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4 Tallahassee, Florida 32301-1858, appearing on behalf
5 of Florida Power & Light Company.

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10 appearing on behalf of the Florida Retail Federation.

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12 Public Counsel, 111 W. Madison Street, Room 812,
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19 32308, appearing on behalf of the Village of
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21 LARRY NELSON, 312 Roberts Road, Nokomis, FL
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25 Tallahassee, Florida 32399-0850, appearing on behalf of

1 the Florida Public Service Commission Staff.

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I N D E X

Opening Statements

Page No.

Mr. Bryan	8
Ms. Santos	9
Mr. Kelly	15
Mr. Wright	22
Mr. Garner	26
Ms. Larson	29
Mr. Saporito	32
Mr. Nelson	36

Witnesses

Name:	Page No.
Bob Delgado	47
Paul Abbott	50
Martha Pitts	52
Marco Carrasco	53
Gwen Johnson	58
Joseph Goudie	59
Mark Coats	62
Juan Zamora	65
Lazaro Tejera	69
William Armbrister	72
Elin Moliner	75
Warren Zinn	76

EXHIBITS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
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P R O C E E D I N G S

1
2 **CHAIRMAN BRISÉ:** Good afternoon.

3 We are going to convene this afternoon's
4 service hearing related to Docket Number 120015-EI. I'm
5 going to ask each Commissioner to introduce themselves,
6 and we will begin with my left, from my left and going
7 over to my right.

8 **COMMISSIONER BROWN:** Good afternoon. My name
9 is Julie Brown, and it's a pleasure to be here.

10 **COMMISSIONER GRAHAM:** Good afternoon. My name
11 is Art Graham.

12 **COMMISSIONER EDGAR:** Hello. Lisa Edgar.
13 Welcome.

14 **COMMISSIONER BALBIS:** Eduardo Balbis. Thank
15 you for coming out this afternoon.

16 **CHAIRMAN BRISÉ:** All right. I am Ronald
17 Brisé, and I have the honor and pleasure of chairing the
18 Florida Public Service Commission.

19 Ms. Klancke, would you please read the notice.

20 **MS. KLANCKE:** By notice issued by the
21 Commission Clerk, this time and place has been noticed
22 for a customer service hearing in Docket Number
23 120015-EI.

24 **CHAIRMAN BRISÉ:** Thank you very much.

25 At this time we will take appearances from

1 counsel.

2 **MR. BRYAN:** Good afternoon. I'm Patrick Bryan
3 appearing on behalf of Florida Power and Light Company.

4 **CHAIRMAN BRISÉ:** Thank you, Mr. Bryan.

5 **MR. KELLY:** Good afternoon. J.R. Kelly with
6 the Office of Public Counsel representing the
7 ratepayers.

8 **MR. WRIGHT:** I'm Schef Wright, and I represent
9 the Florida Retail Federation.

10 **MR. GARNER:** Bill Garner representing the
11 Village of Pinecrest.

12 **MS. LARSON:** Alexandria Larson, Intervenor.

13 **MR. SAPORITO:** Thomas Saporito, a private
14 citizen representing myself.

15 **MR. NELSON:** I'm Larry Nelson. I'm a private
16 citizen.

17 **CHAIRMAN BRISÉ:** Thank you very much.

18 The reason why we are here this afternoon is
19 to listen to customers, and the primary purpose as this
20 process moves forward is for us to take testimony from
21 customers and hear what you have to say, what your
22 interest or opinion is on the petition by Florida Power
23 and Light for this rate case that is before us.

24 Later on in the process, we will have a
25 technical hearing where the attorneys and those who

1 represent all the various interests will have an
2 opportunity to present a formal case, and part of that
3 case will include your testimony that you are going to
4 provide this afternoon.

5 At this time we are going to move into opening
6 comments by the company, which in this case is FPL, that
7 has made a petition; then we will hear from the Office
8 of Public Counsel; then we will hear from the Florida
9 Retail Federation; the Village of Pinecrest; from Mrs.
10 Larson; then Mr. Saporito; and then Mr. Nelson, in that
11 order.

12 The time for these are eight minutes for the
13 opening statements by the petitioner and the Office of
14 Public Counsel and then five minutes each for all of the
15 other intervenors. Just a reminder to everyone that we
16 are here to hear from the customers primarily. So, yes,
17 you have eight minutes, but the less -- the smaller
18 portion of the eight minutes that you use or five
19 minutes or so forth would be greatly appreciated so we
20 can allot for time for the customers.

21 As customary, the petitioner will have the
22 ability to use whatever portion of the time that they
23 use of their eight minutes, the balance of that will be
24 appropriated to them in order for them to make comments
25 after all of the intervenors have made their statements.

1 There is a little timer, and this applies to
2 all of those who are going to speak in opening
3 statements, as well. The green light means go, the
4 yellow light means your time is almost up, the red light
5 means stop. The blinking lights mean that you should
6 have stopped when it turned red. Okay. So at this time
7 we are going to hear from FPL.

8 **MR. BRYAN:** Thank you, Mr. Chairman.

9 Good afternoon. Again, my name is Patrick
10 Bryan. I'm an attorney for Florida Power and light
11 company. I want to thank you all for coming out. In a
12 moment you will hear from FPL's vice-president of
13 customer service, Marlene Santos, who will talk to you
14 about our rate case.

15 But before you hear from her, I wanted to also
16 let you know that we brought several customer service
17 representatives along with us today. They are set up in
18 a room in this auditorium. If you would like to see
19 them, we have got folks in the lobby who will direct you
20 to the room. If you have a question or problem with
21 your electric bill or your electric service, please feel
22 free to talk to them. They have got computers to access
23 your account information, and they will do their best to
24 resolve your issue or answer your question today while
25 you're here.

1 And with that, I would like to introduce
2 Marlene Santos.

3 **MS. SANTOS:** Thank you and good afternoon. I
4 would like to first take a brief moment to thank our
5 Spanish-speaking customers for coming.

6 (Speaking in Spanish.)

7 Now, Debbie Agustin (phonetic) from our
8 customer care center will briefly address our Haitian
9 American customers here today.

10 (Speaking in Haitian.)

11 Thank you. Both Debbie and I are proud to be
12 among the 10,000 FPL employees who work hard every day
13 to provide affordable, reliable, clean electricity for
14 you. While we operate in a regulated service area, we
15 work hard to provide the prices, reliability, and
16 service that would cause customers, if they had a
17 choice, to choose us.

18 Consider this, FPL's typical residential
19 customer bill is the lowest of the state's fifty-five
20 electric utilities. A typical FPL residential customer
21 saved \$357 last year compared to the Florida utility
22 average. Even after the requested increase, we expect
23 our bill to remain the lowest in the state. Our service
24 reliability ranks in the top 25 percent of comparable
25 utilities, our emissions profile is one of the cleanest

1 in the country, and our customer service has been ranked
2 number one by a leading national study eight years in a
3 row.

4 We have accomplished this by investing in
5 clean, cost-efficient technologies and keeping operating
6 costs down. From Turkey Point's clean, safe, and
7 reliable nuclear power which has saved our customers
8 billions of dollars on fossil fuel costs, to our
9 groundbreaking smart grid investments that enable
10 enhanced reliability and give millions of customers new
11 ways to save.

12 Our investments have resulted in greater fuel
13 efficiency, and that means more money stays in your
14 pocket. Like trading in an old gas guzzler for a more
15 fuel efficient vehicle, you save on gas regardless of
16 the price at the pump because you are using less fuel to
17 get where you're going.

18 Indeed, since 2001, the investments we have
19 made to improve the fuel efficiency of our plants has
20 saved you \$5.5 billion in fuel costs. By burning less
21 fuel we are generating cleaner power that is saving
22 money every single day. Switching to natural gas helps
23 our environment and keeps your money here in America
24 instead of buying foreign oil. This isn't just about
25 fuel, it's about having a vision and an investment

1 strategy that will provide benefits for many years to
2 come for our customers, our state, and our country.

3 We are also focused on benefits today.
4 Because of our investments and our focus on keeping
5 operating costs down, FPL is more efficient than 90
6 percent of the nation's utilities. This translates into
7 lower bills for you.

8 We also work hard to be sensitive to the needs
9 of less fortunate customers. Our Care-to-Share program
10 which is funded by shareholders, customers, and
11 employees has helped approximately 68,000 Florida
12 families pay their bills in times of need.

13 Our current rates are based on a multi-party
14 settlement approved by the Commission in 2010 and signed
15 by the Public Counsel and other intervenors. The
16 agreement expires at the end of the year, which is why
17 we are filing at this time. This agreement effectively
18 froze base rates for three years, but it also allowed
19 for cost-recovery for a new power plant and temporarily
20 addressed our return on equity needs. It allowed us to
21 maintain earnings at a level sufficient to attract the
22 capital necessary to continue to invest to provide you
23 with reliable service.

24 Now, to help us continue our successful
25 performance for you, we are asking for an increase of

1 \$7.09 a month, or .23 cents a day on the base portion of
2 a typically residential bill. But the base rate is only
3 one part of the bill, and fortunately other parts are
4 projected to be lower in 2013, so the net increase will
5 be much less. Based on our April estimates for fuel
6 prices and fuel use by our power plants, the actual net
7 increase on the total bill will be \$1.41 a month or
8 about 5 cents a day. Small businesses which make up
9 more than 80 percent of FPL's commercial customers, will
10 see a relatively small net change in their bills, as
11 well.

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

19 Second is the impact of accelerated
20 amortization of surplus depreciation which provided a
21 temporary way to avoid a base rate increase, but
22 essentially runs out in 2013.

23 Third, we anticipate adding 100,000 new
24 customer accounts that we have a duty to serve. So our
25 request includes the cost of the infrastructure, such as

1 poles and wires, needed to serve them.

2 Our request also includes an adjustment to our
3 return on equity, or ROE. Our current rates are based
4 on an authorized ROE midpoint of 10 percent, which is
5 the lowest of Florida's investor-owned utilities and in
6 the bottom third of the country, despite providing our
7 customers with the lowest typical residential bills in
8 the state and reliability among the best in the nation.

9 We are specifically asking for an allowed ROE
10 midpoint of 11.25 percent, and a performance incentive
11 of one quarter of 1 percent that would be allowed only
12 if we maintain Florida's lowest typical residential
13 bill.

