

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20200051-GU

PETITION FOR RATE INCREASE BY
PEOPLES GAS SYSTEM.

_____ /

DOCKET NO. 20200166-GU

PETITION FOR APPROVAL OF 2020
DEPRECIATION STUDY BY PEOPLES
GAS SYSTEM.

_____ /

PROCEEDINGS: SERVICE HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN GARY F. CLARK
COMMISSIONER JULIE I. BROWN
COMMISSIONER DONALD J. POLMANN
COMMISSIONER ANDREW GILES FAY

DATE: Thursday, October 1, 2020

TIME: Commenced: 2:00 p.m.
Concluded: 3:26 p.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DANA W. REEVES
Court Reporter

PREMIER REPORTING
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TALLAHASSEE, FLORIDA
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5 CHARLES REHWINKEL, DEPUTY PUBLIC COUNSEL; A.
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11 CRAWFORD, ESQUIRES, FPSC General Counsel's Office, 2540
12 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,
13 appearing on behalf of the Florida Public Service
14 Commission (Staff).

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1 PROCEEDINGS

2 CHAIRMAN CLARK: Good afternoon. I'd like to
3 welcome you all to this customer service hearing in
4 the Peoples Gas rate case. Today's hearing is an
5 important part of the rate case process and it's
6 dedicated to hearing from you, the customer. My
7 name is Gary Clark. I have the privilege of
8 serving as the Chairman of the Florida Public
9 Service Commission.

10 On the line with us today are also four --
11 three of our other Public Service Commissioners,
12 Commissioner Brown, Commissioner Fay and
13 Commissioner Polmann. Our purpose is to listen
14 today to your comments about the service that you
15 receive from the utility, and this is an important
16 element in the decision-making process in a rate
17 case. I would like to give the Commissioners an
18 opening moment here to make any comments that they
19 would like to make before we begin the hearing
20 today. Commissioner Brown.

21 COMMISSIONER BROWN: Thank you, Mr. Chairman
22 and I appreciate you expressing those comments. As
23 you know, it is -- this is a very important part of
24 the overall process to any rate case. So although
25 it's being done virtual, your comments are equally

1 as important, whether you submit them in writing or
2 participate today, they're always taken into
3 consideration. So I want to thank the customers
4 who are attending today, and thank the parties, as
5 well as our staff, for being able to coordinate
6 this. Thank you.

7 CHAIRMAN CLARK: Thank you, Commissioner
8 Brown. Commissioner Fay.

9 COMMISSIONER FAY: Mr. Chairman, I just echo
10 really quick what you and Commissioner Brown have
11 said. I can't put enough emphasis on our staff and
12 folks that you have been working with to make sure
13 that this is able to occur during these very
14 unusual times. So thank you to all of them and for
15 you to ensuring that these customers have an
16 opportunity to be heard.

17 CHAIRMAN CLARK: Thank you, Commissioner Fay.
18 Commissioner Polmann.

19 COMMISSIONER POLMANN: Thank you, Mr.
20 Chairman. I want to welcome everybody, and I
21 appreciate everyone who is participating today for
22 joining us. We've been working remotely. This has
23 been a challenge for us. And under, as the
24 Chairman said earlier, under normal conditions we
25 would be coming to visit you. We appreciate the

1 fact that you're visiting with us here remotely.
2 This is a very important part of our process in
3 rate cases, and one of the things that's most
4 important here in this process is to hear from you
5 and hear about your experience with your utility.
6 Customer service is a critical aspect of what we do
7 here in the rate case process to evaluate
8 relationship between utility and its customers. So
9 appreciate your input. We'll be listening
10 carefully, and we'll take into account customer
11 service experience that you have. So we would
12 appreciate you providing your input, and all this
13 will be put into the docket and will be considered.
14 So thank you very much for your participation. We
15 do appreciate it.

16 CHAIRMAN CLARK: Thank you. Mr. Polmann.
17 Okay. I'll ask staff, if they would please, to
18 read the notice.

19 MR. SCHRADER: Thank you, Commissioner. By
20 notice issued on September 17th, 2020 at this time
21 and place set for a customer service hearing, in
22 Docket No. 20200051-GU and 202000166-GU.

23 CHAIRMAN CLARK: Thank you, Mr. Schrader.
24 We'll now take appearances, beginning with Peoples.

25 MR. BROWN: Andy Brown as counsel for Peoples

1 from the firm of McFarlane Ferguson in Tampa. With
2 me is Kandi Floyd, who is -- I don't think she's
3 appeared on the camera yet. Thank you.

4 CHAIRMAN CLARK: Thank you, Mr. Brown. OPC.

5 MS. FALL-FRY: Good afternoon. A. Mireille
6 Fall-Fry with the Office of Public Council, and
7 with me here is Charles Rehwinkel, and J.R. Kelly,
8 the public counsel, is not with us today.

9 CHAIRMAN CLARK: Right. Thank you very much,
10 Ms. Fall-Fry.

11 FIPUG, are you on the line? Mr. Moyle, are
12 you on the line?

13 MR. SCHRADER: Mr. Chairman, I don't believe
14 that Mr. Moyle is planning on calling in today.

15 CHAIRMAN CLARK: Okay. And staff counsel.

16 MR. SCHRADER: Yes. Kurt Schrader for staff
17 counsel. Also want to enter an appearance for
18 Bianca Lherisson and Jennifer Crawford.

19 CHAIRMAN CLARK: All right. Anyone else? Any
20 other appearance?

21 All right. Let's move into preliminary
22 matters. I want to begin, again, by thanking each
23 of you, our customers, for taking time out of your
24 schedule to call into this customer service hearing
25 this afternoon. We appreciate your interest in the

1 petitions that have been filed by Peoples Gas. As
2 I mentioned, this hearing is designed so that we
3 can hear directly from you, the customer. So it's
4 important for you to express your thoughts,
5 concerns and comments related to the utility
6 service.

7 On October the 27th through the 29th, the
8 Commission will hold a technical hearing, where we
9 will hear further evidence in the case. Commission
10 will use your testimony and the evidence from the
11 technical hearing to determine reasonable rates
12 based on the cost of service and Florida law. If
13 you have specific service or billing issues, the
14 company has provided a representative to offer you
15 to contact for anyone participating in the
16 proceeding. Ms. Pam Bayyat, the Manager of
17 Customer Experience Center, will be listening to
18 this hearing and is available to field any customer
19 calls post-hearing. Her contact number is
20 (813)228-1129.

21 The Office of Public Council is the group that
22 is created by the Florida Legislature to provide
23 legal representation for the people of the state in
24 utility-related matters. They represent you in
25 this case, and if you have concerns or questions,

1 you may contact them at 1(800)342-0222.

2 Mr. Tripp Coston, Economic Supervisor here at
3 the Public Service Commission, is the PSC's
4 representative for this docket, and there are also
5 additional Commission staff on the line from
6 Engineering Division, Accounting Division, as well
7 as the General Counsel's Office and the Consumer
8 Affairs Office.

9 This is an official hearing that will be
10 transcribed and will become a part of our official
11 record. As such, I will swear you in over the
12 phone before you share your comments. Please note
13 that your comments may also be subject to cross
14 examination. That is, you may be asked questions
15 by either of the parties or by one of the
16 Commissioners. For those customers that are
17 calling in, we ask that you please mute your
18 connection unless you are speaking. If your line
19 is, per chance, causing feedback or additional
20 noise, you may be muted or disconnected. If you
21 are disconnected for any reason, please call back
22 in as soon as you can. When speaking, do not use
23 the speaker function on your telephone. Please
24 speak directly into the phone or use a head set.
25 If you are participating by telephone, it is

1 recommended that you do not attempt to watch the
2 video screen of the event. There is a significant
3 delay between the live stream and the call-in
4 number, which may cause feedback issues.

5 In addition to sharing your comments here, you
6 may also share your comments and any additional
7 materials that you would like to submit for the
8 Commission's consideration via email, or you may
9 email the Commission's Clerk at
10 clerk@PSC.state.fl.us, and reference Docket No.
11 20200051-GU. Whether your comments are made
12 verbally today or received in writing, please be
13 assured that your comments are taken into
14 consideration in this matter.

15 Now, I would like to give the parties the
16 opportunity to make some brief opening statements
17 before we receive customer testimony. We'll begin
18 with Peoples. Ms. Floyd.

