1	BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION		
2	FLOKIDA PUBLIC	SERVICE COMMISSION	
3		DOCKET NO. 120015-EI	
4	In the Matter of:		
5	PETITION FOR INCREASE IN R	**	
6	BY FLORIDA POWER & LIGHT C	COMPANY.	
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13	PROCEEDINGS: F	T. MYERS SERVICE HEARING	
14	COMMISSIONERS	WATDWAY DOWNER & DDIGG	
15	T C	CHAIRMAN RONALD A. BRISÉ COMMISSIONER LISA POLAK EDGAR	
16	<b> </b>	COMMISSIONER ART GRAHAM COMMISSIONER EDUARDO E. BALBIS COMMISSIONER JULIE I. BROWN	
17		COMMISSIONER JULIE 1. BROWN	
18	DATE:	hursday, May 31, 2012	
19		Commenced at 6:02 p.m. Concluded at 7:59 p.m.	
20		chool Board of Lee County	
21		Board Room  Board Education Center	
22	2	855 Colonial Boulevard	
23		t. Myers, Florida 33966	
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#### PROCEEDINGS

CHAIRMAN BRISÉ: We are going to officially call this customer service hearing to order. And we're going to introduce ourselves up here. My name is Ronald Brisé, and I have the privilege of serving as the Chairperson for this Commission. And we will introduce ourselves from right to left at this time.

COMMISSIONER BALBIS: Thank you.

Welcome, everyone. I'm Eduardo Balbis with the Public Service Commission.

COMMISSIONER EDGAR: Hello. Lisa Edgar, and I'm glad to be here. Thank you for coming out.

COMMISSIONER GRAHAM: Hello. My name is Art Graham. Thank you for attending.

COMMISSIONER BROWN: Good evening. My name is Julie Brown, and it's great to be here. I was born and raised in Fort Myers, and I'm happy to be home.

CHAIRMAN BRISÉ: All right. So today we are dealing with Docket Number 120015-EI.

Mr. Harris, would you read the notice.

MR. HARRIS: Pursuant to notice issued May 2nd, 2012, this time and place has been set for a customer service hearing in the docket just referenced: Petition for Rate Increase by Florida Power and Light Company.

CHAIRMAN BRISÉ: Thank you very much. 1 At this time we're going to take appearances 2 3 from counsel. MR. BRYAN: Good evening. My name is Patrick 4 5 Bryan, appearing on behalf of Florida Power and Light 6 Company. CHAIRMAN BRISÉ: Thank you. 7 MR. KELLY: Good evening. My name is J.R. 8 I'm with the Office of Public Counsel, and we 9 have the honor and privilege of representing the 10 11 customers of Florida Power and Light. CHAIRMAN BRISÉ: Thank you. 12 MR. WRIGHT: Thank you, Mr. Chairman. 13 Robert Scheffel Wright. I have the privilege 14 of representing the Florida Retail Federation in this 15 16 case. 17 CHAIRMAN BRISÉ: Thank you, sir. Any other intervenors that would like to make 18 19 an appearance? MR. SAPORITO: Thank you, Mr. Chairman. 20 My name is Thomas Saporito. I'm representing 21 22 myself as a private citizen. CHAIRMAN BRISÉ: Thank you very much. 23 MR. HARRIS: Mr. Chairman, Larry Harris on 24 25 behalf of staff.

CHAIRMAN BRISÉ: Thank you very much.

Did we miss anyone that is an intervenor or of counsel for any intervening group? Okay. Seeing that we're not, I want to thank you for making your appearance.

Let me begin by thanking you for taking time out of your busy schedule to be here this evening. We appreciate your interest in the petition that has been filed by Florida Power and Light. We are here because we simply want to hear from you. This meeting is about listening to you, the customers. We are interested in your concerns and your various interests and comments related to the company's request.

We also have company representatives that are present outside and representatives from the Public Service Commission which are here, and let me introduce you to a few of them that are here.

We have Mr. Willis. We have Mr. Maurey. We have Mrs. Draper. We have Cindy Muir that is outside.

She's the one that probably helped you sign in. And we also have Mr. Durbin who's present here, and we have our court reporter who is present with us who's going to keep all of our information on the record for us.

This is an official hearing that will be transcribed as part of our official record. So,

therefore, everything that will be provided by testimony will be part of the record and made part of the broader record so that we can look at it at a later time. So with that in mind, before you testify at a later time during this evening's meeting, we will swear you in so that all of your information can be put into the record.

Just bear in mind that as you come up, that after you make your comments or statements that you may be questioned by either the Commissioners or any one of the intervenors that is present here today. You will be called up by Mr. Kelly from the Office of Public Counsel, and we generally call by twos so that you are aware that you'll be up next.

We do have a time limit. We try to make sure that everyone has an opportunity to speak, so we are doing about two minutes per person so that that will give you an opportunity to say what you need to say. We have this little device that is present here, a green light, a yellow light, a red light which will be available to you at your stand when you come up to speak. Be aware that when the light is green, you're free to talk; when it turns yellow you have 15 seconds left; and when it turns red, we would appreciate if you, you know, bring your comments to an absolute close.

Now some of you may not be comfortable

speaking in public, so therefore feel free to put your comments on the form that was provided to you; that is just as good as the comments that are made at the microphone. And if for some reason you didn't sign up to speak, or on your way out you're thinking about something that you would have liked to say, you can go ahead and mail that information back to us so that we can have the information that we need to have before us as we go through the process of making our decisions.

So at this time I will invite the attorneys for the parties to make brief opening statements. The parties will have eight minutes. And what I mean by the parties, we have FPL, which will have eight minutes; we have the Office of Public Counsel, which will have eight minutes, as well; and the other intervenors will have five minutes each.

Since FPL is the one that is bringing the petition, they will have the ability to use a portion of their eight minutes at the beginning and a portion at the end of the opening statements if they feel there is a need for them to do so.

So at this time FPL can come forward.

Mr. Bryan.

MR. BRYAN: Thank you, Mr. Chairman and Commissioners. I apologize; my back is to you.

Good evening. Again, my name is Patrick
Bryan. I'm an attorney for Florida Power and Light
Company. I want to first thank you all for coming out.
Your comments are very important to us and we do take them very seriously.

In a moment you will hear from FPL's

Vice-President of Customer Service, Marlene Santos. She will explain to you what we are asking for in this rate case and why we are asking for it. But before she does that, I also wanted to inform you that we brought several customer service representatives here with us tonight. If you have any question or problem about your bill or your electric service, please feel free to talk to them. They are in a customer service room outside the chambers. They have computers so they can access your account information, and they will do their best to resolve your question or issue tonight while you're here.

We have some FPL representatives in the room -- if you would raise your hand -- who would be happy to assist you to the customer service room. With that, then I would like to introduce Marlene Santos.

MS. SANTOS: Good evening, Commissioners.

Thank you very much. With your permission, I'll be turning my back to you.

CHAIRMAN BRISÉ: Sure.

MS. SANTOS: Thank you.

Thank you all for coming today. Like the Commissioners, we are here to listen to you, so I will be brief. I'm proud to be among the 10,000 FPL employees who provide affordable, reliable, clean electricity for you. FPL's typical residential bill is the lowest of the state's 55 electric utilities. A typical FPL residential customer saved \$357 last year compared to the Florida utility average. Our service reliability ranks in the top 25 percent of comparable utilities nationwide. Our mission's profile is one of the cleanest in the country, and our customer service has been ranked number one by a leading national study eight years in a row.

We have accomplished this by investing in clean cost-efficient technologies and keeping our operating costs down. For example, our investments in efficient natural gas power plants has saved our customers \$5.5 billion in fuel costs since 2001. Those savings are the result of greater fuel efficiency, not lower fuel prices, and that money goes right into the pockets of our customers. It's like trading in your old clunker for a new hybrid car. Savings from lower fuel prices are above and beyond the \$5.5 billion.

In addition, our strategy to switch to natural gas helps our environment and keeps your money here in America instead of buying foreign oil. Our investment in smart meters is providing our customers with better information about their usage, while our investments in the smart grid and hardened infrastructure have helped make our service more reliable and efficient. In fact, because of our investments and our focus on keeping operating costs down, FPL is more efficient than 90 percent of the nation's utilities which translates into lower bills for you.

We also work hard to be sensitive to the needs of our less fortunate customers. Our care-to-share program, which is funded by shareholders, employees, and customers, helps our customers who are unable to pay their electric bills. Approximately 68,000 Florida families have received help through this program. And in just the last five years, more than 350,000 residential customers have benefited from our home energy survey program.

Our current rates are the result of a multi-party settlement approved by the Commission in 2010 which expires at the end of the year. It effectively froze our base rates for three years, allowed cost-recovery for a new power plant, and

temporarily addressed our return on equity needs.

To help us continue our successful performance for you, we are asking for an increase of \$7.09 a month, or 23 cents a day on the base portion of a typical residential bill. With the latest estimates for lower fuel prices -- for lower fuel use, I'm sorry, by our power plants and also lower fuel prices, this would actually result in a bill increase of \$1.41 a month on the total bill, or about five cents per day. For the small businesses that make up more than 80 percent of FPL's commercial customers, the net impact is expected to be negligible, and in some instances will actually result in a net reduction.

So what will the increase pay for? First, is a new clean energy center at Cape Canaveral. We will have spent about a billion dollars on this facility when it goes into service in June of 2013. This plant more than pays for itself primarily due to fuel savings estimated at more than a billion dollars over its 30-year operational life.

Second is the impact of the accelerated amortization of so-called surplus depreciation which was ordered by the Commission in 2010. While this provided a temporary way to avoid a base rate increase at that time, the surplus depreciation essentially runs out in

2013.

Third, we anticipate adding 100,000 new customer accounts that we have a duty to serve, so our request includes the cost of the infrastructure such as the poles and the wires needed to serve them. Our request also includes an adjustment to our return on equity, or ROE. Our current rates are based on an authorized ROE midpoint of 10 percent, which is the lowest of Florida's investor-owned utilities and in the bottom third of the country, despite providing our customers with the lowest typical residential bills in the state and reliability that is among the best in the nation.

We are asking for an allowed ROE midpoint of 11.25 percent and a performance incentive of one-quarter of one percent that would be allowed only if we maintain Florida's lowest typical residential bill. We think having the lowest bill in the state matters to our customers.

An appropriate ROE is crucial to our ability to finance the billions of dollars in improvements that keep our reliability high and our bills low and that create thousands of jobs for you and your neighbors. On average, over the past five years our capital investments have far exceeded our net earnings. In

fact, FPL is the biggest investor in Florida with plans to invest roughly \$15 billion over the period 2010 though 2014. We are a major taxpayer, too. Last year alone FPL paid more than one billion dollars in taxes to the state and local governments.

I know this is a lot of information. You can learn more by reading the fact sheet available at the door. It's important to note that even with our request, our 2013 bill will be 11.5 percent lower than it was in 2006. Compare that to food and healthcare costs, which are both up 20 percent, or to gasoline prices which are up 40 percent. We are proud of keeping bills low and making Florida an even better place to live, work, and raise a family, and we ask for your support to continue doing so.

