

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION FOR INCREASE IN RATES DOCKET NO. 080677-EI
BY FLORIDA POWER & LIGHT COMPANY.

2009 DEPRECIATION AND DISMANTLEMENT DOCKET NO. 090130-EI
STUDY BY FLORIDA POWER & LIGHT
COMPANY.

VOLUME 46

Pages 6124 through 6227

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PROCEEDINGS: HEARING

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

DATE: Thursday, October 22, 2009

TIME: Commenced at 9:30 a.m.
Concluded at 7:25 p.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
(850) 413-6732

PARTICIPATING: (As heretofore noted.)

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NAME:

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P R O C E E D I N G S

(Transcript follows in sequence from
Volume 45.)

CONTINUED CROSS EXAMINATION

BY MS. BRADLEY:

Q. And let me show you one more.

A. Yes, I am aware of this one, too.

Q. And do you have any reason to believe this is
not accurate?

A. I did not -- I mean, there are certain things
here that I really have no idea whether they are true or
not. And, I did not investigate, so I can't tell you
whether it is accurate or not.

Q. When did you first talk in your company about
putting this together?

A. Early in the year.

Q. Of 2009?

A. Of 2009, yes.

Q. And how much time was spent on this?

A. Probably -- I mean, the person that spent the
most time was the person that was coordinating it, but
she was coordinating the hearings over all. So it
wasn't just this activity that she was doing. I mean,
we had a lot of work to do for all the logistics. We
had the customer service representatives that attended

1 all the hearings. All the logistics work. We had
2 laptops there. I mean, there was just a lot of
3 logistics and work that went into all of that. So, you
4 know, that was probably more work than this.

5 I mean, I know this looks like a lot of work,
6 but it really was just part of the regular day-to-day
7 conversations that our employees have with our
8 customers. So this is was just, you know, another thing
9 that they talked to them about. They were talking to
10 them about the rate increase, the impact that that was
11 going to have on them. This was just, you know, another
12 couple of minutes to the conversation. So I know it
13 looks like a lot of work, but it really was not much
14 incremental time.

15 Q. So this report and the information contained
16 in that was all done during regular business hours?

17 A. Yes, that is my understanding.

18 MS. BRADLEY: I don't think I have anything
19 further. Thank you.

20 COMMISSIONER EDGAR: Commissioner Argenziano.

21 COMMISSIONER ARGENZIANO: That figures, now
22 that I have put a candy in my mouth. Excuse me. I
23 guess a question comes to mind. And as I said before,
24 and I will say it again, as a Commissioner, and I know
25 the other Commissioners, I'm not going to speak for

1 them, but I know we all want to hear all sides. As I
2 said before, too, I have a problem with the way you went
3 about it. And I think that you may have limited or
4 tried to limit, and maybe by getting people there early,
5 that kind of bothered me. But something comes to mind,
6 and I don't know -- and I think I saw something
7 yesterday. Have you produced a document that shows the
8 percentage, or in a percentage form that shows that out
9 of all of the service hearings, how many people were
10 supportive or how many people were against?

11 **THE WITNESS:** We haven't. The statistic that
12 I have is regarding quality of service, and let me tell
13 you exactly what that is. We had 418 customers that
14 attended the hearings. Out of those, we had 55,
15 13 percent, that had a service issue. And then out of
16 those, we had 243, which is 58 percent, that had
17 positive comments.

18 So, I mean, if you think about it, even if you
19 take away all of these positive comments and assume that
20 they did not exist, you know, you could look at it and
21 say out of 4-1/2 million customers that FPL has, 55 had
22 issues.

23 **COMMISSIONER ARGENZIANO:** And I understand
24 that, but my point is that perhaps this whole program is
25 undertaken to get that result, and then -- then that

1 changes things a little for me. Because then it is not
2 people coming and telling me on their own. And I'm sure
3 there are a lot of people who are very satisfied with
4 the company, but perhaps it is done to get that. I
5 mean, if you didn't have -- if you didn't call people to
6 come to that meeting, then your percentages would be
7 very different, wouldn't they, to enter into a record or
8 into anything else.

9 **THE WITNESS:** The number wouldn't have
10 changed, I don't think. I mean, you still would have 55
11 customers with issues.

12 **COMMISSIONER ARGENZIANO:** Well, I don't know.
13 A lot of people left because they had to wait a long
14 time for the other people who were there seeking our
15 contributions or --

16 **THE WITNESS:** It happened the other way
17 around, too.

18 **COMMISSIONER ARGENZIANO:** But the other people
19 didn't get the phone call to get there early, that is my
20 point. That's the problem I have with that, not the
21 problem with hearing from people who have good things to
22 say about the company, because there are obviously many
23 people who do. But my point is when I think more about
24 it, is that it may be a mechanism to get a certain
25 percentage to say that out of all the service hearings,

1 this is what we had. And when I look at your numbers,
2 I'm not sure if you are adding in all the people who
3 spoke about contributions, which as I said in the
4 service hearings, really have nothing to do with the
5 rate case. That is why we kind of wanted to push them
6 at the end. If you are here to speak about that, that's
7 great. We think the company is doing a wonderful job
8 when it comes to giving contributions, but maybe you
9 should be on the end of the meeting so that people who
10 here to speak to the quality of service issues or the
11 rate case. But now it makes me want -- I don't know how
12 many numbers that are included in that percentage that
13 you mentioned were speaking of contributions and how
14 many were of service quality or quality of service.

15 **THE WITNESS:** Okay. Let me explain. The
16 58 percent that I mentioned, all of those talked about
17 quality of service. Whether they talked in addition
18 about contributions, that could have happened, but the
19 58 percent that I am talking about definitely talked
20 positively about service.

21 **COMMISSIONER ARGENZIANO:** And in your -- I
22 guess when you -- in the development of the program, was
23 it discussed so that not only can you get your point of
24 view out that there are people who are happy with the
25 company, but that it would also help in the numbers at

1 the end when you had to maybe show how many people were
2 for and against? Was that possibility discussed, that
3 if we call people and can get people who are happy with
4 us, and maybe rightfully so, was that part of the
5 program development?

6 **THE WITNESS:** We definitely -- we wanted to
7 get as many people out as possible with positive
8 comments. There is no doubt about that.

9 **COMMISSIONER ARGENZIANO:** Thank you.

10 **COMMISSIONER EDGAR:** Mr. Moyle.

11 **MR. MOYLE:** Thank you.

12 CROSS EXAMINATION

13 **BY MR. MOYLE:**

14 **Q.** Ms. Santos, Jon Moyle on behalf of FIPUG. I
15 am going to switch gears and ask you some questions
16 about a couple of other topics that you have not talked
17 about much, other than in your opening statement, and
18 then come back to a couple of follow-up questions about
19 these customer service hearings.

20 The first thing I want to talk about is the
21 late payment charge. And in your rebuttal testimony you
22 addressed the late payment charge, correct?

23 **A.** Yes.

24 **Q.** Okay. And you are proposing to increase that
25 charge to the greater of 1.5 percent or \$10, is that

1 correct?

2 **A.** Yes.

3 **Q.** Okay. What is it now?

4 **A.** 1.5 percent. Yes, just 1.1 percent.

5 **Q.** 1.5 percent?

6 **A.** Uh-huh.

7 **Q.** So there is no minimum charge?

8 **A.** Correct.

9 **Q.** Okay.

10 **A.** So what we are proposing is to have a minimum
11 charge of \$10.

12 **Q.** And how did you get to the 1.5 percent, do you
13 know?

14 **A.** Oh, my gosh. That has been around for a
15 really long time. I don't really know. It's been a
16 long -- we have had it for a long time.

17 **Q.** And is that a monthly, that is 1.5 percent per
18 month?

19 **A.** Of the balance for that month. If you have --
20 you know, whatever month you have a late payment, it
21 applies to that month.

22 **Q.** Why do you charge a late payment? Is it to
23 compensate you for the loss of money, for the time value
24 of money that you don't have the money? A lot of times
25 credit card companies do it that way. They charge you a

1 late payment fee. Why do you all charge that late
2 payment fee?

3 **A.** We see it more, and I talk about that in my
4 testimony, as an incentive for customers to have the
5 proper payment behavior.

6 **Q.** And we will get to that in a minute, but I am
7 a little more curious about the 1.5 percent. Do you
8 have any information that if you take the 1.5 percent
9 times 12, you come out to an 18 percent annualized rate.
10 Do you think -- do you know -- is that how that
11 1.5 percent came to be?

12 **A.** I really don't know how it came to be. It has
13 been around for a very long time. It was approved by
14 this Commission, you know, way back in the -- I don't
15 even know if it was in the 1980s or before the 1980s. I
16 mean, I just really don't have that information.

17 **Q.** What percentage of your customers are
18 presently late on their payments?

19 **A.** About 20 percent.

20 **Q.** And then of that 20 percent, I presume you go
21 after them --

22 **A.** Yes.

23 **Q.** -- and try to collect that money, is that
24 right?

25 **A.** Yes, definitely.

1 **Q.** How many of them ultimately end up not paying
2 you at all?

3 **A.** How many customers?

4 **Q.** Out of the 20 percent?

5 **A.** I don't have that number in customers. I've
6 got a percentage of write-offs as a percentage of
7 revenue, I have that number, but I don't have the number
8 of customers.

9 **Q.** Why don't you give it to me in percentage of
10 write-offs?

11 **A.** Okay, sure. So as an example, in 2008, the
12 bad debt factor was .234 percent.

13 **Q.** .234?

14 **A.** Uh-huh.

15 **Q.** So that is like --

16 **A.** A quarter of a percent.

17 **Q.** A quarter of a percent?

18 **A.** Uh-huh.

19 **Q.** At the end of the day, wouldn't you agree that
20 a quarter of one percent or less than a quarter of one
21 percent of the people not paying the monies owed to FPL
22 is a pretty good collection rate?

23 **A.** It is a very good collection rate.

24 **Q.** I think I know some law firms that would be
25 very pleased with that rate. Given that fact, do you

1 really need to put the \$10 minimum per if the 1.5 seems
2 to be -- seems to be working in terms of you all getting
3 your money at the end of the day?

4 **A.** The way that we looked at it was we looked
5 around to see what other utilities are doing. The other
6 utilities in Florida have a \$5 minimum, and when we
7 looked at that \$5 minimum and saw that right now our
8 customers with what we have in place are paying, it is a
9 little bit over \$2 is the average rate. I have it here.
10 It is like 2.50, 2.60, something like that. So we just
11 didn't feel that that amount, or even \$5 was going to be
12 sufficient to incent good payment behavior, so that is
13 why we are proposing the \$10.

14 **Q.** Isn't it true that your charges have to be
15 cost-based, your customer service charges?

16 **A.** My understanding is that most of the time that
17 the charges are cost based. This is one that I believe
18 has been always viewed as an incentive for proper
19 behavior.

20 **Q.** And given the fact that you didn't know why
21 the 1.5 percent figure came into being in the first
22 place, how do you know that it is incentive based? Are
23 you talking about the 1.5 percent being incentive based,
24 or are you saying that your new proposal is trying to
25 incent behavior?

1 **A.** Well, our new proposal definitely is trying to
2 incent behavior. For the 1-1/2 percent, I just -- I do
3 not know of any cost basis for that, and my assumption
4 was that is was incentive based.

5 **Q.** Do you know if -- that is an assumption. You
6 don't know if there is a rule or anything that says
7 generally customer service costs need to be cost-based,
8 with the exception of a late payment fee, which can be
9 incentive based. There is not a rule or anything out
10 there that says that that you are aware of, correct?

11 **A.** I don't recall.

12 **Q.** Okay. And if the typical practice is to make
13 fees cost-based, and the 1.5 percent represents the time
14 value of money on an annual basis, you would agree
15 1.5 percent is 18 percent, correct?

16 **A.** Yes.

17 **Q.** That that is a reasonable cost of money,
18 correct?

19 **A.** Yes. I mean, what we saw was that the other
20 Florida utilities have the \$5 minimum, so we were trying
21 to get in line, more in line with them, and see what
22 they were doing. And when we looked at that just, you
23 know, thought that \$5 was probably not enough. That was
24 the rationale.

25 **Q.** Yes, I hear you. And I might venture to say

1 that I'm not sure they have it right, but we will move
2 on.

3 **A.** I understand.

4 **Q.** Do you think that given the tough economic
5 times that this may not be the right time to increase
6 the late payment fee to this \$10 minimum?

7 **A.** Well, Mr. Moyle, one thing that I mentioned
8 the last time that I was here during cross-examination
9 was that by having this \$10 minimum what is happening,
10 the way that these service charges work is that base
11 rates are actually being reduced. So base rates are
12 being reduced as a result of this late payment charge by
13 \$1.70 per month. So all of the customers are getting a
14 savings of \$1.70 per month by having this \$10 minimum
15 late payment charge. So we felt, actually, that it was
16 something very positive. So if you think about it, a
17 customer that makes their payments on time would save
18 about \$20 on an annual basis. So, we really thought
19 that it was the right thing to do, especially in these
20 economic times.

21 **Q.** You make a comment in your testimony that I'm
22 not sure that I followed. It is on Page 13, Line 6, and
23 I wanted to ask you to help me understand it.

24 **A.** Say the page number again, please.

25 **Q.** Yes, ma'am. It's Page 13, Line 6. And I will

1 quote it. You say if FPL's conservative 30 percent
2 adjustment for behavioral change is not factored into
3 LPC revenues, then FPL would withdraw its proposal to
4 change the current LPC fee structure.

