turn on  
12 a light, but the base pay has always been \$12 a month.  
13 It's \$24 now. I called somebody to ask them, and they  
14 say, well, what's your thermostat? I said there is no  
15 thermostat out there, you know. So I've got a problem  
16 with that.

17 Public relations-wise it might be good, you  
18 know, instead of playing music while you are on  
19 indefinite hold trying to call somebody at Gulf Power,  
20 put down there, you know, even if it is not true, it  
21 will make everybody here feel good, say the temperature  
22 of the thermostat at the White House is 78 degrees. We  
23 got it set at 79 degrees over here in Tallahassee in the  
24 State Capitol. And that would make everybody feel  
25 better.

1           It's just not like -- you know, I want to know  
2 where this fuel surcharge scam is going. I mean, I'm a  
3 retired airline pilot, and I know for a fact that the  
4 airlines in order to stay in business shop around for  
5 fuel rates. That's how Southwest beat everybody after  
6 2011. They bought fuel futures. That guy is an old  
7 fighter pilot, he knows what he's doing. He bought fuel  
8 futures for ten years, and in ten years he beat  
9 everybody with the price and making a profit,  
10 profitability.

11           The other airlines just bought it, you know,  
12 whatever the cost. And I just want to know does anybody  
13 at Gulf Power here shop around for fuel costs, or do you  
14 just take what comes and pass the bill on to us out  
15 here? Somebody, I'm sure there's a position or a job  
16 somewhere that somebody is saying how much does the fuel  
17 really cost. Where is this fuel surcharge going to and  
18 who is getting it? Nobody seems to know, they just tell  
19 you to turn your thermostat to 78 degrees.

20           I'm against an increase, because you had one  
21 in 2012. The economy, nobody else is getting a -- I  
22 don't know, maybe some people here are getting raises in  
23 pay, but I'm not, and I'm concerned about these  
24 intermittent power outages that happen more and more  
25 often. I have been told that there is some new

1 technology in place that's causing this to do that and  
2 this, that, and the other. I don't know, but nobody  
3 else is getting a pay raise. And I don't know what your  
4 thermostat is set it, but mine is 78 degrees. And I  
5 don't know what it is in the White House, and I don't  
6 know what it is in Tallahassee, but I'd like to know why  
7 we are all footing the bill for it.

8 And I'd like to know where this fuel surcharge  
9 is going. Is it fuel in Air Force One? I mean, we  
10 don't have the Thunderbirds anymore, or the Blue Angels  
11 because they don't have enough fuel to fly those  
12 airplanes for the benefit of patriotic Americans. So I  
13 vote against -- well, I don't have a vote. But thank  
14 you very much for having me, and y'all have a nice day.

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

16 Are there any questions for Mr. Thomas?

17 Seeing none, thank you for your testimony  
18 today.

19 **MR. KELLY:** After Mr. Robbins is Mr. John  
20 Lincoln.

21 **JOHN ROBBINS**

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

24 **DIRECT STATEMENT**

25 **MR. ROBBINS:** Thank you. My name is John

1 Robbins. I live at 2332 Foxworth Drive, Panama City,  
2 Florida 32405.

3 Thank you for being here and welcome to Bay  
4 County. I'm here to talk about a couple of things  
5 today. My wife and I own a number of rentals, both  
6 residential as well as commercial properties. Today we  
7 have four accounts with Gulf Power. Many times we have  
8 as many as six to ten. And I can tell you that we have  
9 enjoyed the relationship that we have had with Gulf  
10 Power Company. We can pick the phone up and call a  
11 service representative. They are prompt; they are  
12 courteous, and they help us with our needs. And I just  
13 would like for that to go on the record.

14 Also, through the years I have had an  
15 opportunity to be very involved in our community. Gulf  
16 Power is an outstanding citizen of our community. They  
17 are all across the panhandle, even the small cities of  
18 Washington County. I happen to be a member of five  
19 chambers of commerce. You will not find a company that  
20 is more upfront and more involved. I'm talking about  
21 from a volunteer basis of their employees who give back  
22 to the communities, as well as the management team  
23 themselves. I know this past year the United Way of  
24 Northwest Florida was headed by a gentleman that is in  
25 this audience that works for Gulf Power. He did an



1 outstanding job.