We have asked a few local customers who have said they value our service if they would be willing to share their thoughts today. We also want to hear from anyone who has a complaint. We are a company of human beings, so we are not perfect. If that's what has brought you here, our customer advocates are here to help you.

We appreciate your business. We respect your opinion. In closing, I assure you that we are committed to exceeding your expectations today and continually

1 improving for tomorrow.

Thank you.

CHAIRMAN BRISÉ: Thank you.

FPL, you have about a minute on the other side.

Mr. Kelly.

MR. KELLY: Good evening, and thank you very much for being here tonight.

Again, my name is J.R. Kelly. I'm with the Office of Public Counsel. For those of you that are not familiar with our office, we are an office, we are not part of the Public Service Commission. We are funded separately by the Legislature, and we have one function and one responsibility, and that is to represent you, the, ratepayers, the customers in front of the Public Service Commission.

Why are we here today? We are here today because Florida Power and Light has filed a petition for a \$690 million annual increase to their base rates. That's about a 16 percent increase. We have intervened in the case, and we are going to work on your behalf to contest any expenses and any other requests by Florida Power and Light that we do not believe are prudent and reasonable and that the evidence does not support.

Now I want to say right up front this case is

not about personalities, okay? It is not about personalities. You're going to hear from people tonight no doubt, and I will tell you I will agree, Florida Power and Light is a good company. They are very well run. They have good men and women that work hard for them and work hard for you, the customers, every day. They are a good corporate citizen. They give back to their community. They donate to a lot of charitable organizations. I don't dispute any of that, but that's not why we are here.

We are here because they're asking for a \$690 million annual rate increase. Now, they are required by law to provide safe and reliable service to you. In return, they get a monopoly. There's no choice. They are given a monopoly for a certain service area. In return, the men and women behind me set their rates. They cannot go and set whatever rates they want, okay?

Now, they have to set rates that are fair and reasonable. They get to recoup their operating expenses, and they are entitled under law to receive a fair and reasonable, folks, fair and reasonable return on their investment, and that is where we differ with them a little bit tonight.

We're going to work hard and argue to ensure

that the men and women behind me, the Public Service

Commissioners, ensure that the rates you pay are based

on that standard that I just mentioned, prudent and

reasonable and fair and reasonable.

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At this point I cannot tell you the issues that we are specifically going to be raising on your behalf. We have hired accounting experts, cost of capital experts, experts in affiliated transactions that are right now poring through voluminous documents, and we have asked for a lot of discovery from the utility, and we will be developing our testimony that is due to be filed on July 2nd. So over the next month we will start crystalizing our arguments in any areas that we are going to contest on your behalf. But I will give you a few of the areas that we are looking at.

First off, excess profit. You heard

Ms. Santos indicate they are going to be asking, or they
are asking for 11.5 percent return on equity. Quite
frankly, we believe that is excessive. It is not
reasonable in today's economic environment. Florida
continues to be one of the leaders in unemployment.

Businesses are going out of business every day. Many
people on fixed incomes are not getting any raises
either through cost-of-living increases, governmental
employees have not seen raises whether you are on a

county, state, local level for many years. We heard today from some of the folks in school districts that are having to cut teachers. The bottom line is that's an excessive return to be asking for.

Some other areas we are looking at, the amount of salaries and benefits that FPL is requesting, the reasonableness of their affiliate charges and transactions, and those are -- affiliate, by that I mean transactions between some of their corporate subsidiary and -- excuse me, within their corporate relationship with their parent.

FPL's projections of their customers, their projections that they have for the future customers, revenues and expenses we are looking very closely at. The prudence of their expenses related to their plant modifications and upgrades, you heard Ms. Santos indicate that they have invested quite a bit, and they are doing a lot of building right now. I commend them for that. But they are only entitled to what is fair and reasonable and what is prudently and reasonably incurred, not just anything they want for those.

And also we are looking at the proportions of equity and debt within their capital structure as compared to other utilities, as well as in relation to their corporate parent. And, finally, we are looking at

their proposal for the future storm cost-recovery.

Now, we are here tonight because the Commissioners behind my need to hear from you, the customers. Your voice is very, very important. You need to share your opinion with the PSC, whatever it is. If you think they're a good company, come up here and say so. If you are in favor of the rate increase, come say so. If you are opposed to the rate increase, come say so. Whatever your comments are, you need to share it with the men and women behind me. If you don't speak up, the PSC cannot develop the best, most-informed judgment that the impact of this case will have upon you, the customer. You need to tell them what impact it will have and how it will affect you and your family.

Now, a couple of things I want to mention, what this case is not about. It is not about the cost of fuel. You have probably read in the paper, if you read the special report that is on the back table, it mentions fuel and it talks about that your bill will only go up 57 cents and 84 cents. Folks, that's totally, totally irrelevant. Fuel plays no part in this matter. This is a request for a base rate increase. Fuel is separate. These folks behind me will have a totally separate hearing in November on fuel. Whatever Florida Power and Light pays for fuel, you pay for fuel.

Their bill goes up, your bill goes up. Their bill goes down, yours goes down, okay. This has nothing to do with what they are asking you to consider for a rate increase for base rates. Fuel is totally irrelevant here.

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Now, we commend them for building over the past few years some plants converting to natural gas, because natural gas is cheap. Remember 2008? happened to natural gas then? It was cheap there, and all of a sudden it went up to \$14 per MMBtu. Today I think it is a little less than two dollars. It could double next year. Nobody knows. They can't predict it. We can't predict it. The PSC can't predict it, okay. So keep in mind this is not about fuel. This is about a request for \$690 million in order for them to provide safe and reliable service to you. We do not feel that they are going to be able to support their increase. They may be able to support some of it, I don't know yet, but they cannot support what we believe is an excessive return on equity and other parts that we will be contesting on your behalf.

Please, please come up here and speak tonight.

Speak to these men and women behind me, and let them know how you feel about this. Thank you very much.

CHAIRMAN BRISÉ: Thank you, Mr. Kelly.

Mr. Wright.

MR. WRIGHT: Thank you, Mr. Chairman. As the other presenters, I'd like to face the gallery. Thank you.

Good evening. Thank you all for coming out. My name is Schef Wright, and I have the privilege of representing the Florida Retail Federation in this important case. A personal note, I'm a native Floridian; I was born in Miami 62-1/2 years ago, and I have lived all but nine years of my life in this wonderful state. I have been working on energy issues in this state for more than 31 years.

Tonight I have the privilege to represent the Florida Retail Federation. The Retail Federation is a statewide organization of more than 9,000 members, from the largest grocery chains, department stores, and Big Box stores, including Publix, Wal-Mart, Macy's, and Best Buy, and literally thousands of small mom and pop retailers. In this case, the Retail Federation is fighting alongside your Public Counsel, Mr. Kelly, for lower rates for all customers. We are all in this together.

Now, why are we here tonight? First off, we are here to hear from y'all. You need to tell the Public Service Commission what you think about FPL's

request. If you are it, tell them. If you against it, tell them. The underlying reason that we are here is that Florida Power and Light is asking for the Public Service Commission to authorize it to collect higher rates that would enable them to collect another \$690 million a year from you and all of FPL's customers, in addition to the \$10.4 billion a year that they will already collect in 2013 with no rate increase at all. And, by the way, that 10.4 billion includes about \$1.15 billion in profit with no rate increase at all.

To put this ask in perspective, three years ago FPL came to the Commission, we were right here at that time, and asked for the PSC's authority to increase its rates by more than 1-1/4 billion dollars a year.

The PSC, fortunately in our view of the world, told FPL pretty much no. They let them have \$76 million a year of increase, about 6 percent of what they asked for.

And since that time, FPL and its parent, NextEra Energy, have been doing just fine. They have had consistently high profits, the stock price is up more than 30 percent, and they have increased the dividend three times in three years.

Now, at the Retail Federation here is how we look at this. We are business people. We get this. We know that every business, including Florida Power and

Light, needs sufficient money to pay for its goods and services, provide its goods and services, pay its employees, and stay in business. We don't just say no every time a utility says rate increase. We look at it; we look at their costs and their needs.

Here is what this case is about. It is FPL's duty to provide safe and reliable service to all its customers at the lowest possible cost. It's the Public Service Commission's role to ensure that FPL gets enough money to fulfill that duty, but no more than that.

Where we differ with FPL is how much money they really and truly need to fulfill their duty, to do their job.

We don't believe that they can carry the burden of proving that they need \$690 million a year more of y'all's money in this case. Why not? First, that 11-1/2 percent return on equity, which is the profit return that they are asking for in this case, is just excessive. Compared to current capital markets where 30-year Treasury Bonds are paying about 2.8 percent, it is excessive. A more reasonable return would cut their increase in half. They are asking for their rates to be set using a high percentage of high cost equity capital as opposed to what we think is a more appropriate more balanced combination of high-cost debt and low-cost bond -- high-cost equity and low-cost

debt financing. That would cut 100 plus million off their ask.

We believe they've got an unrealistic sales forecast upon which they have based their ask. They are projecting that they will sell less electricity in 2013 than they sold in 2011. That is not consistent with what other Florida utilities are projecting, and we don't believe it. There are going to be a bunch of other issues relating to cost that are typically litigated and challenged. There are usually like 50 or 100 such issues that result in some disallowances.

At the bottom line, we want FPL to have enough money to provide safe and reliable service at the lowest possible cost, but no more than that. We believe that FPL's rates, its present rates will generate -- we know, their own projections based on what we think is an unrealistic sales forecast say they will generate \$10.4 billion in 2013 without any increases, including nearly \$1.2 billion in profits. We believe that's enough.

If the PSC determines to deny FPL's request, that will mean that you, FPL's customers, will have an extra seven or eight dollars a month as a residential customer, a total of \$690 million a year to spend on food, groceries, medicine, gasoline, rent, house payment, and your families. With no base rate increase

your rates will go down, because their fuel costs are going down. You are entitled to that decrease regardless of what happens to the base rates.

Thank you very, very much for coming out.

Tell the Commissioners what you think. Have a great night.

CHAIRMAN BRISÉ: Thank you very much, Mr. Wright.

Mr. Saporito.

MR. SAPORITO: Good evening. Thanks for coming out here. My name is Thomas Saporito. I'm a private citizen of the State of Florida, and I'm a customer just like y'all are. And I don't want my electric rates going up, so I filed a petition to intervene to oppose FPL's rate increase request.

Boy, it's hot in here. I wonder why that is?

Oh, look. Your government has incandescent bulbs in here. That's not very efficient, is it?

You know, I just came from the rate hearing up there in Sarasota, and on the drive down here I heard an FP&L commercial, which we pay for, of course, and it says they employ at least 1,000 energy experts, or people that do energy conservation and energy efficiency. And yet I attended the stockholder meeting, because I'm an FP&L stockholder, they give me 60 cents

for every share I have, and the commercial says they have these 1,000 energy efficiency people, yet when I went to the stockholder meeting, incandescent bulbs throughout FPL's headquarters. That's not very efficient. Well, what are those 1,000 people doing?

