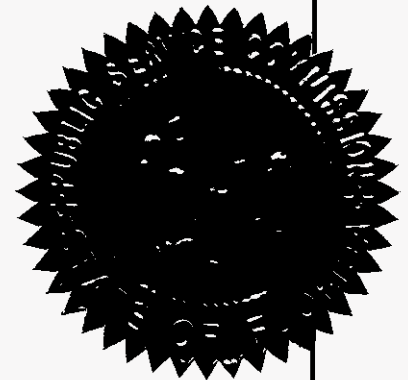


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI

In the Matter of:

PETITION FOR INCREASE IN RATES
BY FLORIDA POWER & LIGHT COMPANY.



PROCEEDINGS: SARASOTA SERVICE HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN MATTHEW M. CARTER, II
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Friday, June 19, 2009

TIME: Commenced at 11:07 a.m.
Concluded at 3:06 p.m.

PLACE: Sarasota City Commission Chambers
Sarasota City Hall
1565 1st Street
Sarasota, Florida 34236

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

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14 Florida.

15 LISA BENNETT, ESQUIRE, FPSC General Counsel's
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P R O C E E D I N G S

1
2 **CHAIRMAN CARTER:** Let me just say, while our
3 tech guys are getting their act together, or getting our
4 act together, is that -- just kind of a general overview
5 of how we're going to operate this morning.

6 First of all, welcome to everyone. What we'll
7 be doing is that the parties that are here, the company
8 and the Office of Public Counsel, they'll be making
9 their opening statements from this podium to my left
10 here. But after they finish, we're going to move this
11 podium to the front, because we as the Commission came
12 to hear from the public, from you. So we'll be moving
13 that around, just kind of a little housekeeping thing.

14 Oh, by the way, if you have to go, you know,
15 to the necessary rooms, they're immediately across the
16 hall from here. We want to make sure we got that taken
17 care of. And let me just kind of -- give me one more
18 second here on our technology and we'll get kicked off
19 here.

20 (Pause.)

21 Let me do this. They can work that out. They
22 can work the sound system out. That's their deal, the
23 sound system people and all like that.

24 I want to say good morning to everyone. It's
25 an honor and a privilege to be with you in this

1 beautiful city. I noticed coming across the river this
2 morning it was just a breath of fresh air and just a
3 very lovely place to be. I wish I were here on vacation
4 as opposed down to work. But it's an honor and a
5 privilege to be with you.

6 Let me do this. Start -- we have some
7 formalized things that we have to do and then we'll get
8 into the public hearing portion of it.

9 With that, staff, you're recognized to read
10 the notice.

11 **MS. BENNETT:** Thank you, Mr. Chair. By
12 notice, this time and place has been set for a customer
13 service hearing in Docket Number 080677-EI, petition for
14 increase in rates by Florida Power & Light Company.

15 **CHAIRMAN CARTER:** Thank you. Let's, now let's
16 take the appearance of the parties.

17 **MR. BRYAN:** Good morning, Mr. Chairman and
18 Commissioners. My name is Patrick Bryan, appearing on
19 behalf of Florida Power & Light Company.

20 **MR. WRIGHT:** Good morning, Mr. Chairman,
21 Commissioners. Robert Scheffel Wright, Law Firm of
22 Young van Assenderp, Tallahassee, appearing on behalf of
23 the Florida Retail Federation. Thank you.

24 **MR. BECK:** Mr. Chairman, my name is Charlie
25 Beck. I'm with the Office of Public Counsel, and we're

1 appearing on behalf of the customers of Florida Power &
2 Light in this proceeding.

3 **CHAIRMAN CARTER:** Thank you.

4 **MS. BENNETT:** And Lisa Bennett, General
5 Counsel's Office for the Public Service Commission.

6 **CHAIRMAN CARTER:** Okay. And thank you for
7 that. Let me, let me begin by welcoming each one of you
8 out here this morning, and thank you for the opportunity
9 to come out and have your voices heard. The reason
10 we're here today is because we want to hear from you.

11 Florida Power & Light has requested a rate
12 increase, but it's important to us to come out to the
13 community that are impacted and hear directly from the
14 public. And part of what we're doing today -- let me
15 kind of tell you how it goes. We'll swear in -- before
16 we take public testimony, those that will be speaking,
17 we'll swear you in, because what you're saying, this
18 beautiful young lady to my left will be transcribing
19 everything. It will be part of the official record that
20 we'll consider as we're determining whether or not to
21 grant this rate increase. So as you come up, you'll
22 give your name and address and we'll have that for the
23 record and all.

24 But the reason that we're here today is we
25 want to hear from you. Let me just take a moment so we

1 can have a maximum amount of time to hear from you as I
2 give my colleagues an opportunity to bring you
3 greetings.

4 First, Commissioner Edgar.

5 **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.
6 Good morning, all. My name is Lisa Edgar. I've been on
7 the Commission for almost four and a half years. I'm so
8 glad to see so many of you come out and be here today.
9 Thank you for your interest in these issues and I look
10 forward to hearing from each of you.

11 **CHAIRMAN CARTER:** Thank you.

12 Commissioner McMurrin.

13 **COMMISSIONER McMURRIAN:** Thank you.

14 I'm Katrina McMurrin. I'm very glad to be
15 here with you all today and thank you for coming out,
16 and we look forward to your comments. Thank you.

17 **CHAIRMAN CARTER:** Commissioner Argenziano, did
18 we connect with you yet? We've got some technical
19 difficulties. We're getting with Commissioner
20 Argenziano.

21 Commissioner Skop.

22 **COMMISSIONER SKOP:** Thank you, Mr. Chair.

23 Good morning. I'm Nathan Skop, and also very
24 happy to be here. Glad that we have such a large
25 attendance. We're here to hear from the consumers with

1 respect to the rate case proceeding before us, and I
2 look forward to hearing each and every one of your
3 concerns. Thank you.

4 **CHAIRMAN CARTER:** Thank you. Let me just say
5 this. It's wonderful to have all of you here. We have
6 about four hours. And I think we've got about 40 plus
7 people so far, maybe. I don't really know how many.
8 But what we'd like to do is we'd like to hear from as
9 many people as possible. So when you do make your
10 comments, if you could be considerate of your neighbors,
11 because we really do want to hear from every, every
12 possible person.

13 Also, as we, we go -- before we go further,
14 let me take an opportunity to introduce Mr. Jack Shreve
15 from the Office of the Governor. Governor Crist is very
16 interested in this issue and he's going to send his
17 counsel for energy issues to be with us. And Jack's
18 going to be monitoring. He doesn't want to speak. He
19 just wanted to hear from you.

20 And, Jack, please tell the Governor we
21 appreciate his interest in this case with us.

22 **MR. SHREVE:** Thank you, Mr. Chairman.

23 **CHAIRMAN CARTER:** Thank you. Let me just kind
24 of give you some housekeeping stuff. I told you where
25 the necessary room was; right? Those of you that may be

1 shy about speaking or those of you that have some
2 friends and neighbors that were not able to be here
3 today, in the back of the room on the desk we have these
4 blue forms. I guess that's blue. It looks blue to me.
5 We have these blue rooms. But you can -- in addition to
6 giving you information about the hearings, on the back
7 there's a form where you can write your comments, or if
8 you said some things today and you forgot, if you have
9 one of -- like I have some of my over 50 moments and I
10 forget stuff, you can it write down and send it in.
11 It's a neat little mailer. You can send it in and mail
12 it to us.

13 Another thing we have on the table back there,
14 that's the Public Service Commission table, is that in
15 June every year we have what we call hurricane season.
16 So we have a sheet that shows you some information on
17 some, basically some safety tips. It's also in Spanish
18 on the back. But we have that in back for you as well
19 that will help you. We want to be as helpful as
20 possible to you on that.

21 And with that, let me do this. Let me allow
22 the, the parties to make their opening statement, and
23 after that I'll swear in the witnesses and then we'll go
24 from there. You're recognized.

25 **MR. BRYAN:** Thank you, Mr. Chairman and

1 Commissioners.

2 Good morning. My name is Patrick Bryan. I'm
3 an attorney for Florida Power & Light Company.

4 I'd like to first thank each of you for coming
5 out this morning. We sincerely appreciate your
6 participation. We know your time is valuable. I can
7 assure you that the comments and input that you provide
8 today will be heard and considered very carefully by
9 FPL.

10 In a moment you will hear from FPL's Vice
11 President of Customer Service, Marlene Santos. Marlene
12 will talk about our current rate proposal. She'll
13 explain or talk about our quality of service that FPL
14 provides, and then she'll speak about some programs and
15 other services that FPL provides to assist our
16 customers.

17 But before Marlene speaks, I wanted to inform
18 our customers who are in attendance today that we have
19 several other Customer Service Representatives in the
20 building as well, and they are available to meet with
21 any customer who has an issue, a question, or a problem
22 concerning his or her electric account or electric
23 service. They're equipped with online computers and can
24 access your account information in realtime. And they
25 are set up -- oh, I'm sorry. They will make every

1 effort to resolve your question or problem today before
2 the conclusion of this hearing. If that's not possible,
3 they will do their level best to resolve your issue as
4 quickly as possible.

5 Our representatives are set up outside these
6 chambers in a room just off the lobby. I believe it's
7 Room 112. If anybody is interested, we have employees
8 in the back of the room. Heidi and Linda, if you'd
9 raise your hand. They will be more than happy to escort
10 you or direct you to the appropriate room.

11 At this time then I would like to introduce
12 FPL's Vice President of Customer Service, Marlene
13 Santos.

14 **MS. SANTOS:** Thank you, Pat. Thank you,
15 Mr. Chairman. Thank you, Commissioners, for holding
16 this hearing today. And thank you to everyone who is
17 here in the audience. We truly, like Pat said, truly
18 appreciate the feedback that we're going to be hearing
19 from you today. I've talked to a couple of you and
20 understand that you have high expectations of us. You
21 have very high expectations of us, especially in this
22 very difficult economy. So with that, what I'd like to
23 do today is to talk to you about what we're doing to
24 continue to provide you with affordable, reliable and
25 clean energy solutions.

1 I'd like to first start with affordability.
2 We understand that electricity is a significant expense
3 for our customers. At a time when family budgets are
4 tight, we know that we need to work harder than ever to
5 keep our bills as low as possible. And actually that is
6 our commitment to you. In fact, you're going to see
7 what Pat just put on the chart there. According to the
8 Florida Municipal Electric Association's latest data,
9 which is as of April of this year, FPL's bills are the
10 lowest of all 54 utilities in Florida. If you can see
11 there, hopefully you can see it, our bill in April was
12 \$110 for a typical 1,000-kilowatt-hour bill. The
13 average for all these other Florida utilities is \$135.
14 That's a savings of \$25 a month, or \$300 a year for our
15 customers.

16 These low prices have been the result of many
17 very smart investments that we have been making over the
18 years. I'll give you an example. Our fossil fuel power
19 plants are the most efficient among large scale electric
20 utilities in the nation. And Pat's actually showing you
21 another chart that shows how we have saved our customers
22 \$3 billion in the last six years. And with the approval
23 of the rate request that we are making, we hope to
24 continue to make these types of investments, which
25 actually we project will save our customers \$1 billion a

1 year in fuel costs beginning in 2014.

2 We understand that people that are, you know,
3 struggling to make ends meet need more than just these
4 low electricity prices. You need our help. You need
5 our help keeping your bills as low as possible, and
6 that's what we have been doing. We have been very
7 proactively reaching out to our customers through our
8 energy efficiency solutions. We have, we have been a
9 leader in energy efficiency since the 1980s. We have
10 actually conducted over 2.5 million home energy surveys
11 for our customers that have reduced their electric
12 bills.

13 We also continue to sponsor very special
14 programs. We have a program called "Care To Share."
15 That's our payment assistance program. And through that
16 program we have helped 55,000 Florida families with
17 \$11 million of aid. These programs are very important
18 to us. Last year our FPL shareholders contributed a
19 million dollars to this very essential program.

20 So while we're very mindful of the economy and
21 of keeping your rates down, we're also responsible for
22 ensuring that we're giving you reliable service. Our
23 rate proposal is a vital part of ensuring that, of
24 making sure that we're making prudent investments in our
25 electrical infrastructure.

1 As a state and as a company we learned many
2 important lessons in the 2004 and 2005 hurricane
3 seasons, and that's why we want to invest even more in
4 our infrastructure, to ensure that we're giving you good
5 reliability every day, whether it's good weather or bad.
6 In 2009 alone this investment will exceed \$200 million.
7 It includes things like replacing poles, clearing trees
8 from power lines, and strengthening services to
9 hospitals and other essential facilities.

10 Right here in Sarasota I'm going to give you
11 some examples. It includes the Sarasota Memorial
12 Hospital, Doctors Hospital and key sections of some
13 major roads like Proctor Road, Bee Ridge Road, and Clark
14 Road. These efforts have helped improve the reliability
15 of our system. In fact, you'll see up in the board,
16 according to the Edison Electric Institute, FPL's
17 distribution reliability is 47 percent better than the
18 national average, and that was data from 2008.

19 We're also investing in smart technologies
20 that'll give our customers more control over the way
21 they use energy. We're introducing what are called
22 smart meters, and these smart meters will actually allow
23 our customers to go online and view their energy
24 consumption not only by the month, which is what you get
25 now on your bill, but actually by the day and by the

1 hour.

2 And we're also investing in cleaner energy to
3 do our part to fight climate change. You can see the
4 pictures of the three solar plants that we're building
5 in Florida. These are going to actually reduce carbon
6 dioxide emissions by 3.5 million tons. And I'm very
7 proud to tell you that, according to the Natural
8 Resources Defense Council, our company is one of the
9 cleanest energy providers in the country.

10 Most importantly, we can support all these
11 types of smart investments while customer bills will go
12 down in 2010. As a result of lower forecasted fuel
13 prices and our success at making our power plants more
14 efficient, fuel costs are projected to go down on a
15 typical bill \$17 a month. Our proposal will cost \$12 a
16 month, so the net is a net decrease of \$5 per month. In
17 2011 we're requesting an additional base rate increase
18 of \$2.84.

19 Whether the bill will go up, I think it's sort
20 of too early to tell, because you're really forecasting
21 fuel prices out 18 months, which are very unpredictable.
22 But it's actually because fuel prices are so
23 unpredictable now and that they may rise that we feel
24 very strongly that we need to fund investments to
25 enhance the fuel efficiency and the diversity of our

1 power plants.

2 It's similar to buying a new, more efficient
3 car. It represents an investment upfront, but you're
4 going to get the savings over the life through lower
5 fuel costs. And the bottom line is that that's what our
6 proposal is all about. It's about looking at the
7 long-term and investing to make our infrastructure
8 stronger, smarter, cleaner, more efficient and less
9 reliant on any single source of fuel. And what you get
10 from that is energy that is affordable, that is reliable
11 and that is clean.

12 Thank you again for taking the time to be
13 here. We'd love to hear your feedback, look forward to
14 it. And thank you, Commissioners, for taking your time
15 also.

16 **CHAIRMAN CARTER:** Thank you.

17 Mr. Beck, you're recognized.

18 **MR. BECK:** Thank you, Mr. Chairman.

19 Good morning, everybody. Thank you very much
20 for coming today. I know from having done this for many
21 years that your participation here will make a
22 difference in the case as it proceeds and in the
23 Commission's decision.

24 I do want to recognize Jack Shreve also, who
25 is here on behalf of the Governor. Jack was the head of

1 the Public -- he was Public Counsel for 25 years and the
2 head of our office. So we appreciate Jack being here on
3 behalf of the Governor today.

4 We're appearing in this case before the
5 Commission to oppose the rate increase of Florida Power
6 & Light. This request is the biggest request ever made
7 by a utility to raise their rates in Florida. It's for
8 a billion dollars a year beginning next year and another
9 \$300 million a year beginning in 2011.

10 Now our office is completely independent from
11 the PSC. I mean, you'll see me sitting up there, but
12 we're separate from them. We do not report to the
13 Public Service Commission. We appear as an advocate for
14 you in rate cases. The Legislature created our office
15 separately so the customers would receive
16 representation. Just as the company has their attorneys
17 and has their witnesses who advocate their case, we too
18 will put on our witnesses in opposition to their case,
19 we'll cross-examine their witnesses, file a brief at the
20 Commission and argue before the Commission.

21 As I said, we're independent of them. We have
22 the ability and have on occasion taken their decisions
23 to court. In this case any appeal of their decision
24 would go straight to the Florida Supreme Court.

25 This case is about FPL's request to raise

1 their base rates by \$1.3 billion a year. What it is not
2 about is about fuel charges. And you've heard Florida
3 Power & Light talk about they expect that the fuel rates
4 will go down next year offsetting the base rate
5 increase. Well, first of all, there is no proposal by
6 Florida Power & Light before the PSC to do that.
7 They've simply said this is what they think they will
8 do.

9 The fact of the matter is fuel costs are just
10 passed through separately from base rates. Fuel costs
11 go up and they go down. And I can assure you if the
12 forecast were for fuel prices to go up, Florida Power &
13 Light would not be talking about it as if it's
14 offsetting this base rate increase. The fuel costs will
15 go up at some point in the future and, when they do,
16 this base rate increase will simply be in addition to
17 that.

18 It's very common for utilities to -- other
19 utilities passing through fuel costs. Just earlier this
20 week there were two announcements by other companies
21 stating that they're doing it. Earlier this week
22 Lakeland Electric announced that they are doing their
23 third fuel rate reduction. It'll be implemented
24 July 1st. Over a year they've reduced their fuel
25 charges by \$17.69 for 1,000 kilowatt hours.

1 Jacksonville Electric, which is a very large municipal,
2 also announced this week that they're reducing their
3 fuel charges by 25 percent on October 1st.

4 So what you're seeing from Florida Power &
5 Light is no different than what's going on in other
6 companies other than it's a little later than the ones
7 that announced earlier this week. But just as they go
8 down, they will go up. And we're very concerned about
9 this base rate increase will be in addition to what fuel
10 costs are in the future.

11 Now there's some big issues in this case. Let
12 me just briefly describe them. You know, we've had a
13 handout earlier on yellow paper, and Earl Poucher from
14 our office -- Earl, could you raise your hand? I know
15 he spoke to many of you and handed out our handout of
16 the issues.

17 One of the big ones is the profit level that
18 the company will be earning. They are asking for a 12.5
19 percent return on their investment, funds they put up.
20 That's after you pay the taxes on their profits. You
21 pay their taxes and then they want to earn 12.5 percent
22 after that.

23 Now we're concerned with the Public Service
24 Commission. We've opposed what they've been doing.
25 Earlier this year they did a decision I thought that was

1 very favorable to the utilities. In Tampa Electric, the
2 company was asking for a 12 percent return. We put on
3 an expert witness, who is a full professor at Penn
4 State, despite his opinion that 9.75 would have been
5 fully compensatory and reasonable for them. There was
6 evidence in the case that the national average of
7 commissions around the country was 10.29.

8 What happened is after the hearing the staff
9 made a recommendation. They proposed even higher than
10 that. They proposed a 10.75 percent return for them.
11 The Commission then when they voted, at least four of
12 the Commissioners, voted to increase it even higher, to
13 11.25. We're concerned about the Commission doing that
14 in this case because every percent on return on equity
15 equals \$130 million a year from customers.

16 So if they were to do in this case again what
17 they did with Tampa Electric, customers would be paying
18 \$130 million more than the national average. And, quite
19 frankly, the national average is nothing to brag about
20 anyhow. But they're, they're -- this Commission is
21 giving the company more than most commissions do around
22 the country.

23 We will be presenting, we will be presenting a
24 series of expert witnesses to the Commission. One will
25 be on the return on equity. They will testify that less

1 than 10 percent is more than reasonable for the company.
2 We'll be having a witness on affiliate charges. There
3 are charges that FPL wants to -- it gets from its
4 affiliate companies and then they pass it through to
5 customers. And we'll have a witness who will be
6 addressing those matters and whether those fees are
7 reasonable.

8 We'll also be looking at the compensation
9 packages of the executives. We will have an expert on
10 depreciation. And I'm not going to get into that other
11 than it's a big dollar ticket issue. Our handout
12 describes it a bit. We will also have an expert witness
13 on accounting issues. All of these witnesses will be in
14 opposition to the case that Florida Power & Light is
15 putting on.

16 FPL is already earning high profits. They're
17 currently earning above 11 percent return on equity.
18 These are very tough times. I read in the paper
19 Sarasota/Bradenton is one of the 20 worst hit areas by
20 the recession we're in. And everybody has to tighten
21 their belt. Peoples' savings are being hurt, and this
22 is the worst possible time that Florida Power & Light
23 could be in here for a rate increase. So we're going to
24 do everything we can to oppose it. And, again, I want
25 to thank you for coming. We look forward to your

1 testimony today.

2 **CHAIRMAN CARTER:** Thank you.

3 Mr. Wright.

4 **MR. WRIGHT:** Thank you, Mr. Chairman.

5 Good morning. My name is Schef Wright. I was
6 born in South Florida more than 59 years ago. I've been
7 working in the energy area in Tallahassee, first for the
8 Governor's Office, then for the Public Service
9 Commission staff, and for the last 20 years in private
10 practice, since 1980. I've been doing this a long time.

11 I have the privilege to be here today
12 representing the Florida Retail Federation. The
13 federation is a statewide organization with more than
14 9,000 members, from the smallest mom and pop commercial
15 establishments to the largest chains of grocery stores,
16 electronic stores, department stores, drugstores, and so
17 on. You know our members and we appreciate that you
18 shop with us.

19 Before I go any further, I want to thank all
20 the customers for turning out today. It is very
21 important that you're here, it is very important that
22 you tell the Commissioners your views on FPL's requested
23 rate increase.

24 Like your Public Counsel, who represents you,
25 all customers, including us in this case, we oppose

1 FPL's rate increase.

2 I want to speak -- the important thing here
3 today is for the Commissioners to hear from you, and I'm
4 going to be very brief. Here are a few points.

5 Regarding -- I want to follow along what Mr.
6 Beck said about FPL's indication that they're going to
7 reduce their fuel cost, which is going to supposedly
8 offset the base rates. First, as he pointed out, they
9 haven't filed a petition, they haven't filed proposed
10 tariff sheets, they haven't made any formal proposal.
11 The real important thing though is that when fuel costs
12 are passed through, when fuel costs go down, your rates
13 go down. When fuel costs go up, like they did last
14 year, your rates went up.

15 FPL came and asked for a billion -- for about
16 \$700 million in increased fuel charges last June. We
17 went and fought and got that at least cut in half. And
18 then, of course, their forecast turned out to be wrong,
19 the prices came down, and in the meantime Progress has
20 reduced their fuel charges, FPL reduced theirs and Tampa
21 Electric reduced theirs. Now Progress and TECO reduced
22 theirs by more than FPL did, and we are wondering about
23 whether FPL should reduce theirs some more.

24 But to put it in perspective, if the fuel
25 costs really are lower, as FPL suggests they think they

1 will be, and if the Commission denies the base rate
2 increase, as we advocate in this case, your bill won't
3 be \$104 per 1,000 kilowatt hours next January, it'll be
4 \$92. That's the way rates work.

5 The issue here in this case is whether FPL
6 really needs a base rate increase to own, finance,
7 operate, and maintain its system. We don't believe that
8 they do. Why not? Here are a few reasons. As Mr. Beck
9 said, a large part of FPL's rate increase request is for
10 it to be able to maintain a 12.5 percent after-tax rate
11 of profit on their stockholders' equity investment.
12 That's a 20-plus percent before tax rate that they are
13 asking to build into their rates. We think something
14 like 9 or 10 percent is more reasonable. The difference
15 between 10 percent and 12.5 percent is about
16 \$325 million a year out of that billion dollars a year
17 they want next January.

18 FPL has a huge depreciation surplus that they
19 have accumulated because you, all customers, have paid
20 in more than necessary relative to the remaining lives
21 of their assets. They want to flow it back over 20
22 years. We think it ought to be flowed back over
23 something like four years. Making that correction,
24 flowing it back now or soon over the next four years to
25 you who paid it in, is worth another \$250 million a

1 year.

2 FPL's already charging you for a storm cost
3 recovery charge to establish their fund. At the end of
4 this year if, God willing, we don't have a big storm
5 this year, their storm reserve fund is going to be more
6 than \$200 million, and yet they want you to pay, us to
7 pay another \$150 million a year starting next January
8 into their storm reserve fund. They don't need that.
9 That's unreasonable. Just add those three items up and
10 you're up to \$750 million out of the billion dollars
11 they're asking for.

12 There are a lot of other issues, as Mr. Beck
13 mentioned: Executive compensation, depreciation expense
14 and other operating and maintenance expenses and rate
15 base items.

16 We don't believe that FPL needs any rate
17 increase at all in order to have sufficient funds to
18 finance, operate and maintain their system. By the way,
19 in 2005 FPL asked the Commission for \$430 million a year
20 in increased base rates. We settled that case for a
21 zero base rate increase.

22 Thank you very much for coming. Please tell
23 the Commissioners your feelings about this important
24 case.

25 **CHAIRMAN CARTER:** Thank you, Mr. Wright.

1 And before I swear all of the people in that
2 are wishing to speak, this is a public hearing where we
3 go around the state and listen to the people in the
4 impacted geographical areas. We have approximately ten
5 hearings scheduled in the areas of FPL's service area.
6 And after we collect all of the information that we
7 heard from the public, then we'll collapse that and put
8 it together in an evidentiary hearing in Tallahassee
9 where the parties with the lawyers and their expert, as
10 Mr. Beck and Mr. -- and the company said, and they'll be
11 putting on their case.

12 And after that, then we'll sit as a Commission
13 and review the evidence, because our staff will look it
14 over as well, present the evidence to us, and then we'll
15 be making a decision probably the latter part of the
16 year. I'm thinking maybe November, December, something
17 like that. I'm looking at staff. Something like that.

18 With that, those of you that are wishing to
19 speak, would you please stand and raise your right hand.
20 We'll swear everyone in as a group.

21 (Witnesses collectively sworn.)

22 Thank you. Please be seated.

23 Let me do this before we start calling --
24 first of all, a special thanks to Senator Nancy Detert,
25 who is here. She says she wants to hear from the

1 public. And thank you, Senator, for being here with us
2 today. You're always on the case. We appreciate that.

3 Next we have Representative Doug Holder.
4 Representative Holder is with us today. And if you
5 would like to make comments, you're recognized, sir.
6 Come on around.

