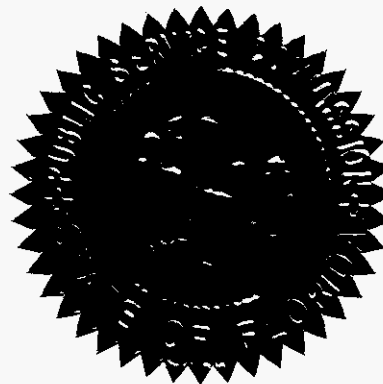


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 090079-EI

In the Matter of:

PETITION FOR INCREASE IN RATES BY  
PROGRESS ENERGY FLORIDA, INC.



PROCEEDINGS: ST. PETERSBURG SERVICE HEARING

COMMISSIONERS  
PARTICIPATING: CHAIRMAN MATTHEW M. CARTER, II  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER KATRINA J. McMURRIAN  
COMMISSIONER NANCY ARGENZIANO  
COMMISSIONER NATHAN A. SKOP

DATE: Thursday, July 16, 2009

TIME: Commenced at 9:04 a.m.  
Concluded at 1:25 p.m.

PLACE: City Council Chambers  
St. Petersburg City Hall  
175 5th Street North  
St. Petersburg, Florida 33701

REPORTED BY: LINDA BOLES, RPR, CRR  
Official FPSC Reporter  
(850) 413-6734

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22  
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1  
2           **CHAIRMAN CARTER:** Good morning. I'd like to  
3 call this service hearing to order. And with that,  
4 staff counsel, would you please read the notice?

5           **MS. FLEMING:** Pursuant to notice issued by the  
6 Commission Clerk, this time and place --

7           **CHAIRMAN CARTER:** Pull your mike closer to  
8 you.

9           **MS. FLEMING:** -- has been set for a customer  
10 service hearing in Docket Number 090079-EI. The purpose  
11 of this customer service hearing is to take testimony  
12 from the public on the quality and adequacy of  
13 Progress's service and other matters related to  
14 Progress's petition for a rate increase.

15           **CHAIRMAN CARTER:** Thank you. I want to let  
16 everyone know that we cannot move the podium. So when  
17 you come up, you'll have to come to the podium and  
18 speak.

19                   First of all, let's take the appearances of  
20 the parties. You can come to my left here so our court  
21 reporter can see you.

22           **MR. GLENN:** Alex Glenn, Progress Energy  
23 General Counsel on behalf of Progress Energy.

24           **MR. KELLY:** J. R. Kelly, Office of Public  
25 Counsel.

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**CHAIRMAN CARTER:** Mr. Wright.

**MR. WRIGHT:** I'm Schef Wright. I represent the Florida Retail Federation. Thank you.

**CHAIRMAN CARTER:** Ms. Bradley.

**MS. BRADLEY:** I'm Cecilia Bradley, and I work for Attorney General McCollum, and together with Public Counsel we'll be representing you in these proceedings. So we're very happy that you've all come out to talk to us today.

**CHAIRMAN CARTER:** Mr. McWhirter.

**MR. McWHIRTER:** I'm just observing, Mr. Chairman.

**CHAIRMAN CARTER:** Good deal. Good deal.

We also have with us Jack Shreve representing Governor Charlie Crist in these proceedings. Jack has been with us for all of them, and, as you know, the Governor is very interested in this proceeding. So Jack served as the Public Counsel for the State of Florida for 25 years or so, so he's got a tremendous amount of experience. And, Jack, we're glad to have you with us today.

**MR. SHREVE:** Thank you, Mr. Chair.

**CHAIRMAN CARTER:** Thank you.

Let me do this, first of all, let me welcome everyone for being here. And take a couple of

1 minutes -- I want to take one minute to give my fellow  
2 colleagues an opportunity to introduce themselves. And  
3 starting with Commissioner Edgar, you're recognized.

4 **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.

5 Good morning. My name is Lisa Edgar. I'm  
6 very glad to be here in St. Petersburg. Thank you all  
7 for coming, and I look forward to your comments.

8 **CHAIRMAN CARTER:** Commissioner McMurrrian.

9 **COMMISSIONER McMURRIAN:** Thank you.

10 I'm Katrina McMurrrian. I'm glad to be here in  
11 St. Pete this morning, and I look forward to hearing  
12 from all of you. And thank you for taking time out of  
13 your busy schedules to be here with us.

14 **CHAIRMAN CARTER:** Commissioner Argenziano.

15 **COMMISSIONER ARGENZIANO:** Yes. Good morning.  
16 I hope you can hear me. Mr. Chairman, it's just the  
17 bench I can't hear that well. I heard the, the other  
18 speakers very well. So that helps. I hope I can hear  
19 the people that well.

20 Thank you for being here this morning. This  
21 is your Public Service Commission and we're here to hear  
22 you. And I'm glad that you're out to tell us how you  
23 feel about this case and the quality of service that you  
24 get from the company, very, very important. And I think  
25 the Chairman has mentioned, if not, I'm sure he will,



1 that there are green sheets in the back. And if people,  
2 if you want to take those home to other people --  
3 please, please let us know how you feel. I'm sorry I  
4 can't be there in person today. I have a broken leg and  
5 it's keeping me from walking, but I'm glad that I can  
6 appear by phone. Thank you very much again for coming.

7 **CHAIRMAN CARTER:** Thank you.

8 Commissioner Skop.

9 **COMMISSIONER SKOP:** Thank you.

10 Good morning. I'm Commissioner Nathan Skop,  
11 and I'm happy to be here in the great city of St.  
12 Petersburg, Florida. I look forward to hearing all the  
13 comments from the consumers here, and I appreciate you  
14 taking the time to come out and share those views with  
15 us this morning. Thank you.

16 **CHAIRMAN CARTER:** Thank you.

17 Commissioners, I'm going to do something a  
18 little different than I normally do because we have  
19 several people here with us today that have to go to  
20 other meetings, local elected officials and all.

21 So let me do this, those of you that are  
22 wishing to speak this morning, would you please stand  
23 and raise your right hand and let me swear you in as a  
24 group.

25 (Witnesses collectively sworn.)

1           Thank you. Let me do this. First of all,  
2 as we all know, it's another great day in the City of  
3 St. Petersburg.

4           Mayor Rick Baker, good morning, sir. You're  
5 recognized.

6           **MAYOR BAKER:** Good morning, Mr. Chair. Good  
7 morning, Commissioners. I just want to welcome you to  
8 St. Petersburg. Thank you for coming. Thank you for  
9 giving the people in our community an opportunity to see  
10 you in person and to be able to give you their views on  
11 the issues that are coming before the board. We are  
12 proud in St. Petersburg to, to be advancing a lot of the  
13 same issues that you believe. We believe in the  
14 alternative energy, we believe in energy conservation.  
15 We are the first designated green city in the State of  
16 Florida. We have worked hard on a lot of projects,  
17 whether it's in the conservation area, and we have  
18 done -- in partnership with Progress Energy we have done  
19 audits of all of our city facilities, and we are  
20 following up with our energy grants in order to reduce  
21 the consumption of energy within the city facilities.  
22 We are doing programs with our community to do the same  
23 sorts of things. We have looked at alternative forms of  
24 energies, whether it's methane and biofuels used to  
25 provide a gasification process for energy for sewer

1 plants or whether, again in partnership with Progress  
2 Energy, to build the first solar park that we're aware  
3 of in the State of Florida. And we are about to launch  
4 24, 24 more solar parks in the state with grants from  
5 the U. S. Energy Commission. So we believe in energy  
6 conservation, alternative forms of energy. And I thank  
7 you, once again, for giving the people of St. Petersburg  
8 and this, and our entire area the opportunity to be  
9 heard today. Thank you.

10 **CHAIRMAN CARTER:** Thank you, Mr. Mayor.

11 We have Jeff Danner, who's the Chairman of the  
12 City Council of St. Petersburg.

13 **CHAIRMAN DANNER:** Thank you, Mr. Chairman. I  
14 also want to welcome everyone to St. Petersburg, all our  
15 guests and the Commission. I want to thank you for the  
16 service you provide our state. It's good to see a full  
17 house of people with something to say, and even better  
18 not to be up there in the hot seat today. So I want to  
19 welcome you. Again, thank you for the service you  
20 provide, and I hope you enjoy our facility. Take your  
21 time. We don't need the room back until 3:00. Thank  
22 you.

23 **CHAIRMAN CARTER:** Also from the City of St.  
24 Petersburg, Councilman Karl Nurse.

25 **COUNCILMAN NURSE:** Good morning, members. As

1 a City Council member who's been working aggressively to  
2 try to help my constituents save money on their power  
3 bills, I run into the same issue over and over. The  
4 people who need to cut their power usage the most are  
5 the least able to afford the up-front cost for even  
6 modest energy efficiency improvements. I founded an  
7 organization in 2005 called Pinellas Living Green Expo,  
8 which is a trade show and seminar event held annually to  
9 show people how to save power and water costs. Several  
10 thousand people a year attend this, and they're able  
11 (phonetic) to connect to their vendors and buy  
12 efficiency products (phonetic). Progress Energy  
13 continues to be a major sponsor of this event.

14 This recession when combined with significant  
15 increases in the per kilowatt cost of electricity is  
16 putting a significant squeeze on our customers. There  
17 are two things that stand in the way of getting hundreds  
18 of thousands of homes in Progress Energy's service area  
19 made more efficient. The first is the information as to  
20 what the customer needs to do to make their home more  
21 efficient, and the other is a bigger road block, and  
22 this is the up-front investment needed. Progress Energy  
23 has been doing energy audits for, I don't know, 30 or 40  
24 years. They can tell you they go back to the same  
25 houses and little or nothing has been done because of

1 the investment required to make improvements, energy  
2 efficiency improvements.

3 Twenty-three states have established public  
4 benefit funds which seek to significantly ramp up the  
5 pace of weatherization of existing homes. The funds use  
6 between a hundredth of a cent to a tenth of a cent per  
7 kilowatt to create a pool for energy efficiency  
8 programs. The average homes in St. Petersburg are more  
9 than 40 years old and have no efficiency measures built  
10 into the original construction. The pace at which we  
11 are making these homes efficient is such that none of us  
12 will live to see them, to see most of them brought up to  
13 today's standards. I urge you to establish a public  
14 benefits fund or a similar structure to allow us to  
15 overcome this chicken or the egg problem of the up-front  
16 investment needed versus the ever rising cost of power.

17 There's only one other method to overcome this  
18 problem, and that is to establish a loan program that is  
19 structured to perform an energy audit to establish the  
20 cost of energy efficiency upgrades, make the upgrades,  
21 and structure the loan so that the customer saves more  
22 money each month than the cost of the upgrades. Ideally  
23 that would be repaid in the power bill. Obviously the  
24 power company would have to be compensated for the, for  
25 the loan (phonetic) cost of the associated risks. But

1 the bottom line is that energy efficiency is the  
2 cheapest solution to our nearer term energy needs and  
3 can help us push back the need for additional capacity  
4 if it's done on a widespread basis. However, unless we  
5 implement a method to overcome the up-front costs  
6 associated with energy efficiency upgrades, this will  
7 never happen on a broad enough basis to have an impact.  
8 So I urge you to address this problem, the sooner, the  
9 better and the cheaper. Thank you.

10 **CHAIRMAN CARTER:** Thank you. I just learned  
11 from our staff that we need to have you, when you speak,  
12 we need to have you come -- the rest, the remaining  
13 speakers, when you come up, use the podium --

14 **COMMISSIONER ARGENZIANO:** Mr. Chair.

15 **CHAIRMAN CARTER:** Yes, ma'am.

16 **COMMISSIONER ARGENZIANO:** I hardly heard a  
17 word.

18 **CHAIRMAN CARTER:** I was just saying --

19 **COMMISSIONER ARGENZIANO:** It keeps going in  
20 and out and there's a very loud reverb. And I don't  
21 know if the microphone is sensitive or if you're having  
22 to -- every time the speaker may move away from the  
23 microphone, but it is, it is really bad.

24 **CHAIRMAN CARTER:** Staff has told me that we  
25 need to have them come to the podium to my left, and

1 that way you will be able to hear a little better,  
2 Commissioner.

3 **COMMISSIONER ARGENZIANO:** Okay. I hope.

4 **CHAIRMAN CARTER:** So do I.

5 We also have with us today the President Pro  
6 Tem of the Florida Senate, Senator Mike Fasano.  
7 Senator, good morning. Welcome.

8 **SENATOR FASANO:** Good morning, Commissioners,  
9 and hello once again. We had a great turnout in Pasco  
10 County in New Port Richey last week. I see another  
11 excellent turnout this morning. And we hope we'll see a  
12 similar turnout again tonight at the County Commission  
13 Chambers in Clearwater beginning at 6:00.

14 I hate to be repetitious, but I would like to  
15 just stress a couple of things that I stressed last  
16 week, along with a couple of items that came to our  
17 attention most recently.

18 Commissioners and Mr. Chairman, because their  
19 customers, that's Progress Energy customers have nowhere  
20 else to go, of course, to purchase their electricity,  
21 Progress Energy, of course, has a captive customer base.  
22 While the customers will have to scrimp and save to pay  
23 for these increased rates, if approved, Progress Energy  
24 will be enjoying a greater guaranteed rate of return.

25 The proposed rate increase, as we all know,

1 will also increase Progress Energy's profit level to  
2 12.54 percent. In dollars, this translates into  
3 \$100 million of the \$500 million base rate increase for  
4 the company that is requesting.

5 I don't have to say, but I will say it anyway,  
6 it is outrageous that this monopoly utility will be  
7 raking in huge profits while its customers will be  
8 digging deep into their pockets just to pay their  
9 monthly power bill.

10 From an accounting point of view, in fact, the  
11 Public Counsel reports that Progress Energy has over  
12 collected from its customers for more than ten years in  
13 depreciation expenses. The excess collected during this  
14 time equals to \$700 million. Despite this fact, the  
15 current application includes an additional \$100 million  
16 in depreciation expenses. Again, rather than asking for  
17 more depreciation expense, the utility should be asking  
18 for the ability to refund its customers a total amount  
19 of the over collected dollars. If they did so, the  
20 current rate increase request application could be  
21 reduced by \$200 million or more.

22 I want to thank the Attorney General's office  
23 for being here. I want to thank Governor Crist's office  
24 for being here and representing my constituents and the  
25 constituents of Pasco, Pinellas, Hernando and Citrus



1 where I represent as well.

2 I'd like to bring something to your attention.  
3 And if I may hand these out to -- maybe you could give  
4 them to each of the Commissioners. And I'll, I'll just  
5 read, read what I have to you, Commissioners, as you get  
6 it. It is to Chairman Carter, but each of you will be  
7 getting one of these in the mail.

8 Chairman Carter and members, as you and your  
9 colleagues travel throughout the state -- and I want to  
10 thank you, thank you for traveling around the state, for  
11 making certain that every customer who wants to speak in  
12 opposition to this rate increase, that you have given  
13 them that opportunity. And I truly appreciate that, and  
14 I know they do as well. And as you travel throughout  
15 the state to listen to the objections raised by  
16 customers of Progress Energy regarding proposed rate  
17 increases, it is important for you to be aware of two  
18 very recent news articles regarding the utility.

19 On July 8th, 2009, the *St. Petersburg Times*  
20 published stories that bring into further question the  
21 need for both Progress Energy's request for a base rate  
22 increase and a nuclear advanced cost recovery increase.  
23 The *St. Petersburg Times* reports Progress Energy  
24 currently charges 25 percent more for power in Florida  
25 than it does in nearby South Carolina. It charges

1 17 percent more for power in Florida than it does in  
2 North Carolina, the home state of the parent company.  
3 Given the disparity in energy costs between the three  
4 states served by Progress Energy, again, and I hate to  
5 be repetitious, but it is truly outrageous that the  
6 company would even consider asking for more money for  
7 its Florida customers in a state hit hard by the lengthy  
8 downturn in both the state and the national economies.  
9 And I don't have to remind you of the large foreclosure  
10 rate we're seeing, especially in the Tampa Bay area.  
11 The unemployment rate hits in this area well above  
12 10 percent. In one of my counties it's over 12 percent.  
13 I can assure you they cannot afford any base rate  
14 increase, period.

15           The second article published details that the  
16 Federal Nuclear Regulatory Commission, of course the  
17 NRC, has ruled that an environmental group challenge to  
18 the Levy County nuclear plant federal construction  
19 permit can now move forward. This, on top of the NRC's  
20 previous decision to delay the plant's construction for  
21 nearly two years, further raises the question of why  
22 should the application for the nuclear advanced cost  
23 recovery be even considered?

24           Now I understand that you're -- it's a bit  
25 difficult because the Legislature has put some mandates

1 down on you. But I would greatly appreciate if you  
2 would consider what we're hearing now through these  
3 articles and what you know through your staff's reports  
4 of the delays that are now being put in place in  
5 building these nuclear plants and the cost recovery  
6 that's being forced upon the customers.

7           Given the uncertainty surrounding the plant's  
8 future, the enormous increases in this project cost and  
9 the delay issued by the NRC, the Florida Legislature  
10 should be given the opportunity to revisit the 2006  
11 legislation that allowed the collection of the advanced  
12 recovery, cost recovery. The Florida Legislature will  
13 meet again in the spring of 2010.

14           I did file legislation this year that would  
15 have addressed this cost recovery issue. But now that  
16 we know, now that we know, because of the actions by the  
17 NRC and other action, that the delay of building these  
18 nuclear power plants -- we don't know how long the delay  
19 is going to be. Now we're looking at beyond what the  
20 estimated time had scheduled to build these nuclear  
21 power plants. We're also finding that the cost has  
22 almost tripled of what the Legislature was told back in  
23 2006.

24           This is well within the time frame in which  
25 the NRC has issued the delay for the project as well as

1 allowing the legal challenge to permit to move forward.  
2 The Commission would have plenty of time, you would have  
3 plenty of time to consider any future application for  
4 nuclear cost recovery in 2010 if it denies this year's  
5 application, an action I strongly encourage you and your  
6 colleagues to take.

7 And, of course, as I testified at the public  
8 hearing on July 8th, 2009, last week, I am opposed,  
9 absolutely opposed to both the proposed rate increase  
10 and the nuclear advanced cost recovery increase  
11 requested by Progress Energy, and I would greatly  
12 appreciate the Commission taking into consideration the  
13 facts brought to light in the referenced news articles  
14 that I have given you today, in addition to all the  
15 testimony that you have heard and will continue to hear  
16 today from people who are most impacted by the rate  
17 increases, and that's the customers.

18 Mr. Chairman, thank you very much.

19 (Applause.)

20 **CHAIRMAN CARTER:** Thank you, Senator.

21 **COMMISSIONER ARGENZIANO:** Senator Fasano.

22 **CHAIRMAN CARTER:** Commissioners,  
23 Commissioners, for purposes of the record --

24 **COMMISSIONER ARGENZIANO:** Can you hear me,  
25 Mr. Chair?

1                   **CHAIRMAN CARTER:** Yes, ma'am, I can.

2                   **COMMISSIONER ARGENZIANO:** Is Senator Fasano  
3 still at the podium?

4                   **CHAIRMAN CARTER:** He's coming back now.  
5 You're recognized, Commissioner.

6                   **COMMISSIONER ARGENZIANO:** Thank you.

7                   Thank you, Senator Fasano, for, for all you do  
8 for your constituents. I really appreciate that very,  
9 very much.

10                   Senator Fasano, and I don't know how else to  
11 say this, but I may need some help with an issue, and I  
12 haven't spoken to my colleagues yet, I've got a letter  
13 on the way to the Chairman's office and, of course, he's  
14 there today, in regards to maybe some steps, a  
15 definition when it comes to the compensation of the, I  
16 guess, higher salaried employees of the company. They'd  
17 like that to remain confidential, and I don't think the  
18 statute allows that. So I'm telling you in an open  
19 forum because I may not get to speak to you. And  
20 because I think the definition in the statute does not  
21 exempt salaries, and that's going to be an issue, and I  
22 may need some guidance from the Legislature.

23                   **SENATOR FASANO:** Mr. Chairman, if I may.

24                   **CHAIRMAN CARTER:** You're recognized, sir.

25                   **SENATOR FASANO:** Commissioner Argenziano,

1 absolutely I'd be more than willing and wanting to work  
2 with you to require statute to have these numbers and  
3 these, these salaries available to the public when  
4 there's a public hearing going on for a proposed rate  
5 increase. I wasn't sure though, however, when you asked  
6 that you were going to need some help, I thought maybe  
7 you needed some crutches or something. (Laughter.) But  
8 I'd be more than happy and willing to work with you,  
9 ma'am. Thank you.

10 **COMMISSIONER ARGENZIANO:** Thank you.

11 **CHAIRMAN CARTER:** Thank you.

12 Commissioners, for the record, we have as a  
13 placeholder, I think Senator Fasano is sending an  
14 original, so as a placeholder his documents will be  
15 Exhibit Number 4. And when we get back to the office,  
16 we'll take the original and put it in. This will be  
17 Exhibit Number 4.

18 (Exhibit 4 marked for identification.)

19 Also, Commissioners, for your records,  
20 Commissioner Nurse who spoke with us this morning has  
21 sent us a letter, the Commissioner from the City of St.  
22 Petersburg. That will be, for your records,  
23 Commissioners, Exhibit 5. That will be Exhibit 5.

24 (Exhibit 5 marked for identification.)

25 Let me just kind of get us back on our normal

1 course of things is that we'll, in a minute we'll hear  
2 from the parties, they'll make their opening statements,  
3 brief opening statements, because we do want to hear  
4 from you.

5 First of all, let me just kind of tell you  
6 from a standpoint, when you came in out front, you saw a  
7 table out there with a couple of our staffers out there.  
8 We have what we call a Special Report. Just think  
9 green. And on this Special Report it will tell you who,  
10 what, when, why and where that we're here today for this  
11 proposed rate increase.

12 Secondly, it'll give you a website that you  
13 can go on if you're techno savvy that you can send in  
14 your comments to us at the Public Service Commission.  
15 Those of you that are old school like me that want to do  
16 graphite to cellulose, on the back you can peel this off  
17 and write a little note and send that in to us. It  
18 folds into a folder with our address on it. You can  
19 send that in to us.

20 Additionally, those of you that are here today  
21 that may be shy about speaking and you want to write us  
22 a note, you can do that and send that to us. And those  
23 of you who have friends and neighbors that couldn't come  
24 for whatever reason, please pick up some of these and  
25 take them home with you and share them with your

1 neighbors and friends. We do want to hear from you.  
2 It's very, very important for us to hear from you.  
3 That's why we're having these service hearings, because  
4 we want to hear from you, the customers.

5 Another thing that I'd like to share is that  
6 out on our table is this yellow and white thing here.  
7 It's called *Be Prepared*. You know in Florida we are in,  
8 maybe not necessarily in the middle of but we're  
9 certainly -- this is hurricane season. And I think the  
10 Governor said it best. He said, "Don't be afraid, just  
11 be prepared." So these are some safety tips for you.  
12 So we have these out there that we would like to share  
13 with you about how to keep yourself safe during these  
14 times of inclement weather and troubled times and all  
15 like that.

16 With that, we've already sworn the speakers  
17 in. We'll get into that in a minute. But first we'll  
18 have a brief opening statement from the parties, and  
19 then we'll come back to you.

20 First of all, we have -- Mr. Glenn, you're  
21 recognized. Okay. I hope -- could you walk over to the  
22 podium because Senator Argenziano, I mean, Commissioner  
23 Argenziano won't be able to hear you from there.

24 **MR. GLENN:** Let me -- can you all hear me?  
25 Commissioner Argenziano, can you hear me?



1                   **COMMISSIONER ARGENZIANO:** I can hear you now.  
2                   Yes, I can hear you very loud. I couldn't hear the  
3                   Chairman, but I can hear you.

4                   **MR. GLENN:** I'll pass the mike to him in a  
5                   second.

6                   Before I get started, I wanted to, I wanted to  
7                   let our customers know here that we have Customer  
8                   Service Representatives downstairs who have realtime  
9                   access to your bills and to your accounts so that if you  
10                  have any questions about customer service, your account,  
11                  your bill or anything, you can contact them downstairs.

12                  **COMMISSIONER ARGENZIANO:** I'm sorry, but I'm  
13                  losing you. Have you moved away from the mike?

14                  **MR. GLENN:** We have Mr. Talbott -- Ken, if you  
15                  could stand up. If you have a question, please see Ken  
16                  and he can direct you to the right person.

17                  Chairman Carter, Commissioners, thank you for  
18                  the opportunity to address our customers today, but more  
19                  importantly to listen. We value what you have to say,  
20                  whether it's a concern, a question or a compliment.

21                  No one wants to have a base rate increase.  
22                  There is never a good time for us or anyone to ask for a  
23                  base rate increase, especially during challenging  
24                  economic times. But we also know that everybody  
25                  expects, wants and demands reliable electric service.

1 It's vital to our livelihoods, our quality of life. Our  
2 state and our economy run on it. And what's critically  
3 important, if you just recall the 2004 and 2005  
4 hurricanes and the critical importance of safe and quick  
5 power restoration that occurred. But we all know that  
6 that level of service comes at a cost, and that's why  
7 we're here today. Base rates which cover a utility's  
8 cost of producing and delivering electric power to your  
9 homes and businesses is what we're here today about.

10 Now as we, as we move forward in our request,  
11 over the last 25 years we've invested more than  
12 \$4.5 billion in power plants, in poles, wires,  
13 substations, bucket trucks, advanced meters and other  
14 capital improvements. At the same time over the last 25  
15 years we've been able to effectively manage our costs so  
16 that your base rates have increased only about 1 percent  
17 over 25 years. Now compare that, compare that to the  
18 cost of housing, which has increased 113 percent, or  
19 food, which has increased 115 percent, or medical care,  
20 which has increased more than 253 percent over the last  
21 25-year period, and we've done that while maintaining  
22 top quartile performance in service reliability, safety  
23 and power plant operations.

