

Ruth Nettles

080677-EI

From: Thomas Saporito [support@renewableelectricsystems.com]
Sent: Sunday, September 13, 2009 8:30 AM
To: Filings@psc.state.fl.us
Cc: Anna Williams; Brian P. Armstrong, Esq.; Cecilia Bardley; D. Marcus Braswell, Jr., Esq.; Wade Litchfield; J.R. Kelly, Esq.; Jean Hartman; Jennifer L. Spina, Esq.; John T. Butler; John T. LaVia, III, Esq.; John W. McWhirter, Jr., Esq.; Jon C. Moyle, Jr.; Joseph A. McGlothlin, Esq.; Kenneth L. Wiseman, Esq.; Lisa Bennett; Lisa M. Purdy, Esq.; Mark F. Sundback, Esq.; Robert Scheffel Wright, Esq.; Martha Brown; Robert A. Sugarman, Esq.; Vicki Gordon Kaufam; Mary F. Smallwood; Barry Richard; Stephanie Alexander; Shayla L. McNeill; Tameia Ivey Perdue; Office of the Chairman; Office of Commissioner Argenziano; Office Of Commissioner Edgar; Office of Commissioner McMurrrian; Office of Commissioner Skop
Subject: <<< DOCKET NO. 080677-EI - ELECTRONIC FILING >>>
Attachments: 2009-09-13 Request for FBI Investigation.pdf

Electronic filing in Docket No. 080677-EI

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c. Docket No. 080677-EI, In re: FPL rate case

d. Document filed on behalf of Thomas Saporito

e. There are a total of 17 pages

f. The document attached for electronic filing is: *Letter of September 13, 2009, to Hon. Robert S. Mueller, III, Director of the Federal Bureau of Investigation – Requesting an FBI Investigation of the Florida Public Service Commission, the Commission Staff, Governor Charlie Crist and his Cabinet and the Florida Power and Light Company.*

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DOCUMENT NUMBER - DATE

09478 SEP 14 8

9/14/2009

FPSC-COMMISSION CLERK

13 SEP 2009



Hon. Robert S. Mueller, III, Director
Federal Bureau of Investigation
J. Edgar Hoover Building
935 Pennsylvania Avenue, N.W.
Washington, D.C. 20535-0001

*In re: Request for an Investigation of the Florida
Public Service Commission and Staff and Governor
Charlie Crist and the Governor's Cabinet Regarding
the Florida Power and Light Company's Rate
Request in Docket No. 080677-EI*

Dear Director Mueller:

The undersigned is a customer of the Florida Power and Light Company (FPL) and an official party in the docketed FPL rate case captioned-above currently before the Florida Public Service Commission (FPSC). Shortly after FPL filed their petition for a rate increase in the total amount of \$1.3-billion dollars or \$12.40 per each of FPL's 4.5 million customers, the FPSC held local service hearings around the state to hear comments from the public who were customers of FPL and who would ultimately be affected by FPL's request to raise their base rate for electric power. During the course of these service hearings, FPL represented to the Commission and to its customers that although FPL was seeking to raise the base rate for electric power - that the customers' electric bill would actually be lower due to an expected decrease in the fuel-charge assessed to the customers' bill. In essence, FPL was trying to improperly influence and convince its customers that FPL's request to raise the base rate for electric power would cause a decrease in the customers' electric bill. Moreover, FPL failed to disclose to its customers at these FPSC service hearings that the fuel-charge assessment was a charge separate and apart from the base rate charge for the customers' electric usage. Clearly, it appears that FPL was improperly attempting to convince its customers that although FPL was requesting a \$1.3 billion dollar base

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FPSC-COMMISSION CLERK

rate increase - that the customers' electric bill would go down in January of 2010 due to the anticipated decrease in fuel cost assessments.