7 And then after that we'll go with
8 Representative Keith Fitzgerald. And after Keith
9 Fitzgerald we'll have our County Commissioner from
10 Sarasota, Jon Thaxton. And then we'll be blessed by the
11 mayor of the greatest city that we can sit in today, and
12 that's Mayor Clapp from Sarasota.

13 You're recognized, sir. You may proceed.

14 **REPRESENTATIVE HOLDER:** Thank you, Mr.
15 Chairman and members of the Commission. Really the
16 purpose of me being here today is to talk about feed-in
17 tariffs and some of the information that was provided
18 last year in the Legislature. I feel a little awkward
19 talking about this because I'm talking about a piece of
20 legislation that I sponsored in the House, but the prime
21 sponsor in the Senate was Senator Detert. And it was
22 simply an amendment that would allow for the Florida
23 Energy and Climate Commission in conjunction with the
24 Public Service Commission to complete a comprehensive
25 feasibility study on feed-in tariffs.

1 We see a lot of movement on the issue not only
2 in Florida but nationwide and worldwide. A feed-in
3 tariff policy is in 45 countries and rapidly emerging in
4 the United States in states like Hawaii, Michigan,
5 Oregon and Washington. We in Sarasota obviously are
6 very concerned about what happens with the energy policy
7 in Florida, and hope that in the not so far off future
8 that Florida can come up with a comprehensive energy
9 plan that will allow feed-in tariffs especially, or at
10 least allowing Sarasota to become a pilot project. And
11 I'll let Representative Fitzgerald talk a little bit
12 more.

13 But I appreciate the opportunity to be here.
14 I'm anxious to hear about what the individuals in the
15 audience have to say. And please take note of all the
16 people that are here holding the yellow signs and the
17 signs talking about solar energy and how feed-in tariffs
18 could benefit not only our community but the State of
19 Florida. Thank you.

20 **CHAIRMAN CARTER:** Thank you, Representative
21 Holder.

22 Representative Fitzgerald.

23 **REPRESENTATIVE FITZGERALD:** Thank you,
24 Commissioners, and welcome to Sarasota. Welcome to
25 District 69, which you happen to be sitting in. I also

1 want to welcome the representatives from Florida Power &
2 Light, Office of Public Counsel, the representatives of
3 the Governor's Office, and all the good folks that came
4 out here today.

5 I think it would be very easy, as many people
6 who have already done who are elected to and running for
7 office, to talk about how -- how much we oppose this
8 rate increase in these difficult times. As, as with
9 Representative Holder, we really wanted to make you
10 aware of some other issues that are very specific and of
11 great importance to this particular community.

12 If you look at what's behind these particular,
13 this particular request, a lot of it has to do with the
14 sources of energy, and the fact that the sources of
15 energy are finite and they're reducing in availability
16 and they're increasing in cost, both -- not only are
17 they increasing in cost as they come to market, but
18 we're recognizing increasing costs as we understand
19 better what, what the externalities of the cost of using
20 certain resources are.

21 So specifically in this case there is an
22 effort on the part of Florida Power & Light to move away
23 from coal burning to natural gas burning. And this is,
24 I think, a wise decision because we're coming to
25 understand more and more every day that there are costs

1 to coal burning that go beyond the market transaction of
2 producing and selling the electricity that comes out of
3 a coal burning plant, everything from carbon load in the
4 atmosphere to mercury in the fish, and we could go on
5 and on about that.

6 And Florida Power & Light, whatever you may
7 think of this particular recommendation or request, has
8 shown itself to be a very responsible company about
9 being very forward thinking in exploration of different
10 technologies for the production of energy.

11 This community, Sarasota and the general
12 surrounding area, is unique in the State of Florida in
13 the intensity of the interest in not only exploring but
14 aggressively pursuing renewable and alternative energy
15 sources.

16 In the last legislative session I was the
17 author of legislation to bring feed-in tariffs to the
18 State of Florida. As Representative already,
19 Representative Holder already said, feed-in tariffs --
20 and we're trying to come up with a little more American
21 sounding name for them, renewable energy dividends,
22 programs that have been used in many countries around
23 the world to great success. And I would add they have
24 actually increased the profit margin of most utilities,
25 different countries have different arrangements, rather

1 than put them out of business. But they have many
2 advantages.

3 As we project out, we see increasing costs and
4 volatility in the established mass production energy
5 sources. When I say volatility, let's talk about what's
6 involved in this issue today. As we move away from
7 coal, again, because we recognize increasingly that the
8 externalities of the costs of coal are great, and we
9 move to natural gas, which is a better source, natural
10 gas production will be coming online in a way that's
11 very uneven.

12 So the cost projections that are being
13 provided here say that in a couple of years, the futures
14 markets say that natural gas prices will go down. But
15 after that they will go back up as more and more people
16 shift to natural gas. And they may go down again and
17 they may go up again. So in addition to a line that is
18 gradually increasing if you smooth it, there's a great
19 deal of volatility in that.

20 What we're asking you to consider, although
21 it's not part of your mission in coming to this
22 community today, what we're asking our friends and
23 Florida Power & Light to consider, and what a lot of the
24 people in this community are very much passionate about,
25 is to think long-term about incentivizing, providing

1 market incentives to distribute production of energy
2 across the grid, move away from the model of natural
3 monopolies where you have single producers on a mass
4 scale, spread production out across the grid with
5 renewable sources. The renewable sources not only have
6 environmental advantages, but they also have security
7 advantages.

8 That is to say, if you have production of
9 energy on a small scale across the grid, you will have
10 less incentive for saboteurs and terrorists to strike at
11 specific mass production sites. So there are all kinds
12 of reasons from environmental to natural -- national
13 security why we need to explore alternative models.

14 And I just wanted to say to Florida Power &
15 Light that they're coming here asking for something that
16 I'm sure they know is very unpopular. And I'm sure that
17 they're going to hear from the public, and I am going to
18 let the public speak for themselves about what they
19 think about this press -- this particular rate increase.
20 I'm not here to be demagogic on this particular issue.
21 But I do invite the company to work with me and other
22 legislators, members of our community, on exciting new
23 ways to think about energy production going forward.
24 Because there are better ways than the present tack
25 we're on.

1 And we offer our -- extend a hand of
2 partnership, and we look forward to having a good
3 relationship with all of the parties, including members
4 of the Commission, the Governor's Office and those
5 people who are in this business. So thank you very
6 much.

7 **CHAIRMAN CARTER:** Thank you, Representative
8 Fitzgerald.

9 Commissioner Thaxton, Sarasota County
10 Commissioner. Thank you for your hospitality here in
11 this beautiful county and this beautiful city.

12 **COMMISSIONER THAXTON:** Mr. Chairman, I assure
13 you it's our honor to have you here. We encourage you
14 to come back, stay at a hotel, eat at our restaurants,
15 spend some money, generate some tax revenues. Heaven
16 knows we need it.

17 Mr. Chairman, members of the Commission, my
18 name is Jon Thaxton. I am the Chairman of the Sarasota
19 Board of County Commissioners.

20 This rate increase does come at a very
21 interesting time. Some might consider it fortuitous, as
22 I do. I'm sure you'll be hearing from numerous
23 households in this great community that are having a
24 very difficult time making ends meet. I can assure you
25 that government also shares in those challenges. We

1 have just produced a tax roll that pretty much maintains
2 the exact spending levels that we had in previous years.
3 It was a difficult decision and a hard one, but one
4 nevertheless that we felt critical to meet the needs of
5 our community.

6 But I think it's important not only to look at
7 the direct impact to the households of the rate
8 impact -- of the rate increase, but why is it that we're
9 even having a rate increase in the first place? I agree
10 with the previous speaker. I don't think it has
11 anything to do with the fluctuating fuel costs at all.
12 In fact, I believe that the main reason that we're
13 seeing an increase in our base fuel rate, our base rate
14 is because of conservation. Conservation that you're
15 seeing in private industry, conservation you're seeing
16 in government, and conservation that we're all
17 participating in our individual households.

18 With tough economic times there's an economic
19 reason to do it. If you can use less electricity and
20 lower your power bill, you'll be rewarded for doing it.
21 But we're also recognizing that it's the responsible
22 thing to do. We see these fossil fuels as being limited
23 resources, nonrenewable resources, and resources that
24 have a pretty heavy carbon footprint, a carbon stomp, if
25 you would. And then we look at our fossil fuels. And,

1 granted, they are very portable, they're easy to use and
2 relatively inexpensive to produce energy, but we also
3 see the need to preserve some of these fossil fuel
4 resources for future generations.

5 Florida Power & Light's existing business
6 model in fact penalizes conservation. If we use less,
7 we pay more. It's time for a different model. It's
8 time for a model that rewards conservation and
9 innovation and penalizes waste. And as Representative
10 Fitzgerald suggested, and I will affirm, there's no
11 better place to start than Sarasota County.

12 Sarasota County has been a partner with
13 Florida Power & Light on Florida Power's largest solar
14 voltaic array. We were the first county in the United
15 States to sign up for the 2030 carbon neutrality
16 challenge. We had the first LEED Gold local government
17 building -- in fact, build all of our buildings now at
18 the LEED's standards. We have the highest rated
19 municipality in the green local government
20 certification, and we represented the largest portion of
21 FPL's Sunshine Energy Program participants.

22 And it's our desire, Mr. Chairman and members
23 of the Commission, to continue this partnership and this
24 good relationship with Florida Power & Light. Our new
25 model might have a system that allows for renewable

1 energy dividends, feed-in tariff, if you would. Choose
2 your, choose your noun. These, these dividends will
3 allow for every household, every school, every farmer,
4 every business, church, synagogue, et cetera, to become
5 clean energy producers. It is a policy tool that
6 guarantees all participants interconnections with the
7 grid, and pays fair rates designated to generate
8 reasonable and predictable returns on, on the
9 investment.

10 Business as usual is not an option. Propping
11 up this archaic dinosaur-fueled business model with yet
12 another rate hike is simply irresponsible. Please do
13 not become a partner in charting a course that will lead
14 us to a similar destination as Ma Bell and the American
15 automobile industry. This Commission's stated goal is
16 to encourage efficiency and innovation among regulated
17 utilities; encourage and facilitate responsible use of
18 resources and technology in the provisions and the
19 consumptions of utility services.

20 This base rate increase does neither. It is
21 clearly contrary to your own stated goals, as well as
22 the needs of the citizens of this community, and simply
23 ignores the economic realities of the 21st century.

24 Thank you for your time. Thank you for your
25 visit to Sarasota. And again we encourage you to

1 return, return back another day. Thank you.

2 **CHAIRMAN CARTER:** Thank you, Mr. Chairman.

3 Now the Mayor of Sarasota, Mr. Dick Clapp.
4 Mr. Mayor. And thank you for your hospitality. Thank
5 for allowing us to use this beautiful facility. We
6 sincerely appreciate it.

7 **MAYOR CLAPP:** Well, we have -- first of all, I
8 want to thank you. I'm a public servant, you've heard
9 other public servants, and you are public servants. And
10 we are, we are thankful to you for your service to our
11 state and we're happy today that you can visit our city
12 and listen to our citizens.

13 You know that I'm the Mayor of the City of
14 Sarasota. I'm not speaking on behalf of our city
15 commission today. I'm speaking as a private person. I
16 do hear a lot of things because of my position from a
17 lot of citizens, and those things will filter into my
18 comments a little bit. I'm not going to speak for a
19 long time. You've, you've heard some excellent comments
20 prior to my speaking.

21 I'd like to just emphasize that our city,
22 county governments have been under tremendous fiscal
23 strain -- restraints in the recent couple of years. You
24 know that we all have seen our revenues tumble
25 significantly. We, we try to maintain our service, but

1 we have fewer and fewer resources to do that. The
2 voters have spoken and said, you know, they don't want
3 to see increased property taxes. They want property
4 taxes to go down.

5 Our other sources of revenue, things like
6 sales tax and fuel taxes that we get a portion of,
7 communication taxes, those have all gone down. So we're
8 sitting here trying to provide service without
9 increasing, because we have no ability to increase our
10 revenues. And when we, when we look at a potential
11 increase in electrical rates, you know, we, we really
12 wonder if this is the time to do that.

13 We, we are and have been looking at layoffs.
14 We have laid off people. We have looked at the
15 potential -- the cities and counties around us have
16 looked at the potential for reducing salaries, asking
17 employees to take furloughs because of our decreased
18 revenue. Or in our case we are able to hold -- if we
19 can hold the salaries constant, we will not have to have
20 more layoffs. But if we see increased rates in
21 electricity, you know, we are going to be pushed deeper
22 into a hole.

23 When we, when we look at the 12.5 percent
24 profit target that FP&L is looking for, we wonder, you
25 know, how does our pain stack up against their rate

1 holders' or their shareholders' need for a higher profit
2 rate. We just don't -- we have a difficult time
3 understanding that.

4 You heard some people talk about the feed-in
5 tariffs. We in the city and in the county would really
6 like to see that happen. That is a strategy that could
7 help all of us, if we as individuals invest in that,
8 have better control over keeping our electrical rates
9 down. We'd like to see FP&L actively support that. My
10 understanding is that they haven't really pushed to
11 support that, but that is a strategy that could help
12 with electrical rates for customers to keep them down.

13 We also are very aware of what FP&L has done
14 in terms of investing in their systems to make sure we
15 have clean power and energy. You heard before that
16 we're very interested in that. We live in a coastal
17 environment with -- not very high above sea level, and
18 we have a lot of concerns about what's going to happen
19 in the next 50 to 100 years. And we're very interested
20 in having Florida Power & Light be very active in
21 looking at ways to address the climate issues that we
22 face today. We know they're doing a lot of things now,
23 but we'd like to see them step up that effort.

24 If a rate increase went towards those kinds of
25 goals, I think the citizens would be better able to

1 handle that or think more highly of that. But when you
2 come back and say it's to achieve a higher profit level,
3 that's difficult.

4 One of the things is that -- I don't have a
5 picture. A picture is worth a thousand words. But
6 instead of that I've asked our staff to give a short
7 demonstration of what a 30 percent increase in
8 electrical rates might do to us. So, Miles, if you're
9 back there. So this -- this would affect all of us, so.

10 (Lights dimmed.)

11 This is something -- it's an affect on us, and
12 we don't want that to happen, so we have limited
13 resources.

14 Finally, I'm going to put my mayor's hat on
15 and say we're very happy that you're here and we hope
16 you find some time to enjoy the amenities in our city
17 and hope you come back sometime. So thank you very
18 much.

19 **CHAIRMAN CARTER:** Thank you, Mr. Mayor. And
20 hopefully as we complete this afternoon I would
21 encourage as many of our staff and visitors to have
22 lunch in this beautiful city. I mean, the County
23 Commissioner and the Mayor of the city said, "Hey, spend
24 some money in our city." So let's help the economy as
25 much as we can.

1 The way we'll proceed is that Mr. Beck will be
2 calling your name. And as you do, please remember to
3 come up, give your name and address and go from there.
4 And, again, we want to hear from as many people as
5 possible, so if, if at all possible, please consider
6 your neighbors so we can hear from everyone.

7 Mr. Beck, you're recognized.

8 **MR. BECK:** Thank you, Mr. Chairman. The first
9 customer who signed up was Sheila Jerrom.

10 **COMMISSIONER ARGENZIANO:** Hello?

11 **CHAIRMAN CARTER:** Commissioner, can you hear
12 us okay?

13 **COMMISSIONER ARGENZIANO:** Can you hear me?

14 **CHAIRMAN CARTER:** We -- hang on. Let's see if
15 we can get some more volume. We'll see if we can adjust
16 your volume.

17 Sheila, would you hang one second?

18 **MS. JERROM:** Sure.

19 **CHAIRMAN CARTER:** We're sorry for the snafu,
20 Commissioner, on the, on technology.

21 **COMMISSIONER ARGENZIANO:** No problem.

22 **COMMISSIONER EDGAR:** Mr. Chairman, while we're
23 waiting, if I may, I'll just say that I expect we may be
24 working through lunch. However, I had brunch right
25 before this and it was delightful, so I highly

1 recommend.

2 **CHAIRMAN CARTER:** Mr. Mayor, you see there,
3 you've got a cheerleader on helping the economy.

4 Commissioner, can you hear us okay?

5 **COMMISSIONER ARGENZIANO:** Yes. Can you hear
6 me?

7 **CHAIRMAN CARTER:** Our court reporter can't
8 hear you, so we're going to try to adjust the volume.
9 We're going to try to adjust your volume.

10 **COMMISSIONER ARGENZIANO:** Okay. Let me know
11 when you hear me.

12 **CHAIRMAN CARTER:** I can hear you now. Linda,
13 can you hear her?

14 **THE COURT REPORTER:** Not very good.

15 **MS. JERROM:** You have to be careful, because
16 when I'm in the spotlight at the microphone I tend to
17 burst out in song.

18 **CHAIRMAN CARTER:** Is that what it is? Okay.
19 That's much better there, Commissioner.

20 **COMMISSIONER ARGENZIANO:** Okay.

21 **CHAIRMAN CARTER:** Good morning. You're
22 recognized.

23 **COMMISSIONER ARGENZIANO:** First -- all right.
24 Who's speaking?

25 **CHAIRMAN CARTER:** This is -- Commissioner, you

1 want to give greetings before we -- well, we're sorry
2 for the snafu. You want to give greetings before we --

3 **COMMISSIONER ARGENZIANO:** Yes. I need, I need
4 a couple of minutes, Mr. Chair. And then I realize the
5 people are there to speak and I really want to hear from
6 them, but I do have a couple of things I'd like to let
7 them know.

8 **CHAIRMAN CARTER:** You're recognized.

9 **COMMISSIONER ARGENZIANO:** Just I'm Nancy
10 Argenziano and I wanted to apologize for not being
11 there. I have a shattered tibia and cannot walk on my
12 leg. But I did not want to miss the opportunity to hear
13 what the people have to say.

14 As far as the representatives and the senator,
15 I think Senator Detert is in the room; am I correct?

16 **CHAIRMAN CARTER:** That's correct. She's here.

17 **COMMISSIONER ARGENZIANO:** Hey, Nance. I
18 wanted the Representatives I haven't had a chance to
19 meet yet to know that I'm a past Representative. I
20 served in the House of Representatives for six years,
21 and then almost six years in the Florida Senate until I
22 was appointed to this position by Governor Crist about
23 two years ago.

24 And the reason I mention that is because I
25 want to ask you all to read the statutes regarding the

1 Public Service Commission and what we can and cannot do.
2 And I want to mention this while the people are there so
3 that there's a clear understanding when everybody leaves
4 the room who's responsible for what and what we need to
5 do in the future, not in particular to matters of this
6 case. Okay? Because I can't do that quasi-judicial,
7 and I will treat this case fairly as more information
8 comes before me.

9 But when I heard a couple of the
10 Representatives speak, I wanted them to understand
11 that -- especially I think it was Representative
12 Fitzgerald who talked about solar and initiatives,
13 renewable initiatives, that this Public Service
14 Commission sent to the Legislature, we sent an RPS to
15 you guys that carved out solar and alternative energies,
16 and unfortunately that did not make it through the
17 legislative process.

18 So we can't be the policymakers. Y'all have
19 to take that issue and you have to create policy, and
20 that's the way it should be done. You don't want
21 bureaucrats making policy, because then it's not
22 representative government. We are not elected. You
23 guys are. Therefore, the people have an opportunity to
24 get to have an outcome or a discussion with their
25 representative officials.

1 And the other thing I wanted to mention very
2 quickly was that the rate increase that's before us,
3 we're going to take it, it comes along with all the
4 information, and absolutely your, your input, the
5 public's input here is essential. But there are certain
6 things you need to know that we have the ability to do
7 and not to do, because I've heard from a lot of
8 customers who are very, very concerned, as well as I am.

9 And we all know we have to have energy, we
10 have to keep our energy companies healthy, but we also
11 have to take into consideration the current economic
12 conditions. But there are things that the Legislature
13 requires the PSC to do. And now that I'm in this
14 position I see that a lot of the things that the
15 Legislature required by statute, which is current law,
16 you guys may want to take a second look at. And if I
17 ever get back into the Legislature after having this
18 experience, it may be something I may aspire to do just
19 to be able to maybe contribute to making some of those
20 changes.

21 And with, with due respect to the Legislature,
22 many things that were passed several years ago were
23 never with the thought of the economic crisis that we're
24 facing now. There are different implications of the
25 things we passed years ago that need to be addressed.

1 Some of those issues you guys are going to have to
2 handle. We can't -- we do not make policy. You guys
3 do.

4 And in saying that, I'd love to be able to
5 talk to some of you. And I strongly encourage the
6 Representatives who have been here not only to
7 familiarize themselves with the whole statute, but also
8 to be at the final hearings in Tallahassee. Because
9 it's very different if you come there at that point and
10 you watch how the process works and what happens,
11 because what you say today may get lost. And I'd like
12 for you to consider being at the final hearings in
13 Tallahassee. I think that's the best way to represent
14 your constituents.

15 With that said, Mr. Chairman, I appreciate the
16 time. And I again apologize for not being there, but
17 I'm going to be on the phone listening to what the
18 people have to tell us.

19 **CHAIRMAN CARTER:** Thank you, Commissioner. We
20 look forward to your speedy recovery.

21 **COMMISSIONER ARGENZIANO:** Thank you.

22 **CHAIRMAN CARTER:** Mr. Beck, you want to -- our
23 first witness, for the record, would you call her?

24 **MR. BECK:** Yes. Sheila Jerrom.

25 **CHAIRMAN CARTER:** Sheila.

1 Whereupon,

2 **SHEILA JERROM**

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

6 **DIRECT STATEMENT**

7 **MS. JERROM:** My name is Sheila Jerrom. I'm
8 from -- I read this online about this meeting. I'm from
9 Port Charlotte, and I'm very opinionated and wanted to
10 give my opinion.

11 I digress from it somewhat, because when we
12 say about increases, in Port Charlotte, and I can only
13 talk for Port Charlotte, I'm not a citizen here, but
14 one -- about six or seven years ago in Port Charlotte
15 they were under budget. They didn't spend their budget
16 money. So the court system gave all of their employees
17 a \$500 Christmas bonus instead of putting that back into
18 the fund. And I understand that is a typical thing to
19 do.

20 They also have laid off a lot of people. And,
21 and I have since learned that Florida Power & Light have
22 not done this. In the past we had one company, phone
23 company, and the service was great. But after being
24 forced to pick and choose a phone company, because they
25 had several, prices went up, service and accountability

1 went down.

2 FPL is a monopoly and we do not have a choice
3 who we pick for power, but they are responsible and
4 fair. When you call with a problem, at least you get to
5 speak with another human and it's promptly, without
6 being transferred to another country where you're
7 talking to someone that you can't understand or have
8 problems, difficulty understanding. And most times the
9 service is immediate and always polite and courteous.

10 One last thought. They do try to keep costs
11 down. And as an example, this is mailing out bills.
12 And, again, I can only refer to Port Charlotte. I live
13 in a condominium complex and I manage it, and we have 35
14 buildings and 140 units. Florida Power & Light will
15 send out one bill -- well, not one bill, 35 bills, but
16 in one envelope with one \$1.24 postage, one return
17 envelope and one bulletin board.

18 In Port Charlotte they send out 35 bills and
19 35 envelopes with 35 return envelopes, which I used to
20 return, but then it's costing me money to return them,
21 and 35 bulletins. So at least they are trying in areas
22 where they can to keep costs down.

23 As they haven't had an increase since 19, in
24 the early 1900s, I think this is pretty good going, as
25 everyone else has, and I am not opposed to the request

1 for FPL, for Florida Power & Light.

2 **CHAIRMAN CARTER:** Thank you.

3 Commissioners, any questions?

4 Mr. Beck.

5 **MR. BECK:** Thank you, Mr. Chairman. The next
6 customer is Helen Keller.

7 Whereupon,

8 **HELEN KELLER**

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

12 **DIRECT STATEMENT**

13 **MS. KELLER:** Good morning. My name is Helen
14 Keller from Bradenton. I have no complaints at all with
15 Florida Power & Light. I think they offer excellent
16 service, and I can see the justification in an increase
17 because they have not had an increase since 1984. My
18 only concern is that the 31 percent in this economy
19 would be very hard for the people to bear. Thank you.

20 **CHAIRMAN CARTER:** Thank you, Ms. Keller.

21 Mr. Beck.

22 Oh, I'm sorry. Commissioners, any questions?

23 Thank you. I think we'll just, we'll just
24 allow to hear from the public and we'll go from there.

25 Mr. Beck, you're recognized.

1 **MR. BECK:** Thank you. Steve Block.

2 Whereupon,

3 **STEVE BLOCK**

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

7 **DIRECT STATEMENT**

8 **MR. BLOCK:** Good morning, Mr. Chairman,
9 members of the Commission.

10 **CHAIRMAN CARTER:** Good morning.

11 **MR. BLOCK:** Thank you for this opportunity.
12 My name is Steve Block. I live in Manatee County,
13 Florida. I moved here three years ago from
14 Independence, America -- I mean, Independence, Missouri,
15 where I retired after 28 years as a bankruptcy attorney.
16 Just at the right time.

17 (Laughter.)

18 My first wife was on the city council in
19 Independence. And the city of Independence has a
20 population of about 140,000 people. It owns and
21 operates its own electrical power plants, which are
22 coal-fire generated. They are not clean. The EPA has
23 slapped them several times. They are expensive to
24 maintain and operate. They're old, they're not reliable
25 and they're not very efficient.

1 I can tell you that I experienced power
2 outages every January or February when there was an ice
3 storm that lasted at a minimum of several hours to a
4 maximum of several days. One time it was a week.
5 Reliability was not reliable when it came to power in
6 Independence.

7 According to their published rates, the base
8 residential rate for 1,000 kilowatt hours in
9 Independence is currently \$94.11 for a municipally owned
10 power plant excluding fuel adjustment costs. I had a
11 fuel-efficient air conditioner and water heaters. I did
12 not have a swimming pool. I had a two-story
13 4,000-square-foot home in Independence, and my average
14 monthly electric bill in the offpeak winter season was
15 about \$150. During the peak summer periods it was over
16 \$300 a month. This amounted to about \$2,400 a year that
17 I spent on electricity in Independence on a utility that
18 was not required legally to provide a reasonable rate of
19 investment.

