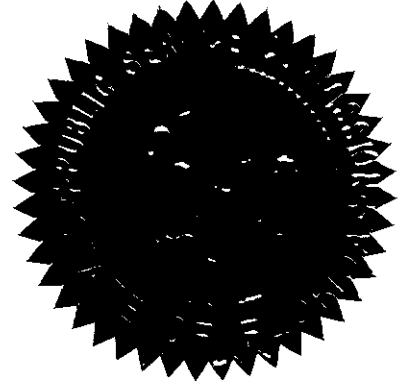


1                                   BEFORE THE  
2                                   FLORIDA PUBLIC SERVICE COMMISSION

3                                   DOCKET NO. 080317-EI

4 In the Matter of:

5 PETITION FOR RATE INCREASE BY TAMPA  
6 ELECTRIC COMPANY.  
\_\_\_\_\_ /



7  
8  
9  
10 PROCEEDINGS:                   TAMPA SERVICE HEARING

11 BEFORE:                        CHAIRMAN MATTHEW M. CARTER, II  
12                                   COMMISSIONER LISA POLAK EDGAR  
13                                   COMMISSIONER KATRINA J. McMURRIAN  
                                  COMMISSIONER NANCY ARGENZIANO  
                                  COMMISSIONER NATHAN A. SKOP

14 DATE:                            Tuesday, October 21, 2008

15 TIME:                            Commenced at 6:00 p.m.  
                                  Concluded at 10:10 p.m.

16 PLACE:                           Dr. Blaise F. Alfano Conference  
17                                   and Banquet Center  
18                                   11606 North McKinley Drive  
                                  Tampa, Florida

19 REPORTED BY:                   LINDA BOLES, RPR, CRR  
20                                   Official FPSC Reporter  
                                  (850) 413-6734

21

22

23

24

25

DOCUMENT NUMBER-DATE  
FLORIDA PUBLIC SERVICE COMMISSION 10372 NOV-4 8  
FPSC-COMMISSION CLERK

## 1 PARTICIPATING:

2 LEE L. WILLIS, ESQUIRE, Ausley Law Firm, Post Office  
3 Box 391, Tallahassee, 32302, and DEIRDRE A. "DEE" BROWN,  
4 Regulatory Affairs, Post Office Box 111, Tampa, Florida  
5 33601-0111, representing Tampa Electric Company.

6 ROBERT SCHEFFEL WRIGHT, ESQUIRE, Young van Assenderp,  
7 P.A., 225 South Adams Street, Suite 200, Tallahassee, Florida  
8 32301, appearing on behalf of the Florida Retail Federation.

9 MICHAEL B. TWOMEY, ESQUIRE, Post Office Box 5256,  
10 Tallahassee, Florida 32314-5256, appearing on behalf of AARP.

11 JACK SHREVE, SPECIAL COUNSEL, Office of the Governor,  
12 The Capitol, Tallahassee, Florida 32399, appearing on behalf of  
13 the Governor's Office.

14 J. R. KELLY, PUBLIC COUNSEL, and PATRICIA  
15 CHRISTENSEN, ESQUIRE, Office of Public Counsel, c/o the Florida  
16 Legislature, 111 West Madison Street, #812, Tallahassee,  
17 Florida 32399-1400, representing the Citizens of the State of  
18 Florida.

19 CECELIA BRADLEY, ESQUIRE, Office of the Attorney  
20 General, The Capitol PL-01, Tallahassee, Florida 32399-1050,  
21 appearing on behalf of the Citizens of the State of Florida.

22 MICHAEL COOKE, GENERAL COUNSEL, KEINO YOUNG, ESQUIRE,  
23 MARSHALL WILLIS and CHERYL BANKS, 2540 Shumard Oak Boulevard,  
24 Tallahassee, Florida 32399-0850, appearing on behalf of the  
25 Commission Staff.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

## I N D E X

PRESENTATIONS BY:	PAGE:
DEE BROWN	12
SCHEF WRIGHT	15
MIKE TWOMEY	17
CECILIA BRADLEY	22
J. R. KELLY	23

## WITNESSES

NAME:	PAGE NO.
LINDA SAUL-SENA	
Direct Statement	31
MARY ELLEN ELIA	
Direct Statement	33
MARK KLUTHO	
Direct Statement	41
CHERI DONOHUE	
Direct Statement	45
SEYMOUR "SY" ADEL	
Direct Statement	48
RICHARD FORMICA	
Direct Statement	53
WAYNE VALENTI	
Direct Statement	61

	WITNESSES	
	NAME:	PAGE NO.
1		
2		
3	JAMES SHIRK	
4	Direct Statement	64
5	KATIE HOLTON	
6	Direct Statement	67
7	PHIL COMPTON	
8	Direct Statement	73
9	DOUG PAXTON	
10	Direct Statement	77
11	ANNE KITKO	
12	Direct Statement	78
13	C. J. REYNOLDS	
14	Direct Statement	81
15	BOB STEWART and JULIE STEWART	
16	Direct Statement	87
17	JESS PINCUS	
18	Direct Statement	93
19	DARREN BOOTH	
20	Direct Statement	96
21	SANDY ESTEP	
22	Direct Statement	103
23	DON TAYLOR	
24	Direct Statement	105
25		

	WITNESSES	
	NAME:	PAGE NO.
1		
2		
3	RUDY ARNAUTS	
4	Direct Statement	113
5	RON ROTELLA	
6	Direct Statement	121
7	CHARLES MOORE	
8	Direct Statement	123
9	ROBERT GAMBRELL	
10	Direct Statement	124
11	WOFFORD JOHNSON	
12	Direct Statement	128
13	SANDRA DEVITA	
14	Direct Statement	130
15	JOE ROBINSON	
16	Direct Statement	133
17	ALVIN MCRAY	
18	Direct Statement	152
19	GENE WRENN	
20	Direct Statement	155
21	BOB WEGMANN	
22	Direct Statement	160
23		
24		
25		

WITNESSES

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

NAME: PAGE NO.

JOHN MCWHIRTER  
Direct Statement 163

SCOTT TYNEFIELD  
Direct Statement 169

CERTIFICATE OF REPORTER 173

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

EXHIBITS

NUMBER:

ID.

1	Comprehensive Exhibit List	61
2	Notice of Publication	61
3	Tampa City Council Resolution (Saul-Sena)	61
4	"Bull's-Eye on your Back" Article (Klutho)	61
5	(Late-Filed) Complaints (Kitko)	81
6	(Late-Filed) OSHNA Tree Care Survey and Power Outage Complaints (Reynolds)	86
7	Photos of Tampa Street and side street (Booth)	98
8	Statement (Devita)	133
9	Statements and Questions (Robinson)	152

## P R O C E E D I N G S

1  
2 CHAIRMAN CARTER: I'd like to call this hearing to  
3 order. First of all, I want to say welcome to everyone that  
4 came out to be with us today. I want to let you know that the  
5 purpose of our coming out is to hear from you, the public  
6 that's impacted upon this request for a rate increase.

7 The way we're going to go is that we'll initially  
8 start off with some housekeeping matters where we have the  
9 parties to identify themselves and we'll have a few brief  
10 comments from the parties. Then we'll go into our public  
11 testimony portion, and at that time we'll go into the public --  
12 can you guys hear me okay? Okay. Let's see here. When we do  
13 get into our public testimony portion of the program, what  
14 we're going to ask you to do is we'll ask everyone to stand up  
15 en masse and we'll swear you in, because we have a court  
16 reporter here who's taking down everything. This is going to  
17 be part of our official record for this case, so we'll need you  
18 to -- and as you do come up, when we do have that point, please  
19 state your name and address as we can have that for the record.  
20 And you may or may not be asked a question by either the  
21 parties or from the, from the bench here.

22 And with that, let me just say, first of all, I'll  
23 introduce my colleagues to you from, starting to my immediate  
24 left, my immediate immediate left, Commissioner Nathan Skop,  
25 Commissioner Katrina McMurrian. To my immediate right,



1 Commissioner Lisa Edgar. And also coming in will be  
2 Commissioner Nancy Argenziano. There were some, some  
3 mechanical difficulties with her vehicle but she's on the way.  
4 I can assure you of that.

5 And with that, staff, you're recognized.

6 MR. YOUNG: Thank you, Mr. Chairman.

7 By notice issued September 24th, 2008, this time and  
8 place has been set for a Customer Service Hearing in Docket  
9 Number 080317-EI, petition for base rate increase by Tampa  
10 Electric Company.

11 CHAIRMAN CARTER: Okay. With that, let's take  
12 appearances of the parties.

13 MR. WILLIS: I am Lee L. Willis, Post Office Box 391,  
14 Tallahassee, Florida 32302, appearing on behalf of Tampa  
15 Electric Company.

16 CHAIRMAN CARTER: Mr. Wright.

17 MS. CHRISTENSEN: Patty Christensen -- I'm sorry.

18 MR. WRIGHT: Thank you, Mr. Chairman. Robert  
19 Scheffel Wright, Young van Assenderp, 225 South Adams Street,  
20 Tallahassee, appearing on behalf of the Florida Retail  
21 Federation.

22 CHAIRMAN CARTER: Mr. Twomey.

23 MR. TWOMEY: Thank you, Mr. Chairman, Commissioners.

24 Mike Twomey, Post Office Box 5256, Tallahassee,  
25 Florida 32314, appearing on behalf of AARP.

1 CHAIRMAN CARTER: Also before I recognize  
2 Ms. Bradley, just for the record, we're honored to have with us  
3 this evening Jack Shreve. Jack is Special Counsel to the  
4 Governor, and he'll be -- just for the record, Mr. Shreve is  
5 here and he'll be participating and watching the proceedings as  
6 we go further.

7 With that, Ms. Bradley.

8 MS. BRADLEY: Cecilia Bradley, Office of the Attorney  
9 General, on behalf of the citizens.

10 CHAIRMAN CARTER: Ms. Christensen.

11 MS. CHRISTENSEN: Patty Christensen with J. R. Kelly,  
12 Public Counsel, on behalf of the citizens of Florida.

13 CHAIRMAN CARTER: Mr. Young.

14 MR. YOUNG: For the Public Service Commission staff  
15 we have Attorney, General Counsel Michael Cooke and Senior  
16 Attorney Keino Young.

17 CHAIRMAN CARTER: Thank you.

18 Now let me again welcome each of you here before we  
19 begin with our formal proceedings. I've got a couple of things  
20 I'd like to share with you.

21 First of all, those of you that wish to speak, out  
22 front we have a table set up and we have these white sheets  
23 here, white forms here for you to sign in and, and just kind of  
24 let us know -- you got it, didn't you? Just sign with your  
25 name and address and we'll call -- because what we're going to

1 do is we're going to call you in order. And as we do call you  
2 in order, please be mindful of your friends and neighbors.  
3 Everyone wants to have an opportunity to speak. I really don't  
4 want to be draconian and say a time, but I would like for you  
5 to keep it, you know, within three minutes or so. That way we  
6 can hear from everyone.

7           And we also have another form, the yellow one here,  
8 and this yellow form, it tells you who, what, when, where and  
9 why about why we're here tonight. And the other thing, the  
10 most critical part about this yellow form, other than the fact  
11 that it tells you who, what, when, where and why we're here  
12 tonight, the last page is a sheet that you can sign, a page  
13 that you can complete for -- if you're shy about speaking and  
14 don't want to speak or if you spoke and you forgot something,  
15 you can complete that. And it's a neat little folder, you can  
16 fold it in a mailer and send it in to us. If you've got some  
17 neighbors who for whatever reason could not be here and you  
18 know that they want to be heard, we have extra copies on the  
19 table. Please take some of those with you tonight and share  
20 those with your neighbors so they can be heard on this matter.

21           And with that, let's, let's, let's kind of -- any  
22 more preliminary matters before we have opening statements?

23           MR. YOUNG: No, sir.

24           CHAIRMAN CARTER: Okay. Thank you. With that, now  
25 let's have the opening statements of the parties. Mr. -- oh,

1 Dee, you're recognized for the company.

2 MS. BROWN: Thank you, Commissioners. Good evening  
3 and welcome to Tampa. And good evening, ladies and gentlemen.  
4 My name is Dee Brown and I'm the Vice President of Tampa  
5 Electric's Customer Service and Regulatory Affairs.

6 We appreciate having an opportunity to participate in  
7 the service hearing, which is part of the Commission's process  
8 of evaluating Tampa Electric's request to increase base rates.

9 While our customers see their total rates change from  
10 year to year as the result of changes in primarily fuel, which  
11 is a pass-through item with no profit to the company, Tampa  
12 Electric has not sought a base rate change in 16 years. The  
13 base rate is the part of the rate that represents the cost of  
14 producing and delivering electricity with a return on all of  
15 the assets that the company has invested in. It is the only  
16 portion of customer rates that has a profit margin.

17 Over the past 16 years Tampa Electric has invested  
18 \$3.4 billion to serve about 200,000 or 42 percent more  
19 customers in a reliable and safe manner. This has required the  
20 company to add 1,700 megawatts of new or repowered generation,  
21 and it also includes the addition of the Polk Power Station,  
22 which was named the cleanest coal plant in North America. In  
23 the Bayside Power Station, which was repowered from coal to  
24 natural gas, Bayside was a part of the company's ten-year,  
25 \$1.2 billion environmental commitment that it made several

1 years ago.

2 Tampa Electric has also made significant investments  
3 in its transmission and distribution system, the poles and  
4 wires that move electricity from the generating plants to homes  
5 and businesses. Some of the investment was to meet growing  
6 customer demand, some of it was the result of working with the  
7 Commission and other utilities in the state to address the  
8 hurricanes that we have recently experienced, and some of it  
9 was due to federal regulation to help ensure we don't  
10 experience blackouts like the one that occurred in the  
11 northeastern part of the United States five or so years ago.

12 As we all know, the costs of running households and  
13 running businesses have increased, and it's no different for  
14 Tampa Electric. Since our last base rate increase in 1992,  
15 inflation has gone up 48 percent and commodities that the  
16 company uses such as steel and concrete have increased by more  
17 than 70 percent. Over the years the company has found ways to  
18 control costs through efficiencies and other cost containment  
19 actions. Tampa Electric has introduced numerous conservation  
20 programs to help reduce the need to build peak generation while  
21 at the same time helping customers use energy efficiently. But  
22 while over the past 16 years Tampa Electric Company has found  
23 ways to keep its costs of business down while enjoying good  
24 customer growth year over year to help prevent the company from  
25 seeking to increase its rates, it can no longer do so.

1           In order to provide reasonably sufficient, adequate  
2 and efficient service to each person who applies for service in  
3 the company's service territory as required by law the company  
4 needs higher base rates and that's what this Commission docket  
5 is all about.

6           While I understand that most of the people here are  
7 here to provide you, Commission, with input about the company's  
8 rate request, I also understand that some of the customers may  
9 be here to ask specific questions about their electric bill,  
10 and for that we have some customer service representatives  
11 outside that can help customers with their individual needs.

12           Tampa Electric takes pride in providing reliable  
13 electric service to approximately 667,000 customers in  
14 Hillsborough, in portions of Polk, Pinellas and Pasco Counties,  
15 and appreciates the opportunity to participate in this hearing  
16 this evening. Thank you.

17           CHAIRMAN CARTER: Thank you.

18           Mr. Wright.

19           MR. WRIGHT: Thank you, Mr. Chairman. Is it your  
20 desire that I face y'all?

21           CHAIRMAN CARTER: You can turn -- I think you should  
22 be able to turn that around, Mr. Wright.

23           MR. WRIGHT: That is how we've done it in other  
24 customer service hearings, Mr. Chairman. Thank you.

25           CHAIRMAN CARTER: That's fine. That's fine. Not a

1 problem.

2 MR. WRIGHT: Good evening. My name is Robert  
3 Scheffel Wright. I go by Schef. I'm an attorney based in  
4 Tallahassee. I have the privilege of representing the Florida  
5 Retail Federation in this important rate case.

6 Before we even start on the base rates, Tampa  
7 Electric has asked for and will be granted because none of the  
8 Intervenor parties in the fuel docket could really find  
9 argument with an increase of about 12 percent in their total  
10 rates based on fuel cost increases alone. This is going to  
11 take their rates from presently just under 11.5 cents a  
12 kilowatt hour to around 13 cents a kilowatt hour come January  
13 regardless of what happens in this base rate case.

14 They're also asking for on top of this another  
15 9 percent increase in their total rates that would raise their  
16 total rate per kilowatt hour for residential service to around  
17 14 cents. It's actually a little more than that because  
18 they're proposing an inverted rate structure, but we'll let  
19 that go.

20 We can all understand the impact of fuel prices. Oil  
21 prices went crazy, they went up, they've come back down,  
22 they're still a lot higher than they were a year and a half  
23 ago, but we, the Florida Retail Federation, do not believe that  
24 this request for a base rate increase is justified. Tampa  
25 Electric is asking y'all, the customers, their customers, to --

1 they're asking the Public Service Commission to set rates and  
2 asking that they be authorized to charge you rates that would  
3 produce an after-tax rate of return on their stockholders'  
4 equity of 12 percent. In our view this is grossly excessive  
5 relative to the risks that they face. As of today, leaving  
6 aside a small receipt for gross receipt taxes, 53 percent of  
7 Tampa Electric's total revenues are recovered through  
8 pass-through clauses: Fuel, energy conservation, environmental  
9 cost recovery and capacity cost recovery. When their fuel  
10 increase kicks in in January, that number is going to go north  
11 of 59 percent. They do not face risks that are sufficient to  
12 justify a rate of return after tax of 12 percent.

13           They will say it's only \$9 on a 1,000 kilowatt hour  
14 bill, it's only \$12 on a typical average customer's bill. We  
15 don't think that washes. As a regulated monopoly provider they  
16 have to justify all their costs. You know, how would you feel  
17 if you walked into Publix or Wal-Mart and somebody met you at  
18 the door and said, "Give me another \$12"? You probably  
19 wouldn't think very much of it. You'd say, "Why? Why?" Well,  
20 that's why we're here. Why?

21           We believe that Tampa Electric needs to be more  
22 realistic in terms of its request and, frankly, more sensitive  
23 to the real world economic realities that all of, all of us  
24 face. At this point we're sure of one thing, and that is that  
25 the big chunk of their rate increase based on a 12 percent



1 after-tax return on equity is not justified. We're still  
2 fairly early in the discovery process, we have not gotten  
3 through all of the other issues, but it is Tampa Electric's  
4 burden to prove that they need any increase and we will be  
5 examining that very closely. We'll wait and see.

6 Thank you for coming. Thank you for your interest in  
7 this. Energy is the lifeblood of our lives and of our economy.  
8 And we look forward to your participation and to the  
9 Commission's ultimate decision in this case. Thank you for  
10 coming.

11 CHAIRMAN CARTER: Thank you.

12 Mr. Twomey.

13 MR. TWOMEY: Thank you, Mr. Chairman, Commissioners.  
14 Like Mr. Wright, if I may, I prefer to face the audience; no  
15 disrespect to y'all.

16 Ladies and gentlemen, as I said before, I'm Mike  
17 Twomey. I'm appearing here on behalf of AARP. Are any of  
18 y'all members? Excellent. Those of you that are 50 and aren't  
19 members should consider joining.

20 Now as Mr. Wright said --

21 (Technical audio difficulties.)

22 Let me start from back here. This is, as Mr. Wright  
23 said, this is a, it's essentially a trial. Okay? This is a  
24 trial that affects potentially \$228.2 million that TECO is  
25 asking the Florida Public Service Commission, which are the

1 judges in this case, to require you to pay more through your  
2 monthly bills on an annual basis. \$228.2 million, it's a big  
3 case. Circuit court judges don't get these kind of cases very  
4 often. The Commissioners are the judges.

5 Now AARP, as I'm sure the Public Counsel, the  
6 Attorney General's Office, the Governor's Office, the  
7 commercial customers, the Retail Federation and the industrial  
8 customers, all of us want to see that the Public Service  
9 Commission grant Tampa Electric Company the lowest legally  
10 permissible rate increase possible under the law. That's what  
11 we want to see. They have to get something perhaps, but under  
12 the law we want to see them get the least amount possible.

13 Mr. Wright said there's discovery going on, it's just  
14 started essentially, so we're not sure what the company is  
15 entitled to, where their claims are subject to the greatest  
16 question and that kind of thing. One thing we do know, as Mr.  
17 Wright said, is the company is asking for a 12.0 percent return  
18 on its equity in this case. That is the amount of money they  
19 want you to pay through your rates for their shareholders,  
20 12 percent.

21 Now he didn't mention it, but rate structure is an  
22 issue. They're asking for too much equity in their rate  
23 structure versus debt, which makes the rates go up even more.  
24 Okay? That's a little complicated. Let's just stick with  
25 equity. Now I've practiced this kind of law for about 29 years

1 doing electric cases. I was the senior electric utility lawyer  
2 for the PSC for about nine years in the '80s. It doesn't make  
3 me smart but it makes me experienced enough to know that these  
4 cases are exceedingly difficult, they are exceedingly complex.  
5 And that point, we've got some good news and we've got some bad  
6 news. The bad news or one of them first is that to my  
7 knowledge none of these five Commissioners, because they're all  
8 relatively new by when they've been appointed by the Governors,  
9 haven't sat in a major electric rate case. They haven't  
10 decided a major electric rate case. They had a minor one,  
11 which I'll mention in a minute, but none of them have decided a  
12 major electric rate case. And that's bad because this is  
13 complex and you just don't learn this coming in off the street  
14 no matter how educated, no matter how smart you are.

15           The good news is they've got a highly skilled,  
16 experienced staff. I worked with a lot of these people 29, 25,  
17 20 years ago. They can rely on their staff. Continuing the  
18 bad news, however, is the fact that they don't always follow  
19 the advice of their staff. And on the issue of common equity  
20 awarded in the minor electric case I told you about earlier  
21 this year, the Public Counsel had an expert on equity. Their  
22 witness said give them 9.15 for a much smaller electric  
23 utility, Florida Public Utility Company, 9.15. The company  
24 wanted 11.5. The staff expert who's been doing this for in  
25 excess of 20 years cut it right about in the middle and

1 recommended 10.25 percent.

2           The importance of that recommendation is that in this  
3 case for a company the size of TECO, for every percentage point  
4 the Commission allows the company to get on equity, it's about  
5 \$20 million, it's \$19.9 million more you have to pay. In the  
6 little case I'm telling you about, the staff recommended 10.25.  
7 The Commission ended up awarding 11 percent. That .75 percent,  
8 or 75 basis points as we refer to it, in this case if they  
9 allowed 75 basis points more than staff recommended, it would  
10 be equal to \$15 million. Now two of the Commissioners in that  
11 case tried to argue initially that the company should get  
12 11.5 percent or 1.25 percent more than the staff expert  
13 recommended. If that happens in this case, there will be an  
14 additional \$25 million.

15           So AARP is going to follow closely the recommendation  
16 and probably support the recommendation of the Public Counsel's  
17 witness. We don't necessarily expect that the Commission  
18 should have to pick that number. This is an adversarial  
19 position. The company has 12, maybe they have 12, OPC, Public  
20 Counsel may have 9, 9.2, whatever, it ought to be someplace in  
21 the middle, and that's what we're going to expect the Public  
22 Commission to vote out.

23           So I'm, I'm telling you this because you should  
24 watch. When this case is over, you should watch and see what  
25 these Commissioners, what this Commission as a body gives this

1 company on equity return. It'll be an important signal on  
2 whether they're leaning toward the consumer, leaning toward the  
3 company or going right down the middle. Thank you.

4 CHAIRMAN CARTER: Thank you, Mr. Twomey.

5 Commissioner Argenziano.

6 COMMISSIONER ARGENZIANO: Yes. I'm sorry. I  
7 apologize, number one, for being late. I had a flat tire, and  
8 I never knew a flat tire could cost \$240, but he had me over a  
9 barrel and I needed to be here. So I apologize for that.

10 But with all due respect to Mr. Twomey, I have to  
11 respond because it's only fair to do so. And I've known  
12 Mr. Twomey for many years as a very, very good watchdog for the  
13 consumer when I was in the legislative branch. But I want to  
14 let you know the differences between the case he mentioned  
15 because he carefully didn't tell you the differences.

16 This is a tiny, tiny company in the Panhandle who  
17 customers actually adore this company, very hard to find that,  
18 and with good reason. There's very, very big differences. The  
19 company had the lowest and still has the lowest rates in the  
20 whole State of Florida. And what they were asking at the time  
21 was for bigger compensation for their CEOs and their head guys,  
22 which, you know, everybody is getting a little tired of big  
23 packages for the CEOs. So the point was let's leave them at  
24 their rate of return but disallow them from taking from the  
25 consumer for the, for the amount of money for the CEOs or the

1 higher-ups in the company and let the, let the shareholders  
2 take that out of their profits and pay them. So we rewarded  
3 them for being good and keeping their rates low and said you  
4 will not charge the consumer for the big packages that go to  
5 the higher-ups, even though they're small compared to everybody  
6 else, and that's the reason that was granted that way so that  
7 you wouldn't be stuck, or the people of the Panhandle wouldn't  
8 be stuck with paying the higher packages and let the  
9 shareholders pay that. And I think you needed that  
10 explanation.

11 So thank you. And I still say you're a great  
12 watchdog for the consumer, but sometimes you leave things out  
13 like sometimes that you don't agree with staff of the PSC.  
14 Thank you though. Thank you, Mr. Chairman.

15 CHAIRMAN CARTER: Thank you, Commissioner.

16 Ms. Bradley.

17 MS. BRADLEY: Thank you. I'm Cecilia Bradley and I'm  
18 with the Office of the Attorney General. We've had some people  
19 come to our office and -- is this not on?

20 CHAIRMAN CARTER: No. Mr. Twomey broke it.

21 MS. BRADLEY: It seems Mr. Twomey turned it off  
22 before I got up.

23 (Technical audio difficulties.)

24 As I said, I'm Cecilia Bradley. I'm with the Office  
25 of the Attorney General. We've had some people who have

1 contacted our office and were concerned about this rate  
2 increase and the effect it was going to have on them, so I  
3 wanted to come down and hear from you, the effect it's going to  
4 have on you and your concerns about it. I have a feeling that  
5 this is not on the top ten fun things to do on a, I think this  
6 is a Tuesday, still Tuesday, on a Tuesday evening. So we  
7 appreciate you taking time away from your families and your  
8 activities and coming out to share with us your concerns and  
9 letting us know what you really feel about it and what your  
10 concerns are and how it's going to affect you.

11 We realize that \$9 or \$12 a month extra may not seem  
12 like a lot to a company that's making millions, but I know to a  
13 lot of people on fixed incomes \$9 to \$12 is a huge amount, and  
14 we are certainly concerned about that and are anxious to hear  
15 from all of you. Thank you.

16 CHAIRMAN CARTER: Thank you, Ms. Bradley. Thank you,  
17 Ms. Bradley. And now we'll hear from the Public Counsel,  
18 Mr. J. R. Kelly.

19 MR. KELLY: Is this on now? No. Mr. Chairman, I'm  
20 going to turn around also, if you don't mind.

21 CHAIRMAN CARTER: No problem, Mr. Kelly.

22 MR. KELLY: Good afternoon or good evening. My name  
23 is J. R. Kelly, and I have the privilege of being the Public  
24 Counsel for the State of Florida. And what does that mean?  
25 Who am I? What does my office do? Well, folks, I represent,

1 my office represents you, the ratepayers, the consumers in the  
2 State of Florida. We're not part of the Public Service  
3 Commission. A lot of folks think we are. We're not. We're  
4 funded separately by the Legislature, and our sole  
5 responsibility is to represent you, the ratepayers. With me  
6 tonight is Ms. Patty Christensen that spoke earlier, and she's  
7 the attorney that's assigned to the case. Now we represent you  
8 collectively, okay, as ratepayers, everybody in the room,  
9 commercial, individual, it doesn't matter, in any of the issues  
10 that come in front of the Public Service Commission.

11 Our focus, our sole focus in this particular case  
12 dealing with TECO is to make sure that you, the ratepayers, get  
13 the least possible cost of electric service that's the best  
14 possible service you can get.

15 Now what do we do? Well, Ms. Christensen is an  
16 attorney. She's been doing this for many years. Okay? She  
17 will be representing you just like an attorney, as Mr. Twomey  
18 said, in a trial.

19 And I'm happy to tell you that we've hired two  
20 experts that are known throughout the United States as experts  
21 in their respective fields. One is a Ph.D. with an MBA and he  
22 is a finance expert. He is a professor of finance at Penn  
23 State University. He is, he has testified in numerous  
24 jurisdictions throughout the United States dealing with utility  
25 matters.



1           Our second expert is a gentleman that is, has been  
2 admitted to over 35 jurisdictions as an expert. He is a CPA.  
3 He has been testifying for over 30 years and will provide, will  
4 be providing expert testimony dealing with obviously accounting  
5 issues.

6           Now for those of you -- you're going to hear a lot of  
7 fancy terms and deferred this and depreciation, blah, blah,  
8 blah. Let me tell you what it boils down to is this. This is  
9 what a rate case is in its simplest forms. Okay? TECO and any  
10 other electric utility is allowed to get money from you, the  
11 ratepayer, to pay for their operating expenses and they are  
12 allowed a fair and reasonable rate of return on the amount that  
13 they invest in their plant, their assets, whatever. Okay?  
14 You're going to hear all these fancy terms. Folks, that's what  
15 it boils down to, those two simple concepts. Okay? That's  
16 what we look at.

17           Now it gets terribly, terribly complicated, terribly  
18 sophisticated. That's why we hire the experts that can speak  
19 the lingo and can break things down to their simplest terms to  
20 make sure that all the expenses that TECO is asking for are  
21 fair, reasonable and prudent, as well as what they invest in,  
22 is it fair, reasonable and prudent?

23           Now you've heard a couple of the speakers before me  
24 tell you the bottom line in this case: TECO is seeking a  
25 \$228 million rate increase. \$228 million, no small amount of

1 change. Is what TECO asking for fair, is it reasonable, is it  
2 prudent? We do not believe so.

3           There's several issues of contention that we're going  
4 to raise on your behalf. First, and you've heard this again by  
5 Mr. Twomey and a couple of the other speakers, the rate of  
6 return on investment, 12 percent, 12 percent is what TECO is  
7 asking for. We do not believe that is reasonable and not in  
8 today's time. The economic times are bad. I'm not telling you  
9 anything you don't already know. For any of you that may be  
10 lucky enough to own some stocks like, and I have a little bit,  
11 they're not worth a whole lot today like they were several  
12 months ago or even several years ago. Okay? We're going to be  
13 analyzing and our expert will be analyzing this rate of return  
14 that they're asking for to see what is reasonable in today's  
15 marketplace, in today's time, in today's economic dismal  
16 outlook.