19 MS. FLOYD: Good afternoon, Commissioners and
20 good afternoon, Chair, and good afternoon,
21 Commissioners and ladies and gentlemen. My name is
22 Kandi Floyd and I am the Director of Regulatory for
23 Peoples Gas System. We do appreciate the
24 opportunity to participate in the customer service
25 hearing today.

1 Peoples Gas System proudly operates the
2 largest retail natural gas distribution system in
3 the State of Florida and we provide natural gas to
4 over 400,000 residential, commercial and industrial
5 customers. It has been 12 years since Peoples
6 requested an increase in base rates, which includes
7 the customer charge and the distribution component
8 of the bill, and is approximately half of the
9 customer bill. We have avoided a base rate
10 increase by managing costs and achieving balanced
11 regulatory outcomes, such as the ability to lower
12 base rates by approximately five percent due to
13 federal tax decreases in 2019, while successfully
14 responding to high customer demand growth.

15 Since the last base rate increase, Peoples
16 System has grown by 2700 miles of pipeline and over
17 105,000 customers. While our efforts have
18 prevented an increase to base rates for 12 years,
19 the combination of necessary system investments to
20 meet customer demand and ensure reliability,
21 increase costs, and involving compliance
22 expectations require the company to now seek a base
23 rate increase.

24 A key strategic principle of Peoples is our
25 commitment to our customers, and at Peoples we take

1 pride in serving you, the customer, well and
2 continuing to improve our service and reliability.
3 I'm very proud to say for the eighth consecutive
4 year, our residential customers have rated us the
5 highest in customer satisfaction amongst mid-size
6 natural gas companies in our segment of the J.D.
7 Power 2020 Gas Utility Residential Customer
8 Satisfaction Study. We received the highest score
9 in the history of the gas utility residential
10 study, ranked highest in all study factors in the
11 segment and was the first utility to achieve the
12 highest ranking in the segment eight years in a
13 row.

14 Also, in June, Peoples again received the
15 highest overall score out of the 140 electric,
16 natural gas and combination utilities across the
17 country that are included in Escalent's Cogent
18 Syndicated Utility Trusted Brand and Customer
19 Engagement Residential Study. This marked the
20 sixth year in a row that the company ranked highest
21 in brand trust. Again, we're very proud of that.

22 Customers -- Peoples' customers rely on the
23 company to provide a resilient and dependable
24 energy source, especially through hurricane
25 seasons. The majority of Peoples natural gas

1 distribution system is underground and provides
2 significant reliability during a hurricane event
3 resulting in minimal outages and providing energy
4 resiliency post-event.

5 Our current request to increase base rates
6 after 12 years will implement system improvements
7 and cover costs to manage our organization to the
8 high standards that our customers have come to
9 expect. While we understand that most of you here
10 today will provide input to the Commission about
11 the company's request, as Chairman Clark mentioned,
12 we do have folks to help, particularly Ms. Pam
13 Bayyat, that can help post-hearing. And if you
14 need her contact, we can provide that information
15 before the hearing is concluded.

16 We also have Karen Sparkman who is our
17 Director of Customer Experience for Peoples Gas.
18 She is joining us on the call today, and she's also
19 available to answer any questions that customers or
20 Commissioners may have.

21 Thank you, again, Commissioners, staff, and
22 customers for participating in this hearing and
23 providing us the opportunity to listen to the
24 customer's needs. Peoples Gas understands that our
25 customers truly have a choice in using natural gas

1 to meet energy needs, and we take pride in
2 providing reliable natural gas service to our
3 customers throughout Florida and appreciate your
4 participation in the hearing today. Thank you.

5 CHAIRMAN CLARK: Thank you, Ms. Floyd. OPC.
6 Ms. Fall-Fry.

7 MS. FALL-FRY: Thank you, Chair. Good
8 afternoon, Commissioners. Good afternoon,
9 everyone. My name is A. Mireille Fall-Fry, with
10 the Office of Public Council with J.R. Kelly for
11 Public Council. Our office is separate and
12 independent from the Public Service Commission and
13 we represent you, the customers. I want to welcome
14 you and thank you for taking the time to be with us
15 today. And, more importantly, for taking the time
16 to make your comments to the Commission in this
17 matter. You're here because Peoples Gas System is
18 asking for an annual rate increase of approximately
19 85 million dollars. We do not believe PGS needs
20 this much money to continue to provide you with
21 safe, adequate and reliable service, or has
22 provided evidence to support such a request.

23 We hired utility experts that will testify on
24 your behalf. At this time, we believe PGS should
25 receive no more than approximately 42 million

1 dollars. PGS is requesting a return on equity of
2 10.75 percent, which we advocate is unreasonable
3 under today's financial and economic conditions
4 with interest rates -- where rates are decreasing
5 for everyone else. Our expert is recommending no
6 more than 9.5 percent return. In addition, our
7 accounting expert has identified several areas of
8 expenses and costs, which she believes are
9 overstated or not supported by the evidence.

10 Today, this is your hearing, your opportunity
11 to express on the record your thoughts on this rate
12 increase. Please take advantage of this
13 opportunity. Address the Commissioners, who are
14 here to hear what you have to say. Let them know
15 how you feel about the quality of service you
16 receive from Peoples Gas Service. And, more
17 importantly, your thoughts on this rate increase
18 and how it will impact you and your families. The
19 Public Service Commission is holding these hearings
20 for the sole purpose of getting your input.

21 If you are watching the live stream of this
22 hearing and did not get an opportunity to sign up
23 to participate today, you have time to call
24 (850)413-7080, or to email speaker sign-up at
25 psc.state.fl.us, and get signed up for the next

1 hearing to give your comments. You can also email
2 your comments to the clerk@psc.state.fl.us. If you
3 need to assistance doing either of those things,
4 please contact our office at 1(800)342-0222 or
5 (850)488-9330. However you choose to participate,
6 please take the opportunity to do so. Thank you.

7 CHAIRMAN CLARK: Thank you, Ms. Fall-Fry. We
8 want to -- and we did say FIPUG was not on the
9 line, correct? Right. Okay. We want to give each
10 customer who has signed up today the opportunity to
11 speak. For our customers, we have allocated five
12 minutes for each customer's public comment, so that
13 we make sure that everyone has a chance to get
14 their comments on the record. I am going to call
15 your name when it is your turn to speak. We're
16 going to be doing that in the order that you have
17 signed up. When it is your turn to speak, I will
18 swear you in before you begin your verbal comments.
19 I'd like to also remind everyone that once sworn
20 in, the testimony that you are providing will be
21 under oath. When you come on the line to speak,
22 please state your name, your address, and also
23 state whether or not you are a Peoples Gas
24 customer. Your verbal comments are being
25 transcribed and will become part of the official

1 record for this case.

2 With that, we're going to begin by calling on
3 the customers for testimony. I'm going to go ahead
4 and give you the order so that you will know when
5 it is your turn. First up we're going to have
6 Margaret May. Second will be Debby Uzwy. Third
7 will be Raul Elizalde. Fourth will be Divina
8 Maruca. Then Maggie Hernandez. John Kristen.
9 John Humes and Dawn Wellman. Eight customers that
10 will be speaking today.

11 I would also remind you that the purpose of
12 this is to have your testimony, thoughts and
13 opinions. If you have technical questions, or
14 questions related to service, it would be great if
15 you could reserve those for a call, afterwards,
16 straight in to the representatives that Peoples Gas
17 has made available. They can answer any questions
18 that you might have. We do not, as the Commission,
19 have the answers to the questions that you would
20 probably be looking for from a technical or service
21 perspective, but we'd encourage you to please limit
22 your thoughts and comments to actual -- related to
23 the service that you received and thoughts about
24 the particular rate increase.

25 Okay. Let's begin with Ms. Margaret May. Ms.

1 have five minutes, please.

2 EXAMINATION

3 MS. MAY: Hi. My name is Margaret May. I
4 live at 3830 Old Kings Road, Unit 11. I am a
5 customer and -- (UNINTELLIGIBLE) -- I been a People
6 Gas customer --

7 CHAIRMAN CLARK: Ms. May -- Ms. May, can you
8 hear me? We are having a very difficult time
9 understanding you. If you -- are there any
10 adjustments that you might could make getting
11 closer to the microphone or anything like that?