20 Since moving here I've been a customer of FPL.
21 In the last three years I have not experienced a power
22 outage lasting over one hour. That happened only one
23 time. I do not know what the cause of it was, but it is
24 what it is. I have never had to call on FPL for any
25 emergency service. I have, however, witnessed on two

1 separate occasions cars crashing into utility poles,
2 power poles, and I can tell you firsthand that within 30
3 minutes FPL equipment, personnel were on the scene to
4 restore any lost power that may have occurred as a
5 result of it.

6 I now live in a 2,000-square-foot condominium.
7 I do not have a swimming pool. I must confess my air
8 conditioner and my water heater are not -- are old and
9 not the most fuel-efficient that I could buy.
10 Nevertheless, even though the base rate that I now pay,
11 from what I understand, is higher than what I used to
12 pay in Independence, my monthly bill has not exceeded
13 \$160. And on an annual basis I pay less than \$1,500 for
14 electrical service where I live now.

15 What this tells me is that Florida Power &
16 Light, which is legally required to provide a reasonable
17 rate of return, and what is reasonable is up to you,
18 it's not up to me, is more fuel-efficient and -- than
19 the municipally owned power plant that I had in
20 Missouri. The quality of service is better.

21 From what I have read, FPL has the lowest
22 existing residential rate per thousand kilowatt hours.
23 Incredibly, to me at least, Florida Power & Light has
24 apparently done this over the last 25 years without a
25 base rate increase. Even if the entire base rate

1 increase requested by FPL were approved, which
2 personally I doubt is going to happen, but it would
3 still have a lower residential base rate than its
4 competitors in the area. That's my understanding.

5 Even though I am now on a fixed income and
6 these are recessionary or even depressionary times, I
7 don't mind paying another \$12 a month if the high
8 quality of service it now provides is maintained. I
9 don't mind it. You have to decide whether it's
10 necessary. You have to decide whether the amount is
11 reasonable. All I'm saying is I don't mind paying more
12 to have the same quality of service that I experience
13 down here compared to the rest of my life, which was
14 Independence, Missouri, which was totally unreliable.

15 Thank you. That's all I have to say.

16 **CHAIRMAN CARTER:** Thank you very much.

17 Mr. Beck.

18 **MR. BECK:** Thank you. The next customer is
19 Mara Routh.

20 Whereupon,

21 **MARA ROUTH**

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

25 **DIRECT STATEMENT**

1 **MS. ROUTH:** Hi. First off, I'm part of the
2 management team of Michael's On East. And if you're
3 hungry, I really suggest that you come to our restaurant
4 to eat because it's fabulous food and we remain one of
5 the top ten restaurants in the United States.

6 **CHAIRMAN CARTER:** I'm getting hungry.

7 **MS. ROUTH:** Yeah. Well, come on down and
8 we'll take good care of you.

9 But let me just tell you that being part of
10 the management team, we also have a huge catering
11 division. And in March, one Saturday morning at 7:00,
12 as I was sleeping I received an urgent phone call from
13 our kitchen, who gets in at 4:00 in the morning, having
14 over 25 events planned that day, and we had no
15 electricity. So I called Florida Power & Light and
16 within 30 minutes they responded.

17 So what did that do for us? That allowed us
18 to carry on our events, not disappoint our 20 paying
19 clients, but all of the guests that were involved.

20 Secondly, on a more personal level, I had a
21 birthday party for my eight-year-old niece with 50
22 eight-year-old children. I have no children. I had a
23 Sponge Bob, you know, blowup thing, and I had a
24 chocolate fountain. And they were swimming in chocolate
25 and bouncing and the transformer on my street blew up.

1 And 55 minutes seems like 55 hours when this is not your
2 case, but in 55 minutes the Sponge Bob was erect again
3 and the children were jumping and having a fabulous
4 time.

5 I too do not mind paying the extra money. I
6 think that the customer service that Florida Power &
7 Light provides our communities in Florida are second to
8 none. They clean up quicker after any hurricane, if we
9 would look across the United States and see that some
10 communities are still suffering from cleaning up and
11 getting back turned on after hurricanes and natural
12 disasters. I think they're fabulous. Thank you.

13 **CHAIRMAN CARTER:** Thank you. Before you go,
14 would you help us with your name, correct spelling of
15 your name?

16 **MS. ROUTH:** It's Mara, M-A-R-A, Routh,
17 R-O-U-T-H.

18 **CHAIRMAN CARTER:** Thank you so very much.
19 Mr. Beck.

20 **MR. BECK:** Thank you. The next customer is
21 John Roseboom.
22 Whereupon,

23 **JOHN ROSEBOOM**

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

1 as follows:

2 **DIRECT STATEMENT**

3 **MR. ROSEBOOM:** Good afternoon.

4 **CHAIRMAN CARTER:** Good afternoon.

5 **MR. ROSEBOOM:** Roseboom. I'm sorry.

6 **CHAIRMAN CARTER:** Roseboom?

7 **MR. BECK:** Sorry.

8 **MR. ROSEBOOM:** That's okay.

9 **CHAIRMAN CARTER:** Could you spell that for us,
10 please?

11 **MR. ROSEBOOM:** R-O-S-E-B-O-O-M, like a flower
12 and a big noise.

13 (Laughter.)

14 **CHAIRMAN CARTER:** Oh, I like it already.

15 **MR. ROSEBOOM:** We try. I come to you today to
16 speak on two sides, both as a personal customer and as a
17 recipient of benevolency from a company such as Florida
18 Power & Light. I'm the band director at Sarasota High
19 School here in town. And as the band director we have
20 been fortunate to have had students who have had parents
21 that have been employees of Florida Power & Light. And
22 through those connections we have had literally tons of
23 ice brought in from their local, their local district
24 just brought in for Friday night in order to get water
25 cooled down for the kids, in order to get stuff ready.

1 The manpower from the fathers, from the fathers' friends
2 who have decided to come in and help has been extremely
3 beneficial to our students.

4 As a teacher in a school board that is trying
5 to cut costs, we were recently affected. We were
6 holding our leadership camp, and we had to hold it
7 outside the school property because of decisions that
8 were made to conserve energy from the school board. And
9 I'm sure a rate increase would affect that or perpetuate
10 that throughout the summer months.

11 But I say that when this -- when I talk about
12 the benevolency of a company like Florida Power & Light,
13 I have to talk about the benevolency of the community
14 that came forward and allowed us to host at different
15 board rooms and different parts of the town, came
16 forward and said, "We will help out. We understand your
17 crisis, but we will help out."

18 And this community, I'm sure, is willing to
19 pull together and help out the students and help out
20 other people in times of need even though a rate
21 increase may go through. As I said before, it's your
22 decision as to what the rate increase would be, should
23 be, will it be.

24 I speak to you as a customer, personally as a
25 customer completely aside from my public job, and I say

1 that having lived in several parts of the state and
2 having been a customer of several different municipal
3 utilities, when I moved to Sarasota, everybody said the
4 cost of living is higher, such and such. And I noticed
5 that out of all the things that increased, my power bill
6 in fact decreased by moving here, which I was surprised.
7 I maintained a larger house with a lower bill. And I
8 wish I had the data that others have come up with to
9 back that up.

10 But I attest that my bill is lower, my
11 reliability of service is much higher, and I have much
12 more confidence in this corporation. And I too don't
13 mind paying the small increase that it would be in order
14 to maintain that level of service.

15 And going back to the public side, should that
16 have an effect on the students, the community is there
17 for its students. The parents and grandparents are
18 there to help support as well. Thank you.

19 **CHAIRMAN CARTER:** Thank you.

20 Mr. Beck.

21 **MR. BECK:** Monica Kennedy.

22 **CHAIRMAN CARTER:** Monica Kennedy. Good
23 afternoon.

24 Whereupon,

25 **MONICA KENNEDY**

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

4 **DIRECT STATEMENT**

5 **MS. KENNEDY:** Good afternoon. Hello, and
6 thank you. My name is Monica Kennedy, and I'm a LEED
7 accredited professional through the U.S. Green Building
8 Council and owner of Elite Solar Services here in
9 Sarasota, Florida. And we thank you for being here.

10 And on behalf of all construction workers in
11 the state that want to get back to work, and the Florida
12 Alliance for Renewable Energy, we'd like the Florida
13 Public Service Commission to use all of the knowledge
14 that you've worked so hard to get in these renewable
15 energy workshops that you've been sitting in over the
16 last several years and make it pay off by crafting and
17 recommending a feed-in tariff policy for the State of
18 Florida that works, and become a model for the rest of
19 the country.

20 You know, I get asked all the time, "What's a
21 feed-in tariff policy?" So I have a one-sentence thing
22 I heard the other day that you could use when you tell
23 people what you're working on. A feed-in tariff, quite
24 simply, is when a utility must pay you for the cost of
25 electricity that your solar system produces, plus a

1 reasonable profit. That's it. Very simple.

2 Anyway, the Florida Power & Light rate
3 increase won't help these construction workers during
4 this long, hot summer, and they're suffering the most
5 unemployment they've ever seen in their lifetime, and
6 they're moving back in with their parents in northern
7 states. Lori White, the superintendent of schools in
8 Sarasota, says that 100 students a month are leaving the
9 system. And Sarasota is faring better than other
10 counties in the state.

11 But if you announce during this long, hot
12 summer that you're putting together a well-crafted
13 feed-in tariff policy for the Legislature to debate and
14 passing a law in 2010, that could bring large amounts of
15 jobs whose skill-sets exactly match those of these
16 fleeing Floridians, these families might just be able to
17 stay and stick it out, keeping our teachers employed and
18 public servants on the payroll next year as well.

19 The plumbers, electricians, roofers and
20 engineers and architects that have been sitting in their
21 tool belts waiting for the phone to ring are leaving
22 Florida by the truckloads. This is about jobs. Let's
23 keep them here to install solar on roofs, farms,
24 churches and businesses that can profit from the energy
25 they generate.

1 The feed-in tariff policy works so well for so
2 many European communities; it created 250,000 jobs in
3 Germany. And the Gainesville plant is working. The
4 feed-in tariff will make jobs now, not ten years from
5 now like the nuclear plants, or ten-minute jobs like the
6 three solar arrays out in the field. These are good
7 paying jobs that are permanent.

8 The National Renewable Energy Lab study proves
9 that the feed-in tariff is the quickest way to deploy
10 renewable energy and, this is very important, at the
11 lowest cost to the ratepayer. You have the proof in
12 that Enrel (phonetic) study that small-scale distributed
13 generation is the answer to Florida's problems. This is
14 a budget-neutral policy that both sides of the aisle can
15 get behind and requires no taxpayer dollars.

16 The Navigant study that was done a while back
17 is dated. Since then the price of solar technology has
18 come down 25 percent in 2009, and unemployment has
19 surpassed the worst-case scenario. So it's time to
20 revisit feed-in tariff and formulate a renewable energy
21 policy that puts the Sunshine State at the top of the
22 renewable energy revolution. Right now, according to
23 Solar Planet, Florida isn't even in the top ten
24 solar-friendly states.

25 We know that Florida Power & Light is one of

1 the greenest utilities in the country, but they need a
2 model for small-scale distributed generation of solar
3 energy, or solar on every roof. The sun belongs to
4 everyone. The new American dream is to get off the
5 grid. A feed-in tariff allows everyone to participate.
6 The opportunity to get the \$1 trillion of private sector
7 cash injected into our economy is fleeting.

8 This money, this investor money, seeks a safe,
9 physical (phonetic) investment with a good return. And
10 these investment dollars are spongeable and will easily
11 cross borders to the state that passes the feed-in
12 tariff first, or even Canada. And it is a race.
13 Jennifer Granholm in Michigan is this close to passing
14 one. And do you really want all of those investment
15 dollars flying north along with the workers who will
16 install it, or to wherever this gets passed first?

17 Florida is one of the last states to even pass
18 an RPS, a renewable portfolio standard. We're being
19 left in the dust when it comes to renewable energy,
20 despite what this one green utility company is doing.
21 Solar on every roof goes against the Florida Power &
22 Light monopolistic model, but they'll adapt and make
23 money. They always do. And that's fine. Let us all
24 make a little money. Create a new industry for Florida.
25 That's what you five will be doing by recommending this

1 to the legislators. Be our hero.

2 This could be a \$14 million industry that
3 could surpass even citrus and tourism. That's what we
4 need to get the state out of the muck. By the way,
5 you'll be increasing our national security, our energy
6 independence and reducing our carbon footprint. I mean,
7 this is what the President wants, this is what the
8 Governor wants, and, most importantly, this is what the
9 people you represent want.

10 Be Florida's hero and prepare and recommend a
11 fantastic feed-in tariff policy for passage in
12 Tallahassee in 2010. Thank you for your service.

13 (Applause.)

14 **CHAIRMAN CARTER:** Thank you so kindly.

15 Mr. Beck.

16 **MR. BECK:** Thank you. Jim Johnson.

17 Whereupon,

18 **JIM JOHNSON**

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

22 **DIRECT STATEMENT**

23 **MR. JOHNSON:** Good morning. Thank you,
24 Commissioners, for taking the time to listen to us about
25 our concerns about this rate increase.

1 My name is Jim Johnson. I live in Nokomis.
2 I'm a customer of Florida Power & Light.

3 First of all, let me say that I don't have a
4 problem with the service of Florida Power & Light, and
5 so my concern is more with the rate increase. And I
6 object to a couple of points that I would like to, like
7 to bring out.

8 A previous speaker from the Public Counsel has
9 mentioned the rate of return. And I also took somewhat
10 of a look at that and noted that in the, the written
11 testimony that is being provided by Florida Power &
12 Light and also in their proxy statement, the most recent
13 one, they have a schematic which determines how much the
14 executives, certain named executives will earn under
15 their pay package for performance. And that's based
16 upon the rate of return on common equity, among other
17 factors.

18 And they start that out so that those
19 executives begin earning at a 9.2 percent rate of return
20 on, on their common equity. That's the threshold rate.
21 The target rate is 10.2 percent return on common equity.
22 That happens to be, as they point out in the proxy
23 statement, the average return for the last three years
24 as reported in the S&P 500 utility index for utilities
25 across the country that are in that index. That's 10.2.

1 So I'm not sure where the 12.5 percent comes
2 from, but it is excessive and unnecessary. And if you
3 reduced it to the 10.2, as the previous speaker
4 mentioned, you would cut that increase, about
5 \$300 million out of that increase. Well, about
6 \$330 million.

7 Trying to sort through all the filing exhibits
8 and schedules is quite a, quite a task, and I must say
9 all I could do was just peruse those and pick up a
10 little bit here and there. And as -- the customers are
11 going to be entirely dependent upon the good efforts of
12 the Public Counsel and your staff in doing an in-depth
13 review of all the details and the facts behind the rate
14 increase proposal.

15 One other point I had in regard to the, the
16 increase, I noted in the testimony that the revenues of
17 Florida Power & Light have somewhat leveled off in the
18 last year or so, and their expert attributes that to --
19 somewhat to the housing problems in Florida and the fact
20 that the number of minimal use accounts has gone up.
21 And they define minimal use account as an account that
22 uses less than 200 kilowatt hours in a month. And they
23 assume that these homes are just running air
24 conditioners just to keep the home humidity down while
25 it's on the market waiting for a buyer or someone to

1 move in.

2 They've taken this information and rolled it
3 into the model, the econometric model they use for
4 producing their rates. And so the typical use customers
5 like myself are now going to be, if this is passed
6 through, now going to be charged with the shortfall that
7 FP&L's experiencing from these minimal use accounts. In
8 other words, we're going to, we're going to pick up for
9 this capacity that's sitting there that's not being
10 used, and the electricity that's not being sold to those
11 accounts, we will now be charged with that if this goes
12 through as planned.

13 And that's not the way it's supposed to work,
14 because we're paying a return on common equity, which
15 includes a payment to the stockholders for the risk of
16 certain business things happening. And one of the
17 business risks of any business is revenue, whether or
18 not they're going to have a steady stream of revenue or
19 not. And through the good times and the bad times they
20 need to -- this is a bad time and the revenues are down.
21 That's a corporate expense, not one that they'd want to
22 pass on to customers. And if they do pass it on to
23 customers now, a year or so from now when those people,
24 those homes, become occupied, then they're going to be
25 overcompensated for that.

1 Finally, let me just say that I was one of
2 those customers, my wife and I, that contributed to the
3 Sunshine Energy Program. And as a matter of fact, I
4 objected to it and filed my objection with you when you
5 were having those hearings. I must say that it's very
6 disappointing when such a worthy program as that was and
7 the benefits that could come out of it and the fact that
8 FP&L apparently did not carry out the initial good
9 purposes of that program has brought me to the point
10 where I'm a little suspect of their motives here about
11 this, and I hope that FP&L has a change of heart in
12 regard to programs like that and will -- I mean,
13 customers want to do their part, and we've lost that
14 ability now. And properly so, because out of every
15 dollar I contributed, only 20 percent apparently went
16 for direct renewable energy projects and the rest went
17 for administration and marketing. So those are my
18 concerns, and I hope you will listen to our objections.

19 One other point, I don't see the quality of
20 service going down if you don't approve this increase.
21 That doesn't quite equate to me. I, I think the quality
22 of service has always been there. I've never had a
23 problem with that. So I don't quite understand that
24 argument. Thank you.

25 **COMMISSIONER SKOP:** Mr. Chair.

1 **CHAIRMAN CARTER:** Thank you, Mr. Johnson. One
2 moment, please.

3 Commissioner Skop.

4 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.
5 Mr. Johnson, just a quick question, and I want
6 to refrain from getting into any docketed issues. But
7 with respect to the document that you mentioned on
8 executive compensation, was that specific to FPL,
9 Florida Power & Light, or was that on a consolidated
10 basis for FPL Group? And the reason I ask, and a lot of
11 people may not recognize this, but at least their
12 unregulated out-of-state operations on a revenue basis
13 are much bigger than their in-state regulated
14 operations. So it would be of interest to me if you
15 knew specifically.

16 **MR. JOHNSON:** Well, I got it off the FP&L
17 website, so -- and it was their proxy, it was a proxy
18 statement. So it would probably be the Group.

19 **COMMISSIONER SKOP:** All right. Thank you.

20 **CHAIRMAN CARTER:** Thank you, Mr. Johnson.

21 Mr. Beck.

22 **MR. BECK:** Thank you. Doug Heinlen.

23 Whereupon,

24 **DOUG HEINLEN**

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

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

3 **DIRECT STATEMENT**

4 **CHAIRMAN CARTER:** You said Doug?

5 **MR. BECK:** Doug Heinlen.

6 **CHAIRMAN CARTER:** Doug, help us with your last
7 name.

8 **MR. HEINLEN:** Sure. It's not the author.
9 He's Heinlein. This is Heinlen. H-E-I-N-L-E-N. First
10 name is Doug.

11 I'm an AARP volunteer. I currently serve as
12 State President of AARP. I'm a Sarasota resident. I
13 live on Siesta Key, and I'm a Florida Power & Light
14 customer. And we're going to switch from the hundreds
15 of millions here to the hundreds. Okay? So ramp
16 yourself down.

17 Whenever our household bill starts creeping
18 up -- I live on Siesta Key here in Sarasota -- I start
19 pointing out to my family all the ways we're wasting
20 electricity. We turn off the unused cell phone
21 chargers, cable converter boxes, lights and computer
22 monitors. We've turn down the water heaters and the air
23 conditioning. Can we convert to those new compact
24 fluorescent light bulbs? Does the aquarium bubble
25 machine need to be on all the time? How much oxygen do

1 those fish really need?

2 (Laughter.)

3 That's a question. All right? Our household
4 usage always shrinks a little after I go on one of these
5 campaigns. That's why I was disturbed recently to learn
6 that Florida Power & Light is asking for a 30 percent
7 increase in basic rates over the next two years.
8 Suddenly I felt hopeless. There's absolutely no way we
9 can squeeze another 30 percent out of our household's
10 electricity rates.

11 And this goes back to what Commissioner
12 Thaxton was saying before. It's almost like you're
13 penalized. You save and they want to make up for it by
14 charging more. And that's the bind I see myself in.

15 So that's why we at AARP Florida are fighting
16 this FP&L increase. And surely most of our members have
17 already cut their power consumption and they simply
18 don't have another 30 percent to cut and can't afford
19 the increase.

20 For the 20 percent of Social Security
21 recipients whose benefits are their only income, such an
22 increase could be devastating. For 2010 and perhaps two
23 more years there may very well be no Social Security
24 cost of living increases. So I want to report that. I
25 want to repeat that number for you. Okay? 20 percent

1 of Social Security recipients, the benefits for Social
2 Security are their only income. All right? And it's
3 anticipated for the next two years because of the no CPI
4 increases, that the Social Security increases will be
5 very little or none. So this 30 percent increase is
6 devastating for someone in that situation.

7 Okay. The timing is terrible, and we've heard
8 this before. Household net worth, household income,
9 retail sales and home prices are all down. Unemployment
10 is at its worst in 26 years. Foreclosures are up.
11 Credit card defaults are up. So we wonder how Florida
12 Power & Light can miss the world of hurt most of their
13 customers are living in right now. And we see this all
14 over in Sarasota.

15 At this point any rate increase isn't
16 reasonable. It comes at a time when consumers are
17 watching every dollar. Our school systems right here in
18 Sarasota, our school systems in Sarasota are cutting
19 staff, talking about cutting school sports programs and
20 so forth. Counties and cities are firing workers, you
21 heard the Mayor talk about this before -- I loved the
22 idea of turning down the lights, by the way, that was a
23 great one -- and cutting service budgets. And private
24 companies, I mean, private companies, household names
25 like GE, Hewlett-Packard, Caterpillar, my former

1 employer, JC Penney, who I retired from, all are cutting
2 back, firing, reducing. So I don't see how in this
3 environment a company like Florida Power & Light could
4 just say, "This doesn't apply to us. We're going to
5 skate on through and ask for a rate increase."

6 I suggest Florida Power & Light withdraw their
7 request, that would be the best outcome, and go back to
8 their own operations, as is the rest of America. I
9 mean, households, counties, cities, companies, never
10 mind General Motors, are all having to look at their own
11 budgets and cut back and aren't able to pass on cost
12 increases. So we suggest that Florida Power & Light go
13 back and do that and not do this at this point in time.

14 And I'd just like to address one more thing.
15 It's -- I have had no service problems with Florida
16 Power & Light either. You know, they answer the phone,
17 we have no outages, get the bills online, it's all very
18 well done. And they are a responsible corporate citizen
19 in the sense that they do contribute to worthy causes
20 and so forth. But, you know, you think about corporate
21 benevolence and corporate responsibility and corporate
22 social responsibility, basically what those are are
23 recycled customer dollars. Now we're paying for the
24 electricity. They take those dollars and say, "Here,
25 we'll give it to this good group and that good group and

1 so on and so forth." And we as customers are capable of
2 keeping those dollars and giving to the charities and
3 worthy causes that we want to. So that's it.

4 Thank you very much for listening.

5 (Applause.)

6 **CHAIRMAN CARTER:** Thank you.

7 Mr. Beck.

8 **MR. BECK:** Thank you. Carol Lang.

9 Whereupon,

10 **CAROL LANG**

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

14 **DIRECT STATEMENT**

15 **MS. LANG:** Hi. I'm coming at this totally
16 from a different perspective. I'm coming at it from a
17 social service agency. I am the Social Service Director
18 for the Salvation Army at our divisional headquarters in
19 Tampa. And I've worked with Florida Power Light,
20 Florida Power & Light for many, many years, and I've
21 seen their social mindedness. I've seen that they have
22 been a good neighbor, that they have been very
23 charitable and have given back to the community. We
24 heard mentioned before the fact that they have the "Care
25 To Share" program, which is one of the programs that we

1 help to administer, and this is for the most vulnerable
2 in our community and those that are unable to afford the
3 cost of living.

4 But just recently, about a year ago, FPL
5 called me at the office and said they wanted to give
6 back to the community in even a different kind of way,
7 and so we talked about ideas and through their
8 generosity we have been able to help Florida's citizens
9 in wonderful ways. We've been able to pay rents and
10 mortgages. We've been able to, for instance, have a
11 little 72-year-old lady come in whose hot water heater
12 broke and she was on a fixed income, had no way to
13 replace that, and through the generosity of FPL we were
14 able to replace the hot water heater. We've been able
15 to fix dentures for people, we've been able to buy
16 hearing aids for people because of the generosity of
17 FP&L through this basic needs initiative program.

18 So they want to help and they do reach out in
19 the community. And I found them to be very, very
20 responsive in the sense that not only are they
21 responsive to the needs in the community, but they also
22 want to be good citizens.

23 The Salvation Army is very active in the fight
24 against human trafficking. I called FPL and I said,
25 "You know, I would like to bring in a trafficking expert

1 to train your people so that your meter readers, when
2 they go out and read the meters, would be able to report
3 suspicious activity to the law enforcement authorities
4 so that investigations could take place and we could
5 stop human trafficking in the State of Florida." And as
6 you might know, we do have a great deal of that and
7 there have been many cases that have been investigated.
8 So they're good citizens also.

9 They're good neighbors. They were
10 instrumental in, in forming the Florida Energy
11 Affordability Coalition, bringing all the utility
12 companies together across the state, as well as social
13 service agencies, to address these energy costs and to
14 make them affordable.

15 I've heard a lot about the service of Florida
16 Power & Light today. They are diligent workers. I
17 personally, when the disasters hit us in 2004, the
18 hurricanes, I came down with the Salvation Army and I
19 saw the responsiveness of Florida Power & Light at that
20 time and I was impressed.

21 They are consumer-oriented. I do believe
22 that. I know that they do give the free energy surveys,
23 home surveys, to clients and to customers, and we have
24 been able to refer many of our people that come through
25 our doors to them for these free home energy surveys to

1 cut on energy costs.

2 So I have found from a social service
3 perspective that Florida Power & Light is interested and
4 is a committed partner in giving back to the community
5 in which they serve and in treating those who are the
6 most vulnerable in our community. So I would just give
7 my endorsement of them as being socially conscious.

8 **CHAIRMAN CARTER:** Thank you.

9 **COMMISSIONER ARGENZIANO:** Mr. Chair?

10 **CHAIRMAN CARTER:** Commissioner Argenziano,
11 you're recognized.

12 **COMMISSIONER ARGENZIANO:** Yes. I just have a
13 question for the lady who just presented. I'm sorry. I
14 didn't get the name.

15 **CHAIRMAN CARTER:** Ms. Lang.