14 We are asking to be treated fairly when our
15 performance is compared with the investor-owned
16 utilities in this state, and we will be prepared to
17 present our case in support of this request for the
18 Commission's consideration during the upcoming technical
19 hearing. An appropriate ROE is crucial to our ability
20 to finance the billions of dollars in improvements that
21 keep reliability high and bills low and that create
22 thousands of jobs for South Floridians like you.

23 Through difficult economic times, FPL has
24 invested in Florida. On average over the past five
25 years our capital investments have far exceeded our net

1 earnings. In fact, FPL is the state's biggest investor
2 with plans to invest roughly \$15 billion over the period
3 2010 through 2014.

4 We are a major taxpayer, too. Last year alone
5 FPL paid more than one billion dollars in taxes to state
6 and local governments. It's important to note that even
7 with our estimated increase, our typical customer bill
8 in 2013 will still be 11.5 percent lower than it was in
9 2006. Compare that with things like food, health care,
10 and gasoline which are up 20 to 40 percent or more. We
11 are proud of keeping those low and making Florida an
12 even better place to live, work, and raise a family, and
13 we ask you for your support.

14 We have asked a few local customers who have
15 said they value our service if they would be willing to
16 share their thoughts with you today. We also want to
17 hear from anyone who has a complaint. We are a company
18 of human beings, and try as we may, we are not perfect.
19 If that is what brought you here, our customer advocates
20 are here to help you.

21 As a Miami-Dade resident, and an FPL customer
22 myself, I know there is never a good time for rates to
23 rise. My fellow employees and I have worked hard to
24 minimize the required increase. We appreciate your
25 business and respect your opinions.

1 In closing, I assure you that we are committed
2 to exceeding your expectations today and continually
3 improving for tomorrow. Thank you.

4 **CHAIRMAN BRISÉ:** Thank you very much. FPL,
5 you have exhausted the time.

6 At this time, J.R. Kelly from the Office of
7 Public Counsel.

8 **MR. KELLY:** Good evening. My name is J.R.
9 Kelly. I'm with the Office of Public Counsel. For
10 those of you that are not familiar with our office, we
11 are not part of the Public Service Commission. We are
12 separately funded by the Legislature. We have one
13 mission and that is the responsibility of representing
14 you, the ratepayers, in front of the Public Service
15 Commission during rate cases.

16 Why are we here today? We are here because
17 Florida Power and Light has filed a petition to raise
18 their rates \$690.4 million per year. We have intervened
19 on behalf of the ratepayers, and we are going to contest
20 several areas that we do not believe Florida Power and
21 Light has submitted sufficient evidence to support their
22 claims.

23 First off, let me say what the case is not
24 about. It's not about personalities. Florida Power and
25 Light is made up of a lot of good men and women, many of

1 them I'm sure are your neighbors, your friends, you go
2 to church with them, you go out to eat with them.
3 Folks, you will get no argument from us. Florida Power
4 and Light is a good run company.

5 But that's not why we are here. We are here
6 because they have requested a huge rate increase and the
7 law requires that they prove to the PSC, the men and
8 women sitting up here, that the costs and charges that
9 they are requesting are reasonable and prudent. And our
10 office will insist that the Public Service Commission
11 adheres to that statutory standard.

12 Let's talk for a minute on a couple of the
13 issues. First off, excess profit. Florida Power and
14 Light is asking for 11.5 percent return on equity, or
15 after tax profit. Quite honestly, we believe that is
16 too excessive in light of today's economy where there
17 are still a lot of struggles, bankruptcies are up,
18 mortgage foreclosures are up, the unemployment rate is
19 still very high. Who would not be happy to earn just a
20 portion of 11.5 percent?

21 Since the last rate case when the Commission
22 granted Florida Power and Light a 10 percent return on
23 equity, capital costs have actually decreased and
24 decreased quite significantly. If you looked in the
25 paper recently about how much mortgage rates are today,

1 Treasury Bill rates, commercial paper rates, they are
2 at all time lows.

3 Our expert is recommending a fair and
4 reasonable rate of return for Florida Power and Light of
5 9 percent. And keep in mind how that measures out in
6 money out of your pocket, is that for every one percent
7 or one hundred basis points, that's an additional 130 to
8 \$140 million that Florida Power and Light would collect
9 from you, the ratepayer. When you add up the difference
10 between what we recommend and what Florida Power and
11 Light is requesting, there is a difference of about
12 \$300 million plus.

13 Let's talk about capital structure. Capital
14 structure, for those of you that may not understand it,
15 of a corporation is essentially made up of two
16 components, equity and debt. You raise equity simply by
17 selling shares of stock. You raise debt capital by
18 borrowing money or selling bonds. As a result, equity
19 is more expensive than capital. Excuse me, equity is
20 more expensive than debt. Therefore, a prudent utility
21 should utilize a sufficient amount of debt in its
22 sources of capital to lower its overall capital costs,
23 thus, you, the ratepayer, would pay less.

24 Now, let's look at a couple of issues in this
25 case. First, FPL's own cost-of-capital expert, the

1 person they've hired to testify in front of the Public
2 Service Commission uses a proxy group to come up with
3 how much he is recommending. And that proxy group,
4 folks, has an average equity ratio of 47.3 percent.

5 Let's look at NextEra, the parent company that
6 owns Florida Power and Light. The consolidated capital
7 structure of NextEra, which includes FPL and the
8 nonregulated subsidiaries, their equity ratio is only
9 39.4 percent. And if you look just at the nonregulated
10 subsidiaries, take FPL out of the mix, the nonregulated
11 subsidiaries have only a 21 percent equity ratio.

12 Now, what is FPL asking for in this case?
13 They are asking these men and women to my left to
14 approve a 59.6 percent, almost a 60 percent equity ratio
15 in their capital structure. That is absolutely absurd
16 in our opinion. When you look at 60 percent and compare
17 it against the three things I just mentioned, one, their
18 own expert, their own expert's comparable group of
19 electric utilities; two, their consolidated equity ratio
20 with NextEra of 39 percent and the equity ratio of their
21 sister subsidiaries, which is only 21 percent, 60
22 percent is ridiculous.

23 Our expert is recommending an equity ratio in
24 the capital structure of 50 percent; 50 percent capital,
25 50 percent debt. That alone, just that adjustment,

1 would amount to a savings to you, the ratepayers, of
2 over \$214 million a year.

3 Another issue that's part of this rate case,
4 performance adder. You heard Ms. Santos say that they
5 are asking for a bonus, a little bonus of .25 percent.
6 It doesn't sound like much. This is basically asking
7 for nothing more than excessive profits to the tune of
8 \$41.5 million out of your pocket. It won't make them
9 more efficient. It won't make them more reliable. It
10 will do nothing more than add to the bottom line of what
11 goes into the pockets of the shareholders.

12 Now, we absolutely oppose that request. First
13 off, differences in the electric bills are affected by
14 many factors that have no bearing on the quality of
15 management or are not attributable to the quality of
16 management, such as geography, weather, customer mix,
17 and other like items.

18 Second, let's not forget FPL is a protected
19 utility that is given a monopoly area to operate in.
20 They have no competition. As a result of being given a
21 monopoly, they are obligated, obligated to serve all the
22 customers in their area. And they must, must provide
23 safe and reliable service to the customers at the least
24 reasonable cost. Simply put, FPL should not be given a
25 bonus for doing what they are required to do and are

1 paid to do to begin with.

2 Finally, let's take a step back and look at
3 the last rate case. This Commission rightfully rejected
4 FPL's request for a \$1.2 billion annual increase. They
5 granted them \$75 million instead. Had it not been for
6 the Commission, FPL would have had higher rates.
7 Therefore, in our opinion, FPL should not be rewarded
8 with a bonus adder or a reward as a result of the
9 Commission not giving them what they asked for last
10 time.

11 There are several other areas that we are
12 recommending adjustments to such as the claimed amount
13 of additional staffing levels that we do not believe
14 that they will ever hire people into. Employee
15 incentive benefits and costs of affiliate transactions
16 just to name a few. But when you take all that together
17 and look at the evidence, we believe that the bottom
18 line is it supports not only is FPL not entitled to the
19 \$690 million they have asked for, but the current rates
20 you are paying are too high.

21 Now, why are we here today? We are here
22 because this is your meeting. This is the opportunity
23 for you, the ratepayers, to come up, speak to the
24 Commission, and tell them the impact that this rate case
25 will have on you and the quality of service that you get

1 from FPL. I'm sure many of you are going to say you get
2 good quality service. That's fine. Tell the
3 Commission. They want to hear that. They have need to
4 hear that. They also need to hear how the rate impact,
5 excuse me, the rate increase would impact you.

6 Now, I want to finish with this item. What
7 this case is not about. This case is not about fuel.
8 You may have read in the slim green sheet when you came
9 in the door, you may have looked at many of the
10 advertisements in the local newspapers about this case
11 will only add a dollar, or two dollars, or \$1.50 to your
12 rates you pay. That's not true. This rate case is
13 about a base rate increase of 16 percent that will add
14 approximately \$7 to your bill a month for 1,000
15 megawatts of energy.

16 Fuel is paid separately. Whatever FPL pays
17 for fuel, you pay for fuel. If their price goes up,
18 your price goes up. If it goes down, your price goes
19 down. This is not about fuel, folks. That's a separate
20 hearing that we will have in November, and it has
21 nothing to do with why we are here today.

22 Thank you very much for showing up. And,
23 please, I encourage everybody to come up to the podium
24 tonight and speak to the Commissioners, because they do
25 need to hear what you have to say. Thank you.

1 **CHAIRMAN BRISÉ:** Thank you, Mr. Kelly.

2 At this time we will hear from Mr. Wright.

3 **MR. WRIGHT:** Thank you very much, Mr.

4 Chairman.

5 Good afternoon. Thank you all for coming out.

6 My name is Schef Wright. Sixty-two and a half years
7 ago, I was born down the road at Jackson Memorial
8 Hospital. I have lived all but nine years of my 62 and
9 a half years in this wonderful state, and for the last
10 31 years I have been working on energy issues in
11 Florida. First for Governor Bob Graham's Energy Office,
12 then as a member of the Public Service Commission staff
13 for about seven years, and as a private sector attorney
14 for the last 20 years.