5 **A.** Okay. And you want me to explain that?

6 **Q.** Well, yes, the 30 percent -- you are assuming
7 that 30 percent of the people are going to change their
8 behavior, and I want to know did you do any studies or
9 analysis to come up with that 30 percent, or was it more
10 of kind of a swag?

11 **A.** Okay. What I show as support of that is the
12 table right above that, which is a price elasticity
13 calculation. And what we did is we used the same price
14 elasticity as the one for electricity demand, because
15 that is really, you know, the one that we knew about,
16 and we actually tried to search for other price
17 elasticity around this type of charge, and we couldn't
18 find anything.

19 So we are using the one for electricity
20 demand, and when we do that, we actually showed that we
21 would have 65 percent of the customers changing their
22 behavior. We thought that that just seemed a little bit
23 too much, and so we were very conservative in our
24 assumption. Instead of saying that we were going to
25 have 65 percent of customers changing, we took close to

1 half, so we changed it and made it 30 percent.

2 So we feel that our late payment charge
3 revenues that we have included in this filing are
4 actually very conservative, because they assume only
5 30 percent of the customers will change their behavior,
6 not 65 percent.

7 Q. And is that the extent of the analysis that
8 you did with respect to determining that 30 percent
9 adjustment?

10 A. Yes, that was the analysis.

11 Q. And you are saying that -- explain the point
12 about withdrawing the proposal?

13 A. Well, we feel very strongly that if this
14 Commission does not agree that it is appropriate to
15 adjust late payment charge revenues by 30 percent, then
16 they should not adopt this \$10 minimum. They should
17 then -- we should just then assume that we are going to
18 have the 1-1/2 percent, because it would be very unfair
19 for the revenues associated with the late payment
20 charges to be calculated without taking into account the
21 30 percent behavior change.

22 Q. But the fee is going up by more than
23 30 percent, is it not, based on -- what I understand
24 this table to be, it looks like the fee is going up
25 324 percent.

1 **A.** 324 percent, correct. The 30 percent -- the
2 change in behavior that comes up as a result of the
3 elasticity calculation is 65 percent. We did not use
4 65 percent. We only used 30 percent. We halved it. We
5 used a round number. So we used a 30 percent. We
6 reduced -- what we did was we reduced the late payment
7 charge revenues that would have resulted from the \$10
8 minimum by 30 percent, assuming that 30 percent of the
9 customers will no longer pay late. We could have
10 done -- we could have used 65 percent, and then we could
11 have put into, you know, our calculation of the revenue
12 requirements a much smaller number.

13 **Q.** What is the revenue associated with the
14 proposal that would be realized?

15 **A.** For 2010, it is \$92.7 million.

16 **Q.** And if you don't make the change?

17 **A.** If we don't make the change. Hold on. That
18 is shown on MFR E13-B, and it would be about
19 \$37.6 million.

20 **Q.** Thank you for helping me understand that
21 better.

22 **A.** Sure.

23 **Q.** I also want to ask you some questions that
24 follow up on some Commissioners, and you have some
25 reference to it in your rebuttal testimony that

1 Commissioner Skop inquired about about the services and
2 products provided by the unregulated entity.

3 A. The only thing that I have on my rebuttal
4 testimony about that is the gas sales, which is no
5 longer part of FPL. Is that what you are talking about?

6 Q. You also have a reference to the surge
7 protection, as well.

8 A. Not in my rebuttal testimony.

9 Q. Page 16, Line 17.

10 A. Page 16 -- I'm sorry, say that again.

11 Q. Page 16, Line 17, you are asked the question
12 about the surge protection service advertisement?

13 A. Oh, okay. Sure, go ahead.

14 Q. And even if you didn't have it in there you
15 were asked a lot of questions about --

16 A. No, no, no. You're right. I apologize,
17 you're right.

18 Q. So can you just -- the questions that
19 Commissioner Skop asked you about this air conditioning
20 program, does that have anything to do with electricity,
21 or are you all just going out and saying, hey, if your
22 air conditioner breaks, you know, we will fix it?

23 A. These are services that are not related to
24 electricity, you are exactly right, and that is why they
25 reside at FPL Energy Services. That is why they are not

1 part of what FPL provides. But they are extensions of
2 our product, so it is -- you know, if you think about
3 it, it is the end use of our products. So most of these
4 services, that is sort of how they have come about, is
5 because they are extensions of our product.

6 Q. So let me focus on the surge protection. I
7 assume there is a lot of them, correct?

8 A. There is various, yes.

9 Q. Okay. So let's talk about the surge
10 protection program just for a minute. Would you briefly
11 describe that program? I believe it is also the one
12 that Representative Sands may have mentioned, is that
13 right?

14 A. Well, I think that was appliance guard.

15 Q. Okay. I'm sorry.

16 A. So, surge protection in particular is actually
17 an insurance. It is insurance coverage, and it is a
18 service designed for our residential customers to
19 compensate them for repairs or losses to any type of
20 electrical appliances in their homes due to lightning
21 strikes or power surges. It is insurance protection.

22 Q. How much do you charge per month?

23 A. There is different -- the coverage is
24 different. So you can -- like, for example, you can get
25 \$2,500 coverage for \$5 a month, or you can get \$3,500

1 coverage for \$7 a month. So there is a lot of different
2 fee schedules.

3 Q. Do you buy the equipment, or do you lease it,
4 or do you know?

5 A. It is insurance. This one is purely
6 insurance.

7 Q. Oh, so you don't have a device that you put
8 on?

9 A. Not this one. Surge shield is a device that
10 is put on the meter.

11 Q. Oh, I'm sorry.

12 A. They are all different.

13 Q. Okay. What is surge shield?

14 A. Surge shield is a device that is placed on the
15 meter that protects the home from surges from lightning.

16 Q. How much is that per month?

17 A. That one is 9.95 per month.

18 Q. And I guess the thing that I am unclear about
19 is do businesses need this surge protection?

20 A. Sure. I mean, this happens all the time. I
21 mean, your house can get struck by lightning and you
22 lose all of your electrical equipment.

23 Q. Why would it not be part of the regular
24 electric service that is provided if it is something
25 that is in your judgment beneficial to customers

1 receiving electricity?

2 **A.** It is one of those things that it is not one
3 size fits all. It is not necessary for everyone. It is
4 really more something that should be optional and that
5 makes sense for certain market segments. I mean, you
6 don't see utilities across the country having this type
7 of service as basic electricity service. I mean, it is
8 expensive for us to provide that to all of our
9 customers. We would have to increase our rates by that
10 much.

11 **Q.** Do you know how much -- how much each device
12 costs?

13 **MR. BUTLER:** Madam Chairman. Excuse me.
14 Madam Chairman, I'm going to object to this line of
15 questioning. I was letting it go on a while to see if
16 it came back to the topic, but Mr. Moyle had pointed out
17 in Ms. Santos' testimony that there really is a single
18 Q&A going to this subject and it has to do about or with
19 the subject of how FPL charges FPLES for use of billing
20 space. And I don't think that what Mr. Moyle is asking
21 has any connection at all to her rebuttal testimony, so
22 I would object to it on that basis.

23 **COMMISSIONER EDGAR:** Mr. Moyle.

24 **MR. MOYLE:** I was trying to understand the
25 program, and I can ask about the -- you know, the flow

1 of dollars back and forth. I will move it forward a
2 little bit.

3 **COMMISSIONER EDGAR:** Thank you.

4 **BY MR. MOYLE:**

5 **Q.** To your counsel's point about how money gets
6 flowed back and forth, FPL, the regulated utility,
7 allows the bill inserts to be used to advertise this.
8 Tell me the name of the one that protects the house with
9 the device?

10 **A.** Surge shield.

11 **Q.** Surge shield. So surge shield gets into the
12 bill, is that right?

13 **A.** Yes. Surge shield is on the bill, so the 9.95
14 a month is on the bill.

15 **Q.** Are inserts also provided, like a little, you
16 know, glossy or something that says buy this service for
17 9.95 per month?

18 **A.** FPLES has -- they pay to participate in that
19 program. So, yes, they have participated in the bill
20 statement advertising program and have purchased bill
21 inserts for the surge shield.

22 **Q.** Do you know how much they pay?

23 **A.** Yes, I do. Hold on a second. They actually
24 pay -- I actually have it right here. They pay anywhere
25 between 22 to \$26 per 1,000 inserts, depending on the

1 weight of the insert. And we have it -- I believe it
2 was an interrogatory where this information was
3 provided, and that is what they pay.

4 Q. 26,000 per what?

5 A. It is between 22 and \$26 per 1,000 inserts,
6 depending on the weight.

7 Q. Okay. Well, just quick math. If you put a
8 stamp on it, stamps are, say, 45 cents, that would be
9 450 bucks, right, if somebody had to go out and mail
10 this same information?

11 A. I'm sorry, what were you doing?

12 Q. If I was in a business that I offered this
13 surge protection device, too, and I wanted to mail
14 something to everybody that is an FPL customer, I would
15 have to put a stamp on the information and mail it,
16 would I not?

17 A. Yes.

18 Q. Do you know what a first class stamp goes for
19 now?

20 A. You're trying -- yes, the point that you are
21 making is that it is cheaper to do this than to do that.
22 Yes, and that is why we have other customers, not only
23 FPL Energy Services, that participate in this program.
24 And we make -- for the FPL customers, we make money by
25 having this program, and --

1 **Q.** Do you allow any entity that is not affiliated
2 with FPL to provide information in your bill inserts
3 that is a for profit business?

4 **A.** Yes, we do.

5 **Q.** Who?

6 **A.** We have several companies that have
7 participated, company's like GEICO, like I believe
8 Zephyrhills, JC Penney, Discover Card, just to name a
9 few.

10 **Q.** And do you charge them the same amount of
11 money that you charge your regulated affiliated entity?

12 **A.** They actually -- what we do is we have a third
13 party that goes out and gets those customers for us. So
14 we are not dealing directly with GEICO and JC Penney and
15 those companies to try to get them to participate in the
16 program. And what we do is we charge that company \$13
17 per 1,000 inserts.

18 **Q.** Thank you for clarifying that.

19 **A.** Sure. And we are expecting to make over
20 \$1.3 million for FPL customers on that program in 2010.

21 **Q.** How much money did you make on the surge
22 protection program with the device? How much was made
23 on that, do you know?

24 **A.** FPL doesn't make anything on that; that would
25 be FPLES.

1 **Q.** Okay. And that is the one that you were
2 talking to Commissioner Skop about having high margins
3 on, is that right?

4 **A.** That is the one he was talking about, yes.

5 **Q.** I want to just follow up on a couple of
6 questions on these service hearings. What is your
7 understanding as to why the Commission has service
8 hearings or what their purpose is?

9 **A.** The purpose is to hear from customers about
10 the quality of service.

11 **Q.** Do you think that that should be done in a way
12 where people who are interested in coming to talk to the
13 Commission about issues show up and give their comments
14 free of any kind of solicitation or active involvement
15 of any of the parties?

16 **A.** Well, if you are asking me for my opinion,
17 actually what I have been thinking of being a part of,
18 you know, this process is that the Commission should
19 consider possibly other ways of getting customer input.
20 So, you know, we do customer surveys as an example, and
21 that way you know for sure that you have got a random
22 sample, that there is no biases. So maybe that is
23 something that the Commission might want to think about
24 in the future. So, you know, that would be one idea.

25 **Q.** I appreciate that. And given that answer, I

1 presume that there is probably a little discomfort about
2 the customer service hearings and this process. You had
3 mentioned earlier that you were aware that the Retail
4 Federation had sent out an e-mail, is that right?

5 A. Yes, I have that with me.

6 Q. And I don't want to get into the details of
7 it, but I thought I heard you suggest that that became
8 something you were aware of, and then you started your
9 efforts to try to get people who would say positive
10 things there. Is that the sequence of events?

11 A. No, that is not the sequence of events.

12 Q. Okay. So the sequence of events was that you
13 all had in place these efforts to identify customers who
14 had positive things to say?

15 A. Yes.

16 Q. And would try to get that information from
17 them in advance of the hearing and then encourage them
18 to attend, is that right?

19 A. Yes.

20 Q. Okay. And then the Retail Federation e-mail,
21 I guess, came out after that fact, or after you --

22 A. Yes. Well, right, because they sent this out
23 to the customers close to the hearings because they were
24 trying to get customers to go out. I mean, it would not
25 make sense for them to have done this in January. We

1 didn't even have dates for the hearings. So, you know,
2 they sent this out much -- you know, soon, right close
3 to the hearings, I should say. I don't know how long
4 they were planning, and I don't know if they had lists,
5 too, of who was going to attend. AARP did the same
6 thing. I know they are not a party to this proceeding,
7 but like them, you know, there were other groups doing
8 that kind of thing.

9 Q. And you have heard the saying the buck stops
10 here, have you not?

11 A. Yes.

12 Q. Okay. And this was not -- the buck didn't
13 stop with you on this notion of identifying customers of
14 your company that would say positive things and
15 contacting them to try to understand what they would say
16 in advance?

17 A. I take responsibility for it.

18 Q. Okay. Were there others higher than you that
19 were aware of it, and said, okay, go ahead, and do that?

20 A. Yes. I think I answered that already.

21 Q. Mr. Olivera?

22 A. Yes.

23 Q. Anybody above Mr. Olivera? Mr. Hay, was he
24 aware? Did you ever brief him on it?

25 A. I don't recall.

1 Q. You were never told to discontinue this
2 program, correct?

3 A. No.

4 Q. Did you make efforts to identify customers by
5 customer classification so that you would not have all
6 residential, or all industrial, or all commercial so
7 that you had a broad spectrum?