12 MS. MAY: I don't have a microphone. I'm just
13 talking on my cell phone.

14 CHAIRMAN CLARK: That's much better right
15 there. That's better.

16 MS. MAY: Okay. So where do I have to begin
17 back? Hello.

18 CHAIRMAN CLARK: Yes, you may begin. Please.

19 MS. MAY: Okay. I've been a Peoples Gas
20 customer, not only here in Jacksonville, but other
21 places in the state, and state and cities here in
22 Florida. And I would just like to say that you
23 guys are awesome, doing a great job. These rates
24 are so affordable right now for me who -- and a lot
25 of other people that have been struggling right now

1 through this whole thing. I totally support the
2 wants and needs of your organization because you
3 guys are on spot. You guys -- if any problems, we
4 have any problems, any kind of disasters or
5 anything like that, you guys come through.

6 However -- and I think that the problem is that
7 these conditions are -- I just don't believe that
8 we need a rate increase at this time, because the
9 conditions for some of us folks are -- and what
10 we're going through right now with the Covid, it's
11 just lots of people are just still out of work. I
12 mean, I know there's been an increase in jobs and
13 things like that, but, I mean, it's impacted my
14 family and I know it's impacted everyone else.

15 I just want to say what a great job you guys
16 do. You're -- if it just wasn't for Covid, it'd
17 just be such a great time, you know, just a great
18 thing. I mean, it's been 12 years. I think that
19 the rates should increase, I just don't know about
20 the timing. I mean, I know it's been 12 years, but
21 I appreciate everyone who's listened to me and I
22 just want to say you guys are -- Peoples Gas does a
23 great job in responding to any kind of issues and
24 keeping my gas on, and thank -- thanks again. I
25 guess my five minutes are up.

1 truth, was examined and testified as follows:

2 MS. UZWY: Yes, I do.

3 CHAIRMAN CLARK: All right. Thank you. You
4 may begin. You have five minutes.

5 EXAMINATION

6 MS. UZWY: Okay. My name is Debby Uzwy. I
7 live at 5839 Botner Drive in the Villages and I am
8 a customer of TECO Gas. A couple of weeks -- well,
9 actually, months ago, I found out that TECO has
10 been overbilling us and our whole community. And
11 when I called up, I kind of didn't get really
12 any -- I got satisfaction for me, but I've been
13 telling my neighbors how they've been overbilled,
14 because we're a brand new area. So they charged us
15 as a residential rate of three.

16 Now, I went to a couple of my neighbors.
17 Nobody even uses near that therm, but yet they're
18 not reevaluating the homes. So now that the year
19 has passed that our place has been built, I said,
20 well why aren't you reevaluating? The story they
21 gave me was, well, because you're a new
22 neighborhood, we don't know how many therms you're
23 going to use, so we're giving it to you at a level
24 three, which is way over what we need. So they
25 told me the reason they didn't reevaluate because

1 of Corona. They said more people are home and more
2 people are cooking in and more people are doing
3 that. Well, that might be fine in some other
4 communities, but I live in an over-55 community.

5 So the lady said to me, well, I'll lower yours
6 to resident level one, because we do see that you
7 don't use that many therms, but we're not going to
8 refund you any money for the past billing. So I
9 started talking to my neighbors and found out every
10 person has been overcharged since they moved to the
11 Villages here in this area. So now I get a letter
12 that they want to raise the rates.

13 So I want to know how they can raise rates
14 when they've been overcharging us. And my tally in
15 just my little area is over 64,000 dollars in one
16 year they've overcharged our area. So my concern
17 is, well, great, now you're going to raise the
18 rates. You can't even get the rate straight. And
19 I understand this Corona, but it's not like an
20 individual person has to go through every customer
21 file. A computer does that and says, okay, this
22 customer spent -- has 67 therms. They should be a
23 resident, level one. And it's just -- I think you
24 should be fair. I think your company should be
25 fair to everyone and not just us. We're retired

1 people. We live on a fixed income and you're
2 overcharging us. Yes, they have corrected my
3 rates, but everybody else -- some people got
4 credits for the other. Some people were told
5 they're not getting any credits. I was told I'm
6 not getting any credits, and I wanted to just speak
7 my voice about this because I feel like a rate
8 increase is not proper. And that's what I got to
9 say. Does anybody there have questions for me?

10 COMMISSIONER CLARK: Thank you, Ms. Uzwy.
11 Let's check with the Commissioners and see if any
12 of the Commissioners have questions. Commissioner
13 Brown.

14 EXAMINATION

15 COMMISSIONER BROWN: Thank you, and thank you,
16 Ms. Uzwy, for calling us. How long ago was this
17 development built, this neighborhood?

18 MS. UZWY: Two years ago.

19 COMMISSIONER BROWN: And you just noticed the
20 level -- that it was level three?

21 MS. UZWY: Yes, because I got a notice -- I
22 was going through my papers and it's dated
23 January 1 of 2019, and it says how much the rates
24 are supposed to be, and I said, wait a minute, our
25 rates are way over that, and I asked a couple of my

1 neighbors and we all got together and realized
2 we've all been overcharged. So that's when I
3 called the company to find out what their excuse
4 was and their excuse was, well, you're a new
5 neighborhood. Okay. Very well they don't really
6 know how much we're going to use or not use. About
7 one person has used over the first level of therms.

8 COMMISSIONER BROWN: And you -- your
9 neighbors -- pardon me for interrupting -- you said
10 some of your neighbors got credits. They're not --

11 MS. UZWY: Yeah. Well, I didn't speak to
12 everybody. I've only spoke to maybe ten people,
13 and I know some people are trying to get through.
14 Some people wrote letters. The one lady down the
15 block wrote a letter. They changed it to level
16 two, but not to one. I mean, I hope you understand
17 what those different rates are, because, you know,
18 I didn't. So, you know, ten bucks month for every
19 customer in one year is \$120. You times that by --
20 I have eight -- 700 neighbors is \$63,000. I
21 figured out the math. The first year I understand.
22 It's the second year they should have went by,
23 said, okay, all these people use less than this,
24 let's change the rates, that's what they normally
25 do. But, because of Corona, they don't want to do

1 that.

2 COMMISSIONER BROWN: Ms. Uzwy, I really
3 appreciate you participating today and I would ask
4 our staff to look into this matter a little bit
5 further to see what the situation is in your
6 neighborhood. Could you tell us the name of your
7 neighborhood?

8 MS. UZWY: Yes, I live in The Villages and
9 it's the Village of DeSoto. But I've talked to
10 people from a new area on and everybody -- and they
11 can charge whatever they want at the beginning
12 because they really don't know how much, but I
13 think once you're here a year, they know how much
14 you're going to use. So I live in the Villages of
15 DeSoto.

16 COMMISSIONER BROWN: Thank you. Again, this
17 is always helpful and really appreciate you coming
18 forward to tell us about your experience. Thank
19 you.

20 MS. UZWY: Okay. Thank you.

21 CHAIRMAN CLARK: Thank you, Commissioner
22 Brown. Other Commissioners, any questions? Do any
23 of the parties have questions?

24 MS. FALL-FRY: Mr. Chair.

25 CHAIRMAN CLARK: Ms. Fall-Fry.

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EXAMINATION

MS. FALL-FRY: Ms. Uzwy, could we -- would you be able to provide a copy of that notice to the Commission and to the Office of Public Council for the record?

MS. UZWY: The resident rate schedule that I have?

MS. FALL-FRY: Yes. Yes. The one that you have --

MS. UZWY: Yeah, I can do that.

MS. FALL-FRY: -- January 2019 and then --

MS. UZWY: Yeah, I can send that to you. Do you have an email or something I can send it to?

MS. FALL-FRY: Yes. I -- would you like my email -- do you have something to write my email address down now?

MS. UZWY: Yes. I have everything right in front of me.

MS. FALL-FRY: Okay. My email address is Fall, F as in fall down, A-L-L, hyphen, Fry, like French fry, F-R-Y.

MS. UZWY: Hyphen. That's the little thing above it. Fry. F-R-Y. Okay.

MS. FALL-FRY: .Mireille. That is M-I-R-E-I-L-L-E.

1 MS. UZWY: Okay.

2 MS. FALL-FRY: @leg, L-E-G, .state.fl.us.

3 MS. UZWY: .us. So leg.state.fl.us. Okay.

4 MS. FALL-FRY: Yes, ma'am.

5 MS. UZWY: I will definitely send this over to
6 you when we're finished and you can look at it.

7 MS. FALL-FRY: Thank you.

8 MS. UZWY: Okay.

9 CHAIRMAN CLARK: Thank you, Ms. Fall-Fry. Mr.
10 Brown, any questions?

11 EXAMINATION

12 MR. BROWN: Ma'am, Ms. Uzwy, if you could send
13 that to Peoples Gas, as well. And I can have you
14 send it to me if it's easier to just give you an
15 address.