In addition to the above, a recent investigation by the Sun-Sentinel newspaper¹ revealed that:

- More than a third of the customers, politicians and business leaders who praised FPL at three South Florida forums on a proposed \$1.3 billion rate hike have financial or family ties to the company and its employees.
- Nearly another third who backed the utility have connections to FPL through business and civic organizations.
- Commissioner Nancy Argenziano complained that FPL lined up speakers in its favor. "Accepting the irrelevant testimony has the potential for poisoning the fact-finding purpose of the hearing and, in fact, debases and diminishes the value of the input," she wrote in a letter to the commission chairman.
- Commissioner Argenziano also questioned whether customers' payments cover charitable donations. "We cannot take from Grandma Jones, by way of rate extraction, to give to the Boys and Girls Club", she communicated to Chairman Carter.
- In three of the service hearings held in June in West Palm Beach, Fort Lauderdale and Plantation, the Sun-Sentinel analysis found 16 of the 79 individuals who voiced support for FPL or the rate hike are employed by nonprofits or a town that received donations from the utility or its affiliates.
- Two elected officials who spoke in favor of FPL got campaign contributions from an FPL lobbyist.
- Two speakers are related to FPL employees, and 12 more volunteer for groups that received donations from FPL.

¹ A copy of the September 13, 2009 news article is enclosed herewith.

Among the volunteers are people who organize fundraisers to which FPL donated.

- Eleven of the FPL backers told the Sun-Sentinel they were personally invited by utility staffers to testify. Most of those who spoke for FPL did not reveal their ties when testifying.
- During the formal rate hearing held in Tallahassee, FPL President Armando Olivera was questioned as to whether FPL employees pressed people to testify on the company's behalf? Olivera testified under oath that - "I'm not aware of specific instances. . . I'm sure that people that we have on the ground in the local communities notified personally some of the constituents that we have to attend."
- Three employees of Junior Achievement of South Florida, Melissa Aiello, Cindy Burkett and Sennetha Desroches were among the 16 FPL supporters who work for nonprofits or a town that receive donations from the utility. All three complimented FPL's service at the hearing in Fort Lauderdale. Only Aiello disclosed her employer. None of the employees mentioned that the FPL Group Foundation, the charitable arm of FPL's parent company, donated \$250,000 to Junior Achievement from 2004 to 2008, according to federal tax records. Notably, Burkett stated at the service hearing that, "I have always been pleased by the service that FPL has provided to me and to my family," However, Burkett is chief program officer for Junior Achievement and her brother works for FPL. Burkett failed to disclose this information to the Commission.
- Shane Le Mar, a Fort Lauderdale business owner failed to mention during sworn testimony before the Commission that he served for about a year on the Pompano Beach Chamber of Commerce board of directors with Tony Newbold, another FPL community relations manager. Le Mar testified that, "They're a good company. When the power goes out, blip, it comes back on. . . That's why I felt I had to be there. I don't want to see them gut this company."

- At the West Palm Beach service hearing, Seabron Smith - executive director of the nonprofit Center for Technology, Enterprise & Development in Delray Beach, complimented FPL and so did a business associate who used the center to start his architecture firm. However, neither mentioned the center or that FPL contributed \$425 for a recent golf tournament and \$1,000 for a fund raiser. Instead, Smith testified under oath that, "During a hurricane, we were one of the first communities that got our power back. . . I know how difficult that is, so I will support them as far as what they are asking for."
- Howard Berger, a Lauderhill city commissioner, and Don Maines, a former Southwest Ranches city council member, spoke about the cooperation they had received from FPL when they were city leaders. However, they did not tell the Commission that Ronald Book, one of FPL's 28 registered state lobbyists, had donated \$500 to each of their political campaigns last year. Moreover, neither Berger nor Maines said they knew of Book's ties to the utility. FPL paid Book \$100,000 this year and last according to state records.
- According to Beth Rosenson, an associate professor of political science at the University of Florida, the practice can undermine the process. "The point of a public hearing should be for citizens to voice their concerns. . . If one side of an issue stacks the audience. . .that does seem to violate the spirit and purpose." At the least, speakers should disclose their affiliations, Rosenson said.

Another recent investigation by the Times/Herald Tallahassee Bureau² revealed that:

- For weeks the FPSC has been pummeled with allegations of a too-cozy relationship with utilities that the Commission regulates, clandestine communications and undue influence by FPL.

² A copy of the Times/Herald newspaper article is attached herewith.

- In 1992, a statewide grand jury recommended eight reforms to force the FPSC and its staff to conduct all business with utilities in the open with a written record or advance notice. However, only one idea was enacted and the others were shelved.
- According to Commissioner Argenziano, "Many of the very same issues that prompted that recommendation, still remain. . . If another grand jury produces the same results and nothing is done, maybe it's time to go further - to the FBI."
- The Florida Department of Law Enforcement (FDLE) has been investigating the Commission for potential ethics allegations and a state senator has called for reforms and three staff members were asked to resign or placed on administrative leave for giving their private messaging codes to FPL and the Commission's lobbyist resigned under fire for partying at the home of an FPL executive while overseeing FPL's pipeline request.
- Two prior 1993 Commissioners Susan Clark and Terry Deason have gone to work for FPL. Clark is the lead attorney in FPL's current \$1.3 billion dollar rate case and Deason is FPL's expert witness. Moreover, there have been other former Commissioners that now have jobs at FPL like Julia Johnson and Lila Jaber.