16 **COMMISSIONER ARGENZIANO:** Ms. Lane?

17 **MS. LANG:** Lang, L-A-N-G.

18 **COMMISSIONER ARGENZIANO:** Hi, Ms. Lang. Thank
19 you for coming today and I appreciate you sharing that.
20 And I think everybody is grateful when a company is, is
21 generous or does care about the community that they're
22 in, and that's evident in what you said.

23 Just let me ask you this. Do you think the
24 benefits that you receive at the Salvation Army from
25 Florida Power & Light are equal to the possible

1 increases, I mean, that may occur, and what other people
2 are saying as far as the rates going up for those other
3 people who may not be at the same income level as the
4 people that you're taking care of at the Salvation Army
5 but maybe just above that that may be visiting your
6 facility, more is put on them?

7 I'm just asking you, I guess I'm asking you do
8 you, are you here saying that you are in favor of the
9 increases? I mean, I appreciate you speaking to the
10 good that the company does and I appreciate that. I
11 think that's wonderful that they do. But are you in
12 favor of the increases or have you taken into
13 consideration the benefits that you get? Would they
14 equal what you think may, may wind up if we give the
15 company the increase they're asking for?

16 **MS. LANG:** It's very difficult for me to
17 comment on the hike. I'm not even a Florida Power &
18 Light customer, so it's very difficult for me to make
19 any comment about that. I can only comment about the
20 fact that they are extremely socially conscious, and I
21 appreciate that about them.

22 **COMMISSIONER ARGENZIANO:** Okay. So then
23 you're not here saying you're in favor of the increase
24 or against it. You're just --

25 **MS. LANG:** Right.

1 **COMMISSIONER ARGENZIANO:** -- the good things
2 that they do for you?

3 **MS. LANG:** Yes.

4 **COMMISSIONER ARGENZIANO:** Okay. Thank you.

5 **MS. LANG:** Uh-huh.

6 **CHAIRMAN CARTER:** Thank you, Ms. Lang.

7 Mr. Beck.

8 **MR. BECK:** Okay. Geraldine Swormstedt.

9 **CHAIRMAN CARTER:** Please also as you come up,
10 just for the record, just remember to please state your
11 name and address, let us know where you live and whether
12 or not you're an FPL customer. Thank you.

13 Whereupon,

14 **GAIL REYNOLDS**

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

18 **DIRECT STATEMENT**

19 **MS. REYNOLDS:** Hi. My name's Gail Reynolds.
20 I'm the Vice Chair for the Manatee-Sarasota Sierra
21 Group. Gerry had to leave. She had a family emergency.

22 **CHAIRMAN CARTER:** Okay. Give me your name
23 again.

24 **MS. REYNOLDS:** Gail Reynolds.

25 **CHAIRMAN CARTER:** Gail Reynolds. Okay.

1 **MS. REYNOLDS:** And I will be delivering her
2 comments.

3 **CHAIRMAN CARTER:** And your organization again?

4 **MS. REYNOLDS:** The Manatee-Sarasota Sierra
5 Club.

6 **CHAIRMAN CARTER:** Thank you.

7 **MS. REYNOLDS:** As we climb out of the current
8 economic cycle, new leaders and new industries will lead
9 the way back to a strong economy. Those who look to the
10 future of the energy market know that renewable energy
11 is an industry that is boiling over with potential. The
12 growing new renewable energy industry in Florida will
13 create untold thousands of jobs, collect millions in
14 long-term revenues, and bring us to the forefront of the
15 national stage in energy independence and environmental
16 stewardship.

17 Renewable energy dividends or feed-in tariffs
18 are a policy mechanism that have proven to promote the
19 fastest, cheapest and most widespread growth of
20 renewable energy anywhere in the world with
21 implementation in over 45 countries. Currently at least
22 eight states in the U.S. are considering a renewable
23 energy dividend policy mechanism. Today the State of
24 Florida is positioning itself ahead of the curve and
25 providing a beacon for the rest of the country to follow

1 by considering this policy mechanism.

2 A renewable energy dividend provides a fixed
3 contract to the producers of renewable energy. The
4 contracts, which are fixed for 20 years, afford the
5 producer the ability to borrow against a guaranteed
6 payment for their utility company. And these contracts,
7 which are transparent, simple to understand and open for
8 inspection, include long-term agreed-upon prices that
9 the utility companies will pay the producers for the
10 energy to buy. The prices are set high enough to be an
11 incentive to new production and encourage existing
12 producers to maximize their capacity.

13 I would like to add also that in the mid '90s
14 we opposed Florida Power & Light's use of orimulsion.
15 We asked them to look to the future, the renewable
16 energy sources. We're one of the last states to adopt a
17 renewable potential portfolio standard. And as the
18 Sunshine State, we don't even qualify for the top ten
19 list of solar-friendly states. So we're behind; we're
20 way behind.

21 We're opposed to the rate increase. And I'd
22 like to thank our elected officials and support their
23 comments. Thank you.

24 **CHAIRMAN CARTER:** Thank you so kindly. And
25 thank you for standing in for your colleague. You did a

1 great job.

2 Mr. Beck.

3 **MR. BECK:** George McGonagill.

4 Whereupon,

5 **GEORGE MCGONAGILL**

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

9 **DIRECT STATEMENT**

10 **MR. MCGONAGILL:** I'm George McGonagill. I'm
11 Executive Director of Construction Services for the
12 School Board of Sarasota County.

13 The school district doesn't have a position
14 with regard to the requested rate increase. We simply
15 want to express that we consider FP&L to be an excellent
16 and important business partner for the school district.
17 Over the last 15 years we have received millions of
18 dollars' worth of incentive monies for our thermal
19 storage energy program. We've created one of the
20 premier programs in the country, and through that
21 program we have saved countless of dollars every year
22 out of our operating expenses, which allow us to, of
23 course, employ more teachers to educate our kids.

24 In addition to the thermal storage program,
25 FP&L representatives work with us continually to look

1 for other sources of savings, how we manage our air
2 conditioning systems, turning our lights on and off and
3 similar programs. In addition, they consider us a high
4 priority customer in terms of outages, which rarely
5 happen for us. But when it does happen, they get us
6 back online and get our kids back learning as quickly as
7 possible.

8 When we have capital program projects,
9 additions, remodels or new facilities, they're always
10 very responsive in getting our services installed and
11 helping us meet our schedules and time frames.

12 So, again, we consider them an important
13 business partner and we appreciate their continued
14 support of our programs. Thank you.

15 **COMMISSIONER ARGENZIANO:** Mr. Chair?

16 **CHAIRMAN CARTER:** Yes, ma'am.

17 **COMMISSIONER ARGENZIANO:** Yes. I have a
18 question.

19 **CHAIRMAN CARTER:** You're recognized.

20 **COMMISSIONER ARGENZIANO:** This gentleman was
21 from the school board, the local school board?

22 **CHAIRMAN CARTER:** Yes, ma'am. He's from
23 the -- he's from the contractual services and he said
24 that he -- the school district didn't have a position.
25 He was just here to talk about FPL's service.

1 **COMMISSIONER ARGENZIANO:** Okay. So he didn't
2 have a position on the rate increase.

3 **CHAIRMAN CARTER:** Yes, ma'am.

4 **MR. MCGONAGILL:** Correct. The school district
5 does not have a formal position on the rate increase.

6 **COMMISSIONER ARGENZIANO:** Because I seem to
7 remember in another case that the schools came to us and
8 said that the Legislature had cut their budget
9 tremendously and they just couldn't handle anything
10 else. And I was wondering if they did have a position
11 and if you are their representative to speak.

12 **MR. MCGONAGILL:** Well, I can tell you that we
13 certainly would like to see our costs kept down on every
14 possible operating expense, and certainly our electric
15 bill is a huge expense for us. We simply aren't in the
16 position to evaluate whether this rate increase would
17 impact our services and the support that we receive from
18 FP&L.

19 We simply are expressing the fact that in the
20 past they have done an excellent job of working with us
21 and we hope that they're in a position to continue to do
22 that. Whether this rate increase impacts that, we, we
23 have no position or have no way of knowing.

24 **COMMISSIONER ARGENZIANO:** And I guess that's
25 where I'm trying to get, because I really want the

1 information. I want -- if the increase is not going to
2 affect you, that's good to know, but I don't hear you
3 saying one way or the other. I think you just said that
4 if the rate increase occurs, you don't know how it will
5 affect what they are currently helping you with. Is
6 that what you said?

7 **MR. MCGONAGILL:** Yes, ma'am.

8 **COMMISSIONER ARGENZIANO:** So then are you at
9 the same time saying that you'd like to keep your rates
10 low? So what you're saying is you need to keep on with
11 what they're giving you now. You don't think they'll
12 continue doing that if they don't get their rate
13 increase?

14 **MR. MCGONAGILL:** To be honest with you, I
15 don't know the answer to that question. I don't know
16 what the proposed impacts would be depending on the
17 outcome of this rate increase.

18 Again, I have come to simply let you know that
19 we are very satisfied with FP&L as a business partner.
20 In terms of their service and their commitment to help
21 us keep our costs down, they have been an excellent
22 partner.

23 **COMMISSIONER ARGENZIANO:** And I appreciate
24 that. And, Mr. Chair, perhaps if the, if the
25 Representatives and Senators are still in the room, you

1 can further look into the -- and see what you find out
2 through the school boards, I guess. Because it sends a
3 conflicting message to me and I'm really here to get
4 that information. And I appreciate what the gentleman
5 has brought to us, that the company is helping them in
6 other areas. But I'm trying to, I guess, ascertain
7 whether an increase would further hurt the school
8 boards, as we've heard in other cases and I hear from
9 school board members and school, the school board
10 association. I heard the opposite, saying we can't
11 afford anymore. And if that particular school budget is
12 doing well enough to handle that increase, I'd like to
13 know that also.

14 **CHAIRMAN CARTER:** He's shaking his head.

15 **MR. MCGONAGILL:** That certainly was not my
16 intention to convey that we have more than enough money.
17 We have just recently reduced our capital budget
18 significantly. Like every other government agency,
19 we've experienced reduced revenues both through sales
20 tax reductions as well as property taxes. So we are in
21 the same boat as every other government agency.

22 **CHAIRMAN CARTER:** Maybe you could, maybe what
23 you could do -- excuse me, Commissioner. Maybe what you
24 could do is ask your superintendent and the schools if
25 they could kindly just send us some information about

1 their perspective on that, if they take a position.
2 We'd appreciate it.

3 **MR. MCGONAGILL:** Absolutely. Absolutely.
4 Will do it.

5 **COMMISSIONER ARGENZIANO:** Mr. Chair, my point
6 in asking that, because we're here to derive
7 information, and everything I've heard prior to this has
8 been the opposite. And if they are doing well, their
9 Representatives in the Legislature need to know that
10 too, but I also want to know. Thank you.

11 **CHAIRMAN CARTER:** Okay. Thank you,
12 Commissioner.

13 Mr. Beck.

14 **MR. BECK:** Jim Lampl.
15 Whereupon,

16 **JIM LAMPL**

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

20 **DIRECT STATEMENT**

21 **MR. LAMPL:** Good afternoon. Jim Lampl. I'm a
22 small --

23 **CHAIRMAN CARTER:** Jim, do you mind spelling
24 your last name for us, please?

25 **MR. LAMPL:** L, as in lucky, A-M-P-L.

1 **CHAIRMAN CARTER:** Thank you.

2 **MR. LAMPL:** Resident of Sarasota. And I'm a
3 small startup solar investor. I'm presently working
4 with nonprofit on commercial installations. And we
5 benefit by the state rebates and the federal tax
6 credits. It turns out to be an even better investment
7 than the 12.5 percent yield that Florida Power & Light
8 is looking for at the present time. But if they get the
9 12.5 percent, I might want to invest in their stock too.

10 We're looking for a new model. We need to
11 make it happen here in Sarasota. We're the Sunshine
12 State. We're on the Suncoast. And Florida is -- should
13 be a leader and they shouldn't be ranked near the bottom
14 of the states in solar.

15 I come from Pennsylvania, and it is
16 undoubtedly a more progressive state that encourages
17 solar. Now I know besides Ed Rendell's, the Governor of
18 Pennsylvania, and his team being so successful -- and I
19 know that Governor Crist has been trying to drive an
20 alternative energy program, but we haven't been getting
21 much support in the Legislature.

22 And I think, the reason I'm mentioning it is I
23 think FP&L and the other utilities have some influence
24 on what happens in the Legislature. I don't think it's
25 just your electric meter that's spinning here.

1 I think that we need a progressive rate
2 structure very similar to what Sarasota does with their
3 water. You have a base rate that can accommodate the
4 average family, and then when you start using more
5 water, in this case more electricity, the rate might go
6 up 50 percent or double. So it would penalize or -- it
7 penalize those users or wasters above a certain rate. I
8 don't think that's hard to calculate. And that way it
9 would reward conservation and it wouldn't penalize
10 people who can't afford it in this market.

11 I'm also in support of feed-in tariff. I'd
12 like to see solar on every roof in Sarasota County.
13 Sarasota is a very progressive area. That's one of the
14 reasons I moved here two years ago. And I think we need
15 to make it happen here. And I think that FP&L and this
16 board here can go a long ways in making Sarasota the
17 leader in solar energy. Thank you.

18 **COMMISSIONER SKOP:** Mr. Chair.

19 **CHAIRMAN CARTER:** Thank you. One second,
20 please.

21 Commissioner Skop.

22 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.

23 I just felt compelled to, I guess, make a
24 comment. I've heard a lot of consumers come today to
25 speak in support of the feed-in tariff, and I think

1 that's a separate and distinct issue from that currently
2 docketed before us.

3 But there's been some comments made in passing
4 to the extent that Florida is way behind the curve in
5 solar. And at least from the information I've seen,
6 and, again, my colleagues and I were instrumental in
7 adopting the net metering and interconnection standard
8 pursuant to the executive orders that Governor Crist
9 issued as well as the legislative action in that realm,
10 and to my knowledge our net metering and interconnection
11 standard in Florida is recognized as one of the best in
12 the nation.

13 **MR. LAMPL:** That's a good plug. Thank you.

14 **CHAIRMAN CARTER:** Thank you.

15 Mr. Beck.

16 **MR. BECK:** Thank you. The next customer is
17 Val Gratiias.

18 **UNIDENTIFIED SPEAKER:** Mr. Counsel, what
19 number are you working on?

20 **MR. BECK:** Ms. Gratiias is number 14.

21 **UNIDENTIFIED SPEAKER:** Thank you.

22 Whereupon,

23 **VAL GRATIAS**

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

1 as follows:

2 **DIRECT STATEMENT**

3 **MS. GRATIAS:** Good afternoon. I'm Val
4 Gratias. That's G-R-A-T-I-A-S. And I'm from Bradenton.

5 I just have a few comments. I didn't intend
6 to start off with any complaints about Florida Power &
7 Light. However, people have talked about how good they
8 are, and I have no complaints about their service, other
9 than I would note that I've had a lot of power flickers
10 and power surges and I have had to replace a washer and
11 dryer as a result of that. But I'm not here to complain
12 about that.

13 I'm here because I believe my civic duty
14 extends beyond recycling and voting, and so here I am.
15 I'm one of the new poor. My family's income has been
16 reduced by 75 percent in the last couple of years. We
17 simply cannot afford an increase.

18 We are in the home building and property
19 management fields. We've lost all our company benefits.
20 We have no health insurance. We have cashed in all our
21 retirement and have paid the resulting tax penalty on
22 that. And I would be a little irritated to think that
23 Florida Power & Light would get 12.5 percent interest
24 when I've had to cash in and pay a penalty. A
25 30 percent increase would be devastating to us, and I'm

1 sure it would be to others in similar positions,
2 including businesses barely hanging on.

3 On another topic, and I guess I somewhat need
4 to address this to Ms. Marlene over here, Florida Power
5 & Light has a current policy that I, my husband and I
6 ran into where if you become behind on your payment,
7 they will send you an invoice and demand a deposit from
8 you. And they demanded that my husband and I put
9 another \$400 down. Well, obviously we were struggling
10 with how we were going to make ends meet when our
11 reduction was being reduced. We didn't start out with a
12 75 percent cut. We were reduced by hours, then the pay
13 cut, and then the benefits were taken, and then more
14 days were taken off. And that's happening to everybody,
15 you know, near or related to the construction field or
16 real estate or property management. And we are very
17 capable, competent people. We work hard.

18 So, anyway, getting back to my notes here.
19 They demanded a deposit, which I would not have been
20 behind had I had the money to pay the original bill.

21 And I want to thank Mr. Skop, because I did
22 get in touch with him and he put me in touch with
23 somebody at Florida Power & Light, and they gave me a
24 one-time exemption. Which I guess there's a little
25 complaint here because that made me feel like I was the

1 bad guy, and I'm not.

2 And I would like to ask Florida Power & Light
3 to rework that and not do that to other people. I
4 cannot tell you how devastating that is to be told, "You
5 must come up with another 400 bucks plus your late
6 payment or we're going to cut you off. And when we do
7 cut you off, then you're going to have to pay all the
8 arrears and the 400 deposit and a reconnection fee."
9 All the while we're struggling to figure out how we're
10 going to meet our other utilities.

11 And I would like to ask Florida Power & Light
12 to change that policy because we have -- I can't go sign
13 up with California Power & Light. And it needs to
14 especially be done during this depression.

15 With all due respect, many Florida residents
16 and businesses have had to cut expenses and make hard
17 choices. Until Florida Power & Light has looked
18 internally for savings, such as cutting directors',
19 commissioners', CEOs' and employees' hours, rates of
20 pay, benefit packages, then Florida Power & Light simply
21 has not done diligence called for under our current
22 crisis and should be denied any rate increase at all.
23 Thank you.

24 **CHAIRMAN CARTER:** Thank you.

25 Mr. Beck.

1 **MR. BECK:** Thank you, Ms. Gratias.

2 Daniel Blankenship.

3 Whereupon,

4 **DANIEL BLANKENSHIP**

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

8 **DIRECT STATEMENT**

9 **MR. BLANKENSHIP:** Hello.

10 **CHAIRMAN CARTER:** Good afternoon.

11 **MR. BLANKENSHIP:** My name is Daniel
12 Blankenship from Palmetto, Florida, and I work as a boat
13 captain and house painter. And my wife is a paralegal
14 at the Becker & Poliakoff Law Firm.

15 Anyway, like other people said, Florida Power
16 & Light has been a very good company for me and my
17 family for many years, and never had a power outage.
18 And I know it takes money to invest in solar, and I hope
19 that solar does become very predominant. So I would
20 support a certain rate increase so that they can make
21 their investments. So that's it.

22 **CHAIRMAN CARTER:** Thank you.

23 Mr. Beck.

24 **MR. BECK:** Thank you.

25 Erin McLeod.

1 Whereupon,

2 **ERIN MCLEOD**

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

6 **DIRECT STATEMENT**

7 **CHAIRMAN CARTER:** Erin, you've got to help us
8 with your last name, okay?

9 **MS. MCLEOD:** Sure. It's McLeod, M-C-L-E-O-D.

10 Thank you. Good afternoon. I work for Senior
11 Friendship Centers as Chief Operating Officer. We're a
12 large nonprofit in Southwest Florida, and we serve
13 seniors and their families. So we are serving some of
14 the most vulnerable and some of the neediest in our, in
15 our society.

16 I would just like to say right now that we are
17 not here to take a stand in either direction on the
18 proposed rate increase. We would like to recognize FPL,
19 however, for being a strong community partner for many
20 years.

21 The aging network in Florida has had
22 long-standing support from FP&L. Their support in the
23 aging service realm has been broad and consistent, from
24 volunteer programs to assistance for electric bills for
25 low income seniors. They've been strong supporters of

1 the Florida Council on Aging for decades now. And
2 closer to home, FPL supports many community-based
3 programs right here in Southwest Florida.

4 Thank you very much.

5 **CHAIRMAN CARTER:** Thank you very kindly.

6 Mr. Beck.

7 **MR. BECK:** Jon Thaxton.

8 **UNIDENTIFIED SPEAKER:** He already spoke.

9 **MR. BECK:** He's already spoken? Same Jon
10 Thaxton.

11 **CHAIRMAN CARTER:** Yes.

12 **MR. BECK:** Wayne Sallade, Sallade.

13 Whereupon,

14 **WAYNE SALLADE**

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

18 **DIRECT STATEMENT**

19 **MR. SALLADE:** Sallade. Yes, sir.

20 **MR. BECK:** Thank you.

21 **MR. SALLADE:** The spelling is S-A-L-L-A-D-E.

22 Mr. Chairman, Commissioners, both here and
23 absent, I for 22 years this week have served as
24 Emergency Management Director for Charlotte County,
25 Florida. I too am not here to speak on the merits of

1 the increase nor profit margins or anything else. I'm
2 here to speak on the partnership that we in emergency
3 management have with Florida Power & Light, and I have
4 22 years' experience to back that up.

5 I do, because of some comments earlier, take
6 umbrage with the gentleman from the Retail Federation
7 who doesn't seem to understand that any amount of money
8 put into reserves to repair electrical service in the
9 face of a hurricane is not enough. I watched an army of
10 6,000 utility workers from as far away as Minnesota
11 descend on my community when we were ground zero for
12 Hurricane Charley in 2004.

13 I know the dedication of Florida Power &
14 Light through the hours and days that we put in
15 post-hurricane, when side by side I sat with some of the
16 people who are in this room in the Emergency Operations
17 Center for 20-hour days. I watched them restore over
18 90,000 customer accounts in 13 days.

19 Does that require a higher base rate? Does
20 that require more profit? I don't know. Quite frankly,
21 in my job that's irrelevant.

22 I too am a customer of Florida Power & Light,
23 have been as a father and husband for over 25 years.
24 But how I feel about the rates or what I pay is how I
25 feel. I do know these are good corporate partners. I

1 do know there is no one in this country, and I'll argue
2 face to face with anybody that says so, that there's no
3 utility that does power restoration post-event better
4 than Florida Power & Light.

5 I watched in amazement in 1989 when I went to
6 South Carolina for a post-Hugo hurricane survey as a
7 convoy of Florida Power & Light trucks arrived. There
8 was a deep sense of pride as a Floridian to watch them
9 roll into Charleston. I watched them respond in their
10 own backyard when Hurricane Andrew decimated south
11 Miami-Dade County, and then I watched in amazement as
12 they led that army of workers into my community after
13 Charley in 2004.

14 2006 to 2008 -- and the numbers, really,
15 inspecting over 7,000 poles and clearing vegetation and
16 making sure the main power lines are healthy, using
17 processes like ThermoVision is not as important as
18 strengthening the main utility feeder lines that serve
19 my hospitals, three, my radio towers for the
20 800-megahertz public safety system, and making sure that
21 we are as hardened and storm-ready as we possibly can
22 be.

23 Florida Power & Light even tracked me down on
24 vacation this summer as I was -- or spring as I was
25 driving across Ohio to stop -- to find out if some work

1 that they were about to do was what we had talked about
2 during our coordination meeting, which we hold every
3 year at our Emergency Operations Center with them.

4 Again, the only point that I would speak
5 directly to that is relevant as far as investment is
6 that investment in reserves for replacing and repairing
7 equipment. We don't know. You know, we're in a
8 hurricane season now in which we keep hearing that
9 there's going to be less storms than we've seen. Thank
10 goodness. Thank goodness, if that's the case.

11 But I harken you back to 1992, when we went
12 through June, July, and the first three weeks of August
13 and people were stopping me in the streets with the
14 proverbial, hey, Chicken Little, where's all the
15 hurricanes you've been preaching about? And here came
16 Andrew into south Miami-Dade County.

17 So we're on guard 24 hours a day, 365 days a
18 year, as they are. And, again, whether you grant the
19 increase as requested, a portion of it, I don't
20 believe -- and I hope -- I serve as a, interestingly
21 enough, as a board member of the Salvation Army, I work
22 with RSVP through the Senior Friendship Centers. Would
23 a rate increase and ultimate higher electric bills be a
24 burden on people? Most certainly. But you know what?
25 So is not having electricity when you need it the most.

1 Thank you.

2 **COMMISSIONER ARGENZIANO:** Mr. Chair.

3 **CHAIRMAN CARTER:** Commissioner Argenziano,
4 you're recognized.

5 **COMMISSIONER ARGENZIANO:** I just have a
6 question for the gentleman. And the reason I'm asking
7 this, and I heard him say that he's not here to say one
8 way or the other on the rate increase, or that is
9 wasn't -- it was maybe irrelevant, I think that's the
10 word he used, to him. He wanted to express the fact
11 that FPL does a lot of great things in the community,
12 which I will repeat over and over again, I think that's
13 wonderful. Any time a company does those things -- and
14 I agree with him 100 percent. Those people, those
15 workers at FPL as well as Progress and the other workers
16 who got out there and put our electric back in after
17 Katrina, they were our heroes. So I definitely agree
18 with that.

19 But what I want to make clear for the record
20 and anybody else in the room is that -- because it seems
21 apparent to me that a lot of people feel very strongly
22 about the urge to come out today to praise FPL for those
23 things they do in the community, and rightfully so. But
24 I want to make sure -- I think I heard the gentleman say
25 he's not here saying he's for a rate increase or against

1 it. But I want to make sure that he understands that
2 those issues that he thinks are irrelevant are very
3 relevant to the Public Service Commission and me as an
4 individual Commissioner. That's what my job is about.
5 Is the ROE justified? Is the rate increase justified?
6 And those things are important.

7 So to me it's great that they're coming out
8 and praising the company and saying this is a good
9 company. That's good for me to know as a Commissioner,
10 but I don't think it really pertains to the rate
11 increase in front of us. And I just want to make sure
12 that I go on record saying is the gentleman for or
13 against the rate increase or is he here just to say that
14 the company has done a good job?

15 And I appreciate that. He took his time to
16 come out and tell us that. But I want him to understand
17 or anybody else to understand it is our job. Those
18 issues regarding the increase and the specifics, not the
19 kindness or the generosity, but the ROE issues and those
20 issues are what we're about and they are very relevant
21 to us. So I want him to understand that that is our
22 job.

23 **MR. SALLADE:** Understood. And as I said
24 earlier, this is -- as the late Paul Harvey said, there
25 is a rest of the story. And this is an opportunity for

1 the rest of that story to be told. And I thank you for
2 your time.

3 **CHAIRMAN CARTER:** Thank you.