16 MS. UZWY: Yeah. That's fine. Okay.

17 MR. BROWN: My email is, A-B @macfar, M-A-C, F
18 as in Foxtrot, A-R, .com. A couple other things.
19 Are you in one of the areas that used to be served
20 by the City of Leesburg and is now served by
21 Peoples?

22 MS. UZWY: Not that I know of. I've always
23 paid my bills to Peoples.

24 MR. BROWN: Okay. We have -- go ahead.

25 MS. UZWY: I've always gotten my bills through

1 you guys. They haven't switched it.

2 MR. BROWN: We have someone on line. We can
3 have somebody speak to you off-line to explain
4 what's happening and address your concerns. I
5 thank Karen Sparkman is on the line, or Kandi Floyd
6 can talk to you and address your concerns directly
7 if you think that would be helpful.

8 MS. UZWY: No. Well, they already lowered it.
9 They lowered me, but I know all my neighbors are
10 going to start calling, and this is going to be a
11 problem for your office if you're going to start
12 getting all these calls from people, you know,
13 because nobody wants to, you know -- so I'll send
14 this to you. I'll send this to Fall and, you
15 know -- I just wanted to tell you guys. I don't
16 know how many people know what's really going on
17 out here, you know, and I wouldn't have even
18 noticed except I came across this letter and I go,
19 wait a minute, I'm only paying this amount, you
20 know, I'm paying way more than -- and it's not a
21 lot. The average person, \$8 or \$9 a month
22 difference isn't a lot, but now you're going to
23 raise it on top of that, and that's ripping people
24 off, and I'm sorry. I'm from New York. So I don't
25 like to be ripped off.

1 MR. BROWN: Well, nobody does, but I think we
2 have people that would be willing to talk and
3 explain what's happening with all of this. I
4 don't -- so, if you want to talk to anybody, we
5 have them available.

6 MS. UZWY: Only if they want to talk to me,
7 because I've already talked to a Julie at your
8 place. She actually talked to me twice about
9 different things. So I've already, you know --

10 CHAIRMAN CLARK: Mr. Brown if you all could
11 exchange emails and contact information, and if Ms.
12 Uzwy decides she wants to contact you, I think
13 that's certainly acceptable.

14 MR. BROWN: I think that's a good suggestion.
15 Thank you.

16 CHAIRMAN CLARK: Any other questions?

17 MS. FALL-FRY: Mr. Chair, I just wanted to
18 note that we'll make sure that some staff and the
19 clerk gets the copy of whatever we get so that it's
20 on -- so the Commission has it.

21 CHAIRMAN CLARK: Thank you very much, Ms.
22 Fall-Fry.

23 UNIDENTIFIED SPEAKER: And, Mr. Chairman, if I
24 could just ask any billing information that comes
25 to us from customers or from OPC, if they could

1 redact out the account number, that would be very
2 helpful.

3 CHAIRMAN CLARK: As a reminder to everyone on
4 the line, if you're going to be corresponding with
5 our office, please be sure and redact any
6 confidential information, account numbers, private
7 phone numbers, things of that nature.

8 All right. Other questions for Ms. Uzwy?

9 All right. Thank you very much.

10 MS. UZWY: Thank you for listening to me.

11 I'll will get these emails over to you guys. Thank
12 you.

13 CHAIRMAN CLARK: Thank you. All right. Next
14 up, Raul Elizalde.

15 MR. ELIZALDE: Yes. Can you hear me?

16 CHAIRMAN CLARK: Yes, sir. We can hear you.

17 Yes. Let me swear you in.

18 Whereupon,

19 RUAL ELIZALDE

20 was called as a witness, having been first duly sworn to
21 speak the truth, the whole truth, and nothing but the
22 truth, was examined and testified as follows:

23 MR. ELIZALDE: Yes, I do.

24 CHAIRMAN CLARK: All right. You have five
25 minutes, sir.

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EXAMINATION

MR. ELIZALDE: Thank you very much. Good afternoon, and I want to thank the Commission for organizing the call and giving me an opportunity to speak. I have a -- I have been a customer of TECO in Sarasota, the address is 1839 Irving Street, for the 18 years that I have lived in my home. And, over time I have reduced the use of gas that -- from the connection that I have. I found it to be rather expensive. I am now at the point where I am charged a fee just to keep the connection in my home, since I do not really consume it. My experience with TECO's customer service has been minimal.

A couple of weeks ago I received a notice that TECO had not raised rates for 12 years but they were seeking what they call rate relief. That phrase to me suggests that they are at the end of the rope and need to raise the rates in order to keep service and clients. I looked at the new schedule and I saw that my rate would go up by 42 percent, and I would like to tell the Commission why I think this is not reasonable. First, it will put me in a position where I will definitely not consider ever again using gas, and even maybe

1 disconnecting the gas service. I'd like to keep
2 the option, but it's just -- I don't find it to be
3 a rationale to pay that much.

4 The cost of natural gas has collapsed since
5 2008 when TECO says that it last raised prices.
6 And I looked over things on the internet and the
7 average price of gas prices in 2008 was \$8.86, and
8 so far in 2020, the average price for the same
9 commodity is \$1.74, which means that I'm asked to
10 pay 42 percent more for a commodity that went --
11 that went down by more than 80 percent since 2008.

12 I understand that the company, as was
13 explained in the beginning of this call, may have
14 incurred expenses in infrastructure, but that same
15 introduction explained that those were to service
16 and expand the customer base. So it's reasonable
17 to assume the revenue also increased. The cost
18 increase of the company, I looked at the annual
19 reports, and between 2011 and 2019 the CEO's
20 compensation went from three million to seven
21 million, which means an increase of almost 11
22 percent per year. I don't have anything against
23 great compensation, but I don't want to be the one
24 being asked to foot that bill.

25 And, finally, this is something that the

1 customer advocate pointed out. The annual report
2 states that the company is doing well. Operating
3 revenue in 2019 for Peoples Gas, according to what
4 I could tell from their annual reports, went down
5 by 20 million, but the operating expenses category
6 went down by 48. So this company is doing better,
7 not worse, to seek rate relief. And, in fact, the
8 reason why it seems that they are asking for this
9 rate increase is not because they are at the end of
10 the rope, but because of an accounting maneuver,
11 which insists clearly in the annual report that
12 Peoples Gas will earn below a certain allowed
13 return on equity number 2020. Therefore, it's
14 permitted to initiate this request, and they say,
15 quote, regardless of its earned return on equity in
16 2020, which means that the rate increase, if
17 approved, based on past numbers, would take that
18 indicator well above the permitted target. In
19 other words, they can overcharge.

20 So, in my conclusion is that in the current
21 environment of general hardship for the U.S.
22 economy for people who rely on basic needs, and in
23 an economic environment that has been clearly
24 favorable to the company and to the executives of
25 the company, passing on to customers the rate

1 increase to justify an accounting clause is, in my
2 opinion, not justified and I urge the Commission to
3 reject it. That's all I have to say. And, once
4 again, I want to thank you for giving me the
5 opportunity to express my view.

6 CHAIRMAN CLARK: Thank you very much, Mr.
7 Elizalde. All right. Any questions from any
8 Commissioners? No questions from Commissioners.
9 Anyone else? OPC or Peoples? All right. Very
10 good. Thank you very much, sir.

11 MR. ELIZALDE: Thank you.

12 CHAIRMAN CLARK: Next up we have Divina
13 Maruca. Ms. Maruca, are you on the line.

14 MS. MARUCA: Yes, I'm on the line.

15 Whereupon,

16 DIVINA MARUCA
17 was called as a witness, having been first duly sworn to
18 speak the truth, the whole truth, and nothing but the
19 truth, was examined and testified as follows:

20 MS. MARUCA: Yes, I do.

21 CHAIRMAN CLARK: All right. You have five
22 minutes. You may begin.

23 EXAMINATION

24 MS. MARUCA: Thank you. And thank you to the
25 Commission for welcoming public comment. My name

1 is Divina Maruca and I'm a full-time resident of
2 Manatee County and we're residing at 5305 Plater
3 Road Drive in Bradenton. We do have Peoples Gas
4 for cooking, hot water and for clothes dying.

5 I know that this hearing is for the increase
6 of rates for the purposes stated in the public
7 flyer, which states to recover the cost of
8 operating utility and allow the company the
9 opportunity to earn a fair rate of return on its
10 investment. It is of note that information
11 regarding Peoples Gas current rate of return was
12 not set out in the announcement, and it required
13 that I ask for it three times prior to receipt of
14 the information.

