

# ORIGINAL

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

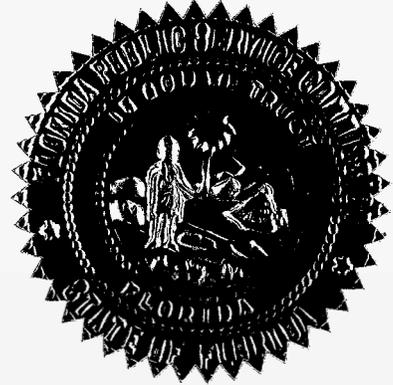
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

DOCKET NO. 041291-EI

In the Matter of:

PETITION FOR AUTHORITY TO RECOVER  
PRUDENTLY INCURRED STORM RESTORATION  
COSTS RELATED TO 2004 STORM SEASON  
THAT EXCEED STORM RESERVE BALANCE,  
BY FLORIDA POWER & LIGHT COMPANY,

---



PROCEEDINGS: DAYTONA BEACH SERVICE HEARING

BEFORE: CHAIRMAN BRAULIO L BAEZ  
COMMISSIONER J. TERRY DEASON  
COMMISSIONER RUDOLPH "RUDY" BRADLEY  
COMMISSIONER CHARLES M. DAVIDSON

DATE: APRIL 11, 2005

TIME: COMMENCED AT 4:10 P.M.  
CONCLUDED AT 6:25 P.M.

PLACE: CITY COMMISSION CHAMBERS  
CITY HALL  
301 S. RIDGEWOOD AVENUE  
DAYTONA BEACH, FLORIDA

STENOGRAPHICALLY REPORTED BY: NANCY A. GEWAND,  
REGISTERED PROFESSIONAL REPORTER  
COURT REPORTER AND NOTARY PUBLIC

1 PARTICIPATING:

2           PATRICK BRYAN, ESQUIRE, 700 Universe  
3 Boulevard, Juno Beach, Florida, 33408-0420,  
4 appearing on behalf of Florida Power & Light Company.

5           KENNETH A. HOFFMAN, ESQUIRE, Rutledge,  
6 Ecenia, Purnell & Hoffman, 215 South Monroe Street,  
7 Tallahassee, Florida 32301, appearing on behalf of  
8 Florida Power & Light Company.

9           HAROLD MCLEAN, ESQUIRE, and JOE MCGLOTHLIN,  
10 ESQUIRE, Office of Public Counsel, c/o The Florida  
11 Legislature, 111 West Madison Street, Room 812, Tallahassee,  
12 Florida 32399-1400, appearing on behalf of the Office of  
13 Public Counsel.

14           KATHERINE FLEMING, ESQUIRE, FPSC General  
15 Counsel's Office, 2540 Shumard Oak Boulevard,  
16 Tallahassee, Florida, 32399-0850, appearing on behalf  
17 of the Florida Public Service Commission Staff.

18

19

20

21

22

23

24

25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

I N D E X

PRESENTATIONS BY:	PAGE NO.
KATHERINE FLEMING	9
PATRICK M. BRYAN	15
GEISHA WILLIAMS	17
HAROLD MCLEAN	25
DAYTONA BEACH COMMISSIONER DWAYNE TAYLOR	89
WITNESSES	
NAME:	PAGE NO.
FRANK BRUNO	36
GAIL CAMPUTARO	40
DAVID DILL	42
JIM LEITZEN	45
FRED MILLER	47
DILYS HARRIS	49
MICHAEL MORGAN	50
TONY WELCH	53
SKIP IRBY	56
JOHNNYE GRIGGS	57
KEVIN KILIAN	59
KEVIN KINION	60
RICK FRASER	64
PETER McCARTHY	68
PEGGY FARMER	71
JOHN MALIFRONTE	74

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

WITNESSES (continued)

NAME:	PAGE NO
BRAD GILES, DAVID EMERY, RICK CONNERLY	76
JAMES RYAN	89
TY BERDEAUX	97
GARY LIBBY	100
HARDY SMITH	104
JOHN J. NICHOLSON	106
REPORTER'S CERTIFICATE	113

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

EXHIBITS

NUMBER: ID. ADMTD.

(No exhibits identified.)

## 1 PROCEEDINGS

2 CHAIRMAN BAEZ: Good afternoon. Call the  
3 Service Hearing to order.

4 Counsel, will you read the notice.

5 MS. FLEMING: Pursuant to notice issued by  
6 the clerk of the Commission on March 16th, 2005,  
7 this time and place has been set for the purpose  
8 of conducting a Customer Service Hearing in Docket  
9 Number 041291-EI.

10 CHAIRMAN BAEZ: Thank you, Ms. Fleming.

11 Once again, good afternoon. And thank you  
12 for being here. I want to welcome you all to this  
13 Customer Service Hearing.

14 As you heard counsel read the notice, we are  
15 here to take customer testimony regarding the  
16 Florida Power & Light dockets concerning cost  
17 recovery of hurricane expenses.

18 My name is Braulio Baez. I am the Chairman  
19 of the Public Service Commission. And I have --  
20 three of my four colleagues are with us here  
21 today. To my left, Commissioner Rudy Bradley; to  
22 my immediate right, Commissioner Terry Deason; and  
23 to my far right, Commissioner Charles Davidson.

24 As I said, this customer hearing is to take  
25 testimony from, as the name implies obviously, the

1 customers. It's one of those fortunate  
2 opportunities that we and the Commission have to  
3 actually go abroad and take direct testimony from  
4 customers in the impacted areas. I don't have to  
5 tell you what the hurricane season of 2004 brought  
6 out. And we have tried to make every effort to go  
7 around the state, certainly around Florida Power &  
8 Light's territory, in particular in this case, to  
9 the areas that were most impacted.

10 And we do appreciate you being here, taking  
11 time out of your busy days to give us some of your  
12 input on our consideration of this petition.

13 This is, as counsel will describe to you a  
14 little later, this is part of our hearing process.  
15 Now what that means is that those of you that have  
16 signed up to speak today are actually going to be  
17 giving testimony to the Commission, or before the  
18 Commission. That means we're going to swear you  
19 in at the appropriate time.

20 Now for those of you that may have signed up,  
21 may not wish to give sworn testimony to the  
22 Commission, there are alternative ways to make  
23 your comments and your thoughts known to us. As  
24 you were walking in, you saw some tables with  
25 materials. You received a green handout entitled

"Special Report." It contains summaries of the case. Mr. McNaulty's holding one up, I don't have one up here, I'm sorry. That brochure has on the back page a space for you all where you all can enter written comments if that's the way you wish to proceed.

In addition, the PSC also has a web site. You can get the web address from any one of the PSC staffers that you see scattered around the hearing room and just outside. And you can log on to our web site and enter your comments directly to us electronically. You can also fax them or mail them as well. They'll be entered on the correspondence side of the file and they'll be available for the commissioners to access and read as they educate themselves on the issues at hand.

What we're going to do today, we're going to start the hearing up. We're going to have brief presentations, first from staff, as I mentioned earlier. The staff will be describing what the dockets are about, what the process from here on out is after the customer hearing. And probably give you some important dates in terms of when we're scheduled to render a decision on it, when the hearing dates are and so forth.

1           We're also going to hear from -- we're also  
2 going to have a brief presentation from the  
3 company, in which they'll describe in their words  
4 what their petition or what they're seeking, what  
5 kind of relief they're seeking from the  
6 Commission.

7           We will also have, I suspect, comments from  
8 Public Counsel's office, who's represented here  
9 today.

10           And I'm not seeing any of the other parties  
11 to the docket, so if they'll reveal themselves to  
12 us, the parties will have an opportunity to give  
13 opening comments.

14           Then we'll go ahead and swear the customers  
15 that are here ready to give testimony. We'll  
16 swear them in and we'll take them up one at a  
17 time. So, hopefully, we'll have maybe 20, 25  
18 minutes of presentation before we start taking  
19 testimony. And I beg your indulgence to that  
20 because I think it will be very informative for  
21 you all.

22           Ms. Fleming, if I haven't missed anything, we  
23 might be ready for your presentation.

24           MS. FLEMING: Thank you.

25           As you know we are here today to take

1 testimony of FPL's customers concerning the  
2 company's request to recover storm restoration  
3 costs in excess of its storm reserve.

4 Some of you might wonder what is a storm  
5 reserve. Each of the large investor-owned  
6 electric utilities in Florida, including FPL's are  
7 required to set aside a certain amount of their  
8 revenues each year to cover the cost of storm  
9 damages.

10 Currently FPL is incurring 20.3 million a  
11 year to its storm reserve. After Hurricane Andrew  
12 hit in 1992, traditional insurance for  
13 transmission and distribution facilities became  
14 unaffordable and they no longer provided adequate  
15 coverage.

16 So in 1993, the Commission approved the use  
17 of storm reserves to provide what is referred to  
18 as the self-insured mechanism. In the event that  
19 the utility storm reserve exceeds the amount  
20 that's in -- the storm damages exceed the amount  
21 that's in the storm reserve, FPL may request a  
22 relief from the Commission.

23 Which brings us to FPL's current petition.  
24 FPL has asked the PSC to approve a surcharge that  
25 will allow it to recover a surcharge to recover

1 storm damage costs related to the 2004 hurricane  
2 season.

3 The purpose of the surcharge would be to  
4 recover FPL's 2004 storm damage costs that are in  
5 excess of the amount contained in the storm  
6 reserve.

7 This slide provides a breakdown of the costs  
8 associated with the 2004 hurricane costs.

9 First, FPL determined that the total costs  
10 were \$998 million. Of that amount, FPL subtracted  
11 108 million in insurance proceeds related to its  
12 power plant. Then subtracted \$354 million that it  
13 had accrued over time in its storm reserve. Then  
14 finally they subtracted \$3 million which  
15 represents portions of these costs that are not  
16 related that are providing retail service.

17 So as you can see by this slide, FPL is  
18 requesting a recovery of \$533 million.

19 In January, the Commission authorized FPL to  
20 begin applying its proposed surcharge on a  
21 preliminary basis. These amounts that are  
22 collected through the surcharge are subject to  
23 refunds pending the commission's final decision in  
24 this docket.

25 This surcharge resulted in increase of \$2.09

1 in a monthly bill for a residential customer using  
2 one thousand kilowatt hours per month. For  
3 example, if you use more than a thousand kilowatt  
4 hours per month, your bill will be higher; if you  
5 use less, obviously your bill will be lower. FPL  
6 has proposed that the surcharge remain in effect  
7 for a three-year period of time.

8 Now to just briefly talk about the Commission  
9 hearing process for those of you that are not  
10 familiar with our process. The process started  
11 with FPL filing its petition for relief.

12 After the petition is filed, Commission staff  
13 and parties began to conduct discovery related to  
14 the petition. Service hearings have been  
15 scheduled, such as this one, and a technical  
16 hearing will take place that's currently scheduled  
17 starting April 20th in Tallahassee.

18 The purpose of the Customer Service Hearing  
19 today is to hear from the customers of FPL. We're  
20 interested in getting your testimony concerning  
21 the company's request for their petition, as well  
22 as the company's efforts in restoring electric  
23 service after the hurricanes.

24 The companies and the intervenors will have  
25 an opportunity to present their case, their sworn

1 testimony and evidence in the technical hearing in  
2 Tallahassee.

3 Because this hearing is much like a court  
4 proceeding, as the Chairman stated earlier, you  
5 will be asked to be sworn in as a witness, and, if  
6 you wish to testify, so that your comments can  
7 become part of the hearing record.

8 At the technical hearing, the parties will  
9 put forth their own witnesses and cross-examine  
10 the other parties. Once the hearing is completed,  
11 the parties will be responsible for filing legal  
12 briefs, which is the summary of the evidence as to  
13 how they see it and how they believe the  
14 Commission should rule based on the evidence on  
15 the record.

16 After legal briefs have been filed, the  
17 Commission staff will prepare a recommendation and  
18 present a recommendation to the commissioners  
19 based on the evidence presented at the hearing.

20 The Commission will consider the  
21 recommendation at a public meeting, then make a  
22 final vote which is currently scheduled for July  
23 5th, 2005.

24 This slide just talks briefly about other  
25 hurricane activities that are taking place at the

1 Commission. The first topic addressed is  
2 Underground Power Line Study. The Commission  
3 recently conducted a study of what it would cost  
4 Florida utilities to move overhead facilities  
5 underground. The results of that study were  
6 provided to the legislature at the beginning of  
7 this year's legislative session.

8 The second area involved tree trimming. The  
9 Commission routinely monitored the tree trimming  
10 practices of the utilities and each utility is  
11 required to file an annual Distribution  
12 Reliability Report. That report provides  
13 statistics concerning power outages and their  
14 causes, discusses vegetation management and  
15 customer complaints concerning outages.

16 In addition to the review of these annual  
17 reports, the Commission has initiated a quality of  
18 service audit for all investor-owned electric  
19 utilities in Florida. This audit is designed to  
20 take a comprehensive look at current utility  
21 management practices, affected service reliability  
22 and quality of service.

23 Finally, as some of you may know, FPL  
24 recently sought an application for a general rate  
25 increase. However, this service hearing today is

1 related only to FPL's request to recover storm  
2 restoration costs. Separate service hearings will  
3 be scheduled to discuss FPL's request for a  
4 general rate increase.

5 Chairman Baez, that concludes the  
6 presentation.

7 CHAIRMAN BAEZ: Thank you, Ms. Fleming.

8 And now I would like the attorneys for the  
9 parties to come up and you guys can go ahead and  
10 enter your appearances simultaneously, give your  
11 opening remarks.

12 MR. BRYAN: Do you have a preference  
13 (indicating) --

14 CHAIRMAN BAEZ: I don't have a preference,  
15 but I think it's actually turned around. I don't  
16 know if you want to give opening statements to  
17 those who are in attendance, but maybe that one  
18 will take care of both.

19 MR. BRYAN: Thank you, Mr. Chairman,  
20 Commissioners, staff.

21 My name is Patrick Brian, counsel appearing  
22 on behalf of Florida Power & Light Company.

23 Would also like to enter an appearance on  
24 behalf of Mr. Kenneth Hoffman, who is also an  
25 attorney representing FPL.

1           As the Chairman mentioned, we do have a short  
2 presentation which will be given in a moment by  
3 Geisha Williams, FPL's Vice-President of  
4 Distribution.