4 Mr. Beck? One second.

5 Commissioner Skop.

6 **COMMISSIONER SKOP:** Thank you, Mr. Chair.

7 Just a quick question to one of the comments that were
8 made with respect to the storm reserve fund and such,
9 and you had a specific comment to that.

10 Generally speaking, again, not getting into
11 any docketed matters, storm restoration costs are
12 generally recoverable as a necessary cost of doing
13 business. I think that the tension, and there's many
14 ways of addressing it, is, one, do you pay into a
15 reserve to have money available to use for restoration,
16 or the Commission has other mechanisms which it's used
17 in the past to address the recovery of such costs via
18 surcharges or securitization and such. But given the
19 difficult economic times, I guess I'd like to know, do
20 you have a preference, given some of the comments that
21 you meant or that you had said about consumers bearing
22 the costs now, would it be in your mind, if you had a
23 preference between paying additional funds into a
24 reserve for a rainy day or addressing it at a time of an
25 event that would require such a recovery of costs?

1 **MR. SALLADE:** Commissioner, there is no good
2 time. Honestly there isn't. And those who are
3 foolhardy enough to believe that Andrew or Katrina or
4 Ike last year was the big one need to dig a little
5 deeper and look at it. We just completed the statewide
6 hurricane exercise for 2009 on a hurricane that returns
7 on the 1926 track over Miami, across Lake Okeechobee,
8 exiting on the west coast and then hitting in the
9 Florida Panhandle. There's your big one, folks.
10 There's your big one. \$300 billion estimated losses.
11 So don't think that we've seen the worst that nature can
12 throw at us.

13 So, as I think I stated on the record, any
14 amount of money put aside as a reserve for storm damage
15 replacement is probably not enough.

16 **COMMISSIONER SKOP:** Thank you.

17 **CHAIRMAN CARTER:** Thank you.

18 Mr. Beck.

19 **MR. BECK:** Thank you.

20 Kelly Kirschner.

21 Whereupon,

22 **KELLY KIRSCHNER**

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

DIRECT STATEMENT

1
2 **MS. KIRSCHNER:** Good afternoon. My name is
3 Kelly Kirschner. I'm Vice Mayor of the City of
4 Sarasota. I will say that you guys are going to need to
5 adjourn soon for a short break to support our downtown
6 restaurants closed for the afternoon.

7 I come here as a citizen but also as a
8 representative of the city commission. And I appreciate
9 Representative Holder, Representative Fitzgerald,
10 Commissioner Thaxton and Mayor Clapp, I think all
11 eloquently speaking to the issue previously that we
12 appreciate FPL. We appreciate them as a corporate
13 partner.

14 The point that the gentleman just made about
15 the, the militaristic almost precision that they react
16 to natural disasters has always been impressive. Prior
17 to major events here, we see them stage 200 trucks at
18 the local fairground, which -- two days before the event
19 will pass in the event that we do need their services.
20 So I don't think anyone in the audience would denigrate
21 the service that FPL provides to the citizens, their
22 reaction time, et cetera.

23 I do -- would echo what Mayor Clapp said
24 though, that we would expect that, with such a
25 significant increase of 31 percent, that we would see

1 something a little bit more tangible coming back to the
2 community. And perhaps specifically that when we talk
3 about a feed-in tariff program, that is something that
4 would be a tool that is addressed as an immediate job
5 creation as opposed to perhaps the longer range plans of
6 building new nuclear power plants, coal-generated
7 plants.

8 We just have closed our peak tourism season.
9 During and throughout the season unemployment continued
10 to rise. Historically you would expect that
11 unemployment decreases during our peak season, but
12 unfortunately it continued to rise.

13 The City of Sarasota faces a \$9 million
14 deficit that we will begin discussing in July, with the
15 possibility of further layoffs in addition to the 120
16 positions we have already cut over the past 18 months.

17 We are at a time here where, similar to the
18 gentleman from the state AARP, where we know as a city,
19 we know as citizens we are hurting, and it's very
20 difficult for us as a community with a great corporate
21 partner as FPL to say that a 31 percent increase is
22 appropriate at this time.

23 Beyond that, we've extended our hand to FPL,
24 and I think hopefully we will be meeting with them in
25 the next week to two weeks. Unfortunately, as our

1 friend with the bum leg on the phone said, you all did
2 do your work. You passed it on to our state legislature
3 to pass a renewable portfolio standard that could have
4 possibly included something like a feed-in tariff
5 program. They were unable to act.

6 We locally, including our legislative
7 delegation though, are reaching out to FPL again as, you
8 know, our, our partners here locally to ask them, let's
9 create a pilot program right now for a feed-in tariff
10 system to find out if indeed it does have the return on
11 investment to a community beyond just the energy and
12 carbon savings, but from a job creation standpoint, from
13 a security perspective, not just for an act of
14 terrorism, but probably, as our friend from Charlotte
15 County just mentioned, a natural disaster.

16 If you have a natural disaster in surrounding
17 areas but we are still intact and if you have that
18 independent power generation coming off the roofs of our
19 homes and shopping centers, we will continue to have an
20 island of electrical grid that's still functioning after
21 that.

22 So -- and I think the key to this is, and
23 probably the frustration that you see and perhaps hear
24 in the folks with the signs, they were outside earlier,
25 is that we want it to happen now. I'm a Sarasota

1 native, I've lived here for three decades, and
2 unemployment has never been so high. And we -- I think
3 everyone from the Governor on down to all of us as local
4 officials have said that the current economic model that
5 we've relied on for the past century in the State of
6 Florida of selling swampland to Yankees and relying
7 heavily on our construction industries is not going to
8 work and it's not going to get us out of this economic
9 plate that we're in.

10 So we need to start implementing strategies
11 now, and I think we have our state legislative
12 delegation that includes people from both aisles. We
13 have our congressional delegation who's being
14 represented here today by Danny Blue (phonetic), we have
15 our county commission, we have our city commission, all
16 of us collectively that are going to be approaching and
17 speaking with FPL to say let's do something similar to
18 what Gainesville has done where you cap it at
19 4 megawatts per year of generation and let's start as
20 soon as possible.

21 I spoke with Mayor Hanrahan of Gainesville a
22 few months ago. Within three months they have a waiting
23 list through the year 2014 to participate in their
24 program. The monthly increase on their bill for their
25 customers they're estimating is anywhere from 74 cents

1 to a dollar and change, which I think is quite
2 impressive when you consider the previous chart that was
3 shown about this 31 percent increase that is going to be
4 headed our way possibly, depending on your decision. So
5 I just, I share that with you.

6 But I -- we want you to know that we are
7 committed locally to working with FPL. We hope that FPL
8 shares that commitment to work with us to actually get
9 something on the ground running immediately so they can
10 test it so that they are not the Ma Bell, so that
11 they're not the General Motors of the electrical
12 utilities, but they are the live and agile electrical
13 utility of the future that maintain excellence in
14 customer service, but also maintain excellence in how
15 they interact with the community to provide local job
16 creation, to keep the, the dollars that we're spending
17 on our energy, to keep them local, and to project
18 ourselves as the Sunshine State, not only by virtue of
19 the sun that hits our beaches, but also by virtue of
20 what we're generating with power from that source.

21 So I thank you again for coming here. It's an
22 honor for us to host you here in City Hall, and I
23 appreciate you listening and taking the time.

24 (Applause.)

25 **CHAIRMAN CARTER:** Thank you very kindly. And,

1 again, Mr. Vice Mayor, thank you for the use of the
2 facilities. It's a central location where people know
3 how to get here, and we thank you for the use of these
4 facilities. Thank you so kindly.

5 Mr. Beck.

6 **MR. BECK:** Max Clark.

7 **CHAIRMAN CARTER:** Say again?

8 **MR. BECK:** Max Clark.

9 **CHAIRMAN CARTER:** Max Clark.

10 Whereupon,

11 **MAX CLARK**

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

15 **DIRECT STATEMENT**

16 **MR. CLARK:** Hello, Chairman and Commissioners.
17 My name is Max Clark. I reside at 242 Greencove Road in
18 Venice, and I have been an FP&L customer for a good 28
19 years now.

20 I built a barn a few years ago and had
21 contacted FP&L to get the power hooked up, and they
22 helped me figure out what I needed, what size cables I
23 needed to run to the barn. And I just thought it was
24 neat that they took the time, especially when you call
25 and you actually get a person in real life, because, as

1 somebody said earlier, that doesn't happen anymore with
2 any companies. But due to some finances I was not able
3 to finish the job. And five years later I was able to
4 get it done. I had pulled the permits, I had got them
5 approved, they got signed off and everything. So when I
6 contacted FP&L about doing it and getting it hooked up,
7 they said, "Well, you need to call the county and
8 they'll take care of it."

9 So I called the county and they said, "Well,
10 you have to refile and do a new permit." And I'm like,
11 "But it's already been signed off." And so they gave me
12 a hassle. I called FP&L again, and they were gracious
13 enough to make some calls to the county and work with me
14 and work with the county where I didn't have to pull the
15 permit again. They passed it, I got the stuff put in,
16 and it was taken care of.

17 For them to go out of their way was really,
18 really great. And I know everybody here has been
19 sharing about the positives of FP&L. And a lot of times
20 you don't hear that, all you hear is negatives. So
21 that's been neat to hear that today.

22 FP&L, thank for going the extra mile.

23 But on the other hand, do we pay for the
24 service? Yes, we do. Do we get the service from FP&L?
25 Yes, we do. Do we get that from many other people? No,

1 we don't. So I appreciate them doing that.

2 The increases that they're talking about, is
3 it worth it? I'm glad I'm not you guys. You have some
4 tough decisions ahead of yourselves. They went the
5 extra mile for me. But as a homeowner and increases
6 going up and with the way everything is going today, is
7 it going to cause other people to go extra miles and
8 have to move possibly out of the counties, out of the
9 state because they can't afford it? And I know that's
10 where you guys have to figure that all out, and I know
11 by hearing from us it's going to help you come up with
12 those decisions.

13 So I wish you guys well, and thank you for
14 serving.

15 **CHAIRMAN CARTER:** Thank you, Mr. Clark.

16 Mr. Beck.

17 **MR. BECK:** Thank you. Gary Nelson.

18 **UNIDENTIFIED SPEAKER:** Can you tell us what
19 number we're up to?

20 **MR. BECK:** 21.

21 Whereupon,

22 **GARY NELSON**

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

DIRECT STATEMENT

1
2 **MR. NELSON:** Good afternoon. Gary Nelson with
3 Kitson Babcock. We're the developers of Babcock Ranch
4 in Charlotte County. That's a 17,000-acre community
5 that we hope to start in the next few years. And we are
6 proposing a number of smart growth features in the
7 community, and premier among those is the energy
8 concerns. We have found FP&L to be a tremendous
9 resource in these efforts. Together we're proposing,
10 pending the legislation that would allow it, a
11 75-megawatt solar facility that would make it an
12 energy-neutral city. We would support this effort so
13 that we can continue. They've got 110 megawatts already
14 in production, and we think they're the leader in
15 Florida along those lines. Thank you.

16 **COMMISSIONER ARGENZIANO:** Mr. Chair?

17 **CHAIRMAN CARTER:** You're recognized,
18 Commissioner.

19 **COMMISSIONER ARGENZIANO:** I'm sorry, but I
20 have to ask the question. Are you here in one way or
21 the other speaking for or against the rate increase?

22 **MR. NELSON:** For.

23 **COMMISSIONER ARGENZIANO:** The ROE or any issue
24 pertaining to the docket before us?

25 **MR. NELSON:** We are, we are for it.

1 **COMMISSIONER ARGENZIANO:** You're for it?

2 **MR. NELSON:** Yes.

3 **COMMISSIONER ARGENZIANO:** Okay. Thank you.

4 **CHAIRMAN CARTER:** Mr. Beck.

5 **MR. BECK:** Thank you.

6 Tom Houser.

7 Whereupon,

8 **TOM HOUSER**

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

12 **DIRECT STATEMENT**

13 **MR. HOUSER:** Yes. Good afternoon. My name is
14 Tom Houser. I'm a fifth generation Sarasota, eighth
15 generation Florida. I've been involved with community,
16 commercial, agriculture, and everything in this
17 community for, like I said, five generations here, my
18 family has. And through FPL, working with them and
19 everything, they've always been a great supporter,
20 helped our communities grow and all of our avenues to
21 get better in this time.

22 I've been in the entertainment industry. I've
23 worked with FPL. I've worked -- they've worked for me
24 in all avenues. So it's always been a good
25 communication and good cooperation.

1 I see that there's a lot of issues here. And
2 the amounts, the monies, I'm not a financial person by
3 any means. I don't know how much is needed, how much
4 should be done. But I know that you have to continue on
5 to go.

6 And in the solar avenues, and everybody is
7 talking about all this stuff, I agree with everything,
8 there has to be new avenues, but -- and the avenue is --
9 I'm in the, you know, real estate industry and I have
10 several homes, and I take it upon myself to try to be
11 green myself. And to go to the technology that's here,
12 right now to open up a book to go order, I've been in
13 the solar car, golf cart industry, I'm involved in that.
14 And to find, you know, solar cells that somebody has to
15 go make to do all this stuff, it's just not a turnkey
16 situation yet. There is nothing out there that's going
17 to say, you know, all these avenues. You watch TV
18 shows, the greenest homes. Well, I'd like to have the
19 money they spend just on their green because they can
20 afford it. It's a great thing. I'm all for it.

21 I have been lucky in my time and am able to do
22 it myself and to buy the stuff. It's very, very, very
23 expensive. And right here in Sarasota that's fine. But
24 once you go past our borders, you go farther out in the
25 center of the state, you go to all the areas that all

1 these hurricanes have hit, there's people that don't
2 have \$10,000, \$20,000, \$30,000 to go put on top of their
3 roof to go put here, to go put there just because it's
4 something to do. Right. It needs to help our, our
5 future.

6 And I feel that FPL is a green, green company.
7 And I'm for small enterprise. I own small businesses.
8 I'm not a real big fan of big corporate America. You
9 know, I fight all of it, but there is a reality that we
10 have to have some of it. And I feel that the money I'm
11 spending, that hopefully will translate to FPL that if
12 they took all the money they make, or a portion, or they
13 add to it or what they feel proper as being citizens or
14 wards of our world, and they can do as much in one day
15 as maybe I could do in two or three lifetimes trying to
16 do that avenue of make us a greener place.

17 So, like I said, the Babcock Reserve, you
18 know, I happen to know the Babcocks and all that down
19 there, have been in that area, and it's a great area.
20 So if that turns around and starts out as a platform to
21 build a solar area, that's fine. I mean, but my one
22 little solar panel does do something. I'm not, I'm not
23 against any of that. I think everybody needs to do
24 their part. But there's avenues that people can't
25 afford to do, and there's a lot more of them that can't

1 afford to do it than can afford to do it.

2 So hopefully that, knowing with FPL and their
3 proactive approaches and everything, that the more they
4 have the reserves to put into this industry and to put
5 into making us greener and put into natural gas burning
6 and put into nuclear versus orimulsion. I remember that
7 back, you know, in the day, running across the bay, what
8 would happen if it broke across Tampa Bay, yada, yada
9 and all the hoopla of that, but we got past all that.
10 But I hope that, you know, as far as it takes money to
11 make money, it takes money to go there, hopefully all
12 this money just doesn't go to the board of directors and
13 everything. Hopefully it goes to all the areas. But I
14 believe you have to spend to make.

15 And I feel that the time lines and the
16 constraints we have now, I feel that by them being as
17 green as they are, the directions they're going,
18 hopefully they go in a farther direction and new,
19 younger people get into their corporation that were
20 raised in the time knowing we need to be a little more
21 greener, because they have a lot of people retiring, and
22 it's going to be -- reality is the younger people will
23 get in there that were raised to be, you know, stewards
24 of our environment.

25 So I'm for it. It's up to y'all to figure out

1 how much and if they need it and it is going to go in
2 the right direction or anything. But that's, you know,
3 as my opinion as, you know, me.

4 So thank you very much.

5 **CHAIRMAN CARTER:** Thank you.

6 Mr. Beck.

7 **MR. BECK:** Mel Klein.

8 Whereupon,

9 **MEL KLEIN**

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

13 **DIRECT STATEMENT**

14 **MR. KLEIN:** Good afternoon. My name is Mel
15 Klein. That's K-L-E-I-N. 1058 Greystone Lane, Sarasota
16 County. Welcome.

17 I'm an FPL retiree after 34 years. I retired
18 last year. I'm very happy with that, by the way. It
19 was a great career.

20 But as a customer I decided that with a little
21 more time on my hands now I probably ought to do
22 something myself that I had been preaching at other
23 customers for a long time, and that was to have an
24 energy survey on my home. And, you know, you can do a
25 lot of talking about it until you go through it. Maybe

1 you're missing something, and indeed I had been. And I
2 want to just tell you briefly about that story of having
3 a conservation survey done on my home by Florida Power &
4 Light. And two very good people that I had known for a
5 long time right here in Sarasota who work for FPL, Tom
6 Patera (phonetic) and Mike Katarzi (phonetic), came out
7 to the house, and they told me a lot of the things that
8 I understood and probably should have taken care of
9 about air conditioning and so forth.

10 But there was one surprising thing I didn't
11 know about. And Tom was going by the water heater and
12 he looked down and he saw a pump on there, and I knew
13 that pump was always humming. And he said, "Mel, what
14 are you doing with that pump?" I said, "Well, Tom, the
15 way I understand it, that hot water heater is so far
16 from where we use it on the other side of the house,
17 it's a circulation pump of some kind."

18 He says, "It's a hot water circulation pump.
19 I understand what you're using it for, but it's always
20 on, isn't it?" I said, "Well, as far as I know, yes,
21 it's always on." He said, "Well, maybe the most
22 important thing you can do of all the other things we've
23 talked about is to find a better way to use that hot
24 water." And he said, "If you look around, you might
25 find something a lot better than that."

1 And because he sparked that, that thought in
2 me -- of course, we tried at first to jerry-rig it, and
3 we said, "Well, we'll just unplug it. And when we need
4 it, we'll run back into the garage from across the other
5 side of the house, plug it in, and go back and jump back
6 in the shower." That does not work as well.

7 Well, we were convinced after working this out
8 for a while that indeed the savings were visible. We
9 were probably -- and Tom had only estimated maybe \$30 to
10 \$40 a month, and that's significant, especially now as a
11 new retiree on a fixed income.

12 But what it did spark in us was an interest in
13 finding out about some other ways, new technology,
14 nothing as grand as some of the solar power we've talked
15 about that's still available, maybe there's something
16 else we can do. And we were able to find out by looking
17 around that even in this town, a smaller town, there was
18 a plumber who recommended to us a technology that he had
19 just become aware of that used the same kind of system
20 that you use in a garage door opener that you now have
21 available on that water recirculation pump, a remote
22 control.

23 Install a new pump in that line with a little
24 electronic device on it and a remote control. And I
25 have a little white device at home that I can take from

1 room to room, and when I want to get in that shower, I
2 just go out and click it, it sends a signal, it turns
3 that pump on. And not only that, when it turns the pump
4 on, it also has what they told me is an aquastat. When
5 it gets up to the operating temperature, I don't have to
6 remember to turn that pump off. The pump shuts off on
7 its own.

8 And what I appreciated from guys that I had
9 known for a long time, when I finally took advantage of
10 it, that they gave me entree to a new technology that
11 was kind of a crossover technology. I was able to save
12 money on electricity, save that power, and save on water
13 so that I didn't have to just leave that water faucet
14 open until that water got hot.

15 And I appreciate what Tom and Mike did for me
16 that day, and what I know that they and a lot of other
17 FPL employees do around this entire system every day,
18 day in and day out, for customers, and that has benefits
19 year after year after year. I'm just here to say to Tom
20 and Mike and to my former company that I really
21 appreciate that effort. Thank you very much.

22 **COMMISSIONER ARGENZIANO:** Mr. Chair?

23 **CHAIRMAN CARTER:** Commissioner Argenziano.

24 **COMMISSIONER ARGENZIANO:** Yes. I don't have a
25 question for the gentleman. I have a question, how many

1 people are signed up to speak and how many do we have
2 left? And aren't we to end at 2:00?

3 **CHAIRMAN CARTER:** Yes.

4 Mr. Beck, how many do we have?

5 **MR. BECK:** Mr. Klein was 23rd out of 56.

6 **CHAIRMAN CARTER:** We've got 56.

7 **COMMISSIONER ARGENZIANO:** My fear, my fear,
8 Mr. Chair, and I'm going to be as honest as I can, is
9 that, you know, certain people get there for different
10 reasons -- and I appreciate them all coming, every one
11 of them. But it seems that sometimes I've gone to these
12 hearings and people get there really early to sign up
13 early and then take the time maybe talking about issues
14 that -- they're great issues to know about, but I'd
15 really like to hear about what people feel about the
16 case at hand.

17 And I'm afraid now that we're eating up so
18 much time that we're not going to maybe hear from the
19 people who weren't told to come early enough to sign up.
20 And I just -- and, you know, some people know that, some
21 people don't. And I don't know now -- I'd like to make
22 sure that if there are people are in the room who don't
23 get a chance to talk, that I encourage you to send your
24 comments in because you're going to get cut off at 2:00.
25 And I really want to hear from those people, all people,

1 whether you're there praising the efforts of FP&L -- and
2 rightfully so. They do a great job for the community.
3 That's great. But I really want to hear about
4 information pertaining to the docket, and I have a
5 feeling there's other people there who may never get a
6 chance to speak.

7 **CHAIRMAN CARTER:** We're going to --
8 Commissioner, we're going to -- I've spoken with the
9 City, and they've given us an opportunity, we're going
10 to extend until 3:00.

11 **COMMISSIONER ARGENZIANO:** Okay.

12 **CHAIRMAN CARTER:** And that way I think we
13 should be able to get everyone with that.

14 **COMMISSIONER ARGENZIANO:** Maybe we could vary
15 the list around a little bit.

16 **CHAIRMAN CARTER:** Yes, ma'am.

17 **COMMISSIONER ARGENZIANO:** Thank you.

18 **CHAIRMAN CARTER:** How are you doing, Linda,
19 our court reporter?

20 **THE COURT REPORTER:** I need a break soon.

21 **CHAIRMAN CARTER:** You need a break? Can we --
22 let's take -- can we switch out? Jane, can you take
23 over? Nobody leaves. Let's take five minutes and we'll
24 switch out with the court reporter.

25 (Recess taken.)

1 Okay. We are back on the record. We are back
2 on the record and we're going to proceed. Let me just
3 say to those of you that are milling around, if you
4 would take your seats, we can proceed further and try to
5 get as many people in as possible.

6 Just as a reminder, I'm talking over you, but
7 you need to understand that we've got the court reporter
8 here and we're trying to get everything on the record.
9 We want to hear from you. Those of you that can, we
10 have these blue forms that I mentioned at the beginning.
11 You can write your comments down and give them to our
12 staff and we'll put them into the record. Those of you
13 that -- a couple of people have come up to me during the
14 break and given me their comments in writing, and we'll
15 put those into the record. And we want to do as much as
16 we can. We will be here until 3:00. We're going to
17 hear from everyone. We're going to go in the order that
18 we have.

19 And with that, Mr. Beck, you're recognized.

20 **MR. BECK:** Thank you.

21 The next customer is Ann Wilcox.

22 **CHAIRMAN CARTER:** For the record. Put that in
23 the record.

24 Whereupon,

25 **ANN WILCOX**

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

4 **DIRECT STATEMENT**

5 **MS. WILCOX:** Good afternoon. I'm Ann Wilcox.
6 I live in Punta Gorda, Florida. And I'm happy to have
7 an opportunity to say thank you to Florida Power &
8 Light. They were the real heroes after the hurricane in
9 2004. They were the first responders. There were
10 streams of trucks hours, just arrived just within hours
11 of the storm. The employees helped neighbors clear
12 their yards and they were just amazing. And I just want
13 to say thank you again.

14 If it takes a rate -- a raise in rates to
15 maintain the quality of service that we received after
16 Charley, I'm more than happy to pay that increase.
17 Thank you.

18 **CHAIRMAN CARTER:** Thank you.

19 Mr. Beck.

20 **MR. BECK:** Grace Carlson.

21 **CHAIRMAN CARTER:** Grace Carlson?

22 **MR. BECK:** Ms. Carlson?

23 (No response.)

24 Dr. Rossin.

25 **CHAIRMAN CARTER:** Dr. Rossin?

1 Whereupon,

2 **DR. A. DAVID ROSSIN**

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

6 **DIRECT STATEMENT**

7 **DR. ROSSIN:** Yeah. I'm Dave Rossin. I live
8 in University Park, and I gave a copy of my bio to the
9 members.

10 We bought a home here in 2001. I've learned
11 about hurricanes, lightning and floods. We've been
12 impressed by the extent to which our utility has
13 delivered reliable service and work to regain it if it
14 is disrupted.

15 My career involved a lot of years with
16 utilities. I've learned from my colleagues and all that
17 experience what it takes to maintain the reliability of
18 electric service to a huge territory and millions of
19 people, whether it's Chicago with its blizzards and
20 tornadoes, San Francisco with its earthquakes and
21 mudslides or Southwest Florida with its hurricanes and
22 so on.

23 I want to say first the Public Counsel did a
24 good job laying out its contentions on a sheet of paper,
25 but I want to ask him if those are in fact contentions.

1 In any rate hearing that I've been involved with, they
2 have yet to be analyzed by the Commission and accepted
3 at this point.

4 **CHAIRMAN CARTER:** Let's not -- let's do this.
5 Let's put your comments on the record, because we want
6 to hear from everyone. The Public Counsel is not here
7 for cross-examination or anything like that, because we
8 want to hear from everyone.

9 **DR. ROSSIN:** With all due respect, Mr.
10 Chairman, a sheet was handed out to all of us as we came
11 in.

12 **CHAIRMAN CARTER:** Yes, I have that too.

13 **DR. ROSSIN:** All right. As if these are the
14 record, and I don't think I want to see people misled.
15 They're not finding this yet.

16 We can calculate the safety risk of
17 alternatives and the environmental impacts of our entire
18 supply system. We plan, but we can't predict everything
19 that might happen.

20 We also have to realize that there are
21 downside risks. The risks of not being able to meet the
22 needs of the people, business and central services of
23 the regions, and these can in fact be much greater
24 risks.

