

Collin Roehner

From: Beatrice Balboa <beatricebalboa@gmail.com>
Sent: Sunday, January 08, 2017 11:12 AM
To: Collin Roehner
Subject: Florida Power & Light Co. (FPL) proposed electrical rate increase activities?!
Attachments: Thumb down_ FPL wants you to pay for Matthew costs.pdf; FPL seeks nearly \$320 million in surcharges for Hurricane Matthew recovery - Sun Sentinel.pdf; FPL Asks for Rate Hike to Cover Costs from Hurricane Matthew _ WGPU News.pdf; FPL seeks \$318 million from customers for Hurricane Matthew costs _ Protecting Your Pocket.pdf; FPL customers could see higher energy bills _ Firstcoastnews.pdf

I was reading the latest news media article(s) regarding the latest Florida Power & Light Co. (FPL) proposed electrical rate increase activities throughout the State of Florida with great interest. Please review and implement an action plan to thoroughly address this extremely troubling issue. Media reports continue to underscore the ongoing significant rate increase requests throughout the State of Florida, despite an increasingly faltering economy impacting senior citizens living on fixed incomes disproportionately. Please coordinate, collaborate and cooperate on Federal, State and/or local jurisdictional levels in addressing these concerns potentially impacting adversely the public's safety, finances, policies, trust, confidence, and quality of life issues. Thank you for your time in this matter and hope to hear from you soon.

Sincerely,

Beatrice Balboa

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Pompano Beach, FL 33062-6631

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Thumb down: FPL wants you to pay for Matthew costs

Editorial Board, Treasure Coast Newspapers 9:04 a.m. ET Jan. 6, 2017



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Only two months after getting the Florida Public Service Commission's approval to implement a four-year, \$811 million rate increase, Florida Power & Light Co. wants customers to pony up even more so it can recoup costs from Hurricane Matthew and replenish a storm reserve.

FPL is asking the commission's permission to collect \$318.5 million from customers. If approved, residential customers who use 1,000 kilowatt hours of electricity would see their bills rise \$3.36 per month. That's in addition to the \$6.93-per-month hike that took effect Jan. 1.

The utility did a fine job restoring power after the storm and, as FPL points out, its rates remain among the lowest in Florida and the nation. Still, the cumulative effect on ratepayers is not insignificant.

Editor's note: Bob Brunjes, president of Treasure Coast Newspapers and a member of the Editorial Board, is married to an FPL manager. He recuses himself from editorial discussions involving FPL.

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FPL seeks nearly \$320 million in surcharges for Hurricane Matthew recovery

Hurricane Matthew: A day in South Florida through our lens

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By **Ron Hurtibise**
Sun Sentinel

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FPL is looking for yet another rate hike

JANUARY 3, 2017, 6:01 PM

Two months after securing approval for a four-year \$811-million rate increase, Florida Power & Light is seeking approval to collect even more money from its customers.

This time, the utility wants to recover nearly \$320 million spent to restore power to 1.2 million customers after Hurricane Matthew brushed the state along its northward track Oct. 6-7.

And although a majority of those FPL customers who lost power in the storm live in the central and northeastern parts of the state, the brunt of the recovery costs would be borne by customers in South Florida.

FPL wants the Florida Public Service Commission to OK the hike in time to begin levying it after March 1. If approved, the hike would cost a typical 1,000-kWh-a-month customer an additional \$3.36 a month for 12 months, according to [the rate-hike request](#) filed with the commission late last week.

That's on top of the \$6.93-a-month hike approved in November that took effect Jan. 1 and a 24-cent increase in what an FPL spokesman called a "mandated ECCR charge." Combined, the two hikes would increase that typical customer's bill from \$91.84 at the end of 2016 to \$102.37 after March 1.

"Even with the temporary hurricane recovery surcharge, an FPL residential customer's typical bill will continue to be among the lowest in Florida and the nation," FPL spokesman David McDermitt said in an email Tuesday.

Restoring power after the storm was a "massive undertaking," the utility said in its rate-increase request. As the storm headed toward the state, the utility amassed 14,600 workers — including FPL's own employees and outside contractors. Within two days of the storm's departure from FPL's service territory, more than 99 percent of outages were restored, with full restoration achieved within four days, the utility said.

The recovery involved replacing 250 miles of wire, more than 900 transformers and more than 400 power poles, FPL said.

FPL is basing its request to recoup the costs on part of a 2012 settlement agreement in a base-rate case. It said in the documents that the settlement allows it to collect restoration costs above the amount in a storm reserve and to replenish the reserve.

In the filings, FPL estimated restoration costs at \$316.8 million and said it is entitled to recover \$293.8 million of that amount from customers after adjustments related, at least in part, to an accounting methodology. A storm reserve of \$93.1 million would partially offset that total, leaving \$200.7 million to be recovered because of Matthew, according to the utility's proposal.