8 A. Yes. We thought that was important. You
9 know, it is important for this Commission to hear not
10 only from, you know, customers that had good
11 experiences, but from a wide variety of customers.

12 Q. Did you make efforts to identify customers
13 based on gender or ethnic diversity, as well?

14 A. No, not really.

15 Q. The document that was handed out, it has a
16 little thing over on the left that says edit. Do you
17 see that?

18 A. Hold on.

19 Q. And I am referring to the 14-page document
20 that your counsel handed out.

21 A. Edit. I don't know what that is. I think
22 that is what you press when you are going to change the
23 fields, but I'm not positive about that.

24 Q. I'm looking at the first page of this
25 document, and a couple of the notations that -- the

1 fourth one down says will not commit at this time, and
2 then the last one from the bottom says will not commit
3 at this time. I presume from that comment that the
4 customers were asked to commit in these meetings to come
5 to the service hearings, is that correct?

6 **A.** We invited them to the hearings, and, you
7 know, they said yes, we will go, or no, they won't go.

8 **Q.** If they committed, did you follow up with them
9 shortly before the hearing and remind them or offer them
10 transportation?

11 **A.** We did not offer them transportation.

12 **Q.** But you called them?

13 **A.** There probably was, yes.

14 **Q.** There probably was follow-up calls? I just
15 want to make sure the record is clear on this.

16 **A.** Yes. I would say, yes, that there were
17 follow-up calls.

18 **Q.** I am tempted to digress and ask you if you
19 ever worked in a political campaign about getting votes
20 out, but I'm not.

21 **A.** I have not.

22 **Q.** Okay. Let me ask you about this little thing
23 up at the top that is hard to read. It says cafe, do
24 you see that?

25 **A.** I think that is our web. I'm not sure. I

1 think that is just like the system. What is your
2 question?

3 Q. Well, I was wondering what that was. This
4 didn't come from a third party, did it not?

5 A. No, it did not.

6 Q. Did you all contract with third parties to
7 assist you in the efforts to identify customers that
8 might say positive things?

9 A. Not to my knowledge.

10 Q. As part of the efforts to cast the company in
11 a positive, did you all undertake efforts to have
12 letters to the editor written in the local newspapers
13 about FPL?

14 A. No.

15 MR. MOYLE: If I could have a minute, Madam
16 Chair.

17 COMMISSIONER EDGAR: Yes, sir.

18 BY MR. MOYLE:

19 Q. Some of your witnesses have suggested if they,
20 depending on this Commission's ultimate decision, that
21 FPL may be back in for a rate case at some point in the
22 not so distant future. If that happens, would you
23 recommend that the same process that took place with
24 respect to having public comment at the service hearings
25 be replicated at your next rate case?

1 **A.** That's a good question. I really haven't
2 thought of that yet. It would depend on what this
3 Commission finally would decide.

4 **Q.** Given your answer to a previous question, I
5 take it that you have given some thought about how --
6 how can you best get, you know, information to the
7 Commission about what's happening on the ground, as they
8 say, is that correct?

9 **A.** My comment was meant more as, you know, if
10 this Commission has concerns about it, you know, that
11 would be something to consider.

12 **Q.** Do you think, given the information that
13 Mr. Skop, Commissioner Skop, provided that, you know,
14 there should be a level of some concern as to whether
15 what was adduced at the public hearings was sort of a
16 natural occurrence?

17 **A.** I don't think that there is any concern. I
18 mean, even if this Commission decides that they do have
19 concerns about all the positive comments that were made.
20 At the end of the day, 55 customers had service issues
21 out of four and a half million customers. And so if you
22 want to throw away all the positive comments because you
23 do have concerns about them, focus on the negative
24 comments, you can focus on that.

25 **Q.** You were asked about a percentage as part of

1 the planning for this, because it sounds like you
2 planned it pretty far in advance, did you not?

3 **A.** We started thinking about the service
4 hearings; we knew it was going to be happening. It's a
5 big event, we started sometime early in the year.

6 **Q.** Yes, ma'am. And am I correct in assuming that
7 a key component of that was to try to track the
8 percentage of people who were saying positive things as
9 compared to those that said negative things?

10 **A.** We wanted to get as many customers out as
11 possible that would say positive things.

12 **Q.** So that would be, yes, that that was a
13 component of the plan?

14 **A.** I really had no -- I didn't know how many were
15 going to say negative things, so I couldn't keep track
16 of a percentage. That's why I'm answering it that way.

17 **Q.** And I'm not asking about whether the
18 56 percent was accurate or right or, you know, whether
19 somebody who said a good thing and two bad things, how
20 you counted them. Those are all a level of detail that
21 I'm not really interested in. What I'm interested in,
22 as part of the thinking and the planning and the
23 processing, was the notion of measuring percent of
24 people who said positive things as compared to negative
25 things part of that planning process? And if you can

1 answer yes or no, I would be grateful.

2 **A.** I think the answer would be yes, if I
3 understand you correctly, because we wanted to have as
4 many customers as possible saying positive things. So
5 that, I think, in and of itself would mean that.

6 **Q.** You're also aware that your company is asking
7 for approximately 60 -- maybe I don't have that right,
8 but asking for an additional ROE adder as it -- as it
9 relates to good service, correct?

10 **A.** Yes.

11 **MR. BUTLER:** I'm going to object to the form
12 of the question. It assumes facts not in evidence. FPL
13 is not asking for an ROE adder in our request.

14 **COMMISSIONER EDGAR:** Mr. Moyle.

15 **MR. MOYLE:** Give me one second.

16 I may not have that exactly right. I know
17 that Mr. Reed talks about, in his testimony, about ROE
18 adders and a whole bunch of other -- other cases that we
19 will get to, I guess, when Mr. Reed testifies, but that
20 was the basis for the question, Mr. Butler. So I think
21 you answered, but thank you.

22 I have nothing further.

23 **COMMISSIONER EDGAR:** Commissioner Argenziano.

24 **COMMISSIONER ARGENZIANO:** Yes. And the
25 question that you were just asking, Mr. Moyle was just

1 asking about the percentages, what I was talking about
2 before when I asked a question of Ms. Santos, was I
3 understand you want to get people to come out and show
4 that there are people who like what the company is doing
5 also. But that's why I asked if the program was
6 designed, because -- to include percentages, because
7 that makes a difference than why you might solicit or
8 create a program to get people out there, you know, if
9 that carries weight.

10 Now, does the percentage -- or do we have in
11 the record, or does having percentages of -- that is
12 probably for legal, I guess, somewhere down the line.
13 Does having percentages of supportive versus
14 nonsupportive, and you would have to really break it up,
15 because I attended those meetings also, and I heard a
16 lot about contributions. I heard quality of service,
17 too. But sometimes it was we want to talk about this
18 great program and a little blurb of quality of service
19 came in there, and it was mentioned. So -- but for the
20 most part what I'm trying to ask, I guess, is does it
21 carry weight to have percentages that indicate support
22 and nonsupport when you are going around to service
23 hearings in the legal process of a case?

24 **MS. BROWN:** Well, I don't know how
25 specifically I can answer that, but I will tell you that

1 you can give the evidence in this record the weight that
2 you think it deserves. If you don't think it deserves
3 any, don't give it any.

4 **COMMISSIONER ARGENZIANO:** Let me ask this a
5 different way, because from the very beginning I had
6 some feelings about the meetings, but I felt that, you
7 know, that they may have been coordinated, but I also
8 understand the fact that you want to get people there to
9 say, hey, we are doing a good job, too. I can
10 understand that.

11 But in the legal process -- let's say it goes
12 beyond the PSC and appeals or whatever, is there a
13 legal -- I don't know what word I'm looking for. Is it
14 better to be able to introduce something into the record
15 that says, hey, you know, this many percentage of people
16 said good things and this many percentage -- do you know
17 what I mean, versus -- is there a reason to create a
18 program that might give you that record?

19 **MS. BROWN:** Well, let me go back to what I
20 said before. That you can give it the weight it's due.
21 And it's really very much -- as long as you stay within
22 basic legal boundaries, you are the one that is going to
23 determine --

24 **COMMISSIONER ARGENZIANO:** Maybe I'm not making
25 myself clear. Maybe I can't articulate it very well.

1 **MS. BROWN:** Well, what I was trying to say
2 is --

3 **COMMISSIONER ARGENZIANO:** We sat at those
4 hearings. We heard those. If it goes beyond the PSC in
5 some other appeal or someplace else, doesn't that record
6 mean something different to somebody who did not attend
7 those hearings and doesn't know?

8 **MS. BROWN:** That is what I was trying to get
9 at. The court will give your decision on what evidence
10 is convincing to you great weight.

11 **COMMISSIONER ARGENZIANO:** Okay.

12 **MS. BROWN:** They'll say, does your decision--
13 is your decision based on competent substantial evidence
14 and comports with the essential requirements of law.
15 That's the standard they will use. And when they do
16 that, they give you great deference, because you are the
17 trier of fact and you were there.

18 **COMMISSIONER ARGENZIANO:** Okay. And just one
19 question to Ms. Santos. I think you answered this
20 before, but I don't remember the answer. How long has
21 the program been around in trying to call people out to
22 meetings or to make sure that you have some
23 communication with people you'd like to attend the
24 meetings?

25 **THE WITNESS:** What do you mean how long? We

1 started planning it earlier in the year.

2 **COMMISSIONER ARGENZIANO:** I mean, when was it
3 first conceived or has it been something that, you know,
4 if there are hearings around two years ago or three
5 years ago.

6 **THE WITNESS:** We did something similar for the
7 last time, yes.

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

9 **COMMISSIONER EDGAR:** Commissioner Skop.

10 **COMMISSIONER SKOP:** Thank you, Madam Chair.
11 Just a quick follow-up question to Ms. Santos. With
12 respect to this, I guess, compilation or database or
13 whatever it may be, is it correct to understand that one
14 of these would have been prepared for each of the
15 respective service hearings?

16 **THE WITNESS:** Yes.

17 **COMMISSIONER SKOP:** Okay. Do you have log-on
18 access to access this database?

19 **THE WITNESS:** I do not. I never did.

20 **COMMISSIONER SKOP:** So you have never checked
21 it?

22 **THE WITNESS:** Never.

23 **COMMISSIONER SKOP:** Was it submitted to your
24 office for review prior to the service hearings?

25 **THE WITNESS:** Yeah, I did review it prior to

1 the service hearings, yes.

2 **COMMISSIONER SKOP:** Okay. All right. And one
3 follow-up question with respect to -- surge shield is
4 provided by FPL Energy Services, Inc., and I think I
5 have a handle on that, that's installed on the meter.

6 What is the difference between surge shield
7 and power surge?

8 **THE WITNESS:** Power surge is an insurance.
9 It's an insurance product.

10 **COMMISSIONER SKOP:** Okay. All right. And
11 just one other point of clarification. With respect to
12 FPL Energy Service, Inc., does it have its own employees
13 or is that one of these other things where it is cost
14 allocated, and one employee may be doing multiple
15 things, whether they being doing a portion for FPL, a
16 portion for FPL Energy Services and NextEra?

17 **THE WITNESS:** It has -- it has its own
18 employees.

19 **COMMISSIONER SKOP:** Okay. Stand alone, no --
20 no cross subsidization.

21 **THE WITNESS:** In general, it has its own
22 employees. If there is any time, though, that any work
23 is done by FPL for FPLES, then the time is charged. But
24 in general, I mean, it has its own employees, own
25 organization, all of that. It's pretty separate.

1 the bill stuffers and FPL Energy Services. The first
2 question I want to ask you is this: If there were
3 another vendor who wanted to provide surge protection,
4 either service or insurance type service, like the
5 products you've discussed with Commissioner Skop, would
6 FPL provide access billing services, bill stuffer
7 service to such a potential competitor to FPLES?

8 **A.** Let me make sure that I understand your
9 question, because we do provide bill stuffer services to
10 others like GEICO, JC Penney, I mean, all of those that
11 I mentioned, so I'm not sure I understand your question,
12 or did I answer it?

13 **Q.** I probably didn't ask it well enough.

14 **A.** Okay.

15 **Q.** Let's take a specific example. You offer the
16 program called -- I can't remember, surge shield. Is
17 that one?

18 **A.** Yes.

19 **Q.** That is a physical surge protection program?

20 **A.** Correct.

21 **Q.** When I say you, that's actually offered by
22 FPLES.

23 **A.** FPLES, correct.

24 **Q.** Okay. Are there any other vendors of similar
25 services operating in FPL's service territory of which

1 you are aware?

2 **A.** No, I'm not aware of any others.

3 **Q.** The surge shield product offered by FPLES is
4 billed on the FPL customer's bill, correct?

5 **A.** Yes.

6 **Q.** If there were another customer, if there were
7 another vendor and a customer wanted to obtain the
8 service from a different vendor, would FPL company
9 allow -- provide the same billing service to that
10 potential competitor of FPLES at a competitive rate?

11 **A.** I'd have to assess it. That hasn't come up.
12 I can tell you that the answer would probably be no,
13 because one of the reasons that I feel comfortable, you
14 know, as vice-president of customer service providing
15 this, these types of billing services to FPLES is
16 because it is an affiliate. And I would feel very
17 uncomfortable providing those types of services to other
18 companies.

19 **Q.** I think in response to a question from
20 Commissioner Skop, you would agree that the FPLES
21 offerings are not regulated, correct?

