CORRESPONDENCE
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Christopher Cooney

From: Betty Leland
Sent: Friday, June 19, 2015 10:05 AM
To: Commissioner Correspondence
Subject: FW: Ratepayers to fund fracking

Good Morning:

Please place the attached e-mail in docket correspondence consumers and their representatives in Docket No. 150001.

Thanks.

From: dpmoses [mailto:dpmoses@bellsouth.net]
Sent: Friday, June 19, 2015 9:33 AM
To: Office of Commissioner Patronis; Office of Commissioner Brisé; Office Of Commissioner Graham; Office Of Commissioner Edgar; Office of Commissioner Brown; Consumer Contact
Subject: Ratepayers to fund fracking

Dear Commissioners,

I can not tell you how disappointed I am to have read this news article. You voted AGAINST staff recommendation and I'll bet every ratepayer as well. I am appalled that I now must pay for a practice that I am totally against. My hope was that the Florida legislature would ban fracking all together in the state. My county voted to send a resolution to the state requesting they pass legislation banning fracking.

Fracking is a despicable practice that is ruining our country. You do not speak for me when you vote in favor of it and then add insult to injury by making me pay for it. Why not fund sustainable energy such as solar, after all we do live in the sunshine state. I would prefer you fund research to make solar energy more available and affordable for Florida ratepayers.

Your actions have gone beyond your regulatory authority and established "the nation's first utility to be allowed to use ratepayer money for such a “non-regulated risk.”"

Part of your mission is to:

- Encourage and facilitate responsible use of resources and technology in the provision and consumption of utility services.

Fracking is a very irresponsible practice and there is an ever growing resistance to the practice.

I hope you reconsider this terrible decision.

Dottie Moses
Key Largo, FL

FPL users may foot bill for fracking, panel says

› Rejecting the advice of its staff, state utility regulators approved FPL’s request to finance its natural gas exploration with ratepayer money.

BY MARY ELLEN KLAS Herald / Times Tallahassee Bureau

TALLAHASSEE — Millions of homes and businesses who are customers of Florida Power & Light will be financing as much as $500 million a year in unregulated natural gas fracking projects conducted by the state’s largest utility, state regulators decided Thursday.

The Florida Public Service Commission sided with FPL and against consumer advocates in unanimously approving guidelines that give the company carte blanche approval to charge its customers for natural gas fracking and “wildcatting” activities without oversight from regulators for the next five years.

The decision gives the state’s largest utility unprecedented permission to use ratepayer dollars to finance an energy exploration and production business. According to an analysis by the PSC’s staff, FPL will be the nation’s first utility to be allowed to use ratepayer money for such a “non-regulated risk.”

FPL spokesman Mark Bubriski disputed the characterization that the projects are not regulated, arguing that the guidelines “ensure the PSC has the power to monitor project costs through the required independent audit.”

But PSC spokeswoman Cindy Muir said that while FPL will now “have the opportunity to recover non-regulated investments through regulated rates … this should not be considered regulation.”

The decision also gives the company a guaranteed new source of revenue that will allow it to increase its rate base for the next several years in the face of increasing competition from solar and other alternative energy sources.

As an investor-owned utility, the PSC allows FPL to earn a guaranteed profit — return on investment — of 10.25 percent of its rate base. By allowing the company to now increase that by $500 million a year, FPL and its parent company, NextEra, are guaranteed higher profits

The commission rejected a strongly-worded staff recommendation that urged regulators to reject FPL’s request. Staff members said the project was untested, a risky investment in a volatile energy market, and had the potential to benefit FPL’s shareholders more than its customers.

While commissioners supported FPL’s request, they concluded that the unprecedented nature of the new venture called for a review after five years, but not before three years of operation.

“I want for there to be a decision and not for this to have a life of its own,’’ said Commission Chairman Art Graham. “Because there is so much unknown we will review and either continue the status quo or tweak left or right.”

“These are long-term projects,’’ Commissioner Jimmy Patronis said. “Permitting doesn’t happen overnight.”

FPL commended the PSC’s “thoughtful approach to our proposal” and said it would result in “savings for our customers.”

“The U.S. natural gas market is growing and fast-paced, and potential partners are unwilling to wait through a lengthy regulatory process before moving forward, which makes the Commission’s approval of guidelines so important,’’ said FPL’s Bubriski. “We can now seek out potential future projects to benefit our customers without unnecessary delays.”

He said the average FPL customer pays less than the national average for electricity, and that the cost of the oil and gas exploration will be paid back over 30 years.

The proposal was opposed by the Office of Public Counsel, the lawyers who represent the public in utility rate cases, as well as the state’s largest industrial energy users, the Florida Retail Federation, along with several environmental groups.

“We are disappointed with the commission’s decision that puts FPL’s ratepayers — nearly half of the businesses and residents of the state — squarely in the risky business of natural gas exploration, drilling and production,’’ said Jon Moyle, a lawyer for the Florida Industrial Power Users Group, which opposed the proposal.

In December, the PSC gave FPL approval to enter into a $191 million joint venture with PetroQuest Energy of Oklahoma to explore for natural gas, including using a process known as hydraulic fracking. The process involves injecting large volumes of water, sand and chemicals at high pressures to release oil and natural gas from rock caverns deep underground.

FPL not only asked to expand on that investment, known as the Woodford project, and engage in other gas drilling projects, but it also wanted the authority to move forward without getting approval from regulators to use up to $750 million a year in ratepayer money.

At the recommendation of Commissioner Lisa Edgar, the PSC lowered the authorized amount to $500 million.

Staff writer Mary Ellen Klas can be reached at meklas@MiamiHerald and @MaryEllenKlas