FPL also contends it is entitled to collect \$117.1 million to replenish the storm reserve. Coupled with some relatively small additions for issues such as interest, the combined total sought from customers would be \$318.5 million.

The formal request was filed on Dec. 29, but there was no posting on the PSC's website on Tuesday stating when the commission plans to consider the request.

Northeastern counties served by FPL — including Duval, St. Johns, Flagler, Volusia and Brevard — were hit hardest by the storm.

In South Florida, the tricounty region dodged a bullet when the storm stayed further west than initially forecast. Fewer than 150,000 of the 1.2 million outages in the state occurred in Palm Beach, Broward and Miami-Dade counties, where hurricane-force winds never materialized, the Miami Herald reported.

What that means, of course, is heavily populated South Florida is being asked to pay a disproportionate share of FPL's recovery costs for a storm that barely grazed the region.

Asked why customers in the hardest-hit areas aren't paying greater shares of those costs, an FPL spokesman said the utility is no different than others across the nation in distributing "investments and costs associated with delivering reliable electric service" among all of its customers.

"Southeast Florida was fortunate it did not bear the brunt of Hurricane Matthew, which primarily impacted north and central Florida," McDermitt said. "However, there have been numerous times in the past when hurricanes hit South Florida, and FPL customers throughout our service area helped pay for the storm recovery costs."

J.R. Kelly, who represents ratepayers as the state-appointed Office of Public Counsel, said he hasn't seen FPL's rate request and couldn't comment on it.

But storm recovery fees have typically been passed onto customers in the past, he said. Because costs were so heavy following the infamous 2004-2005 hurricane seasons, the state legislature approved letting utilities finance recovery of their costs through a long-term bond that was spread out among ratepayers over multiple years, he said.

And impacted customers would never be expected to pay proportionate recovery costs, he said, or situations would be created in which low-income communities would be burdened with bills to replace, for example, blown transformers.

"It's spread out over everybody. that's the fair thing to do," he said.

The News Service of Florida contributed to this story.

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FPL Asks for Rate Hike to Cover Costs from Hurricane Matthew

By CATHERINE WELCH • JAN 4, 2017

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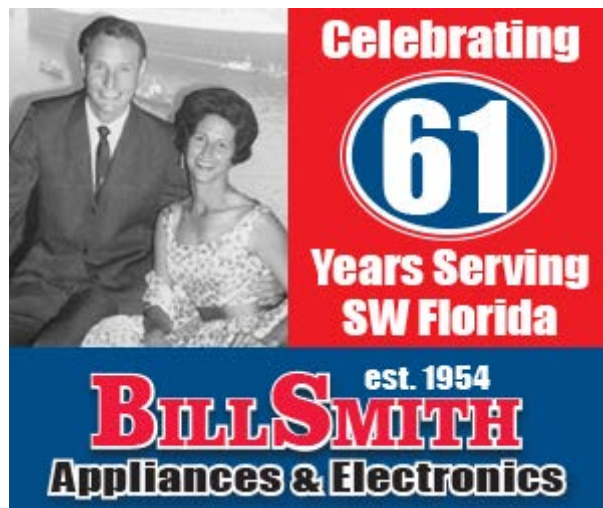
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Florida Power and Light is asking the state for a temporary rate hike to recover costs from Hurricane Matthew. FPL says in the wake of the storm it deployed thousands of employees and contract workers, and replaced more than 250 miles of wire, 900 transformers and 400 poles. To cover those costs, it's asking the state Public Service Commission to allow a temporary charge that adds up to \$3.36 a month for the average residential customer.

"We understand that there's no good time for customers to pay an additional charge on the electric bill," said FPL spokesman Dave McDermitt. "But Hurricane Matthew was a large and very powerful storm that caused power outages to 1.2 million of our customers."

FPL says it will divide the \$318 million collected between covering costs and replenishing its storm reserve.

If approved the charge will start March 1st and appear on electric bills for twelve months.

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FPL seeks \$318 million for Hurricane Matthew costs, storm reserve



Susan Salisbury

Updated January 4, 2017 | Filed in [AARP](#), [Florida Power & Light](#), [Florida Power & Light Co.](#), [Florida Public Service Commission](#), [FPL](#), [FPL base rate increase](#), [FPL rate increase](#), [Hurricane Hermine](#), [Hurricane Matthew](#), [Hurricane Matthew power outages](#), [Uncategorized](#).



FPL storm headquarters in West Palm Beach tracked Hurricane Matthew.

The biggest chunk of Florida Power & Light Co.'s \$811 million rate increase started in January, as the typical customer's bill rose by \$7.21 a month. Now another \$3.36 a month increase is expected to show up beginning in March.