17           The second thing we're going to be looking at,  
18 operating expenses. I don't have anything to report to you  
19 tonight, but our expert at this point in time is going through  
20 the huge amount -- I think there were over 1,000 pages filed of  
21 financial documents dealing with operating expenses. We're  
22 pouring through those as we speak, Ms. Christensen is, along  
23 with our expert to see, again, fair, is it reasonable, is it  
24 prudent?

25           And there are a couple of other issues I'm going to

1 mention real quick and I'm not going to get into -- that can be  
2 complicated and I'll be glad to talk to you separate, aside,  
3 but I don't want to spend 30 minutes up here -- is, one is  
4 transmission expenses. Transmission means simply the cost to  
5 take electricity from Point A to Point B, to take it from  
6 TECO's plant to your house. Okay? TECO is going to be asking  
7 for a special built-in automatic increase, and that's my terms,  
8 special built-in automatic increase that every time they spend  
9 money on transmission, that they can collect that separate, if  
10 you will, from the normal rate. Now without getting into the  
11 complication, here's the bottom line to you, the ratepayer. If  
12 they get granted that special built-in automatic increase, that  
13 means you, the ratepayer, could be subjected to additional rate  
14 increases from year to year that is outside of your normal  
15 rates, meaning, bottom line, your rates could go up without  
16 another rate case.

17           The last issue I'll mention to you is what is called  
18 a storm reserve. Bottom line, it's a rainy day fund. We all  
19 put money away for a rainy day. Okay? And utilities should,  
20 should put money away for the rainy day if a catastrophe, a  
21 hurricane or some other type of storm or catastrophic event  
22 hits. Okay? However, in this case they want to raise what  
23 they've been collecting, \$4 million a year, up to \$20 million a  
24 year. We think that's not reasonable today. Could it be  
25 reasonable back in 2004 or 2005 when we had a bunch of

1 hurricanes? I don't know. But we don't believe it's fair and  
2 reasonable and prudent given today's economic times.

3 Now the last thing I want to mention to you is so  
4 what? Okay? So what? What can you do? Why are you here  
5 tonight? Folks, I can't encourage you enough to get up here  
6 tonight and speak, tell these folks up here what you want to  
7 say. Don't worry about using big words, don't worry about  
8 trying to speak like a lawyer. You ought to know by now I  
9 don't sound like a dadgum lawyer, and I am. I want you to  
10 speak because it is so vitally important for these fine folks  
11 to hear what you have to say. Okay? You need to speak on  
12 customer service, good, bad, whatever, that you get from TECO.  
13 Okay? You also need to speak on the impact, the impact that  
14 this potential rate increase will have on you. Okay? It is so  
15 vitally important.

16 And, folks, I want to give you an example for a  
17 minute. Any of you that may want to go out and buy some  
18 hamburger, okay, you've got a few choices, don't you? You can  
19 go to Publix, Winn Dixie, Albertson's, whatever else you may  
20 have down here in this area, but you can pick and choose where  
21 you may want to go to get your hamburger. Can you pick and  
22 choose where you go get your electric service? No. And that  
23 is something that we will be asking the Commission to take into  
24 consideration, that it's a monopolistic society when you only  
25 have one place to go for the product you need. Okay? You need

1 to get up here and speak. It is so vitally beneficial to these  
2 folks right here to hear what you have to say. But more  
3 important, folks, I cannot tell you how important it is, that  
4 it will benefit you, you, the ratepayer, to get up here and  
5 speak. Thank you.

6 CHAIRMAN CARTER: Thank you, Mr. Kelly.

7 We're going to, we're going to have our microphone  
8 adjusted because when you do speak, you'll be speaking to the  
9 Commissioner. So you'll have, you'll be facing us. We hear  
10 from the lawyers and the advocates all the time, but we came  
11 down, we came down here to hear from y'all.

12 So what we're going to do is that first and  
13 fundamentally I want to let you know we do have staff here from  
14 the Public Service Commission that are here to my left,  
15 Mr. Willis and Cheryl Banks, and we also have staff outside.  
16 So I want to let you know that the other thing we want to do is  
17 that we want to, to swear you in as a group. And if you just  
18 got here and were not here when I mentioned these two pieces of  
19 paper, I'll be careful this time, the white piece of paper is a  
20 sign-up sheet saying that I would like -- can you guys hear me  
21 in the back? The white sheet of paper, the white piece of  
22 paper is a sign-up to where you say I want to speak tonight, I  
23 want to be heard. And we do ask, as I said to you earlier,  
24 please be courteous enough to, you know, stay within three, you  
25 know, about three minutes or so. That way we can hear from

1 everyone. Because it's important, I know your issue is  
2 important, but it's very important to us to hear from your  
3 neighbors. We want to hear from everyone that's impacted by  
4 this.

5           The other, the other piece of paper is a yellow piece  
6 of paper here that's out front. The critical thing about this  
7 paper, if you weren't here before, it tells you who, what,  
8 when, why and where we're here tonight. The most significant  
9 part about it, after it tells you who, what, when, why and  
10 where we're here, this last page, it gives you a place to sign  
11 up. If you have some comments that maybe you thought about  
12 later on and you want to put in there and send in to us, it's a  
13 neat little folder, you can fold it in and mail it in to us, or  
14 you've got some friends and neighbors who for, maybe they had  
15 childcare concerns or they had work concerns, they couldn't get  
16 off tonight, please take them home and get them, get them to  
17 your neighbors and get them to us. We will listen to them and  
18 have them before we have our final hearing on this matter. So  
19 I wanted to make sure we, we did that.

20           And with that, all of you that are wishing to speak  
21 tonight, I'd like to swear you in as a group. Would you please  
22 stand, those that are able to do so, and raise your right hand.  
23 I need to hear from everybody.

24           (Witnesses collectively sworn.)

25           Thank you so kindly. Please be seated. Now here's

1 what we're going to do is that we're going to have your names  
2 called and, as we do, we'd ask you to come up to the microphone  
3 and speak to us.

4 Before we go with our list, Ms. Christensen, before  
5 we go to, before we -- I'm having trouble with this microphone.  
6 I'll do like James Brown. Before we, before we go with our  
7 list is that I'm going to call in this order two people and  
8 then we'll go to our list.

9 First of all, I'd like to call Commissioner Linda  
10 Saul-Sena from the City of Tampa. Would you please come up,  
11 Commissioner, so we can hear from you?

12 Whereupon,

13 LINDA SAUL-SENA

14 was called as a witness on behalf of the Citizens of the State  
15 of Florida and, having been duly sworn, testified as follows:

16 DIRECT STATEMENT

17 COMMISSIONER SENA: Thank you. And I want to, I want  
18 to thank you all so much for coming to our community. It makes  
19 it so much easier for us to communicate with you.

20 My name is Linda Saul-Sena, and I've been a member of  
21 the Tampa City Council, I'm in my fifth four-year term, and I  
22 serve citywide. I'm here this evening representing my  
23 constituents. Of Tampa Electric Company's 650,000 customers,  
24 350,000 live within the City of Tampa. So we're the largest  
25 municipality.

1           A few weeks ago we received a letter from THAN, Tampa  
2 Homeowners Association of Neighborhoods, urging us as elected  
3 officials to speak with you all on this proposed rate increase.  
4 In response to their question, we adopted a resolution by City  
5 Council two weeks ago. I don't have the official stamped  
6 version here but I'll provide that to the staff. But I'd like  
7 to read you the gist of it.

8           This resolution is requesting that the Public Service  
9 Commission deny the proposed TECO rate increase until a  
10 detailed independent analysis of their current and proposed  
11 operational plans be conducted with a specific look at TECO's  
12 energy efficiency and conservation programs and adoption of  
13 renewable energy sources, and it goes on into greater detail.

14           But the gist of this is we are very concerned at the  
15 proposed rate increase and how it will affect our citizens.  
16 We're all aware of the current economic situation, and the  
17 proposed increase is significant. As a member of City Council  
18 I have been involved with rate increases for water and waste,  
19 and I can tell you that 3 and 4 percent increases really rile  
20 the public because they recognize, particularly our public who  
21 are on fixed incomes, what that, what the impact is. As was  
22 stated previously, this is a monopoly and we all need energy.  
23 I hope you really take these, these things into consideration.  
24 And I'm speaking, as I said, not only for myself but on behalf  
25 of our community, 350,000 customers who will be impacted by



1 this rate increase.

2 I think it's fair that there be some rate increase,  
3 perhaps a third, maybe even 50 percent, but what's being  
4 proposed is just not tenable at this time. So as one, from one  
5 public servant to another, I really want you to think very,  
6 very carefully about the impact of this upon our citizenry.  
7 Thank you so much for your attendance here tonight. And I am  
8 so pleased to see so many of our active citizens here to share  
9 their thoughts with you.

10 CHAIRMAN CARTER: Thank you, Commissioner.

11 Next we have the Superintendent of Schools in  
12 Hillsborough County, Ms. MaryEllen Elia. And please forgive me  
13 if I didn't pronounce your last name properly.

14 Whereupon,

15 MARYELLEN ELIA

16 was called as a witness on behalf of the Citizens of the State  
17 of Florida and, having been duly sworn, testified as follows:

18 DIRECT STATEMENT

19 SUPERINTENDENT ELIA: That's fine. Thank you very  
20 much for the opportunity to speak today and to address some  
21 issues that are very important for the school district in  
22 Hillsborough County.

23 First of all, let me give you a little bit of  
24 information about Hillsborough County. We are the eighth  
25 largest school district in the nation and we serve

1 approximately 191,000 students.

2           The rate increase that is, that is proposed, and we  
3 believe that we have the correct information but it has changed  
4 multiple times, will impact Hillsborough County public schools  
5 by approximately \$10 million to \$12 million if both the  
6 proposed fuel and base rate are imposed. And our projections  
7 are a 19 percent fuel increase and a 9 percent base increase.

8           Let me just give you a little history. Last year our  
9 electricity bill was approximately \$39 million, and this year  
10 without increases we anticipate that those costs will move to  
11 \$40 million since this last August we opened up five new  
12 schools. Schools are different kinds of customers and I think  
13 that that is a very important thing to keep in mind. I am part  
14 of the superintendents organization in the state and I know  
15 that our board members are part of the Florida School Board  
16 Association, and all of them, all of us collectively are very  
17 concerned about these rate increases.

18           I say that schools are different kinds of customers  
19 because we are. Number one, we can't pass this rate increase  
20 on to anybody. All we can do -- and I appreciate Mr. Kelly's  
21 comments about fair, reasonable and prudent. I think it's very  
22 important to realize that in the economic environment that we  
23 are in right now the school districts in Florida, the school  
24 budget in Florida for K-12 has been decreased by approximately  
25 12.5 percent. For Hillsborough County our decrease from

1 May of '07 to May of '08 was approximately \$40 million. So our  
2 projected decrease in funding coming next year is somewhere  
3 between \$30 million and \$40 million if the projections are  
4 based on what currently are the revenue streams into the state.

5 I say all that so that you understand that a  
6 \$10 million to \$12 million increase in the cost of our energy  
7 where we are to do our business, we must do that, we're going  
8 to end up having to take away services to 191,000 families.  
9 And I think it's very important to see that school districts  
10 are different customers.

11 Hillsborough County Public Schools has approximately  
12 240 school sites. We are billed as 240 different customers.  
13 Now there are lots of ways for you as the Commissioners to  
14 address the issue of school districts are different kinds of  
15 customers. One of them would be that in fact the school  
16 systems be considered a single customer, not with all the  
17 different sites they have throughout our counties in Florida,  
18 but that that, that alone would help us in terms of our rate.  
19 Operating in the schedules of buildings requires that our rates  
20 are not as good as other commercial customers simply because  
21 the way that we have usage of our energy is not spread out like  
22 it is perhaps for other commercial customers and it ends up  
23 being a detriment to us so that the load factors punish school  
24 systems, and I think that's a very important thing to keep in  
25 mind. We're in a position where to do our job we can't have

1 our kindergarteners there for extended days so that we can make  
2 a better load count. It just doesn't work that way, does it?  
3 And so the reality is that that in itself punishes us on our  
4 rates.

5 I would agree with our city representative on the  
6 issues related to conservation. We need to enhance the  
7 conservation programs and give greater incentives for energy  
8 conservation through all of the providers of energy in the  
9 state. It shouldn't need to be a problem. It should be  
10 particularly that, that those different kinds of customers, our  
11 schools, that people are anxious to work to make sure that that  
12 happens.

13 You know, the rates, and I know you probably are very  
14 well versed in the rates, but the rates for the schools are  
15 very difficult to understand. We've got to figure this out.  
16 If you as the Public Service Commission agree with these  
17 rates -- Hillsborough County is only one example and all of the  
18 energy providers are coming to you for rate increases --  
19 understand you are going to be influencing 67 counties where we  
20 have schools and that all of those children and families in  
21 those schools are affected by your decision and the rates that  
22 go to schools.

23 It's a very difficult -- I don't want to be in your  
24 position. I understand that it's hard to decide who should be  
25 considered different, but I would suggest to you that school

1 districts are a different kind of customer and they have to be  
2 treated that way.

3 COMMISSIONER ARGENZIANO: Mr. Chairman, may I ask a  
4 question?

5 CHAIRMAN CARTER: Thank you.

6 Commissioner Argenziano.

7 COMMISSIONER ARGENZIANO: I would like to ask staff a  
8 question. Because in finding and being a Public Service  
9 Commissioner in the past year, a little over a year I've been  
10 finding there are things that we can and do have jurisdiction  
11 over, and then a lot of times I'm finding the public doesn't  
12 know that many times we're mandated by the Legislature in  
13 certain areas, and they are the policy, policymakers. And as  
14 OPC had said, they are an arm of the, they are part of the  
15 Legislature. So is the PSC. But what I like to answer while  
16 she's here in front of us is do we have jurisdiction to look at  
17 buildings separately or together or is that a policy issue?  
18 Because that -- then I know how to move forward with that. And  
19 then perhaps we can ask OPC as well as the AARP to help lobby  
20 our legislators for the changes we need because we need to be  
21 doing that too. So if staff could answer that.

22 MR. WILLIS: Commissioner, probably, probably the  
23 best way I can answer that is that the Commission can't  
24 discriminate within a rate class itself. You can look at how  
25 rates or revenue requirements are spread among different rate

1 classes. And this is an issue that staff can explore when we  
2 actually look at this rate case. I don't know if that helps  
3 you or not, but.

4 COMMISSIONER ARGENZIANO: Okay. Well, I guess what I  
5 want to know is do we have it within our jurisdiction to, to,  
6 if we find that that's something that should be done, that we  
7 can do or do we need to get the policymakers to give us that --  
8 they mandate us on a lot of other things, I'm absolutely going  
9 to make it my job to make the public understand that some  
10 things we are mandated, we're told by the Legislature that this  
11 is what you will provide, these are the recoveries you will  
12 give a company. And no matter how I look at it and say, well,  
13 these are terrible times, people can't afford anymore,  
14 sometimes we're mandated, we have no choice. And I'm finding  
15 that a lot of times the public is not aware of that and it's  
16 going to be this Commissioner's job -- because we need the  
17 Legislature to help us too.

18 And I guess what I'm trying to get at, and I don't  
19 want to take up the public's time, is if we do have  
20 jurisdiction to do that. And if not, and we need the  
21 policymakers to do that, then I'm here asking OPC and  
22 Mr. Twomey to help, and I'll go to the Legislature also, to  
23 help us get the tools we need to do the things we need to do.  
24 Because, as I said, I've just seen too many times when it's,  
25 you know, it would be nice to have some help to get our

1 legislators to understand. And I do, and I'll stop talking  
2 here, but the public needs to be talking to their legislators  
3 too. Because if we're mandated or if we need the policy change  
4 from them, it would be great to have that.

5 And I guess the answer I want, do we have  
6 jurisdiction to, to bill, to bill wholly or change that?

7 MR. WILLIS: You have the jurisdiction to consider  
8 rate classes. If you wish to consider schools in a separate  
9 rate class, you do have that jurisdiction to do that.

10 COMMISSIONER ARGENZIANO: So we can do that.

11 MR. WILLIS: It's up to the Commission to decide how  
12 rates are spread and what class of customers would fit within  
13 those rate classes. Yes.

14 COMMISSIONER ARGENZIANO: Well, then that's  
15 wonderful. I want staff to help me to figure out how we do  
16 that and what the impacts are and how we can help the school  
17 districts.

18 MR. WILLIS: Sure.

19 COMMISSIONER ARGENZIANO: Thank you.

20 CHAIRMAN CARTER: Thank you, Commissioner.  
21 Commissioner Skop.

22 COMMISSIONER SKOP: Thank you, Mr. Chairman.

23 CHAIRMAN CARTER: You'll have to hold it closer.

24 COMMISSIONER SKOP: All right. Thank you. And I  
25 also had a concern with respect to the question presented. It

1 would seem to me that, that there was some concern raised about  
2 the reduced funding levels afforded to education and the  
3 problems that that's causing in view of rising costs of all  
4 services.

5 I would ask staff, I guess, to do the same thing as  
6 Commissioner Argenziano asked to the extent that certainly we  
7 can't discriminate within a rate class, but if there is the  
8 ability to take a look at, from a policy perspective, whether a  
9 separate rate class would be appropriate within a tariff or  
10 what have you, I think that that would be something that could  
11 be researched or whether that's a public policy decision that  
12 also could receive some legislative support in light of reduced  
13 funding levels available to education. That may go a long way  
14 in kind of equaling things out, but at least it's something to  
15 look at and I appreciate the point that was made. Thank you.

16 CHAIRMAN CARTER: Thank you, Madam Superintendent.

17 SUPERINTENDENT ELIA: Thank you very much. And we  
18 will work to make sure that the legislators understand the  
19 constraints that we have and that, you know, if in fact it  
20 needs to go that route as well as working with you. But I  
21 appreciate the opportunity to speak to you this evening and to  
22 put before you what is, what we believe is a serious issue in  
23 the context of the financial situations that we're facing in  
24 the state. Thank you very much.

25 CHAIRMAN CARTER: Thank you, Madam Superintendent.



1 Ms. Christensen, are you calling?

2 MS. CHRISTENSEN: The first person we have signed up  
3 is Mark Klutho.

4 Whereupon,

5 MARK KLUTHO

6 was called as a witness on behalf of the Citizens of the State  
7 of Florida and, having been duly sworn, testified as follows:

8 DIRECT STATEMENT

9 MR. KLUTHO: Mark Klutho, 14496 120th Avenue North,  
10 Largo. So sad Linda Saul-Sena and the Superintendent of  
11 Schools getting up here to speak. Been before them many times.  
12 Here is the book, A Primer on Sustainable Building. The author  
13 signed it, "To Mark, thanks for your efforts and passion. Bill  
14 Browning." That was at the seminar that the schools put on  
15 May 29th, 1998, and since then the schools have built over  
16 \$3 billion worth of bad buildings. Had they made high  
17 performance buildings, the utility bills could be cut by  
18 90 percent. And what she suggests is a penny-ante fix.

19 And, people, these are not experts over here. Why  
20 they can't even get the uniform of the day right; wearing coats  
21 so this building gets colder and colder and the carbon goes  
22 into the atmosphere. And what did I notice the first thing  
23 when I came in here? Incandescent bulbs.

24 Here I have photographs of Steve Graham from the  
25 city, an employee under the charge of Saul-Sena, planting live

1 oaks under the power lines. I was on the Channel 13 news more  
2 than ten years ago, and they said they couldn't keep up with  
3 their tree clearance policy, \$6 million a year, and regressive  
4 (phonetic) energy was spending \$8 million a year. I know it's  
5 way more now. And when I told them, "You're violating your own  
6 codes," he said, "Mind your own business." So he brings out  
7 the forester for TECO, Richard Bailey, and he says, "Take out  
8 the trees." He didn't have the authority to do it. And here  
9 just two blocks up the street are live oaks under the power  
10 lines going down the same street and they're not a foot in  
11 diameter and the utility is already having to mutilate them.  
12 And then at the City Hall I've gone into the meeting and told  
13 them, "You have incandescent bulbs right here." And you're  
14 talking about TECO needing to conserve. You hypocrites. I  
15 mean, this is just disgusting.

16           Why yet the school board administration building,  
17 they made such a stupid building, a four-floor big building  
18 that they had one single light switch for the first floor, one  
19 switch for the second, one for the third and one for the  
20 fourth, fourth floor. Every single light was, on each floor  
21 was run by one switch. And it took me going to the meetings  
22 over and over again before they finally had an energy services  
23 company come in and fix this. I've coined a term for what's  
24 going on here. This is not the Information Age, this is the  
25 Second Dark Age.

1           And then the imaging specular reflectors, remember  
2 when I mentioned this? I bet you haven't fixed your board  
3 room. 96 watts' in each fixture and it could be 32 watts. And  
4 these people, they say we need nuclear power. This is absurd,  
5 absolutely absurd.

6           Remember the quiz I gave you? No one said, well, if  
7 that's an imaging specular reflector, you have one bulb, not  
8 three. Not three bulbs, one bulb. I mean, and I told you  
9 about the book from Lester Brown, Plan B. If we did all the  
10 efficient lighting that we can do, and this is sitting on the  
11 shelf, 700 of the 2,360 coal-fired power plants that are now in  
12 use could be turned off.

13           I mean, you know, the problem, this economic mess  
14 here, the US&A is less than 5 percent of the world's population  
15 using 25 percent of the world's energy and spending more on  
16 defense than all of the rest of the world combined. And we  
17 have to do the defense spending because we are wasting that  
18 energy. And you people continue to ignore it, see. And I'm  
19 speaking here for what's going to happen for mammals, Nowhere  
20 to Run study. One in four face extinction. And then this  
21 other, Chill Baby, Chill, offshore drilling may not be all bad  
22 if royalties help save endangered lands. And they're talking  
23 about taking the money from the oil companies and then going  
24 and fixing the Everglades. But, see, you get that oil money  
25 and you burn the carbon, the Everglades disappears. They go

1 underwater.

2           And the economist here says, this article, and it was  
3 heavily abbreviated in The Tribune, A Nuclear Bull's-Eye Is On  
4 Our Back, after they endorsed nuclear power. But in the Solar  
5 Today, the October, September/October issue, A Bull's-Eye Is On  
6 Our Back by Michael Totten, it says here that the Economist  
7 Magazine repeatedly emphasizes, and Ann Marie Lovenson, his RMI  
8 colleagues, recently detailed in Forget Nuclear, nuclear power  
9 still makes no sense financially, even disregarding the safety  
10 and security and subsidy issues that will cost at least 12  
11 cents per kilowatt hour to build and run a nuclear plant. It  
12 will cost even more at the nuclear industry's flagship Finnish  
13 project -- I'm not going to say the name of it, it's really  
14 weird -- which is now several years behind schedule and  
15 \$2.5 billion over budget.

16           Efficiency services in sharp contrast were allowed by  
17 state public utility commissions to compete with supply options  
18 deliver four to over 12 times the services for the same cost  
19 per kilowatt hour. Now the Economist Magazine, they've been  
20 publishing since 1843, and hardly a liberal rag. Now how your  
21 staff came up with the notion that it makes economic sense,  
22 there's something wrong, something drastically wrong with this  
23 picture.

24           And, you know, TECO says solar doesn't make sense.  
25 Well, we had it installed on our roof December 27th and the

1 backup elements haven't kicked on one time. And I know it for  
2 a fact because I have a switch on the wall and it's in the off  
3 position. They can't possibly come on.

4 Now you people -- and he's wrong about you not making  
5 any big decision. You made a big bad decision, \$17 billion to  
6 do those nuclear plants, \$3 billion which goes to the power  
7 lines when you can generate that energy right there on the roof  
8 and create a whole bunch more jobs. And, you know, I know I've  
9 gone over three minutes.

10 CHAIRMAN CARTER: Yes.

11 MR. KLUTHO: But to say only three minutes when there  
12 are only 25 people signed up to speak, boy, that's not giving  
13 much consideration when you're, you're talking about stealing a  
14 lot of money from people and ignoring a whole bunch of science.

15 CHAIRMAN CARTER: Thank you.

16 Ms. Christensen.

17 MS. CHRISTENSEN: Cheri Donohue.

18 Whereupon,

19 CHERI DONOHUE

20 was called as a witness on behalf of the Citizens of the State  
21 of Florida and, having been duly sworn, testified as follows:

22 DIRECT STATEMENT

23 MS. DONOHUE: Good evening. My name is Cheri Donohue  
24 and I live in Temple Terrace, Florida, and I'm here to  
25 represent two sides of the hat I wear. One is to represent the

1 Chamber of Commerce, but not to tell you that I can speak for  
2 all of my businesses by saying absolutely not or heck no, we  
3 won't pay more. So with that said, I want to tell you a little  
4 story.

5 My dad was a railroad man and he would come home with  
6 stories of somehow miraculously it was always the railroad's  
7 fault when some poor guy was sitting on the track and he got  
8 hit by a train. Isn't that amazing that all of the sudden it  
9 was the railroad's fault? And so it's easy for us to stand  
10 here tonight and say this has to be TECO's fault, somehow  
11 they've done something wrong or they put us all in a bad  
12 position. But, in fact, what we have to remember is that TECO  
13 is comprised of taxpayers, of homeowners, of neighbors, of  
14 people who I go to the grocery store with, of people who I sit  
15 in church with, and these are good corporate citizens and good  
16 people who are taking care of the charge that they have, which  
17 is providing you and me with electricity. And, yes, they are a  
18 monopoly because there's no one else to provide it. I mean,  
19 that's pretty much, they're it. And so they've been given this  
20 charge and I don't think they've taken it lightly.

21 We find at the chamber that they have been very good  
22 corporate citizens and that they have participated in many,  
23 many different community events, and not just with a check.  
24 They arrive, they participate, they help educate, they are an  
25 integral part of what we consider to be a city for living. And

1 so I want you to at least think of them in that way when they  
2 are asking for this rate.

3 I really don't think there's anybody, you know,  
4 waxing their hands together and saying, wow, let's see how much  
5 more we can get out of the taxpayer when, in fact, they also  
6 are taxpayers and they also are purchasing electricity.

7 I also want to tell you from that other side of that  
8 hat that I bring to you, as a person who's been a customer  
9 since it was Ready Kilowatt, and we all remember how, you can  
10 tell how old I must be that I remember good old Ready.  
11 Whenever I myself as a customer and my husband and I have had  
12 to call on TECO to come out to our house and take care of  
13 whatever it has been, whether it be limbs or lines or whatever  
14 the service, they've always sent a person who treats me as if I  
15 am a good customer, not somebody who's whining or complaining,  
16 but somebody who said, hey, you know, I need help and I don't  
17 understand electricity, so please come and help me with my  
18 situation.

19 I may be the rare voice tonight, but I will be  
20 surprised if I am because it's easy to say I don't want to pay  
21 more. Let's face it, I don't want to pay more for a Hershey  
22 bar but I will. I don't want to pay more because it's  
23 expensive. And for me to pay a few dollars more, obviously I  
24 cannot compare that with what it would cost for the businesses  
25 to pay and for the schools. I mean, obviously there are people





1 born when I quit work. But my check every month was based on  
2 what I was making in 1975, \$13,600 a year. I got about half of  
3 that because I worked for the post office 31 years. This is  
4 not a lot of money to a lot of people who are working because  
5 they can go to their boss and say, hey, more money or I go to  
6 Jones down the street. I can't do that. I can't work anymore.

7           And I just was wondering about some of the things  
8 that have been said tonight. Number one, about good service.  
9 Our power goes out on the average twice a week and I have to  
10 run around setting all the clocks, do the thing on the TV. I  
11 don't have cable, by the way, or a computer or a cell phone. I  
12 have a little antenna in the backyard and that's it. If my  
13 grandson wasn't good at this stuff -- I was never able to hook  
14 up that little converter box. I opened that book and went into  
15 an immediate brain freeze. It was insane. It was not for an  
16 ordinary person to do. But my grandson, naturally it was a  
17 snap. But the service keeps going out for no apparent reason.  
18 There's no storm, no lightning, but suddenly I have to go  
19 around fixing all the clocks.

20           But then there was another thing that occurred to me.  
21 I found my last nine months' bills or so. I only average out  
22 about 730 kilowatts per month, I guess it is, so I'm not really  
23 going to be affected to the full extent, I hope, because I'm a  
24 low user of electricity. We turn our heating or air off at  
25 night, we don't keep lights burning all around the house. It's

1 just my wife and myself now. But I've always wondered, they  
2 talk about the fuel costs. I may be wrong, but I think TECO  
3 owns or has some connection with -- maybe I should phrase it as  
4 a question if somebody from TECO could answer. Are they in any  
5 way connected to the mines where the coal is being dug up and  
6 the barges where it's being transported to the power stations?  
7 And I guess that's about it as far as fuel costs would go. I'm  
8 just curious about that because if they're saying it's costing  
9 more to get the coal to the plant but that's because their own  
10 company is taking the money from this pocket and putting it in  
11 this one saying we have to charge you more to do it, it  
12 doesn't, doesn't resonate with me.

13           And, as I said, I've been retired a long time. I  
14 don't have a lot of money. A thing like this definitely would  
15 affect me. And they said come up here and tell how it will  
16 affect you. I appreciate your attention. I hope I didn't talk  
17 too long or loud. My wife always accuses me of that.

18           CHAIRMAN CARTER: One second. Hold on. Don't go  
19 away.

20           Commissioner Argenziano.

21           COMMISSIONER ARGENZIANO: First of all, thank you for  
22 your service. I have a son in the Air Force now for 16 years.

23           MR. ADEL: Yeah. I read that.

24           COMMISSIONER ARGENZIANO: So I thank you for your  
25 service.

1 MR. ADEL: I was in the Army Air Corps before it was  
2 the Air Force.

3 COMMISSIONER ARGENZIANO: All right. Before it was  
4 the Air Force. That's right.

5 MR. ADEL: Yes, ma'am.

6 COMMISSIONER ARGENZIANO: That's right. The original  
7 Air Force.

8 CHAIRMAN CARTER: Pull your mike a little closer.

9 COMMISSIONER ARGENZIANO: I'm sorry. But I'd like to  
10 see if we can have his question answered and also to find out  
11 for staff why his electric is going off. I'd like to know  
12 what's happening in his neighborhood, why his electric is going  
13 off. If you could find out and get back to me and the  
14 Commissioners, I'd appreciate that.