24 Now the cost increases that we're facing now  
25 cannot be offset by our effective cost management.

1 We've tightened our belt like many of you have in  
2 businesses and in your own homes and where you're  
3 setting your thermostat, but those can't be offset  
4 anymore by customer growth, by efficiencies or by our  
5 effective cost management.

6 Let me just give you a couple of examples of  
7 the costs and investments we're making right now that  
8 make up part of our rate request. We're investing this  
9 year \$300 million to replace the steam generators in our  
10 Crystal River 3 nuclear power plant. These are huge,  
11 mammoth pieces of equipment. They're 500 tons, a  
12 quarter of a football field long, and they're critical,  
13 and they're critical to maintaining the safe and  
14 around-the-clock carbon-free energy from one of the  
15 nation's safest and best performing nuclear power  
16 plants.

17 We're investing a billion dollars in our  
18 Bartow oil-fired steam plant right off Gandy Boulevard.  
19 If you've, if you've seen it, it's a 1950s vintage  
20 plant, and we're repowering it with state of the art  
21 natural gas-fired technology. It's about a billion  
22 dollars. It's going to lower your fuel costs and it's  
23 going to lower emissions by about 90 percent.

24 We've also got to invest in the backbone of  
25 our systems: The poles, the wires, the substations.

1 We've upgraded five substations in Pinellas County this  
2 year, we've hardened them. We've hardened over 15 miles  
3 of poles and wires just this year alone.

4 Now while we're continuously making these  
5 investments, we've also got to plan for the future to  
6 meet Florida's aggressive energy policy, one that's  
7 aimed at lowering emissions and creating a more diverse  
8 energy portfolio. Progress Energy is committed to doing  
9 that with increased renewable energy, with increased  
10 energy efficiency and with adding state of the art,  
11 low-carbon or carbon-free power plants. But  
12 implementing this policy and continuing to provide the  
13 level of service that you demand and expect requires  
14 investment and it depends on sustaining the financial  
15 health of the company, particularly in these economic  
16 times.

17 We compete for investors. We compete with  
18 other electric utilities nationwide for capital to run  
19 our business. We compete with other businesses in other  
20 industries for investors to invest in our, in our  
21 company. Those are vital to us to performing the  
22 service that we need, that you expect.

23 In fact, many of who are sitting in the room  
24 today, I bet dollars to donuts, are actually investors  
25 in Progress Energy. If you own a mutual fund or if you

1 have a pension, chances are that your mutual fund or  
2 your pension owns Progress Energy stock. These  
3 investors, you, are critical for us to have the capital  
4 to invest in the business to repower the Bartow power  
5 plant to keep the lights on.

6 Now we understand that you expect electric  
7 service to be reliable, affordable and produced in an  
8 environmentally sound manner. We're committed to doing  
9 that and to meeting that expectation.

10 So on behalf of all of the dedicated Progress  
11 Energy employees, including the 1,896 who live in  
12 Pinellas and surrounding counties, thank you today. We  
13 work hard every day to serve you. Thank you for  
14 listening, for taking your time out of your day to show  
15 up and come here and talk, and I look forward to  
16 listening to what you have to say.

17 Thank you, Chairman.

18 **CHAIRMAN CARTER:** Thank you.

19 Mr. Kelly. Check and make sure it's turned  
20 on, Mr. Kelly.

21 **MR. KELLY:** Testing.

22 **MR. GLENN:** I just turned it off.

23 **MR. KELLY:** How did you turn it off?

24 **MR. GLENN:** You're asking a lawyer now to try  
25 to do something technical.

1                   **MR. KELLY:** Testing. Can you hear me okay?

2                   Good morning, everyone. My name is J. R.  
3 Kelly, and I'm with the Office of Public Counsel. And  
4 my office has the honor of representing you, the  
5 ratepayers, the individuals, the businesses, whomever is  
6 a customer of a utility. We represent you, the  
7 ratepayers, on issues that come in front of the Public  
8 Service Commission. I had two people ask me this  
9 morning -- my office is not part of the Public Service  
10 Commission. It was created separately by the  
11 Legislature many, many years ago.

12                   Now let's get to the meat of why we're here  
13 today. Progress Energy is here because they've  
14 requested a base rate increase. What are base rates? I  
15 want to try to give you an illustration. I want you to  
16 think of a test tube. A test tube has a lot of parts  
17 that go up to fill up to the top of that test tube. The  
18 full length, the full part of the test tube is what you  
19 pay when you consume electricity every month. Okay?

20                   Now 44 percent of that test tube are what are  
21 made up of base rates. The other parts are what are  
22 called cost recovery or pass-through parts. What do I  
23 mean by that? I mean that when Progress Energy incurs a  
24 charge such as fuel, they pay a dollar, it goes through  
25 the pass-through charge or clause, and you pay a dollar.

1 Okay? Whatever they pay, you then pay them back. Okay?  
2 There's very little risk involved in the pass-through  
3 charges and pass-through clauses because whatever they  
4 charge and pay, you pay them back.

5 Now base rates, in a nutshell there's a lot of  
6 complicated accounting and whatever that goes in, but  
7 basically it's two parts. Base rates are made up of the  
8 operating and maintenance expenses that Progress Energy  
9 uses day in and day out to run their business, and they  
10 do a very good job of running their business.

11 The other part of the base rates is, by  
12 *Florida Statute*, Progress is entitled to earn a fair and  
13 reasonable rate of return on their investment, and they  
14 should be entitled to that. But what are the key words?  
15 Fair and reasonable rate of return.

16 Now we're here today because Progress Energy  
17 is asking for a \$500 million increase in the base rate  
18 portion of your test tube. Okay? \$500 million. That  
19 amounts to a 31.46 or just under 31.5 percent increase  
20 from where the rates are today. The bottom line is we  
21 don't think that's fair and reasonable.

22 Let me be the first one to say, and I know  
23 many of you are going to echo me today, is that Progress  
24 Energy is an excellent, excellent company. They are run  
25 by fair, good, fair men and woman, many of whom are your

1 neighbors and your friends. We don't argue that. We  
2 know they're a good corporate partner. We know they do  
3 a lot of good for the community. We're not here to talk  
4 about that today. What we're here today to talk about  
5 is the base rate increase.

6 Now I want to give you real quickly some areas  
7 that we're going to be contesting them on dealing with  
8 this rate increase. First off is rate of return.  
9 Progress Energy is asking for a 12.54 percent return on  
10 their investment, return on equity. Folks, we feel that  
11 is not fair and equitable, especially in today's  
12 economic times. Unemployment, we've already heard,  
13 everybody knows, all-time highs. Mortgage defaults and  
14 foreclosures, all-time high. I think Florida is either  
15 leading the nation or number two. Many of you are  
16 either out of a job or have your hours cut back. And  
17 how many of you have had salary increases this year?  
18 Okay? I can go on and on. I don't need to. You know  
19 it better than I do because you feel it and you live it  
20 every day. 12.54 percent, folks, we just feel is not  
21 fair and equitable in today's economic times.

22 And just to give you an idea of where that  
23 ranks, nationally right now, the national authorized  
24 rate of return across the entire United States is  
25 10.29 percent. That's 2-point, roughly 2.25 percent



1 lower than what Progress is asking for. That translates  
2 to about over \$100 million a year that Progress is  
3 asking for from you, the ratepayers, to pay.

4 Another issue, and you heard Senator Fasano  
5 touch on this issue, depreciation. Depreciation, for  
6 those of you that don't understand it, is when you buy  
7 an asset, you start using it over its useful life. It  
8 loses value each year. You buy a car. Say you pay  
9 \$1,000 for the car and you expect it to go for ten  
10 years. Every year it loses a little value because you  
11 use it. So it'll lose about \$100 a year in value.

12 The same idea applies to Progress Energy.  
13 They have millions of assets. When they buy those  
14 assets, there is a useful life that is determined for  
15 each of the assets. They add those up together --  
16 there's an extremely complicated formula that I can't  
17 even, can't even think of understanding -- but the  
18 bottom line is they calculate all of those assets  
19 together, add up those useful lives, and a depreciation  
20 expense is calculated. You pay for that each year in  
21 your rates.

22 Well, over the past few years Progress Energy  
23 has over collected or collected too quickly from you,  
24 the ratepayer, over \$700 million. Okay? That's a lot  
25 of money.

1           Now there's a couple of ways to work with  
2 that. You could allow them, Progress Energy, to collect  
3 from you a lower insurance amount over the next, say,  
4 ten, 20, 30 years and eventually you'd get your money  
5 back. Some of you may not be around here 20, 30 years  
6 from now. Okay? We feel in today's economic times the  
7 better way to do it is to refund the money to you today,  
8 okay, or amortize it over the next three or four years,  
9 cut this rate increase down significantly. That's going  
10 to be a very big issue in the case.

11           There's also going to be some accounting  
12 issues, and I'm not prepared today to get into the  
13 details, but there are going to be some additional  
14 accounting issues that we have identified and will be  
15 identifying in front of the Public Service Commission  
16 that will also reduce the amount that Progress Energy is  
17 asking for.

18           Now a couple of things. I want to set the  
19 record straight and make sure you understand. You heard  
20 Mr. Glenn talk about they haven't received, I think,  
21 maybe a 1 percent increase in base rates over the last,  
22 whatever it was, 20, 25 years or so. Well, technically  
23 that may be accurate. But remember I talked about the  
24 test tube, we have those pass-through cost recovery  
25 clauses? Years ago the whole test tube was made up of a

1 base rate, everything you paid. Okay? But over the  
2 years, either by order of the Commission or by *Florida*  
3 *Statute*, they've created these pass-through charges.

4 And when they create pass-through charges or  
5 pass-through clauses, they take certain expenses out of  
6 what used to be base rates, they put it in that clause,  
7 such as environmental charges, okay, such as the fuel  
8 many, many years ago. That was the first clause.  
9 Nuclear is a pass-through clause. So, yes, base rates  
10 may have stayed about the same, but you've got expenses  
11 that are no longer in the base rates that are now in the  
12 pass-through clauses.

13 A couple of other ideas real, real quick.  
14 Remember this, Progress is a very, very good company,  
15 but they are a monopoly. There is no other game in  
16 town. You can't go across the street like you can to a  
17 drugstore and decide I'm going to go to the local  
18 drugstore, the CVS, Walgreens or whatever. Only game in  
19 town. They're guaranteed, guaranteed by this Commission  
20 a rate of return.

21 Okay. How many of you would like to be  
22 guaranteed 12.54 percent right now in your stocks and  
23 bonds? I sure would. (Applause.) But when they get  
24 guarantees and they're a monopoly, remember this, their  
25 risk is reduced.

1           You heard Mr. Glenn talk about they compete  
2 for dollars. Well, yes, they compete for dollars with  
3 other utilities, but they don't compete in the same  
4 manner with the McDonald's and the IBMs and the  
5 Microsofts and so forth. Why? Because they have a  
6 monopolistic area, that's the way our state is set up,  
7 and they're guaranteed a rate of return.

8           Now one last thing I want to mention is why  
9 are we here today? We are here to hear from you.  
10 Please, please, I urge you, I beg you, take this  
11 opportunity to come up and speak to the Commission  
12 today. You do not have to be an eloquent speaker.  
13 Speak from the heart, speak passionately and just say  
14 whatever you want to say. These folks need to hear how  
15 this rate increase will affect you and your livelihood.  
16 We very much appreciate you being here. Thank you.

17           (Applause.)

18           **CHAIRMAN CARTER:** Thank you, Mr. Kelly.  
19 Mr. Wright.

20           **MR. WRIGHT:** Thank you, Mr. Chairman.

21           Commissioner Argenziano, can you hear me okay?

22           **COMMISSIONER ARGENZIANO:** It's very sensitive.  
23 I heard you there, but then I, then I lose you.

24           **MR. WRIGHT:** I'm going to do my best to hold  
25 the mike right here.

1 Good morning. Welcome.

2 (Pause.)

3 We're resolving some technical issues here.

4 Here I go. Good morning. Welcome. Thank you for  
5 coming. This is a real important case. This is your  
6 hearing. You are Florida citizens. This is your Public  
7 Service Commission. This is democracy in action. Tell  
8 them what you think about Progress Energy's request for  
9 another half a billion dollars a year of your money.  
10 That's what's on the table in this case.

11 I somewhat apologize. I'm not as good an  
12 extemporaneous speaker as Mr. Kelly. I've got some  
13 notes. I've got a lot of thoughts I've got to get  
14 across to you in a short time so y'all can get up and  
15 tell the Commissioners what you think.

16 **UNIDENTIFIED SPEAKER:** Can you tell us who you  
17 are?

18 **MR. WRIGHT:** Yes, sir. My name is Schef  
19 Wright. I'm a native Floridian. I've lived all but  
20 nine of my 59 years in the great State of Florida. I've  
21 lived almost the last 29 years in Tallahassee where I've  
22 been working in the energy field. I first worked for  
23 Governor Graham's energy office, then I had a pleasure  
24 and privilege of serving on the Public Service  
25 Commission staff, and for the last 17 years I've been a

1 private practice attorney. I represent consumers,  
2 municipalities, producers of renewable energy and folks  
3 like that.

4 I have the privilege to be here before you  
5 today representing the Florida Retail Federation. The  
6 federation is a statewide organization of more than  
7 9,000 members, from the smallest mom and pop commercial  
8 establishments to the largest chains of grocery,  
9 department, electronics, pharmacy stores that serve your  
10 various needs.

11 The Florida Retail Federation and several of  
12 our, excuse me, several of our principal members,  
13 including Publix, Macy's, Target, Walmart and Best Buy,  
14 oppose this rate increase request by Florida Power  
15 Corporation -- by Progress Energy Florida. I've been  
16 doing this a long time. We are consumers, like all of  
17 you. We are all in this together. We are fighting  
18 alongside your Public Counsel. And thanks again to  
19 Mr. Shreve for his 25 years of service as your Public  
20 Counsel. We're fighting alongside your Attorney  
21 General, Bill McCollum, the Florida Industrial Power  
22 Users and others who oppose this rate increase.

23 Now we do agree unequivocally nothing is free.  
24 Progress Energy needs sufficient funds to provide safe,  
25 adequate, reliable service. This case, you're going to

1 hear this at least two more times from me, this case is  
2 about whether Progress Energy Florida needs another half  
3 a billion dollars a year of your money and our members'  
4 money in order to provide that service. We don't  
5 believe so.

6 Why not? Here's some good reasons right off  
7 the top. Mr. Kelly talked about the requested rate of  
8 return on equity: 12.54 percent after tax. I want you  
9 all to understand what this means. This means that  
10 Progress wants you to pay them enough money to where  
11 they cover every cent of their claimed costs, all their  
12 fuel, salaries, wages, trucks, lines, et cetera, cover  
13 all their costs, plus an allowance for depreciation,  
14 plus an allowance for income taxes -- as though they pay  
15 them, they don't always pay exactly what is in your  
16 rates -- and still have enough left over after you paid  
17 all their costs and the taxes on their income to their  
18 shareholders, they want to have enough left over that  
19 the shareholders would have a return of 12.5 percent.

20 Progress collects more than two-thirds of its  
21 total revenues through pass-through clauses, cost  
22 recovery clauses. I'll name some: Fuel, environmental,  
23 energy conservation, nuclear and, when applicable,  
24 storm. There is no way with this certainty of their  
25 revenues that they face risks that are remotely

1 commensurate with a 12.5 percent rate of return. Making  
2 an appropriate adjustment to something more in the 9.5  
3 or 10 percent range which we think is reasonable would  
4 knock \$120 million to \$130 million a year off that  
5 increase. Refunding the depreciation surplus that  
6 Senator Fasano and Mr. Kelly talked about over four  
7 years -- this is money you paid in and we paid in. They  
8 should give this back to us over a reasonable time. If  
9 you did that over four years, that would be another  
10 \$120 million. We believe they've overstated their  
11 depreciation expense and overstated other expense items  
12 that should probably knock another \$100 million to  
13 \$200 million out of that increase.

14           Again, the question is does Progress need  
15 another half a billion dollars a year of your money in  
16 order to provide safe, adequate, reliable service? We  
17 believe the answer is no.

18           Now Mr. Glenn said, pointed out, quite  
19 correctly, that your base rates are almost unchanged  
20 from what they were 25 years ago. In 1992 and 1993 they  
21 went up about \$135 million a year. In 2002, as a result  
22 of a settlement, they came down on a permanent basis  
23 \$125 million a year.

24           Here's the point. They haven't had a base  
25 rate increase or haven't had any significant base rate



1 increase in 25 years because they haven't needed one.  
2 In 2002, they agreed to settle a case opened by the  
3 Commission to review their earnings by reducing their  
4 base rates by \$125 million a year. They made refunds,  
5 one-time refunds in 2002, 2003 and 2004. They remained  
6 highly profitable during this time.

7 In 1996, their revenues were \$2.4 billion. In  
8 1999, their revenues were \$2.86 billion. In 2009,  
9 according to their rate case filing, their revenues are  
10 projected to be \$2.9 billion -- I'm sorry --  
11 \$5.7 billion, roughly double, more than double what they  
12 were ten years ago. This is without a base rate  
13 increase. In fact, this is with a base rate reduction,  
14 and they have remained highly profitable during this  
15 time. They have been doing fine.

16 Regarding rates, it's true, their base rates  
17 are nearly unchanged from what they were 25 years ago.  
18 Today 1,000 kilowatt hours of residential service costs  
19 you \$122.79. You can look it up on the PSC website  
20 under their tariff. Ten years ago the same 1,000  
21 kilowatt hours of residential service was \$82.76. In  
22 2005 they came to the Commission and asked for a base  
23 rate increase of \$205,559,000 a year. We litigated that  
24 case alongside the AARP, the industrials, Public Counsel  
25 and then Attorney General Crist, and at the end of the

1 case, Progress settled that case for a rate, base rate  
2 increase of zero. They did -- we agreed to and they got  
3 some increases for two power plants that came online  
4 subsequently. They haven't had a base rate increase  
5 because they haven't needed one.

6 Now I've told you about what we think ought to  
7 be cut. I want to tell you some things we're not  
8 talking about cutting. We are not talking about cutting  
9 the positions of people who are in the field keeping  
10 your lights on. We are not talking about cutting their  
11 wages. We're probably going to take a look at executive  
12 compensation, but not the folks who are doing the line  
13 work and working in the power plants. We're not talking  
14 about cutting out investment in needed facilities. We  
15 are talking about reducing the profit that Progress  
16 earns on that.

17 One more time, I promise. This case is about  
18 whether Progress Energy Florida needs, needs, folks,  
19 needs another half a billion dollars a year of your  
20 money and our members' money in order to provide safe,  
21 adequate, reliable service. Our answer is unequivocally  
22 no. They might need a little, they might not. The  
23 evidence in this case -- we're going to have two weeks  
24 of hearings in September on this. The evidence will  
25 tell. Your Public Service Commissioners are going to

1 make the decision. Please, like Mr. Kelly, I implore  
2 you, please come tell them your views on this very  
3 important case. Thank you.

4 (Applause.)

5 **CHAIRMAN CARTER:** Ms. Bradley.

6 **MS. BRADLEY:** Thank you.

7 I'm Cecilia Bradley from the Attorney  
8 General's office, and I have the pleasure of working  
9 with your Public Counsel to represent all of you in  
10 these cases before the Public Service Commission. And  
11 that's why it's so important for you to come today and  
12 testify about how this is going to affect you. We know  
13 nobody wants to pay more for something they've been  
14 buying for less, but it's important to know exactly how  
15 it affects you.

16 I heard something on the news this morning  
17 about an \$8 increase, and I'm not sure where they got  
18 that. It's actually an \$13.83 increase that we're  
19 looking at. And some people say, "Well, what's the big  
20 deal? It's only \$13.83, you know. That's not that  
21 much." Well, we've heard testimony around the state  
22 from people that said, "Well, it is to me. That would  
23 pay for the copayment for my doctor or that would pay  
24 for the copayment for my prescription for the month."  
25 And we had people telling us that they only take their

1 medication every other day now because they can't afford  
2 to take more, and that really hits hard. That's not the  
3 kind of thing we want to hear.

4 We've heard testimony from people that have  
5 talked about, "Well, I really try not to turn on my air  
6 conditioner until it gets, you know, to be 85 or higher,  
7 or I turn it off at night to try to use less. I started  
8 using the old-fashioned dryer. I, you know, hang my  
9 clothes out on the line rather than using a dryer." And  
10 we've heard a lot of stories about the things people are  
11 doing. And, you know, a lot of these are retired people  
12 or people on fixed incomes, and they shouldn't have to  
13 be doing this kind of thing. And that gives us a lot of  
14 concern. But we need to know specifically how it  
15 affects all of you because everybody's circumstances are  
16 different.

17 Now they talked about competing for investors  
18 in this 12.54 percent return on equity. Well, we had a  
19 stockbroker at one of the hearings that came and  
20 testified, and he kind of put in perspective for me. He  
21 said, "They don't have the same risk as other companies  
22 do." Mr. Wright told you about some of his companies.  
23 They're not monopolies, they don't have guaranteed rates  
24 like the utilities do. Utilities are one of the safest  
25 investments there is because of their guaranteed rates.

1 And these other companies that have to compete for your  
2 business, they're competing with other groceries,  
3 they're competing with other burger chains. They have  
4 to compete. They have to look at these things. So it's  
5 not an equal footing to them. It's not real  
6 competition. So obviously utilities don't need as high  
7 a return on equity as some of these other companies do.

8 We also had somebody that looked about the  
9 cost of the benefits that might come from a higher  
10 return on equity. In one of the other utility cases  
11 they calculated that it would provide a \$5 million  
12 benefit to the customers if they got a higher return on  
13 equity when they went into the bank to try to get more  
14 money. But then he did the other calculation, and it  
15 would cost the customers \$30 million for that \$5 million  
16 benefit. Well, I don't have millions of dollars to work  
17 with, so I put it in a perspective that I can  
18 understand. That's like if somebody came up and offered  
19 you \$5 million -- I mean, I'm sorry, \$5, and you'd say,  
20 "Well, thank you. That's nice of you. I'll go down to  
21 the hamburger joint and get a hamburger for lunch" --  
22 hopefully, maybe. But then if they said, "But you have  
23 to pay me \$30," suddenly that \$5 gift doesn't look as  
24 nice. It doesn't look as good. And so we have to look  
25 at the cost of any benefits that the utility is

1 claiming.

2 We also look at the fact that this has a  
3 trickle-down effect. If the electricity goes up, not  
4 only do you have to pay a higher utility bill, but  
5 everything else you buy may be more too. The grocery  
6 stores, the pharmacies, you know, they are mandated to  
7 keep certain things, you know, cool, cold, and they have  
8 to use electricity. And they're competing with other  
9 businesses for your business, so eventually they're  
10 going to have to raise their rates. So not only do you  
11 get hit with a higher utility bill, but this trickle  
12 down is going to result in you having to pay more for  
13 lots of goods and services, and we're concerned about  
14 that.

15 We're also concerned about the effect it has  
16 on some of the places like schools. We've heard from  
17 some of the school districts that have talked about  
18 they've cut, they've done every bit of energy efficiency  
19 maneuvers they can think of. They can't cut anymore,  
20 and they're not going to get anymore money. So what do  
21 they do? You know, does the school say, well, we're  
22 going, I'm sorry, we're only going to provide education  
23 for some of the kids in this district? Or do they say,  
24 well, we're not going to provide as many courses for the  
25 kids in this district? You know, they're really in a

1 hard spot right now. So we're concerned about the  
2 effect it's going to have on some of your public  
3 offerings and some of your services that come through  
4 your local community.

5 Now we're not saying that we don't want  
6 strong, profitable utilities, because we obviously do.  
7 But we've had some people -- the company usually has  
8 some people come in and talk for them, and some of these  
9 people have said, "I think we need more, you know, a  
10 higher rate because we want to keep the lights on."  
11 Well, let me assure you, the lights are not going out.  
12 That's what all of these people do, and they have a big  
13 staff that works every day to make sure you continue to  
14 get your utilities. So even if there's no rate  
15 increase, the lights are going to stay on. You will  
16 continue to get the services you've been getting.  
17 That's what these folks do.

18 But I want to thank you for coming. It really  
19 is important what you have to say. It helps us in  
20 presenting your case to the Public Service Commission in  
21 a couple -- well, actually next month -- no, two months  
22 away. I'm getting it confused with the other one. But  
23 we appreciate you coming. I know you could have done  
24 things that were probably a lot more interesting and  
25 fun. But this really is important. It's really

1 important that we hear from you and that each one of you  
2 testify, and we want to thank you.

3 (Applause.)

4 **CHAIRMAN CARTER:** Thank you, Ms. Bradley.

5 We've got a few housekeeping matters to take  
6 care of. But during the process of allowing the parties  
7 to take appearances, I neglected to allow our staff.  
8 Would you make an appearance on behalf of staff?

9 **MS. FLEMING:** Katherine Fleming on behalf of  
10 the Commission.

11 **CHAIRMAN CARTER:** Thank you. Is it on? I  
12 can't even hear myself on this one. Will that cause  
13 interference? Okay. I'll give it a shot.

14 First of all, a couple of commercial  
15 announcements. Those of you that have cell phones, you  
16 have two choices: You can either turn them off, which I  
17 would prefer, or please set them to vibrate because this  
18 beautiful young lady down here, our court reporter,  
19 she's transcribing everything that you say. And as you  
20 saw earlier, we're having some problems with feedback  
21 and all like that. So it does interrupt people. And  
22 I'm from South Georgia. My grandmama told me always to  
23 have manners. So it's nice to listen to what your  
24 neighbors have to say on that.

25 Secondly, from a personal standpoint is that I



1 recently had back surgery, so from time to time I have  
2 to get up and walk. My, my range is usually about -- I  
3 can sit for about an hour, and then I have to get up and  
4 walk around. I hope it's cooler than it was this  
5 morning when I walked around St. Petersburg, but I have  
6 to do that. But we'll continue the hearing. I'll pass  
7 the gavel.

