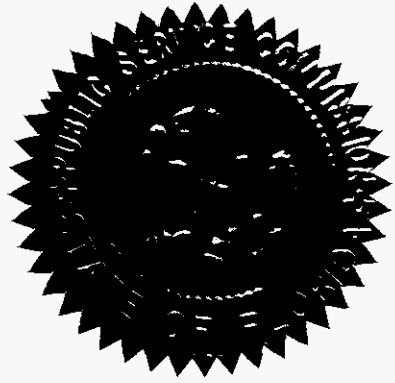


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI

In the Matter of:

PETITION FOR INCREASE IN
RATES BY FLORIDA
POWER & LIGHT COMPANY.



PROCEEDINGS: WEST PALM BEACH SERVICE HEARING

COMMISSIONERS
PARTICIPATING: COMMISSIONER LISA POLAK EDGAR
COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Wednesday, June 24, 2009

TIME: Commenced at 4:00 p.m.
Concluded at 8:16 p.m.

PLACE: Palm Beach Governmental Center
Jane Thompson Memorial Chambers
6th Floor
301 N. Olive Avenue
West Palm Beach, Florida 33401

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

DOCUMENT NUMBER - DATE

07307 JUL 20 08

FPSC-COMMISSION CLERK

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5 Company.

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25 the Commission Staff.

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P R O C E E D I N G S

1
2 **COMMISSIONER EDGAR:** Good afternoon, everyone.
3 Thank you for coming. I think we are going to go ahead
4 and get started, and I thank you for your patience. I
5 have a few preliminaries that we will go through very
6 quickly. So let me start by asking our staff to please
7 read the notice.

8 **MS. WILLIAMS:** By notice, this time and place
9 has been set for a customer service hearing in Docket
10 Number 080677-EI, petition for increase in rates by
11 Florida Power and Light Company.

12 **COMMISSIONER EDGAR:** Thank you. Again, good
13 afternoon. My name is Lisa Edgar, and I'm a
14 Commissioner here with the Florida Public Service
15 Commission. We are glad to be here, and we are here to
16 hear from all of you. Again, we thank you for your
17 interest and for your participation. Your comments are
18 a very important part of our process.

19 I will be chairing our proceedings and help us
20 to keep moving things along today. Our Chairman,
21 Commissioner Matthew Carter, recently had some back
22 surgery and was just simply not able to be here with us
23 this evening. He sends his regrets, and will, of
24 course, be monitoring and will read the proceedings at a
25 later date.

1 And I would like to go ahead and briefly ask
2 my colleagues to introduce themselves, as well.

3 Commissioner McMurrrian.

4 **COMMISSIONER McMURRIAN:** Hi. I'm Katrina
5 McMurrrian. I'm glad to be here with you all today, and
6 look forward to hearing your comments in this proceeding
7 for FPL's rate request. Thank you so much.

8 **COMMISSIONER EDGAR:** And Commissioner Nancy
9 Argenziano, I believe, is joining us by phone.

10 Commissioner Argenziano, are you with us?

11 **COMMISSIONER ARGENZIANO:** Yes, I am. And just
12 to apologize to all the people who came that I could not
13 be there in person. I broke my leg, shattered the bone
14 and am unable to be there, but I really appreciate staff
15 allowing me and helping me to get there by phone to hear
16 what you have to say. As Commissioner Edgar has
17 mentioned, it is very important to hear your comments in
18 our making decisions, so I am glad to hear this evening,
19 and thank you.

20 **COMMISSIONER EDGAR:** Thank you, Commissioner.

21 Commissioner Skop.

22 **COMMISSIONER SKOP:** Thank you.

23 Good afternoon. I'm Commissioner Skop, and
24 I'm happy to be here in West Palm Beach, and look
25 forward to hearing the comments from our customers.

1 Thank you.

2 **COMMISSIONER EDGAR:** Thank you.

3 And I would like to go ahead and ask the
4 attorneys for the parties in this proceeding to please
5 put in their appearances.

6 **MR. BRYAN:** Good afternoon. My name is
7 Patrick Bryan appearing on behalf of Florida Power and
8 Light Company.

9 **COMMISSIONER EDGAR:** Thank you.

10 Mr. Kelly.

11 **MR. KELLY:** I'm J. R. Kelly, I'm with the
12 Office of Public Counsel.

13 **MR. WRIGHT:** I'm Schef Wright, and I represent
14 the Florida Retail Federation.

15 **MS. BRADLEY:** I'm Cecilia Bradley, and I'm
16 with the Office of the Attorney General. I want to
17 thank all of you for coming here today to tell us what
18 you think about this. We appreciate it.

19 **COMMISSIONER EDGAR:** Thank you.

20 **MR. SAPORITO:** I'm Thomas Saporito, and I
21 represent myself.

22 **COMMISSIONER EDGAR:** Thank you.

23 And I'd also at this time like to recognize
24 Mr. Jack Shreve, who is joining us. Mr. Shreve is
25 Senior Counsel to the Governor, to Governor Crist, and

1 he is here monitoring this proceeding on behalf of the
2 Governor and all of the proceedings related to this
3 matter.

4 Jack, thank you for being here with us today.

5 And I would also like to recognize and thank
6 Representative Mark Pafford, who is here with us today.
7 Over here in the back. Thank you, Representative, for
8 joining us. And he is also here to hear your comments
9 as we move through and go through the steps of this
10 proceeding that we are here for today.

11 We will be calling names shortly. Before I
12 get to that point, we will have some brief presentations
13 by the attorneys so that they can describe to you some
14 of the issues in this case from their perspective.
15 After that then we will call names in the order that you
16 have signed up on the sign-up sheet. Mr. Kelly will
17 help us with that. There is a sign-up spot out right
18 before you come into this room. If anybody would like
19 to speak today and has not had the opportunity to sign
20 up, please go do that so that we don't -- so that we
21 don't miss you.

22 Yes, sir.

23 **UNIDENTIFIED SPEAKER:** May I say something?

24 **COMMISSIONER EDGAR:** What I would ask is that
25 you would get with our staff for just a moment. And I

1 am going to ask Roberta, are you in the room? Roberta,
2 could you help this gentleman so that we keep moving,
3 and we will try to make sure that you get your questions
4 answered.

5 I'm going to try to move through thoroughly
6 and clearly. We have a lot of people, and we only have
7 the room until 7:00 o'clock. So I want to kind of keep
8 it moving. We want to make sure that we hear from
9 everybody that would like to speak to us today.

10 So I will go through a few more very, very
11 brief opening comments after our opening presentations.
12 But what I would like to do right now, Mr. Bryan, is go
13 ahead and ask you, please, to begin your presentation,
14 and then we will move through those. Thank you.

15 **MR. BRYAN:** Good afternoon. My name is
16 Patrick Bryan. I'm an attorney for Florida Power and
17 Light Company. I would like to first thank each of you
18 for coming out to this quality of service hearing. We
19 sincerely appreciate your participation. We know your
20 time is valuable, and I can assure you that the comments
21 you provide today with respect to FPL's level of service
22 or with respect to any other matter will be heard by FPL
23 very carefully.

24 In a moment, you will hear a short
25 presentation from FPL's Vice President of Customer

1 Service, Marlene Santos. Marlene will talk about our
2 current rate proposal, she'll talk about our level of
3 service, and she'll talk about some programs that FPL
4 has in place to assist customers in lowering and/or
5 paying their bills.

6 But before Marlene speaks, I wanted to inform
7 any customers in attendance tonight that we have several
8 other customer service representatives in the building
9 and they are available to meet with any customer who has
10 question, an issue, or a problem with his or her
11 electric account.

12 They are set up, I believe, on the 12th floor.
13 We have folks in the back of the room who are raising
14 their hands who would be more than happy to escort you
15 to the appropriate room. Our customer service
16 representatives are equipped with on-line computers, and
17 they can access your account information in real-time,
18 and they are committed to resolving any issue or problem
19 that you have today before the conclusion of this
20 hearing. So I would strongly encourage you to take
21 advantage of this opportunity.

22 At this time, then, I would like to introduce
23 Marlene Santos.

24 **MS. SANTOS:** Thank you, Madam Chair and
25 Commissioners, for holding this hearing today, and thank

1 you to all of you in this room for taking the time to be
2 here with us today.

3 We have very deep roots here in West Palm
4 Beach that go back for decades, and, actually, here in
5 Palm Beach County we have 3,600 employees. So we
6 appreciate you being here today and understand that you
7 have very high expectations of us, especially in this
8 very difficult economy. So what I would like to do this
9 afternoon is to talk to you about the things that we are
10 doing to continue to provide you with affordable,
11 reliable, and clean energy solutions.

12 I'd like to first begin with affordability.
13 We understand that electricity is a significant expense
14 for our customers. At a time when family budgets are
15 tight, we know that we need to work harder than ever to
16 keep your bills down. I'd like you to think about an
17 analogy. When you improve the efficiency of your home,
18 for example, you put in new air conditioning, install
19 ceiling insulation, you are doing that to save money,
20 right, because you're going to use less energy.

21 Similarly, we worked very hard to improve the
22 efficiency of our power plants. And as a result, they
23 are using less fuel, which saves all of you money.
24 These achievements, combined with lower fuel costs,
25 allowed us to lower our customer bills this past

1 January, and in September we'll be filing our fuel cost
2 for 2010, which we project will be even lower.

3 We are committed to keeping our customer bills
4 as low as possible. In fact, the chart that Pat just
5 put up shows you that according to the Florida Municipal
6 Electric Association's data as of April, FPL's bills
7 were the lowest of 54 utilities in Florida. You can see
8 the chart, the blue bar is FPL, which is the lowest, and
9 the rest, the orange bars, are all the other utilities
10 in Florida, 54 utilities, and we're the lowest. A 1,000
11 kilowatt hour FPL customer, as this chart shows, the
12 bill was \$110; whereas, the average across Florida is
13 \$135. So our customers are getting a savings of \$25 a
14 month, or \$300 a year. We have worked extremely hard to
15 keep bills low for our customers.

16 The fact is FPL has not had a general base
17 rate increase since 1985. While the cost of many things
18 have gone up during this past quarter century, our
19 general rate -- our general base rate has not. And the
20 fact that FPL customers have had the lowest bills in
21 Florida reflects years of aggressive cost management.
22 Our operating expenses per kilowatt hour are already
23 less than half of the industry average. And between
24 2008 and 2009, FPL has reduced its capital spending by
25 nearly one billion dollars to account for slower

1 customer growth. In short, we've tightened our belt in
2 response to the downturn in the economy.

3 Our low prices are also the result of the
4 smart investments we have made. For example, FPL's
5 fossil fuel power plants are the most fuel efficient
6 among large scale utilities nationwide. This has saved
7 customers \$3 billion in fuel costs over the last six
8 years. And we have other smart investments underway,
9 also nearby, such as the West County Energy Center and
10 the modernization of the Riviera Power Plants. And with
11 the approval of FPL's rate proposal, we can continue to
12 make these types of investments which we project will
13 save our customers one billion dollars every single year
14 beginning in 2014.

15 We understand that customers struggling to
16 make ends meet need much more than just lower
17 electricity prices. You need help managing your bills.
18 That's why we proactively help our customers with a wide
19 range of energy saving solutions. Since the early
20 1980s, we have been a leader in energy efficiency
21 programs. We have conducted more than two and a half
22 million energy audits for our customers that have saved
23 them electricity.

24 We also continue to sponsor programs like Care
25 to Share, which is FPL's payment assistance program.

1 Care to Share has helped 55,000 families with more than
2 \$11 million in aid. Last year, FPL shareholders again
3 contributed a million dollars to this very essential
4 program.

5 While we're mindful of today's difficult
6 economy, we are also responsible for ensuring reliable
7 service. Our rate proposal is a vital part of our plan
8 to make prudent investments in the electrical
9 infrastructure. As a state and as a company we've
10 learned lots of very important lessons in the 2004 and
11 2005 hurricane seasons. That's why we're investing more
12 to make our infrastructure stronger every single day,
13 whether in good weather or bad.

14 In 2009 alone, this investment will exceed
15 \$200 million. It includes replacing poles, clearing
16 trees from power lines, and strengthening services to
17 hospitals and other essential facilities. Right here in
18 West Palm Beach this will include areas around the
19 Emergency Operation Center on Military Trail, as well as
20 St. Mary's, Good Samaritan, the VA, and Columbia
21 Hospitals. It also includes the Port of Palm Beach.

22 These efforts have helped improve the
23 reliability of our system. In fact, as you can see on
24 this chart, according to the Edison Electric Institute,
25 FPL's distribution reliability was 47 percent better

1 than the national average in 2008.

2 We are also investing in smart technology that
3 gives our customers more control over their energy
4 consumption and improves reliability. We are
5 introducing smart meters that allow our customers to go
6 on-line and monitor how much energy they're using by the
7 month, by the day, and by the hour.

8 And we are investing in cleaner energy to do
9 our part to fight climate change. The three solar power
10 plants that we are building in Florida will avoid nearly
11 3.5 million tons of carbon dioxide. I am proud that
12 according to the National Resources Defense Council, our
13 company is one of the cleanest energy providers in the
14 nation.

15 Most importantly, we can support these kinds
16 of investments even as our customer bills go down in
17 2010. As a result of lower forecasted fuel prices and
18 our success in making our power plants more efficient
19 fuel costs are projected to decrease by \$17 per month on
20 a typical bill. Our proposal would cost \$12 per month,
21 so the net result is a decrease of \$5 per month. In
22 2011, we're requesting an additional rate increase of
23 \$2.84. Whether the overall bill will go up is unclear
24 given the uncertainties of projecting fuel prices 18
25 months from now, but it's precisely because of that and

1 that fuel prices may rise that we continue to fund
2 investments to enhance the fuel efficiency and the
3 diversity of our power plants. It's similar to buying a
4 new more fuel efficient car. It represents an
5 investment up front, but you will get the savings back
6 in fuel.

7 Over the next five years, we need to invest
8 almost \$16 billion. A significant amount of that will
9 come from the capital markets, and our return on equity
10 request is based on what the markets require. In the
11 same way that someone with good credit can get a better
12 mortgage rate, FPL's customers benefit from the
13 company's strong financial position. We are able to
14 obtain better, lower cost financing at an overall rate
15 of approximately 8 percent, which is the actual request
16 in our rate proposal. When we save on financing, our
17 customers save on their bills.

18 Our rate proposal is all about looking at the
19 long-term and investing in our infrastructure to ensure
20 that it will be stronger, smarter, cleaner, more
21 efficient, and less reliant on any single source of
22 fuel. The end result of that will be energy that will
23 be affordable, reliable, and clean.

24 Thank you, again, so much for taking the time
25 to be here today. I look forward to the feedback and to

1 understanding how we can make our service even better.

2 Thank you, again.

3 **COMMISSIONER EDGAR:** Thank you.

4 Mr. Kelly, please.

5 **MR. KELLY:** Good afternoon. I'd like to also
6 echo, I appreciate everybody coming out this afternoon.
7 I know it's hot, a little rainy in spots, but we very
8 much appreciate you taking time to come out and,
9 hopefully, share your comments with the Public Service
10 Commission behind me.

11 I want to do a couple of things. First off,
12 I'm going to introduce myself and tell you what my
13 office does on your behalf. Then I want to talk a
14 little bit about some of the issues that we see in the
15 case that we think are going to be significant and have
16 a significant impact on this rate case.

17 First off, my name is J.R. Kelly. I have the
18 honor and privilege of being the Public Counsel for the
19 State of Florida. What does that mean? That means I am
20 your attorney. My office represents the ratepayers in
21 front of the Public Service Commission on any issues
22 that come before the Public Service Commission, okay.
23 So we represent not only individuals, but the
24 businesses. Basically, anybody that is a ratepayer for
25 Florida Power and Light. We don't represent you

1 individually; we represent you collectively.

2 Now, how do we do that? In our office we have
3 attorneys, and they will be arguing the case. We're
4 going to be contesting several of the issues in this
5 particular case against Florida Power and Light, and
6 arguing that the increase should not be near what they
7 are asking for.

8 We do that just like Florida Power and Light
9 does. They put on their case. We are going to put on
10 our case. They have experts. We are going to have
11 experts. And I'm very pleased to tell you that we have
12 assembled an excellent slate of expert witnesses for
13 this particular case.

14 We have a cost of capital expert. He will
15 talk about return on equity. He has a Ph.D. He teaches
16 at Penn State University. He has an MBA. He has
17 testified all over the nation for about 20 or 25 years.

18 We have an accounting expert out of Orlando.
19 She has experience in over 20 years of dealing with
20 regulatory accounting issues with utilities.

21 We have a depreciation expert, and I'm going
22 to talk about depreciation in just a little bit. That
23 gentleman has testified all over the nation on
24 depreciation issues for about 20 or 30 years.

25 And, lastly, we have another accounting expert

1 that -- not only just in accounting, but also what they
2 call affiliated transactions, and those are transactions
3 between one corporate entity and another that are part
4 of the same corporate family or brother/sister type
5 relationship in the corporate family. So we have a very
6 good team that are working on the case right now as we
7 speak.

8 Now, what's our goal? Our goal is to get the
9 best possible product for you, i.e., electricity from
10 Florida Power and Light at the least cost possible.
11 Okay.

12 Now, I want to explain a little bit why we are
13 here today or what we are talking about. We're here
14 because Florida Power and Light has asked for an
15 increase in base rates. Okay. What does that mean? I
16 use the example of a test tube. You think about a test
17 tube, if you fill up the test tube to the top, that is
18 the rate you pay every month when you consume
19 electricity. Okay. There are a lot of things that go
20 into the test tube. All right. It used to be, years
21 and years ago, base rates made up the entire test tube,
22 100 percent of what you paid. Today, because the
23 Legislature has carved certain things out with
24 cost-recovery clauses, the Public Service Commission has
25 carved certain things out years ago into what they call

1 cost-recovery or pass-through charges to you, that test
2 tube, the base rates only make up about 40 percent of
3 what you pay every month when you consume electricity.

4 Base rates basically have two components.
5 Now, it's very complicated, and I could sit here and
6 talk for hours, but generally speaking there are two
7 elements that go into base rates. One, operating and
8 maintenance expenses. Those are the expenses Florida
9 Power and Light expends to run their company, as simple
10 as that. If you have a business, you have daily
11 operating expenses that you incur daily, monthly,
12 yearly. The same thing with FPL. So that's one
13 component.

14 The second component is they are allowed under
15 Florida Statutes, as well they should be, to receive a
16 reasonable rate of return, reasonable rate of return on
17 the amount of investment that they make in their
18 company. They build a nuclear plant, they build another
19 natural gas plant, they buy assets, whatever, on those
20 investments they are allowed to receive a reasonable
21 rate of return.

22 Now, I'm going to be the first one to tell you
23 folks, I don't stand up here and try to argue to you
24 that Florida Power and Light is a bad company. On the
25 contrary, they are a very, very fine organization. They

1 are well-run. They do a lot for the communities, we
2 know that; they do a lot for the charities; they do a
3 lot for the communities that they are in. And they,
4 obviously, employ a lot of people around the state. I
5 don't argue that at all.

6 Here is where my argument comes in. They are
7 asking in this case for a \$1.3 billion rate increase.
8 We do not feel that is reasonable in today's economic
9 times. Simple as that. We just don't feel that's
10 reasonable.

11 Now, I want to tell you just a few issues that
12 we are going to be arguing on your behalf once we go to
13 hearing in August. Rate of return. You hear a lot
14 about that. Rate of return, return on investment,
15 return on equity. The bottom line is in this case
16 Florida Power and Light is asking for a 12.5 percent
17 return on equity. Bottom line, we feel that is
18 excessive, very, very excessive, especially in today's
19 economic times.

20 How many of you are receiving right now when
21 you buy a share of stock or you have something invested
22 in a bank 12-1/2 percent on your money? I'm certainly
23 not. Because if I was I wouldn't be here; I would be
24 putting more money into that. That is how I want you to
25 think about this, 12-1/2 percent return on equity. It

1 is just too much to ask for. The average authorized
2 rate of return around our nation right now is
3 approximately 10.29 percent. Florida Power and Light is
4 asking for over two percent, or about 200 basis points,
5 but a little over two percent more than that. That is
6 just not reasonable, in our opinion.

7 Now, recently in a recent case before the
8 Public Service Commission, a rate was approved at
9 11.25 percent. We argued with our expert that a
10 reasonable rate was 9.75 percent. We are going to argue
11 again somewhere in that neighborhood is reasonable. We
12 didn't feel like that decision about 11.25 was a good
13 decision; we are going to argue again on your behalf it
14 should be lower than 11.25.

15 Depreciation. This is going to be a very big
16 issue in this case. It is a very complicated issue, and
17 I'll see if I can boil it down to be real simple for
18 you. Depreciation, for those of you that don't really
19 understand depreciation, the bottom line is when you
20 have an asset -- let's say you buy a car, and you think
21 it's going to last ten years. You buy it for \$1,000.
22 Every year you use that vehicle the value drops, right?
23 Because you are using it, its useful value drops. In my
24 simple example, you buy it for \$1,000. It is ten -- ten
25 years worth. Every year you are going to lose about

1 \$100 in value. The same concept is applied when Florida
2 Power and Light buys all of their assets. They have
3 hundreds of thousands, millions of assets. They all
4 have different useful lives. One may be worth -- have a
5 useful life of five years, another asset may be 50
6 years. There's an extremely complicated formula that I
7 can't even begin to explain to you about how
8 depreciation expense is calculated. But the bottom line
9 is you take all of Florida Power and Light's assets, add
10 them up, take all of their useful lives and in a
11 complicated formula it spits out the depreciation
12 expense that they get to take every year that goes into
13 the rates you pay for every year.

14 Today, by FPL's own admissions, their
15 documents that they filed in this particular case, they
16 have overcollected or collected in advance
17 \$1.25 billion. Okay. That's money you have paid along
18 with other Floridians to Florida Power and Light in
19 advance. Okay.

20 Now, they may argue that, well, let's just go
21 ahead and take whatever assets we have left and the
22 useful lives, and let's just make the depreciation in
23 the future less, and we'll give back that 1.25 billion
24 over time, 30, 40, 50 years from now. We do not believe
25 that's an accurate way to portray depreciation expense.

1 1.25 billion you have paid -- you have overpaid. We
2 think you should get it back in the next few years,
3 okay, and that is what we are going to be arguing. Now,
4 they say -- their own admission is 1.25 billion. We
5 believe through our depreciation expert it's going to be
6 much, much higher than that.

7 The next issue, storm reserve. You heard
8 Ms. Santos speak a little bit about storm reserve.
9 Storm reserve is nothing more, folks, than a rainy day
10 fund. We used to all use those. I don't know if we use
11 them anymore, because most us don't have a lot of
12 disposable income now to put away for the rainy day.
13 And, certainly, the people that are in that 10 percent
14 plus unemployment line don't have any rainy day money
15 they can put away.

16 Florida Power and Light wants to collect
17 \$150 million a year from you to go into a storm reserve
18 rainy day fund. If and when a storm should hit, they
19 could use that money to pay for the damages. We do not
20 believe that's reasonable in today's economic times to
21 put that burden upon your shoulders and your fellow
22 consumers, bottom line.

23 Is a rainy day fund a good idea? Absolutely.
24 Absolutely. We should all try to do it, if we can. But
25 right now is bad, bad timing to put on your backs and

1 the backs of your fellow consumers, \$150 million a year.
2 We are going to be arguing that that amount should be
3 substantially less.

4 There are some additional accounting issues
5 that I am not prepared to discuss in detail, but our two
6 accounting experts have identified some things that we
7 are going to be contending Florida Power and Light has
8 not proven by the evidence they submitted in the case
9 that they are entitled to. And we believe once you add
10 those up, they will have a significant impact on the
11 amount of the rate increase, also.

12 Now, I want to set the record straight,
13 clarify a few issues to make sure when you leave tonight
14 you understand a few things. First off, you hear
15 Florida Power and Light argue that, hey, yes, we are
16 asking for a 30 percent rate increase, \$12.40 per 1,000
17 kilowatt hours a month, but you are going to get a \$4.90
18 decrease because fuel is coming down.

19 Well, folks let me explain to you. Fuel and
20 base rates are like mixing apples and oranges. They
21 don't go into the same part of the test tube. Remember,
22 I talked about the test tube. Base rates make up about
23 40 percent. The largest part of that test tube, folks,
24 is made up of fuel charges. Here's how it works. Very
25 simple. Florida Power and Light pays a dollar for fuel;

1 they collect a dollar for fuel from you. If fuel goes
2 down like it is today, they pay 75 cents for fuel. What
3 are you going to pay? You will pay 75 cents. I
4 shouldn't have asked that, should I? You are going to
5 pay 75 cents. If their fuel goes up to \$1.25, you're
6 going to pay \$1.25. My point is you pay whatever they
7 pay, okay.

