

Case no. 81,076

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of :
 :
 :
Joint Petition of Florida Power :
Corporation and Sebring Utilities : DOCKET NO. 920949-EU
Commission for Approval of Certain :
Matters in Connection with Sale of :
Assets by Sebring Utilities :
Commission to Florida Power :
Corporation. :
 :

ORIGINAL

PROCEEDINGS: SEBRING SERVICE HEARING

BEFORE: CHAIRMAN THOMAS M. BEARD

DATE: Wednesday, November 4, 1992

TIME: Commenced at 1:00 p.m.
Concluded at 6:15 p.m.

PLACE: Sebring Civic Center
355 West Center
Sebring, Florida

REPORTED BY: LOIS M. GILLIAM
Deputy Official Court Reporter
Polk County

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FPSC-RECORDS/REPORTING

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16
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P R O C E E D I N G S

(Hearing commenced at 1:00 p.m.)

CHAIRMAN BEARD: Good afternoon. My name is Tom Beard, and we've come down here today for one primary purpose and that is to hear from you, let me see how you feel about Florida Power Corporation. I think there were some questions from some people as they came in, it was my understanding, about the purchase of a water company, and I don't know anything about that.

So if you're here on that issue I'll be glad to listen to you, but we probably ought to talk about that on the break because that's not what's at issue today.

What we're going to do is I need to get a few formalities out of the way as far as reading the notice. Have you got the notice?

MS. KUMMER: Yes.

CHAIRMAN BEARD: Okay. We may handle that later.

What we're going to want to do for the purposes of the record for this case is have individuals, anybody that wants to talk, come forward to the microphone and I will take you in order. We'll get a list. And we will do this: I will ask everybody that intends to come forward if you will at one time, to stand and I will swear you in. I don't want to intimidate anybody. We try to keep this as informal as possible. But to make it a part of the

1 official record we need to do that, okay?

2 Now, a couple of things: One, some people are
3 not real comfortable talking into microphones and standing
4 up in front of a crowd, and we understand that and we will
5 try to make it as easy as possible. So if somebody comes
6 forward and says basically the same thing that you would
7 say, and you're not real comfortable in front of a
8 microphone, if you want to just come forward then when
9 it's your turn and say, I agree with that person, I adopt
10 their testimony, you can do that.

11 Or if you want to fill out that form, put your
12 comments in writing and sign it, you'd feel more comfortable,
13 you can do that.

14 Bottom line is we're here to hear from you about
15 this issue of the sale of Sebring Utilities to Florida Power
16 Corporation.

17 I guess that's everything we need to do in
18 advance, so let's go ahead and get started. When I call
19 out your name, if I make a mistake I apologize. I will do
20 the best to get it right as I can. Okay.

21 Al Johnson. While Mr. Johnson is coming up,
22 if everybody else that intends to testify today would
23 stand and we'll swear everybody at one time, if you will.

24 Go ahead and come up to the microphone right
25 there.

(Witnesses collectively sworn.)

CHAIRMAN BEARD: And as you come forward, if you would, when I call you, for the record, if you would state your name and spell your last name for the court reporter so we can get that correct. Okay?

Go ahead, Mr. Johnson.

- - - - -

AL JOHNSON

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

WITNESS JOHNSON: My name is Al Johnson. The last is spelled just like any other, J-o-h-n-s-o-n. That's the last of the Johnsons and the first of the Smiths.

I'm here to represent Sebring Village in the matter of discrimination between Sebring Utilities and Florida Power.

Now, Florida Power came into our park over a year ago and changed every transformer, every line, and it was done over a year ago and we are still under Sebring Utility rates, and we think it's very unfair. And I might quote this that I wrote to you, sir. Do you mind if I read the letter I wrote to you?

CHAIRMAN BEARD: No, sir, I don't mind at all.

WITNESS JOHNSON: "I'm writing this letter about

1 the flagrant disregard of 366-02 of the Public Utilities
2 Chapter 366, definition of public utilities by SUC.

3 "We are Florida Power and we pay SUC rates. We
4 say it's not fair, and we want relief from these exorbitant
5 rates so we will be equal to Florida Power rates which is
6 also in the park. We have never been able to get the
7 right answer.

8 "Enclosed you will find a copy of the order
9 issued by your office. But after over a year the park's
10 residents are one-third Florida Power and two-thirds SUC.
11 Every new home that comes in enjoys Florida Power low rates.
12 We are looking forward to your coming to Sebring around
13 November the 4th.

14 "We want to apologize for not having an attorney
15 but we are all retired, and to be perfectly honest about it,
16 can't afford one. We will have the appropriate witnesses
17 and we seek openness that will give us a chance to be heard.
18 Thanking you in advance, we are the residents of Sebring
19 Village, 4343 Schumacher Road, Sebring Florida 33872.

20 "We have between 300 and 400 in our park and we
21 are proud of it. Looking forward to an answer, I am
22 respectfully, Al Johnson, 4343, 200M Schumacher Road."

23 I want to thank you for your letter and putting
24 us on the docket up there. Thank you very much.

25 CHAIRMAN BEARD: Yes, sir.

1 WITNESS JOHNSON: We consider you people down
2 here as our safety net or you wouldn't be here. People
3 at Sebring Village look on you as our safety net, and we're
4 going to treat it that way.

5 We have a letter from Sebring Utilities we got
6 in February 1991.

7 "We are taking this opportunity to make you
8 aware of an order issued by the Florida Public Service
9 Commission affecting certain customers with Sebring
10 Utilities Commission and Florida Power Corporation. Under
11 the terms of the order both utilities will remove duplicating
12 electrical facilities from the service area of the other
13 utility in certain areas of Highlands County. This will
14 be accomplished with as little inconvenience to you as
15 possible."

16 Sir, would you like to have a copy of this?

17 CHAIRMAN BEARD: Yes, if you would.

18 WITNESS JOHNSON: I brought you a copy.

19 CHAIRMAN BEARD: We'll have it for the court
20 reporter so we'll have it in the record.

21 WITNESS JOHNSON: Okay. "You will continue at
22 this time" -- I want to emphasize this -- "You will continue
23 at this time to be a customer of Sebring Utilities, even
24 though the facilities used to provide your service will
25 be owned by Florida Power Corporation. You will continue

1 receiving monthly billing from Sebring Utilities and should
2 continue to direct all inquiries in service-related
3 problems to Sebring Utilities. Sebring Utilities and
4 Florida Power plan to complete this project within the
5 next few months. If you have any questions or need more
6 information, please call Al Morris."

7 We think that we're being discriminated and have
8 been for over a year. Under Section 366-02, definitions
9 as used in the chapter. Public utilities means every person,
10 corporation, partnership, association, or other legal
11 entity -- and would you like to have a copy of this, sir?

12 CHAIRMAN BEARD: It's not necessary. I have
13 one in my office.

14 WITNESS JOHNSON: All right. -- and their lessees,
15 trustees, or receivers supplying electricity or gas, natural,
16 manufactured or similar gaseous substance to or for the
17 public.

18 "Electric utility means any municipal electric
19 utility investor, investor-owned electric utility or
20 rural electric cooperative which owns, maintains, or
21 operates an electric generation, transmission or
22 distributing system within the state.

23 "366-03. Each public utility shall furnish to
24 each person applying therefor reasonably sufficient,
25 adequate and efficient service upon terms as required by

1 the Commission. No public utility shall be required to
2 furnish electricity. No public utility shall make or give
3 any undue or unreasonable preference or advantage to any
4 person on locality or subject, the same to any undue or
5 unreasonsable prejudice or disadvantage in any respect."

6 We rest on that. We think we are being
7 discriminated. To prove it we have been under these rates
8 for a year and no relief in sight. And Florida Power has
9 taken good care of it, and we'd love to get under Florida
10 Power at their going rates of \$72, not at the rate they want.

11 There is a difference. Do not be misled by the
12 proposed sale of Sebring Utility's electric facilities
13 to Florida Power Corporation. This proposal proposes to
14 change nothing except the letterhead on your bill. Your
15 electric rate will remain basically the same. I have here
16 some letterheads that will just about cover that.

17 In Sebring Village SUC has no facilities and
18 provides no service but collects electric usage revenue.
19 Is this legal?

20 In Sebring Village all the electric consumers
21 are served by Florida Power Corporation. Some are billed
22 by SUC and some are by FPC. If you are billed by SUC you
23 pay 55.6 percent more for Florida Power service than those
24 receiving the same service from the same source but billed
25 by FPC.

1 I'd like to have an answer on that.

2 CHAIRMAN BEARD: Well, I can't tell you off the
3 top of my head the company. I don't know if you all are
4 familiar with Sebring Village specifically. I'm assuming
5 there was some form of territorial disagreement or agreement
6 that was ultimately settled by the Commission. Can you
7 help me with that a little bit?

8 MR. FAMA: My name is Jim Fama and I'm an
9 attorney for Florida Power Corporation. I believe that
10 the letter you're referring to was sent out by Sebring
11 Utilities Commission referred back to Commissioner Bower
12 approving --

13 FROM THE AUDIENCE: We can't hear back here.

14 CHAIRMAN BEARD: Talk a little closer to the mike,
15 if you will.

16 MR. FAMA: I believe the letter that the
17 gentleman is referring to was sent by Sebring Utility
18 Commission to its customers, and that letter cites an
19 order of the Commission approving a settlement of a
20 territorial dispute between Florida Power and Sebring
21 Utility Commission.

22 And in that settlement Sebring backed out. I
23 think that your neighborhood, it's facilities that were
24 duplicative of Florida Power Corporation facilities and
25 left just its meters to be served, and to serve the

1 customers and this resident. And the idea there was to
2 remove duplicative facilities and have the economic
3 efficiency that the cost savings associated with that
4 removal. But those customers in question still remain
5 Sebring customers and that's why the meters were left there.

6 Those were the terms of the settlement, and
7 that settlement was approved by the Commission.

8 CHAIRMAN BEARD: How long was that to continue?
9 Was it indefinite?

10 MR. FAMA: The terms of that settlement are 15
11 years. Over the term of the settlement there is some
12 attrition process whereby Florida Power and Sebring
13 exchange customers as Sebring customers leave their
14 residences. I would need the help of one of our people
15 to be able to describe that more specifically.

16 CHAIRMAN BEARD: Mr. Johnson, if memory serves
17 me correct, and you all can check me, I came to the
18 Commission in March of '87. If my memory serves me
19 correct, well before I got there Sebring and Florida Power
20 Corporation were in a territorial dispute. Like I said,
21 if memory serves me correct.

22 WITNESS JOHNSON: Right.

23 CHAIRMAN BEARD: And it's been going on for years
24 and years and years.

25 WITNESS JOHNSON: Right, right. And we've been

1 paying.

2 CHAIRMAN BEARD: And it is my hopes, and I can't
3 tell you what the outcome of this case will be until I've
4 heard the case. But one of the outcomes of this case will
5 be to put a final end to that dispute and put a final end
6 to having two sets of power poles running down the same road.

7 In this case, I can tell you my memory of the
8 case -- and I've seen a bunch of territorial disputes in
9 the last six years -- was probably one of the worst cases
10 of having service running down the road right across the
11 street from each other. And that's the thing we want to
12 end, because that does cost you more money ultimately.

13 I can't answer you exactly what will be the
14 outcome for Sebring Village in this case until we look at
15 the specifics of that area and how they would be treated.

16 WITNESS JOHNSON: Um-hum.

17 CHAIRMAN BEARD: But I am well aware of the
18 dispute that's gone on, and I didn't think -- I was glad
19 to see that particular case finally end, because I thought
20 it was going to outlive me, quite frankly.

21 WITNESS JOHNSON: Well, we think it's going to
22 outlive us unless something is done about it. I haven't
23 any answer yet to the discriminatory tactics that they're
24 using on us. In over a year we've been paying SUC rates.
25 I don't want to bring it up every time, but we're paying

1 SUC rates with Florida Power service. Now, we're proud of
2 their service. They do fine. But we don't have two lines
3 in there. We have Florida Power.

4 CHAIRMAN BEARD: Okay.

5 WITNESS JOHNSON: Why can't we be charged
6 72 cents in the front of the park the same as it is in the
7 back? We're using the same facilities. I just would like
8 to have an answer to that.

9 CHAIRMAN BEARD: Well, I think the answer,
10 whether it's one you want to hear or not, is that as a part
11 of trying to settle this argument that's been going on for
12 years and years that there was a compromise reached. And
13 obviously it doesn't satisfy you. That some customers,
14 that is, for example, if you were to move out of where you
15 are and somebody else were to come in to that place, as
16 that new customer comes on that customer would become a
17 Florida Power customer.

18 WITNESS JOHNSON: No, sir.

19 CHAIRMAN BEARD: That's not the case?

20 WITNESS JOHNSON: I'm sorry, sir. That's where
21 the discrimination part comes in. If I move out of my house,
22 the next man that comes in pays SUC rates.

