

October 8, 2018

Docket No. 20170235-EI

In re: Petition by Florida Power & Light Company (FPL) for authority to charge FPL rates to former City of Vero Beach customers and for approval of FPL's accounting treatment for City of Vero Beach transaction.

Docket No. 20170236-EU

In re: Joint petition to terminate territorial agreement, by Florida Power & Light and the City of Vero Beach

Dear Chairman Graham and Commissioners:

I am writing this letter about the purchase of the Vero Beach Electric Company by Florida Power and Light because I have been dealing with both companies since 1974. I am a Home Builder, Land Developer and a Realtor. I hope to give you a historical background of the importance of bringing all of our County under one regulated power company instead of the present fractured system which has one power company that makes local city politicians happy since they like a slush fund they can use, but this model weakens the economic vitality of our state and county.

I personally saw in 1989 how the City would use the slush fund it had to remove a row of frozen Australian Pines on my street. There were no electric lines under these trees but the City spent \$300,000+ to remove the pines using the utility funds. This solved the dangerous road problem they had and only a few of the utility users knew what was happening. You have some old City Council persons as interveners in this transaction. They would like to keep the utility users captive so they can continue to milk the utility for more things like cutting down Australian Pines.

I dealt with both companies as I developed and built homes in the 70s and 80s and both companies rates were similar and their production of energy was similar if done on 2 different scales. I developed "Laurel Court" in 1985 on 10 acres. It was a small subdivision of 31 homes. 15 homes were served by FPL and 16 homes were served by the City of Vero Beach. The line separating the service areas ran down the middle of the street and through the middle of 1 lot. In those days the rates were almost identical and no one seemed to care.

But then as we moved into the new century, things began to change. The old oil generation power plant was now facing challenges from a variety of power sources. The City system which is not regulated by the PSC remained with an old system. The utility became sloppier as it used its power as sole provider of a needed product and they priced it at whatever price they felt was necessary to give them their prescribed return on deployed capital which they then used to balance the City Budget.

The world has changed. The October 7, 2018 Indian River Press Journal now calls us "the Solar Coast" featuring 330,000 solar panels on 695 acres that FPL just completed in our county. Today society has decided that federally subsidized solar generation is in our country's long term interest. The City gets no benefit from simple tax benefits such as "accelerated depreciation" because they do not pay taxes.

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FPL has taken the lead on putting in solar energy and battery storage for the future. The City of Vero Beach has given up on the old electric plant and has moved to purchasing their power in the open market much of it is being provided by a coal power plant.

The City is limited by how much they can make from the power company. Since the City pays no taxes it cannot use the miracle of accelerated depreciation. FPL can use accelerated depreciation and as Warren Buffett noted at an annual meeting about his utility company.

“Accelerated depreciation has been around a long time in the utility business, **which helps our Customer but it doesn’t really help us.** We get a return on equity, but it’s not “free” equity, and the regulators take it into account. There’s less cash going out the door, and that reduces our need for cash...”

As Buffett points out this is a huge benefit to electric utility customers. The City of Vero Beach can not use this benefit so the customers are stuck with a utility that needs more cash to provide less service.

Some people have argued that other FPL users will be subsidizing the Vero Electric user. If this was the case, FPL would not buy us. I am including with this letter the stock chart of FPL’s parent NextEra Energy. FPL would not buy us if it was not a win-win situation. The stock chart shows how FPL changed itself from the Vero model utility to today’s modern utility. Those who are making this objection never understood what NextEra has done today and still wants to be left in the past.

Finally, please think about the needs of Indian River County citizens. The State of Florida’s Department of Economic Opportunity has designated Indian River County as one of 12 counties of Economic Concern. A major contribution to this situation is our high utility costs.

Our major manufacturer is Piper Aircraft and they have to compete in a world wide market. The President has told us that utility costs are hurting his business.

I am asking that you recognize that the Citizens of Indian River County be served by a State Regulated Utility so that we can move forward and not be consigned to an Economic backwater.

If you have any questions about this letter please feel free to call me on my cell phone at 772.713.4972.