15 I have the privilege to be here this afternoon
16 representing the Florida Retail Federation. The
17 Federation is a statewide organization of more than
18 9,000 members, from the largest grocery, department
19 store, big-box, pharmacy chains to literally thousands
20 of mom and pop sole proprietorships. Our members
21 include Publix, Wal-Mart, Macy's, and Best Buy, as well
22 as, like I said, thousands of others.

23 We are fighting, working hard alongside your
24 Public Counsel, Mr. Kelly, and the other consumer
25 intervenors in this case to hold down rates for all

1 customers. We do not advocate special deals for
2 commercial customers. We do not advocate special rate
3 deals for commercial customers. We go after the bottom
4 line dollars.

5 Now we are here tonight, this evening, because
6 FPL has asked the Public Service Commission to authorize
7 it to raise its rates so as to raise another
8 \$690 million a year that they would collect from you,
9 FPL's customers. This is on top of the \$10.4 billion
10 that they project they will collect next year without
11 any rate increase at all, and that \$10.4 billion
12 includes nearly \$1.2 billion in profit.

13 We are business people at the Florida Retail
14 Federation. We know that every business needs
15 sufficient revenues to buy its inventories, buy its
16 inputs, pay its folks, and keep the doors open. We want
17 FPL to have enough money to do its job, but no more than
18 that.

19 Now, what is FPL's job? FPL's job is to
20 provide safe, adequate, reliable electric service at the
21 lowest possible cost. And it's the Public Service
22 Commission's role to ensure that FPL gets enough money
23 to do that job, but no more than that.

24 Where we differ with FPL is on how much money
25 they really need to do their job. Remember, enough but

1 only enough. They say they need another \$690 million a
2 year of your money, our money, to do their job.

3 Frankly, we think \$1.2 billion in profit having already
4 covered all their other costs with no rate increase is
5 plenty.

6 By the way, speaking of power plants, just
7 because a utility builds a power plant doesn't mean they
8 need a rate increase. Between 1985 and 2005, Florida
9 Power and Light Company built roughly one-third of all
10 of its generating capacity, 8,400 megawatts worth, with
11 no rate increases at all. And, in fact, with two rate
12 decreases totaling \$600 million a year in 1999 and 2002.

13 The evidence in this case will show that FPL
14 can do its job, pay all its employees, run its power
15 plants, buy its fuel, and earn a healthy after-tax
16 profit of 9 percent with a rate decrease of \$253 million
17 a year.

18 And, by the way, I want to convert this return
19 on equity profit item to real -- something you might be
20 able to relate to. They want an after tax rate of
21 return of 11.5 percent. Folks, that's a before tax rate
22 of return of about 18.6 percent. We think 9 percent
23 after tax is generous. That's a before tax rate of
24 return of 14.7 percent. Frankly, I think that's pretty
25 good.

1 Just making the adjustment from 11.5 percent
2 to 9 percent would cut their rate ask in half. Making
3 the adjustment by requiring FPL, or by setting FPL's
4 rates as though they were doing the right thing on the
5 debt/equity trade-off, that would save another
6 \$200 million.

7 In addition, we believe they have understated
8 their sales forecast and are asking for many unnecessary
9 and excessive expense items. Unnecessary payments to
10 affiliates, \$34.5 million; revenues for employees in
11 jobs that probably won't be filled based on known
12 historical experience, \$25 million; incentive pay for
13 non-executive employees whose efforts benefit
14 shareholders, not customers, \$22 million; and on and on.

15 At the bottom line, we really do, I mean,
16 Publix, Wal-Mart, Macy's, and Best Buy, we count on FPL
17 and all the other utilities in the state to keep the
18 lights on. We want them to have enough money. We
19 believe the evidence in this case shows that they do not
20 need any additional money to do their job. And, in
21 fact, that they could take a substantial rate decrease
22 and still do their job.

23 If the Public Service Commission agrees with
24 the Public Counsel's witnesses, and the witnesses of the
25 other consumer parties, that means you will have at

1 least another \$690 million to keep in your pockets to
2 spend on groceries, rent, medicine, and other
3 necessities for your families or your businesses, if
4 you're a business person. FPL's shareholders would have
5 to get by with an after tax rate of return of 9 percent.
6 We think that's generous.

7 Thank you for your time and attention. Thanks
8 for coming out. Tell the Commissioner what you think.

9 **CHAIRMAN BRISÉ:** Thank you, Mr. Wright.

10 At this time we will have Mr. Garner from the
11 Village of Pinecrest.

12 **MR. GARNER:** Thank you, Mr. Chairman,
13 Commissioners. I'm Bill Garner with the law firm of
14 Nabors Giblin & Nickerson, and I'm here to represent the
15 Village of Pinecrest against FPL's rate increase.

16 FPL spent a lot of money on a slick ad
17 campaign trying to convince people that their request
18 for a \$690 million rate hike is no big deal. Part of
19 this campaign are the fact sheets on FPL's table
20 outside. Those sheets say that rates will go up, but
21 only by a little bit. That's because FPL's rate hike is
22 offset by fuel savings.

23 Other FPL advertising says the hike amounts to
24 no more than the price of a cup of coffee or a slice of
25 pizza. Besides being insulting to those forced to cut

1 back or go without, using falling fuel prices in this
2 way to mask the impact of a rate hike is misleading.

3 Your advocate, Mr. Kelly, has explained why.
4 By increasing its base rates, FPL robs you of big fuel
5 savings. FPL didn't earn those savings. They come from
6 fuel costs dropping like a rock. They belong to you,
7 not to FPL, who will raise your rates dollar-for-dollar
8 when the price of fuel goes back up.

9 And FPL believes the price will go up. In
10 fact, they count on it to justify expensive new nuclear
11 plants at Turkey Point. This rate hike takes from you
12 only to give more to FPL's shareholders. They want a
13 new profit margin of 11.5 percent up from 10 percent.

14 According to discovery Pinecrest has obtained
15 from FPL, for every one percent increase in profit
16 margin FPL collects \$158 million more from you. This
17 represents about one-third of the rate hike.

18 Witnesses in the case will tell the PSC why an
19 increase in profits is not warranted. Part of the
20 reason is this, FPL collects more than half of its
21 revenues through dollar-for-dollar pass-through rates
22 that are readjusted every year. Its risk is minimal.
23 FPL made this very point when they first sought to use
24 the pass-through adjustments to help it borrow more
25 cheaply. We don't want the PSC to forget this fact.

1 Evidence supports a profit margin between 8.5
2 to nine and a quarter percent with no harm to FPL's bond
3 rating or its ability to finance its projects. This
4 adjustment alone cuts FPL's rate hike nearly in half.
5 FPL says that is unreasonable and confiscatory. It's
6 not.

7 Since the early 1980s, when FPL's profit
8 margin was more than 15 percent, the Public Service
9 Commission has reduced these profit margins again and
10 again to track falling interest rates. All the while
11 FPL has flourished. Now interest rates are at a
12 historic low.

13 After the PSC refused to hike rates in 2009,
14 FPL shouted that the sky was falling. It halted
15 construction of new plant; said it would suffer a
16 downgrade; said it couldn't finance projects. None of
17 that happened. Shareholders kept making money.

18 In 2011, FPL's parent company justified a new
19 incentive pay plan claiming that FPL achieved its
20 highest earnings ever in 2010 after that failed rate
21 case. To regulators and customers they said it was due
22 to the weather. To their investors they said it was due
23 to the motivating influence of that new incentive pay
24 plan.

25 This year FPL investors continue to earn more

1 than they did last year. They are well compensated at
2 current rates, and we believe that the evidence will
3 prove that.

4 Thank you for your time.

5 **CHAIRMAN BRISÉ:** Thank you very much,
6 Mr. Garner.

7 At this time we will hear from Mrs. Larson.

8 **MS. LARSON:** My name is Alexandria Larson and
9 I'm a private citizen, and along with my husband, we
10 have mortgaged our home for me to be an activist. And
11 today, when I witnessed what happened at the hearing
12 this morning, my heart broke.

13 I watched a man with no feet talk about his
14 \$85 bill being cut off by FPL. And three people later a
15 woman came up who was bragging that her bill was 600
16 bucks a month and how she got to keep her lights on,
17 unlike the man with no feet. It almost killed me.

18 And it isn't -- this is a rate case. This is
19 a rate case. That's what it's about. It's about
20 profit. It's about profit margins. It's about greed.
21 This is something that has to stop in America, and I
22 hope you'll all agree with that. Anybody who comes up
23 here and says I don't want to give an opinion on the
24 rate case, but yet they want -- you know, they don't
25 want to say raise the rates, lower the rates, at least

1 say what you want from us and FPL.

2 Rates do not equal rewards. When I went to
3 the shareholders meeting, Mr. Lewis Hay told me I could
4 get off the grid. It has been an amazing journey for
5 me. The last two weeks I haven't slept. Being an
6 intervenor in this case is a very difficult situation.
7 I have the shakes today because I have been on the road
8 since 3:00 o'clock this morning.

9 FPL is a monopoly. They said they needed --
10 they made a statement that they needed, you know, money
11 for 100,000 new homes. There is 100,000 foreclosures in
12 my county alone. Where are those new homes going to go?
13 I'm just curious about these things. And I truly do. I
14 was appalled this morning when I heard some of the
15 statements made. But they say -- they continually say
16 that they are the lowest rates of 55 utilities, yet
17 there is only five investor-owned utilities. Say that.
18 Say there is five investor-owned utilities. Don't
19 embellish what's really going on here. I would really
20 like you to think about that.

21 And I'm going to tell you a little bit about
22 plants, and I'll try not to waste too much of the
23 Commissioners' times. But they built one of the biggest
24 power plants in the world one and one-half miles from my
25 house. Let me tell you about this plant. It emits

1 12 million tons of all kinds of things over the heads of
2 40,000 people where I live. It was built with a 35-mile
3 900-psi natural gas pipeline. The really unique thing
4 about this pipeline, they are blasting every day until
5 the year 2032 within 200-feet of this pipeline. I
6 wonder what that sounds like to you, because it sounds
7 like a Molotov cocktail to me. It's not if, it's when.