I'm not an attorney. I couldn't even begin to stand in the shoes of your Public Counsel. Mr. Kelly does an excellent job representing you. I'm here to provide the Public Service Commission a bit of common sense, a common-sense approach to decide whether FP&L deserves a rate case. The short answer is they don't.

rates or for rates to go up. I'm here to tell you this is the worst time for electric rates to go up. Over the last five years, the residents in Florida struggled with high unemployment, your home values have fallen, your investments have decreased. The employment in the State of Florida, as you see on this chart, is 8.7 percent. That's one of the highest in the United States. You can't even get a CD that pays 2 percent. United States Treasury Bills are 1.7 percent, but FPL wants a 16 percent raise. 11.25 percent return on equity. Do you know what this rate case is all about? It's about this, money, going from your pockets to my pockets, because I'm a stockholder. I'm going to get that rate increase

money. That's what it's all about.

of course, I should be in favor of the rate increase, but it's just not ethical. It's not ethical right now when so many people are hurting. The question is will the increase in base rates result in better service or reliability. The answer is no. This rate case is absolutely 100 percent frivolous; absolutely. FPL says the 11.25 percent return on equity is crucial to their ability to finance the billions of dollars in improvements to keep reliability high and bills low. However, according to the Standard & Poor's Rating Agency right here, FPL's earnings per share in 2012 expect them to increase more than 4 percent from 2011, which was up also by 2.1 percent from 2010.

Speaking of efficiency, FPL's own website shows their efficiency is at 99.94 percent.

99.94 percent. They want \$600 million to increase that by 6 percent, I guess. That's not even realistic.

\$690 million. Well, look here, the Palm Beach Post recently says FPL adds \$600 million to the cost of a nuclear reactor project. They mismanaged the project that cost us another \$600 million. Well, shouldn't that come out of the money that they want? I think it should.

They talked about natural gas. Ms. Sanchez

(sic) smiled at y'all and said that part of this money is going to go -- they anticipate another 1,000 customers and they need infrastructure to do that. Here is why FPL -- here is how FPL adds new customers. I'm the customer. I get on my phone and say, FPL, I'm in Apartment H28 now if you will turn my power on. They said no problem, Mr. Saporito, we'll get someone there right now. The infrastructure is already there.

They're not going to go out there and put a new pole for that person and run new lines for that person. It's already there, folks. A thousand people. That's nothing. That's just -- it shouldn't even be a part of the rate case.

The law requires FPL to adjust our costs, just as the attorney talked about. Natural gas goes up and we get charged more. If it goes down, we get the benefit of that. Natural gas. Florida used 21.4 percent more natural gas to produce electric power from 2011 to 2012. The customers of FPL should be receiving reduced electric bills due to that fuel cost savings. Our base rates shouldn't be going up. I got a red light, so I can't finish this. And I hope you ask a lot of questions. Thank you.

CHAIRMAN BRISÉ: Thank you, Mr. Saporito.
Mr. Bryan.

MR. BRYAN: Thank you, Mr. Chairman. I just have a few comments.

With all due respect to our opposing counsel, we would submit that FPL's ROE request is, in fact, reasonable. In fact, within just the past two months the Office of Public Counsel and the Retail Federation entered into a rate settlement agreement with another electric utility in Florida. The agreed-upon rate of return in that case was 10.7 percent.

Now, admittedly our request is slightly higher than that, but there are factors that support a higher ROE for us. And number one is that FPL, because of its investments in the state, has a greater need for capital. Number two, you have heard we have the lowest typical bill in the state. You have heard that our customer service is award winning. Our mission profile for power plants is among the cleanest in the nation, and our service reliability is in the top 25 percent of the country.

It is simply our belief that good performance ought to be recognized, and we hope that it will be.

Thank you for coming out again, and we do look forward to your comments.

CHAIRMAN BRISÉ: Thank you, Mr. Bryan.

Mr. Bryan, do you have any procedural things

that you would like to deal with at this time?

MR. BRYAN: Yes, sir. Thank you. At this time I would like to introduce into evidence two affidavits of publication that indicate that this service hearing was noticed and advertised in compliance with Commission rules. Thank you.

CHAIRMAN BRISÉ: Thank you.

MR. BRYAN: And I'll provide those to the court reporter.

CHAIRMAN BRISÉ: Thank you very much. That will be Exhibit 1.

MR. HARRIS: 7.

MR. KELLY: Number 7.

CHAIRMAN BRISÉ: Seven. Yes, we keep on going. That's right, so it will be Number 7. Thank you very much.

(Exhibit 7 marked for identification and received into evidence.)

CHAIRMAN BRISÉ: Okay. At this time, all of those who have signed up to speak, I'm going to ask you in about 30 seconds or so to stand up so we can swear you in. But before we do so, I just want to make one or two things clear. At the hearing that we had this morning there was maybe some confusion about what the hearing was going to be about, so this is about the rate

This is not necessarily about smart meters. 1 is not a smart meters hearing. So the Commission has 2 taken an affirmative step in making a look at smart 3 meters, and we have established a process at the 4 Commission to study the issues. And so we are going to 5 wait as that process works so that we can determine what 6 our next appropriate steps need to be as the Commission. 7 Obviously there are issues of jurisdiction and other 8 types of issues that we have to determine as we look at 9 what is our appropriate role and place with respect to 10 that issue. Okay. 11 So with that, if you are seeking to provide 12 13 testimony, please stand up. (Witnesses collectively sworn.) 14

forward. As we stated before, you will go to the microphone on that side and provide your testimony. Please state your name, your address, and your phone number so that we are aware of who you are so that our court reporter can have that for the record.

MR. KELLY: The first speaker to sign up is

Ms. Gloria Heisler. I hope I pronounced that correctly.

MS. HEISLER: You did.

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MR. KELLY: And the next speaker will be Mr. Bud Pearse.

CHAIRMAN BRISÉ: Thank you. Before you start,
Mr. Saporito, if you wouldn't mind having a seat. I
would certainly appreciate it. Thank you very much.

#### GLORIA HEISLER

appeared as a witness and, swearing to tell the truth, testified as follows:

#### DIRECT STATEMENT

MS. HEISLER: Good evening. My name is Gloria Heisler. I live in Port Charlotte and my phone number is 941-979-8190. I have lived here in Florida at that residence for ten years. And short of 16 days after Hurricane Charley, I have had decent service from FPL. However, I oppose the rate increase. I think from what I have read it's unjustified.

I retired from teaching high school in Ohio after 38 years. I live on a fixed income. I can't get 10 percent on my money. My costs continue to rise. Medical costs and pharmaceutical costs are astronomical. So I speak and I understand that about my own life, but I have lots of friends who also are having difficulty paying all the bills that keep going up, and a number of them are widows whose income is changed when they become widows, and the costs that they have, they are having difficulty just meeting the costs that they have day-to-day.

I speak for friends who not only are widows, but we have a number of friends who have, because their children have lost jobs, they are moving back in with the parents. And it is already costly enough for the parents, but the younger kids, 24, 34, you know, they are old kids, they're not like teenagers, but they're coming back home because they have lost their job. They don't have anyone else to help them, so they move in with mom and dad.

I have -- is that red light for me?
(Audience laughter.)

MS. HEISLER: My dental hygienist just had her daughter move back in, and she is young enough to want to blow her hair dry all the time. I know her costs are going to go crazy. I absolutely don't think that this is the appropriate time for anybody to get more money when they already are making such a huge profit.

Thank you very much.

CHAIRMAN BRISÉ: Thank you very much,

Ms. Heisler. Before we move forward, just a reminder of
the time. It's two minutes. When the yellow light
comes on, that means you have about 15 seconds left, and
so you can begin wrapping it up, so be mindful of the
light.

MS. HEISLER: I just had (inaudible) --

CHAIRMAN BRISÉ: Understood. Understood. The first person always gets a pass.

MR. KELLY: Mr. Chair, some of the customers did ask me does the two minutes start after they have recited their name?

CHAIRMAN BRISÉ: Yes. Yes, sir.

MR. KELLY: Okay. After Mr. Pearse, the next speaker in Marie Springsteen.

MR. PEARSE: I never could get Gloria to speak shorter than two minutes.

(Laughter.)

#### BUD PEARSE

appeared as a witness and, swearing to tell the truth, testified as follows:

### DIRECT STATEMENT

MR. PEARSE: My name is Bud Pearse. I live in Port Charlotte. My phone number is 941-380-2949. I wanted to point out that the key words here are it's a public utility, it serves the public, so we kind of want to keep that in mind. I don't have a problem with profit. I don't think profit is a four-letter word. It isn't, and there is nothing wrong with profit. The question is to what extent does it become excessive.

Automobile dealers and airplanes deal in high volume, low profit. General Motors and Ford and those

people, they sell an awful lot of cars, but their profits were between 1 and 2 percent. Lots of dollars, and granted, lots of profit, but they had to sell a lot of dollars to get that profit. What stands out is the bank rates, excuse me, at 1 percent, and CDs aren't paying anything, and even the banks are getting 5 percent for houses. And I don't know too many poor banks, but we did have some problems with banks. But, anyway.

I feel that this is one of those situations where what the market will bear, especially a captive market, isn't always fair. We can't go somewhere else. They tell us how much we are going to pay, and we have to go with that. My bill in the summer runs \$250. I don't know where somebody got an average of 1,000 kilowatt hours. They don't have anything plugged in for \$95, and a rate increase will run my bill up \$30 a month. So now we will be talking 250 to \$280. Granted, I might be a little greedy on the electric, but I would think if I used more, shouldn't I be paying less for it?

Thank you.

CHAIRMAN BRISÉ: Thank you very much.

MR. KELLY: After Ms. Springsteen, the next speaker is Curt Hamilton.

MS. SPRINGSTEEN: Do I use this microphone

here?

CHAIRMAN BRISÉ: No, our preference is that you use that microphone because it has the device.

Sorry for the inconvenience.

#### MARIE SPRINGSTEEN

appeared as a witness and, swearing to tell the truth, testified as follows:

#### DIRECT STATEMENT

MS. SPRINGSTEEN: My name is Marie

Springsteen. I'm representing Klocke of America at

14201 Jetport Loop in Fort Myers. The phone number is

239-561-5800.

As the representative of a manufacturing firm here in Fort Myers, we know first hand the impact of quality electric service. Many years ago there were many issues with FPL's quality, especially in the summer months when the thunderstorms were numerous. Our company would experience short-term power blips and longer duration outages. Both are a hardship to our operations as we must either scrap material and start over when there are short power blips that we don't account for in our revenues. And in the case of longer outages, we have to make a determination whether to keep our employees on staff and pay them until the power does come back on, or send them home for the day. These

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outages also caused delays in our shipments and to our customers and ultimately drive down our costs -- excuse me, drive our costs up and our customer satisfaction down.