Sincerely,



Peter G. Robinson
President

Stock Chart

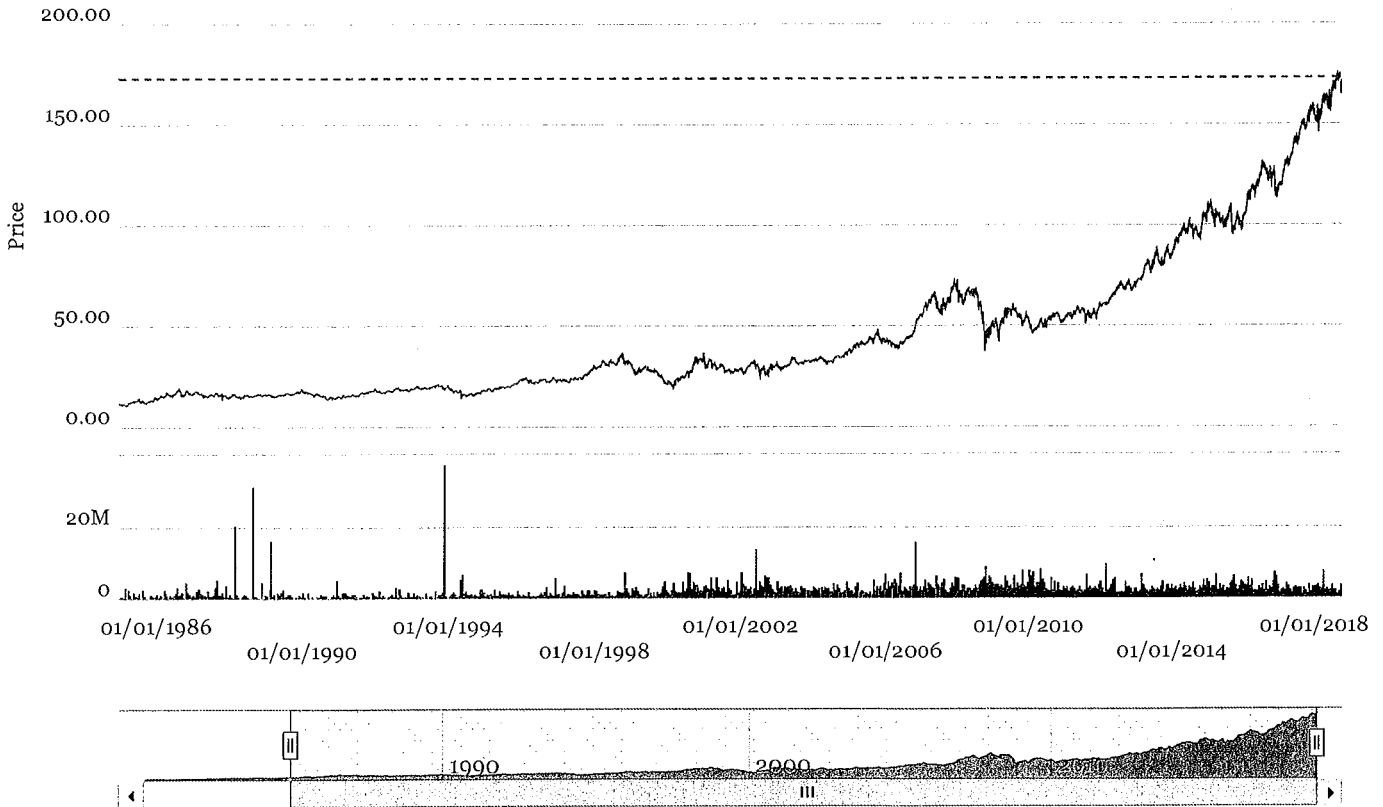
NEXTERA ENERGY, INC.

Market Open	\$174.00	+1.63 (+0.95 %)	Show More
12:15 PM EDT 10/08/2018			

TODAY 1WK 1MO 3MO 1YR 3YR CUSTOM

Relative Comparative Data

12/31/1984 - 10/03/2018



INTRADAY TRADES PERFORMANCE

Trades				\$
Time	Price	Change	Volume	