2 None of us like to see rates increased. But I  
3 don't think that any of us can sit here and say that our  
4 automobiles do not occasionally need repair or after a  
5 period of time need to be replaced. Unfortunately, with  
6 the rental properties we've had, my wife and I have had  
7 to replace three air conditioning systems this summer.  
8 They do wear out. And I can tell you as a person who  
9 worked with the telecommunications industry for 35  
10 years, anything that is out there in the elements that  
11 we have, the salt elements and so forth, will wear out.

12 Poles have to be replaced; lines have to be  
13 replaced. There's a lot of things required to maintain  
14 a healthy and safe -- safe is important -- network to  
15 provide both our electrical services, all of our  
16 utilities. I think Gulf Power has done an outstanding  
17 job when you compare their rates with the other rates of  
18 utility companies around our state.

19 I have been involved in economic development  
20 most of my life. I have lived in five cities in the  
21 State of Florida working for BellSouth. And I can tell  
22 you their rates, if not the lowest, are one of the  
23 lowest in the State of Florida for electrical utility  
24 companies. That is a great draw for our community when  
25 it comes to economic development. And we are pleased

1 and proud to put that as one of the drawing factors to  
2 bring industry to our area.

3 I am not ashamed to stand here and say I don't  
4 have all the money in the world; I can't afford to pay  
5 things that are unreasonable. Quite frankly, I don't  
6 think this request is all that unreasonable. I will  
7 tell you that just because a company, any utility  
8 company asks for a rate of return does not necessarily  
9 mean they are going to make that. If they don't have a  
10 good management team, and they don't follow their own  
11 practices, and they don't hustle, they won't make that  
12 return.

13 People think it's an automatic guaranteed  
14 return. It is not. That is the ceiling that you are  
15 allowing them to perhaps make if they manage properly.  
16 So we just need to understand what we're talking about  
17 here, and we don't need to be chasing rabbits that  
18 aren't -- maybe are a fox. But my point I'm trying to  
19 make is one of the things that this community is  
20 probably not aware of, we have an incinerator, the  
21 incinerator belongs to the county. The county actually  
22 generates electricity. Guess who's buying that  
23 electricity locally, that's giving dollars back to this  
24 community? It's the very company that is asking for  
25 this rate increase. They are circulating dollars back

1 to us and helping us to have a cleaner community.

2 I'd just like to end by saying you guys are  
3 doing the due diligence. I know the Office of Public  
4 Counsel always does, always has. I have been before  
5 them in the past in a different capacity, and I have a  
6 lot of confidence in what the Office of Public Counsel  
7 will present, but my personal opinion is this is not an  
8 unreasonable asking. Thank you.

9 **CHAIRMAN BRISÉ:** Thank you, Mr. Robbins.

10 Are there any questions for Mr. Robbins at  
11 this time?

12 Okay. Seeing none --

13 **MR. KELLY:** After Mr. Lincoln is Mr. William  
14 Swift.

15 **JOHN D. LINCOLN**

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

18 **DIRECT STATEMENT**

19 **MR. LINCOLN:** Good morning, everyone. I am  
20 John D. Lincoln, III. I live in Gulf Villa 1513, 520  
21 R. Jackson Boulevard, Edgewater Beach Resort. I have  
22 been here since 1986 at Edgewater. And, quite frankly,  
23 when I first moved here, I came as a pilot in 1957 to  
24 Tyndall. And, quite frankly, the rate increase looks  
25 quite a bit higher.

1 I originally paid -- my Gulf villa is about  
2 1,500 square feet. And originally I paid about, on  
3 average, 50 to \$55 a month. That's averaged over the 12  
4 months. In the summer months it was a little higher  
5 because of air conditioning; in the winter months it  
6 wasn't that bad, so it averaged out about \$55 a month.

7 I now have gone through, with the rate  
8 increases that they have had, Gulf Power has had over  
9 the period of time, my current bills average about 130 a  
10 month. That's almost double, and now it's going to go  
11 up even more.

12 And, quite frankly, I have several small  
13 businesses. If I make a 5 percent profit on a job  
14 through good management, as Mr. Robbins was talking  
15 about, okay, I feel like I've succeeded. And somehow I  
16 think an 11 percent profit is a little bit on the high  
17 side, seeing as how we are struggling through the  
18 trickle-up poverty that we are currently all struggling  
19 with, and I think that it is too much.

20 I am very pleased that the Commission has  
21 taken the time to come to Panama City and Bay County so  
22 that you could hear our concerns. I have a fixed income  
23 and Social Security, we didn't get any increases for  
24 three years; thank you very much. And, you know, those  
25 are the things that I think that everybody has to worry

1 about.