15 And then when you study the information, while
16 the alleged ROI has decreased since 2018, the
17 financials have not. In fact, the net operating
18 income increased from 57,452 per thousand in June
19 of 2018 to 64,584 per thousand as of June 2020.
20 Based on this review, I have to ask how the ROI
21 decreased, and I think, frankly, the prior speaker
22 was very commanding of the explanation, that this
23 isn't a necessary increase.

24 My other concern, though, has to do with my
25 personal experiences with Peoples Gas, which has

1 not been good. And if you have 400,000 people and
2 you multiply our experience by what others might
3 have, and yet are not speaking out, I think this
4 has to be considered. When we first purchased our
5 home that required gas, that was two years ago. We
6 were told there would be a credit check and that we
7 had to meet them at the property to turn on the
8 gas. First, there was no credit check, but we were
9 required to put a deposit. My husband had 800
10 credit score and, yet, we were required to put a
11 deposit. That made no sense to us and we objected.

12 Second, when we set the appointment, Peoples
13 Gas showed up hours early -- now, this is a home we
14 had not yet moved in, and we were told we had to
15 pay for a new trip fee for Peoples Gas. It wasn't
16 until we filed a public service complaint regarding
17 those two issues that no deposit was required and a
18 trip fee was taken off. That shouldn't have to
19 happen. We should not have to go to the Public
20 Service Commission for something so simple as to
21 complain that we were overcharged this deposit and
22 that we were there at the appointment, it was
23 Peoples Gas that showed up early.

24 Now, on June 1st, 2020, two years after having
25 Peoples Gas, in my husband's name only, I asked

1 that my name be joined on this account, as I'm also
2 an owner of the home. I also -- we have the joint
3 account that pays for Peoples Gas and I wish to
4 take advantage of my credit being built with
5 utility payments. As we have no mortgage, no car
6 payments, no long-term debt, this is the one way I
7 would like to build credit. If you're familiar,
8 they call it the boost with utilities. I was
9 informed by email that while my name was added in
10 the care of portion of the account, that I was
11 still not an account holder and that I still had to
12 use my husband's four digits -- last four digits of
13 the Social Security number on the account, and it
14 would have no reflection on any of my credit. Then
15 I was told that it wasn't possible to put my name
16 on the account, that I would have to put my name on
17 the account.

18 And so the position I take is, I'm 62 years
19 old. I could be here for several decades. If
20 anything happens to my husband, I'm suddenly a new
21 account owner because I couldn't get my name on the
22 account. I asked them if -- oh, I'm getting
23 feedback. I'm sorry. I asked how this doesn't --
24 I'm still getting feedback. I asked them how this
25 doesn't -- how it confirms with the equal credit

1 opportunity rights, and I was told -- I received a
2 phone call from a Ken Wagenhoffer of Peoples Gas
3 and Mr. Wagenhoffer stated that only good
4 payment -- that they did not report good payment
5 history, they only reported the bad payment
6 history, if someone did not did not pay.

7 So you have to ask the Public Service
8 Commission, is this fair to the people that are
9 paying this? You know, if you look at any kind of
10 credit account, you are very aware that payments
11 are on both the good and the bad. Well, Peoples
12 Gas only uses the bad. And his response was also
13 that because they had always done this, they didn't
14 plan on changing it. And my response was, just
15 because it's been done forever doesn't mean that
16 that's a good thing. I also asked for Mr.
17 Wagenhoffer's response in writing, which I've yet
18 to receive, because I think as a married person I
19 should have a right to have my name on the bills,
20 just as my husband does, or vice versa.

21 So, going back to the rate change, I don't
22 believe it's necessary. I think that the prior
23 speaker was quite good in explaining why, and if
24 you look at the current net operating income, it's
25 actually gone up. And I also want the Public

1 Service Commission to consider that they need --
2 that Peoples Gas needs to be more responsive to
3 individuals such as myself that, you know, the good
4 and the bad of the credit should both be reported
5 and the joint account should be allowed so that
6 when I'm in my 80's, if I have to have an account
7 now in my name, that they recognize that I even
8 existed for those decades of payments.

9 CHAIRMAN CLARK: Ms. Maruca, if you would wrap
10 it up in about ten seconds, please, ma'am.

11 MS. MARUCA: That is my statement and thank
12 you so much for having the ability to speak today.

13 COMMISSIONER CLARK: Thank you very much.
14 Commissioners, any questions for Ms. Maruca?
15 Commissioner Brown.

16 EXAMINATION

17 COMMISSIONER BROWN: Thank you. I don't have
18 a question, but I do -- I would like to hear from
19 Peoples or from our accounting folks who are on the
20 phone regarding the issue that this speaker just
21 raised about adding another account. I had a very
22 similar experience, so -- with a different service
23 that we have in our house. So I'm curious if the
24 utility has a response, if there's a process or a
25 policy, just so that we can understand better.

1 CHAIRMAN CLARK: Mr. Brown.

2 MR. BROWN: I think Ms. Sparkman would be the
3 person to discuss this in probably greater
4 knowledge and detail than I can provide right now.

5 CHAIRMAN CLARK: Ms. Sparkman, are you on the
6 line?

7 MS. SPARKMAN: Yes, can you hear me?

8 CHAIRMAN CLARK: Yes.

9 MS. SPARKMAN: Hi. Good afternoon. At the
10 present time when a customer sets up an account, we
11 set up the account in one person's name and there
12 is only room for one name and one Social Security
13 number. And, also, we don't report good payment
14 history to any of the credit bureaus.

15 CHAIRMAN CLARK: Ms. Sparkman, I'm just going
16 to follow onto Commissioner Brown's question here.
17 So you're saying that you only have room for one
18 name and one Social Security number?

19 MS. SPARKMAN: Yes.

20 CHAIRMAN CLARK: Doesn't that seem like a
21 pretty simple computer glitch to fix?

22 MS. SPARKMAN: No. As the primary account
23 holder, we have one person that's listed, and then
24 certainly we can send the bill in care of, you
25 know, Mr. and Mrs., and so we do that all the time.

1 So customers ask if we can send the bill in the
2 name of Mr. and Mrs., and that is a service that we
3 offer, but as far as the account set-up, we set the
4 account up in one primary account holder's name and
5 we run the credit of one primary account holder.

6 MR. BROWN: And just if I can interject, I
7 believe that is a software issue as to why it has
8 to be done that way.

9 CHAIRMAN CLARK: Commissioner Fay.

10 MS. SPARKMAN: That is correct. That is how
11 our billing is set up.

12 CHAIRMAN CLARK: I'm sorry. Let me -- Ms.
13 Sparkman, you may continue.

14 COMMISSIONER FAY: Go ahead.

15 CHAIRMAN CLARK: Commissioner Brown, I
16 apologize. I interrupted you. Continue with your
17 questions.

18 COMMISSIONER BROWN: Thank you, Mr. Chairman,
19 and just a follow-up to that. So, you know, for
20 example, if the situation were to occur that one --
21 the person who the account's name is in passes
22 away, and it's in a jointly -- it's a situation as
23 the speaker just alluded to, what would happen
24 regarding the payment history of the prior account
25 holder then? For, like, a spouse?

1 MS. SPARKMAN: Certainly. And that situation
2 does arise today and what we're happy to do is take
3 the service out of one spouse's name and put it in
4 the second spouse's name and we would not charge
5 any additional deposits and, you know, we would
6 treat it just like it was an ongoing account
7 relationship.

8 COMMISSIONER BROWN: Thank you so much.

9 CHAIRMAN CLARK: Commissioner Fay.

10 COMMISSIONER FAY: Thank you, Mr. Chairman.
11 Commissioner Brown asked my question much more
12 eloquently than I could. So my one other thought
13 is that my wife likes to have all the bills in my
14 name and all the assets in her name, and I don't
15 know if that's a good or a bad thing.

16 CHAIRMAN CLARK: She's a very smart lady,
17 Commissioner Fay. All right. Commissioner
18 Polmann.

19 EXAMINATION

20 COMMISSIONER POLMANN: Thank you, Mr.
21 chairman. My sympathy for you Commissioner Fay.
22 You might want to look into that. Mr. Chairman,
23 Commissioners, I have no reason to think that the
24 circumstance is unique to Peoples --

25 CHAIRMAN CLARK: Commissioner Polmann, we're

1 losing you.