8           The other thing I noticed, there were several  
9 people that came in after I had sworn in the group of  
10 people that are going to speak today. Those of you that  
11 came in that have not been sworn, would you please stand  
12 and raise your right hand. Those of you that are  
13 wishing to speak this morning that have not been sworn  
14 in, would you please stand and raise your right hand.

15           (Witnesses collectively sworn.)

16           Thank you. And here's how we'll go.  
17 Mr. Kelly will be calling your name. And as he calls  
18 your name, when you come up to this podium, I don't know  
19 if those of you -- let me stand. Those of you to my  
20 left, if you can't see me, when you come up to speak,  
21 come to this podium to my left over here. And when you  
22 get to the podium, please state your name and address  
23 for the court reporter so that she can have it for the  
24 record.

25           And Mr. Kelly will be calling your name. And

1 as he does, we'll ask you to come up and we'll hear from  
2 you. We've got how many?

3 **MR. KELLY:** 39.

4 **CHAIRMAN CARTER:** 39 people. We're trying to  
5 kind of -- we want to hear from as many people as  
6 possible, so we'll start that. Let me do this,  
7 Commissioner Edgar, it's right on the time. I think  
8 rather than break the folks up, why don't I just go on  
9 and take my break now and you can preside. Thank you.

10 **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.  
11 We'll move right along. And, Mr. Kelly, if you'll start  
12 us off with the first name, please.

13 **MR. KELLY:** Okay. And I will call two names  
14 so you'll know you're on deck. And if you could start  
15 making your way up, I think that will keep the flow  
16 going a little better. The first name is Michelle Cyr,  
17 Cyr, followed by Gregory Johnson.

18 **COMMISSIONER EDGAR:** And if you would spell  
19 your last name for us too, so we can get it right for  
20 the transcript as well.

21 Whereupon,

22 **MICHELLE CYR**

23 was called as a witness on behalf of the Citizens of the  
24 State of Florida and, having been duly sworn, testified  
25 as follows:

**DIRECT STATEMENT**

1  
2           **MS. CYR:** Absolutely. My name is Michelle  
3 Cyr. That's spelled C-Y-R. I'm a St. Petersburg  
4 resident and I'm a customer of Progress Energy, not that  
5 I had a choice. And I'm here today to tell the Public  
6 Service Commission that I'm adamantly opposed to any  
7 basic rate increase. Right now -- especially a  
8 30 percent increase.

9           I myself did not receive a 30 percent increase  
10 in my salary. In fact, I took a pay cut, my fiance took  
11 a pay cut, and we're the lucky ones. Several of our  
12 friends, family and neighbors, they've lost their jobs.  
13 They're now unemployed and they're struggling to pay  
14 their mortgage, just like me and my fiance are  
15 struggling to pay our bills. And we're lucky, we have a  
16 job. So that's what I came here to tell you today.  
17 Please look out for the consumers' best interests.  
18 Thank you.

19           **COMMISSIONER EDGAR:** Thank you.

20           **MR. KELLY:** Gregory Johnson, followed by  
21 Ludell Hill.  
22 Whereupon,

**GREGORY JOHNSON**

23  
24 was called as a witness on behalf of the Citizens of the  
25 State of Florida and, having been duly sworn, testified

1 as follows:

2 **DIRECT STATEMENT**

3 **MR. JOHNSON:** Good morning.

4 **COMMISSIONER EDGAR:** Good morning.

5 **MR. JOHNSON:** My name is Gregory Johnson, last  
6 name J-O-H-N-S-O-N. I represent the Pinellas County  
7 Urban League. Joining me at the podium, sir, if it's  
8 okay with you, will Ludell Hill. He's my Director of  
9 Programs. I stand before you, we stand before you this  
10 morning to --

11 **UNIDENTIFIED SPEAKER:** I can't hear. I'm  
12 sorry.

13 **MR. JOHNSON:** Okay. We stand before you --

14 **COMMISSIONER EDGAR:** If you just can maybe get  
15 a little closer to the mike. Bear with us. Thank you.

16 **MR. JOHNSON:** A little closer to the mike.

17 All right. We stand before you this morning  
18 to speak to the community relations that Progress Energy  
19 has engaged in over the years in partnership with the  
20 Urban League and the Florida Department of Community  
21 Affairs. We offer a number of services to help people  
22 with their delinquent energy bills. We also work hard  
23 with helping people with their weatherization, and  
24 Progress Energy has been a great partner with us in  
25 those areas. We're currently embarking upon a community

1 education and conservation education program in  
2 partnership with Progress Energy. So I'd like for  
3 Ludell Hill to give you a little more detail about what  
4 we're doing.

5 **COMMISSIONER EDGAR:** Thank you, Mr. Johnson.

6 Mr. Hill, come on up.

7 Whereupon,

8 **LUDELL HILL**

9 was called as a witness on behalf of the Citizens of the  
10 State of Florida and, having been duly sworn, testified  
11 as follows:

12 **DIRECT STATEMENT**

13 **MR. HILL:** My name is Ludell Hill, and I'm the  
14 Program Director for the Pinellas County Urban League.

15 Progress Energy has been a very responsive --  
16 have been very responsive to the needs of the community  
17 and the citizens of this community by providing valuable  
18 support to numerous social service agencies, as well as  
19 making professional staff members available at the table  
20 to address all levels of community concerns.

21 The Pinellas County Urban League has been in  
22 partnership with Progress Energy for more than 20 years.  
23 Together we have coordinated electric service payments  
24 assistance to thousands of citizens in need throughout  
25 Pinellas County to prevent their electric service from

1 being turned off, and we have found Progress Energy to  
2 be forthright with their services and an outstanding  
3 partner for the league.

4 In addition, Progress Energy has a one of a  
5 kind citizen rebate program for homeowners wishing to  
6 upgrade their water heaters, air conditioning systems,  
7 and also install other, other applications for their  
8 homes, such as R-value insulation and other products.  
9 Whereas, this program with rebates -- provide rebates  
10 directly back to the community and to those homeowners  
11 for those upgrades, other programs are designed to  
12 provide an end of the year tax write-off. We think this  
13 is significant for homeowners when they receive their,  
14 those rebates quickly to reduce the cost of their home  
15 energy savings efforts.

16 Progress Energy has been innovative in  
17 developing other energy saving products or projects in  
18 low income or to moderate income housing communities.  
19 Their efforts and commitment is to help reduce the high  
20 energy usage of these older homes with poorly sealed  
21 doors and windows and inefficient lighting leading to  
22 high energy usage. Their work is to reduce this high  
23 energy burden by offering cost saving measures free to  
24 the homeowners and selected neighborhoods.

25 I can't speak to the increase in rates, but I

1 can speak to the fairness that Progress Energy has  
2 bestowed upon this community, and assure you that their  
3 petition is forwarded in good faith and in the best  
4 interest of this community. Thank you.

5 **COMMISSIONER EDGAR:** Thank you.

6 **MR. KELLY:** Joe Baker, followed by Jack  
7 Tunstill.

8 **COMMISSIONER EDGAR:** Mr. Baker?

9 **MR. TUNSTILL:** No. I'm Mr. Tunstill.

10 **COMMISSIONER EDGAR:** Okay. Hold on just a  
11 moment.

12 **MR. KELLY:** Joe Baker.

13 **UNIDENTIFIED SPEAKER:** The gentleman may have  
14 had to go feed his meter.

15 **MR. KELLY:** Okay. I'll keep it out to the  
16 side. If he comes back and he's Mr. Baker, just tell  
17 him to give me a head nod.

18 **UNIDENTIFIED SPEAKER:** Thank you, sir.

19 **MR. KELLY:** Mr. Tunstill, followed by Mark  
20 Klutho.

21 Whereupon,

22 **JACK TUNSTILL**

23 was called as a witness on behalf of the Citizens of the  
24 State of Florida and, having been duly sworn, testified  
25 as follows:

**DIRECT STATEMENT**

1  
2           **MR. TUNSTILL:** This thing goes up and down,  
3 folks.

4           **COMMISSIONER EDGAR:** Now you tell us.

5           (Laughter.)

6           **MR. TUNSTILL:** Hey, I come in here and speak  
7 to the City Council enough, I know how the system works.

8           I'm Jack Tunstill. That's spelled  
9 T-U-N-S-T-I-L-L. I reside at 9132 124th Way in  
10 Seminole. And in account -- in the interest of full  
11 disclosure, I'm a Florida Power retiree. I get a  
12 monthly pension. It has no healthcare plan benefits. I  
13 worked for 13 years with -- and I'm calling it FPC  
14 because that's what it was -- for FPC for 13 years in  
15 the Nuclear Operations Department on the Crystal River  
16 Unit 3. I've got 40 years experience as a professional  
17 engineer in the nuclear power business.

18           As far as my house goes, I have put in  
19 windows, high-efficiency windows so they don't radiate  
20 heat one way or the other or take heat in. I am in the  
21 process of getting the duct check done that Florida  
22 Power -- that Progress Energy offers. Same thing with  
23 the insulation. Twenty years ago when I joined the  
24 company I had them do the energy check. The house at  
25 that point was like eight years old, so the insulation



1 was fine. Over the years I think it has settled, so  
2 it's time to utilize the program that they have and that  
3 the industry across the board I think has for helping  
4 the consumers upgrade their homes.

5 I have installed a gas-powered electrical  
6 generator to carry my house because I have had power  
7 failures. I had one in my neighbor's backyard that lit  
8 up the neighborhood while it was burning. And my  
9 generator was running and it was the only house on the  
10 street that had power for nine hours. So I've done what  
11 I think I can to improve my house or going to improve it  
12 here shortly with the insulation installation. So I've  
13 done what I think I can do.

14 Now 15 years ago Florida Progress's CEO, Dr.  
15 Jack Critchfield, told us as employees that they had to  
16 streamline their operations by cutting costs for all its  
17 operations. The reason given for the streamlining was  
18 to prepare the corporation for the coming competition  
19 that the electric power industry would be facing in the  
20 21st century. Dr. Jack often cited the telephone  
21 companies as the best example of what the electric  
22 utilities would be facing with competition. He told us  
23 employees that Florida Power Corporation's customer base  
24 would eventually be able to select their power supplier  
25 as easily as we can change telephone service. Well,

1 everybody in this room knows what happened. Florida  
2 Power got sold out to Carolina Power & Light, who's  
3 changed their name to Progress Energy and then put a  
4 hyphen on it and we're the other half. Dr. Jack  
5 and his associates retired or left with golden  
6 parachutes worth of millions of dollars.

7 So I encourage the PSC, look at the executive  
8 compensation, okay, in this one. They haven't seen the  
9 predicted competition. In fact, just the opposite has  
10 happened. I can recall when I was in the Nuclear  
11 Operations Department that there was plans for a new  
12 power transmission line that would come, bring  
13 additional power from Georgia into Florida. That got  
14 canceled. Why? Well, then they figured out, oh, geez,  
15 wheeling, which is the transferring of power down the  
16 power line by -- you know, electricity is electricity.  
17 It's just where the source came from. Because of  
18 wheeling possibilities, that would give a competitor  
19 entrance into Florida. Oh, there goes that monopoly  
20 kind of stuff.

21 Well, a monopoly is still here, folks.  
22 Meanwhile, the telephone companies, of course, have  
23 changed a lot. There's lots of competition. The  
24 Legislature kind of helped them make a little bit more  
25 money by changing the rule. But that competition let me

1 leave Verizon seeking better services and products from  
2 other, other competitors. In fact, my entire house is a  
3 Bright House Networks house. It's a digital, which  
4 brings up the need for power. If you've got an HDTV set  
5 or you've got your computer online and you get a blip  
6 because something happened to the highly reliable power  
7 system, now everything drops off instantaneously and you  
8 sit there and have to wait for the online boxes to fire  
9 back up again. So that's the other reason I put a  
10 generator on my house is when it goes off, the  
11 electricity, that generator comes on and I've got  
12 uninterruptible power supplies on all my black boxes in  
13 the house. Of course those are vampires because they do  
14 take power to run when I have the unit turned off. So  
15 Progress Energy is helping me keep my digital house  
16 online.

17           There's still no competition because I don't  
18 see dual sets of power lines out there, one labeled  
19 "Progress Energy" and the other one labeled "I'm Your  
20 Power Company." And I don't see that happening in the  
21 rest of the United States where we have competing  
22 utilities saying we're going to come provide electricity  
23 going to your house. And until they figure out how to  
24 do that over wires, I mean, over the air, it's going to  
25 be a little difficult to comprehend anything else but

1 hard wires bringing electricity into homes.

2 They need a rate of return. Well, why does a  
3 monopoly need such a high rate of return? You've got to  
4 examine their books to make sure we're not being charged  
5 for needless expenses. I don't mind paying for the  
6 things that are necessary to keep the power running.

7 The thing that irks me a little bit is I see  
8 an advertisement from Progress Energy telling me they  
9 stand ready to help us in national disaster -- natural  
10 disasters, and I understand that's part of the normal  
11 rate base. As a monopoly, I expect -- no, I demand that  
12 they be ready for hurricane recovery. We've already  
13 mentioned that, the other public folks speaking to the  
14 public here. We're already, I think, paying for them to  
15 tell us how good they are in the rate base.

16 And, of course, we're already seeing, just as  
17 was mentioned a moment ago by the senator, we're seeing  
18 these projects, the power plants in Levy County, the  
19 nuclear ones, slip because they haven't done some  
20 environmental studies properly.

21 As I said earlier, I've been in this business  
22 for 40 years. I'm retired out of it now, but I've been  
23 in it for 40 years. When I got in it in 1968, the only  
24 nuclear power plant that was in South Carolina was  
25 Oconee Unit 1, and so you could kind of say I was in on

1 the ground floor of nuclear power. It turned out to be  
2 a one-story building.

3 But I know from personal experience, I was a  
4 licensing engineer for Progress Energy -- Florida Power  
5 dealing with the Nuclear Regulatory Commission. Dealing  
6 with any regulator like that is a blank check for them.  
7 You pay for the inspections, you pay for any and  
8 everything associated with operating that nuclear plant  
9 except for maybe the employees' salary. But if there's  
10 an inspection, it's a pass-through to the employee --  
11 pass-through to the ratepayer.

12 You need to monitor those expenses. It's not  
13 a ratepayers' risk -- it's not a shareholder's risk  
14 anymore, it's a ratepayer. That if these schedules  
15 slip -- like I said, beginning in 1968, you know, we  
16 were going great in the nuclear power business until the  
17 oil embargo of 1972, and then the utilities started  
18 cutting back on power plants because the demand went  
19 down. It kind of happened a little bit a couple of  
20 other times in the years, in the past few decades.

21 **CHAIRMAN CARTER:** Mr. Tunstill, I'm going to  
22 have to ask you if you can give us concluding --

23 **MR. TUNSTILL:** Yeah. Okay. Let me finish it  
24 up. One more front, then I want to make a comment --

25 **COMMISSIONER EDGAR:** Okay.

1                   **MR. TUNSTILL** -- is I'm also the Chairman of  
2 the Albert Whitted Airport Advisory Committee. That's  
3 the airport in downtown St. Petersburg. We are the  
4 advocacy group for supporters of the airport. The group  
5 is opposed to this rate increase because it translates  
6 to increased costs for the airport. The airport is an  
7 enterprise fund within the City of St. Petersburg. We  
8 have to generate our own operating expenses off of fuel  
9 sales, tie-downs, ramp fees and you name it. That's  
10 going to get passed right through. One of the young  
11 ladies mentioned that she's seeing that now. That's  
12 going to happen. The rates will go up. Schools, the  
13 same thing.

14                   We have spent for the first six months of this  
15 year \$12,500 for just some of the electricity. That's  
16 for things like the runway lights. We can't turn them  
17 off. Those are required to be operable.

18                   And then I just am opposed to this thing. I'd  
19 like to see you keep the rate of return to whatever is  
20 the reasonable legal limit, somewhere around the  
21 9 percent they've got.

22                   And I've got two questions for you. Does the  
23 rate, this new proposal have a two-tier pricing system  
24 as we presently have where you've got one for the first  
25 1,000 KW and then you've got another one?

1                   And just as a piece of interest for  
2 Mr. Durbin, the streetlight program that I spoke, I  
3 guess I spoke against it about four, five years ago,  
4 apparently Progress Energy has my name tagged because  
5 when I make a phone call about a streetlight program out  
6 somewhere, I get three phone calls back. One of them is  
7 a young lady saying, "We got your call." I get one from  
8 Phil Dean saying, "Thank you. We reported your problem  
9 to the local line department." And then I get somebody  
10 calling me saying, "Is it back on again?" So they've  
11 done a better job in maintaining the streetlight  
12 program. They still need to take a look at what's out  
13 there burning and not burning at night.

14                   But I want to thank the PSC for coming down,  
15 listening to the citizens, because all of us pay that  
16 bill once a month and we want to assure that we're not  
17 paying anything more than we have to. Thank you.

18                   **COMMISSIONER EDGAR:** Thank you. Thank you.

19                   Mr. Kelly.

20                   **MR. KELLY:** Mark Klutho, followed by Joe  
21 Baker.

22                   Whereupon,

23                   **MARK KLUTHO**

24                   was called as a witness on behalf of the Citizens of the  
25 State of Florida and, having been duly sworn, testified

1 as follows:

2

**DIRECT STATEMENT**

3

**MR. KLUTHO:** Mark Klutho, K-L-U-T-H-O.

4

5

6

7

8

**COMMISSIONER EDGAR:** Mr. Klutho, because you have talked to us on this matter in this docket on the record before, I'm going to ask you to keep your comments to three to four minutes, and I will be watching.

9

10

**MR. KLUTHO:** I have additional information here. 14496 120th Avenue North, Largo.

11

12

13

14

I support nuclear power 93 million miles away. I heard from four lawyers, and all of them, if it was a dart game, not only did they miss the bull's-eye, they didn't hit the board.

15

16

17

18

19

20

*Better Buildings By Design*, if we shape -- "We shape our buildings, thereafter they shape us." Winston Churchill, *Time Magazine*, 1960. "Hot In Here?" Here's the Regressive Energy building right down the street. They're not keeping the thermostat set like SFWMD said that they're supposed to. The company mismanagement.

21

22

23

24

25

And here we have a photograph. You see three bulbs? No, there is one bulb. Four bulbs in all these fixtures up here like where they've had every one of their hearings. If they were imaging specular reflectors, these fixtures could have two bulbs and



1 you'd have the same light intensity. Lester Brown,  
2 author of *Plan B* --

3 **COMMISSIONER EDGAR:** Mr. Klutho, if you would  
4 direct your comments to the Commission, please.

5 **MR. KLUTHO:** Everybody else -- you can hear  
6 what I'm saying. You've seen this photograph. You  
7 couldn't get it right. You hear what I'm saying.  
8 Listen. Don't interrupt me.

9 **COMMISSIONER EDGAR:** Mr. Klutho, please, if  
10 you could --

11 **MR. KLUTHO:** Yeah. Please, don't interrupt  
12 me.

13 **COMMISSIONER EDGAR:** I'm sorry that you feel  
14 that way, but I am going to ask you to keep your  
15 comments -- again, these are the same comments that  
16 we've heard from you on the record in this docket  
17 before.

18 **MR. KLUTHO:** And again I'm making these  
19 comments because in this room you have four bulbs in  
20 these fixtures. This is the problem here. This is the  
21 problem. It's the same problem, four bulbs in the  
22 fixture.

23 We have here --

24 **COMMISSIONER EDGAR:** Mr. Klutho, two and a  
25 half minutes.

1                   **MR. KLUTHO:** This *National Geographic*, "Energy  
2 For Tomorrow." And what Amory Lovins says about  
3 negawatts, "The biggest uses of energy inside a house  
4 are typically heating, cooling, refrigeration, hot water  
5 and lighting. The Rocky Mountain Institute has now made  
6 houses that are comfortable with no heating or cooling  
7 equipment, no furnace, no air conditioner, yet costs the  
8 same or less to build. My refrigerator uses 8 percent  
9 the electricity used by a typical refrigerator its age,  
10 so every year it saves enough coal at the power plant to  
11 fill up the inside of the refrigerator. We know how to  
12 make it roughly three or four times more efficient  
13 still."

14                   And the City Commissioner said, "Build them up  
15 to today's standard." Today's standard is worthless.  
16 And the problem here is this utility just made a stupid  
17 building. I mean, we have mismanagement here, and you  
18 people are nothing but hacks, nothing but hacks.

19                   And here is this article, "Not So Fast, Nukes"  
20 from May 29th. And this utility is going down this  
21 nuclear road. And it says here about the plant over  
22 there in Finland where the price tag has gone up at  
23 least 50 percent, and now they're saying --

24                   **COMMISSIONER EDGAR:** Mr. Klutho, Mr. Klutho,  
25 we are at the four minutes that I said before you came.

1 On behalf of my colleagues, I'd like to thank you for  
2 your continuing interest --

3 **MR. KLUTHO:** They will make --

4 **COMMISSIONER EDGAR:** -- and for participating  
5 in our proceedings. But I'm going to ask you to give us  
6 a concluding thought, please.

7 **MR. KLUTHO:** They will make -- no longer be  
8 willing to make certain predictions when it will go  
9 online. Now you people hear this? They gave the okay  
10 for them to build the nuclear power plant. These people  
11 are nothing but a bunch of criminals.

12 (Applause.)

13 They don't want me to speak. See you in  
14 Clearwater.

15 **COMMISSIONER EDGAR:** Thank you.

16 Mr. Kelly.

17 **MR. KELLY:** Joe Baker, followed by Lois  
18 Herron.  
19 Whereupon,

20 **JOE BAKER**

21 was called as a witness on behalf of the Citizens of the  
22 State of Florida and, having been duly sworn, testified  
23 as follows:

24 **DIRECT STATEMENT**

25 **MR. BAKER:** Thank you. Joe Baker, B-A-K-E-R,

1 and I'm here representing my company, which is BBF  
2 Printing Solutions. We're located at 10950 Belcher Road  
3 in Largo. I kind of have to gather my thoughts together  
4 a little bit after the last presentation.

5 What I would like to say, as a businessman  
6 there's three things that we have to look at in  
7 providing products and services to our customers, and  
8 that's quality, service and an affordable price.

9 I would really like to just talk about two of  
10 those and the, how it relates to Progress Energy. As a  
11 company that is homegrown within the Pinellas County  
12 since 1960, we have going on 50 years here with,  
13 starting with the Florida Power, now with Progress  
14 Energy, and what I have found in the past ten to 15  
15 years is that the quality and the service that we  
16 receive to be excellent. When your energy is off or  
17 your electric is off at home, it's an inconvenience.  
18 When your electric is off at your place of business and  
19 you have 200 people that are in a building which are  
20 powered by electricity and machines that run, you have a  
21 real big problem in the respect of big cost, tens of  
22 thousands of dollars, and we have found those over the  
23 past ten years to be really very minimal downtime. So  
24 that we really do find is a good part of what, the  
25 service that we have received and part of the quality.

1                   We find that the folks at Progress Energy work  
2 with us on trying to reduce our costs through  
3 efficiencies. And I will leave the cost efficiencies  
4 and the cost effects to you all that know much more  
5 about it than I do. We have to pass it on to our  
6 customers, if we can. Many times we can't. Thank you  
7 very much.

8                   **CHAIRMAN CARTER:** Mr. Kelly.

9                   **MR. KELLY:** Lois Herron, followed by Vollie  
10 Riskin.

11 Whereupon,

12                   **LOIS HERRON**

13 was called as a witness on behalf of the Citizens of the  
14 State of Florida and, having been duly sworn, testified  
15 as follows:

16                   **DIRECT STATEMENT**

17                   **MS. HERRON:** My name is Lois Herron,  
18 H-E-R-R-O-N. And I retired as Vice President of  
19 Marketing for United Way here in Pinellas County and I'm  
20 Past President of AARP in the State of Florida. And the  
21 reason that I'm here today is to ask you all not to  
22 grant a rate increase to Progress Energy.

23                   And in doing so, please consider the  
24 following: That approximately 10 percent of our  
25 residents here in Pinellas County are out of work, and I

1 don't think that their unemployment insurance is going  
2 to be increased by \$14 so they can continue to pay their  
3 electric bill. We've got about 200,000 residents in  
4 Pinellas County that are age 65 and over, and they will  
5 not receive a cost of living increase in their Social  
6 Security for the next two years. So I don't know where  
7 they're going to get the extra money now.

8 And we know that the cost of living is  
9 increasing all around us. And we've heard recently that  
10 Citizens Insurance is going to be asking for a  
11 10 percent increase. So even though our taxes have not  
12 increased, our fees have increased. And I hope that the  
13 ticket that I get for parking is not in the new rate.

14 (Laughter.)

15 So also please consider people that live in  
16 condos, that their unit electric costs will increase,  
17 but also they'll have an additional increase because  
18 they pay for the lighting of the common areas at condos.  
19 So they're going to pay a higher rate too. I'm not even  
20 going to go there on the 12.5 percent. You've heard  
21 enough of that.

22 But I do have a question. As a result of this  
23 proposed increase, how will Progress Energy and Pinellas  
24 County government handle the crisis when residents start  
25 having their electric turned off? How are we going to

1 handle that? So now is not the time to place additional  
2 financial burden on our residents, and please do not  
3 grant that increase. Thank you.

4 **CHAIRMAN CARTER:** Thank you.

5 (Applause.)

6 **MR. KELLY:** Vollie Riskin, followed by, I  
7 believe it's Shirley Gaspard.

