

Iris Rollins

From: Ellen Plendl
Sent: Thursday, December 29, 2022 11:09 AM
To: Consumer Correspondence
Subject: Docket No. 20220000
Attachments: political manipulation!; Consumer Inquiry - Florida Power & Light Company

See attached customer correspondence and reply for Docket No. 20220000.

Iris Rollins

From: Beatrice Balboa <beatricebalboa@gmail.com>
Sent: Thursday, December 29, 2022 11:00 AM
To: Ellen Plendl
Subject: political manipulation?!
Attachments: FPL's heavy use of natural gas means customers will probably pay more.pdf; She was an ABC News producer. She also was a corporate operative - Wausau Pilot & Review.pdf; Power company money flows to media attacking critics in Florida, Alabama _ NPR.pdf

Thursday 29 December 2022 1100 hours

Ellen Plendl
Regulatory Consultant
Florida Public Service Commission
Office of Consumer Assistance & Outreach
1-800-342-3552 (phone)
1-800-511-0809 (fax)

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, which consist of 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 ongoing conditions of the electrical infrastructure in the State of Florida as well as the lengths to which these captains of industry try to influence governmental policy makers.

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.

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

Iris Rollins

From: Ellen Plendl
Sent: Thursday, December 29, 2022 11:08 AM
To: 'Beatrice Balboa'
Subject: Consumer Inquiry - Florida Power & Light Company

Ms. Beatrice Balboa
beatricebalboa@gmail.com

Dear Ms. Balboa:

This is in response to your December 29 email to the Florida Public Service Commission (FPSC) regarding Florida Power & Light Company (FPL).

We will add your feedback and the articles you shared to our public record.

If you have any questions or concerns please contact me at 1-800-342-3552 or by fax at 1-800-511-0809.

Sincerely,

Ellen Plendl
Regulatory Consultant
Florida Public Service Commission
Office of Consumer Assistance & Outreach
1-800-342-3552 (phone)
1-800-511-0809 (fax)

FPL reliance on natural gas means customers exposed to volatile market



[Hannah Morse](#)

Palm Beach Post

Over the decades, the Sunshine State's largest electric utility has moved away from using coal and oil to fuel its power plants. Florida Power & Light has touted the changeover, noting it is no longer in need of imported oil and that its power plants burn cleaner fuels.

Yet as FPL relied more and more on natural gas, customers became less shielded from the whims of the fossil fuel market.

While natural gas prices have been relatively stable for the better part of a decade, they have been on the rise since the summer of 2020.

That exposure certainly played out this year, since utilities pass on the cost of fuel to their customers on their monthly bills. FPL is seeking to recoup about \$2 billion in natural gas fuel costs it did not recover from customers in 2022 because of unpredictable market conditions.

More to pay: Brace yourself for Florida Power & Light bills to increase at least thrice in 2023

On the environment: NextEra Energy, Florida Power & Light parent company, announces plan to slash carbon emissions by 2045

FPL uses several sources of energy to run its power plants, including natural gas, nuclear, solar and still some coal.

Since the early 1990s, there has been a concerted effort by the utility to shift toward natural gas to fuel its power plants since these types of electricity-generating facilities are more efficient. FPL traded in its oil-fired power plants with the distinguished candy cane-striped smokestacks for natural gas-burning "clean energy centers."

How does FPL power its plants?

The majority of FPL's energy source has been natural gas for at least two decades. Natural gas as a fuel source has grown from 34.8% in 2003 to 72.6% in 2021, according to documents the utility filed with state regulators. The share of natural gas in the utility's fuel mix reached a high of 74.7% in 2020.

Costs in the U.S. natural gas market have jumped from \$1.63 per MMBtu, the industry standard measurement, in June 2020 to a 14-year high this August of \$8.81 per MMBtu, according to the Henry Hub spot price, which

is a wholesale cost used as a U.S. market indicator. The cost has since slumped to \$5.45 per MMBtu in November.

FPL finalized its merger with Gulf Power at the start of 2022, expanding the utility's footprint into northwest Florida. The Juno Beach-based utility noted it would take about five years for the bills of former Gulf Power customers and existing FPL customers to match.

As it stands, an FPL customer who uses 1,000 kilowatt hours of electricity will be charged \$125.39 in January, thanks to one-month savings from the federal Inflation Reduction Act, and then \$129.59 in February. A northwest Florida customer in the former Gulf Power region will be charged \$155.60 in January and \$159.81 in February.

FPL will charge a customer who lives outside of the former Gulf Power territory and who uses 1,000 kilowatt hours of electricity about \$2.50 more for fuel in January compared to the month prior. How the utility will recover 2022 fuel costs from customers is still yet to be made public, but the utility proposed the charge be spread out over 21 months.

Florida city's getting hit by erratic fossil fuel prices

It's not just FPL customers feeling the impacts of the fluctuating fossil fuel market. The city of Lake Worth Beach, which provides power for 28,000 customers, had to increase the "power cost adjustment" part of its customers' bills by 16.25% this year, blaming rising fuel costs. The city utility's fuel mix is roughly 50% natural gas.

FPL shuttered its last coal power plant in June 2021, but coal still made up 2.3% of its fuel mix in the 12 months ending in March 2022. That electricity came from coal power plants outside of Florida that FPL partially owns. Its use of oil as a fuel to power its electric generators sits at less than 1% today.

The utility's use of solar energy has slowly grown since its first photovoltaic plant in 2009 in DeSoto County. FPL announced plans this year to rely on non-carbon-emitting sources for 99% of its electric generation by 2045.

