

Antonia Hover

From: Office of Chairman Fay
Sent: Monday, June 27, 2022 10:58 AM
To: Commissioner Correspondence
Subject: FW: ongoing electrical utility industrial sector machinations
Attachments: His FPL bill averaged \$15 a month — until it doubled with new minimum monthly charge.pdf

Please place the email below and attachment in Docket No. 20210015

Thanks

From: Beatrice Balboa <beatricebalboa@gmail.com>
Sent: Sunday, June 26, 2022 2:36 PM
To: Office of Chairman Fay <Commissioner.Fay@psc.state.fl.us>; Office of Commissioner Clark <Commissioner.Clark@psc.state.fl.us>; Office of Commissioner Graham <Commissioner.Graham@PSC.STATE.FL.US>; Office of Commissioner La Rosa <Commissioner.LaRosa@psc.state.fl.us>; Office of Commissioner Passidomo <Commissioner.Passidomo@psc.state.fl.us>
Subject: FPL: ongoing electrical utility industrial sector machinations

Sunday 26 June 2022 1430 hours

Florida Public Service Commission

To whom it may concern,

I am writing to express my ongoing deepest disappointment that the electrical utility industrial sector continues to mismanage the electrical infrastructure throughout the State of Florida despite given unfettered access to elected and appointed government officials and agencies in the furtherance of policies and agendas in pursuing poorly thought out sourcing of energy resources and a decidedly anti-consumer stance with the rate-paying public across the board. Ongoing investigations continue undercover the long-standing practices by these captains of industry to extract ever larger fees and electrical rates to aggrandize their oversized ambitions by direct and indirect political arrangements in backrooms.

The attached documentation clearly indicates the lengths that the electrical utility industrial sector continues to pursue to ensure their monolithic position in the electricity sector in the State of Florida.

Please place these observations and articles in the appropriate docket to underscore the overwhelmingly calculated cold-hearted manner that these captains seem to influence the very elected/appointed representatives that should, instead, be seeking to comfort their constituents day-to-day hardships to pay for the aggrandizement of these out sized economic sectors. Even retirees on extremely limited income and practically no usage are being fiscally "taken advantage of". Entirely shameful and disgraceful corporate usurious behavior by these captains of industry.

Thank you for your time in these matters and hope to hear from you soon.

Sincerely,
Beatrice Balboa
1010 South Ocean Boulevard, Unit 1008

Pompano Beach, FL 33062-6631

USA

His FPL bill averaged \$15 a month — until it doubled with new minimum monthly charge

Ron Hurtibise, South Florida Sun-Sentinel - 2h ago



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Peter Luthy blocks out the afternoon sun to try and keep his condo cool on Thursday, June 23, 2022. He does not use air conditioning in his Fort Lauderdale condo, and says that his electric bill has averaged \$15 a month over the past five years. He says he has super-efficient stove and small fridge, swims most days rather than showers, doesn't watch TV and never uses his AC. He's upset that FPL just raised its minimum monthly charge to \$32

Peter Luthy's electric bill doubled in June — from about \$15 a month to \$32, thanks to Florida Power & Light's new minimum monthly charge that took effect this month. Luthy isn't happy about it.

Luthy is among an estimated 360,000 FPL customers whose bills increased this month after the utility's new \$25 minimum base bill took effect. Affected customers include energy-sipping residents of small apartments and condos and rooftop solar system owners who slashed their dependence on the utility's power.



Instead of paying an \$8.99 base charge plus the cost of the paltry amount of power they consume, their bills are now rounded up to \$25, plus taxes, fees, and charges for programs like FPL's storm protection plan.

Luthy said he phoned in complaints to FPL and the Public Service Commission, which approved the increase last year as part of the utility's four-year base rate plan. "The woman in Tallahassee [at the commission] said they've had several calls about it," he said.

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Luthy's was among more than 70 complaints phoned or emailed to the commission about the increase through June 17, according to documents obtained through a public record request.

Most of us would love to have Luthy's bill, even after it doubled. But we might not want to make the necessary lifestyle changes.

Luthy, 67, lives by himself in an 850-square-foot single-bedroom condo on the fifth floor of Drake Tower on the south bank of Middle River, on Andrews Avenue in Fort Lauderdale.

He never opens his windows and never turns on his air conditioner. He leaves his hot water heater off because he doesn't shower in the apartment, preferring instead to freshen up in the community pool. Instead of watching TV, he watches videos on his tablet. He has a \$4,000 "super efficient" German-made refrigerator. He eats out or uses a small microwave for cooking. And he washes his clothes in the communal laundry room.

Luthy also benefits from the fact that his neighbors on each side of his unit, as well as above and below him, use their air conditioning, which helps to keep his space cool. One next-door neighbor's FPL bill averages around \$100, he said. Also, his unit is on the west side of the building, and doesn't get direct sunlight until late afternoon.

At 10 a.m. on a recent morning, the air temperature inside his disheveled unit, which he is renovating, was tolerable and not what would be expected in a South Florida home with no air conditioning in midsummer.

"I don't even think about saving electricity. I just live my life," he says.

His average power consumption has been running about 31 kilowatt hours a month over the five years that he's lived in the apartment, and his average monthly bill has hovered around \$15. By comparison, FPL's average household customer uses nearly 38 times what Luthy consumes, [1,169 kWh a month in 2020](#), the most recent year reported by the U.S. Energy Information Administration, and last year paid an average \$122.07 a month.