2 COMMISSIONER POLMANN: Really?

3 CHAIRMAN CLARK: We're losing -- having a
4 difficult time understanding -- or was it just me?
5 Good. I didn't black out. You're good.

6 COMMISSIONER POLMANN: Well, I don't know.
7 Maybe I'm blacking out.

8 CHAIRMAN CLARK: There you go. That's better.

9 COMMISSIONER POLMANN: Let me see if I can
10 amplify. I have no reason to believe that this
11 situation and practice is unique to Peoples. And
12 the issue with regard to reporting to the credit
13 bureau, I guess my thinking is paying a utility
14 bill is not on credit. They're not providing
15 credit, but that's an aside. There are a number of
16 factors here and if we were to try to instigate a
17 circumstance of altering a software system, or
18 requiring that by any means, I think that would be
19 a practice that we should apply to all utilities
20 that we regulate. So I don't know want to suggest
21 that there's something special here in this
22 circumstance. I understand that the -- the
23 speaker's issue. I think that would apply very
24 broadly to many customers. I appreciate it coming
25 forward. I think it's something the Commission --

1 the Commission should look into and understand
2 further, as the implication is for many, many
3 accounts.

4 I'm a little bit concerned about how this
5 particular utility has responded. I think that is
6 a customer service question for us to understand
7 better, and perhaps we can have staff investigate
8 that a little bit further for our information with
9 regard to this particular rate case. So that's my
10 suggestion on this rate case. In the broader
11 context, I think there's an opportunity here for
12 the Commission to evaluate the broader question and
13 how household members, domestic partners and so
14 forth, are affected by the matter of account
15 handling in general. Thank you, Mr. Chairman.

16 CHAIRMAN CLARK: Thank you, Commissioner
17 Polmann. Excellent point. Mr. Brown, any comments
18 or questions of the witness?

19 MR. BROWN: No, sir.

20 CHAIRMAN CLARK: Ms. Fall-Fry? Okay. Seeing
21 none --

22 MS. FALL-FRY: Yes, sir.

23 CHAIRMAN CLARK: Did you say none, Ms.
24 Fall-Fry?

25 MS. FALL-FRY: Correct, none for me. Thank

1 you.

2 CHAIRMAN CLARK: Thank you very much.

3 All right. Ms. Maruca, thank you very much
4 for your testimony today.

5 MS. MARUCA: Thank you.

6 CHAIRMAN CLARK: All right. Our next witness
7 is going to be Ms. Maggie Hernandez. Ms.
8 Hernandez, are you on the line?

9 MS. HERNANDEZ: Yes, I'm here, sir.

10 CHAIRMAN CLARK: IS that you, Ms. Hernandez?

11 MS. HERNANDEZ: Yes, I'm here.

12 CHAIRMAN CLARK: All right. If you would,
13 please let me swear you in.

14 Whereupon,

15 MAGGIE HERNANDEZ

16 was called as a witness, having been first duly sworn to
17 speak the truth, the whole truth, and nothing but the
18 truth, was examined and testified as follows:

19 MS. HERNANDEZ: Yes, sir.

20 CHAIRMAN CLARK: All right. You have five
21 minutes.

22 EXAMINATION

23 MS. HERNANDEZ: My name is Maggie Hernandez.

24 I live at 2251 Northwest 87th Terrace in Pembroke
25 Pines. I am a customer of Peoples Gas. So my

1 initial thought when I received the rate increase
2 is that when I was searching it, it's about a 42 --
3 a little bit more than a 42-percent increase. And
4 it's for a non-usage. That's where, I guess, I'm
5 having the issue in the area that I live in, just
6 because of the fact that I also have a, like, a
7 barbecue with a grill and everything outside. And
8 being in a family of four, we do cook here at home
9 every day. And I'm seeing that a lot of times, I'm
10 paying more for a non-usage for Peoples Gas than
11 for a tank I use every day outside that I can
12 switch every six to eight weeks, and I'm paying
13 about anywhere from 19 to \$22 for that tank,
14 because I buy it at Lowes or at the little farm
15 store in the neighborhood.

16 I do understand that companies do have an
17 overhead that they have to take care of every
18 year, but from what I'm seeing here in the letter,
19 it's to get a return on investment, it's for
20 necessary infrastructure, and at the end it says
21 that Peoples Gas is seeking a rate relief, but I
22 guess my question is, who's going to give us, the
23 customers, a rate relief, because it's gotten to a
24 point where I'm actually thinking, well, maybe I
25 don't need to have a gas bill in my house. Maybe I

1 should just switch it to electric because I barely
2 use it, and now I'm paying for something that I
3 don't even use because of a non-usage fee that I
4 don't even think should be necessary. I live in a
5 community where there's a lot of older folks where
6 they've been here 30, 40, 50 years and they live on
7 a fixed income, and when you multiply a non-usage
8 fee over and over again, and thousands of
9 customers, that's a lot of income that a company is
10 getting for a non-usage.

11 Thank you for giving me the opportunity to
12 speak today.

13 CHAIRMAN CLARK: All right. Thank you very
14 much, Ms. Hernandez. Any Commissioners have any
15 questions? Any of the parties have a question?

16 All right. Thank you very much for being with
17 us today.

18 MS. HERNANDEZ: Thank you. Have a great
19 afternoon.

20 CHAIRMAN CLARK: Thanks. Next up is Mr. John
21 Kristen. Mr. Kristen, are you on the line? Mr.
22 Kristen. Do we have record of Mr. Kristen
23 anywhere? We'll give him a couple seconds.

24 All right. We will move to our next witness.
25 Our next witness is Mr. John Humes. Mr. Humes, are

1 always great to hear. We will pass along the
2 accolade.

3 MR. HUMES: Also, my name is John W. Humes,
4 H-U-M-E-S, Junior. I live at 4135 Lakeside Drive,
5 Jacksonville, Florida 32210. And I'm calling
6 because I'm received a chart from Peoples Gas. I
7 don't know if this in your filings or not, but I
8 think it probably is, notice of customer service
9 hearings, Florida Public Service Commission,
10 Docket -- well, you know what the docket is. But
11 there is a chart on the back of it, says how
12 proposed changes and rates and charges may impact
13 your bill. Well, the only contact that I have with
14 Peoples Gas, and I think I'm the only one so far
15 who has mentioned this, is through the -- is called
16 on the chart RSG, residential standby generator.
17 That's what I have. And once a week it cuts on for
18 ten minutes to let me know it's still there, and
19 that is the only charge that I have currently with
20 Peoples.

21 So I did some math, and also I want to
22 disclose that I am -- I am a member of the Florida
23 Bar, but I was not in litigation. I am currently
24 doing volunteer work on a pro se basis for the
25 Jacksonville Area Legal Aid, particularly the

1 elderly people, but they even shut down the
2 building -- has been shut down for a year for
3 maintenance. But I am still associated with
4 Jacksonville Area Legal Aid, and I do make a weekly
5 charge -- excuse me -- trip to pick up bread and
6 take it to the downtown Ecumenical Services
7 Council, which gives out free food and clothing to
8 qualified candidates. My wife does that, but I do
9 the bread trip.

10 When I looked at the chart and there were --
11 in the attachment of the rate overview case, there
12 is a provision for RS1. That's what has your
13 pictures on it, by the way. That's not me. There
14 is a separate page for RS2. Again, that is not me.
15 There is a page for RS3. That, again, is not me.
16 And there is no page for my situation, a
17 residential generator user. So I will tell you in
18 advance, I was not a sterling math student. I
19 graduated, but it was not my primary field, but if
20 you have this chart, you can see that it's broken
21 down by current monthly rates and proposed monthly
22 rates for the customer charge and the distribution
23 charge. Now, in my situation, the current charge
24 under customer charge is \$19.01 per month. It will
25 go up to, if it is approved by you, \$27.74. That

1 is a difference of \$8.73. Well, that doesn't sound
2 like a lot until you change that to the percentage
3 increase. Increase is somewhere between 44 and
4 45 percent. Please consider, even though that
5 amount doesn't sound like much, that percentage
6 hopefully is understood to be quite high, I think.
7 If everything else that we have expenses for went
8 up one day by 45, 44 percent, that could make a
9 huge difference in what we do.