8 Whereupon,

9 **VOLLIE RISKIN**

10 was called as a witness on behalf of the Citizens of the  
11 State of Florida and, having been duly sworn, testified  
12 as follows:

13 **DIRECT STATEMENT**

14 **MS. RISKIN:** Good morning. My name is Vollie  
15 Riskin. I'm a St. Petersburg resident. And I ask the  
16 PSC and all the state regulators to tell the  
17 investor-owned utility company Progress Energy no rate  
18 increase. It's not the time to ask for an increase, and  
19 Progress Energy's proposal for a whopping 31.5 percent  
20 increase in our base rate to increase their  
21 profitability is an outrage.

22 Florida consumers are battling the toughest  
23 economy in 25 years. Unemployment rates are up and  
24 Florida ranks fourth among states in home foreclosures.  
25 I'm a realtor, and I see this so often that it's just so

1 sad. A lot of people can't do anymore. They're  
2 stretched to the limit. Any increase in the rate would  
3 be a heavy burden for a lot of people. Thank you.

4 **CHAIRMAN CARTER:** Thank you very kindly.

5 (Applause.)

6 **MR. KELLY:** Shirley Gaspard, if I got it  
7 correctly, followed by Kathleen Peters.  
8 Whereupon,

9 **SHIRLEY GASPARD**

10 was called as a witness on behalf of the Citizens of the  
11 State of Florida and, having been duly sworn, testified  
12 as follows:

13 **DIRECT STATEMENT**

14 **MS. GASPARD:** I don't know whether I should go  
15 up or this should come down.

16 **CHAIRMAN CARTER:** Just pull it down some.  
17 There you go.

18 **MS. GASPARD:** That's better. Thank you.  
19 My name is Shirley Gaspard, G-A-S-P-A-R-D.  
20 This is really an open letter to Mr. Vincent Dolan, who  
21 I believe is not here this morning, and to the Public  
22 Service Commission.

23 **CHAIRMAN CARTER:** He's right behind you.

24 **MS. GASPARD:** Oh, I'm not on? Oh, thank you.  
25 The *St. Petersburg Times* article of Sunday,



1 June the 6th, profiling Mr. Dolan's career was extremely  
2 delightful and very interesting, particularly as he was  
3 with Florida Power for many years. And one of the items  
4 that was mentioned said that he had developed empathy.  
5 To whom has his empathy been directed? It is obvious  
6 that empathy has not trickled down to the employees in  
7 their dealings with some of the customers of this  
8 corporation. If I recall, Florida Power had a great  
9 deal more empathy and they tried to work with customers  
10 who are having problems. Excuse me. The air  
11 conditioning is not good for me.

12 It is understandable that in this economy  
13 there will be many people who are not able to pay their  
14 electric bills and Progress Energy will be losing money.  
15 It was heart warming to read that the corporation has  
16 helped so many with free energy saving work to many  
17 homes. Commendable, to say the least. However, the  
18 policy of all or nothing, "Pay your bill in full or we  
19 will turn you off," seems to be the normal response  
20 today.

21 As a property manager, many of the tenants and  
22 homes I manage are living from paycheck to paycheck, be  
23 it employment or unemployment. And with the influence  
24 of what is laughingly called our Florida Legislature,  
25 who continues to forget for whom they are working and

1 who pays them, and the Public Service Commission, we now  
2 have not only rises in electric bills, but also advanced  
3 payments for a new nuclear plant that is yet to be built  
4 on wetlands, which, since electric -- water carries  
5 electricity, probably is supposed to go throughout the  
6 area without having any other cost, and converting  
7 plants from coal to gas, and who knows what the end cost  
8 may be.

9           It seems to me that, as with most  
10 construction, the first thing is to have the plans  
11 drawn, then secure the land. Why is this plant to be  
12 built on wetlands? Then comes the cost, then comes the  
13 application for a construction loan from a financial  
14 institution and then the construction starts. I'm not a  
15 commercial real estate broker, but I think that that is  
16 the normal way of doing things. If a developer is going  
17 to build houses, does he gather together all the  
18 prospective purchasers years before he starts and asks  
19 them for all the money to build the homes? What if he  
20 doesn't build them, and whether they will be alive at  
21 the finish of the construction or not or whether they'll  
22 decide whether or not to buy the homes? Am I missing  
23 something?

24           One tenant in homes I manage has tried in one  
25 case to pay one-half of the bill with the balance to

1           come from the husband's unemployment check in a few  
2           days. All or nothing. In the other case, the tenant  
3           wanted to pay three-quarters of the bill, with the  
4           balance coming from her IRS check, and the IRS had given  
5           her a date of three days from the date she called  
6           regarding her bill. All or nothing. Both tenants had  
7           children and it was very cold at the time. Empathy?  
8           Try to work with people for a few days? All or nothing.

9                        You are now asking for another rise in your  
10           rates. Why bother with the Public Service Commission in  
11           hearings? The Legislature is giving you all you want.

12                       Another article in the *St. Pete Times*  
13           mentioned that the Office of Public Counsel thinks that  
14           Progress is writing off the value of its plants too  
15           fast. They've already discussed the depreciation  
16           situation paid for by customers. There is also fighting  
17           over how the company is counting pension expenses. You  
18           have a monopoly, so you think you can charge us whatever  
19           you please, and obviously you know that the Legislature  
20           will allow it.

21                       How about your profits? If you can show me  
22           that you have no profits for the last years since  
23           Progress Energy purchased Florida Power, I would be much  
24           more empathetic. And wouldn't it just be awful if your  
25           shareholders did not get over a 12 percent return?

1           At the age of 83, I may or may not be alive  
2 when you start construction of the new nuclear plant.  
3 If I am not, I will have paid for nothing, and that does  
4 not appeal to me. My income has been cut dramatically  
5 due to health, age and the economy, and putting my money  
6 into the bank account of Progress Energy, who is getting  
7 the interest on my money, also does not appeal to me.  
8 Would you consider paying me some of the monies that you  
9 are collecting so I may have the interest? I will pay  
10 the principal back when I die, whenever that maybe. I  
11 promise.

12           (Applause.)

13           **UNIDENTIFIED SPEAKER:** Good for you.

14           **MS. GASPARD:** So, anyway, I know I'm outgunned  
15 by the corporation and the Legislature, so I guess I  
16 will have to suck it up, as my military (phonetic)  
17 grandchildren say.

18           By the way, the news media has also been  
19 telling us, as if we were not already aware, that we are  
20 now in a deep recession, actually on the verge of  
21 depression. Many of your customers are now without  
22 employment and are facing evictions, foreclosures or  
23 bankruptcy, and yet your corporation feels it's  
24 necessary to ask for more money from so many who do not  
25 have it.

1                   Further, in looking at my electric bill, I  
2 cannot find the amount you are setting aside for the  
3 building of the new nuclear plant and the conversion  
4 from coal to gas. I would like to have an accounting of  
5 the monies I have paid toward those plants, the interest  
6 rate you're receiving and the amount of interest you're  
7 going to give to me because it's my money.

8                   In this hot weather I have one air  
9 conditioning unit in my house that's working overtime.  
10 Is it going to be all or nothing for me too when I can't  
11 pay the bill?

12                   Good luck with the request for another rise in  
13 rates, and may your corporation, customer service  
14 department and the Public Service Commission be endowed  
15 with empathy. Thank you.

16                   **CHAIRMAN CARTER:** Thank so kindly.

17                   (Applause.)

18                   Kathleen Peters, who is the Mayor of the City  
19 of South Pasadena. Madam Mayor, good morning and  
20 welcome.

21                   **MR. KELLY:** And she'll be followed by Wendy  
22 Krause.

23                   Whereupon,

24                   **MAYOR KATHLEEN PETERS**

25                   was called as a witness on behalf of the Citizens of the

1 State of Florida and, having been duly sworn, testified  
2 as follows:

3 **DIRECT STATEMENT**

4 **MAYOR PETERS:** Good morning.

5 **CHAIRMAN CARTER:** Good morning.

6 **MAYOR PETERS:** Thank you for giving us this  
7 opportunity to speak to you. I do have a couple of  
8 things to say about Progress Energy and my city. And I  
9 can tell you Progress Energy has wonderful customer  
10 service and they have served us well here in the great  
11 State of Florida and Pinellas County. I appreciate all  
12 the new green research that they do, and I also feel for  
13 the obstacles that they are about to face if and when  
14 cap-and-trade goes through. I think all of us are going  
15 to have to work together on that one.

16 But on behalf of my city residents -- I am the  
17 Mayor of the City of South Pasadena. We are the  
18 smallest city in Pinellas County; however, we are the  
19 most densely populated city in Pinellas County. And on  
20 behalf of my residents, whose median age is 71, I am  
21 here to tell you that my residents will have an  
22 extremely difficult time with this rate increase.

23 The majority of my residents are on a fixed  
24 income and they have not had the ability to increase  
25 their revenues, having been retired for many years,

1 living on investments that have plummeted and sent some  
2 of them spiraling into losing everything. Their Social  
3 Security has not gone up, their food has gone up, their  
4 transportation abilities have gone up and mostly their  
5 medications have gone up.

6 And as I sat here this morning watching, my  
7 phone kept vibrating. And I was looking and it was my  
8 residents who have been following this and watching in  
9 the newspaper contacting me, saying, "Can you do  
10 something to help us?" So I am here before all of you  
11 to implore you to help me help them.

12 Now our community needs everyone to come  
13 together, not only in my city, but in this county and in  
14 this state. We are suffering what all of you know and  
15 you have heard, bad unemployment rates, and we need to  
16 come together and strengthen our community. We have  
17 more foreclosures. I have vacant homes, vacant  
18 condominiums. We have more vacant retail space in this  
19 community and it keeps increasing. So we need to focus  
20 on strengthening our community and making Florida back  
21 to being the place everybody wants to live. Because you  
22 know what? We live in one of the best places in this  
23 country and we need to come together and we need to  
24 strengthen it. And we can't strengthen it by  
25 completely, constantly taking and making it harder and

1 harder for our residents. We need to help them. We  
2 need to help everyone come together and get stronger so  
3 that we can be healthy, we can have flourishing  
4 businesses and not vacant storefronts.

5 So when you come together to make this  
6 decision, you need to look at the entire community as a  
7 whole, not one company and their shareholders. And I  
8 applaud that company, they are a fabulous company, a  
9 wonderful company, and I'm thrilled to have them  
10 servicing our community. But we need to look at our  
11 entire state, our entire community and strengthen  
12 Florida and strengthen Pinellas County and make this the  
13 most viable and most wonderful place, as it truly is, to  
14 live. Thank you.

15 (Applause.)

16 **CHAIRMAN CARTER:** Thank you, Madam Mayor.

17 **MR. KELLY:** Wendy Krause, followed by Roland  
18 Docal.  
19 Whereupon,

20 **WENDY KRAUSE**

21 was called as a witness on behalf of the Citizens of the  
22 State of Florida and, having been duly sworn, testified  
23 as follows:

24 **DIRECT STATEMENT**

25 **MS. KRAUSE:** Hi. My name is Wendy Krause,



1 K-R-A-U-S-E. I'll probably be your shortest speaker.  
2 I'm just here to say that I'm a homeowner here for the  
3 last 14 years. For the last five I've had to live on  
4 disability. It's going to be impossible for me to meet  
5 this rate increase. It's going to mean the difference  
6 between heat and air conditioning or not next year. My  
7 income is not going to go up. I'm a cancer patient. I  
8 can't go back to work. And there are a lot of people in  
9 my position. We can't afford this rate increase. So  
10 I'm asking you, please, to reconsider. Thank you.

11 (Applause.)

12 **CHAIRMAN CARTER:** Thank you very kindly.

13 **MR. KELLY:** Roland Docal, followed by Gonzalez  
14 Ortez.

15 Whereupon,

16 **ROLAND DOCAL**

17 was called as a witness on behalf of the Citizens of the  
18 State of Florida and, having been duly sworn, testified  
19 as follows:

20 **DIRECT STATEMENT**

21 **MR. DOCAL:** Hello. Good day. My name is  
22 Roland Docal. That's spelled D-O-C-A-L. I live in  
23 St. Petersburg. Welcome to our city, and thank you for  
24 taking the time to hear us.

25 I would like to start by handing the

1 Commission a petition and letter that was circulated  
2 recently.

3 **CHAIRMAN CARTER:** Do you want to give that to  
4 us so we can enter it into the record?

5 **MR. DOCAL:** Yeah. I would like to have it as  
6 an exhibit and in the record.

7 **CHAIRMAN CARTER:** Commissioners, just for the  
8 record, that will be Exhibit Number 6. Exhibit Number  
9 6.

10 (Exhibit 6 marked for identification.)

11 **MR. DOCAL:** I would appreciate it if the  
12 Commission would take note of everything contained  
13 therein. I want to thank Senator Fasano and Mr. Kelly  
14 for the comments that they made earlier. It saves me  
15 from having to duplicate them.

16 However, just for emphasis I want to say that  
17 I believe the Commission needs to reverse 100 percent of  
18 last year's nuclear plant construction rate increase.  
19 There is no way in our C permit (phonetic) or approval  
20 for construction. Also, if Progress Energy were to  
21 truly behave as a responsible corporate citizen, they  
22 would carry these risks as every other corporation does,  
23 and they should bear the risk until such time as there  
24 is a functional plant, and I emphasize functional,  
25 delivered to the citizens of this state.

1                   Now in my letter and petition I speak to  
2 primarily those who are unemployed, disabled and  
3 retired, and you've heard a great deal about those  
4 folks. I also speak to the lack of service that  
5 Progress Energy provides, the lack of clarity as to  
6 their accounting figures and so forth. I will not  
7 trouble the Commission by reiterating these things.

8                   I would like to speak for just a few minutes  
9 for the average Floridian who is employed, the lucky  
10 guy. I'm going to call him a guy, but I mean male or  
11 female. Please pardon me, but I'm old school and we  
12 spoke that way.

13                   The average Floridian makes \$37,058 a year if  
14 he's employed. That's from the Florida Economic  
15 Estimating Conference, State of Florida, Office of  
16 Economic and Demographic Research.

17                   I have here some coins wrapped in tape so they  
18 don't fall all over the floor. There's 100 cents here,  
19 a dollar. They represent the \$37,058 that the average  
20 employed Floridian makes, and I'd like to tell you what  
21 happens to this money.

22                   First of all, we've got taxes. And -- pardon  
23 me. Give me a minute. 16 cents of that dollar is going  
24 to go to the federal government for income taxes and  
25 Social Security and Medicare on that individual. By the

1 way, that individual has .66 dependents, according to  
2 the U.S. Bureau of the Census, and that was used in  
3 calculating the tax rates and so forth.

4 The State of Florida is going to take another  
5 penny for sales taxes. The largest chunk of his income,  
6 43 cents, is going to go to housing and utilities. Then  
7 he's got to get to work, so he needs transportation,  
8 whether it be a car, whatever. The Center for  
9 Neighborhood Technology, an Illinois think tank, has  
10 determined that that is currently 25 cents, a full  
11 quarter of that person's income.

12 Then we have clothing. Clothing takes 3  
13 cents. We have healthcare. Healthcare for that person  
14 takes another 4 cents. And then we have food. I need  
15 10 cents for food. I don't have 10 cents here. Not  
16 only do I not have 10 cents here, I don't have anything  
17 for entertainment, for furniture, for education and any  
18 of the other expenses that we encounter in life.

19 (Applause.)

20 And so, ladies and gentlemen, since I don't  
21 see any volunteers coming up to give me the 2 cents --

22 **CHAIRMAN CARTER:** Get a little closer to the  
23 mike.

24 **MR. DOCAL:** Since I don't have anyone coming  
25 up to give me the 2 cents that I need for the food, I'd

1 ask you -- (Holding up a sign reading, "Will work for  
2 food and PEF rate increases. Help.")

3 (Applause.)

4 And this is for the average employed  
5 Floridian. Ladies and gentlemen, I don't feel as much,  
6 even though, as you can tell, I'm passionate about it, I  
7 don't feel as much for him as I do for those who are  
8 flat busted broke, unemployed, disabled, retired. Thank  
9 you very much.

10 **CHAIRMAN CARTER:** Thank you very much.

11 (Applause.)

12 **MR. KELLY:** Gonzalez Ortez, followed by  
13 Gary -- I know I'm going to butcher this, I apologize --  
14 Quetschenbach.

15 Whereupon,

16 **GONZALEZ J. ORTEZ**

17 was called as a witness on behalf of the Citizens of the  
18 State of Florida and, having been duly sworn, testified  
19 as follows:

20 **DIRECT STATEMENT**

21 **MR. ORTEZ:** My name is Gonzalez J. Ortez, and  
22 I reside at 3724 76th Street North, St. Pete.

23 Now I just want to make it clear, our state  
24 representative, one who has, I won't mention his name,  
25 decided to be very generous with our monies. In two

1 thousand -- he's from New Port Richey. He's a state  
2 senator. He was so generous to give Florida Progress a  
3 25 percent increase as of January 2009. So, therefore,  
4 we paid that percentage. The Public Service Commission,  
5 if my memory serves me right, decided to lower it to  
6 11 percent. So, therefore, I believe it would take  
7 effect in April, if my memory serves me right again.

8 Now we've got to realize this. You have  
9 the -- Florida Progress decided to use our tax money,  
10 our monies to build, and in return we received nothing.  
11 The plant isn't going to be built until 2017. It's  
12 going to cost \$17 million to build that plant. I'll  
13 probably never live to see it, but I'd sure like to know  
14 what in the world are you taking our money and we don't  
15 even have any stocks? The least they could do is have  
16 us stocks so that we can get the interest on it. We get  
17 nothing.

18 That's exactly what's going on in this state.  
19 You talk about people wanting to leave. It's the people  
20 that -- or companies that are taking advantage of the  
21 people who have been here. I have lived in this state  
22 since 1960 in St. Petersburg. And let me tell you, how  
23 long I will be here, I don't know. I'm a retired  
24 person, and I certainly don't like the idea of everybody  
25 trying to pick my pockets and everybody else. That's

1 all you're doing. It's not like it was in the '60s.  
2 Everything has changed. Everybody seems to want to  
3 raise this, raise that.

4 A good example, when we had the Florida  
5 Power -- it's the same company actually, they just  
6 changed their name -- it was better run than it is  
7 today. And I don't like to say this, but I'm going to  
8 say it, here we've got the president of the company  
9 worrying about a baseball team. Has nothing to do with  
10 it. Why don't he take care of his own company instead  
11 of doing that? I don't see him here today to represent  
12 the people, the president of the Florida Power --  
13 Florida Progress.

14 And then you've got another problem in the  
15 state. When you have state legislation people who care  
16 less in our state -- we have more lobbyists in our state  
17 government than we have state legislation people. These  
18 people are running the state. We, the people of the  
19 government, and your -- and their public servants. It  
20 don't work that way today. What it does today is the  
21 lobbyists run the state. So, therefore, I would suggest  
22 in my personal opinion, get rid of all of our state  
23 representatives and let the lobbyists run it. They're  
24 doing a wonderful job just exactly what they're doing.  
25 Because they give money to our state legislation people

1 and there's no way to get rid of them because they have  
2 more money.

3 And the only way that I would look at it and  
4 the way I'm going to do it, the person who gets the less  
5 money who's running for a candidate, I will vote for  
6 him, because that person is -- the lobbyist is paying  
7 him off. And that's one thing that I can understand in  
8 our government.

9 And, you know, no offense to you either, I'll  
10 make this clear, I remember the days when we were  
11 allowed to vote for all of our Public Service  
12 Commissioners. I thought that was a very nice idea.  
13 Now, of course, we get a governor, whether he's a  
14 Republican, a Democrat or whoever he may be, he turns  
15 around and he appoints you. Not that I'm saying  
16 anything, because a lot of you do a good job, but I  
17 sure wish in my personal opinion again that we could  
18 vote for you. I'd feel safer and better. Because when  
19 you have politicians appointing people, I'm not  
20 referring to you personally, I don't want you to feel  
21 offended either, I'd just like to see us to make that  
22 decision, and I think it would be the proper way.

23 Now another great thing we have, Florida  
24 Progress is another one -- we, the citizens and every  
25 municipality, we pay a franchise fee, we pay a utility



1 tax on our electric bills, and we also have a gross  
2 income state sales tax for the state. Now we, the  
3 people, pay this. Florida Progress doesn't pay it. I  
4 don't know why they take our money for them personally.  
5 Let them do some work. Let them pay for the work. Let  
6 them have taxes. When, and this happens, when you turn  
7 around and when you allow them to raise it, that raises  
8 our utility tax and franchise tax for the people in each  
9 municipality.

10 Now another thing you've got to consider in  
11 reference to our city government, which I live in  
12 St. Pete, if our government is so interested in the  
13 people of St. Petersburg regarding the raise or whatever  
14 it may be, let our city council lower our franchise fee  
15 down. Because the more we pay, the more we give to the  
16 municipalities throughout the State of Florida. This is  
17 what's going on. Nobody talks about that. Nobody -- a  
18 lot of people I think think that the Florida Power, it's  
19 going to the Florida Power, the franchise fee and the  
20 utility tax. They think it's going there, but it isn't.  
21 We give it to them, they give it to you. Not to you. I  
22 mean to our municipalities. So, therefore, we've got to  
23 realize the economy is in such a deplorable condition.  
24 We've got to also realize we have a lot of retired  
25 people and we just can't afford to keep going on the way

1 they're going.

2 Now also the Florida Power, Florida Progress  
3 is mostly responsible during the hurricanes. And if my  
4 memory serves me right, we have a *Florida Statute* law.  
5 I very seldom ever see Florida Progress come out and  
6 trim the trees in regards to the electric wires. I  
7 called them up one time and I got the runaround all the  
8 way around in regards to that matter until I finally got  
9 ahold of someone. And the statute is right there in the  
10 books, I don't remember the number offhand, and that's  
11 that.

12 And another thing -- just one more thing I  
13 have to say. In regards to Florida Progress, you would  
14 think that they would have a place that people who can't  
15 afford to write out checks or anything -- you have  
16 convenience stores. When we want to pay our electric  
17 bill, we have to pay a dollar -- luckily I don't pay a  
18 dollar. They do it for nothing. Florida Progress used  
19 to have a place down on 5th Avenue South where we could  
20 go in and pay our electric bills. They don't have that  
21 anymore. With that big building that they have now, why  
22 don't they put a place in there so that we can go and  
23 pay our electric bills without having to write any  
24 checks? That's another big deal.

25 Florida Progress has no concern for the people

1 to the best of my knowledge. I have seen -- I've been  
2 here for so many years, and I've seen them how, where,  
3 how these people are doing. There's no concern.

4 And I got to say one thing for the Public  
5 Service Commission, I think sometimes you do a very good  
6 job. You make sure, you try the best you can to see  
7 that we are taken care of. I have no gripe against you  
8 whatsoever. But there's only one stipulation that I  
9 figure we don't have. I think that the Public Service  
10 Commissioners should have the right to examine their  
11 books, and I don't think we ever examined them. I don't  
12 think anybody is allowed to look at their books. Is  
13 that true or untrue?

14 **CHAIRMAN CARTER:** Mr. Willis.

15 **MR. WILLIS:** Chairman, yes, we do have the  
16 right to examine their books and we are doing that.

17 **MR. ORTEZ:** You do examine their books?

18 **MR. WILLIS:** Yes. And we're currently doing  
19 that right now for this rate application.

20 **MR. ORTEZ:** Does that apply also in regards to  
21 saying they're going to build a nuclear plant? I mean,  
22 do you know exactly what -- let's put it this way. Do  
23 you know exactly what is going to go -- it's supposed to  
24 be about \$17 million. All right? Now what happens to  
25 our money that we're giving them at that 25 percent

1 increase, which a lot of people kicked up a storm? Why  
2 can't we get that money back? It's our money. Why  
3 should we invest it into the company? They're keeping  
4 my money. I don't have any stocks in their company. If  
5 they have stocks, then they should pay us a percentage  
6 back to us. That's taking, that's taking money out of  
7 my pocket and thousands of others in the State of  
8 Florida. I can't understand why they want our money.  
9 And a lot of us will never see 2017. What is that money  
10 going to? It's going into the stockholders.

11 They should be able to put bonds up. Let them  
12 put bonds up and let them do that. It's not my  
13 responsibility for the Florida Power -- Florida Progress  
14 to do this, to take our monies, and this is wrong. And  
15 I can't understand why you, the public service, would  
16 consider to say, well, refund back our money. The state  
17 could care less. The state legislation don't want  
18 nothing to do with it. They had an opportunity to take  
19 care of these people of Florida Progress to see, to give  
20 us our money. Do you think the state legislation cares?  
21 They could care less. They avoided even talking about  
22 Florida Progress. They were going to consider to do  
23 something for us, but they did nothing. That's all I've  
24 got to say.

25 **CHAIRMAN CARTER:** Thank you.

1           **MR. ORTEZ:** You're welcome.

2           (Applause.)

3           **CHAIRMAN CARTER:** Hold on. Hold on. We have  
4 one court reporter and we'd like to give her a break  
5 too. Can you go on for a little longer?

6           Okay. Mr. Kelly.

7           **MR. KELLY:** Gary, and I apologize again,  
8 Quetschenbach, followed by Peter Betzer.  
9 Whereupon,

10   **GARY QUETSCHENBACH**

11 was called as a witness on behalf of the Citizens of the  
12 State of Florida and, having been duly sworn, testified  
13 as follows:

14   **DIRECT STATEMENT**

15           **MR. QUETSCHENBACH:** That's correct. Thank you  
16 very much.

17           My name is Gary Quetschenbach. I live at 2500  
18 65th Street North, St. Petersburg. I was at New Port  
19 Richey, in Pasco County up there, I was at that meeting  
20 up there. I was very impressed at the turnout. I know  
21 a lot of stuff that you heard there and are hearing now  
22 is repetitive. But -- so I'm going to be repetitive  
23 too. Sorry for that.

24           But I used to work for an independent optical  
25 company in, in mostly the northwest, north, the northern

1 part of the United States is where it's from anyways,  
2 the home office. They're the largest independent  
3 optical company in the United States. I was in  
4 management in that, in that corporation. Their profits  
5 each year were around 7 and 9 percent. And I also,  
6 because I worked for that company, I also retired at the  
7 age of 60 because of their retirement plan. And like I  
8 said, their profit was only 7 to 9 percent.