8 And now I'm going to tell you about how they
9 do with -- when it comes to some of the things that they
10 do. I guess it involves age, or class, or whatever. I
11 have been dealing with an 86-year-old woman since
12 June 20th when FPL put a pole on her property and
13 dropped it there.

14 And then for three weeks we had to fight to
15 get it off her property, because FPL needed to put a
16 pole in their easement, which is not on Rosa Durando's
17 property. She is 86 years old. And I have fought
18 continuously. We finally got the pole put up. They
19 have come out and told her these were not flesh cuts,
20 this limb that we left on her property was already
21 there. I'm wondering how Rosa got up there. I have
22 dealt with Asplundh. I have dealt with many people.

23 I do have to say that there are some really
24 wonderful people at FPL that finally tried to help
25 straighten out this situation after 75 phone calls and a

1 three-week journey. And that was in the middle of me
2 trying to represent private citizens from a raise that
3 is so greedy I can't even imagine it.

4 I dream about this stuff at night. I have
5 nightmares about it, because my neighbors are driving
6 away in U-Hauls with a pickup truck, and that's it,
7 their whole entire life savings gone. People can't pay
8 for their prescriptions. We are in a recession I have
9 never seen, and I never thought I would see. My
10 grandmother told me about these recessions. My great
11 grandfather was a railroad man who used to make
12 sandwiches for the hobos on the train.

13 I don't want to be a hobo on the train because
14 of the greed of America, and I don't think anybody in
15 this room should be, either. But, please, don't tell me
16 what a wonderful world when I see a man with no feet
17 lose his lights. And then a very pretty lady dressed
18 very well telling me she has got her \$600 bill, did not
19 get her lights cut off. Think about it, people.

20 **CHAIRMAN BRISÉ:** Thank you very much, Mrs.
21 Larson.

22 Now we will hear from Mr. Saporito.

23 **MR. SAPORITO:** Thank you, Mr. Chairman.

24 My name is Thomas Saporito. I'm a private
25 citizen. I came to Florida from the city hosting the

1 greatest football team ever in the NFL, the Pittsburgh
2 Steelers. I'm still a fan. I became a FPL customer in;
3 '76. I became an FPL employee in 1982, and I have since
4 left the company. But over the years, FPL and I have
5 maintained a relative close relationship, and I consider
6 them my extended family.

7 And I entered this rate case as a private
8 citizen, you know, just to bring some common sense to
9 this. You heard the attorneys. They are college
10 graduates with law degrees. Hell, I have never been
11 inside a college. What would I know about half the
12 stuff they're talking about?

13 What I did do is FPL President, Mr. Eric
14 Silagy, I believe is his name, I don't see him here, but
15 he sent a letter to Chairman Brisé requesting this rate
16 increase. What I did is photocopy it, blew it up so
17 that you can see it from your seats. Let me show it to
18 you. It looks like this. This is what they want,
19 \$690,400,000. This is what the rate case is all about
20 and nothing more. This is a check. It's a check made
21 out to the Florida Power and Light Company and the memo
22 says FPL profits, and it's signed by FPL consumers.

23 Before I very briefly accentuate some of the
24 extravagance of this rate case, part of this rate case
25 deals with FPL's smart meters. I was at the Home Depot

1 a little while ago, and I was looking up on a shelf, and
2 I saw the device called the FPL smart meter buster. So
3 I bought one. Here it is. You can buy one for less
4 than \$2. You put this over FPL's smart meter, and they
5 can no longer communicate with it. They can't spy on
6 you. It will not remit any more RF radiation to harm
7 your family. It will prevent cyber terrorists from
8 taking down the United States' electric grid through
9 your smart meter. I urge you to put one of these on
10 your smart meter. FPL smart meter buster. You can get
11 them at Home Depot and Lowe's.

12 Just a very brief history lesson. On
13 March 19th, 2009, the *Sun Sentinel* published an article
14 entitled, "Florida Consumer Advocate Concerned,
15 Customers Confused by FPL Request." It says Florida
16 Power and Light customer Mary Ann Anderson -- I got some
17 bad pronunciation -- woke up today to a newspaper
18 headline saying FPL was asking for a base rate increase
19 of \$1 billion and an e-mail from FPL saying that the
20 rates would decrease, so the customer was confused.

21 FPL submitted a proposal to the state asking
22 for a base rate increase for one billion dollars a year
23 which would work out to \$12 extra a month for the
24 consumers, and FPL says that the bills could decrease
25 next year thanks to a drop in fuel costs. And that is

1 exactly what FPL is telling us now with their smoke and
2 mirrors. They are robbing us of our fuel credits.

3 What FPL doesn't tell you is that if there was
4 no rate increase your electric bill would probably drop
5 by at least three dollars. \$7.09. FPL says one dollar
6 in change. I'm telling you it's going up way higher
7 than this. Because as the attorney for Federal Retail
8 has explained, electricity is used by all the
9 businesses, Publix, Wal-Marts, your hairdresser, your
10 gas station. They are going to pass all these rate
11 increases on to you. And like the other intervenor
12 says, this is the worst recession in the history of our
13 country and people are suffering. And it is the
14 responsibility for these fine five panelists up here to
15 protect our interests.

16 Electricity has to be safe, reliable, and,
17 most importantly, it has to be affordable. And if we
18 can't afford it, just like the intervenors stated, the
19 guy with no feet, they are going to just turn your
20 lights off. Is that fair? I mean, is that what this
21 country has come to?

22 Please, come up here and tell the Commission
23 how this rate increase would affect your life and the
24 life of your families. And let me just say, in closing,
25 I am so very proud of each and every one of you who

1 exercises your rights as United States citizen to engage
2 your Public Service Commissioners so they can make an
3 informed decision in this very, very important matter.

4 Thank you very much.

5 **CHAIRMAN BRISÉ:** Thank you very much, Mr.
6 Saporito.

7 At this time we will hear from Mr. Nelson.

8 **MR. NELSON:** Thank you, Mr. Saporito, and
9 thank you, Commissioners. My name is Larry Nelson. I'm
10 a private citizen from Sarasota County. Well, I used to
11 practice law. I kind of figure I have to say that
12 because, well, sometimes you can tell. But I gave it up
13 about 20-years ago because, well, I didn't really like
14 it all that much. And these are the last of my lawyer
15 clothes, and as you can see they don't really fit all
16 that well anymore.

17 But I'm here to talk about this rate increase
18 and the \$690 million that FPL wants. That would be
19 enough money to pay 13,800 people \$50,000 a year.
20 That's a lot of money. It's like a large tax taking the
21 money out of the Florida economy. And if you divide
22 that 690 million by the 4.5 million customers, it
23 actually comes out to about \$150 per person. Now I know
24 some of that goes to the industrial people and the
25 residential bill for the typical customer who, by the

1 way, would have a much higher bill if they live in a
2 house instead an apartment. It was only, you know, 80
3 or \$90. I understand.

4 But this case is really about raising the FPL
5 profits on equity from 10 percent to 11.5 percent. It's
6 not really about their costs and their investments
7 because every year they give their shareholders 21
8 percent return on equity. And they have done that on
9 average over the last ten years. They have beat the S&P
10 500 by 633 percent, so it's really about profit. And
11 it's about executive compensation. It's not really
12 about building plants.

13 Now, unlike some of the people up here, I
14 don't believe that the FPL executives are just good
15 folks who disagree about what rates should be. These
16 are people whose job it is to take your money. They
17 gave their shareholders 22 percent last year, and this
18 is what they do. The question is how much is enough?
19 How much is too much? Where does the greed stop?

20 They tout this in their annual reports and in
21 their proxy statements about, you know, how much money
22 they're making. And last year the head guy got
23 \$14.8 million. Why? Why did he get that much money?
24 Is it because he is, you know, out there checking to
25 make sure that your electricity is hooked up? No. He

1 got that money because his job was to get money for the
2 shareholders, and that's exactly what it says here in
3 the annual report, the proxy report. Well, the annual
4 report doesn't really say it actually. It incorporates
5 it by reference from the proxy report, because they
6 don't really like to say it everywhere, so they just say
7 it one place and sort of make reference to it.

8 And what it says is the fundamental objective
9 of the executive compensation program is to motivate and
10 reward actions that will increase long-term shareholder
11 value. Nothing about efficiency, keeping rates down,
12 supporting renewable energy, making the State of Florida
13 a better place to live for everybody and for your
14 children for the future. None of that, money for the
15 shareholders.

16 So they are spending \$5.5 million on this
17 case. That's their budget. That's in their documents
18 about how much they are trying to spend to get this rate
19 case, you know, to get it approved. They are out there
20 spending \$5.5 million of your dollars to ask for another
21 \$690 million of your dollars. That's called heads they
22 win, tails we lose.

23 And how did they do that? They do that by
24 filing 4,000 pages of this. If I had brought in the
25 box, it would be like 50 pounds, and they hide stuff in

1 there. There are people there who work at FPL whose job
2 it is to figure out how to stick stuff in there,
3 expenses, and this, and that, and the other to get the
4 money. That's what they do. And what do they propose
5 that's in -- well, this is only one of the many volumes.

6 They want to raise the advertising expense 367
7 percent, almost quadruple the individual customer charge
8 for their advertising from two years ago. They want to
9 raise their late fees. Up till now the their late fee
10 was just, you know, 1.5 percent. If you were a dollar
11 off you owed them a penny. It was no big deal. Now, if
12 you are a penny off you are going to owe them five
13 bucks. You know, maybe that doesn't sound so bad,
14 except that it more than doubles their revenue from rate
15 fees. It gives them another \$33 million.

16 They do the same thing with the return payment
17 fee. They get another \$2 million from that. And they
18 want to raise the customer charge for when you don't use
19 any electricity at all by 19 percent. And it is really
20 not that small amount of money, because it's \$54 million
21 extra dollars for them.

22 And even though they are supposed to, they
23 don't really support renewable energy, because they
24 don't really make any money on it. The return on
25 equity, the 10 percent, the 11.5 percent, that means if

1 they own something worth \$100 they get 10 bucks, 11.5
2 bucks every year forever. But if you have something on
3 your roof that generates power, they don't own it, they
4 don't get paid anything, plus you're not using all that
5 much electricity.

