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13 July 2009

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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*In re: Petition for Increase in rates by Florida Power & Light Company
PSC-Docket No. 080677-EI*

Dear Commission Clerk:

Enclosed herewith, please find an original and 15-copies of Intervenor, Thomas Saporito's prefiled testimony and exhibits for filing with the Florida Public Service Commission (FPSC), in accordance with FPSC Order No. PSC-09-0159-PCO-EI, (March 20, 2009), regarding the above-captioned matter.

Kind regards,

Thomas Saporito
President

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1 instrumentation at commercial nuclear power plants in the United States. I
2 held the Instrument Control Technician position at the Florida Power and
3 Light Company (FPL) Turkey Point Nuclear Plant and St. Lucie Nuclear
4 Plant. . I held the Instrument Control Technician position as a contractor
5 worker at the Progress Energy Florida (PEF) Crystal River Nuclear Plant.
6 I held the Instrument Control Technician position as a contractor worker at
7 the Arizona Public Service Company (APS) Palo Verde Nuclear
8 Generating Station. I held the Instrument Control Technician position as a
9 contractor worker at the Houston Lighting and Power Company (HLP)
10 South Texas Project Nuclear Generating Station. Since my work in the
11 nuclear industry, I have held positions at various other companies
12 unrelated to the nuclear industry. Over the last 15-years I have studied the
13 ongoing development and application of renewable energy sources such
14 as wind energy, solar photovoltaic energy and solar thermal energy.

15 **II. PURPOSE AND SUMMARY OF TESTIMONY**

16 Q. What is the purpose of your direct testimony?

17 A. The purpose of my direct testimony is to oppose FPL's petition for an
18 increase in their base rate for electricity charged to its customers in PSC
19 Docket No. 080677-EI, and instead, request that the FPSC order FPL to
20 lower its base rate by \$1.3 billion dollars. My testimony will assist the
21 Commission in reaching a decision in their review of this matter.

22 Q. Do you have any exhibits to your testimony?

1 A. Yes. I am sponsoring the following exhibits: Exhibit TS-001, which is a
2 June 15, 2009 (3-page) document entitled *Average Retail Price of*
3 *Electricity to Ultimate Customers by End-Use Sector, by State*; and Exhibit
4 TS-002, which is a June 15, 2009 (5-page) document entitled *Electric*
5 *Power Monthly* ; and Exhibit TS-003, which is a June 15, 2009 (3-page)
6 document entitled *Net Generation by Energy Source: Total (All Sectors)*;
7 and Exhibit TS-004, which is a June 15, 2009 (3-page) document entitled
8 *Total Electric Power Industry Summary Statistics*; and Exhibit TS-005,
9 which is a June 27, 2009 (1-page) document entitled *Standard & Poor's*
10 *Stock Report FPL Group Inc.*; and Exhibit TS-006, which is a November
11 19, 2004 (8-page) document entitled *Operation and Maintenance Field*
12 *Experience for Off-grid Residential Photovoltaic Systems*; and Exhibit TS-
13 007 which is a 2004 (5-page) document entitled *FPL Group 2004 Annual*
14 *Review Florida*; and Exhibit TS-008 which is a March 25, 2009 (21-page
15 excerpt from a 136-page) document entitled *FPL Group 2008 Annual*
16 *Report* where the entire document was downloaded at FPL's Internet
17 website located at
18 http://www.fplgroup.com/investor/contents/investor_index.shtml; and
19 Exhibit TS-009 which is a 2009 (3-page) document illustrating various
20 bank rates on financial instruments; and TS-010 which is a 2009 (5-page)
21 document illustrating the present condition of the U.S. economy with
22 respect to unemployment, home foreclosures, and economic stress; and

1 Exhibit TS-011 which is a March 3, 2009 (1-page) document entitled *More*
2 *cities tap stimulus package for LED streetlights*.

3 **III. SUMMARY OF TESTIMONY**

4 Q. Please summarize your testimony.

5 A. On March 18, 2008, FPL filed a petition with the Florida Public
6 Service Commission requesting to increase the base rate for electrical
7 power provided to its customers by an amount of approximately \$1.044
8 billion dollars beginning on January 4, 2010; and an additional \$247.4
9 million dollars beginning in January 2011. FPL contends that the
10 requested increases will provide the Company with a reasonable
11 opportunity to earn a fair rate of return on the Company's investment in
12 property used and useful in serving its customers, including a 12.5% rate
13 of return on the Company's common equity, and will support important
14 investments in fuel efficiency, cleaner energy and system reliability. FPL
15 provides electrical power to approximately 4.5 million retail customers in
16 the State of Florida. FPL contends that the projected period of January 1,
17 2010 through December 31, 2010 is the test-year upon which FPL has
18 calculated its revenue deficiency in this case because it best represents
19 expected future operations.