2 I know the state is worried about it, I know  
3 the Governor is worried about it, and I know all of the  
4 people, and I speak on behalf of the folks at Edgewater.  
5 We have absentee owners who rent the properties, but  
6 have to pay Gulf Power for the amount of utilities that  
7 are used.

8 And I was president of the homeowners  
9 association here for six years. I took office  
10 September 30th, 1995. Opal came ashore on October 4th,  
11 '95, and let me tell you, Gulf Power did a stellar job  
12 in getting this beach back in order and doing the things  
13 that they needed. I'm anxious to see them increase and  
14 improve their system of power distribution. That's very  
15 important. Also, I think it's important that the  
16 consumers don't carry that burden to the ground. And I  
17 hope that the Commission will look very closely at the  
18 amount of this rate increase.

19 As the Public Counsel pointed out, they have  
20 received several, and these step increases are just a  
21 way of really bleeding the user public. And I hope you  
22 look closely at this and take this into consideration  
23 when you are evaluating this rate increase. Because you  
24 people work hard, and I know you work hard. And as a  
25 consumer, I truly appreciate the effort. I appreciate

1 the effort of the Public Counsel, and I appreciate the  
2 effort of the Public Commission, and thank you very  
3 much, and I appreciate that. If you have any questions,  
4 please feel free to ask.

5 **CHAIRMAN BRISÉ:** All right. Thank you,  
6 Mr. Lincoln.

7 Are there any questions, Commissioners?

8 All right. Seeing none, thank you for your  
9 testimony today.

10 **MR. KELLY:** After Mr. Swift is Peter Franz or  
11 Franz.

12 **WILLIAM C. SWIFT**

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

15 **DIRECT STATEMENT**

16 **MR. SWIFT:** My name is William Swift. I live  
17 at 1505 Dunnet Court, Lynn Haven, Florida. And several  
18 things, I just got an increase in my meager retirement  
19 of 1.2 percent. I'm looking at these rate increases,  
20 and I want to shift gears here. We have talked about  
21 the consumer, but we have had little conversation about  
22 the monopoly power and the fact that Gulf Power is a  
23 stock company. I harken back to the days when the PUC,  
24 the Public Utility Commission provided utilities in the  
25 public interest. That has changed now.

1           We are now in a situation where we are subject  
2 to a stock company. No one is talking about the  
3 stockholders that benefit from these rates. What is the  
4 rate of return on their investments? What is the  
5 cost -- what's the return to them? What is being paid  
6 out to these stockholders? The rich are getting richer.

7           I represent an organization called the  
8 Glenwood Working Partnership. I'm not here representing  
9 them at this point, because I haven't asked them for me  
10 to represent them at this hearing. However, the  
11 Glenwood community within Panama City ranks 89th amongst  
12 the most poverty stricken communities in the United  
13 States. There are only 11 communities in the United  
14 States that are more poverty stricken than the Glenwood  
15 community.

16           The rates in the Glenwood community are going  
17 to go up 17 percent by these folk who -- you know, for  
18 these people who are amongst the most poverty stricken  
19 in the country. You know, when do the investors in  
20 Southern Company absorb some of these costs? What are  
21 the gross revenues we're talking about here?

22           You know, we're talking about extracting from  
23 every single household, every single facility that is  
24 connected to the electric grid. You know, we're looking  
25 at gross revenues that most of us probably can't even

1 conceive of. You know, how many billions of dollars are  
2 we talking about?

3 What are the costs of replacing, you know,  
4 these facilities? You know, we just said the meters are  
5 replaced yearly. For what reason? Are they outdated?  
6 Are they outmoded? Are we just supporting companies  
7 that make meters? You know, is it on an as-needed  
8 basis, or is this just a company policy?

9 Operating costs are very critical in this.  
10 You mentioned that there are some -- the Commission you  
11 said itself has 200 and -- what did you say, 60  
12 something employees. You know, that's onerous on the  
13 taxpayer of the state to try to keep track of these  
14 companies that have monopoly power. You forget about  
15 that. There is no competition here.

16 You know, most stock companies have some  
17 competition. There is no competition here. It's a  
18 stock company. And what's going to be the impact on the  
19 bottom line for these stockholders, you know, the stock  
20 price, that sort of thing are going to be affected by  
21 this rate increase. Anyone with money to invest would  
22 rush to purchase stock that returns 17-1/2 percent in  
23 this economy or in any economy.

24 That's all I have to say about that.

25 **CHAIRMAN BRISÉ:** Thank you. I think there is



1 a question for you, Mr. Swift, from Commissioner Brown.