6 So I just want to say that I completely oppose
7 this. I consider it price gouging, and I think that
8 people should put a stop to it.

9 Thank you.

10 **CHAIRMAN BRISÉ:** Thank you, Mr. Nelson.

11 We failed to take an appearance from our staff
12 counsel, so if you would make an appearance.

13 **MS. KLANCKE:** Caroline Klancke, Commission
14 legal staff.

15 **CHAIRMAN BRISÉ:** Thank you very much.

16 We are going to move into a portion of our
17 public testimony. We customarily take testimony from
18 elected officials, or comments from elected officials
19 prior to us moving into the testimony that requires
20 swearing in and so forth.

21 So if Mr. Durbin will set us up on the lectern
22 on the ground floor, and we will proceed with that
23 shortly.

24 I believe we have some individuals
25 representing elected officials who may not wish to

1 speak. Representing Representative Cynthia Stafford, we
2 have Ms. Gloria Berry. Okay. She is present. Thank
3 you for your presence this afternoon.

4 I don't know if Senator Braynon is still here.
5 Okay. He might not still be here. He probably had
6 somewhere else where he had to be after this meeting.

7 All right. At this time we will hear from
8 Representative Barbara Watson. Welcome, Representative.

9 **REPRESENTATIVE WATSON:** Good evening, members
10 of the PSC Commission, and also to the residents that
11 are taking out of their time to come to this meeting.
12 I, first of all, want to welcome you to my district,
13 which is District 103. Today I'm encouraging each of
14 you to take this opportunity to share your thoughts,
15 your belief, and your experiences with this Commission.

16 It is through these kind of efforts and
17 demonstrations of your concerns that this Commission can
18 make an intelligent decision. We should not take
19 lightly this opportunity that has availed itself to this
20 community, and I encourage each and every one of you to
21 take this opportunity and speak out whether you are
22 opposed or whether you are for this rate increase.

23 We still need to hear your concerns, so that
24 this Commission can go back and do what it needs to do
25 for this community and the State of Florida and those

1 people that are being powered by Florida Power and
2 Light.

3 I make it very quick and very simple to you.
4 My appeal this evening is that each and every one of you
5 really execute your constitutional rights this evening.

6 Thank you very much.

7 **CHAIRMAN BRISÉ:** Thank you, Representative.
8 Thank you for being here this afternoon.

9 **REPRESENTATIVE WATSON:** Thank you.

10 **CHAIRMAN BRISÉ:** At this time we will hear
11 from Mayor Shirley Gibson from the City of Miami
12 Gardens, which we are in.

13 **MAYOR GIBSON:** Good afternoon to the Chair,
14 Mr. Ronald Brisé, and the members of the Florida Public
15 Service Council, and to the people who are here in the
16 audience today. I do welcome you to the great City of
17 Miami Gardens and to our fine university, Florida
18 Memorial University.

19 I do come to welcome you as well as to say
20 that in the City of Miami Gardens we have over 107,000
21 individuals and about 40,000 homes. And so those are
22 all customers, not even including our businesses who are
23 here in the City of Miami Gardens. So I do echo State
24 Representative Watson that it is important for you to be
25 heard, and I do applaud you for coming to the city so

1 people who are in the area will have a chance to speak.

2 I do know that in these difficult economic
3 times we find ourselves being challenged by so many, I
4 guess, business decisions, really, and as well as
5 governmental decisions that we here face, as well. It
6 is a very difficult situation to know what is right and
7 to know how much is right.

8 And I think what this discussion is about how
9 much is right and how much of that is valid to say that
10 it is 11 percent, it's 9 percent. And I do know that it
11 will rest in your hands to make the best decision for
12 the people of Florida who are customers of FPL.

13 And I hope that you will do due diligence in
14 your deliberations and that you would consider all facts
15 that you hear. And that you know you understand
16 business, I know that you do, and that we all will get a
17 fair hearing from you, and what you will hear from
18 people who will speak to you today and who will speak to
19 you around the State of Florida. It is important.

20 And I will leave you by saying -- and whatever
21 you do, it is important that everyone have confidence
22 and faith in your integrity to do your job. It makes it
23 all so much better for all of us when you listen
24 diligently to the people who you have been chosen to
25 serve. I hope that you will do that with all due speed

1 and diligence, as you hear testimony today and you
2 continue to do so.

3 Thank you very much.

4 **CHAIRMAN BRISÉ:** Thank you very much, Madam
5 Mayor.

6 Okay. At this time we are going to move into
7 our public testimony. We do have some interpreters
8 present here. So that if you speak Spanish, or, rather,
9 if you feel more comfortable expressing yourself in
10 Spanish rather than in English, we have an interpreter.
11 And if you feel more comfortable speaking in Creole, we
12 have an interpreter that can do that this afternoon.

13 (Chairman Brisé addresses audience in Spanish
14 and Creole.)

15 This afternoon some of you may not feel very
16 comfortable speaking in public, so you have a form that
17 is available to you. On the back of the form there is a
18 place for comments. These comments are just as good as
19 the comments that can be relayed via the microphone or
20 in person here.

21 You have a few options with this. You can
22 fill it out and make it available to our staff in the
23 lobby; you can e-mail us at the Public Service
24 Commission your comments; you can mail the comments to
25 us here at the Public Service Commission, and all of

1 those comments will be appropriately considered.

2 There is also a blue form that is available,
3 and this form is to take comments about smart meters.
4 So whatever comments that you may have that pertain to
5 smart meters, you can make those comments on or you can
6 put those comments on these blue forms. And you can
7 mail those to the Public Service Commission or make them
8 available to our staff.

9 There is -- on the 20th of September we are
10 going to have a workshop dealing specifically with smart
11 meters and all the issues surrounding smart meters. And
12 that will be at the Commission on the 20th of September,
13 I believe at about 1:00 o'clock in the afternoon.

14 Understanding that within this rate case there
15 are issues that pertain to smart meters, but only
16 dealing with the dollar aspect. So if you have
17 comments, they have to be related specifically to the
18 dollar aspect with smart meters.

19 Okay. I think that covers everything in terms
20 of housekeeping things. I just want to suggest to you
21 that if your cell phone or your other telecommunications
22 device is not on vibrate or silent, we certainly ask
23 that you put it on silent or vibrate, and that will help
24 us be able to respect each other a little bit better.

25 Beyond that, you will be provided with three

1 minutes, and the light -- two minutes, rather. The
2 light, this light system goes as such, green, you can
3 keep on going; yellow, it means that you need to start
4 wrapping it up; red means you should stop, and hopefully
5 it won't get to blinking, okay.

6 There will be opportunity for questions to be
7 posed to you since you are providing testimony.
8 Questions can come from the Commissioners, or the
9 intervenors, or the petitioner.

10 Okay. So at this time I think we're ready for
11 you to stand and take your oath. If you are seeking to
12 provide testimony this afternoon, if you would stand.

13 (Witnesses sworn collectively.)

14 **CHAIRMAN BRISÉ:** All right. Thank you very
15 much. You may be seated.

16 Mr. Kelly is going to call you forward. He is
17 going to call you by twos. So the first name is the
18 person that is actually going to speak first, and then
19 the second name is for you to be prepared to be on
20 queue. All right. Thank you.

21 Mr. Kelly, you may proceed.

22 **MR. KELLY:** The first speaker is Mr. Bob
23 Delgado who will be followed by Paul Abbott.

24 **BOB DELGADO**

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

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

3 **DIRECT STATEMENT**

4 **MR. DELGADO:** Hi. My name is Bob Delgado. I
5 have lived in Miami since 1998, and I have never had any
6 problem with the service that Florida Power has given us
7 at that location, except the times that we have lost
8 power due to Mother Nature. And at those times, maybe
9 four or five times, I have called FPL and they have
10 taken care of the problem very fast.

11 Other than that, I have never had blackouts,
12 brownouts, anything like that. I don't have at the
13 present time any problems with the rate increase. I'm
14 pretty sure you all have the data to accept it or not.
15 And if you do grant the rate increase, I can increase my
16 air conditioning, my temperature one degree and
17 compensate that way. So I have no problem with it.

18 Thank you.

19 **CHAIRMAN BRISÉ:** Thank you very much. I think
20 there is probably going to be a question for you by
21 Mr. Nelson.

22 **MR. NELSON:** Yes. Is this on?

23 **CHAIRMAN BRISÉ:** It should be. Yes.

24 **MR. NELSON:** Yes. I was just wondering if you
25 spoke with anyone who works for FPL before you came here

1 and spoke today.

2 **MR. DELGADO:** I have spoken to many people
3 that work at FPL. I have a lot of friends that work
4 there.

5 **MR. NELSON:** Are you here in favor of the
6 increase or against it?

7 **MR. DELGADO:** I am neither in favor or against
8 it. I know that one of you said that we must make a
9 stand, but I don't. I have no problem with the
10 increase. Like I said, if you all decide to increase,
11 well, I can always raise my air conditioner one degree
12 and lower my water temperature five, turn the lights
13 off, et cetera. So I can compensate for that.

14 Now, two or three dollars per month or
15 whatever is not significant to me. I'm more interested
16 in the service that they can provide me, especially when
17 Mother Nature is attacking here in South Florida, lose
18 power or whatever.

19 **MR. NELSON:** Thank you. I appreciate FPL's
20 good service, as well.

21 I just think that if anybody is going come up
22 and speak in favor of FPL that they should let us know
23 if they have friends or they have spoken before they
24 come up here. And I really don't want to ask everybody,
25 but I assume if you're speaking against FPL they

1 probably didn't ask you to speak. But if you are
2 speaking in favor of FPL if you could let us know, you
3 know, what your contacts or who you have spoken to, I
4 would really appreciate it.

5 **CHAIRMAN BRISÉ:** Thank you, Mr. Nelson.

6 Are there any other questions? Okay. Seeing
7 none. We failed ask you to put your address and
8 telephone information for us. One of the things we are
9 going to ask for every speaker, as you come up, to make
10 your -- in your first statement state your name,
11 address, and phone number so that we can have it for the
12 record.

13 **MR. DELGADO:** I am at 1700 Southwest 29th
14 Avenue, Miami 33145.