If all the above were not bad enough to undermine the public's confidence in the Commission, the Florida Governor, Charlie Crist (Crist) recently got married and invited the FPL Group CEO, Lewis Hay III (Hay), to his wedding. Everyone knows that only family and friends are invited to weddings and Hay is not related to Crist. Subsequently, Crist and his cabinet approved FPL's request to build two more nuclear power plants near Miami, Florida including a 16-billion dollar build of more infrastructure. The decision by Crist and his cabinet is not supported by the record which clearly shows no need for the construction of these additional nuclear power plants³. The Commission is required to act as an advocate on behalf of the citizens of Florida and has authority to order FPL and other utilities

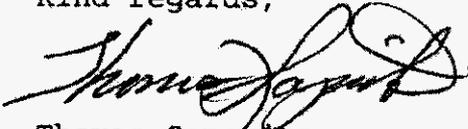
³ See the Aug. 29, 2009, letter to Chairman Carter attached herewith.

Letter to Director Mueller
Federal Bureau of Investigation
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it regulates to provide lease-to-own renewable electric systems for their homes and businesses. Considering the current recession and FPL's loss of 5,000 customers, and the availability of renewable electric systems, there is absolutely no justifiable reason for the Commission to approve FPL's rate request in Docket No. 080677-EI.

In closing, the undersigned formally and officially requests that the Director, of the Federal Bureau of Investigation (FBI) act to cause a comprehensive and thorough investigation of the FPSC and Crist and Crist's cabinet and FPL regarding any improper conduct, communications, leverage, pressure, influence, or other conduct which may be deemed improper or unethical or criminal with respect to the ongoing FPL rate case in Docket No. 080677-EI and with respect to Crist and his cabinet acting to approve FPL's request to build two more nuclear power plants near Miami, Florida.

Kind regards,



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A copy of the foregoing document was provided to:

Florida Public Service Commission

Hon. Barack Obama
President of the United States

Hon. Eric H. Holder, Jr.
Attorney General, U.S. Department of Justice

[sun-sentinel.com/business/custom/consumer/sfl-fpl-hearings-091309sbsep13,0,1716724.story](http://www.sun-sentinel.com/business/custom/consumer/sfl-fpl-hearings-091309sbsep13,0,1716724.story)

South Florida Sun-Sentinel.com

Backers of FPL often have ties to utility

Speakers at rate hike forums usually didn't disclose relationships

By Julie Patel

Sun Sentinel

10:01 PM EDT, September 12, 2009

More than a third of the customers, politicians and business leaders who praised Florida Power & Light at three South Florida forums on a proposed \$1.3 billion rate hike have financial or family ties to the company and its employees, a *Sun Sentinel* analysis found.

Nearly another third who backed the utility have connections to FPL through business and civic organizations.

On Wednesday, state regulators -- the Public Service Commission -- will hold a final hearing on the utility's request for its largest rate hike. In 10 days of hearings in Tallahassee, FPL officials said several times that most speakers at the nine public forums held around the state this summer had spoken favorably about the utility.

After the forums, Florida Public Service Commissioner Nancy Argenziano complained that FPL lined up speakers in its favor.

"Accepting the irrelevant testimony has the potential for poisoning the fact-finding purpose of the hearing and, in fact, debases and diminishes the value of the input," she wrote in a letter to the commission chairman.

She also asked if customers' payments cover charitable donations. "We cannot take from Grandma Jones, by way of rate extraction, to give to the Boys and Girls Club," the letter said.

Three of the forums were held in June in West Palm Beach, Fort Lauderdale and Plantation. The *Sun Sentinel* analysis found 16 of the 79 individuals who voiced support for FPL or the rate hike are employed by nonprofits or a town that received donations from the utility or its affiliates.

Two elected officials who spoke in favor of FPL got campaign contributions from an FPL



lobbyist.

Two speakers are related to FPL employees, and 12 more volunteer for groups that received donations from FPL. Among the volunteers are people who organize fundraisers to which FPL donated.