TOP STORIES

She was an ABC News producer. She also was a corporate operative

December 29, 2022

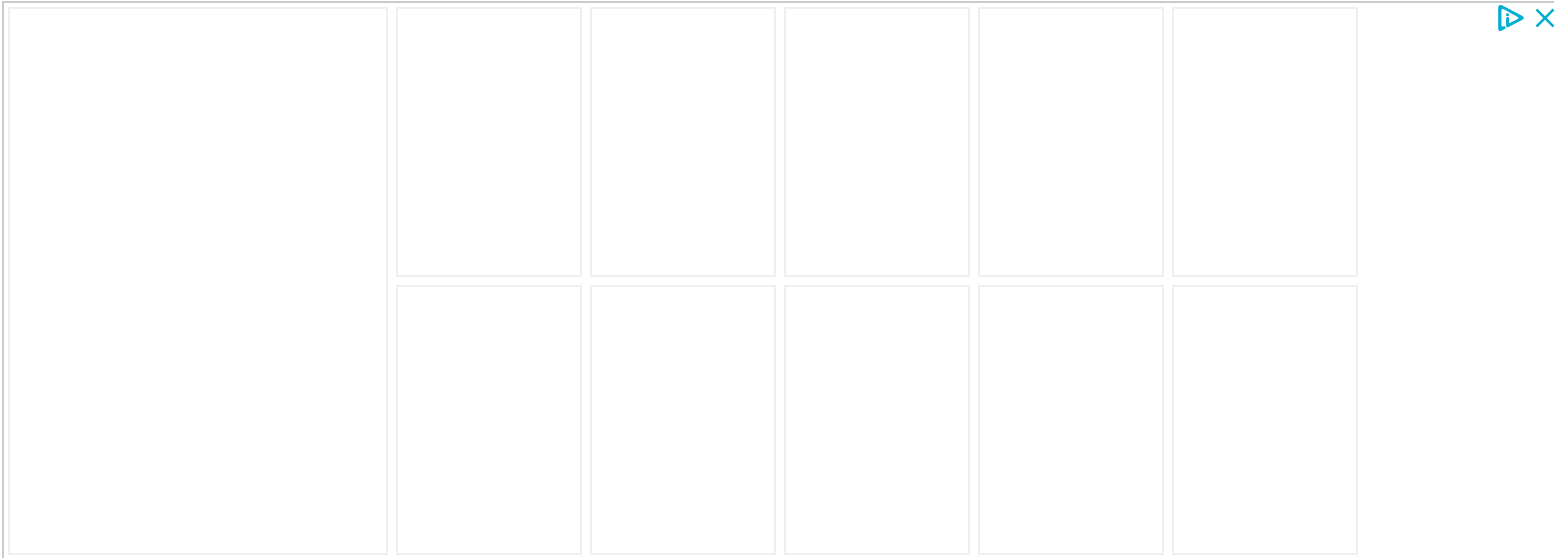


By Miranda Green, Mario Ariza, David Folkenflik

NPR's David Folkenflik reported this story with Mario Ariza and Miranda Green of ***Floodlight***, a nonprofit newsroom that investigates the powerful interests stalling climate action.



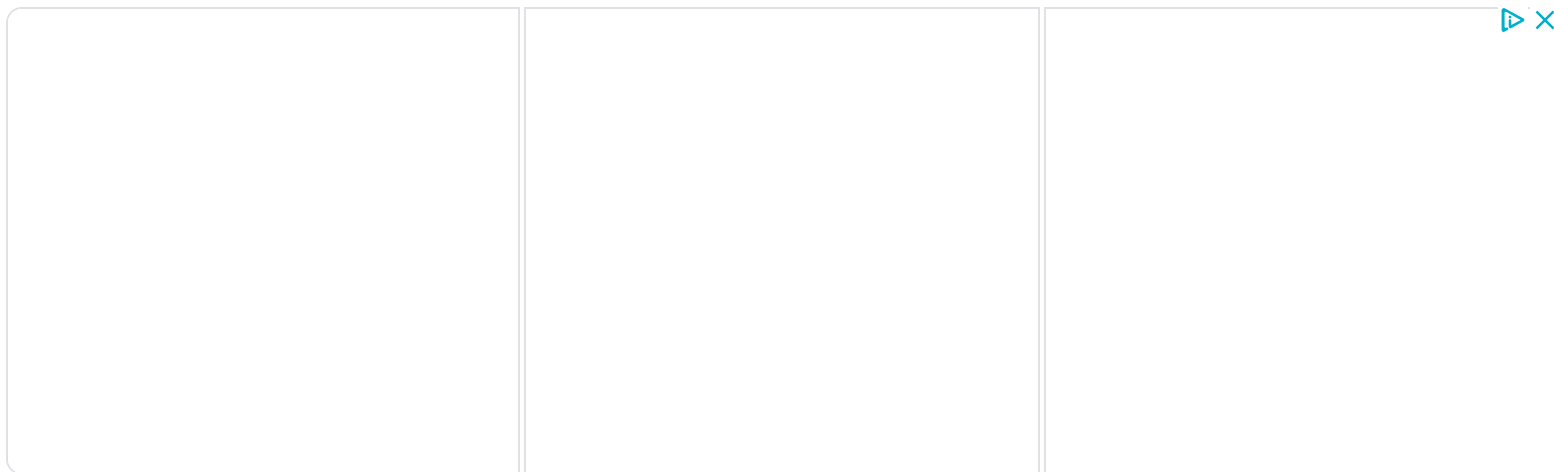
with unwelcome questions.



Microphone and ABC News business card in hand, Hentschel rushed up to a candidate for the Florida House of Representatives before a debate, the candidate recalls, and asked him about 20 dead **gopher tortoises** that were reportedly found at a nearby construction site. Florida designates the species as threatened.

As far as the candidate, Toby Overdorf, knew, there were no dead tortoises.

And he would have known. Overdorf, an environmental engineer, served as the wildlife consultant to the construction project. Visibly flustered, Overdorf told Hentschel on camera that he didn't know what she was talking about.



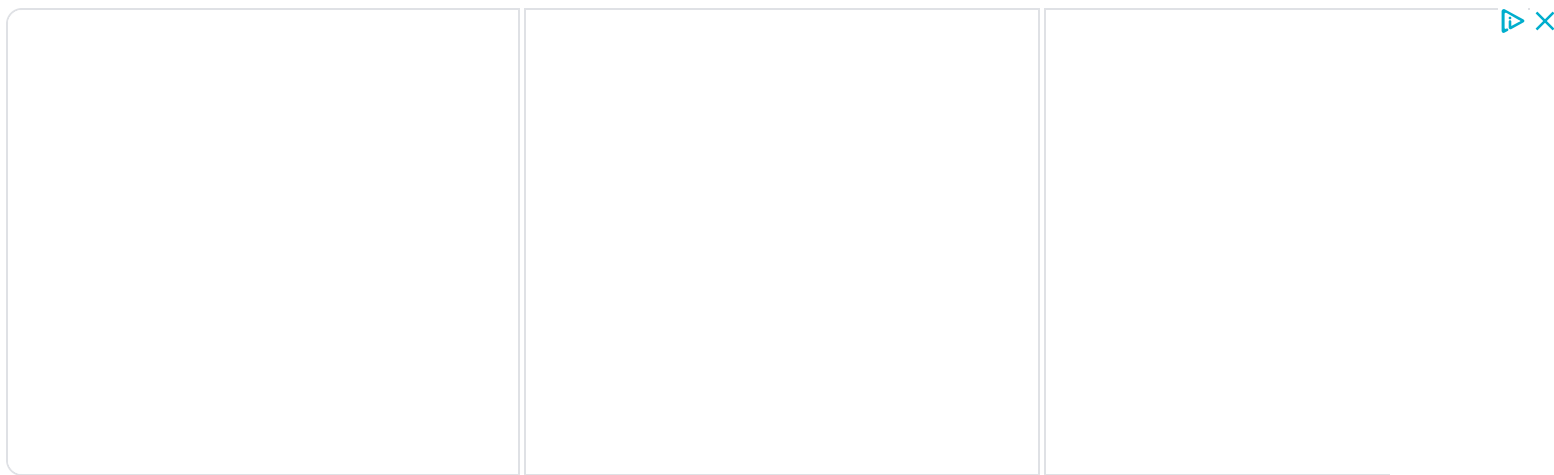
Handcrafted Espresso at Home
Flair Espresso



A city investigation found no dead tortoises. In fact, it found no evidence at all that any of the reptiles had ever been present.

That wasn't the only surprise. Though Hentschel has done freelance work for ABC, she was not there for the network.