15 **CHAIRMAN BRISÉ:** Thank you very much. We
16 certainly appreciate it.

17 **MR. DELGADO:** You're welcome.

18 **CHAIRMAN BRISÉ:** And since Mr. Nelson is going
19 to pose a question, rather than Mr. Nelson having to get
20 up every time and pose a question, if you were requested
21 by the company to provide testimony, if you could allude
22 to that, and I think that would make that clear.

23 Thank you.

24 **MR. KELLY:** After Mr. Abbott will be Martha
25 Pitts.

PAUL ABBOTT

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

DIRECT STATEMENT

5
6 **MR. ABBOTT:** My name Paul Abbott. I am a
7 private consultant who works for the town of Golden
8 Beach, the Village of Key Biscayne, and also more
9 recently Miami Beach. I was made aware of this hearing
10 by FPL, but was not requested to attend. I am here of
11 my own free volition.

12 I have been working with FPL for in excess of
13 five years primarily dealing with the undergrounding
14 program of taking overhead utilities and placing them in
15 underground facilities.

16 FPL's service has been exceptional. I am
17 personally aware of personnel cuts that they have
18 endured through cost-saving programs that do affect us
19 all. I openly candidly support private entrepreneurial
20 businesses and that is what FPL is. Although a big dog,
21 they are still, as Public Counsel identified and the
22 retailer identified, a private business. They deserve
23 to make money.

24 When there is a serious situation outside of
25 the state where public utilities and services are

1 interrupted FPL is there to serve us. We hope and pray
2 that we get the same reciprocity from other communities
3 and other companies that come and help us when we have a
4 natural disaster.

5 We don't regulate our petrochemical companies.
6 We don't regulate the government when they raise the
7 taxes or the charges on the SunPass as they so often do.
8 We don't regulate other things that are impacted on us
9 in the way of cost increases. You have the
10 responsibility, the authority, and the judgment to judge
11 on this matter.

12 It's a private company. They serve us well.
13 They have done many, many good things. I would like to
14 see them add staff. I would like to see this
15 undergrounding program continue vibrantly through the
16 state. It helps us during periods of natural disaster.
17 When the power lines are not subject to overhead damage,
18 we have much, much better service and savings of cost
19 because they don't have to go out and repair them.

20 Thank you.

21 **CHAIRMAN BRISÉ:** Thank you very much for your
22 testimony. There is a question for you from Mr. Wright.

23 **MR. WRIGHT:** Good afternoon, Mr. Abbott.

24 **MR. ABBOTT:** Good afternoon.

25 **MR. WRIGHT:** You mentioned that you are

1 working with Golden Beach. I understand they are pretty
2 close to finishing their undergrounding project.

3 **MR. ABBOTT:** We have. We will be done by the
4 end of the year, yes.

5 **MR. WRIGHT:** Do you know when Golden Beach
6 first asked FPL to underground their lines?

7 **MR. ABBOTT:** My understanding is that it began
8 back in 1989.

9 **MR. WRIGHT:** That's my understanding, too. So
10 23 years ago.

11 **MR. ABBOTT:** I understand.

12 **MR. WRIGHT:** Okay. Thank you.

13 **CHAIRMAN BRISÉ:** Thank you very much.

14 Any further questions? Seeing none, thank you
15 for your testimony today.

16 **MR. KELLY:** After Ms. Pitts is Marco Carrasco.

17 **MS. PITTS:** I'm Martha Pitts. (Inaudible.)

18 **CHAIRMAN BRISÉ:** Ma'am, if you can come to the
19 microphone.

20 **MARTHA PITTS**

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

24 **DIRECT STATEMENT**

25 **MS. PITTS:** Good afternoon. My name is Martha

1 Pitts. I'm representing Mount Zion AME Church in Miami
2 Gardens. I would rather not speak. I would like to
3 mail my comments in.

4 **CHAIRMAN BRISÉ:** Perfect. Thank you very
5 much.

6 **MS. PITTS:** Thank you.

7 **MR. KELLY:** After Mr. Carrasco is Gwen
8 Johnson.

9 **MARCO CARRASCO**

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

13 **DIRECT STATEMENT**

14 **MR. CARRASCO:** Good afternoon, Commissioners
15 and the public. My name is Marco Carrasco, and I'm here
16 on behalf of the Florida Health Care Association, which
17 represents long-term care. Nursing homes, specifically.
18 And I was asked on behalf of the association to come
19 here and speak on behalf of Florida Power and Light.

20 I want to thank you for this opportunity to be
21 here with you folks, and just let you know that we
22 represent 70,000 of the frail and elderly and those with
23 disabilities across this great state. My remarks today
24 are about Florida Power and Light's commitment to
25 emergency preparedness. I just got a text a few minutes

1 ago that Ernesto just became a hurricane. And we in the
2 nursing home industry, that automatically starts red
3 flags, and we have to partner up with every entity.
4 Everything from our utilities right down to our food
5 sources to make sure that we are prepared in the event
6 of a disaster.

7 Emergency preparedness and response and their
8 work to restore power in nursing home after a major
9 storm is our key focus. At the threat of any major
10 storm in Florida, our association has continuous
11 communication with FPL regarding nursing home power
12 outages and their service facilities for each facility
13 that is really affected.

14 Especially during the last major storms, we in
15 the past had suffered because we had not been initially
16 part of the grids and not realized the importance. And
17 as long-term care has significantly impacted Florida,
18 there is a lot more seniors that need the services of
19 long-term care.

20 Part of the season we provide FPL with current
21 contact information for each facility, which they
22 cross-check with their customer database to ensure that
23 nursing homes can be contacted quickly regarding their
24 power situation. After the storm, we are in daily
25 communication with FPL helping to be sure that power is

1 being restored as quickly as possible for nursing homes.

2 We can attest to the fact that FPL works very
3 hard prior to and immediately following a storm to
4 restore power in nursing homes. I think it's important
5 to also note that FPL's commitments to vulnerable elders
6 is unique. It's actually unique in the nations,
7 especially with Florida.

8 Another nursing home association which I
9 represent has a similar partnership with the energy
10 providers in the area of emergency preparedness and
11 response. We are very appreciative of FPL's leadership
12 in this area. Additionally, they do have ongoing
13 communication with us on tabletop exercises as well that
14 are key. And if anybody experienced what we saw in the
15 disaster in Katrina, where really everything went off
16 and it was such a disaster, we are more confident that
17 we are ready now with our partnerships than ever in the
18 event of an impending disaster.

19 And that's it for my part. Thank you.

20 **CHAIRMAN BRISÉ:** Thank you very much. Any
21 questions?

22 Mr. Saporito.

23 **MR. CARRASCO:** I'm sorry. Let me also note
24 the address, 2525 Southwest 75th Avenue, Miami, Florida
25 33155. West Gables Health Care Center.

1 **CHAIRMAN BRISÉ:** Thank you.

2 **MR. SAPORITO:** How are we doing?

3 **MR. CARRASCO:** Good, sir.

4 **MR. SAPORITO:** Thank you. Is it my correct
5 understanding that a nursing home or nursing facility is
6 like a quasi-hospital or medical facility?

7 **MR. CARRASCO:** They are post acute. Yes,
8 after somebody typically goes to the hospital, if they
9 require additional services that cannot be taken care of
10 at home, they usually will come through one of our
11 doors.

12 **MR. SAPORITO:** All right. Can you clarify for
13 me, please, and for the panel members, when items such
14 as drugs, wages for the medical personnel who work
15 there, doctors, nurses, nurses aides, et cetera, cost of
16 bed pans, cost of electricity supplied from FPL, the
17 cost of food, when all these items increase, how does
18 the nursing home get paid for those increases? Do they
19 pass that back to the customers that get your services?

20 **MR. CARRASCO:** I'm trying to understand the
21 specific question. I apologize. What I believe you're
22 asking me is when everything goes up as far as
23 increases, how do we manage -- (simultaneous
24 conversation) -- back to us?

25 **MR. SAPORITO:** No. I'm asking do you pass

1 those increased costs back to your patients?

2 **MR. CARRASCO:** We do not pass any increase.
3 We are actually federally subsidized both by the federal
4 government and the state, so it all depends on how the
5 state (inaudible).

6 **MR. SAPORITO:** So ultimately, people in this
7 room here are ultimately paying for those costs and
8 those increases.

9 **MR. CARRASCO:** The services that are entitled
10 under entitlement programs are what covers the costs for
11 the majority of long term care providers.

12 **MR. SAPORITO:** Thank you very much.

13 **CHAIRMAN BRISÉ:** Thank you, Mr. Saporito.

14 I'm going to remind the intervenors again that
15 the testimony needs to be related. I mean, the
16 questions need to be related to the testimony that is
17 actually provided. You know, we're looking for
18 clarification on issues and things of that nature, not
19 necessarily opening a new line of questioning beyond the
20 scope of what the person who is testifying provided.

21 Beyond that, as an intervenor, you have the
22 right at the technical hearing to put up your witnesses,
23 and at that point you can open the lines of questions
24 that are appropriate then and go into these issues
25 further.

1 Thank you very much for understanding and
2 cooperating.

3 **MR. KELLY:** After Ms. Johnson, Joseph Goudie.

4 **MR. GOUDIE:** Goudie.

5 **MR. KELLY:** Goudie. I apologize.

6 **GWEN JOHNSON**

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

10 **DIRECT STATEMENT**

11 **MS. JOHNSON:** Good afternoon. My name is Gwen
12 Johnson. I have a business at 2201 Biscayne Boulevard,
13 Miami, Florida 33137, Crescendo Jazz & Blues. I am a
14 citizen of Dade County, born and raised here.

15 I was contacted recently by one of the Florida
16 Power employees. Also, I am a former employee, as well,
17 of Florida Power and Light over -- let's see, back in
18 1980, and left with the incentive package.

19 He told me about the hearing. I was excited
20 to come here. I'm glad I am here. I listened to the
21 pros and cons of the rate increase based on whether the
22 shareholders should get an increase. I'm going to leave
23 that the Public Service Commission to make their opinion
24 and the counsel to make their opinion on that. But as a
25 business owner, as a customer who also has properties in

1 Dade County, as well, so far I like the service.

2 I remember working for Florida Power and
3 Light. The biggest problem you're going to run into
4 with the private sector is they are going to downsize.
5 Everything is about the dollar. All about the bottom
6 line at the end of the day. And I was there during the
7 storm of Andrew. I remember us working like crazy.
8 Some people died in that. Some employees died working
9 to restore service for all of us.