5           But I first wanted to mention for the benefit  
6 of any customers who are here today that we have  
7 several customer service representatives available  
8 for our customers who might have issues, questions  
9 or concerns with their specific electric accounts  
10 or their service. Our customer service  
11 representatives are located out this side door and  
12 they have, I believe, light blue shirts with FPL  
13 logo on them. And they do have on-line terminals  
14 so they can access account information immediately  
15 and hopefully address and resolve any questions or  
16 issues on the spot today.

17           If for any reason we are unable to  
18 immediately address the issues or answer the  
19 questions, we will make every effort to do so  
20 within 24 hours. We will respond to our customers  
21 and report the results back to you, the  
22 Commission.

23           I also wanted to mention that we have Ms.  
24 Marlene Santos, FPL's Vice-President of Customer  
25 Service here today to personally assist in and

1 participate and oversee the efforts of our  
2 customer service staff to assist our customers.

3 So unless there are questions of me, at this  
4 time I will introduce Geisha Williams.

5 MS. WILLIAMS: Thank you, Patrick.

6 Mr. Chairman, members of the Commission, PSC  
7 staff, ladies and gentlemen, good afternoon. My  
8 name is Geisha Williams and I'm Vice-President of  
9 Distribution for Florida Power & Light Company.

10 I am responsible for the infrastructure that  
11 delivers electricity to homes and businesses  
12 around service territories here at FPL. One of my  
13 key responsibilities is restoration of power after  
14 hurricanes.

15 I want to thank the Commission for allowing  
16 us to speak to you all of you today about our  
17 restoration efforts in the unprecedented 2004  
18 hurricane season. And I want to especially thank  
19 our customers, public officials and any members of  
20 the Emergency Management team that could be here  
21 today. We appreciate you being here.

22 At each of these hearings we are grateful for  
23 the customers' input that we're receiving because  
24 it's an important part of our learning process.  
25 At FPL we have a culture of continuous improvement

1 and your feedback during these proceedings will be  
2 an important part of helping us become even better  
3 at our restoration efforts.

4 Today I'm going to be providing you an  
5 update, if you will, or an overview of three  
6 areas. First, our commitment to reliability;  
7 second, our unprecedented restoration efforts last  
8 year; third, and I think most importantly, how  
9 we're planning for the future. Because we know  
10 that there's going to be a next time and we also  
11 know that we can do even better for the  
12 communities that we serve.

13 FPL has a strong and reliable power delivery  
14 system because we know how important reliability  
15 is to our customers, to their families and to the  
16 communities at large. We're so committed to  
17 reliability that over the last five years we have  
18 invested approximately four billion dollars to  
19 enhance service reliability.

20 Last year four major hurricanes hit Florida  
21 within a period of six weeks, and three of them  
22 hit directly in our own service territory. In the  
23 last hundred years nothing like this has happened  
24 anywhere in America. Now even though mother  
25 nature can be unpredictable, it is our

responsibility to be prepared in every way. We  
2 need to be prepared operationally for these  
3 disasters, technologically and financially.

4 We put a lot of time and energy into this  
5 effort because as a matter of principle, getting  
6 the lights of our customers restored as quickly as  
7 possible is our top priority.

8 And to that end, our storm preparation begins  
9 long before hurricane season starts. Our  
10 employees have two jobs: Their normal jobs; as  
11 well as the job that they have during hurricane  
12 restoration. And they practice those jobs every  
13 year.

14 In last year's unprecedented restoration or  
15 storm season, FPL mobilized more field crews over  
16 a more concentrated time frame than any other  
17 electricity company in the history of  
18 electrification. We had nearly 17,000 workers  
19 assembled from 39 states and Canada all with one  
20 goal in mind, to restore power as quickly and as  
21 safely as possible. It was an effort of national  
22 and international teamwork like we have not seen  
23 since the tragedies of 9/11. We created, in  
24 essence, a small army all with one focus, to  
25 restore the power to our customers as quickly as

1 possible.

2 We had thousands of downed poles, hundreds of  
3 miles of down conductor. We had literally half a  
4 million splices of wires that had to be spliced  
5 together to get the infrastructures back in shape.  
6 Some of the repairs were conducted in very  
7 difficult conditions. Some in water that was  
8 waist deep. Through it all, our focus on our  
9 customers never wavered. Even when our own  
10 families were impacted, our employees, even those  
11 with homes were damaged and even those with homes  
12 that were destroyed came to work because they had  
13 the same commitment to our customers that all of  
14 us do. That was, we needed to get our customers  
15 back on line. Our goal has always been to get the  
16 lights back on as quickly as possible for as many  
17 people as possible. We understand this is an  
18 important part of bringing communities back to  
19 normalcy.

20 Now speed does come at a price. Nearly 80  
21 percent of the cost of the restoration process is  
22 labor or labor related. Our nearly 17,000 workers  
23 had to be paid. Most of our crews worked 16 hour  
24 days every day during the restoration process.  
25 Our workers had to be feed. So, on average, we

1 delivered 38,000 meals daily and 20,000 gallons of  
2 water. Our workers also had to be housed.  
3 Thousands needed hotel rooms, even though many,  
4 and I'm talking many, slept in their trucks or  
5 tents, particularly in the early parts of the  
6 restoration effort.

7 It was a huge commitment and manpower and  
8 resources, costing hundreds of millions of  
9 dollars. But it was worth it. Nearly 75 percent  
10 of our customers had their power restored in three  
11 days or less, and 90 percent in five days or less.

12 An issue that was brought to light during  
13 last year's hurricanes is how we go about  
14 restoring power to what we call "essential  
15 functions of a community," hospitals, police and  
16 fire and other emergency facilities that are  
17 critical to the public's infrastructure. The  
18 health and safety of the community get our top  
19 priority.

20 But our process is flexible. So we are very  
21 responsive to the specific and changing needs of  
22 the communities. For example, many of the  
23 communities that we serve have a large elderly  
24 population. So we're working very closely with  
25 Emergency Operation Centers to ensure that we're

1 in alignment in terms of restoration priority and  
2 to help our customers, including nursing homes, to  
3 be better prepared for this year's storm season.

4 In addition for planning for today, we have a  
5 responsibility to plan for the future. And that's  
6 why our storm reserve fund was created many years  
7 ago.

8 Had Hurricane Charley been the only hurricane  
9 last year, the storm reserve fund which we have  
10 built over many years would have been more than  
11 enough to cover the specific costs. It would have  
12 done exactly what it was set up to do. But with  
13 three back-to-back hurricanes hitting us in a six-  
14 week period so close together, the amount that we  
15 needed for hurricane restoration totaled almost a  
16 billion dollars, using up our reserve fund and  
17 leaving us with a deficit of \$533 million. As a  
18 result, we are seeking a temporary surcharge of  
19 roughly eight cents a day per household. And we  
20 believe that is a fair request.

21 Now, you will hear from others today about  
22 certain accounting issues and who should pay for  
23 the storm cost. Let me assure you that we are  
24 only seeking the recovery of the direct costs of  
25 storm restoration, exactly as the PSC prescribed

1 nearly ten years ago.

2 It's also, the least cost approach for  
3 recovery storm restoration costs. And all of  
4 these costs that will be recovered will be applied  
5 directly back to the storm reserve fund to  
6 eliminate the deficit and enable us to begin  
7 rebuilding it should disaster strike again when we  
8 need to put it back into the reserve fund.

9 Having an adequate reserve fund will enable  
10 the company to be able to continue to restore  
11 quick service as quickly as possible.

12 As you heard today, the Commission with its  
13 regulatory oversight in these matters will make  
14 the final determination after the technical  
15 hearings which will occur later in the month.

16 But, meanwhile, we are getting ready for the  
17 2005 hurricane season, which is less than two  
18 months away, and it's awfully hard to believe.  
19 And we have already begun our pre-storm planning.  
20 Let me be specific.

21 First, we're continuing to upgrade the  
22 logistics and the support structures needed to  
23 ensure rapid restoration. We are checking  
24 inventories of supplies, securing agreements for  
25 housing, for food, for transportation.

1           Second, we are enhancing our computer,  
2           telecommunications and satellite systems to  
3           improve our ability to communicate during such  
4           disasters.

5           Third, we are expanding and re-examining our  
6           mutual aid agreements with the utilities to help  
7           us in order to bring even more people into Florida  
8           even faster.

9           Fourth, we're continuing to collaborate with  
10          our local and state Emergency Operation Centers to  
11          ensure that our restoration priorities are lined  
12          up.

13          Fifth, and perhaps most important of all,  
14          we're continuing to enhance our effort to provide  
15          more information in a more timely manner to our  
16          customers during the restoration process.

17          And, finally, we will soon stage our annual  
18          full mock hurricane drill, which we call the dry  
19          run. We have been refining this process for  
20          decades and every year it gets better and better.  
21          All of this pre-storm planning is essential in  
22          helping us to restore power as quickly as possible  
23          and being able to deliver information to our  
24          customers which they so desperately need as  
25          quickly as possible as well.

1           In closing, I would like to applaud the  
2 performance of our local government and our  
3 emergency officials during last year's hurricane,  
4 unbelievable hurricanes. It's never easy being on  
5 the front line when disaster strikes. And I think  
6 everyone in this community did an outstanding job.

7           We all wish hurricanes would not come. But  
8 this is Florida, and it's beyond our ability to  
9 stop them. Our job is to respond quickly and  
10 safety to restore power to our customers in the  
11 least amount of time. We will make the necessary  
12 investments, apply state-of-the-art technology and  
13 continue to build on what we've already learned.

14           Most importantly, we will continue to listen  
15 to the communities we serve and understand what  
16 their expectations of us are. We will always  
17 strive to do more and to do it better because we  
18 know you're counting on us. And working together  
19 in partnership with our communities, Florida will  
20 have a new and stronger future.

21           Thank you.

22           CHAIRMAN BAEZ: Thank you, Ms. Williams.

23           Mr. McLean.

24           MR. MCLEAN: It's a pleasure to be in your  
25 community this afternoon, particularly without the

1           roar of half a million motorcycles where I  
2           generally find myself when I come to this city.

3           Good afternoon. My name is Harold McLean,  
4           Office of Public Counsel. I'm here with Joe  
5           McGlothlin and we represent the citizens of the  
6           state of Florida in this case.

7           I would like to give you all a bit of the big  
8           picture. Florida Power & Light is a firm which  
9           provides essential service, arguably the life  
10          blood of our economy. And they do so as a  
11          monopoly.

12          Back in 1951, our legislature saw fit to  
13          establish pervasive regulation over this company  
14          because a monopoly provider can get whatever price  
15          they choose to get. So our legislative determined  
16          that this company should be pervasively regulated.  
17          And for that reason, the company cannot change its  
18          rates without asking the permission of this agency  
19          just here to approve any rate change. And that  
20          includes the surcharge that they would like to  
21          charge in this case. That's the big picture.

22          Let me tell you how I fit into that process.  
23          In my office, back in the early '70s, as the  
24          business of state agencies became more and more  
25          court-like because of the Administrative

1 Procedures Act and other things they do in  
2 Tallahassee, the legislature looked at this  
3 process and they saw the judges up front and they  
4 saw the utility over on one side of the room and  
5 there was no one on the other side. So what they  
6 did was they established the Office of Public  
7 Counsel. It is the responsibility of the Office  
8 of Public Counsel to represent customers of  
9 monopoly providers of service, such as Florida  
10 Power & Light, not to defeat their interest, but  
11 to criticize constructively what the company  
12 brings to the Commission to change their rates.

13 Back in 1977, Commissioner Shreve (phonetic),  
14 hiding back there in the corner, took that task  
15 and taught us all how to do it for the better part  
16 of 26 years. And I'm his successor.

17 So, I appear before the Commission, and will  
18 in the technical hearing that you were told about,  
19 to advance our theory of this case. That's what I  
20 do here.

21 Now, let me tell you a little bit about what  
22 this case is not really about. I want to tell  
23 everybody in this room, the four commissioners  
24 assembled, and the fifth commissioner when she  
25 reads the record that the people that I represent

1 and my office believe that Florida Power & Light  
2 did a good job. They did a herculean job.

3 They restored power rapidly and fairly to all  
4 but a handful of cases. You know you can't please  
5 all of the folks all of the time. And I wouldn't  
6 put that task on Florida Power & Light. But they  
7 did a good job. They got there and they got the  
8 power back on. That's not what this case is  
9 about.

10 Unfortunately it comes time sooner or later  
11 to pay the piper. And that's what this case is  
12 about. This case is about who pays and how much  
13 they pay.

14 Florida Power & Light you've heard had a  
15 storm reserve. That's a very prudent thing to do.  
16 Storm reserve is accumulated because folks just  
17 like all of you pay a little bit on your bill  
18 every month and Florida Power & Light accumulates  
19 that storm reserve. That was a good size storm  
20 reserve, but it wasn't enough.

21 Now we do not fault Florida Power & Light  
22 because that storm reserve was not enough. It  
23 wouldn't make sense to keep a storm reserve large  
24 enough to make up for the kind of hits that  
25 Florida took in this past hurricane season. So

1 that's not what this case is about either.

2 There is another thing this case is not  
3 about. This case is not about next time. Because  
4 this case as you'll see, if this case is -- at the  
5 conclusion of this case, Florida Power & Light's  
6 reserve should go to zero. We're trying to get  
7 back up to zero for the 2004 case. So it isn't  
8 really whether they did a good job, they did a  
9 good job. They should do a good job, okay.

10 Number two, it's not about the storm reserve,  
11 it's simply a matter of getting the storm reserve  
12 back up to zero.

13 So, what are we arguing about here?

14 I'm going to tell you three arguments that  
15 we're going to make to the Florida Public Service  
16 Commission because we believe \$533 is too much,  
17 too much for two principal reasons and a third  
18 which is a little more oblique than that.

19 When we take this position, and we will  
20 adduce evidence to prove to the Commission that  
21 this is the case. That in many, many instances  
22 the base rates that you folks pay and the people  
23 that you represent paid to Florida Power & Light  
24 already went to storm restoration.