Eleven of the FPL backers told the *Sun Sentinel* they were personally invited by utility staffers to testify. Most of those who spoke for FPL did not reveal their ties when testifying.

During one of the Tallahassee hearings last month, Senior Assistant Attorney General Cecilia Bradley asked FPL President Armando Olivera if his employees pressed people to testify on the company's behalf.

"I'm not aware of specific instances," Olivera said. "I'm sure that people that we have on the ground in the local communities notified personally some of the constituents that we have to attend."

Utility spokesman Mark Bubriski defended FPL's practices and said the utility has not attempted to improperly influence testimony to the Public Service Commission. FPL invited its 4.5 million customers, as required by law, through advertisements and notices in newsletters mailed to customers, he said.

When evaluating major rate hikes, the regulators hold forums around the state so the five commissioners can hear what the public thinks.

Three employees of Junior Achievement of South Florida -- Melissa Aiello, Cindy Burkett and Sennetha Desroches -- were among the 16 FPL supporters who work for nonprofits or a town that receive donations from the utility.

All three complimented FPL's service at the hearing in Fort Lauderdale. Only Aiello disclosed her employer. None of the employees mentioned that the FPL Group Foundation, the charitable arm of FPL's parent company, donated \$250,000 to Junior Achievement from 2004 to 2008, according to federal tax records.

"I have always, always been pleased by the service that FPL has provided to me and to my family," Burkett said at the hearing. She is chief program officer for Junior Achievement and her brother works for FPL. She gave none of this information when she spoke at the hearing.

Burkett this month acknowledged that some have concerns about praise coming from people with ties to FPL.

"I can understand," she said. "It's kind of like a vested interest."

The *Sun Sentinel* analysis also found that 11 speakers have less direct ties to FPL through business and civic-group associations, such as chamber of commerce boards.

Shane Le Mar, a Fort Lauderdale business owner, didn't mention at the hearing in Plantation that he served for about a year on the Pompano Beach Chamber of Commerce board of directors with Tony Newbold, another FPL community relations manager.

"They're a good company. When the power goes out, blip, it comes back on," Le Mar said later. "That's why I felt I had to be there. I don't want to see them gut this company."

A dozen other speakers rely on FPL to keep their businesses operating. For example, several are developers who need FPL to submit design plans on time so they can meet construction schedules.

At the public hearing in West Palm Beach, Seabron Smith, executive director of the nonprofit Center for Technology, Enterprise & Development in Delray Beach, complimented FPL. So did a business associate who used the center to start his architecture firm.

Neither mentioned the center or that an FPL company contributed to it: \$425 for a recent golf tournament and \$1,000 for a fundraiser.

"During a hurricane, we were one of the first communities that got our power back," Smith said later. "I know how difficult that is, so I will support them as far as what they are asking for."

Howard Berger, a Lauderhill city commissioner, and Don Maines, a former Southwest Ranches city council member, spoke about the cooperation they had received from FPL when they were city leaders.

They did not tell the Public Service Commission at the Plantation hearing that Ronald Book, one of FPL's 28 registered state lobbyists, had donated \$500 to each of their political campaigns last year. Neither Berger nor Maines said they knew of Book's ties to the utility. FPL paid Book \$100,000 this year and last, according to state records.

Other influences

Some who showed up to speak up for FPL did so because they were asked, not because they receive any personal benefit.

Peg Buchan, assistant to the director for Port Everglades, said at the Fort Lauderdale hearing that her employer often needs FPL's cooperation.

She didn't mention that Lynn Shatas, a community relations manager for FPL, asked her to speak. Shatas was giving her information to complete the port's application for a federal grant, Buchan said.

"I was commenting on the extraordinary cooperation that FPL was giving to the port ... Lynn asked me how I would feel about repeating that to the [Public Service Commission]. I said 'sure.'

"So yes, I guess I was asked, but I sort of set myself up for it," Buchan said in an e-mail. At least two who spoke are related to FPL employees.

Willie Dublin endorsed FPL's service at the West Palm Beach hearing. What he didn't say was that Newbold is his son-in-law.

"He needed to get someone to talk," Dublin said in a phone interview shortly after the hearing.

There's nothing illegal about lining up speakers. Katrina McMurrian, a public service commissioner, said she doesn't mind if FPL encouraged supporters to attend because "we use our judgment listening to who comes to us."

