

Carlotta Stauffer

From: Carlotta Stauffer
Sent: Friday, May 25, 2018 3:22 PM
To: 'Stephen Faherty'
Cc: JR Kelly; cityclrk@covb.org; Indian River Shores; 'Peter D. O'Bryan'; Ken.rubin@fpl.com; Heran,Glen
Subject: RE: In Re: (Docket No. 20170235-EI) and (Docket No. 20170236-EU)

Dr. Faherty,

Your correspondence will be placed in the docket files for 20170235-EI and 20170236-EU.

Sincerely,

Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
Carlotta.Stauffer@psc.state.fl.us
850.413.6728

From: Stephen Faherty [<mailto:fahertydoc@earthlink.net>]
Sent: Friday, May 25, 2018 2:38 PM
To: Carlotta Stauffer
Cc: JR Kelly; cityclrk@covb.org; Indian River Shores; 'Peter D. O'Bryan'; Ken.rubin@fpl.com; Heran,Glen
Subject: In Re: (Docket No. 20170235-EI) and (Docket No. 20170236-EU)
Importance: High

Dear Ms. Stauffer:

Attached is a letter from Glenn F. Heran and myself to the FL Public Service Commission supporting the Sale of the Vero Beach Electric Utility to FPL and the corresponding change to the PSC Territorial Agreements.

Sincerely,

Dr. Stephen J. Faherty, Sr. and Glenn F. Heran



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May 25, 2018

Ms. Carlotta S. Stauffer
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
CStauffe@PSC.STATE.FL.US

Attention:
Chairman Graham
Commissioner Brown
Commissioner Clark
Commissioner Polmann
Commissioner Fay

In re:

- **Petition for Authority to Charge FPL Rates to Former COVB Customers and for Approval of Accounting Treatment of COVB Electric System Acquisition (Docket No. 20170235-EI)**
- **Petition to Terminate Territorial Agreement (Docket No. 20170236-EU)**

Dear Ms. Stauffer:

We are both residents of Indian River County who receive electricity from the City of Vero Beach ("Vero") who filed Docket No. 090524-EM in 2009 as cited on page 2 of the PSC Staff Recommendations dated May 25, 2018. We wholeheartedly support the staff's recommendations for the sale of the Vero electric utility to FPL and the change in the PSC Territorial Agreement.

As we have noted before, about 61 percent of the Vero customers live outside Vero in the unincorporated areas of Indian River County ("County") and the Town of Indian River Shores ("Shores") and generate about 65 percent of its revenues. The 61% are subject to "taxation without representation" as customers of Vero's unregulated and unlimited price monopoly transferring funds to the City's General Fund with no representation or recourse of the outside customers to, or protection by, the Florida Public Service Commission or the Public Counsel.

For the past 10 years, we have been educating the local governing bodies, customers, and Legislators about:

- **The high cost of Vero's unregulated price monopoly compared to Florida Power & Light ("FPL") and key issues related to government run electric utilities.**

- Vero contracts with the Florida Municipal Power Agency ("FMPA") and the nature of both Vero and the FMPA as "middlemen resellers of power" are key issues in Vero's rate inefficiency.
- Vero customers consistently pay over \$20 million per year in higher Vero rates compared to FPL's much lower electric rates in the same County merely to transfer \$7 million to Vero's General Fund which supports nearly 30 percent of Vero's \$23 million budget. \$4.5 million of the \$7 million is from the outside Vero ratepayers who are in effect being taxed to support the City Budget with no right to vote on the Vero rate or policy setters.
- Vero's municipal electric system serves no economic purpose, is detrimental to economic development, and merely serves the government bureaucracy as an alternative to property taxation.

Sale/Purchase Will Provide Residential and Commercial Customers' Benefits:

Vero customers will save 20-30% on their electric bills, depending on the amount of electricity customers' use. This will make the Vero Beach metro area much more attractive for new and/or expanding businesses in addition to having a more modern and reliable system. The residential customers will also have new benefits such as: free in-home energy surveys, air conditioning rebates for qualifying equipment, new home program benefits, and ceiling insulation rebates for qualifying homes. Additional new benefits for commercial customers include: free on-site business energy evaluations; HVAC rebates for eligible equipment, efficient lighting rebates, Business Customer Incentives based on energy efficiency measures installed, and Commercial/Industrial Load Control incentives

Sale/Purchase Will Provide FPL's Benefits:

FPL's customer base will save about \$105 million in current dollars compared to not buying the Vero system. FPL's customers are expected to save about \$290 million in current dollars or \$105 more than the \$185 million cost of buying the Vero system. FPL's electric system costs will be shared with the additional 34,000 Vero customers thus providing more economies of scale and savings. In addition, the sale will begin to provide protections to Vero customers by the PSC and by the Public Counsel, protections which almost 1 million Floridians, as outside customers of municipal utility systems, do not share.

We strongly support the FPL purchase of the City of Vero Beach electric system for the benefit of both Vero and FPL customers.

Stephen J. Faherty, Sr.

Dr. Stephen J. Faherty, Sr.

Glenn F. Heran, CPA

Glenn Fraser Heran, CPA

cc:

J. R. Kelly, Florida Public Counsel, kelly.jr@leg.state.fl.us

Harry Howle, Mayor, City of Vero Beach, cityclrk@covb.org

Thomas F. Slater, Mayor, Indian River Shores, townclerk@irshores.com

Peter O'Bryan, Chair, Board of Commissioners, Indian River County, pobryan@ircgov.com

Ken Rubin, FPL, Ken.rubin@fpl.com