25 I, I listened, been listening carefully, and

1 several people have said that reliability is unnoticed
2 as long as it is there. We certainly know that
3 investments are inquired -- required to maintain
4 reliability for the future. In the class I'll be
5 teaching next Tuesday morning we'll be talking about
6 ratemaking and economics, but the week following I'll be
7 going into more detail on aspects of the generating
8 system.

9 And I want to make one point. We saw some
10 very nice signs about solar energy. Look, I'm a nuclear
11 engineer. Nuclear power and solar power are partners.
12 They are not competitors. The sun shines during the
13 day. That's when the utility's loads are the greatest.
14 Nuclear plants are baseload plants. They run 24/7 when
15 they're running. There's no competition. They're
16 perfect partners and they work together.

17 I'm going to come back to this point in a
18 moment, but with regard to paying for what's going on,
19 you remember the movie, *The Red Shoes*? The young
20 ballerina's lover is the assistant conductor, and he
21 thinks the orchestra is not ready for the wonderful
22 dancer. He calls for an additional rehearsal. The
23 musicians arrive and play, and the maestro walks in.
24 "Did you call for this rehearsal?" "Yes, sir. It is
25 essential." "Do you know that if the musicians come and

1 rehearse, someone has to pay them?"

2 In my experience, I can tell you that there
3 isn't much fat in utility operations and management.
4 People expect reliability and realize that they have to
5 pay for it. They gripe about their electric bills, but
6 they get very angry when the power goes out.

7 In California, Governor Gray Davis was
8 recalled. He had saddled his state with \$20 billion of
9 debt that they still must repay because of his inaction
10 and decisions.

11 **CHAIRMAN CARTER:** Dr. Rossin, how much more,
12 how much more do you have? Because I do want to hear --

13 **DR. ROSSIN:** I have one sentence.

14 **CHAIRMAN CARTER:** Thank you, sir. I
15 appreciate it.

16 **DR. ROSSIN:** And I thought carefully about
17 whether to say it or not, but I'm going to lay it out
18 for you.

19 **CHAIRMAN CARTER:** We're there already. Go
20 ahead.

21 **DR. ROSSIN:** In all my experience in rate
22 hearings and testifying and listening, I have never
23 heard a Commissioner ask a citizen whether you're for
24 the increase or against it. We haven't studied that
25 vast mound of paper and all the records and everything

1 that goes with it. I and the other people I've listened
2 to volunteered to come here and talk about their
3 experience. But you guys aren't even ready to make a
4 decision on this rate case. You're months away.

5 And so what difference does it make if I say,
6 yes, I'm for it or, no, I'm against it? That's not for
7 us to do. And I really would beg you not to go into
8 that with citizens who have taken the trouble to come
9 out here and talk with you. Thank you.

10 **COMMISSIONER ARGENZIANO:** Mr. Chair?

11 **CHAIRMAN CARTER:** Thank you. Commissioner
12 Argenziano, and then I'm going to go to -- hang on one
13 second, Commissioner. Let me go to Mr. Beck first.

14 Mr. Beck.

15 **MR. BECK:** Briefly, Dr. Rossin. The yellow
16 sheet from the Public Counsel are issues we will be
17 raising, positions we will be advocating, but the
18 Commission will make the decision after it hears all the
19 evidence.

20 **DR. ROSSIN:** Yes, sir. I think that's right
21 and I'm glad everybody knows it.

22 **CHAIRMAN CARTER:** Okay. Thank you, Dr.
23 Rossin. Hang on a second, Dr. Rossin.

24 Commissioner Argenziano, then Commissioner
25 Skop.

1 Mr. Argenziano.

2 **COMMISSIONER ARGENZIANO:** Mr. Chair, I've been
3 very careful in how I phrase things and say things
4 because I am -- I've been through the legislative
5 process and through hearings at the PSC before. And our
6 goal, and whether this gentleman understands that or
7 not, is to hear from people pertaining specifically to
8 the rate case. He has conjecture also, and I understand
9 that.

10 And while I appreciate people coming out and
11 speaking for the company, I almost have to ask at this
12 point now, were you asked to come out here. And that's
13 okay, whether you were or not. But sometimes what
14 happens, and I've seen it before, is that people will
15 come very early, especially if they're asked to come
16 out, and take the time up. And I want to hear from
17 everybody, pros and cons.

18 And, yes, I have the right to ask if you're
19 here for the case, the rate case, if you're for or not,
20 because I'm trying to ascertain desperately from the
21 people who are speaking about getting more specific
22 information regarding the docket before us, which I'm
23 not hearing. I'm hearing that they like the company,
24 and that's wonderful. We need to know that. But we
25 also need not to eat up all the time and we need to hear

1 from everybody.

2 So with all due respect to the gentleman who
3 just spoke, yes, I'm going to keep asking if people are
4 for or against because I'm trying to get you to
5 articulate why you're really there. Now if you've been
6 asked to be there, that's wonderful. But there are many
7 people who have not been asked to be there, they don't
8 know that they should have gotten there early enough to
9 be able to speak to their Public Service Commission with
10 their particular regards.

11 And that is what I'm trying -- I don't want
12 people to be intimidated because there's a past engineer
13 or someone. I want to hear from everybody, whether it's
14 good or not. Tell me why you want the increase or why
15 you think they deserve it. And I hear some of that.
16 But I'm trying desperately to figure out if at this
17 point a lot of people weren't just asked to be there
18 very early. And I don't, I don't mind people being
19 asked to be there. That's what we're here for. But I
20 also want to hear from people who maybe didn't get the
21 benefit of the doubt to get here early and let me know
22 how you feel.

23 And just the last thing I'll say to that, for
24 those people who may not get a chance to talk today,
25 whether you're pro, for, whatever you want to say, if

1 you'll send to the PSC, and to me specifically, I'd love
2 to hear everybody's comments, which I'm afraid we're
3 going to run out of time and not get to hear.

4 **DR. ROSSIN:** I'm number 26, Madam
5 Commissioner. And I first decided that I was maybe
6 going to come here today when I read an e-mail from AARP
7 and I thought, you know, AARP, great, it tries to help
8 seniors keep their bills down. But they don't know
9 anything much about rate increases or operations of
10 utility systems. Why are they even in this thing other
11 than to talk about protecting seniors? So I decided I
12 was going to come. I did talk to someone from Florida
13 Power & Light about where I could park.

14 **COMMISSIONER ARGENZIANO:** That's wonderful,
15 and I appreciate you being there. But you understand my
16 concern, sir, that I want to be able to hear more
17 specifics on people. Because whether they understand
18 the intricacies of regulation, they certainly have a
19 right to speak to their Commissioners about how it will
20 impact or not impact them, whether it's the electric
21 being on when they flip the switch, which I certainly
22 want that to happen, or that the impact of the rate
23 increase itself, how it would hurt them.

24 And you have to understand, they are, they are
25 maybe not quite as naive as you may think. They may

1 have the right to tell us how they feel, and I just feel
2 that their opportunity is being eaten up, for everyone
3 to get a chance to speak.

4 **CHAIRMAN CARTER:** Thank you.

5 **COMMISSIONER EDGAR:** Dr. Rossin, thank you for
6 coming and thank you for your interest in this issue.

7 **CHAIRMAN CARTER:** Commissioner Skop.

8 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.

9 Just a brief comment to Commissioner
10 Argenziano's point. I also want to be able to hear from
11 everyone. I know that we apparently have 56 people
12 signed up to speak and we're currently in the 20s. So
13 just given the remaining time is just over an hour,
14 unless we extend, I'd also ask that we try to move
15 through the list to give everyone the opportunity to
16 speak and be respectful and mindful of the remaining
17 time. Thank you.

18 **CHAIRMAN CARTER:** Yeah. Well, what we'll have
19 to do is we've already extended, so we'll be done at
20 3:00. Again, I remind you, the blue sheet here, if you
21 want to send in your comments by Internet, you can do
22 that. Our Internet address is on there. Also, the blue
23 sheets, for those of you like me that are old school
24 with snail mail, you can write it down on that and send
25 it in to us. We appreciate that.

1 And as I said to you earlier, please be
2 considerate of your neighbors, because a lot of people
3 came from a lot of places that want to be heard. So if
4 you could keep your comments to within three minutes or
5 so, I think we should be able to accommodate everyone.

6 Mr. Beck.

7 **MR. BECK:** David Bailey.

8 Whereupon,

9 **DAVID BAILEY**

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

13 **DIRECT STATEMENT**

14 **MR. BAILEY:** Thank you and hello. It's David
15 Bailey, and I'm a Sarasota resident and FPL customer.

16 And I'm here for two reasons. One is that I don't
17 support the rate increase. I'm a small businessman and
18 I cannot understand why in this difficult economy where
19 I have to cut back and operate very lean, I have to
20 create new ways to make a living, why can't a big
21 company like FPL, why can't a regulated company do that
22 also?

23 Their service is tremendous. I'm an
24 electrical contractor, so I work with them a lot. I'm a
25 general contractor and I have their needs. But I also

1 have -- you know, my client base will tell you, you
2 know, that I give great service. And, you know, I'm
3 giving greater service while making less money and while
4 asking more of my employees. And so I can't understand
5 why that can't be done.

6 You know, you look at -- everybody I talk to
7 in other businesses say, you know, we've taken
8 20 percent pay cuts and things like that. You know,
9 well, you know, they should, they should be thoughtful
10 about how they work also, FPL.

11 Then the other reason I'm here is because I,
12 support the feed-in tariff. I'm also a solar
13 contractor, so of course I would. But everything that
14 Monica came down and said so great, to the point, I
15 agree with, and I don't need to go over that again. But
16 the -- in addition to that, the -- everybody, I'm sure
17 you all know, that, that one of the greatest polluters
18 besides cars in the world is the generation of
19 electricity. And one of the quickest ways to change
20 into solar production is with a feed-in tariff. It's
21 just, mathematically it just feeds on itself and it's a
22 way to make a quantum leap.

23 And so what we're doing is, you know, we're
24 just continuing to pollute the air and the carbon
25 emissions. You know, what are we doing for our

1 children? Well, you can think about our children in
2 years and years. Well, that's upon us. We're like the
3 pond scum, you know, the pond algae that's about to
4 flip, you know. We're that close with the atmosphere.
5 And when it flips, then we're really going to be
6 struggling health wise and everything. And the feed-in
7 tariff would allow us to change so dramatically so
8 quickly.

9 And, yes, the State of Florida is maybe a
10 small portion of the world, but we could become a leader
11 and show that, you know, how quickly this could change
12 and we could impact the environment.

13 **CHAIRMAN CARTER:** Thank you, Mr. Bailey.

14 Mr. Poucher.

15 **MR. POUCHER:** Mel Thomas.

16 Whereupon,

17 **MEL THOMAS**

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

21 **DIRECT STATEMENT**

22 **MS. THOMAS:** Good afternoon. My name is Mel
23 Thomas. I'm a resident of Sarasota County. I live in
24 the Palmer Ranch area, and I've been a resident of
25 Sarasota for the past year and a half.

1 For 15 years I've had the opportunity to work
2 with various utilities as an economic developer and an
3 environmentalist. I have a lot of friends who say you
4 can't do both, but I beg to differ with them.

5 My FP&L knowledge is limited and not expert,
6 but every morning when my electric coffeemaker and my
7 hair dryer both work, I silently thank them.

8 I believe one major dilemma here is that
9 everyone wants clean renewable energy on demand, and we
10 want it on the cheap. So not only do I want my hair
11 dryer and coffeemaker to work every morning, but I want
12 them to operate on green, efficient, reliable energy.
13 I'm smart enough to know that I can't have all that
14 without paying for them.

15 One of the fundamental things I learned many
16 years ago when I started working in the utility industry
17 was that when a power company sinks a pole and strings a
18 line, they're not going anywhere. That's commitment.

19 Since 1925 Florida Power & Light has been
20 building critical infrastructure in this state and, like
21 all utilities, they're regulated and that's a very, very
22 good thing.

23 But when their business gets rough, they can't
24 just pick up their little dolls and dishes and go
25 someplace else to do their business. They stick it out.

1 Florida Power & Light repairs the systems after
2 hurricanes, major storms. They maintain thousands and
3 thousands of poles and keep thousands of miles of lines
4 free of debris, delivering consistent, efficient service
5 and providing still more and more in their way of a
6 diversified fuel portfolio. Still, they are servants in
7 their communities, even providing a program to train
8 Floridians for new green jobs that will pay higher than
9 average wages.

10 FP&L's peers recognize them as one of the
11 cleanest technology leaders in the industry. By my
12 calculations, if what I understand is true after having
13 done some Googling, if every power company in the United
14 States adopted their emission standards, the overall
15 carbon footprint of the power industry would decrease by
16 20 percent almost overnight.

17 I think they really need to catch a break on
18 this rate increase, they really do, for a lot of
19 reasons, but some of them are strictly to build an
20 infrastructure which will allow for generation and clean
21 delivery of renewables and all kinds of other
22 interesting services that might come about as a result
23 of their research and development issues.

24 They need to continue to meet the EPA mandate
25 to clean up greenhouse gases. They also need to change

1 their business model. My God, they're being pushed from
2 both sides, and how do you do all that? You can't go
3 home and figure it out. You can't turn the lights out
4 and then, you know, turn the lights out, go home, figure
5 it out, and then come back. You have to be changing the
6 business model at the same time you're being pushed from
7 two sides. That's pretty difficult to do.

8 But all that takes money. And as I understand
9 it, FP&L hasn't received a base rate increase since
10 1985, and I wonder just how many of us have gone 25
11 years without a pay increase.

12 FP&L provides us with electricity so cheap
13 that most people don't even know how much it costs per
14 kilowatt hour. I've been working recently with an
15 international company to locate waste to energy here in
16 the United States. It's a Belgian group. And the man
17 who owns this company asked me when he came in to see me
18 one day, "Do you know what you're paying for a kilowatt
19 hour?" And I said, "No, honestly I don't. You know,
20 I'm new to Florida, been here about a year. I have
21 absolutely no idea." He said, "Do you know what you're
22 paying for a gallon of gas?" Well, of course I did, to
23 the penny, to the tenth of a penny I knew.

24 So for the record, it's approximately 12 cents
25 now. Compare that down the road to St. Pete paying 14

1 cents, and 20 cents in Connecticut, 17 cents in New
2 York, 13.5 cents in Texas where the energy industry
3 really rules. Even at that higher rate I believe FP&L
4 will be a real bargain. Thank you.

5 **CHAIRMAN CARTER:** Thank you.

6 Mr. Poucher.

7 **MR. POUCHER:** William Christie.

8 **COMMISSIONER ARGENZIANO:** Mr. Chair, I'm
9 sorry. I don't want to take up time, but I have to ask
10 a question of the speaker.

11 **CHAIRMAN CARTER:** Commissioner Argenziano,
12 you're recognized.

13 Ms. Thomas, would you come back, please?

14 **MS. THOMAS:** I will.

15 **COMMISSIONER ARGENZIANO:** Thank you, Ms.
16 Thomas.

17 **MS. THOMAS:** Where -- I know you're there
18 somewhere.

19 **COMMISSIONER ARGENZIANO:** Yes. I'm sorry.
20 Yes. But I am here listening very, very intently.

21 I just wanted to ask you -- and thank you for
22 your presentation. I wanted to ask you if you felt that
23 if the company didn't get increases, do you think that's
24 indicative of not getting the same service that you're
25 getting today?

1 **MS. THOMAS:** I frankly do not believe that my
2 service will be impacted at all. It's going to be
3 whether it's dirty or clean. And it's just that, that
4 distinct for me. I see that Florida Power, along with
5 every other power and light industry in this country, is
6 facing just inordinate barriers. They're being asked to
7 produce green energy, and to do that they're having to
8 transition at such a high rate of capacity that it's
9 almost scary that they're doing two operations at once.
10 They're having to train or retrain their employees,
11 they're having to create new systems by which to
12 deliver, all the while maintaining service. And I got
13 to -- you know --

14 **COMMISSIONER ARGENZIANO:** But the question is,
15 the answer to the question was that you don't think that
16 the change -- you're really concerned about the clean
17 energy, and I got that.

18 The second part of the question --

19 **MS. THOMAS:** Yes, ma'am.

20 **COMMISSIONER ARGENZIANO:** -- is are you aware,
21 because you say that the company hasn't had a rate case
22 in years, and of course that's their decision. And
23 we're happy that they didn't have to, I'm sure, and
24 that's a good service to their, to their customers. But
25 are you aware of the many recoveries that they've been

1 able to receive over the years? Have you done that in
2 that research?

3 **MS. THOMAS:** I'm only vaguely aware by virtue
4 of the fact that I stay up to date with utility rates
5 across the country.

6 **COMMISSIONER ARGENZIANO:** That's why I asked,
7 because you sound like you've done research. And I
8 wondered if you've compared the research to the
9 recoveries that they've been able to take all along, and
10 that has to certainly factor into your determination.
11 But I was just wondering if you've done the research on
12 that.

13 **MS. THOMAS:** Yes, ma'am. While I agree with
14 you that I've done a lot of research, I have not had
15 adequate time to study the entire financial matter. And
16 I'm not a financial analyst. I am an economic developer
17 and it's my job to help locate industries in
18 competitively priced places. And I've got to tell --

19 **COMMISSIONER ARGENZIANO:** Sure. I understand.
20 I'm not asking you for that. I just wanted you to
21 understand, and I'm sure you agree, that if you
22 understood or if you knew of recoveries that were, were
23 a given, granted by the Legislature and so on, that that
24 would change what may be the opinion that you've stated
25 today. Because although there weren't rate increases,

1 there may have been recoveries and they may have been
2 able to catch up. I'm not saying they don't need an
3 increase. I'm just saying that has to be factored in,
4 and obviously you didn't factor that in. I was just
5 asking if you had checked on that research on that. But
6 I appreciate your, your other well point -- points well
7 taken.

8 **MS. THOMAS:** Thank you very much.

9 **CHAIRMAN CARTER:** Thank you.

10 Mr. Poucher.

11 **MR. POUCHER:** William Christie, and following
12 him is Rich Vannucci. And if you feel inclined to adopt
13 a previous speaker's statement, please feel free to do
14 so.

15 Whereupon,

16 **WILLIAM CHRISTIE**

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

20 **DIRECT STATEMENT**

21 **MR. CHRISTIE:** Thank you, Commissioners. I
22 will be brief. I just want to affirm what's been said
23 previously about the quality of FP&L's service as a
24 residential customer. I am a Venice resident and
25 currently an underemployed construction manager.

1 In the past I've had an opportunity to work
2 with FP&L representatives and service planners for new
3 construction as well as changing over and modifying
4 existing services to existing properties.

5 I will say that my experience has been very
6 positive, that I found the employees to be on target,
7 hard working, and seem to be as efficient as possible
8 within a, within a large corporation dealing with
9 complex issues from engineering to permitting to so on.

10 I tend to agree with Mr. Clark, who said he
11 didn't envy you your position. And it just seems to me
12 that there is a lot of information, that obviously as a
13 member of the public we can't be expected to grasp all
14 of it. But at the end of the day I think that,
15 Commissioners, you will end up having to separate the
16 wheat from the chaff.

17 And there certainly has been a proven track
18 record on FP&L's part as a good Florida citizen. They
19 have been a great service to this state and they have
20 performed admirably. I think that they need to be given
21 the benefit of the doubt, and certainly the items within
22 their request that would be classified as wheat or
23 necessary I would encourage the Commission to approve.
24 I'm not all excited about shareholders earning 12.5
25 percent. Obviously I don't think anybody in the room

1 is. But to the extent that they need a rate increase to
2 continue functioning at the high quality level which
3 they have exhibited over the years, and to lead the
4 state into renewable energy and its generation, I would
5 say that this Commission would serve the public well by
6 approving that portion of the increase. Thank you.

7 **CHAIRMAN CARTER:** Thank you.

8 **MR. POUCHER:** Thank you.

9 Number 30, Rich Vannucci.

10 (No response.)

11 Dan Logan, followed by Lee-En Chung.

12 Whereupon,

13 **DAN LOGAN**

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

17 **DIRECT STATEMENT**

18 **MR. LOGAN:** Good afternoon. I'm Dan Logan,
19 Executive Pastor of South Biscayne Church in North Port,
20 Florida.

21 And for us, we purchased the old North Port
22 Mall, and it had some history on it and so it's not the
23 most energy efficient place. We are very grateful for
24 FP&L literally coming out and saying, "Listen, your
25 bills are high. Let's see what we can do to decrease

1 them." I haven't heard anybody say that this morning,
2 but -- and all day.

3 So for us, FP&L has been very helpful in
4 helping us decrease. Even to the point several years
5 ago they came up and said, "Hey, listen. We can help
6 put some, a covering on your roof to once again decrease
7 your bills." We got in a program where we're able to --
8 I believe, I don't know all the technical terms, but it
9 has something to do with when the demand gets high, that
10 we're able to cut back on some of our use in the
11 structure, in the building, so therefore our monthly
12 bills have gone down as well to the tune of we --
13 approximately, it's not to the penny, but approximately
14 saved roughly one month's worth of electric bills over
15 the past couple of years.

16 So we're very grateful for the programs that
17 they have when they look at places that are actually
18 pulling more energy than they really should be with
19 today's technology and coming out and making some
20 suggestions.

21 You have to decide whether or not the rate
22 increase obviously helps those efforts, if it decreases
23 those efforts, but I'm here to tell you we're very
24 appreciative of their willingness to come out and say,
25 "Listen, we want to help you decrease your monthly

1 electrical bills." Thank you.

2 **CHAIRMAN CARTER:** Thank you.

3 **MR. POUCHER:** Lee-En Chung, followed by number
4 33, John Ryan.

5 Whereupon,

6 **LEE-EN CHUNG**

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

10 **DIRECT STATEMENT**

11 **MS. CHUNG:** Thank you, Commissioners, for
12 visiting sunny Sarasota.

13 I'm Lee-En Chung, grew up here in Sarasota,
14 and I'm a very happy FPL customer. I have a two-bedroom
15 condo here and I pay probably \$36 to 40 something
16 dollars a month. Very happy.

17 But I want to share with you also
18 professionally I'm an engineer, contractor with a LEED
19 AP designation, also a former board member of the
20 Florida Construction Industry Licensing Board, and I
21 humbly ask you that maybe you would consider the feed-in
22 tariffs so we can promote more green jobs throughout
23 Florida.

24 And my second point is -- and regarding the
25 feed-in tariffs, we need to consider FPL as a business

1 owner. I'm a small business owner. And we need to make
2 it cost-effective. So, for instance, if as a consumer
3 I'm paying 10 cents a kilowatt per hour and we're asking
4 them to buy back for 20 cents a kilowatt hour, FPL may
5 not be in favor of that. So maybe we can massage the
6 numbers in the future to figure out what would be
7 cost-effective and consumers can still be happy.

8 Because we're saying, hey, FPL can't have such
9 a huge profit, but maybe as consumers we don't need to
10 be making so much profit for selling solar power in the
11 future. But I definitely want to promote more green
12 jobs throughout Florida.

13 My second point is I want to commend CNN.
14 Last night they spoke favorably of FPL. On the show
15 *Money & Main Street*, a *Money Magazine* editor mentioned
16 that FPL is hiring recent graduates of Miami-Dade
17 College with a two-year degree, they are offering
18 \$45,000 jobs in renewable energy jobs. And I just
19 thought that's great in the Miami area. I hope FPL will
20 consider offering those type of jobs in the Gulf Coast
21 area.

22 So thank you for your time. Thanks for being
23 here.

24 **CHAIRMAN CARTER:** Thank you.

25 **MR. POUCHER:** John Ryan.

1 (No response.)

2 Melinda Mudge.

3 (No response.)

4 **CHAIRMAN CARTER:** Okay.

5 **MR. POUCHER:** Ella Kennedy. Kennedy.

6 Followed by Charles Looney.

7 Whereupon,

8 **ELLA KENNEDY**

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

12 **DIRECT STATEMENT**

13 **MISS KENNEDY:** Hello. My name is Ella Kennedy
14 and I'm a student at Brentwood Elementary, and we have
15 FPL.

16 My parents had a party and a lot of my
17 relatives came from, from way in Michigan, and the power
18 went out for six hours during the party. And we kept
19 calling and they kept on saying that it would be on in
20 30 minutes. And a lot of my other neighbors had power
21 on that I saw. This usually happens a lot in my
22 neighborhood. And we constantly have to reset our alarm
23 clocks and TiVos.

24 So thank you for your time.

25 **CHAIRMAN CARTER:** Thank you so kindly.

1 **MR. POUCHER:** Charles Looney.

2 Whereupon,

3 **CHARLES LOONEY**

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

7 **DIRECT STATEMENT**

8 **MR. LOONEY:** Good afternoon. My name is
9 Charles Looney. I've been a resident of Sarasota County
10 for, since 1985. Operated a business here. I'm now
11 retired and I'm a volunteer minister for the homeless.
12 We help feed and clothe and house, we help with medical
13 treatment, clothing, fuel bills, and we help to rehab
14 drug addicts and alcoholics, and we help them with their
15 fuel bills. And, folks, let me tell you, \$12 a month is
16 a whole lot of money when you're homeless and you don't
17 have anything or anyplace to live.

18 With the decrease in the stock market and the
19 401Ks, the monies and our contributions have been cut
20 drastically. We've had to reduce our staff. I'm a
21 volunteer. We have many volunteers, but some people
22 have to be there to answer the phone and to help with
23 those people that are coming in.

24 And I would be opposed to the rate increase
25 because I am able to be out there where the people are

1 sleeping under the trees, under the cars, and wherever
2 they can sleep. And I'm a hair designer, and that's
3 what I do. I have five other people that helps me cut
4 hair on Sunday afternoons. We do about 40 people every
5 Sunday. And they come back, they're looking for work.
6 Some of them get work, some of them do not get work.

7 And so I want to thank you very much for
8 allowing me to speak today, and God bless you.

9 **CHAIRMAN CARTER:** Thank you.

10 **MR. POUCHER:** Bryan St. Laurent, followed by
11 Paul Hartman.

12 Whereupon,

13 **BRYAN ST. LAURENT**

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

17 **DIRECT STATEMENT**

18 **MR. ST. LAURENT:** Good afternoon, everyone.

19 Bryan St. Laurent. I'm a resident of Palmetto.

20 I'm a happy Florida Power customer. They meet
21 my minimum requirements of a corporation. FPL wants to
22 increase base rates to offset, quote, rising expenses,
23 and, quote, flat sales, which will increase its profit
24 margin to 12.5 percent. Lots of companies would like to
25 lock in a 12.5 percent profit margin today. Lots of

1 companies would like to have a profit margin today.