But Beth Rosenson, an associate professor of political science professor at the University of Florida, said the practice can undermine the process.

"The point of a public hearing should be for citizens to voice their concerns," Rosenson said. "If one side of an issue stacks the audience .f|.f|. that does seem to violate the spirit and purpose."

At the least, speakers should disclose their affiliations, she said.

Jennifer O'Flannery Anderson, president and CEO of United Way of Broward County, was one of the few FPL backers who did.

She testified in Fort Lauderdale that FPL employees donate more than \$250,000 to her organization each year. "I represent so many people who can't pay more," she said. "But I know that this is a good company, and I know that the need is great" for a rate increase.

Julie Patel can be reached at jpatel@SunSentinel.com or 954-356-4667

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Familiar ring to miscues by PSC

By Mary Ellen Klas, Times/Herald Tallahassee Bureau

Published Saturday, September 12, 2009

For weeks, the Public Service Commission is pummeled with allegations: too-cozy relationships with the utilities it regulates, clandestine communications and undue influence by Florida Power & Light.

The accusations sound like the charges facing today's PSC. But it was 1992, when cell phones were the size of bricks and the Internet was in its infancy.

A statewide grand jury recommended eight reforms to force the PSC and its staff to conduct all business with utilities in the open, with a written record or advance notice.

Only one idea was enacted. The others were shelved. Some might have addressed the issues bedeviling the PSC now.

"Many of the very same issues that prompted that recommendation, still remain," said Commissioner Nancy Argenziano, a critic of her own agency who has written Leon County State Attorney Willie Meggs urging him to call another grand jury investigation.

As the PSC considers two of the largest rate cases in its history, the agency once again has been riddled with accusations that its staff is too close to electric company officials.

But for Argenziano, the lack of action after the 1992 grand jury report has her wondering if there's a better way to force reform.

"If another grand jury produces the same results and nothing is done, maybe it's time to go farther — to the FBI," she said.

In the past three weeks, the Florida Department of Law Enforcement has been investigating the PSC for what some say are potential ethics allegations; a state senator has called for reforms; three staff members were asked to resign or placed on administrative leave for giving their private messaging codes to FPL; and the PSC's lobbyist resigned under fire for partying at the home of an FPL executive while overseeing the company's pipeline request.

In 1992, the PSC generated another series of bad headlines. Then, Southern Bell Telephone Co. was accused of cheating customers out of millions of dollars in refunds. FPL was in the news, too, when Commissioner Mike Wilson quit to take a job as president of an FPL affiliate company.

The grand jury tried to determine if those decisions had been discussed at private meetings, dinner and even on trips and vacations where utility executives wined and dined regulators. (A Gulf Power Co. lobbyist once charged \$152 worth of liquor to the corporate account for a party at Wilson's home.)

The 1992 grand jury didn't find anything criminal but reached one important conclusion: Any communication between a regulated utility and a commissioner or staff member of the PSC should be open.

The report even recommended that verbal conversations between staffers and utilities be written down, and any other communication should be banned. Violators should be fined, the report said.

"It is not unreasonable to require PSC employees to prepare and maintain a written summary of regulatory communications with regulated utilities," the report said, noting that such recording was "a regular business practice in the modern world."

As statewide prosecutor Melanie Ann Hines noted at the time, there were "too many loopholes, too many doors to walk

through."

As the grand jury tried to crack down on communication, two state legislators worked to halt the revolving door between utility companies and the PSC.

Rep. Sandy Safley, R-Clearwater, and Sen. Curt Kiser, R-Largo, sponsored a bill to prohibit former commissioners from being hired or paid by utilities for two years after leaving office.

It passed in 1993 — but only after exempting the commissioners sitting on the PSC at the time.

"The idea was to demonstrate to the public that there was not this immediacy of a quid pro quo that was taking place," Safley, now a lobbyist, said Friday. "If you are going to be compensated for working for the very entities you've been sitting in judgment of, you're going to have to take a timeout."

Since the law passed, two commissioners on the PSC in 1993, Susan Clark and Terry Deason, have gone to work for FPL. Clark is the lead attorney in FPL's \$1.3 billion rate case, and Deason is its expert witness. Other commissioners that have joined the FPL payroll after leaving the commission include Julia Johnson and Lila Jaber.

Legislators were even less receptive to the grand jury report than they had been to Safley and Kiser's bill. Rather than pass a law, lawmakers decided in 1992 to let the PSC write its own rules on communicating with utility companies.