At the time, a political consulting firm called Matrix LLC had paid Hentschel at least \$7,000, the firm's internal ledgers show. And Matrix billed two major companies for Hentschel's work, labeling the payments "for Florida Crystals, FPL." (Florida Crystals is a huge sugar conglomerate. FPL is shorthand for the giant utility Florida Power & Light.)



Handcrafted Espresso at Home
Flair Espresso

Both companies could have benefited from her efforts to undermine Overdorf and his promises to resolve environmental issues in the district he was vying to represent. Florida Power & Light has pushed back against efforts to bring solar panels to the Sunshine State, while runoff from the sugar industry is a major source of water pollution in Florida.

Floodlight and NPR have not been able to independently verify whether Florida Power & Light or Florida Crystals knew about Hentschel's video. Florida Power & Light declined to comment for this story. Florida Crystals' lawyer Joseph Klock says the company "was not involved in any way, nor was anyone acting on its behalf, in any negative attacks in any form, directly or indirectly."

✓ "It was an attack ad against my livelihood, my family," Overdorf says. "And it was

Overdorf still won his election to the Florida House.

A journalist's role in political dirty tricks

Interviews for this story and Matrix ledgers show Hentschel traded on her work for ABC News at least three times to trip up Florida politicians whose stances on environmental regulations cut against the interests of major Matrix clients. Internal Matrix financial records originally sent anonymously to the *Orlando Sentinel* and shared with Floodlight show that since 2016, the firm has paid Hentschel at least \$14,350.

According to two people at ABC News with knowledge, Hentschel was not, in fact, reporting for ABC on any of those subjects. “If she was working on these stories, she was not authorized to cover them for ABC News,” one of them said. They requested anonymity because they were not authorized to speak publicly about sensitive network matters.

ABC News declined to comment for this story before its publication, although it confirmed that she still did work for the network.

After this story was published on Wednesday, ABC cut ties with Hentschel.

“Kristen Hentschel was a freelance daily hire who never worked for ABC News on the political stories referenced in the NPR article,” the network said in a statement. “She does not currently work for ABC NEWS.”



David Westin, president of ABC News from 1997 to 2010, says he never came across an instance in which a journalist for the network was simultaneously doing advocacy.

“It just goes to the very heart of why people no longer have the same confidence and trust in the news media as they once did,” says Westin, now an anchor for Bloomberg TV. “They suspect this is going on anyway, and for it to actually go on confirms their worst suspicions.”

In another instance, the former girlfriend of Southern Company’s CEO, Tom Fanning, says Hentschel cozied up to her over the past year. Southern Company is a rival to Florida Power & Light. This August, Alabama news site AL.com reported that Matrix had previously paid a private investigator to spy on Fanning in the summer of 2017.

Hentschel did not return multiple detailed requests for comment.

Matrix’s former CEO, Jeff Pitts, who hired Hentschel for the firm, declined comment.

Matrix’s founder, Joe Perkins, disavows any knowledge of Hentschel’s work for Matrix and says Pitts was acting as a “rogue” employee in Florida.



Pitts left Matrix to found a rival firm in late 2020, alleging in court papers that he quit Matrix over Perkins' "unethical business practices," including "ordering and directing the clandestine surveillance including that of top executives of his largest client, the Southern Company." Perkins blames Pitts for the surveillance.

Matrix and Pitts have since settled a lawsuit without any admission of wrongdoing.

After Pitts left Matrix, reporters from Floodlight and NPR obtained company records documenting Hentschel's work. This story also draws on other materials, including court records, and 14 interviews with people with direct knowledge of her activities.

In recent months, Matrix has also been accused of interfering in the workings of democracy in Alabama and Florida by seeking to influence ballot initiatives, running ghost candidates and offering a lucrative job to a public official if he resigned. As Floodlight and NPR have revealed, Matrix secretly maintained financial ties to a half-dozen political news sites and tried to ensure favorable coverage for clients.

A start in local news tripped up by a tabloid scandal

Hentschel began her journalism career with short stints at local TV newsrooms in Chico, Calif., Waco, Texas, and Knoxville, Tennessee.

"A lot of people think that the television business ... looks Hollywood-esque," Hentschel once told *Baldwin Park Living*, a Florida lifestyle magazine. "I made \$8 an hour [at] my first job, laid on couches and had to move around literally every one to

Her career foundered in 2011 when the *National Enquirer* disclosed a romantic relationship between her and a married man: Chris Hansen, the former host of NBC's *To Catch a Predator*.

Subsequent stints in Las Vegas, Seattle and Orlando, Fla., proved brief. “A double standard is an understatement as to what happens in this industry,” Hentschel told [RadarOnline.com](#) in an interview about her relationship with Hansen. “The women get fired and the men keep going.” Professionally, she had been using the name Kristyn Caddell, which endures on her [Twitter account](#), but shifted to her family name, Kristen Hentschel, by late 2015.

Looking for work, Hentschel turns to Matrix

Hentschel's résumé eventually reached Pitts at Matrix. By the beginning of 2016, he had hired her.

Hentschel soon secured a second gig. In February 2016, she started as a freelance news producer for ABC News.

Hentschel primarily did work for *Good Morning America*. Among her assignments: helping with segments on NFL star [Tom Brady](#) and the disappearance and death of [Gabby Petito](#), the young Florida woman who documented her cross-country trip on social media.

✓“Our setup for today... #lighting is everything,” [Hentschel once tweeted](#) with a

A record of mixing business and pleasure

Pitts could be a charmer. He was known to cultivate a personal rapport with his corporate clients over sushi and steak dinners, favoring long meals with freely flowing red wine. In an email exchange with a vice president of the energy company NextEra, Pitts wrote, “Talk tomorrow but miss you.” She wrote back that his note was a nice surprise. “You said [to] be more open,” Pitts replied.

Pitts mixed business with romance, Matrix financial records show. Over the course of the last decade, Pitts paid his then-wife more than \$10,000 for work for Matrix, according to copies of the firm’s invoices reflecting payments to her personal company. She had previously been employed at Alabama Power, one of Matrix’s oldest clients, according to press clippings and two associates.

Matrix also paid Pitts’ ongoing romantic partner, Apryl Marie Fogel, a conservative radio-show host, nearly \$150,000 over several years. Fogel runs the conservative news site Alabama Today, which published articles showcasing Matrix clients in a favorable light.

On a recent episode of her radio show, Fogel compared her relationship with Pitts to that of U.S. Supreme Court Justice Clarence Thomas and his wife, the pro-Trump activist Ginni Thomas.

“You check it at the door,” Fogel says. “You may be somewhat, in a fuzzy way, aware of what the other person is doing. And you want them to be successful, but it doesn’t

Shortly after Hentschel started working for Pitts at Matrix, the two began an affair, associates say, though it is not clear how long it lasted. Hentschel bought a home close to Pitts' apartment in West Palm Beach, Florida, public records show.

A mayor promotes residential solar panels in the Sunshine State

Hentschel called Phil Stoddard, then the mayor of South Miami, in August 2018. He says she identified herself as an ABC reporter and asked him about an upcoming press conference likely to bring unflattering publicity. A lawsuit had been filed by parents of a teenager who was hospitalized years earlier after attending a party thrown by Stoddard's teenage daughter. (The suit was ultimately settled.)