8 Right now fuel cost is down. But remember a
9 year ago? What happened a year ago? It sky-rocketed,
10 okay. Now, Florida Power and Light, that's not their
11 fault. Their price went up, but what happened? Your
12 cost went up because you had to pay for it. You heard
13 Ms. Santos, and this is true, no one can predict the
14 price of fuel. If we could, none of us would be here.
15 We'd be speculators making millions of dollars, okay.
16 No one can predict it. We hope the price of fuel stays
17 down, but we don't know that it will stay down. And if
18 it turns around in six months and sky-rockets like it
19 did a year ago, guess what, on top of that 12.40 you are
20 going to pay, if this full rate increase is granted, you
21 are going to be paying higher fuel prices.

22 Let me put it in a different way. If Florida
23 Power and Light was not here today asking for the rate
24 increase, your prices, your cost of fuel per 1,000
25 kilowatt would go down \$17.32 per their prediction on

1 fuel. And I would much rather be telling you today that
2 your fuel is going to come down 17.32 per 1,000 kilowatt
3 hours.

4 Another misnomer, going green. Everybody
5 probably in this room wants to see more renewable
6 energies, whether it's solar, wind, geothermal,
7 whatever. We want more energy produced by renewable
8 sources, okay. That has nothing to do with the base
9 rates we're talking about today, okay. The solar
10 projects that FPL has going on right now, which they
11 should be commended for, and I do commend them for
12 those, those do not go into base rates, folks. They are
13 paid separately through a what, another pass-through
14 cost-recovery clause in the test tube. The dollar they
15 pay out, who's paying the dollar? You are. It is
16 totally separate. It does not affect the base rates.
17 So don't let people fool you by saying, well, if they
18 don't get this base rate increase, they can't invest in
19 renewables or solar. That's not true.

20 Another one. They do a tremendous job, folks,
21 and I will commend them for this, and I do commend them
22 for their energy efficiency programs, okay. Those do
23 not go into base rates. Why? There's a conservation
24 what, cost-recovery pass-through clause in the test
25 tube. When they spend a dollar there, who pays for it?

1 You do through another pass-through. Nothing to do with
2 the 40 percent base rates.

3 Last, Ms. Santos mentioned that they have not
4 received a base rate increase since 1985. Technically,
5 she is absolutely 100 percent correct. But remember I
6 said the test tube used to be made up of entirely base
7 rates. Over the years, because we now have these
8 cost-recovery clauses, the expenses that used to be in
9 base rates, such as energy efficiency, okay, such as
10 some of these projects about maybe renewables, they used
11 to be down there. They have pulled out and put into the
12 pass-through cost-recovery clauses.

13 So the base rates, you are not paying as much
14 in expenses there. Why? Because you are paying the
15 dollar-for-dollar in the pass-through clause, okay. So
16 don't be misguided by the fact they have not received a
17 base rate increase, okay, since 1985. They may not
18 have, but a lot of the expenses they used to pay for out
19 of base rates are now being paid where, out of the
20 cost-recovery clauses in your test tube.

21 All right. What can you do today? Folks, I
22 urge you please, please take this opportunity to come up
23 here and speak. Talk about anything you want to, speak
24 from the heart. You do not have to be an eloquent
25 speaker. I obviously do not have a great vocabulary. I

1 grew up in North Florida with my country accent, I know
2 that. But it doesn't matter. You come up here and you
3 speak from the heart as to how this base rate increase
4 may affect you.

5 And by all means, if you want to say how good
6 their company is, feel free, because they are a good
7 company. I'm not arguing that. We just believe, bottom
8 line, what they are asking for is unreasonable.

9 And I want to leave you with one tidbit of
10 information. They're asking, I told you, for 12-1/2
11 percent return on equity and a \$1.3 billion rate
12 increase over what they are currently collecting today.
13 According to their latest reports that they filed with
14 the Public Service Commission, this is what they are
15 earning right now today: 10.88 return on equity based
16 upon \$11 billion in revenues, \$1.1 billion profit. That
17 is for the most recent 12-month period. Folks, that
18 ought to be enough.

19 Thank you very much. (Applause.)

20 **COMMISSIONER EDGAR:** Thank you, Mr. Kelly.
21 Mr. Wright.

22 **MR. WRIGHT:** Good evening. On behalf of the
23 Florida Retail Federation, welcome. My name is Schef
24 Wright. I was born a little more than 59 years ago down
25 the road at Jackson Memorial Hospital in Miami. And

1 except for a couple of quirky turns, I have lived all
2 but nine years out of my whole life in the state of
3 Florida. For the last 29 years, I've been working in
4 energy in Tallahassee. First in Governor Graham's
5 Energy Office and then about seven and a half years on
6 the Public Service Commission staff. I got a break. I
7 became a lawyer, and I mostly represent consumers,
8 renewable energy producers, and municipalities.

9 I have the privilege to be here on behalf of
10 the Florida Retail Federation. The Federation is a
11 statewide organization of more than 9,000 members from
12 the smallest mom and pop commercial establishments to
13 the largest chains of grocery, department, electronics,
14 and drug stores.

15 Like your Public Counsel, Mr. Kelly, and like
16 the Public Counsel before him, Mr. Shreve, to whom you
17 all -- both of whom you all owe a tremendous debt of
18 gratitude, because they have done a wonderful job for
19 you and for the state of Florida. Like your Public
20 Counsel, we oppose FPL's rate increase request,
21 certainly at least to the extent that they have
22 requested. We are not sure what the final numbers are
23 going to show, but I'm kind of a substance and detail
24 guy, and I am going to tick off some numbers for you
25 pretty quick here. And we are not at all convinced that

1 they need any rate increase at all when all the evidence
2 comes in.

3 The issue to be decided in this case is
4 whether Florida Power and Light Company needs
5 \$1.3 billion a year more of the money from you, from our
6 members, from all of their customers in order to own,
7 finance, operate, and maintain their system. We don't
8 believe that they do.

9 A couple of quick points before I get into
10 real specifics. It's true that FPL hasn't had a general
11 base rate increase since 1985 when they brought the
12 St. Lucie 2 unit into service. They haven't asked --
13 well, with one exception I will touch on in a second,
14 they haven't asked for one. Why haven't they asked for
15 one? Because they were making a bundle of money, folks.
16 In 1999, they agreed to reduce their rates by \$350
17 million a year. In 2002, they agreed to reduce their
18 rates by another \$250 million a year. During this time
19 period, they made one-time base rate refunds of more
20 than \$200 million.

21 Now, why did they do that? Because your
22 Public Counsel, the Retail Federation, and other folks
23 were fussing at them because they were making so much
24 money, and they agreed to settle the cases for these
25 reductions and refunds. In 2005, they did come and ask

1 the Commission for a general base rate increase of
2 \$430 million a year. Through the concerted efforts of
3 the consumers' side, the Public Counsel's Office, the
4 Industrial Power Users, the Retail Federation, the
5 Attorney General's Office, we ultimately negotiated a
6 rate freeze. They asked for \$430 million a year; they
7 agreed to a zero base rate increase. Now, the recent
8 increases for their two new power plants were part of
9 that, and that has reflected itself in base rate
10 increases, but that's the history. That's the objective
11 history.

12 Again, the issue is does FPL really need
13 another billion dollars of you all's money, our money,
14 to finance, own, and operate and maintain its system in
15 addition to the billions of dollars it collects through
16 pass-through clauses. We, the Florida Retail
17 Federation, and the other consumer representatives in
18 this case do not believe that they do. Why not? Here
19 are three reasons, and there are more. There will be
20 more.

21 First, return on equity. They are asking for
22 an after-tax rate of profit on their stockholders'
23 investment of 12-1/2 percent. After taxes. Now,
24 Ms. Santos is right, their overall requested rate of
25 return is 8 percent, but that's an average rate of

1 return that includes long-term debt at something like
2 five or six percent, and it also includes some other
3 short-term debt, and then it includes equity at 12-1/2
4 percent grossed up for taxes, which puts it up to more
5 than 20 percent on a pretax basis. We believe this is
6 excessive. I just did some quick back of the -- or
7 front of my little notepaper calculation. Even if the
8 Commission were only to give them 10.29 percent, which
9 Mr. Kelly told you is the average recently authorized by
10 commissions around the country, even if they only gave
11 them that, that would be \$296 million a year less than
12 they would get if the Commission were to give them
13 12.5 percent. Frankly, considering that they recover
14 somewhere between three-fifths and two-thirds of their
15 total revenues through pass-through clauses, we believe
16 that their risks are so miniscule that a rate of even
17 10 percent is extremely generous. So that's one.

18 Two, the depreciation surplus. I'm just going
19 to track this through into dollars for you. If they
20 want to flow it back, they want to roll it into rate
21 base calculations and let it flow back over 20 years,
22 which is approximately the average life of their
23 facilities. You all paid it in; we paid it in. We
24 think we ought to have it back soon, like maybe over the
25 next four years. If you amortize it over the next four

1 years that would reduce their rate increase by an
2 additional \$250 million a year.

3 They have asked for a \$150 million a year
4 increase in their storm reserve accrual. That means
5 they want to build another \$150 million a year into your
6 rates and into our rates to collect from -- to put in
7 their reserve fund. They have got a reserve fund. They
8 have got a reserve fund that is either pushing or has
9 passed \$200 million. If by the grace of God we don't
10 have a big storm this year, their projection is that
11 their storm reserve fund will be at \$215 million by the
12 end of this year.

13 They are asking the Commission to establish a
14 target reserve of \$650 million. They have tried this
15 before, and the Commission said no. I'm going to read
16 to you very briefly from the Commission's order in 2006,
17 or PSC 060464. FPL proposed that its reserve be
18 replenished to a level of \$650 million to be financed
19 through storm-recovery bonds authorized in this
20 proceeding. Intervenors -- that is us, Public Counsel,
21 the Attorney General's Office -- intervenors support
22 funding the reserve to a level between zero and 200
23 million.

24 The record clearly establishes that the level
25 of FPL's reserve has no impact on FPL's exposure to

1 storms. Further, under the current approach to the
2 recovery of storm restoration costs, the risk associated
3 with a lower reserve level -- I'm omitting a
4 parenthetical here -- and the risk associated with a
5 higher reserve level paying charges now for storm
6 restoration costs that do not materialize is completely
7 borne by FPL's customers. Given that FPL has the
8 opportunity to seek recovery of future storm restoration
9 costs through a surcharge or securitization, and given
10 the preference of FPL's customers to face that risk when
11 such cost is actually materialized, we decline to
12 approve funding of FPL's reserve to a level of
13 \$650 million. We find that funding FPL's reserve to a
14 level of \$200 million is appropriate.

15 Okay. Three hundred million, 250 million,
16 150 million, that's \$700 million that we believe should
17 come right off the top. There are additional issues
18 that are being -- in the process of being identified by
19 the wonderful team of experts that the Public Counsel
20 has assembled. They have to do a depreciation expense
21 and other accounting issues of whether costs are
22 reasonable and prudent. We believe -- we doubt that FPL
23 needs any rate increase at all. If they do, we'll say
24 so.

25 In the Tampa Electric case that Mr. Kelly

1 talked about, we said we think Tampa Electric probably
2 needs a rate increase of about \$35 million. They asked
3 for 250. The Commission gave them more than that. You know,
4 we weren't completely happy, but I think the company
5 might not have been completely happy either.

6 But if we thought they needed a rate increase
7 to maintain, own, finance, operate their system and
8 provide quality service to you, we would not hesitate to
9 say so. We doubt that they need an increase. The
10 evidence will tell. Your Public Service Commissioners
11 will decide. Please tell them your views on this
12 important issue.

13 Thank you very much for coming. (Applause.)

14 **COMMISSIONER EDGAR:** Thank you.

15 Ms. Bradley.

16 **COMMISSIONER ARGENZIANO:** Madam Chair.

17 **COMMISSIONER EDGAR:** Commissioner Argenziano.

18 **COMMISSIONER ARGENZIANO:** Yes. Just to be on
19 record as I have done in every other meeting, I just
20 wanted -- even though the Commission did pass the last
21 rate increase, I want it known that it was not a
22 unanimous decision, so the people don't leave the room
23 thinking it was. It may have a different connotation.
24 I did not vote in favor of that rate increase. Thank
25 you.

1 **COMMISSIONER EDGAR:** Thank you.

2 Ms. Bradley.

3 **MS. BRADLEY:** I am very pleased to be here
4 today. The Office of Attorney General frequently works
5 with the Office of Public Counsel and the other
6 intervenors, and we represent your interests. And in
7 order to do that properly we need to know what they are.
8 I see a lot of people here from AARP, and they are very
9 good about letting us know your concerns, and we
10 appreciate their efforts on your behalf. But it is
11 important that we hear from you.

12 We know that nobody likes a rate increase. It
13 is never good, but a lot of people that we have been
14 hearing from have been telling us stories and concerns
15 that they have that really emphasize what a problem this
16 can be. They mentioned a lot of people that are on
17 fixed incomes. They're retired. They have worked hard.
18 And, you know, it's kind of hard when you are in that
19 situation and everything else is going up, everything
20 but the money you earn, and that's difficult for
21 anybody.

22 And, you know, I felt for some of the people
23 that were talking about some of the folks that they work
24 with that can't afford to run their air conditioning in
25 this hot weather the way they should. And in those

1 situations they found people -- they've gone into homes
2 and found people that have suffered from heatstroke.
3 They have even had some deaths because of people that
4 just didn't feel like they could afford or were able to
5 have the air conditioning that they needed. And that's
6 the kind of thing that really strikes home with us.

7 Now, if you want to say good things about
8 Florida Power and Light, that's okay, too. We have
9 heard from a lot of people that have said they get very
10 good reliable service, and that's what we all want. You
11 know, we want to know that when you go in and you turn
12 on your electricity it's going to be there. So we
13 appreciate that. And they have had a number of people
14 come in to testify about the charitable causes they have
15 contributed to, and we appreciate that, as well. But at
16 the same time, we need to know what affect this is going
17 to have on all of you, and that's what we will be
18 arguing when we go to hearing is to try to make sure
19 that we do our best to have you get a fair and
20 reasonable rate the way the statute provides, and that's
21 very important to us.

22 Now, there was mention of the storm recovery.
23 I have heard that at a couple of the hearings now. And
24 we appreciate the efforts the company has made. That
25 was an issue that we litigated a few years ago. And,

1 actually, we have to thank the PSC because they required
2 Florida Power and Light and all the other utilities to
3 improve their storm hardening efforts to try to make
4 sure that the poles that were out there were not rotten
5 and not a problem, and take a very proactive -- while we
6 all hope that there will not be another hurricane
7 anytime soon, we would like to take a proactive approach
8 to that and make sure the lines are in as good a
9 condition as they can be, so that if something does
10 happen that they will be less likely to be torn down.
11 And we appreciate the PSC having done that for us.

12 There was also references -- you know, we have
13 heard about some of the charitable organizations that
14 came in and testified and said we want to make sure that
15 they keep donating. Well, you know, that really doesn't
16 have anything to do with your rate increases. That
17 won't be used for charitable donations. So it's really
18 not related to what we are doing here today.

19 And there has also been mention of they need
20 this high return on equity because if they have this
21 type of return on equity they're able to get a higher
22 credit rating, which will allow them to borrow money at
23 a much lower rate, and that's of benefit to all of you.
24 Well, the only problem with that is we are hearing that
25 from all the utilities. And when you look at it, yes,

1 you will get a benefit, but what will that benefit cost
2 you? At one of the last hearings they did the
3 calculations, and they would get -- the customers would
4 get about a \$5 million benefit, but it would cost them
5 \$30 million. You know, I put that in terms that I can
6 understand. I say, well, you know, if somebody gives me
7 five dollars, great, thank you, I appreciate it. But
8 it's not as great and it doesn't look as good if you
9 tell me I have got to pay you \$30 for that five dollars.
10 And that is kind of what we are looking at here and some
11 of the problems that we have with their rate request.

12 There is also another problem that I'll
13 mention to you and that's the trickle down. Mr. Wright
14 talked about the Retail Federation, and there's a lot of
15 good folks in that, but those are a lot of the small
16 businesses. A lot of the businesses that are not
17 monopolies. They have to compete with the other
18 companies that are selling the same goods and services.
19 And, you know, when their electricity goes up, at some
20 point they are going to have to raise the cost of those
21 goods and services that they sell, which means that if
22 there is a rate increase, not only will you have to pay
23 more for your utilities, but you are going to have to
24 pay more for other goods and services. And we hate to
25 see citizens taking kind of a double smack like that at

1 the same time, especially in this time when the economy
2 is not the best it has been lately. And we are hoping
3 there will be a turn around as soon as possible, but in
4 the meantime we have got to get through this, and we
5 hope -- you know, we want to do what we can to make sure
6 our citizens get through that.

7 One of the AARP members was telling me, and I
8 hadn't even thought about it, he said your water and
9 other utilities may go up because they use electricity
10 to run their companies. And I hadn't thought about
11 that, so I appreciate that point. And I'm sure he will
12 be talking to you in more detail and can explain it
13 better than I can. But this is the type thing that we
14 need to hear from you. We need to know what your
15 concerns are, what your problems are, so that we can
16 represent you in these upcoming hearings.

17 And, once again, thank you all for coming. I
18 know on this hot day there are probably things you would
19 have had more fun doing, so we appreciate you taking the
20 time. And we all had trouble getting to pay in the
21 parking garage and finding a place, and I'm sure some of
22 you may, as well. So we're sorry about that, but we
23 appreciate you coming through all of that and being
24 here. (Applause.)

25 Thank you.

1 **COMMISSIONER EDGAR:** Thank you, Ms. Bradley.

2 Just a few comments. That concludes the more
3 formal presentation. I want to make sure that you are
4 all aware that everything that is said today is part of
5 the official record of the legal proceedings for this
6 case. We have a court reporter who's on staff with us
7 who is recording everything, and that will be
8 transcribed and become, again, part of the official
9 record.

10 I would also like to point out to you out
11 at the -- again, at the sign-up desk there are some
12 sheets that look like this, some blue sheets, that have
13 some general information about the Commission and also
14 about this case. On the back of the last page, there
15 are some places that you can write comments if for some
16 reason you would feel more comfortable submitting in
17 writing rather than speaking to us, or if you know of
18 friends or family who wanted to be here today and were
19 not able to join us, please take some with you. They
20 can be mailed. They are already addressed or they are
21 also available on our website. So please let anybody
22 that you know that might have an interest in sharing
23 their comments with us know of that option, as well.

24 Because this is a part of the official record
25 in just a moment I will swear you in as a group. That

1 is required. I believe we have over 60 people who
2 have -- close to 70, over 70 Mr. Kelly tells me, over 70
3 people who have signed up to speak, and we do have a
4 limited time. We want to hear from everybody. So I
5 would ask each of you as you have the opportunity to
6 share with us your thoughts, please do realize that
7 there are other people that are waiting. And so we
8 would ask you to tell us what you want us to hear,
9 that's why we're here, but also be aware that we have a
10 lot of people to work through.

11 I would ask that you kind of keep that in
12 mind, two to three minutes a person. We will try to
13 stay within that. When your name is called, and we will
14 go in order, I will ask that you come to the podium
15 right over here where the microphone is, that way we can
16 see you. And, also, I think everybody in the room can
17 hear, and that will also help our court reporter, as
18 well.

19 Ms. Bradley, did you have something that I may
20 have forgotten?

21 **MS. BRADLEY:** When you said that, you reminded
22 me that we have got a couple of people that asked about
23 the transcript. And I understand that sometimes maybe
24 next month if you will go into this case number that is
25 on the information outside there, you look at this case

1 number, the transcript of all of these hearings will be
2 posted on there. So if you have to leave early or you
3 want to see what was said in another place, you can go
4 on there and actually read that. Thank you.

5 **COMMISSIONER EDGAR:** Thank you, Ms. Bradley.

6 And, also, there are phone numbers for our
7 staff and all of the information is available on our
8 website. We do have an 800 number if anybody has any
9 questions after tonight or something that you didn't
10 feel that you got as much detail as you would like,
11 please do contact our office, and there will be people
12 who would be glad to try to be helpful.

13 And with that, what I would ask is that
14 everyone who intends to speak tonight, please stand with
15 me as a group, and I will swear you in.

16 (Witnesses sworn.)

17 **COMMISSIONER EDGAR:** The first name that I'm
18 going to call is Mr. Vincent Bonveto, Vento, and I
19 apologize if I got that wrong, who is with the Office of
20 the County Administrator for the Board of County
21 Commissioners. Thank you for letting us use your
22 facilities.

23 **MR. BONVENTO:** Thank you. I want to, on
24 behalf of the Board of County Commissioners, welcome you
25 to our community, welcome you to our facility here

1 today.

2 For the record, my name is Vincent Bonvento.
3 I'm an assistant county administrator for Palm Beach
4 County. I am also the Director of the Public Safety
5 Department for Palm Beach County.

6 And I just want to take a couple of seconds to
7 mention that we have an outstanding working relationship
8 with FP&L. Part of my duties as the Department Director
9 for Public Safety is to oversee all the disaster
10 responses here in Palm Beach County, and we have
11 developed a very outstanding working relationship with
12 FP&L during our previous hurricanes.

13 I think Frances and Jeanne taught a lot of
14 people, not only FP&L, but Palm Beach County officials a
15 lot about hurricane preparedness. And I just wanted to
16 commend FP&L for the efforts they made in improving
17 their infrastructure after those hurricane seasons, and
18 just to go on record that we welcome FP&L's input and we
19 have an outstanding working relation with them.

20 Thank you.

21 **COMMISSIONER EDGAR:** Thank you.

22 And next, Dr. Daniel Comerford, who is
23 Vice-Mayor of the Town of Jupiter Inlet Colony. Thank
24 you for joining us.

25 **MR. COMERFORD:** Thank, Madam Chairman. I will

1 keep my comments very brief.

2 I would like to make the point, I'm not
3 talking about the rate increase, but the quality of
4 service. And we have experienced, particularly after
5 the hurricanes of '04 and '05, outstanding recovery on
6 the part of FP&L people working around the clock to get
7 our power on as quickly as possible.

8 And I listened very intently to Mr. Wright,
9 who, incidentally, represents the Town of Jupiter Inlet
10 Colony, and the Office of Public Counsel, and the State
11 Attorney. And although I might agree with many of the
12 points that they made, I would like to make the point
13 that the quality of service, which everybody seems to
14 think is very good, does not happen in a vacuum. It
15 happens because the company is adequately compensated
16 for the service that they provide, okay?

17 I have lived in other parts of the country,
18 you probably can tell that from my accent. I was born
19 in Brooklyn. I grew up on Long Island. We paid the
20 highest rates in the country, Con Ed and then LILco.
21 The service was not good. Fortunately, we very rarely,
22 about once every 30 years experienced a hurricane, but
23 we did have a lot of ice storms. We were without power
24 for weeks and weeks and weeks at a time. And I think
25 you see that reflected in newspapers where they can't

1 get crews out to remote areas or even into suburban or
2 more urban areas to restore power. That has not been
3 our experience.

4 We have an old antiquated system on the
5 southern end of Jupiter Island. We are working with
6 FP&L very cooperatively to underground all of our
7 utilities. I have appeared before you twice on
8 different issues related to the undergrounding, and I
9 would just like to say that we have been a good partner
10 with FP&L.

11 I would also make one further point. I am on
12 the Board of Directors of the Palm Beach Zoo, which is
13 the largest tourist attraction in Palm Beach County with
14 about 300,000 visitors a year. And, again, you know,
15 whether you pay higher rates or you don't, it has
16 nothing to do with the charity work that they do. But
17 we just opened the first Leed certified at the gold
18 level animal hospital in the United States, and only the
19 second Leed building at any zoo in North America. FP&L
20 was our partner in that venture. They contributed
21 significantly to putting solar panels on the top of it.
22 I am beginning a dialogue with them for hydrogen fuel
23 cell generators. We may have the first one in the
24 country operating at that building fairly soon. And I
25 would just like to say that it has been a pleasure

1 working with them.

2 Thank you for your time today.

3 **COMMISSIONER EDGAR:** Thank you.

4 Mayor Charles Falcone for the Town of Jupiter
5 Island. Mayor, nice to see you again.

6 **MAYOR FALCONE:** Thank you, Commissioner, and
7 Commissioners, and staff. I appreciate this opportunity
8 to speak with you. I have written testimony as well and
9 in order to keep this down to a very short period of
10 time, the testimony is short, too, I will ask that you
11 put the document in the record, and I'll abbreviate it.

12 **COMMISSIONER McMURRIAN:** Thank you.

13 **MAYOR FALCONE:** And this may give the court
14 reporter just a little relief for a minute or two. And
15 this co-authored by Mr. Christopher Smith, also a
16 resident of Jupiter Island and myself.