25 Let me give you an example. Let's imagine a

1 Florida Power & Light lineman out' on the job  
2 operating his truck, doing what he or she is  
3 suppose to do and they work, let's say, 70 hours,  
4 a lot of overtime. Seventy hours three weeks in a  
5 row. We are going to adduce evidence and show  
6 this Commission that we already paid. That you  
7 folks when you paid your rates in your base rates,  
8 already paid them that 40 hours a week, maybe 46.  
9 So we don't owe them for 70 hours, we owe them for  
10 24 hours, if my arithmetic is right. We already  
11 paid them to be out there. They're paid to do  
12 that in their ordinary job.

13 When a fireman comes to put out a fire, they  
14 don't charge a specific charge for putting out the  
15 fire because you already paid their salary. You  
16 already paid their capital costs.

17 The first element of our case will be that we  
18 already paid for a good bit of it, okay.

19 The second part of our case, I want to  
20 illustrate by example. And you'll have to  
21 exercise your imaginations along with me. I would  
22 like you to imagine that me, poor Harold, is out  
23 on the side of the road with a vegetable stand, a  
24 tomato stand, selling watermelons, selling  
25 souvenirs, selling anything to people who are

1           wanting to stop by. Okay. And from that  
2           enterprise, I derive my income. And customers  
3           take away tomatoes, vegetables, okra, whatever  
4           they want. Okay.

5                     And I want you to imagine further that a  
6           storm comes along, takes off my roof, takes off  
7           the wall, puts me out of business. What's the  
8           first thing I got to do? Build it back.

9                     Now, I'd really like you to focus on this  
10          question. For whose benefit am I building it  
11          back? For whose benefit do I build my fruit stand  
12          back?

13                    Let me suggest to you that the genius of the  
14          free enterprise system, that the genius of western  
15          capitalists, that the action of the invisible hand  
16          that Adam Smith told us about once upon a time  
17          demands this answer. I build my stand back for my  
18          benefit and for my customers' benefit. We both  
19          benefit.

20                    Economics is not a zero sum game. We both  
21          walk away better off. I get an income to send my  
22          kids to college, they get tomatoes. What a deal.

23                    Whose benefit did I build it back for? My  
24          benefit and my customers' benefit.

25                    By the way, I'm going to build it back just

1 as fast as I can because those sorority dues come  
2 all of the time. Got to build it back fast, got  
3 to build it back good, just as quick as I can.

4 Let me tell you about the third element of my  
5 case and then I want return to a couple of those.

6 We believe, and we believe Florida Power &  
7 Light's numbers show, and I might add that we  
8 don't think it's through any fault of theirs or  
9 ours or anyone else, that they have a large  
10 surplus in their depreciation fund, 1.2 billion  
11 dollars. Okay.

12 We are going to urge this Commission that  
13 irrespective of what size pot of money Florida  
14 Power & Light should get from new customers, that  
15 they should look first to that pot. They should  
16 look first to that pot to pay their storm costs.

17 Now I'm not going to say too much more about  
18 that last theory because it is an answer which the  
19 numbers filed in the case will tell us the correct  
20 result. But I want to appeal to your intuition.  
21 Let me tell you specifically who I want to appeal  
22 to.

23 Many of you are community leaders, some  
24 elected, some appointed. Some are law  
25 enforcement. And you're about to get up and tell

1 this Commission, as well as you should, that  
2 Florida Power & Light did a fine job during the  
3 restoration.

4 Let me remind you, we agree with that. We  
5 think they did a fine job, too.

6 But when you come up here, look to your  
7 intuition, look to your sense of logic, look to  
8 your sense of fairness and tell the Commission  
9 this. Now let me say as an aside, none of you can  
10 say with certainty that Florida Power & Light may  
11 have already been paid for some of the services  
12 they performed. Those of us with access to the  
13 minimum filing requirements, the mechanics of the  
14 case can say that. But I would like you to  
15 consider, thinking about this hypothetically, if,  
16 if they're already paid, if they've already  
17 collected the money for some of this, should they  
18 collect it again? Okay.

19 Two, when you come up to testify, and as I  
20 said many of you are elected community leaders,  
21 many of you come from chambers of commerce, many  
22 of you come from ordinary citizens, and many of us  
23 in our final analysis are ordinary citizens who  
24 sit down at the breakfast table in the morning to  
25 write the check, sit down at the computer and hit

1 the buttons and send Florida Power & Light a  
2 check.

3 When you come up here to represent those  
4 people and speak to this Commission, will you  
5 please, on behalf of the people that I represent,  
6 will you please tell the Commission two things.  
7 Number one, if they're already paid, if customers  
8 already paid, if Florida Power & Light has already  
9 been paid, should they be paid again?

10 I want to suggest to you that any measure of  
11 intuition or sense of decency will tell you no.

12 And, number two, should the proprietors of  
13 this firm, this Florida Power & Light did a  
14 wonderful job, should those proprietors just like  
15 Harold when I rebuilt my stand, should they not  
16 share the expense of the recovery? It's their  
17 business, it's their economy, it's your  
18 electricity. Doesn't simple logic suggest to you  
19 that the proprietors and the customers that were  
20 beneficiaries and the customers and the  
21 proprietors should share this load?

22 I have the right to ask each of you questions  
23 as you come up to testify, but I don't want to do  
24 that.

25 Please, on behalf of the people that I

1 represent, would you mention those things, two  
2 things to the customers? If they were paid  
3 already, should they be paid again? Should they  
4 not share? Should any proprietor share? Isn't  
5 that the risk they take on when they operate a  
6 firm in this beautiful state?

7 You have been a great audience. Thank you  
8 very much for your attention.

9 CHAIRMAN BAEZ: Thank you Mr. McLean.

10 At this point we're going to start taking  
11 testimony, so all of those that signed up to speak  
12 before the Commission today, would you please  
13 stand up and raise your right hand?

14 (All witnesses duly sworn.)

15 CHAIRMAN BAEZ: Thank you. You may sit down.

16 Before we get started, I did want to enter a  
17 special acknowledgment to Commissioner Dwayne  
18 Taylor. I know that he intended on being here  
19 today but was unavoidable detained. I did want to  
20 extend our appreciation on behalf of the  
21 Commission for the city's hospitality in letting  
22 us use their facilities.

23 First I want to call up County Chairman Frank  
24 Bruno.

25 Mr. Chairman, thank you as well for having --

1 for hosting us.

2 MR. BRUNO: Thank you, Mr. Chairman.

3 And welcome to Daytona Beach, Volusia County,  
4 Florida, Commissioners.

5 On behalf of the County Council, I'm really  
6 honored to be here. As was already outlined, we  
7 went through three catastrophic hurricanes,  
8 Charley, Frances and Jeanne in a short period of  
9 time.

10 Along with me is Jim Ryan, our Emergency  
11 Operations Manager for Volusia County. And I'm  
12 sure that he will be testifying in just a couple  
13 of minutes.

14 Also, I just want to acknowledge the fact and  
15 thank you for allowing me to speak first, because  
16 I have a joint meeting of the County Council in  
17 City of Edgewater which starts at 5 o'clock, which  
18 I'm going to be a little late for. But I wanted  
19 to make sure that I was here to compliment Florida  
20 Power & Light, Bob Coleman and the very  
21 responsible staff of Florida Power & Light for all  
22 of the hard work that they did.

23 And also thank Florida Power & Light for all  
24 of the extra crews that came in from all over the  
25 United States and Canada to assist us here in

1 Volusia County.

2 I'm especially close to the people of Volusia  
3 County that have special needs, and I can tell you  
4 that with individual telephone calls to Bob  
5 Coleman on his cell line, as well as using the  
6 regular phone system to get through, they came to  
7 support folks, especially folks that were on  
8 oxygen and needed the electric to be turned on as  
9 soon as possible. I can't thank him and his staff  
10 for all of the hard work that they did.

11 I do support any legislation that would put  
12 power lines underground. I think that, you know,  
13 with what we saw during Hurricane Charley when  
14 that storm ripped through, it took down a lot of  
15 trees in Volusia County. And with the trees came  
16 the power lines coming down. So I do support  
17 that. Any tree trimming monitoring and all of  
18 that I support.

19 I support giving Florida Power & Light the  
20 storm restoration costs that they're requesting.  
21 And there is no free ride. And we're willing to  
22 support Florida Power & Light. They've been a  
23 great partner with Volusia County government.

24 And I thank you very much. And I apologize  
25 for having to leave.

1           CHAIRMAN BAEZ: Not at all. Thank you, Mr.  
2 Chairman, for coming in.

          Any quick questions for the Chairman?

          Thank you very much.

5           MR. MCLEAN: Mr. Chairman, I have a question.  
6 May I approach?

7           CHAIRMAN BAEZ: Yes. Go ahead, sir.

8           MR. MCLEAN: Can you hear me, Ms. Court  
9 Reporter.

10          THE COURT REPORTER: Yes.

11          MR. MCLEAN: Good.

12                 Yes, sir. I asked if you would speak to the  
13 issue of, if you would accept hypothetically, only  
14 hypothetically, if Florida Power & Light has  
15 already recovered some of this, would you support  
16 their recovery twice?

17          MR. BRUNO: If they received part of it?

18          MR. MCLEAN: Yes, sir.

19          MR. BRUNO: I believe that they're entitled  
20 to any out-of-pocket expenses.

21          MR. MCLEAN: Yes, sir. Do you believe that  
22 Florida Power & Light, the owners of Florida Power  
23 & Light should share in this effort in any way.

24          MR. BRUNO: I think that they do on a regular  
25 basis by providing the services here to our

1 citizens of Volusia County.

2 MR. MCLEAN: They're paid for that; am I  
3 right?

4 MR. BRUNO: Yes, they are.

5 MR. MCLEAN: Do you think they should share  
6 in any measure beyond that?

7 MR. BRUNO: The hurricane -- I said in my  
8 comments to the Commissioners that I believe that  
9 they are entitled to storm restoration costs.

10 MR. MCLEAN: Yes, sir. And you would be  
11 saying then that they should not share; do I have  
12 that correct?

13 MR. BRUNO: I'm going to leave that up to the  
14 Commission.

15 MR. MCLEAN: Yes, sir. That's precisely  
16 where it lies.

17 But you have appeared under oath as a witness  
18 and I was wondering if you could tell them whether  
19 or not you support the notion that the powers of  
20 this firm should pay some of the damages that they  
21 incurred?

22 MR. BRUNO: Mr. Chairman, Commissioners, I'm  
23 going to have to leave. And I gave my testimony  
24 and I'm comfortable with that testimony.

25 CHAIRMAN BAEZ: Thank you, Mr. Chairman.

1 MR. BRUNO: Thank you.

2 CHAIRMAN BAEZ: Next we have Gail Camputaro.

3 MS. CAMPUTARO: Mr. Chair, members of the  
4 Commission, my name is Gail Camputaro, I'm the  
5 Executive Director of the Council on Aging of  
6 Volusia County. We provide a multitude of  
7 services to senior citizens, including the popular  
8 Meals on Wheels program.

9 We're here to commend Florida Power & Light  
10 for their restoration efforts. We had a direct  
11 line of communication from Miami to our agency to  
12 assist those seniors that were found by FPL  
13 employees to be in distress situations in the  
14 community.

15 These people were not necessarily our  
16 clients. And we were able to get our system up  
17 and running because we did not lose electric at  
18 our office, fortunately. So 90 percent of our  
19 agency was up and operating. And we were able to  
20 get them food and water. The Meals on Wheels  
21 program, believe it or not, was able to continue.

22 In addition to that, in the aftermath we were  
23 able to work with Mr. Coleman to come out and  
24 speak and clarify to the community why some things  
25 didn't work a certain way. And one example for

1 seniors, we would get a call and somebody would  
2 say, "Well, Mrs. Smith has her electric next door  
3 but I still don't have it." And I even became  
4 educated about the grid systems that we have out  
5 there.

6 He was able to come and speak to a group we  
7 have organized of all of the senior leadership of  
8 various organizations in our community: AARP,  
9 retired teachers, et cetera. The group that comes  
10 together quarterly represents about 8,000 of  
11 seniors. And he did address that group so they  
12 could carry the information back to their various  
13 chapters, as well as invite him to attend their  
14 meeting.

15 And I think this is very important because  
16 from everything negative we can learn something  
17 positive. And it can hopefully help us with that  
18 next negative experience.

19 We also are part of an organization known as  
20 the Volusia/Flagler Aging Services Network. It is  
21 comprised of a group of people that are from the  
22 public, private and not-for-profit section that  
23 provides services to seniors in our community:  
24 Law enforcement, state attorney's office, attorney  
25 general's office, nursing homes, home health care

1 agencies and our agency. And Mr. Coleman also  
2 came and spoke to those groups, many of whom were  
3 affected with the electricity and the length of  
4 time that it was on and off.

5 He also, in addition, spoke to our Rotary  
6 Club. And that may not sound as significant as  
7 the other items I mentioned, but we have 180  
8 members and I think any time there's an  
9 opportunity to get out and explain why things  
10 happened a certain way and how our community can  
11 come together in the future to do a better job, I  
12 think it's significant. So we certainly commend  
13 him for his -- FPL for their efforts and  
14 Mr. Coleman's efforts afterwards to come out and  
15 assist and address some of the issues of the  
16 senior population.

17 CHAIRMAN BAEZ: Questions of the witness?

18 Thank you, Ms. Camputaro.

19 MS. CAMPUTARO: Thank you very much.

20 CHAIRMAN BAEZ: David Dill.

21 MR. DILL: Thank you. I'd like to -- of  
22 course, Chairman, Counsel, Commission.

23 I would like to talk briefly about -- I  
24 represent Coronado Paint Company. We're a  
25 manufacturer of paint products. We have

1 approximately 150 employees.

2 And one of our sites, we're split down the  
3 middle with an old county road. And on one side  
4 of the street we're fed by a feeder that allows us  
5 to produce and get recognition immediately if  
6 there is a problem. On the other side of the  
7 street, we have our computer system that treats  
8 three other states, their distribution centers  
9 throughout Maryland, Texas and Chicago. So that  
10 particular side of the street is being fed by a  
11 residential feeder.

12 And working with Florida Power throughout the  
13 storms, production side was up, our people were  
14 allowed to work, produce what they're suppose to  
15 produce and get paid every week.

16 On the other side, we had to move the AS 400  
17 over, which didn't like that move very well. But  
18 we got to do it on three times and set up a  
19 temporary station that fed everybody else, so  
20 everybody operates. Because when we're down,  
21 three other distribution centers are down as well.