We know FPL has invested in the power grid in the area around our facility which began directly after Hurricane Charley and is continuing today with anticipated completion in July of this year. They are currently working on the project to replace the majority of the underground system that feeds our facility with a completion date of this July. As a result, we have more reliable power to our facility and we can plan and operate much more efficiently. Especially knowing this, we can now know we can pretty much operate all day long with the upcoming hurricane season as well as the numerous thunderstorms.

Our understanding is this rate increase will include continued efforts. Our company prides itself on quality, and reliable power plays an enormous role in this. Based on this, we support the rate increase so that we may continue to improve our operations and satisfy our customers. Thank you.

> CHAIRMAN BRISÉ: Thank you very much.

MR. KELLY: After Mr. Hamilton, James Stevens.

# CURTIS HAMILTON

FLORIDA PUBLIC SERVICE COMMISSION

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appeared as a witness and, swearing to tell the truth, testified as follows:

## DIRECT STATEMENT

MR. HAMILTON: Members of the Public Service Commission and staff, ladies and gentlemen, my name is Curtis Hamilton. I'm the president of an AARP chapter here in Lee County, and in our chapter we have members who are served by both the Lee County Electric Cooperative and FPL.

At one of our recent chapter meetings, we decided to review the proposed rate increase, and I am here to speak on behalf of the chapter and to express our concern and opposition to what we feel is an excessive increase in the base rates. With FPL getting a return on equity capital of over 10 percent now, to increase it to 11.25 or 11.5 we feel is unfair to the thousands of us customers and to the business community. FPL is a strong utility and we feel also to be, and continue to be a strong corporate citizen by making a much more reasonable proposed increase. And not in any way trying to hide the rate increase in their publications behind a decline in fuel price, which are separate items.

Half of all seniors live on an income of \$20,000 or less. Half of all seniors live on an income

FLORIDA PUBLIC SERVICE COMMISSION

1 of \$20,000 or less, so any increase in the base rate of 2 \$84 year certainly affects them. We have members who 3 cannot afford to go to our Christmas dinner, which is not an expensive proposition, but every dollar counts 4 when it's very few dollars. 5 I think that's all I have, and I thank you. 6 CHAIRMAN BRISÉ: Thank you very much. 7 8 Commissioner Brown. 9 Mr. Hamilton, if you would wait one minute. If you would wait a minute, you have a question from 10 Commissioner Brown. 11 12 COMMISSIONER BROWN: Good evening, Mr. 13 Hamilton. Thank you for appearing before us today. 14 just have a quick question for you regarding your 15 representation on behalf of AARP of Lee County. 16 How many customers, or how many members would 17 you say are customers of FPL in your organization? MR. HAMILTON: Probably only roughly, I would 18 19 say, a third, because we are primarily in Cape Coral. COMMISSIONER BROWN: Okay. And how many would 20 you roughly say, how many numbers? 21 22 MR. HAMILTON: Probably 15. 23 COMMISSIONER BROWN: Okay. I appreciate your testimony. Thank you. 24 CHAIRMAN BRISÉ: Thank you very much. 25

Any further questions for Mr. Hamilton?

Seeing none, thank you very much for your testimony, Mr. Hamilton.

MR. KELLY: After Mr. Stevens is Francine Stevens.

#### JAMES A. STEVENS

appeared as a witness and, swearing to tell the truth, testified as follows:

## DIRECT STATEMENT

MR. STEVENS: My name is James A. Stevens. My telephone number is area 941, 637-1024. My wife and I live in a three bedroom, two bath, all electric, 1900 square foot house in Punta Gorda, and we have been an FPL customer for many, many years.

I retired 18 years ago. Our total income is from Social Security and a small pension from my previous employer. We get also approximately 450 a month from a mutual fund. It amazes me when I hear that the average FPL electric bill is around \$92. The lowest FPL bill that I have received over the last two years was \$145.17, that was for March 2011. It was followed by two months of the largest bills I received over the last two years of \$344.47.

We all know that there are many reasons for what makes the electric bill fluctuate from

month-to-month such as temperature, humidity, and seasonal changes. When you take a 12-month average these level out. My average electric bill for the last 12 months was \$204.66. The month before that was \$191.82. This surprises me when I realize that I need to turn the thermostat higher in the summer to 80 degrees when it gets hot out, and then to 74 in the winter when it gets cold out. When I read that FPL wants to increase the average bill of a 1,000 kilowatt customer \$7, or \$7.09 a month, it scares me. I can't imagine what the increase would do to me.

Does FPL really need the increase? This seems like the wrong time to increase utility costs when no one is getting a raise and many people don't even have a job. It's hard to believe that FPL is currently making 10 percent profit. It's even harder to believe that they want to increase it to 11-1/2 percent and higher. How much is enough? There can't be any industries that earn that much.

At a time when the economy is in trouble, reasons are nonexistent. People are still losing their home, and it's not the time to increase the cost of something as essential as electricity.

Thank you for the opportunity to testify.

CHAIRMAN BRISÉ: Thank you very much,

Mr. Stevens.

Any questions for Mr. Stevens?

Seeing none, thank you for your testimony.

MR. KELLY: After Ms. Stevens is Kim Correll, or Correll.

MS. CORRELL: Correll.

MR. KELLY: Correll.

# FRANCINE J. STEVENS

appeared as a witness and, swearing to tell the truth, testified as follows:

## DIRECT STATEMENT

MS. STEVENS: Good evening, ladies and gentlemen, and thank you so much for having us here tonight. This is deja vu. And I remember that pretty little Ms. Santos from the last time.

I find it hard to believe that FPL is considering a rate increase with the economy the way it is and with people out of work. We have a 50-year-old son who has come back to live with us after 35 years. He lost his house. He has been out of work for three years. My grocery bills have changed. My electric bills have changed. I'm tired of hearing Jim say turn off the fans when you leave the room. So I wish that they would think of something else.

I have an excellent idea. I know it won't go

any further, but I have an excellent idea. Why don't 1 you pull some of it out of your CEO's package? What is 2 he making, 15 million a year? I want to thank you, and 3 I also want to thank FPL for the fantastic service we 4 5 received after Hurricane Charley. Thank you so much. Goodnight. 6 CHAIRMAN BRISÉ: Thank you, Mrs. Stevens. 7 MS. STEVENS: Any questions? 8 CHAIRMAN BRISÉ: Very good. Any questions? 9 MS. STEVENS: Shoot. I wanted one. 10 CHAIRMAN BRISÉ: Thank you. 11 MR. KELLY: After Ms. Correll is Carol 12 Dunekirchen. I hope I have pronounced that correctly. 13 MS. CORRELL: Are we ready? 14 CHAIRMAN BRISÉ: Yes, ma'am. 15 KIM CORRELL 16 17

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appeared as a witness and, swearing to tell the truth, testified as follows:

## DIRECT STATEMENT

MS. CORRELL: Good evening. I'm Kimmy Correll and I'm from Punta Gorda. My phone number is 941-639-1852. Commonly, I'm a Chatty Cathy and I talk to a lot of people about a lot of things, and you will find that more often I will talk to you about what's going on with other people. I do volunteer work. My

business card says living my life in service to others.

So on that note, instead of telling you my personal story, I'm going to tell you about five different people that I talked to about what's going on. These are neighbors or business people that I know.

Generally, small business owners. I spoke to Kathy and Mark Miller of Port Charlotte who own a Murphy bed company. They're elderly people. Kathy's comment was, "If it gets any worse, we will have to let go of the only employee we have left. He's part-time. We moved to Florida and sank our retirement savings into this business. We hate to lose it."

Robin Barnett from Punta Gorda is a waitress and a mother of two. Her comment was, "If the electric bills go up, we will have to cut out the extras." And I asked Robin, because she is a friend of mine, what she meant by the extras. And she said, "Well, it's not going to be easy, but I'm going to have to tell the kids that there won't be swim classes or softball teams this summer."

Melinda Billinger is a bank teller at one of the banks up in Punta Gorda. She and her husband own a business called Old Town Convenience and Deli, downtown Punta Gorda. Her utilities last summer were over \$2,000 a month. I can't imagine it being any higher. We have to get through the summer and build up for next winter.

Cindy Burgess is a Wal-Mart employee. She said, "No way. My electric bill doubles and triples. My son has moved back at home with me. I'm a single mom. I just can't do it."

And last is Benny Long. Benny Long has a seafood company, and it's wonderful to go by his little shop. It stinks in there, but he has got fresh fish and he is a very kind man. At Law's Seafood (phonetic) he said, "I just don't think it's necessary." Then he said, "You know, I've got a guy that brings fish in for me, he is one of the local fishermen. He said that he used to work for FPL and he was laid off or let go. He said that unfortunately that now that they are going into the smart meters," and I know that's another subject, but he said that they would be letting go some of their meter readers due to the fact that the smart meters are efficient.

So these are local people, and they have got big hearts, and they are, you know, loyal customers. I personally grew up in Florida and spent my whole life here. And when I was younger I thought the only company there was was Florida Power and Light. So thank you for the service you have given us.

CHAIRMAN BRISÉ: Thank you. If you would wait

for one second.

Are there any questions for Ms. Correll?

All right. Seeing none, thank you very much for your testimony.

MS. CORRELL: Thank you, sir.

MR. KELLY: After Ms. Dunekirchen is Tony Flores.

#### CAROL DUNEKIRCHEN

appeared as a witness and, swearing to tell the truth, testified as follows:

## DIRECT STATEMENT

MS. DUNEKIRCHEN: Good evening. My name is
Carol Dunekirchen, and I live in Port Charlotte,
Florida. My phone number is 941-624-5402. Seventy-five
percent of my husband's and my income is from Social
Security. After doing the math, taking our
nondiscretionary expenses into consideration, we have
very little discretionary income.

We rarely eat out or go to the movies. When we take a vacation, not more than twice a year, it's in state for two or three days max, and our dog goes with us. We don't board him or ask friends or relatives to accept responsibility for watching him. Once a year I may take a three or four-day trip by myself related to my volunteer interests. My husband stays home with the

dog. He really doesn't like to travel, so that's fine with him.

I told a friend who owns her own business about tonight's hearings. She couldn't attend, but shared her circumstances with me. And I'm going to have to fill out one of those forms in the back. Given her mortgage payment, increases and rent and expenses for her business, she is on the verge of bankruptcy. I'm sure there are many seniors and small business owners in similar or worse circumstances. I have read articles representing both sides of the base rate increase issue. I just don't think that this is the time for such an increase. Thank you.

CHAIRMAN BRISÉ: Thank you very much.

Are there any questions for Ms. Dunekirchen?

Seeing none, thank you for your testimony this evening.

MR. KELLY: After Mr. Flores, Joe Rider.

## TONY FLORES

appeared as a witness and, swearing to tell the truth, testified as follows:

### DIRECT STATEMENT

MR. FLORES: My name is Tony Flores, and I'm a resident of Port Charlotte, Florida, moving there from Virginia two and a half years ago. Phone number

941-979-9296.

I want to thank FPL for very good services.

