

Antonia Hover

From: Cindy Muir
Sent: Monday, October 29, 2018 11:59 AM
To: Adam Teitzman
Cc: Janet Brunson; Bev DeMello
Subject: FW: Dockets 20170235 and 2017p236: correspondence from the public

Hi Adam:

This letter came in today as a pdf for the FPL/Vero docket. I've acknowledged receiving the letter and told Ms. Larkin that evidentiary record has been closed, but I would include this customer letter in the docket file. At any rate, Janet is having a problem e-filing it because it is a pdf. Not sure how to proceed to make sure it's filed. So sorry, but can you assist?

Thanks,
Cindy

From: Lynne Larkin [<mailto:lynnelarkin@bellsouth.net>]
Sent: Monday, October 29, 2018 10:17 AM
To: Cindy Muir
Subject: Dockets 20170235 and 2017p236: correspondence from the public

Dear Ms. Muir,

A Vero utility customer asked me to forward his correspondence to your for the record. Thank you assisting him in making this part of the Dockets notes.

Lynne A. Larkin
Counsel for CAIRC
5690 Hwy A1A, Unit 101
Vero Beach, FL 32963
772-234-5565

Ms. Cynthia Muir
Consumer Affairs and Outreach
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Miles Conway, Ph.D.
2340 South Highway A1A
Vero Beach, Florida 32963.
September 5, 2018.

Re: Request for full, transparent disclosure of FPL acquisition information of Vero Beach Electric:

Dear Ms. Muir:

The undersigned has been a resident, property owner and a practicing Economist and Econometrician in South Florida and the Treasure Coast for the last 40 years and counting.

During this period I have been a residential and commercial customer of Florida Power and Light (FPL) in Miami, Fort Lauderdale and Boca Raton for twenty of the forty years and a City of Vero Beach Utility (COVB) customer for the remaining twenty years and counting. As a result of this tenure I have been uniquely positioned to observe and experience the business and service practices of both electrical suppliers.

In particular, I have experienced the pre and post hurricane service provision of FPL after Hurricanes David and Andrew and of the COVB after Hurricanes Charlie, Frances, Jeanne, Wilma and Irma and also during periods of non-natural disaster outages.

The observed responses of the two suppliers could not be more stark. FPL's responses are best described as incompetent, protracted, arrogant and deleterious to the welfare of its customers. In contrast the COVB's response has always been professional, prompt, pro-active and considerate of the welfare and safety of its customers.

In addition the rate-increasing practices of FPL post natural disaster and poor asset acquisitions has also been observed and noted and is characterized by its customers always "*picking up the tab*" in the short, medium and long term. In short whatever poor management and investment decisions it makes in the immediate and short term is redeemed by customer rate increase revenue in the medium and long term.

It is in the light of these observed unethical, monopolistic practices the request for information heretofore **not disclosed by FPL, COVB, Indian River County (IRC) or any other involved party** in the FPL *de facto* hostile takeover of COVB electric operations is made.

Specifically the information that has heretofore not been disclosed by any party is as follows:

- (1) How much will FPL be increasing its rates to former COVB customers to recoup the *circa* \$115m premium it is paying to take over the COVB electric utility;
- (2) How quickly will these rate increases be levied? Will they be increased in the quarter after the takeover or will they be applied in multiple tranches after the takeover;

- (3) If so what will the number of increases be and what will be the time period between each increase;
- (4) Will Indian River County continue to penalize unincorporated IRC customers with a 6% "IRC Franchise Fee" – said fee assessed for no service provided whatsoever;
- (5) If so will IRC be also increasing this fee to recoup the expenditures it has made in overtly supporting the takeover of the COVB electric;
- (6) What will the increases amount to and when will they be increased;
- (7) What other heretofore non-disclosed rates and fee increases can unincorporated IRC former COVB customers expect?

I hope the PSC will appreciate none of the aforementioned information has been provided to date by FPL or any other party supporting the takeover and there may be many more questions asked by other former customers and civic organizations who are lodging complaints related to *de facto in camera* deliberations far from the public eye.

I thus support the efforts and petitions of any other fellow customers and civic organizations that are also in the figurative and literal dark as to the *ex post facto* consequences of this above market value takeover.

To sensitize the PSC to the impact the lack of transparency to date will cause, a few facts and figures may be in order.

In the 20 years I have been a COVB customer I have paid no less than **\$160,466.73** in electric, water, IRC Franchise fee (for no value or service provided) and taxes. As shown below my peak season monthly charges range from \$1,795 to \$1,076 per month.

The consequences of the rates and fee increases that FPL and IRC are going to levy to recoup the monies they will have expended in the takeover of the COVB electric need to be publicly disclosed prior to the takeover so that individual former customers and non-profit civic organizations such as the Civic Association of Indian River County can properly educate Indian River County customers of the approaching FPL Trojan Horse and the amount of extra charges they will have to budget for in future years.

Lastly and related to the **non-disclosure** of information, I have reviewed some of the **disclosed** financial filings made by FPL with the Commission.

From the perspective and professional analytical standards of a long tenure practicing Econometrician the forecast data provided is highly questionable and subject to large forecast variances that will exacerbate the levels of additional funds former COVB customers will have to budget to pay their FPL bills in the future.

Yours Sincerely,

Miles Conway, Ph.D.



**CITY OF VERO BEACH
UTILITIES**

PO Box 1389 - Vero Beach, FL 32961-1389
Telephone: (772) 978-5100
Fax: (772) 978-5125
Hours: 8:30 AM - 5:00 PM, Monday - Friday

| | |
|-------------------|--------------------|
| CUSTOMER NAME: | MILES V CONWAY |
| SERVICE LOCATION: | 2340 S HIGHWAY A1A |
| ACCOUNT NUMBER: | [REDACTED] |
| DUE DATE: | 9/4/2018 |

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See reverse side for additional information and definition of important terms

| BILLING DATE | BILLING PERIOD | DAYS THIS BILLING |
|--------------|----------------------|-------------------|
| 8/13/2018 | 7/10/2018 - 8/8/2018 | 30 |

| SERVICE | METER READINGS | USAGE | ERUs | AMOUNT DUE |
|---|----------------|----------|------|------------|
| Electric Service - Meter E045094 | 94002 | 7000 KWH | | \$ 488.23 |
| Electric Service - Purchased Power | | | | \$ 479.64 |
| Water Service - Meter W041600 | 62 | 6 KGAL | | \$ 13.86 |
| Water Service - Billing Charge - Water | | | | \$ 1.29 |
| Water Service - Equalization Charge | | | | \$ 1.37 |
| Water Service - Service Availability Charge | | | 1 | \$ 7.76 |
| IRC Franchise Fee | | | | \$ 59.53 |
| Gross Receipts Tax | | | | \$ 24.82 |

00102 2123965379281 0001502 0003143 140000

| | |
|-------------------------|--------------|
| Total Current Charges | \$ 1,076.50 |
| Previous Balance | \$1,795.44 |
| Credits and Adjustments | (\$13.36) |
| Payments | (\$1,782.08) |

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TOTAL AMOUNT DUE \$1,076.50