22 And we worked together with Florida Power  
23 since that time to prepare us for this upcoming  
24 season. We've moved the power supply from the  
25 west side of the street so that we get recognition

1 right away and we don't experience that down time.  
2 If we're down, we're down; if we're not down,  
3 we're not down.

4 So we appreciate their effort. We know  
5 you'll make the right decisions. If there is a  
6 surcharge, we'd rather there not be, but if there  
7 is to supplement their income and get them back to  
8 zero, then we support that. If not, then we  
9 support that as well.

10 But we have done a very good job, they've  
11 done a very good job. And you can't say enough  
12 about the performance that they did during those  
13 three hurricanes. It was phenomenal.

14 CHAIRMAN BAEZ: Mr. Dill, briefly. You  
15 described some adjustments that the company helped  
16 you make?

17 MR. DILL: Yes, sir.

18 CHAIRMAN BAEZ: Are those permanent  
19 adjustments?

20 MR. DILL: Yes, they are. Yes, they are.

21 CHAIRMAN BAEZ: So now both sides of the  
22 street are on the same feeder now?

23 MR. DILL: As we constructed on the -- as we  
24 expanded over the years and we constructed -- we  
25 actually constructed in a residential, previously

1 residential area.

2 CHAIRMAN BAEZ: Right.

3 MR. DILL: And it was supported by a  
4 residential feed, which was no knowledge to us, we  
5 didn't know that there was a difference, nor them.  
6 And we worked it out together now to where we  
7 get -- when we're up as quickly as possible, it's  
8 important to all of us.

9 CHAIRMAN BAEZ: Questions of the witness,  
10 Commissioners?

11 Thank you, sir.

12 MR. DILL: Thank you very much.

13 CHAIRMAN BAEZ: Jim Leizten.

14 Did I get that right, sir?

15 MR. LEITZEN: Yes. Thank you.

16 CHAIRMAN BAEZ: Thank you. We try.

17 MR. LEITZEN: Chairman, Commission.

18 This is a venue that I'm not usually used to,  
19 so I'm going to be brief and explain to you what I  
20 witnessed when I was there.

21 We have a facility on Bellevue Avenue  
22 directly behind the staging area from the  
23 racetrack. And every morning I'd witness what I  
24 would say a sea of trucks from everywhere in the  
25 country. It was kind of a unique experience. At

1 the same time I was watching military men pulling  
2 into 7-Eleven and everybody standing out of their  
3 way so they would stand in line first. And only  
4 second to the military was the people from out of  
5 state who were helping us restore our power.

6 Many times, including myself, I found people  
7 driving down the street, rolling down their  
8 windows saying "Thank you" to these gentleman  
9 "Where are you from?" It was a great -- it was a  
10 great thing to witness. Because in the time of  
11 the hurricane, everybody was a little bit uptight,  
12 a little bit nervous, a little bit frustrated with  
13 everything that was going on.

14 One comment I would like to make is that the  
15 first power that I saw go on was -- and by the  
16 way, I live at Indigo Lakes, which is close to the  
17 airport. One of the first power I saw to go on  
18 was up and down International Speedway, which is  
19 where all of the food services were available to  
20 everybody. And that was a great relief. Even  
21 though my power was out for three to four days, I  
22 thought it was good that there was a place to eat.  
23 So I was very proud of what I witnessed.

24 And I was very -- I would think that the  
25 small amount of money that they're asking for, I

1 think it was eight cents a day over the course of  
2 three years, regardless if it was paid for already  
3 or not, is a small price to pay. If anybody would  
4 have been there at that time, they would have paid  
5 anything to get that back. And I feel very strong  
6 that they should get that. I know it ultimately  
7 is your decision, but as a consumer I felt I  
8 needed to say that.

9 CHAIRMAN BAEZ: Thank you, Mr. Leitzen.

10 Questions of the witness?

11 Thank you for your comments. Thank you for  
12 coming.

13 Next we have Mr. Fred Miller.

14 MR. MILLER: Chairman Baez, Commissioners.

15 My name is Fred Miller, I'm Assistant  
16 Superintendent for Administrative Services with  
17 the Volusia District School System.

18 Why I am here today is to speak in the  
19 context of the three events that we had in our  
20 community. During those kind of events, the  
21 school district resources and facilities come  
22 under the direction of the county emergency  
23 management director. As such, the school district  
24 provided some 26 facilities for sheltering  
25 thousands of people, as well as completely

1 staffing these shelters with school district  
2 employees.

3 School district provided the food for the  
4 shelters, as well as the logistics and support for  
5 the shelters.

6 In my role, I have the distinct pleasure of  
7 staying out at the Emergency Operations Center for  
8 the duration of the activities. While it's not  
9 the most scenic place in the world, there is an  
10 awful lot of good camaraderie.

11 Not five feet away from me are power company  
12 representatives. And during the entire -- during  
13 all of the events, there was knowledgeable  
14 presence on the part of the Florida Power & Light  
15 people to give us the information we needed to  
16 transmit to our shelters. Many of our shelters do  
17 not have generators, so consequently some shelters  
18 have two and 300 people that are depending on that  
19 power. So we were able to get information 24  
20 hours a day from knowledgeable experts, from  
21 knowledgeable staff from Florida Power & Light,  
22 that we were able to adjust our operation  
23 priorities based on the information we got.

24 We got it in a timely fashion. We got it in  
25 a detailed fashion. There was never a question

1 that they wouldn't research immediately.

2 We had access to the upper echelon of Florida  
3 Power & Light by telephone when the cell phones  
4 worked. We found them in other ways.

5 Subsequent to the storms, they worked  
6 heroic -- as you well know, the first -- one of  
7 the first signs of the community returning to  
8 normal is the opening of schools. So the opening  
9 of schools and allowing our infrastructure to kick  
10 back in was very important we felt to the  
11 community. They made heroic efforts and  
12 consequently in a very short period of time we  
13 were able to open all of our schools at the same  
14 time.

15 So my purpose is to say that the  
16 communications and the response that we received  
17 from Florida Power & Light was exemplary.

18 Thank you.

19 CHAIRMAN BAEZ: Questions of Mr. Miller?

20 Mr. Miller, thank you for coming.

21 Dilys Harris.

22 MS. HARRIS: Thank you, gentlemen.

23 I'm here today representing my business,  
24 which is Seniors Today. And also I own a home in  
25 the Trails.

2           And during both of the storms -- actually,  
3           the three storms. In the second storm I lost  
4           power, I think, for nine days; the first storm, I  
5           think, for five days. And like everybody else in  
6           this room, I don't want to have to pay a lot more  
7           for energy, but I think Florida Power & Light  
8           deserves it. I think that they did a tremendous  
9           job. Every time I was out on the road there were  
10          trucks, FP & L trucks everywhere. The guys looked  
11          exhausted working.

12                 And when I finally did get power on, I think  
13                 it was 10:30 or 11 o'clock at night, we were all  
14                 sitting out on lawn chairs watching these guys  
15                 working and some of them had been out since six  
16                 o'clock in the morning. So I feel it's a very  
17                 small amount to pay to just know that I will  
18                 always be able to, you know, have power and have  
19                 the same service that we had. So I would just  
20                 like to say, I think they deserve it.

21                 Thank you.

22                 CHAIRMAN BAEZ: Questions of Ms. Harris?

23                 Ms. Harris, thank you.

24                 MS. HARRIS: Thank you.

25                 CHAIRMAN BAEZ: Michael Morgan.

                  MR. MORGAN: Good afternoon.

1           I'm Mike Morgan, I'm Manager of Facilities  
2           Operations for Halifax Medical Center in Daytona  
3           Beach.

4           I don't need to speak too much about the  
5           importance of electricity in health care, but I  
6           certainly want to talk about the recovery efforts  
7           and what it means to the hospital's ability to  
8           provide that health care.

9           The way we're set up, we have several layers  
10          of redundancy in our electric service. We have  
11          two separate feeders from two separate  
12          substations.

13          In case something happens to one of those  
14          feeders, we automatically switch to the second.  
15          Beyond that, we have emergency generators which  
16          provide power to the hospital.

17          They do not provide all of the power to the  
18          hospital. They provide power to the most critical  
19          areas, what the code requires for ingress, egress  
20          lighting and receptacles for patient care  
21          equipment.

22          We do have air conditioning systems in our  
23          levels -- our areas of highest acuity for patient  
24          care: Critical care areas, ORs. We do not have  
25          all of the air conditioning in the facility on

1 emergency power. That's why it's so vital for us  
2 to restore power as quickly as possible, for us to  
3 provide patient care.

4           During Charley we were without power for  
5 approximately four hours. It was a phenomenal  
6 feat to us to see that the power was restored that  
7 quickly and the fact that we lost both of our  
8 feeders and the entire grid. Because that was  
9 early morning hours and late evening, we were able  
10 to provide a level of comfort in the facility.  
11 But it is vital for us to get power back quickly.  
12 And the recovery effort that was done this year  
13 was just phenomenal in our viewpoint. We had very  
14 few outages for an extended period of time. I  
15 think they did a marvelous job. And the recovery  
16 effort directly impacts our ability to provide  
17 patient care in critical times like this.

18           And times after the hurricane has passed. We  
19 had a lot of patients come into the hospital who  
20 were hurt trying to put tarps on their roof or  
21 cutting tree limbs and things like that. And our  
22 off-site facilities were back up and running and  
23 were able to provide the care that those people  
24 provided. So it's very important to us.

25           And I trust the Commission will fund it as

1           they see fit.

2           CHAIRMAN BAEZ: Thank you, Mr. Morgan.

3           Questions of Mr. Morgan?

4           Thank you, sir.

5           Tony Welch.

6           MR. WELCH: Good afternoon.

7           I'm Tony Welch. I'm the previous owner and  
8           current general manager of WROD radio, AM 1340.  
9           And we were located at that time at the corner of  
10          Beach Street and Wilder Boulevard in a building  
11          that was the first hurricane proof building in  
12          Volusia County when it was built in 1947. It had  
13          pilings some seven feet deep into the ground. It  
14          was ten feet above sea level. There were  
15          originally some metal storm windows, which are  
16          long since gone, but it was a flat roof.

17          We survived all of those storms with no  
18          problems. The building stood up just like it was  
19          suppose to 50-some odd years later.

20          CHAIRMAN BAEZ: They don't make them like  
21          they used to.

22          MR. WELCH: I'm sorry?

23          CHAIRMAN BAEZ: They don't make them like  
24          they used to.

25          MR. WELCH: No, they don't.

1           We also have a 300-foot tower on the property  
2 which was designed to carry 150 mile-an-hour winds  
3 and you could watch it sway back and forth, but it  
4 sustained it all without any damage.

5           We were broadcasting weather news  
6 continuously during Hurricane Charley until about  
7 12:30 in the morning when we lost power. And this  
8 was a serious problem because without electricity  
9 a radio station doesn't go very far.

10           It's a more serious problem because our  
11 station serves the senior community. And we have  
12 been serving them for over 25 years. They listen  
13 to us and they depend on us. And when we're not  
14 there, it makes them very nervous.

15           Four days after the storm we received power  
16 again. In between those four days, I was in  
17 contact with FP & L. They explained how power was  
18 being restored. They explained what was going on.  
19 And the first day I understood, the second day I  
20 was less patient. On the third day I didn't care  
21 what their reasons were, I wanted electricity  
22 right now and got it on the fourth day.

23           The problem was about four and a half blocks  
24 away where trees had fallen on various pieces of  
25 equipment. When they were cleaned up and they

1           came back on, we were fine.

2           During the other hurricanes we suffered  
3           outage of an hour here, two and three hours there,  
4           overnight here and we don't have a generator. Or  
5           we didn't have a generator.

6           I can tell you we don't have to worry about  
7           these storms anymore because right after Charley  
8           we ordered a generator. And it arrived four days  
9           after the last storm. It is still in its crate  
10          and it's still waiting to be used. And since we  
11          have one, you can rest assured there won't be any  
12          more storms like that.

13          All I can tell you is that FP & L did  
14          everything possible to get crews to our location,  
15          they responded to our inquiries. Once we got back  
16          on the air, they gave us all of the information  
17          that we needed. And I was just delighted with the  
18          service that we received.

19          Did I want service quicker? Of course I did.  
20          I was like everybody else that understood the  
21          problem, but didn't care and wanted our power  
22          right now.

23          What could be done was done and for that I'm  
24          grateful. And I trust your wisdom to indicate  
25          what sort of increase is due them. All I can tell

1           you is that when I needed them, they gave me the  
2           information and they gave me the service I asked  
3           for.

4           Thank you.

5           CHAIRMAN BAEZ: Question of Mr. Welch?

6           Thank you, Mr. Welch.

7           Skip Irby.

8           MR. IRBY: Mr. Chairman, fellow  
9           Commissioners.

10           Skip Irby, Assistant Fire Chief, City of  
11           Ormond Beach. And I'm just here to speak to FPL  
12           and their response to the storms of 2004 from an  
13           emergency response agency standpoint.

14           And, you know, as we all know last year was  
15           unprecedented with Florida being hit with four  
16           hurricanes. But after each storm, FP & L was very  
17           responsive to the agencies here in Volusia County  
18           that I'm familiar with. And we had frequent  
19           telephone conferences with them and they were  
20           responsive in getting our critical facilities back  
21           up and operational so we can serve the public. So  
22           that was very helpful.

23           And I think what we need to support FPL,  
24           however necessary, to be sure that they are  
25           prepared for this year and the following years.

1           CHAIRMAN BAEZ: Questions of Chief Kirby?

2           I have one. Do you all engage in any  
3 co-training with Power & Light or -- I mean, how  
4 engaged are you all to each other in terms of  
5 preparation?

6           MR. IRBY: We have been in the past. I would  
7 say probably in the last year we haven't done any  
8 training with them, but we have in the past.

9           And I'm sure we're all learning from this  
10 last year. And, you know, each agency was taken  
11 by surprise that provide services, so everybody is  
12 working to prepare. And preparedness is the big  
13 key here. So for this next years and the years to  
14 come, Florida's -- all agencies are looking at  
15 being better prepared.

16          CHAIRMAN BAEZ: Thank you, Chief.

17          Johnnye Griggs.

18          MS. GRIGGS: Good afternoon.

19          I'm a retired school teacher and a part-time  
20 teacher at Embry Riddle University. And I'm  
21 speaking on behalf of a personal matter for me and  
22 my community.