20 For the following reasons, I am requesting that the FPSC deny
21 FPL's petition for a rate increase and further that the FPSC Order FPL to
22 lower its rates by \$1.3 billion dollars. First, FPL's 2010 test year does not
23 appear to be appropriate in this case since it attempts to peer into the

1 future and is not representative of actual costs and expenditures and
2 investments to the Company's plant and infrastructure such as those
3 expensed in the 2005 to 2009 time period reflected in Exhibit TS-008 at
4 pp.13-18. Moreover, this projected test year includes speculative forecasts
5 of cost increases and billions of dollars of plant which the Company
6 contends will be placed in service by December 31, 2010. FPL's 2010
7 test year appears to conflict with Florida law at Section 366.06(1) which
8 requires that, *"The commission shall investigate and determine the actual*
9 *legitimate costs of the property of each utility company, actually used and*
10 *useful in the public service, and shall keep a current record of the net*
11 *investment of each public utility company in such property which value, as*
12 *determined by the commission, shall be used for ratemaking purposes*
13 *and shall be the money honestly and prudently invested by the public*
14 *utility company in such property used and useful in serving the public. . . "*
15 Clearly, Sections 366.06(1) and 367.08(2) do not allow the Commission to
16 consider FPL's 2010 test-year which contains speculative future
17 projections of costs invested and used and useful in the public service.

18 Next, FPL does not require a 12.5% rate of return on the
19 Company's common equity to support important investments in fuel
20 efficiency, cleaner energy and system reliability. As reflected in Exhibit
21 TS-008 at p.14. FPL currently has a return on equity or (ROE) of 11.75%
22 which is an excessive amount of ROE to retain and attract investors to the
23 Company compared with a ROE for FPL customers in the banking

1 industry as reflected in Exhibit TS-009 where an ROE of 1.7% to 3.5% is
2 offered on a \$100,000 investment. Clearly, FPL's ROE should more
3 realistically be downward adjusted to the 4% to 6% range. Moreover, FPL
4 does not require a 12.5% ROE to insure that credit facilities will be readily
5 available to the Company. As reflected in Exhibit TS-008 at p.45, FPL
6 Group and its subsidiaries, including FPL, require funds to support and
7 grow their business. These funds are used for working capital, capital
8 expenditures, investments in or acquisitions of assets and businesses, to
9 pay maturing debt obligations and, from time to time, to redeem or
10 repurchase outstanding debt or equity securities. It is anticipated that
11 these requirements will be satisfied through a combination of internally
12 generated funds, borrowings, and the issuance, from time to time, of debt
13 and equity securities, consistent with FPL Group's and FPL's objective of
14 maintaining, on a long-term basis, a capital structure that will support a
15 strong investment grade credit rating. Here, FPL readily concedes that
16 the Company can meet its ROE and credit obligations without the need for
17 a rate increase. In addition, Exhibit TS-008 at p.45, reflects that the global
18 and domestic credit markets have been experiencing unprecedented
19 levels of volatility and disruption. This has significantly affected the cost
20 and available sources of liquidity in the financial markets. FPL and FPL
21 Group Capital have continued to have access to commercial paper and
22 short-term credit and capital markets. As of December 31, 2008, FPL
23 Group's total net available liquidity was approximately \$4.6 billion, of

1 which FPL's portion was approximately \$1.6 billion as reflected in Exhibit
2 TS-008 at p.46. Clearly, FPL has amply liquidity of \$1.6 billion dollars and
3 does not require a rate increase.