9 Progress Energy is asking for a 12.5, which  
10 equals \$100,000, excuse me, \$100 million. That's  
11 profit. Profit means everything else and their  
12 expensive equipment that they talked about that they  
13 have to replace is paid for. So that's the bottom line.  
14 Everything else in their corporation is paid for.  
15 That's just strictly extra money. And they want more?  
16 That sounds -- that doesn't sound right to me.

17 Also Progress Energy has excessive fuel  
18 charges in 2003 and 2005, which you know about because  
19 you voted on giving that back to the constituents, their  
20 customers, of \$13.8 million, like I said, which is being  
21 returned to the customers. Again in 2006 and 2007 they  
22 had excessive fuel costs of \$7.6 million supposedly  
23 going back to the customers in 2010 with interest.  
24 That's what the article says anyways.

25 Something is wrong there if they have those

1 excessive fuel costs in that period of time. Something  
2 is wrong in their company. Something is just not right.  
3 So I know you've investigated that before, but if  
4 they're doing, if they've done that in the past, what  
5 stops them from doing it again? Okay. Something is  
6 wrong there, like I said, especially with that percent  
7 of profit.

8           They want to increase the base cost at  
9 31 percent for their, for their investors. That's what  
10 they said, for their investors. They want to compensate  
11 their investors. Well, that's pretty nice, but they've  
12 also got \$100 million in profit that's sitting there.  
13 They don't really need to compensate their investors.  
14 They've already got money there that is profit.

15           It's just kind of taking it from the not so  
16 fortunate people, which is us residents, and giving it  
17 to the well-to-do. A lot of these people around here,  
18 especially retired people, and that's what a lot of  
19 people are in Florida, they're living on a fixed income,  
20 as you already heard. You know, you've probably got  
21 parents, grandparents, whatever the case may be, in the  
22 same situation. They can't afford a rate increase.

23           Also because of that rate increase -- and to  
24 some people it sounds not like a lot, but what's going  
25 to be even worse is that trickle-down effect. When that

1 trickle-down effect comes into play, that rate increase  
2 that they're talking about is probably three, four,  
3 five-fold of what that rate increase is going to be.  
4 Those people, retired people -- I'm one of them, but I'm  
5 fortunate, that wouldn't hurt me that much. But a lot  
6 of these other people, such as my parents, your parents,  
7 these peoples' parents, grandparents, can't afford that.  
8 They're, they're barely making it now. And, as you  
9 know, the unemployment rate is high not only in Florida,  
10 anywhere. But like I said before, there's a lot of  
11 retired people in Florida. The income rate is not as  
12 high as other states for even the people that are  
13 working. So they have to watch their dollars too.

14           If you -- let me read one other article here.  
15 In North Carolina, excuse me, in North Carolina the  
16 customers for the base rate pay \$106.78 for the first  
17 1,000 kilowatt hours. South Carolina, and this is all  
18 Progress Energy, \$100.90 for the first 100 -- 1,000  
19 kilowatt hours. In Florida they pay \$127.13 for the  
20 same amount of electricity. Now their theory is that  
21 because they've got more nuclear power plants in those,  
22 in those states. That's probably true.

23           But there's other ways to get around what they  
24 want, what they want to do without costing the residents  
25 any money, and that is go solar. I've heard them say



1 that they investigated solar and it's not, it's not  
2 there when they need it. There are ways around it. But  
3 most people such as myself, this one I can't afford, and  
4 most of the other residents, especially retired, cannot  
5 afford solar energy. But Progress Energy could help  
6 those people as in a loan, not that they really want to  
7 because it is going to cut in -- because if everybody in  
8 the State of Florida had solar power, they wouldn't have  
9 jobs. Okay? But they can also invest in their own  
10 business in solar panels. They could put them at their  
11 substations, start there. Yeah, there's initial cost.  
12 After that initial cost, it's free, absolutely free.

13 There's people, there's a guy, and I can't  
14 remember where he is in St. Petersburg here, that said  
15 he has his whole house running on solar. He also has  
16 extra power that he sells back to the electric company,  
17 and I think it cost him like, something like \$25,000.  
18 Like I said, most people don't have that kind of money  
19 they can just fork out right now because it's going to  
20 take time to get the return on their money. But that's  
21 what not only Progress Energy could do, but also any  
22 large building, any corporation that has a large  
23 building, they could put wind power and/or solar power  
24 on the top of their building. And because their  
25 buildings run during the daytime, most of them, they're

1 collecting that energy from the sun. It's free. There  
2 is no carbon emissions such as the coal plants, any coal  
3 plant wherever it is. No matter how clean they say it  
4 is or what they've done, coal plants give off CO2  
5 emissions, so it's dirty energy. That's part of our  
6 problem in the world right now. I'm sure you've heard  
7 of global warming. That's part of it.

8           President Obama has stated that -- this is  
9 part of a directive from him, to do everything we can to  
10 put a bull's-eye on the development of solar energy on  
11 public lands across America. That's a directive from  
12 the President. They want to build a nuclear power plant  
13 up in Levy County. And I guess I, I am not in favor of  
14 nuclear power because to me, like I said, this is my  
15 personal opinion, and I think many other people feel the  
16 same way -- there's a lot of people who are for them and  
17 that's fine -- but to me that's an accident waiting to  
18 happen and it only takes one time. And as many, as many  
19 nuclear power plants as there are in just Florida  
20 itself, it'd probably blow Florida right off the map, or  
21 at least wipe out its population because it'd probably  
22 be a chain reaction.

23           Also on our last energy bill we got an  
24 increase that I didn't see in the previous one that says  
25 a rate adjustment of \$9.91 for this bill. That's a

1 9.93 percent increase on the base, on base charges.  
2 3.6 percent overall. So they've already had, had an  
3 increase somewhat. And like I said, I don't know what  
4 that is for, but there is an increase there.

5 According to the U.S. Interior Secretary, Ken  
6 Salazar --

7 **CHAIRMAN CARTER:** Excuse me, Gary, for  
8 interrupting. Are you close to winding down, because we  
9 do want to hear from everyone?

10 **MR. QUETSCHENBACH:** Yes. I'm close to the  
11 end.

12 **CHAIRMAN CARTER:** Thank you.

13 **MR. QUETSCHENBACH:** Thank you. According to  
14 the U.S. Interior Secretary, Ken Salazar, they are  
15 building as many as 13 plants, this is solar plants, in  
16 Nevada, California, Arizona, Utah, Colorado and New  
17 Mexico. They could build solar plants, like I said, at  
18 Crystal River or in Levy County in place of the  
19 air-polluting coal plant, such as I said.

20 And that's, I think that's pretty much it.  
21 But the biggest thing is, like I said, is that increase,  
22 when they're making that kind of profit in that -- it's  
23 not good for the residents of the county, state or  
24 whatever, and I'd ask you not to, not to pass it. Thank  
25 you.

1                   **CHAIRMAN CARTER:** Thank you very much.

2                   Mr. Kelly.

3                   **MR. KELLY:** Peter Betzer, followed by Doug  
4                   Johnstone.

5                   Whereupon,

6                                   **PETER BETZER**

7                   was called as a witness on behalf of the Citizens of the  
8                   State of Florida and, having been duly sworn, testified  
9                   as follows:

10                                   **DIRECT STATEMENT**

11                   **MR. BETZER:** Thank you very much. It's  
12                   Peter Betzer, B-E-T-Z-E-R, 1830 7th Street North,  
13                   St. Petersburg, Florida.

14                                   Well, my wife and I are going to be the  
15                   beneficiaries this coming month of a rebate from  
16                   Progress Energy. We put in a solar hot water heater  
17                   system yesterday. And I think much more importantly  
18                   than our family, I think our schools are benefiting  
19                   substantially from the Solar Wise Program that they've  
20                   made possible for schools. And I don't think you have  
21                   to be a legislator to understand the financial  
22                   challenges that are facing the state and our schools.  
23                   So I'm delighted that Progress Energy has stepped up.

24                                   I was moved by Karl Nurse's commentary to you.  
25                   And I, and I think given the challenges that unemployed

1 people are facing, with weatherizing and putting in low  
2 energy intake windows, the high efficiency air  
3 conditioning systems, I think that the Commission ought  
4 to seriously consider funding of some sort, you know,  
5 zero percent loans or whatever so that we can address  
6 those issues. Because Nurse is absolutely correct, if  
7 we don't do it, we're never going to improve. Okay?

8 In any case, on to the -- obviously Florida is  
9 challenged financially. And one of the things that a  
10 lot of people would benefit from, if we had more jobs,  
11 if we were a more dynamic economic sector. And in fact  
12 I'm here to say that Progress Energy was an important  
13 and integral part of two advanced technology groups  
14 coming to our state, SRI International, Draper  
15 Laboratories of Cambridge, Massachusetts. They're two  
16 new fantastic facilities being built here for the  
17 economy. There's 67 jobs that SRI has right now.  
18 They're on their way to 200 high-paid people, some of  
19 which were software experts taken out of California.  
20 Draper Laboratory, the MIMS facility that they have is  
21 now controlling the operation in Cambridge,  
22 Massachusetts. They've already exceeded after a couple  
23 of months operation the number of high paying jobs that  
24 they were committed to deliver to the state. Okay? So  
25 this is something that I think is very important.

1           And you might be wondering what the heck does  
2 this have to do with electrical bills? There are two  
3 points about this. First of all, the coal, coal-fired  
4 plants at Crystal River. Draper Laboratories, SRI and  
5 Progress Energy are taking a look at, with realtime  
6 sensing systems, the efficiency of the coal burning  
7 operations at the Crystal River plant. I probably don't  
8 have to tell you they burn 21,000 tons -- I'm sorry,  
9 2,100 tons of coal a day to power the two plants. The  
10 estimates that Dr. Paul Asado (phonetic) of Draper Labs  
11 has that they can increase the efficiency by a minimum  
12 of 1 percent. That's 21 (sic.) tons less coal burned  
13 per day. That's the minimum. And the best guess of  
14 their scientist is something like 3 or 4 percent.  
15 That's almost 100 tons of coal less a day.

16           So I think this is a wonderful partnership  
17 where Progress Energy has reached out to some of the  
18 best technical, scientific and engineering minds in the  
19 country, and they're addressing what I think is a  
20 substantial problem. I mean, it's an environmental  
21 problem. Deacidification of estuaries and freshwater  
22 bodies is serious, and I think we have to be realistic  
23 in providing the credit to Progress Energy for doing  
24 this. It probably should have been done a long time  
25 ago.

1           Also the cost of coal, the cost of coal is  
2 going to go way up. Recent articles indicate we've way  
3 overestimated our reserves and underestimated the degree  
4 of difficulty associated with extracting the reserves  
5 from our major coal fields.

6           The last point I want to make is about a smart  
7 electric grid. This is something that, of course, has  
8 been talked about with the federal stimulus packages.  
9 And -- but, I mean, if you want to question people,  
10 there are very few that are going about it in any kind  
11 of a systematic way. Again, Progress Energy has  
12 enlisted Draper Laboratories, SRI International, RTI,  
13 the University of South Florida's engineering college,  
14 and they are actually, they've already put in an  
15 application for a major grant that would provide for the  
16 testing, basically the creation and the testing of a new  
17 smart grid in this region. Okay. So that's a lot of  
18 millions of dollars. SRI is doing cyber security on  
19 this. Draper Laboratories is in charge of the  
20 algorithms, which they're one of the world experts on  
21 that.

22           For me, there's a very big bottom line here,  
23 and that is that this company is actively involved in  
24 bringing some of the best minds in our planet to  
25 improving the electrical network and the generation

1 facilities. Okay.

2 Just one last thing. Our youngest daughter  
3 went through a program called the Oceanography Camp for  
4 Girls. They brought eighth graders from the Pinellas  
5 County school system to work with graduate students,  
6 women graduate students who were getting PhDs or masters  
7 at the University of South Florida's College of Marine  
8 Science. Every year Progress Energy supports that. 30  
9 young women get a chance, at no cost, to interact with  
10 some of the best people from 18 countries.

11 The latest data that I've seen from Pamela  
12 Hallock Muller indicates that every person, every woman  
13 in high school that avails herself of mathematical  
14 training ends up making about 5,000 bucks more per year  
15 in her job. So right now about 600 young people have  
16 gone through this program. My, my crude estimate of  
17 the, the extra amount of money that the people who have  
18 now gone beyond college is about \$1.7 million a year  
19 that you can thank Progress Energy for. Okay?

20 And the other thing is that does this program  
21 really make a difference? They've actually tracked the  
22 young people. They take more mathematics, science and  
23 engineering -- not engineering -- but science and math  
24 in high school, many more of them becomes doctors,  
25 engineers or mathematicians or scientists during their



1 college career.

2 So in any case, I think that certainly it's a  
3 challenge for us to have a rate increase. On the other  
4 hand, my feeling is that if you want to take a look at  
5 corporate partners and participants, this corporation is  
6 the model that would, a lot of people would do well to  
7 emulate. Thank you.

8 **COMMISSIONER ARGENZIANO:** Mr. Chairman. Mr.  
9 Chairman.

10 **CHAIRMAN CARTER:** Commissioner Argenziano.

11 **COMMISSIONER ARGENZIANO:** Yes. Just a  
12 question, and I kind of lost train, I guess, with all he  
13 had to say. While I certainly understand, and I think  
14 everybody probably understands the nice things that the  
15 corporation does for the companies, do you understand  
16 that, you know, those things are not really part of a  
17 rate case? I think the contributions by the  
18 shareholders, which ultimately of course comes from the  
19 money that the ratepayers give but it's not out of the  
20 rate base, that that has nothing to do in at least what  
21 I feel is this Commission's consideration in a rate  
22 case? Do you understand that?

23 **MR. BETZER:** Well, okay. I, I understand  
24 that. I certainly know that you understand a lot more  
25 about what this Commission does and doesn't do than I

1 do.

2 On the other hand, I think that one of the  
3 fundamental questions facing our society is how do we in  
4 fact become reasonably efficient at generating  
5 electricity? And I think that it's important, in fact,  
6 that an honest, analytic assessment of what is going on  
7 at Crystal River takes place. I apologize if it's not  
8 part of the rate case.

9 **COMMISSIONER ARGENZIANO:** No apology. No  
10 apology necessary. What I'm trying to make you  
11 understand is that in, as a Commissioner, I'm speaking  
12 as this Commissioner, as a Commissioner where I look at  
13 the statutes and what I have to go by, contributions of  
14 the company are not part of what I should consider in a  
15 rate case, and I just want you to be aware of that.  
16 While I appreciate -- and I think anybody who is a  
17 recipient of those contributions appreciates the many  
18 good causes it goes for. But it really -- if you were  
19 in my shoes and you were reading what you are to  
20 consider in a rate case, I thought it would only be fair  
21 to let you know that I find that the contributions have  
22 nothing to do with the rate case, and I just wanted to  
23 say that to you.

24 (Applause.)

25 **MR. BETZER:** Yes, well, that's fine. I'll

1 certainly bow to superior fire power.

2 (Simultaneous conversation.)

3 **CHAIRMAN CARTER:** Okay. Hang on a second.  
4 We've got the court -- we can only hear one person at a  
5 time, and the person at the podium is the one recognized  
6 to speak. The court reporter is trying to transcribe  
7 and type down what people are saying.

8 Commissioner, do you have anything further for  
9 the witness?

10 **COMMISSIONER ARGENZIANO:** No. Thank you.

11 **CHAIRMAN CARTER:** Thank you. Mr. Kelly.

12 **MR. KELLY:** Doug Johnstone, followed by Anita  
13 Knapp.

14 Whereupon,

15 **DOUG JOHNSTONE**

16 was called as a witness on behalf of the Citizens of the  
17 State of Florida and, having been duly sworn, testified  
18 as follows:

19 **DIRECT STATEMENT**

20 **MR. JOHNSTONE:** Yeah. My name is Doug  
21 Johnstone, spelled J-O-H-N-S-T --

22 **CHAIRMAN CARTER:** If you could get closer to  
23 the microphone.

24 **MR. JOHNSTONE:** Spelled J-O-H-N-S-T-O-N-E.  
25 I'd like to start off by saying that all you

1 guys right here are nothing but a bunch of thieves.  
2 Okay? And having the Public Service Commission watching  
3 over Progress Energy is like having the fox watching  
4 over the henhouse.

5 You're still fooling people with them phony  
6 electric boxes at our homes. That's just a sham, and  
7 it's about time people realize that. Case in hand, my  
8 neighbor knocked on my door and said, "Dougie, you're  
9 right about what you've been saying. My mom died months  
10 ago and we shut off everything in the house except for  
11 the living room light to keep burglars away, and we keep  
12 getting \$300 plus electric bills on our house."

13 I tried contacting Debbie Schiavo (phonetic)  
14 and Channel 8 News, even wrote them letters telling them  
15 I bet they didn't have the balls to print this story.  
16 Guess what? I was right. They didn't have the balls to  
17 print this story. The beast is among us, folks, and  
18 it's called greed. Thank you very much.

19 (Applause.)

20 **CHAIRMAN CARTER:** Mr. Kelly.

21 **MR. KELLY:** Anita Knapp, followed by Chris  
22 Hoekzema.

23 Whereupon,

24 **ANITA KNAPP**

25 was called as a witness on behalf of the Citizens of the

1 State of Florida and, having been duly sworn, testified  
2 as follows:

3 **DIRECT STATEMENT**

4 **MS. KNAPP:** Good morning, everyone. My name  
5 is Anita Knapp. I have been a Florida Power/Progress  
6 Energy customer for 35 years. However, I will address  
7 my comments this morning to the last two and a half  
8 years, and I'd like to talk about rate increases and  
9 service.

10 I'll start with rate increases. Because of  
11 the six rate increases that we have had over the last  
12 two and a half years, I now live in a cave. I open my  
13 drapes at 8:00 in the morning, I close my drapes at  
14 noon. I have a sunlight that of course increases the  
15 heat in my home. I have done everything that is  
16 financially possible for me to reduce my monthly bill.  
17 I weatherstrip my windows yearly and check them, I  
18 change my filters monthly, of course my drapes are  
19 closed, and my bill continues to increase and increase  
20 and increase.

21 I keep the temperature in my home now at  
22 80 degrees in order to afford to pay the bill, the  
23 increasing bill monthly. Years and years ago my husband  
24 and I had the energy management system installed in our  
25 home so that we received a credit years ago when they

1 started the program of \$15 a month. And that \$15 a  
2 month allowed us to sweat for an extra hour or so at  
3 peak demand usage times so that others would have a  
4 steady use of power. And we thought a \$15 a month  
5 reduction in the bill, we were willing to sweat for an  
6 extra hour at peak times. However, now since we still  
7 have that program many years later, \$15 a month is long  
8 gone. The average that I might get now might be \$3 or  
9 \$4 a month because apparently the company has now  
10 decided, instead of giving us the routine \$15 a month,  
11 to give us maybe \$2 or \$3 when they turn it off for that  
12 hour. I think that's unfair and I'm not happy about it.

13 The current request before you for a rate hike  
14 in my opinion should be considered upon value compared  
15 to cost and service to the customer. I submit that my  
16 cost of electric service has become excessive and  
17 significantly higher than other area providers.

18 I further submit that Progress Energy's  
19 service is less than stellar when noting the following:  
20 Their lack of responsiveness to repeated calls for  
21 trimming of tree limbs dangerously close to power lines,  
22 for not providing convenient multiple locations for  
23 payment of bills, including nonacceptance of payments in  
24 their multiple-story downtown headquarters here in  
25 St. Petersburg. I recently tried to pay my bill which

1 was due the following day because I had taken the bus  
2 downtown to reduce air pollution, which I do  
3 periodically, and I thought I'll just walk into that  
4 multiple-story facility, that gorgeous, freezing cold  
5 facility, and pay the bill. No dice. They would not  
6 accept the payment. And they told me that the nearest  
7 location where I could pay that was at least 15 blocks  
8 away. I had to go to the post office, buy a stamp and  
9 drop it in the mail so that it would end up less than a  
10 block away. I don't call that good service.

11 I also think their, the company has provided  
12 less than stellar service because they have been known  
13 to purchase expensive additional energy when they need  
14 it until they were ordered by your Commission to find  
15 less expensive alternatives to provide that additional  
16 energy.

17 (Applause.)

18 And, finally, I think they have shown less  
19 than stellar performance to the community because of the  
20 colossal failure of the Crystal River nuclear power  
21 plant, which has cost us customers a financial fortune  
22 and which continues to fail. Therefore, I don't believe  
23 that Florida Power/Progress Energy deserves a base rate  
24 increase and I ask you to please deny their request.  
25 Thank you so much.

1 (Applause.)

2 **CHAIRMAN CARTER:** Thank you very kindly.

3 Hang on one second, Mr. Kelly. Let's do this.

4 As I said earlier, we have one court reporter. She's

5 going to need at least ten minutes to kind of take a

6 break and get the blood circulating in her fingers

7 again.

8 Commissioners, we'll come back -- I'm looking

9 at the City of St. Petersburg clock. We'll come back in

10 ten minutes. That will be like 40 -- 20 of.

11 (Recess taken.)

12 **COMMISSIONER EDGAR:** We will go back on the

13 record after our short break. I'm going to ask

14 Mr. Kelly here in just a moment to start us again by

15 calling the names in order, as we have been doing. And

16 I would also ask that everybody help us keep your

17 comments moving along so that we can try to get through

18 everybody that's on the list, and I appreciate everyone

19 working with us to try to do that.

20 Mr. Kelly, if you would.

21 **MR. KELLY:** Chris Hoekzema, followed by Dr.

22 Michael Tomalesky.

23 Whereupon,

24 **CHRIS HOEKZEMA**

25 was called as a witness on behalf of the Citizens of the



1 State of Florida and, having been duly sworn, testified  
2 as follows:

3 **DIRECT STATEMENT**

4 **MR. HOEKZEMA:** Hello. I'm Chris Hoekzema,  
5 H-O-E-K --

6 **COMMISSIONER EDGAR:** Why don't you hit the  
7 button on the side and raise it up.

8 **MR. HOEKZEMA:** Just because I'm tall? That's  
9 prejudicial, isn't it? (Laughter.) Can you hear me all  
10 right?

11 **COMMISSIONER EDGAR:** Yes.

12 **MR. HOEKZEMA:** H-O-E-K-Z-E-M-A. Now we've  
13 heard a lot of talks about Progress and their community  
14 service, their good deeds, but that's not what we're  
15 here for. And I don't deny that they do good works in  
16 the community and other places. But we're here to speak  
17 specifically to the policies that they're having and  
18 they're wanting to increase the rates.

19 But before I do that, I'd like to go back in  
20 time a little bit to 2004. I don't know if the members  
21 of the Commission remember this, but Charley, Ivan,  
22 Frances, Jeanne, and even Bonnie, they devastated the  
23 state and the power grid. And Progress came before this  
24 Commission and requested an increase and it was granted.  
25 So we, the customer, have paid for that. And, thank the

1 Lord, we've been spared for relatively the last five  
2 years and hopefully we'll be spared much longer.

3 Now I guess there's construction increases  
4 that have been granted for something that's not even  
5 here yet, and we all know about cost overruns. And I'm  
6 sure that that's going to be the case with these new  
7 plants before they even go online, which is going to  
8 cost us even more. So why grant an increase on  
9 something when you do not even know the total cost yet?

10 So now Progress comes here again requesting an  
11 increase for things that I think are normal expenditures  
12 of a business to increase the reliability of the power  
13 grid and other capital expenses a normal business would  
14 have to incur. If, you know, I've made improvements to  
15 my home to try to be fuel efficient and I've spent  
16 \$4,000, can I go to Progress and ask them for \$4,400 in  
17 return because I made a normal expense to try to save  
18 money, but I can't do that. So why should Progress be  
19 able to do that with me?

20 But when we're talking about \$14 a month,  
21 Progress might as well just say, well, you know, less  
22 than 50 cents a day, which doesn't sound like a whole  
23 lot. But put that to a year term and you're looking at  
24 almost \$175. People's incomes are not going up.

25 Me, personally, I will probably figure out a

1 way to survive, but I don't know if I can do it again.  
2 I lost my job of ten years and I was unemployed for over  
3 a year. I now find myself actually underemployed  
4 because I'm making less than what I was making  
5 previously. It's a struggle with the bills the way they  
6 are.

7 And as the speaker before me mentioned, her  
8 bill has continued to rise with all the efforts that  
9 she's made to conserve. There's got to be an end  
10 somewhere. Somebody has to be able to stand up and say  
11 no. And I do remind the Commission that your first word  
12 is public and the next word is service. You need to do  
13 the public service.

14 But, you know, the county has also increased  
15 their fees, which is going to create additional  
16 hardships for us within Pinellas County. And there's  
17 also going to be budget reductions, services are going  
18 to be reduced by the county.

19 But now we go into Progress wanting  
20 12.5 percent on this money, and I don't even think my  
21 401K gets 12.5 percent. I'd be lucky if my, you know,  
22 401K got 10 percent. Additionally, you know, I have two  
23 mortgages, a couple of other bills, and I'm not even  
24 paying double digit percentage on my bills. Why should  
25 Progress get double digit profit?

1 (Applause.)

2 You know, a lot's been said about the numbers.  
3 I took accounting in college, and I know that any good  
4 accountant can skew the numbers any way they want. It's  
5 been reported that Progress is, overcharges for  
6 depreciation -- \$700 million and they're wanting a  
7 \$500 million increase. It seems to me they already have  
8 the money, so there is no reason to grant the increase.

9 I also find it extremely interesting that  
10 every time the Commission orders Progress to give us a  
11 refund, small as it may be, they come back to the  
12 Commission for a rate increase. I would again urge the  
13 Commission to look out for the public and deny their  
14 request. Thank you.