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Peter Luthy on Thursday, June 23, 2022, does not use air conditioning in his Fort Lauderdale condo, and says that his electric bill has averaged \$15 a month over the past five years. He says he has super-efficient stove and small fridge, swims most days rather than showers, doesn't watch TV and never uses his AC. He's upset that FPL just raised its minimum monthly charge to \$32

But FPL's prices have been climbing since the beginning of the year, triggered by rising costs of natural gas that fuel FPL's power generation plants, as well as increases approved as part of the four-year base plan that FPL says will help fund equipment upgrades, storm-hardening projects and expansion of its solar energy farms.

The minimum charge treats all FPL customers as if they consume at least 239 kWh of power each month. Customers who normally consume less than 239 kWh a month will see their bills increase, while the more than 90% of customers who regularly use more than 239 kWh won't be subject to the minimum charge, FPL spokesman Christopher McGrath said.

FPL: Low-usage customers not paying fair share

McGrath said that customers like Luthy, who use less than 239 kWh a month of electricity, "are not paying their fair share of costs" to keep everyone connected to the grid. That's because a lot of those costs are baked into the utility's per-kilowatt hour price, and customers who don't use enough kilowatt hours aren't paying enough of those costs, the utility says.

The minimum base bill, McGrath said in an email, "is intended to help ensure that all customers are helping contribute toward fixed system costs that do not vary with electricity usage."

Related video: Some Florida Power & Light customers seeing 'Minimum Base Bill' charge

Customers who consume more than 239 kWh a month are not subject to a \$25 minimum base charge because by consuming more electricity, their fair share is recovered through fixed system costs baked into per-kWh energy rates, McGrath said.

Water and gas utilities, he said, commonly impose minimum monthly charges that customers pay even if they consume no water or gas.

The alternative to raising the minimum bill for the estimated 360,000 residential customers, he said, would have been to increase the \$8.99 base charge that appears on all residential customers' bills, regardless of how much power they consume. "Doing so would increase the bills of all customers" including those with fixed or low incomes, he said.

A 113% increase

A side-by-side comparison of Luthy's May and June bill shows that the amount each customer is charged to bring their minimum base bill to \$25 varies according to how much fuel they consume.

Luthy's bill for the month ending May 17 shows the \$8.99 base charge, plus \$5.73 for power used, taxes and fees, for a total of \$14.72. Of the \$5.73, he was charged \$3.36 for the 31 kWh of electricity he consumed, calculated at a rate of about 11 cents per kWh.

The new bill for the period ending June 16 for the same 31 kWh shows the \$8.99 base charge and the new rounded-up \$13.94 "minimum base bill" charge. Adding the cost of his electricity, taxes, a franchise charge and fees for programs like FPL's storm protection and energy efficiency plans brought his bill to \$31.42 — a 113% increase for the same amount of power as the previous month.

Boca Raton resident Richard Voss says that FPL is forcing its lowest-usage customers to disproportionately pay more to cover the utility's fixed distribution costs. Voss, like Luthy, lives in a small condo unit and is used to paying less than \$25 a month during the winter when he rarely used his air conditioning.

"Why shouldn't that \$8.99 [base] charge for fixed costs cover it?" Voss asked in an interview. "If they need to raise more money for fixed services, they should apply it to everyone. Because I didn't use much electricity, I'm being charged more relative to someone living in a big house on the intracoastal."

Rooftop solar users' bills hiked

Of the 360,000 residential customers that FPL estimates will see higher rates as a result of the new minimum charge, many are among 31,700 rooftop solar owners who have been paying bills under \$25 because they sell excess power generated by their systems during sunny days back to the utility and receive credit for each kilowatt hour at the utility's retail rate.

When encouraging the Florida Legislature to roll back the retail buyback rates during the most-recent regular session of the state Legislature, FPL said that rooftop solar system owners weren't paying their fair share of fixed grid costs.

Lawmakers in the House and Senate approved the FPL-backed bill that would have gradually reduced those buy-back rates by more than half for customers who installed solar after Jan. 1, 2023. Customers whose systems were installed before Jan. 1, 2023 would be compensated at full retail rates for 20 years.

Rooftop solar owners and installers opposed the bill, contending that rooftop solar actually lowers FPL's fixed costs by reducing the amount of energy it must produce.

Gov. Ron DeSantis vetoed the bill, saying he objected to a provision that would have allowed utilities to impose additional charges on non-solar customers to recover revenue lost from residential solar generation.

Whether DeSantis will sign another version of the rollback bill that omits the lost revenue provision remains to be seen.

But many rooftop solar owners believe FPL's new minimum base bill targets them specifically.

Complaints by rooftop solar owners comprise the majority of 74 emails submitted to the Florida Public Service Commission about the new minimum charge through June 17.

Many of those customers had gotten used to paying just the base rate, \$8.99, and just a small amount in taxes and fees because they sold back more power than they consumed.

'Please explain'

"Please explain the reasoning behind the new minimum base bill on my electric bill," wrote Allen Griffin of Daytona Beach. "I just went from paying \$10 a month to \$30 a month just for the privilege of helping the grid and doing the right thing by the community, state and ecosystem."

In form letters responding to the complaints, the PSC explained that the rate hikes were approved as part of a settlement agreement between FPL, the PSC, and "various parties representing consumers," including the Office of Public Counsel.

Voss isn't buying it. By tying the minimum base bill to a 239 kWh consumption threshold, FPL is in effect encouraging customers like himself to use more power at the same time its website posts tips encouraging consumers to conserve electricity. "I could use seven times more electricity and it wouldn't cost me a dime. It goes against [FPL's stated goal] of being energy efficient."

Luthy compares the new bill to paying for 80 gallons of gasoline "when you only want five."

in his complaint to the PSC, he asked, "How is it fair that I pay for 200+ kWh of electricity that I will never use?"