10 But we're suffering, because you've got to cut
11 costs. People want to make money, so I hear what
12 everyone is saying. Just as a business owner, I want to
13 make a profit. So sometimes where you cut the most is
14 where it hurts. Particularly when the phone -- you call
15 in to FPL and you are going to get the -- one of the big
16 changes we all hear, not just with FPL, but everywhere,
17 you're not getting a live person. Everything cost
18 money. With that come benefits, et cetera, et cetera.

19 So I'm faced with the same issues, and it's
20 hard. You know, you try to justify your profit and
21 what's good and what's not good enough. So, again, I'm
22 happy with the service. I want them to continue. They
23 are the big dog on the block, but they do work with
24 everyone, with myself, as well, as a business, and as a
25 residential customer.

1 So I have no way or the other because it's a
2 tough call, so I'm going to leave that to the minds with
3 all the facts. I'm sure it has been itemized, but maybe
4 there are some adjustments that could be made where it
5 could become a happy medium for everyone.

6 **CHAIRMAN BRISÉ:** Thank you, Ms. Johnson.

7 Any questions for Ms. Johnson? Seeing none,
8 thank you for your testimony today.

9 **MR. KELLY:** After Mr. Goudie is Angela
10 LaFrance.

11 **JOSEPH A. GOUDIE**

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

15 **DIRECT STATEMENT**

16 **MR. GOUDIE:** Good afternoon, Commissioners.
17 My name is Joseph A. Goudie. I live at 9351 Southwest
18 54th Street, Miami, Florida. I have been a resident of
19 this city since 1960, and have found since 1960 that I
20 have had continuous, efficient, clean, electrical
21 service. Damn, that's a great thing to have in this
22 world, isn't it? And we get that here. A lot of other
23 places don't get it. Other places count the time when
24 they're going to get power back on. We have it. It's
25 available to us.

1 I'm a business owner. I'm not doing too well
2 because I'm a contractor, so business is not good. But
3 in my business, when I have had to deal with FPL they
4 have been there. They have taken care of the customer.
5 They have turned on the power for me. They have given
6 me my services. I get good service. Do I want a rate
7 increase? If they need one, if this is what they need
8 to continue to give me what I want, which is a hot
9 shower, an air conditioner, a pump cleaning my swimming
10 pool, then guess what? If it's couple of bucks more,
11 I'm going to pay for it. Some others may not, and I
12 feel bad for them. Business is bad for all of us. But
13 thank goodness we get the electrical services. This
14 great air conditioner that we have working in here right
15 now, FPL's electricity provides that for us. So I'm in
16 favor.

17 **CHAIRMAN BRISÉ:** Thank you very much, Mr.
18 Goudie. And there is a question for you from Mr.
19 Nelson.

20 **MR. NELSON:** Can you tell us if you spoke with
21 any FPL people?

22 **MR. GOUDIE:** Oh, yeah. Yes, sir. I'm sorry.
23 I should have said that first off, because I surely
24 have. I speak to them every day.

25 **MR. NELSON:** All right. Thank you.

1 **MR. GOUDIE:** No problem.

2 **CHAIRMAN BRISÉ:** Thank you very much.

3 Any further questions for Mr. Goudie? Seeing
4 none, thank you for your testimony today.

5 **MR. GOUDIE:** Thank you.

6 **MR. KELLY:** After it's either Ms. LaFrance or
7 Ms. LaFrance.

8 **CHAIRMAN BRISÉ:** Nobody. Next.

9 **MR. KELLY:** Mr. Mark Coats followed by Armando
10 Gill.

11 Whereupon,

12 **MARK COATS**

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

16 **DIRECT STATEMENT**

17 **MR. COATS:** To the PSC Commission, Chairman,
18 all of you gathered, first of all, I didn't come to
19 answer any questions. So I want to know if I can make
20 my statement and leave your facility.

21 **CHAIRMAN BRISÉ:** That's up to you, sir.

22 **MR. COATS:** Thank you very much.

23 I'm a business owner. I have a charter
24 school, a private school in South Dade. Survivor of
25 Andrew, but in the midst of it, going through a lot

1 through it, and Florida Power and Light has always been
2 there. I am a businessman. I agree with the two that
3 came before me. In order for us to enjoy some of the
4 things that come, we have to pay a little bit more.

5 Florida Power and Light seems to be lower than
6 the other five or wherever it was that I heard. I heard
7 all the numbers. I have only done four years of
8 college, but the (inaudible) to all of this is fairness
9 and prudence. And as long as Florida Power and Light
10 can show that they are going to do all that they say
11 they are going to do, and we can continue to get what
12 the gentleman said about the hot shower. I have a
13 property in Sunset Lakes now. The only problem I do
14 have with FPL is that I don't like when they give me a
15 deposit from one property to the next. I don't
16 necessarily think that that needs to happen. If you pay
17 one and you're in good standing, when you move to the
18 next property there shouldn't be another deposit added
19 on. But be that as it may.

20 But I do support it. I have a lot of friends.
21 I'm also a pastor. I have a lot of parishioners or
22 congregants that are workers for Florida Power and
23 Light. And we may want not to give the increase now,
24 but I don't want to play the game of holding them off
25 now and four or five years from now they come and they

1 triple what we will have to pay.

2 So if it meets the mustard, you all are the
3 ones that are going to make the decision. I assume that
4 you will make an intelligent decision. As the madam
5 said earlier, whether it be 9 or 11, that's not really
6 for me to decide. I'm not an expert in that matter.

7 But I do support the employees of Florida
8 Power and Light. And, no, I have not spoken to any one
9 of them about anything here today. It's just simply my
10 preference as a businessman. And I have had
11 parishioners who have had problems in the past who are
12 not as fortunate as I am. I've reached out to Florida
13 Power and Light, and they have been there on every call.
14 And so I salute them, and hopefully between you and them
15 they can get this worked out.

16 Thank you very much.

17 **CHAIRMAN BRISÉ:** Thank you, Mr. Coats. If you
18 would provide us with the address.

19 **MR. COATS:** I certainly will. 11000 Southwest
20 216th Street, Color Bay, Florida 33071. And my home
21 address, 3201 Southwest 189th Avenue, Miramar, Florida
22 33029.

23 Thank you.

24 **CHAIRMAN BRISÉ:** Thank you very much, Mr.
25 Coats.

1 **MR. SAPORITO:** Mr. Chairman, with all due
2 respect, as a pro se litigant in this proceeding, I want
3 to perfect the record and protect my appeal
4 opportunities in this proceeding by strenuously
5 objecting to the panel preventing me from
6 cross-examining that last witness.

7 Thank you very much.

8 **CHAIRMAN BRISÉ:** Thank you. I don't know that
9 we have prevented anyone from asking any questions. The
10 person who is providing their testimony can opt to
11 answer the question or not answer the question. I think
12 he has made it clear that he is not going to answer any
13 questions. Okay.

14 Thank you. I mean, we can't compel him to
15 answer questions.

16 Mr. Kelly.

17 **MR. KELLY:** Armando Gill.

18 **CHAIRMAN BRISÉ:** Okay.

19 **MR. KELLY:** Juan Zamora.

20 **JUAN ZAMORA**

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

24 **DIRECT STATEMENT**

25 **MR. ZAMORA:** Good afternoon. My name is Juan

1 Zamora. I am the Director of Facilities for Saint
2 Thomas University, which is a university neighboring
3 Florida Memorial.

4 Yes, we are a big customer, a large customer,
5 and because of that we do have an account representative
6 assigned to us. A large chunk of our budget goes
7 towards electricity, so no one likes to see an increase,
8 but one of the biggest problems that we have seen in the
9 past years is the quality of power. And every time I
10 discuss that situation with the representatives from
11 FPL, they tell me that because of the age of the
12 infrastructure and the work that needs to be done to
13 correct that situation is what's causing the problems.
14 It is my understanding that if this rate increase is
15 approved, those improvements will take place and
16 hopefully it will resolve the power issues that we
17 currently have.

18 We have worked with FPL for -- I have been in
19 this position for the past 13 years, and we have gone
20 through a lot of natural disasters, Katrina, Wilma, and
21 FPL has always been very responsive to our needs. And
22 we are very fortunate to have a representative that is
23 always there when we need him with his expertise and so
24 forth. So that is my statement.

25 **CHAIRMAN BRISÉ:** Thank you very much. I don't

1 know if there are any questions for Mr. Zamora.

2 Commissioner Balbis.

3 **COMMISSIONER BALBIS:** Thank you.

4 And thank you, Mr. Zamora, for coming here
5 today. I just want to make sure I understand your
6 testimony. So you indicated that Saint Thomas
7 University is continuing to have power quality issues
8 and you're working with FPL on that?

9 **MR. ZAMORA:** Yes.

10 **COMMISSIONER BALBIS:** And how long has that
11 been going on?

12 **MR. ZAMORA:** It's been going on for a few
13 years, and they relate to momentary power outages which
14 causes problems to our mechanical equipment. They are
15 aware of it. We did install power monitors in all of
16 our meters to really pinpoint where the power quality
17 problems are coming from. We basically have two feeders
18 coming into the university from two different switching
19 stations and they tell me that those switching stations
20 are due for an upgrade if this rate increase is
21 approved.

22 **COMMISSIONER BALBIS:** Okay. Thank you.

23 **CHAIRMAN BRISÉ:** Any further questions for Mr.
24 Zamora?

25 Ms. Larson.

1 **MS. LARSON:** I don't mean to be off track, but
2 is your school a shelter also?

3 **MR. ZAMORA:** No, it's not.

4 **MS. LARSON:** Okay.

5 **MR. ZAMORA:** Except for the students that live
6 on campus. We do have about 300 of them, so, yes. But
7 not for the outside world.

8 **MS. LARSON:** Okay.

9 **CHAIRMAN BRISÉ:** Mr. Saporito.

10 **MR. SAPORITO:** How are you doing?

11 **MR. ZAMORA:** Fine, thank you.