22 **A.** Correct.

23 **Q.** And would you also agree that the business
24 transaction between FPLES and FPL is not regulated by
25 the Public Service Commission?

1 **A.** What do you mean by the business transaction
2 between the two? Can you explain that?

3 **Q.** You don't provide the billing service that you
4 provide to FPLES pursuant to a tariff? It's not a
5 Public Service Commission regulated service, is it?

6 (Simultaneous conversation.)

7 **MR. BUTLER:** I'm going to object to the
8 question. It's calling for a legal conclusion.

9 **COMMISSIONER EDGAR:** Can you try to rephrase?

10 **MR. WRIGHT:** I think the simple question,
11 whether it's offered pursuant to a tariff is not a
12 question that calls for a legal conclusion.

13 **MR. BUTLER:** That wasn't the original
14 question. I wouldn't have the objection to that
15 question.

16 **MR. WRIGHT:** Let's go with that one first.

17 **COMMISSIONER EDGAR:** Okay. Because I don't
18 remember the original one, but I don't think that was
19 it.

20 **MR. WRIGHT:** Mr. Butler is correct. My
21 question wandered around and eventually arrived at that
22 point.

23 **COMMISSIONER EDGAR:** Okay. Why don't you
24 rephrase it, and we will --

25 **MR. WRIGHT:** Let me ask that question.

1 **COMMISSIONER EDGAR:** Thank you.

2 **BY MR. WRIGHT:**

3 **Q.** It's not a tariffed service, is it?

4 **A.** It is not a tariffed service.

5 **Q.** You mentioned a few entities to whom FPL
6 provides bill stuffer services, and what I was able to
7 write down were GEICO, JC Penney, Discover Card and
8 Zephyrhills, which I assume is the water company.

9 **A.** Those were some of the examples, yes.

10 **Q.** Okay. Do you offer --

11 **A.** You know what, it was -- was it Zephyrhills?
12 It was Crystal Springs. I'm sorry. I think I may have
13 gotten the wrong water company, that's not good.

14 **Q.** That's completely okay.

15 I just want to ask the question. Do you
16 provide -- does FPL Company provide the sort of bill
17 stuffer service to any competitor of FPL Energy
18 Services, to your knowledge?

19 **A.** No, not to any competitor. I'm not -- I don't
20 think that any competitor has ever come to ask us to do
21 it. So what we do, just to let you know, is that we
22 have a criteria that we use to determine whether a
23 company, you know, would be eligible or not. And it is
24 usually based on the imagine of the company, their
25 financial standings, I mean, things that we would, you

1 know, feel comfortable being associated with our bill.

2 Q. Thank you. I'm going to move on to the
3 customer service information for a few questions. I'm
4 pretty sure that you have testified that 55 out of the
5 484 customers who spoke at the customer service hearings
6 had service problems, is that correct?

7 A. Yes.

8 Q. Do you have a similar count as to how many of
9 those who spoke opposed the rate increase requested by
10 the company in this case?

11 A. I believe I do. It might take me a little bit
12 to get to that. We may have provided it in the filing,
13 if I recall. Yes, it was part of the letter that we
14 provided to the PSC as part of the filing, and what we
15 showed was that 154 opposed the rate increase.

16 Q. Do you have a similar count as to how many
17 supported the rate increase?

18 A. I have the opposed. I'm not sure I have how
19 many supported. If I don't have it with me, I'm sure
20 that I could get that.

21 Q. That's all right.

22 A. I will keep looking. Hold on a second. Hold
23 on, hold on. I may have found it. I may have found it,
24 possibly.

25 Okay. I did find it, actually. Okay. So we

1 have 154 which I mentioned opposed. I have 101 that had
2 no comment whatsoever about the rate increase. I have
3 110 that had full support of the rate increase. And 53
4 that had some comment about the rate increase that was
5 neither opposing or -- you know, a lot of customers said
6 things like, you know, to the Commission, we know this
7 is a very difficult decision, and, you know, whatever
8 you decide will be the right thing. I mean, things like
9 that. They weren't really -- they talked about the rate
10 increase, but they really weren't opposing or supporting
11 fully. So those are the numbers that I have.

12 Q. Thank you. As you doubtless remember, I was
13 at all of those service hearings, too. I seem to
14 remember a moderate number of customers who said, you
15 know, the company might need something, but I don't know
16 about the whole ask. Is that the category that we are
17 talking about?

18 A. Those are the 53, those types, yes.

19 Q. Thank you. In response to a question by
20 Ms. Bradley, you indicated that a woman name Carmen
21 Herrera (phonetic) prepared what I think is this
22 document, the larger quality of service hearings
23 document, is that accurate?

24 A. Yes.

25 Q. Is Carman Herrera your assistant?

1 **A.** No.

2 **Q.** Okay. Who is Carmen Herrera?

3 **A.** She's a manager of customer advocacy.

4 **Q.** Thank you.

5 I've got one more question about the -- about
6 the service hearings counts. Do you have a count of how
7 many people signed up to speak versus how many people
8 actually addressed the Commission at the customer
9 service hearings?

10 **A.** I did not keep track of that, no.

11 **Q.** Thank you.

12 **MR. WRIGHT:** Madam Chairman, I would like to
13 ask, please -- these have already been passed out to
14 everybody. I would like to ask that this document, and
15 also the document that was passed out by Mr. McNulty,
16 the memorandum from Ms. Slaton to Ms. Cole, with the
17 three attached pages. I'd like to ask that these two
18 documents be marked as exhibits?

19 **COMMISSIONER EDGAR:** Mr. Wright, I was
20 wondering who --

21 **MR. WRIGHT:** Who was going to do that?

22 **COMMISSIONER EDGAR:** -- was going to put them
23 forward, yes, I was.

24 **MR. WRIGHT:** Well, it fell to me. I expected
25 someone else to do it before, but here I am.

1 **COMMISSIONER EDGAR:** If it hadn't happened, I
2 was going to ask staff to. But, anyway, let's go ahead
3 and -- I would like to mark them separately.

4 **MR. WRIGHT:** I was thinking along the same
5 lines, Madam Chairman. Thank you.

6 **COMMISSIONER EDGAR:** So --

7 **MS. BRADLEY:** Madam Chairman, since my failure
8 has been pointed out.

9 **COMMISSIONER EDGAR:** That is not exactly what
10 I meant.

11 **MS. BRADLEY:** It's pretty obvious.

12 **MR. WRIGHT:** It was not my intent.

13 **MS. BRADLEY:** At the same time, can we mark
14 the other two documents as well?

15 **COMMISSIONER EDGAR:** Are you talking about the
16 newspaper articles that you put forward?

17 **MS. BRADLEY:** Yes.

18 **COMMISSIONER EDGAR:** Okay. I -- since you did
19 not ask, I assumed that they were just for cross. But
20 let's start with one, and then we can --

21 (Simultaneous conversation.)

22 **MS. BRADLEY:** Okay. Whatever is most
23 convenient.

24 **COMMISSIONER EDGAR:** Okay. Then the document
25 that is 14 pages, with the -- headed quality of service

1 hearings -- I was looking for a date. But, anyway,
2 let's go ahead and mark that as 524. And I am going to
3 title it Customer Commendations, Customer Commendations,
4 since that is the title twice.

5 (Exhibit 524 marked for identification.)

6 **COMMISSIONER EDGAR:** And, Mr. Wright, I'm
7 putting you down for the moment for offering it.

8 **MR. WRIGHT:** That's great. And then the -- I
9 don't know what you're going to call it, the --

10 **COMMISSIONER EDGAR:** I don't, either.

11 **MR. WRIGHT:** The --

12 **COMMISSIONER EDGAR:** The item that is --

13 **MR. WRIGHT:** Correspondence --

14 **COMMISSIONER EDGAR:** In the docket
15 correspondence file --

16 **MR. WRIGHT:** Probably call it correspondence
17 Doc Number 01544.09 -- or dash 09.

18 **MS. BENNETT:** That probably is not a good idea
19 because that's a 4,000-page document in our --

20 **COMMISSIONER EDGAR:** Ms. Bennett, thank you.
21 Do you have a better suggestion?

22 **MS. BENNETT:** Anonymous employee e-mail.

23 **COMMISSIONER EDGAR:** Works for me.
24 Commissioner Skop.

25 **MR. WRIGHT:** Madam Chairman.

1 **COMMISSIONER EDGAR:** Just a moment.

2 **COMMISSIONER SKOP:** Thank you, Madam, Chair.

3 I don't believe it was an E-mail, so it
4 just -- it came, I think, via mail. I'm not exactly
5 sure, because I didn't handle it or see it physically.

6 **COMMISSIONER EDGAR:** Anonymous employee --

7 **COMMISSIONER SKOP:** Correspondence.

8 **COMMISSIONER EDGAR:** Call it FPL employee,
9 anonymous FPL employee correspondence.

10 **COMMISSIONER SKOP:** I don't know if they are
11 an FPL employee.

12 **COMMISSIONER EDGAR:** You don't know that it's
13 an FPL employee. Okay. How about -- and while we're
14 all together here, but let's just call it
15 Correspondence, Anonymous. And we will leave it at
16 that. I think it's the only anonymous thing that we
17 have. Okay. Correspondence, Anonymous, that will be
18 525.

19 **THE COURT REPORTER:** (Comment by the Court
20 Reporter.)

21 **COMMISSIONER EDGAR:** Thank you for asking.

22 Can our staff get the court reporter another
23 copy? You know what, I think I may have two, so I'm
24 going to give you mine right now, and then we will go
25 from there. Okay. So that will be 525.

1 (Exhibit 525 marked for identification.)

2 **COMMISSIONER EDGAR:** And then, Ms. Bradley, I
3 believe that brings us to you.

4 **MS. BRADLEY:** I was trying to think of some
5 way to name these things, because they are both Sun
6 Sentinel articles.

7 **COMMISSIONER EDGAR:** Of the same date.

8 **MS. BRADLEY:** I think the first one is
9 entitled FPL Forms by the Numbers, and the second one is
10 entitled, Meet Some of the FPL Cheerleaders. So maybe
11 that would work for a title.

12 **COMMISSIONER EDGAR:** Do you want them
13 separate?

14 **MS. BRADLEY:** I have no preference, whichever
15 would work best.

16 **COMMISSIONER EDGAR:** Okay. Let's do them
17 separately.

18 **MS. BRADLEY:** That would probably be better,
19 now that you mention it, because we did discuss them
20 differently.

21 **COMMISSIONER EDGAR:** Now that I'm thinking
22 about it, that was my thought, too. Thank you. Okay.
23 So 526 will be Sun Sentinel Article, FPL Forms By The
24 Numbers.

25 (Exhibit Number 526 marked for

1 identification.)

2 **COMMISSIONER EDGAR:** And 527 will be the next
3 article that Ms. Bradley had passed out, Sun Sentinel
4 Article, FPL Cheerleaders.

5 (Exhibit 527 marked for identification.)

6 **COMMISSIONER EDGAR:** And, Mr. Wright, I think
7 that brings us back to you.

8 **MR. WRIGHT:** Thank you, Madam Chairman.

9 **BY MR. WRIGHT:**

10 **Q.** Okay. With reference to what has now been
11 marked for identification as 524, the 14-page document,
12 am I correct that these entries reflect contacts by FPL
13 employees with FPL customers?

14 **A.** Yes.

15 **Q.** Were these principally telephone contacts?

16 **A.** I would think so.

17 **Q.** To the best of your knowledge, would most --
18 would these principally have been initiated by the FPL
19 employee listed in the owner column?

20 **A.** Yes.

21 **Q.** Now, on its face, this document appears -- and
22 I think you have answered this, so just treat this as a
23 passing predicate question, please. These relate to
24 Broward County only, correct?

25 **A.** Yes, these are all Broward County only, yes.

1 Q. And there were two service hearings in Broward
2 County, correct?

3 A. Yes, but I think we only had one document for
4 Broward County for both hearings. There was one
5 document for both hearings.

6 Q. Thank you. And I think you have acknowledged
7 in response to questioning by others that there were
8 similar contacts made in advance of the other service
9 hearings?

10 A. Yes.

11 Q. Would it be correct that the FPL employees who
12 made the contacts relative to the other service hearings
13 were employees located in the areas, in the general
14 areas where those service hearings were being held?

15 A. Yes, that is correct.

16 Q. And so they are different employees than those
17 listed on Exhibit 524?

18 A. Yes, uh-huh.

19 Q. I'd like to ask you a couple of questions
20 about 525?

21 A. I'm sorry, what's 525?

22 Q. 525 is the --

23 **COMMISSIONER EDGAR:** Anonymous correspondence.

24 **MR. WRIGHT:** You took the words out of my
25 mouth. Thank you.

1 **BY MR. WRIGHT:**

2 Q. And I do want to ask you about the second --
3 the second page, which is the anonymous typed letter
4 there.

5 A. Hold on, please.

6 Q. Certainly.

7 A. Okay.

8 Q. Thanks. Now, I know this is anonymous, and,
9 obviously, at this point at any rate it's hearsay. But
10 I think you -- I believe you have corroborated some of
11 this, and I just want to confirm that. In the second
12 paragraph, the writer makes this statement, it was part
13 of the job of some of us to find customers who would say
14 good things about our company and to confirm these
15 people would show up. Is that generally true as to the
16 actions of the owners listed on the other exhibit?

17 A. It is generally true.

18 Q. It also -- in the first line of that second
19 paragraph, it refers to a share point report. Can you
20 tell us what a share point report is?