4 As reflected in TS-008 at p.46, as of February 26, 2009, 38 banks
5 participated in FPL's and FPL Group Capital's credit facilities, with no one
6 bank providing more than 8% of the total in either credit facility. In order
7 for FPL Group Capital to borrow under the terms of its credit facility, FPL
8 Group is required to maintain a ratio of funded debt to total capitalization
9 that does not exceed a stated ratio. The FPL Group Capital credit facility
10 also contains default and related acceleration provisions relating to failure
11 of FPL Group to maintain a ratio of funded debt to total capitalization at or
12 below the specified ratio. In order for FPL to borrow under the terms of its
13 credit facility and revolving term loan facility, FPL is required to maintain a
14 ratio of funded debt to total capitalization that does not exceed a stated
15 ratio. The FPL credit facility and revolving term loan facility also contain
16 default and related acceleration provisions relating to failure of FPL to
17 maintain a ratio of funded debt to total capitalization at or below the
18 specified ratio. As of December 31, 2008, each of FPL Group and FPL
19 was in compliance with its respective required ratio. In addition, as of
20 December 31, 2008, FPL had the capacity to absorb up to approximately
21 \$188 million in future prudently incurred storm restoration costs without
22 seeking recovery through a rate adjustment from the FPSC. Also, an
23 indirect wholly-owned subsidiary of NextEra Energy Resources has

1 established a \$100 million letter of credit facility which expires in 2017 and
2 serves as security for certain obligations under commodity hedge
3 agreements entered into by the subsidiary. In January 2009, FPL Group
4 entered into an agreement under which FPL Group may offer and sell FPL
5 Group common stock having a gross sales price of up to \$400 million. As
6 of February 26, 2009, FPL Group had received proceeds of approximately
7 \$40 million through the issuance of common stock under this agreement
8 consisting of 760,000 shares at an average price of \$52.10 per share. As
9 of February 26, 2009, FPL Group and FPL Group Capital had \$3.5 billion
10 of board-authorized available capacity, and FPL had \$900 million of
11 board-authorized available capacity. Clearly, FPL has ample financial
12 capacity to meet the Company's ongoing and future investments in plant
13 and infrastructure and does not require a rate increase.

14 In addition, as reflected in Exhibit TS-008 at p.47, FPL's credit
15 rating as of February 26, 2009, was rated by Moody's as "A1" and by
16 Standard & Poor's as "A" and by Fitch as "A". Also, FPL Group and its
17 subsidiaries, including FPL, have no credit rating downgrade triggers that
18 would accelerate the maturity dates of outstanding debt. A change in
19 ratings is not an event of default under applicable debt instruments, and
20 the maintenance of a specific minimum credit rating is not a condition to
21 drawing upon those credit facilities. FPL's cash and cash equivalents
22 increased for the year ending December 31, 2008. As reflected in Exhibit
23 TS-005, Standards & Poor's (S&P) gives FPL's stock a "Strong Buy"

1 recommendation showing 5-Stars, their highest available rating, for any
2 stock and S&P has a 12-month projected price target of \$68 for FPL's
3 stock.

4 As reflected in TS-008 at p.49, FPL Group and FPL obtained letters
5 of credit and issued guarantees to facilitate commercial transactions with
6 third parties and financings. As of December 31, 2008, FPL Group had
7 standby letters of credit of approximately \$1.2 billion (\$557 million for FPL)
8 and approximately \$8.6 billion notional amount of guarantees (\$648 million
9 for FPL), of which approximately \$6.6 billion (\$567 million for FPL) have
10 expirations within the next five years. An aggregate of approximately \$861
11 million of the standby letters of credit as of December 31, 2008, were
12 issued under FPL's and FPL Group Capital's credit facilities. Each of FPL
13 Group and FPL believe it is unlikely that it would incur any liabilities
14 recorded for these letters of credit and guarantees. During the first quarter
15 of 2008, FPL Group increased its quarterly dividend on its common stock
16 from \$0.41 to \$0.445 per share. In February 2009, FPL Group announced
17 that it would increase its quarterly dividend on its common stock from
18 \$0.445 to \$0.4725 per share. Clearly, FPL has more than ample finances
19 and credit facilities and a high credit rating and does not require a rate
20 increase to sustain the Company's existing credit facilities, credit rating, or
21 to access sufficient credit to make investments in plant and infrastructure,
22 and certainly not to attract investors to buy FPL stock.