17 The clock is blinking, and I want to talk
18 about -- I would like to talk about the quality of
19 electric service as well, as Mr. Comerford has. When it
20 comes to quality, your distribution system is critically
21 important and distribution has been the stepchild of the
22 electric utility industry across the country and also in
23 Florida. The clocks blink, the ice cubes fuse, and
24 nobody likes power outages. And when there are storms
25 and hurricanes it really gets serious.

1 We, the Town of Jupiter Island, have
2 undertaken a whole town conversion of its overhead
3 electric distribution system to underground service.
4 The primary reason was and is service reliability. Most
5 of the work is performed by our own contractors, thanks
6 to the permission that your regulations allow, and we
7 are about 75 percent complete at this time. We expect
8 to finish the job, the complete conversion of the town
9 by November 2009. And we want to thank FPL for their
10 forward-thinking policy established as part of their
11 storm secure plan following the severe hurricanes of
12 2004 and '05.

13 And prior to that, I'd add FPL's policy was
14 resistive of underground distribution conversion. After
15 the hurricanes, the company became a supporter of
16 underground conversion and they facilitated this in
17 several ways, including a 25 percent cost sharing. I'd
18 add that you all at the Commission looked at this long
19 and hard before you approved it, and it is justified on
20 the basis of a reduction of operating costs brought
21 about by the conversion.

22 It's going to cost our town residents about
23 \$10 million. On average about \$16,000 per property. We
24 will pay this off over a 20-year period in our taxes.
25 The primary reason -- and you don't spend \$10 million

1 for nothing -- was to improve the reliability of
2 service. For years we perceived that our service
3 performance was terrible, frankly. Compared to what,
4 though? Well, we were all comparing it in our own
5 minds, you know, to our experience in other parts of the
6 country. But after hearing about experiences from other
7 nearby communities, I come to believe -- I believe now
8 that our town service was par for the course in FPL's
9 territory in South Florida. And we complained about it,
10 and plenty.

11 We asked for outage data from FPL, found it to
12 be rather sparse and hard to obtain. It seems they
13 weren't collecting and saving much data. And we decided
14 to collect data ourselves. And this is easier than you
15 might expect. You can buy monitoring devices made by
16 Soft Switching Technologies, Inc., maybe some others as
17 well, that cost about \$1,500 apiece. They connect to
18 the Internet as well as monitor the house service, and
19 they send an e-mail following an event. An event could
20 be an outage, a voltage dip. It records the time,
21 duration, and so forth of the outage. You can build a
22 database. We installed four of these at strategic
23 locations on the island and in the town, and began
24 compiling data.

25 I've got exhibits with drawings and so forth,

1 but I'll summarize that. Bar charts can be summarized
2 with a couple of statistics. Over six years, a six-year
3 period of monitoring, we have recorded 7.9 outages per
4 month on average. Now, that's a lot. And that counts
5 very short outages, long outages. This is data that FPL
6 doesn't seem to have themselves, because they don't
7 monitor and record momentaries, less than 60 seconds in
8 duration. Those are important to us, as well.

9 Anybody with a computer cares about a
10 momentary -- a short outage, something less than 60
11 seconds. It is bothersome, it's troublesome, et cetera.
12 So we keep track of all of that. Of course, the longer
13 duration outages are more important. The response after
14 a hurricane is most important.

15 The condition of our overhead facilities we
16 perceived to be in a poor state of repairs. This is
17 evidenced not only by the outage frequency, but also by
18 some very unusual events, frightening cases in which
19 wires fell down to the ground and continued to arc and
20 flash, scorching lawns and driveways. I have a couple
21 of photographs in the package, which you can look at at
22 your leisure. The burn marks on the lawns, on the
23 driveways, et cetera, suggest that this is a dangerous
24 situation. Fortunately, nobody was injured in any of
25 these events.

1 Another town south of us who's interested in
2 conversion indicates that it looks like some of the
3 poles, not all, but some of the poles are held up by the
4 wires rather than the over way around. And I can't say
5 that's true in ours. We have a lot of crooked, or had a
6 lot of crooked poles, most of them are gone now, they
7 have been replaced with underground cables, but none of
8 them seemed to be held up by the wires.

9 We are very conscious that service reliability
10 depends not only on the facilities in our town, and we
11 are on an island, but also the feeder circuits that get
12 the power to our town from substations. And we have two
13 sources into the town, one in the south and one in the
14 north. The southern feeder is very, very close to a
15 substation. There are four overhead poles -- spans I
16 should call them, four or five overhead spans, and then
17 it goes in a submarine cable under the river and it goes
18 right to a substation.

19 The folks that live in front of those and are
20 outside of our town and outside of our county, they are
21 in Palm Beach County, were originally going to convert
22 these to underground service, but they recently have
23 decided not to because of cost.

24 But we are not too concerned about the
25 exposure from four poles. We are concerned -- in fact,

1 they look very sturdy, much more sturdy than the ones
2 that were in our town. We are a little concerned about
3 the services in the feeder coming into the town in the
4 north, and that goes under the river, and it has a
5 rather antiquated underriver submarine cable which
6 really ought to be replaced.

7 FPL is suggesting that we replace this under
8 the same formula that underground conversion take place.
9 This troubles us a bit, but at the same time we are
10 rather concerned that after doing that \$10 million
11 effort in converting all of our facilities to
12 underground on Jupiter Island in our town we don't want
13 to count on a very weak source coming into the town. So
14 we are probably going to deal with that.

15 In summary, our data collection over several
16 years, six years demonstrates clearly the high frequency
17 of outages on traditional overhead distribution lines in
18 South Florida. And after conversion -- we have data for
19 the before and after on the south part of the island.
20 That was the first phase of our conversion. And in nine
21 months -- this is preliminary, because we only have nine
22 months of data -- we had only one outage on the south
23 end of Jupiter Island. That is in nine months.
24 Remember this is after an average of almost eight
25 outages per month for six years. And even that one

1 outage was an out-of-town cause. It was off-island
2 caused.

3 So, in summary, it shows a dramatic
4 improvement in service reliability with underground
5 conversion. We thank FPL for their support and
6 cooperation in facilitating underground conversion,
7 which I understand other utilities in Florida are not
8 offering. Thank you for the opportunity to offer our
9 thoughts on service reliability in South Florida.

10 Thank you.

11 **COMMISSIONER EDGAR:** Thank you.

12 Ms. Williams, if you would help me we will go
13 ahead and mark the document that Mr. Falcone left with
14 us as Exhibit 11. I will label it Mayor Falcone's
15 Testimony with Attachments.

16 (Exhibit Number 11 marked for identification.)

17 **COMMISSIONER EDGAR:** And, Mr. Kelly, if you
18 will help us call the names from the sign-up sheets, and
19 I would ask, as we have done before, that you try two at
20 a time, since that seems to help us move through.

21 **MR. KELLY:** Sure. The first speaker is Mr.
22 Gary Hines followed by Mr. Steve Berk.

23 GARY HINES

24 appeared as a witness and, swearing to tell the truth,
25 testified as follows:

DIRECT STATEMENT

1
2 **MR. HINES:** Good Afternoon, Commissioners.

3 For the record, Gary Hines, West Palm Beach native, but
4 resident for the last eight and half years of the
5 Village of Royal Palm Beach, about 12 miles west of
6 where you are.

7 Two days ago we experienced a weather anomaly.
8 Record or near record high temperatures. As I left the
9 office about 5:30 p.m. the temperature was 100 degrees
10 at 5:30, and I couldn't wait to get into the air
11 conditioning. I feel for people that don't have the
12 benefit of air conditioning.

13 I just wondered as I drove home in that
14 oppressive heat what it would be like, how miserable it
15 would be like if we didn't have sufficient power to run
16 our air conditioners, our fans, or what have you, power
17 our businesses, power our homes. I thought of a few
18 years ago the rolling brownouts in some other states,
19 California, New York, and credit to FPL for constructing
20 generating facilities to keep up with the demand of a
21 growing region. Even though the population growth has
22 slowed, long-term trends are we are going to continue to
23 grow. There is going to continue to be demand by
24 businesses and by residents alike for power for a
25 variety of applications.

1 I'll just be very brief and say that in
2 summary our homes, our residents, our businesses expect
3 and demand available and reliable power, and I encourage
4 you to approve the request by FPL.

5 Thank you.

6 **COMMISSIONER EDGAR:** Thank you, Mr. Hines.

7 **MR. KELLY:** Steve Berk followed by David
8 Trimble.

9 STEVE BERK

10 appeared as a witness and, swearing to tell the truth,
11 testified as follows:

12 DIRECT STATEMENT

13 **MR. BERK:** Good afternoon, members of the
14 Commission, fellow residents. My name is Steve Berk. I
15 am a full-time resident in Palm Beach Gardens. I live
16 in Palm Beach County. My wife and I both work in Palm
17 Beach County, and we enjoy all the amenities that Palm
18 Beach County has to offer.

19 When it comes to the power, I expect every
20 time I turn on the switch that it comes on, and it does.
21 And even during the times of the hurricanes we were
22 temporarily, and in my mind temporarily inconvenienced
23 for a very short amount of time, and this is all due
24 by -- due to the fact that the service and the fact that
25 FPL has got a business plan that works and is efficient.

1 Now, in order for a business plan to work it
2 needs to be profitable. And I have heard a lot of
3 comments today about an excessive amount of profit. In
4 my opinion, in order for a business to be able to
5 provide the service to the public in a reliable and
6 secure manner, as FPL does, along with being
7 environmentally conscious for not only my generation,
8 but my future generations, I feel as though that we need
9 to support this company in all ways, including
10 financially.

11 There are second and third and fourth order
12 effects that are very important that have not been
13 discussed today. I have numerous acquaintances that are
14 being currently employed at the new western plant in
15 that construction, and without that western plant being
16 constructed at this point in time those people would be
17 jobless. So not only do we need to realize that there
18 is the short-term effect, we also need to realize that
19 there is a long-term effect.

20 There are two primary businesses that need to
21 be supported at all means for an economic recovery,
22 which we are all hoping comes very soon, one of those is
23 the banking and financial industry, which we have had to
24 prop up, and the other one is the utilities. Without
25 utilities we have no economic recovery. So in order not

1 to have -- the last thing I want to do is find out that
2 any utility company, and there may be some out there,
3 are getting bailed out in order to provide economic
4 recovery. I don't want to have my tax bill increased
5 any more. If I've got to pay it anyway, I want to pay
6 it to a company that is a solid company that is able to
7 make a profit. And let's keep in mind, too, that there
8 are shareholders that expect this company to be
9 profitable and be able to maintain a certain amount of
10 viability and reliability throughout the future.

11 Now, you know, this is a unique situation for
12 me, because last summer when gas was \$4 a gallon, I
13 didn't get to go to a Public Service Commission meeting
14 to express my concerns about the oil industry. So I
15 think that we need to realize that this is an excellent
16 opportunity for us to speak, but we also need to realize
17 that there are very few things in life that we have an
18 extreme amount of control over, and one of them is the
19 price of fuel. Fortunately, that has backed down, and
20 we are able to reap the benefits of that, not only
21 personally, but within the general economy.

22 But the fact that we are able to come here and
23 express our concerns is an opportunity that we should --
24 we should absolutely embrace, which we're all doing here
25 today. But we also need to keep it in perspective and

1 make sure that we know that in the future we have got a
2 company that is going to be -- I just got the cutoff
3 sign over there -- that is going to be safe and
4 reliable. And, therefore, I support the increase.

5 **COMMISSIONER EDGAR:** Thank you, Mr. Berk.
6 Mr. Kelly.

7 **MR. KELLY:** David Trimble followed by Alice
8 Thompson.

9 DAVID TRIMBLE

10 appeared as a witness and, swearing to tell the truth,
11 testified as follows:

12 DIRECT STATEMENT

13 **MR. TRIMBLE:** I have been in the construction
14 industry for 30 years in South Florida, and we've become
15 dependent on FPL to provide the design and service
16 connections in a timely manner to meet our schedules and
17 to make our jobs finish on time. It is in our best
18 interest that FPL have the funds to continue to provide
19 these services that we have come to expect.

20 Thank you.

21 **COMMISSIONER EDGAR:** Thank you.

22 **COMMISSIONER ARGENZIANO:** Madam Chair, I would
23 like to ask a question.

24 **COMMISSIONER EDGAR:** Commissioner.

25 **COMMISSIONER ARGENZIANO:** Yes. Just to the

1 gentleman who just spoke. Just for my clarification
2 because I have heard it a few times from people. Just
3 to get an understanding, sir, do you think that if we
4 don't give them the increase that those services that
5 you get now that are required for a company to give that
6 you won't get anymore? I'm trying to figure out what
7 you --

8 **MR. TRIMBLE:** I don't know who it affects,
9 whether it affects personnel that we deal with. If it
10 does, then certainly I am in favor of the increase.
11 Because years ago FPL was not so great in some of these
12 areas and now they are really good.

13 **COMMISSIONER ARGENZIANO:** Thank you very much.

14 **MR. TRIMBLE:** You're welcome.

15 **COMMISSIONER EDGAR:** Thank you.

16 ALICE THOMPSON

17 appeared as a witness and, swearing to tell the truth,
18 testified as follows:

19 DIRECT STATEMENT

20 **MS. THOMPSON:** Good afternoon, and thank you
21 for allowing me to speak today. I want to address my
22 comments more towards the good neighbor side, the
23 positive side of FP&L.

24 My name is Alice Thompson. I'm a native of
25 Pahokee, which is located on the shores of Lake

1 Okeechobee and western Palm -- the far western part of
2 Palm Beach County. We call it Palm Beach County's other
3 coast.

4 I have worked in the field of community
5 relations and community development for the past
6 20 years with the Pahokee Chamber of Commerce, first as
7 the Executive Director and now being retired as an
8 executive officer.

9 FP&L has been a regular supporter of the
10 Pahokee Chamber and, I believe, the Glades, the western
11 communities of Palm Beach County for a very long time
12 from providing educational and information literature,
13 by keeping us informed at community meetings, and, of
14 course, providing financial support for special events.

15 Over the past few years, recently FPL has made
16 a concerted effort to keep the chamber members involved
17 in the permitting and construction phases of the West
18 County Power Plant, and on repeated occasions FP&L
19 representatives briefed our members about the employment
20 opportunities and financial benefits the facility would
21 bring to the Glades.

22 More on a personal note, whether it's
23 requiring urgent repair to our home or assisting a
24 worthy individual, their reliable, prompt, and courteous
25 response has been very valuable. I'm convinced that

1 providing quality of service to our small and needy
2 community is the utmost concern for FP&L employees, and
3 I can tell you that they are a valued business partner
4 for us.

5 Thank you.

6 **COMMISSIONER EDGAR:** Thank you, Ms. Thompson.

7 **MR. KELLY:** Joe Hancock followed by Reginald
8 Cox.

9 JOE HANCOCK

10 appeared as a witness and, swearing to tell the truth,
11 testified as follows:

12 DIRECT STATEMENT

13 **MR. HANCOCK:** My name is Joe Hancock. I am a
14 retired professional engineer, and I have had about
15 20 years experience in water and sewer treatment. And
16 any impact you -- any increase in the base rate that you
17 authorize will have a big affect on the water and sewer
18 rates of everyone in this county. And this is a very
19 untimely period of time in our economy to be authorizing
20 any increase in rates and it will definitely have
21 another impact on retired people here. There is a high
22 percentage of retired people in this area, so I would
23 advise you not to increase the rates at this time.

24 Thank you. (Applause.)

25 **COMMISSIONER EDGAR:** Thank you, Mr. Hancock.

1 **MR. KELLY:** Reginald Cox followed by Seabron
2 Smith.

3 REGINALD COX

4 appeared as a witness and, swearing to tell the truth,
5 testified as follows:

6 DIRECT STATEMENT

7 **MR. COX:** Good evening, Commission. My name
8 is Reginald A. Cox. I'm a local architect in Delray
9 Beach, Florida, a native of Palm Beach County and South
10 Florida for the last 39 years.

11 I believe this issue, the core part of this
12 issue is about the future. The future of our children
13 in the areas of jobs and in the area of alternative
14 energies. As you know, fellow South Floridians, in the
15 time of, you know, disaster and hurricanes with FPL's
16 assistance and professionalism for service, we have to,
17 I think, have the mind-set to award this company for
18 their professionalism, their flexibility, and, you know,
19 give them the opportunity to make a decent return on
20 their investment for the investors. Their leadership in
21 wind, solar, and energy efficiency, I believe that will
22 prove over time to be what we need to be awarding and
23 focusing on at this particular time.

24 So, in closing, again, I think this is about
25 the future. You know, my mom always taught me you get

1 what you pay for. And they have proven this in the past
2 with quality of service, and I think everyone is in
3 agreement for that. And we have to look forward, and I
4 hope you give them the opportunity to do that at this
5 time.

6 Thank you.

7 **COMMISSIONER EDGAR:** Thank you, Mr. Cox.

8 SEABRON SMITH

9 appeared as a witness and, swearing to tell the truth,
10 testified as follows:

11 DIRECT STATEMENT

12 **MR. SMITH:** Good afternoon, Commissioners. My
13 name is Seabron Smith. I am a long-time resident of the
14 western community of Lake Worth. And I have had a lot
15 of experience in working with FPL as far as receiving
16 service, the quality of service that we deserve for the
17 money that we pay now. And I know that it is the cost
18 of doing business. You know, they need a rate increase
19 to continue to provide those services, the quality of
20 services. I support that.

21 In closing, I also want to say that, you know,
22 it is very reliable. I like going home and being able
23 to, you know, cool down in my air conditioning, turn the
24 switch on and it works and everything. And if it's
25 compromised in any kind of way for, you know, lack of

1 financial support, I think we all will need to take a
2 long look at that and think about the things that we
3 will suffer if that didn't happen. I really appreciate
4 it.

5 Thank you a lot.

6 **COMMISSIONER EDGAR:** Thank you, Mr. Smith.
7 Mr. Kelly.

8 **MR. KELLY:** Harold Kleiner followed by Mark
9 Holmes.

10 HAROLD KLEINER

11 appeared as a witness and, swearing to tell the truth,
12 testified as follows:

13 DIRECT STATEMENT

14 **MR. KLEINER:** Boy, I feel like an outsider,
15 like it's 99 against 1.

16 My name is Harold Kleiner. I'm a retired
17 senior citizen from West Delray Beach. I represent
18 66 communities. Now, the seniors, they're having a
19 tough time now. You have a lot of foreclosures. Why?
20 A lot of different reasons. One of them is fuel charge.
21 That is just the same as any other bill you have to pay,
22 whether it is a car payment. So I'm here to say that
23 FP&L is a wonderful company. Everybody is praising
24 them. I do, too. They're outstanding, and I appreciate
25 what they do.

1 And as far as their being compensated, some
2 said they should be. I think so, but I think they are
3 overcompensated. Someone here said, well, the
4 stockholders should get something. Do you realize that
5 if the next six months are the same as the first six
6 months with their dividend they will earn 30 percent.
7 For every \$5,000 invested, they have a return of \$1,500.
8 If I put \$5,000 in the bank, at the end of the year I
9 would get \$100. They get 1,500 and I would get 100.
10 And you worry about them being compensated? That's
11 ridiculous.

12 Let's look at the fuel charge. In the
13 newspaper it said they were going to give a \$3.10
14 deduction. To me that's insane. I paid on my bill
15 \$79.40 last month fuel charge. I can't live under 1,000
16 kilowatts. I have a wife who needs electricity 24 hours
17 a day because she's on oxygen. I have to pay the bill.
18 Anybody who negotiates a contract for fuel and can't see
19 a reduction from under \$2 a gallon to \$4 a gallon, I
20 think the Attorney General has a right to investigate
21 who's signing these contracts and if there is anybody
22 getting kickbacks. I don't understand how a contract
23 could go with that amount of money and that difference
24 and only offer us a pittance on that.

25 Now, they talk about 3,600 employees. I think

1 those 3,600 employees, their jobs are safe. What we see
2 around here is the county cutting jobs, people working
3 two and three jobs because they lost their regular job.
4 There was a little story in the paper this week about
5 school lunches for the school children. If you are
6 under poverty you get your 40-cents-a-day meal free.
7 But if you work two or three jobs and exceed that
8 poverty level, you have to send \$2 a week in. And the
9 paper says two dollar checks are being returned,
10 insufficient funds. Now, it says they don't know
11 whether to keep the lights on or pay for lunch. What
12 are we talking about here?

13 The other gentleman says his friend is
14 working. There's a new plant being built. That's
15 great. How about all the people that are suffering
16 inflation? Some people say, well, there's no inflation.
17 Inflation is really coming, but how about the people
18 that go in to shop that have children, and go in to buy
19 a jar of peanut butter that used to be 18 ounces that's
20 16 ounces. That's inflation. When you go in to buy a
21 64-ounce, half-gallon of Breyers or Edy's ice cream,
22 it's only 48 ounces. That's inflation.

23 So while I don't have any children, and I
24 don't have a mortgage because I am old enough to have
25 paid it out, these people that are working have all of

1 these expenses raising a family, how can we say their
2 increase is justified? Not only are they making a huge
3 profit this year, so now they are asking for a billion
4 more next year and 247 million after.

5 They also talk about depreciation. I looked
6 at my bill, there is a little customer charge here,
7 \$5.33. It says customer charge. What is it for? It is
8 for depreciation and accounting fees. They have it
9 already. What do they want?

10 They do a wonderful job, but their profit
11 exceeds a legitimate amount. I looked at the paper and
12 I see where I get my medication. Their profits went
13 down this quarter. Why can't their profits go down this
14 quarter? What is this -- what is this gold emblem that
15 they have that everybody owns them. I appreciate the
16 work they do and I don't mind paying my share. I
17 don't -- I don't like being overcharged. And for the
18 families that are struggling, I think they could do
19 something to help us.

20 Thank you.

21 **COMMISSIONER EDGAR:** Thank you.

22 **MR. KELLY:** Mr. Mark Holmes followed by Leslie
23 Telford.

24 MARK HOLMES

25 appeared as a witness and, swearing to tell the truth,

1 testified as follows:

2 DIRECT STATEMENT

3 **MR. HOLMES:** Thank you, Commissioners. I
4 appreciate your time. I am here to speak about the
5 quality of service that I have had from FP&L. As a
6 third generation native of Palm Beach County, we have
7 been in the real estate business here many years, and I
8 am a property manager and also a landlord. FP&L has
9 provided us and our company a vast savings, hundreds, if
10 not thousand of dollars, over the years through their
11 programs that they have as far as energy conservation,
12 rebates for air conditioning systems, et cetera. I
13 think a modest increase that we're going to be -- that's
14 proposed is a drop in the bucket based on what we have
15 been able to save for not only our capital outlay, but
16 the savings that our tenants have been able to receive
17 from the efficiency of the systems that we have been
18 able to put in.

19 Thank you.

20 **COMMISSIONER EDGAR:** Thank you.

21 **MR. KELLY:** Leslie Telford followed by Willie
22 Dublin.

23 LESLIE TELFORD

24 appeared as a witness and, swearing to tell the truth,
25 testified as follows:

DIRECT STATEMENT

1
2 **MR. TELFORD:** Good afternoon, ladies and
3 gentlemen. My name is Leslie Telford. I live in
4 Boynton Beach, and I'm a retired accountant.

5 It has been brought to my attention that the
6 Florida Power and Light Company is requesting authority
7 to increase basic electricity rates by 30 percent to
8 raise one billion dollars annually for the sole purpose
9 of increasing profits to a range of 12 to 13 percent on
10 stockholders investments. I wish to go on record as
11 opposing such an increase.

12 Public Counsel, Mr. Kelly, in response to his
13 opposition to this request, among other items, pointed
14 to the fact that FPL has excess reserves for
15 depreciation of \$1.2 billion. If FPL reduced its
16 reserve by 1.2 billion, there will not be a need to
17 raise our rates, and we probably won't be here today.

18 President Obama has asked us, the poor seniors
19 who rely on Social Security, for our assistance to make
20 sacrifices to help the economy by foregoing cost of
21 living increases in 2010 and 2011. Now comes FPL asking
22 us to pay \$150 per year on our bills to facilitate
23 payment to wealthy stockholders of 13 percent. I have
24 got a rhetorical question. Where can FPL stockholders
25 get that kind of return, from AIG or General Motors? I

1 think not. The average return for utilities in the
2 country is 10 percent, just about the amount that FPL
3 currently pays. Even if they do not pay that amount
4 next year, I'm willing to bet not one current
5 shareholder will turn in his or her share certificate.

6 Thank you. (Applause.)

7 **MR. KELLY:** Willie Dublin followed by Michael
8 Weeks.