15 MR. WILLIS: We will look into that, Commissioner.

16 COMMISSIONER ARGENZIANO: And can we get an answer  
17 from Dee?

18 CHAIRMAN CARTER: We'll hear from the company now,  
19 yes.

20 MS. BROWN: First of all, Commissioner, we will get  
21 his address and we'll be sure to check and see what's going on  
22 on his circuit.

23 You are absolutely correct, TECO Energy does have a  
24 coal company; however, none of the coal that's burned in Tampa  
25 Electric's system is coal purchased from its sister company.

1 So we are not taking dollars from one pocket and putting them  
2 in another.

3 MR. ADEL: How about the barges, the transport of the  
4 --

5 MS. BROWN: The barges also. We sold our barge  
6 company. At one time it was an affiliate and Tampa Electric  
7 was in fact using some of their services. But last year the  
8 company sold the barge company, and we are still using them but  
9 that was done through a competitive solicitation.

10 MR. ADEL: So at one time I was right, they owned --

11 MS. BROWN: Yes, sir. Yes, sir.

12 MR. ADEL: Okay. Thank you.

13 UNIDENTIFIED SPEAKER: What about natural gas?

14 MS. BROWN: TECO Energy does own a local distribution  
15 company, a gas company; however, it does not purchase natural  
16 gas from People's Gas to burn the gas in the coal -- in the  
17 natural gas units at Tampa Electric Company.

18 MR. ADEL: That's counterintuitive. If you own the  
19 company, it seems to make more sense to do business with  
20 yourself. I mean --

21 MS. BROWN: Well, the Commission takes a look at  
22 what, what makes sense for Tampa Electric and makes sure that  
23 all the costs that we're incurring, whether it's with an, with  
24 an affiliate or with an outside company, is in fact prudent  
25 costs.

1 MR. ADEL: Okay. Well, thank you.

2 CHAIRMAN CARTER: Thank you.

3 Commissioner Argenziano.

4 COMMISSIONER ARGENZIANO: I think it's only fair to  
5 say, too, that the company and other companies alike, and I'm  
6 not picking on TECO, have not been looked at fully in a broad  
7 sense for rate base for, I think it's 16 years for TECO and  
8 like 24 for, is it FPL, and 16 for, for Progress. So you  
9 should be aware of that, too.

10 CHAIRMAN CARTER: Thank you, Commissioner.

11 Ms. Christensen.

12 MS. CHRISTENSEN: Richard Formica.

13 Whereupon,

14 RICHARD FORMICA

15 was called as a witness on behalf of the Citizens of the  
16 State of Florida and, having been duly sworn, testified as  
17 follows:

18 DIRECT STATEMENT

19 MR. FORMICA: Good evening.

20 CHAIRMAN CARTER: Would you turn the mike a little --  
21 there you go.

22 MR. FORMICA: How is this?

23 CHAIRMAN CARTER: That's better.

24 MR. FORMICA: Good evening. My name is Richard  
25 Formica. I live on Pawnee Avenue here in Tampa, down the road

1 a little piece. I'm here tonight to speak on behalf of Tampa  
2 Homeowners, An Association of Neighborhoods and for myself.

3           THAN has been in contact with the Tampa City Council  
4 and the PSC. As previously noted, the city council adopted a  
5 resolution against the requested rate increase. The letter to  
6 the PSC dated September 4th of this year from THAN states in  
7 part, to request a 30 percent increase during these challenging  
8 economic times, especially when many of our homeowners are  
9 seeing increases in all their monthly household bills, is  
10 excessive and without merit.

11           While we can appreciate the fact that since TECO,  
12 TECO Energy's last rate increase a number of costs have risen  
13 including energy costs, Tampa Electric and People's Gas have  
14 also seen a steady gain of new customers to offset much of  
15 these costs. Additionally, we find their argument that this  
16 large increase is justified because they did not ask for one  
17 before or back in February when energy costs were rising -- by  
18 their own admission they showed bad business judgment and now  
19 wish to recoup these losses all in one increase. Such  
20 irresponsible business decisions should not be rewarded in one  
21 large burdensome increase on homeowners who are making  
22 responsible decisions trying to balance their own household  
23 budgets. Again, this is from the letter from THAN to the PSC.

24           As for myself, the requested increase sought by TECO  
25 must be denied. If TECO is operating in the black, then the

1 increase in the rate is unjustified and unnecessary. In any  
2 case it is too much. With the huge increases the last couple  
3 of years in property insurance rates, the madly fluctuating  
4 prices for gasoline and the exploding problems in the mortgage  
5 and banking industries, the double-digit residential increase  
6 sought in electric rates will burden many residents to their  
7 budgetary limits or beyond. Likewise, commercial and  
8 industrial and especially our school systems would be facing  
9 massive increases in annual operating costs, costs which will  
10 only trickle down as increased product prices or increases in  
11 taxes.

12           Personally even if the latest media reported rate  
13 increase is granted, my average electric bill will increase  
14 about \$23 a month. That \$23 has to come out of an already  
15 strained budget. Any rate increase, if granted, must also  
16 mandate the payment for rapid development and installation of  
17 alternative energy sources that are efficient, sustainable and  
18 environmentally safe like solar and wind.

19           To conclude, I urge the PSC to do its duty to protect  
20 the public. Deny this rate increase unless it meets the  
21 objectives I have stated. Lastly, PSC, to get some semblance  
22 of public trust back, reverse the decision to extend renewable  
23 energy goals at the slow rate as reported in the press. Set  
24 new goals that will let Florida lead the nation in renewable  
25 energy sources rather than let us become the laggard again.

1 Thank you.

2 CHAIRMAN CARTER: Thank you. Richard, I can assure  
3 you that we have not finalized the renewable portfolio  
4 standards rule, but I can assure you that our goal is to be the  
5 leader in the country on that.

6 MR. FORMICA: Well, again, I have to go with what's  
7 available in the media.

8 CHAIRMAN CARTER: You're right and I appreciate that.  
9 And as I said to you, that's one of the reasons why we're --  
10 but I really can't -- just know this, that on -- we've got a --  
11 we're working with the Governor's Office, the PSC is working  
12 with Navigant Consulting. We're finding out exactly what's  
13 available in Florida, what's the, what type of renewables that  
14 are available there, and we're going to go before -- we've got  
15 another committee meeting, we sent our staff back to the  
16 drawing board to give us additional information. We'll have a  
17 meeting on December 3rd to deal with that and we'll have a  
18 subsequent meeting on, I believe it's January 9th we'll be  
19 dealing with that. And I can assure you that our goal is to be  
20 number one in the country.

21 MR. FORMICA: I would like to throw out some figures  
22 that I heard. I cannot justify them or prove them. But it was  
23 stated that it takes two square miles to build a nuclear power  
24 plant. If on the other hand -- two square miles of concrete  
25 and area to build a nuclear power plant, where on the other



1 hand if that were used for photovoltaic solar energy  
2 installation, it would generate more power cheaper and quicker.

3 CHAIRMAN CARTER: Commissioner Argenziano.

4 COMMISSIONER ARGENZIANO: I've been trying to get  
5 numbers on solar.

6 MR. FORMICA: Okay.

7 COMMISSIONER ARGENZIANO: Because I've been a  
8 frequent, I guess, reminder that back in 1972 and '74 we had an  
9 energy crisis and we should have moved forward back then.  
10 Although a lot of the technology wasn't there, but that's also  
11 because the incentive wasn't there and the money wasn't there  
12 to help move that technology move forward. But if you have any  
13 information on price per kilowatt, I'd love to have that,  
14 anybody out there, because I've been looking at the differences  
15 between nuclear once it's built out and operation and what it's  
16 going to cost the people. Because -- and I look at the  
17 statutes too and the statutes say -- and I may need staff here  
18 again.

19 CHAIRMAN CARTER: You're recognized.

20 COMMISSIONER ARGENZIANO: And I hate to do this, but  
21 I just find this very helpful because when you're trying,  
22 sitting on this side trying to understand what the Legislature  
23 has said -- and let me just read something very quickly and  
24 just bear with me.

25 CHAIRMAN CARTER: You're recognized.

1                   COMMISSIONER ARGENZIANO: Under rates, procedures for  
2 fixing and changing under the statute, it basically says, and  
3 I'm going to cut to the chase, "The Commission shall have the  
4 authority to determine and fix fair, just and reasonable rates  
5 that may be requested, demanded, charged or collected by any  
6 public utility for its service." It goes on to say, "The  
7 Commission shall investigate and determine the actual  
8 legitimate cost of the property of each utility company  
9 actually used and useful in public service and shall keep it  
10 current," and it goes on to say, "And shall be" -- sorry. "And  
11 determined by the Commission shall be used for ratemaking  
12 purposes and shall be the money honestly and prudently invested  
13 by the public utility company in such property used and useful  
14 serving the public," and it goes on.

15                   And not to get off the solar, because I really would  
16 like the information and I'm trying to research that, but I  
17 would like the staff to tell me, does that mean what I think it  
18 means, that if the company, if TECO has requested this rate  
19 increase and it is determined, and I don't know how you  
20 determine reasonable, I'm only going to go by what 52 years of  
21 life tells me is reasonable, what is reasonable and prudent,  
22 that if we come to the determination that it was reasonable  
23 because they had to buy a new generator and it cost this much  
24 money, they get the increase basically? And I think the public  
25 deserves that kind of an answer because --

1           MR. WILLIS: Yes, ma'am. That's correct. That's  
2 correct.

3           COMMISSIONER ARGENZIANO: Okay. So what I'm telling  
4 you again, and please try to hear me, I'm going to try to do my  
5 job fair to the utility, fair to the consumer. But when we're  
6 mandated by the Legislature, which I served in at one point and  
7 can talk to you about it later, we need some help there.  
8 Because if they're mandating that the only tool we have, the  
9 only thing I could look at with TECO and say, okay, the  
10 Legislature says I have to give you this but I have to find it  
11 reasonable and prudent and those things I have, now if it's  
12 reasonable and prudent even though the people, it's at the  
13 worst economic time, what other tool do I have? And it may be  
14 return on equity. I'm not sure how much we can dip into that.  
15 I think we have jurisdiction to look at that. But we need some  
16 help. And I'm sorry to do that and I really appreciate it,  
17 but -- and I know he's standing there waiting with kilowatts  
18 per hour. Because the other thing that I'm having a dilemma  
19 is, is I'd love to move forward with solar. I'd love for us to  
20 reduce emissions personally, and I think the state has told us  
21 that's what we need to do. But if, as I'm hearing, that, to  
22 retrofit and to go solar would cost you far more than what  
23 you're going to be hit with in increases now, then I need  
24 something to argue back and forth with. Otherwise we're not  
25 doing any favors except for the fact, and I've said it before

1 and I'll keep quiet right after this, that if it's true that if  
2 we don't cut our emissions by a certain time, the earth, we're  
3 destroying everything anyway. So then at that point, well, we  
4 have to do what we have to do.

5 But if you have any of that kind of information, and  
6 I think that gentleman is standing there salivating waiting to  
7 give me, I would love to have that. Because I'm faced with  
8 determining how do I give you the most cost-efficient and move  
9 in the direction that the statutes indicate I move in also.  
10 But if you have that, because you made the comment -- and I'd  
11 love to, anything you have, I'll do the further research on it  
12 but would appreciate it.

13 MR. FORMICA: I have some sources. I will try and  
14 contact you through the PSC, the website.

15 COMMISSIONER ARGENZIANO: Thank you. I appreciate  
16 it.

17 CHAIRMAN CARTER: Commissioners, let's do. Mr. -- .

18 MR. FORMICA: Formica.

19 CHAIRMAN CARTER: Thank you. I started to say  
20 Formica. Mr. Formica.

21 Let's do this, Commissioners, just everybody kind  
22 of hold yourself in place. Staff, for a procedural  
23 perspective, Exhibit Number 1 will be the Composite Exhibit  
24 List. Number 2 will be a placeholder for the notice of  
25 publication. Number 3 would be Commissioner Sena from the City

1 of Tampa, the actual resolution.

2 COMMISSIONER SENA: The resolution.

3 CHAIRMAN CARTER: We'll hold a place so you can get  
4 us an official copy of that.

5 COMMISSIONER SENA: Yes.

6 CHAIRMAN CARTER: Okay. So we're all up on,  
7 everybody, where we are.

8 So this will be Exhibit 4, Exhibit Number 4. And I  
9 think that you got that from Mr. Klutho; is that correct?

10 MR. YOUNG: Yes, sir.

11 CHAIRMAN CARTER: And let's have that as Exhibit  
12 Number 4. And, staff, could you give us a title for that,  
13 please?

14 MR. YOUNG: Blue (sic.) Eye On Your Back. Blue  
15 (sic.) Eye on your Back. Bull's-Eye On Your Back.

16 CHAIRMAN CARTER: Bull's-Eye On Your Back.

17 MR. YOUNG: Sorry. I'm sorry.

18 CHAIRMAN CARTER: Thank you so kindly. Thank you,  
19 staff. Thank you, Mr. Formica.

20 (Exhibits 1, 2, 3 and 4 marked for identification.)

21 Ms. Christensen.

22 MS. CHRISTENSEN: Mr. Wayne Valenti.

23 Whereupon,

24 WAYNE VALENTI

25 was called as a witness on behalf of the Citizens of the State

1 of Florida and, having been duly sworn, testified as follows:

2 DIRECT STATEMENT

3 MR. VALENTI: Wayne Valenti, 17740 Morninghigh Drive,  
4 and representing Tampa Pitcher Show. Mine's a service issue.

5 Back in September 2008 we had a power outage. The  
6 outage, strangely enough, was the result of an animal getting  
7 in the power lines. This is not the first time that this has  
8 happened. It caused extensive damage to our equipment, loss in  
9 business as well as loss in revenue.

10 TECO claims that there is no recourse for this  
11 because they can't keep animals out of the power lines.  
12 However, at further observation of the situation the problem  
13 has arisen before again. And as I stated, trees, vines and  
14 other such debris have been entangled in the lines which cause  
15 the animals to be able to get into the lines a lot easier than  
16 if they just had to shimmy up the pole.

17 In our instance it was a squirrel who decided to  
18 commit suicide on the transformer, and basically he was below  
19 the tree where he jumped out of into the transformer. TECO has  
20 responded and said that they are not responsible for this and  
21 sent several different tariffs that they aren't responsible  
22 for.

23 The line clearance issue is a, is a problem in that  
24 we're a small business, and with cost increases of power as  
25 well as other things we can't continue to pay for their losses

1 as well as ours. It's, it's, it's crazy that we'd have to not  
2 have some recourse that the power supplied to us was not  
3 something that we can rely on. Again, this has happened  
4 probably three times in the last four years and they continue  
5 to fail to have the lines cleared.

6 I was, I spoke with a TECO engineer and they said  
7 three weeks ago that they were going to have the situation  
8 resolved one way or another, they were going to come and clear  
9 the lines, and as of this date they still have not. It's just  
10 hard to do business whenever you have, you know, extenuating  
11 circumstances as far as cost increases of all your different  
12 products, as well as having to pay for things that aren't your  
13 fault for happening to your business and livelihood. Thank you  
14 very much.

15 CHAIRMAN CARTER: Hang on one second before you go.  
16 One is I would like for the company to get his name and number  
17 and look into this. Staff, I also want you to follow up so  
18 that we can make sure this is taken care of. This, this just,  
19 I mean, you know, if it's a line clearing and vegetation issue  
20 and things like that, I think he's probably right, that should  
21 be something that the company is doing.

22 MR. WILLIS: We can follow up. We can have a safety  
23 engineer go out and look.

24 MR. VALENTI: Well, the engineer did come out and he  
25 stated that, you know, there is a problem. And he said he was

1 going to come out and have it fixed, and I haven't seen anybody  
2 yet.

3 CHAIRMAN CARTER: Staff, let's follow up on it.

4 MR. WILLIS: We'll follow up.

5 CHAIRMAN CARTER: Thank you so kindly.

6 MR. VALENTI: Thank you.

7 CHAIRMAN CARTER: Ms. Christensen.

8 MS. CHRISTENSEN: James --

9 CHAIRMAN CARTER: Commissioners, was that -- hang on  
10 one second.

11 MS. CHRISTENSEN: Sure.

12 CHAIRMAN CARTER: Commissioners, was that -- I didn't  
13 want to --

14 COMMISSIONER ARGENZIANO: No. No.

15 CHAIRMAN CARTER: Thank you.

16 Ms. Christensen.

17 MS. CHRISTENSEN: James Shirk.

18 CHAIRMAN CARTER: I didn't hear you.

19 MS. CHRISTENSEN: Mr. Shirk.

20 Whereupon,

21 JAMES SHIRK

22 was called as a witness on behalf of the Citizens of the State  
23 of Florida and, having been duly sworn, testified as follows:

24 DIRECT STATEMENT

25 MR. SHIRK: Hi. My name is James Shirk, 8705 Cove



1 Court, Tampa, Florida 33615. And just speaking for myself --

2 CHAIRMAN CARTER: Excuse me. Could you, would you  
3 mind spelling your last name for me?

4 MR. SHIRK: S-H-I-R-K.

5 CHAIRMAN CARTER: Just like you said it.

6 MR. SHIRK: Okay. Anyway, just speaking for myself,  
7 I'd like to say that rate increases would be much more  
8 palatable if we saw a commitment by TECO and the Commission to  
9 enhance conservation and to enhance use of renewable sources,  
10 particularly solar, not so much wind in Florida, that's more of  
11 a Midwestern thing, but solar in Florida. Germany gets more  
12 energy out of solar power than we do. Germany, you know, way  
13 up there.

14 I don't see any commitment at all at the Commission  
15 level that's aggressive at all. I mean, if, if Governor  
16 Crist's goals are more aggressive than yours, that's pretty,  
17 pretty shocking and frightening. I'd like to see something a  
18 lot more, a lot more creative, especially in terms of  
19 conservation. We -- there's no way that we're going to get out  
20 of this crisis by drilling our way to it, no matter what people  
21 say. Anyway, thank you very much.

22 CHAIRMAN CARTER: Commissioner Argenziano.

23 COMMISSIONER ARGENZIANO: Well, I kind of looked into  
24 the, Mr. Shirk, I kind of looked into the solar in Germany, and  
25 you're right, they have solar panels everywhere. On their

1 highways they have solar panels. The only thing I've been  
2 finding, and I need some more information again, is that their  
3 kilowatt cost per hour is, is a lot more than most Floridians  
4 would want to pay. And, and I also know in looking at research  
5 right around the corner on the cusp of changing some of the  
6 effectiveness of those solar panels is right around the corner.  
7 And I think within the next few years I hope that you get  
8 greater efficiency from some of those solar panels. He's  
9 shaking his head no. And, yes, there is. There are solar  
10 panels right now on the cusp of being, being produced hopefully  
11 cheaper that will grab more of the colors of the sun and be  
12 more efficient, and some laboratories have already reached a  
13 greater efficiency. I don't know how long that's going to take  
14 to get down to the average homeowner. But with respect to  
15 Germany, I don't know if you know the cost per kilowatt over  
16 there and what that would mean to your home energy bills, is a  
17 lot more than I think people could handle, especially on a  
18 fixed income. Even though I love solar, you know.

19 MR. SHIRK: Well, if it's the cost of paying twice as  
20 much per kilowatt hour or being under 100 feet of water when  
21 the Greenland ice cap collapses, I think I'd pay twice as much  
22 for power.

23 COMMISSIONER ARGENZIANO: Well, I agree with you  
24 personally. And that's what I said before, if it comes a time  
25 when the scientists have already said there's no, this point of

1 no return, what good is any, arguing anything else? But at the  
2 same time you hear people getting up before this Commission and  
3 saying you better not charge me more because I cannot afford  
4 it, and legitimately on a fixed income many people can't. And  
5 we are charged with looking at the lowest cost also mandated by  
6 the Legislature.

7 MR. SHIRK: Just that if people see progress, they're  
8 more inclined to cut you some slack. If people see nothing but  
9 the status quo, they're going to want to conserve costs as much  
10 as they can.

11 COMMISSIONER ARGENZIANO: Sure. I agree with you  
12 there.

13 CHAIRMAN CARTER: Thank you.

14 Ms. Christensen.

15 MS. CHRISTENSEN: Katie Holton.

16 Whereupon,

17 KATIE HOLTON

18 was called as a witness on behalf of the Citizens of the State  
19 of Florida and, having been duly sworn, testified as follows:

20 DIRECT STATEMENT

21 MS. HOLTON: Thank you. My name is Katie Holton.  
22 I'm a resident of Hillsborough County. I have two homes; one  
23 in Apollo Beach and one up in Hunter's Green. My house in  
24 Hunter's Green I have no service problems. My house in Apollo  
25 Beach, Florida, I'm regularly cut off from service. In fact,

1 it used to be a standing joke with my teenager in high school  
2 that you could not set an alarm because it would flash. You  
3 had to call them on the cell phone or you had to have a battery  
4 backup to the alarm clock. This is a constant issue.

5 I also am a Registered Nurse and I'm Director of  
6 Discharge Planning for a 120-bed hospital. The gentleman from  
7 AARP, Mr. Kelly and then the Attorney General representative  
8 here, I've actually, you know, looked at a lot of what the  
9 people have been saying tonight and I am concerned. I'm  
10 concerned for the seniors, I'm concerned for myself. We've  
11 held the line right now with 0 to 3 percent increases for  
12 nurses at our hospital right now, you know, because we are held  
13 accountable too for cost increases at a time when the  
14 economics, you know, with AHCA and stuff and the legislative  
15 impact on our institution, we're having to cut back. We work  
16 longer, we work through lunch. I'm suggesting that TECO maybe  
17 has to do the same type of cost containment and cutting.

18 Some gentleman, I'm not sure, said tonight we know  
19 that social security is going to give the average recipient  
20 like a \$60-a-month increase January 1, 2009. This is  
21 outrageous that they want to take \$9 to \$12 a month. Now let's  
22 do the math. Let's do some -- I'm not a good mathematician  
23 because I'm a nurse. But if you take 12 times 12, that's \$144.  
24 And then if you take it like, you know, in terms of their  
25 increase, you're looking at taking these people's increases

1 maybe two and a half months of their increase going into 2009.

2 I already see seniors making decisions about food, I  
3 have them making decisions about medication. I myself am a  
4 widow. I have two houses, not by choice, I can't sell one, and  
5 I've seen my electric bills skyrocket.

6 Now what people may not know here, and I don't think  
7 the Attorney General or anybody really knows, there's another  
8 hidden aspect to TECO. And they have -- first of all, if  
9 you're a new consumer, they can do your credit and they can get  
10 a deposit. What people may not know in this room is that if  
11 you pay late, they can make you pay a deposit equivalent to  
12 two and a half times your average monthly bill. This is  
13 arbitrary, it's capricious, it's putting impact on consumers.  
14 If you pay late a couple of times, and look at this economy  
15 right now, people, any one of us, with taxes, insurance,  
16 increases everywhere, you pay late, not paying at all, I'm not  
17 talking about that, paying late, there's no hardship for  
18 seniors. So if you're late, well, if you're in the hospital  
19 and you go to a skilled nursing facility, you go home, your  
20 mail is unopened, well, guess what, there's no hardship. I've  
21 appealed on behalf of people. You know, like they won't waive  
22 it so they have to pay the deposit even though they're a  
23 longtime consumer. This is not right.

24 And I tried to find out myself what this meant, and I  
25 called the customer service rep at Tampa Electric because you

1 can only talk to somebody on the phone or on the Internet. Now  
2 if you're an old person, and, like me, I got hard of hearing  
3 from rock and roll in my teenage years, but I'm hard of hearing  
4 myself, so like, you know, sometimes it's hard for me and so  
5 I'm trying to get this. Tampa Electric, if they charge you  
6 this deposit, here I'm reading this from their letter, you can  
7 pay the deposit by cash or check or credit card. After six  
8 months of service the interest will be credited to your account  
9 annually. They don't talk about how much interest. Then if  
10 you discontinue service with them, the deposit will be applied  
11 to your final bill. Residential deposits are refunded after 23  
12 months of continuous service and no more than one late payment.  
13 Now I'd like to know how many people in here, a show of hands,  
14 how many of you have had a late payment this year on anything,  
15 credit card, loan, whatever, raise your hands? Go on. Don't  
16 be afraid. Late payments. Okay.

17 UNIDENTIFIED SPEAKER: My wife pays my bills,  
18 otherwise --

19 MS. HOLTON: All right. She's the responsible party  
20 in your house.

21 So what I'm saying here is what a lot of people said,  
22 is that, number one, you know, you are held hostage. It's not  
23 like Verizon. You can call up Bright House and haggle with  
24 them for the \$99 a month special. You're stuck. And then when  
25 they sit there and they want to put increases for the elderly,

1 for people that are held with 0 to 3 percent raises -- that's  
2 if you have a job in Tampa right now because it's a I think  
3 6.6 unemployment rate. I think the city will tell you that;  
4 they're trying to cut pensions, you know, themselves. I mean,  
5 you know, this is a very emotional issue. And I'm not the most  
6 eloquent speaker, but, you know, when you call them, the  
7 customer service reps can't articulate the deposit demands.  
8 The other thing is that they turn off power without putting  
9 notices arbitrarily on the door. They used to hang like a  
10 yellow sheet up warning people. Now they don't. So people  
11 have come home to no power, okay, and that's okay with them.  
12 It's an, it's an arbitrary thing that they do not have to  
13 unilaterally put it. It's up to the whoever is the rep that  
14 roams around in the neighborhood doing this.

15           So we've got service interruptions, failure to  
16 uniformly provide notice of shutoffs, no hardship exemptions.  
17 I'm very concerned about the elderly, very, because I see it in  
18 the hospital. There is no funding out there. You call  
19 211 for, you know, like that. Churches, food banks, they're  
20 tapped out. You used to be able to get like somebody, oh, I'll  
21 pay the electric bill for somebody. That's not true today  
22 because the people who are giving are tapped out themselves.  
23 Their retirement funds, their interest, that gentleman that was  
24 here, thank you for your service to our country, he's the kind  
25 of patient or person that would come to our hospital that we'd

1 be dealing with crying, he's on disability. His income is  
2 static but yet they want to take any increase he would get  
3 from, you know, an increase in social security and they want to  
4 take two months of it, you know, instead of giving some relief  
5 to seniors. How the heck are you going to get our economy  
6 going when money is just going over to utilities?

7           So it's not like me to come and do something like  
8 this, but two weeks from now, you know, we've got a  
9 presidential election. I just want to say, you know, that the  
10 brownouts, all this hardship, the deposits, I think the  
11 Attorney General needs to look into this, and how much money  
12 they're holding, why they're not specifying the amount of  
13 interest they're paying on these deposits they're holding. Why  
14 isn't this public knowledge?

15           I also want to say that like, you know, like, I mean,  
16 I'm not surprised that old people call the Attorney General.  
17 Because everybody in here, if you don't know, MyFlorida.com is  
18 a state website, fabulous, MyFlorida.com. I get all the  
19 seniors on it, you know, and their families to look at health  
20 and healthcare, public service, the Attorney General when they  
21 were getting ripped off by Sweet Bay, maybe I shouldn't say  
22 that, but with Sweet Bay, the identity theft thing, you know, I  
23 was telling people "Let Bill McCollum know," you know, let him  
24 know like. But there's just so many things right now that I  
25 think that we just cannot tolerate another rate increase. I



1 think they need to be held in line just like our budgets are  
2 held, you know. We can't manufacture it. Most people in here  
3 look decent, they don't look like they're going to be out  
4 selling drugs or doing something illegal or immoral. And I  
5 think that right now, you know, an increase of this which  
6 basically is 20 percent, you know, like \$9 to \$12, that's a lot  
7 of money out of a person's budget, a lot of money. So that's  
8 all I have to say, and thank you for giving me the platform.

9 CHAIRMAN CARTER: Thank you, Katie.

10 Ms. Christensen.

11 MS. CHRISTENSEN: Phil Compton.

12 Whereupon,

13 PHIL COMPTON

14 was called as a witness on behalf of the Citizens of the State  
15 of Florida and, having been duly sworn, testified as follows:

16 DIRECT STATEMENT

17 MR. COMPTON: Good evening. I'm Phil Compton. I am  
18 Regional Representative for the Sierra Club's national office  
19 in St. Petersburg and I'm also here representing the Sierra  
20 Club's approximately 1,000 members, I'm one of them here, in  
21 the TECO service area. I live in Tampa.

22 We've heard about rate of return and rate structures  
23 and also these days we're hearing a lot about the economy and  
24 energy and the environment, and these things are all related  
25 here as we're heading out towards this election. A lot of

1 folks are saying it's time to leave the era of dirty energy  
2 behind and head towards a clean energy economy. The reason for  
3 that is many: It will increase our independence nationally, it  
4 will reinvigorate our economy like nothing else can with new  
5 jobs, and it will make our environment cleaner and safer  
6 because this transition will require millions of Americans to  
7 do the work of building, delivering and installing clean energy  
8 solutions and it will create significant and sustainable  
9 economic growth. In fact, right here in Florida we released a  
10 report recently that showed that there would be 125,000 new  
11 jobs created. Most of those would be with people who have  
12 construction skills who have been laid off from the bursting of  
13 the bubble in the construction industry but can go right back  
14 to work tomorrow.

15           So that's why we advocate to invest in the immediate  
16 and long-term transition both to energy efficiency and energy  
17 sources that can stabilize these energy costs. They're going  
18 up, they're going down. The cost of wind and solar and other  
19 clean energy sources once that work is done by America's  
20 construction workers, of course, will remain constant, free and  
21 it will reinvigorate our economy and create those new jobs.

22           What has this got to do with TECO you're probably  
23 wondering by this point? Well, the fact is they're asking for  
24 a big rate increase tonight, aren't they? None of that is for  
25 moving in a new direction. TECO wants to keep it right where

1 it is right now. And TECO is emblematic in our country of this  
2 continued reliance on coal and other fossil fuels. And, yes,  
3 that means that global warming will continue to get worse and  
4 here in Florida we are going to feel the effect more than any  
5 other state. We are more at risk than any other place in  
6 America, the droughts, severe storms and, yes, our coastal area  
7 is going underwater much sooner than you would possibly  
8 imagine.

9           Now TECO is a nice company in that it's local, we  
10 have friends and neighbors that work there, some of my best  
11 friends work with TECO, but we have to recognize the fact that  
12 they have a responsibility not only to Tampa but to our nation.  
13 Not only are they not moving forward in any significant way  
14 like Florida Power & Light and Progress Energy have started to  
15 towards renewable clean energy, they are also one of the major  
16 opponents nationally to America moving forward to a renewable  
17 energy standard.