15 **COMMISSIONER EDGAR:** Thank you.

16 (Applause.)

17 **MR. KELLY:** Michael Tomalesky, followed by  
18 Jeremiah Rohr.  
19 Whereupon,

20 **MICHAEL TOMALESKY**

21 was called as a witness on behalf of the Citizens of the  
22 State of Florida and, having been duly sworn, testified  
23 as follows:

24 **DIRECT STATEMENT**

25 **MR. TOMALESKY:** Thank you for the opportunity

1 to speak with you today. Tomalesky is  
2 T-O-M-A-L-E-S-K-Y. It's a mouthful.

3 I'm Assistant Superintendent for Facilities  
4 and Operations for the Pinellas County school system,  
5 and we have over 150 facilities in the school district.  
6 The majority of them are schools. It makes us the  
7 largest or close to the largest customer for Progress  
8 Energy in Pinellas County. And we have a public trust  
9 to spend our money as efficiently as possible. And in  
10 facilities and operations we believe that our job is to  
11 give students and staff the best places to do their job  
12 so we can improve learning and have a safe environment  
13 for everyone, but we also have an obligation to do that  
14 as cost-effectively as possible.

15 So one of my responsibilities is our utility  
16 management program, and we have a very active program at  
17 reducing the use of electricity, especially being that  
18 is our largest bill.

19 For the last five years we've managed an  
20 average of 3.5 to 4 percent decrease in consumption. We  
21 measure our success by the reduction of kilowatt hours,  
22 not by the reduction of how much money we pay on the  
23 bill. The reason that is is because until last fiscal  
24 year that we have our data currently for we were never  
25 able to reduce the consumption enough to not pay more

1 for electricity. The last fiscal year that we have data  
2 for -- we just finished the fiscal year, we're putting  
3 that data together now -- because of relatively stable  
4 rates we actually came in \$700,000 below our budgeted  
5 amount for electricity. We paid that much less. That's  
6 the first time in five years that we actually paid less  
7 for electricity than we did the year before. So like I  
8 said, we measure success by kilowatt hours because the  
9 price changes frequently.

10 So needless to say, I'm leading up to an  
11 obvious conclusion. We would very much appreciate not  
12 seeing a rate hike. Our estimate of the impact on our  
13 operating budget, should this be approved, is  
14 \$2.5 million that we will pay more for electricity than  
15 we have been paying. As you know, the school system is  
16 in dire financial straits. We're trying to maintain the  
17 sanctity of the classroom and are cutting around that as  
18 much as humanly possible to make our budget. Obviously  
19 every dollar we do not spend on electricity is one more  
20 dollar that we can spend for students. It is highly  
21 important that we be able to do our job, provide a  
22 quality education for our students in a safe and quality  
23 learning environment, and by adding to our burden  
24 financially at this time especially is certainly not  
25 something that we're looking forward to having to deal

1 with.

2 So I know you have a very tough job to do. We  
3 appreciate your support, and I know you'll make the  
4 right decision. And if that right decision is not  
5 approving this rate, all the students in Pinellas County  
6 and their families will thank you also.

7 (Applause.)

8 **MR. KELLY:** Jeremiah Rohr, followed by Joe  
9 Brady.

10 Whereupon,

11 **JEREMIAH ROHR**

12 was called as a witness on behalf of the Citizens of the  
13 State of Florida and, having been duly sworn, testified  
14 as follows:

15 **DIRECT STATEMENT**

16 **MR. ROHR:** My name is Jeremiah Rohr. I live  
17 in the Kenwood district in town here. I'm a member of  
18 the CONA Energy and Environment Commission in town here.  
19 I would very much like to support this rate increase if  
20 I could, if I thought that Progress Energy was actually  
21 living up to its name and being a progressive company.  
22 I find that their actions at the state level and  
23 lobbying this Commission against things like renewable  
24 energy dividends, renewable portfolio standards and  
25 efforts to decouple rate structures bring this company

1 into its backwards thinking that it has been doing for  
2 years and years.

3 I recently moved from out west where things  
4 are moving much more progressively, and there is  
5 actually competition in the electric industry, in the  
6 electric utility industry. Contrary to the fellow that  
7 spoke earlier, there is, there can be competition in the  
8 electric industry, and that's by this Public Service  
9 Commission being able to deregulate some of the things,  
10 the monopolistic attitudes that are involved in this  
11 utility.

12 Things like solar, wind, tidal are ready to  
13 go. These are industries that are alive and active in  
14 this state today and are alive and active in this  
15 country today. We don't have to wait 20 years to bring  
16 a solar power plant or a solar installation on  
17 somebody's house. We can do that. We have people doing  
18 that today in this town, and they are bringing electric  
19 rates and electricity into the power grid.

20 Things like climate change are a real issue  
21 for a city and a county and a state that is surrounded  
22 by water and is going to be greatly affected by sea  
23 level rises as climate change occurs. I would think  
24 that we would be thinking a lot more about how to work  
25 electric, work our utilities in a way that allows us to



1 get away from fossil fuels and CO2 emissions that are  
2 coming out. And to try to perverse the renewable  
3 portfolio standards into accepting things like nuclear  
4 energy as a renewable source of electricity is just  
5 trading one evil for another, since nuclear  
6 proliferation in the world is one of the biggest  
7 concerns on the international scale of people getting  
8 involved with dealing with international terrorism.

9 I would just like to see this Commission  
10 really work at trying to think outside the box. We have  
11 serious issues with energy coming up in the next -- in  
12 this century and in the next ten or 20 years even. So I  
13 would really like you guys to work a lot harder to try  
14 to help the small businesses that are out there that are  
15 trying to do things like solar, things like wind, things  
16 like tidal that are existing now and get away from this  
17 idea that the only way to do this is to build more big  
18 power plants, more, more big coal-fired power plants,  
19 more nuclear power plants.

20 The other big utility in this state, Florida  
21 Light, is one of the largest solar power producers in  
22 the country, and that is because the states, the western  
23 states require them to do that through renewable  
24 portfolio standards and other types of legislation.  
25 Those people are not building that much in this state.

1 We have abundant sunshine in this state to be able to  
2 run our power grid. That's all I have to say. Thank  
3 you.

4 (Applause.)

5 **COMMISSIONER EDGAR:** Thank you.

6 **MR. KELLY:** Joe Brady, followed by Carl Crisp.  
7 Are you Mr. Brady?

8 **MR. BRADY:** I'm Joe Brady.

9 **MR. CRISP:** I'm sorry.

10 **MR. KELLY:** That's all right. You'll be after  
11 him, sir.

12 Whereupon,

13 **JOE BRADY**

14 was called as a witness on behalf of the Citizens of the  
15 State of Florida and, having been duly sworn, testified  
16 as follows:

17 **DIRECT STATEMENT**

18 **MR. BRADY:** My name is Joe Brady and I'm from  
19 St. Petersburg. I own a few common stock shares in a  
20 major national corporation. My quarterly dividend from  
21 this company has been cut by 60 percent since the  
22 economic meltdown of 2008. Have the shareholders in  
23 Progress Energy seen decreases in their dividends? If  
24 not, why do they need a rate increase? Thank you.

25 (Applause.)

1                   **COMMISSIONER EDGAR:** Thank you.

2                   **MR. KELLY:** The next speaker will be Connie  
3 Millett after Mr. Crisp.

4 Whereupon,

5                                   **CARL CRISP**

6 was called as a witness on behalf of the Citizens of the  
7 State of Florida and, having been duly sworn, testified  
8 as follows:

9                                   **DIRECT STATEMENT**

10                   **MR. CRISP:** Good afternoon, Commissioners and  
11 PSC staff. My name is Carl Crisp and I live in Pinellas  
12 County, unincorporated area, 8177 83rd Avenue North in  
13 Largo, Florida.

14                   Excuse me. I'm a Florida stockholder about 20  
15 years, me and my wife, and we've lost a lot of money in  
16 it. And in answer to his question, did we see an  
17 increase in our dividends and earnings? No, we didn't.  
18 We took a hell of a loss. In fact, we had sort -- we  
19 are retired and we planned on drawing from it as part of  
20 our retirement. But it's gone down so low that we don't  
21 want to touch it now, so we haven't.

22                   Now during the good times I remember -- we've  
23 lived here in Florida for a little over 36 years. And  
24 during the good times, you, the PSC, have fought the  
25 raises for Progress Energy when we had the money rolling

1 in, you fought them on getting their raises for the rate  
2 increases. Now the bad times are here and now you want  
3 to give them rate increases when we're in a recession.

4 Another question is why is Progress Energy  
5 rates higher than the rest of the country, which they  
6 seem to be? Why isn't more energy produced by nuclear  
7 power? I have a few of my bills here, and every once in  
8 a while they put on here how our power is produced.  
9 I'll tell you how this bill reads. This one, it says,  
10 30 percent purchased power outside, they purchased it  
11 somewhere else, 21 percent; gas, 30 percent, I assume  
12 it's natural gas; oil, 6 percent; nuclear, only  
13 13 percent. Now if nuclear is so good and efficient,  
14 how come more of power my wasn't provided with nuclear  
15 power?

16 Let me see here. Another thing is I'm a, I'm  
17 a plumber, retired plumber. I was retired -- I was a  
18 plumber for years. And I built my own nuclear -- not  
19 nuclear, but solar power hot water heater on my home  
20 about 32 years ago, and for years our electric bill was  
21 an average of about \$50 month, and that's total  
22 electric, lighting, air conditioning and the whole  
23 thing. Now they're a lot more than that. I had to have  
24 a new roof put on my home, so I tore the hot water solar  
25 heater off. But they're very efficient. This is

1 another answer for Florida Power or any power company in  
2 the United States of how to get more energy.

3 In the Pyrenees Mountains of France and Spain  
4 probably around 40 or 45 years ago they built a solar  
5 furnace. Now we live in the sunbelt: Florida, most of  
6 the Carolinas, Arizona, California, Texas. They built a  
7 solar furnace that melted metal and they used mirrors  
8 and magnifying glasses. That was about 40 some years  
9 ago. This type of process could be used to provide  
10 steam to run the turbines to make our electricity. But,  
11 of course, I spoke to -- a few years ago I was on  
12 Channel 10, which is on Gandy Boulevard, because I told  
13 them about my solar hot water heater, and also about  
14 this article that was in the *National Geographic*  
15 probably around 40 years ago, give or take a few years.  
16 And this is where I picked this up. Maybe some of you  
17 read that or saw it. And if they can do that with solar  
18 energy, with the solar make a furnace, they can produce  
19 electricity, especially in the sunbelt states. And I've  
20 saved a lot of money on my own electric bills just by my  
21 own solar energy hot water heater.

22 Some of these CEOs here evidently don't  
23 realize the money that a working man makes here. We  
24 don't make the big bucks that you guys make. In fact,  
25 when I first came here as a journeyman plumber almost, a

1 little over 36 years ago I worked for \$1.58 an hour.  
2 Because these companies in Florida figured they paid you  
3 in sunshine. That was part of your pay in Florida.

4 The average person in Florida or anywhere in  
5 the United States doesn't make very much money. And for  
6 you to get these pay raises and the rate changes is not  
7 right. Fortunately me and my wife have scrimped and  
8 saved all our years of over 42 years of marriage because  
9 we were taught by our parents, grandparents and  
10 forefathers to scrimp and save or fix and repair and  
11 make do or do without. So this is what we've done. So  
12 we prepared ourself for our vacation -- not vacation,  
13 but our retirement. So fortunately we're in pretty good  
14 shape. We've lost a lot of money in the stock market, a  
15 couple of hundred thousand dollars probably or close to  
16 it, but we're still okay. We're in good shape because  
17 we prepared. We listened to our elders, as they said.  
18 So we're in pretty good shape.

19 One of the meetings I went to -- now everyone  
20 else was talking TECO, which you know what's happened to  
21 TECO and the leadership in that. The stock is almost  
22 worthless. And this is what happened to TECO, their  
23 leaders, so-called leaders invested in power plants down  
24 in Guatemala and some place out in Arizona, and three  
25 years ago they ate a billion dollars of loss to the

1 stockholders.

2           And while I'm on the subject of stockholders,  
3 if they do get a little raise, give these people that  
4 have their rates brought up, give them some stocks so  
5 they have a say in this company. And I've been getting  
6 so disgusted lately that when the, when the stocks get  
7 worth something again like it used to be, I'm thinking  
8 of bailing out, to be truthful. TECO, I can't do it.  
9 It's lost so much that it's in very bad shape. There's  
10 foreign companies coming in this country trying to buy  
11 power companies. They're vultures. A few ago a  
12 Scottish company came in here from Scotland and they  
13 were going to try to take over TECO. But what they  
14 found out, the price of the stock was too much. They  
15 didn't want to go all these extra bucks for it, so they  
16 bailed out. They didn't -- they couldn't take the  
17 company over like corporate raiders do, which you know  
18 what's happened in that industry. The corporate raiders  
19 have taken over corporations and so forth.

20           So I think they went up to -- they may have  
21 gone up to upstate New York. I don't know if it was  
22 Niagara Mohawk or one of the power companies. Niagara  
23 Power, Niagara Mohawk was in bad shape a few years ago.  
24 They've been taken over by someone. I don't know if  
25 it's the Scottish company. But this is what we have in

1 this United States, we have these people overseas and  
2 they're looking like vultures to take over American  
3 corporations and get it out of our control, the  
4 stockholders' control, if they can.

5 And I asked someone sometime, being as how I  
6 was a stockholder in TECO and Florida Progress, and they  
7 have -- in Tampa Stadium and the hockey, Tampa Bay  
8 Lightning and also down here in the Tropicana Dome, they  
9 have -- what do you call them where all the bigshots go  
10 in the corporations? I says, "I'm a stockholder in  
11 Florida Power. Why can't I use one of them" -- what do  
12 they call them anyway?

13 **UNIDENTIFIED SPEAKER:** Skyboxes.

14 **MR. CRISP:** "Why can't I use one of the  
15 skyboxes? I'm a stockholder." I never heard a word  
16 from them, never heard nothing. Well, why shouldn't we  
17 be able to use them, the skyboxes and so forth? They  
18 don't let us use them but they use them. They say they  
19 have to have them to entertain their clients. So I'm a  
20 client. I'm a customer even, you know.

21 **COMMISSIONER EDGAR:** Mr. Crisp, could you have  
22 a concluding thought for us?

23 **MR. CRISP:** Yes, I can. And another thing in  
24 this country, the CEOs, in my opinion, and I stated this  
25 either at a TECO meeting or a Florida Progress



1 stockholders' meeting a few years ago down here, in my  
2 opinion no CEO in this country is worth more than  
3 \$100,000 to \$200,000 a year the best day they ever lived  
4 in their life. They're highly overpaid. They want to  
5 give \$10 million to this guy Wagoner, who is -- for  
6 General Motors. He's going to get a \$10 million little  
7 gift when he leaves. That's pretty nice what they're  
8 doing to us, isn't it? And we have to scrimp and save  
9 and struggle, the ordinary worker. And these retirees,  
10 believe me, they're in bad shape anywhere in the United  
11 States or -- especially in Florida because the rates  
12 have gone up and everything else.

13 But in closing, I'd like to give credit to the  
14 linemen from Florida Progress, the wonderful job they've  
15 been doing the last five, six, ten years with all the  
16 hurricane damage that's been done here in the United  
17 States. And we go upstate New York maybe once a year,  
18 and what we -- it does your heart good to see it. We  
19 would see convoys coming in to help North Carolina,  
20 Florida, after all this hurricane damage. They might  
21 have 30 vehicles in a convoy to help cover this mutual  
22 aid that they have, you know, in the power companies,  
23 and it's just touching. And I don't think they've been  
24 treated right. And I've thought about writing a letter  
25 to the president and telling them they should get

1 recognition for this, especially the ones that work for  
2 Florida Power. They've done a great job. Their life is  
3 on the line. They deserve credit and they earn every  
4 penny they get.

5 I'm against this raise and I'm against nuclear  
6 power. This cost of this so-called \$17.5 billion, it'll  
7 never cost that. It will probably be four to ten times  
8 that much. I'm against nuclear power. It's dangerous.  
9 I had a chance to work at Crystal River, and, like I  
10 say, I wouldn't work there because they were having  
11 trouble with the nuclear, they were having labor  
12 problems, and I wasn't going to work under them  
13 conditions. They have trouble getting rid of the waste.  
14 That place has been broke down most of the time, that  
15 Florida -- up there at Crystal River. So it's not the  
16 way to go. Thank you very much for letting me talk to  
17 you.

18 **COMMISSIONER EDGAR:** Mr. Crisp, thank you.

19 **MR. KELLY:** Connie Millett, followed by Jason  
20 Martino.

21 Connie Millett.

22 (No response.)

23 Jason Martino.

24 Whereupon,

25 **JASON MARTINO**

1 was called as a witness on behalf of the Citizens of the  
2 State of Florida and, having been duly sworn, testified  
3 as follows:

4 **DIRECT STATEMENT**

5 **MR. MARTINO:** Good afternoon. First and  
6 foremost, I would really like to extend my appreciation  
7 for you to come and meet the people face to face. I  
8 believe that they have a lot to say. I don't believe  
9 that they're generally happy, and I'm glad that you're  
10 able to hear that with your very own ears.

11 I prepared something very small and succinct  
12 and hopefully accurate to give you as much information  
13 that you possibly could use when you go back to  
14 Tallahassee to make your decisions.

15 So, good morning. My name is Jason Martino,  
16 and I represent two different bodies serving the elderly  
17 within the service area, Progress Energy service area.

18 First I am Program Administrator for the Area  
19 Agency on Aging of Pasco and Pinellas County  
20 Incorporated, and we plan for, provide home and  
21 community-based services and advocate for the frail and  
22 vulnerable elderly citizens within all of Pasco and  
23 Pinellas County.

24 Secondly, I serve as the Chair of the  
25 St. Petersburg Commission on Aging, where we also serve

1 to advocate for the elderly citizens residing in the  
2 City of St. Petersburg.

3 My purpose here today is to inform you of the  
4 detrimental effects Progress Energy's proposed rate  
5 hikes will have on the low income and borderline income  
6 senior citizens in not just St. Petersburg but within  
7 Pinellas County and Pasco County.

8 Pinellas and Pasco have a combined population  
9 of 1,390,000 individuals. Of that amount, 28 percent or  
10 392,000 individuals are 60 and over. Of the 392,000  
11 individuals, 8 percent or 32,000 60 and over individuals  
12 are considered low income. This is the segment of the  
13 combined population who will be greatly affected by the  
14 proposed rate hikes.

15 We operate a senior helpline that takes  
16 numerous calls throughout the Pinellas County and the  
17 Pasco County service area. Last year we received  
18 18,500 calls, I believe. And for the first time in the  
19 history, the 12-year history of our senior helpline  
20 needed assistance with utility bills has made the  
21 all-time top five, and that's not a positive thing to  
22 look at. We, we take calls needing assistance for case  
23 management and other kind of home and community-based  
24 services. But as rates have increased and power usage  
25 has gone up, the seniors have demonstrated a dire need

1 to receive assistance with their utility bills, mainly  
2 their electricity.

3 To mitigate power energy interruptions or  
4 energy shutoffs for those elderly individuals within  
5 Pasco and Pinellas County, we have trouble paying their  
6 -- who have trouble paying their power bills, the Area  
7 Agency on Aging provides funds to local human service  
8 providers to assist those elderly who are in crisis due  
9 to the mere fact that they are not able to afford the  
10 current rates regarding their power utility. These  
11 individuals need their power to remain independent  
12 within their own home for a multitude of reasons.

13 Data collected over the last five years within  
14 both counties, that we have provided assistance to  
15 approximately 3,000 elderly individuals that needed  
16 assistance with their power bills through the Emergency  
17 Home Energy Assistance for the Elderly program, also  
18 known as what we call the EHEAP program. This is one of  
19 the only longstanding energy assistance relief programs  
20 with both counties that serves age 60 and over. Smaller  
21 service providers within both counties have exhausted  
22 all funds that are able to accommodate someone's needs,  
23 to assist them or supplement their power bills. We are  
24 the only remaining funding source that caters to clients  
25 that are 60 and over to help them with their utility

1 bills.

2 In total and over the last five years our  
3 agency has provided approximately \$935,000 in benefits  
4 to Progress Energy and/or the Withlacoochee River  
5 Electric Company and/or TECO. 90 percent of those  
6 benefits go to Progress Energy in benefits geared at  
7 paying the pass-through bills or to provide assistance  
8 where electricity was shut off and needing to be turned  
9 back on. Per individual this equates to a benefit of  
10 roughly \$312 per benefit. Individuals who are eligible  
11 for the EHEAP benefits can only receive one benefit  
12 twice within the fiscal year. This is hardly enough to  
13 provide a frail and vulnerable individual what it takes  
14 to remain independent throughout an entire year. These  
15 elderly individuals fell into a position of arrears or  
16 are penalized with electricity termination because of  
17 the constant decision-making balance of whether to  
18 purchase items for sustenance, also known as medications  
19 or food or caregiver supplies, or keeping their bills  
20 current. These individuals are walking a tightrope wire  
21 month to month, and your, and Progress Energy's proposed  
22 rate hike will slowly but surely knock them off this  
23 metaphorical tightrope.

24 In closing, as a community agency serving two  
25 counties, we serve a great amount of elderly individuals

1 who helped create the infrastructure we enjoy and  
2 benefit from today. Progress Energy's rate hike will  
3 not help to support those individuals who fostered our  
4 future because their proposal promotes a great disregard  
5 to those vulnerable elderly individuals who need their  
6 support the most. As a representative of the Area  
7 Agency on Aging and the St. Petersburg Commission on  
8 Aging, we implore the PSC to cease or retract or deny  
9 the decision to hike the rates any further. Thank you  
10 very much.

11 (Applause.)

12 **MR. KELLY:** David Willis, followed by -- I  
13 apologize. I can't read the first name. Mr. or  
14 Mrs. Beaman.

15 Whereupon,

16 **DAVID WILLIS**

17 was called as a witness on behalf of the Citizens of the  
18 State of Florida and, having been duly sworn, testified  
19 as follows:

20 **DIRECT STATEMENT**

21 **MR. WILLIS:** Hi. My name is David Willis.  
22 I'm a native of Florida. I live in St. Pete. I've  
23 raised three other natives, and, boy, I'd hate to have  
24 y'all's job.

25 I'm not opposed for an increase for Progress

1 Energy as long as it's for the right reasons. You know,  
2 when we were all fat and happy, probably \$500 million  
3 wasn't as hard to swallow, but we're not. And we've  
4 gotten this way because of the country and the way they  
5 think. There are things -- we've paid out -- I'm with  
6 Manson Roofing and we're part of the FPL rebate program.  
7 We're part of the Progress Energy rebate program. We've  
8 paid over a quarter of a million dollars back to us, our  
9 customers, us, through energy rebates. But not only  
10 that --

11 **CHAIRMAN CARTER:** Mr. Willis, she's trying to  
12 transcribe what you're saying.

13 **MR. WILLIS:** I'm sorry. But -- I apologize.

14 **CHAIRMAN CARTER:** Thank you.

15 **MR. WILLIS:** But not only that, the residual  
16 pickup that we get from these energy efficient  
17 applications is forever. Not only it makes your  
18 equipment more efficient, it makes your building more  
19 efficient, we're not tearing off stuff on your property  
20 now and filling up our dumps, which, by the way, is the  
21 tallest land mass in any county in the State of Florida.

22 I ran these numbers myself because I don't  
23 believe a lot of things that I see and what people  
24 publish. Through these processes and vehicles that all  
25 these power companies offer, we are picking up the



1 efficiency by 28 to 34 percent. That's big bucks.  
2 Besides filling the dumps.

3 How many of you, counsel, has had an energy  
4 audit in the last 12 months? Anyone else? It's okay to  
5 say no because we're all busy. But we all have to take  
6 part in looking at ways to better not only this energy,  
7 but our water by doing the right thing and taking  
8 advantage of this. But too many people are not  
9 educated.

10 Let me give you an example of that. We went  
11 through ten people before this podium started going up  
12 and down. You spent five minutes with individual people  
13 that added to an hour of time when one person walked  
14 over here and went, "Wow, look a here." It's all  
15 sitting in front of you, ways to pick up energy and  
16 efficiency.

17 Ten years ago we didn't recycle. Why do we do  
18 it now? You water now, you get a ticket. Well, why  
19 shouldn't you be held accountable for making sure you  
20 have an audit? Did you lower your air or raise your  
21 temperature when you left your house this morning? I  
22 did. But, boy, when I was making the money I was three  
23 years ago, which, by the way, I've taken a 28 percent  
24 pay cut, I used to not do that. It's going back to  
25 when -- if we lived how people lived that were raised in

1 the Depression, we wouldn't be as wasteful. So I again  
2 say it's part of education. It's part of our community  
3 and giving back to it.

4 Many of these people, they mentioned the  
5 school board and some of these municipalities earlier.  
6 Well, I just happen to have a maintenance contract with  
7 several counties from here to Naples, and I see them  
8 waste so much money because if they don't spend it, they  
9 don't get it in their budget next year. And I don't  
10 understand that.

11 So it's not really about what we're doing to  
12 the elderly. They're going to be there. We should have  
13 been taking care of these people all along. It's not  
14 about the recession. We have been wasteful for too  
15 long. This is about doing the right thing.

16 And in closing, I'm not opposed to giving  
17 somebody money that they need to run a business that's a  
18 public service. I'm opposed to people being frivolous  
19 and not you doing things for the right reason and  
20 personal gain.

21 With that, we have always been a company that  
22 we shared savings through efficiency and we shared that  
23 with all of our employees. I think if we set up people  
24 who, like this gentleman said, he's looking at the  
25 books, that has no interest other than doing the right

1 thing, to set it up and let them be monitored by people  
2 who have no personal gain. And if the company does  
3 better than they anticipated based on their, their  
4 covenants that they've set up, their profitability based  
5 on what was budgeted, I think we should all get a  
6 savings in that.