10 The distribution charge, much smaller number,
11 but I think it's still an increase of around 35
12 percent. I think it's only a dollar and something,
13 but it's still there. And that's a very high
14 amount that I wish you would give serious
15 consideration in your review of whether this is
16 appropriate, because I don't have anything else to
17 go by except the chart. And when I did the math,
18 it still doesn't sound like much. The customer
19 increase is about \$104.76. The other distribution
20 charge was somewhat less, maybe 35 percent, but I
21 wish to ask that you consider not just the amount
22 involved, but the percentage involved, and it
23 should not be that high in my opinion. Are they
24 entitled to attempt to make a reasonable profit?
25 Yes, they are there. They'd be entitled to make

1 it, and then it must be a reasonable charge. That
2 is my understanding of what capitalism is all
3 about.

4 And I also wonder, what would happen to my
5 wife and I if we had got that sort of increase on
6 other billing. I'll give you an example. I just
7 got through a colonoscopy. No fun. But I did have
8 coverage because of a -- I am probably the oldest
9 person on this call. I am 72 years old and I do
10 not expect to go back to a real work paying job. I
11 would explain to you that I've also had some other
12 physical issues. I've had prostate cancer. I am
13 glad to say the word had is intentional, because I
14 had regular check-ups and they noticed the PSA
15 number was going up. So I elected to have seeds
16 radiation, and two years it leveled off. It
17 dropped a bit. And then as the nurse was putting
18 my file back up, I asked, did it drop low? And she
19 said, they didn't tell you. What they didn't tell
20 me was that it takes at least two years after the
21 procedure for the to begin to go down. Right now,
22 my PSA number, which is what it's measured by, is
23 0.0. So God was looking over his shoulder at me
24 and must have smiled.

25 You've also got my income and my wife's is

1 basically fixed. And expenses like I just went
2 through, I'm not sure what we would do if we had a
3 45 percent increase in the charges for that. I do
4 receive a pension from my former employer, or the
5 one the longest, now is CSX Transportation. I get
6 a railroad retirement payment, which is totally
7 different from Social Security, comes from a
8 different fund, but it's there, and then I have
9 some assets, stocks and bonds and, Lord knows, in
10 the uncertainty of today, you never know where it's
11 going. It could go up, it goes down, and a lot of
12 volatility as, I'm sure you know, since primarily
13 the start of the Covid thing, and I have an
14 annuity, but where am I going to find that kind of
15 money? And if those sorts of things happened to
16 me, I take lots of pills, most of them work, some
17 of them over-the-counter, some of them are
18 prescribed, but they're there and I take them
19 everyday. There's, of course, a cost involved in
20 that, and I guess the point I'm trying to make is
21 that if I had to pay those type of increases, with
22 the -- what I've told you we have in the way of
23 assets and other things, that's going to start
24 eating into that, and that's not a good situation.

25 CHAIRMAN CLARK: Mr. Humes, let me --

1 MR. HUMES: I'm not going to say it's going to
2 happen, no. It could.

3 CHAIRMAN CLARK: Mr. Humes, can we ask a
4 couple of questions?

5 MR. HUMES: Sure.

6 EXAMINATION

7 CHAIRMAN CLARK: We're a little over our
8 five-minute mark, but I think there's probably some
9 questions that Commissioners might have that maybe
10 we could help -- I've got one. So your only
11 service, you said, is you have a stand-by
12 generator, is that correct?

13 MR. HUMES: That is correct. It's shown on
14 the chart, it's RSG, residential standby generator,
15 and it shows the existing charge and the proposed
16 charge. That's what I used to go through the math
17 that I mentioned a few minutes --

18 CHAIRMAN CLARK: Right. I understand. I
19 wanted to ask Mr. Brown, I thought you actually had
20 a standby generation rate that was separate from
21 your RS3, but what Mr. Humes is saying is you're
22 billing him on your RS3 rate, is that correct? Do
23 I understand this right?

24 MR. HUMES: No, I'm being -- this is a
25 separate charge. The numbers are the same but it's

1 separated out, and the same thing for the customer
2 charge. There is a different charge under RS3, as
3 there is for a charge for RSG.

4 CHAIRMAN CLARK: Okay. Hold on one second,
5 Mr. Humes. Let me ask Mr. Brown this question.
6 Mr. Brown, do you know how he's being billed, how
7 this customer is being billed? Do you have a
8 separate standby generation rate?

9 MR. BROWN: Let me -- let me let Kandi handle
10 this. I think I know the answer, but I'm not a
11 hundred percent certain that I do. So if she wants
12 to -- I hate to put you on the spot, but --

13 MS. FLOYD: I'm here. I'm here. No problem.
14 Yes, we do have a separate rate schedule that is a
15 standby generator rate, one for residential
16 customers and a separate schedule for commercial
17 customers. It does -- I do not know, I have not
18 looked at the particular account here, but it does
19 sound like he is a -- on the generator-only rate
20 schedule, which would allow him to have a generator
21 and then any additional other appliances within his
22 home, and it sounds like he does -- would only
23 receive one bill per month on that one billing
24 schedule. The generator schedule does have a
25 customer charge and it also provides for the first

1 20 therms of usage is not -- it's included in the
2 customer charge. There is not a separate
3 distribution component outside clauses and so forth
4 for that first 20 therms a month.

5 CHAIRMAN CLARK: Kandi, is that -- that
6 seems -- a 20 therm max on a residential generator
7 seems kind of high. That would typically not -- a
8 semi-generator that's running ten minutes every
9 Monday morning four times a month, I don't believe
10 would burn quite 20 therms. Would that -- is there
11 any consideration to look at that schedule and -- I
12 realize you're getting some capacity cost up front
13 in the monthly -- I assume in the monthly charge
14 there, but is this strictly a residential rate? Is
15 that normal? Is that high?

16 MS. FLOYD: It is, Commissioner. He is -- or,
17 excuse me -- the 20 therms, that was about the
18 average use of our customer when this -- when this
19 billing schedule was created. And so in
20 consideration of a generator coming on once a month
21 for testing and so forth, we felt that was a fair
22 usage for that rate class.

23 CHAIRMAN CLARK: Okay. So that's not --
24 you're saying that's not a high number for it
25 running four times a month, 20 therms is about

1 right?

2 MS. FLOYD: Correct. Yes. That's correct.

3 CHAIRMAN CLARK: Okay. That makes more sense.

4 And that is included in your rate. So you're not

5 doing any recovery through your fuel cost there.

6 It strictly a flat rate. I assume you still meter

7 it should we go into a month were it goes over 20

8 therms, then you have a rate that kicks in?

9 MS. FLOYD: That's correct. It's still

10 metered, but -- now he would be charged for fuel

11 for PGA and any other applicable cost recovery

12 clauses, but the distribution component that's

13 being considered in this case, that is included in

14 the first 20 therms. So you would have a customer

15 charge and then any other therms that are used

16 would be billed the normal PGA or for clause

17 charges.

18 MR. HUMES: I need to make one correction in

19 your comments. It comes on once a week for ten

20 minutes.

21 CHAIRMAN CLARK: Yes, sir. Correct. Once a

22 week.

23 MR. HUMES: I heard you all say monthly.

24 CHAIRMAN CLARK: Yes, sir. Once a week. Yes,

25 sir.

1 MR. HUMES: It's a monthly bill.

2 CHAIRMAN CLARK: Right, understood. One other
3 question for staff, we did not -- there was no
4 notice in -- I guess I may have missed, overlooked
5 it, but in the -- in our notes, I did not see any
6 change to any rates other than the three RS rates
7 that were -- I guess that was in the mail-out, the
8 proposed rates. We didn't see what Mr. Humes would
9 have been talking about. Is -- and I assume he's
10 saying the same thing. He didn't get a notice
11 about what his rate increase would be. Kandi, is
12 that kind of standard? You only send out the three
13 RS rates in the mail-out that you did?

14 MS. FLOYD: Chair -- Chairman, I do have not
15 the notice in front of me, but the -- all the
16 billing rates should have been identified in the
17 notice and the increases. So, if it's not in
18 there, that is an oversight. I will make sure we
19 double-check that. The change has been included in
20 our file and appropriate tariff sheet, but we will
21 definitely go back and look to make sure that that
22 rate is identified on customer notice. It should
23 have been there, so --

24 CHAIRMAN CLARK: Do you know if the rate
25 that -- if the rate is going up on the generator,

1 looked very similar. He said it was 19 going to
2 26, is that what the semi-generation rate is going
3 up to?