2 I urge you not to approve any increase in
3 rates for FPL. They don't need it and their customers
4 don't need it either. Their C level executives have
5 salaries of anywhere between half a million to
6 \$1.2 million, with total annual comp ranging from about
7 \$2 million to \$11.5 million per year. They are not
8 hurting.

9 Florida Power contends the increase will
10 ultimately save customers money and the customer bills
11 will actually be lower next year because fuel prices are
12 expected to decline.

13 Oh, really? What if fuel prices don't go
14 down? I guarantee you they won't, because energy
15 companies, natural resource companies, whether it's oil
16 or natural gas, it doesn't matter, they will make sure
17 that they don't. Energy companies can't afford current
18 prices for their product and are squeezing supply and
19 processing to increase prices.

20 FPL wants to spend customers' monies to
21 upgrade fuel efficiency to defer a billion dollars a
22 year in fuel costs beginning in 2014. This is also part
23 of the problem, energy solutions dependent on high
24 carbon output. That needs to change now.

25 There is a cheaper way to do this. The state

1 needs to adopt a renewable portfolio standard and
2 feed-in tariff legislation in 2010. I urge the PSC to
3 help lead this state to the best RPS and feed-in tariff
4 legislation in the world today and help create jobs,
5 lower the cost of energy for consumers, and help reduce
6 carbon and other greenhouse gas emissions.

7 To vote yes on the FPL proposal would be
8 unwise. I would like to personally encourage FPL
9 representatives here today to go back to Juno Beach and
10 tell the CEO that he should abandon the petition to
11 raise base rates and join those who want feed-in tariff
12 legislation in the State of Florida in 2010.

13 And, frankly, it really boggles the mind that
14 renewable energy is -- in the State of Florida -- in the
15 State of Florida --

16 **CHAIRMAN CARTER:** Bryan, how much more have
17 you got to go? Because we really want to get everyone.

18 **MR. ST. LAURENT:** Twenty seconds. Twenty
19 seconds.

20 **CHAIRMAN CARTER:** Okay.

21 **MR. ST. LAURENT:** Renewable -- the State of
22 Florida is in the back 40 in terms of renewable energy
23 compared to other states in the country and worldwide.
24 And if Florida Power were to join forces and get feed-in
25 tariffs and that kind of stuff passed in the State of

1 Florida, they would move from being in the back 40 to
2 world leaders in one stroke. And I can't imagine why
3 any company would pass up that opportunity.

4 **CHAIRMAN CARTER:** Thank you.

5 Mr. Poucher.

6 **MR. POUCHER:** Paul Hartman, followed by number
7 39, Mike Evans.

8 Whereupon,

9 **PAUL HARTMAN**

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

13 **DIRECT STATEMENT**

14 **MR. HARTMAN:** Good afternoon. Thank you for
15 being here today. My name is Paul Hartman. I work for
16 Pines of Sarasota, a local nursing facility. And I
17 represent them as the head of plant operations.

18 I will comment on FP&L's record, and the
19 record is they've been a very cooperative partner of
20 ours in energy since I've joined Pines of Sarasota and
21 at my previous job at another not non-for-profit
22 organization. They give proper planning, they ensure
23 reliability, they give good value, I believe, for our
24 energy dollars. Their attitude is that of cooperation,
25 not opposition. They require capital to keep this all

1 going. So it's my opinion that this is a good thing.
2 If it's a good thing, and I will, I will leave that to
3 the Public Service Commission, we used to call it the
4 Public Service Commission, but the Commission here to
5 decide the appropriateness of the amounts that are given
6 them to provide the good service they are. What I don't
7 want to see happen is have them be denied because it's
8 an unpopular thing. None of us choose higher bills, and
9 I don't think that we should make our decisions based on
10 the popularity of higher bills.

11 So, anyway, that being said, I support the
12 application, and I thank you for your time.

13 **CHAIRMAN CARTER:** Thank you.

14 Mr. Poucher.

15 **MR. POUCHER:** Mike Evans, followed by number
16 40, Sam Horton.

17 Whereupon,

18 **MIKE EVANS**

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

22 **DIRECT STATEMENT**

23 **MR. EVANS:** Hi. Welcome to our city and our
24 area. I'm from Nokomis, Florida, about ten miles south
25 of here. My wife works in the school system down there.

1 And we've got sons and daughters all around. My son was
2 born in Sarasota Memorial Hospital. So we've been
3 long-time residents of this area, and please come back
4 to buy a big lunch. Everybody does need it.

5 I didn't catch the gentleman's name just two
6 people before me. His comments are going to be very
7 much like my comments here. I find FPL to be a very
8 good company. They offer energy audits. They offer
9 various services. I'm in the energy efficiency business
10 by choice. Two years ago I moved out of the business
11 that I was doing into a company that's been supplying
12 green building supplies for over 16 years. It's the
13 offshoot of a place called Florida House here. Taught
14 people how to do these things.

15 About ten years ago I bought a house and I
16 retrofitted that house and it runs about 40 percent less
17 than everybody else. I can run bills under \$100. They
18 run at about \$120, \$140 now for about a
19 1,600-square-foot house. It has a solar hot water
20 heating system, it has extra insulation in it, a number
21 of other technologies. I put CFLs in my house nine
22 years ago. I'm now putting LED lightbulbs in my house.
23 These things are not way out there. They're very
24 simple, they've very doable, they've very affordable.

25 FPL is a great company. I've seen them come

1 out and fix things in a matter of minutes, certainly
2 within the hour. But I also have experienced several
3 hours without power. I also experience winks every once
4 in a while in the summer, and I expect that here because
5 of lightning storms and these problems. It's not their
6 fault. I've been out of power for four days during the
7 No Name Storm right after 9/11 where a tree fell on the
8 power lines. Some people had power, some people didn't.
9 We didn't have power. My son still remembers that as
10 one of the greatest camping adventures in the house of
11 all. We, quite frankly, couldn't wait to take a shower.

12 So I have experienced both sides of it, and I
13 still say that they are a company that is better than
14 average in producing what they produce, and the services
15 they supply and the trucks and the background they do
16 and the help they provide in hurricanes is unsurpassed.
17 That they need to have a level.

18 You do have a hard decision to make here. A
19 12 percent, a 12.5 percent, everybody would like to give
20 an investor 12.5 percent. I'd like to give an investor
21 12.5 percent after taxes. In this economy today you
22 cannot do that.

23 Today driving over here I dropped my prices
24 10 percent on a job to make sure that I got it. My
25 income is not the same as it was last year nor two years

1 ago nor five years ago. We've all tried to take hits.

2 They have executives, like the gentleman said
3 two people before me, that have salaries well into the
4 half million, million dollar range. Are they hurting
5 today? Have they offered anything to help their company
6 go forward in there?

7 If there is to be a rate increase, which I
8 assume there will some sort of a rate increase because
9 times are changing, let's keep it off from the
10 30 percent that we're talking about, the 12.5 percent
11 return. It's way too high in this economy. There's too
12 many people we've heard from. I surveyed so many
13 people's houses that really have trouble coming up with
14 \$100, \$150 for their electric bills. Another \$12, \$15,
15 that's not going to help them. It's going to go in the
16 reverse. They don't have the extra income out there
17 also.

18 At the same point in time, if there is to be a
19 rate increase, I would like to see us get something back
20 for it. Net metering, which you put into place, is one
21 of the finest examples of what we can do. What FPL
22 really does the best is what the gentleman two people
23 before me said, is partner together. They going in and
24 supporting a feed-in tariff, using a pilot program, this
25 community is ready for it -- renewable energy dividend

1 is probably a better name for it -- but using these
2 tools to bring it in there. We have advanced air
3 conditioning technology that can cut 20 to 30 percent of
4 existing air conditioners by using water power.

5 Those incentives, and I use that to say that
6 it's those incentives and putting those incentives
7 together. So if you are going to give a rate increase,
8 please allow for something else to come in there to make
9 that a more powerful situation where we are moving
10 forward and not just granting a rate increase.

11 My son needs it, our community needs that. We
12 do not need a rate increase just because we have one, we
13 can get one. We have to get something back if we do
14 have one. Thank you for your time.

15 (Applause.)

16 **CHAIRMAN CARTER:** Mr. Poucher.

17 **MR. POUCHER:** Sam Horton, followed by Brad
18 Sutter and Joe Nigro.
19 Whereupon,

20 **SAM HORTON**

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

24 **DIRECT STATEMENT**

25 **MR. HORTON:** First, I'm opposed to the rate

1 increase. And the main reason I'm here is to complain
2 about the state electrical grid in Bradenton, Florida.
3 I have filed a complaint with the Florida Public Service
4 Commission, with the FCC, because of my amateur radio
5 license. I'm getting interference on it all the time.
6 And I've been dealing with them people for ten years,
7 and it took filing a complaint with you people to do
8 something about it. And I've talked to the Office of
9 the Public Commission here, and you're going to hear
10 more about me in the future, if you already don't know
11 who I am. I've sent a lot of pictures up to Tallahassee
12 already. I'm not good at speeches here, but I just
13 wanted to get my say in. Thank you.

14 **CHAIRMAN CARTER:** Thank you very kindly. One
15 second.

16 Commissioner Skop?

17 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.
18 Mr. Horton, thank you. I appreciate your
19 pictures. I did take a look at them. There are some
20 areas of concerns. It's my understanding our staff is
21 working to address those concerns with the company, and
22 also that you've been in contact with the company. So
23 hopefully those deficiencies will get the proper
24 attention and be addressed.

25 **MR. HORTON:** There's too many of them.

1 **COMMISSIONER SKOP:** Yes, sir. Thank you.

2 **CHAIRMAN CARTER:** Thank you.

3 Mr. Poucher.

4 **MR. POUCHER:** Brad Sutter.

5 **CHAIRMAN CARTER:** Brad Sutter.

6 (No response.)

7 Who's next?

8 **MR. POUCHER:** Joe Nigro.

9 (No response.)

10 **CHAIRMAN CARTER:** Okay.

11 **MR. POUCHER:** Cameron Gentle.

12 (No response.)

13 Russell Martin, followed by number 45, John
14 Hendricks.

15 Whereupon,

16 **RUSSELL MARTIN**

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

20 **DIRECT STATEMENT**

21 **MR. MARTIN:** First of all, I'd like to tell
22 you I am an employee of Florida Power & Light, 37 years.
23 I am here on my own volition. I'm on -- taking vacation
24 time to be here.

25 I do want to tell you that there is reason for

1 a rate increase. In my mind, looking at national
2 average, that is a very excellent yardstick to determine
3 what rates should be. And it's also an excellent
4 yardstick to determine what executive compensation in
5 Florida Power & Light Company should be.

6 The full rate increase, if you see that that
7 is deserved, that's great. Again, please take into
8 consideration national averages. Thank you.

9 **CHAIRMAN CARTER:** Thank you.

10 Mr. Poucher.

11 **MR. POUCHER:** John Hendricks, followed by Mary
12 Sheppard.

13 Whereupon,

14 **JOHN HENDRICKS**

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

18 **DIRECT STATEMENT**

19 **MR. HENDRICKS:** Good afternoon. I'm sorry
20 this has gone on for so long for you guys.. I just
21 wanted to -- by the way, I'm John Hendricks of Sarasota.
22 I am a customer of FP&L.

23 I just would ask you to please really stay
24 focused on the task of approving a rate structure for
25 FPL that will provide the most economical and dependable

1 supply of electrical power to Florida, to our citizens
2 who rely on this utility, while also allowing the FPL
3 shareholders to receive a fair rate of return so that
4 they'll be there in the future so we'll continue to have
5 that level of service.

6 We've heard a lot from many of the special
7 interest activists who are here today, and they're
8 certainly welcome to their opinions. But many of them
9 seem to want to turn the ratemaking process into a forum
10 where they can pressure the Commission and the utility
11 in favor of their pet projects, particularly the feed-in
12 tariff project. In some other venue I'd be glad to
13 debate them on the issue of feed-in tariffs and other
14 mandates such as that, but I don't think this is really
15 the place for that. This is supposed to be a rate
16 hearing about an FPL request for a rate improvement, a
17 rate increase.

18 And I think you'd be doing a disservice to the
19 average citizen if you let these special pleadings
20 influence your decision, which might result in higher
21 energy costs for Florida residents and our businesses.

22 I think in the current economic environment we
23 need to be especially careful about creating any more
24 unfunded mandates, which are really a hidden tax that
25 gets billed and rolled into something like your utility

1 bill, but it's really a tax because it's a mandate that
2 creates a costly requirement (phonetic).

3 And I would suggest really you need to listen
4 to some of the technical experts and review the economic
5 analysis and attend to the difficult balance between
6 keeping down the costs for the ratepayers and providing
7 a sufficient return for the shareholders for FPL. What
8 we really don't want to have is Florida ending up like
9 California or a lot, where a lot of the special
10 interests have created gridlock and bankruptcy for the
11 state.

12 A couple of brief points. I think the one
13 issue that I have heard come up today that really seems
14 important is the relationship between the proposed rate
15 increase and the possibility of reducing fuel charges in
16 the future. I don't know exactly what sort of
17 investments are planned that might lead to reduced fuel
18 charges in the future. I assume it's perhaps new power
19 plants, new efficiencies and so forth.

20 But I think understanding that linkage is
21 probably the most critical thing you can do in
22 evaluating this request for a rate increase. Because
23 ultimately we'll all be better off if the total bill is
24 less, whether it's the base bill -- the base bill plus
25 the fuel charge. And we can only understand that effect

1 if we really understand how these investments that can
2 come about from the rate increase will lead to improved
3 fuel efficiency in the future.

4 I do have some concerns that some of our
5 political representatives who seem to be suggesting that
6 they're going to fight the rate increase if the utility
7 doesn't support their feed-in tariff projects. And I'm
8 not sure if that's just hardball politics, if that's the
9 right way to play it, or if it's political blackmail,
10 but it doesn't seem quite appropriate to me. There's
11 been a number of suggestions that are really suggesting,
12 you know, we might go along with this rate increase if
13 you support this feed-in tariffs idea. I think that's a
14 terrible way to do politics.

15 And also I noticed that Commissioner Aregano
16 (phonetic), the one who's remotely attending the
17 meeting --

18 **CHAIRMAN CARTER:** That's Commissioner
19 Argenziano.

20 **MR. MARTIN:** Argenziano. Sorry about the
21 name.

22 **COMMISSIONER ARGENZIANO:** That's okay. It's
23 Nancy.

24 **MR. MARTIN:** I can't read my own writing here.
25 You made several comments when some of the people talked

1 about the corporate responsibility of FP&L and said that
2 wasn't an issue. But I didn't hear anyone step up and
3 say the feed-in tariffs are not an issue. I'm not sure
4 that this is a feed-in tariff hearing. If it is, I
5 guess I'd like to know about that. But it seems to me
6 it shows an unreasonable bias when one of the
7 Commissioners is giving a second-degree questioning to
8 people who are talking about the corporate
9 responsibility of FP&L and there's no questioning of the
10 many long comments about other issues. Thank you for
11 your time.

12 **COMMISSIONER ARGENZIANO:** Sir? Sir? Mr.
13 Chairman, if I may?

14 **CHAIRMAN CARTER:** You're recognized.

15 **COMMISSIONER ARGENZIANO:** I think I heard
16 Commissioner Skop make mention to that question before.
17 And, sir, I couldn't agree with you more. All the --
18 all of -- everyone's comments are very important. The
19 point I was trying to make was that I wanted to hear
20 specifically about the case, and that meant for anything
21 that was outside of that case. Thank you.

22 **MR. MARTIN:** I, I appreciate that. And I just
23 didn't hear anyone say that to the many people who were
24 speaking for the feed-in tariffs. Thank you.

25 **CHAIRMAN CARTER:** Mr. Poucher.

1 **MR. POUCHER:** Number 46, Mary Sheppard.

2 **CHAIRMAN CARTER:** Mary Sheppard.

3 **MR. POUCHER:** And Jerry Koontz is next.

4 Whereupon,

5 **MARY SHEPPARD**

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

9 **DIRECT STATEMENT**

10 **MS. SHEPPARD:** My name is Mary Sheppard and
11 I'm a Manatee County native, and I've been back here,
12 living here since 1983, and therefore an FPL customer.
13 Also in the process of living I've had a chance to talk
14 to, between 1995 and about 2005, to Mr. Klein, who spoke
15 to you earlier about FPL and Florida not working with
16 and pushing solar, a really meaningful solar renewable
17 policy. His answer usually was, or always was, oh,
18 Florida is too cloudy. Well, my aunt told me even
19 before that she had a solar water heater in Fort Myers,
20 and she said she could go up to three days and still --
21 of cloudy weather, and still have hot water.

22 So I, I have been involved in this for --
23 mainly because I want a sustainable future for us. Yes,
24 this may not be about the excellent idea of feed-in
25 tariffs. I think it's excellent. I've spoken to you

1 years and years ago in Tampa about that, for instance.
2 And so it, it has been around for a while, but now we're
3 hearing it.

4 But sitting here today, of course I have no
5 idea for sure what is on their needs that they want this
6 big rate. Maybe they're going to do a whole lot more
7 with solar, and you've heard a good idea for the
8 cheapest and best way. But it worries me immensely
9 because I know that the Legislature had to drop the
10 renewable part of that great energy plan because they
11 were going to include nuclear, and I'm highly opposed to
12 nuclear. I am still scared that there is a danger from
13 our current plants as they are decommissioned. You
14 know, I'm afraid of that, and I definitely don't want to
15 support more nuclear.

16 So I realize you've got a real major problem
17 and -- of figuring out what's best, and I appreciate the
18 work and thinking and thought that you are all giving to
19 it. Thank you for coming.

20 **CHAIRMAN CARTER:** Thank you.

21 Mr. Poucher.

22 **MR. POUCHER:** Jerry Koontz.

23 **CHAIRMAN CARTER:** Jerry?

24 **MR. POUCHER:** Jerry Koontz.

25 Thank you very much. Followed by Mike Burton.

1 **MS. SHEPPARD:** Oh, he had to leave. He had to
2 go back to work.

3 **MR. POUCHER:** Thank you.

4 **CHAIRMAN CARTER:** Thank you.

5 Whereupon,

6 **JERRY KOONTZ**

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

10 **DIRECT STATEMENT**

11 **MR. KOONTZ:** Mr. Chairman, Commissioners,
12 thank you for this opportunity. I come to you today in
13 two capacities, first of all as a private citizen. I'm
14 a resident and homeowner in Manatee County and I've been
15 a Florida Power & Light customer for going on 17 years.
16 And I have to tell you that I'm in support of what
17 they're requesting. I find them to be a highly
18 professional, friendly, reliable utility provider. I
19 own a generator. I've had to use it once in the last 16
20 years.

21 I'm a retired Air Force commissioned officer.
22 I've lived in several states, also foreign countries,
23 and I've never experienced the level of electrical
24 service that I have in these past 16 years from Florida
25 Power & Light. I realize that an increase in rates is

1 something that really nobody really wants to spend more
2 money that way, but I think it's even more expensive to
3 not have reliable electrical power, particularly when
4 you need it.

5 I'm also here in a capacity of my position as
6 the President of the United Way of Manatee County. I
7 manage two facilities in Manatee County. We are also
8 FP&L customers at each of those facilities. And I have
9 found them to be, again, as equally responsive to
10 anything that we need.

11 We did have a power outage in our Bradenton
12 location a few years ago. I called my board member, who
13 is an FP&L senior manager, and we got very special
14 treatment and he had us back up and running in 30
15 minutes, even though a large part of our community was
16 out of power.

17 I see this as an example of FP&L's exemplary
18 corporate community citizenship. They are contributors
19 to United Way throughout this state in every community
20 where they have their presence. In Manatee County in
21 the last five years FP&L and their employees have
22 contributed over \$200,000 to the United Way of Manatee
23 County; this past year \$18,000 corporately and \$20,000
24 from their employees.

25 This money enables us to help people keep

1 their power on. There's hardly a week goes by that I
2 don't get a request through our agencies that we support
3 that someone is having trouble paying their electrical
4 bill and can we help them with a small grant to keep
5 their power on and to keep things up and running at
6 their home. The gifts from FP&L that we get enable us
7 to do that.

8 So I submit to you that they are a unique
9 company. I trust them. I appreciate the reliable
10 service that I have personally received from them as
11 well as in my business, and I strongly urge you to give
12 very fair consideration to their request.

13 **CHAIRMAN CARTER:** Thank you.

14 Mr. Poucher.

15 **MR. POUCHER:** Mike Hagan, followed by Paul
16 Blackbetter.

17 (No response.)

18 Chris Lukowiak. Chris?

19 (No response.)

20 Raymond Kaiser.

21 (No response.)

22 Susan Scott.

23 **UNIDENTIFIED SPEAKER:** She didn't come back.

24 **MR. POUCHER:** Mitch Mallett.

25 **MR. MALLETT:** Right here.

1 **MR. POUCHER:** Number 54, followed by Mandy
2 Hines.

3 Whereupon,

4 **MITCH MALLET**

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

8 **DIRECT STATEMENT**

9 **MR. MALLET:** But I'm only 53.

10 (Laughter.)

11 I come from up north, and it's nice to be down
12 here in Sarasota where it's just as nice as it is in
13 Bradenton. And I just wanted to say that my name is
14 Mitch Mallett, Mallett like a gavel. And I host a radio
15 call-in show, it's called *It's Your Gavel*, for the
16 better part of five years. And I'm called the practical
17 liberal, so I want to talk about some of the practical
18 things.

19 You know, why not just raise the rates? You
20 know, I was just looking at this. Why not? Just
21 motivate -- it makes me wonder how many people come down
22 here. What motivates them to come down here and say,
23 "Yeah, raise my rate. Just go ahead and do that." It
24 just makes me wonder. Because everything else is going
25 up. Our insurance is going up, homeowners, health

1 insurance, car insurance, though they don't pay any
2 claims. I don't think they're as good as FPL.

3 But everything is going up. Gasoline is going
4 up, everything is going up. Except if you're lucky
5 enough to have a job, you know, out there in the real
6 world they say, well, we got the workers to take
7 concessions, so the workers are going home and people
8 are going home taking concessions. Meanwhile everything
9 is going up, and why not FPL?

10 And, and then the justification is for -- to
11 make sure our, our return on the investment to the
12 stockholders is about 12.5 percent. You know, I don't
13 see a lot of arguments saying, well, with this money we
14 could do all kinds of stuff like, like feed-in tariffs,
15 which seem wonderful, or we can increase the amount of
16 alternative energy in the sun, and what we can do with
17 this extra money we want.

18 Because you're talking about like, what, a
19 billion dollars, a billion three? You know what that
20 means to all the FPL customers throughout Florida?
21 That's a billion dollars we're not going to spend
22 somewhere else. Right? We're not going to spend that
23 money somewhere else. We're not -- you know, it
24 doesn't, it's not going to go to the gas company or to
25 our, to all those things that are increasing us. It's

1 going to go to discretionary spending, if we have any
2 month left at the end of the money.

3 You know, so all these restaurants we hope
4 that you tend to that are still the survivors that are
5 still in business, that because now that \$12 -- and, you
6 know, my kilowatts are a lot more than 1,000 kilowatts,
7 so, you know, that's like \$30, \$40. And, you know,
8 people are going to have to cut back somewhere. So it's
9 going to ripple. You know, we don't spend it here,
10 we're going to spend it there. We're going to have to
11 deep -- reach into our pockets and maybe take out our
12 life savings, our future retirement, pay the tax
13 penalties to survive, I heard one woman say here.

14 You know, and I just don't see the good cause
15 that FPL wants to spend the money on. And it, it just
16 makes me wonder why, you know. So I would like, I would
17 like to get 12.5 percent return. You know, I don't know
18 where anyone can get that. My income is down and
19 everyone I know income is down, and FPL wants to
20 preserve their 12.5 percent.

21 And some of the schools -- you know, and then
22 think about this. All -- not just the businesses and
23 the homes and we all have to spend more, so all the
24 businesses have to spend more on electricity. That
25 means they either have to lose their profit margin or

1 increase their rates. So that's going to ripple as an
2 inflationary factor throughout Florida.

3 And it just makes me scratch my head at this.
4 But, you know, what's a billion dollars? Our Governor
5 Crist said no to unemployment benefits of over a billion
6 dollars that the federal government offered to give as
7 extensions here in the State of Florida. So another
8 billion dollars out of our economy, what the hell, you
9 know?

10 And I just want to say some personal
11 experience I've had with FPL, because right around this
12 time a year ago, for three months, for May, June, and
13 July, all of a sudden my electric rates shot up. And I
14 called them and they go, "Oh, that's because of the fuel
15 price increase." Right. You remember? And I said,
16 "No. I went on the website. I looked. It's my
17 kilowatt usage has more than doubled." As a matter of
18 fact, I insulated my attic over the winter because I
19 have a 1962 house. No insulation. So I insulated it
20 and the kilowatts doubled.

21 And for several months I argued with them. I
22 finally got FPL to come and change the meter, because my
23 bill went from almost \$300 to almost \$600 a month. They
24 finally changed the meter. Guess what? My bill dropped
25 down. But they said it wasn't the meter. They tested

1 the meter and the meter was fine. But my bill went back
2 to where the average was before.

3 And meanwhile, because I had trouble paying
4 it, they also hit me up with another \$500 deposit I had
5 to give, like the woman talked about, on top of the
6 increase. And what they did give me as a courtesy, they
7 gave me one month, not three months, credit back, but
8 they wouldn't admit. So I'm still fighting with them on
9 the other two months that, when they replaced the
10 electric meter my rates went back to normal. But I had
11 paid almost \$500 for, for I don't know what, plus
12 another \$500 in deposit.

13 So, you know, a friendly FPL? You know, I
14 guess, I guess I should live in Sarasota County and not
15 Manatee County. I'm not sure. But it's just as nice up
16 there.

17 **CHAIRMAN CARTER:** Thank you. Thank you.

18 Mr. Poucher.

19 **MR. POUCHER:** Mandy Hines, followed by our
20 last witness, Marsha Oldinski.

21 Whereupon,

22 **MANDY HINES**

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

DIRECT STATEMENT

1
2 **MS. HINES:** Good afternoon. Mandy Hines,
3 County Coordinator for DeSoto County Board of County
4 Commissioners.