23 CHAIRMAN BEARD: They do?

24 WITNESS JOHNSON: Yes, sir, they do.

25 CHAIRMAN BEARD: Okay.

1 WITNESS JOHNSON: Every one.

2 CHAIRMAN BEARD: Well, I don't --

3 WITNESS JOHNSON: Every new home that comes in
4 pays Florida Power rates.

5 CHAIRMAN BEARD: Okay.

6 WITNESS JOHNSON: Like I say, I would like to
7 have a good concrete answer to the discrimination part,
8 that's all.

9 CHAIRMAN BEARD: Well, I don't have the details
10 for you today.

11 WITNESS JOHNSON: Yeah, yeah.

12 CHAIRMAN BEARD: I can assure you that we will
13 look at that question.

14 WITNESS JOHNSON: I just want to emphasize that
15 this is what we're under for over a year, and we don't know
16 whether it's going to be two or three more years.

17 CHAIRMAN BEARD: Well, we will certainly look
18 at that as a part of this case.

19 WITNESS JOHNSON: As I say, you came here as a
20 safety net and we're proud to have you.

21 CHAIRMAN BEARD: Yes, sir.

22 WITNESS JOHNSON: We're glad to have you. And
23 I'm sure that you will take care of this. That's what
24 you're for. Because we can see a fine example. The
25 Utilities Commission couldn't sit in with FUC because they

1 were too busy making money. So if the Florida Utilities
2 Commission had set with the SUC -- but they're too busy
3 making money. If Florida Utilities Commission had set with
4 SUC we would have had the same rates as Florida Power.
5 And that's what you fellows are, all of you, is our safety
6 net. And if we didn't have you, and I've known many times
7 that you're not afraid to rap TEKO and you're damned sure
8 not afraid to rap Florida Power.

9 You just keep right on rapping and we'll be
10 with you.

11 CHAIRMAN BEARD: Okay. Thank you.

12 WITNESS JOHNSON: That's about all I've got.

13 CHAIRMAN BEARD: Yes, sir. Thank you.

14 WITNESS JOHNSON: Do any of you fellows have
15 anything?

16 CHAIRMAN BEARD: Well, we've got more coming.
17 I'll call them out.

18 WITNESS JOHNSON: Okay.

19 - - - - -

20 BRUCE WOOD

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 WITNESS WOOD: My name is Bruce Wood, W-o-o-d.
25 I'm the district customer service manager for United

1 Telephone Company.

2 CHAIRMAN BEARD: You're going to have to get a
3 little closer to the microphone. This crowd wants to hear
4 what we've got to say up here.

5 WITNESS WOOD: I'm the district customer
6 service manager for United Telephone Company of Florida.
7 My offices are in Avon Park. Avon Park district includes
8 all of Highlands County and specifically the Sebring area,
9 and we're a customer of Sebring Utilities.

10 I'm here to speak in behalf of Florida Power and
11 the purchase of the Sebring Utilities' electric system
12 because it would be beneficial to my company in terms of
13 ease of operation in dealing with one utility instead of
14 two, in terms of coordinating restoration following natural
15 disasters. It would also be beneficial to us in a modest
16 way in terms of reduced rates as we understand the proposed
17 rates to be in the short term, and in the long term post-
18 transition fee of being even more savings.

19 We also believe that it is important to us as
20 a company and to our customers because the current rate
21 structure as it exists is a drag on economic development
22 for this area. We think the lower utility rates initially
23 and in particular the long haul will improve the prospects
24 with regard to that area.

25 Florida Power has demonstrated in other areas

1 where we are co-located and served, did get very involved
2 in economic development and community affairs. They do a
3 good job. We believe that if that were the case in Sebring
4 we could expect similar results. Certainly the status quo,
5 in our opinion, is not a good scenario, and we'd like to
6 see that changed and improved. So we're very much in favor
7 of the change.

8 CHAIRMAN BEARD: Thank you.

9 WITNESS WOOD: You're welcome.

10 CHAIRMAN BEARD: Harold Seaman.

11 - - - - -

12 HAROLD SEAMAN

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 WITNESS SEAMAN: My name is Harold Seaman,
17 S-e-a-m-a-n. I am a resident of District 6 Mobile Home
18 Owners of Florida. We cover four counties and one of them
19 includes Highlands County. The number of persons in the
20 residential area where Sebring Commission is supplying
21 electric current have joined with the mobile home residents.
22 We call our group The Action Group. I am the chairman of
23 this group.

24 Our stand is, No. 1, that we do not want to pay
25 this Sebring Utilities debt. There are nine persons on

1 our steering committee. Public Service Commission has the
2 names of those people on the steering committee I have filed
3 with the Commission concerning these people.

4 In addition to the steering committee this stack
5 of petitions that I have signed here represents who I --
6 these people are all signed petitions and there's several
7 thousand there, believe me. We do not have anything
8 against Florida Power. We just don't want to pay Sebring
9 Utilities' debt in order to get the Florida Power current.

10 We have been at the mercy of the Sebring Council
11 and Sebring Utilities Commission management. They call the
12 shots. We live out in the county. We have no vote. The
13 City of Sebring does the voting and we have nothing to say
14 about it. And there is somewhere around 60 percent of
15 these customers that are out in the county.

16 We believe that the State of Florida owes us an
17 electric company that can be assigned to our area that can
18 and will furnish our residents with comparable electric
19 rates to our neighbors of which we have not had.

20 We believe that it is not the American way for
21 two companies to get together and decide to divide up the
22 customers and say who gets what, which one goes where.
23 We seem to be second-class citizens as far as the mobile
24 home people are concerned because we have a sizeable number
25 of our group that has been put on Sebring Utilities.

1 These are some of the things we'd like some
2 answers for. As far as we're concerned, most of these
3 people are senior citizens. We've paid our debts, we've
4 tried to pay them all during our lives up to this time.
5 We came to Florida to retire and not to pay someone else's
6 debts that's been created without our knowledge.

7 Remember that when we're talking about what has
8 been filed, as I understand it, the sale of this Sebring
9 Utilities to Florida Power, it doesn't make any difference
10 whether you have been on Sebring Utilities one month or
11 ten years, you're going to have to pay that surcharge.
12 To me and to most all of these people that we have on
13 this, this is an unfair situation.

14 We have, as I said before, nothing against Florida
15 Power. Our thought is this: We don't owe it. And I'm
16 sure that Florida Power's customers, who are present
17 customers do not owe it. But let's face it, Florida Power
18 is an investment company. They have investors. They have
19 their stockholders.

20 We're going to pay \$38 million plus 8 percent
21 over 15 years. At the end of that 15 years it's turned
22 over to Florida Power. I wish I had stock in a company
23 like that. Somebody else is going to pay that.

24 This to me and all of our signers is an unfair
25 and discriminating situation. We're asking that this not

1 happen. We don't want to pay this debt. And as I said
2 before, I think there are certain other situations that can
3 be drawn up as far as the Public Service Commission to give
4 us a company that's comparable to Florida Power, if not
5 Florida Power, without paying this surcharge.

6 I'm not going to get into any statistics because
7 as I understand today we have no right to talk or challenge
8 anybody else who stands up here and talks. You folks do
9 have that chance. But what I have to present regarding
10 these statistics, I think we can come back and show you in
11 Tallahassee, where I hope to be, that it is a discriminating
12 factor and that we do not want to pay this debt. Thank you.

13 CHAIRMAN BEARD: Thank you. Mr. Bucky Kahn.

14 - - - - -

15 A. J. "BUCKY" KAHN

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 WITNESS KAHN: Mr. Beard, I'm A.J. "Bucky" Kahn.

20 CHAIRMAN BEARD: You're going to have to get
21 closer to that microphone, sir, so we can hear you.

22 WITNESS KAHN: I'm A.J. "Bucky" Kahn, K-a-h-n.
23 I happen to be a citizen of Sebring, which I feel that some
24 of these people that have been complaining for a long time
25 have an opportunity to come into the City of Sebring through

1 annexation and then they have something to complain about
2 the rates.

3 I have a few concerns. One is the sale of the
4 water system from the Sebring Utilities Commission to the
5 City of Sebring at four times book value. The city would
6 have to finance that amount, and the present rate of the
7 water and the other facilities that they have would
8 certainly have to go up.

9 The sale of the utilities as proposed by Florida
10 Power is at net net book value. I don't see any equity
11 in that type of a proposal.

12 I know I wouldn't sell a business that I owned
13 at net book value if I had an opportunity to sell it for
14 something more than book value. And I think that that is
15 certainly worthy of consideration.

16 We would have 15 years of paying our debt on
17 Florida Power and then wind up with nothing, plus higher
18 electric and water and sewer, utility rates.

19 The utilities do belong to the property owners
20 and it does not belong to the rate payers.

21 I don't believe that the territorial dispute has
22 anything to do with the purchase by Florida Power of the
23 Sebring Utilities Commission. They started that 11 years
24 ago, they're still fussing about it. And if they think
25 they can wait until the sale goes through and then it will

1 all be settled, I think they have something else to consider
2 there.

3 I do encourage a no sale and Sebring annexation
4 for the people that are on the outside. One of the problems
5 which we had was created by the legislature when the
6 Southern Company was given permission to provide power at
7 very reduced rates, and reducing the capabilities of our
8 new plant to pay the original debt. And that's what caused
9 our problems to start with.

10 I certainly thank you for the opportunity to be
11 here and hope you take a lot of things into consideration.
12 Thank you.

13 CHAIRMAN BEARD: We'll do that, Mr. Kahn.
14 Mr. G. C. Parker.

15 - - - - -

16 G.C. PARKER
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 WITNESS PARKER: I'm Gerry Parker, P-a-r-k-e-r.
21 Would you like a copy of what I'm going to say?

22 CHAIRMAN BEARD: That would be fine. If you'd
23 like, when you get done just put it up here for the court
24 reporter.

25 WITNESS PARKER: She might not be able to

1 understand me.

2 CHAIRMAN BEARD: She's pretty good.

3 WITNESS PARKER: I'm a county rate payer to
4 Sebring Utilities for water and electric service. I am
5 against this proposed sale of Sebring Utilities to Florida
6 Power.

7 This proposed \$38 million loan at 8 percent for
8 15 years means \$3,040,000 a year and \$45,600,000 interest
9 alone in 15 years. This is \$7,600,000 more than the loan.
10 This \$38 million loan plus \$45,600,000 is equal to
11 \$83,600,000. Florida Power gets the interest instead of
12 the bondholders, plus the revenue from the thousands of
13 customers. Instead of a \$38 million debt they have an
14 \$83 million debt.

15 This transition means two different rates for
16 Florida Power customers which only means trouble. Thank you.

17 CHAIRMAN BEARD: Thank you. Ed Blythe.
18 They must teach handwriting in Sebring better than they
19 do everywhere else because I can read everybody's name.
20 That's unusual. You all do good.

21 - - - - -

22 ED BLYTHE

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

1 WITNESS BLYTHE: We just want to make sure you
2 don't miss anything.

3 CHAIRMAN BEARD: There you go.

4 WITNESS BLYTHE: My name is Ed Blythe, B-l-y-t-h-e.
5 I don't oppose the sale of Sebring Utilities to Florida
6 Power, I do oppose paying off their debts. As Mr. Johnson
7 stated in his opening address at the beginning of the
8 meeting, the Sebring Utilities has been too busy making
9 money to listen to us. I know they weren't listening then.
10 I don't know if they're listening now. They should be.

11 They contend that it's an ultimatum. If we don't
12 sell our power company to Florida Power then we're going
13 to charge you \$1.56 for the same kilowatt hours.

14 Mr. Wood stated, as other big companies would
15 look after their interest, it's for his benefit. It costs
16 him less.

17 As Mr. Seaman stated, I don't think we should
18 have to pay the debt for these people. If I was in business
19 and was on the verge of bankruptcy nobody's going to bail
20 me out and I don't think we should bail them out. Thank you.

21 CHAIRMAN BEARD: Kathleen Lyons.

22

23

KATHLEEN LYONS

24

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

1 testified as follows:

2 WITNESS LYONS: I'm Kathleen Lyons, and I'm a
3 resident of Sebring. I have been on Sebring Utilities for
4 42 years now, and since 1987 my utilities seem to be going
5 higher and higher. I'm on a low fixed income and it is
6 hard for me to come up with my utilities bill. Just me
7 alone is all I have.

8 My husband passed away in '87, and since then
9 my utility bill has been anywhere from \$100, \$135, \$140
10 a month, and it's only me there and I only have an electric
11 fan and a TV and a refrigerator. Can you think that my
12 electric bill should go that high? I'm for Florida Power
13 all the way. Thank you.

14 CHAIRMAN BEARD: Thank you. Mr. and Mrs.
15 Lipinski.

16 - - - - -

17 CHET LIPINSKI

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 WITNESS LIPINSKI: My name is Chet Lipinski and
22 I am for the sale to Florida Power, but I am not for being
23 discriminated against. I live in an area that consists of
24 probably 25 homes. And when I signed for the electricity
25 I was told I had to sign with Sebring Utilities, therefore,

1 I did it. But if it had been a little while longer, out of
2 25 homes I've learned that there was one that was still
3 getting Florida Power.