1 As reflected in Exhibit TS-008 at pp.3-8, FPL's adjusted earnings
2 per share increase from \$3.49 in 2007 to \$3.84 in 2008. Adjusted earnings
3 per share grew by 10% in 2008, the third consecutive year of double-digit
4 growth. FPL Group's ROE was 13.8% tied for the highest in 20 years.
5 Since 2002, FPL Group has outperformed 84% of the companies in the
6 S&P Utility Index and 85% of the companies in the S&P Index as
7 measured by total shareholder return. The Company's total shareholder
8 return during this period, since 2002, was 127% compared with 32% for
9 the S&P Utility Index and -10% for the S&P Index. The same holds across
10 the three-year, five-year and 10-year periods. FPL Group has delivered
11 total shareholder returns of 33%, 81% and 135% respectively and beating
12 the S&P Utility Index (3%, 49% and 31%) and the S&P Index (-23%, -10%
13 and -13%). The Company has the ability to weather the financial crisis
14 through financial discipline, attractive projects, and a strong balance sheet
15 which meant that capital remained available at reasonable costs
16 throughout 2008. Indeed, in the midst of a very difficult credit and
17 economic environment, the Company was able to raise approximately
18 \$1.3 billion of capital on reasonable terms in the fourth quarter of 2008
19 alone. Clearly, FPL does not require a rate increase to attract investors to
20 the Company. Moreover, FPL has more than ample resources to continue
21 to provide high quality and reliable service to its 4.5 million customers
22 without the need for a rate increase.

1 As reflected in Exhibit TS-008 at p.6, FPL's, net income was \$789
2 million or a contribution of \$1.96 per share in 2008, compared to \$836
3 million and \$2.09 in 2007. The reduction in net income for FPL in 2008
4 was due to the economic downturn, which impacted Florida more harshly
5 than most other states. In addition, customer growth was essentially flat
6 for the year, and the percentage of FPL meters that were inactive or using
7 only minimal amounts electricity, reached historically high levels.
8 Moreover, comparing FPL's customer base of about 4.22 million
9 customers in 2004 as reflected in Exhibit TS-007 at p.2, to FPL's existing
10 4.5 million customer base, it is abundantly clear that FPL's customer base
11 rate of growth has been relatively flat over the last 5-year time period.
12 Moreover, in 2004, FPL boasted that its successful cost-management
13 efforts enabled it to maintain costs well below the industry average. In
14 2004, even as expenses continued to rise in such areas as insurance and
15 security requirements, the company's operating and maintenance (O&M)
16 costs of \$1.24 per retail kilowatt-hour were slightly lower than the previous
17 year and were approximately 31% below the industry average. Notably, in
18 2004, as in the present rate case, FPL asserted that it expected increased
19 upward pressures on O&M expenses, along with smaller incremental
20 gains in productivity, while customer growth and energy usage continue to
21 rise; and as a result, FPL believes an increase in retail base rates is
22 necessary to ensure that it can continue to provide reliable, cost-effective

1 electric service at levels its customers have come to expect as reflected in
2 Exhibit TS-007 at pp.2-3.

3 However, all parties involved in the 2005 FPL rate case reached an
4 agreement where FPL's rates were held at existing levels. Notably, as
5 evidenced by numerous witness testimony throughout the State of Florida,
6 at the recently held FPSC service hearings in the present FPL rate case,
7 many, many, many FPL customers gave the Company very high marks
8 with respect to quality and reliability of service provided by FPL. Clearly,
9 FPL's quality of service and reliability of service to its customers has not
10 diminished since the 2005 rate case. The same is true today in FPL's
11 present rate case as it was in 2005, where FPL contends that they needed
12 a rate increase to continue to provide quality and reliable electric service
13 to its customers. History has proven FPL wrong over the last 5-years
14 where, as I stated earlier, witness testimony taken under oath at the
15 recent FPSC service hearings applauded FPL's quality of service and
16 reliability and contradicted FPL's need for a rate increase at this time and
17 when FPL's customer growth rate is decreasing as reflected in Exhibit TS-
18 008 at p.13. Beginning in 2007, FPL experienced a slowdown in retail
19 customer growth and a decline in non-weather related usage per retail
20 customer. Retail customer growth in 2008 was 0.3%, with a decline in
21 customer accounts in the 4th quarter of 2008 of 0.2%. FPL believes that
22 the economic slowdown, the downturn in the housing market and the
23 credit crisis that have affected the country and the State of Florida have

1 contributed to the slowdown in customer growth and to the decline in non-
2 weather related usage per retail customer. Moreover, in 2008, FPL
3 experienced an increase in inactive accounts (accounts with installed
4 meters without corresponding customer names) and in low-usage
5 customers (customers using less than 200 kwh per month), which have
6 contributed to the decline in retail customer growth and non-weather
7 related usage per retail customer.