The press conference turned out to be a sham. It had been orchestrated by Joe Carrillo, a private detective, and Dan Newman, a political operative with financial links to Matrix, according to Matrix documents and a copy of the press release obtained by Floodlight and NPR.

Matrix paid Hentschel \$2,000 a few weeks later for what was itemized as a "Miami shoot," a Matrix ledger shows.

The interest in Stoddard, a biologist, seems easy to discern. Stoddard had clashed with Florida Power & Light over transmission lines, a nuclear power plant and policies on residential solar panels.

Again, Florida Power & Light declined to comment for this story.

Internal Matrix emails between Newman, the political operative, and Pitts, the firm's then-CEO, show it hired a private detective to investigate Stoddard's personal life. [The Orlando Sentinel reported](#) that Matrix-linked nonprofits spent six figures trying to knock him out of office. Perkins denied knowledge of these activities.

On Sept. 26, Hentschel showed up with a videographer to a city council meeting.

"I thought, 'No good's gonna come of this,'" Stoddard recalls. He shut down her requests for comment at the council meeting. He continued battling Florida Power & Light even after he left office in 2020.



ABC News was told of Hentschel's other activities in 2020

There is evidence that ABC News was first told two years ago that Hentschel inappropriately invoked her network ties in conducting work that had nothing to do with ABC News.

U.S. Rep. Brian Mast of Florida, a conservative Republican, has established a record as an advocate of strengthening water quality in Lake Okeechobee, the state's largest freshwater lake. He has introduced four pieces of legislation to address toxic algal blooms there.

His work puts him at odds with Florida's powerful sugar interest, Florida Crystals. Okeechobee is kept artificially full for that industry and other corporate use. Mast's bills could ultimately cut into their profits.

"They'll do anything that they can to hold on to that grip of controlling water in the state of Florida," Mast says. "And I'm probably the number one person that goes against them."

In the heat of the 2020 election season, Hentschel chased down Mast at a fundraiser featuring then-President Donald Trump. She told Mast's aides she wanted to ask him about messages he wrote nearly a decade earlier, before entering politics. He had joked about rape and sex with teenagers in Facebook posts to a friend. They had just surfaced publicly, and he had apologized. The aides didn't bite.

The conservative Florida news site The Capitolist called Mast's proposals extreme and urged readers to vote for his Democratic opponent. Matrix had previously funneled The Capitolist nearly \$200,000 from Florida Power & Light, the firm's invoices show. Matrix founder Perkins denied Matrix paid The Capitolist and said the company "was unaware of any financial relationships between" The Capitolist "and any Matrix client."

That September, Hentschel rang the doorbell at Mast's home in a gated community and told Mast's wife she was reporting for ABC, even handing over a business card citing the network, according to Mast's accounts in an interview for this story and in a trespassing complaint he filed with police.



Election Day was two months away. In a video he [posted on Facebook](#), Mast denounced his Democratic opponent for sending Hentschel to his door. “I want to talk about something that frankly is just BS,” Mast said.

Mast now says he believes Hentschel sought to intimidate him on behalf of the sugar company and Matrix client Florida Crystals — an allegation the company rejected.

Floodlight and NPR have not been able to independently pin down whether Hentschel’s pursuit of Mast was on behalf of Florida Crystals, Matrix, Pitts or any of the consulting firm’s other clients.

Again, Florida Crystals’ lawyer Klock said the company “was not involved in any way,” but did not comment on whether it is a client of Matrix.

Klock himself was a minor figure in a Matrix scandal involving a Miami-Dade County Board of County Commissioners race [revealed by the Miami Herald](#). He did not respond to requests for comment on that link.

Mast won his election. But he can still barely conceal his fury.

“There’s an appropriate way to affect official duties of a representative in an official policy,” Mast says. “Somebody came to threaten my family. That’s very serious to me. It’s a very serious line that was crossed.”

“Definitely violated”

Hentschel’s work stretched beyond Florida politicians and news conferences.

This past June, fitness instructor Kim Tanaka was sitting poolside at an upscale hotel in Atlanta when a reporter for Bloomberg News called with a startling question: Did Tanaka know that she had been spied on five years prior?

Tanaka’s boyfriend during that period was Tom Fanning, the CEO of energy giant Southern Company — a direct competitor of Florida Power & Light. The couple broke up in late 2017.



“It made me feel mad. Definitely violated. And anxious,” Tanaka says.

Bloomberg never published a story. A private investigator confirmed to AL.com this year that he had surveilled Tanaka and Fanning five years ago for Matrix. (Matrix founder Perkins says then-CEO Pitts ordered the operation without his knowledge. Pitts says Perkins knew.)

But there was another shocker in the dossier. It didn't just contain old information pertaining to Tanaka — it contained recent and sensitive information about Fanning's wife, whom he married after breaking up with Tanaka. To Tanaka, it meant the spying had continued as recently as this year.

A friend was sitting alongside Tanaka in June as she took Saul's call: Kristen Hentschel.

In late 2021, Hentschel had hired Tanaka at an Atlanta gym to be her personal trainer, even though there's no record of Hentschel living in Georgia. The two became close, even vacationing together.

Another former Matrix operative, Paul Hamrick, had also hired Tanaka as his trainer the same week as Hentschel, according to emails reviewed by Floodlight and NPR. Tanaka says she told Hentschel and Hamrick private details found in the dossier and doesn't know if they or someone else spied on her. Hentschel remains a good friend, Tanaka says, and a lot of fun.

Floodlight and NPR have not been able to independently verify whether Hentschel or Hamrick were hired by Pitts or Pitts' new firm to monitor Tanaka or whether they monitored Tanaka. In a note sent this summer to an associate, Hentschel wrote she was still working for Pitts.

A front group and a spurious charge

While Hentschel was questioning Toby Overdorf about gopher tortoises in Stuart, Fla., the Matrix-backed news site The Capitolist was also writing critical articles accusing Overdorf of being a hypocrite. The site said his environmentalism masked his financial reliance on “numerous sugar daddies and mommies in the agriculture business.”

✓Hentschel posted her segments on Overdorf to the website of the Alabama-based

The organization presented itself on Facebook as an environmental nonprofit. But Floodlight and NPR could find no record of a nonprofit incorporated under that name anywhere. A for-profit company with that name exists in Alabama, however.

The center's web presence was deleted after Floodlight and NPR contacted the center's founder for comment. He did not respond to multiple requests for comment.

This fall, Overdorf won his third consecutive race. He says people still dredge up the accusations — including in October in a local anti-development Facebook page. No one has identified the person who lodged the original baseless complaint about tortoises that Hentschel highlighted.

“Even though it is 1,000% entirely, completely false, it sticks,” Overdorf says. “It is oil that unfortunately doesn't leave you.”