4 So I wondered why and if it was true. Well, I
5 learned it was true because I personally talked to the
6 people there. And at that time when they were granted
7 this privilege, we already had been assigned to this
8 district. So while we were assigned a district, had to go
9 to this district, they managed to get on Florida Power.

10 Now, I called, went through the chain of command,
11 started with Florida Power, talked to somebody there, went
12 higher in Florida Power and talked to them, went higher
13 than that and talked to one of the commissioners, went
14 higher than that and ended up calling the Commission in
15 Tallahassee. I didn't get anywhere.

16 So what these people told me was that they were
17 told when they bought their lot, or maybe when it was built
18 by the developer, one of them, that they would be given
19 Florida Power.

20 Well, they tried not to give it to them but they
21 got themselves a lawyer and somehow or other ended up on
22 Florida Power. I think that's damned discrimination. And
23 as I say, I was for the sale. That's all I have.

24 CHAIRMAN BEARD: Okay.

25 WITNESS LIPINSKI: But I have spoken to other

1 people too, and this is not uncommon. I don't have any
2 names or anything, but I've been talking to several people
3 for the three years I've been here, that their area has
4 about the same situation every now and then.

5 CHAIRMAN BEARD: Mr. Lipinski, I don't know the
6 specifics of this case, but I know that on every instance
7 that I'm aware of there are assigned territories and if
8 you're in --

9 WITNESS LIPINSKI: I'm in the same territory.

10 CHAIRMAN BEARD: And where the assigned
11 territory is, I don't care how many lawyers you get, if
12 you're in the assigned territory you will be served by
13 whomever.

14 WITNESS LIPINSKI: Okay.

15 CHAIRMAN BEARD: I don't know the situation,
16 if the line happens to come through there or what, but --

17 WITNESS LIPINSKI: That's true, and that's what
18 I expect. But they came in after the territory was assigned
19 and they are in this territory and they managed to get
20 favoritism, whatever, they got it.

21 CHAIRMAN BEARD: I'd have to look at the
22 specifics of the case, but --

23 WITNESS LIPINSKI: If you want to I will get
24 their name and address and I will send it to you and you
25 can talk to the people personally.

1 CHAIRMAN BEARD: Okay.

2 WITNESS LIPINSKI: All right. Thank you.

3 CHAIRMAN BEARD: Thank you. Audrey Simonetti.

4 - - - - -

5 AUDREY SIMONETTI

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 WITNESS SIMONETTI: I'm Audrey Simonetti, and
10 a resident of Sebring. I've been a resident of Sebring --

11 CHAIRMAN BEARD: Could you spell your last name,
12 ma'am, please?

13 WITNESS SIMONETTI: S-i-m-o-n-e-t-t-i.

14 CHAIRMAN BEARD: Thanks.

15 WITNESS SIMONETTI: I have been a resident of
16 Sebring about 12 years. And when I first came here I was
17 unaware that there was three electric companies and went
18 to the wrong one first. Then I went to Sebring and put
19 down my deposit. The first thing I found out I didn't get
20 any interest on my money that I gave them. So my experience
21 with the electric around here has been very bad.

22 And nobody told me about this tremendous debt
23 we had when I bought my house. Had I known I wouldn't have
24 bought my house. Now everybody seems to know about it.
25 If you have a house you can't sell it because nobody wants

1 to buy Sebring Utilities.

2 I am not against Florida Power but I am against
3 the transition fee that they're charging. And I keep being
4 told, well, it's going to be less. This is questionable,
5 and it still is not that much less because, as he said,
6 the water rates will go up when they sell that.

7 So I'm just stuck. I can't move and I have to
8 stay. There's nothing I can do about it. But I don't feel
9 I should pay somebody else's debt. I had nothing to do with
10 incurring this debt.

11 That's all I have to say.

12 CHAIRMAN BEARD: Thank you.

13 WITNESS SIMONETTI: One more thing. By the time
14 the debt is paid 15 years from now I probably won't be on
15 earth so it doesn't matter.

16 CHAIRMAN BEARD: Blaine King.

17 - - - - -

18 BLAINE KING

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 WITNESS KING: I didn't want to speak, I just
23 signed one of those things.

24 CHAIRMAN BEARD: Okay. We're not going to
25 make you come down here if you don't want to.

1 William Platania. Did I get that right?

2 - - - - -

3 WILLIAM PLATANIA

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

7 WITNESS PLATANIA: My name is William Platania
8 and I am a resident of Sebring for the past two-and-a-half
9 years. P-l-a-t-a-n-i-a.

10 I moved to Sebring because I am seventy and I am
11 retired. I too did not know that Sebring Utilities had
12 such a fantastic debt, with competent planning and competent
13 selling of the utilities as they did come up.

14 I don't usually get too much involved in politics
15 or in things like this. But being on a fixed income it's
16 increasingly becoming a bad problem trying to keep up.

17 When I was working I had invested in some bonds
18 and in stocks, and nobody guaranteed me that I was going
19 to make the kind of money that the bondholders for Sebring
20 Utilities are making and will make off of their investments.
21 To guarantee a bondholder that no matter what happens they
22 are going to get their money and that whoever else has to
23 pay for that, is bound by that for the next 15 years, I
24 think is atrocious. I think we are being penalized, I
25 think we are being discriminated against. We were not

1 here to make the debt, and from what I understand we are
2 not even involved. The community was not even involved
3 in a say as to whether the plant should be made and built.
4 Granted, there was a problem with Southern Utilities that
5 got lower rates.

6 I'm not opposed to the sale of the company to
7 Florida Power. People I know that are on it are quite
8 pleased with their service and also with their rates. I am
9 dead set against my having to pay a transition fee that's
10 going to outlast me, and that I have to pay that each and
11 every month.

12 As far as I'm concerned, Sebring Utilities is
13 a business. The bondholders are in a risky area when they
14 put their money up. They've already gotten their money
15 back. As far as I'm concerned, I'm for putting the
16 utilities up for bankruptcy and let the chips fall where
17 they may. And if Florida Power can come in and buy it at
18 a cheaper rate, the bondholders are the ones that have to
19 share the burden of not getting additional monies back,
20 above and beyond the interest that they've gotten for
21 their initial investment then so be it.

22 I wish that the rest of us had that kind of a
23 guarantee in buying bonds. I like the City of Sebring.
24 I had my choice when I retired and I scouted the east
25 coast and the west coast and down towards Miami and up

1 towards Orlando, did quite a thorough investigation of it.
2 I found that the people of Sebring were very pleasant. It
3 was a nice laid-back community similar to the town that I
4 came from in New Jersey, and we decided, my wife and I,
5 that we wanted to live here and be a part of the community.

6 We did not feel we were going to be -- when we
7 purchased a home we did not feel that we were also buying
8 into a huge debt that we would have nothing to say about.

9 I hope that a reasonable solution can come of
10 this so that the bondholders lose and the City of Sebring
11 and their people, the residents, are not burdened by this
12 huge amount of debt that we had nothing to do with.

13 Thank you.

14 CHAIRMAN BEARD: Before you get away. You had
15 a question? This is Martha Brown, who is one of the
16 attorneys for the Florida Public Service Commission, and
17 she had a question.

18 MS. BROWN: Mr. Platania, may I ask you a couple
19 of questions on a slightly different subject?

20 WITNESS PLATANIA: Sure.

21 MS. BROWN: You're aware, I'm sure, that Sebring
22 customers as a group consume less electric energy than any
23 groups of consumers in the state, is that correct? Are you
24 aware of that?

25 WITNESS PLATANIA: You mean per house?

1 MS. BROWN: Yes.

2 WITNESS PLATANIA: Maybe it's because we're
3 older senior citizens that can't afford to run the fans and
4 the air conditioners and the appliances.

5 MS. BROWN: Yes, I agree that that may well
6 be the reason. It still shows that as a group you're
7 pretty darn good at managing energy conservation, don't
8 you think?

9 WITNESS PLATANIA: We certainly try. We have
10 to be. We have no choice.

11 MS. BROWN: I think so, too. It appears that
12 way to us. And we would like to take a little time to
13 explore this fact as it relates to the Commission's
14 decision in this case.

15 Would you describe for us what you do to
16 conserve electricity?

17 WITNESS PLATANIA: When I leave a room I shut
18 it off. I haven't used my air conditioner for the past
19 six months, at least six months. There are times -- when
20 I first came down I thought this is great, lots of sunshine,
21 get out in the yard, work, enjoy, come in at night. Now
22 the heat, I don't care in the daytime. In the evening when
23 I sit down finally at maybe 7:00 or 8:00 o'clock and I'm
24 watching TV or doing some of the things I may enjoy doing,
25 then I figure I should be comfortable, crank up the air

1 conditioner. Well, that was great until I got my third
2 bill. My third bill was \$210. That automatically put me
3 on a conservation program.

4 MS. BROWN: Any other things you do to conserve?
5 Do you turn your hot water heater off?

6 WITNESS PLATANIA: Yes, I have my hot water
7 heater down to 120. I couldn't scald myself if I had to.
8 And I take -- I draw the curtains during the day so the
9 sun does not come in. When it cools off -- I had installed
10 ceiling fans. When it starts to cool off early in the
11 evening I open up the windows and turn on the fans and I
12 circulate from that side. When it comes morning, 8:00 or
13 9:00 o'clock, I close the house up again and draw the
14 curtains so that we don't have to worry about trying to
15 put air conditioning into the place.

16 I don't use -- I try and stay out of the
17 refrigerator or opening up the freezer any more than I
18 have to. I don't use my electric drier. I can't even go
19 to the gas company and switch. I was going to go switch
20 all my appliances to gas to try and conserve more.

21 MS. BROWN: Why can't you do that?

22 WITNESS PLATANIA: Because they're not there yet.
23 They've been telling me for eight months, "Don't worry
24 about it, Mr. Platania, we're going to have gas." They
25 just ran the pipe up next to me. I checked into it several

1 times. "Well, we haven't got the other people hitched up
2 yet so we can't turn yours on, or even tell you when we're
3 going to get it."

4 MS. BROWN: What gas company is this?

5 WITNESS PLATANIA: The Stoker Fuel. They just
6 put lines -- I think it was last summer -- put lines up
7 Valencia Avenue to the circle and back out to a proposed
8 area. And they assured us that we were going to be able to
9 draw gas off of there. "Don't worry, we will have a
10 representative come over and we will make you a good deal
11 on getting gas to your place." Because I had gone out and
12 asked them about it.

13 I went out and I inquired about gas stoves, gas
14 driers, gas air conditioner. Well, forget it. It was just
15 an exercise in futility. The gas line is there but we
16 can't draw gas off of it. We are trapped with Sebring
17 Utilities and whoever the people are that made these
18 utterly obnoxious and really uneducated decisions to build
19 a plant on the assumption that they were going to make a
20 large amount of money out of this, should have known better.
21 They certainly did not do their homework. Because they
22 know that there's a lot of other companies. And not just
23 here. All through TEK0 and the other pipelines that come
24 down that are going to burn either gas or they're burning
25 coal. They're not sticking with the rest of this.

1 MS. BROWN: I just have one more question.

2 CHAIRMAN BEARD: Before you do that, Stoker Fuel?

3 WITNESS PLATANIA: Yes, sir. Coker, excuse me.

4 CHAIRMAN BEARD: Coker?

5 WITNESS PLATANIA: My hearing is going bad, too.

6 MS. BROWN: Mr. Platania, you described what
7 you do to conserve energy. Are you of the opinion that
8 your actions are similar to the actions of the other people
9 in your community?

10 WITNESS PLATANIA: Yes, absolutely.

11 MS. BROWN: Thank you.

12 CHAIRMAN BEARD: Thank you. Norbert Walz.

13 - - - - -

14 NORBERT WALZ

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

18 WITNESS WALZ: My name is Norbert Walz, W-a-l-z.
19 I'm a business person, a developer and resident in this
20 area. I came here about 14 years ago, built several
21 restaurants, built a restaurant in Sebring and put it on
22 SUC. I built one in Avon Park, put it on Florida Power.
23 The rate disparage between those two restaurants today is
24 \$18,000 a year.

25 Now, I'll tell you, \$18,000 a year, you know

1 that it doesn't cook one thing any better in Sebring than
2 it does in Avon Park. My lights don't burn any brighter,
3 they don't sparkle any more. I simply ended up with an
4 \$18,000 higher bill. And you can't sell the product for
5 more just because you're on SUC.

6 With the Florida Power proposal at least the
7 Sebring store's rate would drop \$9,600 a year. It would be
8 great to drop the entire \$18,000. It would be great if
9 somebody else would make this problem go away. And of
10 course, many of us feel we didn't do the investing and
11 we shouldn't get stuck with paying somebody else's bill
12 any more than we feel that we should get stuck with the
13 savings and loan mess or many other problems that we
14 as taxpayers and citizens get stuck with.