23          I have a young granddaughter who is disabled  
24 and I have bronchitis. I have a grandson with  
25 asthma. We had real problems because my disabled

1           granddaughter could not be around a lot of people,  
2           so we had to get a hotel room.

3           And I called Florida Power & Light from the  
4           hotel and asked them could they help us, because  
5           we had been there two days.

6           On the third day, I got a call back. All the  
7           lights were on and everybody in the community,  
8           even the complex manager were so happy. And I  
9           felt so elated by Florida Power & Light, I am a  
10          special cook in my community, I cooked them about  
11          ten sweet potato pies. And I called them up. And  
12          of course Bob came. And he got the pies and one  
13          other guy came a second time.

14          So I think they should get whatever they need  
15          because my granddaughter could have died. And I'm  
16          very pleased with their service. So I vote for  
17          them 100 percent whatever they need.

18          CHAIRMAN BAEZ: Questions of Ms. Griggs?

19          You don't happen to have an extra pie on you?

20          MS. GRIGGS: No. I have one in my  
21          refrigerator, though.

22          CHAIRMAN BAEZ: Thank you, Ms. Griggs.

23          MS. GRIGGS: You're welcome.

24          CHAIRMAN BAEZ: Kevin Kilian.

25          MR. KINION: Kinion.

1 CHAIRMAN BAEZ: I'm sorry, did I --

2 MR. KINION: Kinion.

3 CHAIRMAN BAEZ: Kinion.

4 MR. KINION: Yes, that's right.

5 MR. KILIAN: Actually it was Kilian.

6 MR. KINION: Kevin Kilian?

7 MR. KILIAN: Yep.

8 CHAIRMAN BAEZ: I smell an arm wrestle.

9 MR. KILIAN: Hi. Mr. Chairman, members of  
10 the Commission.

11 My name is Kevin Kilian, I am Vice-President  
12 of Events and Communications with the Chamber of  
13 Commerce in Daytona Beach.

14 In that capacity I sit at the EOC during  
15 these events. I can tell you, like most of the  
16 other speakers have said, that FPL's reaction was  
17 very professional. There were always good at  
18 getting us information, even when they couldn't  
19 get things done. So we are very much in support  
20 of them.

21 I think that the surcharge is a way to  
22 equitably across the board take care of this  
23 disaster. So we are very much -- very much  
24 thankful for the work they did and hopeful that  
25 they won't have to duplicate it again.

1           So I'll be happy to answer any questions.

2           CHAIRMAN BAEZ: Thank you, Mr. Kilian.

3           Any questions?

4           MR. KILIAN: Thank you, sir.

5           CHAIRMAN BAEZ: Mr. Kinion, I just got your  
6 paperwork. Why don't you come up since we had a  
7 little mixup.

8           MR. KINION: I would have never guessed  
9 somebody in the same room their name sounds almost  
10 identical to mine.

11          CHAIRMAN BAEZ: What's a few letters between  
12 friends anymore.

13          Go ahead, sir.

14          MR. KINION: My name is Kevin Kinion, and I'm  
15 Vice-President and also an electrical engineer  
16 with KinTech Manufacturing.

17          I thought the service they did was great. I  
18 did notice a couple of flaws in the guy in the  
19 pink tie there, what is his name?

20          CHAIRMAN BAEZ: Mr. McLean.

21          MR. KINION: He's probably thinking right  
22 now, dang, who invited the engineer.

23          A couple of flaws in your argument. In the  
24 first argument you had said that, last time I  
25 checked, 24 minus 70 is 56 -- or 46, I mean. So

1 actually it's 30.

2 And the other thing was, that also assume  
3 that all of the employees were FPL employees. And  
4 a lot of the employees came from out of state. So  
5 it seems to me that they incurred a tremendous  
6 expense, you know, having to bring these, you  
7 know, employees from Georgia, Kentucky, Michigan,  
8 so forth, to come here.

9 The second -- there is a second flaw, too, in  
10 the second argument. And I can't remember -- what  
11 was that? What was the argument again, can you  
12 remind me?

13 MR. MCLEAN: Yes, I can.

14 Would you prefer a question or an argument?

15 MR. KINION: I prefer the question. What was  
16 the argument, you made the second point?

17 MR. MCLEAN: That the proprietors of this  
18 firm should share some of the cost of doing  
19 business.

20 MR. KINION: Right, right. The assumption  
21 there is that they are truly a free enterprise.  
22 Like my company, I can charge my customers  
23 anything I want as long as the market will bear  
24 it. But they can't because they are regulated by  
25 these guys. So they don't really -- they're not

1 really a free market enterprise.

2 MR. MCLEAN: I see. Let me let you continue.  
3 But I will have a question for you.

4 MR. KINION: So, anyway, those are two,  
5 unless I misunderstood the gentleman, those were  
6 my two comments.

7 On a personal note, one of the FPL employees  
8 is my scout master of a troop that I started at  
9 Covenant United Methodist church in Port Orange.  
10 And I know that we had to cover for him the entire  
11 time he was gone. And I know his family and so  
12 forth. And I know that they were working a  
13 tremendous amount of hours. And I did on occasion  
14 get a chance to talk to him on scout-related  
15 business. And I know that these guys went over  
16 and above. They did an outstanding job.

17 And whether or not they deserve this extra  
18 money, I don't know. All I know is that as a  
19 consumer, as a business owner and also as a  
20 homeowner in this community, that I need to be  
21 sure that we don't end up like in California, that  
22 I think California was a few years ago where they  
23 were having rolling blackouts. And a lot of it  
24 was because of state regulation on power and so  
25 forth. I don't want to see that happen in our

1 state.

2 I want to make sure that our utilities are  
3 covered in such a way that even if we have to pay  
4 a little extra money, that we do get service as  
5 rapidly as possible. I know FPL pulled out all of  
6 the stops. And I appreciated that. And we were  
7 out of power for a very short period of time. And  
8 I feel very fortunate for that. And I think that  
9 you should make the right decision based on that.

10 I know you had a question.

11 CHAIRMAN BAEZ: Mr. McLean, you had a  
12 question?

13 MR. MCLEAN: Yes, sir.

14 I didn't catch what business you're in.

15 MR. KINION: I'm an electrical engineer. I  
16 do design engineering for companies.

17 MR. MCLEAN: Did your business suffer any  
18 damage as a result of the storm?

19 MR. KINION: We took a lot of precautions and  
20 we were very fortunate. The only damages that we  
21 had had economic damages due to power outages,  
22 yes.

23 MR. MCLEAN: So you did suffer some damages?

24 MR. KINION: Minor -- no physical damage.

25 MR. MCLEAN: Just the loss of income?

MR. KINION: That's right.

MR. MCLEAN: Did anybody send you a check for that?

MR. KINION: No.

5 MR. MCLEAN: I think you may have  
6 misunderstood. The employees I was talking about  
7 are employees of the Florida Power & Light.

8 MR. KINION: And you have a good point. If  
9 just those employees, I agree, perhaps that part  
10 of it should be deducted out. But the part where  
11 they hired out-of-state employees to come in, I  
12 think it's only fair.

13 MR. MCLEAN: Are you in business for yourself  
or the benefit of your customers? Are you in  
business for the benefit of yourself or for the  
16 benefit of your customers or both?

17 MR. KINION: Well, it's actually both.

18 MR. MCLEAN: I think so.

19 Thank you, sir.

20 CHAIRMAN BAEZ: That you, Mr. Kinion.

21 Rick Fraser.

22 MR. FRASER: Good afternoon, Commissioners.

23 My name is Rick Fraser. I'm President of the  
24 Workforce Development Board of Flagler and Volusia  
25 County.

1           The Workforce Development Board is made up of  
2           about 36 business and community leaders whose task  
3           it is to provide recruitment and training  
4           services. It's a public workforce system for our  
5           residents who are looking for employment and also  
6           for our businesses who are looking to hire folks.

7           We operate One Stop Career Centers. And  
8           those One Stop Career Centers, as we found out in  
9           the fall of '04 were critical to our residents who  
10          not only had their personal lives turned upside  
11          down, but many of them had lost employment and  
12          were looking for ways that they could stay on  
13          their feet until they could get their jobs back.  
14          Our centers act as conduits, if you will, for the  
15          unemployment insurance compensation system within  
16          the state of Florida.

17          So we -- it was important for us to get our  
18          One Stop Career Centers opened and operational as  
19          quickly as possible. And it varied from storm to  
20          storm. Again, there were three storms that hit  
21          the area, but we had our One Stop Storm Career  
22          Centers opened up, I think the longest we were  
23          shut down because of electricity or lack thereof,  
24          was about four years. And we had -- our staff,  
25          employees were sitting outside the building, we

1 had makeshift tables trying to help as many folk  
2 as we could.

3 I think it's important, you've heard Bob  
4 Coleman's name a lot and he means an awful lot to  
5 this community. I called him after the storms and  
6 asked, inquired as to how the One Stop Centers  
7 might move up on the priority list of the grid  
8 system. I didn't want to get up there with  
9 hospitals and nursing homes, but I thought it was  
10 important that we get operational as quickly as  
11 possible so we could help those folks who were  
12 affected and lost employment.

13 And I thought Bob's answer to me was quite  
14 telling. The answer was, This is a community  
15 decision. I would be happy to get together with  
16 you and other members of this community to  
17 determine exactly what that priority list should  
18 look like.

19 And so he didn't promise me anything, he  
20 just -- except to say, let's get together and  
21 talk. And I think that's the way Florida Power &  
22 Light has operated in this community for a lot of  
23 years.

24 One of the things that my board, after a  
25 board meeting we had, it was back dated August

1           31st, it was only after the first hurricane, it  
2           was only after Charley, my board felt strongly  
3           enough about the work that Florida Power & Light  
4           had done. That we -- they had asked me to  
5           construct a letter to them and also to the  
6           emergency management office expressing our  
7           appreciation for what had happened and the  
8           restoration of power so quickly.

9           And I would just like to read for the record  
10          one paragraph of that letter. "As a result of the  
11          advanced preparation, collaboration and dedication  
12          of your teams, Volusia County was able to handle  
13          this disaster and return to normal operation with  
14          minimum inconvenience and tragedy."

15          And that's why I think it's important that  
16          this Commission consider this petition very  
17          carefully. Because I think preparedness is the  
18          key. None of us hope that we have to go through  
19          what we went through last fall. We would be happy  
20          with only one, if you can say that. But I think  
21          we need to make sure that financially we're in a  
22          position to be prepared and to deal with this kind  
23          of devastation as quickly as possible.

24          One of the things I think that helped us was  
25          that Florida Power & Light mobilized those troops

1 in advance of the storm. We all had some -- we  
2 all had a week or so of weather reports saying  
3 we're going to get hit. And Florida Power & Light  
4 did not wait for the storm to hit, they were  
5 bringing in resources, not only their own, but  
6 also from out of state. And they had them staged  
7 here ready to go once that storm rolled through.

8 So, again, I'll leave the financial end up to  
9 the Commission, that's what they pay you the big  
10 bucks for, I guess. But I trust that you're going  
11 to do the right thing. I think you're hearing  
12 today that we in this community think that we'd  
13 much rather have Florida Power & Light prepared  
14 and ready to deal with this in the future.

15 Thank you.

16 CHAIRMAN BAEZ: Questions of Mr. Fraser?

17 Thank you, sir.

18 Next we have Mr. Steve Eckman. Eckman?

19 MR. ECKMAN: Checked not to speak.

20 CHAIRMAN BAEZ: You did indeed leave a blank,  
21 sir. I apologize.

22 Peter McCarthy.

23 MR. MCCARTHY: Thank you.

24 My name is Peter McCarthy. I'm the  
25 Vice-President for Administrative Services at

1           Daytona Beach Community College. We serve over  
2           35,000 students a year throughout Volusia and  
3           Flagler Counties. And this past year has been a  
4           tough one for us.

5           By about August 11th or 12th, right before  
6           the first hurricane, our enrollment was up 5  
7           percent. Subsequent to Hurricane Charley hitting  
8           and thereafter, we're now down like 2 or 3  
9           percent. And our budget is -- we are significant  
10          in our budget and revenue.

11          That said, Florida Power & Light really, I  
12          think, stood tall for us when we needed to. We  
13          were down probably a total of four or five days.  
14          And each day that the college doesn't meet, not  
15          only do we have to make it up by state  
16          regulations, but in a community college, a lot of  
17          single parents and an average age of 27-years-old,  
18          people just tend to leave. The longer they're out  
19          of class, they tend to just leave and not come  
20          back or maybe in a future date, a future year.

21          We communicated and FPL constantly was in  
22          touch with us. People like Bob Coleman and Phil  
23          Tornelli and Lee Weaver have just been fantastic  
24          in keeping us going.

25          We were fortunate enough that our Daytona

1 Beach campus, part of it is on the hospital grid,  
2 so that kept us open on that side. But we're an  
3 all or nothing proposition. The entire college  
4 has to be open. We can't open a few buildings for  
5 a few classes. And FPL, as I said, stayed in  
6 constant contact with us and they really came to  
7 our rescue. We were down about five days, which  
8 was fabulous.

9 And even though we are running behind right  
10 now in budget, that we lost a bunch of students,  
11 the damage could have been a lot worse, had they  
12 not stepped up to the plate like they did. So  
13 while we are funded by the state and we need every  
14 dollar we can get, nonetheless if FPL needs some  
15 additional revenue to make up what they lost  
16 during the storms, we support that one hundred  
17 percent.

18 They're a partner with us in this community.  
19 And they stood tall when we needed them to, and we  
20 will support them.

21 I thank you for your time.

22 CHAIRMAN BAEZ: Question of Mr. McCarthy?

23 Thank you, sir.

24 MR. MCCARTHY: Thank you.

25

1           CHAIRMAN BAEZ: Ms. Peggy Farmer.

2           MS. FARMER: Good afternoon.

3           Peggy Farmer, the Director of the Ormond  
4 Beach Chamber of Commerce. We want to thank you  
5 so very much for coming to this community. I know  
6 we were just one of the communities throughout the  
7 state that witnessed what we did, but more  
8 importantly what our power company did.

