

Antonia Hover

From: Angie Calhoun
Sent: Friday, December 07, 2018 8:08 AM
To: Consumer Correspondence
Subject: FW: class action lawsuit
Attachments: FPL should be required to refund \$700 m...pdf; FPL pushes electronic-billing program.
...y causing them trouble.pdf

[Consumer correspondence for docket 20180049.](#)

From: Consumer Contact
Sent: Friday, December 07, 2018 8:04 AM
To: Angie Calhoun
Subject: FW: class action lawsuit-1289375

From: Beatrice Balboa [<mailto:beatricebalboa@gmail.com>]
Sent: Thursday, December 06, 2018 8:34 PM
To: Consumer Contact
Subject: Re: class action lawsuit

As you are probably aware of the latest issues with FPL dilapidated, deteriorated and degraded electrical infrastructure in Broward County and/or the State of Florida, a class action lawsuit is ongoing, alleging there are significant issues and concerns with FPL electrical infrastructure . Please note we are at the start of December 2018 and safety is paramount to ensure and assure hardworking taxpayer residents of the Pompano Beach Aegean peace of mind from such catastrophes. I look forward to some positive feedback in this most important matter.

Sincerely,
Beatrice Balboa
1010 South Ocean Boulevard, Apt. 1008
Pompano Beach, Fl 33062-6631

FPL should be required to refund \$700 million to customers, petition says



A legal petition asks state regulators to require Florida Power & Light to refund as much as \$736 million to customers. (Joe Cavaretta / South Florida Sun Sentinel)

By **Jim Saunders**
News Service of Florida

DECEMBER 6, 2018, 3:05 PM

In a high-stakes case, attorneys for consumers and two business groups are asking state regulators to require Florida Power & Light to refund as much as \$736 million to customers and are calling for a review of the utility's base electric rates.

The state Office of Public Counsel, which represents consumers in utility issues, the Florida Retail Federation and the Florida Industrial Power Users Group filed a petition Wednesday at the state Public Service Commission. In part, the petition focuses on tax savings under last year's federal tax overhaul and a contention that **FPL** has exceeded a limit on profits included in a 2016 rate settlement.

"The issue presented in this petition is the determination of the fair, just, and reasonable rates to be charged by FPL following the windfall cost reduction resulting from the [federal tax overhaul]," the petition said. "Several provisions of [state law] require the commission to set rates for FPL that are fair, just, reasonable, and not

unduly discriminatory, and provide substantially affected parties the opportunity to petition the commission seeking rate adjustments to ensure that a public utility's rates are fair, just, and reasonable.”

But FPL quickly fired back Thursday, saying in a statement that its rates are among the lowest in the nation and that the petition, if approved, would result in higher electric rates. A spokesman also said the utility has not exceeded a maximum “return on equity,” a closely watched measure of profitability, included in the 2016 rate settlement.

“We are proud to serve our customers, and on behalf of all of them, we intend to fight this politically motivated action,” the utility said in a statement. “If OPC, FRF and FIPUG [the Office of Public Counsel and business groups] are successful with this, our customers will be paying higher rates and massive litigation costs. Nothing about this action seems logical, sensible or in the best interests of customers.”

The petition involves a complicated mix of accounting issues, the 2016 rate settlement, the federal tax overhaul and FPL's **Hurricane Irma restoration** costs.

Base rates are perhaps the most-controversial issue in utility regulation, with rate cases typically taking months and requiring extensive investigation of utility finances and operations. The Public Service Commission approved the 2016 settlement, which froze FPL's base rates with some limited exceptions. The Office of Public Counsel and the Florida Retail Federation were parties to the multi-year settlement.

The settlement included numerous provisions, including setting a maximum return on equity of 11.6 percent and approving FPL's use of a financial reserve. The petition filed Wednesday said the purpose of the reserve was “to provide FPL flexibility to manage its business to address fluctuations in costs and other general or cyclical risks affecting earnings.”

Hurricane Irma caused massive damage across the state in September 2017, with FPL saying it had about \$1.3 billion in storm-restoration costs. In late 2017, Congress passed the federal tax overhaul, which, among other things, reduced corporate income-tax rates from 35 percent to 21 percent.

Florida utilities have long been allowed to pass along storm-restoration **costs to customers**. Wednesday's petition said FPL paid its Irma storm-restoration costs and made an accounting entry to charge off those costs against the reserve created in the 2016 settlement. It then planned to replenish the reserve with savings from the tax cuts, the petition said.

But the Office of Public Counsel and the business groups contend that nothing in the 2016 settlement allowed the “resurrection” of the reserve after it was exhausted.

They argue that FPL should instead be required to pass through the tax savings to customers on monthly bills, with the petition saying the savings could be as much as \$736.8 million. Also, the petition contended FPL is exceeding the maximum allowed return on equity and requested that the commission “initiate a comprehensive review of FPL's base rates” and order a permanent rate reduction based on the tax savings.

FPL's statement Thursday, however, accused the Office of Public Counsel of violating the rate settlement and siding with "large corporations that want to force higher rates on FPL's residential and small business customers. The approved rate agreement --- which OPC and the Florida Retail Federation signed on to just two years ago --- benefits all FPL customers by enabling long-term investment in clean energy infrastructure, hurricane hardening, smart technology and more, while preventing the need for general base rate increases through at least 2021."

