

Antonia Hover

From: John Plescow <JPlescow@PSC.STATE.FL.US>
Sent: Wednesday, April 6, 2022 1:25 PM
To: Consumer Correspondence <ConsumerCorrespondence@PSC.STATE.FL.US>
Subject: FW: To CLK Docket 20210015

Please, add to docket 20210015.

From: Consumer Contact <Contact@PSC.STATE.FL.US>
Sent: Tuesday, April 05, 2022 10:09 AM
To: John Plescow <JPlescow@PSC.STATE.FL.US>
Cc: Angie Calhoun <ACalhoun@PSC.STATE.FL.US>
Subject: To CLK Docket 20210015

From: Janice Peters <JPeters@cityofcallaway.com>
Sent: Tuesday, April 05, 2022 10:04 AM
To: Consumer Contact <Contact@PSC.STATE.FL.US>
Subject: PSC Letter Re. FPL.pdf

Please see the attached letter from the City of Callaway regarding FPL.

Thank you,

Jan



Janice L. Peters, MMC
City Clerk, Custodian of Records,
LAP Coordinator & Contract Admin.
City of Callaway
6601 East Hwy. 22
Callaway, FL 32404
Ph.: (850) 215-6694
www.cityofcallaway.com



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CITY OF CALLAWAY

CITY HALL

6601 EAST HIGHWAY 22

CALLAWAY, FL 32404

PHONE: 850-871-6000

WWW.CITYOFCALLAWAY.COM

MAYOR

PAMN HENDERSON

COMMISSIONERS

SCOTT DAVIS, WARD I

DAVID GRIGGS, WARD II

BOB PELLETIER, WARD III

FRANK MANCINELLI, WARD IV

Kevin Obos, City Attorney

Keith "Eddie" Cook, City Manager

Janice L. Peters, City Clerk

March 28, 2022

VIA ELECTRONIC MAIL TO: contact@psc.state.fl.us

Florida Public Service Commission
Office of Consumer Assistance & Outreach
2540 Shumard Oak Boulevard,
Tallahassee, FL 32399-0850

RE: Florida Power & Light

Dear Sir or Madam:

We write to you today on behalf of the City of Callaway, Florida and its citizens, concerning your December 12, 2021, approval of dramatic rate increases (the "Rate Increase") by Florida Power & Light Company ("FPL"). In short, we request that PSC staff be directed to re-investigate FPL's rate increase filings for accuracy, review the current rates effective January 1, 2022, to ensure they are fair and reasonable, and if necessary, direct FPL pursuant to the PSC's jurisdiction in Section 366.05 (8), Florida Statutes, to address inadequacies in fuel diversity and fuel supply reliability, which have resulted in unconscionable fuel charges to FPL customers following the Rate Increase which was effective January 1, 2022.

First, we note that the PSC's own records reflect that FPL residential customers, formerly served by Gulf Power, pay the highest utility cost of any investor-owned utility in the State of Florida.

The PSC's December 12, 2021, approval of the Rate Increase contains the following excerpt:

*The 2021 Settlement has a minimum four-year term through December 31, 2026. Base rates and service charges will be increased to generate an additional \$692 million of annual revenue effective January 1, 2022. Effective January 2, 2023, FPL's base rates and service charges will be increased to generate an additional \$560 million in annual revenue. FPL is authorized to expand its Solar Base Rate Adjustments to construct an additional 1,788 megawatts of solar projects in 2024 and 2025. FPL's regulatory return on common equity is set at 10.6% for all purposes with a range of 9.7% to 11.7%. [***] Finally, effective January 1, 2022, unified FPL rates will apply to all customers throughout the former FPL and Gulf service territories.*

That passage reveals the following facts that the PSC determined, and allowed for the Rate Increase:

1. FPL will generate an additional \$692,000,000 in revenue in 2022 as a result of the Rate Increase.

CODE ENFORCEMENT
871-4672

FIRE DEPARTMENT
871-5300

ARTS & CONFERENCE CENTER
874-0035

LEISURE SERVICES
874-0031

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2. FPL will generate an additional \$560,000,000 in revenue in 2023 as a result of the Rate Increase.
3. The total of the two above facts is that \$1,252,000,000 (\$1.2 BILLION) in additional revenue would be shouldered by rate-paying customers.
4. Despite record inflation leading to higher costs of goods, as well as a slumping economy from the effects of COVID, the PSC permitted FPL to keep a 10% profit margin, effectively removing any risk.

These are staggering numbers. Particularly so when, because of FPL's own business decisions, approximately 80% of its generating capacity utilizes a non-diverse fuel source (liquified natural gas) that is at historically record high prices. Other forms of fuel for generation remain viable and cost-efficient but were shunned by FPL. The result of FPL's poor strategic decisions about fuel types for generation clearly suggests a lack of fuel diversity and supply reliability, which are matters expressly within the PSC's jurisdiction. And yet, the PSC allowed FPL to pass on to its customers record high costs.

It is fundamentally unfair for FPL customers, formerly served by Gulf Power, to suffer from the highest utility costs of any investor-owned utility in Florida. The customers – our citizens, friends and neighbors – had virtually no voice and no representation. What was promised as a modest “2.5%” increase has turned out to be a ten-fold underestimation by FPL and the PSC in what customers are billed.


We request that the PSC, as the entity with exclusive jurisdiction to set rates for investor-owned utilities, review the FPL rate structure to ensure rates are “fair and reasonable” as required by Section 366.05 (1) (a), Florida Statutes. Further, we request that the PSC require FPL to address inadequacies in fuel diversity and fuel supply reliability that at least in part resulted in exorbitant utility bills for FPL customers. Our residents, and every FPL customer, deserve another look by the PSC at this crippling situation created by FPL.

Thank you in advance for your consideration.

Sincerely & Collectively,



Scott Davis, Commissioner Ward I



David Griggs, Mayor Pro tem
Commissioner Ward II



Bob Pelletier, Commissioner Ward III



Frank Mancinelli, Commissioner Ward IV



Pam Henderson, Mayor

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