15 Short of if bankruptcy isn't an option the Florida
16 Power proposal is certainly an improvement to what we now
17 have. I think it's important that the name SUC be removed
18 from the community. I think it is a detriment to the
19 community. I have a development on the west end of Sebring
20 Utilities. There were several years ago three developments
21 there. Two of them no longer exist. In bankruptcy, out
22 of business.

23 Where an area used to sell 60, 70 homes a year
24 it is now selling five or six. When people come in one of
25 the first questions they ask is what power company.

1 Now those people may be coming from Key West, they
2 may be from Miami, they may be from Iowa or New York, but
3 let me tell you they know about SUC. It's amazing but
4 they know. Therefore, I think it's very important now that
5 name cease to exist, that it doesn't become a problem in
6 the development of our community.

7 I have about 28 apartments. I put gas hot water,
8 gas driers in, because they're on Sebring Utilities. I
9 still charge and have to charge less in rent than that same
10 apartment that built on Florida Power lines. Because again,
11 one of the first questions is what power company. Many times
12 a phone call, after they find out which power company they
13 hang up.

14 So my rates have to be lower, I have to compensate
15 for the problem with the gas. And that's on bottled gas,
16 so the rate difference is not as great as if we had gas
17 lines or natural gas. But short of making it all go away,
18 I think the Florida Power proposal certainly is an
19 improvement over what we now have. We certainly don't
20 want to continue living with the problem we have, and I
21 think it's important that the name SUC cease to exist.
22 Thank you.

23 CHAIRMAN BEARD: Thank you. Marvin Kahn.

24 - - - - -

25 MARVIN KAHN

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 WITNESS KAHN: Mr. Beard, my name is Marvin
5 Kahn, and one of the main purposes for me coming before you
6 is to personally thank you for this occasion. I think it's
7 a real event and so appropriate that a person as auspicious
8 as you and coming from a board such as the Florida Power
9 Service Commission to come to our little town and take up
10 this problem. I really sincerely appreciate this, and
11 give all of us an opportunity to speak.

12 And I know that you're sincere in your visit
13 and I really appreciate it.

14 I'm interested in your pamphlet and that you've
15 got several objectives, but your prime objective and the
16 main one is to protect consumers from unreasonable rates
17 in terms of service. And, Mr. Beard, we do need rate
18 relief. This is a real problem. And that's something
19 everybody in this room agrees with. We don't have any
20 problem agreeing with that.

21 But I cannot go along with the deal that's trying
22 to be cut here, because I honestly can't see that's going
23 to give us rate relief. And my rationale and logic for
24 not getting rate relief is -- I wish I had brought the full
25 page newspaper, I'm sorry I didn't, that Florida Power

1 published to tell the citizens what kind of rate relief
2 we were going to get. But there is a difference in the
3 arithmetic. Maybe you saw it, if it was available to you.

4 But the point I'm making, that doesn't tell the
5 whole story. It's no secret that Florida Power, like other
6 power companies, their overhead continually goes up for
7 whatever reason and they go and they get permission to have
8 a rate increase, and recently they got a rate increase.
9 And I understand there's three phases of that rate increase.
10 Part of it is in the bill now and we've got two more parts
11 to go.

12 The point is, it's just reasonable, there's no
13 secret in the future we're going to have rate increases
14 based on Florida Power's cost of doing business. That's
15 one thing that's going to affect us.

16 The next thing is that in order to consummate
17 this deal that we've all talked about, Sebring has to
18 overpay, the City of Sebring has to pay \$21 million for a
19 water system based on business principles and criteria.
20 It's not worth that. It means the city is going to go
21 into excessive debt in order to purchase the water and
22 get into other projects with this debt which is going to
23 cause the rate payers to pay increased water and perhaps
24 increased garbage, and it's not going to give us any
25 significant rate reduction.

1 I don't understand the exact powers and the
2 exact responsibilities you have to make the right kind of
3 deal that would, you know, would really affect the rate
4 payers. But what really needs to happen is Florida Power
5 or whoever wants to buy this utility system needs to pay
6 a fair price for it.

7 Now, \$16, \$17, \$18 million is not a fair price.
8 It took them months and months to try to figure out what
9 these poles and wires and trucks and stuff are worth and
10 they finally came up with maybe \$17, \$18 million of
11 depreciated book value. And that's what we're talking
12 about.

13 But I'm talking about a business this past year
14 that had a \$16.8 million revenue from electricity. And my
15 arithmetic, using a 12 percent return, expecting that on
16 that kind of income, well let's take off \$3 or \$4 million
17 for normal operating expense -- and this is something I
18 want everybody to understand.

19 The City of Sebring Utility Commission has been
20 termed to be bankrupt, but without the debt it's not
21 bankrupt. Picture this: Without the debt, it's power poles
22 and lines and hooked up to everybody's houses, we never
23 missed a lick getting electricity, the electricity runs,
24 all the lines are hooked up. Whoever buys it doesn't have
25 to do a blessed thing. They don't have to buy anything

1 more, they don't have to fix anything. All they have to do is
2 just start clicking the money off and getting it. And based
3 on my arithmetic, if you divide 12 percent into what the
4 income is, like if it were \$16.8, but let's take some off
5 of it, this business is worth somewhere over \$100 million
6 for a going operating business that will generate that
7 much income.

8 Now, that's what we're talking about. How about
9 us getting that? Let's pay all the debt off. Let's get
10 what Florida Power's going to get. But this thing is being
11 stolen.

12 And I know, Mr. Beard, with your goals and your
13 mission and your fellow commissioners' mission, you don't
14 want to do anything to help Florida Power steal this from us,
15 and that's what they're doing. And maybe steal is too
16 radical. Let's don't say steal, let's just say that since
17 this controversy started several months ago, it's been
18 extremely emotional. It was -- and people just passionately
19 spoke before the city and the Utilities Commission.

20 We've been full of misunderstanding, personal
21 animosity and just all kind of trouble and going on much
22 worse than the territorial thing that you've been referring
23 to. It's been much more petty and much more personal and
24 much more political.

25 And one of the political decisions was to hurry

1 up and in an effort to not make an arbitrary decision they
2 got involved in a procedure to come up with something like
3 17 -- in the details, they got involved in all the detail
4 so they could come up with \$17 or \$18 million for a
5 business that's worth over \$100 million.

6 So in a minute I'll be repeating myself and I
7 don't mean to do that, but I do want to make the point that
8 we do need rate relief. And I'm not objecting to selling
9 it to Florida Power. I don't care who we sell it to. At one
10 time I was a proponent for keeping it and refinancing the
11 debt, but I don't need to own a utility company. We don't
12 need one, we just need to be paid for it fairly and
13 equitably.

14 And I know that you would be interested in that
15 happening so we could really and truly get fair rates.
16 Thank you very much.

17 CHAIRMAN BEARD: Thank you, Mr. Kahn. Scott
18 Campbell.

19 VOICE FROM AUDIENCE: He had to go.

20 CHAIRMAN BEARD: He did, okay. Rick Fournier.

21 VOICE FROM AUDIENCE: He left with him, too.

22 CHAIRMAN BEARD: Mary Faircloth.

23 - - - - -

24 MARY FAIRCLOTH

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 WITNESS FAIRCLOTH: I'm Mary Faircloth,
4 F-a-i-r-c-l-o-t-h, and I'm a consumer of the Sebring
5 Utilities, between three and 4,000 kilowatt-hours every
6 month. So it costs me a lot of money. And I cannot tell
7 you that I'm really happy to be paying the transition rate,
8 but I'm willing to pay the transition rate if it will
9 absolve us from getting out from under the Sebring
10 Utilities Corporation. We'll begin to restore our community,
11 get our property values back again, and put us under a well-
12 managed company that is regulated by the Public Service
13 Commission.

14 I have done some reading in the Bible and I have
15 come up with a verse that is significant for my life. It
16 says, "Let every man bear his own burdens." Now I feel
17 like the burden and the problem that we have today is
18 because those of us that are here complaining did not come
19 into action a lot sooner. Had we gotten this particular
20 group together way back when, we perhaps could have avoided
21 the trauma that we have today.

22 So the people that are saying that they do not
23 want to be discriminated against in our own community are
24 actually saying in return that they are for reverse
25 discrimination that will make the current members of

1 Florida Power pay for our mess.

2 Now we are members of the community, it is our
3 problem, and I believe that we are the ones that need to
4 bear the burden. And thank God we are told that we have
5 a 15-year limitation on it.

6 And like I said, I don't like it but it is our
7 problem and if we want out that's my rule and contention.

8 CHAIRMAN BEARD: Ladies and gentlemen, let me
9 tell you one thing. We're here to hear from everybody.
10 And the one thing we've got in this world is our God-given
11 right to our opinion and I'm going to hear everybody's
12 opinion, and I would ask you to respect everybody's opinion
13 even if you don't agree with it just as we respect yours.
14 That's only fair.

15 WITNESS FAIRCLOTH: Thank you.

16 CHAIRMAN BEARD: Wayne Thomas.

17 - - - - -

18 WAYNE THOMAS

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 WITNESS THOMAS: My name is Wayne Thomas, I live
23 here in Sebring. I've lived here for five years. I've been
24 challenging the Sebring Utilities Commission per se three
25 years this past month. And during that period of time it's

1 been the same ritual, same practice, talk and talk and talk
2 and no action.

3 I moved in to Sebring and I was misled. The party
4 I purchased the property from, the day of closing said,
5 "We've got good deals." First, the day I purchased the
6 house the statement was, "We don't need air conditioning,
7 we enjoy the comfort of the fans." So that was the inception
8 of my planning.

9 I love Sebring, I've loved it for ten years. I
10 couldn't retire until five years ago. I looked, I shopped
11 this area for ten, twelve years and finally found just what
12 I thought I wanted. I purchased a house, as I stated, found
13 that the fans were efficient, satisfactory. On the day of
14 closing I went over to the Florida Power and paid their
15 final bill with the previous owner, a bill of \$88. And I
16 thought, my God, that's cheap. I had been paying \$125 or
17 \$135 formerly.

18 I had lived on the east coast and I was with
19 Florida Power and Light, which is probably a good, efficient
20 company. Not that Florida Power isn't. I've talked with
21 these people, I respect them, I think they're a good
22 company. But that is not solving our problem, ladies and
23 gentlemen. Our problem goes much deeper than that.

24 To tell us that they're going to save us money,
25 if you take \$108 you subtract \$75 as their approved

1 allowance the end of the following year, that comes down to
2 \$33. And you pay the surcharge of \$22, that brings it down
3 to \$11 we're saving. Now you go down and if -- I'm not
4 saying this is positive -- but if we come up with the
5 request -- or you come up with the request of letting
6 Florida Power divide that \$6 charge between TEK0 and
7 themselves, if you allow that to happen, all well and good,
8 that's the \$6 off. But if you don't allow it to happen
9 that's another \$6 we'll be paying. That's been stated to
10 us, positive. Now we're down to \$5.

11 Florida Power has stated in an article just
12 three or four weeks back that if the growth plan in Sebring
13 doesn't come up to what their expectations are, that then
14 we will be increased on our surcharge.

15 Now if we're increased on our surcharge then
16 we're hurting again.

17 Now we have one other problem. The City of
18 Sebring, to try to negotiate, finalize this deal, agreed
19 to purchase a water plant appraised value of \$4,000 --
20 excuse me -- \$4 million estimated value, offered to pay
21 \$21.5 million, paying an additional \$3 million or thereabouts
22 to bring it up to good standards.

23 So we're talking \$24 million. They say they're
24 going to raise our rates approximately .60 a month. But
25 raising our rates does not account for the \$24 million.

1 You divide that \$24 million with 12,500 customers or users
2 and you come to another approximately \$17 a month that we
3 will be paying for the next 15 years.

4 One way or the other we're going to be paying
5 for it. They're not going to give it to us free. So now
6 we come up to where we're down to 15, now we're up to 12.
7 So we're going to be paying -- instead of paying \$108 we're
8 going to be paying \$120. Does that make good sense?
9 Mathematically I can't see it.

10 Another factor to take into consideration:
11 Because of this Sebring Utilities thing and the fact that
12 a question came up with reference to how do I conserve on
13 electricity. I have a large house admittedly, I'm not
14 complaining about that. But I have an air conditioner,
15 three ton or three-and-a-half ton on the one side of the
16 unit. It's a single family unit, but I have divided air
17 conditioning. I have a three-and-a-half ton on oen side
18 and a five ton on the other side. I shut all these doors
19 and put cloth under the doors so there can't be any air
20 leakage and I just use the one unit, close up the entire
21 half of the house. That can be verified by the many
22 people that have seen it.

23 My bills run -- I wasn't here for three weeks
24 last month and my bill run \$204. I wasn't in the house
25 for three weeks. True, I had the air conditioning on at a

1 very high -- just to control the mildew, et cetera. Now
2 this is absolutely ridiculous.

3 And certainly I think you can consider, there are
4 other methods of making a deal on this utility and you can
5 come out fairly reasonable.