7 Now I'd like to leave you with one last  
8 thought. If you would all just cross your arms for a  
9 minute. Cross your arms, please. Cross them this way.  
10 Cross them the other way. It's not quite as  
11 comfortable. But that slight bit of change could make  
12 this increase through the way we think and what we do --  
13 if I'm increasing my efficiency by 30 percent and they  
14 want a 31 percent increase, what's the net result?  
15 Thank you for your time.

16 **CHAIRMAN CARTER:** Mr. Willis. Mr. Willis,  
17 before you go, would you let the podium down just a wee  
18 bit there? That's better. Thank you.

19 Mr. Kelly.

20 **MR. KELLY:** Ms. Beaman, followed by Mary  
21 Saunders. And I apologize I couldn't read that.  
22 Whereupon,

23 **ANN BEAMAN**

24 was called as a witness on behalf of the Citizens of the  
25 State of Florida and, having been duly sworn, testified

1 as follows:

2 **DIRECT STATEMENT**

3 **MS. BEAMAN:** That's fine. I'm Ann Beaman.  
4 That's B, as in boy, E-A-M-A-N, 4348 43rd Street South  
5 in St. Petersburg.

6 Please deny this rate increase. A  
7 12.5 percent guaranteed profit from a monopolistic  
8 business is excessive and greedy.

9 As a retiree, I would be ecstatic if I could  
10 get 10 percent guaranteed return on my IRA or my Social  
11 Security check. The only place in this economy that I  
12 have heard of excessive guaranteed returns is from  
13 pre-arrest Bernie Madoff. Thank you.

14 (Applause.)

15 **MR. KELLY:** Mary Saunders.

16 (No response.)

17 **UNIDENTIFIED SPEAKER:** Can you say what number  
18 you're on?

19 **MR. KELLY:** 25.

20 Stacy Flowers. And Ms. Flowers will be  
21 followed by Pam Kern.  
22 Whereupon,

23 **STACY FLOWERS**

24 was called as a witness on behalf of the Citizens of the  
25 State of Florida and, having been duly sworn, testified

1 as follows:

2 **DIRECT STATEMENT**

3 **MS. FLOWERS:** Hello. Thank you so much for  
4 your time. I can honestly say that I have never taken  
5 the time out of my business day to come and speak at any  
6 juncture like this. I wouldn't be here if they were  
7 raising the beer tax or a tax on cigarettes or if I were  
8 asking for a return on my lottery ticket that I didn't  
9 win. Seriously, I'm not, really not even -- but this is  
10 truly not a choice. This is a basic human need. And if  
11 I get a little emotional, I apologize. I know you're  
12 hearing from a lot of walks of life, ages, professions,  
13 not professions. And I'm not going to complain about my  
14 own because I chose my own route in life, but I am a  
15 single mom. I have a four and a six year old. I don't  
16 have any help. I own my own home. My company has wage  
17 freezes. I will not even be eligible again until 2010.

18 I shut the hurricane shutters on my house  
19 every day to keep the heat out. I've replaced toilets  
20 that I, thank God, got a rebate on through Pinellas  
21 County Water. And at the risk of sounding ridiculous to  
22 everyone, I don't even let my children flush the toilet  
23 unless they go number two. And that -- it's come down  
24 to that. This will cause me again to make a choice  
25 between sloppy joes or maybe something fresh on the

1 table for my children, and I mean it.

2 So first of all I'm speaking to you as a mom  
3 and as a Pinellas County resident for 11 years. I see  
4 y'all nodding your heads when some people are making  
5 some really good points and I see y'all writing down  
6 things when people have crunched numbers and given some  
7 really good statistics. And I'm sorry I don't have all  
8 those, but I don't want to be inaccurate. I know you're  
9 doing your job and looking into the figures yourself.  
10 But I see your heads nodding and it, and it seems  
11 hopeful, but I also know that you gave -- I'm sorry,  
12 what was the company in Tampa -- Tampa Electric a  
13 10.29 percent and y'all's own staff recommended that  
14 they get a 10.75 percent. So it's a little  
15 discouraging, but that's why I chose to come here today.

16 I know y'all are tired of hearing all this  
17 repetition and everybody's sad story, but it speaks  
18 volumes because it's real. It's not projected. It's  
19 real and it's right now. And this literally does make  
20 the difference. I mean, \$15 a month doesn't sound like  
21 much, but it really is. It's a tank of gas to and from  
22 school and work for the week and it matters. And I  
23 really, as a mom and as a resident I ask you to deny  
24 that.

25 Now I'd like to step out of my personal view

1 for a moment and speak to you from a business  
2 perspective. I'm also the Property Manager for  
3 Ridgeview Apartments in Seminole. We manage 136  
4 residential rental units. And I'd like to speak just  
5 for a moment about -- y'all said you wanted to hear  
6 about the service from Progress Energy that it offers  
7 their customers. I can tell you that at least, without  
8 exaggeration, three to four times a week and most  
9 certainly when everyone receives their energy bill our  
10 residents come into our office or call us and they are  
11 fuming mad because their electric bill has gone up. And  
12 before they came to us, they called Progress Energy and  
13 said, "Hi. My bill literally, literally doubled." And  
14 I know it's hot outside, I know the heat index has been  
15 at 100. We know that. We know some upstairs apartments  
16 are going to gain more heat if they're facing different  
17 directions, and that's not what this is about.

18 When our customers, our residents call  
19 Progress Energy to say, "Why has my bill gone up so  
20 much," I'll give you some of the answers that we have  
21 heard since Monday of this week alone. "Go into the  
22 office and ask the maintenance team to please clean out  
23 the coils of your AC." I will tell you from a  
24 maintenance perspective and a business perspective that  
25 is three-quarters of a day's job of one man's time, and

1 that is taking away from someone else's leak or an air  
2 conditioner who really is not working properly. We go  
3 to check the AC units and, sure enough, we'll find a 20  
4 split. And what that means is when they put the  
5 temperature gauge up to the event, they get a 20 degree  
6 reading. What that -- a 20 degree reading is fabulous.  
7 That means that if it's 100 degrees outside and you're  
8 getting 80 percent inside your apartment or your house,  
9 that is the best you can ask for.

10 So from a business perspective they're also  
11 telling our customers, "Make sure you're changing your  
12 filter." So they'll call in a work order to please come  
13 and change the filter. Or, "Well, it must be some  
14 appliance in your apartment pulling all this energy."  
15 Not one resident has come to us and said Progress Energy  
16 admitted that they had an increase. Well, we know we  
17 all suffered from an increase of 24 percent starting in  
18 January, maybe it was December. I have an insert that  
19 came in my bill from March of this year. And it says,  
20 quote, it's from Progress Energy, it says, "In this  
21 unprecedented economic climate, Progress Energy Florida  
22 has worked hard to provide price relief for our  
23 customers. On February 18th we filed with the FSPC  
24 (sic.) for an 11 percent decrease beginning with April."  
25 Well, that only lasted for April and May. And that is



1 off of the -- so we went up 24 percent, we came down  
2 11 percent, and now we possibly are going to go up 30  
3 again. If you do the math, and I'm probably way off,  
4 but that's about a 43 percent increase. We can't afford  
5 it.

6 I opened this one with my July bill. And this  
7 is for the Bartow plant. It says, "Investments  
8 enhancing existing generation lead to July 2000 (sic.)  
9 rate adjustment." This was in the envelope with my  
10 Progress Energy bill. It says, "For residential  
11 customers a 10.03 percent rate adjustment will be  
12 applied to your July bill." Multiply that. How much  
13 extra did they get in one given month? Why can we give  
14 them more? I beg of you, beg of you from a personal  
15 standpoint and a business standpoint, please do not  
16 allow this increase. Thank you.

17 (Applause.)

18 **CHAIRMAN CARTER:** Thank you.

19 **MS. FLOWERS:** One more thing, and I'm so  
20 sorry. Please don't be mad at me. The business, the  
21 *Tampa Bay Business Journal* published a quote from a  
22 direct interview with Progress Energy's representative.  
23 Bill Johnson, who is the Progress Energy Chairman,  
24 quoted in May of this year, "In the midst of this  
25 economic slowdown we delivered solid, financial results

1 in the first quarter," that's only January, February and  
2 March, "by living within our means and aggressively  
3 managing our business." So the revenue, the money that  
4 came in was about \$2.44 billion, and after all their  
5 bills were paid, in the first quarter, just three months  
6 of this year, their earnings is \$182 million. So if  
7 they need \$17 million to build a plant, I think they've  
8 already got it in the first quarter by a long shot.

9 (Applause.)

10 **MR. KELLY:** Pam Kern, followed by Dwight  
11 Lawton.

12 Whereupon,

13 **PAM KERN**

14 was called as a witness on behalf of the Citizens of the  
15 State of Florida and, having been duly sworn, testified  
16 as follows:

17 **DIRECT STATEMENT**

18 **MS. KERN:** Yes. Good afternoon, Commissioners  
19 and staff. I have a couple of things that I just wrote  
20 down just from sitting here with Senator Fasano, the  
21 information regarding the energy bills in North Carolina  
22 being less and South Carolina being less, 17 percent  
23 North Carolina, 25 percent South Carolina. Can we  
24 investigate why that is that Florida is paying more than  
25 South Carolina and North Carolina?

1           And I know in June you also had -- the PSC  
2 told Progress Energy to refund, and I'm not sure of the  
3 amount, but in the paper it was \$7.6 million. Why do  
4 they get to ask for a rate increase when they owe the  
5 customers money? It just doesn't even make sense.

6           And I also wanted to address more on a  
7 personal note that my mom is on Social Security. And if  
8 it weren't for myself helping her, she would not be able  
9 to pay her bills. And I just worry about the people  
10 that don't have someone that they can rely on in order  
11 to help pay for their bills, that it gets shut off and  
12 then they have to pay even more for Florida -- or  
13 Progress Energy to come out and to reapply for, you  
14 know, their electric. So they already don't have enough  
15 money to pay for it and now they get a fee to come and  
16 reconnect or whatever they call it. I don't know.

17           But, anyway, I also have some property up in  
18 the Nature Coast, which is Levy County. They have a  
19 co-op, and my bill, although it's a small cabin, my bill  
20 is only \$20 a month. But it's a not for profit, so that  
21 must be the difference. And also regarding the Levy  
22 County situation, I don't want to see it turned from the  
23 Nature Coast to the Nuclear Coast.

24           And I would give Progress Energy 1 percent for  
25 the next 25 years since it seems like they've been doing

1 well with it for the last 25. That is fair and  
2 reasonable as the law allows. Thank you for your time.

3 (Applause.)

4 **CHAIRMAN CARTER:** Thank you.

5 Mr. Kelly.

6 **MR. KELLY:** Dwight Lawton, followed by Karen,  
7 I believe it's Krymski. Dwight Lawton.

8 (No response.)

9 I believe -- is it Karen Krymski?

10 (No response.)

11 Gary Renfrow.

12 (No response.)

13 Meira Dilday.

14 (No response.)

15 Mario Perry, followed by Stewart Sando or -- I  
16 think it's Sando or Sando.

17 Whereupon,

18 **MARIO PERRY**

19 was called as a witness on behalf of the Citizens of the  
20 State of Florida and, having been duly sworn, testified  
21 as follows:

22 **DIRECT STATEMENT**

23 **MR. PERRY:** Thank you. My name is Mario  
24 Perry, 600 1st Avenue North, St. Petersburg. I'm a  
25 small business owner. I'm also an electrical

1 engineering graduate from the University of Florida. I  
2 love Florida and I love all things electrical, except  
3 Progress Energy seems to be out of control.

4 I'll give you my electric bill for last month  
5 here at my small business. It was \$4,331. Last year it  
6 was \$2,550. That's a 70 percent increase. Last year I  
7 paid \$24,616 for all of 12 months' electric. At the  
8 rate we're going now, I'll be paying \$43,147, which is  
9 175 percent more. And with your rate, proposed rate  
10 increase, in 2010 I'd be paying \$56,091 or 225 percent  
11 more.

12 Now let me tell you the difference between  
13 2008 and 2010 would be over \$32,000 to go to Florida --  
14 Progress Energy. That would create an additional job.  
15 I would be allowed -- I could pay another person,  
16 another employee. My estimate is that there's about  
17 15,000 to 20,000 small businesses in the Progress Energy  
18 territory. By giving them this rate increase you'll  
19 basically be eliminating 20,000 jobs in their service  
20 territory. So -- and as far as I know, they haven't  
21 created any jobs in their own headcount. So this is a  
22 net loss for jobs in the middle of the worst recession  
23 since 1930.

24 I don't understand why the rates are going up.  
25 If you take a look at the price of oil a year ago,

1 \$137 a barrel, today it's at \$60.97. That's a  
2 55 percent reduction. The price of natural gas last  
3 year, \$10.62 per million Btus. Today it's \$3.27, a  
4 70 percent reduction. And you could argue, well, of  
5 course that's just a pass-through and there's other  
6 costs associated with electricity. I understand that.  
7 But according to the Energy Information Administration,  
8 last year the national average for commercial rates in  
9 July was nine dollars and -- \$9.86 per kilowatt hour.  
10 Do you know what it is right now, this last month? Nine  
11 cents -- \$9.99. The increase has been 1.3 percent  
12 nationwide electric rates. Why is Progress Energy --  
13 my, my rate has gone up over 30 percent even adjusted  
14 for kilowatt hours.

15 I don't understand also why you treat Progress  
16 Energy as if it was in a developing country. In the old  
17 days and even today, in many developing countries, if  
18 you want to get electricity, you pay, you subscribe for  
19 a bond. You buy a bond. It's a capital investment and  
20 you pay your service fee, but you also then have to buy  
21 a bond. Progress Energy has, is getting money right now  
22 for building a nuclear power plant way in the future,  
23 which is in lieu of bonds. They have got it from their  
24 customers thanks to your largesse. If, in fact, that  
25 money that is now being paid, this additional \$20,000

1 that I'm paying this year, would be given to me in a  
2 bond or shares of Progress Energy stock, I might have a  
3 different attitude. Because then at least I could have  
4 representation at Progress Energy at the board level and  
5 vote for the executives and probably hold back some of  
6 their multimillion dollar executive packages. But right  
7 now I have no, other than coming here and asking for  
8 your intervention and logic, to have any way to  
9 influence these outrageous amounts of money that are way  
10 above any norms for the United States, any norms for the  
11 price of fuel, any norms for anything logical on an  
12 international basis. Thank you, and I hope you do the  
13 right thing.

14 (Applause.)

15 **CHAIRMAN CARTER:** Thank you.

16 Mr. Kelly.

17 **MR. KELLY:** Stewart Sando, followed by Scott  
18 Wagman.

19 Whereupon,

20 **STEWART SANDO**

21 was called as a witness on behalf of the Citizens of the  
22 State of Florida and, having been duly sworn, testified  
23 as follows:

24 **DIRECT STATEMENT**

25 **MR. SANDO:** Good afternoon, Commissioners.

1 Thank you for this opportunity to speak to the  
2 Commission. And I'm Stewart Sando, S-A-N-D-O. My  
3 background is particle physics and electrical  
4 engineering and business. I returned to St. Petersburg  
5 where I grew up after 40 years in Silicone Valley with  
6 companies such as Intel, Hitachi Semiconductor. So I'm  
7 very familiar with electronics, electrical control,  
8 energy efficiency. And I think that although the  
9 official rate request is in regards to the rate base in  
10 equipment, in depreciation, as the previous gentleman  
11 said, I think this Commission needs to take a, make a  
12 bold move and investigate all of the forward price  
13 contracts for all of the sources of energy.

14 This has been the largest slide in natural gas  
15 prices in a long time, and it's going to stay down.  
16 There have been massive discoveries of natural gas in  
17 the various shale formations around the country, and  
18 there's an opportunity to save the ratepayers a  
19 significant amount of money in the next several years  
20 and perhaps decades to come. There's been a massive sea  
21 (phonetic) change in the cost of natural gas. Now that  
22 we've actually drilled again and learned how to drill  
23 into shale, we should all benefit from that.

24 Here at Weedon Island that was just, quote,  
25 repowered from oil to natural gas, I would expect a



1 significant savings. And I think that, from my point of  
2 view, let's go with the most efficient energy first.  
3 Nuclear done properly -- I'm a particle physicist -- is  
4 very low cost. Natural gas is low cost. Solar is okay  
5 during the day, just don't go overboard until it gets  
6 more efficient at the solar cell level.

7 But the key thing here is before any rate  
8 increases are granted for the top half of our bill, the  
9 energy charge, this Commission should do a full  
10 investigation of all forward energy contracts by Florida  
11 Progress and ensure that they are getting the best deal.  
12 I am not happy with what's being passed through to me on  
13 the energy charge on the bottom half of that bill. I  
14 don't think anyone else is. There is no excuse for it.  
15 And the Commission -- I mean, I can certainly do the  
16 calculations. I could do the energy audit. But it's  
17 the Commission's responsibility to do it and I'd like to  
18 see that be the result: This is all suspended until all  
19 energy contracts are reviewed. Thank you.

20 (Applause.)

21 **CHAIRMAN CARTER:** Thank you.

22 **MR. KELLY:** Scott Wagman, Wagman. I'm sorry.

23 (No response.)

24 Judy Prantl. I hope I pronounced that right.

25 P-R-A-N-T-L.

1 Whereupon,

2 **JUDY PRANTL**

3 was called as a witness on behalf of the Citizens of the  
4 State of Florida and, having been duly sworn, testified  
5 as follows:

6 **DIRECT STATEMENT**

7 **MS. PRANTL:** Yes. Austria-Hungarian.

8 Judy Prantl, P-R-A-N-T-L, 6735 54th Avenue North,  
9 St. Petersburg.

10 First of all, I am here to oppose the rate  
11 increase which I find to be an obscene gesture of greed.  
12 And when we had our rate increase around the first of  
13 this year, I was unable to pay the difference because at  
14 the time I was on unemployment and things were very  
15 tight. So I wrote a letter, I paid the difference, and  
16 said once I got on my feet, I would gladly make up the  
17 difference of the rate increase. I wrote, I called, I  
18 e-mailed to no avail. I ended up paying the rate  
19 increase.

20 Currently I have zero income, zero health  
21 insurance. Year to date my Progress Energy bill is  
22 41 percent of my lot rent. For the month of July it is  
23 64 percent of my lot rent. Prior to moving here a year  
24 ago today, as a matter of fact, I was employed by the  
25 Electric Power Board in Chattanooga, Tennessee, who

1 receives their electricity from the Tennessee Valley  
2 Authority. With my tenure with that organization I was  
3 responsible for some business financial duties as well  
4 as customer operations and new business. In order to  
5 spare our ratepayers rate increases other than the  
6 pass-throughs from TVA, we met and discussed how to  
7 reduce operating expenses. We did an entire position  
8 review. We consolidated some positions. In fact, I am  
9 the result of one of the position eliminations due to a  
10 reorganization. But that's okay.

11 We also curtailed our advertising budget.  
12 These full page ads -- and I am trying very hard not to  
13 get emotional because they just infuriate me. The  
14 dollars that our ratepayers are investing for the  
15 advertising newspaper space for Save The Watts Program,  
16 not to mention the website -- I mean, I've got them,  
17 there's more where this came from -- is obscene.

18 Their annual report -- thank you -- can be  
19 downloaded from their site. I would ask the Commission,  
20 one thing that I was unable to locate and perhaps you  
21 could help me is the Crystal River nuclear plant  
22 business plan. Is that available? Is that a part of  
23 public record?

24 **CHAIRMAN CARTER:** Mr. Willis.

25 **MS. PRANTL:** Because I couldn't, couldn't

1 locate that.

2 **MR. WILLIS:** It would be hard in the annual  
3 report to actually break that out of all the generating  
4 facilities, but it should be, it should be part of it.

5 **MS. PRANTL:** On Progress's site or --

6 **MR. WILLIS:** Yes. On the Crystal River power  
7 plant as part of the rate base, it should be in that  
8 amount. Yes.

9 **MS. PRANTL:** Okay. And in closing, I won't  
10 get into the environmental issues. I think everyone has  
11 eloquently explained their views on that. But there was  
12 a gentleman who was a former nuclear power veteran, and  
13 he mentioned that he has a generator in case the power  
14 goes out so that he won't lose his Bright House. Now  
15 I'm also a 25-year career veteran in the cable  
16 television and telecom industry, and I will give  
17 Progress one point for not outsourcing, which Bright  
18 House does. Their national call center is located in  
19 northern Ontario. Their Road Runner Internet provider  
20 resides in Manila, Philippines.

21 And a friend of mine, I told him I was coming  
22 today, and he said, oh, he used to come to these but it  
23 really doesn't make a difference. Well, I disagree. I  
24 believe one person can make a difference. And with all  
25 due respect, I hope that you folks make the right

1 decision. And as the gentleman demonstrated by crossing  
2 your arms, that demonstration is to show that some  
3 people are uncomfortable with change. But we do need  
4 change. I am sick and tired of bailouts. Thank you.  
5 Thank you. Thank you.

6 (Applause.)

7 **MR. KELLY:** Winnie Foster. Winnie Foster.

8 **MS. FOSTER:** Yes. Right here.

9 **MR. KELLY:** I'm sorry. Followed by Sterlene  
10 Drummond.

11 Whereupon,

12 **WINNIE FOSTER**

13 was called as a witness on behalf of the Citizens of the  
14 State of Florida and, having been duly sworn, testified  
15 as follows:

16 **DIRECT STATEMENT**

17 **MS. FOSTER:** Hello. Winnie Foster,  
18 F-O-S-T-E-R. I am the Director of the Sojourner Truth  
19 Center, a 40-year organizer in the grassroots area of  
20 St. Petersburg. I talk to a lot of people and have  
21 through the years. People are hurting, people need  
22 jobs. A high number of foreclosed homes; power isn't on  
23 there. We are in a crisis in St. Petersburg. Many  
24 groups are trying to work together to help solve these  
25 problems, including thankfully from our city council and

1 from groups like Urban League and some of the other  
2 charities that make themselves available to help pay the  
3 power bills that people can't pay. But the money always  
4 runs out. There's never enough.

5 People go without, their lights get turned  
6 off. But the City of St. Petersburg trying to help  
7 with, through Karl Nurse's initiative, energy  
8 efficiency -- energy efficiency is one of the best ways  
9 that we can do to cut down on the need for more power  
10 plants being built.

11 And I would urge all those people who have  
12 problems to realize that we are better when we have more  
13 than one voice, even when we have a few dozen voices  
14 come to a Public Service Commission hearing. You don't  
15 hear the things that are going on day by day here, but  
16 we need to organize into consumer groups and other  
17 groups that work together to communicate with you all on  
18 a more regular basis. And so I'm pledging myself today  
19 to help lead a movement to do that. There are  
20 organizations already there. AARP has been on the page  
21 for a long time, others, but we are all, dear  
22 Commissioners, on a spaceship. We are depending on all  
23 those support systems, and one of the big ones is the  
24 sun up there. We all share that. We all could use it  
25 more.

1           My personal goal and those of the Sierra Club  
2 Energy Committee, which I chair, is to have a  
3 photovoltaic manufacturing plant in the brownfields of  
4 St. Petersburg to teach through the stimulus funds and  
5 the good job -- Green Jobs program efficiency,  
6 weatherization, making us all save more energy. I would  
7 like to see Progress Energy become the vehicle, as they  
8 are taking a small part in and doing some good work with  
9 energy efficiency. But it's not enough. It needs to be  
10 big. We need your help in this. And I think we need to  
11 look to what is our vision of the future for our planet,  
12 for our state, for our city. Thank you.

13           **CHAIRMAN CARTER:** Thank you.

14           (Applause.)

15           **MR. KELLY:** Sterlene Drummond, followed by Tim  
16 Steorts.

17           Whereupon,

18                           **STERLENE DRUMMOND**

19           was called as a witness on behalf of the Citizens of the  
20 State of Florida and, having been duly sworn, testified  
21 as follows:

22                           **DIRECT STATEMENT**

23           **MS. DRUMMOND:** I don't know want to take  
24 anymore time than I need to. I know it's been a long  
25 day for everybody. But much like other individuals that

1 have spoken today, I've been a resident in this area, I  
2 went to grade school not far down the way. I've been in  
3 the same residence, in the same living arrangements that  
4 I can even begin to describe for over a decade. Same  
5 home, single individual, absolutely nothing has changed.

6 Periodically Progress Energy raises my rates.  
7 I can understand that happening now and again. But when  
8 you see the increase that has been, again, periodically,  
9 you might call and complain or make a suggestion to  
10 them. One response was, "Well, face it, ma'am, there's  
11 a war on. Look at your bill. Fuel plus energy equals  
12 electricity. That's just the way that it works."

13 Personally I'm in the hospitality industry.  
14 Our business fluctuates with seasons. You can't always  
15 afford to pay more if your income is not more. That's  
16 just how the summer months are. So I opted and became  
17 aware of what they call a budget billing program so that  
18 your billing maintains a certain level whether it  
19 increases or decreases, and I thought that that would be  
20 prudent for me. Because, of course, in the winter  
21 months you have to turn on the heat. I suffer through  
22 the summer, and I just figure that's my cross to bear  
23 because I have to allow it to balance back down for what  
24 I may have been adjusted for during the winter months.  
25 The average is around \$75.



1           So I endured this for an entire season, and it  
2 did increase during the winter months, but in the summer  
3 months it began to balance itself back down and paying  
4 off what they call the deferred rate and using way much  
5 less in the summer. And they explained to me that every  
6 quarter they will review that and see if they can adjust  
7 and bring it down. My usage is far below what the  
8 average that I'm paying during the summer, but yet I'm  
9 still paying the same amount. That's reasonable. They  
10 told me every quarter they would review that.

