

Antonia Hover

From: Adam Teitzman <ATEITZMA@psc.state.fl.us>
Sent: Friday, January 07, 2022 3:15 PM
To: Hong Wang <HWang@PSC.STATE.FL.US>
Subject: Chairman's Letter in response to Document No. 00103-2022

Please place the attached letter in the correspondence file for Docket No. 20220000-OT as "CORRESPONDENCE-Consumers & Representatives."

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STATE OF FLORIDA

ANDREW G. FAY
CHAIRMAN



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Public Service Commission

January 6, 2022

Dear Representatives Eskamani, Smith, McCurdy, and Nixon,

On behalf of the Florida Public Service Commission, I would like to thank you for your letter dated January 5th, 2022. I was elected Chairman of the Florida Public Service Commission on November 2, 2021 and have since begun my term at the start of this year.

At the FPSC, our mission is to ensure the provision of safe and reliable utility services at fair prices and, consistent with this mantra, I want to offer the Commission's categorical assurances as to the concerns expressed in your letter regarding certain expenditures of Florida Power and Light (FPL).

On March 12, 2021, FPL petitioned the FPSC for approval to increase rates. FPL submitted the minimum filing requirements and financial schedules required by the FPSC to facilitate the review of FPL's proposal. As a matter of course for any rate case filed with the PSC, PSC staff is required to conduct various audits of the books and records of the subject Investor-Owned Utility (IOU). These audits are precisely focused on the heart of your concerns--to detect any use of ratepayer funds that do not reasonably relate to the provision of service by a regulated utility company in Florida. The Commission has a long-standing prohibition on the inclusion of lobbying and other expenses, which have been determined to bring no benefit to ratepayers, among the expenses to be recovered through rates charged to the public for service.

Based on these long-standing fundamental practices of the PSC, I can reassure you that the appropriate auditing function was conducted during the Commission's consideration of the most recent FPL rate case. The audit produced no evidence that Florida Power and Light used, or was intending to use, ratepayer funds for the private benefit of the company's lobbying, campaigning, and or marketing affairs.

Your concerns are not taken lightly by my office or the Public Service Commission. At the FPSC, it is our duty to maintain transparency and credibility throughout the process of conducting a rate case in the public interest. In fact, one of the benefits afforded to private organizations and ratepayers through the Office of Public Counsel, is the ability to intervene and publicly comment before and during any rate case filed at the FPSC. Additionally, intervening

parties are also authorized to participate in the litigation of a rate case or settlement agreement, should they opt to do so.

With respect to your request for an “in-depth and thorough audit of FPL’s expenditures,” the Public Service Commission has closely analyzed the expenditures which are the subject of your concerns in the most recent rate case. It determined that Florida Power and Light’s audited expenditures have not resulted in the improper use of ratepayer funds for any prohibited purpose, including any political activity or lobbying. The FPSC will continue its practice of ensuring that expenditures are closely scrutinized for the benefit and protection of Florida’s ratepayers.

Thank you for your service to the residents and utility customer of Florida. If you require further information or have further questions, please do not hesitate to contact me. As a legislative agency, we welcome every opportunity to help our elected officials better understand the work and processes of the Commission.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew Giles Fay". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Andrew Giles Fay
Chairman