8 The economic downturn and its devastating effects on FPL
9 customers has worsened since FPL petitioned the FPSC for a rate
10 increase in March 2008. As reflected in Exhibit TS-010, the overall U.S.
11 unemployment rate stands at 9.4%, and California and Florida lead the
12 nation with each state having in excess of 30,000 home foreclosures. In
13 addition, the economic stress indicator at p.3 of Exhibit TS-010, clearly
14 shows that the State of Florida is under significant economic stress. As
15 reflected in Exhibit 10 at p.4, the President Obama's Press Secretary,
16 Robert Gibbs stated that, "*The recess we're in is statistically the worst*
17 *since World War II,*". The Obama administration now believes that the
18 overall U.S. rate of unemployment will reach double-digits this year as
19 reflected in Exhibit TS-010 at p.5. Moreover, as reflected in Exhibit TS-
20 001, Florida's cost per kilowatt-hour is \$12.55 and significantly higher than
21 the national average at \$11.38 per kilowatt-hour. Also, Exhibit TS-002,
22 indicates that net generation in the United States dropped by 4.3 percent
23 from March 2008 to March 2009. This was the eight consecutive month

1 that the net generation was down compared to the same calendar month
2 in the prior year. In addition, the Commerce Department reported that real
3 gross domestic product decreased from the fourth quarter of 2008 to the
4 first quarter of 2009, and industrial production in March 2009, as reported
5 by the Federal Reserve, was 12.8% lower than it had been in March 2008,
6 the ninth consecutive month that same-month industrial production was
7 lower than it had been in the previous year. Clearly, the U.S. economy has
8 worsened since 2008 and the net demand for electrical power has
9 diminished accordingly. As reflected in Exhibit TS-003, the total net
10 generation for the U.S. for the rolling months ending in March shows a
11 decrease from 2008 levels to 2009 levels. Again, this collaborates the
12 findings in Exhibit TS-002, indicating that the U.S. economy has worsened
13 since 2008. Likewise Exhibit TS-004, indicates that the total demand for
14 electric utilities in the U.S. significantly decreased from 2008 to 2009,
15 year-to-date. For these reasons standing alone, FPL's customer base is
16 reasonably expected to further decrease in the years to come well beyond
17 FPL's test-year period noticed in the present rate case. Therefore, FPL
18 cannot convincingly demonstrate a prudent need to further invest in plant
19 and infrastructure where the Company's customer base is reasonably
20 expected to further decline; and where the U.S. economy, and specifically
21 the economy for the State of Florida, is expected to worsen in the coming
22 years and well-beyond FPL's test-year period in the present rate case.

1 FPL has failed over the years to act in a prudent manner for its
2 customers with respect to renewable energy resources installed at
3 customer residential and commercial buildings. As reflected in Exhibit TS-
4 008 at p. 13, in February 2009, the American Recovery and Reinvestment
5 Act of 2009 (Recovery Act) was signed into law. It includes approximately
6 \$787 billion in tax incentives and new spending, a portion of which relates
7 to renewable energy, energy efficiency and energy reliability. The
8 Recovery Act includes provisions that allow companies building wind
9 facilities the option to choose between three investment cost recovery
10 mechanisms: (i) PTCs which were extended for wind facilities through
11 2012, (ii) investment tax credits of 30% of the cost for qualifying wind
12 facilities placed in service prior to 2013, or (iii) an election to receive a
13 cash grant of 30% of the cost of qualifying wind facilities placed in service
14 in 2009 or 2010, or if construction began prior to December 31, 2010 and
15 the wind facility is placed in service prior to 2013. An election to receive a
16 cash grant of 30%, in lieu of the 30% investment tax credit allowable
17 under present law, also applies to the cost of qualifying solar facilities
18 placed in service in either 2009 or 2010, or if construction began prior to
19 December 31, 2010 and the solar facility is placed in service prior to 2017.
20 In addition, 50% bonus depreciation was extended on most types of
21 property placed in service in 2009, and certain property placed in service
22 in 2010. However, FPL has no existing Florida based off-shore wind

1 projects which could benefit its 4.5 million customers by taking advantage
2 of the federal government's incentives for qualifying wind facilities.