9 WILLIE DUBLIN

10 appeared as a witness and, swearing to tell the truth,
11 testified as follows:

12 DIRECT STATEMENT

13 **MR. DUBLIN:** My name is Willie Dublin. I'm a
14 retired pastor. I have been living in Delray Beach over
15 60 years and I have been getting quality service from
16 FPL, and I would like to retain this quality of service
17 with a quality rate. FPL has been good to me for over
18 60 years, and I would like to retain this service.

19 Thank you.

20 **COMMISSIONER EDGAR:** Thank you.

21 **MR. KELLY:** Michael Weeks followed by Nicole
22 Christian.

23 MICHAEL WEEKS

24 appeared as a witness and, swearing to tell the truth,
25 testified as follows:

DIRECT STATEMENT

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MR. WEEKS: Good afternoon, Commissioners.

Michael Weeks. I am a resident of the city of West Palm Beach. I am also a Palm Beach County native. I am glad to hear that all 20 of us are here this afternoon.

Anyway, I just wanted to speak briefly about my experiences with FPL and their quality and level of service, the experience that I have had with them over the years since -- since we were back down here.

Me and my wife bought a house here in Northwood, just north of the city here, which is one of the older neighborhoods, lots of '50s houses, a number of years ago. And when we did so we called FPL out to do an energy efficiency survey. They came out within -- I mean, within a day, did a great job of explaining to us the things that we could do to reduce the amount of energy consumption that our house consumed.

They also gave us a rebate for attic insulation, which helped us in recovering that cost and also, again, reducing our energy consumption. We also were signed up for their, I believe it's called one-call service, which allows FPL to remotely turn off high energy using appliances, such as your AC unit, or pool pump, or hot water heater if, I guess, they need to based on demand.

1 We get a credit on our bill for doing that.
2 And I have noticed no difference in our level of service
3 for having done so, and I'm very happy that FPL steps up
4 and makes those efforts to save us money and to be more
5 efficient for themselves.

6 Just a few years ago we had an issue with one
7 of our neighbors where their trees were getting into the
8 power lines and had to call FPL. Again, within 24 hours
9 an Asplundh crew was out there, took care of it, no
10 issue. And it was a good experience.

11 Over the years I have also been president of
12 my neighborhood association up there off and on. It's
13 usually you get it if you don't show up for the meeting.
14 But FPL has done a great job in communicating to us what
15 changes are going on with FPL, too. With the Riviera
16 Beach Power Plant, they were very good in getting in
17 touch with our neighborhood, talking about what their
18 plans were, and talking about the timeline and how they
19 were planning it. And the level of communication has
20 always been very good.

21 I would just basically like to say that I have
22 been very happy with FPL's level of service over the
23 years, and I want to see that continue at its current
24 level. And I really wasn't going to speak on the rate
25 increase itself, but, you know, I have heard some of the

1 numbers here that were presented tonight talking about
2 an increase in the rate of return for FPL, and that
3 being too high. There was talk of the test tube of what
4 our bill constitutes. But then when I saw that chart, I
5 noticed FPL's test tube was the smallest one on the
6 chart, you know, and I just don't want to see a company
7 be penalized for being efficient.

8 Thank you.

9 **COMMISSIONER EDGAR:** Thank you. Mr. Kelly.

10 **MR. KELLY:** Nicole Christian followed by Pam
11 Calzadilla.

12 NICOLE CHRISTIAN

13 appeared as a witness and, swearing to tell the truth,
14 testified as follows:

15 DIRECT STATEMENT

16 **MS. CHRISTIAN:** Good evening, Commissioners.
17 Nicole Christian. I am a new resident of North Palm
18 Beach and, actually, a new customer of FP&L. And I just
19 want to say what a pleasure it has been to work with
20 FP&L to set up my service. They've been extremely
21 helpful. I contacted them to find out about the energy
22 costs of the home I was purchasing prior to doing so.
23 They were extremely helpful. Setting up my service has
24 been simple, setting up budget billing has been very
25 simple. Their service is excellent. It meets all of my

1 expectations. I commend them for the high quality of
2 service they are providing, and at the same time their
3 commitment to the community and the way I see them give
4 back. So I would certainly support an increase and hope
5 that the Commission will do the same.

6 Thank you.

7 **COMMISSIONER EDGAR:** Thank you.

8 **MR. KELLY:** Pam Calzadilla followed by Sheri
9 Scarborough.

10 **COMMISSIONER EDGAR:** If you could pronounce
11 your last name.

12 **MS. CALZADILLA:** It's Calzadilla.

13 **COMMISSIONER EDGAR:** Spell it maybe.

14 **MS. CALZADILLA:** It is C-A-L-Z-A-D-I-L-L-A.

15 **COMMISSIONER EDGAR:** Thank you.

16 PAM CALZADILLA

17 appeared as a witness and, swearing to tell the truth,
18 testified as follows:

19 DIRECT STATEMENT

20 **MS. CALZADILLA:** I am here on behalf of the
21 American Heart Association as well as a Florida
22 resident. I live in West Palm Beach, south of Southern,
23 and I have to say that we chose that residence three
24 years ago because of FPL. We could live in other areas
25 of the county that are not supported by FPL and deal

1 with the things that they went through during the
2 hurricane. I got to experience that, because I was
3 getting married at that time and, unfortunately, in the
4 area I was getting married they had no power. And I
5 went through the hurricane, lost my roof, and I got
6 power before my church did. So I have to commend FPL
7 for their support, and I think they are doing a great
8 job, and I totally support the increase.

9 And as a charity director, they are
10 supportive, and that is really not the case here today.
11 I know it is not about charity support, but they are
12 very philanthropic, and they volunteer their time, and
13 they dedicate their services, and do anything they can
14 to support their community.

15 Thank you.

16 **COMMISSIONER EDGAR:** Thank you.

17 **MR. KELLY:** Sheri Scarborough followed by Lew
18 Doctor.

19 SHERI SCARBOROUGH

20 appeared as a witness and, swearing to tell the truth,
21 testified as follows:

22 DIRECT STATEMENT

23 **MS. SCARBOROUGH:** Good afternoon. I'm Sheri
24 Scarborough. I'm the president of a large organization
25 in West Boca Raton, which we have over 125,000

1 residents. And I want to say although we never like to
2 pay additional monies for any services, especially in
3 today's economy, we do appreciate the continued
4 replacement of the old outdated equipment and unsafe
5 equipment in our area.

6 Our primary concern is the safety of our
7 residents. We want to see the continued upgrades to
8 ensure we don't have power outages. In a community with
9 a high percentage of seniors, we want to make sure that
10 they don't have to worry about their oxygen machines, as
11 Mr. Kleiner was concerned, not working in a power outage
12 or how they are going to walk down a flight of stairs
13 because the elevators are out. Not to mention traffic
14 signals that go out in a power outage and car accidents.
15 And we certainly -- in West Boca we have noticed the
16 difference in the service, that we very rarely have a
17 power outage, and we hope that that continues.

18 Thank you for your time.

19 **COMMISSIONER EDGAR:** Thank you.

20 **MR. KELLY:** Lew Doctor followed by Michael
21 Watt.

22 LEW DOCTOR

23 appeared as a witness and, swearing to tell the truth,
24 testified as follows:

25 DIRECT STATEMENT

1 **MR. DOCTOR:** For the record, my name is Lew
2 Doctor. Pleasure to address you. I am a 14-year
3 retired engineer living in the West Boynton area. I
4 have been overseeing the construction of an 18,000
5 square foot addition to a current building in the West
6 Boynton area. The design of the building required a
7 significant increase in electrical power. In working
8 with FPL, we were able to procure a new transformer, to
9 relocate it in an appropriate location, do the cabling
10 to the street, and install it significantly ahead of
11 schedule at a major reduction in cost. And their
12 cooperation to do it was outstanding. And in part,
13 because of their cooperation, we finished the building
14 two months ahead of schedule. So we appreciated the
15 effort they did in working with us with the easement,
16 with the connection of the power, and doing the
17 installation. And it's a pleasure to have done business
18 with them, and we certainly would recommend them to
19 anybody.

20 Thank you.

21 **COMMISSIONER EDGAR:** Thank you.

22 **MR. KELLY:** Michael Watt followed by Francis
23 Chicoine.

24 MICHAEL WATT

25 appeared as a witness and, swearing to tell the truth,

1 testified as follows:

2 DIRECT STATEMENT

3 **MR. WATT:** Good evening, Commissioner. My
4 name is Michael Watt. I've lived in Delray, my wife and
5 it, for the past 15 years.

6 I'd like to say I have no objections to the
7 rate increase. We have experienced great service from
8 FPL. Like the other gentleman that spoke, Michael
9 Weeks, we had an energy audit in our home, and they came
10 out and discovered our attic was inadequately insulated.
11 They provided a significant coupon for us to get that
12 work provided. At the time I don't think we would have
13 been able to do that without that support.

14 We are also business owners in Delray and we
15 employ people. Our work is the service industry. We go
16 into businesses and homes. Without -- from what I know
17 about running a business, we constantly have to reinvest
18 in our infrastructure. We constantly have to reinvest
19 in training for our people, and without that type of
20 investment, we can't grow as a business and we can't
21 attract new business.

22 Now, FPL, I don't know what their financials
23 are, you know. I know in our culture these days it
24 seems to be a sin to make a living and earn a profit in
25 business. I think a lot of those emotions have been

1 played out here today. It's okay to make a profit in
2 this world. We have no objections to the increase and
3 we have been nothing but happy about their service.

4 Thank you for your time.

5 **MR. KELLY:** Francis Chicoine, and I know I
6 have butchered that, and I'm going to butcher this one,
7 Carol Chouinard.

8 FRANCIS G. CHICOINE

9 appeared as a witness and, swearing to tell the truth,
10 testified as follows:

11 DIRECT STATEMENT

12 **MR. CHICOINE:** My name is Francis G. Chicoine,
13 no ine on the end of my name.

14 **COMMISSIONER EDGAR:** Could you spell that. It
15 will help our court reporter.

16 **MR. CHICOINE:** C-H-I-C-O-I-N-E.

17 **COMMISSIONER McMURRIAN:** Thank you.

18 **MR. CHICOINE:** Okay. I am a resident of
19 Stuart, Florida. The northern part of Martin County,
20 not the southern part where we heard about a little
21 while ago about Jupiter Island. I'm a member of AARP
22 and a consumer of Florida Power and Light.

23 I understand Florida's request for a rate
24 increase and adjustment in their base rates. However, I
25 ask that the Public Utility Commission not approve such

1 an excessive rate of return resulting in a higher return
2 required, in our opinion, to provide attracting money
3 for expansion of plant and for the issuance of
4 additional common stock.

5 Consultants hired and paid for by ratepayers
6 will provide you with expert testimony to justify the
7 request, which is understandable, given the fact that
8 they are being retained by Florida Power. We haven't
9 heard anything said about that earlier today, but I am
10 going to assume that the cost of service testimony
11 provided by expert testimony is being paid for by the
12 ratepayers as part of this rate case. And, perhaps,
13 amortized over one or two years, I'm assuming, right?
14 Unless I'm wrong, I suspect that that's the case.

15 In addition, we hope the Commission will look
16 carefully at the suggested pro forma cost of service
17 adjustment provided in their testimony. We are in a
18 downturn in the economy, and the federal government has
19 projected that it will not provide any cost of living
20 adjustments in Social Security during the next two
21 years. I imagine Florida Power and Light has adjusted
22 its salary expenses to include increases for their
23 thousands of employees as well as higher expenses for
24 medical insurances.

25 It's time to look at all of these costs and

1 not pass them all on to the ratepayers. Most companies
2 in America are looking at all of these costs very
3 carefully. This rate proposal will have a devastating
4 effect on Florida's most vulnerable. It will impact all
5 other goods and services which are vital to survival for
6 those who can least afford it, and we have heard the
7 attorneys talk about earlier today.

8 I ask the Commission to work on an expedited
9 settlement to avoid rates going into effect subject to
10 refund. It will also reduce the cost of legal and
11 consultant fees projected to be recovered in base rates.
12 Florida Power and Light officials are quoted in today's
13 Palm Beach Post suggesting that the increase will be
14 offset with a decrease in fuel costs. This is a result
15 of current reductions in oil and natural gas, but we all
16 know there are no guarantees about the future of
17 commodities in this country, as we have experienced
18 during the last 12 months.

19 As of yesterday's stock price close, owners of
20 the stock were enjoying a 3.21 percent dividend yield.
21 Where else can you enjoy a high return on an investment,
22 plus a potential stock appreciation in this economy? We
23 ask that you reject their current proposal for this
24 excessive increase. (Applause.)

25 **COMMISSIONER EDGAR:** Thank you.

1 **MR. KELLY:** I will try it again. Carol
2 Chouinard followed by Stephanie Abbonizio.

3 CAROL CHOUINARD

4 appeared as a witness and, swearing to tell the truth,
5 testified as follows:

6 DIRECT STATEMENT

7 **MS. CHOUINARD:** My name is Carol Chouinard.
8 It's C-H-O-U-I-N-A-R-D. Sorry about the two French
9 people. I'm a volunteer advocate with AARP. I live in
10 Port St. Lucie.

11 I am here to voice my opposition to FP&L's
12 proposed 30 percent rate increase. I am also here as a
13 voice for the many members of AARP who aren't able to
14 attend these hearings to voice their opposition. Many
15 senior citizens today are on fixed incomes. The current
16 economic downturn has adversely affected them. Raising
17 rates 30 percent will only add to their economic
18 hardships.

19 FP&L is already making a good profit. Why
20 would they want to make life tougher for the residents
21 of this state just to justify their bottom line? I am
22 asking that this request for an increase be denied.

23 (Applause.)

24 **COMMISSIONER McMURRIAN:** Thank you.

25 **MR. KELLY:** Stephanie Abbonizio followed by

1 Sally Erkel.

2 STEPHANIE ABBONIZIO

3 appeared as a witness and, swearing to tell the truth,
4 testified as follows:

5 DIRECT STATEMENT

6 **MS. ABBONIZIO:** Hi. My name is Stephanie
7 Abbonizio, and I live in West Palm Beach in an over-55
8 senior mobile home community. It's called Palm Lake
9 Co-op. My community consists of seniors whose income is
10 primarily fixed. As you know, there will be no
11 increase, as many of us have said, in Social Security
12 for the next two years.

13 FP&L's reasoning for the 30 percent increase
14 on kilowatt hours used is that they need it to ensure a
15 fair return on their equity or investments. I think
16 this is absolutely bogus. It is ridiculous and
17 unconscionable. FP&L made a profit of over \$300 million
18 in the first quarter of this year, mainly due to Next
19 Extra's -- NextEra's profits. NextEra is FPL's
20 subsidiary and is the country's largest producer of
21 electricity from wind and solar farms.

22 You know, no one minds helping out companies
23 that need help, but helping a company making record
24 profits so it can make more record profits is just
25 unbelievable. Most consumers are tightening their

1 belts, doing without, downsizing. FPL receives stimulus
2 money, tax credits, and grants. These are all paid for
3 by us. We and our children are going to -- and our
4 grandchildren are going to be paying for this for years
5 to come. Our state is in desperate straits. Yet we
6 give FP&L tax credits, and you know who pays? The
7 person who pays are the most vulnerable among us. No
8 matter how much FPL does being philanthropic, does it
9 make up for the 30,000 seniors on waiting lists for
10 senior services? Does it make up for handicapped
11 children whose programs have ended because the state
12 can't afford it? FPL is getting the free lunch and
13 there is no such thing as a free lunch. We are picking
14 up the tab.

15 Everything in our budgets has gotten out of
16 control. When I first came to Florida five years ago,
17 the insurance on my mobile home was \$1,645. It is now
18 \$3,965. Our sewer and water rates have gone up
19 30 percent, and I live on a fixed income.

20 I sometimes think of FPL as Robin Hood in
21 reverse. Their motto: Let's take from the poor and
22 give to the rich and maybe, just maybe no one will
23 notice. But you know what, people are noticing.

24 The FP&L stock was trading on the stock
25 exchange for 57 to \$59 a share today. I can't afford to

1 even buy one share so I could share in their profits. I
2 would very much encourage the Public Service Commission
3 to use common sense and think about the average citizen
4 and the below average income citizen when you're
5 considering their rate request. Why should we finance
6 larger profits for a profitable company? It just
7 doesn't make any sense to me. That \$10 a month could go
8 for somebody who is really needy. That could really
9 help them.

10 Thank you. (Applause.)

11 **COMMISSIONER EDGAR:** Thank you.

12 **MR. KELLY:** Sally Erkel followed by Aaron
13 Ewerdt.

14 SALLY ERKEL

15 appeared as a witness and, swearing to tell the truth,
16 testified as follows:

17 DIRECT STATEMENT

18 **MS. ERKEL:** Hello. I'm Sally Erkel from Ft.
19 Pierce, and I am disabled, on a limited income, and the
20 difference between the increase in my FPL bill would
21 amount to a co-pay for my medication, and I just can't
22 afford it. Deny the rate increase. (Applause.)

23 **COMMISSIONER EDGAR:** Thank you.

24 **MR. KELLY:** Aaron, and I apologize, Ewerdt.

25 AARON EWERDT

1 appeared as a witness and, swearing to tell the truth,
2 testified as follows:

3 DIRECT STATEMENT

4 **MR. EWERDT:** It's Ewerdt, E-W-E-R-D-T. I
5 worked with the company to build two Leed gold certified
6 homes up in Jupiter Farms, and before we even broke
7 ground Florida Power and Light was working with us
8 through their BuildSmart Program to make sure that the
9 homes we built were energy efficient.

10 Going to -- after the homes were built, they
11 were there during our open house to help us with the PR.
12 And when we hooked up the solar panels it was just as
13 easy as if we didn't have solar panels. The two-way
14 meters were installed without a hitch. And I think the
15 proactive measures that FP&L takes for energy efficiency
16 on their side and energy efficiency on the side of their
17 consumers is very impressive.

18 For the rate increase, I suppose if there is a
19 small rate increase and it was justified, I wouldn't
20 mind, though I am appreciative of the Public Counsel to
21 try to keep that as small as possible.

22 Thank you. (Applause.)

23 **COMMISSIONER EDGAR:** Thank you.

24 **MR. KELLY:** Sean Mitchell followed by David
25 Paulson.

1 SEAN MITCHELL

2 appeared as a witness and, swearing to tell the truth,
3 testified as follows:

4 DIRECT STATEMENT

5 **MR. MITCHELL:** Good evening. Sean Mitchell.

6 I represent the Palm Coast building and construction
7 trade unions. And the reason I come to you today, not
8 only on the rate increase and my feelings, but a few
9 months ago I was in a public format with Senator Nelson,
10 and I explained my frustration. We have over 5,000
11 members that live here, go through training, green
12 energy, apprenticeship training courses. And the two
13 major projects that FP&L has done in our jurisdiction in
14 the last three years is county-wide out in Loxahatchee
15 where 80 percent, and that is a very close figure,
16 80 percent of the workers are from out of state, their
17 trucks. And we stood there in that informational picket
18 saying Florida workers for Florida jobs. Georgia has
19 gone through that procedure now with Governor Perdue
20 where any stimulus dollars or any work that's done that
21 has taxpayers' dollars on it that Floridians here, I am
22 saying, should do the work.

23 We have over 50 percent unemployment. If you
24 look in Palm Beach County right now, there is not a
25 crane up in the city here. And we rely on those jobs.

1 We spend over \$2 million here locally a year
2 on training; drug free, best trained, safe workers. And
3 I don't know if it's problems with FPL or the people
4 that they sub -- the subcontractors who worked the
5 last -- the two contractors I am speaking of are Zachry
6 Construction from Texas and Lorin (phonetic). They are
7 doing the solar panels, the solar farm in Martin County.
8 I was out there June -- last week, June 10th. A little
9 more than a week ago. Again, 75 percent to 80 percent
10 of the cars are from out of state. I can't understand
11 why.

12 We're FP&L consumers and we are customers.
13 And they do a great job. I have no issue with FP&L. I
14 think through the hurricanes -- and I have children and
15 we, me as a family, I have an 83-year-old mom and a son
16 who has gone and come back to the house because jobs
17 aren't there. But it hurts me, and I take it personal
18 for the people I represent when we can't have the jobs
19 that we are trained to do and people come from out of
20 state. Their money is not spent here. They are
21 spending it on gas and lodging, but they are not buying
22 their cars here. They're not paying the FP&L bills
23 here. And my guys ride by every day and say, Sean, why
24 can't we do the jobs that FP&L are putting in? And if
25 it is not FP&L, then it's their subcontractors.

1 And when I asked the Senator that he said go
2 to the Public Service Commission. So here I am, and I
3 just hope that -- it's common sense. I mean, not
4 everybody is college material. The people are trained,
5 they are drug free, they play by the rules, they are
6 pillars of their community. A lot of my guys are
7 softball coaches, do things in their church, and we want
8 a shot at doing the work, too. So I thank you for your
9 time. (Applause.)

10 **MR. KELLY:** David Paulson followed by Robert
11 Davis.

12 DAVID PAULSON

13 appeared as a witness and, swearing to tell the truth,
14 testified as follows:

15 DIRECT STATEMENT

16 **MR. PAULSON:** Good afternoon. I'm David
17 Paulson. I'm a retired professor of urologic surgery
18 from Duke University Medical Center. I have lived in
19 Florida now since 2003. I'm here to speak to the
20 responsiveness of Florida Power and Light to the service
21 needs of our community and that was most specifically
22 noted after the hurricanes of 2003, 2004, and 2005 that
23 devastated BallenIsles.

24 They have been extremely responsive since that
25 time. Helped us in doing -- redoing many of our -- the

1 capacitors or whatever you call it that monitor the
2 electricity in our community. They have assisted us in
3 our recent energy efficiency fair, which we used to
4 heighten the awareness of the people in our community.
5 We're working with FP&L to establish a solar park with
6 the capacity to power 1,000 homes. FP&L has not only
7 been responsive to our service needs, but they have been
8 very good corporate citizens.

9 No public provider can provide adequate
10 service without adequate return. We would ask that the
11 Public Service Commission consider carefully this
12 request of Florida Power and Light.

13 Thank you very much.

14 **COMMISSIONER McMURRIAN:** Thank you.

15 **MR. KELLY:** Robert Davis followed by Shannon
16 Farrell.

17 ROBERT DAVIS

18 appeared as a witness and, swearing to tell the truth,
19 testified as follows:

20 DIRECT STATEMENT

21 **MR. DAVIS:** Good afternoon, Commissioners.
22 Good evening, as well. My name is Bob Davis, and I
23 represent BallenIsles Community Association, Palm Beach
24 Gardens, Florida. I have served the community in the
25 capacity of General Manager for close to 19 years now.

1 And as many years I have had the opportunity to work
2 very closely with the many service planners and
3 reliability coordinators employed by FP&L. I have found
4 most of them to be very professional and willing to
5 assist with problems that develop from time to time.

6 As BallenIsles community evolved from
7 developer control to resident control, larger and larger
8 homes were being built with an infrastructure engineered
9 to accommodate more modern homes, which necessitated a
10 much greater demand for electrical capacity during
11 certain times of the year. For an example, midwinter
12 cold spells placed an inordinate demand on neighborhood
13 transformers attempting to supply sufficient power to
14 the electrical heating systems within the larger than
15 expected homes. During these times it was not uncommon
16 to find power outages within the custom, semi-custom
17 home neighborhoods resulting from blown fuses on
18 undersized transformers.

19 I'm sure you can imagine what happens when you
20 lose power in your home and the temperature just happens
21 to be in the upper 30s, and the forecast predicts an
22 even greater drop in temperature. The next thing that
23 typically happens is the community association
24 management office phone rings off the hook, and the
25 homeowners are less than pleasant as they try to

1 articulate their dissatisfaction in losing power and
2 their many creature comforts.

3 When a catastrophe or catastrophic event such
4 as this happens, it is essential to have reliable
5 contacts employed by FPL to whom you are all able to
6 call to require an expedited response. This has been
7 the case for the many years that I have been associated
8 with BallenIsles. Calls made to FP&L's service planners
9 have always generated that sense of urgency and
10 resolution to these types of issues. In these cases
11 many transformers were actually upgraded to support the
12 added demand.

13 Another example of FP&L's superior reliability
14 commitment relates to an overhead lateral line that
15 feeds a number of homes in one of our neighborhoods that
16 was causing intermittent power losses from time to time
17 without obvious cause. FP&L's service planners'
18 tenacity ultimately discovered that an overhead lateral
19 line coming from our north course of BallenIsles was
20 being -- was being compromised by a very large ficus
21 tree branch during periods of high winds. The branch
22 would cause the transformer fuse to open, knocking out
23 power to many homes time after time. The service
24 planner resolved this chronic outage by obtaining the
25 requisite approval to bury this problematic line, and to

1 date no further outage has resulted in this area. And,
2 again, this is just one of many examples that shows the
3 reliability, the professionalism, and the care the FPL
4 professionals have given our community.