6 I don't think -- not that I don't like Florida
7 Power. I'd have loved to be able to have them three years
8 ago. I asked Mr. Marz if I could get him to run a line,
9 I would pay to have the line run across the street. Because
10 they are on Florida Power over here, we're on Sebring
11 Utilities here. He said, "Tough. I'm sorry. I would
12 love to do it." He said, "I wouldn't even charge you.
13 You get it so it's possible." And obviously I called the
14 Public Service Commission and asked if it was possible and
15 I was told by one of your representatives no, because I
16 was in the wrong territory.

17 So under the circumstances we're all hurting.
18 When it comes to selling real estate we've got the same
19 situation. You have a copy of two of my prospective
20 customers or buyers, and in both instances -- and I can
21 get much more confirmation than that. In both instances
22 the comment was, "I love the house. The house is
23 gorgeous. But we can't see Sebring Utility bills."

24 So this is the kind of thing that we're going to
25 contend with. That is not going to change. The minute

1 SUC isn't down there anymore or Sebring Utilities, that's
2 not going to change. It's that what are you paying, are
3 you paying a surcharge or are you on Florida Power where
4 you don't pay the surcharge? So we're going to have the
5 same problem not in the past, but still in the future for
6 another 15 years. And I personally cannot see that it's
7 conceivable.

8 I didn't want to go into this dissertation. I
9 wanted to visit you in Tallahassee when the time is
10 opportune. And certainly believe me, I'll be up there too.

11 CHAIRMAN BEARD: Good.

12 WITNESS THOMAS: Thank you.

13 CHAIRMAN BEARD: Let me ask you a question.

14 WITNESS THOMAS: Yes, sir.

15 CHAIRMAN BEARD: You know, I don't meddle in the
16 city's business and that kind of thing, but you say the
17 assessed value is roughly \$4 million and they're paying
18 \$21 million for the plant as is?

19 WITNESS THOMAS: That's what the bid was,
20 yes, sir. The bid was approximately \$4 million for the
21 plant the way it stood as an offer. A new plant, and this
22 was in records, too, they could build a brand new plant,
23 brand new lines, brand new everything, for \$20 million
24 maximum. They're paying \$24 million for this with all the
25 repair they're going to do.

1 CHAIRMAN BEARD: I don't understand why.

2 WITNESS THOMAS: I don't either. They said they
3 were doing it to help the sale of the utilities to Florida
4 Power. That's black and white in the media, news media.

5 CHAIRMAN BEARD: Okay. Do you have some questions?

6 WITNESS THOMAS: Any more questions?

7 MS. BROWN: Mr. Thomas, I have a couple more
8 conservation type questions to ask you.

9 WITNESS THOMAS: Certainly.

10 MS. BROWN: Does the Sebring Utilities Commission
11 have any energy conservation programs?

12 WITNESS THOMAS: Pardon?

13 MS. BROWN: Does the Sebring Utilities Commission
14 have any energy conservation programs?

15 WITNESS THOMAS: No, they do not, not that I
16 know of.

17 MS. BROWN: But many electric utilities in the
18 state, including Florida Power Corporation, do.

19 WITNESS THOMAS: I fully agree with that.

20 MS. BROWN: Have you investigated any of Florida
21 Power energy conservation programs?

22 WITNESS THOMAS: Well, I've been told by Mr.
23 Marz, who I respect, and he has told me that in my own
24 instance I would probably conserve as much as \$17 a month.
25 So that is over 3,000 kilowatts, that's only \$3 per thousand

1 kilowatts. So it doesn't make much difference. I mean,
2 you know, you're going from one extreme to the other when
3 you're talking efficiency here.

4 MS. BROWN: Well, you are aware that Florida
5 Power Corporation offers a variety of energy conservation --

6 WITNESS THOMAS: Yes, ma'am. Yes, ma'am.
7 I was told from \$4 to \$17. I could only save \$4.

8 MS. BROWN: Overall?

9 WITNESS THOMAS: Yes, ma'am. So I mean that's
10 no saving. It isn't a saving. I didn't go into detail
11 about what my property was also. I just received in today's
12 mail -- I have it in the car. I would be happy to bring
13 it in to you -- my increase in coverage, insurance coverage
14 on my home. To replace just the lived-in building is
15 \$140,000 as the increase as of today. And I put it on the
16 market for \$99,000 and I didn't get a suspect. I put it
17 down to \$99,000 and I still haven't had a suspect. I'm down
18 to \$88,000 now. And the real value on the property should
19 be somewhere in the neighborhood of \$150,000.

20 It's 2,878 square feet. There's 4500 square
21 feet under the roof.

22 MS. BROWN: So I gather it's your feeling that
23 the energy conservation programs that Florida Power
24 Corporation would offer you would not help you in any
25 meaningful way?

1 WITNESS THOMAS: It would help a reasonable
2 amount, but when you evaluate it --

3 MS. BROWN: Would you be willing --

4 WITNESS THOMAS: They do it by a thousand
5 kilowatt hours. So you've got to evaluate that over 30,000
6 kilowatt hours.

7 MS. BROWN: If -- and I emphasize this as a big
8 if -- if the Commission approves the Florida Power
9 Corporation's acquisition would you be interested in
10 investigating these conservation programs more, learning
11 more about them?

12 WITNESS THOMAS: No.

13 MS. BROWN: No?

14 WITNESS THOMAS: I'm convinced I am going to
15 sell, come hell or high water, for only one reason. I
16 cannot afford any more loss than I have taken already on
17 my real estate. I put a new roof on, I've done everything
18 else. It's an acre-and-a-half, it's a real well-built
19 home. And this isn't only myself, please believe me. There
20 are hundreds of people. And if the realtors would be
21 realistic -- this gentleman just gave you some clear
22 statements, this gentleman behind me, on what he is having
23 to do for his rental clients, what he has had to do with
24 purchasing appliances, et cetera. And everyone that is
25 going to come here and tell you the truth has to come up

1 with the same thing. And you have a court reporter here
2 taking our testimony, and I hope to tell you I am telling
3 you the truth as I see it.

4 MS. BROWN: Thank you.

5 CHAIRMAN BEARD: Thanks.

6 WITNESS THOMAS: Thank you.

7 CHAIRMAN BEARD: John Jovich.

8 - - - - -

9 JOHN JOVICH

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 WITNESS JOVICH: Mr. Chairman, members of the
14 Commission, ladies and gentlemen, good afternoon. My name
15 is John Jovich and I serve as the general manager of Lakeshore
16 Mall here in Sebring.

17 CHAIRMAN BEARD: Spell your last name, please.

18 WITNESS JOVICH: My last name is spelled
19 J-o-v-i-c-h.

20 CHAIRMAN BEARD: Thanks. They want you to get
21 a little bit closer to the mike so they can hear you
22 better.

23 WITNESS JOVICH: Is that better?

24 CHAIRMAN BEARD: Yes, great.

25 WITNESS JOVICH: Good afternoon. I have served

1 during the past year as general manager of Lakeshore Mall.
2 When I arrived here a year ago my first impression of
3 Sebring was a very quaint promising community with much
4 potential. And yet one of the things that I saw
5 throughout the town both in business and residential areas
6 were those signs up all over that read, "Sell SUC now."

7 I remembered that first impression. I think
8 everyone here agrees with me that they won't forget that.

9 My company supplied me with the demographics
10 for the Lakeshore Mall site, and I must be quite frank with
11 you that they were very glowing with respect to the
12 surrounding communities. The quality medical centers,
13 the fine schools, the overall quality of life was very
14 impressive, and it was that very reason why we chose to
15 build a regional shopping center here.

16 But one of the few negatives of that confidential
17 report did have to do with the high rates charged by Sebring
18 Utilities at the time and now. And despite that we went
19 ahead with our project. We're very proud of the shopping
20 center. We hope it's contributing to the positive needs
21 of the community and in its business future.

22 That's why I come here today, to let you know
23 that I recently did some research with the assistance of
24 both Sebring Utilities and Florida Power Company, and
25 determined that based on the kilowatt information supplied

1 by both parties, the savings of this joint venture to the
2 mall would be between some 35- and \$45,000. Now that may not
3 sound like a whole lot of money to most businesses in this
4 area, but much of those monies are spread out over back
5 charges to our individual tenants. And of course to those
6 tenants the savings will be greatly appreciated, and I
7 believe will contribute further to our negotiations with
8 more tenants for that site and more business and commerce
9 for this area in the future.

10 So I come here to make this brief statement that
11 on behalf of Lakeshore Mall and my company, C.B. Owen
12 Associates, that we fully endorse and will assist in any
13 way possible in this venture which we believe in the long
14 run will greatly benefit not only Sebring and Avon Park
15 and Lake Placid, but this whole central Florida region
16 real estate, commercial, residential and so forth.

17 Again, I just came here to thank you for your
18 fine efforts in that regard. I wish you much success,
19 wish you well.

20 CHAIRMAN BEARD: Let me ask you one real
21 important question. We've got some time we may have to
22 kill this afternoon.

23 Have you got any really good sales at the mall?

24 WITNESS JOVICH: Do you want a peeker?

25 CHAIRMAN BEARD: Just kidding.

1 WITNESS JOVICH: I'm speaking very positively
2 here, though. I think very seriously we're excited about
3 this, what's happening here between SUC and Florida Power.
4 It stands for growth, it stands for the best of what we as
5 a community can do together to promote the best of commerce
6 and further industry and so forth.

7 CHAIRMAN BEARD: Thank you.

8 WITNESS JOVICH: Thank you.

9 CHAIRMAN BEARD: Mr. Stoecker, S-t-o-e-c-k-e-r.

10 - - - - -

11 MARSHALL STOECKER

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

15 WITNESS STOECKER: Thank you very much. My name
16 is Marshall Stoecker. I've been a resident of Sebring for
17 over 21 years, and I am a member of the concerned citizens
18 group of Sebring. As concerned citizens we are interested
19 in the improvement and expansion of all facilities that will
20 make Sebring a better place to live now and in the future.

21 As concerned citizens we are not against the
22 sale of Sebring Utilities to Florida Power, but we do object
23 with thousands of others to the purchase plan with this
24 surcharge as proposed by Florida Power.

25 The plan is not only discriminatory but places a

1 financial burden on all of the 12,500 Sebring Utilities
2 rate payers. The majority are retirees living on a fixed
3 income and can ill afford the added expense which will be
4 placed upon them by the surcharge or transitional charge
5 which Florida Power calls it.

6 This transitional rate or surcharge is a
7 discriminatory rate and is not in the best interests of
8 Sebring Utilities rate payers. It does not give the Sebring
9 Utilities consumers any substantial rate relief, and places
10 them in bondage for a period of 15 years.

11 Florida Power proposes the purchase of the Sebring
12 Utilities' assets at a depreciated book value, and no
13 consideration for the 12,500 consumers as the purchase
14 price. It's only for the facilities. The post-transitional
15 rate or surcharge will be detrimental to existing and future
16 rate payers in the Sebring area and will impact growth and
17 property values in the area.

18 To make the purchase of the Sebring Utilities'
19 assets possible and to help Florida Power Corporation, our
20 city council proposes to sell 30-year bonds in order to
21 purchase the water system which we already own for the
22 sum of \$21,500,000, which is three times its book value.
23 This water system purchase will result in a 25-percent rate
24 increase for water customers each year for the next several
25 years. Frankly, between the Florida Power proposals and

1 our city council the rate payers will be taxed to the
2 breaking point.

3 When the Florida legislature amended the Sebring
4 Utilities Commission charter in 1991 it provided for a
5 referendum to be held relative to any surcharge, thus
6 permitting the consumer to vote on it. To date no mention
7 has been made of a referendum.

8 Calling the surcharge a transitional rate is a
9 subterfuge of the first order. There are other options
10 available which would eliminate the need for a surcharge
11 and give the rate payers immediate relief.

12 Option 1: Florida Power is proposing to the
13 Public Service Commission a plan whereby they, FPC, will be
14 permitted to spread the \$6 cost differential between TEKOs
15 contract and their FPC production cost for 1,000 kilowatt
16 hours over their entire customer base. If this thinking is
17 good for the spread of power cost differential, why would
18 it not be feasible for Florida Power Corporation to purchase
19 all of Sebring Utilitits' assets, pay off the present bond
20 indebtedness and spread the cost over their entire customer
21 base?

22 This plan would accomplish the following: No. 1,
23 it would eliminate the \$21.80 surcharge. No. 2, all Florida
24 Power customers would be on a more equitable basis by paying
25 identical rates. Item 3, the City of Sebring would not

1 purchase the water system for \$21,500,000, but could
2 purchase it for possibly a book value of approximately
3 \$7 million.

4 Option 2, the City of Sebring could take over
5 the transmission and distribution system assets of the
6 Sebring Utilities and negotiate for the sale of 30-year
7 municipal bonds to pay off the present outstanding bonds.