"When Hurricane Irma pummeled the state in 2017, FPL executed the fastest, most massive restoration in U.S. history — an unprecedented effort that cost \$1.3 billion," the statement said. "Normally, hurricane costs are passed through to customers in the form of a rate increase, but FPL acted quickly to avoid this by leveraging two years of federal tax savings to cover the cost. Clearly, the company's federal tax savings directly benefitted customers, not shareholders."

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FPL pushes electronic-billing program. But some customers say it's only causing them trouble.

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Vaughn Jacas of North Miami says he was unknowingly enrolled in FPL's electronic billing, missed payment as a result and had his power turned off.



By **Marcia Heroux Pounds**
South Florida Sun Sentinel

DECEMBER 6, 2018, 1:00 PM

Some Florida Power & Light Co. customers are complaining that the electric company has enrolled them in electronic billing without their authorization. As a result, those customers say they've missed payments, racked up late and reconnection fees, and seen their power cut off.

Once enrolled in "eBill," those who want a paper bill in the mail instead say it's hard to get back. So some **FPL** customers have turned to utility regulators and even the governor's office to fix the problem.

Juno Beach-based FPL, the state's largest electric utility, said last year it added notifications and alerts to its eBill program, to make electronic billing easier for customers. But some FPL customers still seem to be having

issues removing their accounts from eBill and restoring their traditional paper bill, as shown by complaints filed with the Florida Public Service Commission in Tallahassee.

In April, the utility introduced an eBill incentive program. A three-month trial was sent to select customers with the incentive of entrance into a sweepstakes to win \$5,000.

FPL customers chosen for the trial — about 2 percent of its 5 million customer accounts — had previously registered with FPL.com to pay a bill or interacted with the utility digitally, according to Richard Beltran, spokesman for FPL.

But a letter received by a Broward County customer selected for the trial indicates those customers would continue getting their bills electronically after the three months ended, unless they opted out: “We hope you’re enjoying your introduction to FPL eBill. Remember after next month’s bill, you’ll be officially paper-free,” the letter from FPL says.

Participation in eBill is voluntary, and customers can elect to switch back to paper bills at any time by either calling FPL’s Customer Care Center at 800-226-3545, or visiting www.FPL.com/intro, Beltran said. “If a customer feels like he signed up for eBill in error, we encourage him to call our customer care center so that we can resolve the issue,” he said.

Miramar resident Tony Acevedo, 47, recently contacted the Sun Sentinel about being switched by FPL to eBill without his authorization. When he wanted a paper bill, he said it was difficult to find the correct page on FPL’s site. Finally, in trying to opt out, Acevedo said he received warnings, such as: “Are you sure?” and “You may lose out on some FPL benefits.”

“This makes the customers worried about going back to paper bills,” Acevedo said, saying such questions could intimidate some people into staying with the eBill.

Beltran said eBill helps consumers “manage their bills.” While Beltran said he couldn’t say how much the eBill program saves FPL, “keeping our operating costs low allows us to deliver electric service to our customers at a price that is 30 percent lower than the national average.”

Some customers, not satisfied with FPL’s customer-service response or unable to return to a paper bill, have filed complaints with the Florida Public Service Commission in Tallahassee, which regulates utilities.

The Public Service Commission allows utility customers to opt-out of paper billing, and if they choose e-billing, they should be able to opt back in to a paper bill at any time, according to spokeswoman Cindy Muir.

Vaughn Jacus, 53, of North Miami, said FPL switched him to its eBill program, even though he’s not aware that he has an email address. “I’m not computer savvy,” said Jacus, a retired construction worker.

Jacus said he never got a bill in the mail in September. Suddenly, he found his power cut off. A diabetic who needs to refrigerate his insulin, Jacus had to pay a re-connection fee to FPL to get his power back on.

So he filed a complaint with the Public Service Commission. In its official response to the commission's inquiry about Jacus' account, FPL said it removed Jacas from eBill at his request on Sept. 28.

More than 60 percent of FPL's 5 million customers at homes and businesses receive paperless billing, Beltran said. Most customers report a "positive experience" with eBill, he said.

After Jacas complained to regulators, he said FPL apologized for his inconvenience. His account was credited back fees, according to commission records, he said.

"They tried to fix a wrong," said Jacas, who said he was satisfied with FPL's actions.

Most South Florida consumers who have complained to regulators about FPL's eBill have seen the matter resolved, according to commission records. In some cases, FPL credited back extra fees charged or reduced their deposits.

A Coral Springs resident complained in July that FPL was "purposely" enrolling customers in paperless billing "to cause customer to be late and charge a deposit on a active customer account." FPL ultimately opened a new account for the customer, waiving the connection fee and reducing the deposit to the amount on her closed account.

A Fort Lauderdale resident complained in July that she had not received her billing statements in the mail for a year, but had received final notices for payment. She found her bills were being sent electronically to her son so she cancelled electronic billing in order to receive a paper statement.

After her complaint, her service was transferred to her mailing address and her deposit was lowered by FPL, according to commission records.

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