5 I thank you for the opportunity to speak
6 today. I'll be very brief, as a lot of the points that
7 I came today to share with you have been made by
8 previous speakers. And I'd specifically like to echo
9 the comments that were made by the Charlotte County
10 Emergency Management Director.

11 There are no words that could describe or
12 depict the force that came in post-storm when your
13 county is completely without power and within seven to
14 ten days almost fully restored. I live right over the
15 county line. From a personal perspective, I didn't have
16 power for 32 days because I have a different electrical
17 company. So I stayed at work, slept in my office. Hey,
18 whatever it took to get in the air conditioning in
19 August in Florida.

20 But I just wanted to share with you, the --
21 our board of county commissioners has worked very
22 closely with FP&L. DeSoto County is the host site for
23 the 25-megawatt solar photovoltaic facility that FP&L is
24 currently constructing. It's about 75 percent complete.
25 It was a \$175 million investment in solar facility just

1 in this one shot.

2 The DeSoto County Board of County
3 Commissioners has recently adopted a resolution
4 encouraging or supporting the increased investment in
5 renewable energies for the State of Florida, and they
6 just wanted to make sure that we shared with you that,
7 one, we have unsurpassed customer service,
8 responsiveness and relationships with Florida Power &
9 Light, and that we're proud of the investment that they
10 are making in the renewable side. Thank you.

11 **CHAIRMAN CARTER:** Thank you.

12 Mr. Poucher.

13 **MR. POUCHER:** Last witness, Marsha Oldinski.

14 **CHAIRMAN CARTER:** Marsha, do you mind
15 pronouncing and spelling your last name for us? I
16 really would appreciate that.

17 Whereupon,

18 **MARSHA OLDINSKI**

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

22 **DIRECT STATEMENT**

23 **MS. OLDINSKI:** Oh, it's probably the easiest
24 Polish name you'll ever run across. O-L-D-I-N-S-K-I,
25 Oldinski.

1 I'm a resident of Florida for about 14 years.
2 Lived in Sarasota for maybe about ten years. And a lot
3 of heartwarming stories, but I don't think a lot of
4 people had a whole lot of facts here.

5 I'm against the rate for a number of reasons.
6 I got on the Internet, did some research, and found out
7 that FPL is part of the FPL Group. And the best
8 comparison for people who are not familiar with that is
9 like take General Motors and Chevrolet. And I also ran
10 across the 2008 fourth quarter earnings that were
11 published July -- that were -- the conference call took
12 place January 27th, 2009. Excuse me. I'm a little
13 nervous. I don't do public speaking much.

14 **CHAIRMAN CARTER:** That's all right.

15 **MS. OLDINSKI:** But, anyways, Mr. Jim Von
16 Reissenman, who is the Director of Investor Relations
17 states, "In today's presentation we will mention the
18 terms GAAP and adjusted earnings. FPL Group's
19 management used adjusted earnings internally for
20 financial planning, for analysis of performance, for
21 reporting of results to the board of directors in
22 determining whether certain performance targets are met
23 for performance-based compensation under the company's
24 employee incentive compensation plan. The FPL Group
25 also uses earnings expressed in this fashion when

1 communicating its earning outlook to an analyst and
2 investors."

3 A Mr. Lewis Hay, who is the Chief Executive
4 Officer, stated, "2008 was a great year at FPL Group,
5 where we achieved record adjusted earnings of more than
6 \$1.5 billion. The FPL Group's adjusted return on equity
7 for 2008 was 13.8 percent, which tied for the highest in
8 20 years. We grew adjusted earnings per share by
9 10 percent, the third consecutive year of double-digit
10 growth. And the FPL Group stock price, while down
11 approximately 25 percent, outperformed the S&P Utility
12 Index and the S&P 500, just as we have for the last six
13 of those seven years."

14 Then Mr. Armando Pimentel -- excuse me for the
15 pronunciation if I'm messing up here -- Chief Financial
16 Officer, states, "In the fourth quarter of 2008, FPL
17 Group's GAAP net income result were \$408 million or
18 \$1.01 per share, compared to \$224 million, or 56 cents
19 per share during the 2007 quarter. We remained well
20 hedged for 2009 and 2010. For 2009 we are essentially
21 hedged to the impacts of natural gas prices, and very
22 significantly hedged against other price movements,
23 including spark spreads. Over 90 percent of the
24 equivalent gross margin we expect of our existing asset
25 portfolio to generate in 2009 is protected against

1 commodity-priced volatility."

2 I did some more research and found the
3 salaries for some of the key individuals in the FPL
4 Group. Mr. Lewis Hey, who is Chairman and CEO of the
5 FPL Group and Chairman of the -- Chairman and CEO of
6 FPL -- and I could only find 2007 results -- his salary
7 was \$1,207,500. Now you throw in stock awards, option
8 awards, non-equity incentive plan compensation, change
9 in pension value and nonqualified deferred compensation
10 earnings and all other compensations, the dude is
11 walking around with \$10,525,923.

12 There's three other -- three more or four more
13 other people, Maurey Dewhurst, James L. Robo, Armando
14 Olivera, and John Stahl. Each, when you add up their
15 salary and all the other extra perks they have, range
16 anywheres from \$2,000,300 to almost \$4 million a year.

17 Now in light of all the information that
18 everybody has said, FPL wants a rate increase or they
19 wouldn't be filing for the Public Service Commission.
20 Many people in the state are on fixed incomes and can't
21 afford anymore increases. Many people will not receive
22 an increase in their Social Security checks. Many
23 people have lost their jobs. Those that are working are
24 informed they won't get a raise. I won't get a raise
25 this year, but I'm fortunate to have a job. Many folks

1 have had to take reduced wages.

2 And if that isn't enough to worry about,
3 whether or not you've got a job to go to, there are --
4 those that live here also have to deal with the fact
5 that we have overinflated taxes, rising prices on food
6 and gas, and our Legislature in Tallahassee is trying to
7 decide whether to give insurance companies carte blanche
8 in raising homeowners insurance as much as 50 percent.

9 Hopefully this is not a dog and pony show
10 where you allow us to vent our feelings over FPL's
11 request for an increase, only to find that you're just
12 going through the motions to appease us and it's already
13 a done deal. I don't think FPL has really cut their --
14 tightened their belt like most of us have here when you
15 see the CEOs making extreme amount of monies.

16 Why are we having this rate increase? Is it
17 to help their compensation package? Is it because the
18 building industry in Florida has gone flat and they
19 can't get anymore money? People are losing their jobs,
20 so those that are working, are we going to get stuck
21 trying to help keep them showing a profit year after
22 year?

23 So in lieu of everything that everybody has
24 said, I've just got one question to ask FPL: How much
25 is enough and how greedy are you?

1 **MR. POUCHER:** Ms. Oldinski, wait, wait. Were
2 you sworn in?

3 **MS. OLDINSKI:** As what?

4 **MR. POUCHER:** As a witness.

5 **MS. OLDINSKI:** To what?

6 **CHAIRMAN CARTER:** Before you spoke at the
7 beginning. Were you at the beginning?

8 **MS. OLDINSKI:** See, I'm sorry, I work. And
9 when they --

10 **CHAIRMAN CARTER:** Were you here at the
11 beginning this morning when we started?

12 **MS. OLDINSKI:** No. See, I work. And I work
13 'til noon and I did not have a chance to get here.

14 **CHAIRMAN CARTER:** Okay. Well, let me swear
15 you in.

16 **MR. POUCHER:** We have two more witnesses.

17 **CHAIRMAN CARTER:** Let me do this. Two more
18 witnesses? Would you stand, please, the other two that
19 have not been sworn in?

20 **UNIDENTIFIED SPEAKER:** You ran out of blue
21 pieces of paper, so can I --

22 **CHAIRMAN CARTER:** That's okay. It's all
23 right. It's no harm, no foul. Just raise your right
24 hand.

25 (Witnesses collectively sworn.)

1 Okay. Now, before you go, before you go,
2 Marsha, if I could be so informal with you, why don't
3 you just say that the statements that you made
4 previously, you adopt those.

5 **MS. OLDINSKI:** These were the -- this was
6 information I had gathered from the Internet, and I
7 wanted to bring to light --

8 **CHAIRMAN CARTER:** Just -- no. No. No. The
9 statements that you made previously you adopt as your
10 testimony.

11 **MS. OLDINSKI:** Yes, I do. Okay.

12 **CHAIRMAN CARTER:** Okay. Good. Thank you very
13 much.

14 Mr. Poucher.

15 **MR. POUCHER:** Thank you very much.

16 **MS. OLDINSKI:** Okay. When you come in the
17 middle of the program, you kind of miss a lot of things.

18 **CHAIRMAN CARTER:** That's okay. That's all
19 right. We'll work it out. We'll work it out.

20 Mr. Poucher.

21 **MS. OLDINSKI:** Okay. I just wanted to make
22 sure, you know, some people were not aware of how much
23 that company is actually making. So in lieu of the
24 economic situation, hey, they need to tighten their
25 belt.

1 **CHAIRMAN CARTER:** Okay. We need to hear from
2 your neighbors now. Okay?

3 **COMMISSIONER SKOP:** Mr. Chair?

4 **CHAIRMAN CARTER:** Commissioner Skop.

5 **COMMISSIONER SKOP:** Yes. Just real quick to
6 Ms. Oldinski.

7 **MS. OLDINSKI:** Oh, I'm sorry.

8 **CHAIRMAN CARTER:** Oldinski.

9 **COMMISSIONER SKOP:** Oldinski. And I do
10 greatly appreciate your comments, and anything that I
11 say shouldn't be construed as one side or the other
12 because I think comments are very valid.

13 The issue that I would probably bring to your
14 attention, again, to be, to be fair across the board,
15 the results that you mentioned, and I asked a previous
16 consumer earlier, the results that you referred to from
17 the Internet were, again, based on FPL Group, of which
18 that's a big energy holding company. Again, we regulate
19 only FPL, Florida Power & Light, and that's the only
20 part.

21 The majority of those earnings that I think
22 that you spoke of, if I've read them correctly, are
23 generated from their unregulated operations that are
24 outside the State of Florida, for which the Commission
25 has no regulatory authority.

1 Secondly, in terms of executive compensation,
2 the Commission has no ability to set executive
3 compensation. That's set by FPL Group's board of
4 directors. And, further, which I think should be a good
5 point of concern, is the majority, if any, at all of
6 that senior level executive compensation never finds its
7 way into base rates that the customers in the State of
8 Florida pay.

9 So I just want to give you some assurances. I
10 know it doesn't change your opinion. But, again, we, we
11 scrutinize the numbers very heavily. And, again, a lot
12 of times consolidated operations tell a different
13 picture than the regulated operations. So the
14 Commission has to look at the facts before us in the
15 pending rate case. Thank you.

16 **MS. OLDINSKI:** Oh, I understand that. It's
17 just that if they're coming here saying they want a
18 raise, I think they need to look internally at their
19 organization and where their monies are at and who's
20 getting what and how what is spent before -- and make
21 sure they are a lean, mean fighting machine before they
22 turn around and say, hey, we've the done all that we
23 could but we still need more. That's all I'm saying.

24 **COMMISSIONER SKOP:** Yes.

25 **MS. OLDINSKI:** And these facts just say, hey,

1 they can go back to their parent company and say, hey,
2 we need this to make this or to do this or to expand
3 that, get into new energy farms, go back to the mother.

4 **COMMISSIONER SKOP:** Yes, ma'am. Thank you.

5 **CHAIRMAN CARTER:** Thank you.

6 Mr. Beck.

7 **MR. BECK:** Ms. Oldinski, just so you do know,
8 a portion of those expenses of the parent company
9 executives does find its way into Florida. There's an
10 allocated portion. We will be addressing it in the
11 case.

12 **MS. OLDINSKI:** Okay.

13 **CHAIRMAN CARTER:** Our next witness -- I didn't
14 get your name, sir. You're going to have to give your
15 name and address for the record.

16
17 Whereupon,

18 **BRYAN HALL**

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

22 **DIRECT STATEMENT**

23 **MR. HALL:** Sure. My name is Bryan Hall,
24 H-A-L-L. You want my home address?

25 **CHAIRMAN CARTER:** Yes, sir.

1 **MR. HALL:** Yeah. That would be
2 12242 Clubhouse Drive. That's in Lakewood Ranch,
3 Florida 34202.

4 I'm the President and CEO of Sabal Palm Bank,
5 our local community bank headquartered here in Sarasota.
6 And I'd also like to talk a little bit about United Way.
7 I'm chairing the United Way campaign in Sarasota this
8 year. I'm a volunteer on the United Way board.

9 First in terms of the bank, I've had the
10 opportunity over the last three years to work with FPL
11 on setting up services for four different locations.
12 Two of them were temporary facilities and two have been
13 permanent facilities. My experience is that they've
14 been very timely, very professional. Their service has
15 been incredibly reliable. And as a new business,
16 particularly being in the banking business, I appreciate
17 their proactivity in helping us search for ideas to
18 efficiently use energy and look for ways to reduce and
19 manage our, our energy costs. They've been excellent at
20 that, just been very solid community partners.

21 As far as United Way goes, our United Way
22 executive was hoping to be here today. He got
23 unexpectedly stuck in Orlando, but I don't have the
24 exact numbers. But Jerry Koontz, who talked just a
25 little while ago from Manatee County, he is a United Way

1 executive, I would echo a lot of the things he said.

2 FP&L is a, they're a very strong community
3 partner. They generate -- their employees contribute
4 many thousands of dollars every year, and much of that
5 goes to help people who are struggling to pay, you know,
6 their bills, including energy costs.

7 So overall I'd just like to say that we're
8 very supportive of FPL and their proposed petition.
9 Thank you.

10 **CHAIRMAN CARTER:** Thank you.

11 Yes, ma'am. There's a young lady to my left.
12 Okay. And, please, when you come down for the record,
13 since we didn't have that, please state your name and
14 address for the record.

15 And with this lady in the rear who I've just
16 sworn in, that will be our last person. We did extend,
17 and we're coming right up on the time that we extended.
18 I sincerely appreciate Linda, our court reporter, for
19 hanging in there, fighting the good fight of faith for
20 us. And please, ma'am, please, sir, limit your comments
21 to within three minutes. Thank you. You're recognized.
22 Whereupon,

23 **CICI GLENN**

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

1 as follows:

2 **DIRECT STATEMENT**

3 **MS. GLENN:** Thank you. My name is Cici Glenn.
4 I live at 140 Clear Lake Drive, Inglewood, Florida
5 34223.

6 And as this is a quality of service meeting, I
7 just wanted you to know I've lived in four states, and
8 my service through FPL so far exceeds my service in
9 other states as it, as it pertains to electric service
10 in my home. There's not even a discussion -- I should
11 have brought those stats with me.

12 But I am here as the CEO of the United Way of
13 Charlotte County. I didn't know that all my other
14 friends from surrounding United Ways were going to be
15 here. But I wanted to not be here to support or oppose
16 this rate proposal that is in front of you, but to give
17 you good news and to compliment what we consider a
18 valued community partner in Charlotte County.

19 You've heard all about the hurricanes, so I
20 don't need to tell you any more about what a great job
21 they did there. But I'd like to tell you currently
22 about how we partner with FPL in two ways, our primary
23 ways right now.

24 First of all, through their annual campaign,
25 which is what you've heard from the other United Way

1 representatives. And in Charlotte County, even in this
2 economy in the last couple of years, the FPL employees
3 and corporately have increased their donations by
4 15 percent to our community. That means it's going to
5 address direct health and human services in Charlotte
6 County. And for that we are forever grateful.

7 But the other way that we partner, and this is
8 on an almost, I'm sorry to say, daily basis in Charlotte
9 County, is the families that have legitimate financial
10 hardships will get behind in their utility bills, and
11 our local churches and nonprofits refer them to the
12 United Way of Charlotte County for assistance. We have
13 a separate pot. It doesn't really come from the donors'
14 dollars. The separate pot actually comes from the
15 Herald Tribune that is used for this money. These
16 families have been scrutinized and case management
17 with -- through the nonprofits and through the churches,
18 and then they're brought to us.

19 What's so great about FPL and their
20 partnership in this is because oftentimes the families
21 are too embarrassed to ask for help, so they wait to the
22 last minute. Their utility bill has been -- their
23 utilities have been cut off or it's a couple of days.
24 What is so wonderful is after we have ascertained that
25 there are real needs in that family, then we just pick

1 up the phone to the FPL assist technicians and can
2 verbally commit to assist on behalf of one of their
3 clients, and their electricity will -- the stop order,
4 the cut off order, whatever the official word is, is
5 stopped right then. And if their power is off, it will
6 be back on in 24 hours.

7 So we are certainly pleased to partner with
8 FPL. They're a strong community partner. And I thank
9 you for your time today.

10 **CHAIRMAN CARTER:** Thank you, Cici.

11 **COMMISSIONER ARGENZIANO:** Mr. Chair?

12 **CHAIRMAN CARTER:** Commissioner.

13 **COMMISSIONER ARGENZIANO:** Are we at our last,
14 was that our last speaker?

15 **CHAIRMAN CARTER:** One more. One more,
16 Commissioner.

17 **COMMISSIONER ARGENZIANO:** Okay.

18 **CHAIRMAN CARTER:** And, please, ma'am, please
19 state your name and address for the record, for the
20 court reporter.

21 Whereupon,

22 **BETSY BINACK**

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

DIRECT STATEMENT

1
2 **MS. BINACK:** Thank you. My name is Betsy
3 Binack. I'm a resident at 3917 Oak Grove Drive,
4 Sarasota, Florida. And that's actually in Manatee
5 County, so I'm a Manatee County FP&L power customer.
6 I'm very pleased with my service through FP&L.

7 But I wanted to speak today as a land use
8 planner. I work as a land use planner for the firm of
9 Wilson Miller, and I've had the opportunity to work with
10 FP&L on their solar thermal plant in Manatee County. I
11 can tell you as a land use planner I am thrilled that
12 Florida Power & Light is taking a long-term prospective
13 look at renewable energy.

14 Also as a -- working for a relatively small
15 business in Sarasota County, I'm thrilled that they use
16 local folks to help them with this process. It was very
17 exciting for me as a land use planner. You know, we
18 talk about the cost, and somebody mentioned the
19 understanding of the need to invest in the future. And
20 I understand that we don't want a rate increase. I
21 understand that that's very difficult. Believe me, my
22 business, which is basically helping folks get through
23 the land development process, you can't imagine the hit
24 that we've taken. We're pretty much ground zero here, I
25 tell folks for that -- Sarasota County, for land

1 development.

2 And having somebody like FP&L that has the
3 ability to look out in the future and understand that
4 we're going to get past this and we need to grow and we
5 need to grow in a green way. And I don't think we can
6 recreate through feed-in tariffs or some of these other
7 things the things that we're going to need in order to
8 position Florida in the future to be able to handle our
9 energy needs.

10 I work on the water management board trying to
11 create a sustainable water supply for the State of
12 Florida. These kind of big issues, you know, they need
13 to be looked at, they need to be looked at now. We need
14 to get past where we're at. Yes, we are in a terrible
15 economic situation, but if we don't look out for the
16 future and have realistic pricing for what it's going to
17 take to get there -- we all know our energy costs are
18 going to go up, we know that, we understand that, so we
19 need to invest now for that long-term.

20 And I urge you to help Florida Power & Light
21 to do that. As hopefully a long-term customer, I hope
22 my children will be here for a long time, the State of
23 Florida is going to come back. It's a wonderful place
24 to live. I hope y'all hang out in Sarasota tonight.
25 You're going to find out what a great downtown we have.

1 But I urge you to plan ahead to make sure that we don't
2 think short-term, that we invest long-term in the State
3 of Florida.

4 **CHAIRMAN CARTER:** Thank you.

5 Commissioner Argenziano.

6 **COMMISSIONER ARGENZIANO:** Yes. Just one
7 comment I feel absolutely necessary. I appreciate
8 everybody's concerns and comments today, and I
9 appreciate, Mr. Chair, you giving them an extra hour for
10 everybody to be heard. I think that's so important.

11 But what I heard today, the majority of what I
12 heard today, while I consider it great, I applaud the
13 company for being such a community leader in
14 contributions to the, to the non-for-profit groups that
15 so much depend on those contributions. However, in the
16 information that I have as an individual Commissioner to
17 factor into a rate case, none of those contributions are
18 going to be, none of those kind things and those
19 wonderful things that the company does are going to
20 factor into my decision-making when it comes to the rate
21 cases, because the statutes and our rules do not ask us
22 or point us in that direction.

23 And the criteria I'm going to use is the
24 criteria that is, that we have before us in the
25 statutes. And while I notice people took up all their

1 time to come and tell us about all those wonderful
2 things, they really are very -- it would be
3 inappropriate, for me anyway, and I think the Public
4 Service Commission to make decisions on rate cases based
5 on just contributions alone.

6 **CHAIRMAN CARTER:** Thank you.

7 Commissioners, anything?

8 Commissioner Skop, you're recognized.

9 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.

10 I just wanted to thank all the customers for coming out
11 and providing comments, particularly those that were
12 directly on point. I know that we had a big contingent
13 come out in support of the feed-in tariff, and we
14 appreciate hearing from those customers.

15 I also had the opportunity briefly yesterday,
16 since this is the end and everyone wants to go, but I
17 actually got to go to the JJJ Ranch on the way down
18 here, who recently installed a 64 kW solar array at
19 their horse farm. Again, there's some capacity issues,
20 matching capacity to load that they're working through.

21 But in lieu of the feed-in tariff, I do want
22 to also make consumers that are solar friendly aware of
23 the current benefits that are available under state law,
24 under federal law to consumers wanting to pursue solar
25 in the State of Florida.

1 Quickly speaking, again, the net metering
2 interconnection rule, which I previously mentioned that
3 the Commission has adopted, each of my colleagues as
4 well as our staff have worked long and hard on that.
5 It's graded A, one of the best in the nation. It's not
6 perfect. There's always room for improvement. But,
7 again, in terms of what's best practices in the United
8 States of America right now, Florida is leading the way
9 with that net metering interconnection rule.

10 Secondly, there is, under the economic
11 stimulus package that the Obama administration has just
12 passed, there is a new thing called a convertible
13 investment tax credit, which, when the paperwork catches
14 up with the legislation that's passed, will offer a
15 30 percent payment by the U.S. Treasury if the taxpayer
16 makes that election. Again, I don't know if it's
17 readily applicable. The rules are still uncertain.
18 But, again, commercial taxpayers, certainly that should
19 be able to avail themselves of that.

20 And finally, the state rebate, so we can get
21 some additional funding for the state rebate program
22 that's currently backlogged, that's also a great thing.

23 So between the combination of those three
24 items, the state rebates that were \$4,000 per kilowatt,
25 the 30 percent convertible investment tax credit, which

1 is a direct check from the United States Treasury which
2 is 30 percent of the cost of a project through 2012, and
3 our net metering rule, consumers can see a seven- to
4 ten-year payback on solar arrays in the State of Florida
5 currently. Again, there are some things -- there are
6 always funding difficulties.

7 But I'm very supportive of renewables and
8 solar in our state. I don't really want to take a
9 position as to whether the feed-in tariff is the best
10 way to get there at the current time. That's a debate
11 that needs to be had. Ultimately the Legislature sets
12 the policy in the State of Florida. I'm a good lawyer
13 and a Commissioner. I just follow the law.

14 So, again, I do appreciate everyone taking the
15 time to come out today, but I just felt compelled to
16 acknowledge not only the customers who gave direct
17 testimony, but also the renewable contingent that came
18 out. And also let them know that the Commission as well
19 as the state is prorenewable, as is FPL. They've made
20 great strides to build renewable projects in the state.
21 But we also need to make sure the small installer is
22 adequately taken care of, and that's near and dear to my
23 heart.

24 Thank you, Mr. Chairman.

25 **CHAIRMAN CARTER:** Thank you.

1 Commissioner Edgar.

2 **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.
3 Just very, very briefly.

4 Thank you to everyone who has come. I know
5 that it has been kind of a long afternoon. I found it
6 very useful. Once again, I appreciate your interest in
7 all of these issues. I think all of the comments have
8 bearing on the specific issue before us with the rate
9 case, but also on the other related issues and energy
10 policy, reliability, environmental considerations,
11 affordability and everything that is part of that. I'm
12 raising my children in Florida too and I care about all
13 of these issues for the short-term and the long-term.

14 And just to say briefly that we were here, Mr.
15 Chairman, I don't believe -- I may have been the only
16 Commissioner that was with us then, I think, but in 2005
17 for a similar hearing, and I had forgotten how beautiful
18 this area is. So I look forward to coming back again.
19 Thank you.

20 **CHAIRMAN CARTER:** Thank you. Commissioner
21 McMurrian.

22 **COMMISSIONER McMURRIAN:** Thank you. I won't
23 repeat what's already been said. But thank you all for
24 taking time out of your schedules to be here with us,
25 and we're glad to be here with you. And we actually

1 have another service hearing tonight in Fort Myers, so
2 we'll be heading there to hear from more customers like
3 yourselves. But we appreciate the time you take from
4 your schedule. Thank you.

5 **CHAIRMAN CARTER:** Thank you. Just before we
6 go, staff, do we, do we have any exhibits that we need
7 to insert? Mr. Beck, you were just using this as
8 communications; right? You didn't want to insert that?

9 **MR. BECK:** That's correct.

10 **CHAIRMAN CARTER:** Okay. Staff, any further
11 matters?

12 **MS. BENNETT:** No, Mr. Chairman.

13 **CHAIRMAN CARTER:** Commissioner Skop?

14 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.
15 Mr. Rossin's handout, does that need to be taken up?

16 **CHAIRMAN CARTER:** Mr. Rossin, your bio?

17 **DR. ROSSIN:** Just for info. It's yours.

18 **CHAIRMAN CARTER:** Okay. Thank you so kindly.
19 Staff, thank you for a yeoman's job. We've
20 got to drop everything and go get ready for our next
21 hearing. Sorry. I promised you lunch today, but kind
22 of to my head and not to my heart. We're adjourned.

23 (Service hearing adjourned at 3:06 p.m.)
24
25

1 STATE OF FLORIDA)
 2 : CERTIFICATE OF REPORTER
 3 COUNTY OF LEON)

4

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

8

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

13

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

18

18 DATED THIS 13th day of July, 2009.

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21 LINDA BOLES, RPR, CRR
 22 FPSC Official Commission Reporter
 23 (850) 413-6734

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