8 This action would accomplish the following: 1,
9 it would eliminate the \$21.80 monthly surcharge. 2, it
10 would eliminate the purchase of the water system. 3, a lower
11 interest rate on nontaxable municipal bonds. 4, the utilities
12 rates comparable to other rates in Florida. Item 5, the
13 retention of the present system of a single billing for
14 power, water, trash pickup, taxes and so on. Item 6, the
15 phasing out of the Sebring Utilities as we now know it.

16 As the city does not have the expertise to operate
17 a utilities company, a contract could be negotiated and
18 formalized with some electric power company to operate the
19 utility system for the city on a contract basis. The city
20 would still own the system and have a very valuable asset
21 as the real profits are in the T and D system where you
22 buy at wholesale and sell at retail to a captive number of
23 customers which are always expanding as growth takes place.

24 Item 3, bankruptcy. This would not be simple
25 and could hurt the rate payers and the city.

1 Option 4, all of the Sebring Utilities' rate
2 payers band together as a unit and refuse to pay the surcharge
3 to Florida Power.

4 In view of the facts presented here today and
5 the things that you've heard here today and the unexplored
6 options available, we respectfully request that the petition
7 designated as Docket 920949-EU of Florida Power and the
8 Sebring Utilities Commission be denied. Thank you.

9 CHAIRMAN BEARD: Thank you.

10 WITNESS STOECKER: I have one other thing. I
11 also have a petition here with hundreds of verified names
12 all objecting to the surcharge. With your permission I
13 would like this entered in the file.

14 CHAIRMAN BEARD: Good deal. We'll do it.
15 Irene Van Dyke.

16 - - - - -

17 IRENE VAN DYKE
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 WITNESS VAN DYKE: My name is Irene Van Dyke. I
22 didn't come prepared to speak today but I would like to
23 have a question asked.

24 CHAIRMAN BEARD: I'll try.

25 WITNESS VAN DYKE: What Florida Power is really

1 buying is customers for their product, and I don't understand
2 why they're not paying anything for those customers. It seems
3 to me that that should be the main basis for the valuation of
4 what they're buying.

5 I don't know whether this is the proper forum for
6 that or not, but I would like to have the question asked.

7 CHAIRMAN BEARD: Well, it's a proper question, but
8 it's not one that I can answer yet. And that will be the
9 purpose of the hearings that we're going to hold to find out
10 exactly what the details of this contract are, are they good,
11 are they bad, should this be approved or not.

12 A concern, and I'll tell you now, that runs
13 through my mind, and some people spoke to it and some haven't,
14 quite often with contracts, and like I said, I have not seen
15 the details of the case yet. We will do that when we have
16 the hearing. But to the extent that a contract is brought to
17 us by two parties sometimes, I'm not saying that's the case
18 here because I don't know the answer, we are limited to
19 saying yes the contract is approved or no the contract is not.
20 We may not be in a position of saying no, this contract is
21 not approved and you will change it in such and such a
22 way. We may be, and sometimes we have ways of saying this
23 contract as it exists will not be approved.

24 However, if you brought us a contract that looked
25 like this we'd be more apt to approve it. And then it's a

1 decision that those parties have to make if they want to do
2 that or not. So my concern is, and I guess I'm hearing some
3 of the answers to my question, is to the extent that we
4 only have two choices, yes or no. I think I'm hearing some
5 people say that if you have to choose between approving this
6 contract or going on with business as usual, I think I'm
7 hearing those people say they would at least rather have
8 that contract approved.

9 The last gentleman said I think no, and here are some
10 alternatives that he would like to see happen. So I'm hearing
11 a mixed bag. But it's a question of concern that I have in
12 looking at this. I don't have an answer for you yet. That
13 will be the subject of the hearing. And I think you're
14 going to have some people that are here today that intend
15 to be in Tallahassee for that hearing as well.

16 WITNESS VAN DYKE: Thank you.

17 CHAIRMAN BEARD: Yes, ma'am.

18 FROM THE AUDIENCE: I think what people have said
19 is no.

20 CHAIRMAN BEARD: Okay. Don Darling.

21 - - - - -

22 DON DARLING

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:

1 WITNESS DARLING: Mr. Chairman, fellow staff
2 members, ladies and gentlemen, my name is Don Darling,
3 D-a-r-l-i-n-g, and I let all the girls call me Darling
4 because that's my name.

5 CHAIRMAN BEARD: You lucky person.

6 WITNESS DARLING: Thank you.

7 I am a Sebring Utilities Commission rate payer
8 living at 1520 Tenth Avenue, Sebring, Florida.

9 I am the co-chairman of Citizens for Utility
10 Rate Equity. CURE was formed in the summer of 1989 by our
11 chairman, Jim Flynn, and by Nancy Hawk, Pat Wilk, Kathy
12 Main, and the James Sacco family. All of these people are
13 Sebring area citizens and Sebring Utility rate payers.

14 Within the first month or so CURE attracted about
15 1,300 members, many of whom were present at four major
16 public meetings hosted by CURE.

17 It is important for you PSC representatives to
18 be aware that CURE asked at each of our public meetings if
19 anyone was in favor of SUC rates or the continuation of
20 SUC. Not one person ever spoke in favor of either.

21 Our organization is composed of private citizens
22 and business people joined together to find a solution to
23 what we believe is Sebring's No. 1 problem: SUC's
24 exorbitantly high utility rates. CURE's single objective,
25 as stated in its original position paper, was and is to

1 obtain electric rates comparable to Florida Power rates.

2 While CURE will be represented at the formal
3 hearing in Tallahassee, I would like to share with you now
4 some of our concerns as Sebring utility rate payers. While
5 the problem of high electric rates in Sebring has been an
6 ongoing problem since the early to mid eighties, it wasn't
7 until CURE was formed that SUC rate payers banded together
8 to solve the rate problem. It is CURE's opinion as stated
9 in already written and submitted testimony, that all previous
10 efforts to solve the Sebring Utilities' financial problems
11 resulted only in raising rates.

12 Repeated refinancing benefitted only the
13 consultants and the bond holders; and as a result, the
14 SUC rate payers unwillingly assumed these costs plus the
15 huge commissions paid to the bond brokers.

16 CURE cannot find any record of where any substantial
17 effort was made to sell SUC until a continually angry
18 customer base plus an absolutely disastrous financial
19 future faced the SUC commissioners.

20 We believe that a sale to FPC is in the best
21 interest of SUC rate payers and the surrounding area for
22 various reasons.

23 We believe improper and uninformed financial
24 management decisions have led to the situation where SUC
25 rate payers have the highest electric rates in the state.

1 If these rates go from the current \$107 per thousand
2 kilowatt hours to the rate of \$151 as outlined in the
3 testimony of Mr. Calhoun, these rates might well skyrocket
4 the cost of our electricity to be the highest in the
5 United States. These projected rates will make electric
6 service unaffordable to the majority of SUC rate payers.
7 I'm sure the Public Service Commission is aware that
8 Highlands County demographics show this is a rather low
9 income area with many retirees on fixed incomes.

10 Another reason for the sale: Historically
11 municipal utilities have only been brought into play when
12 they would be useful to the public by providing better rates
13 or service than the private sector. SUC fails the rate
14 test miserably. It cannot begin to provide rates anywhere
15 near as low as those of Florida Power. Remember, we have
16 single working mothers trying to conserve on electric
17 consumption who still have utility bills that require more
18 than a week's pay so they can purchase SUC electricity, a
19 basic necessity of life.

20 SUC rate payers should not have to make the
21 choice between buying groceries or paying the electric bill.
22 Elderly people dependent on medication should not have to
23 cut back on their electric consumption because they can't
24 afford both of these necessities of life.

25 SUC is not providing electric service at a fair

1 price. As it is shown in Ms. Holloway's testimony, SUC is
2 taking about \$14,000 per day from the reserve fund to keep
3 rates low during the pending sale.

4 I would like to quote a letter CURE received
5 when CURE was formed. It is a perfect example of the many
6 letters and hundreds of phone calls we have received calling
7 for lower rates. This letter was sent in by Mrs. Ray
8 Senkpiel, 1025 Happy Lane, Sebring, Florida 33870. And I
9 quote, "My husband died March 1st. I am eighty years old.
10 I would like to see electric bill lower, and not have to
11 see our small pension go just for electricity." And that's
12 signed "Mrs. Ray Senkpiel."

13 CURE knows there is no question FPC would
14 immediately offer SUC rate payers an immediate rate
15 reduction as well as an increase in customer service options.
16 For example, SUC, desperate for income, retains customer
17 deposits until the customer moves from the area or dies.
18 FPC returns deposits to customers in good standing.

19 While SUC offers brochures on energy conservation,
20 it does not conduct personal energy audits. FPC offers
21 this needed service, another reason to sell to Florida
22 Power.

23 Still another reason for a sale to Florida Power
24 is that SUC commissioners are a self-perpetuating group
25 of people who do not seem to be held accountable to the

1 taxpayers. SUC commissioners nominate their successors
2 and therefore the rate payers have no voice in commission
3 appointments or any other utility decisions. If bad
4 decisions are made, the customer has no one to turn to for
5 help. FPC is regulated by the PSC which will provide an
6 outlet for customer complaints, and can force Florida Power
7 to provide rates which are fair and equitable to all
8 concerned.

9 As I stated a few minutes ago, SUC rates are
10 fair only to SUC bond holders.

11 We need a professionally managed utility. SUC
12 commissioners have not had the necessary expertise in the
13 managing of large businesses. For example, in Mr. Calhoun's
14 testimony he states that the engineers and consultants to
15 the Phillips plant stated the plant would be a financial
16 success. CURE has repeatedly expressed the opinion that
17 where the plant was concerned, only those who had a
18 financial reward coming from the building of the Phillips
19 plant were the ones who said the plant made marketing sense.
20 We believe a properly conducted independent marketing study
21 would have shown that the dream of building the Phillips
22 plant was just that -- a dream. No such study was ever
23 conducted as far as CURE can find out.

24 In reality, the plant turned out to be a liability
25 for the rate payers. A sale to Florida Power would eliminate

1 this sort of poor management. The guaranteed PSC oversight
2 would make a business decision such as the Phillips plant
3 virtually impossible.

4 If the PSC allows the sale to Florida Power,
5 Sebring area customers would be assured of professional
6 utility management. For example, past SUC management
7 received bonuses for good management. Yes, even when the
8 Sebring Utility was losing money, even at a time when CURE
9 believed the utility was technically bankrupt, management
10 bonuses were awarded. This indicates that the managers
11 of SUC did not have stated job objectives they had to meet
12 in order to receive extra monetary compensation.

13 And what if a hurricane hit this area? Let's
14 think about that just a moment. And you all know how it
15 affected south Florida and Louisiana. With an already
16 existing \$91 million debt, we question that our local small
17 utility would ever have the manpower or be able to obtain
18 the necessary financial resources to rebuild.

19 If you allow the sale to Florida Power, Florida
20 Power would be far better able to recover from tragedy
21 such as the recent hurricane in south Florida.

22 The whole community has to pay SUC rates in
23 various ways. Businesses have to recover this extra cost
24 of doing business. A recent study has shown that county
25 taxes could show a reduction as a result of a sale to FPC.

1 Even with the transition rate, the Highlands County School
2 Board could save an estimated \$94,000 per year and the
3 county could realize a \$47,000 per year savings on its
4 electric bills. These county electric costs are paid by
5 all county taxpayers and are but one confirmed example of
6 the magnitude of savings available to Sebring area
7 residents if FPC is allowed to purchase SUC.

8 This community needs to be rid of the stigma of
9 living in SUC territory. Today even realtors advertise
10 property in FPC territory as a plus to prospective buyers.
11 Rates will drop immediately if you allow the sale to Florida
12 Power, even including the transition fee. At the end of
13 15 years everyone will be out of this miserable situation.

14 Since SUC has a history of refinancing and
15 dragging out our indebtedness, we see the 15-year period
16 as a positive end to this debt. We concur with the
17 testimony of Mr. Nixon from Florida Power which states
18 this transition rate should not be contested as being
19 discriminatory as he cites examples of 17 similar rate
20 structures throughout the state.

21 We also agree with the testimony of Mr. Calhoun
22 which states that a sale to FPC is in the best interest of
23 the SUC rate payers.

24 Admittedly SUC is in financial trouble as it
25 attempts to keep rates down even though its customers pay

Clear Case

1 the highest rates in the state and among the highest in the
2 nation. According to Ms. Holloway's testimony, as I said
3 before, while the sale is pending, it is costing us
4 \$14,000 per day from the reserve fund to supplement the
5 consumer rates. If the sale is not consummated, Mr. Calhoun,
6 the SUC general manager, says in his testimony that SUC will
7 be forced to raise rates to \$151 per 1,000 kilowatt hours.

8 The bottom line is the SUC rate payers need the
9 services of FPC (services such as load management discounts,
10 energy audits, et cetera), and we need our rates to be
11 regulated by a state agency rather than five local business
12 people. We believe that at this time a sale to FPC is
13 indeed in the best interest of all SUC rate payers and all
14 Highlands County taxpayers.