11           After suffering through a sweltering summer,  
12 they did review it. They reduced it by \$5. I explained  
13 I'm not regularly scheduled for current employment.  
14 It's on-call as you get. That's just the way that it  
15 works in the hospitality industry. And they said,  
16 "Well, we could take you off the program, but, you know,  
17 if we do that, you can't sign up again until at least  
18 January. You have to wait six months. If we take you  
19 off, there's just no telling what could happen." And I  
20 said, "That's a sacrifice I have to make. I only work  
21 on-call. I work in catering. If the phone doesn't  
22 ring, I don't have any work. I can't afford to pay \$20  
23 to \$30 a month more than what I'm using." I opted to go  
24 off the plan.

25           Come the winter, it's 40 degrees one day, it's

1 50 degrees the next. I'm freezing. I finally called  
2 them and said, "Look, I know I negotiated this, but now  
3 I can't afford the increase to even turn on the heat."  
4 Actually this individual was very sympathetic. I'll  
5 give her credit. She listened to my story, she  
6 understood. She said, "We can put you back on the  
7 average billing plan, if you want." I said, "Well,  
8 yeah, but now it's going to be based on an average where  
9 not only my usage is greater, but there are actually  
10 fees incorporated on top of that." If you use above and  
11 beyond a certain amount of kilowatt hours, there are  
12 fines and fees associated with that. Now if you suggest  
13 that to them, they protest. They call that an extra  
14 usage charge. I feel like I'm fined for turning on my  
15 heat.

16 But, nonetheless, the lady was very  
17 sympathetic. She understood. She said, "We'll base the  
18 budget billing on what you paid last year at this time  
19 just to help you get through the winter. I understand."  
20 I have actually walked into my home at 5:30 in the  
21 evening and seen the temperature register as far left to  
22 the 50 as the lowest, what the temperature reading  
23 should be. It's so far down below it that it's not even  
24 registering a temperature. It couldn't be above  
25 40 degrees. I'm shivering. I turned on the heat. I

1 let it run all night long. Twelve to 14 hours later the  
2 best it could manage the next morning was to bring the  
3 temperature up to 65 degrees.

4 Now I do appreciate that there are energy  
5 efficiency programs available. As a renter, that's not  
6 available to me. That's up to my property manager. I  
7 don't have any control over that. I don't have any  
8 choice. I don't have that option.

9 So, again, on the budget billing, it did work  
10 for my benefit, despite the fact that they tacked on  
11 extra usage fees because I was using my heat. I had no  
12 choice. I was shivering. I couldn't stand it.

13 Here we've come full circle again. Now it's  
14 summertime. What they call the deferred amount is the  
15 amount that is above what your billing plan is, your  
16 budget. As you slowly bring it back down in the summer  
17 again, it pays off that deferred amount that was above  
18 and beyond what your average payment was. And now,  
19 excuse me, once again full circle, I'm at the average  
20 and I'm paying -- I'm using, rather, \$20 to \$30 less  
21 than the average payment. The winter months have all  
22 since been paid off. And I'm thinking, as they agree  
23 and say every time, they will review you quarterly to  
24 see if they can make an adjustment. They did. They  
25 increased it from \$70 a month to \$90 a month, even

1       though my usage, I have it documented here, is no more  
2       than \$62 a month for the last quarter. I have three  
3       bills.

4               I called and asked, "How could you possibly do  
5       that when I'm using -- I've paid off the deferred? I'm  
6       using less than I've used all year long. I thought you  
7       reviewed it quarterly. I'm sitting here sweltering in  
8       an 85-degree house dripping profusely with sweat, so  
9       much so I'm so stressed I can't even eat or keep food  
10      down. Do you honestly believe, ma'am, that this is,  
11      this is fair, that you've fairly assessed my use?"

12              "Well, ma'am, you're right," she said to me, "we do  
13      review it quarterly, but we have to also factor in your  
14      usage for the entire year."

15              So you can sweat profusely in your own home  
16      and be miserable using less than your average payment  
17      plan, only to be rewarded with an increase because when  
18      it was 40 degrees out and you were shivering in your own  
19      home, you turned the heat on in the winter. They didn't  
20      base it on -- excuse me. They did base it on the  
21      quarterly review, but, as she explained it to me, we  
22      have to factor in the entire year. The fact that I was  
23      just laid off my job and told that I might be able to  
24      come back in the fall if there's work available, that's  
25      really not important to them. It's a business entity

1 and either you can pay the bill or you can't. That's  
2 simply how it works.

3 But then I pick up the following Sunday paper  
4 and realize they're going to increase it again. I'm  
5 sorry. Again, I don't want to reiterate what many  
6 people have already said. I thank you for your time and  
7 I appreciate you listening. But, again, I'm all for  
8 living green and being energy efficient and doing  
9 whatever you can do. But as a single individual in a  
10 rental home, I can't insulate, I can't take advantage of  
11 government programs. None of that is available to me.  
12 Right now viable employment is not available to me. And  
13 suffering through to try to keep billing down to the  
14 best of my ability and maintain the average billing plan  
15 that I participated in for over a year only means that I  
16 not only can't turn my air on, I have to pay more for  
17 not turning it on because I couldn't withstand shivering  
18 in the winter. I'm sorry, people. I think we could all  
19 do better than that. Thank you for your time.

20 (Applause.)

21 **CHAIRMAN CARTER:** Thank you.

22 Mr. Kelly.

23 **MR. KELLY:** Tim Steorts, followed by Bonnie

24 Agan.

25 Whereupon,

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**TIM STEORTS**

was called as a witness on behalf of the Citizens of the State of Florida and, having been duly sworn, testified as follows:

**DIRECT STATEMENT**

**MR. STEORTS:** My name is Tim Steorts, S-T-E-O-R-T-S. I live in Lake Wales. I am a Progress Energy customer, and I thank you for coming to the area. It's still a two-hour drive each way for me, but it's closer than Tallahassee.

Believe me, I would rather be off doing something else. I've been sitting here four hours waiting for my turn. But I feel so strongly about this, I want you to hear my opinion on some of these things.

And the rate increase, well, I'm against the rate increase. I think they're getting a reasonable return on investment and I don't think they need an increase there.

I actually have other issues that I would like to talk more about. One is underground power lines. You know, I don't know -- now that to me is an investment that might be worth looking into. All I can guess is it must cost ten times as much or something, because I don't understand why we don't have underground power lines in this state, especially with the

1       thunderstorms we have and the hurricanes, and it just  
2       seems like there has to be some reason. I don't know  
3       why we're still putting up new power lines, stringing  
4       new power lines. But somebody smarter than me must  
5       have, must know why, but I don't know what that is.

6                The nuclear power surcharge, it makes we very  
7       angry. The Legislature approving that -- anyway, I just  
8       couldn't believe they did it. And now, I don't know if  
9       y'all had a choice or not, but now you've approved the  
10      surcharge to pay for something that I hope and pray  
11      never comes about. And they're spending millions and  
12      millions and millions of dollars on something which to  
13      me is just a waste of money and a black hole and  
14      hopefully will never happen.

15               Nuclear power is extremely expensive. There  
16      was a comment earlier about it being cheap. No, nuclear  
17      power is so expensive. It's unreliable. It would  
18      never -- there would never, ever be one built without  
19      all the taxpayer subsidies and the federal government's  
20      limit on cap on total liability and the exclusion from  
21      everyone's insurance policies. Without all those,  
22      without any of those things, one would never be built,  
23      it would never be funded. Nobody would ever loan money  
24      to build one and we would never be dealing with them and  
25      their extreme risk and the waste which is going to last

1 thousands of years.

2 I don't if they'll -- I wrote a letter to the  
3 editor recently. I hope they'll publish it. I just  
4 don't understand how anyone can subject the future to  
5 the nuclear -- to the waste. It's such extreme  
6 selfishness and disregard for our children and our  
7 grandchildren. And, I mean, it's like a hundred  
8 generations down the road are going to be paying for our  
9 selfishness where somebody told us it was cheaper to  
10 have nuclear power now than some other method. And it  
11 turns out it's not, and yet we're still going to build  
12 more -- it's just beyond me.

13 And I don't know if the costs of  
14 decommissioning the Crystal River plant are being -- I  
15 don't know if there's decommissioning, you know, money  
16 being set aside somewhere. I hope there is, and I hope,  
17 I hope they don't come to me down the road as a  
18 ratepayer and expect me to pay for that.

19 So I really want to, you know, officially,  
20 well, not officially, just in this hearing request that  
21 the -- I'd also like to see the need of that nuclear  
22 power plant, I don't know if that could be reopened, but  
23 I'd sure, I'm requesting that that be reopened. Because  
24 that's what, was that -- what year was that approved,  
25 the need for the nuclear power plant?



1                   **CHAIRMAN CARTER:** Mr. Willis.

2                   **MR. WILLIS:** I'm pretty sure it was two years  
3 ago.

4                   **MR. STEORTS:** Okay. I didn't know if it was  
5 '05 or '06. But '07 even.

6                   **MR. WILLIS:** '07.

7                   **MR. STEORTS:** To me, I mean, I think -- I  
8 know, you know, if the state was still growing at that  
9 point, but I think at that point we could have -- I  
10 won't say the way I wrote things here -- at that point I  
11 think we could have maybe seen that that growth was not  
12 going to go on forever. But, anyway, certainly now we  
13 know that those growth projections that we had then are  
14 not, they're no longer valid, you know. So, I mean,  
15 yeah, people believed they were then, although some  
16 people could have seen they weren't, but they're no  
17 longer valid. You know, I don't know -- anyway.

18                   The growth projection now for five, ten, 15  
19 years out is totally different today than it was two  
20 years, three, four years ago. So I would, I would  
21 request that that, that case be reopened.

22                   Just one more quick comment. Solar power -- I  
23 live in Polk County. We have thousands, I mean, they're  
24 not mine, but there's thousands of acres of former  
25 phosphate lands out there that to me is like Florida's

1 desert. You can't use them safely for much of anything  
2 else because a lot of it is, does have some radiation  
3 pockets and it's really not good for residential or  
4 businesses or -- I think somebody should look at putting  
5 solar panels out there. Thank you.

6 **CHAIRMAN CARTER:** Thank you.

7 Mr. Kelly.

8 **MR. KELLY:** Bonnie Agan, followed by Lynette  
9 Knoblauch.  
10 Whereupon,

11 **BONNIE AGAN**

12 was called as a witness on behalf of the Citizens of the  
13 State of Florida and, having been duly sworn, testified  
14 as follows:

15 **DIRECT STATEMENT**

16 **MS. AGAN:** Hello. My name is Bonnie, A-G-A-N.  
17 It's 251 Driftwood Road Southeast, St. Petersburg. As  
18 you all here are very well aware, the Florida  
19 Legislature mandated that we Progress Energy customers  
20 start paying for a nuclear power plant that I would say  
21 most people don't believe we're ever going to see, and  
22 this money just keeps getting poured into this. Now on  
23 top of that, investors won't invest in it, financial  
24 lenders won't invest, and financial institutions won't  
25 invest in it, so that's why we have to pay for it.

1 Also, by federal law taxpayers have been mandated that  
2 in the event of a nuclear emergency anywhere in this  
3 country, we have to pay for the cleanup.

4 Now we are funding investment, we are paying  
5 for all of the risk, but the return comes back to  
6 investors. How is that capitalism in any way? It's not  
7 capitalism in my opinion, and I feel very put-upon by  
8 this. It's chumpism. And why did this happen? Because  
9 of lobbying money. We don't have money. I can't  
10 imagine how much money Progress Energy paid in lobbying  
11 fees to get that law passed. That money could be going  
12 to help offset our costs right now.

13 And I agree with the lady who talked about  
14 advertising. A monopoly doesn't need to advertise.  
15 Right now all that lobbying money is going to take money  
16 out of my pocket. I can tell you right now I have a lot  
17 less money than I had a year ago and two years ago. My  
18 business is way down and my 401K is not returning  
19 12 percent. I can guarantee you that. So I am here  
20 today to lobby you, because it's the only chance I have  
21 as a ratepayer, as a citizen and as a taxpayer to urge  
22 you to vote no, because this extra rate hike would just  
23 be too much right now for me and I think everyone here.  
24 Thank you.

25 **CHAIRMAN CARTER:** Thank you.

1 (Applause.)

2 Mr. Kelly.

3 **MR. KELLY:** Lynette Knoblauch or Knoblauch.

4 (No response.)

5 Father Sullivan.

6 **CHAIRMAN CARTER:** Let me do this. While the  
7 Father is coming before us, is there anyone that came  
8 in -- any names that you have other than Father  
9 Sullivan? Would you please stand because you have not  
10 been sworn? I need to swear you in before we take your  
11 testimony. Any other people that are here to speak that  
12 have not been sworn in? Okay. Thank you.

13 (Witness sworn.)

14 Thank you. I'm sorry, Father.

15 (Laughter.)

16 Whereupon,

17 **FATHER PATRICK SULLIVAN**

18 was called as a witness on behalf of the Citizens of the  
19 State of Florida and, having been duly sworn, testified  
20 as follows:

21 **DIRECT STATEMENT**

22 **FATHER SULLIVAN:** I did not bring any prepared  
23 text or statement. I just, I'm going to try my best  
24 just to speak from my heart. Let me introduce myself.  
25 My name is Father Patrick W. Sullivan, retired Catholic

1 priest from Flint, Michigan, by the way, the second  
2 largest city in the State of Michigan, or it was before  
3 General Motors moved out. Now it's about the fifth  
4 largest.

5 While living most of my life in the Flint area  
6 I was extremely active in community affairs. I was an  
7 administrating board member of the Genesee County  
8 Community Action Agency. I also was an Alternate  
9 Housing Commissioner on the Flint Housing Commission.  
10 So I can fully understand the burdens on your backs,  
11 especially in the decision-making processes. It's not  
12 easy to make decisions, especially when you're in your  
13 position as a Public Service Commissioner.

14 I actually came here to fulfill a Scripture in  
15 the Bible that instructs men of the cloth and men of  
16 God. It says to plead the cause of the poor. I'm here  
17 today to please the cause -- to plead the cause of the  
18 poor. Not only am I here to plead the cause of the  
19 poor, I'm here to plead the cause of a forgotten  
20 customer of Progress Energy. Not only is it a forgotten  
21 customer of Progress Energy, it's a forgotten customer  
22 of all the utility providers in the State of Florida  
23 that provide energy, especially electricity.

24 I'm here to speak for the critical care  
25 patients, hundreds of them, whether they be husbands,

1 wives, live-ins, spouses or whatever, children even, who  
2 are, who use medical equipment, who are critical care  
3 and have special needs that they use medical equipment  
4 that requires electricity seven days a week, 24 hours a  
5 day. I have such a family member in my own Sullivan  
6 family. In the last two years, as a customer of  
7 Progress Energy, not one time has she been able to stay  
8 under the usage consumption, electric consumption of  
9 1,000 kilowatt hours, not one time in 24 months, in two  
10 years. When you consider that when there is cold months  
11 that she should be under that ceiling, cold months that  
12 she's not using air conditioning, but her bills have  
13 been astronomical. They have even exceeded her mortgage  
14 payment on her house.

15 What I'm going to request and ask you to do  
16 today, regardless if you grant this request or don't  
17 grant it, I'm going to ask you to go back and reconsider  
18 these critical care patients, reconsider them, that if  
19 you grant this raise, that still, that you will maybe  
20 decide to waive that 1,000-kilowatt-hour-usage ceiling,  
21 that ceiling. Waive it for those critical care  
22 patients, the hundreds of them and the thousands of them  
23 throughout the State of Florida.

24 Well, what else can I say? That was the thing  
25 that was on my heart. It troubled me very much. And

1 then, oh, another thing too. I had a technician that  
2 came to the house of my family member that comes there  
3 monthly, sometimes twice a month and brings the  
4 equipment there and services the equipment. That  
5 technician, I asked him, because I found that she could  
6 not keep her bill under that consumption level of 1,000  
7 kilowatt hours, I asked that gentleman to do me a  
8 special favor, which he at first was reluctant to  
9 because he had supervisors and bosses and he didn't want  
10 to get fired. But he said, "Father, if you promise not  
11 to say nothing or tell nobody nothing about this," which  
12 I'm doing right now, I'm breaking that promise, he said,  
13 "I'll check." He had a little over 100 customers. He  
14 said, "I'll check with my customers and just off the  
15 cuff I'll ask them 'Can you keep your energy consumption  
16 under that level?' And I might even ask them about  
17 their bills."

18 As I told you, my family member had bills in  
19 excess of her mortgage payment. As a matter of fact, I  
20 have a bill right here. This bill right here is from  
21 July and August -- no, June and July of '08 when her  
22 electricity was cut off even though she had a meter on  
23 the wall. See, these, all these patients I'm telling  
24 you about are easy to identify because they have a  
25 sticker on their meter. And what do they have to do to

1 get that sticker on their meter? They have to go to a  
2 certified M.D. licensed in the State of Florida. That's  
3 so easy to identify those customers. So it's not hard  
4 to grant those customers a waiver when they go over that  
5 1,000 kilowatt hour.

6 But I'm getting way ahead of myself. You  
7 know, I'm getting so far ahead of myself, I'm meeting  
8 myself coming back now. I've got to go back where I  
9 was. That technician told me he, every so often he  
10 would ask one of his customers. And those customers all  
11 told him -- none of the customers that he talked to was  
12 under that kilowatt level. None of them was under it.  
13 So, anyway, like I said, I'm a little nervous today.  
14 Forgive me.

15 But, anyway, making that request, I want to  
16 say this one last thing because I don't want to take no  
17 more of your time up. I'll say this one last thing. In  
18 the Good Book, in the Holy Scriptures it says, "If you  
19 exercise the dead letter of the law," it means the word  
20 of God alone, it says, "the dead letter killeth, but the  
21 spirit maketh alive." Sometimes in business you can  
22 exercise only the dead letter of the law of business and  
23 not exercise the spirit of the law of business. I'm  
24 requesting today that you consider exercising the spirit  
25 of the law of business and either deny this request or,



1 even if you pass it, remember the critical care  
2 patients. Thank you, and God bless.

3 (Applause.)

4 **CHAIRMAN CARTER:** Mr. Kelly.

5 **MR. KELLY:** Bob Safransky. Bob Safransky.

6 (No response.)

7 Diana Freney Perkins, followed by Beth  
8 Connor.

9 Whereupon,

10 **DIANA FRENEY PERKINS**

11 was called as a witness on behalf of the Citizens of the  
12 State of Florida and, having been duly sworn, testified  
13 as follows:

14 **DIRECT STATEMENT**

15 **MS. PERKINS:** Good afternoon. I'm here in  
16 behalf of myself. I'm a senior citizen. And for years  
17 my friends laughed at me, but -- it's a joke, but I  
18 think the joke is on me this time. My light bill only,  
19 never exceeded over \$60 a month. So I called to see if  
20 I could get on a program. The lady say, "Well, you  
21 don't qualify." But I opened my light bill Friday and  
22 it was above \$60. It increased \$80 plus. So now I'm  
23 paying \$139, when for the last two years my light bill  
24 never exceeded \$60.

25 I called Progress Energy and I explained to

1 the gentleman that I spoke to that the only plug in my  
2 house that stays on daily is my refrigerator. I heat by  
3 gas. I can turn my gas central heat on with a match or  
4 a pilot. I don't even have to have electricity. My  
5 stove is an updated stove, it's a KitchenAid. I have a  
6 convection oven. So that I don't over my budget, I  
7 light my stove, the gas with a match. There's nothing  
8 plugged in.

9 I had a unit that at one time cost me too much  
10 money. And I said to my friends, "I can't even go out  
11 and have prime rib," and I don't like that. So I'm  
12 saying to you, I only have one air conditioner that's in  
13 my bedroom, and even on the weekends it's not turned on  
14 24/7. I only turn it on at 10:00 at night in order for  
15 me to rest. All my outlets are off. So I want to know,  
16 and I'm saying to you, how did it increase \$82.25? I'm  
17 standing here to say I vote no for the increase. Thank  
18 you.

19 **CHAIRMAN CARTER:** Thank you.

20 (Applause.)

21 **MR. KELLY:** The last card I have is Ms. Beth  
22 Connor.

23 **MS. CONNOR:** Good afternoon. Beth Connor,  
24 C-O-N-N-O-R. I live at 636 64th Avenue South. Thank  
25 you for the opportunity to address you, and I know

1 you're probably breathing a sigh of relief that I'm the  
2 last speaker.

3 **CHAIRMAN CARTER:** Beth, were you sworn in?

4 **MS. CONNOR:** No, I wasn't.

5 **CHAIRMAN CARTER:** Would you please raise your  
6 right hand?

7 **MS. CONNOR:** I'd be happy to.

8 (Witness sworn.)

9 Thank you. You may proceed.

10 Whereupon,

11 **BETH CONNOR**

12 was called as a witness on behalf of the Citizens of the  
13 State of Florida and, having been duly sworn, testified  
14 as follows:

15 **DIRECT STATEMENT**

16 **MS. CONNOR:** Okay. You've heard from  
17 physicists, electricians, single mothers, advocates for  
18 the elderly, community organizers. Winnie Foster has  
19 serious street cred, if you've never met her. If she's  
20 offering you assistance, she's serious. You've heard  
21 from a woman who unplugs every appliance in her house  
22 and still saw an increase of \$26.

23 **UNIDENTIFIED SPEAKER:** No. \$82.

24 **MS. CONNOR:** \$82. It's even larger than that.  
25 It's a mystery. It's been a mystery to all of us. I

1 have thought about this long and hard. I went  
2 downstairs and I thought about what my dad would say.  
3 Three words: Bloody highway robbery. That's what he'd  
4 say.

5 My mom is also on Social Security, and she's  
6 not an unintelligent woman. And she said, "By God,  
7 Bethy, I can't figure out my bill. I can't figure this  
8 out from last year. I look at the graph, I look at how  
9 many kilowatt hours I use, and I conserve." Because I  
10 try to educate her on unplugging appliances and we put  
11 in new insulation, we've put in new windows, we got the  
12 Save Your Home program, a new garage door, every single  
13 thing to conserve that Progress Energy has done great  
14 public education on to conserve, but the people who are  
15 conserving are being punished. This is really brutal.

16 Now you can't have it both ways. I want to  
17 say to Progress Energy, you're doing great things on  
18 conservation, but don't smack us in the head with a bat  
19 on the other side and ask us for more money.

20 It is pure unadulterated greed with a capital  
21 G. I am so thankful to the people who got up and spoke  
22 today, and I was only here for half the time, to the two  
23 gentleman who brought their stock statements and  
24 answered partially the questions. But what I want to  
25 say is the stock market is a crapshoot and sometimes you

1 win and sometimes you lose. And we have seen the worst  
2 of times, we've seen the best of times, and now we've  
3 seen the worst of times again.

4 But I believe that the shareholders who have  
5 continually reaped enormous profits from Progress Energy  
6 and their predecessor, Florida Power, must bear the  
7 brunt of this mess. They cannot continue to be allowed  
8 to handle those checks with a laissez-faire attitude  
9 that they get every month. And it's your responsibility  
10 to say to this corporation that is asking you again for  
11 a rate increase on our backs, on our backs, we have too  
12 much. We've taken too much.

13 I really wish that our hometown Governor,  
14 Charlie Crist, was here today. Our hometown Governor is  
15 not sitting in that chair today because he knows what he  
16 would get: Hellfire snake eyes from this group. We are  
17 mad as hell and we don't want to take it anymore.

18 You all, I don't envy you, and I said to a  
19 couple of you earlier, you have two more public meetings  
20 to go to, and I swear I wouldn't want to be following  
21 you. You haven't even had lunch. I can't imagine you  
22 might have a handful of people who stand up and say,  
23 "I'm all for this increase." I think they need  
24 medication.

25 No personal assault intended, but somebody has

1 got to put their foot down to this corporate greed and  
2 irresponsibility. The time has come and it is the  
3 reckoning. We heard from a priest. How many times in  
4 this State of Florida have you heard from every single  
5 walk of life? People who left their jobs who are not  
6 being paid to sit here -- and I pray to God my boss is  
7 not going to watch this tape later because I'm supposed  
8 to be writing reports, and I'll take the dock for it,  
9 but this was important enough for me to come and wait  
10 for two and a half or three hours to tell you how urgent  
11 this is. Because of our spineless Legislature who will  
12 not give us tax reform we are getting hit with fees and  
13 fees and costs. You can't even throw out a shrimp off a  
14 dock in the State of Florida unless you have a fishing  
15 permit. Who gets hit in the state? The lowest of the  
16 low. It is the lowest of the low who are continually  
17 pummeled.

18 We are praying to you for help. You are our  
19 only recourse. And what that man said who had the  
20 business, who has all those numbers, if we took a rate  
21 increase and we got stocks and we got dividends, that  
22 would be a different thing because you better believe  
23 we'd show up at a shareholder meeting with shovels in  
24 our hands. And we'd say, "No, you don't get million  
25 dollar bonuses, you don't get skyboxes, and you don't

1 get the third house on the outer banks of North  
2 Carolina. No." That should be your answer: No,  
3 unequivocally no. I wish you didn't even have to go to  
4 other meetings from here because I think your decision  
5 is already made for you. You've heard it today. And I  
6 request that you say no. Thank you.

7 (Applause.)

8 **CHAIRMAN CARTER:** Commissioners, and those of  
9 you present, I want to say especially thanks to our  
10 court reporter. She was entitled to another break but  
11 we did not give her one because we wanted to try to make  
12 sure that we got everyone. And we've got to let staff  
13 get on the road. They've got to go and set up for our  
14 next meeting. With that, Commissioners, we are  
15 adjourned.

16 (Service hearing adjourned at 1:25 p.m.)  
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STATE OF FLORIDA        )  
                                  :  
COUNTY OF LEON        )

CERTIFICATE OF REPORTER

I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

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

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 3rd day of August, 2009.

Linda Boles  
LINDA BOLES, RPR, CRR  
FPSC Official Commission Reporter  
(850) 413-6734