We have received very good service from them and very little outages other than a few due to weather-related items. But as the economy is right now, many people are having trouble keeping up with their bills. There are many homes, many houses in our area that are up for sale. Either the owners or previous owners have lost their jobs and cannot find a job sufficient to keep up with their bills, therefore the houses are vacant.

Many small businesses and support items, plus churches, are having trouble because of the same reason. The church that I belong to, they have tried various ways to cut down the energy bills that they have. They have upgraded the air conditioning units, changed all the thermostat settings, changed light bulbs, ensured all lights are out whenever nobody is using the rooms just to try to cut down on their bill. And then Florida Power and Light wants to upgrade the base bill.

Personally, I can't find where I could get 2 percent on a CD at any -- even a long-term business.

I understand that Florida Power and Light is paying 10 percent to their customers, or rather their investors, and with the increase would be paying about 11.15. I believe that the increase should be denied,

1 and I pray that if there is an increase that it would be 2 a very small amount. Thank you. 3 COMMISSIONER BALBIS: Thank you, Mr. Flores. Mr. Flores, there's a question for you from Commissioner 4 Balbis. 5 6 MR. FLORES: Yes, sir. 7 COMMISSIONER BALBIS: Thank you, Mr. Flores, 8 and thank you for coming here. 9 You mentioned some examples of either yourself 10 or others trying to reduce their bills and implement 11 efficiency programs. Did you or these others work with 12 FPL on some of the programs that they offer, the energy 13 audits or anything else? 14 MR. FLORES: I don't know if the church did do 15 I did talk to them, and they have tried various 16 methods of reducing the bill. 17 COMMISSIONER BALBIS: Okay. Thank you. 18 CHAIRMAN BRISÉ: Thank you very much. 19 I think Commissioner Balbis has some comments 20 to make at this time. 21 COMMISSIONER BALBIS: Thank you, Mr. Chairman. 22 And just to disclose, I am actually an 23 acquaintance of Mr. Rider, and it is good to see a familiar face. And he may be a familiar face, although 24 25 maybe not in a positive light for some of you. He is a

veteran referee for college football and a veteran of seventeen bowl games, so he may have been for your team or against your team; he is certainly a legend in officiating in Florida, and it's good to see him and to be here today and I look forward to his comments.

CHAIRMAN BRISÉ: Thank you.

## JOE RIDER

appeared as a witness and, swearing to tell the truth, testified as follows:

#### DIRECT STATEMENT

MR. RIDER: Thank you, Commissioners.

My name is Joe Rider. I have lived in Fort
Myers since 1975. My phone number is 239-898-1898.

And, thank you, Commissioner Balbis, I wish some of the
coaches felt the way you did about some of my things.

(Laughter.)

I had a sheet here. I was going to tell you about some personal and professional things, some experiences I have had with Florida Power and Light, but kind of listening to people, I'm a member of AARP, also, and a disabled Vietnam veteran. And so, you know, I empathize with a lot of things that have been said, but I want to tell you right off the bat that I support this increase. And kind of some of the reasons I have heard listening to the learned counsel here talk about some of

the statistics and some of the things that Florida Power and Light has brought up and some of the things that are obviously a part of this petition, and it's hard for me as someone who is not in this every day to kind of go through some things like this, but I think it's important to look at the value that they provide for me and my family.

I'm very happy to have been with Florida Power and Light both professionally and personally since 1975. And, you know, if we look at the things that we talked about, and I heard one of the ladies talking about her grocery bills. Yes, they are going up. And our gas bill, our fuel, yes, that's going up. And, you know, going to the movies, newspaper, everything is going up it seems like, but just because times are tough I don't think it necessarily means that we can't give an honest increase for the value that something is provided, and I think Florida Power and Light provides me both personally and professionally with a way of life that I can enjoy. And I'm talking about from, you know, just living with air conditioning and lighting and the things that they provide.

So I want to tell you that I know that you will judge this petition very fairly, and I certainly hope that you give them some of the increase or all the

1 increase that they want. Thank you. CHAIRMAN BRISÉ: Thank you, Mr. Rider. 2 3 Are there any questions for Mr. Rider? 4 Yes, Mr. Saporito. 5 MR. SAPORITO: Good evening, Mr. Rider. 6 just a question for you. Have you been a customer 7 receiving power from FPL for, say, the last three years? 8 MR. RIDER: Yes, I have. 9 MR. SAPORITO: And has Florida Power and Light 10 provided you reliable electric service? 11 MR. RIDER: Yes, they have. 12 MR. SAPORITO: Are you aware that this Public 13 Service Commission has frozen FPL's rates for the last 14 three years? 15 MR. RIDER: I try to be efficient. I turn 16 lights off, I watch my air conditioning, and I pay the 17 bill as it comes at the month. I mean, I can't tell you 18 yes or no to that question. 19 MR. SAPORITO: Well, what I'm asking is if 20 they froze the rates for three years, and you have used power from Florida Power and Light for three years, and 21 you just testified under oath that it's fair and 22 23 reliable. Why would they need to raise the rates now to 24 make it more reliable? 25 MR. RIDER: Well, since I'm a businessman, you

know, I had to buy a new truck last year. So that is something I had to invest in. I presume that they have to build plants, they have to -- from my experience in business, you know, when they have to put new lines in, they were very good after Charley as far as, you know, I took a heck of a hit after that and yet came back and provided -- we heard people testify. So I don't think what you are saying is rational compared to what they are doing, quite frankly.

MR. SAPORITO: Thank you.

CHAIRMAN BRISÉ: Thank you very much.

Any further questions for Mr. Rider? Seeing none, thank you for your testimony today.

MR. KELLY: The next speaker is Ms. Barbara Flores followed by Brent Barkway.

chairman brisé: As Ms. Flores comes up, I thought I heard a slight booing or something to that effect as one of the speakers was speaking. If we can avoid that type of reaction, we would greatly appreciate it. Thank you very much for being respectful of everyone's opinion.

## BARBARA FLORES

appeared as a witness and, swearing to tell the truth, testified as follows:

#### DIRECT STATEMENT

FLORIDA PUBLIC SERVICE COMMISSION

MS. FLORES: Members of the PSC staff, I am
Barbara Flores. My phone number is 941-979-9296. I
live on a cul-de-sac in Port Charlotte. I have lived
there for two years. I like the way my lights work and
air conditioning, and thanks to FPL for that. However,
I am upset that FPL believes it needs a rate increase in
these belt-tightening times.

Most of us have less to work with. There are four families in our neighborhood -- I'm in a cul-de-sac, it's a very small place. -- with children, families with children who are really in trouble financially. One or both of the adults have reduced time at work or lost jobs, and children are returning. So they are suffering financially in the pinch of this recession. So how can FPL be seen to justify a raise at this time. Will FPL be seen as greedy by its customers? We, the people, need a break. Thank you very much.

CHAIRMAN BRISÉ: Thank you, Ms. Flores.

I don't know if there are any questions for you. Are there any questions for Ms. Flores?

Seeing none, thank you for your testimony.

MR. KELLY: After Mr. Barkway, Tracey Galloway.

## **BRENT BARKWAY**

appeared as a witness and, swearing to tell the truth,

testified as follows:

DIRECT STATEMENT

MR. BARKWAY: Good evening. My name is Brent Barkway, I'm with the Lee County Economic Development Office here in Fort Myers. My phone number is 239-533-6804. My job with the economic development office is business development manager, so I work with companies coming in from outside the State of Florida who want to have a presence here in Lee County.

I'm not here to directly talk about the proposed rate increase. What I do want to do is just say a couple of good things about FPL's new economic development rate for commercial and industrial businesses and how it can compliment the efforts of what we do in our office.

For the companies that we assist, one of the biggest obstacles to overcome is the operational costs in the first few years of business. In order to keep Lee County and the State of Florida competitive, we are always looking for ways to minimize upfront costs for businesses as much as possible and lessen the burden for newly established or existing businesses in Lee County. While Lee County and the State of Florida do offer assistance programs for businesses, there is still a great deal of competition from other states and also

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other countries. By offering discount rates for the first four to five years under this program, FPL can provide additional -- an additional tool to help us assemble a comprehensive package to make our area more attractive to a potential business. This is especially helpful in energy-intensive industry, such as manufacturing, which is of vital importance to our state and our community.

Also, by offering an added incentive of the fifth year of discounts available to businesses purchasing or leasing existing property that has been vacant for at least six months, it will encourage occupancy in buildings currently without tenants. I will just close by saying that we work well with FPL and we look forward to working with them in the future and having them as a valued partner in our economic development efforts. Thank you.

CHAIRMAN BRISÉ: Thank you, Mr. Barkway. I don't know if there are any questions for Mr. Barkway.

Yes, Mr. Saporito.

MR. SAPORITO: Good evening, Mr. Barkway.

MR. BARKWAY: Good evening.

MR. SAPORITO: Is your testimony here today intended to support or not support the rate increase?

MR. BARKWAY: Sir, I'm here to actually

1	represent Lee County Economic Development in what we do,
2	and what I feel is a very useful tool. This is not
3	about the rate increase for us, okay. That would be a
4	personal decision on my part. That's not why I'm here.
5	This is about a tool that is one more thing for us to
6	use to improve the business climate in this county.
7	MR. SAPORITO: And do you or your organization
8	have an affiliation with FPL, and do you receive
9	compensation in any way?
10	MR. BARKWAY: Oh, no, sir, we don't. Not in
11	any way.
12	MR. SAPORITO: Was your travel or expenses
13	paid for in any way for you appearing here today?
14	MR. BARKWAY: Absolutely not, no.
15	MR. SAPORITO: Thank you very much.
16	<b>CHAIRMAN BRISÉ:</b> Thank you very much.
17	MR. KELLY: After Ms. Galloway, Jim Helms.
18	TRACEY GALLOWAY
19	appeared as a witness and, swearing to tell the truth,
20	testified as follows:
21	DIRECT STATEMENT
22	MS. GALLOWAY: Good afternoon. My name is
23	Tracey Galloway. I have been a resident here in Fort
24	Myers for 21 years. My phone number is 239-770-7258.
25	I am not one that is ever in favor of

supporting increased cost for anything unless there is a reasonable or compelling reason to do so. It's a complicated decision, and I don't envy your spots today or for the remainder of these hearings.

My comments are in support of FPL's request for a rate hike based on my views as a global responsible citizen. I applaud FPL for their continued innovative and forward-thinking technologies and services that will afford the customers of Florida a long future with affordable energy costs. I have worked with FPL in the recent year or so both on residential as well as commercial energy savings plans that have turned out to be very fruitful. In some cases it cost me a little bit more up front in terms of updating an appliance or something to a more current technology that is more energy efficient, but over the long-term it is saving me money monthly on my electric costs.

In an age where energy resources are being pushed to their limits, I feel like it is the responsibility of all citizens to step up to the plate and start being more conscious of how they use or misuse our energy resources. I like to have all the luxuries that electricity provides, and I'm not advocating that we go back to candles and hand fans, but rather learn how and when best to use our electricity. For instance,

I use a timer on my dishwasher so that it runs automatically at night when there is less demand for electricity, and utilize the automated thermostat to control my house temperature when I'm not at home.