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In the Southeast, power company money flows to news sites that attack their critics

December 19, 2022 5:00 AM ET

Heard on All Things Considered



DAVID FOLKENFLIK

MARIO ARIZA

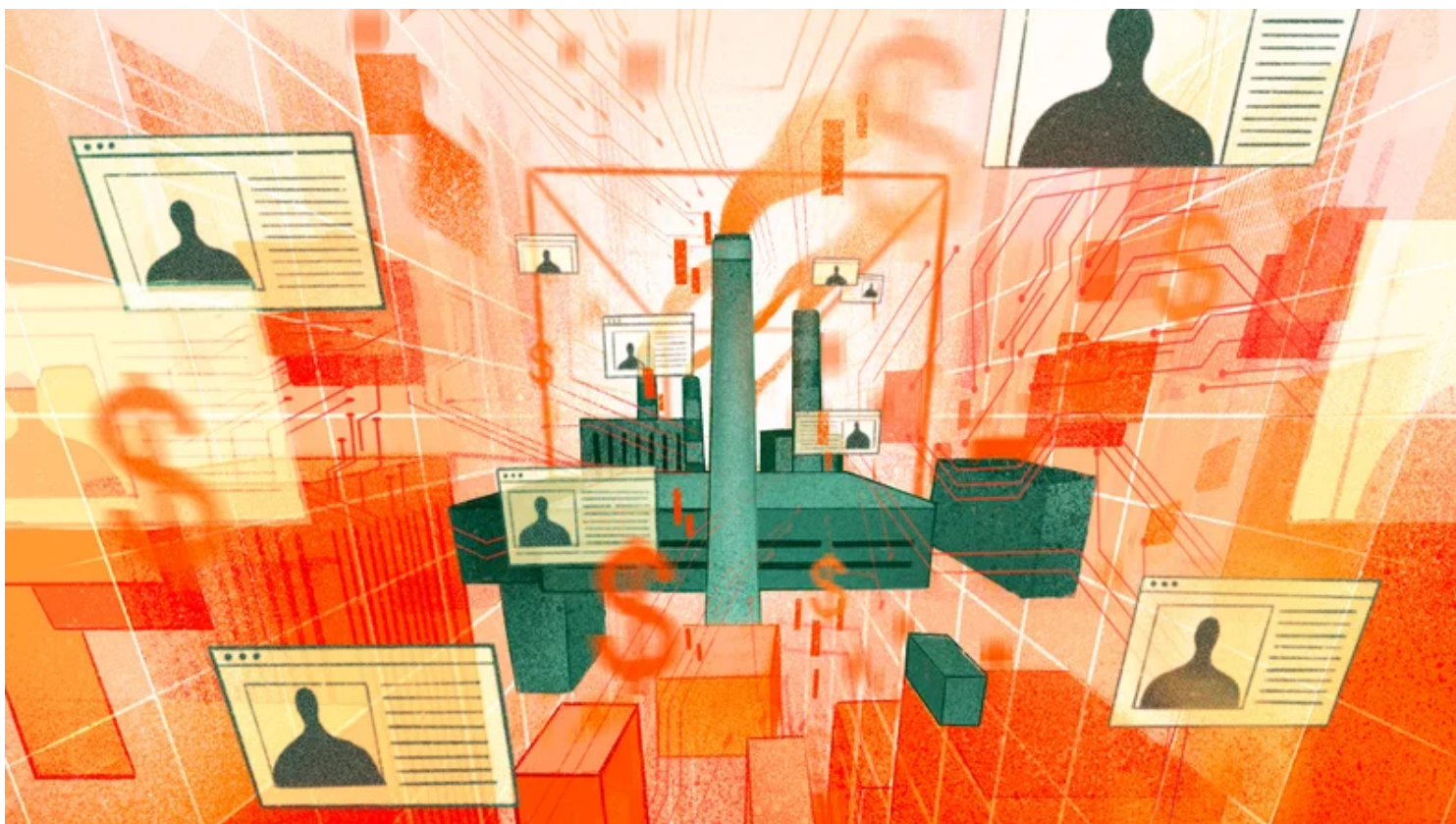
MIRANDA GREEN

7-Minute Listen

PLAYLIST

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Transcript



Two regional utilities, Alabama Power and Florida Power & Light, hired the consulting firm Matrix to help shape their fortunes. Matrix paid six news sites that attacked officials who challenged the companies.

Tracy J. Lee for NPR

NPR's David Folkenflik reported this story with Mario Ariza and Miranda Green of Floodlight, a nonprofit newsroom that investigates the powerful interests stalling climate action.

Terry Dunn couldn't fathom why Alabama's residents — among the poorest in the U.S. — pay some of the nation's most expensive electricity bills.

So in 2010, Dunn ran for a seat on the state commission that sets energy prices. He promised to hold a formal rate hearing at which Alabama Power executives would have to open their financial books and answer questions, under oath and in public. That hadn't happened for nearly three decades.

After winning, Dunn says, a top lobbyist for the utility took him aside and promised he could hold his roughly \$100,000-a-year position on the commission for years — as long as he remained a team player. (Alabama Power declined to make the executive available to address the accusation; the utility and its corporate parent, Southern Company, declined all comment for this story.)

"They didn't take me serious," Dunn says now.

Dunn, a Republican and Tea Party conservative, plowed ahead. And soon enough, he found himself the target of a political pressure campaign, replete with character assassinations and online smears.

Sponsor Message

Attacks began in online news outlets in 2013. One headline in Yellowhammer News read: "Democrats Embrace Republican Public Service Commissioner Terry Dunn."

In a June 2014 column, Alabama Political Reporter's editor in chief, Bill Britt, cast Dunn as a pawn of his own aide, a Democrat.

"For some Dunn is a populist hero; for others, he's a radical environmentalist," Britt wrote. He saw Dunn as manipulated by those who "find companies like Alabama Power a convenient political target."

These were devastating portrayals for Dunn in a deeply red state.

"Mostly everything was all made up," he says. "You get to thinking, 'Why are they attacking me?' I'm just telling the truth and trying to do what's right for the people."

Floodlight and NPR have not been able to independently verify whether Alabama Power directed or had prior notice of the sharply critical coverage aimed at Dunn.

In 2014, Dunn lost his reelection bid by 19 percentage points — to a catfish farmer who had previously served as a county commissioner.

Eight years after Dunn's defeat, Alabama has still not held a rate hearing on electricity prices. Alabama Power remains one of the most profitable utility companies in the country.



Terry Dunn, a former Alabama public service commissioner, stands in front of an Alabama Power substation.

Joe Songer for Floodlight

An orchestrated attack

Yellowhammer News and Alabama Political Reporter offer clashing ideologies - one hardline conservative, the other centrist - and appear simply to be competitors. Owners of

the two sites separately defend their coverage, saying they are independent news outlets.

Sponsor Message

In reality, they are among six news outlets across Alabama and Florida with financial connections to the consulting firm Matrix LLC, a joint investigation by Floodlight and NPR finds. The firm, based in Montgomery, Alabama, has boasted clients including Alabama Power and another major U.S. utility, Florida Power & Light.

In addition to Yellowhammer and The Alabama Political reporter, the sites include Alabama Today, The Capitolist, Florida Politics and the now-defunct Sunshine State News.