21 A. Share point is just the site, the system that
22 this was in.

23 Q. Thank you. Now, in the third paragraph, the
24 writer asserts that -- that they went out and got
25 customers to speak at the quality of service hearings.

1 That is true so far, correct?

2 A. Yes, I've pretty much said that several times.

3 Q. I'm just making sure. Thank you.

4 And then he goes on to -- he or she, I don't
5 know -- goes on to assert that they even worked after
6 hours to do it. Do you have any knowledge about whether
7 that occurred?

8 A. My guess would be that that did not occur.

9 Q. Do you happen to have the transcript of your
10 testimony on direct examination with you?

11 A. Yes.

12 Q. If I could ask you, please, to look at Pages
13 1611 and 1612 as numbered by the hearing transcript?

14 A. Okay.

15 Q. Thanks. At the bottom of Page 1611 in
16 responding to some questions by Ms. Bradley, you state,
17 that -- well, she asked you, do you remember persons who
18 came to the hearings that specifically stated that they
19 had had calls from Florida Power and Light asking them
20 to come testify. Your answer was, I do not remember
21 that; I can tell what we did and what we did.

22 And Ms. Bradley interposed something, but you
23 went on, beginning at Page 1612, Line 1, that I think
24 that that was your narrative explanation of what you
25 did?

1 **A.** That is correct.

2 **Q.** Okay. Now, I don't see in that answer where
3 your FPL employees called customers and asked them to
4 come say positive things about FPL?

5 **A.** Well, I mean I'll reread it. I have read this
6 already, you know, at least once or twice, employees
7 that have contact with our customers throughout the
8 communities that we served told their customers about
9 the service hearings. And if customers were interested
10 in attending, they attended, but definitely we told our
11 customers about the service hearings.

12 **Q.** Okay.

13 **MR. WRIGHT:** Just one moment, Madam Chairman.
14 Thank you.

15 That's all I have Madam Chairman. Thank you.
16 And thank you, Ms. Santos.

17 **COMMISSIONER EDGAR:** Mr. Wiseman.

18 **MR. WISEMAN:** Thank you, Your Honor.

19 CROSS EXAMINATION

20 **BY MR. WISEMAN:**

21 **Q.** Good evening, Ms. Santos, how are you?

22 **A.** Good.

23 **Q.** Ms. Santos, I'm going to ask you first some
24 questions about the -- your criticisms of Mr. Kollen's
25 testimony about the smart meters. And then I have a few

1 follow-up question for you on the customer commendations
2 document.

3 Let's start with the smart meters. Now, if I
4 recall correctly, FPL deployed certain smart meters
5 prior to 2009, is that right?

6 **A.** Yes, we did.

7 **Q.** And if I recall, I think you deployed
8 approximately 50,000 smart meters in 2005?

9 **A.** Yes.

10 **Q.** And then you deployed about another 100,000 in
11 2007 and 2008, right?

12 **A.** That's correct.

13 **Q.** And I think you said in your direct testimony
14 that FPL is currently reading and billing the accounts
15 associated with those smart meters, is that right?

16 **A.** That is correct.

17 **Q.** All right. Now can you turn to Page 5 of your
18 rebuttal testimony?

19 **A.** Yes.

20 **Q.** Do you have that?

21 **A.** Uh-huh.

22 **Q.** Now, am I correct that at that point in your
23 testimony you criticized Mr. Kollen's proposed savings,
24 saying that they are excessive, is that right?

25 **A.** Yes, I said that they were savings that were

1 not going to be realized.

2 Q. All right. And on Lines 9 through 21, you
3 list five categories of factors that you said that
4 Mr. Kollen did not take into consideration, correct?

5 A. Yes.

6 Q. All right. I'd like to examine those a little
7 bit. The first one that starts at Line 9, and I'm
8 looking at Lines 9 to 10, about to the middle of 10, you
9 say that one factor that Mr. Kollen didn't consider and
10 that has to take place before significant savings would
11 be achieved would be integrating complex software to the
12 Mini Legacy (phonetic) and several new systems in order
13 to maintain the integrity of customers' bills, do you
14 see that?

15 A. Yes.

16 Q. All right. Now, going back to 2005, and then
17 also the 2007 through 2008 period, did you integrate the
18 software at that time prior to deploying the smart
19 meters then?

20 A. Like you mentioned, we are billing, but the
21 issue, the word that you didn't mention was the key word
22 on Line 11 which is scalability. So we have done some
23 systems work for the 50,000 and the other 100,000, so we
24 are billing those remotely, but the system is not
25 scalable. So what we did was for a very small scale and

1 in order for us to be able to do the mass deployment
2 that we are planning to do, the systems have to be
3 changed very significantly.

4 Q. All right. Well, I still go back to my
5 question, did you install software at that time to
6 maintain the integrity of the customers bills?

7 A. Yes, we did.

8 Q. All right. And down on Line 14, you say that
9 another factor that will need to take place to create
10 savings is to create sophisticated databases required to
11 manage the new systems to manage and store extraordinary
12 large amounts of meter data, do you see that?

13 A. Yes.

14 Q. Okay. And prior to deploying the smart meters
15 in 2005, and then again in 2007 and 2008, did you create
16 databases that allowed you to manage the data at that
17 time?

18 A. Yes, but it is a very small database, so you
19 can't compare what we have today to what we need when we
20 start deploying these meters. In order to be able to
21 read all of these meters, you have got to think that
22 today we are getting 12 readings a year into our system.
23 And when we start deploying these meters, we are going
24 to get 8,760 readings every year from our customers.
25 So, you know, while we have the database that we've put

1 together for this 150,000 meters, it's nothing compared
2 to what we have to build and what we have to get to in
3 order to be able to do the deployment that we are going
4 to be doing next year.

5 Q. How much did it cost to create the database
6 that was used back in 2005 and 2007 and 2008?

7 A. I don't have that with me.

8 Q. Okay. But you are now testifying that that
9 database is useless?

10 A. Well, it's not useless. It was used for that
11 purpose.

12 Q. But it will have to be replaced in its
13 entirety?

14 A. I don't know enough -- I'm not a systems
15 expert. I don't know enough about whether it's going to
16 replaced in its entirety or just expanded. I really
17 can't answer that.

18 Q. To your knowledge, is it going to be continued
19 to be used to some extent, if you know?

20 A. I don't know.

21 Q. Okay. On Line 16, you say another factor is
22 that you have to complete significant cyber-security
23 measures. Did you do that back in 2005, 2007, 2008?

24 A. No. We actually hired Harris Corporation to
25 do a very extensive cyber security audit and testing of

1 our entire system, and so they came up with a series of
2 recommendations, and we are working on all of those
3 recommendations as we speak.

4 Q. Okay. And I'm sorry, the entity that you
5 referred to?

6 A. Harris Corporation.

7 Q. Harris Corporation, this is something
8 associated with the new smart meters, correct?

9 A. Yes, the smart meter altogether.

10 Q. Well, it's associated with the smart meters
11 that you will put in prospectively, correct?

12 A. No, they looked at the ones that we have in
13 placed today, also.

14 Q. Okay. But you don't have any system in place
15 today that provides the cyber security measures, is that
16 my understanding?

17 A. The cyber security measures that they
18 identified were all incremental new things that they
19 felt very -- you know, that we needed to do.

20 Q. And so they -- so, then, I take it they
21 thought that whatever you had done back in 2005 and,
22 again, in 2007 and 2008 was deficient, because you did
23 not employ those cyber securities measures.

24 A. They did find some deficiencies, yes.

25 Q. All right. Now, on Line 20, you say that you

1 have to establish and train the organization needed to
2 support these new processes and systems, right?

3 **A.** Uh-huh.

4 **Q.** Prior to deploying the smart meters in 2005
5 and 2007 and 2008, did FPL provide training to its
6 employees at that time concerning the systems that had
7 been installed associated with the smart meters?

8 **A.** Sure, we did that for the little bit that we
9 have. What I am talking about here is that AMI is going
10 to be -- in order for us to really get everything that
11 we want out of it, it's going to be a transformation of
12 the way that we do business. So we really need to take
13 the time to analyze all of our processes and really see
14 how we can change those processes to be more effective
15 and to do the things that our customers want us to do.

16 So there is a huge amount of work in this area
17 that we have not even begun. We just hired a person
18 recently that is going to be in charge of what we call
19 our business process design. So it's that whole effort
20 of looking at all of our processes and making all the
21 changes so that we can really get everything that we can
22 out of the system.

23 **Q.** How many employees were trained back in --
24 with respect to the earlier smart meters that have
25 already been installed?

1 **A.** You mean the training that we had to do? We
2 really didn't change in a huge way any of our processes.
3 So all we were doing was for those 150,000 meters is
4 reading them remotely. So we haven't been able to
5 really take a look at, you know, now that you are going
6 to have a mass number of customers that you can read
7 remotely, what are all the things that you can do? So
8 when a customer comes in to connect service, for
9 example, how are you going to change that process? How
10 are we going to change our outage management process and
11 our outage system? There is just a whole lot of things
12 that now that we are getting into mass deployment that
13 we will be able to do.

14 **Q.** Well, didn't you have to do all of those
15 things with respect to the 150,000 meters you previously
16 installed?

17 **A.** Definitely not. I mean, what we were doing
18 with them was we were understanding whether they truly
19 worked, getting our feet wet. I mean, this is a massive
20 project. I mean, this is not something that you can
21 redesign all of your systems and all of your processes
22 overnight. So --

23 **Q.** Well, how did you -- I'm sorry.

24 **A.** So it was -- you know, it's part of -- this is
25 a long-term project with a lot of different phases. And

1 at the same time that we will be doing the mass
2 deployment, we will be enhancing our systems, changing
3 our processes and doing everything concurrently. We
4 already -- thank goodness we have, because we have the
5 150,000 out there, we already do have a nice
6 infrastructure and certain systems and all so that we
7 will be able to start getting savings, you know, soon,
8 but it is not as soon as Mr. Kollen is saying.

9 Q. Would you agree that some of the measures that
10 you have taken, that took place with respect to the
11 150,000 meters that already have been installed will
12 provide savings in the future?

13 A. Yes, we actually took out four FTEs as a
14 result of the 150,000 meters that are currently in the
15 field.

16 Q. And wouldn't you agree, though, that at least
17 some of those systems will remain in place and provide
18 incremental benefits in the future, incremental to
19 whatever else you're going to do?

20 A. Can you explain to me -- I'm not sure I
21 understand your question.

22 Q. Okay. You have had employee training. You
23 had to have some employee training back in 2007, 2008,
24 and 2005, right?

25 A. Uh-huh.

1 **Q.** Okay. Those employees are still trained,
2 right?

3 **A.** Assuming no turnover, that would be the case.

4 **Q.** All right. So assuming no turnover, those
5 employees don't need to be retrained, do they?

6 **A.** No, but as for -- I will just give you
7 a simple example. Our call center, right now when a
8 customer calls, if they have a smart meter, the call
9 center representative has a special screen that they go
10 on, and they -- you know, they get the information on
11 the customer. They get a graphical representation of
12 the usage of the customer on an hourly basis so that
13 they can explain usage and give the customer all of this
14 good information. Well, we only trained, you know, a
15 few -- I don't remember how many, but a few customer
16 service representatives to do that, because we only had
17 150,000 customers on the program.

18 Once we have a million customers, two million
19 customers on the program, we are going to have to train
20 all of our customer service representatives. We are
21 going to have to give all of our customer
22 representatives the ability to go onto that screen. So
23 it's just a whole myriad of things that have to happen
24 as -- when you go to mass deployment that are very
25 different than when you are doing something in a small

1 scale.

2 Q. All right. Let's move to the document that
3 has now been marked as Exhibit 524 if we could.

4 A. Okay.

5 Q. I just have a few follow-up questions on it.
6 Now do you see there is a column that says last update?

7 A. Yes.

8 Q. Now, I take it that this is sort of a living
9 document that it changed over time, and what's in that
10 column would just be the last time there have been some
11 change to the particular entry for a particular
12 individual. Would that be correct?

13 A. That is correct.

14 Q. All right. Now, the earliest date that I see
15 in this document as the last update is -- actually, it's
16 on Page 1, March 5th, 2009, do you see that.

17 A. Yes.

18 Q. For the second and the third persons down on
19 the list?

20 A. Uh-huh.

21 Q. Now, do you know, is that when the first --
22 when FPL made its first contacts with customers
23 associated with this program?

24 A. That seems really early to me, so I'm not sure
25 that that date makes sense to me. So I'm not sure.

1 Q. Well, you have entries there by -- a Charles

2 Q. All right. Let's move to the document that
3 has now been marked as Exhibit 524 if we could.

4 A. Okay.

5 Q. I just have a few follow-up questions on it.
6 Now do you see there is a column that says last update?

7 A. Yes.

8 Q. Now, I take it that this is sort of a living
9 document that it changed over time, and what's in that
10 column would just be the last time there have been some
11 change to the particular entry for a particular
12 individual. Would that be correct?

13 A. That is correct.

14 Q. All right. Now, the earliest date that I see
15 in this document as the last update is -- actually, it's
16 on Page 1, March 5th, 2009, do you see that.

17 A. Yes.

18 Q. For the second and the third persons down on
19 the list?

20 A. Uh-huh.

21 Q. Now, do you know, is that when the first --
22 when FPL made its first contacts with customers
23 associated with this program?

24 A. That seems really early to me, so I'm not sure
25 that that date makes sense to me. So I'm not sure.

1 there is some -- there's one page, Page 12, only has
2 three customers, as an example. So it's probably
3 somewhere close to that.