9           Florida Power & Light basically had a  
10 community here that was totally powerless. And it  
11 was amazing to hear the report that was, within a  
12 week, we were all up and running again. And our  
13 board at the Ormond Beach Chamber was so thankful  
14 for the business community that they not only had  
15 me write to our local Florida Power & Light, but  
16 also to seek the companies from all over the  
17 nation that did come to Ormond Beach to help. And  
18 we sent a letter signed by all 18 of our board  
19 members, thank you from every other state that  
20 came to help us.

21           And we did have one particular incident that  
22 happened that I was privy to knowing the details  
23 that I would like to share with you. It was about  
24 a week, it was that critical period where everyone  
25 was really losing patience with the second storm.

1           And then about a week after the storm we had one  
2           particular shopping center, which is our largest  
3           shopping center, half of it was still without  
4           power. That half did have a Publix super store  
5           and it did have a thousand homes right behind it  
6           that were also still without most of their power.  
7           It was an isolated area, a pocket.

8                     And the management of the shopping center  
9           called me at the Chamber and said, it's a  
10          complicated situation, it was a large tree on the  
11          7-Eleven property next to the shopping center  
12          which had closed down, which they couldn't reach  
13          the corporate offices in a timely manner to start  
14          working on getting the huge tree removed from the  
15          power area of that shopping center.

16                    So out of desperation, the management went  
17          ahead and contracted with a private company to  
18          come and try to get that tree removed from the  
19          lines. When the tree company came out, of course  
20          it was complicated with the danger of the power,  
21          they called me trying to get emergency help just  
22          to get Florida Power & Light to come in and turn  
23          the power off so that this private company could  
24          remove the tree.

25                    It wasn't possible within the one-hour window

1 that the private company gave us to get Florida  
2 Power & Light there. So naturally there was  
3 absolute despair with a shopping center one week  
4 without power.

5 But I just wanted to tell you, witnessing  
6 this firsthand because I live near that shopping  
7 center, by the end of the afternoon, Florida Power  
8 & Light was out there, assessed the situation.  
9 The tree was so large it did require a crane to  
10 take it off.

11 Meanwhile, Publix was losing all of their  
12 perishable items and so they made a decision to  
13 sever the major trunk lines and then let the tree  
14 fall, re-splice them. And by midnight that night,  
15 with them working through that whole period, they  
16 did have the power on to the shopping center and  
17 to the homes. So I wanted to tell you  
18 specifically about that personal effort that they  
19 went to locally.

20 And on the side, there was a silver lining to  
21 them bringing all of the companies throughout the  
22 nation to our community. I'm sure this was  
23 happening everywhere, but they did sustain our  
24 economy. Everything was shut down. We had no  
25 tourism, we had no one going to the hotels and

1 motels. And these companies did sustain us. And  
2 we were personally appreciative of that, to have  
3 the insight and foresight to bring them in so  
4 quickly. It did turn everything around.

And you had asked if there was any planning  
6 going on. I do want to tell you that the City of  
7 Ormond Beach and the Ormond Beach Chamber has a  
8 meeting set up for April 27th with our Ormond  
9 Business Park, which has 1,800 jobs out there.  
10 And we are going to troubleshoot what we might be  
11 able to do as a community to avoid that particular  
12 park having a long period of no power next year in  
13 case something happens.

14 Thank you very much.

15 CHAIRMAN BAEZ: Questions of Ms. Farmer?

16 Thank you, ma'am.

17 Okay. I have to apologize ahead of time  
18 because I'm not good with the handwriting. But is  
19 it John Mc --

20 MR. MALIFRONTE: Malifronte.

21 CHAIRMAN BAEZ: Sir, you got me. I don't  
22 know how --

23 MR. MALIFRONTE: Mr. Chairman, translated in  
24 Italian is bad front.

25 CHAIRMAN BAEZ: Welcome, sir. Thank you.

1 MR. MALIFRONTE: Good afternoon.

2 I'm John Malifronte. I'm speaking to you as  
3 a citizen and also as the area manager for State  
4 Farm Insurance Company.

5 We have 35 agents in Volusia and Flagler  
6 County. I was evacuated three times without  
7 power. My agents, their houses and their  
8 businesses, almost all were without power for a  
9 sustained period of time.

10 Through the effort of FP & L we were able to  
11 help us citizenry. We have about 30 percent of  
12 the homeowners insured with us and they wanted to  
13 find out about their houses. Having FPL serve  
14 them, get their offices running, we were able to  
15 help the citizenry.

16 We also had 17 -- 170, pardon me, claims reps  
17 come in from all over the country. FP & L helped  
18 us set up a claims office, get it running quickly  
19 so we could coordinate the efforts.

20 I think they're entitled to that extra amount  
21 of money to build back up their surplus. And I  
22 think they did a magnificent job.

23 Thank you.

24 CHAIRMAN BAEZ: Questions of Mr. Malifronte?

25 Thank you, sir.

1           Next I have -- I guess what's looking to me  
2           like three people signed up at the same time:  
3           Mr. Giles, Mr. Emery and Mr. Connerly, who will be  
4           performing a trio.

5           Welcome, gentlemen.

6           MR. GILES: Excuse us. We didn't realize it  
7           was such a structured format. We have a written  
8           statement, also, if that helps.

9           CHAIRMAN BAEZ: If you want to provide a copy  
10          to the court reporter.

11          Do you have extra copies --

12          Mr. Hoffman, I'll make sure that we get you  
13          and Mr. McLean a copy as well.

14          MR. GILES: Good afternoon.

15          I'm Brad Giles. I have Giles Electric  
16          Company. I'm also a member of the Electrical  
17          Council of Florida, Volusia Chapter. It's a  
18          statewide organization.

19          This is David Emery with Olson Electric and  
20          Rick Connerly with Cates Electric. They're  
21          officers of the Electrical Council of Florida.

22          What we have is a two-part testimony, both  
23          praise and promise. First of all, I would like to  
24          praise FP & L with the amount of effort they were  
25          able to inject into the community when we needed

1           it most. We had people that were down and were in  
2           special needs and they received that power.

3           We had multiple communities down through hot  
4           lines that had lost power. And whether it was  
5           trees or whatever the system, they put the people  
6           in place to fix it.

7           We, also, being Volusia County, which is 26  
8           municipalities, we also get into other utility  
9           areas, Progress Energy, for instance. And in  
10          comparison, they far out performed Progress Energy  
11          10 to 1 on every avenue from communication to  
12          service.

13          Secondly, the one thing that we have locally  
14          is the communication with the communications rep  
15          of Bob Coleman. And he's always there for the  
16          community, whether he's at the EOC or at local  
17          meetings. And does try to perform this  
18          communication service to us.

19          On the avenue of being electrical contractors  
20          and working with any electric industry on a  
21          day-to-day basis, we service hundreds and hundreds  
22          of people during those few months. And we're  
23          wanting the promise part after the praise is, we  
24          need some enhanced ability or procedure for the  
25          professional electrical community to communicate

1 with the FPL local staff. That was the only place  
2 we had any hiccups. These people, because they're  
3 professionals in hurricane power reestablishment,  
4 they take their existing people and they reassign  
5 them to special tasks. So we as the private part  
6 of that component, we only have one mechanism to  
7 use and that is our day-to-day mechanism. And  
8 it's not there during these emergency conditions.

9 So, yes, if you call Bob Coleman direct  
10 you'll get what you need or if you call EOC and  
11 you're a retirement community or you're a special  
12 needs facilities you can get what you need, you'll  
13 get raised to the level that they understand,  
14 because you've got a personal contact.

15 But what we're asking is instead of having to  
16 trouble Bob directly or the EOC with something,  
17 we're trying to get some procedure that's  
18 established, whether it's Internet or fax or  
19 whatever. I understand that you change, as stuff  
20 gets inundated it becomes not as important as it  
21 used to be, something as a level to communicate  
22 privately to this utility so that we can  
23 coordinate, utilize timing procedures, things like  
24 that.

25 I mean, a specific example would be, we had a

1 nursing home that went down that lost their main  
2 circuit breaker, to no fault of the storm, to no  
3 fault of FP & L, it just was time and it was bad  
4 timing. We had to buy this breaker, have it  
shipped in. We paid special shipping. It came  
in. They're without power, this nursing home,  
during this process.

9 What we need is FPL to remove power from that  
10 transformer so we can replace the breaker and then  
they can re-energize. That was what we were  
11 looking for. Those communications processes were  
12 going through the outage, 1-800-4-OUTAGE process,  
13 which assumed it was on a grid that out of power.  
14 It was just very difficult to get that across.  
15 And this is an isolated circumstance, it only  
16 happened one time with our company, but it just  
17 illustrates the need to have something in play  
18 that when you reach this level of disaster, there  
19 is a process in place.

20 And, you know, we, on that occurrence, we've  
21 been around a long time, we've seen the process  
22 change from one person in the office you can  
23 always call, to multiple people you can always  
24 call, to pagers, to this 1-800-4-OUTAGE. And I  
25 think it's progress, we're not asking to digress.

1 We're just asking to utilize the resources that  
2 are now available that weren't available at those  
3 times to have a contact that controls information  
4 so that we as a person that is providing a service  
5 to customers as an arm of the utility, we can also  
6 communicate that back to them. And the building  
7 officials at the local communities were also in  
8 the same boat as us, depending on if they had  
9 contact with Bob Coleman or not, or with FDOT or  
10 not.

11 So a different community, Daytona Beach, very  
12 well-established, and Oak Hill, who is a very  
13 small, it's not-as-well established, depending on  
14 those conditions, that was the level of contact  
15 that they had.

16 That's what we bring to you as, number one.  
17 we want to make sure you understand, FPL did an  
18 outstanding job. We're business people and we  
19 understand things change, costs change and you  
20 have to accommodate those changes. And there is  
21 no free lunch.

22 Secondhand, we would like to have some  
23 procedure established that may be with the bright  
24 people that are in their think tank they can come  
25 up with something that can be used that won't be

1           abused.

2           CHAIRMAN BAEZ: Mr. Giles, so that I can have  
3 clear what your suggestion is, because I'm still a  
4 little fuzzy on exactly what kind of process is in  
5 place under normal circumstances. But what I hear  
6 you suggesting is that perhaps your process can be  
7 given whatever it is on a normal day, for  
8 instance, be given some consideration for  
9 inclusion as part of the emergency -- I see Ms.  
10 Williams is sort of nodding and I saw her taking  
11 notes frantically. I think she got the notion.  
12 Is that sort of what we're talking about?

13           MR. GILES: It's not essential that it's  
14 that. In a normal day you'll have a very  
15 business-like office with representatives, with  
16 territories, with multiple contacts from --

17           CHAIRMAN BAEZ: And that works well?

18           MR. GILES: That works well.

19           And then you go to off hours. As long as you  
20 conduct business properly, there is no issues  
21 there. It's when half of Florida gets knocked out  
22 that it gets a little touchy.

23           CHAIRMAN BAEZ: You have to leave someone  
24 behind, I guess.

25           MR. EMERY: The problem we ran into was that

1 as local contractors -- and the reason we brought  
2 three different -- the group we represent is made  
3 up of different contractors in the area who  
4 compete day-to-day to get the business, but yet we  
5 stay together to fight issues that affect all of  
6 us.

7 And what would be nice, I guess maybe it's a  
8 wish list, is a local number. For example, when  
9 we call 1-800-4-OUTAGE, you get Miami. And a  
10 hundred percent of the time they have no idea  
11 where Williamson Boulevard is. And you're trying  
12 to conduct business to get this facility back on  
13 line. And they have no idea who you are, what  
14 you're talking about. So it starts to snowball it  
15 and bog the system down.

16 So if by, for example, a local number or  
17 person to contact, something, that would greatly  
18 help the process from a contractor's perspective.

19 CHAIRMAN BAEZ: I think you've made some  
20 valid suggestions. And I'm sure that there is  
21 plenty of room to talk and to be able to hash this  
22 out since everyone now is in the mode of trying to  
23 do things better and try to find better ways to  
24 communicate and better ways to keep in contact,  
25 that you've raised a very valid point.

1 Questions of the witnesses?

2 COMMISSIONER DEASON: Yes.

3 I agree with the chairman that it's a very  
4 valid point, I'm just trying to better understand.  
5 Is the problem a situation where a customer is  
6 capable, post-storm, a customer is capable of  
7 receiving service from FPL's viewpoint, but that  
8 there is something on the customer's side of the  
9 meter that you as the contractor needs to repair  
10 so they can actually utilize the service; is that  
11 the situation you're trying to --

12 MR. CONNERLY: Well, some of the trouble we  
13 had was after the storm or during the storm they  
14 would lose their service on the side of their home  
15 or their building, their business. We would go  
16 out repair it. We have no way to communicate as a  
17 normal day-to-day business as we normally do to  
18 the power company to tell them, Yes, it's ready to  
19 be hooked back up. That was one of the problems  
20 we run into. We just lost the day-to-day  
21 communication that we had.

22 CHAIRMAN BAEZ: Right. On the day-to-day  
23 interface with someone.

24 MR. CONNERLY: Right.

25 MR. GILES: Well, I mean, sometimes we need

to disconnect it to do the repairs, sometimes we have done the repair and we were waiting for a reconnect of power.

4           In praise of FP & L again, we developed a  
5           faxing system that we would fax in this request.  
6           It's just like sometimes, you know, just like  
7           everybody, they want to know when. That was where  
8           we were hoping to get more contact.

9           Plus we had to coordinate schedules, you  
10          know. Municipalities were asking for the same  
11          thing. So anything that we can enhance this local  
12          communication without jeopardizing that on-call  
13          system that is in place, the emergency  
14          1-800-4-OUTAGE, it's a great system. Inter-  
15          connecting it to the telephone numbers of the  
16          customers is a great system. It gives people --  
17          gets them off of us. They're calling us every  
18          hour if they're looking at a child that needs  
19          oxygen or dialysis and things like that, occurs  
20          every day. So that's what they do is they call  
21          us.

22          Because getting FPL is the same thing they  
23          got before. But now with that telephone number,  
24          you know, they get four days or Wednesday.

25          So they had great systems in place, we're

just hoping that now that we have seen the worst,  
we can utilize this training to maybe get a better  
3 system for electrical -- licensed electrical  
4 contractors is what we're trying to do.