A tally of the five still-functioning sites show they have a collective audience of 1.3 million unique monthly visitors.

Many of their consumers are political professionals, business leaders and journalists — people who help set the agenda for lawmakers and talk radio shows in both states.

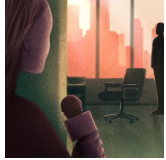
These readers have been unknowingly immersing themselves in an echo chamber of questionable coverage for years.

Matrix shrewdly took advantage of the near collapse of the local newspaper industry and a concurrent plunge in trust in media in propelling its clients' interests.

"The reduction in just the size of the press corps covering state government has created a vacuum that I think tends to be filled by people who have agendas beyond serving the public interest," says former *Miami Herald* executive editor Tom Fiedler.

A core tenet of U.S. journalism holds that reporting should be fair and transparent, unaffected by financial backers who may have their own hidden interests. News outlets are supposed to hold the powerful to account and give people the knowledge to make choices as informed citizens.

The public bears the brunt of deep cuts in conventional newsroom staffs, Fiedler says, as those driving the news agenda at some newer outlets are often "the special interests - in many cases, the monied interests."



MEDIA

She was an ABC News producer. She also was a corporate operative

In Alabama and Florida, Matrix sought to ensure much coverage was secretly driven by the priorities of its clients. Payments flowed as the utilities in Florida and Alabama fought efforts to incorporate more clean energy in electric grids — a fight they are still waging.

For this investigation, Floodlight and NPR drew upon hundreds of internal Matrix documents and public records, more than three dozen interviews, a review of social media postings, and an original analysis of coverage.

Those accounts reflect a complex web of financial links, in which the six outlets collectively received, at minimum, \$900,000 from Matrix, its clients, and associated entities between 2013 and 2020.

All of the media organizations deny their coverage was shaped by those payments and deny they acted unethically.

The founder of Matrix, Joe Perkins, says the firm paid news sites only for advertising and other run-of-the-mill services for its clients. He also denies Matrix paid anything at all to two of the sites. Beyond that, Perkins has consistently called the firm's former CEO, Jeff Pitts, a "rogue employee" and, in a lawsuit, alleges Matrix is not responsible because the former executive acted without his knowledge or his firm's consent. Pitts did not respond to several detailed requests for comment. In court filings, Pitts says Perkins knew everything—and he accused Perkins of wrongdoing.

They also cast blame on one another over a series of recent scandals. Matrix recently made headlines for surveillance of a power company CEO and a journalist who wrote critically about Florida Power & Light's business plans. Matrix has also been accused of seeking to influence ballot initiatives on clean energy and offering a lucrative job to a public official in Jacksonville to induce him to resign. Florida Power & Light did not respond to a detailed list of questions, and an executive for the company declined to address them in a phone call.



Alabama Power begins putting up poles to get power restored in Bearegard, Ala., after a tornado in 2019. The power company was a client of Matrix.

Payments to news sites flowed as utilities fought clean energy initiatives

Coverage of Matrix's power company clients at the six news sites ebbed and surged around election seasons and other key inflection points. For example, Sunshine State News emerged when Sen. Rick Scott, a consistent ally of Florida Power & Light, was governor of Florida and maintained warm ties with him. Matrix records show the firm paid the site at least \$180,000. It shuttered a year after he won election to the U.S. Senate. A former Scott aide also founded The Capitolist, based in Tallahassee.

Additionally, Matrix's clients took a strong interest in who wrote the laws and enforced the regulations. Last year, Florida Power & Light wrote a bill that was passed by the Florida Legislature and that would have gutted the ability of homeowners to make money off solar panels. Gov. Ron DeSantis ultimately vetoed it.

One state away, Alabama Power runs and owns a coal-fired power plant that is the largest single source of carbon dioxide emissions in the United States.

An analysis by Floodlight and NPR of the three Alabama news sites with links to Matrix finds overwhelmingly positive coverage of Alabama Power. The review looked at articles on each site that contained the phrase "Alabama Power" and found that the vast majority of pieces either were positive or appeared to mirror a news release by the utility.

In interviews, two former reporters at the Alabama Political Reporter recounted episodes in which articles about Alabama Power received intense and unusual scrutiny from editors. In one case, the story was never published. Its proprietor denies any such influence on the site.

Together, Alabama Power and Florida Power & Light keep the lights on for nearly 7.5 million businesses and households. Since consumers' payments contribute to much of the two utilities' profits, much of the money that the companies spend effectively derives from consumers' bills.

From its creation, Matrix has focused on manipulating the media

Matrix founder Joe Perkins has long held an interest in the power of the media. As a doctoral student at the University of Alabama, he wrote his thesis about a specific quandary: How can journalists' choice of sources and anecdotes affect public sentiment?

"When a minority opinion gains access to the news media repeatedly through various techniques to make its point, it may be perceived as more widespread and pervasive than it actually is," he wrote in his 73-page paper.

He then put his research to use, building up Matrix.

In the early days, Matrix quietly sought to influence decisions over matters like who was eligible to win

contracts with the Alabama teachers pension fund. The firm eventually established a presence in 10 states.

Sponsor Message

Stealth was a hallmark of the operation. Matrix employees often created shell companies to conduct transactions for clients.

"Invisibility is more powerful than celebrity," reads a plaque hanging in Matrix's Montgomery office.

Perkins and Pitts, the CEO, were characterized by some as akin to father and son; Perkins promised to one day pass on the company. Pitts benefited from an ability to instill loyalty and fear in those who carried out his commands, according to multiple people who have worked with him. (Most Matrix associates refused to be interviewed on the

record for this story, citing the influence the two men maintain in their professional circles.)

It took the unraveling of Matrix to reveal the full extent of its influence.

At the end of 2020, Pitts left Matrix to start his own rival consulting firm called Canopy Partners. Perkins sued, accusing Pitts of secretly engaging in work for a utility based in Juno Beach, Florida while at Matrix. That is where Florida Power & Light is headquartered.

In litigation involving both men, Pitts alleged he quit Matrix over Perkins' "unethical practices," including "deploying phony groups and digital platforms to intimidate individuals as a method to influence public perception and litigation."

How Alabama Power became a digital media player

The Alabama Political Reporter and Yellowhammer News launched during the same week in 2011. They have

consistently cheered Alabama Power through overwhelmingly positive news stories.

Starting at least as far back as April 2013, Matrix paid \$8,000 a month to the Alabama Political Reporter, according to internal Matrix records. Matrix also drew up a proposed website design for the publication in June 2015, according to prototypes obtained by Floodlight and NPR.

Britt, Alabama Political Reporter's editor in chief, says he could not verify the specific Matrix payments. He mocks the authenticity of the prototype, while confirming that Matrix designed his website. Britt affirms he took money from the firm for advertising and acknowledges that Matrix also paid for reporters to do research for the firm, an atypical practice for newsrooms.

Sponsor Message

"We have to make money," Britt says.

When Alabama Power CEO Mark Crosswhite announced his retirement last month, Alabama Political Reporter posted a story written by "STAFF." It reproduced the company's press release, verbatim.