15 If you do not allow the sale to Florida Power,
16 and that idea frightens us, any other option eliminates PSC
17 control, the only protection we as rate payers have. We
18 believe it is a safe assumption to say that current and
19 former SUC commissioners and managers have a far less than
20 wholesome financial management record with that utility.

21 Please allow SUC to become Florida Power. Please
22 do not allow the rate payers here to be held hostage to the
23 costs of refinancing and/or continued financial mismanagement.
24 We believe the majority of SUC rate payers want to see SUC
25 sold to FPC.

1 And I want to thank you for this opportunity to
2 listen to our comments and our concerns.

3 CHAIRMAN BEARD: Thank you.

4 WITNESS DARLING: I will give you a copy of
5 these opinions.

6 CHAIRMAN BEARD: Okay. Robert Pollard.

7 - - - - -

8 ROBERT POLLARD

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 WITNESS POLLARD: Good afternoon, Florida Public
13 Service Commissioner Beard, staff, SUC attorneys, Florida
14 Power attorneys.

15 CHAIRMAN BEARD: Get a little closer.

16 WITNESS POLLARD: I'm too short to talk into
17 this mike. Okay. I'm Bob Pollard, long-time Sebring
18 resident and a Sebring Utilities rate payer. I'm speaking
19 today as an individual consumer and as chairman of the
20 Concerned Citizens of Sebring. We are a registered
21 committee under Florida law and have been focusing our
22 attention on Sebring Utilities' financial situation since
23 April 1991.

24 We oppose the sale of Sebring Utilities' assets
25 to Florida Power Corporation and ask that you not approve

1 this joint petition as it now stands for the following
2 reasons: No. 1, there is no substantial rate relief in the
3 total package. SUC customers now pay the highest electric
4 rates in the state and will continue to do so even if this
5 sale is consummated.

6 In order for this sale contract to work out the
7 City of Sebring must go to the bond market and float 30-year
8 bonds to purchase the water system for the bid price of
9 \$21.5 million, admittedly about three times the depreciated
10 book value.

11 Mr. William R. Hough, former consultant for
12 SUC, in responding to a question in open meeting voiced the
13 opinion that the system could possibly be bonded for about
14 \$23.5 million. That figure was seized upon as the number
15 and used in FPC's initial bid figures. City Council then
16 cut it back \$2 million in its actual bid. To make this
17 work council has already called for water increases of
18 25 percent over a period of four years.

19 The point of all this is that on one hand SUC
20 and City Council are willing to sell the electric distribution
21 system at depreciated book value to Florida Power Corporation
22 and are eager to pay three times depreciated book value for
23 a water system that Sebring already owns, thus giving the
24 rate payer the short end of the deal on both transactions.
25 Rates will reflect these shortcomings.

Utility rates are made up of four items: electricity, water, sewer and garbage collection. If this sale goes, the cost of the four plus the transition fee will take more money from rate payer pockets, not less.

No. 2, the transition fee or Sebring rider as it is identified in this docket, is discriminatory. It creates one more class of consumer for Florida Power Corporation and requires them to pay more for the same service as their neighbors do. It will add a burden on SUC rate payers. It will lower property values and restrict growth for the next 15 years.

This transition fee is crafted to pay off the balance of the bonds after applying the selling price of the electric system (\$17.8 million) and the purchase price of the water system (\$21.5 million); and other monies and the bond reserve account (approximately \$13 million), thus leaving \$38,134,631 to pay off. The interest cost of this \$38 million is figured to be \$29,303,749 over 15 years and expenses for issuance of medium-term notes is listed at \$42,901. As you can see, this is not cheap. We are being asked to divest assets and retain and pay debts to the benefit of Florida Power Corporation.

No. 3. The purchase price in this contract is too low. The original bid price was \$10.2 million and has been worked laboriously up to \$17.8 million. It is still

1 too low but obviously much better. All of this was done
2 with the understanding that Florida Power Corporation could
3 work it into the rate base and pass it on to the rate payers.
4 No risk for Florida Power Corporation.

5 I am told that rules and regulations will not
6 allow an investor-owned utility to pay more than
7 depreciated book value to a municipality for its system.

8 In the issue of "going concern" value the figure
9 of \$4.8 million is being kicked around with both SUC and
10 Florida Power Corporation feeling positive about it and
11 Florida Public Service Commission having no position at
12 this time.

13 Mr. Gerry Warren's pretrial testimony says that
14 this is a measurable commodity and should fall between
15 \$5 million and \$14 million. Whatever this amount is when
16 agreed upon will reduce the unpaid \$38 million figure.

17 We urge you to rule favorably on this issue
18 and set it in the \$10 million range. This will reduce the
19 transition fee and give relief to the SUC rate payer.

20 Florida Power wants both the purchase price and
21 the "going concern" amount figured in its rate base. Great.
22 Where then is the Florida Power Corporation's participation
23 in this since their rate payers will be paying all of the
24 tab? No doubt Sebring's electric system is worth having
25 because Florida Power has pursued this purchase with much

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2 with the understanding that Florida Power Corporation could
3 work it into the rate base and pass it on to the rate payers.
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10 Florida Power Corporation feeling positive about it and
11 Florida Public Service Commission having no position at
12 this time.

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14 this is a measureable commodity and should fall between
15 \$5 million and \$14 million. Whatever this amount is when
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18 and set it in the \$10 million range. This will reduce the
19 transition fee and give relief to the SUC rate payer.

20 Florida Power wants both the purchase price and
21 the "going concern" amount figured in its rate base. Great.
22 Where then is the Florida Power Corporation's participation
23 in this since their rate payers will be paying all of the
24 tab? No doubt Sebring's electric system is worth having
25 because Florida Power has pursued this purchase with much

1 zeal. They have dedicated many manhours of research,
2 thought, preparation and strategies to this project. Why
3 then would it not be proper for Florida Power Corporation's
4 board and stockholders to have some investment and risk
5 in this venture?

6 If they felt secure in investing about \$5 million
7 more of their money thus cutting down on the \$38 million
8 shortfall even more, they would wipe away most if not all
9 of the opposition to this deal. We could all go forward
10 hand in hand for the next foreseeable future feeling like
11 we had a fair deal.

12 Finally, and I know you are glad to hear that,
13 I ask that you do not approve the joint petition as it
14 now stands unless a substantial figure for "going concern"
15 value can be justified. Thank you.

16 CHAIRMAN BEARD: Thank you. Okay. That is the
17 last one I had signed up to speak.

18 MS. DEMELLO: We've got one more.

19 CHAIRMAN BEARD: Well, I stand corrected.
20 Let me tell you while she's bringing that up what we'll do
21 once everyone has had an opportunity this afternoon. We
22 will be back here at 5:00 o'clock and we will hear then
23 from anybody who hasn't had a chance to speak today, those
24 people that don't get off at this time of day and wanted
25 to come. We'll stay and listen to them as well, and we'll

1 listen until we're done. My kids hope it's before
2 midnight, but we'll listen until we're done. Will Randall.

3 - - - - -

4 WILL RANDALL

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

8 WITNESS RANDALL: I'm Will Randall, I'm a member
9 of the Sebring Airport Authority. I wasn't planning on
10 speaking today. Mike Willingham, our director, was going
11 to be here but couldn't make it.

12 Yesterday we passed a resolution supporting the
13 sale of the Sebring Utilities to Florida Power.

14 We have an industrial park here that employs 455
15 people, and the board felt it was in the best interests of
16 us to support this sale. Thank you very much.

17 CHAIRMAN BEARD: And we appreciate you letting
18 us land. Okay. Is there anybody else that hasn't had a
19 chance to speak? Come on forward. If you would identify
20 yourself and give us your name, please, for the record
21 and spell your last name, please.

22 - - - - -

23 JIM FLYNN

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 WITNESS FLYNN: My name is Jim Flynn, Mr. Beard.
3 I'm the chairman of CURE, Citizens for Utility Rate
4 Equity. I merely have a question, and maybe you can't
5 answer it, but I'll ask it anyhow.

6 Would it be of any interest to the Commission
7 and could it have any affect on your decision either
8 way if we prepared testimony later on which would show how
9 the citizens of Sebring lost their right through some very
10 deceptively --

11 CHAIRMAN BEARD: Excuse me one moment. Please
12 hold it down so I can hear and so everybody else can hear.
13 Thank you. I'm sorry. Go ahead.

14 WITNESS FLYNN: If we prepared testimony showing
15 how the citizens of Sebring lost their right through some
16 very deceptively worded ballot language to control spending
17 by the Sebring Utilities Commission, that is the thing
18 that led to a lot of this financial problem back in the
19 early sixties. Now if this is moot from the standpoint of
20 fraud we won't do it, but if it could have any bearing
21 either way we'd like to have that opportunity.

22 CHAIRMAN BEARD: I'm hesitant to say that it
23 wouldn't, my initial reaction though is that if there were
24 deceptions associated with the ballot and those kind of
25 things it is certainly not something that the Commission

1 deals with. But not having seen the details of it I'm --
2 I try to be cautious because I'd rather hear stuff than not.

3 WITNESS FLYNN: Sure.

4 CHAIRMAN BEARD: But typically something along
5 those lines would be more of a court matter as opposed to
6 a Commission matter.

7 WITNESS FLYNN: Thank you very much.

8 CHAIRMAN BEARD: Okay. Thank you, Mr. Flynn.
9 Yes, sir? Come up.

10 - - - - -

11 DICK SHANNON
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 WITNESS SHANNON: My name is Dick Shannon,
16 S-h-a-n-n-o-n, like the river.

17 I have a couple of questions. How official is
18 the map in the front of the room? I ask because I am a
19 resident of Sebring Village, and we are well beyond the
20 lines.

21 CHAIRMAN BEARD: I'm not even sure what the maps
22 are, to be perfectly honest with you. Who owns the maps
23 up here? How about somebody helping me out? What are
24 those maps?

25 MR. JACKSON: Those maps represent the boundary

1 of the Sebring Utilities service area that were approved by
2 the Service Commission back in 1987. That is the boundary
3 of service area. That agreement was a statehood agreement,
4 and the Sebring Utility has a number of foreign customers
5 that are still in Florida Power Corp's territory as does
6 Florida Power Corp have a number of customers in the Sebring
7 territory that existed at that time. The territory
8 agreement did not change that. This is a boundary starting
9 at that point, that anyone in the future, that a new
10 account within that boundary would be a Sebring Utility
11 account. Any outside of that would be a Florida Power
12 Corp account. It did not change any existing accounts.

13 WITNESS SHANNON: Did you use the phrase foreign
14 rate payer? I don't feel that way. I feel deprived. How
15 much premium, if any, has been paid to an insurance company
16 to guarantee the bonds?

17 CHAIRMAN BEARD: I have no idea.

18 WITNESS SHANNON: Can anyone answer that?

19 CHAIRMAN BEARD: An insurance premium pay --

20 WITNESS SHANNON: To guarantee the bonds.

21 CHAIRMAN BEARD: Which bonds are you talking --

22 WITNESS SHANNON: The bonds that were quoted --
23 the \$38 million represents.

24 CHAIRMAN BEARD: All right. I do not know the
25 answer.

1 WITNESS SHANNON: I've been corrected, \$91 million.

2 CHAIRMAN BEARD: I don't know the answer to that
3 question.

4 WITNESS SHANNON: Is there any way that we can
5 find out?

6 MR. JACKSON: It would be a matter of public
7 record. I don't have the number either.

8 CHAIRMAN BEARD: That would be something that
9 Sebring Utility Commission would have, that information
10 at their offices?

11 MR. JACKSON: Yes.

12 CHAIRMAN BEARD: Okay.

13 WITNESS SHANNON: All right. And the interest
14 that is paid on these bonds, that's part of our debt too?

15 CHAIRMAN BEARD: I'm sure, yes.

16 WITNESS SHANNON: My next question is, are the
17 owners of the bonds present or previous commissioners?
18 And if so is there a conflict of interest?

19 CHAIRMAN BEARD: I can tell you that the
20 present commissioners are not owners.

21 WITNESS SHANNON: I'm not talking about the
22 Public Service Commission.

23 CHAIRMAN BEARD: Oh, you're talking about
24 the Sebring Utility Commission?

25 WITNESS SHANNON: That's correct.

CHAIRMAN BEARD: I really couldn't tell you. I don't regulate Sebring Utility Commission. Florida Power Corporation is all I regulate. That, I would assume, would have to be a matter of public record as well.

WITNESS SHANNON: We have never been able to find out. It's not a public record.

CHAIRMAN BEARD: Okay. I don't know.

WITNESS SHANNON: My feeling is that if it is the former or present commissioners and there is a conflict of interest, that is one of the reasons that they don't want the insurance company to pay the bonds, because then the insurance company could hold them personally liable.

CHAIRMAN BEARD: You mean if they forfeited on the bonds?

WITNESS SHANNON: That's right.

CHAIRMAN BEARD: I see what you're saying.

WITNESS SHANNON: That's all.