The *St. Petersburg Times* reported then that the PSC threw out all but one of the reforms: the one backed by utility lobbyists and lawyers that banned PSC staff members from directly or indirectly passing information to a commissioner from anyone participating in a pending case. Even then, utility lobbyists argued against it, saying the rules would slow the rate review process and possibly make it more costly.

Since then, the PSC has continued to come under fire for its associations with utilities.

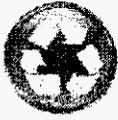
In 2007, Commissioner Rudy Bradley was fined \$5,000 for accepting a memo written by Verizon as part of a rate hearing and then reading from it to argue the utility's position but not disclosing its origins.

Current commissioners have begun grasping for solutions. Argenziano wants an investigation and "complete overhaul of the system." Commission Chairman Matthew Sullivan disabled the instant messaging functions of the state-supplied BlackBerry phones used by the PSC and called for a review of the policy.

Commissioner Lisa Edgar is urging a review of PSC communications policies, while Commissioner Katrina McMurrian has proposed a lengthy set of rule changes, including requiring all future communication between the PSC and utilities be written down.

And Commissioner Nathan Skop wants new controls on electronic communications and a return to the recommendations of the 1992 grand jury report. "I would support those findings," he said.

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28 AUG 2009

The Hon. Matthew M. Carter, Chairman
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

In re: Florida Power and Light Company Rate Case in Docket No. 080677-EI

Dear Chairman Carter:

As you may recall, I recently wrote you a letter in response to Florida Power and Light Company's (FPL's) CEO's letter to you regarding FPL's current rate case now before the Commission. In my earlier letter to you, I addressed the very basis for FPL's request to the Commission to raise their base rates and whether FPL's rationale was prudent and necessary to require the construction of two more nuclear power plants and a 16-billion dollar build-out of related infrastructure. I recommended that the Commission deny FPL's rate case and instead consider ordering FPL to provide its 4.5 million customers with lease-to-own solar voltaic systems tied directly to FPL's electric grid.

A recent article published on August 28, 2009, by RISMEDIA describes, amongst other energy saving ideas, the installation of solar voltaic systems. Specifically, the article describes a solar system installed by Spike Marro, a Miami Shores area homeowner who invested about \$54,000 for the entire system providing electric power for his three-bedroom home. Notably, Mr. Marro received a \$20,000 rebate from the State of Florida and a \$10,200 tax credit from the federal government. Therefore, the total cost of this solar system for Mr. Marro was about \$24,000. Once the system was installed, Mr. Marro's electric bill was reduced to less than \$100 per month and in some months to less than \$20. Here, Mr. Marro's solar system will pay for itself over time and reduce the demand-load on FPL's electric grid.

The undersigned respectfully suggests that the Commission take a more **aggressive advocacy approach** in the current FPL rate case and directly inquire of FPL executives about installation of these types of renewable energy systems including wind turbines. FPL executives would have to admit under oath that installation of such systems by FPL's 4.5 million customers would significantly decrease the demand-load on FPL's electric grid and would therefore obviate any need to build two more nuclear power plants near Miami, Florida and would obviate any need for an additional 16-billion dollar build-out of related infrastructure.

The Commission should further require FPL to provide lease-to-own renewable energy systems to its 4.5 million customers like the system installed by Mr. Marro. Installation of these renewable electric systems would (1) provide stability for FPL's electric grid; (2) offset the demand load during peak operating hours; (3) decrease FPL's base-load demand on its electric grid; (4) provide for more reliable and uninterrupted power for FPL's customers; and (5) significantly decrease and/or completely eliminate the power bill for FPL customers through net-metering.

As you are aware, FPL customers are currently assessed for FPL's intent to build two more nuclear power plants and FPL customers are currently assessed for FPL's advertisements to encourage its customers to reduce energy usage. These funds would be better placed in investment vehicles used to provide lease-to-own renewable energy systems like solar and wind generating systems for FPL's 4.5 million customers. In addition to the above, FPL should be required to install 10-12 kw wind turbines on all of its existing utility poles where such systems can readily be connected to FPL's electric grid. Considering the hundreds of thousands of utility poles that embrace FPL's existing infrastructure, these systems could generate power in the megawatt range collectively and offset any need to build two more nuclear power plants or to invest an additional 16-billion dollars to build-out more infrastructure.