4 Q. All right. Now, I think -- how many service
5 hearings were there? There were ten, I believe.

6 A. In Broward there were two.

7 Q. Correct. I'm talking about how many hearings
8 overall?

9 A. I should know that by heart, right. I want to
10 say nine.

11 Q. Nine. And you testified that there was a
12 similar effort taken with respect to each of those other
13 service hearings, correct?

14 A. Yes.

15 Q. So would it be fair to interpolate that to say
16 that FPL contacted somewhere in the neighbor of 800
17 customers to testify?

18 A. No, Broward had -- no, Broward had two.

19 Q. All right. 700 customers. Did FPL contact
20 approximately 700 customers to testify on its behalf at
21 the service hearings?

22 A. No, I don't think -- Broward had two hearings
23 so the hundred -- how many did you say was this, a
24 hundred?

25 Q. I am just taking -- making kind of a ballpark

1 figure, about 700 customers?

2 **A.** But how are you getting the 700?

3 **Q.** All I did is I took 8 times 100 and came up
4 with a hundred, and you corrected me that Broward was
5 two hearings. So I eliminated --

6 **A.** So I would divide this hundred by two and say
7 50 times 8 -- 50 times 9.

8 **Q.** All right. So that would be, then, about 450
9 customers?

10 **A.** (Indicating yes.)

11 **Q.** Do you happen -- do you know how many
12 customers?

13 **A.** I have no idea; no, I don't.

14 **Q.** Do you know how many -- now, there is a column
15 that says owner, and as I understand it, that is the FPL
16 employee, correct?

17 **A.** Yes.

18 **Q.** Do you know how many FPL employees were
19 engaged in this effort?

20 **A.** I was asked that earlier. I do not know.

21 **Q.** You were in charge of this program, right?

22 **A.** Yes.

23 **Q.** You didn't inquire how many people were
24 carrying it out?

25 **A.** No. I mean, these are just our employees that

1 work in the field, and they are contacting their
2 customers, talking to them about all sorts of things,
3 asking them about this. I mean, it wasn't really a
4 concern of mine.

5 Q. You were concerned with the success of their
6 efforts, though, weren't you?

7 A. Sure.

8 Q. Okay. And would you agree that -- the reason
9 that you were making these contacts or FPL personnel
10 were making these contacts was this was an attempt to
11 prod people to come to the service hearings who probably
12 wouldn't have otherwise, is that fair?

13 A. I think I answered that question earlier,
14 also. Our intent was to have this Commission hear from
15 the customers that had had good service with FPL.

16 Q. Well, that didn't answer my question. My
17 question was weren't you trying to get people to come to
18 the service hearing who probably would not have come,
19 but for FPL's efforts to get them there?

20 A. Yes.

21 Q. All right. And am I correct that your goal
22 was to enhance your potential to get a favorable outcome
23 in this proceeding, or that was one goal, is that fair?

24 A. Our goal is for this Commission to hear
25 customers' testimony that had had good experience with

1 FPL. That was really the goal and that was the intent
2 and the goal.

3 Q. And there was no intent or attempt to
4 influence the Commission to enhance your ability to get
5 what FPL would regard as a favorable outcome in this
6 proceeding, is that your testimony?

7 A. I'm not sure how, you know, how that would be
8 exactly connected.

9 Q. Wasn't one of the subjects at the hearing
10 customers views about FPL's proposed rate increase?

11 A. Say that again.

12 Q. Wasn't one of the topics that was discussed at
13 the service hearings FPL's proposed rate increase?

14 A. Yes. A lot of customers talk about that.

15 Q. Right. And FPL most certainly did not want
16 customers coming there and saying, we don't want FPL
17 to -- rates to increase at all, correct?

18 A. That was not our understanding of the purpose
19 of the hearings. The purpose of the hearings, which I
20 mentioned earlier, as far as my understanding, was for
21 the Commission to listen to customers about quality of
22 service, not necessarily -- it wasn't about a popular
23 vote of how many customers wanted to have a rate
24 increase versus how many customers did not want to have
25 a rate increase.

1 **Q.** Is it your testimony that within FPL in
2 discussing this program, that the topic never came up
3 about the potential to enhance your potential to get a
4 favorable outcome in this proceeding by having customers
5 come and say favorable things about FPL during the
6 service hearings?

7 **A.** We didn't talk about that in that manner.

8 **Q.** Well, I -- I was almost ready to let it go
9 until you said, "In that manner." In what manner did
10 you discuss it?

11 **A.** I am not -- I just don't really understand.
12 Maybe I just don't understand your question. I am just
13 having a hard time understanding what you are trying to
14 get to.

15 **Q.** Let me break it down.

16 **A.** Okay.

17 **Q.** Did the subject of -- within FPL in connection
18 with this program of having people come and talk at the
19 service hearings on behalf of FPL, did the subject of
20 FPL's rate case, this case, ever come up?

21 **A.** This was part of the rate case. That is the
22 point I'm having a hard time with.

23 **Q.** Did you discuss the amount -- did you discuss
24 the issue of what customers would say about FPL's
25 proposed rate increase?

1 **A.** No.

2 **Q.** All right. Now, if you know, I think the --
3 it looks like the departments, and I don't know if that
4 is the right phrase, but the departments that were
5 conducting this effort were customer service field
6 operations and external affairs, is that correct?

7 **A.** Yes. There was one other, the customer
8 service planning group.

9 **Q.** All right. So for those three groups, do you
10 know for the employees of those groups, was there or is
11 there eligibility for a bonus in any way tied to their
12 success rate in getting people to come and talk at the
13 service hearings on behalf of FPL?

14 **A.** No.

15 **Q.** How much -- how much time was spent by these
16 people in undertaking this program of contacting FPL --
17 or contacting FPL ratepayers?

18 **MR. BUTLER:** I'm going to object. This has
19 been asked and answered at least once before.

20 **COMMISSIONER EDGAR:** I think that's true,
21 Mr. Wiseman.

22 **MR. WISEMAN:** I'll rephrase.

23 **COMMISSIONER EDGAR:** You can try.

24 **MR. WISEMAN:** It might be difficult.

25 (Laughter.)

1 **BY MR. WISEMAN:**

2 Q. Well, do you know this.

3 **MR. WISEMAN:** I'll withdraw the question.

4 No further questions.

5 **COMMISSIONER EDGAR:** Questions from staff.

6 **MS. BROWN:** Yes, a very few. First, I would
7 like to make a correction to an exhibit that was placed
8 into the record after Ms. Santos' direct testimony. It
9 is FPL's Response to Staff's Fifth Set of
10 Interrogatories, Interrogatory Number 64. It should be
11 Item 39 instead of Item 36.

12 **COMMISSIONER EDGAR:** And where would I find
13 that?

14 **MS. BROWN:** Let me get someone to hunt it down
15 for you, and perhaps at the end I can give you that
16 information.

17 **COMMISSIONER EDGAR:** Okay. Let's do that.

18 (Simultaneous conversation.)

19 **COMMISSIONER EDGAR:** I appreciate you bringing
20 it up. Go ahead with your questions, and we will come
21 back to that when we get to exhibits.

22 **MS. BROWN:** Thank you.

23 CROSS EXAMINATION

24 **BY MS. BROWN:**

25 Q. Good evening, Ms. Santos.

1 **A.** Good evening.

2 **Q.** I am Martha Carter Brown with the staff. I am
3 filling in for Ms. Hartman, who is otherwise occupied
4 awaiting the arrival of some young ones. I have three
5 quick questions.

6 To follow up on Commissioner Skop's earlier
7 questions about service reliability, are you aware that
8 the Commission continues to receive complaints related
9 to service reliability which the Commission staff refers
10 to FPL?

11 **A.** Yes.

12 **Q.** To clarify surge shield. That, I think you
13 testified, involves an attachment to the meter, correct?

14 **A.** Yes.

15 **Q.** Would FPL allow an unrelated entity to attach
16 devices to its meters?

17 **A.** No.

18 **Q.** Okay. And one more on AMI. Excuse me. Has
19 FPL received a response from the Department of Energy on
20 their smart grid investment grant application?

21 **A.** Not yet, we would expect it sometime this
22 month or early next month.

23 **Q.** All right.

24 **MS. BROWN:** Thank you. That's all we have.

25 **COMMISSIONER EDGAR:** Commissioner Skop.

1 **COMMISSIONER SKOP:** Thank you, Madam Chair,
2 and I'll make this real quick. I know Ms. Santos has
3 been on the stand for quite a long time.

4 I just wanted to follow up on two points, one
5 of which was just mention by our staff. With respect to
6 surge shield, because the surge protection is actually
7 physically installed on FPL-owned equipment vis-a-vis,
8 the electric meter, for that one particular instance,
9 would it make any sense or has any thought been given --
10 and I feel comfortable saying this, because I don't
11 regulate these products -- but has any thought been
12 given to moving that over, that one specific program,
13 given the close nexus to the meter, over to FPL?

14 **THE WITNESS:** Yes. That's something that has
15 been considered. So, you know, the key item that made
16 us think that it really belonged better in FPLES was
17 just the risk profile of having a business of that
18 nature.

19 **COMMISSIONER SKOP:** Okay. I see more of a
20 risk to the FPL ratepayers to the extent that you have
21 the cross-subsidization going on with the maintenance of
22 the device on the meter itself. So to me that
23 particular one might be better suited to fall under the
24 regulated environment. With respect to the other ones,
25 again, I don't regulate those, I have serious and grave

1 concerns with respect to those product offerings as they
2 pertained to consumer protection provisions, and the
3 only ability I have to do anything about that is to
4 investigate whether those should be allowed to be
5 offered. So, again, hopefully we won't have to go
6 there.

7 The other question I wanted to ask is with
8 respect to I think that you mentioned in response to the
9 South Florida Hospital question that Harris Company or
10 Harris Corporation has been selected to do some work for
11 you.

12 **THE WITNESS:** Cyber security work.

13 **COMMISSIONER SKOP:** Okay. And that's in
14 relation to databases or AMI?

15 **THE WITNESS:** The smart meters themselves.

16 **COMMISSIONER SKOP:** Okay. Do you know what --
17 when was that contract awarded? I couldn't hear
18 anything.

19 **THE WITNESS:** Oh, dear. We did that some --
20 it was last year.

21 **COMMISSIONER SKOP:** Okay. Do you know if that
22 was competitively bid?

23 **THE WITNESS:** The Harris work I do not
24 remember.

25 **COMMISSIONER SKOP:** Okay. Do you know what

1 the amount of contract was?

2 **THE WITNESS:** I don't remember, I'm sorry. I
3 can definitively get that for you. I just don't
4 remember.

5 **COMMISSIONER SKOP:** I mean, do you think it
6 was like a multi-year, multi-million dollar type
7 contract?

8 **THE WITNESS:** No, no, no. It wasn't that kind
9 of --

10 **COMMISSIONER SKOP:** Very small?

11 **THE WITNESS:** Yeah, it was in triple digits at
12 most.

13 **COMMISSIONER SKOP:** Okay. All right.
14 Nevermind.

15 Just one final, I guess, comment. Again, I
16 pride myself on coming well prepared, and I do ask tough
17 questions. But, again, to the extent that some of my
18 comments fell upon you, I know that, you know, some of
19 the areas, although customer service sounds like one
20 catchall, there is a lot of cross functional
21 responsibility. So, again, I just wanted to just
22 recognize that, you know, it's tough to please all the
23 customers. I have an obligation to look out for
24 customers that bring concerns to me.

25 But, again, I think that there's a lot of

1 things to be proud of in terms of customer service
2 comments that I have heard, storm restoration and such.
3 But I think we also need to look at the good and the
4 bad. And, again, I just wanted to part on good terms
5 here. It has been quite a long, lengthy
6 cross-examination. And, again, I do want to recognize
7 the good.

8 **THE WITNESS:** Thank you very much.

9 **COMMISSIONER SKOP:** Thank you.

10 **COMMISSIONER EDGAR:** Mr. Butler, redirect.

11 **MR. BUTLER:** Yes, please, Madam Chairman. I
12 will try to keep this brief.

13 REDIRECT EXAMINATION

14 **BY MR. BUTLER:**

15 **Q.** Ms. Santos, let me start by asking, you've
16 obviously had a great deal of examination concerning
17 what has been marked as Exhibit 524. Just to kind of
18 summarize in one place, would you please describe to the
19 Commission why you believe that the service hearing
20 outreach effort that FPL undertook was appropriate?

21 **A.** Yes. I believe the outreach effort that we
22 undertook was appropriate because it is important for
23 this Commission to hear from all of our customers, not
24 just customers that have complaints. So it's very
25 important for this Commission to hear from customers

1 that have had positive experiences with the company.

2 Q. In your experience, Ms. Santos, do people
3 typically offer to provide commendation of good service
4 as frequently as they do to criticize negative comments
5 on service?

6 A. Unfortunately, usually, you know, we hear
7 about complaints, and that is really why I was very
8 concerned, because I think this Commission usually just
9 gets complaints. And it's only through these types of
10 hearings that you have an opportunity to see the other
11 side of the company.

12 Q. And the process that FPL undertook that is
13 evidenced by Exhibit 524 of collecting information on
14 customer commendations, I think you also mentioned that
15 FPL collects information on customer dissatisfaction.
16 Is that something that FPL does only in rate case years?