2 **MR. SWIFT:** Yes.

3 **COMMISSIONER BROWN:** Good morning, Mr. Swift.  
4 Thank you for your testimony. My question -- you talk  
5 about the Glenwood community being one of the most  
6 poverty stricken in the country, and then you mentioned  
7 a partnership.

8 **MR. SWIFT:** Glenwood Working Partnership. We  
9 are an advisory group. We are a nonprofit. We are a  
10 Florida nonprofit corporation which is incorporated to  
11 advise the community redevelopment agency on  
12 redeveloping of the -- actually, the Glenwood Working  
13 Partnership is not bounded by Glenwood. We have no  
14 boundaries. We are a Florida nonprofit corporation. We  
15 have membership from all over the county and from the  
16 city at this point.

17 Now, our goal is to eliminate -- the CRA  
18 mandate is to try to eliminate slum and blight  
19 conditions, and we are working uphill in this. We are  
20 funded by TIF funds, tax increment funds, and so we are  
21 working to work through that. That's who we are.

22 **CHAIRMAN BRISÉ:** Thank you, Mr. Swift.

23 Are there any further questions?

24 Thank you for your testimony.

25 **PETER FRANZ**

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

3 **DIRECT STATEMENT**

4 **MR. FRANZ:** Good morning, everyone. My name  
5 is Peter Franz, 1500 Sandal Lane, Apartment 1518, Panama  
6 City Beach.

7 Before I moved to Panama City Beach, I lived  
8 in three other areas of Florida: Fort Myers, where I  
9 had FPL; Palm Coast, where I had FPL; and Jacksonville,  
10 where I had JEA. I've got to say that my Gulf Power  
11 bill is markedly higher than the other two electrical  
12 providers per the same range of kilowatt hours. So I  
13 hope you will scrutinize Gulf Power's rate request very  
14 closely.

15 That is all I want to say. Thank you.

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

17 Are there any questions for Mr. Franz?

18 Seeing none, thank you for your testimony  
19 today.

20 All right. Thank you.

21 **MR. KELLY:** That's all.

22 **CHAIRMAN BRISÉ:** That's all the people that  
23 signed up to speak today.

24 Is there anyone else who wishes to speak who  
25 didn't sign up? I want to make sure that we give

1 everyone an opportunity who wanted to speak today that  
2 opportunity.

3 All right. Seeing that there are no takers, I  
4 want to remind everyone that you are free to provide  
5 comments on this document, on the green special report  
6 that was provided in the comment section. Please make  
7 the suggestion to your friends and family members and  
8 community members that they can provide comments  
9 on-line, for these comments really help us as we move  
10 into the decision phase of this process.

11 Just that you are aware, we will have a  
12 technical hearing in Tallahassee, and at that technical  
13 hearing the case is put before us. The company makes  
14 its case, the Office of Public Counsel and the other  
15 intervenors make their case, and ultimately the  
16 Commission makes a decision based upon recommendations  
17 that are provided to us by our internal staff. With  
18 that, I don't think there is any other business before  
19 us this morning.

20 Yes, sir.

21 **MR. LINCOLN:** Mr. Chairman, I apologize. Is  
22 the information for the Public Counsel and for your  
23 Commission, e-mail information include in this?

24 **CHAIRMAN BRISÉ:** Yes, it is.

25 **MR. LINCOLN:** Thank you.

1                   **CHAIRMAN BRISÉ:** On here, at least for the  
2 Commission. I think you may have --

3                   **MR. KELLY:** I'll get you one.

4                   **MR. LINCOLN:** Thank you.

5                   **CHAIRMAN BRISÉ:** Okay. Just for good cause,  
6 does anyone else want to speak?

7                   Okay. With that, we stand adjourned. Thank  
8 you for your participation today.

9                   (The hearing adjourned at 11:12 a.m. C.S.T.)

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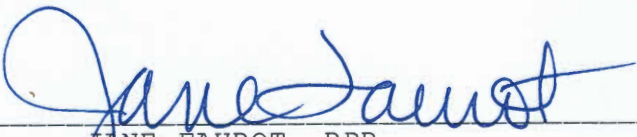
STATE OF FLORIDA        )  
                                  :  
                                  :     CERTIFICATE OF REPORTER  
COUNTY OF LEON        )

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

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

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

DATED THIS 18th day of September, 2013.

  
\_\_\_\_\_  
JANE FAUROT, RPR  
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