The residents of Florida, including not only customers of FPL but also customers of other electric utilities regulated by the Commission, depend and rely on the Commission to act in their behalf as an advocate to protect their interests. This is the time for the Commission to stand-tall on behalf of all Florida residents and to DENY and REJECT FPL's request to raise their base rate for electric power. Instead, the Commission should reduce FPL's base-rate by the amount recommended by the Office of Public Counsel and require FPL to implement the renewable electric systems described above for the benefit of its 4.5 million customers.

In closing, in this time of recession across our great country with unemployment in the State of Florida above 10% and home foreclosures at record levels, FPL simply cannot justify a reasonable and prudent reason to raise the base rate for electric power to its customers. I note here that FPL executives have already testified under oath, that they will NOT take any pay cuts and have decided to instead, provide wage increases across the board at FPL. Moreover, FPL is a monopoly with one of the best credit ratings in the industry and therefore has no trouble soliciting investment from the private sector with their current rate of return for their stockholders of record. To the extent that FPL seeks a rate increase to raise stockholder equity, the Commission should ORDER FPL to reduce its rates to bring down the existing and excess ROE for its stockholders. To the extent that FPL contends that they need additional capital to make investments in plant and infrastructure to make their power plants more efficient and thereby reduce the electric bills to its 4.5 million customers, FPL's arguments lack merit. As discussed above, if FPL were required by the Commission to provide its 4.5 million customers with lease-to-own solar voltaic systems tied to FPL' electric grid through net-metering, FPL

would have NO need for a \$1.3 billion dollar rate case as these solar systems would generate more than sufficient power to FPL's electric grid to meet the needs of any potential future growth in the State of Florida in the coming years.

Notably, FPL recently acknowledged the loss of 5,000 customers and coupled with the recession and resultant decrease on FPL's base-load demand no further generation capacity is required at this time. Moreover, FPL's profits have surged to record levels by their own admission. Thus, FPL should finance any further investment in plant and infrastructure from their own profits and not on the backs of their financially strapped customers who have lost their jobs and their homes due to the dire economic conditions facing our nation and specifically enhanced in the State of Florida. As previously discussed, FPL intends to use monies from any rate increase to provide an across the board pay raise for its employees – and FPL has taken extreme measures and legal maneuvers to avoid providing documentation to the Commission's staff regarding wage records of FPL employees making \$165 thousand dollars or more.

To the extent that FPL has acted evasively to avoid the lawfully required disclosure of wage records to the Commission and to the extent that FPL knowingly filed for a rate increase with the Commission without proper support or justification for such a rate request, the Commission should (1) DENY FPL's rate request; (2) ORDER FPL to reduce its base rate for electric power to its 4.5 million customers by an amount recommended by the Office of Public Counsel; and (3) ORDER FPL to refund all attorney costs and fees, including expert witness fees and paralegal services, deposition costs, copy charges, etc. related to FPL's rate case in Docket No. 080677-EI back to FPL's customers accordingly.

Respectfully submitted,

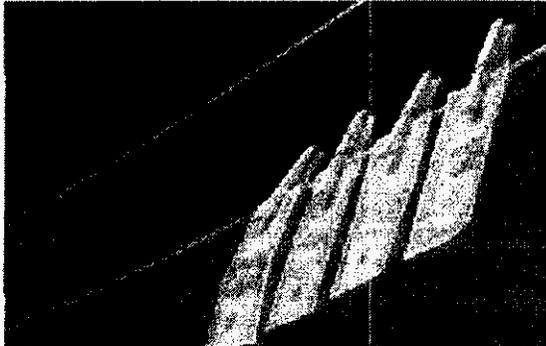


Executive Director

Cc: Commissioner Nancy Argenziano
Commissioner Lisa Polak Edgar
Commissioner Katrina J. McMurrin
Commissioner Nathan A. Skop

Homeowners Save Energy, Cash with Tax Breaks

Posted By [susanne](#) On August 27, 2009 @ 3:31 pm In [Homeowner's Toolkit](#), [Real Estate](#), [Today's Marketplace](#), [Today's Top Story](#), [Today's Top Story - Consumer](#) | [Comments Disabled](#)



[1]RISMEDIA, August 28, 2009-(MCT)-Bob Menconi enjoys his newly replaced air conditioner at his house. The A/C was replaced by a federal tax rebate. So your car isn't a clunker? And you're not buying a new home? But maybe your air-conditioning unit is on the fritz. Or your small business needs new equipment or office furniture. Perhaps you have always wanted solar panels. Then there is a tax break waiting for you, too.