The links to Yellowhammer News are more convoluted. In 2014 — the year Terry Dunn lost his bid for reelection — he faced attacks in the online press, including in Yellowhammer News.

Floodlight and NPR were able to document a complex stream of transactions between a nonprofit run by an Alabama Power contractor and a series of nonprofits linked to Matrix and Yellowhammer News.

For example, Yellowhammer News runs the Facebook page of a nonprofit, the Alabama Free Market Alliance, which attacks renewable energy. That nonprofit received \$100,000 in 2014 from the Alabama Power-linked group, federal tax records show. All the nonprofits were involved in work that furthered the interests of Alabama Power.

"Yellowhammer Multimedia has no relationship, financial or otherwise, with Alabama Political Reporter, Matrix LLC or Alabama Free Market Alliance," Yellowhammer News owner Allison Ross says. She did not respond to questions about the site's relationship with Alabama Power.

A Florida power company CEO orders up a story at The Capitolist



Eric Silagy, the CEO of Florida Power & Light.

Bob Self/Florida Times-Union

Florida has stood out as one of Matrix's biggest successes. The firm represented several of the state's largest corporations, including a major fertilizer and sugar company as well as Florida Power & Light.

Documents obtained for this story show executives at Matrix and Florida Power & Light dictated some coverage at The Capitolist after a Matrix employee purchased an option to buy the publication in 2019 through a limited liability company.

In May 2020, The Capitolist [ran a story](#) mocking a call by the *Miami Herald* for reader donations. The headline read: "The Miami Herald has turned to begging to support their biased reporting and fear-mongering."

Emails obtained by Floodlight and NPR for this story show that Florida Power & Light CEO Eric Silagy had proposed the story to Matrix employees.

"I would think The Capitolist would have a field day with this one," Silagy wrote to Pitts on May 4, 2020. The story ran three days later. Silagy had also suggested a cartoon of a prominent *Herald* reporter, Mary Ellen Klas, "with a tin cup on the street corner." The Capitolist blasted to thousands of its email newsletter subscribers an edited image of Klas in which she holds a sign asking for "Spare change for Fake News — Miami Herald reporter needs help."

Journalism relies on a currency of trust: trust that the information provided is fairly presented. Trust that there are no hidden ulterior motives driving those reports, even when news is presented with a point of view.

"If you are paid for copy, then you can't be fair," says Chuck Strouse, the former editor in chief of *Miami New Times*. "You have to acknowledge and be upfront with your reader about what exactly is happening. I mean, that's just a cardinal rule of journalism."

The editors operating the Matrix-linked sites do not appear to be following those rules.

For example, emails show that The Capitolist's editor-in-chief and publisher, Brian Burgess — once a top aide to Senator Scott back when Scott was Florida's governor — asked Matrix executives for permission to write a pro-solar energy story. The story was requested in May 2020 by one of The Capitolist's other sponsors — a public relations company.

"Sachs Media is asking me for coverage on this, but wanted to run it by you first," Burgess wrote to Abigail MacIver, the Matrix employee to whom the site was formally registered. "Need guidance on this ASAP."

Sachs Media's founder, Ron Sachs, confirms that his firm had advertised in The Capitolist.

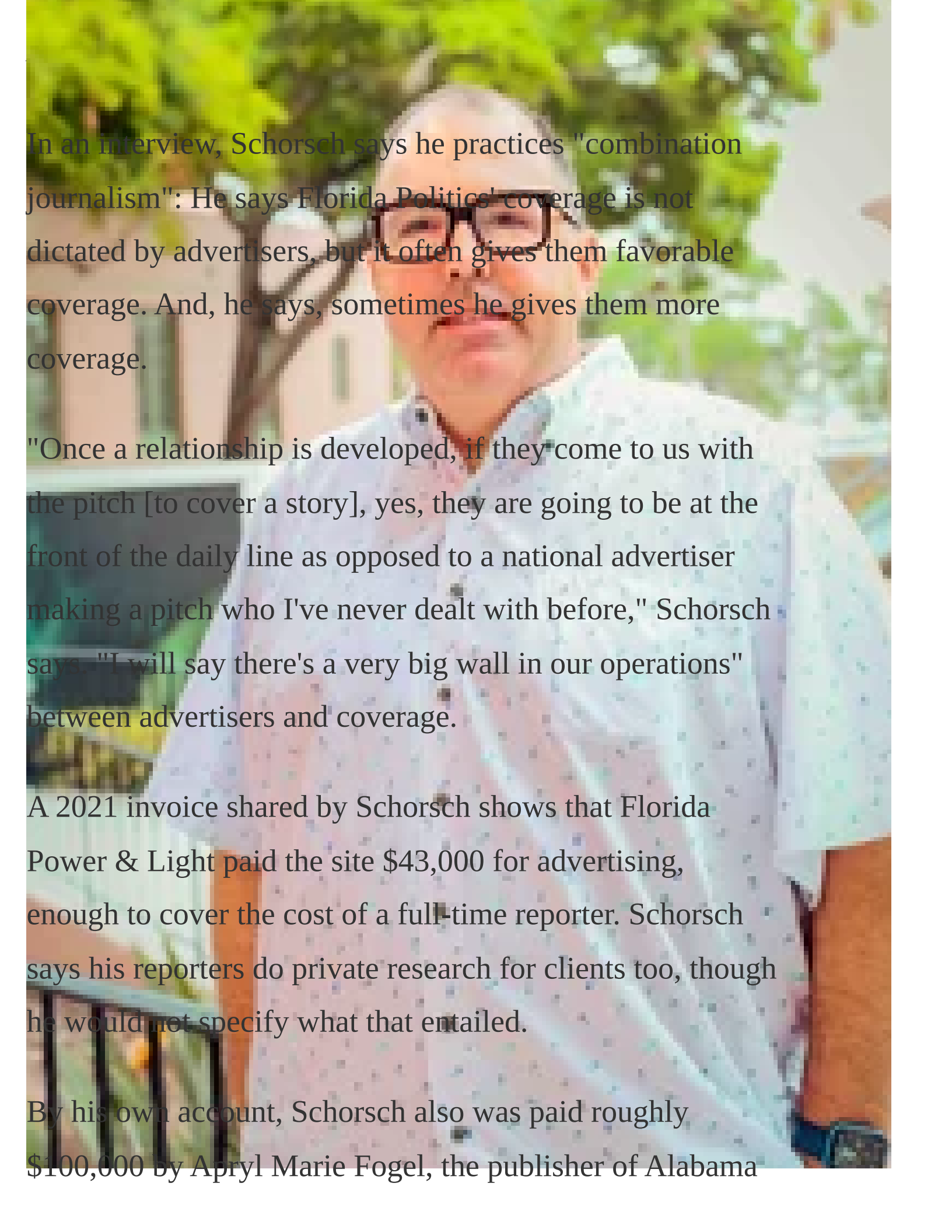
Emails show the Matrix executives ultimately agreed to let Burgess write the story because, as MacIver wrote, "it makes him look like he's not in our pocket and it isn't bad for" Florida Power & Light. (The executives were among those Matrix later sued.)