5 And I would like to thank you for hearing my
6 words.

7 **COMMISSIONER EDGAR:** Thank you.

8 **MR. KELLY:** Shannon Farrell followed by Edward
9 Willey.

10 SHANNON FARRELL

11 appeared as a witness and, swearing to tell the truth,
12 testified as follows:

13 DIRECT STATEMENT

14 **MS. FARRELL:** Good afternoon, Commissioners
15 and staff. My name is Shannon Farrell, and I was born
16 and raised in Palm Beach County.

17 First, on a personal side, I have two young
18 children with medical conditions, and it's important
19 that they have consistent reliable utility service,
20 especially in times of hurricanes. We went through
21 hurricanes a few years ago where we did lose power, and
22 the infrastructure for FPL to strengthen that to have
23 that dependable service is important to us.

24 On a professional side, I have been working
25 with Florida Power and Light for ten years as an

1 educator at William T. Dwyer High School in Palm Beach
2 Gardens. Through this past ten years, we have developed
3 a strong partnership with Florida Power and Light. They
4 have served on the advisory board. They have provided
5 job shadowing to our students, along with internships.
6 Beyond that, during the past three years we have
7 developed a curriculum that includes financial analysis
8 and wind power. Florida Power and Light has donated
9 over 2,400 hours of volunteer service through
10 instructional support in our classrooms, working with
11 our students, our future generations, and support for
12 our educators, which is very important during these
13 critical times of budget cuts in education.

14 So as much as I appreciate Florida Power and
15 Light personally, on a professional level as an
16 educator, I haven't seen any company step forward and do
17 what they have done for us.

18 Thank you.

19 **COMMISSIONER EDGAR:** Thank you.

20 **MR. KELLY:** Edward Willey followed by Diane
21 Huff.

22 EDWARD WILLEY

23 appeared as a witness and, swearing to tell the truth,
24 testified as follows:

25 DIRECT STATEMENT

1 **MR. WILLEY:** Good evening, Commissioners.
2 It's a pleasure to be here. It's a pleasure to follow a
3 fellow educator. This has certainly been an education
4 tonight.

5 My name is Edward Willey. I'm Dean of
6 Academic Affairs at Palm Beach Community College. My
7 home campus is the Eissey campus in Palm Beach Gardens
8 on PGA Boulevard.

9 My comment tonight is related to an ideal
10 public/private partnership that we enjoy with Florida
11 Power and Light. Less than a year ago we were in the
12 process of developing a curriculum to train power
13 generation students in conventional and alternative
14 energy type training programs. Our enrollment at the
15 college, as you may know, is at a record high and our
16 funding from the state is at a record low.

17 I would look at this partnership not so much
18 as a charitable contribution, I'm a little dismayed at
19 some of the comments about charitable contributions, but
20 as an investment. The majority of the students that I
21 have enrolled in this particular program are out of
22 work, laid off, downsized single parents who do not have
23 jobs, and they are looking at the industry, the emerging
24 industry in power generation to secure employment.

25 There are no other training programs in the

1 area. Without this funding, we would not have been able
2 to start this training program. This summer we are
3 proud to say we have just sent out our first group of
4 interns, who are interning in power generation
5 industries, power plants and alternative modes. And we
6 look forward to this continued partnership, again, not
7 as a charitable venue, but as an investment, an economic
8 investment in the future.

9 These graduates will be tax-paying citizens
10 here locally in Palm Beach County and will contribute to
11 the well being of their family, and we look forward --
12 we are very excited about this partnership, and it is a
13 pleasure to be here. We do support the increase.

14 Thank you.

15 **COMMISSIONER McMURRIAN:** Thank you.

16 **COMMISSIONER ARGENZIANO:** Madam Chair.

17 **COMMISSIONER McMURRIAN:** Commissioner
18 Argenziano.

19 **COMMISSIONER ARGENZIANO:** Yes. Just a
20 comment, because I want to make it clear to other people
21 that may be in the room as well as the gentleman that
22 just spoke, that -- I think everybody mentioned before
23 everybody can do nothing but appreciate the
24 contributions that any company gives to the community.
25 And I just want to make it clear, because I don't want

1 people to feel like they are being chastised if they
2 happen to mention that the charitable contributions has
3 nothing to do with the rate case. They shouldn't feel
4 that way. I think everybody appreciates that, and I
5 just wanted to make mention that charitable
6 contributions come from the shareholders and not the
7 rate base or the ratepayer. And just to make that clear
8 so that people who do come up, and say that I want to
9 differentiate between that, you know, we have nothing to
10 do with the -- the contributions have nothing to do with
11 the rate case. They shouldn't be made to feel bad for
12 pointing that out.

13 Thank you.

14 **COMMISSIONER EDGAR:** Thank you.

15 Mr. Kelly, my suggestion at this point is to
16 maybe take about five more names, and then we will take
17 a very short break to give our court reporter or maybe
18 some of the rest of us an opportunity for a quick
19 stretch.

20 **MR. KELLY:** Diane Huff followed by Kevin
21 Cherubin.

22 DIANE HUFF

23 appeared as a witness and, swearing to tell the truth,
24 testified as follows:

25 DIRECT STATEMENT

1 **MS. HUFF:** Good evening, Commissioners. I am
2 Diane Huff, and I represent 211 Palm Beach Treasure
3 Coast, which is the Crisis Information Assessment and
4 Referral Agency that took approximately 173,000 calls
5 last year for information referral, and in many cases
6 from individuals who were in major crisis. And as you
7 can imagine, this has been a very tough year and many of
8 those individuals are having financial crisis and many
9 of them are expressing that they are having trouble
10 paying their utility payments.

11 We have been nothing less than very impressed
12 with FP&L working with us to try to resolve these
13 issues. There has been mention of their Care to Share
14 program, but they go well beyond that when working with
15 us to try to resolve these issues. When we have
16 individuals who have a special crises that have very
17 difficult situations, FP&L works with us to help us to
18 give us the time to try to find the resources to be able
19 to pay those bills.

20 They have just been an amazing partner with
21 us. They go beyond that. They work with us in a
22 collaboration known as AWARE, which stands for Always
23 Watching for At Risk Elders, where we have trained some
24 of their meter readers and their collectors to recognize
25 people in the community who may be in distress,

1 particularly elders who may be at risk or vulnerable.
2 They give us the heads-up about those situations so that
3 we can assess the situation and intervene if necessary.
4 So it has been an amazing relationship.

5 On kind of a personal basis, in the midst of
6 doing these collaborations, I have had opportunities to
7 attend some of their staff meetings, some of their
8 trainings. I am always amazed at the level of
9 professionalism, dedication, and involvement of their
10 staff. It is obviously a corporate culture which
11 expects that and the employees obviously respond to it.
12 They are always fully engaged in any efforts that I have
13 had with them, and I just wanted to comment about that
14 in terms of them being, I think, an outstanding citizen
15 of our community.

16 Thank you.

17 **COMMISSIONER EDGAR:** Thank you.

18 **MR. KELLY:** Kevin Cherubin followed by Bill
19 Marcacci.

20 **COMMISSIONER EDGAR:** Mr. Kelly.

21 **MR. KELLY:** Kevin Cherubin. Did I pronounce
22 it right? C-H-E-R-U-B-I-N. All right. The next name
23 would be Bill Marcacci.

24 BILL MARCACCI

25 appeared as a witness and, swearing to tell the truth,

1 testified as follows:

2 DIRECT STATEMENT

3 **MR. MARCACCI:** Commissioners, I would like to
4 thank you for letting me speak. My name is Bill
5 Marcacci. I will speak for myself -- myself personally
6 as a long-term resident of Palm Beach County and Florida
7 in general. My first -- as well as my business, Cypress
8 Creek Golf Club, which I own and operate. So I have
9 many issues that I could speak to, both on a personal
10 level as well as the business. I'm going to limit them
11 to try to speak to the issues that affect the basic
12 rates, as I understand it, and not the pass-through.

13 Back in 1951 was my first encounter with FPL,
14 as my parents were telling me not to stick that into the
15 socket. So, you know, over those years, save four years
16 when I had an apartment in Gainesville and had to, I
17 would say, almost suffer the abuse of a municipal-run
18 organization as opposed to a private-run organization,
19 my experience with FPL has been beyond -- beyond what
20 anybody could expect. Because if you expect the lights
21 to come on and they come on, that's very good,
22 obviously.

23 As a business owner and running a golf course,
24 we have many chances to run across FPL. And I know they
25 have been doing great work in efficiencies and

1 transferring to cleaner energy sources as well as the
2 renewable, which is very, very good. But running a
3 day-to-day business we run across issues of -- recently
4 we had a situation where FPL helped us improve our
5 pumping station, which was failing every other day
6 because of a faulty capacitor bank. Well, they fixed
7 that very readily.

8 And I also had a situation where the
9 transformer needed to be replaced outside of the
10 clubhouse, and we needed to do that in off times. In
11 other words, they did not have a loop feed. It's just a
12 radial -- kind of a one shot into the clubhouse; they
13 call it a radial feed. And they came in and did it
14 overnight so that there was no impact to our golf and
15 our restaurant business.

16 So I don't think those things are appreciated
17 as much as a business owner that, you know, thousands of
18 dollars each day would have been lost in that one day if
19 they would have taken the outage in the afternoon and so
20 I've got have the power out. You can't do anything
21 about an unplanned interruption, but you can certainly
22 do things in the base rate, things that they do
23 typically that they may cost a little more money, but in
24 the service end of it for the customer it is much
25 better.

1 I can't speak to the complex issues that our
2 attorney was trying to explain to everybody. I can say
3 that from an existing investor looking at 10 to
4 12 percent, there is a big difference. The difference
5 is attracting investment from the outside world. If you
6 take a look at the stockholders of GM who have nothing
7 now, you know, they're not going to run to 10 percent.
8 They may want 12 percent. To get valuable investment, I
9 think you are going to have to look at all of these
10 things put together.

11 And your job is not easy, obviously, and the
12 crowd is -- obviously, seems to be put upon that it's
13 just too much money. Well, as some of our people before
14 us said, it takes some money to invest in good
15 propositions. So I would encourage the Commission to
16 study it thoroughly, don't pay any more than we should,
17 but I think, in my mind, the 12 percent is reasonable.

18 Thank you.

19 **COMMISSIONER EDGAR:** Thank you.

20 **MR. KELLY:** Michael Waninger followed by Anna
21 Niehaus.

22 **COMMISSIONER EDGAR:** And Michael Wayne, did
23 you say?

24 **MR. KELLY:** I believe it's W-A-N-I-N-G-E-R.

25 **COMMISSIONER EDGAR:** Let's go on to the next.

1 **MR. KELLY:** Anna, is it Niehaus? Niehaus,
2 N-I-E-H-A-U-S.

3 **COMMISSIONER EDGAR:** Mr. Kelly, I think this
4 may be an appropriate time for a short break. I know I
5 could use one. Commissioners and everyone who is here
6 to participate, we will come back at 6:30, a brief
7 stretch for us all, and we will reconvene then.

8 Thank you.

9 (Recess.)

10 **COMMISSIONER EDGAR:** Folks, we are going to
11 get started again. So if you all would come gather.
12 Thank you. I needed a stretch, so I appreciate your
13 patience on that. We have had very, very, very, good
14 comments, as we always do at these meetings. I'm very
15 appreciative, as I know we all are.

16 Once again, thank you for your participation
17 and patience and your comments. I do have a concern,
18 though, that we may run out of time this evening, and I
19 know that we have had a number of people who have been
20 waiting for quite awhile. So I would, again, ask
21 everyone to be mindful of our time constraints and to be
22 mindful of those that are on the list behind you that
23 still want to speak. So if you can keep that two to
24 three-minute limit.

25 Also, Mr. Kelly, as I said, is going call two

1 names at a time. And if you are the second name, if you
2 could go ahead and kind of work your way that way that
3 will save us a little bit of time, as well.

4 And one other thought is that, you know,
5 sometimes we have people who have come kind of as a
6 group. If that is the case, it is fine to say I echo
7 the comments of, or have one person sort of speak for
8 you. Whatever we can do to facilitate working our way
9 through so that we can hear from everybody that we
10 possibly can.

11 I also have had a request from the
12 audio/technical folks that when you do come to speak, if
13 some of you would lean a little closer to the
14 microphone, that can help the tape pick it up.

15 And with that, Mr. Kelly, let's move along.

16 **COMMISSIONER ARGENZIANO:** Chairman.

17 **COMMISSIONER EDGAR:** Excuse me. Commissioner
18 Argenziano.

19 **COMMISSIONER ARGENZIANO:** Yes. Not to take
20 any real time, but I just want to express a concern that
21 maybe the Public Service Commission, maybe as a whole,
22 we can tell people to show up a little bit earlier,
23 because it seems that some people are getting notice to
24 get there a little bit earlier. And just finding out
25 that a lot of people are coming on time and not being

1 able to speak, and I don't want them to be
2 disenfranchised. So those people who don't get to speak
3 tonight, please, please get in touch with us and tell us
4 how you feel.

5 **COMMISSIONER EDGAR:** Commissioner, at every
6 one of these hearings, and we are now, I believe, on
7 number five in four workdays, with four to five still
8 scheduled for this week, but we have always heard from
9 every person who has come and wanted to speak. And that
10 is absolutely my goal this evening, as well. So help me
11 accomplish that, please.

12 Mr. Kelly.

13 **MR. KELLY:** Derek Ji followed by Sherry
14 Albury.

15 DEREK JI

16 appeared as a witness and, swearing to tell the truth,
17 testified as follows:

18 DIRECT STATEMENT

19 **MR. JI:** Good evening, Commissioner. My name
20 is Derek Ji. I'm a resident of Jupiter, and I come here
21 to support FPL's increase of the base rates because
22 their quality is so good, and I'm very satisfied with
23 their level of cost control and service.

24 So a little bit of money will be paid every
25 month, and we may think about the number as quite high

1 for some people, but I will say for my point of view,
2 FPL have a very good quality, and also they use natural
3 gas, solar, and wind to make energy. It's very clean
4 energy. Everybody knows that right now the temperature
5 becomes higher and higher, hurricane hit us frequently
6 and becoming more and more. So what can we do? We just
7 invest some money for our future and to give our next
8 generation the more clean air, fresh water.

9 Thank you.

10 **COMMISSIONER EDGAR:** Thank you.

11 **MR. KELLY:** After Ms. Albury, it will be
12 Rachel Sanders.

13 SHERRY ALBURY

14 appeared as a witness and, swearing to tell the truth,
15 testified as follows:

16 DIRECT STATEMENT

17 **MS. ALBURY:** Hi. My name is Sherry Albury.
18 I'm representing the Town of Mangonia Park as the Town
19 Clerk.

20 To the Public Service Commission and
21 especially our citizens here tonight, I just wanted to
22 say that, of course, FP&L's service, level of service,
23 quality of service is obviously second to none.

24 Speaking from the municipal perspective, I
25 wanted to add from a budgetary perspective that a lot of

1 us don't know what FP&L contributes to your local
2 municipalities. I advise and welcome you to contact
3 your local elected officials to take a look at your
4 budget and to see what FP&L brings to the table, FP&L
5 and other entities like them.

6 We have talked about FP&L's level of service
7 and quality of service being very good, and we don't
8 want that to change. We have enjoyed a great
9 relationship with them. Our community is a very low
10 income community. Mangonia Park is located between or
11 sandwiched between the City of Riviera Beach and the
12 City of West Palm Beach. We are only one mile square,
13 and I will say that during hurricane season that we were
14 a priority, just like the rest of you. Our senior
15 citizens and children that are underprivileged receive
16 benefits from FP&L.

17 And I know that FP&L's level of service will
18 not change, but as mentioned earlier, that 12-1/2
19 percent rate hike on the base rate, when you consider
20 the amount of time that has passed and they have not
21 raised their base rate, we are talking about 24 years, I
22 believe. If the year was given at 1985, it is now 2009.
23 We are in support of FPL's increase.

24 Thank you.

25 **COMMISSIONER EDGAR:** Thank you.

1 **MR. KELLY:** Rachel Sanders.

2 Connie Wang.

3 Alexander Prisank.

4 Oh, Ms. Wang.

5 CONNIE WANG

6 appeared as a witness and, swearing to tell the truth,
7 testified as follows:

8 DIRECT STATEMENT

9 **MS. WANG:** Hi, everyone. I'm a residential
10 customer of Palm Beach Gardens, and thanks for the
11 opportunity to speak here today. I want you to
12 recognize the excellent level of service that we receive
13 from FPL. And I believe if they continue to provide the
14 level of service as they do now, it will make -- it will
15 make sense for them to increase their rate. And I
16 believe their investment in energy efficient power
17 plants will lower fluctuations in fuel costs, which will
18 make our electric -- electric bills cheaper in the
19 future. And as a housewife and also a mom of two
20 children, I care more about the quality of service.

21 Thank you.

22 **COMMISSIONER EDGAR:** Thank you.

23 **MR. KELLY:** Alexander Prisank followed by -- I
24 know I'm going to butcher this one -- Tom Platania.

25 ALEXANDER PRISANK

1 appeared as a witness and, swearing to tell the truth,
2 testified as follows:

3 DIRECT STATEMENT

4 **MR. PRISANK:** Commissioners, good evening. My
5 name is Alexander Prisank, with a P. I'm a homesitter
6 now in Boynton Beach, a simple retired man, but I was
7 previously a manager for the America Electric Power
8 Company, one of the very few utilities in this country a
9 good deal larger than FP&L. And maybe it will be
10 helpful if I gave you a slightly different perspective
11 on what I am hearing tonight and what is happening here.

12 Just to very quickly cover my credentials, I
13 wrote the Congressional testimony for the U.S. House of
14 Representatives that led to the construction of 14
15 nuclear power plants around Lake Michigan, and I was
16 personally responsible for setting up the strategy for
17 the lawsuit against the entire Environmental Protection
18 Agency and personal lawsuit against the director of the
19 EPA in the '80s. So I am a big friend of big power.

20 Having said that, I am embarrassed by what is
21 being proposed here, and I have been embarrassed by this
22 presentation. A couple of things that are hard truths,
23 but things that need to be talked about. In general,
24 these proposals are outside -- and I can only speak
25 personally -- but outside of my 30 years of experience,

1 outside of industry norms, and unconscionable without
2 better performance by the company as proven not to me,
3 but to you folks.

4 In the eight states where American Electric
5 Power operates, I had to get up and make these kinds of
6 presentations to people who demanded proof of
7 performance, not people who have absolutely no frame of
8 reference saying isn't it wonderful when I turn the
9 switch my lights go on.

10 There are certain hard facts you need to
11 appreciate. Number one, and you will not get anyone who
12 is currently employed by any of the companies like mine
13 to say this, but I'm no longer employed, so it doesn't
14 matter. The fact is that within the industry at the top
15 level where I was, Florida Power and Light is not
16 considered a leader in best practices. They are not
17 considered Duke Power or America Electric Power.

18 The mayor was wrong at the beginning of this
19 presentation. The performance of distribution and
20 transmission in Florida is not equivalent to what it was
21 in north states. I am shocked to hear that in 2009 you
22 folks are still trying to grapple with weather issues.
23 We have in our states tornado issues. We had to grapple
24 with those 40 years ago. You are doing them now, and
25 you want the taxpayers in a depression to take care of

1 them now. No vision at all.

2 Next. It is hard for consumers to understand
3 a lot of the technical issues involved. This is a
4 complex industry, but there are red lines or red flags
5 that any of us can see. I saw it when I got my first
6 bill in Florida a year and a half ago. In this bill it
7 offered me insurance at my cost, which meant another
8 premium for FPL, for power surges. If you are familiar
9 with the industry, you will understand that if you are a
10 company prone to deliver power surges, it means that you
11 are being technically less than competent.

12 These are -- to be able to provide steady,
13 reliable voltage is something a company that wants to
14 can do. What is scary about this offer and the idea
15 that we are not going to fix it, we have had our lawyers
16 set it up so we will never be held responsible for
17 ruining your refrigerator or computer, but we're going
18 to make some more money off you by charging a premium.
19 What is really scary about that is one prior time in my
20 life a utility company that I had employed offered me a
21 roughly similar deal. That company was in Jordan. In
22 Jordan, okay, and that's what FPL is offering.

23 In the states that I am used to, all such
24 increases should go to meet specific essential non-sales
25 and marketing costs. So one of the things that I would

1 hope you folks would be looking at is what specifically
2 is the 1.6 billion, 1.6 billion over two years, going
3 for specifically. I have heard no specifics tonight.
4 And I am used to having to get up in representing my
5 company and talk about the specific improvements that my
6 company has made in a community that I was in to justify
7 to the benefit of consumers why we should charge more.
8 What it was we were spending that required us to pay --
9 you to pay more to me as a utility provider. I have not
10 heard any of that tonight.

11 And if I walked into a hearing anywhere in the
12 state of Indiana and said, listen, guys, I just want to
13 get my one billion dollar profit up to two billion, I
14 would be run out with a shotgun. So effectively we have
15 here Florida Power and Light, which is essentially a
16 monopoly. Their return is basically protected. It's
17 asking for a 12-1/2 percent ROI. And two things go
18 through my mind: First, I ask how many companies of
19 this size in this state with guaranteed income have a
20 12, or 11, or 10 percent ROI? I can't name any. Can
21 any of you? I can't name any and I'm pretty good at
22 this.

23 Next. If there is a guaranteed rate of return
24 of half that -- I have no background in finance -- I
25 guarantee you that within one week I will deliver to you

1 the names and addresses of six sovereign wealth funds,
2 three hedge fund managers, and three other major
3 financial groups that will gladly in this environment
4 from around the world for a rate of return of 6-1/4
5 percent, or 6.125 percent, half of what is being asked,
6 gladly dive in with both feet for virtually a guaranteed
7 rate of return at a time when the Chinese and the
8 Japanese -- think about it, they are having to live with
9 T-Bill rates of 2 percent. If they could get
10 six percent guaranteed, they would jump. If they could
11 get 12 percent guaranteed, they would assume that the
12 federal authorities are about to come in because there
13 must be something illegal going on.

14 **COMMISSIONER EDGAR:** I'm going to have to ask
15 you to sum up, please.

16 **MR. PRISANK:** Yes. I will sum up by saying
17 Florida is losing population. What is going on here?
18 Thank you.

19 **COMMISSIONER EDGAR:** Thank you.

20 **MR. KELLY:** The next speaker will be Riley --
21 after this gentleman that I can't pronounce his last
22 name, will be Riley Campbell.

23 TOM PLATANIA
24 appeared as a witness and, swearing to tell the truth,
25 testified as follows:

DIRECT STATEMENT

1
2 **MR. PLATANIA:** My name is Tom Platania,
3 P-L-A-T-A-N-I-A. And that's going be a hard act to
4 follow, but I would like to ask a question. How many
5 folks have bought a computer in the past couple of
6 years? You know, Bill Gates is the richest man in the
7 world. I wonder what his profits are.

8 So what I'd like to say is when we look at
9 some of the charts that were presented earlier, I
10 noticed that FPL is at the bottom of what they charge
11 compared to all the other industries -- all the other
12 utilities in the state. I wonder what their profits
13 are, but yet we are focusing on what FPL wants to put
14 out for profits. I think that should be re-addressed.

15 Some of the other things, as we sit here and
16 we look at what FPL wants to take from us, but I don't
17 hear from some of those oppositions on how much FPL puts
18 out there for you folks that you don't take. I'm a
19 consumer of Florida Power and Light. I used to own my
20 own air conditioning company, so I have seen all of the
21 energy savings options that they offer. I also work for
22 the largest manufacturer of air conditioning equipment
23 in the world, and I also have a talk radio show that I
24 have had FPL on once or twice, and all I talk about is
25 home energy savings and whatnot. But I see a lot of

1 people -- FPL can only bring a horse to water, but they
2 can't make you drink. We complain that they are going
3 to charge us rates. Do you realize that the rate is
4 going to cost you this?

5 **COMMISSIONER EDGAR:** Mr. Platania, I need you
6 to be at the microphone.

7 **MR. PLATANIA:** I'm sorry. It's going to cost
8 you that amount, additional. So I put my contributions
9 there. I've been with FPL for many, many, many years,
10 and I have dealt with them on every aspect of their
11 business, from the residential side, to the business
12 side, to the manufacturing side, to everything you can
13 think of. And everything they have done, I believe, is
14 on the upright. I feel that they are here to help you,
15 but if you do not take what they're offering to you, but
16 only want to sit back and say don't take from me,
17 what -- it's a two-way street.

18 You must be available and able to take the
19 energy savings. The insulation. We talked about
20 manufactured homes. They offer duct seal programs. You
21 have ducts underneath your house.

22 **COMMISSIONER EDGAR:** Mr. Platania, to the
23 Commission, please.

24 **MR. PLATANIA:** Okay.