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some may poo-poo and say this doesn't make enough of a difference, but it really does. In the last year, I actually added a second story to my home which meant another air conditioning unit. So I thought my costs would go up, but with the updates that I made, such as the automated thermostat, my electric bills actually dropped by about 15 percent every month. It has made a significant difference.

This leads me to my last point regarding smart meters, and I'm going to talk to you about that. I am a proponent of this project for multiple reasons, but the greatest of them being that I am pleased to see that FPL and the other energy companies across the United States are investing in smart grid projects. Our greatest ally in the global energy race is technology and we should use it to our benefit.

I work every day to feed the hungry and the homeless, so I understand inherently the problems that our communities face on a social and economic level.

However, I would stand here before you in favor of a state and a nation that needs to put an aggressive foot

1 forward to ensure the long-term viability of energy resources for future generations, and I feel confident 2 that FPL recognizes and is moving forward to address 3 these issues. Thank you. 4 CHAIRMAN BRISÉ: Thank you, Ms. Galloway. 5 б Are there any questions? 7 Mr. Saporito. 8 MR. SAPORITO: Good evening, Ms. Galloway. an FPL stockholder, I simply have to applaud you for all 9 your energy awareness and conservation methods, but let 10 me ask you this. Do you have an on-demand electric 11 12 water heater in your residence? MS. GALLOWAY: Yes, I do. 13 MR. SAPORITO: Do you know that Florida Power 14 and Light doesn't advertise that on their website? They 15 advertise all kinds of ways that we can save energy, but 16 that is not one of them. Do you think that would be a 17 good idea for them to put that on there? 18 MS. GALLOWAY: Sure. 19 MR. SAPORITO: It saves like 60 percent 20 compared to a hot water tank which is on all the time, 21 right? 22 MS. GALLOWAY: I did my research, as most 23 citizens should, to find those things out, as well. 24 25 MR. SAPORITO: Thank you very much for your

testimony.

MS. GALLOWAY: Thank you.

CHAIRMAN BRISÉ: Thank you very much.

MR. KELLY: After Mr. Helms, Ron Jefferson.

## JIM HELMS

appeared as a witness and, swearing to tell the truth, testified as follows:

#### DIRECT STATEMENT

MR. HELMS: Good evening. My name is Jim I am a resident here in Fort Myers. My phone number is 239-432-0970. And I'm speaking as a private citizen. I really have no comments to make concerning the merits of the rate increase that is before the Commission. I do, however, wish to commend Florida Power and Light for being a good partner with the Thomas A. Edison Regional Science and Inventors Fair. I'm a member of the steering committee there. Although I'm not here speaking on behalf of the entire committee, I can say that their support through the Edison Festival of Light of the Regional Science Fair where approximately 800 children a year participate across Collier, Lee, and Charlotte Counties. That support has been instrumental to the good work done for the last several years.

And, again, I have no comments to make

FLORIDA PUBLIC SERVICE COMMISSION

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1 concerning the rate increase. I wish you luck on that, but I can say that the service that Florida Power and 2 Light has provided to us has been really instrumental in 3 4 our doing the good work we have been doing for the last, over ten years now. Thank you. 5 CHAIRMAN BRISÉ: Thank you, Mr. Helms. 6 7 Are there any questions? MR. SAPORITO: Good evening, Mr. Helms. 8 your organization have any -- receive any compensation 9 from Florida Power and Light Company? 10 11 MR. HELMS: No. MR. SAPORITO: Has anyone from Florida Power 12 and Light company asked you to testify here tonight? 13 14 MR. HELMS: No. MR. SAPORITO: Thank you very much. 15 MR. HELMS: You're welcome. 16 CHAIRMAN BRISÉ: Thank you very much. 17 UNIDENTIFIED SPEAKER: (Inaudible.) 18 CHAIRMAN BRISÉ: Ma'am, unless you're an 19 intervenor, you are not in a position to ask questions. 20 21 UNIDENTIFIED SPEAKER: Thank you. CHAIRMAN BRISÉ: Thank you very much. 22 MR. KELLY: After Mr. Jefferson is David -- I 23 think it is Doan. 24 RON JEFFERSON 25

appeared as a witness and, swearing to tell the truth, testified as follows:

#### DIRECT STATEMENT

MR. JEFFERSON: Good evening. My name is Ron Jefferson. I'm the Assistant Facility Director for the City of Naples Airport Authority, and I'm here to say that we are satisfied with FPL's level of service.

I have been a resident of Naples/Collier

County for over 30 years and employed at the airport for

19 of those years. I just want to share a side of FPL

that maybe a lot of the residents don't see. And they

did come out to our airport to acquire property for, in

a catastrophic event, post catastrophic event, a place

to store trucks and equipment, tree removal stuff, and

I'm glad to see that FPL is, you know, thinking ahead

and getting ready for this. It's inevitable, and I'm

glad that the infrastructure is there and they have

enough forethought.

Some of the stuff that they do I have seen with construction work as far as transformer placement, sizing and making calculations, the way they orchestrate the work. There is no rework. Once the work is completed the work is done. I'm a maintenance person. It's good to see that when the work is completed there is no rework. They don't have to come back out and

repair it.

That's all I have. It's pretty simple. I just want to say that I was satisfied with their service. And we did participate in a business energy audit, and I'm waiting for the results to come back for that, too.

CHAIRMAN BRISÉ: Thank you, Mr. Jefferson.

MR. SAPORITO: One question, Mr. Chairman.

CHAIRMAN BRISÉ: Yes, sir.

MR. SAPORITO: Could you tell the Public Service Commission whether your testimony and your opinion is in favor of the rate increase or not in favor.

MR. JEFFERSON: I just thought it was important for me to say there's two sides to the coin. I can understand that the structure is getting old. I can understand FPL's standpoint to raise the rate, if you will, to replace that old infrastructure, because I would rather not be stuck on generator power. I would rather have clean utility power. And I do understand the public's input that they don't want a rate increase, but I just think it's important that the Commission does know there's two sides to the story.

MR. SAPORITO: Thank you very much.

MR. JEFFERSON: Okay.

CHAIRMAN BRISÉ: Thank you, Mr. Jefferson.

MR. KELLY: After Mr. Doan is Andy Koebel.

## DAVID DOAN

appeared as a witness and, swearing to tell the truth, testified as follows:

## DIRECT STATEMENT

MR. DOAN: Good evening. I would like to thank the Commission for being here tonight. My name is David Doan. I live in Lehigh Acres. My phone number is 239-464-4897. And I actually came here tonight to address a different topic that has already been addressed here from this microphone, and that's the smart meter issue.

And I appreciate the fact that you want to stay on topic here, but I know there's a large number of people here that are very interested in this issue. And to begin with, I'd like to find out if it's possible if this Commission could hold another meeting to address that specifically, because there are a lot of issues that I don't think people are aware of. I found a Congressional research service survey that casts a whole different light on the smart meter issue than a lot of the things that we are hearing here tonight.

And I really appreciate the opportunity to address this Commission and the Chairman on those

issues, because it's a 48-page study, and it's not really favorable toward smart meters. So I'd like to have the opportunity to address that at some time in the future if I could.

CHAIRMAN BRISÉ: Thank you very much. And you can address that issue any time. Our staff is gathering information, so you could e-mail us at the Commission as the information gathering continues to go on, and as time progresses there will be a determination whether we need to do any public meetings and so forth with respect to that issue.

MR. DOAN: Well, I know there's a number of people here tonight that are very interested in that issue. So I think a public forum like this, they would really appreciate the opportunity to speak.

CHAIRMAN BRISÉ: Duly noted. Thank you for your comments.

MR. DOAN: Thank you.

MR. KELLY: After Mr. Koebel, Jim Larkin.

## ANDY KOEBEL

appeared as a witness and, swearing to tell the truth, testified as follows:

# DIRECT STATEMENT

MR. KOEBEL: Good evening. My name is Andy Koebel and I'm a representative of Bonita Strings

Utilities. My telephone number there is 992-0711.

I'm here tonight not to speak for or against the rate, just to give some testimony about the quality of service that we receive from FPL. The quality of service that we receive is very good to excellent in all aspects. We recently acquired another utility with various accounts in multiple locations. The customer service department worked very well with us. The transition went smooth and seamlessly so we could continue and have seamless delivery of service to our customers.

In another aspect, their reliability of service is continually improving. I have been with the utility for many years, and I have seen that continually improve throughout the years. A recent project was completed this past year that further improved that reliability offering a dual feed to some of our facilities. So with that, I would just like to say that we are very pleased with our quality of service and the improved reliability that we continue to see year after year. Thank you.

CHAIRMAN BRISÉ: Thank you, Mr. Koebel.

Are there any questions?

Seeing none, thank you for your testimony.

MR. KOEBEL: Thank you.

MR. KELLY: After Mr. Larkin, Alan Destribats.

#### JIM LARKIN

appeared as a witness and, swearing to tell the truth, testified as follows:

#### DIRECT STATEMENT

MR. LARKIN: Good evening. My name is Jim
Larkin. I am General Manager of the Crown Plaza Hotel
here in Fort Myers, Florida. I have been a resident of
Lee County for 13 years, and a resident here in Lee
County in Fort Myers.

I came here to also testify about the exceptional service we receive as a business here from FPL. I find it astonishing that a business like theirs is continually engaging me as a business manager about ways to cut my electric bill or cut my gas bill on an on-going basis. Their communication with us has been excellent. On-going we hear from them from our representative with FPL on a quarterly basis. The information provided is always presented professionally and very promptly upon request.

Whenever we have had an issue with power interruptions, they have been in touch with us promptly to let us know what the situation is, communicating with us what they are doing to correct the situation. And I find their service to be exceptional, quite honestly.

And for me in the service business, it's all about exceptional service, and they do a great job in that regard.

As a business manager, I also understand the need for increases to cover increasing costs that are out there. I expect that you, as a Commission, will be the ones to determine what the right increase would be, but as a business operator I stand in support of the increase that FPL is asking for. Thank you very much.

CHAIRMAN BRISÉ: Thank you, Mr. Larkin.

Any questions for Mr. Larkin?

Mr. Saporito.

MR. SAPORITO: How are you doing, Mr. Larkin?

MR. LARKIN: Very well.

MR. SAPORITO: You said you're a manager. What was the business again?

MR. LARKIN: General Manager of the Crown
Plaza Hotel here in Fort Myers at the Bell Tower Shops.

MR. SAPORITO: That's a pretty big building,
isn't it?

MR. LARKIN: Yes, it is.

MR. SAPORITO: Have you engaged Florida Power and Light -- they have like 1,000 employees dedicated for energy efficiency. Have you contacted them to come out to your building and give you some ways that you

could reduce your electric bill?

MR. LARKIN: I actually did not have to contact them. They contacted me, and they do so on an on-going basis. I have been there 13 years, and yearly they will ask me if there is anything they can do to help us manage or do energy audits to improve our costs in our energy bill.