Although there hasn't been much hype surrounding these credits and deductions-all increased or expanded by federal stimulus bills passed this year and last year-retailers say sales of new, energy-efficient products are beating expectations in the midst of the recession.

The reason, they say, is the prices are that good.

In Davie, Fla., Menconi said he paid the same amount for a new air conditioner as he did for the one he bought about 20 years ago. The price for his new Ruud air conditioner: \$6,295. But the combination of a rebate from Florida Power & Light, the manufacturer and a \$1,500 credit on his taxes next year means he will pay \$3,520. On top of that, he said, the first month, the family electric bill was \$200 less than the previous month. The tax credit "pushed us in the direction to do it," Menconi said. The old one "cooled the house, it was just not efficient. We wanted to catch it before it broke. At 20-plus years old, it was just waiting to bust."

Any air conditioner that qualifies for the tax credit will also definitely qualify for the FPL rebate, said Ralph Scanga, owner of Air Conditioning Excellence in Hollywood, because the federal energy efficiency requirement is more stringent than the power company's.

Federal stimulus laws allow homeowners to get a tax credit of 30% of the cost of energy efficient windows, doors, water heaters, air conditioners and furnaces, up to a maximum of \$1,500. So if you max out the credit on your new A/C, you can't use it for one of the other items. But if you don't use any or all of the credit this tax year, you can buy a qualifying item and claim the credit or any remaining credit in 2010, said Amy McAnarney, an executive director at H&R Block's Tax Institute. The items have to be installed by Dec. 31, 2010, for taxpayers to claim the credit. McAnarney also cautioned buyers not to take a company's word that an item qualifies. She said to get a copy of the manufacturer's statement.

Another tax credit allows homeowners to get up to 30% of the cost of solar energy systems, such as solar water heating and solar power, small wind systems and geothermal heat pumps if they are installed by Dec. 31, 2016. It's separate from the credit for windows, doors and air conditioners, so homeowners can use both.

But to keep customers like Marro buying, the state needs to keep the rebates coming in addition to granting the tax credit, said Paul Farren, owner of The Energy Store in Hollywood. The program had run out of money until the state padded the fund for rebates with federal stimulus dollars.

Water heaters are also a hot item because energy efficient water heaters might also qualify for more money back than just the tax credit, said John Lipka, owner of E.H. Whitson Plumbing in Hollywood. For example, he said, a natural gas tankless water heater, which can run from \$1,600 to \$2,000, would net a \$450 rebate from gas company TECO and a 30% tax credit on the purchase price. That price is competitive with a traditional \$800 tank water heater, he said.

Some of the deductions and credits might be harder to come by than others though. Miami-Dade and Broward counties have strict codes for impact resistant windows, but many energy efficient windows don't meet that code, said Susan Roeder, corporate affairs manager of Andersen Windows. But at least one company, PGT Windows, based in Venice, has a product that meets both counties' impact resistant standards and the federal tax credit program's energy efficiency rules, said Jim DiPietro, administrative director of Broward County's Board of Rules and Appeals, which oversees building code enforcement in the county. "The products do exist," said Rusty Carroll, the county's chief structural compliance officer. "You just have to dig a little to find them."

Another obscure tax break: a bigger deduction for businesses that buy new equipment or furniture, IRS spokesman Mike Dobzinski said. Land, buildings and items like a new central air conditioner don't count. Section 179 of the tax code has been around for a while, but the 2008 stimulus package doubled the amount deductible to a maximum of \$250,000 and the 2009 law extended the deduction through the end of 2010. In this case, businesses could claim the entire deduction each year, he said.

Still not enough? A whole new set of government gifts will arrive late this year or early next. That's when Florida's version of a Department of Energy rebate program for energy efficient appliances should be approved, said Jeremy Susac, director of the Florida Energy Office.

The state is expecting at least \$17.5 million in federal dollars it can issue in the form of rebates to buyers of the right kinds of dishwashers, washing machines, refrigerators, dryers, air conditioners and other items. But the Feds have to approve Florida's list of appliances, and that might not happen until later this year.

Think carefully before you run out and buy a new fridge right away, he said. It's unclear whether the state will be able to issue rebates for items bought before the federal government approves Florida's plan. "We've asked that question," he said. "Certainly, save the receipt."

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