18           This past fall Congress came within one vote in the  
19 United States Senate of passing a renewable energy standard  
20 that would say that we would get 15 percent of our energy by  
21 the year 2020 from clean renewable sources. TECO is up there  
22 working on our dime spending a certain amount of resources  
23 lobbying against that, one of the major companies. Why is  
24 that? I suppose they want to stay in the coal and natural gas,  
25 which is cleaner, thank you for cleaning up one of the dirtiest

1 coal plants in America by switching to natural gas, but they  
2 want to stay in that mode.

3           This is not the path for America and this is not the  
4 path for Tampa; keeping us at the current level of burning  
5 coal, burning natural gas, completely dependent on fossil fuel  
6 with no real alternative even for people like ourselves. My  
7 family invests in TECO's optional program that allows us to buy  
8 a little bit of solar energy, but they need more capacity. It  
9 is really just lip service compared to what the other utilities  
10 are doing. So we urge you to ask them to rework their business  
11 plan, to stop their opposition to clean renewable energy here  
12 in Florida and nationally, because a lot of people don't know  
13 that they are one of the major opponents. They're keeping us  
14 vulnerable to higher rates, to this roller coaster that we've  
15 been on recently in this past year and the economic impact on  
16 our economy and our state's future.

17           Commissioner, you asked when is the time that we know  
18 it's going to be too late? We may have already passed it. But  
19 if we haven't, we better get busy and move forward. Germany  
20 installed ten times more solar hot water heaters than we did  
21 here in Florida in the last year. How much sun do they have?  
22 How much sun do we have? I'm not saying that TECO can't make  
23 money on these new forms of energy. Absolutely. This is not a  
24 socialistic approach. This is how actually we're going to make  
25 money in this decade and the decades to come, the clean energy

1 future. Europe is ahead of us, the Chinese are ahead of us.  
2 TECO is actually holding America back. So by raising our rates  
3 and keeping us stuck with the same dirty fuel economy, they're  
4 doing a disservice. Please ask them to rework things. Thank  
5 you.

6 CHAIRMAN CARTER: Thank you.

7 Ms. Christensen.

8 MS. CHRISTENSEN: Doug -- I ran out of energy  
9 literally.

10 CHAIRMAN CARTER: The battery is dead?

11 MS. CHRISTENSEN: The battery is dead.

12 Doug Paxton.

13 Whereupon,

14 DOUG PAXTON

15 was called as a witness on behalf of the Citizens of the State  
16 of Florida and, having been duly sworn, testified as follows:

17 DIRECT STATEMENT

18 MR. PAXTON: Yeah, I'm Doug, Chairman and  
19 Commissioners, I'm Doug Paxton, 4208 Fleewell Court, Valrico.  
20 And I didn't know this was going to be a political platform  
21 tonight, global warming, environmentalists, and I'm going to  
22 get down to the facts. I'm not a politician, we have some  
23 here. I'm not a business owner, we have some here. I'm not an  
24 environmentalist, and there are a lot here. I'm an ordinary  
25 retired taxpayer. And, in fact, I'm a retired plumber. My



1 of Florida and, having been duly sworn, testified as follows:

2 DIRECT STATEMENT

3 MS. KITKO: Hello. Anne Kitko, 1218 Tulipwood Drive,  
4 Seffner, Florida.

5 CHAIRMAN CARTER: Do you mind spelling your last name  
6 for us?

7 MS. KITKO: K-I-T-K-O. The reason I'm here is I've  
8 been experiencing frequent outages for years, some of them  
9 lasting just a split second, others lasting hours. I had to  
10 check into a hotel last year during July. It was out all night  
11 long. I have filed multiple complaints with TECO, multiple  
12 complaints with the Public Service Commission, and I'm still  
13 having the outages. That's basically why I'm here. It finally  
14 took a letter, an e-mail to Governor Crist, who forwarded me to  
15 the Legislature to get something done, and I finally got a  
16 letter from a David Jopling. And basically I've had two  
17 outages since then, so they're persisting. And that's the main  
18 issue.

19 Also I just wanted to say to Ms. Brown that TECO's  
20 customer service is nonexistent. And there was a serviceman  
21 that came out and he was milking the clock when that power was  
22 out in July, and he must have been there for four hours and  
23 nothing. He was sitting there with his feet up.

24 And that's basically why I'm here. I am an  
25 environmentalist. I don't even own a dryer. I hang all my

1 clothes out. And I just want to say there is no safe nuclear  
2 power and I do hope you look into renewable energy. Thank you.

3 COMMISSIONER ARGENZIANO: Ma'am?

4 CHAIRMAN CARTER: Hang on one second.

5 Commissioner Argenziano.

6 COMMISSIONER ARGENZIANO: Just have they ever given  
7 you an answer as to why the outages were occurring?

8 MS. KITKO: I got, I got a lot of lame excuses,  
9 weather, and these are on clear days. You know, no.

10 COMMISSIONER ARGENZIANO: Okay. Thank you.

11 MS. KITKO: Nothing. Just lip service, like that  
12 gentleman said.

13 COMMISSIONER ARGENZIANO: If we could look into that,  
14 maybe get Ms. Kitko's address.

15 MR. WILLIS: Yes, we will, Commissioner.

16 COMMISSIONER ARGENZIANO: Thank you.

17 CHAIRMAN CARTER: And we want to, kind of like to  
18 have a chronology of that too, a history of what exactly  
19 happened on that. Can you guys hear me?

20 MR. WILLIS: We'll provide that.

21 CHAIRMAN CARTER: So we can see, we can see what's  
22 happened on that both in terms of from the complaints she's  
23 filed with the company as well as the, as from my notes she  
24 said she filed complaints with the PSC as well. And inquiring  
25 minds want to know.



1 MR. WILLIS: It might also be helpful if we could get  
2 TECO to actually file a report to the Commission on exactly  
3 what they have done for this customer as well, because I know  
4 the customer has filed complaints with the Commission.

5 CHAIRMAN CARTER: Okay. Well, the company is --

6 MS. BROWN: We can do that, Commissioner.

7 CHAIRMAN CARTER: Thank you very kindly.

8 Ms. Christensen. Wait one second.

9 Is there more, Commissioners?

10 MS. McMURRIAN: We need to make it a late-filed  
11 exhibit.

12 CHAIRMAN CARTER: Okay. Let's do this. Thank you.  
13 That will be -- thank you, Commissioner. That will be a  
14 late-filed exhibit. That will be Exhibit Number 5. And we'll  
15 have that to be the Kitko complaints. Is that all right,  
16 Ms. Kitko? Can I use that for short? K-I-T --

17 COMMISSIONER ARGENZIANO: Kitko.

18 CHAIRMAN CARTER: Kitko. I tell you, my South  
19 Georgia accent is showing every time. Kitko complaint.

20 (Late-Filed Exhibit 5 identified for the record.)

21 Okay. Ms. Christensen.

22 MS. CHRISTENSEN: C. J. Reynolds.

23 Whereupon,

24 C. J. REYNOLDS

25 was called as a witness on behalf of the Citizens of the State

1 of Florida and, having been duly sworn, testified as follows:

2 DIRECT STATEMENT

3 MS. REYNOLDS: Hello. My name is C. J. Reynolds.  
4 I'm a resident of Tampa and I am representing the Old Seminole  
5 Heights Neighborhood Association. I'm the co-chair for the  
6 committee that's called Information and Outreach. It's a new  
7 committee that was established to engage in dialogue with more  
8 of the neighbors in our area. And for those of you who don't  
9 know, Seminole Heights, it's a large neighborhood. It  
10 represents approximately 20,000 residents in about a six-mile  
11 area. I'm told it's one of the larger neighborhood  
12 associations. It's a beautiful area. It's very, they're old  
13 homes, small bungalows, historic, preserved, other ones not so  
14 much, ranches from the '50s and '60s. It's a very diverse  
15 neighborhood in terms of, in all ways of diversity. I've met  
16 just some of the most amazing people.

17 And I'm here to speak mostly today -- I agree and our  
18 association agrees with the points that have been made by the  
19 lawyers, AARP, the federation. We ask you to deny the rate  
20 increase on behalf of our residents. They're really -- my  
21 husband is a professor at the university. We moved here two  
22 years ago to Tampa and specifically chose that neighborhood  
23 because of the small homes, the beautiful old trees, the  
24 diversity of people and the community, the sense of community  
25 that is there.

1           There's a lot of concern on behalf of the board for  
2 the residents who, as everyone has mentioned before, the people  
3 who live on fixed incomes. My neighbor is a church secretary,  
4 she does the newsletter. We have a retired school teacher  
5 across the street. She just retired; she's 72 years old.  
6 She's fantastic. We have electricians in the neighborhood, we  
7 have tradespeople, we have police, we have a lot of university  
8 professors, young, junior university professors who have chosen  
9 that because it was an affordable neighborhood. So economics  
10 is very much an important factor to the citizens as much as,  
11 and this is, I need to bring up, is the trees. The tree care  
12 and the trimming practices of TECO are one of the major  
13 complaints. We actually have, I think it's called the Green  
14 Ways Committee, and I don't have the specifics but they will be  
15 happy to resubmit them. I know that there's been a number of  
16 discussions that there's many live oaks that are quite old and  
17 other old trees in the neighborhood because it's been around  
18 since the '20s and '30s.

19           The second thing is, which other people, other  
20 citizens have mentioned, is the bizarre, unexplained short  
21 outages of power which may seem inconsequential until you have  
22 home-based businesses, which there's quite a number of  
23 marketing and creative people, lawyers, other support services,  
24 and this can be disruptive to your electronics as well as  
25 trying to understand what's going on. I think there's been

1 some complaints submitted on that. Again, I don't have the  
2 specifics to submit tonight, but certainly the OSHNA board will  
3 collect and provide any, if that's desired, for you guys.

4           So I just want to be firm in that statement in regard  
5 to we ask again that you deny this increase. First and  
6 foremost, and for those of you who have been in your other  
7 roles and lives business owners, you know the, this is really a  
8 cumulative effect. It's not just the 10 bucks to me at my home  
9 this month, but it's when I go to the grocery store and to the  
10 dry cleaner and the small businesses that make up our  
11 neighborhood are already struggling to serve and continue to  
12 exist within the community based on, you know, the competition  
13 that is out there. We're talking about the paint shops, the  
14 body shops, the things that employ people will have to absorb  
15 those increases. So it comes into everything from the ice  
16 cream we eat to the piece of pizza to the dry cleaner to the  
17 mechanic and everything. So it is a cumulative effect on our  
18 lives. So it's not just, well, you know, \$10 this month.  
19 It's, it's a much greater impact overall when you're talking  
20 about these rate increases.

21           So we thank you for your willingness to listen to us  
22 as a community. And I just want to add a note as a citizen,  
23 and this is separate from the association, that I am really  
24 thrilled to know that you're going to be relooking at your  
25 portfolio standards. The renewable issue is very, very key.

1 We just returned from ten months in Los Angeles where I was --  
2 the attention that environmental issues and energy issues and  
3 the proactiveness of the utility companies and their  
4 partnerships with public companies, private companies to find  
5 innovative ways of delivering energy, not -- yes, they also  
6 have their one million solar rooftop initiatives, but they also  
7 have large commercial ventures that definitely benefit, whether  
8 it's SunEdison or some of the other major groups out there. I  
9 mean, they're, they're going to make money. We want them to  
10 have a fair share, but not at the expense of that. And it's  
11 very important to understand the hidden costs of coal, the  
12 hidden costs of gas, pollution. This is something that a lot  
13 of even the economists are still struggling with, so it's not  
14 to say -- it's a good learning curve. But I just returned from  
15 what was in Orlando, The Campus and Community Sustainability  
16 Conference. And, frankly, I was, I was very excited to be  
17 there, but there's also a lot of green washing going on by the  
18 utility companies. Green washing is a term for when you sort  
19 of make things look really pretty and you make a lot of  
20 donations to show that you're a good corporate citizen, but all  
21 the while you're not really making major progress towards  
22 delivering on a sustainable level in regards to the  
23 environmental movement. So thank you again for, as a citizen  
24 for your look at the future standards. It is important for  
25 Florida to be a leader. We are the Sunshine State. We have

1 great opportunities. Thank you.

2 CHAIRMAN CARTER: Ms. Reynolds, hang on before you  
3 go. Staff, let's have a placeholder for Exhibit 6. Could you  
4 get that information to our staff?

5 MS. REYNOLDS: Yes.

6 CHAIRMAN CARTER: Staff, make sure you give her  
7 contact information so that she can get that. And that will be  
8 under Exhibit Number 6, it'll be the -- I think you said the  
9 tree care survey and the power outage complaints.

10 MS. REYNOLDS: Yes, per OSHNA.

11 CHAIRMAN CARTER: Okay. So we'll have that on that  
12 as well. Thank you so kindly.

13 MS. REYNOLDS: Thank you.

14 (Late-Filed Exhibit 6 identified for the record.)

15 CHAIRMAN CARTER: Okay. Ms. Christensen.

16 Wait. Before we -- Commissioners, what I want to do  
17 is kind of keep going so maybe one of us can go to the  
18 necessary room at any point in time but we'll keep going. And,  
19 Linda, are you holding on okay down there?

20 THE COURT REPORTER: Yes, sir.

21 CHAIRMAN CARTER: Because we want to make sure that  
22 we hear from everyone. But we'll just kind of keep going and  
23 keep going and keep going until we hear from everyone. So with  
24 that, I'm going to pass the gavel to Commissioner Edgar as we  
25 go ahead on from that, and that way we can kind of go one at a

1 time and do what we need to do. All right.

2 Commissioner Edgar.

3 COMMISSIONER EDGAR: Thank you. Ms. Christensen.

4 MS. CHRISTENSEN: Bob Stewart.

5 Whereupon,

6 BOB STEWART and JULIE STEWART

7 were called as witnesses on behalf of the Citizens of the State  
8 of Florida and, having been duly sworn, testified as follows:

9 DIRECT STATEMENT

10 MS. STEWART: My name is Julie Stewart. I'm his  
11 wife. You talk. I can't.

12 MR. STEWART: Yes. My name is Bob Stewart and we  
13 live at 2202 132nd Avenue. And what my concern has been is how  
14 the billing --

15 THE COURT REPORTER: Excuse me.

16 COMMISSIONER EDGAR: Mr. Stewart.

17 THE COURT REPORTER: Turn your mike. There you go.

18 MR. STEWART: Okay. Maybe I'm not being heard very  
19 well. My concern is the bill structure, what TECO sends out to  
20 everybody. The problem we're having right now is, one, a bill  
21 has been paid, overpaid since the year 2005. We have found  
22 that out. We're finding out there have been late charges put  
23 on to the money. We had people come out to the home charging  
24 \$8. We're not sure what that service charge is. We have  
25 \$35 shutoffs which are not really explained. So this is, you

1 know, ongoing problems that we've been facing. She has, also  
2 has services that try to help her out and one of the services  
3 was not even recognized which paid in bulk.

4 And as far as the rate increase, I feel it's going to  
5 be very damaging to the economy because I feel it's going to  
6 afford a lot more job losses to a lot of people.

7 COMMISSIONER EDGAR: Thank you. Thank you,  
8 Mr. Stewart.

9 MS. STEWART: I wish we were better speakers.

10 MR. STEWART: And the other thing I was wondering  
11 about --

12 COMMISSIONER EDGAR: Mr. Stewart, if your, if your  
13 wife would like to speak, could you, yes, could we hand her the  
14 handheld? And I need you, Mr. Stewart, I'm sorry, I need you  
15 to just one at a time so the court reporter can get both of  
16 you.

17 MS. STEWART: It's under my name and they have  
18 overcharged me. The county has paid, they never took it off.  
19 They came over and turned us off November 2005 for three weeks.

20 MR. STEWART: No, it was October.

21 COMMISSIONER ARGENZIANO: October?

22 MR. STEWART: Yeah.

23 MS. STEWART: And they didn't turn me back on until I  
24 paid the bill, and then they opened the county's check when  
25 they knew they had it all that time.



1 They're (inaudible) -- I wish I could talk better.

2 COMMISSIONER ARGENZIANO: You're doing fine.

3 COMMISSIONER EDGAR: You're fine.

4 MS. STEWART: And I pay my bill every month, 62 plus  
5 for them, and I'm paying them every month at least \$50, no  
6 less. And then come not even two months ago I owed them \$263,  
7 I think so, and they came over and put a notice on my door to  
8 turn us off the next day. And so I had to go and get the money  
9 together. I done forgot how we did it, but we got the money  
10 together and I paid them the next day. (Inaudible.) And then  
11 they charged all these late payments when I've already paid  
12 them. And I got proof of all these bills and I called them.  
13 And they used to have an office, I used to go there, talk to  
14 them. Now they don't. Now you can only talk to them on the  
15 phone and I can't do that. I can't talk right. And then if  
16 you hear me on the phone, you're going to hear what you want to  
17 hear. You ain't going to hear what I'm saying. You know,  
18 that's the way people are. And they don't listen to me. I  
19 can't go to their office. I can only pay the bill down the  
20 street at this little store.

21 And then I tell them I pay -- I put my, put my  
22 receipts all over the place, and now I found them. I've got  
23 proof I paid all these bills because I don't throw things away.  
24 Thank God, you know.

25 So, I mean, and it -- and I'm going to tell you guys

1 something right now, the president unfroze the gas prices;  
2 right? Look at where America is coming to. We're all going to  
3 pay because of the gas prices. Everything is going up. People  
4 are having depressions. What is going to happen if TECO goes  
5 up? The same thing is going to happen in Tampa. And people  
6 are going to die because they need electric to live. And I  
7 have proof that I need electric because I have an electric  
8 wheelchair (Inaudible.) But TECO has ignored this and they  
9 come over to turn me off. And I call, they don't listen, you  
10 know, because I can't talk right. He talks to them. You  
11 understand, you can't let TECO go up because it's going to have  
12 what the president has done to America with the gas, we're  
13 going to have a Tampa depression.

14 COMMISSIONER EDGAR: Well, Mr. and Mrs. Stewart,  
15 thank you very, very much for coming to talk to us and sharing  
16 some of your issues.

17 MS. STEWART: (Inaudible.) I had a motorcycle  
18 accident and I was in a deep coma four months and three days  
19 after I turned 16, see, and I didn't talk. I had to learn how  
20 to talk again. But I've been with this man for 28 years. I  
21 have a good man to sit by my side.

22 COMMISSIONER ARGENZIANO: That's good.

23 CHAIRMAN CARTER: Amen.

24 COMMISSIONER EDGAR: That's wonderful.

25 What I'd like to suggest, Mr. Stewart, if you would

1 get with one of our staff and Mr., yes, and Ms. Brown, maybe  
2 together with somebody that can work on the billing information  
3 and somebody in our staff out in the hallway and talk to them  
4 while all of these people are right here with you today. It  
5 sounds like we may have a couple of potential issues to look  
6 into a little bit, perhaps medical disability, perhaps maybe  
7 with an installment plan. I think I heard some information  
8 about an installment plan.

9 MS. STEWART: I'm all caught up. I'm all caught up.

10 COMMISSIONER ARGENZIANO: She's caught up.

11 CHAIRMAN CARTER: She's all caught up.

12 MS. STEWART: They owe me.

13 COMMISSIONER EDGAR: I -- and that's one of, and  
14 that's one of the reasons why I thought maybe while our staff  
15 and the TECO staff are here with both of you together -- and do  
16 you have any information that you want to either leave with us  
17 or, or send --

18 MR. STEWART: Well, there is one question I wanted to  
19 find out about.

20 COMMISSIONER EDGAR: Okay.

21 MR. STEWART: Is how people are contacted because I  
22 was contacted by phone, and it looked like we could have had a  
23 better turnout.

24 MS. STEWART: What do you mean?

25 COMMISSIONER EDGAR: I know that there has been some,

1 there was an article, for instance, I know in the St. Pete  
2 Times today. I think that there was probably bill inserts.  
3 Ms. Brown, I'm seeing nods, bill inserts, a flier that would  
4 have come within your bill to notify customers.

5 MR. STEWART: We didn't see one.

6 COMMISSIONER EDGAR: You didn't see it? You know,  
7 sometimes I don't always read the bill inserts, but I, I do  
8 know that is one way that these sorts of notices are  
9 communicated, and newspapers, as I've mentioned.

10 COMMISSIONER ARGENZIANO: I wonder if --

11 COMMISSIONER EDGAR: Commissioner Argenziano.

12 COMMISSIONER ARGENZIANO: Thank you. What I would  
13 like to know from TECO, staff, is that if, if they are due any  
14 refunds from late fees that were maybe improperly or, I don't  
15 know if they were properly or improperly, but if they are due  
16 any refunds, I'd like to know that the company, you know,  
17 whatever the company's position is too. And if they are due  
18 refunds, that hopefully they get them to the couple as quickly  
19 as possible, if, if we find that they are.

20 MR. WILLIS: We'll look into that and we will get  
21 with TECO to find that out.

22 COMMISSIONER ARGENZIANO: Okay. Thank you.

23 MS. STEWART: (Inaudible).

24 MR. STEWART: Okay. Thank you.

25 COMMISSIONER EDGAR: Thank you.

1 CHAIRMAN CARTER: Thank you so kindly.

2 Ms. Christensen.

3 MS. CHRISTENSEN: Jess Pincus.

4 Whereupon,

5 JESS PINCUS

6 was called as a witness on behalf of the Citizens of the State  
7 of Florida and, having been duly sworn, testified as follows:

8 DIRECT STATEMENT

9 MR. PINCUS: I'm Jess Pincus. I live in Hillsborough  
10 County. I want to clarify, I don't think it was mentioned  
11 tonight about these charges, they're supposed to be the plan,  
12 and I discussed this extensively with the CEO several weeks ago  
13 with Tampa Electric, there's something called an energy charge.  
14 And that -- this will have the percentage of increase, but then  
15 that's the first 1,000 hours. After that there will be a  
16 substantial surcharge added on. So, for example, we're talking  
17 about, say, \$9 to \$12 a month. No. No way.

18 I checked with -- this past month we used about 2,000  
19 kilowatt hours. I checked with a customer service rep at Tampa  
20 Electric and if you, the Commission, were to allow the rate  
21 structure that's proposed to be implemented, my rates would go  
22 up about \$100 a month, not \$9 to \$12, about \$100 a month for  
23 2,000 kilowatt hours. Where is that coming from? The energy  
24 charge will carry a surcharge of 1,000 kilowatt hours. On top  
25 of that, the fuel charge will carry a surcharge over 1,000.

1 And that's why if my bill is \$240, it will be about \$330, which  
2 things are real tight financially and that will really, you  
3 know, just pop the lid as far as financially. And that's, and  
4 there's a lot of people that are a lot worse off than me and  
5 there are hundreds of thousands of people that that's going to  
6 greatly affect.

7 I discussed this with the CEO of Tampa Electric, we  
8 had an extensive phone conversation several weeks ago, and I  
9 explained to him that I believe this plan is, is  
10 discrimination. Why discrimination? Number one, because  
11 you're discriminating against families that have maybe many  
12 children. The first 1,000 hours you'll use up with many  
13 children real quickly. And so consequently I call this a  
14 penalty. You'll be penalized.

15 Years ago they thought it was really great, I guess  
16 Florida Power & Light and others, that they'll limit you to a  
17 certain amount of hours and then you'll pay a higher rate. But  
18 in essence what it is, no matter what Florida Power & Light  
19 does or anybody else does, it's still, I believe,  
20 discrimination. Discrimination that you have a big family, you  
21 have lots of children, other people living in the home, you're  
22 going to easily break that 1,000 kilowatt hours and you're  
23 going to face that heavy surcharge.

24 Number two, the number of appliances that you have.  
25 If you are affluent enough to have many new appliances and the

1 latest heat pump air conditioner, then you will have lower  
2 bills, although you may still easily break the 1,000 kilowatt  
3 barrier. But if you are less affluent and you cannot afford to  
4 buy the latest appliances, then that will jack up your cost.  
5 So in essence what we have here, which I believe if you allow  
6 this plan to be implemented by having, allowing a surcharge on  
7 the energy charge plus another surcharge on the fuel charge,  
8 that you will be allowing significant discrimination for people  
9 who are not meaning just to waste electricity but are just  
10 living their lives. And so we need to get that \$9 to \$12 or  
11 \$15 or more out of our mind. That is \$9 to \$12 to \$15 a month.  
12 More like \$100, \$80, \$100, \$150 a month extra if these -- this  
13 plan.

14 Now the CEO had told me he was going to get back with  
15 me, I haven't heard from him, that maybe we've overestimated  
16 the amount of fuel charge, maybe we can reduce that. I haven't  
17 heard back from him. But have -- do, do any of you know if  
18 Tampa Electric has filed an amended request reducing the fuel  
19 charge?

20 CHAIRMAN CARTER: Staff?

21 MR. WILLIS: Commissioners, they did file an amended  
22 request reducing the fuel charge.

23 MR. PINCUS: By how much percent?

24 MR. WILLIS: I think it's down to a 12 percent  
25 increase.

1 MR. PINCUS: A 4 percent versus how much?

2 MR. WILLIS: Well, it was a 22 percent increase for  
3 fuel. Now it's down to 12.

4 MR. PINCUS: Okay. Well, if he's done that, then he  
5 did what he said he was going to do. But the other part of  
6 this still, and he was not willing to budge on that, is that  
7 this -- having the surcharge on both the fuel charge and the  
8 energy charge, which I believe is gross discrimination upon  
9 people that can least afford it.

10 So I hope that the Commission will definitely -- I've  
11 tried to make it as clear as possible without using a lot of  
12 big terms and to make it for the common person in here that's  
13 what you can expect based upon this plan, why this plan is  
14 basically bad. And they should be able to receive some  
15 increase if it's justifiable, but nowhere what they're asking  
16 because look what it would do in my case and thousands of other  
17 cases. Thank you very much.

18 CHAIRMAN CARTER: Thank you, Mr. Pincus.

19 Ms. Christensen.

20 MS. CHRISTENSEN: Darren Booth.

21 Whereupon,

22 DARREN BOOTH  
23 was called as a witness on behalf of the Citizens of the State  
24 of Florida and, having been duly sworn, testified as follows:

25 DIRECT STATEMENT



1 MR. BOOTH: Good evening. My name is Darren Booth.  
2 I live 17 -- 14743 Canopy Drive, Tampa. I've got a couple of  
3 pictures here that if it's okay I'd like to pass up there. And  
4 just real briefly, I'm going to hand some pictures here. This  
5 is Tampa Street. And just I'll kind of paint the picture of  
6 the pictures.

7 But I'm new to Tampa. I've only lived here a couple  
8 of years. I moved down here because this is a great place to  
9 live. It's the Sunshine State. I wanted to stop moving and  
10 live somewhere I could retire. I'm still fairly young, so I've  
11 got a lot of work years ahead of me. But when I came to  
12 Tampa -- we have some, some beautiful, scenic beauty and we've  
13 got some really ugly stuff in Tampa, and these pictures kind of  
14 really capture that for me. I'm a developer by day, so I build  
15 communities. But when I drive down Tampa Street, I see  
16 telephone pole, telephone pole, telephone pole, no trees, and  
17 TECO's rate base gives them an incentive to put more telephone  
18 poles in the ground. And if you'll look at these pictures,  
19 you'll see that they're spaced so close that if you cut them  
20 all down, they'd overlap by multiples.

21 CHAIRMAN CARTER: Are you going to give those to us?

22 MR. BOOTH: Yeah.

23 CHAIRMAN CARTER: We'll keep those. Commissioners,  
24 that will be Exhibit Number 7. This will be, Mr. Booth, it'll  
25 be --

1 MR. BOOTH: And so to me when you --

2 CHAIRMAN CARTER: Hang on a second.

3 (Exhibit 7 marked for identification.)

4 MR. BOOTH: Okay.

5 CHAIRMAN CARTER: It will be photos of -- did you say  
6 this is Tampa Street?

7 MR. BOOTH: Yeah, it's Tampa Street. One of -- the  
8 main picture with all the telephone poles is looking up Tampa  
9 Street. It's about six blocks north of the TECO corporate  
10 headquarters. And the other picture is a side street and you  
11 can kind of see the Tampa Street sign in the picture.

12 There's a couple of things that will jump out at you  
13 in those pictures. It's a daylight photo with a clear blue  
14 sky. You'll see streetlights that are on. If you drive around  
15 Tampa, you'll see lots of streetlights that are on during the  
16 day. If you drive around Tampa at night, you'll see lots of  
17 streetlights that aren't on during the night.

18 Every month in your bill you get a little thing that  
19 says, "Report streetlights out." Well, I think that is a lot  
20 of lip service because they just don't get fixed. And it seems  
21 a little curious -- there's probably some sort of incentive in  
22 their rate structure that causes them not to want to fix the  
23 streetlights.

24 I'm a, like I said, I'm a private developer. As we  
25 develop our communities, we put all our utilities underground.

1 It costs a little more up-front to do that, but it is so much  
2 cheaper in the long run. A private developer does that with  
3 private development money. We invest our money, put it  
4 underground, because when you need to replace a line 30, 40, 50  
5 years later, you just pull through a conduit. Very  
6 cost-effective. So the rate base needs to look at long-term  
7 costs, true life cycle costs.

8 We also, as we put in lights, we don't use -- you'll  
9 see in that photo the, the streetlights. I mean, that's a grim  
10 photo. That's like -- if this was 1920s in America, I guess  
11 we'd be proud because that would be progress. But in the year  
12 2000, all those overhead wires -- I hear someone, a squirrel  
13 keeps interrupting his business. Come on, folks. A squirrel  
14 doesn't need to interrupt your business if you use modern  
15 technology. Don't pay them to just continue to plant light  
16 poles in the ground.

17 Also look at -- one of those photos you'll see  
18 there's two, two poles right next to each other. Instead of  
19 removing the old pole, they just cut it off halfway, left it  
20 there. I mean, that's, that's not being fair to the community,  
21 the guy that has to have that business right, right there.  
22 It's not fair to the pedestrian trying to walk down that  
23 sidewalk. It's not fair to the car that could accidentally hit  
24 that extra pole that shouldn't even be there.

25 So -- and I guess I would be curious when I heard

1 TECO takes deposits and I guess they earn, or they pay an  
2 interest rate on that deposit. To me a fair rate of return for  
3 TECO would probably be tied a little closer to that after-tax  
4 rate that they're paying the depositor then. That, to me,  
5 would probably be pretty fair. But, again, I think we need to  
6 look into the true life cycle costs and then start working  
7 towards a future of a Tampa we want to have. So thank you very  
8 much.