12 **MR. SAPORITO:** Just for my clarification, is
13 it my understanding that Florida Power and Light Company
14 is refusing to correct your power deficiency because
15 they lack funds to do that at this time?

16 **MR. ZAMORA:** No, that's not what I said.
17 Because it's not a constant problem. It's a problem
18 that comes and goes, especially in stormy weather.
19 Apparently some of their infrastructure wiring needs to
20 be upgraded, and that's what they're telling me.

21 **MR. SAPORITO:** So to clarify your testimony,
22 though, you referenced the problems correction depends
23 on whether or not they get a rate increase. Is that
24 what you have testified to?

25 **MR. ZAMORA:** They told me that the

1 infrastructure in the two switching stations that
2 service the university will be upgraded and modernized
3 if the rate increase is approved.

4 **MR. SAPORITO:** Oh, I see. Thank you very
5 much.

6 **MR. ZAMORA:** You're welcome.

7 **CHAIRMAN BRISÉ:** Thank you very much,
8 Mr. Zamora.

9 Mr. Saporito, you could make it easier if you
10 can sit on this side because the mike is there. Thank
11 you.

12 All right. Mr. Kelly.

13 **MR. KELLY:** Lazaro Tejera followed by Mr.
14 William Armbrister.

15 **LAZARO TEJERA**

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

19 **DIRECT STATEMENT**

20 **MR. TEJERA:** Good afternoon, members of the
21 counsel. My name is Lazaro Tejera. My home address is
22 8914 Northwest 164th Street. I have been a resident of
23 Miami for the past 30 years, and I am currently a
24 business owner.

25 We own a restaurant on Miami Gardens Drive,

1 and I just want to say that the service from FPL going
2 back to the days of Andrew and Wilma has just been
3 phenomenal. Any issues, any concerns, we pick up the
4 phone and they are there for us to take care of the
5 issues or any problems that we may have.

6 As a business owner, we have never had an
7 issue. I remember right after Wilma -- I'm sorry, right
8 after Andrew we had power the very next day. You know,
9 we didn't have to contact FPL; FPL contacted us and got
10 us on on-line right away, and we were able to stay in
11 business within 24 hours of Andrew. Wilma, same thing.
12 I think we lost power for about a day or so, and we were
13 back in business.

14 And as far as the rate increase goes, you
15 know, I guess it's part of doing business nowadays. You
16 know, if you have got to raise the rates, you know, we
17 have to adapt to it and find ways of changing our ways
18 of consuming electricity, you know.

19 Seven years ago my business had regular bulbs,
20 you know, up in the roof. Now we have changed them all
21 to florescent. Six months ago we changed the light
22 switches to sensors, you know. It takes adaptation, and
23 we need to look at how we conduct business and, you
24 know, find ways of, you know, making up the power
25 increase, making it up some other ways. And it's going

1 to make a lot of the consumers aware of how they can be
2 more efficient and how they could save more, I think.

3 **CHAIRMAN BRISÉ:** Thank you very much,
4 Mr. Tejera. There is a question for from you Mr.
5 Nelson.

6 **MR. NELSON:** Thank you.

7 Did you have any discussions with your FPL
8 account rep or anybody else who works for FPL before you
9 came here today?

10 **MR. TEJARA:** No, I didn't, sir.

11 **MR. NELSON:** Thank you.

12 **CHAIRMAN BRISÉ:** Any further questions for Mr.
13 Tejera?

14 Seeing none, thank you for your testimony
15 today.

16 **MR. TEJARA:** Thank you.

17 **MR. KELLY:** After Mr. Armbrister is Elin
18 Moliner.

19 **WILLIAM ARMBRISTER**

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

23 **DIRECT STATEMENT**

24 **MR. ARMBRISTER:** Good afternoon. Florida
25 Power and Light at this time of year stops their

1 maintenance. They have maintenance that needs to be
2 done year-round. And because the storms come in, FPL
3 has a storm account that they make their deposits into,
4 and it can't be touched unless the work is storm
5 related. So then a lot of work that they should be
6 doing year-round, they are not doing that now. They
7 have the representatives here to give them some feedback
8 on what your responses are physically and what the
9 concerns that are being expressed.

10 And I want you to note that when you look and
11 see three wires, that's a feeder. That's why the
12 emergency services, hospitals, and things of that nature
13 are normally on a feeder, and they are the first to be
14 restored. I made certain that when I got my first
15 house, I was on a feeder; my second house, I'm on a
16 feeder so they will be restored quickly.

17 And they do not do any exceptional work,
18 Florida Power and Light doesn't. They do that which
19 they are being paid to do and that is to provide
20 reliable service. So like the one gentleman says they
21 shouldn't be monitored, they shouldn't be regulated,
22 what is that. And then the gentleman from Saint Thomas
23 University, it sounds like a strong arm going on here
24 when he says the representative says, look, if you go in
25 and speak for us, a thumbs up for the rate increase,

1 then we can work on the problems that you're having
2 because of our neglect in providing good reliable
3 service. They don't do anything exceptional. They have
4 not done anything exceptional.

5 The hospitals -- this campus should be
6 outfitted with solar panels in order -- and generators
7 in those areas when the power goes off, they kick on
8 automatically. Solar panels will -- a lot of the
9 buildings here, they would generate electricity that
10 would have to be sold back to Florida Power and Light
11 and would assist them in their electric bill here.

12 I know I'm repeating myself, but they haven't
13 done anything to earn a 16 percent rate increase. And
14 if they can demonstrate that they are working with the
15 everyday customer, which they do not work with the
16 everyday customer, they work with the commercial
17 businesses. They have the first access. They have
18 managers assigned to them. And me, as an everyday
19 customer, you as an everyday customer, you wouldn't
20 get -- they would jump to you when the power came on.
21 And one of you were out and a community was out, you
22 would get power before the community. And that's what
23 they do. That's their mode of operation.

24 So they have not earned that degree of
25 increase. And what they should ask for, as far as

1 increase is concerned, give them the same increase -- in
2 closing, they should get the exact same increase that
3 they give their employees and be satisfied. Thank you.

4 **CHAIRMAN BRISÉ:** Thank you, Mr. Armbrister.

5 Are there any questions for Mr. Armbrister?

6 Seeing none. If you could provide your
7 address again for us.

8 **MR. ARMBRISTER:** I'm sorry. That's 3260
9 Thomas Avenue, Miami, Coconut Grove, Florida 33133. My
10 number is area code 305, 205-6440. And I thank you
11 again.

12 **CHAIRMAN BRISÉ:** Thank you for your testimony
13 this afternoon, Mr. Armbrister.

14 **MR. KELLY:** After Mr. Moliner is Warren Zen.

15 **MR. ARMBRISTER:** Just one quick thing. I
16 would like for all the people who say they deserve the
17 increase, to give them the opportunity to pay the
18 increase themselves. If it's okay, let them pay it and
19 let the rest of us keep working --

20 **CHAIRMAN BRISÉ:** Thank you, sir.

21 Mr. Kelly. If you could repeat his name
22 again. I missed it in the --

23 **MR. KELLY:** This is Mr. Moliner and then the
24 next one is Warren Zinn.

25 **LEO MOLINER**

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

4 **DIRECT STATEMENT**

5 **MR. MOLINER:** Yes. My name is Leo Moliner.
6 I'm from Marbella Apartments. I also own a couple of
7 more corporations that have to do with property
8 management and building apartments.

9 And I'm here to talk about how is FPL being,
10 you know, like, satisfied (inaudible) electricity works.
11 They have always been there. I haven't had any problem
12 at all. I have a lot of tenants, and I think they
13 should -- you know, it's up to the Commissioner to say
14 if they will get the increase or not. But on my part, I
15 mean, they have always been there and I always have
16 great service.

17 **CHAIRMAN BRISÉ:** Than you, Mr. Moliner.
18 Mr. Nelson has a question for you.

19 **MR. NELSON:** Yes, have you spoken with anybody
20 who works for FPL about coming here today?

21 **MR. MOLINER:** No. I came here because I
22 wanted to come here. Last year I did it, but I know
23 people everywhere and, FPL, yes, I know.

24 **MR. NELSON:** You know people from FPL, and
25 you've talked with them before you came here?

1 **MR. MOLINER:** Before coming here?

2 **MR. NELSON:** Yes.

3 **MR. MOLINER:** I know who works with FPL, but
4 they haven't told me anything to come here. I always
5 come when there is any --

6 **MR. NELSON:** All right. Thank you.

7 **CHAIRMAN BRISÉ:** Thank you very much. Thank
8 you for your testimony, Mr. Moliner.

9 **WARREN ZINN**

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

13 **DIRECT STATEMENT**

14 **MR. ZINN:** Good evening. I'm Warren Zinn at
15 20800 Northwest 2nd Avenue.

16 I'm here to support FPL in their efforts to
17 continue to provide the type of service that we have
18 been provided for in excess of 30-some years. We are
19 very happy with the service that we receive from them.
20 We look at them as our energy partners, and there is no
21 substitute for service. We feel that we have been taken
22 care of. We have been taken care of very expeditiously,
23 and I am here in support of their needs. Thank you.

24 **CHAIRMAN BRISÉ:** Thank you, Mr. Zinn.

25 Are there any questions for Mr. Zinn?

1 Mr. Nelson.

2 **MR. NELSON:** Yes, sir.

3 Sir, thank you. Have you spoken with your
4 account representative at FPL or anybody else from FPL
5 about coming here today?

6 **MR. ZINN:** I speak to them relatively often.
7 I knew that this was coming sometime ago. Yes, sir.

8 **CHAIRMAN BRISÉ:** Thank you.

9 **MR. ZINN:** You're welcome.

10 **CHAIRMAN BRISÉ:** Thank you very much for your
11 testimony.

12 All right. At this time it seems that there
13 are no more names. We certainly appreciate your
14 participation and interest, and stay tuned to the
15 process. We stand adjourned.

16 Oh, I failed to mention, I want to thank
17 Florida Memorial University for the use of this fine
18 facility for today's hearings.

19 The service hearing concluded at 5:42 p.m.)

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1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON)

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

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

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

19 DATED THIS 17th day of August, 2012.

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JANE FAUROT, RPR
FPSC Official Commission Reporter
(850) 413-6732