25 **COMMISSIONER EDGAR:** And I will also ask you

1 to sum up.

2 **MR. PLATANIA:** All right. I'm sorry. So what
3 I'm saying is you can have energy savings of up to
4 \$1,130 from Florida Power and Light by replacing your
5 air conditioning system. We are talking about \$12.40 a
6 month, but yet we don't look at what FPL gives back to
7 you in energy savings.

8 Also, there is up to two thousand -- \$1,930
9 that FPL gives back. They spend millions of dollars a
10 year to offer rebates back to the consumer for
11 purchasing energy savings items. So in closing, we talk
12 about what FPL is taking, but we are not willing to
13 accept what they are giving.

14 **COMMISSIONER EDGAR:** Thank you.

15 Mr. Kelly.

16 **MR. KELLY:** Riley Campbell followed by Alan
17 Sullivan.

18 RILEY CAMPBELL

19 appeared as a witness and, swearing to tell the truth,
20 testified as follows:

21 DIRECT STATEMENT

22 **MR. CAMPBELL:** I want to first thank you,
23 Commissioners, for being here and listening to us. But,
24 to cut to the chase, we are not here to talk about how
25 good FPL is. I think a great majority of the people

1 agree they're terrific, and I have no objection to that.
2 I'm not an expert, but I have no problem. We are here
3 to talk about an unreasonable increase in rates in this
4 situation this country is in right now economically. We
5 have got people out there on fixed incomes, Social
6 Security. Everything is going up and some of it has to
7 go up, but some doesn't.

8 All I ask is this: Why can't FPL bite the
9 bullet like the rest of us do? We all are Floridians.
10 We all have to live, and we have got some senior
11 citizens that are in big trouble, and we have got a
12 company this big coming up with a rate increase request
13 like that. I believe it's ridiculous, and I think if
14 you all study it, the numbers take care of all this. We
15 could talk all day, look at the bottom line and you'll
16 see where we are.

17 Thank you.

18 **COMMISSIONER EDGAR:** Thank you.

19 **MR. KELLY:** Alan Sullivan followed by Thomas
20 Saporito.

21 ALAN SULLIVAN

22 appeared as a witness and, swearing to tell the truth,
23 testified as follows:

24 DIRECT STATEMENT

25 **MR. SULLIVAN:** Good evening, Commission. My

1 name is Alan Sullivan. I'm the Executive Director for
2 the Housing Authority of the City of Belle Glade. At
3 the Belle Glade Housing Authority, we house low income
4 farmworkers in western Palm Beach County. We are a
5 not-for-profit and our rents are based on our ability to
6 cover our expenses, so we try our best to watch our
7 expenses very closely.

8 We recently participated in Florida Power and
9 Light's Watt Saver Incentives program, which added
10 energy saving insulation to almost half of our 714
11 rental units. The program calls for an inspection of
12 the existing insulation and a determination of the need
13 for each unit. The amount of additional insulation
14 needed determines if the unit will received a \$150 or
15 \$300 voucher from FP&L.

16 In our case, Florida Power and Light -- a
17 Florida Power and Light certified insulation contractor
18 was able to add the necessary insulation at no
19 additional cost to our company, which saved us thousands
20 of dollars while providing much needed cost saving
21 insulation for our tenants who pay their own electricity
22 bill.

23 I don't know how these types of programs
24 affect the rates, but I think that it is great that FPL
25 is proactive and sponsors these programs that help their

1 customers save money that would be going to them. And
2 I'm thankful for their willingness to spend money to
3 save energy; and, therefore, save the consumer money.

4 Thank you.

5 **COMMISSIONER EDGAR:** Thank you.

6 **MR. KELLY:** Thomas Saporito followed by
7 William Andrews.

8 THOMAS SAPORITO

9 appeared as a witness and, swearing to tell the truth,
10 testified as follows:

11 DIRECT STATEMENT

12 **MR. SAPORITO:** Good afternoon. I appreciate
13 this opportunity to address the Commission. My name is
14 Thomas Saporito, for the record, and I am affiliated
15 with Saporito Energy Consultants, which I am the
16 president of that company.

17 I'm here today not only as an intervenor in
18 this proceeding, but I'm also here as a stockholder of
19 Power and Light Company, and as a ratepayer to Florida
20 Power and Light Company. I've got to tell you as a
21 stockholder to Florida Power and Light Company, I am
22 totally embarrassed that my company would come to this
23 Commission and ask for \$1.3 billion. We have 10 percent
24 unemployment across the board in Florida. People are
25 leaving the state looking for employment. People's

1 homes are being taken away from them because they can't
2 pay their mortgages. It is just -- it's just
3 outrageous.

4 As a ratepayer, I would like to address
5 several issues. First of all, Mr. Carter with the
6 Public Service Commission, he was sent a letter by FPL
7 back on November 17th, 2008, and the substance of this
8 letter was to advise that FPL was seeking a rate
9 increase for the \$1.3 billion. On Page 5 of this
10 document, FPL talks about the years 2007 to 2010 that
11 FPL is going to incur \$5.5 billion in capital
12 investment, a significant increase in the base rate for
13 the 2006 test year.

14 Of this 5.5 billion in equity capital, one
15 billion will be increased because of FPL's existing
16 nuclear units, they are going to spend a billion dollars
17 there. Nine hundred million of that 5-1/2 billion is
18 going to go to maintain FPL's fossil fuel power plants,
19 and three billion of that 5-1/2 billion is for new
20 transmission and distribution systems. And, finally,
21 600 million is for advanced metering infrastructure,
22 which an FPL representative touched briefly here on
23 tonight.

24 FPL contends that \$1 billion capital
25 expenditures for their nuclear power plants and a

1 900 million capital expenditure for their fossil fuel
2 plants will be offset by lower fuel costs, because they
3 are going to take all of this billions of dollars and
4 make the plants more efficient; and, therefore, the
5 efficiency will cause the power plants to use less
6 energy; and, therefore, the ratepayers will benefit from
7 that.

8 However, the Commission needs to look at the
9 operation/maintenance costs of these power plants, and
10 FPL's operation/maintenance costs have gone up, and they
11 will continue to go up. And, I will just point the
12 Commission to the Turkey Point nuclear plants. They
13 were licensed in '72 and '73 for Turkey Point 3 and 4,
14 respectfully, and they were only licensed to operate
15 safely for 40 years, but they recently got a 20-year
16 extension on that.

17 So you could see the accounts in the media. I
18 mean, almost every day something is happening down
19 there. There is a leak on a valve here, they have got
20 to shut the unit down to take care of some other
21 maintenance type of issue. So the ongoing operation and
22 maintenance costs are going up because, in my view
23 anyway, the plants aren't properly maintained. You have
24 to look at their preventative maintenance programs and
25 their predictive maintenance programs and get to the

1 root cause of why you are having all of these failures.

2 The next item I want to address is the fuel
3 costs are going to go up. They are going to go up
4 because sooner or later this economy is going to turn
5 around and the world economy is going to turn around.
6 The fuel costs are the heart blood of the economy, and
7 so they are going to go up, and we are not going to see
8 any appreciable savings through a fuel rate decrease as
9 FPL would suggest.

10 On Page 8 of their report that I just talked
11 about, the letter, FPL talks about nonfuel operation and
12 maintenance expenses. I just have to put that quote on
13 the record here, because it is very significant. There
14 is another key to lower -- base rates has been at the
15 initiative and effort of FPL management employees to
16 control the company's nonfuel O&M expenses, which is
17 operation and maintenance.

18 Well, if you look at operation and
19 maintenance, isn't overtime a major part of operation
20 and maintenance? And the Chairman of the Nuclear
21 Regulatory Commission recently visited the Turkey Point
22 plant and the St. Lucie Nuclear Power Plant. There is
23 excessive overtime there. The nuclear plant operators
24 and other ancillary employees are working the better
25 part of 70 or 72 hours a week. So that is a lot of

1 expense that the ratepayers shouldn't have to bear. If
2 FPL was properly managing those facilities, you wouldn't
3 have that type of overtime.

4 But then, again, you look and you will see
5 that Florida Power and Light pays ten of thousands of
6 dollars in bonuses to recruit people to work at the
7 Turkey Point Nuclear Plant, for instance, and they have
8 to pay this money because no one wants to work on it.
9 It is a very harsh work environment. And they get
10 people to sign these contracts 10, 20, 30, 40, 50,
11 \$100,000 for them to guarantee that they will stay
12 working at that power plant. So much so that Florida
13 Power and Light doesn't even allow them to transfer
14 inter-department from one plant to another. They have
15 to stay at that particular plant, Turkey Point. And I
16 have documents that will prove that out if the
17 Commission wants them.

18 FPL talks about their little diagram here with
19 the candle sticks. Out of all the power plants in
20 Florida, our rates are the lowest. Well, that may be
21 true, but you have to take that in context. In context
22 of what? Compared to the United States of America, FPL
23 is one of 17 power producers who charge the most rates
24 in the entire United States. They are in the top 17.
25 The average kilowatt charge across the United States is

1 only \$11.38. This is from the Energy Information
2 Administration. It is the official energy statistics
3 from the United States Government, and I would like to
4 put that into evidence.

5 **COMMISSIONER EDGAR:** And, Mr. Saporito, we
6 will mark that here in just a moment. And, again, I'm
7 going to need to ask you to sum up, because we do want
8 to try to hear from everybody.

9 **MR. SAPORITO:** Well, I'll go as quickly as I
10 can. But if I recall, all the other parties to this
11 proceeding had ample opportunity to make addresses to
12 these people, and I didn't, and I am an official party
13 to this proceeding, and I feel slighted in that regard.

14 **COMMISSIONER EDGAR:** Well, I'm sorry to hear
15 that you feel that way. I was not aware that you had
16 made a request to speak at the same time as the other
17 parties or intervenors.

18 **MR. SAPORITO:** I was advised by someone at the
19 Commission, they inquired whether I was going to be here
20 and whether I was going to make a presentation, and I
21 said I would.

22 **COMMISSIONER EDGAR:** Well, again, I was not
23 aware that you had requested to speak at the same time
24 as the other intervenors. I absolutely do want to hear
25 your points, but I also recognize that as an intervener

1 you will have additional opportunity to address the
2 Commission that those who are waiting in the audience
3 will not have. How much longer do you need to run
4 through your notes quickly?

5 **MR. SAPORITO:** Probably less than five
6 minutes.

7 **COMMISSIONER EDGAR:** How about two and a half.

8 **MR. SAPORITO:** I'll do my best. The other
9 part of the costs that the ratepayers have to bear are
10 salaries and wages. Lewis Hays, III, he is the chief
11 executive officer. His total compensation is
12 \$11,540,544. That's a lot of compensation. If you
13 compare that to his counterparts in the industry,
14 Donald J. Shipper, and he's the -- he's the chairman and
15 chief executive officer for the Allete Company
16 Incorporated. It's A-L-L-E-T-E. He makes 550,000 --
17 \$553,827. His total compensation with stock options is
18 just slightly over 2 million, far less than the 11-1/2
19 million Mr. Hays gets. Mr. Shoneberg (phonetic), he is
20 affiliated with another utility, \$1,295,000. Gary
21 Rodter (phonetic), another utility executive, 1,083,000.

22 All of these people, comparable positions, far
23 less compensation. So when you are calculating whether
24 FPL's base rate increase is justified, look at some of
25 these wages. \$11-1/2 dollars. Who is worth \$11-1/2

1 million?

2 If you look at FPL's quarterly reports, their
3 10-Qs filed with the Securities and Exchange ckkk
4 Commission, October 31st, 2008, May 6th, 2009,
5 February 27th, 2009 -- we can put these documents in
6 evidence, as well -- those documents will show you that
7 the customer base has decreased in Florida, and that --
8 and this is most likely due since the
9 recession/depression hit this country, that people are
10 just leaving their homes. They can't pay their
11 mortgages. And although FPL may show them on the books
12 as a nonpaying customer, that's why. Their revenues
13 aren't meeting what their number of customers are
14 because they are not in the homes anymore.

15 And, finally, I'd like to sum this up, and I
16 would like to -- here is the other document. This is a
17 May 20th, 2009, document, and a Nuclear Regulatory
18 Commission document. I won't go into it, but it
19 validates the work environment. The Nuclear Regulatory
20 Commission is requiring Florida Power and Light to hire
21 an independent contractor to analyze the work
22 environment at the nuclear plant because there is a
23 hostile work environment there.

24 In bringing this to a conclusion, I would like
25 to bring to the Commission's attention that President

1 Obama, following on the Bush administration, they hired
2 a bunch of high level scientists, and they finalized a
3 report that came out a couple of days ago. The report
4 says that the sea level is going to rise three feet. We
5 are going to inundate most of South Florida here in the
6 very near future if we don't reverse climate change.

7 Let me tell you, reversing climate change is
8 like trying to change the direction of a barge out at
9 sea with a row boat. So when you -- when you consider
10 the fact that this Commission made a decision to allow
11 FPL to go forward with two nuclear plants, these nuclear
12 plants may very well be under water.

13 As a stockholder, I attended -- I attended the
14 stockholder meeting, myself and other stockholders. We
15 addressed Mr. Hay. We said, Mr. Hay, what about
16 renewable energy? Let's put solar panels on homes. I
17 suggested -- I suggested a package --

18 **COMMISSIONER EDGAR:** Mr. Saporito, I'm sorry.
19 I really need to hear from everybody, and we need to go
20 ahead and take your documents. If you have others that
21 you have not yet given to our court reporter, if you
22 could put those together, and we will mark them.

23 And, Ms. Williams, I'm on Number 12.

24 **MR. SAPORITO:** I would like to make one
25 closing remark, please.

1 **COMMISSIONER EDGAR:** Let's go ahead and get
2 those --

3 **MR. SAPORITO:** You can have these, but I just
4 want to make one closing remark. The fact is if the
5 Commission will look into having homeowners -- give
6 homeowners the ability to put solar systems on their
7 roofs, solar hot water heaters on the roofs, and wind
8 turbines, those homeowners would be 100 percent energy
9 free from Florida Power and Light with a net meter,
10 which this Commission has already approved for use in
11 this state. You wouldn't need any more power plants.
12 FPL should be decommissioning their power plants, not
13 asking you for 1.3 billion to make more nuclear power
14 plants.

15 **COMMISSIONER EDGAR:** Thank you, Mr. Saporito.

16 Okay. So we will mark as Exhibit 12 a
17 composite exhibit from Mr. Saporito, and we are onto our
18 next speaker.

19 (Exhibit Number 12 marked for identification.)

20 **MR. KELLY:** William Andrews followed by
21 Walter -- I believe it's Feuchs.

22 WILLIAM ANDREWS
23 appeared as a witness and, swearing to tell the truth,
24 testified as follows:

25 DIRECT STATEMENT

1 **MR. ANDREWS:** Thank you. Thank you,
2 Commissioners. I'm William Andrews. I live at 4721
3 Northwest 27th Avenue in Boca Raton, Florida.

4 First of all, on the private side of this
5 presentation, I live adjacent to Power Line Road where
6 it has been upgraded as to its power. We have
7 underground utilities in our community, so I don't know
8 that the problem is there, but I can assure you that our
9 power goes out roughly once a week. Not once every
10 week, but sometimes three, four, five times a week. And
11 it is not because of severe weather, but it may be
12 weather related. But it shouldn't be right next --
13 since we have underground utilities.

14 That being said, two years ago I formed an
15 alternative energy consulting company, and I have been
16 trying to focus on the commercial industries, because
17 quite honestly, if you want to really make a dent in
18 saving on electric consumption, you'll address schools,
19 courthouses, shopping centers, et cetera, et cetera.

20 And I think this Commission should be more
21 diligent in looking at the alternatives that can
22 encourage Florida Power and Light and all the other
23 utilities to do a better job of working with and
24 encouraging the public sector, especially in the
25 commercial environment, to get out and do their thing.

1 In particular, LED lighting that's coming on
2 line. The results of a particular retail store in Boca
3 Raton, Florida recently replaced 80 percent of their
4 lighting with LED lights. The savings on that store was
5 45 percent month over month, 45 percent. Now, you
6 consider if this Commission would start studying what
7 the impact of LED lighting would have on this, on our
8 environment as far as using electric, you would be
9 startled. And you would start demanding that the FPLs
10 of the world would start doing rebates.

11 The insulation in a home is wonderful, but the
12 effects of taking the heat generation off of lighting
13 and the longevity of the lighting and the reduced
14 wattage would make it far more efficient. And I have no
15 problem with FPL or any other utility making 100 percent
16 return on their equity. What I do have a problem with
17 is that working with their energy consumption
18 consultants that go out in the field, I went -- I went
19 to a condominium that probably had about 300 units in
20 it. And an FPL person had -- I read a report that they
21 sent to that condominium after he had been out there.

22 Quite honestly, a junior college student could
23 have done a better job, and I hate to say that, because
24 I am really a fan of FP&L, believe it or not. And I
25 think they do do certain things well, but as far as

1 getting out and helping the commercial environment do a
2 better job, and you in turn working with them to
3 facilitate the business owners -- one of our big
4 problems is that we have so many stores and so many
5 institutions that are nationally based, and to get to
6 those facilities operators and say, look, you have got
7 to do a lighting change out; you have got to do
8 distribution in your distribution centers; you have got
9 to change to different types of lighting.

10 A gentleman just came down, an energy
11 consultant, to a manufacturing facility in Fort
12 Lauderdale. It was amazing. He said they were changing
13 out lighting fixtures that were there since the '60s.
14 And, obviously, any fixture that was still there in the
15 '60s is not performing like it should.

16 Another thing that I want to talk about is
17 when I look at the clients' bills that I look under, you
18 know, it's one thing to ask for a 12 percent increase,
19 but we all know, and you know in particular that there
20 is more than 12 percent to this, because at the bottom
21 line of your electric bill are all the surcharges from
22 the cities and states and all of those other taxes that
23 add up. So it's not a 12 percent increase that we are
24 going to see; it's more like a 15 percent increase on
25 that base rate.

1 In addition to that there is a multiplier
2 effect that I think every one of you should -- if you
3 think that FP&L, or if you think that Publix, if you
4 think that the local hospital, if you think that the
5 school system is not going to be impacted by these
6 rates, which in turn impact our wallet, also, if you
7 don't take that into consideration, you are not looking
8 at the whole picture. And I strongly suggest you do
9 that. Because if you want to talk about creating
10 inflation, you want to do that.

11 What I'm saying is that I think we should
12 work -- Florida Power and Light should work stronger in
13 getting our consumption down. And if they do that, I
14 think their return on equity, because of their
15 infrastructure that already exists, would rise greatly.

16 For instance, another thing that they --

17 **COMMISSIONER EDGAR:** Mr. Andrews, I'm sorry,
18 to interrupt. You and I spoke briefly at the break.

19 **MR. ANDREWS:** Yes, right.

20 **COMMISSIONER EDGAR:** And you had posed a
21 question to me, and I suggested that you put that on the
22 record, then our staff could then get back to you in
23 more detail at a later date. Would you like to go ahead
24 and do that?

25 **MR. ANDREWS:** I would love to, yes. Right

1 now, I --

2 **COMMISSIONER EDGAR:** Just a minute,
3 Commissioner, and then I will come back to you.

4 **MR. ANDREWS:** Okay. Right now, I am working
5 with the church I belong to to try and put solar panels
6 on the roof. We could put a 100-kilowatt system. They
7 have a church school. They have a huge area where they
8 could really -- solar panels in that area would be --
9 they could really put a lot up on the property, okay.

10 The problem is it's a 501(c)(3.) So when you
11 are talking about solar and the federal credits and what
12 have you, one of the things that a 501(c)(3) doesn't
13 take advantage of, or can't take advantage of are the
14 depreciations. So a few of the church members decided
15 that they would go together and they would form their
16 little public utility, if you will, and they would be
17 able to pay for the panels, create a -- stay within all
18 the federal guidelines of creating this little company,
19 if you will. And at a certain point in time, let's say
20 six or seven years after everything is paid off and
21 everything, they would flip the panels to the church and
22 the church would benefit from the lighting.

23 Now, the problem is you have a third-party
24 entity problem where, as I understand it, a utility can
25 challenge the fact that we would be a utility. Here we

1 are creating a measly 100 kilowatts of electric, and
2 nobody is going to put \$800,000 on the line and have to
3 worry that a utility is going to come in and challenge
4 them on territory.

5 Now, I was in the Legislature, okay. There
6 are deals that can be made from your position. There
7 are deals that can be referred to the Legislature to be
8 made. There is always a way of making a balance in
9 things. I would suggest to you that when you consider
10 whatever rate increase you might consider for FPL that
11 you do the following:

12 Number one, that they agree not to challenge
13 501(c)(3)s for territorial rights to electric generation
14 for their own consumption. That's number one.

15 Number two, that two percent of any increase
16 go towards a feed-in tariff program. The City of
17 Gainesville, Florida, is the first city in the state
18 of -- in this country to do a feed-in tariff program.
19 It is a phenomenal success. The only thing that I
20 regret that happened up there was that four people came
21 in and bought up all the wattage, as far as -- so it
22 really wasn't a distribution out into the public sector,
23 if you will. It was four guys that really kind of
24 gobbled up the whole wattage.

25 So I would say that there would have to be a

1 way that if you own a big store or something like that,
2 or a school, or whatever, you could get in there and get
3 your fair share of that wattage -- of that percentage.

4 **COMMISSIONER EDGAR:** Mr. Andrews, I'm --

5 **MR. ANDREWS:** One more thing.

6 **COMMISSIONER EDGAR:** Okay.

7 **MR. ANDREWS:** And the thing is I would say one
8 percent of any rate increase should be used to subsidize
9 LED writing, and I will tell you why. In the storm,
10 Boca Raton was -- their electric bill went from \$17,500
11 over a two month-period down to \$9,500 a month.

12 Now, if you spread that out to schools,
13 municipalities, shopping centers, and everything like
14 that, you are going to see something that will really
15 help all of us. And, in addition, FP&L will benefit
16 because they will be able to increase their rate of
17 return on what they already have as opposed to having to
18 build more.

19 Thank you.

20 **COMMISSIONER EDGAR:** Thank you. If you will
21 hold for just a moment.

22 Marshall, as I said, I had spoken to
23 Mr. Andrews on the break and assured him that our staff
24 would follow up with him in more detail on the question
25 that he has posed. And I know that Mr. Kelly has

1 contact information, so we will make sure that somebody
2 gets back to you. Marshall, help me make sure that that
3 happens.

4 Commissioner Argenziano, did you have a
5 question for Mr. Andrews?

6 **COMMISSIONER ARGENZIANO:** Well, a comment
7 really very quickly. Representative Andrews, I thought
8 it was you. I hadn't heard your name called, because I
9 was distracted, but when I heard your voice, I knew it
10 was you, Representative. We certainly did the math a
11 long time ago, and what I wanted to make mention was the
12 information that's not pertaining to this docket, but
13 the information on the LED lighting that he did send was
14 unbelievably fascinating, the amount of money that could
15 be realized and saved. And I'm not just promoting his
16 business, I'm talking about as a Public Service
17 Commissioner.

18 I could not agree with him more that it is an
19 issue that needs to be on the table and talked about
20 more. And I appreciate you sending that information to
21 me. And good to see you there, Bill. I hope you're
22 doing fine.

23 **MR. ANDERSON:** Thank you. Good to hear your
24 voice. Get well soon.

25 **COMMISSIONER ARGENZIANO:** Thanks.

1 **MR. KELLY:** Walter Feuchs.

2 WALTER FEUCHS

3 appeared as a witness and, swearing to tell the truth,
4 testified as follows:

5 DIRECT STATEMENT

6 **MR. FEUCHS:** It's said that brevity is the
7 soul of wit. My name is Walter Feuchs, and I'm an area
8 resident for over 20 years. As you are aware from a
9 study that was conducted on New York Park by Navigant
10 Consulting, Florida has sufficient sunshine to energize
11 20 million homes. I repeat, 20 million homes. And what
12 are we doing? Virtually nothing.

13 In the case of the solar farms that these
14 utility companies have at their disposal, they do not
15 have to pay for. If we take the three nuclear plants
16 that are being built and the solar farms, that means
17 Floridians will have to shell out between 50 and
18 \$60 billion. If we took that sum of money and divided
19 it by the nine million homes in Florida, that would
20 accrue to approximately \$6,000 per residence. If you
21 solarized these residences, you wouldn't need new power
22 plants.

23 Now, Governor Crist has recommended back in
24 2007 that we emulate California. California has a
25 mandate that all new homes must energize themselves by

1 the year 2020, and by next year all new developments of
2 50 units or more must employ solar. They don't have as
3 much sun as we do. Why aren't we doing this in Florida?
4 It's a serious question.