4 MS. FLOYD: That is currently the proposed
5 rate, yes, sir. It is 19 -- it's currently 19
6 cents for the customer charge. It's proposed at 27
7 cents that we have found --

8 MR. HUMES: Seventy-four.

9 CHAIRMAN CLARK: Mister --

10 MR. HUMES: -- at 27 and 74 for customer
11 charge.

12 CHAIRMAN CLARK: Thank you, Mr. Humes. Mr.
13 Coston.

14 MR. COSTON: Thank you, Chairman. This is
15 Tripp Coston with Commission staff, and I just
16 wanted to see if I might could provide some clarity
17 on some of the discussion we were having. In the
18 rate case overview that staff put together, and the
19 customer was also provided a copy of that and the
20 Commissioners are seeing that, we do have for the
21 residential customers, we have the RS1, RS2 and RS3
22 rates listed in there. That is the largest
23 percentage overall residential customers from the
24 company's billing perspective. And so we have
25 those as an example in the rate case overview. We

1 did not include special residential -- or rate in
2 there. I did just look at the notice that staff
3 reviewed for Peoples Gas prior to sending that
4 notice to the customers and the company did provide
5 standby generator rate for residential customers in
6 that notice --

7 CHAIRMAN CLARK: Okay --

8 MS. FLOYD: Mr. Chair --

9 CHAIRMAN CLARK: Yes, Ms. Floyd.

10 MS. FLOYD: -- I did receive a copy -- oh, go
11 ahead. I'm sorry. Thank you. I did receive a
12 copy of our rate case notice and Mr. Coston is
13 correct. It is -- it is included in the rate
14 schedule that was provided to customers. I just
15 wanted to make sure that I responded back to your
16 question on that.

17 COMMISSIONER CLARK: Commissioners. Other
18 Commissioners have questions for Mr. Humes?

19 MR. HUMES: Humes. It's Humes, sir.

20 CHAIRMAN CLARK: Humes. I'm sorry, Mr. Humes.

21 MR. HUMES: That's okay.

22 CHAIRMAN CLARK: All right. No other --
23 Commissioner Polmann.

24 EXAMINATION

25 COMMISSIONER POLMANN: Thank you, Mr Chairman.

1 I appreciate Mr. Humes identifying the significant
2 rate increase on the order of customer service
3 charge of let's say 40 percent --

4 MR. HUMES: It's higher than that. I'm sorry.
5 I didn't mean to interrupt you.

6 COMMISSIONER POLMANN: No, no. I think you
7 said -- well, something like 42 percent in the
8 customer charge?

9 MR. HUMES: 44 to 45 percent.

10 COMMISSIONER POLMANN: Okay.

11 MR. HUMES: At least according to my math.
12 Let me emphasize. That's just my trying to do math
13 from stuff that I had not done many -- for many,
14 many years ago. So that's just the best estimate I
15 came up with myself.

16 COMMISSIONER POLMANN: Understood.
17 Understood. I just want to point out, Mr.
18 Chairman, if I reflect back on the utilities
19 comments, it seems Ms. Floyd, as well as staff,
20 made the observation that -- in the written
21 material, of course -- the last rate case, I
22 believe, was, correct me if I'm wrong, 11 or 12
23 years ago. And I certainly want to acknowledge,
24 recognize Mr. Humes' comments about 45 percent
25 increase. I simply want to reflect, Mr. Chairman,

1 if we look at this on an annualized basis, or an
2 annual basis, we're talking about something that's
3 two-and-a-half to three percent annually. Now, I'm
4 not celebrating that. I'm just pointing out that
5 you're talking about, you know, the arithmetic.
6 And we address this all the time. We deal with
7 rate case increases, and I myself look at them and
8 if it's a 50 percent rate increase, it -- it's a
9 very high increase. I empathize with that. My
10 rate increase for my wastewater a couple years ago
11 went up 60 percent. It's a very high increase, but
12 I just want to point out here that I understand
13 that. I recognize that. I empathize with that.
14 But, if I look at it on an annualized basis, it's
15 not terribly dissimilar to the types of increases
16 that we would see for other services, for other
17 goods that are two to three percent increases. I'm
18 not saying that this is not significant. It's very
19 sufficient. But I do want to put it in a
20 perspective that sometimes we miss.

21 I've had that type of increase, as I said,
22 with the water and wastewater system. I don't have
23 natural gas. I wish I did because it's very
24 efficient, but I don't have that in my community.

25 Thank you, Mr. Chairman.

1 CHAIRMAN CLARK: Thank you Commissioner. Any
2 other questions from any Commissioners? All right.
3 Any of the parties have any questions? Mr. Brown.
4 Ms. Fall-Fry.

5 MR. BROWN: No further questions. Thank you,
6 Mr. Humes.

7 MR. HUMES: Am I free to now hang up if
8 everybody is through with their questions?

9 CHAIRMAN CLARK: Yes, sir, Mr. Humes. Thank
10 you for being with us today. Mr. Fay, do you have
11 a question?

12 MR. HUMES: Thank you everyone and all. I
13 appreciate it.

14 CHAIRMAN CLARK: Commissioner Fay, do you have
15 a question?

16 COMMISSIONER FAY: No. Thank you.

17 CHAIRMAN CLARK: Okay. I mistook your waving
18 at me there. Thank you, Mr. Humes. We appreciate
19 you being with us today.

20 MR. HUMES: Thank you, sir. And thank you for
21 everyone on the call.

22 CHAIRMAN CLARK: Okay. Our last caller --

23 MR. HUMES: I'm going to hang up now.

24 CHAIRMAN CLARK: Yes, sir. You may hang up
25 now.

1 MR. HUMES: Thank you.

2 CHAIRMAN CLARK: Our last person to testify
3 today is Dawn Wellman. Dawn, are you on the line?
4 Ms. Wellman, are you on the line?

5 That was the last one added. Did we have any
6 time with her earlier?

7 All right. Well, if Ms. Wellman's not on the
8 line, I believe that concludes all of our
9 testimony. Were there any other customers that are
10 scheduled to appear today that we may have
11 overlooked or missed? Any customers on the line
12 that we missed?

13 Okay. Good. All right. Well, thank you for
14 all taking time out of your busy schedules today to
15 call in to the service hearing. Your comments and
16 your testimony are very important to the process
17 and we appreciate all of your cooperation and
18 assistance with this proceeding today. Should any
19 of you have any questions, or any concerns, please
20 feel free to contact our staff, one of the company
21 representatives that we mentioned earlier today, or
22 the Office of Public Council who represents you,
23 the consumers, in this case.

24 Staff, any comments before we adjourn today?

25 Mr. Coston.

1 MR. COSTON: Thank you, Chairman Clark. I
2 would just like to share for those who are
3 listening, or maybe watching today that did not
4 participate in today's hearing, that you are able
5 to go to the Commission's website, and that is at
6 the FloridaPSC.com. And on the homepage of our
7 website under the header of hot topics, you will
8 find a link that notes this particular Peoples Gas
9 rate case. There is some very useful information
10 under that link, that I just want to quickly
11 highlight, too. First, there is a copy of what is
12 called the rate case overview. And that includes
13 the details about the specifics of this case that
14 also, importantly, has my contact information and
15 contact of other technical staff if you have any
16 concerns or any questions about that particular --
17 about the particular rate case, you can contact us
18 and we will do our best to be able to answer or get
19 that information for you.

20 And, second, for those again who were not able
21 to participate directly in these meetings, on that
22 link there is a PSC comment cards. You can click
23 on that and you can print out an actual comment
24 card and you are able to write any kind of comments
25 or share anything you would like to share with the

1 Commission concerning this case and send it to the
2 Commission, and we will make sure it gets included
3 in the docket for consideration. Thank you.

4 CHAIRMAN CLARK: Thank you, Mr. Coston.
5 Commissioners, any comments before we adjourn
6 today? Commissioner Fay.

7 COMMISSIONER FAY: Thank you, Mr. Chairman.
8 Just real quick. I know the utility mentioned at
9 the beginning that they had a contact number for
10 somebody within their organization for the
11 consumers that were on it line. Is that made
12 available anywhere in this customer material or --

13 CHAIRMAN CLARK: Can we put that number on the
14 website under this particular issue, Mr. Coston?

15 MR. COSTON: We will work to do that today.

16 CHAIRMAN CLARK: Great point, Commissioner
17 Fay.

18 COMMISSIONER FAY: Thank you, Mr. Chairman.

19 COMMISSIONER CLARK: All right. Any other
20 comments?

21 Great. Well, thank you all for being here
22 today. It's great to see you. And, with that, we
23 stand adjourned.

24 (Whereupon, the proceedings were concluded.)

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