MR. SAPORITO: And did they suggest for you to put a PV solar system on your building to reduce your electric power?

MR. LARKIN: We actually did talk to them about that, and we are actually engaged in talking to a couple of other companies about that to make sure we are getting the best pricing.

MR. SAPORITO: Okay. Thank you very much.
MR. LARKIN: Thank you.

CHAIRMAN BRISÉ: Thank you very much, Mr.

Larkin. We have a question from Commissioner Edgar.

COMMISSIONER EDGAR: Thank you, Mr. Chairman.

Mr. Larkin, it's actually not a question, just a very brief comment. I actually checked into that hotel earlier this afternoon and would like to give a shout out and a thank you to the young woman at the registration desk who was very, very helpful, and very polite, and went above and beyond. I think it was

Trista (phonetic) or something like that. 1 MR. LARKIN: Well, thank you very much. I 2 will pass that on and give her a pat on the back, too. 3 COMMISSIONER EDGAR: Please do. 4 MR. LARKIN: And if I may just say so, I know 5 there are some questions of other people about engaging 6 in returns or what Florida Power and Light might do for 7 my business. I can honestly say that Florida Power and 8 Light is not in my top 20 customer base, but I would 9 certainly like to talk to anybody about how I can do 10 more meeting business or accommodation business if they 11 are out there and would like to speak to me at this 12 Thank you. time. 13 14 (Laughter.) CHAIRMAN BRISÉ: Thank you very much. 15 MR. KELLY: After Mr. -- and I'm going to 16 butcher it --17 MR. DESTRIBATS: Destribats. 18 MR. KELLY: -- Destribats is Dr. George 19 20 Magnant. ALAN DESTRIBATS 21 appeared as a witness and, swearing to tell the truth, 22 testified as follows: 23 DIRECT STATEMENT 24 MR. DESTRIBATS: Good evening. Alan 25

1 Destribats, Bonito Springs, 239-949-0109. I personally 2 feel the FPL increase is appropriate and realistic. I 3 commend FPL for its many customer programs. I use the energy calculator on their website every month to analyze my usage and work on reducing my bill. Now, I 5 6 get a lot of information because I have a smart meter that was installed last fall, which I happen to love; I 7 8 realize that's another topic for a different time. 9 signed up for the on-call savings program for FPL to 10 control my air conditioner and water heater at peak 11 times and I receive a bill credit, so that's also very valuable. 12 13 Nobody likes a price increase, but looking at this one with the net impact of a dollar to two dollars 14 15 a month, and with all the investments FPL is making, I 16 do feel it is realistic and appropriate. Thank you. 17 CHAIRMAN BRISÉ: Thank you very much. Are

there any questions for Mr. Destribats?

Seeing none, thank you for your testimony today.

> MR. DESTRIBATS: Thank you.

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MR. KELLY: After Dr. Magnant, Archie Taghan.

### DR. GEORGE MAGNANT

appeared as a witness and, swearing to tell the truth, testified as follows:

DIRECT STATEMENT

DR. MAGNANT: Hi. I'm Dr. George Magnant.

I'm a retired physician. I've been living in Fort Myers

for the last 12 years. My phone number is 454-4463.

I have no problem with the quality of service from FPL and agree with the testimony given by a few of the people who seem to have spoken as character witnesses over the last few minutes. However, as the counsel of the Office of Public Counsel so aptly put it, that's not the question we're debating here.

The bottom line is whether or not increasing the return of investment from 10 percent to 11-1/2 percent is needed at this time when retired people have trouble getting one percent, and to that they have to go at least two years on a CD. I just finished reading a book called the Morality of Capitalism. I think this is stretching that a little bit going from the 10 percent, which I think is very adequate -- I would be happy and they probably should be happy if they got half of that.

With those remarks, I thank you for listening.

CHAIRMAN BRISÉ: Thank you very much.

Are there any questions?

Yes, Mr. Saporito.

MR. SAPORITO: Good afternoon, sir. Thanks for coming out and testifying today. I just want to

1 make sure, do you understand that if the Public Service Commission decides to deny Florida Power and Light their rate increase that they are requesting, this 3 \$690 million, do you understand that because the natural gas prices have decreased that your electric bill, if 5 they deny the request, will actually go down with the 6 cost of fuel? 7 DR. MAGNANT: Yes, I realize that. 8 MR. SAPORITO: So that would be beneficial for 9 10 you, would it not? That part is beneficial, yes. DR. MAGNANT: 11 MR. SAPORITO: Thank you very much. 12 CHAIRMAN BRISÉ: Thank you very much. 13 MR. KELLY: After Mr. Taghan, Ms. Ruth -- and 14 I apologize, Nekoranec. 15 ARCHIE TAGHAN 16 appeared as a witness and, swearing to tell the truth, 17 testified as follows: 18 DIRECT STATEMENT 19 MR. TAGHAN: Hello. I'm Archie Taghan; I'm 20 from Lehigh Acres, Florida, and my phone number is 21 239-369-4707. 22 And I just -- I'll weigh in on the rate 23 increase. Florida Power and Light has already been 24 25 chosen as a winner for the areas that they represent

throughout the state. They are a monopoly, and it seems in this case as though what they are doing is they see an opportunity to go ahead and increase gain for the stockholders and the administrators in a situation where they have had a -- where the costs have dropped so that the appearance, when it's all done, is that they are not asking for much. But, in effect, if the give-back was given to the customers, it would be a pretty impressive increase that they are getting.

So remember that Florida Power and Light is a monopoly, and that you are the rate-setting group. And as a board that sets that, you are choosing to determine how much of a winner these winners are going to be. And I ask you to use constraint. Bear in mind these other folks that have to pay the bill, and just weigh in in those areas.

Now, I spoke to the Chairman just for a second before he came in the door, as we come in the door. I really was here to express my sentiments and read a letter on the smart meters, and I'm not going to do that, but I do want to add a little bit of input. I believe that the delay in the smart meter hearing is detrimental to the people of this state, because I believe it really needs to be rescinded. It really needs be talked about openly.

Seamens.

I appreciate that we can contact you, and I wasn't aware of -- you know, I'll have addresses and there will be a number of others that will -- you will hear from us, okay. But in the meanwhile, the reason this is so important is because Florida Power and Light throughout the state is going full bore on installation. Once the installation is done it's going to be hard to do anything in return. Thank you.

CHAIRMAN BRISÉ: Thank you very much.

Are there any questions?

Seeing none, thank you for your testimony.

MR. KELLY: After Ms. Nekoranec is Gerry

### RUTH NEKORANEC

appeared as a witness and, swearing to tell the truth, testified as follows:

# DIRECT STATEMENT

MS. NEKORANEC: Hi. I'm Ruth Necoranec.

MR. KELLY: Sorry.

MS. NEKORANEC: That's okay. I'm an average person with an average bill, which I split with my roommate. And I understand that a company needs to make a little profit, and they need to keep up with technology and infrastructure. However, I haven't had a cost of living or a raise or any change in my income for

over five years, and I think the increase is excessive. 1 2 Thank you for listening. CHAIRMAN BRISÉ: Thank you very much for your 3 testimony. 4 Are there any questions for Ms. Nekoranec? 5 Seeing none, thank you for your testimony this 6 7 afternoon. MR. KELLY: After Gerry Seamens is Jack 8 Is it Gerry, Gerry Seamens? 9 Mr. Hack Hansen followed Mike Townsend. 10 11 JACK HANSEN appeared as a witness and, swearing to tell the truth, 12 testified as follows: 13 DIRECT STATEMENT 14 MR. JACOBS: I'm Jack Hansen. 15 registered nurse. My phone number is 239-313-7071. 16 I really didn't come here to talk about the 17 rate increase, but I did enjoy the presentation. 18 really well done from everybody, actually. I got quite 19 an education. FPL is an excellent company. It's one of 20 my cheapest bills, actually. But their rate increase 21 sounded actually pretty good until I heard the light 22 shed on by Mr. Kelly. And if anybody is looking for Mr. 23 Wright, he's right here. 24 So, basically, I know that you will come to 25

the right decision based on their input. You will do what is fair. What is important to note, though, is that money is becoming more and more worthless and people are priceless. We have to consider the individual more than the collective or the entity. And with that in mind, I'm sure the right decision will be made.

I used to be a court stenographer, too. I want you to write that down. That's all. Thank you.

CHAIRMAN BRISÉ: Thank you, Mr. Hansen.

MR. KELLY: After Mr. Townsend, Harriet Hopkins.

## MIKE TOWNSEND

appeared as a witness and, swearing to tell the truth, testified as follows:

# DIRECT STATEMENT

MR. TOWNSEND: I'm Mike Townsend. My phone number is 239-992-3599. In 2006, I retired from Ford Motor Company because of a health issue. I have chronic lymphocytic leukemia. Currently I live in a house in Bonita Springs that is all electric. My bill every month is about \$239. I suspect this raise would cost me another 40 bucks. I don't have any extra money. How the hell am I supposed to pay the extra 40 bucks? And I don't think I'm the only one in this county that has

that problem. A lot of us are on fixed income. It isn't like, oh, I set 40 bucks aside because I think FPL is going to come along and need more. I need more. Who's going to pay the 40 bucks? Simple question, folks. I think you should vote no. Thank you.

CHAIRMAN BRISÉ: Thank you very much, Mr. Townsend.

Any questions for Mr. Townsend?

Seeing none, thank you for your testimony.

MR. KELLY: After Ms. Hopkins, Chris

Carpenter.

# HARRIET HOPKINS

appeared as a witness and, swearing to tell the truth, testified as follows:

# DIRECT STATEMENT

MS. HOPKINS: Hi. My name is Harriet Hopkins, Bonita Springs, 239-390-3329. Thank you for this opportunity to speak.

I am against any type of rate increase because most customers in every municipality has already been suffering financially in this economy. And I won't spend time with all the heartbreaking stories, people I know who can't eat, can't put air conditioning, and that is a severe health problem in the summer here especially for elderly people.

I can find no justification to raise rates in this economy. I am also against any plan to implement the tiered-rate system, charging different rates at different times of day, because this would penalize many people, especially with medical conditions, who depend on electric services on their own schedule, not FPL's schedule.

I'm against the proposed rate increase because FPL is a monopoly. And we have no choice in using any other electric company, and so why are dollars being spent on heavy TV advertising for FPL the last year or so? I don't understand why they need to advertise the monopoly. It's not a public service message; it's advertising.

The Commissioner's mission statement includes the provision of safe and reliable service. I don't mean any disrespect, but I do believe smart meters have everything to do with rate changes, future and present rates. It's how they charge, and they should not be off limits as a topic here at these hearings because of the safety hazards. It's included in your mission statement.