5 Now, the price of photovoltaics, as you know,
6 if you follow that, is now below one dollar a watt. It
7 used to be \$200 a watt in the '70s. And the parity
8 between clean energy from solar and fossil fuel
9 generated energy is getting wider and wider, which means
10 that it's going to be totally feasible for people to
11 energize their own homes in the future. But we have to
12 start someplace.

13 For instance, I'm a -- my organization is the
14 World House Project. We are entries -- an entry in
15 three international global awards of a \$100,000 zero
16 energy house that can be mass produced. FPL would not
17 supply their support, nor would Governor Crist. And we
18 are supposed to be the Sunshine State.

19 Thank you.

20 **COMMISSIONER EDGAR:** Thank you, Mr. Feuchs.
21 Mr. Kelly.

22 **MR. KELLY:** Russell Noyes, Noyes.

23 **UNIDENTIFIED SPEAKER:** Noyes.

24 **MR. KELLY:** Noyes, sorry. And right behind
25 him Shawn Whisenhant.

1 **COMMISSIONER EDGAR:** Could I ask you to hold
2 for just a second.

3 Thank you, Commissioner McMurrian for that
4 suggestion.

5 Mr. Fuechs, are you still in the room? Thank
6 you. Just stay right there and nod or shake your head
7 for me, if you would. You had given us a handout.
8 Would you like that to be admitted?

9 **MR. FEUCHS:** Please.

10 **COMMISSIONER EDGAR:** Okay. Then we will go
11 ahead and do that right now. Ms. Williams, help me with
12 that. I think that we are on 13, is that right? Okay.
13 We will mark it as 13, and it will be Mr. Feuchs' letter
14 to the editor.

15 (Exhibit Number 13 marked for identification.)

16 **COMMISSIONER EDGAR:** Thank you.

17 RUSSELL NOYES

18 appeared as a witness and, swearing to tell the truth,
19 testified as follows:

20 DIRECT STATEMENT

21 **ME. NOYES:** Good evening, Commissioners. My
22 name is Russell Noyes. I am the president of Emergency
23 Power Systems, Incorporated, and the manager of
24 facilities and operation and maintenance for Biomet 3i.
25 You might know it as Implant Innovations in Palm Beach

1 Gardens, Florida. We are a large scale manufacturing
2 and distribution center of medical devices, as I said,
3 located in Palm Beach Gardens, Florida.

4 Tonight we are just going to -- we would like
5 to discuss the reliability and service-related issues in
6 my industry relative to our operation. We run a
7 manufacturing operation and distribution center, which
8 runs typically 24/7. Being a manufacturing operation, I
9 rely heavily on the integrity of the electrical utility
10 in terms of reliability and the continuity of my account
11 managers and service representatives.

12 In seven years dealing with Florida Power and
13 Light closely and directly, I have nothing less than
14 positive comments and opinions relative to the feeder
15 reliability of our operation and the dependability of
16 the service representatives, Greg Sauters (phonetic) in
17 particular.

18 FPL has consistently offered us energy saving
19 initiatives to offset the utility costs associated
20 with -- associated with running such a large operation
21 and manufacturing plant. During the last six hurricane
22 seasons, notably Hurricane Jeanne, Frances and Wilma,
23 FP&L crews worked diligently in our area to restore our
24 feeder, approximately 73 hours, 48 hours, 24 hours
25 respectively. The savings realized for my manufacturing

1 operation were in the hundreds of thousands of dollars
2 in downtime. To be down 73 hours in Hurricane Frances
3 for several regions was unheard of.

4 You know, as a small business owner, and a
5 corporate manager, and a residential customer, I have
6 always been treated fair and square, and I have high
7 regards for FP&L operations.

8 Thank you very much.

9 **COMMISSIONER EDGAR:** Thank you.

10 **MR. KELLY:** Shawn Whisenhant followed by Kay
11 Hicks.

12 SHAWN WHISENHANT

13 appeared as a witness and, swearing to tell the truth,
14 testified as follows:

15 DIRECT STATEMENT

16 **MR. WHISENHANT:** Hi. My name is Shawn
17 Whisenhant. I am a resident of unincorporated Palm
18 Beach County, however I do work in downtown West Palm
19 Beach.

20 I want to speak today on behalf of FPL and the
21 increase. Mostly I want to speak to the community
22 involvement and the things they do give back to us as a
23 community. FPL is not just giving money to issues, and
24 programs and, as some people have said, charities, but
25 they are giving back to people. The employees of FPL

1 are involved at the grassroots level for each cause and
2 initiative. FPL is a partner in these organizations.
3 They encourage employees to participate with their time.

4 FPL is funding very essential business, civic,
5 and youth programs in Palm Beach County and around the
6 state, many of which I have been involved with
7 personally. They are giving back to the consumer.

8 As far as energy savings and social community
9 services, they offer programs which many people have
10 talked about already this evening. The care program
11 which are in place to help fixed income and elderly
12 customers with special needs for essential power that
13 they must have for -- somebody mentioned oxygen and
14 breathing apparatus.

15 FPL is also making plans for the future.
16 Somebody mentioned green future. Yeah, maybe it is a
17 buzzword, but you know what, it is really important that
18 we acknowledge that. They are looking for conservation
19 programs and alternative energy resources. And they
20 have been working to develop bio and energy technologies
21 with other alternatives, such as solar and wind energy.

22 Consumer and business savings plans. I
23 personally have saved money in my own home by switching
24 to fluorescent bulbs wherever I could, changing the air
25 filters in my air conditioning as often as I can. It's

1 supposed to be monthly, but maybe six weeks. And in
2 addition to that I had my ducts cleaned. And it was
3 amazing how much my house was cleaner, it smelled
4 better, and my energy bill has gone down. I have turned
5 off my pool pump to run from six hours to four hours a
6 day. My pool is still clean. It still looks good. And
7 I learned all of this information from FPL.

8 So to summarize, FPL is looking for ways to
9 improve our lives, not only here in Palm Beach County,
10 but in the surrounding areas. And they are doing this
11 by trying not to make it as unbearable as they can when
12 the bill comes. Sure, I'd like to have a lower energy
13 bill each month, but if that means we would step back in
14 improving our environment and the reduction of these
15 services, it's just -- it's not worth it. I support the
16 increase.

17 Thank you.

18 **COMMISSIONER EDGAR:** Thank you.

19 **MR. KELLY:** Kay Hicks followed by Laura
20 McLeod.

21 Kay Hicks.

22 Laura McLeon and after her will be -- oh,
23 boy -- Kyle Hatakeyama.

24 LAURA MCLEOD

25 appeared as a witness and, swearing to tell the truth,

1 testified as follows:

2 DIRECT STATEMENT

3 **MS. MCLEOD:** Good afternoon, Madam Chairman
4 and Commissioners, staff, and fellow citizens. My name
5 is Laura McLeod. I am a small business owner, FPL
6 customer, former FPL employee, and, in fact, worked on
7 the last rate case in 1985.

8 I'm here to talk about FPL's service quality
9 and potential rate increase. As a consumer, I'm happy
10 to report the level of service I receive is excellent
11 and interruptions are a rarity. When it does happen, we
12 have had a few nasty storms to contend with, as has been
13 mentioned, I'm confident that the linemen and the army
14 of support staff behind them work to get us back on line
15 as soon as possible and in a logistical order. Lost
16 revenue is not fun, and snarly customers are even less
17 fun.

18 I had a little experience with that, as well,
19 and I am proud to say that I have had the pleasure of
20 working with this terrific team through some of the
21 worst of times. Customers really are their number one
22 focus, as it should be.

23 From a consumer standpoint, they have no
24 choice but to have their power come from this company,
25 but this company has also no choice but to attend to the

1 people they must serve. Having been on both sides of
2 this coin, I can tell you that I'm confident they strive
3 to do the right thing all the time. That's not to say
4 they are infallible and haven't skinned their knees a
5 time or two, but they always, always learn from their
6 mistakes and ramp up quickly to fix them.

7 It's a company comprised of dedicated
8 professionals from entry level to the executive level
9 who do not receive discounts or free power as some
10 suspect, and so have to write the same checks every
11 month as we do. It is a personal and powerful incentive
12 to continue to be the industry leader in cleaner, more
13 efficient, reliable energy.

14 Do I want my rates to go up? Does anyone?
15 No, of course not. But here I'm also confident if there
16 were another way to squeeze additional efficiencies out
17 of the system, FPL and its employees would find a way to
18 do it as they have in the 23 years since the last rate
19 case.

20 Putting a rate case together is a extremely
21 expensive and time-consuming for hundreds if not
22 thousands of people. It's a last resort effort when
23 everything else has been tried and examined.

24 I'm happy I live in FPL's service territory
25 with the lowest reported rates of all the other power

1 companies in the state, and I trust logical, thoughtful
2 consideration between the PSC and the FPL will be made
3 and a reasonable compromise reached. I appreciate the
4 work that all of you do.

5 Thank you.

6 **COMMISSIONER EDGAR:** Thank you.

7 **MR. KELLY:** This gentleman and then Bob
8 Budask.

9 KYLE HATAKEYAMA

10 appeared as a witness and, swearing to tell the truth,
11 testified as follows:

12 DIRECT STATEMENT

13 **MR. HATAKEYAMA:** Good evening, Commissioners.
14 My name is Kyle Hatakeyama. If you need that spelled,
15 it's H-A-T-A-K-E-Y-A-M-A. And thank you for staying so
16 late to hear all of us, we appreciate that. I represent
17 the residents of Frenchman's Creek, a gated community up
18 in Palm Beach Gardens, and they are supportive of FPL's
19 efforts this evening and this afternoon.

20 Last year in April, with FPL's direction and
21 guidance, we were able to put on an energy fair for the
22 residents. It showcased various vendors that could
23 impact a homeowner's energy consumption and effect
24 savings and credits for their own benefits. They, being
25 FPL, provided energy surveys, evaluated a dwelling's

1 strengths and weaknesses as they related to energy
2 consumption.

3 They also had staff on hand to fully explain
4 the various energy rebate programs for such things as
5 tankless hot water heaters and also for reflective
6 roofing tiles. The energy fair was a great success in
7 disseminating useful information, and it is in the
8 spirit of this partnership that Frenchman's Creek
9 supports FPL.

10 Thank you.

11 **COMMISSIONER McMURRIAN:** Thank you.

12 **MR. KELLY:** Bob Budask or Budask.

13 Alexandria Larson.

14 **COMMISSIONER EDGAR:** Ms. Larson.

15 ALEXANDRIA LARSON

16 appeared as a witness and, swearing to tell the truth,
17 testified as follows:

18 DIRECT STATEMENT

19 **MS. LARSON:** Hi, guys. Thanks for not making
20 me drive to Tallahassee.

21 **COMMISSIONER EDGAR:** Nice to see you again.

22 **MS. LARSON:** Because I am one of the people
23 who have driven to Tallahassee to bitch and complain in
24 front of these people, haven't I?

25 I am so ashamed of this rate increase I can't

1 tell you, because here we are -- I love all of these
2 people. Energy savings, energy savings. Well, guess
3 what, we have done the energy savings. My light bill
4 this month -- I used two 245 less kilowatt hours than I
5 did last year, okay. So my savings is going to be shot
6 right out the window by this increase. So what good is
7 it for me to put in a high-efficiency air conditioner,
8 shut off my lights, walk around with a flashlight, if
9 these people are going to screw me one more time.
10 That's the bottom line.

11 No, I'm very blunt, and you know that now.
12 And I'm over this. Because FPL is running, they are
13 coming before with you a 300-mile natural gas
14 pipeline -- they are. They are going to run it through
15 ten counties. They are not looking at alternatives.
16 You know why, because they can't make money off of
17 solar. If it's on my house, it's free. And I would
18 much rather you take that 1.3 billion bucks and divide
19 it amongst the ratepayers of FPL. I don't care if it's
20 business, church, house, and put some solar panels up
21 there, because then we won't have to build another power
22 plant. And this -- this continuous -- what the Fed
23 is -- they are trading money at .25 percent, the Fed.
24 You know, the dollar is worth, what, five cents? It's
25 worth a nickel, and in 2013 it will be worth zero at the

1 rate we're going.

2 Where do we go? We have to come to you,
3 because this is a ridiculous increase. \$1.3 billion.
4 And that -- take it into consideration, this is above
5 their running costs. This is above everything. This is
6 like gravy. Who is getting gravy today? I want to
7 know.

8 Florida is in a -- our houses are worth
9 half what they were two years ago. When I first came
10 before you, my house was worth a hell of a lot more. It
11 is worth butkus (phonetic) today. No one -- when do the
12 people get to say uncle. We get this song and dance
13 about saving energy, we get the song and dance that we
14 are doing all this energy efficiency, and here we are
15 rewarding bad behavior, because the plant that they are
16 replacing at Riviera Beach was the dirtiest plant in the
17 state of Florida for 30 years.

18 They're not doing us any favors. They are
19 cleaning up a mess that should have been cleaned up
20 30 years ago. I don't even know about Cape Canaveral.
21 I haven't driven up there yet, but I will, because I
22 will ask the people about the soot in their driveways
23 like they did in Riviera Beach. They are building the
24 West County Energy Center, a natural gas facility in the
25 middle of the Arthur Marshall and the J. W. Corbett.

1 The woman -- the first woman who spoke for FPL, she said
2 we are saving three million tons. Well, you are getting
3 12 million new tons courtesy of the West County Energy
4 Center. So what are we offsetting here? Please, for
5 God's sakes, this one time say no. This one they don't
6 deserve.

7 I came before you and talked about their
8 bonuses last time, and you know what they are. They are
9 pretty big, and they were a lot. Four guys got
10 25 million bucks. I mean, come on, and 1.3 billion.
11 They are charging us for the hurricanes. From 1989 to
12 '92 they cut all of their maintenance workers and had
13 they not from '89 and worked until the day the
14 hurricanes happened, it wouldn't have cost us what it
15 did to import all those workers from Texas and Oklahoma
16 and everywhere else to clean up our hurricanes.

17 **COMMISSIONER EDGAR:** Thank you.

18 Mr. Kelly.

19 **MR. KELLY:** Sharon Waite and then Michael
20 Steger.

21 SHARON WAITE

22 appeared as a witness and, swearing to tell the truth,
23 testified as follows:

24 DIRECT STATEMENT

25 **MS. WAITE:** Hi, again. I am so glad you came.

1 I don't have to make a trip to see you again, either.

2 Anyway, this rate increase, actually you are
3 sick of hearing this, but you know what, I have to kind
4 of counter all of these -- I don't want to say what I'm
5 thinking -- but all of these people that were focused on
6 by FPL to stuff the audience, I don't know how much they
7 were compensated, what they were promised -- if they
8 stood up and swore in front of you, we should be able to
9 ask them how much they were compensated for what they
10 are trying to cheat the customers out of.

11 Are they going to get free electric? Are they
12 going to get rate reductions, what? You know, I'm
13 really tired of going to meetings and finding that the
14 entities that are asking for all the gratuities are the
15 ones that are peppering all the audience with their
16 people and driving bus loads of drunks, workers, they
17 are drunk workers from Miami, a whole bus load of them
18 drunk and soused to the gills to say that they stood up
19 for the West County Energy Center.

20 And that energy center, let me tell you, is
21 sitting on a SERC project. It was a crooked deal from
22 the ground up. Governor Bush was giddy when he signed
23 off on it getting presents because it was the last
24 meeting of the year, and I wanted to vomit on it. He
25 was disgusting. And I -- he's a disgrace and everybody

1 knows what political --

2 **COMMISSIONER EDGAR:** Ms. Waite, can you stick
3 to the issue.

4 **MS. WAITE:** I am. He put that there.
5 And another power company, the rates --

6 **COMMISSIONER EDGAR:** The rate increase
7 request?

8 **MS. WAITE:** Well, the rate increase, I'm
9 wondering how many power companies are we paying for,
10 how many power plants are we paying for in advance
11 besides nuclear? We were told nuclear plants are always
12 paid for ahead of time. What about all of them? Is
13 that what this is about? I think so.

14 They want us to pay for everything they have
15 on the drawing board years before they plan on drawing
16 them and putting them in. And that's rotten. And the
17 thing about the solar, they aren't doing anything about
18 it. The specs I have seen at meetings are worthless.
19 They go make presentations that are worthless. They are
20 liars. Outright liars when they go to these meetings.
21 Treasure Coast and all over the place, I have been
22 everywhere, and I have been to see you several times,
23 too. They lie. Outright lie. Don't give it to them.

24 **COMMISSIONER EDGAR:** Thank you.

25 Mr. Kelly.

1 **MR. KELLY:** Michael Steger.

2 David Nickerson, and followed by him will be
3 Barry Carson.

4 DAVID NICKERSON

5 appeared as a witness and, swearing to tell the truth,
6 testified as follows:

7 DIRECT STATEMENT

8 **MR. NICKERSON:** Good evening, Commissioners.

9 I have my comments written, so I will abbreviate. Can I
10 pass these to the court reporter?

11 **COMMISSIONER EDGAR:** Yes, please, if you would
12 go ahead and give a copy to the court reporter.

13 **MR. NICKERSON:** And I hope I don't have to
14 take a sobriety test. Thank you for allowing me to make
15 comments this evening.

16 At a recent meeting of the Treasure Coast
17 Chapter of the Florida Association of Environmental
18 Professionals, I learned that Florida Power and Light is
19 number one in solar production, number one in the nation
20 in wind energy production, number one in conservation.
21 That is, for an example, lower CO2 emissions than state
22 and national averages, and the cleanest large utility in
23 the United States. Marlene Santos told us what they
24 have done in order to earn those accolades, so I'm going
25 to skip that part of the presentation and just go to the

1 summary.

2 Without a base rate increase in over 20 years,
3 FPL has served its customers by providing them with
4 cost-efficient electricity and service. We saw what
5 Marlene presented, the lowest cost in Florida. By
6 weathering major hurricane damage in 2004 and 2005, and
7 restoring power very quickly, by implementing new
8 production facilities with significant technological
9 improvements to serve customers' future needs, for
10 example, the West Energy Center -- West County Energy
11 Center, by addressing and complying with myriad new
12 environmental rules and regulations that slowed their
13 approval process, and by proactively informing customers
14 and the public, seeking their input and listening to
15 them during early planning and approval stages.

16 Although the timing of the base rate increase
17 seems out of sync with our current economic situation,
18 I'm confident, as I'm sure you are, too, that FPL once
19 again has done its homework and will continue to
20 implement new technologies and improvements to keep the
21 future cost of electricity for us customers at the
22 lowest in Florida and one of the lowest in the United
23 States.

24 Thank you.

25 **COMMISSIONER EDGAR:** Thank you, Mr. Nickerson.

1 Ms. Williams, we will go ahead and mark as
2 Exhibit 14 the written testimony of Nickerson.

3 (Exhibit 14 marked for identification.)

4 **MR. KELLY:** Barry Carson and then Chet Lloyd.

5 BARRY CARSON

6 appeared as a witness and, swearing to tell the truth,
7 testified as follows:

8 DIRECT STATEMENT

9 **MR. CARSON:** Commission, I'm here to thank FPL
10 for my wonderful life. They provided my father with a
11 paycheck for 40 years. They provided my father-in-law
12 with a paycheck for 40 years. Twelve years ago I had
13 the fortune of being construction supervisor for Habitat
14 for Humanity. FP&L stepped in on every house, made them
15 energy efficient, supplied energy efficient appliances
16 and were 40 percent of my workforce.

17 Seven years ago I had the misfortune of
18 contracting AML, which is a viral form of leukemia. It
19 requires many, many blood transfusions. The bank didn't
20 have the blood. I called my friends at FP&L. In one
21 day there were 76 pints of blood in the blood bank for
22 me. I am here because of FP&L. I would have died
23 without that blood.

24 But AML also left me on disability. My
25 disability check is \$983 a month. My FP&L bill is \$210

1 a month. I don't care if they get the increase or not.
2 If they do get it, I need somebody from FPL to come by
3 and tell me what I'm supposed to give up for that other
4 \$30 a month; medicine, food, whatever it is, I don't
5 know what to give up. So they need to help me one more
6 time and show me what I'm supposed to do with that \$30
7 that is going come out of my \$983, which isn't going to
8 go up according to Mr. Obama for the next two years.

9 **COMMISSIONER EDGAR:** Thank you. Thank you,
10 Mr. Carson.

11 **MR. KELLY:** Chet Lloyd followed by Pat Emmert.

12 CHET LLOYD

13 appeared as a witness and, swearing to tell the truth,
14 testified as follows:

15 DIRECT STATEMENT

16 **MR. LLOYD:** Good evening. My name is Chet
17 Lloyd, and I am pleased to speak on behalf of FPL at
18 this session. I represent the FPL contractor, West
19 County Power Partners. We are building the power plant
20 that is ongoing in Loxahatchee in Palm Beach County.

21 FPL has been a quality partner with us during
22 construction of two 1,100-megawatt units at the site.
23 The first of the two units is now in startup, and the
24 second will be nearing completion this summer. FPL has
25 worked hard with us to ensure a safe and smooth startup

1 on schedule and capable of efficient operation for years
2 to come.

3 This project has employed over 1,800 persons
4 from the state of Florida, including the seven county
5 area around Palm Beach County. The project has expended
6 over 5,000 hours of training to ensure employees have
7 improved skills, which will help them on future work
8 when they leave this project.

9 -- we have expended from the site alone over
10 \$30 million on materials and supplies from the local
11 community in Florida. Typical items range from office
12 needs to welding rods, to concrete rebar and anchor
13 bolts, to equipment rentals.

14 Just as we have been working with FPL for the
15 last six years when they chose us, we also chose FPL
16 based on core values that we share. One of those is
17 community service. The project employees have willingly
18 raised at West County over \$380,000 for local use by
19 United Way, have participated in contributing toys for
20 children, and special contributions beyond that. The
21 site has donated over 18 tons of food to local food
22 banks and church pantry kitchens for use by the
23 community.

24 FPL has encouraged and supported the time and
25 efforts spent on the activities on this project. This

1 project by United Way in 2008 was noted as the number
2 three contributor to United Way in Palm Beach County.
3 Number one and two were Publix and FPL. So I'm pleased
4 to speak on behalf of FPL today.

5 Thank you.

6 **COMMISSIONER EDGAR:** Thank you. Ms. Bradley.

7 **MS. BRADLEY:** Next up is Pat Emmert, and the
8 next one will be David Gaidry.

9 PAT EMMERT

10 appeared as a witness and, swearing to tell the truth,
11 testified as follows:

12 DIRECT STATEMENT

13 **MS. EMMERT:** I'm Pat Emmert, president of Palm
14 Beach Treasure Coast AFL-CIO. I am also on the
15 executive board of the Florida AFL-CIO, and I'm kind of
16 at a loss. I came here to speak about one issue, and I
17 have listened to all of these discussions today.

18 I'm so disappointed in some of the comments
19 that were made by some of these business people that I
20 don't think I can even bring myself to discuss what they
21 said. I would just ask the Council and the Attorney
22 General's people and you to make sure -- and all of you,
23 to make sure, because I'm so confused at this point that
24 I don't know what to think.

25 The way they explained the numbers to me made

1 perfect sense. Stay on top of that and make sure that
2 our people are treated fairly on their electric bills.
3 I think it's just the ultimate that the gentleman that
4 built that plant out there walked up here ahead of me,
5 because my major issue today -- I represent the workers
6 in five counties and on the state executive board in
7 every county, and I can tell you without -- I don't care
8 what he stood up here and said, these power plants that
9 they are building are being built with out-of-state
10 workers, and that gentleman that just spoke to you is an
11 out-of-state contractor. That's not right.

12 I did give my letter to all of you before, and
13 I assume it is in the record. And since I've waited all
14 of these hours, and I know there is probably other
15 people, I'm going to sit down. That is just about how
16 upset I am.

17 **COMMISSIONER EDGAR:** Thank you, ma'am.

18 And if you will -- Ms. Williams, do you have a
19 copy of this? Thank you.

20 Ms. Emmert, thank you for giving us your
21 letter. We will mark that and it will go as part of our
22 exhibit list, and it will be Number 15, and we will mark
23 it as Letter to the Commission from Patricia Emmert.

24 Thank you, Ms. Williams.

25 (Exhibit Number 15 marked for identification.)

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COMMISSIONER McMURRIAN: Ms. Bradley.

MS. BRADLEY: I'm not sure if I'm pronouncing this right, but David Gaidry and next up is Patricia Curry.

DAVID GAIDRY

appeared as a witness and, swearing to tell the truth, testified as follows:

DIRECT STATEMENT

MR. GAIDRY: Hello. My name is David Gaidry, and just as a retiree, we are representing all of them that couldn't get here. I represent the blue collar people that can't get here, because we have got to work two jobs, where we've got like -- the only reason I'm here is because I met this wonderful girl, and she is taking care of my six-year-old son so I can be here, or else I would be there making dinner and getting him taken care of.