9 CHAIRMAN CARTER: Hang on one second.

10 Commissioner Argenziano.

11 COMMISSIONER ARGENZIANO: Thank you. Have you called  
12 them and told them about the outage, the lights that were out?

13 MR. BOOTH: Oh, absolutely. I've been working with  
14 the city for over a year now to try to highlight just in that  
15 particular street the streetlights.

16 COMMISSIONER ARGENZIANO: So when you call, you just  
17 get no, there's no response, that obviously the light is still  
18 out?

19 MR. BOOTH: Oh, well, and as a developer I'm kind of  
20 in a delicate situation because I'm having to -- I'm going to  
21 spend probably about \$5 million undergrounding some utilities.  
22 All right? So I'm probably earning some bad points even being  
23 up here. But it's the right thing to do to kind of voice the  
24 fact that, Tampa, we've got to do a better job of kind of  
25 working together as partners. TECO needs to make money and

1 they need to earn a fair return, but we've got to work together  
2 as partners, sit down and work together to create that vision  
3 of the city we want to have.

4 COMMISSIONER ARGENZIANO: But --

5 MR. BOOTH: So, yeah, it's been very frustrating on  
6 multiple levels when it comes to streetlights.

7 COMMISSIONER ARGENZIANO: Do you get a response from  
8 them though? Do you get -- if you report an outage, does it  
9 get fixed?

10 MR. BOOTH: No.

11 COMMISSIONER ARGENZIANO: Okay. Well --

12 MR. BOOTH: Or -- and I can't necessarily say no  
13 because maybe, maybe they fixed it but then it's not working  
14 again two days later when I see it again, so.

15 COMMISSIONER ARGENZIANO: Well, if it's the same  
16 light, I doubt that it's been fixed, and I'd love to find out  
17 about that because that really should be taken care of.

18 And just so you know, I think the Commission and the  
19 State of Florida has looked at undergrounding and we've had  
20 studies, and in some cases it is, you know, topically, of  
21 course, it's much better, but in some cases it's actually a  
22 problem, problematic in Florida when we have flooding or  
23 low-lying areas because the amount of time the studies have  
24 shown that -- and only certain cases. Some cases that's not  
25 true, it does cost more, as you indicated. But in some cases

1 it actually takes longer to get people's lights back on after a  
2 hurricane or after storms that we have to find them. So we  
3 have been looking at it. We haven't come to, I guess, any real  
4 conclusion other than that sometimes it's good and sometimes  
5 it's not.

6 MR. BOOTH: Right. And the only thing, when I was  
7 watching the hurricane that hit Houston a few weeks ago, I just  
8 remember that the newspaper, that the announcer on the radio  
9 with CNN saying the only couple of places that had power were  
10 the neighborhoods that had underground utilities.

11 COMMISSIONER ARGENZIANO: Well, there was another  
12 side of that though and there were places that couldn't get  
13 power back on for a very long time because of the  
14 undergrounding. That's the dilemma we're faced with.

15 MR. BOOTH: Right. And I also forgot to bring up  
16 that if -- I thought what I heard was the TECO representative  
17 said that their gas company and their coal company, they don't,  
18 they don't do business with themselves. I'd kind of like that  
19 option, that option myself, to not be able to do business with  
20 one of the TECO companies, so.

21 COMMISSIONER ARGENZIANO: Got you.

22 MR. BOOTH: Right? It just doesn't quite seem fair.  
23 They know they don't want to do business with themselves but we  
24 have to. So thank you.

25 CHAIRMAN CARTER: Thank you.

1 Ms. Christensen.

2 MS. CHRISTENSEN: Cathy Valdes.

3 CHAIRMAN CARTER: Cathy?

4 Okay. Go ahead, Ms. Christensen.

5 MS. CHRISTENSEN: Sandy Estep.

6 Whereupon,

7 SANDY ESTEP

8 was called as a witness on behalf of the Citizens of the State  
9 of Florida and, having been duly sworn, testified as follows:

10 DIRECT STATEMENT

11 CHAIRMAN CARTER: And, Sandy, help us with your last  
12 name.

13 MS. ESTEP: Estep, E-S-T-E-P.

14 MR. TWOMEY: She looks familiar.

15 CHAIRMAN CARTER: Good evening.

16 MS. ESTEP: Good evening, Chairman and Commissioners.

17 I am -- my name is Sandy Estep. I'm Vice President and  
18 Comptroller for Publix Supermarkets. I'm also a resident of  
19 Tampa and a TECO customer. And I appreciate that you're here  
20 this evening listening to this. This is my first time and  
21 maybe my last. But I actually found it quite interesting and  
22 really do appreciate that you take the time to listen.

23 I really don't have a lot to add. I am part of the  
24 Florida Retail -- Publix is part of the Florida Retail  
25 Federation and we're represented by Mr. Schef Wright. And I

1 certainly agree with the points that he made earlier at the  
2 beginning of the, this customer service hearing this evening.

3           And I have, I have been through some rate case  
4 proceedings with, with Publix. They end up being, the ones  
5 I've been involved in, they're settled and but they didn't, you  
6 know, end up getting what they requested, the other utilities.

7           I really think that at the, at the heart of this is  
8 this rate of return that they're wanting of 12 percent, I  
9 wonder do they really want that or is that just what they're  
10 asking for and then, you know, it'll settle somewhere less.  
11 But I really think that, you know, at this time asking for a  
12 double-digit rate of return is just really unreasonable is a  
13 term that I've heard used before.

14           And I just respect your, your awesome responsibility  
15 as the market in this, you know, regulated monopolistic  
16 industry, it's, you know, so different from the business that  
17 we, we operate in Publix where everybody gets to choose, every  
18 customer gets to choose every day where, where they want to  
19 shop. And so, so really that's, that's your awesome  
20 responsibility. And we ask that you -- you know, it's a  
21 balance certainly for a business between what they're trying to  
22 give their stockholders and what they're trying to do for their  
23 customers. And we just ask that you really think about the  
24 customers, not, and not just the businesses. You know, I'm  
25 here representing a business, but we certainly care about the



1 customers, the residential customers, the individual customers.

2 And that's all. I'll be brief. Thank you.

3 CHAIRMAN CARTER: Thank you very kindly.

4 Ms. Christensen. Linda -- one second, hang on -- are  
5 you okay?

6 THE COURT REPORTER: Yes.

7 CHAIRMAN CARTER: Okay. Ms. Christensen.

8 MS. CHRISTENSEN: Taylor Don.

9 Whereupon,

10 DON TAYLOR

11 was called as a witness on behalf of the Citizens of the State  
12 of Florida and, having been duly sworn, testified as follows:

13 DIRECT STATEMENT

14 MR. TAYLOR: It's actually Don Taylor.

15 CHAIRMAN CARTER: Don Taylor?

16 MR. TAYLOR: Yes. I tried to put a comma there. I'm  
17 happy to be here. I'm a Tampa resident. I live in Southeast  
18 Seminole Heights. I have a business there, so I'm here as both  
19 a businessperson and as a citizen.

20 So many points have been covered it's hard for me to  
21 even begin. I had a little thing all written out here. Now  
22 you can see all the scribbling that's all over. It's nuts.

23 Anyway I guess the big thing I'm curious about is I  
24 received this in the mail and this indicates a 40 percent  
25 increase at 1,000 kilowatt hours or over. Okay. This is what

1 I was handed tonight. And now I want to know at what kilowatt  
2 hours this is figured out at. It's not very clear here. And,  
3 you know, I kind of was hoping I'd come here and I'd see a  
4 graph and a chart and it was like X number of kilowatt hours on  
5 the wall and how much it's going to change people in certain  
6 kilowatt usage instances, and I don't see any of that. So --

7 CHAIRMAN CARTER: Hang on one second and we'll get  
8 staff, Mr. Don, hang on one second and we'll get staff to get  
9 you an answer. While they're looking for that, you may  
10 proceed.

11 MR. TAYLOR: Keep going? My three minutes are going  
12 fast.

13 CHAIRMAN CARTER: You're ready? He's ready. Hang on  
14 a second. He's ready.

15 MR. WILLIS: I'm ready. These are calculated to  
16 1,000 kilowatt hours.

17 MR. TAYLOR: Okay. And what is, and what is the  
18 rate? Is it the rate, one of these rates that's on here or a  
19 different rate, a new rate?

20 MR. WILLIS: Well, the rates that we have, if you're  
21 looking at Page 5.

22 CHAIRMAN CARTER: Marshall, walk him through that,  
23 walk him through that. Just walk him through that to kind of  
24 help him to understand.

25 MR. TAYLOR: Well, I'm looking, I'm looking at this

1 on the 2009.

2 CHAIRMAN CARTER: On Page 5 -- Don, use the yellow  
3 sheet.

4 MR. TAYLOR: I'm there with you.

5 CHAIRMAN CARTER: Page 5.

6 MR. TAYLOR: Yes, sir.

7 CHAIRMAN CARTER: Marshall.

8 MR. WILLIS: Well, on Page 5, this actually  
9 represents the components of the bill that you actually get  
10 now, the base rate increase portion and the actual fuel charge.

11 MR. TAYLOR: So the fuel charge is 6.416 cents, is  
12 that what I'm to understand then?

13 MR. WILLIS: No. This is actually the dollar  
14 breakdown. If you're looking at the actual charge per  
15 kilowatt, that's not on here. This is the actual dollar amount  
16 at 1,000 kilowatts.

17 MR. TAYLOR: At 1,000. All right. Okay. Great.

18 MR. WILLIS: Yes.

19 MR. TAYLOR: Well, let me move on because now I  
20 understand that at least.

21 First, let me, let me address one issue that's  
22 something personal as a citizen is the, is the possible RSD  
23 cancellation, which is the time of day cancellation that  
24 they're suggesting. I think it's a great carrot that is  
25 dangled in front of people that maybe a lot of people don't use

1 and aren't knowledgeable about. I think it's a great program.  
2 It helps out, I think, with midday brownouts. If more people  
3 used it, you'd have less brownouts, and I think you'd have cost  
4 containment for TECO too so they don't have to purchase more  
5 expensive power. I think it's environmentally friendly too  
6 because it also encourages conservation of energy during those  
7 peak hours. I find that, you know, I'll get up in the morning  
8 and go out and read the paper maybe in the sun on my porch  
9 instead of cranking the light up because I know it costs three  
10 times more to have the lights on than it normally does. So it  
11 kind of, kind of forces me to think, think about the energy a  
12 little bit more than I might normally.

13 I would say that as a, as a business owner, and just  
14 to recap something that everybody has been saying, is that  
15 we're concerned about rising prices naturally in today's  
16 economic climate. Anybody who uses energy, anybody who sells a  
17 product is going to have energy costs inside of that product  
18 that they sell, and that product then is sold to an end  
19 consumer. If -- I would challenge the Commission to consider  
20 the potential for a heavy inflationary burst if the rate  
21 increase is granted. I mean, we're not talking about a small  
22 increase in cost of energy here. We're talking at least 20 to  
23 25 percent from what I can gather depending on the numbers.  
24 It's kind of like throwing gasoline on a fire. I would hope  
25 that you would consider the inflationary effect on consumer

1 prices, on the health of the economy, especially our local  
2 economy in general.

3           You think about going to the refrigerator, you buy  
4 some milk. Well, milk has the price of energy in it. You have  
5 to pay more for the milk, you have to pay more to store the  
6 milk in your refrigerator, then you have to pay to flip the  
7 light switch on and find the refrigerator or at least find the  
8 milk in the refrigerator. And I think we're all captive by  
9 energy. We can try to make it as painless as possible though.

10           I think if we -- I would ask you to weigh the needs  
11 of the people versus the needs of the corporation and of the  
12 shareholders and stand up for the people and approve a minimum  
13 hike at best.

14           And one last thing for the, for Phil, I don't know if  
15 Phil Compton is still here from the Sierra Club and all the  
16 solar energy buffs. I've talked to friends and they're saying,  
17 well, you can, you can get off the grid for \$30,000 to \$40,000,  
18 and it's possible to do, I suppose. So the question is, is  
19 does TECO want to eat the cow? Because if you do, you'll have  
20 no milk. It's just the story of the goose and the golden egg.  
21 You know, we're consumers, but at some point in time we'll have  
22 had enough. So thank you for your time.

23           COMMISSIONER ARGENZIANO: Mr. Chair.

24           CHAIRMAN CARTER: One second.

25           Commissioner Argenziano.

1           COMMISSIONER ARGENZIANO: I guess it's more of a  
2 question for staff again.

3           CHAIRMAN CARTER: Okay. Thank you, Don.

4           COMMISSIONER ARGENZIANO: Because, because what it  
5 comes down to is what we have and what we cannot do. As I  
6 mentioned before, maybe if we, if we can't look at -- and I  
7 look at it and say can we look, staff, at inflation and what it  
8 does to small businesses? Can we look at the impact upon  
9 individuals? Is that within our jurisdiction? And when I read  
10 the statutes, give me one second, when I read the statutes,  
11 it's not. As a past legislator those are the things I looked  
12 at in mandating things upon the PSC or other places. And I  
13 hear people but I want them to understand before they leave the  
14 room what we do have, and I think the only avenue we have that  
15 I see, and please correct me, I don't care, anybody here can  
16 correct me if I'm wrong, what I see is it has to be determined  
17 fair, just and reasonable.

18           Now in my determination I have to know what fair  
19 means. Does fair mean that the Legislature says that they can  
20 recover and are, they are, they are allowed to have reasonable  
21 rates that may be requested and that we can -- I'm sorry. I'm  
22 looking for the spot where it is. I lost it.

23           CHAIRMAN CARTER: Take your time. Take your time.

24           COMMISSIONER ARGENZIANO: And instead of doing that  
25 basically can we look at those other things or are we really

1 just looking at is it reasonable, the costs that they're asking  
2 for and what is reasonable, is it fair, and I guess that's a  
3 big one, is it fair? Maybe I can -- the definition of fair  
4 really needs to be looked at because maybe it's not fair in a  
5 time when there's such, you know -- I guess you could stretch  
6 that definition. And that's probably what I need to know and  
7 the, and the people in the room, and then the return on equity.  
8 Because that's really where the only place that I see that we  
9 have any kind of jurisdiction to say that, well, maybe it's  
10 reasonable and maybe it's fair according to the Legislature,  
11 and we are mandated to give them what is reasonable and fair if  
12 they needed to buy new generators, like I said before, whatever  
13 it is. Well, if it's reasonable, we found out that they didn't  
14 buy it from a subsidiary that charged more than they would have  
15 someplace else, that would be unreasonable, but if it's  
16 reasonable, then we have to give them that.

17           The only other thing I think we can look at, and I'm  
18 sorry to be, but this is the way I like to work it while I'm  
19 sitting here with the people, is that maybe it's time to look  
20 at return on equity. And I know the company probably hates  
21 that, but that's not what I'm here to do is please the company.  
22 I'm here to do what's fair and what I think is the right thing.  
23 But I need to know what it is we can really do. When a  
24 gentleman comes up and says this is going to impact my life, I  
25 mean, we all have a heart. But if the statute says, tough,

1 we're not looking at your heart, you can only look at what's  
2 reasonable and fair, then I need to know what tools I do have  
3 and I want the people to leave this room understanding that  
4 from the get-go.

5 CHAIRMAN CARTER: Marshall.

6 MR. WILLIS: Well, Commissioner, let me, let me  
7 address it this way. I believe the statute basically requires  
8 the Commission to look at all prudent costs. By doing that,  
9 you basically have to look at the inflationary effect upon the  
10 utility company. You have to look at how --

11 COMMISSIONER ARGENZIANO: On the company?

12 MR. WILLIS: Pardon?

13 COMMISSIONER ARGENZIANO: Did you say on the company  
14 or on the customer?

15 MR. WILLIS: On the company itself, you have to look  
16 at how inflation has affected the company. If their costs have  
17 gone up and those costs are still prudent even though they've  
18 gone up, inflationary costs, then you have to consider those.

19 Now if you're looking at the fair aspect of the  
20 statute, I think you do get into what is fair as far as the  
21 rate of return. That's where the fairness comes in, fairness  
22 of how you allocate between rate schedules and how you allocate  
23 the revenue requirement between customers. But there is a lot  
24 of, a lot of what you have to make decisions upon is based on  
25 what you believe is fair.



1 COMMISSIONER ARGENZIANO: So then, then what I have  
2 as a tool is their costs may be reasonable and just for what  
3 they're asking for, but the rate of return may not be if we all  
4 decide, if the Commission decides that.

5 MR. WILLIS: You, you certainly have the right to  
6 consider what you believe is a fair rate of return.

7 COMMISSIONER ARGENZIANO: Okay. Thank you.

8 CHAIRMAN CARTER: Thank you, Commissioner.

9 Ms. Christensen.

10 MS. CHRISTENSEN: Rudy Arnauts.

11 CHAIRMAN CARTER: Rudy, help us with your last name  
12 when you get here.

13 Whereupon,

14 RUDY ARNAUTS

15 was called as a witness on behalf of the Citizens of the State  
16 of Florida and, having been duly sworn, testified as follows:

17 DIRECT STATEMENT

18 MR. ARNAUTS: Arnauts. That's pretty good.

19 CHAIRMAN CARTER: Spell it, spell it for us.

20 MR. ARNAUTS: Mr. Chairman, ladies and gentlemen of  
21 the board, how are you? I'm very glad to hear that it's not  
22 just a one-dimensional conversation about, yes, rate hike/no,  
23 rate hike, and that the subject of renewable energy has come  
24 up. I am part of a construction team that is currently  
25 building the first Earthship in Florida, which is a house

1 that's completely off grid, it's not hooked up to any sewage,  
2 it's not hooked up to anything. It generates its own power, it  
3 filters its own water, it processes its own sewage, it grows  
4 its own food supply. If it weren't for the fact that we had to  
5 get innovative use permits and actually amend sections of the  
6 Florida Building Code, the construction costs of this home  
7 would be right in line with conventional construction costs.  
8 So it's definitely financially feasible to build in this  
9 fashion right now. And I would like to extend an open  
10 invitation to anyone in this room, members from the public,  
11 certainly members from the Public Service Commission, to come  
12 and take a look at our project in Ebor City. We have a  
13 building that has been generously donated by its owner to be  
14 converted to a zero energy use. And we will be documenting the  
15 entire process and we're not going to hide anything. We're  
16 going to be completely financially transparent, especially when  
17 we run into problems. If we run into problems, we're going to  
18 disclose what those problems are and we're going to solicit on  
19 the Internet for anyone from around the world to help us out.

20           Now I feel fairly confident doing that because my own  
21 brother is developing a village of plus energy homes in Holland  
22 right now. So let me repeat that, plus energy homes. So this  
23 is, this is a community of only 32 homes that is actually  
24 producing more power than they consume. It's possible. Not  
25 only is it possible, it's technologically feasible and it's

1 technologically feasible today.

2           So one of the other things that we're going to be  
3 doing in conjunction with a commercial retrofit is we're also  
4 going to be taking an average home in the Tampa Bay area and we  
5 will be making this announcement -- well, I guess I'm making it  
6 right now. That's right. So we are actually going to be  
7 taking a home in the Tampa Bay area, specifically in light of  
8 this, and we're going to attempt at least to financially  
9 feasibly take that home completely off grid. Not the sewage.  
10 I'm just talking about to zero energy use. In reality, we may  
11 only achieve an 80 percent reduction, but, you know, a  
12 \$40 electric bill versus a \$200 electric bill.

13           I would guesstimate that on average that the number  
14 that was thrown out earlier about \$30,000 to retrofit the  
15 average home, that sounds about right. We're also in  
16 discussions with several green lenders. Green lending is, is  
17 the only area in real estate finance that is actually expanding  
18 in this economy because there's obviously a need for it. There  
19 is a green bank, I'm not going to pitch, but there's a green  
20 bank that is opening its doors right now in Florida, and the  
21 advantage that a financial institution such as that will have  
22 is, number one, they've got a clean slate. It's a new bank.  
23 Number two, they factor the total operational costs of the  
24 building into account when they make a loan.

25           In this lending environment very few banks are going

1 to loan more than 65 percent loan to value. A green lender  
2 will loan up to 80 percent loan to value and will actually do  
3 so at lower interest rates than a conventional lender will.  
4 The reason for that is if you take a stereotypical commercial  
5 space that you lease for \$20 a square foot and you have  
6 maintenance costs of \$12 to \$15 a square foot in addition to  
7 that, most of that is electric and water. It is definitely  
8 financially feasible and relatively simple to reduce that cost  
9 in half. To take it completely to a zero energy use is  
10 obviously more expensive, may not work for all buildings,  
11 definitely works far better for larger buildings than it does  
12 for smaller ones. But if you take that cost of \$12 to \$15 down  
13 to \$7, now your total operational costs of that building are  
14 \$27 bucks a foot versus \$32 to \$35. That's why a green lender  
15 will give you more favorable terms on your loan.

16           So what we're going to do is to actually retrofit an  
17 historic building and we will also be putting on a green -- so  
18 basically it would be a combination of geothermal, green roof,  
19 soy-based insulation, polyurethane spray, which actually  
20 structurally reinforces the roof, and solar panels. And we  
21 will be documenting that as an ongoing process. You know, our  
22 goal is for it to be a completely open source. It's not an ego  
23 gain, we're not really trying to build a giant development  
24 company. I am, I am actually a private developer and I'm glad  
25 to see there's another private developer here that isn't just

1 interested in paving the world with asphalt.

2           So that's it basically. You know, I, I would very  
3 much like for TECO to get involved with that. You know, and if  
4 there, if there are problems, we want to be very fair and  
5 balanced and look at both sides of the coin, and especially if  
6 we run into any obstacles or problems, we're going to disclose  
7 what they are. That's --

8           CHAIRMAN CARTER: Thank you. We're going to ask our  
9 staff to kind of watch and keep us apprised of this. I think  
10 that innovation, wherever we can get some innovation, I think  
11 it's a good idea for us to get those.

12           Commissioner Argenziano.

13           COMMISSIONER ARGENZIANO: Not to -- what's the name  
14 of your company? Do you have a website?

15           MR. ARNAUTS: Yeah. It'll be on the Campus.TV, which  
16 right now that site is actually under construction. We'll  
17 probably go public with it in the next 30 days. We're in  
18 discussion with a local media outlet joint venture as far as  
19 carrying the content and so on. So, but anyone can see me  
20 afterwards and I'll give them a business card and get my phone  
21 number, whatever.

22           CHAIRMAN CARTER: Okay. Staff, make sure you get his  
23 business card afterwards so we can do this. Thank you.

24           MR. ARNAUTS: Well, thank you for this audience. I  
25 appreciate it.

1 CHAIRMAN CARTER: Thank you.

2 Commissioner Skop.

3 COMMISSIONER SKOP: Thank you, Mr. Chairman. I think  
4 we have a few more speakers, but at the end I would  
5 respectfully request to ask a question to Ms. Estep that I  
6 realized I --

7 CHAIRMAN CARTER: Ms. Estep?

8 COMMISSIONER SKOP: Yeah.

9 CHAIRMAN CARTER: Why don't we do it now if she's  
10 still here. Ms. Estep, would you come up, please, and yield  
11 for a question?

12 I was running over it and I apologize to you,  
13 Commissioners. Let me -- kind of give me a head signal when  
14 you've got a question.

15 Commissioner Skop, you're recognized.

16 COMMISSIONER SKOP: Thank you, Mr. Chairman. And the  
17 reason I ask, it's unlike a normal customer who I can talk to,  
18 ex parte considerations would require that I ask Ms. Estep --  
19 am I saying that correct --

20 MS. ESTEP: Estep.

21 COMMISSIONER SKOP: -- Estep -- this on the record  
22 just due to the fact that she appeared in her capacity as Vice  
23 President and Comptroller of, of the corporation.

24 Just because Publix happens to be, I think, one of  
25 the closely, largest closely held employee-owned corporations

1 in the state, so you guys would have a good pulse, and I'm  
2 interested in trends because rate setting is not an exact art.  
3 And, you know, I've been fortunate enough to speak to some  
4 investment bankers recently to get their take on what's  
5 happening in the capital markets. But from your perspective  
6 just in the, in the tight credit market that we're experiencing  
7 now, and noting that Publix is constantly expanding its  
8 operations within the state and within the southeast, what  
9 trends are you seeing from your perspective in terms of  
10 short-term and long-term borrowing rates?

11 MS. ESTEP: Well, you know, really, really borrowing  
12 for just about anybody is, is nonexistent. I mean, we, we  
13 don't even, Publix doesn't even have any debt and we have a lot  
14 of cash and we were just required to get a line, line of credit  
15 and we had difficulty. It's -- our developers can't get loans,  
16 you know. We're not sure what's going to happen with stores  
17 that are in progress. And it is as bad, I mean, right here as  
18 bad as it is anywhere in my opinion.

19 COMMISSIONER SKOP: So putting that into, somewhat  
20 into perspective, you mentioned that you have no debt, which I  
21 think it's good to be in a good cash position right now, but  
22 assuming for the sake of discussion that you had debt with the,  
23 with the short-term and long-term borrowing rates going up  
24 exponentially due to the tight credit market, certainly that  
25 would have a near-term impact on the weighted average cost of

1 capital. Would that --

2 MS. ESTEP: Oh, certainly. And in the industry, you  
3 know, no one is really doing well. And I, even though we're  
4 privately held, I really can't say, you know, right now -- like  
5 we, our stock price only changes every three months. But we're  
6 in some pretty, pretty bad times right now. And our stock  
7 price hasn't gone up, in fact, has gone down over the past  
8 year. So it's just a really bad time for a company to be  
9 coming in here and asking for a 12 percent rate of return when  
10 that's more than what they're earning right now. So I really  
11 appreciate you bringing that up.

12 COMMISSIONER SKOP: No. And I understand, I  
13 understand that and I'm not going to even try and immerse  
14 myself into a return on equity discussion. But I'm just trying  
15 to better understand the economics of the capital markets  
16 because certainly if you have a large corporation that was in  
17 the process of capital undertakings and the need to finance  
18 those and attract capital or to issue equity, certainly  
19 although interest rates have reached probably all time  
20 historical lows recently with the reduction of the Fed Funds  
21 rates down to I think 1.5 percent the last time I checked, but  
22 to raise equity right now, to go out in the capital market and  
23 issue additional stock or even debt placement would be  
24 difficult at best. Would you agree with that?

25 MS. ESTEP: Oh, absolutely. And, again, we're



1 different, you know, my company is different. But that's  
2 absolutely correct.

3 COMMISSIONER SKOP: Thank you.

4 CHAIRMAN CARTER: Thank you.

5 Ms. Christensen.

6 MS. CHRISTENSEN: Ron Rotella.

7 CHAIRMAN CARTER: Ron.

8 Whereupon,

9 RON ROTELLA

10 was called as a witness on behalf of the Citizens of the State  
11 of Florida and, having been duly sworn, testified as follows:

12 DIRECT STATEMENT

13 MR. ROTELLA: Good evening. I'm going to attempt to  
14 be brief.

15 CHAIRMAN CARTER: Just pull the mike closer to you.

16 There we go.

17 MR. ROTELLA: I'm going to attempt to be very brief.

18 In my years of --

19 CHAIRMAN CARTER: Ron, state your name for the record  
20 so we can get it.

21 MR. ROTELLA: Oh, I'm sorry. I already filled out a  
22 form. I thought you had that. Ron Rotella.

23 CHAIRMAN CARTER: She's taking down, she's writing,  
24 typing down everything you say.

25 MR. ROTELLA: Okay. That's R-O-T-E-L-L-A, 625

1 Bosphorus Avenue, Tampa.

2           In my professional experience and my relationship  
3 with TECO executives, their management, their supervisory staff  
4 and just their general employees, what I've experienced over a  
5 period of years is that TECO has been an outstanding corporate  
6 citizen as far as being involved in the overall betterment of  
7 our community. And I could give you a lot of very specific  
8 examples, but to name a few, the redevelopment of our central  
9 business district, the redevelopment of our historic district,  
10 Ebor City. I've served on many boards and advisory committees  
11 with all levels of employees of TECO. And more recently I've  
12 had what I would call a very surprising, pleasurable experience  
13 in the area of workforce affordable housing working with TECO  
14 as a partner. So in my opinion, my professional opinion, I  
15 think TECO kind of sets a standard of community involvement  
16 that some other corporations in our community should strive to  
17 reach.

18           And then my final comment I would make to you is as a  
19 ratepayer, residential, I don't own a business, is that I would  
20 consider their service reliable, dependable and above average.  
21 In fact, I would, I would rate their service as good. I have a  
22 dog that I walk most evenings. Most of my neighbors in my, in  
23 my neighborhood, they don't pay attention to what goes on in  
24 their own home, much less in their own neighborhood. And if I  
25 see a streetlight out, I look at a streetlight as not a

1 convenience for that streetlight in front of that person's  
2 house but as a deterrent to crime in my neighborhood, so I'll  
3 report that light out even if it's not on my block or in front  
4 of my home. And invariably that will be taken care of in very  
5 short order. So I am very satisfied with, with the service  
6 they provide our community. Thank you.

7 CHAIRMAN CARTER: Thank you.

8 UNIDENTIFIED SPEAKER: That's somebody for.

9 CHAIRMAN CARTER: Say again?

10 UNIDENTIFIED SPEAKER: Instead of everybody against.

11 CHAIRMAN CARTER: Oh. Ms. Christensen --  
12 Ms. Bradley, will you help us?

13 MS. BRADLEY: I will do that in just a second, if I  
14 can get this on.

15 It is Charles Moore.

16 CHAIRMAN CARTER: Thank you, Ms. Bradley.

17 Whereupon,

18 CHARLES MOORE

19 was called as a witness on behalf of the Citizens of the State  
20 of Florida and, having been duly sworn, testified as follows:

21 DIRECT STATEMENT

22 MR. MOORE: Good evening, Mr. Commissioner,  
23 Chairperson, Chairman. I'm nervous. Can you tell?

24 CHAIRMAN CARTER: That's all right.

25 MR. MOORE: First time, first time speaking in front

1 of someone. I'm a store manager with Wal-Mart. So my name is  
2 Charles Moore again. And as a retail operator here in Tampa my  
3 company is very, operates on very thin margins. Our margins  
4 are anywhere from 3 to 5 cents per every dollar in sales that  
5 we make. If our costs go up, consequently the costs go up to  
6 our consumers. So we're very operationally conscientious and  
7 we basically skimp on every single penny that we spend. So  
8 when a rate increase is proposed, then it affects not only us  
9 as a business but it affects all the customers that also, that  
10 shop with us.