5 Because what that will happen is, when you  
6 do -- I happen to do -- all three of us do service  
7 of electrical work where we have some associate  
8 members that only do construction electrical work.  
9 The construction of a condominium shuts down 'til  
10 everything is fixed. So you may have 30, 40  
11 electricians from one company out of work. They  
12 very easily can go to Lowes and repair -- get  
13 parts and repair and do them. That's not what  
14 we're talking about.

15 We're talking about licensed established  
16 electrical contractors that work with the  
17 community on a day-to-day basis. And all we want  
18 is some method that's within an agreeable alarm.  
19 We trip some alarm before it goes in place.  
20 That's what we recognize wasn't there when these  
21 storms came through one after the other.

22 COMMISSIONER DEASON: You mentioned that you  
23 all are members of the Electrical Council of  
24 Florida?

25 MR. GILES: Yes.

1           COMMISSIONER DEASON: Do you know if that  
2 council has tried to communicate with Florida  
3 Power & Light on this very matter to try to see --  
4 I'm sure -- I mean, this same situation could  
5 happen anywhere from Miami to Jacksonville, it's  
6 just so happened you all experienced it here. But  
7 it seems like it's something that may be -- if  
8 there's going to be a fix put in place, it should  
9 be company-wide.

10           MR. GILES: I'm sure they will.

11           MR. EMERY: I can answer some of that. I'm  
12 the local Volusia chapter president. And we have  
13 locally been trying to work with FPL's  
14 representatives to establish something. Obviously  
15 there is no prior protocol or setup already done.  
16 But we have mentioned to our state officers of  
17 what we're trying to do in hopes of getting it  
18 established throughout the state. But we  
19 haven't -- we're in unchartered water, so haven't  
20 done it yet.

21           COMMISSIONER DEASON: Maybe you all will work  
22 out something good, can be a model for the state.

23           MR. EMERY: Right. And we hope to get  
24 something like that ultimately.

25           CHAIRMAN BAEZ: I know Ms. Williams may want

1 to respond.

2 MS. WILLIAMS: May I?

3 CHAIRMAN BAEZ: Absolutely.

4 MS. WILLIAMS: Thank you.

5 And thank you very much for bringing this up  
6 today. What they're describing is a very simple  
7 process for us. We call it a disco/reco. Where  
8 basically FPL or the power company comes in,  
9 disconnects the power to make it safe for them to  
10 do the inside electrical work. And then once  
11 they're done, they make a phone call, FPL comes  
12 out, reconnects. They still have the inspections  
13 necessary. It's a beautiful thing. The process  
14 works very fluidly under normal operation.

15 What they experience, it sounds like, and I  
16 took a lot of notes, is now they had no one to  
17 really expedite the disco and no one to expedite  
18 the reco because our folks were all working  
19 hurricane restoration.

20 What we did put in place during this past  
21 process is an expedited process for reconnection,  
22 because we had a number of customers that could  
23 not accept service immediately. They hired an  
24 electrical contractor. And then once they called  
25 the care center, there was a line available for

1 the reconnection of service.

2 What I heard and what we don't have is a  
3 similar process for the disconnection of service.  
4 And I think that is something that we can  
5 accommodate. And I think working together we can  
6 figure out how to make it happen so that we can  
7 give electrical contractors an avenue to get a  
8 warm body at a local area who can make it happen.

9 So I took a lot of notes because I don't  
10 think it's that difficult. It's just one of those  
11 questions of having to put the processes in place  
12 and have the information readily available. So I  
13 appreciate the opportunity and I thank you, Mr.  
14 Giles.

15 COMMISSIONER DEASON: Gentlemen, I think you  
16 just heard the promise.

17 MS. WILLIAMS: I think it's very doable.

18 CHAIRMAN BAEZ: Thank you all.

19 I just noticed previously while the current  
20 witnesses were testifying that Commissioner Taylor  
21 stepped into the room.

22 Commissioner Taylor, I know that you were  
23 sort of on the run, if you've got any quick  
24 statement to make.

25 You weren't here. We did want to thank you

1 for hosting us. And we thank the city for  
2 providing facilities for us.

3 COMMISSIONER TAYLOR: And that's just what I  
4 came to tell you is, welcome to our city. And on  
5 behalf of the 70,000-plus world's most famous  
6 citizens, because this is the world's most famous  
7 beach, we want to welcome you and thank you for  
8 coming. And we hope that your stay here is  
9 pleasant and feel free to come back.

10 We understand and recognize the hard work  
11 that you do and your staff. And we really  
12 appreciate everything that you do.

13 Thank you.

14 CHAIRMAN BAEZ: Thank you, Commissioner. At  
15 the suggestion of prior elected officials in other  
16 cities, we brought our money this time.

17 Next we have James Ryan.

18 MR. RYAN: Mr. Chair, thank you. Members of  
19 the Commission, thank you for the opportunity to  
20 address you this afternoon.

21 Quite a few topics that I would like to bring  
22 up, but I'm going to try to do it very, very  
23 briefly.

24 You've heard today already, everybody knows  
25 Bob Coleman, everybody knows Phil Tornelli.

1           Everybody calls Bob Coleman, everybody calls Phil  
2           Tornelli.  What does this really say to you?

3           It says to me that there is a great deal of  
4           integration of Florida Power & Light in our  
5           community.  There is great deal of integration of  
6           effort and they are embedded and strongly  
7           represented in the community.  What the community  
8           does to Florida Power & Light is important.  From  
9           their perspective it is important, and we're  
10          delighted to see that.

11          What this also means is that certainly  
12          Florida Power & Light is here to solve problems.  
13          And certainly I can say that they are -- I am the  
14          benefactor of their presence and solving those  
15          solutions.  I'm the unfortunate one that has to  
16          deal with the essence of establishing priorities  
17          and I want to talk about that just a little later.

18          No doubt you've already heard, we had three  
19          hurricanes this year.  And they passed through,  
20          they did do their thing.  Every one was just a  
21          little different.  Each one had its own surprise.

22          I can tell you that Charley knocked out 85  
23          percent of our households and businesses, 85  
24          percent off line.  Frances about 92 percent off  
25          line.  And Jeanne we got a break, it was only 60

1 percent. Such a break.

2 Volusia County, in case you don't know, is a  
3 unique county, not unlike any other county, but it  
4 is unique from a variety of perspectives. It's  
5 fairly large, over 1,200 square miles. It's  
6 about -- it's approaching half a million people.  
7 A unique urban/rural type mix in their population  
8 distribution. Sixteen cities and three power  
9 companies or co-ops that provide service  
10 throughout the community in that unique mix.  
11 Quite a challenge.

12 And I'm here to tell you without efforts of  
13 the power companies, and Florida Power & Light in  
14 particular, my responsibility of trying to  
15 coordinate this mess would have been impossible.

16 We activated our EOC for 44 days continuously  
17 throughout these types of -- these different  
18 storms. And if it weren't for folks like Bob who  
19 is available on the phone for everybody, Vera  
20 Simmons, Phil Tornelli, who sat at those seats,  
21 the hot seats, they answered calls not only from  
22 different jurisdictions, different agencies,  
23 nursing homes, individual citizens and they  
24 conscientiously provided a responsive professional  
25 response given the information that they had, and

1           they did a terrific job.

2           As I said, I could not have tried to tie  
3           together this county-wide emergency response  
4           effort had it not been for the coordination  
5           efforts of Florida Power & Light.

6           You don't have to be blown away to have some  
7           real problems and have a disaster. You know if  
8           you looked at your statistics on the hurricanes,  
9           the only hurricane that awe really had was  
10          Charley. The other two, I guess you could say,  
11          were continued nemesis that caused concern. So  
12          what I'm saying is, you don't have to blow  
13          buildings down to have a disaster, all you got to  
14          do is blow out the power. Once you blow out the  
15          power, you got a problem in your community, I  
16          don't care how many buildings are standing.

17          You heard people testify about their unique  
18          circumstances, whether they're business, whether  
19          they're in health care, whether they're in home  
20          health care. If we don't have power in our  
21          community today, if we don't have reliable power,  
22          and power that can be restored quickly, we're not  
23          doing our public any good.

24          Restoration -- the priority of restoration.  
25          A difficult issue. Florida Power, and we work

1 very, very closely with Florida Power throughout  
2 the year to take a look at their critical  
3 facilities list, their critical facilities  
4 inventory or whatever the appropriate terminology  
5 is. But we look at that in detail.

6 What we see, what we saw after this  
7 particular series of storms is that if we had a  
8 list, let's say two pages long of quote, unquote,  
9 "critical facilities" now because of the concerns  
10 of the public, we'd have a critical facilities  
11 list that is nine pages long. Who isn't critical,  
12 who isn't important.

13 My job is to try to figure out, out of those  
14 critical facilities, at any given point in time,  
15 who has priority on restoration with the limited  
16 resources that are available. You talk about a  
17 tough decision. We have to do that. And I  
18 mentioned, it is in part because of the input of  
19 Florida Power & Light folks in our EOC and  
20 certainly those of other power companies that help  
21 us make those types of decisions.

22 As far as the prioritization of the critical  
23 facilities listing, there is also a great deal of  
24 discussion about home health care, residential  
25 health care. I should say residential health care

1           rather than the home health care, but certainly  
2           that as well.

3           The residential health care facilities, and  
4           we have looked at this and my opinion and  
5           recommendation is, if we add all of these  
6           facilities that no doubt are in fact critical in  
7           some form or fashion, if we add them to the  
8           restoration list, we are confusing the system.  
9           What we need to do is like we preach to the  
10          public, if you have a unique need and a  
11          vulnerability, you best take care of that need and  
12          plan for that. And it's important that these  
13          types of facilities, given the critical care  
14          responsibilities that they have and the services  
15          that they perform, that they do the same thing.

16          And I say this not in a heartless sense,  
17          because we realize that some facilities are just  
18          not going to be capable of doing that or under  
19          unusual circumstances they can't do that. And  
20          we're going to make sure that they survive as best  
21          we can. And it was through Florida Power &  
22          Light's efforts and assistance that helped us in  
23          that regard.

24          Throughout the year periodic training and  
25          planning, I had already mentioned that. They are

1 a part of our community. They sit in the EOC as a  
2 part of emergency support function 12, energy. We  
3 couldn't have done it without.

4 Who should -- I think the question that the  
5 gentleman mentioned earlier, should they be paid  
6 again?

7 I hope I understood the question, but I think  
8 if we compare to a fire department or a police  
9 department, you staff a fire department and a  
10 police department, not based upon the expected  
11 disaster, but you base it on your daily needs.

12 Florida Power & Light I'm sure staffs their  
13 organization based on the same situation. How do  
14 they meet the daily -- the normal daily need?  
15 Most fire departments and police departments don't  
16 have this contingency reserve. They have to rely  
17 on FEMA, some type of federal assistance that is  
18 some type of a partnership to pay.

19 We're fortunate that the Commission requires  
20 this type of backup or this type of additional  
21 support or we wouldn't be able to get through  
22 this.

23 So, what I'm saying as far as the additional  
24 costs, should they pay again? I don't think they  
25 have paid again. I think that it is appropriate

1 to assist them, cover those contingency costs  
2 associated with the disaster, much like local  
3 governments get from FEMA. It's an unreasonable  
4 expectation to do that.

5 And I think that was -- I have extended my  
6 welcome, I'm sure.

7 CHAIRMAN BAEZ: Not at all.

8 MR. RYAN: One last point. I mentioned the  
9 terrific job that they do, certainly in the  
10 response.

11 There is one thing. That this would apply,  
12 not to FP & L singularly, but when your  
13 responsibility of the Commission can apply to any  
14 power company. There is a need in local  
15 government in the early stages of this disaster to  
16 be able to get the roads open and be able to have  
17 emergency services access the community. As I  
18 mentioned, we have 16 cities. And the difficulty  
19 we have trying to coordinate entry into those  
20 cities to make sure that we can clear the debris  
21 initially off the streets to provide emergency  
22 vehicle access is extremely difficult.

23 Most of the public works organizations, and  
24 of course they vary in size and capability quite a  
25 bit. But most are not capable and certainly would

1 not attempt to determine whether a line is hot or  
2 not. So it's important that the power companies  
3 provide them that level of expertise integrated  
4 with them as they go through those streets.

5 What this means is, and Florida Power  
6 attempted to do this, and I think the other power  
7 companies as well did this. But what this means  
8 is, it takes more people. And if we're concerned  
9 about safety of employees as much as we are the  
10 safety of citizens, I urge you to take this  
11 additional fact into consideration as well.

12 Having said that, again, sir, thank you very  
13 much for the opportunity to address the  
14 Commission.

15 CHAIRMAN BAEZ: Thank you. Questions of  
16 Mr. Ryan?

17 Thank you for your comments, sir.

18 Ty Berdeaux.

19 MR. BERDEAUX: May it please the Court. I've  
20 always wanted to say that.

21 CHAIRMAN BAEZ: How did it feel?

22 MR. BERDEAUX: My name is Ty Berdeaux, I'm  
23 the administrator of the Fifth District Court of  
24 Appeal. We're headquartered at 300 South Beach  
25 Street in Daytona Beach, Florida. We service 13

1 counties throughout Central Florida. We're a very  
2 large geographical area and we're considered a  
3 essential public service by Florida Power & Light.

4 Mr. Ryan stole a lot of my thunder, did an  
5 excellent job.

6 MR. RYAN: Sorry.

7 MR. BERDEAUX: That's all right. But I'm  
8 really not here to advance position concerning the  
9 appropriateness of the fund, but to applaud the  
10 efforts of Florida Power & Light for their service  
11 to the Court during each of the hurricanes.

12 Had Florida Power & Light not been able to  
13 supply power to the building as quickly as they  
14 did, the Court would likely have incurred tens to  
15 thousand of additional recovery dollars or quite  
16 possibly faced court closure as water intrusion  
17 was prevalent in the facility.

18 Court closure is not only expensive but  
19 inconvenience to court staff and the general  
20 public.

21 With each of the hurricanes, the court was  
22 operational within 48 hours and recovery efforts  
23 began in a timely manner.

24 The Court applauds the effort of Florida  
25 Power & Light. Our chief judge wrote a letter,

1           dated August 16th to William Hoag, Director of  
2           Customer Service Field Operations at Florida Power  
3           & Light. In the letter he states: "On behalf of  
4           the Fifth District Court of Appeal, I wish to  
5           commend you and Florida Power & Light for your  
6           outstanding service to our court during the recent  
7           power outage caused by Hurricane Charley.  
8           Electrical power was restored to our Daytona Beach  
9           courthouse in a timely manner."