Now, you know, I'm fortunate to have a job. You know, I'm in construction. I'm an electrician, so I don't have a lot of work right now, but I have work. I have plenty of peers that don't, and we can't afford a rate increase. So on the record, I'm against it. And the other reason I'm against it is, you know, I go out fishing out there at Marshall, and I do -- I have a lot

1 of friends and stuff, and I do work out west, and I see
2 tag after tag after tag of Texas, Alabama, Louisiana
3 license plates pulling into that power plant. And I
4 know all of my buddies that live here pay mortgages, pay
5 taxes, you know, and they're not working out there.
6 What's up with that?

7 You know, we are paying the bill, why aren't
8 we out there working? We vote. We pay taxes here. We
9 need to be out there working. And I'm sure FP&L -- I
10 know a lot of FP&L -- I don't know any suit-and-tie
11 people, but I know a lot of the guys that work on the
12 trucks, and they are good people, fine upstanding
13 people, and I want them to have their jobs, too, but I
14 can't afford it. And I have had FP&L come out and do
15 their little thing at my house. I would love to get an
16 energy efficient AC. My AC can't -- my house was built
17 in '59. I live off of Summit, right there by Summit and
18 Jog (phonetic), you know, across from Victoria Woods.
19 It's an older house, but I can't afford the dang
20 house -- I mean, the AC even with their rebates.

21 I'm living paycheck to paycheck. I would love
22 to see all the people, you know, that come up here and
23 state your gross income, and then see if you are for or
24 against it. Because, you know, I make between 40 and 50
25 a year, and I have got a house and a kid. You know, I

1 am living paycheck to paycheck, and it's all I can go to
2 tuck any money away.

3 I can't afford -- you know, I make a little --
4 I buy my compact fluorescent units, you know, light
5 bulbs whenever I can, but, you know, it is hard right
6 now, really hard. And for those of you, you know, in
7 the T-shirt, blue jeans-wearing crowd that get up at
8 6:00, 5:00 in the -- you know, I've got friends driving
9 all the way down to -- they are working for FP&L down
10 there in Turkey Point, you know. But why do they have
11 to drive all the way down here when you have got all
12 that work going out west in Palm Beach County where they
13 live, so they can see their kids at school, you know,
14 when they come home, instead of staying down there all
15 week long, you know, and then coming back on the
16 weekends.

17 And I have had to work away from my son, and I
18 went through a nasty divorce, and I don't know. I mean,
19 if I had to do it, I would do it; but to not be able to
20 see my kid every night would kill me, rip my heart out.
21 And I don't know if you all have ever had to do that
22 for -- and I'm not just saying for a business trip, I'm
23 saying week after week after week. It rips the heart
24 out of you, and I just don't think it's right.

25 Thank you.

1 **MR. KELLY:** Patricia Curry followed by Anitra
2 Harmon.

3 PATRICIA CURRY

4 appeared as a witness and, swearing to tell the truth,
5 testified as follows:

6 DIRECT STATEMENT

7 **MS. CURRY:** Hi. Patricia Curry, and I'm
8 wearing a T-shirt and blue jeans, and I absolutely do
9 not, absolutely do not support this rate increase. Last
10 year, FPL came before your Commission and you gave them
11 a 19 percent rate increase. I don't know what that was
12 for. It was broken down into two different -- two
13 different percentages over the year, and they used fuel
14 cost decreasing as a reasoning that you should go ahead
15 and approve those prior increases, and they're doing it
16 again.

17 They're saying that the fuel costs are going
18 to decrease and that means they should get more on the
19 base increase. Well, I'm sorry, we can't afford
20 anymore. And we know the cost of fuel is going to go
21 back up, so I don't even know if their figures are going
22 to work out for the long-run where they are saying we
23 are going to get a decrease in fuel charges.

24 As far as the -- all of these charitable
25 institutions that they're doing, they're doing it with

1 my money. They're doing it with everybody else's money.
2 I would love to contribute to a charity. My hours got
3 cut back this year. My benefits got cut back this year.
4 I can't afford to pay any more out. Last week this
5 county commission that meets in this chamber assessed
6 \$2.80 on everybody's FPL bill for a franchise fee. We
7 can't afford any more. We're bleeding out the ears.
8 Say no.

9 **COMMISSIONER EDGAR:** Thank you.

10 **MR. KELLY:** Anitra Harmon.

11 John Harmon.

12 Ron Courter.

13 Jonzell Holmes.

14 Abu Canady.

15 Jeane Miranda.

16 Johnathan Galbreath.

17 James Sanders.

18 Andrea Brice.

19 Bill Stradling.

20 **MR. STRADLING:** Yes.

21 **COMMISSIONER EDGAR:** Come on down.

22 BILL STRADLING

23 appeared as a witness and, swearing to tell the truth,
24 testified as follows:

25 DIRECT STATEMENT

1 **MR. STRADLING:** Good evening, Commissioners.
2 My name is Bill Stradling. I have been a state
3 certified electrical contractor in South Florida here
4 since 1978. I reside in Coral Springs, Florida. I
5 served on the Commission there from 1992 to 2002. I
6 also served on the Florida Sterling Council for two
7 governors. I served with many people in the business
8 industry, AT&T, Florida Power and Light. I learned a
9 lot while I was there.

10 In moving here in 1972, I came from upstate
11 New York, which is an area of the country that was way
12 ahead of itself. I came to South Florida, went to work
13 for the tenth largest electrical contractor in the world
14 to work. I couldn't believe the condition of the
15 utilities in this state, and that was in 1972. This is
16 2009.

17 I have had the opportunity to work with
18 Florida Power and Light on many, many occasions. I
19 mean, it's a daily life for me in running the business.
20 I started out as a very small contractor, residential
21 work, grew into commercial and industrial work. But in
22 doing that, it came to the point that I realized that
23 their corporation, particularly in the '80s, was going
24 down, and I called it the dark years of dealing with
25 Florida Power and Light.

1 There were a lot of changes that were made in
2 the few years after that, and I'm proud to say that in
3 the past four or five years that I have worked with
4 Florida Power and Light, and I do it with
5 municipalities, large corporate groups, colleges, I deal
6 with them all the time, especially in emergency
7 services. We deal with cities that tell us their parks
8 are down, and some of it's not an FPL problem, where
9 they just need a service to be disconnected and have the
10 work done. I have seen their people go out of the way
11 so that the two or three hundred parents and kids can
12 operate on those fields at night. Now, that doesn't
13 come without costs, and I think that is what everybody
14 is missing here.

15 What happened in the state of Florida, I
16 think, in the early years before you were here and I was
17 here, things really were downhill, and it takes dollars
18 to make those changes. I had the opportunity to work
19 with Florida Power and Light in Hurricane Andrew and
20 Hurricane Wilma. Day and night difference between
21 working with that organization between Wilma and
22 Hurricane Andrew.

23 I have seen changes within -- I work just
24 strictly in the Palm Beach and Broward County area. I
25 have seen such tremendous changes that are being made,

1 but there is so much more that has to be done. And I
2 understand that everyone here, we're hurting. I have
3 been in the position, in the 33 years in business, that
4 there were times that I didn't take a paycheck for six
5 months. I paid my people. But, you know, I took money
6 and put it aside to build the business so that when you
7 have problems, you have emergencies you can serve your
8 people.

9 Now, Florida Power and Light does this in a
10 much larger level. I have seven or eight bucket trucks,
11 eight or nine service trucks. We are talking large
12 amounts of vehicles, large amounts of credibility that
13 are involved. I mean, just in the past five years, I
14 have seen the big difference of the point of contact
15 with that company and how they react, their
16 communications ability, these are things that the
17 general public does not know about.

18 I am not in favor of, you know, these CEOs
19 making the large dollar amounts that they are making.
20 That's for you folks to deal with, but I do feel that we
21 cannot continue to go on the path we're going and not
22 giving them some type of a rate increase here. It's
23 ludicrous. If you look at what has happened to the
24 education in this state, because everybody tucks it
25 under the table, tucks it under the table, it's -- this

1 whole state in the education is in major problems,
2 because people refused to step up to the plate and make
3 a difference.

4 I just wanted to give you one little example
5 that I was pretty proud of when I was a commissioner.
6 You have all heard of the Sawgrass Expressway that goes
7 through Broward County. And in the early '90s, people
8 came before the planning council and they said, "You
9 don't want to build that thing; it is going to be a road
10 to nowhere." Well, you know, if we didn't step up to
11 the plate and fund it at that time that money would have
12 been gone and it would be more traffic jams than you
13 ever see in Broward County today.

14 On the other side of the coin, as a city, when
15 all the building was going on in Broward County and
16 those areas, we tried to put a moratorium to have the
17 builders and the developers fund the money through the
18 schools before they were built. And you know what
19 happened? It went to Tallahassee and it was turned
20 down. Even the school board turned it down, but now
21 they're in a situation they don't know what to do,
22 because they were afraid to make the decisions that they
23 had to make.

24 Sometimes they are not easy, but I can tell
25 you right now that this company does a very fine job.

1 Some of the things that I see aren't perfect, but I do
2 think they are due some kind of a raise.

3 I thank you for listening to me tonight. I
4 appreciate it.

5 **COMMISSIONER EDGAR:** Thank you.

6 Mr. Kelly.

7 **MR. KELLY:** Amelia Rose.

8 Gloria Sanseverino.

9 I think it's Cara or Cara Jennings.

10 **UNIDENTIFIED SPEAKER:** She had to leave.

11 She's against it.

12 **MR. KELLY:** And after Ms. Jennings is Russell
13 McSpadden -- McSpadder, I'm sorry.

14 CARA JENNINGS

15 appeared as a witness and, swearing to tell the truth,
16 testified as follows:

17 DIRECT STATEMENT

18 **MS. JENNINGS:** Good evening.

19 **COMMISSIONER EDGAR:** Good evening.

20 **MS. JENNINGS:** I'm a little nervous to speak
21 in front of you all. I appreciate you staying so late.
22 Welcome to Palm Beach County. I am a Florida native. I
23 welcome you to our county.

24 Some of you have the distinction this evening
25 in sitting in the seats of our county commissioners who

1 are now incarcerated, who most likely took campaign
2 contributions from FP&L. FP&L is one of the largest
3 contributors to political campaigns across the state.
4 All three of them voted for the West County Energy
5 Center. And as a member of the Palm Beach County
6 Environmental Coalition, we came to this chamber nonstop
7 to try to raise their consciousness about what they were
8 approving.

9 The West County Energy Center is injecting 6.5
10 billion gallons of toxic wastewater into our aquifer
11 every year. Sadly, some of you voted to site that power
12 plant when it came to you at Tallahassee, and we came
13 and begged you not to do that. It's located at the
14 headwaters of what is remaining of the Everglades, and
15 it is really a shame. And I hope while you are here you
16 will drive out west and see what you approved, and maybe
17 go a little further west and see the preserve right
18 across the street, the national preserve that's going to
19 be poisoned by that power plant.

20 So when we talk about FP&L and the great
21 contribution FP&L is making to our county, let's not
22 forget that \$6.5 billion (sic) of waste going into our
23 aquifer, and let's not forget the tremendous amount of
24 emissions. Natural gas is not clean or natural. That
25 power plant is going to emit the equivalent of the

1 average five coal plants. That is the amount of the
2 emissions. It's 3,500 megawatts.

3 The solar array that FPL is creating that is
4 in their materials is 110 megawatts. So 110 megawatts
5 of solar compared to 3,500 megawatts -- sorry, thank
6 you -- 3,800 megawatts of carbon emitting power plant at
7 the headwaters to the remaining Everglades here in South
8 Florida.

9 It's pretty much a disaster. How does this
10 relate to rates? Well, I don't think we should reward
11 power companies that are essentially poisoning our
12 communities, poisoning our air and water. My parents
13 live directly across from the Riviera Beach power plant,
14 and they clean up soot from their house every day from
15 that power plant when it is operating.

16 I know FPL is going to improve that power
17 plant, but let's be real, they only did that to get the
18 approval of people like you to build a bigger power
19 plant out there in the west part of the county. They
20 are not doing us any favors. The most charitable thing
21 they could do is to stop constructing power plants that
22 are poisoning our environment here in the state of
23 Florida. That includes their proposal for nuclear
24 expansion, both at Turkey -- particularly at Turkey
25 Point, another disaster that we are going to pay for. I

1 assure you all, they are going to come before you for
2 early cost-recovery for their nuclear power expansion,
3 and I would stand adamantly opposed to that.

4 And really, you know, I beg you not to approve
5 it. And don't keep approving it for Progress Energy,
6 either. You know, this is a disaster. You all have an
7 incredible amount of power in the position you have as
8 Commissioners. And the respect you get will come -- you
9 know, an even greater amount of respect from the public
10 if you have the bravery to stand up to these large power
11 companies and say no. No, we are not going to give you
12 more ratepayer money to poison their communities. No,
13 we're got going to let you charge them up front so you
14 can build nuclear power plants that are not clean, or
15 renewable, or positive in our state.

16 The nuclear contamination from these power
17 plants -- I think the state regulation or the federal
18 regulation is how many years, over 1,000 years? Is that
19 how long they have to store it on site? So here in
20 South Florida we are going to be storing nuclear waste
21 in areas that are prone to coastal rise? That doesn't
22 make any sense.

23 That's like out there at West County Energy
24 Center, they are, you know, piping in gas next to mines
25 where they have explosions for mining. So, you know, we

1 can't combine these things. And to give FP&L -- to
2 approve a rate increase, and then go ahead and give them
3 their ECR increase and just put it all on the ratepayer,
4 who is not only paying high rates, but also paying for
5 FP&L to profit off of our community being contaminated.

6 So I hope that you will consider all of these
7 things in your decision, and not just about this
8 specific rate increase, but also when all of these
9 utilities come before you for early cost-recovery for
10 nuclear power.

11 Thank you.

12 **MR. KELLY:** Russell McSpadder.

13 Mary Morales.

14 Allyson Von Holten, and following her will be
15 Steve Nicely.

16 ALLYSON VON HOLTEN

17 appeared as a witness and, swearing to tell the truth,
18 testified as follows:

19 DIRECT STATEMENT

20 **MS. VON HOLTEN:** Thank you for the opportunity
21 to speak and your attentiveness. I have been listening
22 and watching for the past few hours, and I am amazed at
23 how you are all still bright and paying attention. So,
24 thank you.

25 I'm a 20-year resident of Florida. I have

1 been a customer of FPL for those 20 years, and my
2 husband and I own a small business. And we could not
3 run our business without electricity. As a matter of
4 fact, I couldn't be speaking to you on this microphone
5 without electricity. We had 111-degree heat index about
6 two days ago. I very much appreciate FPL, because I run
7 air conditioning in our small business, and I think
8 sometimes people take electricity for granted. And I
9 echo what all the small business owners said that you
10 have to invest in a company in order for the company to
11 continue, and if I wasn't able to invest in my company
12 for 10 or 20 years, I wouldn't have the company anymore.

13 I am also a mother of two children, and I
14 think this investment that FPL is asking for is a
15 promise, not for my children, but for my children's
16 children that they will still be able to enjoy the
17 electricity that we all enjoy today.

18 Thank you.

19 **COMMISSIONER EDGAR:** Thank you.

20 **MR. KELLY:** Steve Nicely.

21 William Van --

22 **MR. VAN RIJN:** Van Rijn.

23 **MR. KELLY:** Van Rijn. Thank you. And
24 following him will be Greg McCarty.

25 WILLIAM VAN RIJN

1 appeared as a witness and, swearing to tell the truth,
2 testified as follows:

3 DIRECT STATEMENT

4 **MR. VAN RIJN:** Good evening, Commissioners.

5 My name is William Van Rijn. I am a recent
6 resident of Boynton Beach. I recently moved down from
7 Orlando. I have had the opportunity to testify before
8 you previously. I was the lead witness on the MCI/NCN
9 slamming scam back in the late '80s. I had an
10 opportunity to work with Jack Shreve on that project.

11 I wanted to touch base on a couple of things
12 that I don't believe have been hit on yet that I would
13 like to bring to the Commission's attention so that you
14 can go ahead and include this in the thought process.

15 First of all, the current drop in revenue that
16 FPL is claiming is more -- is most likely due to the
17 foreclosure crisis. You have all of these empty homes
18 that are not generating wattage and usage; therefore,
19 they are not paying a utility bill. So as those homes
20 become occupied the amount of revenue that they are
21 going to be able to generate is going to be able to
22 increase because they are going to be selling services
23 and electricity to those -- to those empty residences.

24 Secondly, the fuel price drop that has been
25 presented by FPL is suspect at this time. I'm sure that

1 this was done with the utmost of care, but I can assure
2 you it was done before the Iran crisis. Right now there
3 are 11 countries that have put their militaries at Delta
4 Alert status, which is the highest level of military
5 mobilization before they start firing. Included in that
6 is Israel. Israel has made it absolutely clear that if
7 Iran breaks out into civil war that they will not
8 tolerate their nuclear program to exist, and they will
9 launch a unilateral strike against the country.

10 Why does this make a big deal? Because
11 17 percent of the natural gas reserves on the planet
12 exist in Iran. You have a natural gas plant going in on
13 the west side of the county that they are counting on
14 the fuel prices to either stabilize or go down. You get
15 an international crisis where you have nuclear weapons
16 being thrown around, the market is going to react to
17 that, and your prices are going to go through the roof.
18 And if that scenario were to play out, you can pretty
19 well take the fuel savings and toss them right out the
20 window.

21 Additionally, in FPL's favor, there was --
22 actually, last night on the History Channel there was a
23 presentation done on the destruction or falling apart of
24 the infrastructure in the United States. Included in
25 that was the power grid and how essentially one faulty

1 transmission section of the grid knocked out and caused
2 the New York blackout of 2005, 2003, whenever that time
3 frame was. They had one small piece of the grid went
4 down and when it did it created all kind of havoc.

5 Additionally, I was here in Florida for the
6 Christmas freeze of 2000. That was the freeze that
7 Turkey Point went into emergency shutdown because there
8 was so much power being yanked out of it. When it did,
9 it knocked the entire grid off line. That was when
10 Governor Martinez declared a utility state of emergency,
11 and on Christmas Eve banned the use of Christmas lights
12 because there were blackouts happening all over the
13 state.

14 The infrastructure and the grid does need to
15 be replaced. It does need to be upgraded. The problem
16 that we have got here is that Florida Power and Light is
17 trying to generate this amount of money to fix these
18 problems at an economic downturn when people just simply
19 can't afford it.

20 I think what is actually going to happen is
21 the Commission is going to give them an increase,
22 hopefully nowhere near the 30 percent that they're
23 asking for, and -- I mean, they are going to have to,
24 unfortunately, phase back the upgrade of the
25 infrastructure, but at the same time take into account

1 that you do have -- you have an entire row of folks here
2 from AARP representing the senior community, you have
3 got folks -- I work for the State of Florida. I barely
4 escaped a 30 percent pay cut. The economy is in such a
5 state that we simply cannot absorb a 30 percent rate
6 increase coming from FPL. Do they need a rate increase?
7 Yes. Are they going to get 30 percent? I hope not.

8 Thank you very much.

9 **COMMISSIONER EDGAR:** Thank you.

10 Mr. Kelly.

11 **MR. KELLY:** Greg McCarty.

12 Barry Silver.

13 **UNIDENTIFIED SPEAKER:** Barry had to leave.

14 **MR. KELLY:** Frank Bautz or Bautz. Sorry if I
15 butchered that. And after him is Mr. William Aden.

16 FRANK BAUTZ

17 appeared as a witness and, swearing to tell the truth,
18 testified as follows:

19 DIRECT STATEMENT

20 **MR. BAUTZ:** Hi. My name is Frank Bautz. I
21 live in Lake Worth, and I represent our little street.
22 We had a neighbor who had to have the transformer moved
23 from the neighbor's house, my next door neighbor, to
24 across the street. And I work at my home, and I was
25 able to watch FPL come and move the transformer, move

1 the yard, the landscaping, move it across the street,
2 put everything back together, inform our neighborhood,
3 and keep the service going so we have less interruption
4 and a better level of service on our little street. So
5 I represent our street saying it was a great experience.

6 Thank you.

7 **COMMISSIONER EDGAR:** Thank you.

8 **MR. KELLY:** William Aden, Aden, A-D-E-N.

9 The last person I have signed up is
10 Mr. Patrick Wilson.

11 **COMMISSIONER EDGAR:** Mr. Wilson.

12 Mr. Wilson, we thank you for your patience,
13 and you are our last speaker this evening.

14 PATRICK WILSON

15 appeared as a witness and, swearing to tell the truth,
16 testified as follows:

17 DIRECT STATEMENT

18 **MR. WILSON:** I was trying to escape to catch
19 my parking meter before it expired.

20 **COMMISSIONER EDGAR:** I understand.

21 **MR. WILSON:** But this is more important.

22 Thank you all very much for coming down and
23 making us not go to Tallahassee.

24 **COMMISSIONER EDGAR:** Would you pull the mike
25 up?

1 **MR. WILSON:** How about that, is that better?

2 **COMMISSIONER EDGAR:** Yes. Thank you.

3 **MR. WILSON:** Okay. I would like to begin by
4 saying I've read your bios, and I am very impressed with
5 each of your backgrounds, and, hopefully, you will act
6 in favor of we, the people, of Palm Beach County of whom
7 are in dire financial straits right now due to the
8 economy.

9 I would like to present you a copy of the Palm
10 Beach County profile, which will verify all the
11 statistics that I'm going to hit you with right now. We
12 have a labor force in the county of 649,000 people. A
13 civilian work force of 608. With 10 percent
14 unemployment coming up, that means some 60,000 people
15 will be out of work. Many businesses, including -- I'm
16 trying to catch my breath from running up here. Excuse
17 me.

18 **COMMISSIONER EDGAR:** Okay. Take a second.

19 **MR. WILSON:** Many businesses, including some
20 county departments, are reducing work hours to four
21 days, which means that those that fall in that category
22 will suffer, according to county statistics, an average
23 of around \$800 after tax dollars per month less income.
24 As we all know, the price of basic essentials are
25 escalating. Those fortunate enough to have work are

1 suffering pay cuts. And now, in my opinion, is not the
2 time to increase the cost of electricity. Many of the
3 businesses in our community are reducing the rates of
4 their goods and services, taking less profit, and we ask
5 that you go ahead and deny this request.

6 Thank you.

7 **COMMISSIONER ARGENZIANO:** Madam Chair.

8 Just one second, Commissioner Argenziano.

9 Did you want to leave that with us?

10 **MR. WILSON:** If I could, yes.

11 **COMMISSIONER EDGAR:** Okay. Ms. Williams, we
12 will mark, and that will Exhibit 16.

13 (Exhibit Number 16 marked for identification.)

14 **COMMISSIONER EDGAR:** Commissioner Argenziano,
15 go right ahead.

16 **COMMISSIONER ARGENZIANO:** Yes. I just want to
17 say I very much appreciate having to wait the time you
18 guys are sitting there to hear everybody. I think
19 that's commendable, and I thank you for doing that. And
20 if staff could just send me to my office all the people
21 who did get to speak, I'd like to contact them. Thank
22 you.

23 **COMMISSIONER EDGAR:** Thank you, Commissioner,
24 and we appreciate you holding up there with us, as well.

25 We are on our way here this evening, I think

1 most of us, to drive to Fort Lauderdale for another
2 hearing to hear from more customers tomorrow.

3 Thank you to all of our participants. Thank
4 you for everybody's patience, to my colleagues,
5 especially to our staff, and all the parties. And we
6 are adjourned.

7 (The service hearing concluded at 8:16 p.m.)
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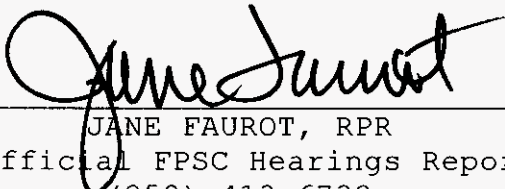
1 STATE OF FLORIDA)
2 : CERTIFICATE OF REPORTER
3 COUNTY OF LEON)
4

5 I, JANE FAUROT, RPR, Chief, Hearing Reporter
6 Services Section, FPSC Division of Commission Clerk,
do hereby certify that the foregoing proceeding was
heard at the time and place herein stated.

7 IT IS FURTHER CERTIFIED that I
8 stenographically reported the said proceedings; that the
same has been transcribed under my direct supervision;
9 and that this transcript constitutes a true
transcription of my notes of said proceedings.

10 I FURTHER CERTIFY that I am not a relative,
11 employee, attorney or counsel of any of the parties,
nor am I a relative or employee of any of the parties'
12 attorney or counsel connected with the action, nor am I
financially interested in the action.

13 DATED THIS 20th day of July, 2009.

14 
15 _____
16 JANE FAUROT, RPR
17 Official FPSC Hearings Reporter
(850) 413-6732