11 We believe that TECO needs to be a little more  
12 realistic in terms of its request and more sensitive to the  
13 real world economic situations that we face. And a 12 percent  
14 return on equity, we're sure that TECO is asking for far too  
15 much of a rate increase when we're looking at the 3 to  
16 5 percent range. So I was quick and concise. Thank you very  
17 much.

18 CHAIRMAN CARTER: Thank you.

19 Ms. Christensen.

20 MS. CHRISTENSEN: Mr. Robert Gambrell.

21 Whereupon,

22 ROBERT GAMBRELL

23 was called as a witness on behalf of the Citizens of the State  
24 of Florida and, having been duly sworn, testified as follows:

25 DIRECT STATEMENT

1           MR. GAMBRELL: My name is Robert Gambrell. I live at  
2 6013 Florida Circle South in Apollo Beach. I'm probably about  
3 a mile away from Big Bend, if you threw a rock, if you can  
4 throw that far, and I've been a customer of TECO for 29 years.  
5 And I took those rate increases that came in the mail and I  
6 took my TECO bill and I put down the rates, took my wattage  
7 usage and figured it out, and my bill was \$320. My bill would  
8 be \$449 and that's a 40 percent increase. That's too much. I  
9 don't mind people, like they have cost increases just like  
10 everybody else does and we have to pass that along. I  
11 understand that. I think there's a, such a thing as being  
12 reasonable and this is not reasonable. I mean, I had a  
13 storefront in Apollo Beach for six years, and last July,  
14 because of the gas prices, insurances, other costs, I had to  
15 close the storefront down and basically go mobile and have  
16 worked some of it from in my house. So because I'm at home the  
17 air is on a lot where normally the automatic temperature would  
18 have taken it up. And I just don't see this as being really  
19 anywhere close to reasonable. I, I do stay at home. And I  
20 figure that when, when people hear this 12 percent, they're  
21 talking about the return on their investment. Right? So, and  
22 I think the consumer sees 12 percent and I'm thinking, well,  
23 12 percent, let's see, that's pretty high, but 12 percent on my  
24 bill would have been \$38.37. That's more reasonable. So I'd  
25 just ask you to look at the numbers and please just remember

1 that we, we, like everybody else, have been going through  
2 drastic increases in everything. My, I know my insurance went  
3 up 300 percent. That's ridiculous. But we, our hands are tied  
4 here. With insurance I could go to somebody else and get  
5 somebody else to write the policy. But that's really all I  
6 have. Thank you.

7 CHAIRMAN CARTER: One second.

8 Commissioner Skop.

9 COMMISSIONER SKOP: Thank you. Thank you, Mr.  
10 Chairman. Thank you for coming out tonight. With respect to  
11 the calculation that you did on your, on your bill in terms of  
12 the 12 percent, again --

13 MR. GAMBRELL: No. I based it on that flier --

14 COMMISSIONER SKOP: Okay.

15 MR. GAMBRELL -- that came in. It's basically the  
16 first 1,000. Yeah, the two-tier thing, I forgot to mention  
17 that, please get rid of that.

18 But the first 1,000 was almost a penny higher. Then  
19 after that it goes to almost 2 cents higher. So you figured it  
20 up and it just works out --

21 COMMISSIONER SKOP: And that was just on the energy  
22 component.

23 MR. GAMBRELL: That was strictly on the energy. I  
24 did not figure in the Florida gross sales tax. That was the  
25 energy charge and the fuel charge, both of them.

1           COMMISSIONER SKOP: The fuel charge, and, staff,  
2 correct me if I'm wrong, they don't get a return on equity on  
3 the fuel charge; is that correct?

4           MR. WILLIS: No, they do not.

5           COMMISSIONER SKOP: Okay. Thank you.

6           MR. GAMBRELL: But they put this same rate increase.  
7 I mean, it's still almost 2 cents.

8           COMMISSIONER SKOP: Staff, address that briefly.

9           MR. WILLIS: Yeah. If you, if you apply the rate  
10 increase you're looking at to the fuel charge, there's a  
11 separate, there's a whole separate docket open on the fuel  
12 charge. The fuel charge is what I said a minute ago is going  
13 to -- they've amended their application for a 12 percent  
14 increase on the fuel charge. What they're asking for here is  
15 that base rate portion which they're looking at about a  
16 9 percent increase for.

17           MR. GAMBRELL: Still --

18           MR. WILLIS: I'm not sure, I'm not sure how your  
19 calculations are, but they sound like they're kind of high.

20           MR. GAMBRELL: I used that piece of paper that came  
21 in the mail. Thank you.

22           CHAIRMAN CARTER: Thank you, Mr. Gambrell.

23           Ms. Christensen.

24           MS. CHRISTENSEN: Wofford Johnson.

25 Whereupon,

1 WOFFORD JOHNSON

2 was called as a witness on behalf of the Citizens of the State  
3 of Florida and, having been duly sworn, testified as follows:

4 DIRECT STATEMENT

5 MR. JOHNSON: Good evening, Commissioners. I'm  
6 Wofford Johnson. I live at 4625 Longfellow Avenue in Tampa.  
7 I'm President of THAN, and THAN is the umbrella group for all  
8 neighborhood associations in the City of Tampa. Mr. Formica  
9 spoke earlier. I didn't think I was going to be able to be  
10 here tonight, but he spoke earlier and did a good job.

11 There is a point I wanted to bring up though. At our  
12 regular meeting of THAN about two months ago one of the members  
13 brought up the subject of the TECO rate increase and what  
14 impact it might have. After considerable discussion and so  
15 forth, the feeling was it will produce a, or cause a  
16 significant increase in the, in the financial burden on most of  
17 our residents within our neighborhoods. So a motion was made  
18 that we should as a, as a, as a group should, should oppose the  
19 rate increase. A motion was made. It passed unanimously.

20 I think the thing that we need to keep in mind is for  
21 the average Joe citizen out there, the increase that he sees on  
22 his, on his electric bill each month is just going to be the  
23 tip of the iceberg. Any increase that's put on the school  
24 system, and our school superintendent earlier said they  
25 estimate it to be \$10 to \$12 million, that cost is passed on to



1 Joe citizen again through his property tax bill. Any other  
2 municipality or tax supported entity that has an increase in  
3 their, in their electric bill, then they pass that on to Joe  
4 citizen through his, through the property tax bill. And then  
5 you take establishments, commercial establishments, whether it  
6 be retail or whatever, they, when they get an increase in their  
7 tax, electric bill, they don't just, they can't just absorb  
8 that. Again, they pass it on to Joe citizen through an  
9 increase in the price of their products.

10 I think that, you know, it really doesn't matter  
11 whether you are Joe the plumber or Joe the citizen; the rate  
12 increase is just too much in today's economy. Joe citizen does  
13 not have anyone to pass his costs on to. He's the one that  
14 really absorbs it. The bucks really stop with him. So that  
15 was my point. Thank you.

16 CHAIRMAN CARTER: Thank you.

17 Commissioners, Commissioners, before we go further,  
18 let me just do this. Linda, how are you doing?

19 THE COURT REPORTER: I'm okay.

20 COMMISSIONER ARGENZIANO: Getting close though.

21 THE COURT REPORTER: Yeah.

22 CHAIRMAN CARTER: It's been about three hours. But,  
23 you know, you just give me the signal and we'll give you a  
24 break.

25 THE COURT REPORTER: I will. Okay.

1 CHAIRMAN CARTER: Ms. Christensen.

2 MS. CHRISTENSEN: Sandra Devita.

3 Whereupon,

4 SANDRA DEVITA

5 was called as a witness on behalf of the Citizens of the State  
6 of Florida and, having been duly sworn, testified as follows:

7 DIRECT STATEMENT

8 MS. DEVITA: My name is Sandy, Sandy Devita. I live  
9 at 214 Sun Terrace, Tampa, Florida 33613.

10 Good evening, Florida Public Service Commission  
11 members, state and county representatives, honored guests and  
12 others presents. I'm a 59-year-old female who worked her whole  
13 life until life changing events occurred in her, in my 45th and  
14 46th year, heart attacks and complete deterioration of my  
15 health. I lost everything I owned because it took four and a  
16 half years to get my disability approved. I currently reside  
17 in a small single-wide trailer located in an adult mobile home  
18 park. My social security is \$1,054 monthly and I cannot get my  
19 pension until I am 65.

20 My budget is as follows: My lot rent, which goes up  
21 yearly, is \$338. My food, and I have numerous special dietary  
22 requirements, is \$150 to \$175. My insurance for my car and my  
23 home is \$2,600 per year divided by 12 is \$216 per month. I do  
24 two gas fill-ups a month, which is approximately \$80, which  
25 will go up again. My over-the-counter medications for my

1 aspirin regimen, IcyHot, et cetera, costs about \$20 a month.  
2 My soaps, detergents, cleaners, deodorant and other personal  
3 items are about \$20. Electric is about \$175 and I need it due  
4 to my heart condition, and I've been a heart -- heat stroke  
5 victim twice. My Lifeline telephone is \$7 to \$8 and my Sprint  
6 long distance varies. I have not included expenses like  
7 clothes, shoes, car maintenance and repair, home repairs and  
8 some sort of recreation or a hobby. I am in debt to doctors  
9 and hospitals because my medically needy Medicaid requires me  
10 to have \$750 in Medicaid bills over three months before they  
11 will pay anything.

12           Why can't TECO raise their rates for the major  
13 polluters and wasters of power and force them to install more  
14 economic power saving equipment? Why can't TECO have something  
15 like the Lifeline or a senior disabled discount?

16           The service I get when I call about power problems is  
17 less than what I should receive. The following is some  
18 examples. For more than a year I have watched flashes of light  
19 on my phone and electrical wires caused by power surges. They  
20 travel into the electric box and are very visible at night.  
21 One surge shorted my phone during a call. When I call and am  
22 fortunate enough to get a human, they do not realize my  
23 community as a 55-plus community is filled with disabled,  
24 elderly and frail people reliant on electric, on electric for  
25 oxygen, fall prevention, medication dosage and most landline

1 falls, calls -- most landline phones to call 911. Forgive me.  
2 I always have to argue with them that my power outage is an  
3 emergency. Should their computers not flag communities such as  
4 mine for immediate repair? The automated system usually hangs  
5 up on me.

6 In my home I currently have no lights in my kitchen  
7 because I can't afford an electrician. Due to a leak under my  
8 sink for which I did the plumbing the cabinet fell apart. I  
9 cannot afford a carpenter to repair it. My floor kitchen -- my  
10 floor covering in my kitchen is ripped and a trip hazard. I  
11 cannot afford the flooring expert to put my tiles down. I am  
12 trying to save to get all these items done. I cannot afford to  
13 pay an electric increase. I am sure other families, which  
14 includes families of ones such as mine on fixed incomes, are  
15 experiencing many of the same problems. Please do not increase  
16 my electric bill. And I'd like to give you this to place on  
17 the record.

18 CHAIRMAN CARTER: Thank you so kindly. That will be  
19 Exhibit 8, Commissioners. This will be Sandra Devita?

20 MS. DEVITA: Devita.

21 CHAIRMAN CARTER: Devita. Spell that for me, please.

22 MS. DEVITA: D-E-V-I-T-A.

23 CHAIRMAN CARTER: Okay. Sandra Devita.

24 Staff, I need a name for it.

25 MR. YOUNG: We can call it Ms. Devita's statement.

1 CHAIRMAN CARTER: Statement. Okay. That's original.

2 MS. DEVITA: That's reality and that's why it should  
3 be on the record.

4 CHAIRMAN CARTER: Thank you so kindly.

5 (Exhibit 8 marked for identification.)

6 Ms. Christensen.

7 MS. CHRISTENSEN: Joe Robinson.

8 Whereupon,

9 JOE ROBINSON

10 was called as a witness on behalf of the Citizens of the State  
11 of Florida and, having been duly sworn, testified as follows:

12 DIRECT STATEMENT

13 MR. ROBINSON: I guess I'm Joe the engineer tonight.

14 Instead of Joe the plumber, I'm Joe the engineer.

15 Let me just give you a little background, Commission,  
16 Mr. Chair, and I'm going to make a statement here and I'm going  
17 to pass this back to you.

18 First of all, when I read the paper, it said, "Share  
19 experiences good and bad." That's what you said; right? Well,  
20 I want to make a statement. I do not want to be retaliated  
21 against either personally or corporately as a businessman or a  
22 stockholder. I own stock in TECO.

23 A little background about me. I worked at Tampa  
24 Electric Company from 1978 to 1985. I worked on the 19 -- I'm  
25 telling you my age now. I worked on the 1979 rate case for

1 Tampa Electric Company. I was working on environmental  
2 controls, peak load pricing and fuel oil reduction. So I'm  
3 familiar with somewhat of the rate process. I've never  
4 appeared before the Public Service Commission. And Governor  
5 Jeb Bush several years ago appointed me to the Northwest  
6 Hillsborough Basin Board, so I serve on SFWMD's Basin Board, so  
7 I understand about appointments, I understand the process. So  
8 I'm here to share the good, the bad and the ugly based on my  
9 experience as being a customer and a past employee.

10 A consulting engineering firm is what I have for the  
11 last 18 years doing mechanical, electric, plumbing and fire  
12 protection and dealing with Tampa Electric Company. I also  
13 have a contract with them. Don't know how long it's going to  
14 last, but I'm going to speak, I'm going to talk tonight. Maybe  
15 they might do something for me.

16 And let me just tell you, Tampa Electric Company,  
17 first of all, is a great company, it does great things. It's  
18 a -- somewhat back in the day it was a real family company.  
19 Today it has changed. It has lost its feelings, I'll put it  
20 that way. It's insensitive. Customer service, they cut -- you  
21 can't -- you got to go pay your bill at the local gas station.  
22 It's hard to get through. If you know how to manipulate the  
23 lines -- I own several rental properties, and I'll tell you  
24 about that as well, about voltage, under voltage problems.  
25 I'll tell you about voltage problems out here at MOSI

1 (phonetic). But the thing is that it appears that they've got  
2 away from being friendly and consumer orientated to being about  
3 making money and about making deals. There's an arrogance that  
4 exists in Tampa Electric Company. It's arrogant, very  
5 arrogant. It wasn't like that years ago. They've become  
6 arrogant. And with arrogance and paying people a lot of money  
7 at different levels and then looking over at the community  
8 as -- I'm also the NAACP Economic Development Chair, I want to  
9 throw that in there too -- and you're dealing with people of  
10 all types of classes and so forth, you lose touch with reality.

11           Now let me just go down some of the things that I  
12 made notes of that I want to share here with you tonight.  
13 First of all, where are -- and I'm going to give these to you  
14 because I'd like to have answers to these from somebody, so you  
15 don't have to write them down too quickly.

16           Number one, now this is -- and I'm going, I'm going  
17 to share with you things that people talk to me, a lot of  
18 people talk to me in the community because I'm not scared of  
19 TECO, I'm not scared of anybody around here in Tampa. I've  
20 challenged the city council, county commission, I've been in  
21 every court there is, okay, every court there is, so I have no  
22 fear with TECO. I worked for the City of Tallahassee, another  
23 one, for about eight months. I was Assistant Superintendent of  
24 Production in Tallahassee in 1985 to 1986. So I understand  
25 utilities and I understand the different types of utilities,

1 you know, public, private, et cetera.

2 First of all, some of the complaints I get -- so some  
3 of these are driven from people that can't speak as well as I  
4 can and come here and talk with some type of intelligence. One  
5 of the things is, is where are the written contracts and  
6 agreements with the City of Tampa streetlights and the rates  
7 that Tampa Electric Company charges and the table and its  
8 inaudible changes that are made when disputes occur between the  
9 City of Tampa and TECO? I understand that one of the employees  
10 of TECO that deals with this customer service is very arrogant,  
11 he's disrespectful, and if I had seen his boss at the West  
12 Tampa Cinema (phonetic) Shop, I would have told him so. They  
13 need to get that person straight. That is bad business.

14 And there's an issue with what they're charging the  
15 city lights for being on the streets and the rates and some  
16 telling me that lights are not even on but TECO is still  
17 charging. Asked TECO for a rebate, nobody can figure it out.  
18 There's an issue there. Ask the City of Tampa about it.

19 Arrogant customer service attitudes and down-sizing  
20 of customer service as well as outsourcing of payment  
21 locations, you know. Now I was paying \$1 for each bill, now I  
22 got to pay \$1.50 and it's probably just going to escalate up as  
23 time goes on. So you got to pay now to pay them, you know, to  
24 give them their money. No problem. That's business.

25 TECO pole connections that are bad, such as three



1 phase only allowing one phase causes air conditioner  
2 compressors to blow motors such as at the MOSI chiller yard.  
3 There's an electrical study right down the street at MOSI.  
4 They've blown ten chiller motors on that facility and they've  
5 instituted an electrical study. When I talked to the local  
6 resident engineer or technical person, he says, well, TECO has  
7 been up there and they say they're doing something to the poles  
8 and they're going to correct it. My only opinion is I was  
9 asked by the county to study it and we were told that they're  
10 going to get, they're going to finish it. But basically, you  
11 know, you don't blow ten compressors in less than two years  
12 unless there's something wrong at the pole.

13           Another experience I have, I have a rental at 2338  
14 Beach Street had -- we kept dimming the lights. The tenant  
15 says, "Well, when I turn on the TV, I turn on the washing  
16 machine, the lights keep dimming." I said, "Well, maybe we've  
17 got a loose neutral. Maybe I need to upgrade the panel." I  
18 went and upgraded my panel, spent \$800 hooking it up figuring  
19 that's going to be the result, the resolution. Didn't work.  
20 They still kept dimming. You know, I said I'm calling TECO.  
21 Called TECO and they come out, they got up on the pole and  
22 said, "You know what, you're loose up here. That's why your  
23 lights are dimming." I done spent all that money, blew up two  
24 or three TVs. The problem I had, since the bill was in my  
25 name, the tenant whose TV blew up had an issue of trying to

1 make a claim. How do you make a claim as a tenant when the  
2 property owner has the light bill in their name? That's a  
3 problem because it's not my TV. Okay? So that was a problem.  
4 And I never -- you know what I did? I just told the tenant,  
5 "Forget it. Here go another TV." Because it was so much  
6 hassle trying to get a claim for them having a loose wire that  
7 caused under voltages that caused blowing up TVs in my rental  
8 property, much like they're blowing up compressors at MOSI.

9 Now they're checking it out, maybe that's not the  
10 case, but that's not what I was told by the technical person  
11 working at MOSI. And I'm a Licensed Professional Engineer  
12 since 1982, so I understand telling the truth.

13 The other thing is, is that an automatic increase for  
14 transmission expenses if adopted should be reviewed at least  
15 every five years by the PSC for fairness. Just don't give them  
16 an automatic rollover or an automatic, you know, increase  
17 without some type of scrutiny, without some type of review. It  
18 may be needing to be reviewed due to the fact that the economy  
19 has gotten better so the increase that would automatically be  
20 given to them would not be valid. So it needs to have at least  
21 five years if you approve an automatic increase for  
22 transmission expenses, which is something new.

23 Storm reserve of \$20 million. A storm reserve of  
24 \$20 million is too large. What happens -- okay, for example,  
25 when the storm came, the hurricane, okay, I was out for five

1 days in the inner city, in West Tampa waiting. So I just did  
2 like everybody else and I called. And you'll check your  
3 records, I filed a complaint with you guys. It took you guys,  
4 after two or three calls, probably a month and a half or two  
5 months I get a card back saying, "Please send your complaint on  
6 that. We have it registered." Check it out. You'll see that  
7 I called in 2005.

8           And eventually I said, well, the reason that the  
9 power went out, because TECO didn't trim their trees. This is  
10 in the inner city. This is not in the country. Inner city.  
11 And the power went out because they didn't trim the tree.  
12 Well, I called about the tree trimming, that took an act of  
13 God, and that was part of my complaint that I made with the  
14 PSC. Hence, since that time TECO and all of the other  
15 utilities have gone to hardening. Hardening meaning they're  
16 going around trimming trees early. And they're doing that,  
17 they need to be compensated for that, but they just started  
18 doing it. But the tree I got has already grown back and I'm  
19 the last person on the end of that particular circuit. And I  
20 have a computer and I do a lot of secret work for the feds and  
21 all kind of other folks, and when my computer go out, I got to  
22 go to my backup power and that only is about 30 minutes. So,  
23 you know, I was a little perturbed about that. I lived through  
24 it without the air, without the power. As a matter of fact, I  
25 learned to use it, get along without it. But my computer, I

1 had to run an extension cord from another house that I own in  
2 the block to suffice my food in my icebox and my computer. So  
3 I did perform and kept going.

4 But I say that storm reserve of \$20 million is too  
5 high. That's just going to be an opportunity for them to play  
6 (phonetic) us some money. And my question is, is what happens  
7 to the interest if they get the \$20 million that is made to  
8 increase the storm reserves if it's granted? Where does that  
9 interest go? I mean, that should go back to, not TECO, it  
10 should go to the customer because a reserve is just that. I've  
11 got an \$11 million reserve on my, over at my basin board. Over  
12 the last seven years I've been able to put \$11 million away on  
13 reserve only because that's what the government can't touch is  
14 reserves. You can't go in and cut that because they're  
15 reserved. So I know when you get a reserve it's very limited  
16 as to what a person or you guys can do to it. So what do you  
17 do with that interest that they're going to be making?

18 Hillsborough County public schools, I also do a lot  
19 of work doing HVAC design for the school district of  
20 Hillsborough County and designing these schools. And looking  
21 at TECO, let me tell you an example.

22 Several years ago the school board went on a energy,  
23 you know, conservation, going to do designs called ice storage.  
24 Anybody remember that? Ice storage and chilled water storage.  
25 They built these elaborate systems that were supposedly going

1 to make ice on offpeak hours at night and during the day we  
2 were going to melt the ice and generate the chill water to cool  
3 the schools. In Florida, external environment, pretty hot,  
4 tanks having large insulation requirements.

5 One of the things that I found out, and I'm, you  
6 know, I'm not scared of TECO, no, I'm not scared of them, that  
7 it was -- and I'll name names. It was Ben Hill Middle School.  
8 We went out, Ben Hill Middle School, and we went out there and  
9 it was an old ice storage supposed to be working. When we went  
10 there it was not utilized the way it was designed. They asked  
11 us to what would we do? We replaced it with a conventional  
12 chiller, an energy efficiency one, modified some pumping  
13 arrangements. But the problem that we found out is when we got  
14 ready to do the life cycle cost analysis, it was like pulling  
15 teeth getting information from TECO on energy usage and what  
16 they would charge us. What we found out was is that TECO never  
17 entered into an agreement to give the school district a firm  
18 price on energy on offpeak hours. If they had done that and it  
19 still was in place, I probably wouldn't have replaced that ice  
20 system, I would have told them to improve it.

21 So I don't know of any contract that they've given  
22 long-term energy rates to people doing that kind of  
23 conservation and that kind of energy project. It was because  
24 they would not give them a long-term cost for that power on  
25 offpeak. And you can ask the school district that. They

1 probably may not say it, but I'm going to say it because it's  
2 got to be said. And just put it on the, chalk it up as another  
3 one of Joe Robinson's, you know, things that he's doing. So  
4 that's another issue. You can't get long-term rates from them  
5 when you do a chilled water storage or offpeak type pricing  
6 project. Tell them to show us one that they've done with the  
7 school district. And the school district I think did about six  
8 or seven schools like that maybe with this ice storage. Notice  
9 you can't do ice storage unless you have electricity to make  
10 the ice. And so if you don't get a good rate on the  
11 electricity to make the ice, it's not feasible when you do life  
12 cycle cost analysis.

13           Okay. The other thing is that's why it should be a  
14 separate rate, a separate class rate, a separate rate, a class  
15 for schools. Schools need to be disassociated from the rest  
16 because they are a different operation animal. Very few people  
17 are there at night but there's a lot of people there early in  
18 the morning.

19           CHAIRMAN CARTER: Joe, are you close? Are you close  
20 to winding down, Joe?

21           MR. ROBINSON: No, because I got a whole list and you  
22 didn't ask anybody else that. And that first person went on  
23 forever and ever and ever, and I've waited here, I'm the 25th  
24 person, I believe, and you got about 30 something. So there's  
25 not that many to go and nobody invoked the rule. But I'm

1 talking facts and I'd like to have the respect that everybody  
2 else had to talk without no time of saying sit down. And they  
3 had ample time to talk, especially the first person. So I  
4 would like to finish because I made notes.

5 CHAIRMAN CARTER: I asked you are you close to  
6 finishing?

7 MR. ROBINSON: Okay. No, I'm about halfway done, but  
8 I can move, I can move faster. But I thought that y'all want  
9 to hear from the public.

10 CHAIRMAN CARTER: We do indeed, but we want to hear  
11 from everybody.

12 MR. ROBINSON: Okay. Okay. You will.

13 The other thing is that the rate class of schools  
14 needs to be changed due to their size and diversity of  
15 operations and load factors. Consider them as a -- and they  
16 need to be considered as a single customer, not with ten,  
17 10,000 or 4,000 meters all over the place. We got a meter to  
18 meter this, a meter to meter that all at the same school.  
19 Okay? So and then depending on how that meter is depends on  
20 how they charge.

21 One of the other issues is, is that large customers  
22 should have special conservation rates and renewable energy  
23 rates if they are generating power back to TECO's grid. Case  
24 in point, the city has renewable energy, they burn garbage, and  
25 they give TECO back energy and they use some of that energy

1 they generate to run the plant. The reason I know, because I  
2 helped repower it. We put -- the city spent \$84 million and we  
3 worked on that project with Malcomb Purney (phonetic). So I  
4 understand the energy game.

5           So, I mean, they need to be more upfront. The  
6 problem now is there ain't enough garbage to be burning at the  
7 plant. Did you know that, because of the economy that there's  
8 really, they're looking for garbage now? So they're talking  
9 about going to yard waste because garbage has actually gone  
10 down, so now you can't generate electricity at that type of  
11 plant because of the fact there is not enough garbage. Didn't  
12 know that until just a couple of weeks ago.

13           TECO should break out the environmental control costs  
14 and their conservation costs separately from their rate  
15 structure so we'll know exactly what they're getting for  
16 environmental things that they do good and conservation costs  
17 that they do good, if they're doing any at all.

18           TECO coordination with design engineers on schools  
19 should have been improved as a customer relations issue because  
20 it's poor. Okay? It's poor. An engineer calling them up, you  
21 know, it's like, okay, I'll get back with you, and here I am  
22 waiting to get a design done and get it done. Customer service  
23 is poor when it comes to engineers, at least this engineer  
24 dealing with schools. Maybe others one have more respect  
25 because I guess they wasn't past employees.



1           TECO needs rebates for installing solar photovoltaic  
2 and energy efficiency HVAC systems and installation like they  
3 used to have. Used to -- and I bought two or three heat pumps,  
4 I used to get a TECO rebate. I don't know if you, I don't know  
5 if they do that anymore. Haven't gotten one in a while. I  
6 think they do installation, they were doing that, but, you  
7 know, they claim the economy got bad so they cut back on all  
8 these things. And they've never really given anything I don't  
9 think for a solar photovoltaic installation, although the new  
10 bailout bill -- and I hope this rate today is not a bailout.  
11 We do not need a bailout for TECO. Okay? This is not -- I  
12 hope this is not a bailout like we just bailed out all of the  
13 banks and so forth. I hope this is not a bailout rate  
14 increase. Okay? Do your homework like I do. But there's, in  
15 that bailout there's a 30 percent tax credit, and I think they  
16 need to take advantage of that with customers that want to  
17 install such as the guy talking about plus power.

18           Power outages. At my place I've got squirrels but  
19 they're not turning out the power. The power just going out.  
20 Okay? It's not the squirrels. It's just going out, man. I  
21 need to continue -- and I'm at 2338 Palmetto Street. Do your  
22 homework. I done called TECO, it's on the records over the  
23 last three or four years that I called about that issue of  
24 outage. And they need to continue to harden their system  
25 lines. That's a great thing that they've done going around

1 cutting lines.

2 Long-term contracts for fuel, namely coal and natural  
3 gas, question, how long are they? If they had negotiated their  
4 contracts for 20 years and we're into the last ten years of  
5 that, they're not getting any increase because they got a  
6 long-term contract. That is one of the successes is that they  
7 are able, they were able to negotiate in the day when they were  
8 burning the low sulfur coal from the power plants in Kentucky  
9 and so forth that they were able to get long-term contracts.  
10 Now I understand they don't use any coal from their own  
11 subsidiaries and they don't use any natural gas from their own  
12 subsidiaries, and I'm asking the question who is supplying the  
13 natural gas to power up Bayside which used to be called Gannon  
14 Station that was all coal? Who's supplying the gas if it ain't  
15 TECO? Oh, okay, it's going through People's Gas pipe but  
16 it's -- the piped gas is coming from up north out of  
17 Pennsylvania because, you know, you have a take-or-pay issue.  
18 Anyway, I'd just like to know who their, who's their natural  
19 gas? It amazes me that they're not even using People's Gas.  
20 Because one of the things were as long as we do business with  
21 the unregulated subsidiaries, we'll be okay and make money.  
22 Because the regulated utility, which is the energy company, has  
23 problems with the PSC.  
24 And how does TECO offshore operations get factored  
25 into this rate increase, if any, such as the Guatemala

1 operations? You know, is that getting factored in this rate  
2 increase? Does the merchant plant investment that TECO made in  
3 the past, does that, that bad investment that cost them almost  
4 a billion dollars to liquidate to get out of causing the stock  
5 to drop, does that merchant plant investment they made that was  
6 a bad investment impact this rate increase? And I already said  
7 who's the natural gas supplier for TECO power plants?

8           TECO water use, being on SFWMD, there's a project at  
9 Polk Power where they want to expand and the water use there is  
10 going to be excessive. Will TECO be allowed to use reclaimed  
11 water to reducing inground pumping and build a pipeline system  
12 for this reclaimed water effort? I support that. I think that  
13 is a way that they can reduce rates if they can reduce the cost  
14 of their water and use a water product that's renewable. Okay?  
15 So, you know, I'm all for that, and I understand they're doing  
16 that. They're working, we're working on that right now.  
17 They're supposed to be taking lead. That's another project  
18 that's going to end up being a subsidiary as opposed to in your  
19 rate base type of project that they're going to do. I've got  
20 questions about that.

21           Now I'm getting down to the last three. What is  
22 TECO's track record of spending money with local women and  
23 minority businesses that help pay these rates? And I'm a  
24 minority business. I got a contract with TECO, never got no  
25 work orders, so I guess they can say they've got a company.