17 A. No, I do that every single day, as I
18 mentioned, and I have it in my direct testimony. I
19 believe it's Page 23. We have a system, CAST, the
20 Customer Account Satisfaction Tracking system, whereby
21 every single day we are tracking customers commendations
22 and customer dissatisfaction and taking action on those
23 accordingly.

24 Q. Was FPL's outreach effort undertaken in any
25 respect to interfere with the opportunity of any

1 customers to speak at quality of service hearings?

2 **A.** Definitely not.

3 **Q.** Do you have a copy -- I'm sorry. Let me ask
4 you one other question before I go to a different
5 subject.

6 Would you please describe what statistics or
7 metrics you would point to as evidence of support of the
8 quality of service that FPL provides. Looking
9 particularly independently of the statistics that you
10 have referred to regarding customer comments at the
11 quality of service hearings?

12 **MR. MOYLE:** I think -- I think that is beyond
13 the scope of cross. You know, we talked about this
14 document extensively and all their efforts. And now
15 this is a question about kind of a catchall, tell us
16 about the good service they provide. I don't think -- I
17 don't think we got into that on cross.

18 **MR. BUTLER:** Madam Chairman.

19 **COMMISSIONER EDGAR:** Yes, sir.

20 **MR. BUTLER:** It's responding, I think, at
21 least in part, to a question, a good question that
22 Commissioner Argenziano had asked regarding the types of
23 things that one looks at, and how a Commission
24 determines what is a either high quality or low quality
25 operation of the utility. I'm just ask Ms. Santos to

1 respond from our perspective what we feel are the type
2 of metrics and evidence that would go to that question
3 as the quality of service.

4 **COMMISSIONER EDGAR:** I will allow.

5 **THE WITNESS:** Okay. As I speak about in my
6 direct testimony, we have been awarded various industry
7 awards. The one that I'd like to talk about right now
8 is the ServiceOne award, which is given by PA Consulting
9 and it is for the 5th -- actually, for the 6th year in a
10 row I can say now. In my testimony it was 5th, but we
11 were just awarded that honor once again and will be
12 receiving the award next week. We have received the
13 ServiceOne award. It is very comprehensive. It looks
14 at 24 objective measures that cut across my entire
15 organization. And the companies that get it are
16 companies that are first quartile in metrics that have
17 to do with service and also costs. So it is a very
18 balanced type of award that looks at both items.

19 In addition we have customer satisfaction
20 surveys that we are conducting all the time. And in the
21 call center, as an example, our satisfaction levels that
22 I showed in my testimony for 2008 were at 85 percent or
23 so, and this year, actually, the satisfaction levels
24 have even gone up higher. For our customer service
25 field operation, I have satisfaction rates in the

1 90 percents. So I feel very comfortable that we provide
2 a very high level of service based on very objective
3 metrics that we are continuously monitoring.

4 **BY MR. BUTLER:**

5 Q. Thank you. Ms. Santos, you were asked some
6 questions by Commission Skop and others about FPL's or
7 about the FPLES programs that are offered through FPL
8 bill inserts and FPL billing. Do you have a copy
9 available to you of Late-Filed Exhibit 4 to your
10 deposition?

11 A. Yes, I do. Hold on, please.

12 **MR. MOYLE:** Are you intending to offer this,
13 Mr. Butler, or just refer to it during your question?

14 **MR. BUTLER:** I am going to refer it.

15 **THE WITNESS:** Yes, I do.

16 **BY MR. BUTLER:**

17 Q. In particular, if you will turn to Page 2 of 2
18 in that document. You had quoted, I believe, in
19 response to questions from Commissioner Skop a customer
20 inquiry or complaint rate with respect to the appliance
21 guard program of 4.3 percent. Is that correct?

22 A. Yes.

23 Q. Okay. Would you please identify what the July
24 year-to-date 2009, and that's the period for the
25 4.34 percent, what the percentage of inquiries were with

1 respect to the other FPLES programs in which FPL
2 cooperates?

3 **A.** For surge shield, it is --

4 **MR. MOYLE:** I'm going to object.

5 **COMMISSIONER EDGAR:** Just a moment,
6 Ms. Santos.

7 Mr. Moyle.

8 **MR. MOYLE:** I'm going to object to this. This
9 is beyond -- again, it's beyond the scope of the
10 questions that were asked. It was -- Commissioner Skop
11 asked about one specific area, and she gave a percent on
12 it. Now, this is all coming into the record under
13 another, you know, exhibit information that wasn't asked
14 about, presumably. And I think -- I think we're getting
15 far afield.

16 **MR. BUTLER:** And the first two programs that
17 appear on here are surge shield and power surge, which
18 you asked about. There are several programs, and I
19 think that it's important to understand overall. And I
20 think, actually, Commissioner Skop had referred as well,
21 although his questions went particularly to appliance
22 guard, that there is a range of programs that FPL
23 participates with FPLES in offering. And I simply want
24 to provide a balanced perspective on what the sort of
25 customer inquiry or customer complaints rates are for

1 the full range of the programs in which FPL's
2 participates.

3 **COMMISSIONER EDGAR:** As a bit of
4 foreshadowing, I will say that I think we may be at that
5 point of diminishing returns. But, Ms. Cibula, if you
6 would.

7 **MS. CIBULA:** I think it's appropriate for
8 redirect.

9 **COMMISSIONER EDGAR:** Upon the recommendation
10 of counsel, I will allow.

11 Mr. Butler.

12 **MR. BUTLER:** Thank you.

13 **THE WITNESS:** For surge shield it's
14 0.37 percent. For the Miami Herald billing, which I had
15 mentioned was the one that we terminated, it was
16 21.53 percent. For power surge, 0.06 percent. For
17 utility guard, it's 0.18 percent. For appliance
18 protection plus, 0.95 percent. For payment power,
19 0.20 percent. And for appliance guard was the
20 4.34 percent. If you total all of those up, you get an
21 average rate of 0.40 percent.

22 **MR. BUTLER:** Thank you.

23 At this point I'd like to handout two
24 documents and have them marked as exhibits for
25 identification purposes.

1 **MR. MOYLE:** Are these new documents or have
2 these been provided previously as exhibits to anybody?

3 **MR. BUTLER:** They are documents that were
4 referred to in Ms. Santos' examination. They are the
5 AARP and Florida Retail Federation communications
6 encouraging customers to attend the FPL quality of
7 service hearings.

8 **COMMISSIONER EDGAR:** Mr. Butler.

9 **MR. BUTLER:** Yes. I would ask that you
10 mark -- we'll take the Florida Retail Federation one
11 first, give it a short title of FRF Consumer
12 Communication, and I would -- I think that would be --

13 **COMMISSIONER EDGAR:** That would be 528.

14 **MR. BUTLER:** Yes.

15 (Exhibit 528 marked for identification.)

16 **MR. BUTLER:** And the second, entitled it AARP
17 Consumer Communication.

18 **COMMISSIONER EDGAR:** Which will be 529.

19 **MR. BUTLER:** Thank you.

20 (Exhibit 529 marked for identification.)

21 **BY MR. BUTLER:**

22 **Q.** Ms. Santos --

23 **MR. MOYLE:** Can I be heard?

24 **COMMISSIONER EDGAR:** You may, Mr. Moyle, yes.

25 **MR. MOYLE:** To be consistent with an objection

1 that FIPUG has registered throughout this proceeding, we
2 would object to both of these documents. They haven't
3 ever previously been identified. They were at the
4 service hearings. I haven't even seen the dates on
5 them, but presumably they have been around for a long
6 time. You know, no such thing as a good surprise. Here
7 we are, new documents are coming in. This was tried
8 yesterday with the Moody's report.

9 You know, the process is set up where you have
10 exhibits that are attached to prefiled direct testimony
11 and rebuttal testimony. It should have been part of the
12 rebuttal testimony if this was going to be bought up.
13 And I think it's improper from the process standpoint,
14 number one, not to even get into authenticity, hearsay
15 and other basis. But for the record, I will assert the
16 objection on those grounds as well to both the
17 documents.

18 **COMMISSIONER EDGAR:** So noted.

19 Mr. Butler.

20 **MR. BUTLER:** We have just had four exhibits
21 identified, Exhibits 523 -- I'm sorry, 524 through 527,
22 that are all on a subject that --

23 **COMMISSIONER EDGAR:** We will take that up when
24 we come to the point. I'm sorry for interrupting, but
25 we will take that up when we come to the point, I'm

1 hoping here soon, of going through and entering or not.
2 So we have marked and you may proceed with your
3 questions.

4 **MR. MOYLE:** Madam Chair.

5 **COMMISSIONER EDGAR:** Mr. Moyle.

6 **MR. MOYLE:** He's going to want to enter these.
7 The reason I asserted the objection now is because if I
8 don't assert it now and get a ruling on it, he is going
9 to ask her all of these questions about it, and it will
10 come in through her verbal testimony.

11 **COMMISSIONER EDGAR:** Then I apologize,
12 Mr. Moyle, I thought that you were just making an
13 objection consistent with the others that you have made
14 for the record for potentially appellate purposes,
15 rather than to ask for a ruling. So I apologize if I
16 misunderstood.

17 **MR. MOYLE:** Yes, ma'am. I am making that
18 objection. I think it is improper and should -- should
19 not come in.

20 **COMMISSIONER EDGAR:** Okay. Then let me try
21 this way. So noted, but in my opinion consistent with
22 the way somewhat similar documents have been handled
23 through this proceeding. I am going to allow Mr. Butler
24 to proceed.

25 Mr. Butler.

1 **MR. BUTLER:** Thank you, Madam Chairman.

2 **BY MR. BUTLER:**

3 **Q.** Ms. Santos, I'll ask you to look, first, at
4 what has been marked as Exhibit 528, the FRF
5 Communication.

6 **A.** Yes.

7 **Q.** Can you describe how you came into possession
8 of this?

9 **A.** One of my employees sent it to me as an
10 e-mail.

11 **Q.** What does the document say regarding FRF's
12 request to members of FRF with respect to their
13 participation in FPL quality of service hearings?

14 **A.** It's telling them about the rate increase that
15 FPL is proposing, tells them about the dates of the
16 hearings and specifically urges their constituents to
17 attend the hearing in their area and to speak out
18 against FPL's request, and says that it's very important
19 not only to attend, but to speak against the increase.

20 And then it goes on to say that it'll be
21 sufficient to speak just 30 to 45 seconds, that you only
22 need to state your name and your address and give a
23 brief statement that you oppose FPL's requested rate
24 increase. It also talks about some key point that they
25 may want to consider in forming their opinions, and

1 talks about, you know, various different things about
2 the excessive storm charges, excessive profit requests,
3 and that, in summary, our request should be cut by at
4 least 75 percent, and they believe that the PSC should
5 probably reduce FPL's rates and provides a contact
6 information.

7 Q. I'd like for you to turn to Exhibit 529, the
8 AARP consumer communication, and ask you the same
9 question: How did you come into possession of this
10 document?

11 A. One of my employees sent it to me.

12 Q. And I'd ask you essentially the same question,
13 can you summarize briefly what the AARP communication
14 says in encouraging its members regarding their
15 participation in FPL's quality of service hearings.

16 A. The header says, "Power companies ask for a
17 bigger profit margin." It talks about the rate increase
18 that we are -- that Florida Power and Light is
19 requesting. It also mentions Progress Energy's rate
20 increase. It talks about how the company's profits
21 would be boosted if the rate increase were granted.
22 Then the AARP Florida state director is quoted as saying
23 this is an outrage. These companies already make a very
24 healthy return on investments. And, you know, it just
25 talks about the rate increase in general. And towards

1 the end the call to action is that AARP is calling on
2 area residents to turn out and testify at public
3 hearings scheduled by the Florida Public Service
4 Commission to receive public comments. "It is very
5 important that as many people as possible come in person
6 to these hearings to testify," Parham said. And Parham
7 is the president of the Florida -- I sorry, the AARP
8 Florida state director.

9 And continues to say, "This may be the
10 public's last chance to have its say on this outrageous
11 plan." It then talks about how AARP volunteers and
12 staff will be present at many of the hearings to help
13 guide members of the public through the process of
14 signing up to testify.

15 **MR. BUTLER:** Thank you. One moment, please.
16 I think I may be through.

17 That's all the redirect that I have. Thank
18 you.

19 **COMMISSIONER EDGAR:** Thank you.

20 Commissioner Skop.

21 **COMMISSIONER SKOP:** Thank you, Madam Chairman.

22 Just a brief comment, and I'll direct it to
23 Mr. Butler. We always seem to be on the same
24 wavelength. I just want to emphasize for the record,
25 again, the questions that I ask this evening -- this

1 afternoon regarding the FPL Energy Services product
2 offerings were prompted by Representative Franklin
3 Sands' concerns that were expressed in his individual
4 capacity at the Plantation service hearing as part of
5 this rate case. I take the case as I find it. I can't
6 control the evidence, and I can't reframe from speaking
7 out, other than being the bench.

8 But I did want to state that openly for the
9 record while I have the ability to do so, because,
10 again, I don't get to have the last word. And I would
11 hope that your corporate communications department would
12 take this fact into consideration, noting their
13 propensity to mischaracterize legitimate questions as
14 distractions. So I have seen that a couple of times
15 and, again, I just wanted to state that for the record.

16 **COMMISSIONER EDGAR:** Commissioners, anything
17 further at this point? Okay.

18 Then let's look at exhibits. Mr. Butler.

19 **MR. BUTLER:** Yes.

20 **COMMISSIONER EDGAR:** I believe 341 is our
21 starting point.

22 **MR. BUTLER:** You're right, 341. I move 341.
23 Thank you.