So I just quickly have a couple of questions for the record. Given that the mission statement does include to provide safe service, and given the safety

hazards associated with smart meters, why has the 1 Commission denied that it has jurisdiction over smart 2 meters? Obviously the old type meters are not a safety 3 hazard, so those meters -- okay, no jurisdiction, but 4 the safety hazards associated with wireless technology 5 6 is a problem. Many people are microwave sensitive. That's common knowledge. There has long been science on 7 the doors of convenience stores warning about microwave 8 ovens in use. So all people, not just medically 9 vulnerable, have the right to live without exposure to 10 11 this microwave radiation. And my final question or comment is why have 12 13 customers had this wireless meter installed without their knowledge and consent, given that some people 14 15

could be very sensitive to it? Thank you.

CHAIRMAN BRISÉ: Thank you very much for your testimony.

MR. SAPORITO: Mr. Chairman, I have a question.

CHAIRMAN BRISE: There seems to be a question for you.

Mr. Saporito.

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MR. SAPORITO: The Commission -- I don't know if you heard them earlier today, they have an investigative team that is working on this smart meter

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issue. With respect to this rate case, if the Commission finds the wisdom to say that these smart meters are a health hazard as you have indicated, and they order FPL to put the old meters back in, do you think the Commission should also order FPL to refund us customers the money that they expensed without our permission or authorization or knowledge to put these smart meters in in the first place?

MS. HOPKINS: I have no opinion on the accounting of all of this. I believe the homeowner and the customer should have a choice not to be exposed to this wireless technology and not be forced to and have it installed without their knowledge and not be allowed to switch back upon their own choice.

MR. SAPORITO: And one final point to ask a question to be clear on the record, your testimony here today is it in support of FPL's rate case or against FPL's rate case?

MS. HOPKINS: I am against rate increases of any sort at this time due to the economy, and I don't see any justification for the rate increase.

MR. SAPORITO: Thank you for your testimony.

MS. HOPKINS: Thank you.

CHAIRMAN BRISE: Thank you very much.

MR. KELLY: After Ms. Carpenter, Peter

Richter.

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# CHRIS CARPENTER

appeared as a witness and, swearing to tell the truth, testified as follows:

#### DIRECT STATEMENT

MS. CARPENTER: Good evening, Commissioners.

My name is Chris Carpenter. I live in Naples Park in

Collier County, and my phone number is 239-598-4799.

I'm going to get straight to the point. I'm opposed to the rate increase. I think that they are asking for too much. When I got this notice in the mail, this one, it says typical 1,000 kilowatt residential bills expected to increase by just 8 cents daily or \$2.48 per month. And I got to thinking, huh, how much do I use? So I dragged all my bills out for the last year, and I went through it, and it was really quite an eye opener.

I found that only five months of the year I used less than 1,000 kilowatts, and seven months it was above 1,000, and some months quite a bit above 1,000. The highest was in September of 2011, 1,866 kilowatts. The lowest was in February of 2011 at 515 kilowatts. So I'm looking at this, again, and I'm thinking, you know, how many people are just going to open this and go, oh, okay. And they have no clue what they're using, and

they don't think it's going to be a big increase, and I just felt that this was a little misleading, this insert.

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Just to give you an idea of where I live, I live in a duplex that I own in Naples Park. I'm living in one side and the bills that I talked about are just from that one side. The other side I'm using for storage right now. So I also have a bill for that other side, too. So whatever you decide on this goes double for me, okay? And as other people have said, it's a monopoly. I have no choice.

Anyway, I really think that this rate increase could create a hardship for some. I have a friend now who is resorting to selling her possessions just to get by, and I ask you to please not approve this rate increase. Thank you very much.

CHAIRMAN BRISÉ: Thank you very much for your testimony.

Any questions?

Seeing none, thank you for your testimony.

MR. KELLY: After Mr. Richter is Quang Ha.

# PETER RICHTER

appeared as a witness and, swearing to tell the truth, testified as follows:

# DIRECT STATEMENT

MR. RICHTER: Hi. My name is Peter Richter. I am a candidate running for Florida State House of Representatives. I'm a Libertarian, and I believe in competition, and that is something that we are seriously lacking with a state-sponsored monopoly.

I'm just reading in this -- it's the Palm

Beach Post. It says that FPL's Director of Media

Relations, Bubriski, he stated that there is no

additional cost to customers. It's already in the

rates, and that's with respect to the smart meters. And
then it goes on to say that they are stalling 20,000

smart meters a week, and it says FPL is investing

600 million in these smart meters, which I think is kind
of interesting, because they are now asking for a

\$690 million increase. So how is it built into the

rates when they have just spent this, and now they are

asking for a rate increase?

Until we get some competition and we have a choice in how our power is delivered and what you are spending it on, and if you are able to come to our home without our permission and install a meter that we might be electrically sensitive to, or whatever -- you know, I don't know if there's anything to that or not, but I can tell you that I don't like a monopoly coming and invading my privacy, invading my personal property,

installing a device without my permission, not letting me take it out if I don't like it. And we don't know what they're going to do with it. There's every indication that these devices are essentially spying devices and data collection devices. That data could be then used to sell the data to the highest bidder.

So I am absolutely against the rate increase. I'm against the smart meters, in general, and I'm frankly against a monopolistic state-sponsored entity telling us what to do.

Thank you.

CHAIRMAN BRISÉ: Thank you, Mr. Richter.

Does anyone have a question?

Mr. Saporito has a question for you.

MR. SAPORITO: Good evening, Mr. Richter. Are you aware that Florida Power and Light has numerous power plants across Florida, and they all feed a common, what's called an electric grid to distribute power everywhere; are you aware of that?

MR. RICHTER: Yes.

MR. SAPORITO: Ms. Santos testified earlier, and I believe she said that Florida Power and Light typically has the lowest power bill for its customers, lower than -- I think she said 55 other utilities, I'm not sure. You talked about Florida Power and Light

being a monopoly, so the Commission here -- and I'm not 1 an expert like Mr. Kelly is, but it's my understanding 2 that the Commission has jurisdiction over the State of 3 Florida's electric grid. So these other utilities would 4 tie into the grid -- would that not give you a choice? 5 You said you didn't have a choice. If they all tied 6 7 into the grid and they all put power in the grid, wouldn't that give you a choice of which utility you 8 9 wanted to pay? 10 MR. RICHTER: Right. My understanding is that 11 I don't have a choice of which power company I can use. MR. SAPORITO: But if the Commission were to 12 13 order all of the utilities to feed a common grid, you would have a choice then, wouldn't you? 14 15 MR. RICHTER: It would certainly seem like it. MR. SAPORITO: Would that help you? 16 17 MR. RICHTER: Absolutely. The more competition the better. That's the thing about 18 19 competition, you don't know -- it might seem great and 20 everything, but you don't know what you're missing. Russians have their Volga, and they thought it was great 21 22 that they got electric start sometime in the '80s. 23 MR. SAPORITO: Thank you for your testimony. 24 25

CHAIRMAN BRISÉ: Thank you very much. MR. KELLY: The last speaker I have signed up FLORIDA PUBLIC SERVICE COMMISSION

is Quang Ha.

MR. HA: It's Quang Ha.

MR. KELLY: Quang. I apologize.

# QUANG HA

appeared as a witness and, swearing to tell the truth, testified as follows:

## DIRECT STATEMENT

MR. HA: Good evening. My name is Quang Ha.

I am the General Counsel of Algenol Biofuels here in

Bonita Springs and in Fort Myers. I can be reached at

239-498-2000.

I am here on behalf of Algenol Biofuels, which is a Florida-based industrial biotechnology company. We are in the process of commercializing a patented algae-to-biofuels technology that uses among other things saltwater, sunlight, algae, and especially carbon dioxide. But before I continue, Florida law requires that I disclose that I am not yet admitted to practice in Florida, although I am taking the bar exam in July.

And getting back to Algenol, we filed a petition to intervene this past Friday. The petition has not been decided upon yet, so I am speaking as a member of the public on behalf of my company. And we would like to intervene in the case primarily because --- well, for one reason we are a large commercial customer

of electricity of FPL, but we would also like to be a large customer of their carbon dioxide.

FPL has several large power plants throughout Florida. One of them emits approximately 10 million metric tons of CO2 in one year, and when our technology is commercial we can produce 160 gallons of ethanol, transportation grade ethanol from one metric ton of CO2. So 10 million times 160 is about a little over 1.5 billion gallons.

And as I mentioned earlier, our technology consumes carbon dioxide, which these power plants emit, and emit millions of metric tons per year. And we are not looking for the carbon dioxide for free, even though it is being emitted into the atmosphere right now. What we are looking to is pay about \$30 a metric ton for that, and FPL so far has not come to the table to talk to our company about how we can work together into feeding carbon dioxide and producing rate reducing revenue as an alternative for Florida ratepayers. And I see the red light is on.

CHAIRMAN BRISÉ: Thank you very much.

 ${\tt MR.}$   ${\tt SAPORITO:}$  One question, Mr. Chairman.

CHAIRMAN BRISÉ: Yes, Mr. Saporito.

MR. SAPORITO: Your process is very interesting and very intriguing and very innovative. If

FPL would agree to partner with your company, you're going to pay them money, so wouldn't that decrease the rates for all of us customers?

MR. HA: That is actually right, Mr. Saporito. I will caveat that by saying that there are -- there will be costs to delivering and capturing the carbon dioxide, and processing it, and coordinating it with our facility. But that is something we can't explore right now because we need the cooperation of FPL, and so far they have not been receptive to having meaningful discussions with my company.

MR. SAPORITO: I understand. Thank you for your testimony, and I hope the Commission will push FPL in the right direction.

CHAIRMAN BRISÉ: Thank you, Mr. Saporito.

Thank you very much. Thank you for your testimony.

MR. HA: You're welcome.

MR. KELLY: I have no more names.

CHAIRMAN BRISE: No more names?

Thank you for your testimony and your attention this evening, and your participation.

Hopefully this has been a good process for you as we continue to move on throughout the state with the other seven hearings that we have to do. I also want to thank

the School Board of Lee County for their hospitality towards us today as we held --MR. HARRIS: Mr. Chairman. CHAIRMAN BRISÉ: -- the hearing in this facility. MR. HARRIS: I'm sorry to interrupt. I didn't know if FPL had moved into the record their exhibit. I think we ought to rule on that. CHAIRMAN BRISÉ: I think we disposed of that issue earlier. Okay. Thank you. So with that, I hope everyone has a safe trip or travel to wherever your home may be, and we stand adjourned. (The service hearing concluded at 7:59 p.m.) 

1	STATE OF FLORIDA )
2	: CERTIFICATE OF REPORTER
3	COUNTY OF LEON )
4	
5	I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do
6	hereby certify that the foregoing proceeding was heard at the time and place herein stated.
7	IT IS FURTHER CERTIFIED that I
8	stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and
9	that this transcript constitutes a true transcription of my notes of said proceedings.
10	I FURTHER CERTIFY that I am not a relative,
11	employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties'
12	attorney or counsel connected with the action, nor am I financially interested in the action.
13	DATED THIS 18TH day of June, 2012.
14	
15	Van a Jamos
16	JANE FAUROT, RPR Official FPSC Hearings Reporter
17	(850) 413-6732
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