"The Capitolist stands by the accuracy of every story it has published and openly acknowledges that we bring a center-right, pro-free market editorial viewpoint to our work," Burgess writes in response to questions from NPR and Floodlight.

Advertisers receive more coverage at popular news site Florida Politics

Of all the leaders of sites with links to Matrix, only one, Florida Politics Publisher Peter Schorsch, acknowledges he doesn't observe traditional journalistic practices when deciding what to cover.



A man with glasses and a light blue shirt is sitting outdoors, possibly on a porch or patio. He is looking directly at the camera. The background shows green foliage and a wooden railing.

In an interview, Schorsch says he practices "combination journalism": He says Florida Politics' coverage is not dictated by advertisers, but it often gives them favorable coverage. And, he says, sometimes he gives them more coverage.

"Once a relationship is developed, if they come to us with the pitch [to cover a story], yes, they are going to be at the front of the daily line as opposed to a national advertiser making a pitch who I've never dealt with before," Schorsch says. "I will say there's a very big wall in our operations" between advertisers and coverage.

A 2021 invoice shared by Schorsch shows that Florida Power & Light paid the site \$43,000 for advertising, enough to cover the cost of a full-time reporter. Schorsch says his reporters do private research for clients too, though he would not specify what that entailed.

By his own account, Schorsch also was paid roughly \$100,000 by Apryl Marie Fogel, the publisher of Alabama

Today, another of the Matrix-linked sites. The money went for help with "editorial and digital tech services," he tells NPR and Floodlight. Fogel, who is also former Matrix CEO Pitts' romantic partner, received more than \$140,000 from Matrix, the firm's records show. (She declines to comment on her ties to Matrix, saying "not my monkeys, not my circus.")

Schorsch calls Fogel a friend and says he did not know she was being paid by Matrix.

Sponsor Message

Ryan Ray, a Florida Politics reporter from 2014 to 2017, says Schorsch directed him to write favorably about industries that advertised with Florida Politics.

"There is no question that polluters, big special interests and others who have an interest in influencing Florida state government have paid Peter Schorsch for positive coverage or to avoid coverage," Ray tells Floodlight and NPR. "I think even he would tell you that."

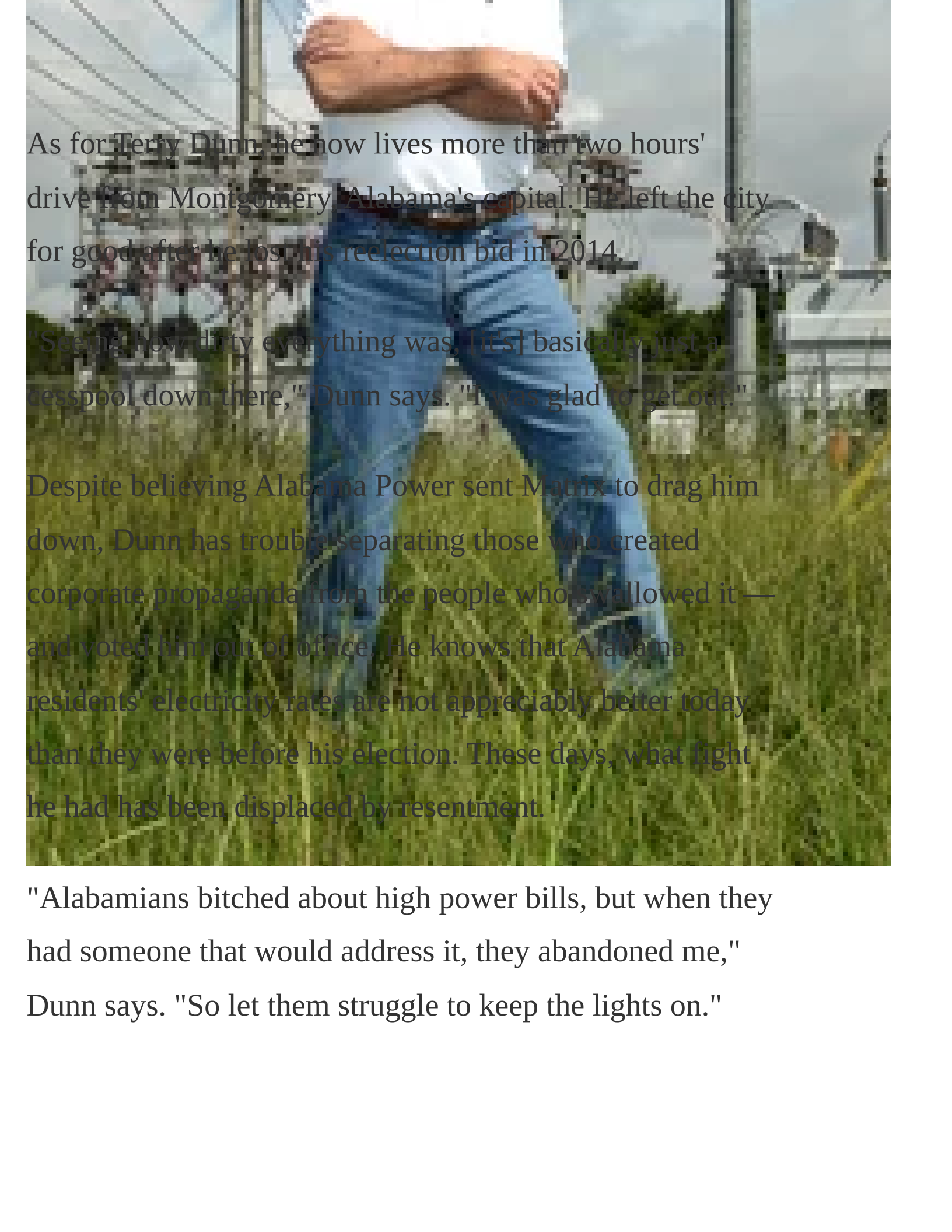
Schorsch rejects that allegation.

"I don't think there's been any thumb on the scale," Schorsch says. And he defends his model of journalism.

"I'm not trying to pretend that I'm an angel or anything like that," Schorsch says. "But ... man. If I go, there's nothing left in this f***ing space. There's like the *Tampa Bay Times*, the *Miami Herald*, and you're down to nothing."

"They abandoned me. So let them struggle."



A man in a white shirt and blue jeans stands in a grassy field. In the background, there are utility poles and power lines. The scene is outdoors with a clear sky.

As for Terry Dunn, he now lives more than two hours' drive from Montgomery, Alabama's capital. He left the city for good after he lost his reelection bid in 2014.

"Seeing how dirty everything was, [it's] basically just a cesspool down there," Dunn says. "I was glad to get out."

Despite believing Alabama Power sent Matrix to drag him down, Dunn has trouble separating those who created corporate propaganda from the people who swallowed it — and voted him out of office. He knows that Alabama residents' electricity rates are not appreciably better today than they were before his election. These days, what fight he had has been displaced by resentment.

"Alabamians bitched about high power bills, but when they had someone that would address it, they abandoned me," Dunn says. "So let them struggle to keep the lights on."