1 And I also know that the federal government requires them to  
2 report this. They have a dismal record in my opinion of  
3 utilizing local women and minority businesses. And even the  
4 organizations that they belong to that when Rudy Bradley was  
5 sitting up there where you're at on the Public Service  
6 Commission, I went to Orlando where they had all the presidents  
7 from the big four in the state meet and talk about how they're  
8 going to get more minorities opportunities to get some of this  
9 money back that we're spending with them in the whole  
10 community. That's a main issue with me, and you can ask  
11 anybody around. I'm well known.

12 CHAIRMAN CARTER: One second.

13 Commissioner Argenziano.

14 COMMISSIONER ARGENZIANO: We don't, we don't have  
15 jurisdiction over that, just so you know.

16 MR. ROBINSON: I understand.

17 COMMISSIONER ARGENZIANO: We can't do anything about  
18 that.

19 MR. ROBINSON: I understand.

20 COMMISSIONER ARGENZIANO: Okay.

21 MR. ROBINSON: But you can lobby to the Legislature  
22 to do so. I think you said that.

23 COMMISSIONER ARGENZIANO: Yes.

24 MR. ROBINSON: So ask the Legislature how we can get  
25 OSD (phonetic) and get these utilities, because that is an

1 economic engine for small and minority businesses if they would  
2 use us and somebody monitors that. They will; they're good  
3 guys. I like them. But, you know, it's like a family, you  
4 have the good, the bad and the ugly. I'm the black sheep in  
5 the family.

6           Finally, after the hurricane -- here's another one,  
7 TECO disconnecting power without due process of law. Due to  
8 the -- I had a property, rental property, and the city  
9 electrical inspector came in because he saw water falling down  
10 and he saw the panel getting a little wet. He calls up TECO  
11 and says, "Disconnect it," and it was totally erroneous. Once  
12 they -- and they cut me at the pole. By cutting me at the pole  
13 they gave no regard that I had a duplex. So when they cut the  
14 pole, it was only the upstairs unit. They ended up knocking  
15 both units out, so I had to throw both tenants out instead of  
16 the one just upstairs. Caused me all kind of grief.

17           Check TECO's record, check the phone call I made to  
18 TECO and the city, code enforcement. The city decided it was  
19 an error, their man made a mistake, it was overreacting. But  
20 to get it back on, it took an act of God to get it back on.  
21 Because when I called TECO, "Oh, well, your power has never  
22 been off." I said, what happened was, I said, "didn't y'all  
23 issue," I said, "How did TECO turn off power without a work  
24 order? They have to have a work order to turn it off." This  
25 was over the, what was it, the Memorial Day weekend. So they,

1 you know, like I'm saying, they do what they want to do.  
2 They're good people, they're big enough. But, come on, I got  
3 to call it the way I see it. That wasn't right to have me go  
4 through that because the city made an error. And then once  
5 y'all cut it, now I've got to go back through the whole process  
6 again. Come on. But I paid it. Check the record. They know  
7 it.

8           After a hurricane, this is my final item, after a  
9 hurricane what is the priority after emergency facilities when  
10 it comes to restoring power? I understand, I called y'all,  
11 listened to it, I understand about emergency facilities and all  
12 of that. That's great. But what is the priority, after the  
13 emergency facilities and all that are hooked back up, what,  
14 what is the priority for restoring power in residential areas?  
15 It appears to me that low income and minority communities such  
16 as the one I stay in are last -- are first to get off and last  
17 to be restored when it comes to an outage, a major outage.  
18 They will tell you we're going to put on as many customers as  
19 we can. So since you stay in the black community in the inner  
20 city, you're not a suburb, beautiful, you're not a suburb with  
21 4,000 or 5,000 houses, so we're going to take care of you last  
22 because we've got to take care of the largest load first.  
23 Check it out. I'd like to know have there ever been a study on  
24 this issue from a customer service standpoint about low income  
25 and minority communities being first off and the last restored

1 after a major hurricane or after a major event? That's all  
2 I've got to say tonight, and I hope I didn't go too far but --

3 CHAIRMAN CARTER: One second.

4 MR. ROBINSON: I mean, I don't need no quick answer  
5 just as long as I get an answer, and I'll leave this with them.

6 CHAIRMAN CARTER: Commissioners, for your records,  
7 that will be Exhibit 9.

8 (Exhibit 9 marked for identification.)

9 Commissioners, in all fairness, I've got to give the  
10 court reporter, I have to give the court reporter a break.

11 COMMISSIONER ARGENZIANO: Mr. Twomey is waving for  
12 some reason.

13 CHAIRMAN CARTER: But, I mean, we've gone three  
14 hours.

15 MR. ROBINSON: I want to -- let me just say this in  
16 closing that --

17 CHAIRMAN CARTER: Wait. Hang on a second.

18 COMMISSIONER SKOP: Give her a break.

19 CHAIRMAN CARTER: No. No. We're going to give the  
20 court reporter a break. We've got one court reporter. She's  
21 been here for three and a half hours.

22 MR. ROBINSON: Oh, I know that. I believe you.

23 CHAIRMAN CARTER: She's going to get a break now.  
24 We're on recess.

25 MR. ROBINSON: Well, this is a good time to break.

1 (Recess taken.)

2 CHAIRMAN CARTER: Commissioners, we're back on. I  
3 don't see Ms. Christensen.

4 Ms. Christensen, you're recognized.

5 MR. YOUNG: Mr. Chairman, before we do that --

6 CHAIRMAN CARTER: Yes, sir. Mr. Young.

7 MR. YOUNG: We have to label the exhibit for  
8 Mr. Robinson.

9 CHAIRMAN CARTER: That's Exhibit Number 9,  
10 Commissioners. And --

11 MR. YOUNG: It will be Mr. Robinson's statements and  
12 questions.

13 CHAIRMAN CARTER: Thank you.

14 Ms. Christensen.

15 MS. CHRISTENSEN: Mr. Al McRay.

16 CHAIRMAN CARTER: Mr. Al McRay.

17 Whereupon,

18 ALVIN MCRA Y

19 was called as a witness on behalf of the Citizens of the State  
20 of Florida and, having been duly sworn, testified as follows:

21 DIRECT STATEMENT

22 MR. MCRA Y: Good afternoon. My name is Alvin McRay.  
23 I'm President of First Southern Bankers. I'm also a very proud  
24 member of the Sons of Confederate Veterans. We're here tonight  
25 to discuss a very limited topic. We're here to discuss the



1 TECO rate increase and I shall limit all my discussions to the  
2 TECO rate increase.

3           You know, you know, each time I turn on my, my wall  
4 circuit my power goes on. When I want to take a hot shower, my  
5 water heater works fine. When I got a problem, I call TECO to  
6 come out and fix my problem. You know, TECO has not had a rate  
7 increase since 1992. How many of us are still making the same  
8 money we made in 1992? I mean, anybody in here making the same  
9 income? You know, in 1992 the minimum wage was \$4.25 per hour  
10 and next year it's going to be in Florida \$6.75, and that's  
11 about a 62 percent increase. So my question is how can a  
12 utility maintain the same service operating at rates from last,  
13 the last decade? It makes no sense to me. How can TECO stay  
14 competitive, right infrastructure, hire quality people, how can  
15 they attract the right amount of suppliers, brain talent,  
16 infrastructure, all this and operate in rates of 1992? In  
17 reality, the TECO base rate should be \$99.65. If you took what  
18 the inflation rate was based on minimum wage and TECO right now  
19 should be, the total should be \$177.04 per month. And I got  
20 some more stats for you here. I'll be as brief as possible.

21           In 1992, bread cost between \$.75 to \$1.00 a loaf;  
22 haircuts, around \$5.50; and gas was near \$2 per gallon. I  
23 mean, TECO is -- I mean, I have no ties to TECO whatsoever, you  
24 know. The only think I know at TECO is I get a bill and I pay  
25 it. I can't see how we can complain about TECO. I mean, I'm

1 missing something. Look at the world, look at the states. We  
2 have great service here. Sure, there are people who may not  
3 can afford the rate increases. Maybe there should be some  
4 mechanism for vouchers or credits for those that are disabled,  
5 handicapped, retired veterans, a single mom with more than five  
6 kids. We all have a way of automatically reducing our electric  
7 bill by not playing the Xbox so long, you know, maybe turn off  
8 the Mac, the iPhone, the desktop, turn off the lights in the  
9 room you're not using.

10           You know, recently I went to South Carolina in my  
11 car. Normally I drive 72 miles an hour and I get like 29 miles  
12 a gallon. This time I drove 52 miles an hour, I got 49 miles  
13 per gallon, the same car, the same car. It took me three or  
14 four hours to get where I was going. So I'm saying that we all  
15 have the ability to get automatic rate decreases by modifying  
16 our habits. You know, we buy, all our kids we buy cell phones  
17 for. Every cell phone has a charger, you know. Every kid got  
18 to have a, not no little 3-inch but a 21-inch TV screen. We  
19 have to modify our habits. So I suggest we go more on  
20 conservation. I think we should leave TECO alone. You know,  
21 if I had my way, TECO should be guaranteed a minimum of 6  
22 percent, 6 to 8 percent return on investment. I mean, you're  
23 talking about rates in 1992. I mean, I can't think back that  
24 far.

25           What I'm saying in closing is that TECO is a fine



1 I came for -- wait a minute. I'm going to time myself. I'm  
2 timing everybody else. That was 24 minutes and 27 seconds, the  
3 second one back, so.

4 COMMISSIONER ARGENZIANO: Can you do it in less?

5 MR. WRENN: Yes, ma'am.

6 I came, I thought I was coming to a republican  
7 meeting and because of this meeting I guess, anyway, they had  
8 it last night. So I got here and I said, well, I'll just stay.

9 Well, to follow the subject. This came in the mail,  
10 my wife told me about it, but I knew about the other meeting so  
11 she just threw it away and I didn't look at it. Anyway, my  
12 name is Gene Wrenn. I've lived in Tampa since 1959. TECO has  
13 always provided me good service. The lights go off once in a  
14 while. That's, that's life. But they've always got it back on  
15 in a timely fashion.

16 I'm Gene the electrician. I've also got a small  
17 electric business and I've always had a very good rapport with  
18 the engineers, anybody I've dealt with, they've always treated  
19 me kind and courteous and I've gotten along very well with  
20 them. Never had any problem. The only problem is you can't  
21 get hardly anybody to talk to on the phone. You got to do the  
22 machine thing. Other than that, but that's the day we're  
23 living in.

24 I was looking on this paper here on Item 4 where it  
25 talks about TECO, the price of dollar -- \$114 will go to \$128,

1 and it says specifically, "Has filed to increase its rates for  
2 fuel costs 12 percent." Then on Item 5, this is on Page 2,  
3 Item 5, it says then it's going from the \$128 to \$138 in May of  
4 2009, which increases includes the proposed increase for fuel.  
5 On Page 5 where they've got the breakdown, they, they show fuel  
6 costs, the second item, the fuel costs going up in January but  
7 they don't show any going up in, in May, but their statement on  
8 the other part is talking, is indicating all this is fuel cost.  
9 That's what I get when you first read it. When you look at the  
10 breakdown, you see that there is fuel costs. But, so that's  
11 kind of misleading to me.

12           But also someone said that the passage of the bill  
13 would, would give the authority to increase transmission costs  
14 any time they deemed it necessary. I don't think this is a  
15 good idea because that gives them a blank check to do any  
16 upgrade, and you've got to do upgrades, I understand that, but  
17 any time they wanted to. And, of course, they're going to make  
18 a profit on whatever they do, so this encourages -- I don't  
19 think you ought to give them a blank check. I think two years  
20 or whatever it should be accounted for, I don't know just how,  
21 but it shouldn't be just any time you deem necessary you just  
22 go do it. So you hire more people and put in all, take all  
23 these poles out and put in underground services like the people  
24 are talking about.

25           But, and on Item 3 it -- let's see, Item 3. It

1 talks about -- the man said they hadn't had a raise since '92,  
2 an increase. I read that as the utility's last rate case was  
3 in 1992. I can't believe they haven't had a raise since '92.  
4 So that's kind of misleading there too. I picked up on that.  
5 I'm not as smart as that guy that talked 25 minutes, thank God.  
6 But anyway, but the rainy day fund, \$4 million they want to go  
7 to \$20 million, that's, what, a 500 percent increase? To me  
8 that's way out of line. We've had some hurricanes and power  
9 outages. We need the increase, but I can't imagine, can't  
10 imagine needing that much increase, not in this economy. So I  
11 think that needs to be looked at.

12           It's talking about -- what they're talking about in  
13 two years -- six months is going up \$24.30. And I wonder why  
14 they're doing it in these increments. They're kind of saying,  
15 well, we're just going up this much now and then we're going up  
16 this much then. It seems to me like if you're going to do it  
17 in that six months or whatever, just do it whatever you're  
18 going to do. I can't imagine -- I don't understand why that  
19 would be the deal.

20           But my wife, she pays all the bills, thank God. I  
21 don't have to worry about that. I've got a good wife and she  
22 takes care of that. So, you know, I just work and make money  
23 and she takes care of it. She don't spend it unwisely. And,  
24 but they're talking about a 40 percent increase. I don't see  
25 where that, I don't see anything about a 40 percent increase.

1 But I'd like to find out what state statute that y'all are  
2 working on that y'all are -- what is that? Is it on here  
3 someplace just so I could read up more about this?

4 CHAIRMAN CARTER: Mr. Young?

5 MR. YOUNG: It's Florida, excuse me, it's Florida  
6 Statute 366.

7 MR. WRENN: 366?

8 Also one other thing, I think it comes up to, what,  
9 about a 12 percent and then 8 percent, about a 20 percent  
10 increase is what I figured up the total of this, in that  
11 neighborhood. And I, I think in this economy that's kind of,  
12 kind of much. Everybody is having to cut back and watch what  
13 they're doing, me and you and everybody else, and I think  
14 that's a little bit much.

15 The, talking about the tree trimmers, I will say  
16 something about that. Sometimes they're out in my neighborhood  
17 and half the time they're sitting under a tree watching,  
18 watching trees. They work about four hours and then they sit  
19 down another four hours down the road on a dead-end road. I  
20 know TECO is just hiring them to do it, but I think if they'd  
21 watch them a little bit, they may want to bid it to somebody  
22 else and check that out a little bit more.

23 But that's all I've got to say. But, I mean, I think  
24 they're doing a good job and they've got to have more money to  
25 operate, everybody does. They've got all these trucks running

1 down the road, they've got to put more gas in. I understand  
2 they've got to have more money. I don't understand they've got  
3 to have that much increase in this short of a period of time in  
4 this economy we're in. Thank you very much. Six minutes and  
5 seven seconds. I'm sorry.

6 CHAIRMAN CARTER: Thank you. Thank you, Gene.

7 Ms. Christensen.

8 MS. CHRISTENSEN: Bob Wegmann.

9 CHAIRMAN CARTER: Bob Wegmann.

10 Whereupon,

11 BOB WEGMANN

12 was called as a witness on behalf of the Citizens of the State  
13 of Florida and, having been duly sworn, testified as follows:

14 DIRECT STATEMENT

15 MR. WEGMANN: Good evening and thank you. The good  
16 news is Joe Robinson covered most of what I was going to talk  
17 about, so I'm not going to be here 25 minutes. My name is Bob  
18 Wegmann. I'm a General Manager in the Facilities Department of  
19 Hillsborough District schools. I want to speak to one  
20 particular part of the rate increase that I think is important  
21 as it applies to the schools, that's the conservation and  
22 capacity charge that they're -- they're not only adding to the  
23 demand charge but, from what I can figure, it's about a  
24 34 percent increase in those two lines.

25 Most of the utilities in, at least in the



1 southeastern United States understand it's cheaper to buy  
2 demand or buy capacity from a customer than it is to build  
3 power plants. It's also a much greener way to deal with  
4 additional demand.

5           TECO is claiming the 50 percent. I agree with that  
6 100 percent. However, right now in America we have almost  
7 twice as many power plants as we need to handle consumption.  
8 And the reason we have twice as many power plants is to deal  
9 with the demand. The demand is a very small period of time  
10 during the summer and during the winter.

11           I deal with energy conservation at the school board  
12 and I work with TECO in their conservation program. At best  
13 it's difficult. As Ms. Elia has pointed out, it's complicated,  
14 it's weak. And if they're going to increase the conservation  
15 capacity, which both of those deal with demand, then what I  
16 would like to see is a little bit better accounting of how  
17 those monies are spent. I mean, everyone in this room pays  
18 something on their electric bill toward conservation. This is  
19 strictly the commercial rate and it's strictly the, the  
20 conservation capacity that I'm concerned about. And that's  
21 really all I have to say. Thank you.

22           CHAIRMAN CARTER: Thank you so much, Mr. Wegmann.

23           Ms. Christensen.

24           MS. CHRISTENSEN: John McWhirter.

25           MR. McWHIRTER: Thank you, Commissioners. You've

1 heard from me before and I didn't intend to speak tonight.

2 COMMISSIONER ARGENZIANO: Where is your bow tie?

3 MR. McWHIRTER: And I know you want to go to Winter  
4 Haven. And I don't have my bow tie.

5 CHAIRMAN CARTER: You're out of uniform tonight.

6 MR. McWHIRTER: But I'd like to say some nice things  
7 about Tampa Electric Company.

8 MR. YOUNG: Excuse me, Mr. Chairman.

9 MR. McWHIRTER: I'm here to praise Tampa Electric  
10 Company.

11 CHAIRMAN CARTER: One second. One second. Hang on a  
12 second.

13 MR. YOUNG: I'm afraid that Mr. McWhirter came in  
14 late and he hasn't been sworn.

15 CHAIRMAN CARTER: Mr. McWhirter --

16 MR. YOUNG: And also Mr. McWhirter, he's also, I  
17 don't know if he's representing FIPUG in this matter, I know  
18 Ms. Kaufman is, but he also gets discovery too.

19 CHAIRMAN CARTER: Mr. McWhirter, Mr. McWhirter,  
20 Mr. McWhirter.

21 MR. McWHIRTER: I'm here as a customer of Tampa  
22 Electric Company, a residential customer --

23 CHAIRMAN CARTER: Raise your right hand.

24 MR. McWHIRTER: -- of Tampa Electric Company.

25 CHAIRMAN CARTER: Raise your right hand. Raise your

1 right hand.

2 Whereupon,

3 JOHN MCWHIRTER

4 was called as a witness on behalf of the Citizens of the State  
5 of Florida and, having been duly sworn, testified as follows:

6 DIRECT STATEMENT

7 MR. MCWHIRTER: Yes, sir. This one time.

8 CHAIRMAN CARTER: For the record, one time. You're  
9 recognized.

10 MR. MCWHIRTER: When downtown Tampa was dying, Tampa  
11 Electric came to the rescue. It built a \$50 million building  
12 in the middle of downtown. But for Tampa Electric Company we  
13 wouldn't have a performing arts center. It was the leading  
14 cause to make the performing arts center. There isn't a major  
15 charitable organization in the City of Tampa that doesn't  
16 receive sustenance and support from Tampa Electric Company. It  
17 pays probably more ad valorem taxes than any other company in  
18 the City of Tampa. It pays the City of Tampa a 10 percent  
19 utility tax on its gross revenue, which is a major contribution  
20 to the City of Tampa. It pays a franchise fee to the City of  
21 Tampa and Lakeland and Plant City versus where, I don't guess  
22 it operates in Lakeland, but the other cities where it  
23 operates, Temple Terrace. Most of all its people go out into  
24 the public and they do good things. Dee Brown walked, what,  
25 150 miles for breast cancer last year, and they're nice people.

1           However, the reason I came here was to hear what the  
2 residential customers had to say. Harry Truman said, "The buck  
3 stops here," but with the residential customer the buck comes  
4 from here. And as you may know from papers I've filed with the  
5 Commission before, from time to time I do an analysis of  
6 comparative electric rates throughout the United States, and I  
7 take probably the 200 largest, the companies that have over a  
8 billion dollars in gross revenue, and of that number the rates  
9 paid by the residential consumer in Tampa Electric's service  
10 area are number ten. They are, there are nine that pay higher  
11 rates and TECO is right at the top. So when we have a  
12 situation where, as I told the renewable energy people last  
13 week, in Hillsborough County in 2006 we had something like  
14 900 new foreclosures in the month of June, and since then every  
15 month there have been new foreclosures. In the month of  
16 August, the last information I have, there were 3,000 new  
17 foreclosure actions being filed. So the question in my mind is  
18 can citizens who are already paying the tenth highest electric  
19 bill in the United States, the residential consumers, can they  
20 really afford to pay more? And I wanted to hear what these  
21 people said. And it was -- you heard it as well as I did.  
22 You've been to service hearings before, most of you, and you  
23 have a smattering of people and you'll have some chamber of  
24 commerce people and others that come and speak highly for the  
25 utility company, and the residential consumer really doesn't

1 know the impact. And I wanted to know how they felt about it  
2 and I think we got a good impression.

3 But one of the things -- I still wasn't going to say  
4 anything until I read the Special Report, and the Special  
5 Report that you published is misleading. And I think one of  
6 the things that we need to do with electric utilities is have  
7 truth in advertising. Now why is this misleading? Well, it's  
8 misleading because they use a customer that consumes 1,000  
9 kilowatt hours. Part of this rate case is to change the rates  
10 for a customer that consumes 1,000 kilowatt hours and subsidize  
11 that customer by charging higher rates to other customers. And  
12 they do that -- and I believe the proposed May 2009  
13 \$138.68 bill is a new subsidized rate. The average customer of  
14 Tampa Electric, the last time I looked, consumed around 1,200  
15 kilowatt hours a month, not 1,000. A single-family home  
16 consumes about 2,000. They talk about no rate increase since  
17 1992 but, of course, there have been a lot of people that moved  
18 in this area and there's been a lot more electrical  
19 consumption, and for most of that period TECO has received at  
20 or above the maximum of their authorized rate of return.

21 In 1996 they brought the Polk Plant, number one  
22 plant, the most expensive plant they've ever built, online  
23 without raising the rates because the revenue from base rates  
24 had gone up so much. The other thing that has happened and the  
25 most startling thing is the guaranteed cost recovery clauses.

1 The guaranteed cost recovery clauses according to your report  
2 constitutes, will constitute 55 percent of the subsidized 1,000  
3 kilowatt hour customer's bill. But if you look at 2007 revenue  
4 and compare it to what Tampa Electric is seeking in its cost  
5 recovery proceedings that are coming up in November, 78 percent  
6 of its gross revenue will come from cost recovery clauses. Now  
7 that's different than the 55 percent from the subsidized 1,000  
8 kilowatt hour customer. But from -- if you just compare the  
9 revenue that they're getting to their total revenue, it's  
10 78 percent and that concerns me.

11 Another way this is misleading is that it doesn't  
12 take into consideration the franchise fee, the utility tax, the  
13 sales tax for commercial and business customers. As a  
14 residential customer I've been keeping track of my bills since  
15 1972. At that time we were consuming around 4,000 kilowatt  
16 hours a month in the house I, two-story house I live in, and  
17 the bill was an exorbitant \$60 a month. We have earnestly  
18 conserved, if I can get home in time to get the air  
19 conditioning off, we earnestly conserve and now we're down to  
20 something to around 2,300 kilowatt hours a month. My bill last  
21 month was \$500.

22 Now I'm going to help subsidize the 1,000 kilowatt  
23 hour customer, and there's no reason to believe that the 1,000  
24 kilowatt hour customer is a poor person. The probabilities are  
25 that the poor people who live in houses that are not well

1 insulated that have big families, they, they consume a lot more  
2 than 1,000 kilowatt hours. This is small condominiums,  
3 apartments, vacation homes, vacant properties, and that's the  
4 average customer that will consume around 1,200 and this is for  
5 only 1,000. So if you want to be truthful in your Special  
6 Reports, you ought to tell what the bill really is. Although  
7 I'm here as a residential customer, I know that one of the  
8 clients I represent is not facing the 21 percent increase that  
9 this project, report projects, it's facing a 100 percent rate  
10 increase.

11 Now what does a customer facing a 100 percent  
12 increase do? I used to represent a number of phosphate  
13 companies. We had 30 phosphate companies.

14 CHAIRMAN CARTER: Are you getting close, Mr. -- are  
15 you getting close?

16 MR. McWHIRTER: Okay. I'm not going to say anymore  
17 about that.

18 What I would suggest to you, you're concerned about  
19 what the Legislature authorizes you to do. And if you look at  
20 366.06, you'll see the principles, and part of it is public  
21 acceptance of the rates. Part of it, the Legislature said you  
22 will look at an inventory of the plant that is in service today  
23 and give a return on that disregarding working capital, but  
24 you're using a projected test year, not an historic test year.  
25 And so you ought to look at that. You want to look at the

1 adequacy of the reserve margin. And if it's more than  
2 15 percent or so, it should be reduced to 15 percent because  
3 that part of the plant is not in used and useful service.

4 Now I'm not going to go into the things that we'll go  
5 into in detail in the rate case, but the essential element in  
6 this case, they're entitled, as Mr., Public Counsel told you,  
7 Mr. J. R. Kelly, they're entitled to full recovery of their  
8 ordinary and prudent expenses plus a reasonable return on their  
9 investment. But when you look at the return on investment,  
10 you've got to not look at the utility company, which is a  
11 wholly owned subsidiary of a public utility holding company.  
12 That's where the investors go. And what did that company do  
13 and what is its capital structure?

14 CHAIRMAN CARTER: Mr. McWhirter, I've really given  
15 you a lot of time. You've been before us before. You know the  
16 purpose of the service hearings is to hear from the customers.  
17 I know you're probably going to be appearing on behalf of one  
18 of your clients and all like that. Please, sir --

19 MR. McWHIRTER: Well, I get -- yeah. I get so  
20 excited. I'm going to sit down.

21 CHAIRMAN CARTER: I know you do and we appreciate  
22 that.

23 MR. McWHIRTER: And I hope y'all have a nice trip to  
24 Winter Haven.

25 CHAIRMAN CARTER: One second.



1 COMMISSIONER ARGENZIANO: Very quick question for  
2 you. Since you've done an analysis on the rates, have you done  
3 an analysis on the, at least the southern states and the ROE,  
4 different companies and different states?

5 MR. McWHIRTER: That will be done in the evidence we  
6 present at the hearing and I won't do that now.

7 COMMISSIONER ARGENZIANO: Oh, okay. Thank you.

8 MR. McWHIRTER: Thank you.

9 CHAIRMAN CARTER: Thank you.

10 Ms. Christensen.

11 MS. CHRISTENSEN: Scott Tynefield.

12 CHAIRMAN CARTER: Good evening.

13 Whereupon,

14 SCOTT TYNEFIELD

15 was called as a witness on behalf of the Citizens of the State  
16 of Florida and, having been duly sworn, testified as follows:

17 DIRECT STATEMENT

18 MR. TYNEFIELD: Good evening. Scott Tynefield, 107  
19 West Virginia, Tampa. I wasn't going to speak tonight. I  
20 just, I guess I was called by the OPC yesterday and I didn't  
21 have any prepared notes. It's just a customer service issue  
22 apparently that I had a report that I filed with the PSC. I've  
23 never had to call TECO for anything the last 13, 14 years I've  
24 lived in Tampa. And the one time that I had to, my son was  
25 born severely premature, he was hospitalized, and he came home

1 with heart monitors and breathing machines and the like. And  
2 my wife had to quit her job, so our income was cut in half.  
3 And I was working self-employed at the time and was having  
4 trouble paying my bill. Finally, you know, we made it. We  
5 never had our power cut off once through the whole time,  
6 through the whole year ordeal. Finally got back on my feet,  
7 quit -- or started working for Bright House. And, well, I  
8 started, you know, started paying my bills on time.

9 I got a notice in the mail that they were going to  
10 cut my power off. And in that notice it said for not paying  
11 the, it was a, what do you call it, an increase in my deposit,  
12 and it's just like she was saying. And I'd never received a  
13 notice prior to that that they were going to give me an  
14 increase on the deposit and I had to pay that because I wasn't  
15 making my bills on time. Making my bills on time -- I was  
16 paying maybe every 40 days, you know, sometimes every 30 days.  
17 It wasn't every 20 days like they require.

18 I called customer service, was basically told that,  
19 you know, I've got to pay my bills on time, you know, and I do.  
20 And so I looked up the laws and, and looked up your rulings on  
21 deposits and what was fair and did some figuring on my own and  
22 figured that they wanted a higher increase than they already  
23 had, so I reported that. I reported that to the Commission.  
24 Just being one person, I didn't think I was going to get much  
25 of a response. And I got a response from TECO, basically .PDFs

1 of e-mails or of mailings that they said they sent, it didn't  
2 look like it was on their header, that I never received. I got  
3 all my, I had to get all my mail at that time because we were  
4 getting medical bills, I mean, millions of dollars of medical  
5 bills, you know, that were being paid by my insurance company.  
6 So we were, I never got those mailings. And that was my case  
7 was that I wasn't getting the 60-day notice to pay it.

8 I had to, you know, get loans and stuff like that to  
9 make payments, and this was an extra \$50 I didn't have at the  
10 time. And so that's all I was asking for. I ended up, because  
11 my son was on -- you know, I went back and forth with their  
12 customer service representative and I went ahead and paid it  
13 borrowing from my family more money than -- you know, adding to  
14 the tab basically because I was afraid that they were going to  
15 cut my power off anyway, and, you know, the heart monitors,  
16 breathing monitors for my son. So that's basically it. It was  
17 a really bad situation. I paid my deposit. I pay my bills,  
18 you know, every month on time now that I've gotten back on my  
19 feet. My son is, you know, doing a lot better. But it was  
20 just the one time -- you know, you don't, you don't usually  
21 think about calling your power company for customer support,  
22 and the one time I thought I needed them they just definitely  
23 were not there. So that's my story.

24 CHAIRMAN CARTER: Thank you, Scott.

25 Ms. Christensen.

1 MS. CHRISTENSEN: Mr. Robert Armstead, and he's the  
2 last person we have signed up.

3 CHAIRMAN CARTER: Mr. Robert Armstead.

4 Did we get everyone here that wanted to speak  
5 tonight? Anyone that wanted to speak that didn't get a chance  
6 to speak?

7 Commissioners, I'm going to forego any closing  
8 comments. And I'm going to really express our profound  
9 appreciation to our one court reporter that we have; she's been  
10 a loyal trooper.