3 Moreover, despite state and federal these federal incentives, FPL
4 has not provided its customer base any meaningful programs related to
5 installation of wind generators or solar photovoltaic systems through a net-
6 metering service. A net-metering service connecting wind and solar
7 electric generation through net-metering from FPL's 4.5 million customers
8 to FPL's electric grid would significantly reduce FPL's current base-load
9 demand. Notably, an expert witness testified under oath at a recent FPSC
10 service hearing held in the Miami, Florida area to this fact. Moreover, the
11 electrical power supplied to FPL's electric grid would serve to further
12 stabilize grid variations and imbalances as experienced in the 2006
13 blackout of about 3-million FPL customers. The resulting reduction in
14 FPL's base-load would allow FPL to reduce its current electric generation
15 supplied to the grid; and would allow FPL to cancel the Company's efforts
16 to construct two-addition nuclear power plants at the existing Turkey Point
17 Nuclear cite in Homestead, Florida. In addition, a net-metering project
18 would allow FPL to cancel continued investment in plant and infrastructure
19 proposed in the current rate case. However, FPL sees the prospects of
20 net-metering to be a direct threat to its revenues. Indeed, as reflected in
21 Exhibit TS-008 at p.15, FPL currently faces competition from other
22 suppliers of electrical energy to wholesale customers and from alternative

1 energy sources and self-generation for other customer groups, primarily
2 industrial customers.

3 As reflected in Exhibit TS-006, a paper that addresses the data
4 collection, analysis and results of an off-grid residential customer service
5 program offered by the Arizona Public Service (APS) Company over a six-
6 year period from 1997 through 2002. Standardized, packaged photovoltaic
7 systems were offered and operated by APS through a lease arrangement
8 with customers throughout the State of Arizona. The operation and
9 maintenance records for these systems were carefully tracked and
10 analyzed. The O&M costs, data-base development, cost drivers, lifecycle
11 cost implications, and lessons learned are documented in this paper. The
12 APS program was established in 1997 to provide off-grid electric service
13 to remote customers. The program offered four standard packages of
14 leased systems, corresponding to nominal daily outputs of 2.5, 5, 7.5 and
15 10 kWh. Each system received quarterly maintenance including generator
16 service, battery inspection and service, and inverter service and overall
17 system inspection. The O&M costs decreased during the last year of the
18 program period reflecting improvements to the systems from previous
19 maintenance activities. The PV modules accounted for a very small
20 percentage of the total O&M, mostly associated with the replacement of
21 broken modules. Maintenance cost drivers included the generator at
22 27.8% and the inverter at 16.5%. The largest contributor was system
23 setup, modification, and removal, all associated with the operation

1 component of O&M. In each case, the O&M component of the life cycle
2 cost is nearly equal to or greater than the initial cost. The O&M portion of
3 the life cycle cost is a substantial cost component that must be accounted
4 for when looking at a positive cash flow for leased PV service. However,
5 the impact of life cycle cost comparisons clearly establishes that off-grid
6 PV systems are a viable option to gridline extension.

7 With respect to FPL, a grid-tied net-metering system consisting of a
8 wind generator and a PV solar system could be packaged in a lease-to-
9 own program sponsored by FPL to its 4.5 million customers with little or no
10 O&M associated costs. As stated earlier, as more and more customers
11 provide electric power to FPL's grid through net-metering, the more stable
12 and reliable FPL's grid becomes and FPL's need for investment in plant
13 and infrastructure, including new power plant construction, would be
14 significantly diminished. PV solar systems and wind generators have been
15 significantly developed and improved since the APS 1997 off-grid PV solar
16 system project; and are now more cost-effective and efficient in meeting
17 the needs of FPL's customers. Through the American Recovery and
18 Reinvestment Act of 2009, FPL should prudently act in providing its 4.5
19 million customers with leased grid-tied net-metering wind and solar electric
20 generating systems for everyone's benefit. Also, as reflected in Exhibit TS-
21 011, FPL could sponsor LED street lights to its customers resulting in cost
22 savings in the tens of millions of dollars per customer. Clearly, FPL cannot

1 convincingly justify a rate increase in light of the obvious benefits of net-
2 metering and LED lighting in reducing FPL's base-load demand.

3 In concluding my testimony, FPL's proposed rate increase is not
4 prudent and is not required at this time for these reasons: (1) because of a
5 decrease in the Company's customer base resulting from the ongoing
6 serious downturn in the U.S. economy which will continue well into FPL's
7 test-year period; and (2) because FPL has ample and sufficient financial
8 resources, credit worthiness, credit rating, credit facilities, and investor
9 confidence and interest to support investment in improving fuel efficiency,
10 generating cleaner energy and enhancing system reliability while keeping
11 customer bills low; and (3) because FPL has a grand opportunity through
12 the American Recovery and Reinvestment Act of 2009, to provide its 4.5
13 million customers with a leased renewable energy package through net-
14 metering and LED lighting to reduce the Company's existing base-load
15 and thereby significantly decreasing FPL's need to make further
16 investments in plant and infrastructure.

17 Q. Does this end your testimony?

18 A. Yes.