10                 "I also wish to specifically recognize  
11           governmental customer manager Phil Tornelli for  
12           his fine service during the outage. Mr. Tornelli  
13           answered all questions posed by me and the  
14           administrator regarding the power outage and  
15           effectively and efficiently coordinated with FPL's  
16           field personnel to address the power needs of the  
17           court."

18                 "Mr. Tornelli exhibited a high degree of  
19           professionalism, knowledge and experience in the  
20           performance of his duties."

21                 "Mr. Hoag, the Court greatly appreciated the  
22           fine efforts of Phil Tornelli and Florida Power &  
23           Light in the aftermath of Hurricane Charley."

24                 And this held true for each of the subsequent  
25           hurricanes.

1 CHAIRMAN BAEZ: Questions of Mr. Berdeaux?

2 Thank you, sir.

3 Mr. Libby.

4 MR. LIBBY: I guess it's good evening.

5 CHAIRMAN BAEZ: It's soon getting there, sir.

6 MR. LIBBY: I'm Gary Libby, the Director  
7 Emeritus of the Museum of Arts and Sciences here  
8 in Daytona Beach.

9 We are a 90,000 square foot building in a 90  
10 acre park preserve located in the western side of  
11 Daytona Beach. We're the only accredited facility  
12 between Jacksonville and Orlando and under the  
13 North Florida affiliate of the Smithsonian  
14 Institution.

15 The museum houses about 15,000 objects, the  
16 cultural patrimony of this community over its last  
17 hundred years.

18 Our building is a hurricane-proof building  
19 very carefully constructed built into the park.  
20 We have backup systems in the building, including  
21 our own private generator.

22 The building is located in a water recharge  
23 area, Tuscawilla Park. If you know anything about  
24 the hydrology of this community, you realize that  
25 when power is down, water rises. And water rises

1 to the west side of town at a greater rate than  
2 anywhere else. And when we have a high tide and  
3 we have water rising, we have no pumps and no  
4 power, a lot of this community is at risk.

5 When our first hurricane hit, we lost 350  
6 thirty-five, 45 and 55-foot trees in the 90-acre  
7 park preserve and many of them were thrown into  
8 the building, on top of the building and through  
9 our generator system, which was down and  
10 destroyed.

11 While we realized the museum is not a  
12 critical facility and not on the top of the list  
13 of facilities that need to be protected in  
14 situations like this, on the third day we  
15 contacted FP & L as the water was rising in the  
16 building through the monolithic slab, as  
17 Tusawilla Park started to absorb millions of  
18 gallons of water that could not move by the  
19 building through the pumping system that's been  
20 established by St. Johns and was dumping into  
21 Tusawilla Park 90 acres of water four and 5 feet  
22 deep, coming up through the monolithic slab into  
23 the building.

24 At that time, I called FPL. Mr. Coleman  
25 responded in a very timely fashion. And within

1 six hours we had a large semi-trailer size  
2 generator in the parking lot of the museum,  
3 plugged into the museum to bring our life safety  
4 systems, our security systems and the protective  
5 systems in the building up. That is the kind of  
6 exceptional service that I think you've heard from  
7 FP & L locally throughout this hearing today.

8 And while a museum and its collections  
9 initially directly after a storm might not seem to  
10 be a critical import, over time a museum like this  
11 that has been a community effort over the last 50  
12 years, and we're celebrating our 50th anniversary  
13 this year, is a very important thing for this  
14 community.

15 And I think for the museum community and for  
16 the trustees who discussed this issue, we support,  
17 strongly support the rate increase. We feel that  
18 the work that FPL did in this community, and  
19 believe me, Gentlemen, you had to be here in order  
20 to appreciate it. I have lived in Florida my  
21 entire life. I went through Donna in Fort Myers,  
22 I know what a hurricane is like, but it was  
23 nothing like these hurricanes here.

24 I think the hurricane proved vulnerability of  
25 a lot of the backup safety systems we have in this

1 community. We at the museum have made efforts to  
2 see if we can build additional redundancies and  
3 backups into our system, but we have to applaud  
4 the timely efforts of FPL.

5 We were within 12 hours of having to move  
6 15,000 objects from this facility to one of our  
7 sister organizations either in Orlando or  
8 Jacksonville, we were that close.

9 Many of you don't know what can happen to  
10 works of art when they're subject to increased  
11 humidity, temperature problems, especially through  
12 water intrusion into the building. But we were at  
13 the risk of losing millions of dollars worth of  
14 objects that belong to this community that we hold  
15 in the public trust.

16 And I think through the timely action of FPL,  
17 while it was not pretty, Gentlemen, we had to cut  
18 our way into the building in order to get to the  
19 building after the hurricane. Through the timely  
20 fashion of FPL, our loss was minimum. And I  
21 invite you to come out to Tuscawilla Park and come  
22 out to the museum and to see what FP & L helped to  
23 protect in this community.

24 So we support -- we don't -- no one, whether  
25 a business, a museum is a business, it's a three

1 million dollar a year business, a fifty million  
2 dollar corporation, or a taxpayer, no one likes  
3 increases. But this is a warranted increase.

4 I think these are exceptional times and FPL  
5 has done an exceptional service to this community.  
6 And so I as one, and I think the museum as an  
7 organization, the largest membership organization  
8 of this community with ten thousand members. It's  
9 an art, science of Florida history museum. We  
10 support this increase and would appreciate your  
11 favorable consideration of their request.

12 CHAIRMAN BAEZ: Questions of Mr. Libby?

13 MR. LIBBY: Thank you. Thank you very much.

14 CHAIRMAN BAEZ: Thank you, sir.

15 Ron Nowviskie. Mr. Nowviskie?

16 Hardy Smith.

17 MR. SMITH: Mr. Chairman, Commissioners,  
18 thank you very much for an opportunity to visit  
19 with you.

20 I'm Hardy Smith, Director of Operational  
21 Planning for International Speedway Corporation.

22 Our company understands large events. Our  
23 company understands logistics on a massive scale.  
24 We do operate some of the nation's and world's  
25 largest events.

1           We probably have the opportunity to have a  
2           very unique perspective and a very unique  
3           observation point of Florida Power & Light  
4           operations during the course of national  
5           disasters, such as the magnitude of those faced by  
6           this community and the entire state of Florida  
7           this past year, because Daytona International  
8           Speedway, our facility here in Volusia County, is  
9           host to Florida Power & Light for anything that's  
10          going to come up that is going to affect this  
11          community.

12           Decisions and planning of where the massive  
13          operation is going to be sited, Mr. Chairman,  
14          aren't made as soon as the weather forecast comes  
15          out. These things are done months and years in  
16          advance. We participate in ongoing active, very  
17          proactive aggressive planning with Florida Power &  
18          Light to make sure they do have facilities to be  
19          able to situate their hundreds and hundreds of  
20          personnel and manpower and hundreds and hundreds  
21          of trucks and thousands of pieces of equipment.  
22          We get to have an opportunity to see the feeding,  
23          the housing, the equipment coming and going, the  
24          servicing, the communications. We have a chance  
25          to be right there and see it all.

1           And for a group of people who consider  
2           ourselves fairly experienced and knowledgeable,  
3           we're pretty darn well impressed with what we see  
4           Florida Power & Light having the ability to do and  
5           do it extremely well.

6           What they did in Volusia County, not only  
7           serviced Volusia County, but an entire region of  
8           the state of Florida, an entirely massive extra-  
9           ordinary effort was pulled off. We watched  
10          hundreds of workers come and go in an extremely  
11          coordinated, very impressive manner.

12          And our company, International Speedway  
13          Corporation very definitely wants to make sure as  
14          a member of this community that Florida Power &  
15          Light does have the financial ability to be able  
16          to respond in like manner, such in case such a  
17          natural disaster faces this community again.

18          Thank you very much.

19          CHAIRMAN BAEZ: Thank you, Mr. Smith.

20          Questions, Commissioners?

21          Mr. Smith, thank you for your comments.

22          John Nicholson.

23          MR. NICHOLSON: Good afternoon, gentlemen.

24          Everybody is asking for personal things, I'm  
25          going to ask for a personal thing first.

1           I would like you to consider when you do your  
2 priorities to put an ALF facility as one of your  
3 top, right after hospitals. I know I'm speaking  
4 just for myself. If I had a choice between you  
5 turning electricity on my house and to an ALF  
6 facility, and we do have several of them in the  
7 city, these people deserve to have it first. They  
8 are the elderly, the mentally disturbed. They are  
9 the physically handicapped. So if you are doing a  
10 priority between a neighborhood and these  
11 facilities, I would ask that you do them first.

12           Secondly, my neighbors -- I never lost power.  
13 For some reason I live one block off A1A on the  
14 beachside and in 20 years I've never lost power.  
15 I've gone through three hurricanes and I've gone  
16 through maybe 20 in Miami when I lived in Miami  
17 and never lost power.

18           But I did notice that my neighbors' across  
19 from me lost power and it was a rocker arm in the  
20 facility. Apparently there's this little lever  
21 that comes out and all you've got to do is pop it  
22 back into place and everybody gets electricity.

23           When I ran a nightclub in Miami, we had a big  
24 storm. The rocker arm did fall out and you just  
25 lights candles, everybody gets free drinks. You

1 get 3,000 people drunk and FPL comes out and pops  
2 it back in.

3 CHAIRMAN BAEZ: How long ago was that?

4 MR. NICHOLSON: In the '80s.

5 But if it's such an easy thing, is there some  
6 way of you putting that on a priority for those  
7 that need it? It only takes a second to pop those  
8 things back in. And it's very easy and I'm sure  
9 it's very worthwhile doing.

10 Now getting back to the raises. This has  
11 nothing to do with the employees. The employees  
12 are not getting the raise. It has nothing to do  
13 with the quality of work that these people did.  
14 We understand that the people coming in out of  
15 town or out of state are reciprocal. If something  
16 happens up there, Florida Power & Light will send  
17 crews back to them. We do that with our special  
18 events.

19 We have several special events. We get like  
20 eight million tourists in Volusia County, seven  
21 and a half million come into Daytona Beach. I'm  
22 sure most of you have heard of the Daytona 500 and  
23 Bike Week. We get thousands of people. Next  
24 weekend we'll get about 50,000 black kids coming  
25 in for BCR. It's common, it's normal. We build

1           it into our facilities, a price range, so that we  
2           recoup our losses.

3           What I'm wondering here is if Florida Power &  
4           Light, if they've recouped their losses? Numbers  
5           can be fudged. And what it appears to be saying  
6           is that their company, their stockholders are not  
7           going to take a hit. They want the public to pay  
8           a hundred percent of the damages. Okay?

9           I think it would only be fair is if both take  
10          the hit. If they want two dollars an hour or two  
11          dollars a month from all of the customers, a  
12          dollar for the customers and a dollar for the  
13          stockholders. The idea that the stockholders are  
14          getting a free ride and will get a maximum amount  
15          of benefits while the rest of the people take a  
16          hit. Some of us can afford it and there are  
17          people that cannot afford it. And this is not  
18          discriminatory, is who can afford it and who  
19          cannot. Everybody who has a Florida Power & Light  
20          bill will get hit with it. I do believe that if  
21          Florida Power & Light wants to recoup, that their  
22          stockholders should take a little bit of the hit  
23          as well.

24          Thank you.

25          CHAIRMAN BAEZ: Questions of Mr. Nicholson?

1 Thank you, sir.

2 Commissioners, that is the last witness that  
3 we had signed up to testify.

4 Is there anyone else in the room that did not  
5 sign up to testify that wishes to?

6 Ms. Fleming, do we have any upcoming matters  
7 before we adjourn?

8 MS. FLEMING: No, Commissioner.

9 We could just remind the customers that the  
10 hearing will start, the technical portion of the  
11 hearing will start April 20th. And the final vote  
12 by the Commission will take place on July 5th.

13 CHAIRMAN BAEZ: Very well.

14 There was a letter by the electrical workers  
15 which I handed to counsel. We're not going to  
16 deal with it now or what its treatment is going to  
17 be now. If counsel for the parties can get  
18 together and discuss what kind of treatment you  
19 all will agree to, I think we can take care of  
20 that.

21 If there's nothing else, Commissioners --

22 MR. MCLEAN: Mr. Chairman, we can stipulate  
23 it into the record now, save the trouble of  
24 talking about it later.

25 CHAIRMAN BAEZ: Mr. McLean, I appreciate

1 that. What I would like to do is instead of  
2 carrying a floating list of exhibits, since we  
3 haven't really started the technical portion, we  
4 can hold your thought. And I do appreciate it, if  
5 it's all right with Mr. Hoffman, we can just carry  
6 it forward to the technical hearing.

7 MR. MCLEAN: Okay. But no more Mr. Nice Guy.

8 MS. FLEMING: Mr. Chairman, if I may?

9 CHAIRMAN BAEZ: Yes.

10 MS. FLEMING: Staff has prepared a composite  
11 list of exhibits for the hearing and we can go  
12 ahead and add this on to the list so that the  
13 other intervenors that are not here can have the  
14 opportunity to object to this exhibit if they  
15 wish?

16 CHAIRMAN BAEZ: That seems reasonable to me,  
17 if at least the parties that are here are willing  
18 to treat it as such.

19 Very well then. Go ahead and include that in  
20 the staff's composite exhibit.

21 If there is nothing else, Commissioners,  
22 we're ready to adjourn.

23 I want to thank everybody for coming out. We  
24 really do appreciate your comments. I think we  
25 got some good ideas and we got some good

1 discussions started today. So we can see the  
2 process is a very flexible and flowing one. And  
3 you never know where a good idea is going to come  
4 from.

5 We do appreciate you coming out and wish you  
6 a good night. We are adjourned.

7 Thank you.

8 (Whereupon the meeting was adjourned at 6:20  
9 p.m.)

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

REPORTER'S CERTIFICATE

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

STATE OF FLORIDA )  
COUNTY OF VOLUSIA )

I, NANCY A. GEWAND, certify that I was authorized to and did stenographically report the foregoing proceedings and that the transcript is a true and complete record of my stenographic notes.

Dated this 26th day of April, 2005.

  
\_\_\_\_\_  
NANCY A. GEWAND, RPR  
(This signature is valid only if signed in blue ink.)