11 And we'll reconvene, we'll reconvene tomorrow morning  
12 at 10:00 in Winter Haven. We are adjourned.

13 (Service hearing adjourned at 10:10 p.m.)  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1 STATE OF FLORIDA        )  
                                  :  
2 COUNTY OF LEON         )

## CERTIFICATE OF REPORTER

3  
4           I, LINDA BOLES, RPR, CRR, Official Commission  
5 Reporter, do hereby certify that the foregoing proceeding was  
6 heard at the time and place herein stated.

7           IT IS FURTHER CERTIFIED that I stenographically  
8 reported the said proceedings; that the same has been  
9 transcribed under my direct supervision; and that this  
10 transcript constitutes a true transcription of my notes of said  
11 proceedings.

12           I FURTHER CERTIFY that I am not a relative, employee,  
13 attorney or counsel of any of the parties, nor am I a relative  
14 or employee of any of the parties' attorneys or counsel  
15 connected with the action, nor am I financially interested in  
16 the action.

17           DATED THIS 3<sup>rd</sup> day of November,

18 2008.

19  
20  
21  
22  
23  
24  
25  
  
Linda Boles  
LINDA BOLES, RPR, CRR  
FPSC Official Commission Reporter  
(850) 413-6734

<b>SERVICE HEARING EXHIBITS</b>		
<b>Exhibit #</b>	<b>Witness</b>	<b>Description</b>
2	TECO	Notice of Publication of TECO Customer Service Hearings on 10/21/08 & 10/22/08
3	Linda Saul-Sena	Resolution against TECO rate increase by Tampa City Council (late-filed exhibit)
4	Mark P. Klutho	Article in Solar Today entitled "The Bull's-Eye on Our Back"
5	Anne Kitko	Kitko Complaint (late-filed exhibit)
6	C. J. Reynolds	Tree Care and Power Outage (late-filed exhibit)
7	Darren Booth	Photos of Tampa Street
8	Sandra Devita	Devita's Statement
9	Joe Robinson	Robinson's Statement and Questions
10	Rose Thompson	TECO to provide Thompson's most recent 24-month billing period (late-filed exhibit)
11	TECO	Non-fee-paying sites map and locations detailing when the sites were created (date of establishment) and which sites are designated as fee or charging sites (late-filed exhibit)
12	TECO	Percentage of customers by usage level. Average use by kWh by person (late-filed exhibit)

**FLORIDA PUBLIC SERVICE COMMISSION**  
 DOCKET NO. 080317-EI EXHIBIT 1  
 COMPANY FL PSC Staff  
 WITNESS Comprehensive Exhibit List  
 DATE 10/21/08

Late filed Exhibit

**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. D80317-E1 EXHIBIT 2

COMPANY TECO - Notice of Publication

WITNESS By Service Hq on 10-21-08

DATE 10/21/08

Late Filed Exhibit

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080317-EI EXHIBIT 3

COMPANY Linda Saul-Senna

WITNESS Tampa City Council Resolution against

DATE 10/21/08 TECO



**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 080317-EI EXHIBIT 4

COMPANY Mark P. Klothe

WITNESS Article in Solar Today "The Bulls-Eye

DATE 10-21-08 on our Back"

## SUSTAINABLE WORLDVIEW

# The Bull's-Eye on Our Back

*A new nuclear plant may be nothing but a big bombing target.*

By Michael Totten

Defining security position of the Bush administration has been a claimed right to wage preemptive war. The key target now is Iran, whose aggressive push to construct a nuclear reactor would give them the capability to build atomic bombs. Presidential candidate John McCain echoes the Bush doctrine, remarking repeatedly that he would not rule out a preemptive military strike against a threat like Iran. Israel has demonstrated, with raids in Iraq and Syria, that reactors make pretty good targets. Proliferation expert Bennett Ramberg, an official in the George H.W. Bush administration, noted in 1984 that any nation with nuclear power plants in effect offers its adversaries a quasi-nuclear capability to use against it. He even wrote an influential book about it, titled *Nuclear Power Plants as Weapons for the Enemy: An Unrecognized Military Peril*.

It is all the more puzzling, then, that after threatening Iran's nuclear facilities, Sen. McCain endorsed the rapid construction of 45 nuclear reactors in the United States over the next two decades, followed by 55 more reactors over the longer term. That would double the number of operating reactors, which now generate 20 percent of our electricity.

McCain and other nuclear advocates ignore the technology's military peril. They focus instead on nuclear power as an essential part of reducing greenhouse gas emissions. That might be acceptable if climate change were the only peril we face, and if



Michael Totten

there weren't already a large pool of competitive and profitable energy options.

**Nuclear power has strong appeal** based on the fact that one ton of fissile uranium generates as much power as 20,000 tons of coal. This was part of the reason

why, in 1973, President Nixon called for constructing 1,000 reactors by 2000. But Wall Street concluded that nuclear plants posed higher financial risks to construct and were more expensive to operate than other options. And so, for purely financial reasons, no new nuclear power plant has been ordered since 1978 (the last new American plant came on line in 1996).

The Bush administration has fixated on pushing nuclear power back into the marketplace. The Department of Energy appropriations for nuclear electricity-related research and development, adjusted for inflation, totaled \$6.2 billion from fiscal year (FY) 2002 through FY2007. This was a 60 percent growth over six years, and 440 percent more than was appropriated for all renewable electricity-related research R&D (\$1.4 billion). In FY07 the government spent 20 times more for nuclear electricity research R&D than for

wind power. Congress was complicit, too: In 2002 they renewed the 1957 Price-Anderson Nuclear Indemnity Act, a permanent subsidy that puts the burden on taxpayers to absorb the cost of a catastrophic nuclear accident over \$11 billion. According to estimates prepared for Congress by the Sandia National Laboratory in 1980, a large reactor accident would cause more than \$700 billion in damage (in 2007 dollars).

These funding increases occurred after 9/11 — that is, after all operating reactors were put on alert against terrorist attacks. President Bush underscored the danger in his 2002 State of the Union address. "Our discoveries in Afghanistan confirmed our worst fears," he said. "We have found diagrams of American nuclear power plants."

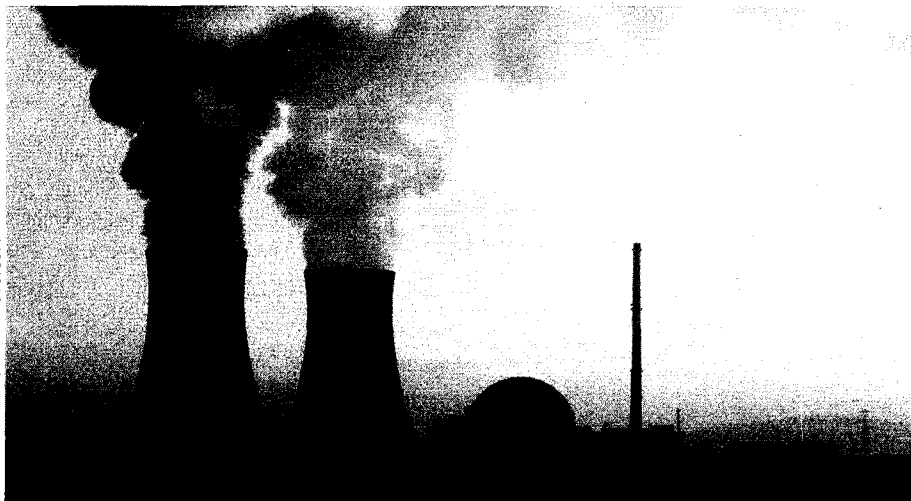
Professor George Bunn, at Stanford University's Center for International Security and Cooperation, posed a key question in the aftermath of the 9/11 attack: "Suppose that the 19 [World Trade Center airline hijackers] had formed into teams to drive four vans with large high-explosive bombs into the power reactors and spent fuel ponds for a large nuclear facility. Does any civilian facility's design ... suggest protection against such threats?"

FBI Director Robert Mueller, testifying before the Senate Committee on Intelligence in 2005, said, "Another area we consider vulnerable and target-rich is the energy sector, particularly nuclear power plants. Al-Qa'ida planner Khalid Sheikh Mohammed had nuclear power plants as part of his target set and we have no reason to believe that al-Qa'ida has reconsidered."

A typical 1,000-megawatt reactor contains more than 15 billion curies (compared to about 2,000 curies from the Hiroshima atomic bomb's fallout). In an impact by a wide-body jet or conventional-warhead missile, the heat and chemical energy contained within a reactor vessel could trigger a release comparable to a 1-megaton ground burst. With the cooling system destroyed, the radioactive core would melt. That could contaminate 25 million acres (New Jersey and half of New York, for instance) for 100 to 1,000 years.

**Reactors are just one vulnerable part** of the nuclear supply chain. The spent fuel pool located at any reactor holds about 10 times more long-lived radioactivity than the reactor core itself. A radioactive release from such a pool would be catastrophic. One major concern is the fission product cesium-137, which comprised 75 percent of the long-term radiological impact of the 1986 Chernobyl accident.

Nuclear waste shipments are another, and easier, terrorist target. Traffic by barge, truck and rail to the Yucca Mountain storage facility in Nevada, between 2010 and 2033, is forecast at nearly 11,000 cask shipments. Transport routes could traverse 45 states, 700 counties and 50 Indian reservations, with populations totalling 120 million people. More than 11 million people live within



HANS F. MEIER 2007/ISTOCKPHOTO.COM

The nuclear industry wants permits to build 100 new plants. But they would generate electricity at two to 12 times the cost of efficiency and renewables, take four times longer to build, and furnish tempting targets for terrorist attack.

2,500 feet of a potential highway route. Under the DOE base case scenario (88 percent rail, 12 percent truck), 50 to 260 accidents would be expected based on normal rail and truck accident rates. An attack on a GA-4 truck cask using a state-of-the-art anti-tank weapon could cause some 18,000 latent cancer fatalities. Cleanup and recovery costs would exceed \$17 billion.

By the time Yucca Mountain is filled (77,000 tons), reactors now operating will have produced another 37,000 tons of spent fuel, which, with nowhere to go, will sit in cooling ponds at sites across America. This does not include waste produced by any of Sen. McCain's proposed 100 new reactors.

The only preemptive policies the United States desperately needs right now would aggressively focus regulations, incentives and research on safe, secure, clean, affordable and globally competitive energy systems — that are *uninteresting* targets for bombs. Efficiency and renewable energy systems — widely distributed and largely noncombustible — fill the bill.

As *The Economist* magazine repeatedly emphasizes, and Amory Lovins and his RMI colleagues recently detailed in "Forget Nuclear," nuclear power *still* makes no sense financially. Even disregarding the safety, security and subsidy issues, it will cost at least 12 cents per kilowatt-hour to build and run a new nuclear plant. It will cost even more at the nuclear industry's flagship Finnish project,

## Sen. McCain voted repeatedly against renewable electricity production tax credits.

Olkiluoto 3, which is now several years behind schedule and \$2.5 billion over budget. Efficiency services, in sharp contrast, where allowed by state public utility commissions to compete with supply options, deliver four to over 12 times the services for the same cost per kilowatt-hour. Wind farms and cogeneration plants can now generate power at half the cost of nuclear, and, as the RMI report shows, they can replace the output of nuclear plants 14 times over. Renewables can also displace coal-plant carbon emissions more rapidly, per dollar of investment: Whereas nuclear will displace 8 kilograms of CO<sub>2</sub> per 2007 dollar invested, these other options can achieve from 12 kg CO<sub>2</sub> (for wind) to 93 kg CO<sub>2</sub> (for 1 cent per kilowatt-hour efficiency) per dollar.

Former Principal Deputy Assistant Secretary of Energy Joe Romm has pointed out that for the quarter century Sen. McCain has been in Congress, he joined with fellow conservatives and "repeatedly gutted the wind budget, then opposed efforts by progressives to increase it, and repeatedly blocked efforts to extend the wind power

tax credit." Sen. McCain voted against renewable electricity time and time again. While calling for fast-tracking subsidies for nuclear power and coal plants, McCain told *Grist* magazine last October that, "I'm not one who believes that we need to subsidize things. The wind industry is doing fine, the solar industry is doing fine. In the '70s, we gave too many subsidies and too much help, and we had substandard products sold to the American people, which then made them disenchanting with solar for a long time."

Sen. McCain and many of his congressional colleagues appear oblivious to the fact that the United States added more wind power capacity in 2007 than it added in coal-fired capacity over the past five years combined. Yet to go from today's 16,000 MW of installed wind to 305,000 MW by 2030 (that would be 20 percent of America's electricity) is going to take more than believing the wind industry is "doing fine."

We need leadership to meet the 20 percent goal. We need multidecade tax credits and \$60 billion in new transmission capacity. We need to shift the nuclear research budget to support wind and solar and geothermal power. We need to aim at our own targets, and not build targets for our enemies. ●

*Michael Totten is chief adviser on climate, water and ecosystem services at Conservation International. Contact him at m.totten@conservation.org.*

**SOLAR HOT WATER SYSTEMS**  
*Self-Pressurized, Antifreeze Closed Loop*

Qualifies for New Energy Tax Credits!

Clean Air CO<sub>2</sub>

Self Pressurizing Unit

PV Runs Pump

Anti-Scald Mixing Valve

Pump

W A N D

Double-wall heat exchanger threads into your tank

**SOLAR WAND SYSTEMS ARE:**  
**CLEAN;** Reduce CO<sub>2</sub> by 2,500 lbs. Per Year (=Driving a Small Car)  
**AFFORDABLE:** ~ \$1.00/Therm or \$0.05/kWh

10 Sq.Ft. 20 lbs.

"SUN BLOCKS" MODULE

5 Year Warranty; FedEx Ground; D-I-Y Manual

**www.butlersunsolutions.com**  
**(858) 259-8895**

Butler Sun Solutions

OG-300 Certified Systems

SOLAR SRCC CERTIFICATION

\*Patents Issued & Pending

Solar Wand

The Energy to Change the World

Namasté SOLAR

1610 Wynkoop Street #105  
 Denver, Colorado 80202

4571 Broadway Street  
 Boulder, Colorado 80304

303.447.0300 • www.namastesolar.com

Late Filed Exhibit

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080317-E1 EXHIBIT 5

COMPANY Anne Kitko

WITNESS Kitko's Complaint

DATE 10-21-08

Late Filed Exhibit

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. \_\_\_\_\_ EXHIBIT 6

COMPANY C. J. Reynolds

WITNESS Tree Care + Power Outage

DATE 10-21-08

**FLORIDA PUBLIC SERVICE COMMISSION**

**DOCKET NO.** 080317-ET EXHIBIT 7

**COMPANY** Darren Booth

**WITNESS** Photos of Tampa Street

**DATE** 10-21-08





N Tampa

ROBERTSON

SPEED LIMIT 25

STOP



**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. D80317-ET EXHIBIT 8

COMPANY Sandra Devita

WITNESS Devita's Statement

DATE 10/21/08

GOOD EVENING Florida PUBLIC SERVICE  
Commission members, state and County  
Representatives, honored guests, and  
others present.

I am a 59 year old Female who  
worked her whole life until life changing  
events occurred in my 45<sup>th</sup> + 46<sup>th</sup>  
year - heart attacks and complete  
deterioration of my health. I lost  
everything I owned because it took  
4½ years to get my disability approved.

I currently reside in a small  
single wide trailer located in an  
adult mobile home park (55+)  
my social security Disability is  
\$654 monthly and I cannot get my  
pension until I am 65.

My budget is as follows:

- lot Rent: \$338 (increases yearly)
- Food (special diet): \$150 - 175 per month
- INSURANCE (car + home): \$600 per year ÷ 12 = \$216 month

Gas (which will go up again) two times a month fill ups; \$80 +  
over the counter medications (Aspirin regimen, Icy  
hots, etc); \$20  
Soaps, detergents, cleaners, deodorant and other  
personal items; \$20.00  
Electric; \$175 (required, due to being  
a heart patient and having heat stroke  
twice, is my Air conditioning)  
Life Line telephone \$7-8  
Sprint long distance: varies. Most  
calls are made to Tallahassee for  
information on state agencies, benefits,  
and regulations.

I have not included expenses like  
clothes, shoes, car maintenance and repair,  
home repairs and some sort of recreation  
or a hobby. I am in debt to doctors and  
hospitals because medically needy medicaid  
requires me to have \$250 in medicaid bills  
over a 3 month period before they will  
pay anything

Why can't FPCO raise the rates for  
the major polluters and wasters of  
power and force them to install more  
economic power saving equipment.

Why can't Teco have something like  
lifeline or a senior/disabled discount?

The service I get when I call about  
power problems is less than one  
should receive. The following are  
some examples:

For more than 1 year I have  
watched flashes of light on my phone  
& electrical wires caused by power surges.  
They travel into the electrical box and  
are very visible at night. One surge  
shorted my phone during a call.

When I call, and am fortunate enough  
to get a human, they do not realize  
my community, as a SS+ community, is  
filled with disabled; elderly; and frail  
people; reliant on electric for oxygen,  
fall prevention, medication dosage, and  
most landline phones to call 911. I always

have to argue with them that my  
power outage is an emergency. Should  
their computers not flag communi-  
ties such as mine for immediate  
repair? Their automated system usually  
hangs upon me.

In my home, I currently have no  
lights in my kitchen as I can't afford  
an electrician.  
Due to a leak under my kitchen sink  
for which I did the plumbing, the

Cabinet fell apart. I cannot afford  
the carpenter to repair it.

my floor covering in my kitchen is  
ripped and a trip hazard. I cannot  
afford the flooring expert to put my  
tiles down.

I am trying to save to get all  
these items done. I cannot afford  
to pay an electric increase.

I am sure other families  
(includes families of 1) on fixed  
incomes are experiencing many of  
the same problems.

PLEASE DO NOT INCREASE  
MY ELECTRIC BILL.

Thank you  
(Sandy) Sandra Devita  
214 Son Grace  
Tampa, Florida 33613  
813-960-1979

**FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 080317E EXHIBIT 9

COMPANY Joe Robinson

WITNESS Robinson's Statement & Questions

DATE 10/21/08

# AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET  
P.O. BOX 391 (ZIP 32302)  
TALLAHASSEE, FLORIDA 32301  
(850) 224-9115 FAX (850) 222-7560

October 31, 2008

## HAND DELIVERED

Ms. Ann Cole, Director  
Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Petition for Rate Increase by Tampa Electric Company;  
Docket No. 080317-EI

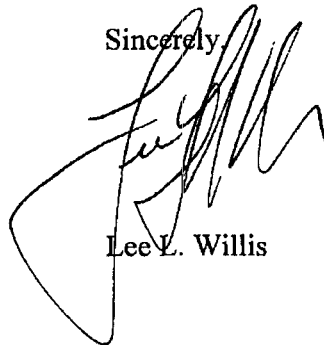
Dear Ms. Cole:

Enclosed are the original and fifteen (15) copies of Tampa Electric Company's Service Hearings Late-Filed Exhibit 10 "Inverted Rate Analysis" in the above-referenced docket.

Please acknowledge receipt and filing of this document by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,



Lee L. Willis

LLW/bjd

cc: All Parties of Record (w/encls.)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080317-EI EXHIBIT 10

COMPANY Rose Thompson

WITNESS Latest 24 month Billing period

DATE 10/21/08

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Service Hearings Exhibit 10 "Inverted Rate Analysis", filed on behalf of Tampa Electric Company, has been furnished by U. S. Mail or hand delivery (\*) on this 31<sup>st</sup> day of October 2008 to the following:

Keino Young/Martha Brown\*  
Jennifer Brubaker/Jean Hartman  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

J. R. Kelly/Patricia A. Christensen  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, FL 32399-1400

Robert Scheffel Wright  
John T. LaVia, III  
Young van Assenderp, P.A.  
225 South Adams Street, Suite 200  
Tallahassee, FL 32301

Vicki Gordon Kaufman  
Jon C. Moyle, Jr.  
Anchors Smith Grimsley  
118 North Gadsden Street  
Tallahassee, FL 32301

John W. McWhirter, Jr.  
McWhirter, Reeves & Davidson, P.A.  
Post Office Box 3350  
Tampa, FL 33601-3350

Michael B. Twomey  
Post Office Box 5256  
Tallahassee, FL 32314-5256

---

ATTORNEY



**INVERTED RATE ANALYSIS  
Percentage of Customers by Usage Level  
Average Use by KWH by Person**

---

**Request**

The request was initiated from discussions at the Winter Haven Service Hearing on October 22, 2008 regarding Tampa Electric's proposed residential inclining block rate or inverted rate. Specifically, the company was asked to provide the number and percentage of customers by various usage ranges.

**Background**

In the direct testimony of Tampa Electric witness William R. Ashburn, the company considered numerous objectives in designing its rates. One of its objectives was to provide conservation-oriented price signals. The company is proposing to meet this objective by changing the residential standard service rate schedule from a flat base energy rate to a two-block, inverted base energy rate design, with break point at 1,000 kWh and a \$0.01 per kWh differential between the two blocks. It is proposing to make a similar change to its fuel factor in Docket No. 080001-EI to fully take advantage of this conservation-oriented rate design.

As witness Ashburn describes in his testimony, an inverted base energy rate has become a standard in Florida with the Florida Public Service Commission having approved such rates for Florida Power & Light ("FP&L") and Progress Energy Florida ("PEF") in Order No. PSC-05-0902-S-EI in Docket Nos. 050045-EI and 050188-EI, issued September 14, 2005 and in Order No. PSC-02-0655-AS-EI in Docket No. 000824-EI, issued May 14, 2002, respectively.

Additionally, the Commission approved inverted residential fuel rates at 1,000 kWh for both FP&L and PEF in Order No. PSC-05-1252-FOF-EI in Docket No. 050001-EI, issued December 23, 2005. More recently the Commission approved Florida Public Utilities inverted fuel rate at 1,000 kWh in the fuel docket in Order PSC-08-0030-FOF-EI, issued January 08, 2008. The higher rate at the second block, above 1,000 kWh, provides a price signal to customers about energy use that can serve as a way to encourage energy conservation while the lower first block rate provides a billing benefit to lower use customers.

Tampa Electric's proposed residential inverted rate structure would be applied similarly to that of FP&L and PEF. For the first block of energy usage, 1,000 kWh, customers would pay a base energy charge of \$.05079 per kWh. As usage exceeds 1,000 kWh, customers would pay a higher base energy charge of \$.06079 per kWh for all energy consumed above 1,000 kWh. For example, if a customer uses 1,100 kWh, the first 1,000 kWh is priced at the lower block rate and the 100 kWh is priced at the higher block rate for a total base energy charge of \$56.16. Under a levelized rate per kWh consumed, the total base energy charge would be \$59.72.

**Response**

The attached chart, "Tampa Electric Company - Residential Monthly Number of Bills and Percent of Bills per Monthly Customer kWh Usage", shows the monthly number of bills per kWh usage, and the percent of monthly bills at various usage levels with cumulative totals. Tampa Electric used similar data from 2007 to evaluate the overall impact inverted rates would have on residential customers as it developed its rate design. Based on this usage information, the "breakeven" for customers under a levelized design compared to an inverted rate design is at

approximately 1,500 kWh; that is, customers' rates would be the same under both rate designs (current and proposed). Furthermore, approximately two-thirds of Tampa Electric's customers use less than 1,500 kWh per month and will benefit from the proposed inverted rate.

Tampa Electric has also provided two additional charts showing the proposed monthly bill amounts per customer usage by assuming 1) proposed inverted fuel and energy charges and 2) flat fuel and energy charges. It demonstrates that at 1,500 kWh of monthly usage, the base rate increase is about the same under both rate designs; a 10.1 percent increase for inverted fuel and energy charges and a 10.2 percent increase for flat fuel and energy charges.

**Tampa Electric Company  
Residential Monthly Number of Bills and  
Percent of Bills per Monthly Customer kWh Usage  
12-Months Ending September 2008**

<b>Customer Monthly kWh Usage</b>	<b>Monthly Number of Bills</b>	<b>Cumulative Number of Bills</b>	<b>Percent of Total Monthly Bills</b>	<b>Cumulative Percent of Total Monthly Bills</b>
0	3,478	3,478	0.61%	0.61%
1 - 500	88,846	92,324	15.60%	16.21%
501 - 600	30,981	123,305	5.44%	21.65%
601 - 700	33,518	156,823	5.88%	27.53%
701 - 800	34,691	191,514	6.09%	33.62%
801 - 900	34,649	226,163	6.08%	39.71%
901 - 1,000	33,811	259,974	5.94%	45.64%
1,001 - 1,250	76,997	336,971	13.52%	59.16%
1,251 - 1,500	63,304	400,275	11.11%	70.27%
1,501 - 1,750	48,936	449,211	8.59%	78.86%
1,751 - 2,000	36,005	485,216	6.32%	85.19%
2,001 - 2,250	25,808	511,024	4.53%	89.72%
2,251 - 2,500	18,130	529,154	3.18%	92.90%
2,501 - 2,750	12,572	541,726	2.21%	95.11%
2,751 - 3,000	8,641	550,367	1.52%	96.62%
3,001 - 3,500	9,856	560,223	1.73%	98.35%
3,501 - 4,000	4,574	564,797	0.80%	99.16%
4,001 - 4,500	2,143	566,940	0.38%	99.53%
4,501 - 5,000	1,071	568,011	0.19%	99.72%
Over 5,000	1,588	569,599	0.28%	100.00%
<b>Total</b>	<b>569,599</b>		<b>100.00%</b>	

4

TAMPA ELECTRIC COMPANY  
DOCKET NO. 080317-EI  
SERVICE HEARINGS  
LATE-FILED EXHIBIT 10  
PAGE 4 OF 5  
FILED: OCTOBER 31, 2008

**Tampa Electric Company**  
**Proposed Monthly Bill Amounts**  
**per Monthly Customer kWh Usage**  
*Assuming Inverted Fuel and Energy Charges*

Customer Monthly kWh Usage	Proposed Monthly Bill as of 1/1/09	Proposed Monthly Bill as of 5/7/09	Dollar Increase	Percent of Total Monthly
500	\$68.58	\$74.72	\$6.14	9.0%
750	\$98.51	\$106.70	\$8.19	8.3%
1,000	\$128.44	\$138.68	\$10.24	8.0%
1,100	\$141.44	\$153.52	\$12.08	8.5%
1,200	\$154.44	\$168.36	\$13.92	9.0%
1,300	\$167.43	\$183.20	\$15.77	9.4%
1,400	\$180.43	\$198.05	\$17.62	9.8%
1,500	\$193.43	\$212.89	\$19.46	10.1%
1,800	\$232.42	\$257.41	\$24.99	10.8%
2,000	\$258.42	\$287.10	\$28.68	11.1%
3,000	\$388.40	\$435.52	\$47.12	12.1%
5,000	\$648.36	\$732.36	\$84.00	13.0%

**Tampa Electric Company**  
**Proposed Monthly Bill Amounts**  
**per Monthly Customer kWh Usage**  
*Assuming Flat Fuel and Energy Charges*

Customer Monthly kWh Usage	Proposed Monthly Bill as of 1/1/09	Proposed Monthly Bill as of 5/7/09	Dollar Increase	Percent Increase
500	\$70.37	\$78.31	\$7.94	11.3%
750	\$101.20	\$112.08	\$10.88	10.8%
1,000	\$132.03	\$145.86	\$13.83	10.5%
1,100	\$144.36	\$159.37	\$15.01	10.4%
1,200	\$156.69	\$172.87	\$16.18	10.3%
1,300	\$169.02	\$186.38	\$17.36	10.3%
1,400	\$181.36	\$199.89	\$18.53	10.2%
1,500	\$193.69	\$213.40	\$19.71	10.2%
1,800	\$230.68	\$253.93	\$23.25	10.1%
2,000	\$255.34	\$280.94	\$25.60	10.0%
3,000	\$378.66	\$416.03	\$37.37	9.9%
5,000	\$625.28	\$686.21	\$60.93	9.7%

Late Filed Exhibit

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080317-E7 EXHIBIT 11

COMPANY TECO

WITNESS Non-fee-paying sites map

DATE 10-21-08

Late Filed Exhibit

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080317-EE EXHIBIT 12

COMPANY TECO

WITNESS Percentage of customers by Usage level

DATE 10-21-08

TECO Issues 10-21-08  
personally or corporately as businessman and stockholder"

- Where are the Written Contracts and Agreements with the City of Tampa Streetlights for rates and auditable charges made when disputes occur between the City and TECO.
- Arrogant Customer Service attitudes and downsizing of Customer Service as well as outsourcing of payment locations.
- TECO Pole Connections that are bad such as 3 Phase only allowing one phase causes HVAC compressors to blow motors such as at MOST Chillum Yard. Also occurred at my property of a bad low voltage connection blew out TV'S. As property owner with lights in my name created claims problem for Rental tenant
- Automatic Increase for Transmission expenses if adopted should be reviewed at least every 5 years by the PSC for fairness.
- Storm Reserve of \$20 million/yr is too large - What happens to the interest that will be made on this increase in storm reserves if granted
- HCPS should be in a separate rate class for schools due to their size ~~and~~ diversity of operations. <sup>and load factors</sup> Consider as Single Customer?
- <sup>large</sup> Customers should have special Conservation rates and Renewable energy rates if they are generating power back to TECO's grid.
- TECO should break out their Environmental Control Costs and Conservation Costs separately from rate structure.
- TECO Coordination with Design Engineers on Schools should be improved as a customer (HCPS) relations issue.
- TECO need rebates for installing Solar <sup>photovoltaic</sup> and Energy efficient HVAC Systems <sup>Insulations</sup> etc.
- Power Outages - Need to continue to Harden their "System Lines"



- Long Term Contracts for Fuel (Mainly Coal and ~~Natural Gas~~)  
How long are they.
- How does TECO complying with EPA Consent order factor into this rate increase?
- How does TECO offshore operations get factored into this rate increase if any (Guatemala Operations)
- Does the "Merchant Plant" investment made by TECO the past impact this rate increase?
- Who is the Natural Gas Supplier for TECO power plants?
- TECO water use at its Polk Power Plant Expansion will be excessive. Will TECO be allowed to use reclaim water to reduce ~~ground~~ ground pumping and build a pipeline system for this Reclaim Water effort?
- What is TECO's track record of spending money with local <sup>women and</sup> Minority Businesses that help pay these rates?
- TECO Disconnecting power without due process of law. Due to City <sup>Electrical</sup> Inspector making a false call on the danger of the situation
- After a hurricane what is the priority after Emergency Facilities when it comes to restoring power in residential areas? It appears that low income and minority communities are first off and last restored. ~~Have there been any studies on this issue from a Customer Service standpoint?~~