That's because FPL, headquartered in Juno Beach, is seeking to raise its customers bills to recoup \$318.5 million for power restoration and replenishing its storm reserve fund following Hurricane Matthew. The storm grazed Florida's east coast in October, with gusts exceeding 100 miles an hour in some spots.

The company said in filings with the Florida Public Service Commission that under a 2012 settlement agreement that expired Dec. 31, it has the right to collect money from customers for hurricane-related costs, including the storm

reserve.

If granted, the increase will result in a typical customer bill jumping to \$102.77 from \$91.56 in December. Those amounts do not include franchise fees or local taxes, which vary. It's likely the PSC will take up the issue in February.

Under the 2012 agreement, storm charges cannot exceed \$4 per 1,000 kilowatt-hours of usage a month. The Matthew-related fees for FPL's 4.8 million customer accounts will continue through February 2018.

"Obviously, Hurricane Matthew was a large and powerful storm that affected major portions of our service area and severely damaged the electric grid in some areas, particularly northern and central Florida. It knocked out power to about 1.2 million customers," FPL spokesman Dave McDermitt said Wednesday.

"Our prompt response, which included approximately 14,600 restoration workers, really was the most effective in FPL history and helped us restore service to 99 percent of our customers within two days following the storm," McDermitt said.

"We had to replace 250 miles of power lines, 900 transformers and 400 utility poles," McDermitt said.

AARP and other intervenors fought against FPL's proposed rate increase of \$1.3 billion that the company had sought last year. Ultimately, FPL reached a settlement agreement between FPL and three groups representing customers. That base rate hike includes \$400 million this year, \$211 million in 2018 and \$200 million in 2019.

AARP opposed that settlement, and has expressed concerns about the impact of the bigger bills on fixed-income seniors.

Wednesday, Jack McRay, AARP Florida Advocacy Manager, said, "AARP Florida is concerned about the impact that this new rate increase would have on Florida residential ratepayers. Given the new makeup of the Florida Legislature, we are exploring our options for addressing utilities regulation in 2017."

Storm reserve funds were used to pay for damage from Hurricane Hermine in September, and by the time Matthew hit in early October, the fund was down to \$93 million. FPL is allowed to bring it back to \$117 million.

FPL has been collecting a storm charge since 2007 to pay for the costs of previous major storms, particularly those in 2004 and 2005, McDermitt said. The last bond payment to finance those repairs is scheduled for August 2019.

Since 2009, FPL has not been permitted to collect money from customers in advance for future storm costs.

“This allowed base rates to be somewhat lower, but customers will now pay for Hurricane Matthew recovery costs,” McDermitt said.

In the last decade, FPL has spent roughly \$2 billion on storm hardening costs, including strengthening 600 main power lines, placing 450 main power lines underground and clearing vegetation from more than 135,000 miles of power lines. In addition, 1.4 million poles have been inspected and upgraded or replaced as needed.

Storm-hardened feeder lines performed more than 30 percent better during Matthew than those that weren't, McDermitt said. Smart grid technology helped avoid more than 118,000 service interruptions. No hardened distribution feeder pole or transmission structure failed.

Florida's last major storms until Hermine and Matthew were 11 years ago, but restoration costs were fairly comparable, McDermitt said.

FPL spent more than \$906 million on restoration following the 2005 hurricanes, with \$721 million due to Hurricane Wilma in October 2005. That storm left 98 percent of FPL customers without power.

While Florida was spared the worst of Matthew, the damage to FPL's 35-county territory was substantial.

“The most striking difference was the recovery time,” McDermitt said. We had work crews that started in South Florida and then hopscotched up the coast. It hugged the coast the whole way up.”

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FPL customers could see higher energy bills in 2017

Jacob Rodriguez, WTLV 8:44 PM. EST January 04, 2017



Customers of Florida Power and Light should keep an eye on their energy bills come March: the power company is looking to increase costs for a year to recoup the considerable losses the company suffered during Hurricane Matthew.

FPL is looking to make up \$318.5 million and will pass the costs on to their large customer base in the form of a \$3.36 surcharge for every 1000 kilowatts an hour. Per an FPL spokesperson, an average customers uses 1000 kW/hr in a month.

The company says Matthew caused considerable damage to their power grid throughout North and Central Florida. In a petition filed to the Florida Public Service Commission, FPL says they're still repairing the damage to their grid almost 2 months after the storm.

FPL says 1.2 million customers lost power and all but 475 had their service restored within 4 days.

"The temporary 12-month storm recovery surcharge will begin in March 2017," says Principal Communication Specialist for Florida Power and Light David McDermitt. "Fortunately, FPL's typical customer bills - even with the temporary hurricane recovery surcharge - will continue to be among the lowest in Florida and in the nation."

FPL put in a request for the surcharge to be approved by the Florida Public Service Commission. The surcharge has not been approved as of this writing.

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