24 **COMMISSIONER EDGAR:** Any objection? Hearing
25 none, Exhibit 341 is admitted at this time.

1 (Exhibit 341 admitted into evidence.)

2 **COMMISSIONER EDGAR:** Before we go, Mr. Wright,
3 to you, let me go to staff.

4 **MS. BROWN:** Thank you, Madam Chairman. If you
5 turn to Page 10 of the Comprehensive Exhibit List,
6 number -- Item 39 there should include FPL's Response to
7 Staff's 5th Set of Interrogatories, Interrogatory Number
8 64. It was mistakenly placed in Item 36, but it should
9 be Item 39 on Page 10.

10 **COMMISSIONER EDGAR:** Okay. So what you are
11 asking that we do is clarify that an item from the
12 composite exhibit list that was admitted previously was
13 mislabeled?

14 **MS. BROWN:** Yes, misnumbered.

15 **COMMISSIONER EDGAR:** Misnumbered. Okay. And
16 that the correct numbering would be Item 39, Fifth Set
17 of Interrogatories, Number 64.

18 **MS. BROWN:** Yes, that's. Thank you.

19 **COMMISSIONER EDGAR:** Any questions or concerns
20 from any of the parties with that clarification for the
21 record. Hearing none, so noted. So entered. I ask
22 that the correction be made for the record.

23 **MS. BROWN:** I'm sorry. Say the last.

24 **COMMISSIONER EDGAR:** So noted, so entered,
25 correction made for the record.

1 **MS. BROWN:** Yes, thank you.

2 **COMMISSIONER EDGAR:** Thank you.

3 Mr. Wright, that brings us to you.

4 **MR. WRIGHT:** I would move the admission of
5 Exhibits 524 and 525, Madam Chairman.

6 **COMMISSIONER EDGAR:** Okay. Any objections,
7 concerns to be raised at this time? Hearing none.

8 Hearing none, 524 and 525 are admitted into the record.

9 (Exhibits 524 and 525 admitted into evidence.)

10 **COMMISSIONER EDGAR:** That brings us
11 Ms. Bradley.

12 **MS. BRADLEY:** I will move 526 and 527, since
13 we talked about it. The public doesn't have a chance to
14 see it without it.

15 **COMMISSIONER EDGAR:** Any objection? Hearing
16 none, 526 and 527 are entered into the record at this
17 time.

18 (Exhibits 526 and 527 admitted into evidence.)

19 **COMMISSIONER EDGAR:** Mr. Butler.

20 **MR. BUTLER:** I would move admission of
21 Exhibit 528 and 529.

22 **COMMISSIONER EDGAR:** Mr. Moyle.

23 **MR. MOYLE:** FIPUG would object on the grounds
24 articulated that it violates the prehearing order, that
25 it's hearsay, lacks authenticity, and it is also

1 irrelevant.

2 **COMMISSIONER EDGAR:** Ms. Cibula.

3 **MS. CIBULA:** I would recommend that they be
4 admitted, and the Commission can give them the weight
5 that it deems appropriate.

6 **COMMISSIONER EDGAR:** So ruled.

7 Mr. Moyle, your objection is noted for the
8 record and, again, I think this is consistent with the
9 way we have handled, but absolutely noted for the
10 record. Thank you.

11 (Exhibit 528 and 529 admitted into the
12 record.)

13 **MR. BUTLER:** Madam Chairman.

14 **COMMISSIONER EDGAR:** Yes, Mr. Butler.

15 **MR. BUTLER:** I'm sorry. Before we left the
16 subject of exhibits, I wanted to offer in response to
17 Commissioner Skop's concerns about the concerns,
18 complaints, whatever that Ms. Naegel (phonetic) has
19 expressed to him that we are prepared to provide a
20 late-filed exhibit, I think we can do it tomorrow, that
21 would identify the status of our response to
22 Ms. Naegel's complaints and what has been done, what is
23 being done to address her concerns.

24 I have some trepidation in offering this,
25 because I know the sensitivity of the late-filed

1 exhibits; but by the same token, this is something that
2 came up here, and we just want to be sure that we are
3 responsive if that is something that is useful.

4 **COMMISSIONER EDGAR:** I have some of the same
5 trepidation. However, I appreciate you raising it.

6 And, Commissioner Skop, do you have a comment
7 or such?

8 **COMMISSIONER SKOP:** Yes, Madam Chair. Thank
9 you.

10 Mr. Butler, I appreciate your offer. Again,
11 you, oftentimes, read my mind. But, again, I think a
12 late-filed exhibit probably would not be necessary. I
13 think that from the, you know, customer commendation
14 section, I think that substantial effort goes into doing
15 this. I think that Ms. Naegel, with all due respect,
16 would probably appreciate having, you know, some form of
17 senior executive, whether it be Ms. Santos or the
18 appropriate person, high level, go and try and meet with
19 her and address her concerns. I think that would
20 probably mean a lot to her, and reasonable -- it's
21 reasonably close to your headquarters.

22 So, again, I think that that would be a
23 consideration. Maybe meet with the customers, at least
24 what I heard from that concern, from that service area,
25 it seemed to be more than a minor blip. There seemed to

1 be some very valid concerns about vegetation management
2 in one specific area that probably are legitimate
3 concerns that need to be addressed. I know you have
4 large expansive service area, as previously mentioned.
5 You can't get to everything at once, but, again, this
6 area probably needs some attention, and I think it would
7 mean a lot to have one of your senior managers, either
8 Ms. Santos or Mr. -- is it Spore?

9 **THE WITNESS:** Mr. Spore.

10 **COMMISSIONER SKOP:** Visit Ms. Naegel directly,
11 and try to address her concerns. Some steps have been
12 taken, but it seems like there are still some
13 outstanding issues, otherwise, I don't believe I would
14 have gotten the phone message last night.

15 **MR. BUTLER:** Understood.

16 **COMMISSIONER EDGAR:** Anything further? Then
17 the witness may be excused. Thank you.

18 As I said, I think we are at that point of
19 diminishing returns, at least I know I am. So we will
20 call it a night here in just a moment.

21 My understanding from the list that we had
22 that morning is that Witness Hardy is next up. If there
23 are reasons to change or adjust or propose changing or
24 adjusting the witness list, as usual, I would ask the
25 parties to get together very briefly and with staff

1 before you leave for the evening.

2 Is there anything that any of the parties or
3 staff would like to bring up before we end for the
4 evening.

5 Excuse me. Commissioner Skop?

6 **COMMISSIONER SKOP:** Yes, Madam Chair. I think
7 Ms. Santos would probably like to be excuse, if we have
8 not done so already.

9 **COMMISSIONER EDGAR:** We did.

10 **COMMISSIONER SKOP:** I'm sorry.

11 **MR. BUTLER:** Thank you.

12 I do have one item. It's in the nature of,
13 hopefully, moving things along tomorrow. We would like
14 to --

15 **COMMISSIONER EDGAR:** I'm all for it
16 Mr. Butler, or at least the thought anyway.

17 **MR. BUTLER:** Yes. It is always the devil is
18 in the details. We would be prepared to stipulate
19 Mr. Reed's testimony into the record, and we have
20 received at least some indication of support for that
21 notion from the Office of Public Counsel. I thought
22 maybe before we adjourn for the evening we could see if
23 there was general consensus to that. It would help us
24 to bring the number of remaining witnesses down to a
25 more manageable number for tomorrow.

1 **COMMISSIONER EDGAR:** Of course, Commissioners,
2 if you have a desire or need to have Witness Reed before
3 you, please speak up, and although -- is there interest
4 or willingness of the parties to stipulate to Witness
5 Reed and waive the opportunity for cross?

6 **MS. BRADLEY:** I think we offered to stipulate
7 the late time we were here, so --

8 **COMMISSIONER EDGAR:** It sounds vaguely
9 familiar, but --

10 **MS. BRADLEY:** Yes.

11 **COMMISSIONER EDGAR:** Okay.

12 **MR. MOYLE:** I would like to -- I would like to
13 reflect on it a little bit. That issue came up about
14 this increased equity deal, and I think he has testimony
15 on that.

16 **COMMISSIONER EDGAR:** Quote, add on, unquote.

17 **MR. MOYLE:** Yeah.

18 **COMMISSIONER EDGAR:** Or that term, anyway.
19 Okay. You did mention that.

20 **MR. MOYLE:** So I have questions with him on
21 that.

22 **COMMISSIONER EDGAR:** Thank you. Okay. Just
23 so we kind of know where we are at, from OPC, any
24 comment on that?

25 **MR. MCGLOTHLIN:** What I told counsel for FPL

1 is that I personally have de minimis cross, so that if
2 the others don't have any questions, I would not get in
3 the way of a stipulation. But that's as far as we took
4 it, because I had not conferred with other intervenors.

5 **COMMISSIONER EDGAR:** All right. Thank you
6 very much.

7 Any other comments?

8 Mr. Wiseman.

9 **MR. WISEMAN:** I don't have a comment on that
10 issue. So if anyone else does, I --

11 **COMMISSIONER EDGAR:** Mr. Wright, anything on
12 the potential of stipulating Witness Reed?

13 **MR. WRIGHT:** Thank you, Madam Chairman.

14 Like Mr. Moyle, I'm going to need to reflect
15 on it. I do have some probable cross.

16 **COMMISSIONER EDGAR:** That's fine. All right.

17 Then, Mr. Butler, we appreciate the effort to
18 cooperate and all of that. We will hold you to the
19 potential offer there, but give all parties, but
20 certainly to Mr. Moyle and Mr. Wright, the opportunity
21 to think on that, and potentially we can raise it again
22 in the morning.

23 Mr. Wiseman.

24 **MR. WISEMAN:** Thank you.

25 I just have a question about logistics, and

1 I'm not sure that you can really answer it right now.
2 But I'm thinking about traveling --

3 **COMMISSIONER EDGAR:** Sure.

4 **MR. WISEMAN:** -- and so I'm wondering if we
5 don't finish tomorrow, what time are we going to go --
6 do you have a sense of what time we would go to, and do
7 you have a sense of whether we would come back on
8 Saturday if we are not done?

9 **COMMISSIONER EDGAR:** I don't know that I can
10 answer. I will try it this way, and I'm always glad to
11 have the questions. We will start in the morning at
12 9:30 recognizing, depending on Witness Reed, we have
13 three to four witnesses to go. I am very hopeful that
14 the Chairman will be with us tomorrow. He had a medical
15 issue today, and I'm hopeful he will be with us
16 tomorrow, and so I do not want to preclude his
17 opportunity to weigh in. However, I am very, very
18 hopeful that we will finish tomorrow.

19 **MR. BUTLER:** Madam Chairman, at the risk of
20 probably both rebuke and ridicule for raising this, is
21 there any possibility of starting before 9:30?

22 **COMMISSIONER EDGAR:** No.

23 **MR. BUTLER:** All right. Thank you.

24 **COMMISSIONER SKOP:** Madam Chair, I think it
25 has been noticed for 9:30 start. I don't know if

1 legally or --

2 **COMMISSIONER EDGAR:** Once again, that's where
3 we are. I'm always glad to entertain suggestions,
4 truly, but our staff has work to do this evening. I
5 would suspect that maybe parties and attorneys that are
6 looking at cross may, as well. And I have a commitment
7 in the morning, not that that is determinative of how
8 the hearing will run. But for a variety of reasons, I
9 will say I think we will stick to our 9:30 start time.

10 Yes, Commissioner.

11 **COMMISSIONER SKOP:** Thank you, Madam Chair.

12 Just with respect to -- and I have looked at
13 the rebuttal testimony for Witness Deason, is there any
14 possibility there might be a stipulation or withdraw
15 that testimony, or is that critical in terms of moving
16 forward?

17 **MR. BUTLER:** Why don't we consider that, and
18 we will raise that or address that in the morning as
19 well. I don't think much interest in withdrawal, but if
20 there were generally interest in stipulation, we will
21 have to -- we will have to consider that.

22 **MR. McGLOTHLIN:** OPC will not stipulate.

23 **COMMISSIONER SKOP:** I have questions, too.

24 **COMMISSIONER EDGAR:** I'm sorry,
25 Mr. McGlothlin, I didn't -- I did not catch. I

1 apologize. Did you say OPC would or would not?

2 **MR. McGLOTHLIN:** Will not stipulate.

3 **COMMISSIONER EDGAR:** Will not. Okay. All
4 right. Thank you.

5 Okay. Back to the diminishing returns. But,
6 again, to everyone, thank you for your cooperation, and
7 we are on break until 9:30 tomorrow morning.

8 (Hearing adjourned at 7:25 p.m. Transcript
9 continues in sequence with Volume 47.)

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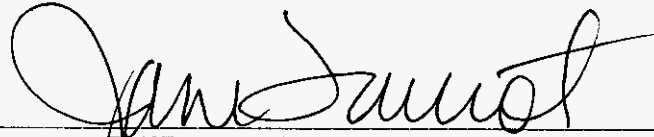
1 STATE OF FLORIDA)
2 : CERTIFICATE OF REPORTER
3 COUNTY OF LEON)
4

5 I, JANE FAUROT, RPR, Chief, Hearing Reporter
6 Services Section, FPSC Division of Commission Clerk, do
7 hereby certify that the foregoing proceeding was heard
8 at the time and place herein stated.

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

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

19 DATED THIS 27TH DAY OF OCTOBER, 2009.

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JANE FAUROT, RPR
Official FPSC Hearings Reporter
FPSC Division of Commission Clerk
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