CHAIRMAN BEARD: Okay. Thank you, Mr. Shannon.

- - - - -

JANICE DOUSE

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

WITNESS DOUSE: Good afternoon. My name is Janice Douse and my husband and I --

1 CHAIRMAN BEARD: Would you spell your last name,
2 please?

3 WITNESS DOUSE: D-o-u-s-e. My husband and I,
4 Russell T. Douse, own a subdivision called Lake Jackson
5 Heights. It's in the Sebring Utility territory. In 1974
6 when we purchased the property we made a large investment
7 and have invested our entire lives in this subdivision.
8 We were in the Sebring Utility territory and agreed to go
9 with Sebring Utilities, and it was very lucrative for us
10 because at that point they were providing a much needed
11 service at a reduced rate which promised growth in our
12 community.

13 But as a result of some unfortunate business
14 agreements we have now been discriminated against.

15 I'd have to say since 1986 when they refinanced
16 the bond issue we began to see a decline in our community,
17 where one big topic for every prospective buyer was "What
18 utility do you have?" And as soon as we would mention
19 SUC they would roll up their windows and drive away.

20 And I'm even talking of people that had only
21 been in town for one hour. And we would question them and
22 say, "How are you aware of this?" and they would say,
23 "Oh, every realtor you go to or every person that you speak
24 to in any restaurant they say, 'Well, if you're a newcomer,
25 watch out for SUC. Don't get on their territory.'"

1 But the bottom line is we, as business people,
2 have always been under the understanding that the way you
3 get yourself out of debt is to pay it off.

4 We as a community are unable to sell homes to put
5 new rate payers on this base to help pay it off. So if we
6 can't add people to the base to help pay the debt off, and
7 because of the comprehensive land planning that would
8 exclude certain SUC territory, how on earth are they going
9 to have people to pay off this debt?

10 We have had to install natural gas as an alternative
11 energy measure so that we can market our homes where we can
12 provide them with a low cost energy source. And we, as
13 business people, have seen the impact of SUC on our
14 community, and we are in favor of the sale to FPC.

15 CHAIRMAN BEARD: Thank you.

16 - - - - -

17 GEORGE COPELAND

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 WITNESS COPELAND: My name is George Copeland,
22 C-o-p-e-l-a-n-d. I'm the manager of Bealls Department
23 Store in Lakeshore Mall. My company has two operations in
24 this community. We have got the mall store and we have an
25 outlet store at the Southgate Shopping Center.

1 I'm looking at the proposed rates, my company
2 could save approximately 17 percent cheaper. On an annual
3 basis at the mall we would save about \$15,000, and the
4 outlet about \$7,500. So as far as Bealls Department Store
5 is concerned and this measure is concerned, we would be
6 in favor of the sale.

7 CHAIRMAN BEARD: Okay. Thank you.

8 I'm keeping an eye out. Some of you are raising
9 your hand, I see you.

10 - - - - -

11 NORMA GREENWALD

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 WITNESS GREENWALD: I'm Norma Greenwald.

16 CHAIRMAN BEARD: Would you spell your last
17 name, please.

18 WITNES GREENWALD: G-r-e-e-n-w-a-l-d.

19 CHAIRMAN BEARD: Okay.

20 WITNESS GREENWALD: I only have two statements
21 to make. One is that it's my understanding that if SUC
22 is taken over by Florida Power that only the people who live
23 in the City of Sebring and have Sebring Utilities will have
24 to pay on this debt, that others will not have to pay on
25 the debt if they don't live in the City of Sebring.

1 CHAIRMAN BEARD: No, ma'am, I think -- correct me
2 if I'm wrong, because I haven't seen all the details of it
3 yet -- it is any person who currently is being served by
4 Sebring Utilities Commission, whether they're inside the
5 city or not.

6 WITNESS GREENWALD: That's good. Thank you.

7 The other one is that I was at a council meeting
8 one time when the sale was being discussed or something was
9 being discussed and they did not want the bond holders'
10 names to be admitted to the public. I don't blame them,
11 I'd be ashamed too.

12 CHAIRMAN BEARD: Okay.

13 - - - - -

14 GORDON GASTER

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

18 WITNESS GASTER: My name is Gordon Gaster.

19 CHAIRMAN BEARD: Please spell your last name.

20 WITNESS GASTER: G-a-s-t-e-r.

21 CHAIRMAN BEARD: Thank you.

22 WITNESS GASTER: I came over here today from
23 Palm Beach County because I own Douglas Place Apartments
24 here in Sebring. During the time that I've owned these
25 apartments, people coming in to the community to inquire if

1 we have a vacancy the question, "Are you on Sebring
2 Utilities," has become the predominant question at the
3 beginning of a phone conversation. And many times they hang
4 up without even allowing us to say yes, but we will pay
5 part of the utilities expense.

6 So I recommend very strongly that the consummation
7 of the sale be effected. And I don't -- as the lady spoke
8 earlier, I don't understand how people learn so fast that
9 there is this huge difference between the rates of people
10 living outside and people living inside the utility area.

11 I think that the newspaper has not explained
12 this adequately. And secondly, I think even if it's going
13 to take 15 years to pay this off, it becomes a fixed
14 expense and one that is definable. As it is now, there is
15 so much confusion that it is leading to the demise of this
16 community. Thank you.

17 CHAIRMAN BEARD: Thank you.

18 Okay, with you all's permission now we're going
19 to take a break. I think the court reporter's fingers can
20 use it. We'll come back at 5:00 o'clock and hear from the
21 people who have not had a chance to speak this afternoon.
22 Thank you.

23 (Thereupon, a recess was had at 3:15 p.m.,
24 returned at 5:00 p.m.)

25 CHAIRMAN BEARD: Let's go ahead and get started

1 if we can. A lot of the faces I see from the afternoon.
2 My name is Tom Beard, and I'm president of the Florida
3 Public Service Commission. We began at, I guess, 1:00
4 o'clock and are reconvening now at 5:00 to hear from anybody
5 in addition to those we heard this afternoon, your thoughts
6 and comments on the Sebring Utilities Corporation and
7 Florida Power Corporation. And we have heard from a
8 number of people this afternoon, and we will take this time
9 to hear from others. We will work until we're finished.

10 If it's early, it's early, and if it's late,
11 it's late. We will try to get to any of you trying to make
12 it to prayer meeting or whatever on Wednesday night sometime
13 earlier than midnight we hope.

14 If you'll bear with me for just a moment, I have
15 got to do a few things that my lawyer wants.

16 MS. BROWN: By notice issued October 7, 1992,
17 this place was set for docket No. 920949-EU, Joint
18 Petition of Florida Power Corporation and Sebring Utilities
19 Commission for Approval of Certain Matters in Connection
20 with Sale of Assets by Sebring Utilities Commission to
21 Florida Power Corporation. The purpose of the hearing
22 is more fully set out in your notice.

23 CHAIRMAN BEARD: Okay. Let's take appearances.

24 MR. FAMA: For Florida Power Corporation,
25 James Fama.

1 MR. JACKSON: Andrew Jackson for Sebring
2 Utilities.

3 MR. MAY: Bruce May, and I'm also representing
4 Sebring Utilities Commission.

5 MS. BROWN: Martha Carter Brown, representing
6 the Public Service Commission staff.

7 CHAIRMAN BEARD: Okay. Now that we've gotten
8 that out of the way let's get to the business at hand.
9 I'm going to, and again, for those of you who were not here
10 this afternoon, Bev Demello works for the Florida Public
11 Service Commission, and if anyone would so desire, we try
12 to make this as easy as we can. Some people like to talk
13 in microphones. If somebody says something you basically
14 agree with but you're not all that comfortable standing
15 up there talking, you can say you adopt their testimony
16 and agree with what they said.

17 If you just can't stand microphones you can
18 fill one of these out, because we want to hear from you
19 any way we can get it.

20 The first person up is Bill Van Baalen.
21 If you would let me swear you all in at this time and we
22 will get that out of the way.

23 (Witnesses collectively sworn.)

24 - - - - -

25 BEN VAN BAALEN

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

4 WITNESS VAN BAALEN: My name is Bill VanBallen. I
5 have been a resident of the City of Sebring since 1973, and
6 of course have been a rate payer of SUC all this time. I can
7 remember the good old days before they ran up this horrendous
8 debt in the early '80's. Although I have virtually no chance
9 of outliving this 15-year transition rate, I am 10 percent in
10 favor of having the Florida Power proposal approved by the PSC.
11 I am a fairly average user and would benefit by about \$20 a
12 thousand kilowatts immediately. The transition rate is based
13 on a 3 percent growth rate. There are predictions that this
14 area will have a growth rate of 6 to 7 percent. That would
15 allow the transition rate to be paid off in 7 or 8 years.

16 I think that some of the people opposing this deal
17 are not aware of the immediate benefits, such as: Florida
18 Power's base rate plus a \$22 transition rate would result in
19 a saving of \$15 immediately for someone averaging 1,000
20 kilowatts per month. In addition he would have available a
21 load management option averaging \$10.75, making a saving of
22 \$25 total per month. It is understood that the \$22 transition
23 fee is per 1,000, and that the customer who used 2,000 would
24 pay only an \$11 transition fee.

25 If you were a 1,000 kilowatt user and dropped to
851 in a winter month so that your transition cost would be

1 \$18.72, you would still get \$13.50 load management credit.
2 In a summer month if you used as little as 662 your transition
3 fee would be only \$14.56 and you would still get a load
4 management credit of \$10.50. If you used less than those
5 figures you would lose only a proportion of the load manage-
6 ment credit. For instance only 200 a month winter or summer
7 would still get a \$3.17 credit. Sounds pretty good to me
8 compared to any alternatives that I've heard about.

9 I respectfully ask the Public Service Commission
10 to approve the deal with Florida Power. Thank you.

11 CHAIRMAN BEARD: Thank you, sir. Chris Vines.

12 - - - - -

13 CHRIS VINES

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

17 WITNESS VINES: My name is Chris Vines, V-i-n-e-s.
18 I'm not a professional speaker, so if you guys will bear
19 with me.

20 I am a Sebring rate payer. I'm definitely for
21 the sale. We have the highest rates in the State of
22 Florida. But there is one thing that I am not for, and
23 that is for paying somebody else's debt. I have enough
24 of my own as a lot of people do. I do not feel it's right
25 to have to pay for the misuse of funds by an organization

1 that improperly ran up those debts.

2 A lot of people have said, sure, we could bring
3 these costs down by going with the bonds, but I don't think
4 it's right to have to settle for this. There's a lot of
5 people that -- sure, I could settle and pay an extra
6 dollar at the pumps for gas, but I don't want to do it and
7 I don't think it's right for us to pay this excess usage
8 fee.

9 We have a business we're starting up here. Both
10 of them pay a high electric bill, and I don't think it's
11 fair whatsoever.

12 In addition to bills, we also have real estate
13 values. When people come to Sebring they ask you if you're
14 on Sebring Utilities or not, and I know for a fact that's
15 a big decision. I know people have asked me and they have
16 just shuddered like that and say, "I can't believe you're
17 paying these bills."

18 But I think we should get equivalent services.
19 We have Florida Power on one side and Sebring Utilities
20 on the other, and here we are paying exorbitant fees. I
21 don't think that's fair.

22 The economy today, I guess all of you are aware
23 of what is going on. In addition, I use up about 2,000
24 kilowatts, so it will cost me close to \$50 a month. You
25 know, that would buy groceries, some medical. There's a

1 lot of people out there who are in a worse situation than
2 I am financially, but I know that will hurt me and everyone
3 else. We have a lot more uses for the \$50.

4 I guess that's closing for me.

5 CHAIRMAN BEARD: Thank you very much.

6 Mr. Parker.

7 - - - - -

8 WALDO PARKER

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 WITNESS PARKER: My name is Waldo Parker,
13 P-a-r-k-e-r. I'm for the sale of Sebring Utilities to
14 Florida Power, but I'm not for the transition fee. I own
15 property that's in the county and it used to be Florida
16 Power, and then several years ago they did some swapping
17 and now it's Sebring Utilities.

18 My daughter also owns a house in the same area.
19 We had no vote whatsoever on the Sebring Utilities
20 Commission. They were selected by the City Council, and
21 so we had no say so in borrowing the money or whatever.

22 Although I am for the sale, but I do not believe
23 the people in the county should have to pay the transition
24 fee. The City of Sebring elected the City Council and
25 elected the Sebring Utilities Commission. The county has

1 no say so and I don't feel we should have to pay the bill.

2 CHAIRMAN BEARD: Thank you very much.

3 - - - - -

4 JIM FLYNN

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

8 WITNESS FLYNN: I agree with Mr. Van Baalen's
9 testimony. He covered what I would say.

10 CHAIRMAN BEARD: Did you have something different?

11 - - - - -

12 DON DARLING

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

16 WITNESS DARLING: My name is Don Darling, I live
17 at 1520 Tenth Avenue, Sebring. The new information that
18 I brought with me tonight is my own personal home. We
19 had this house built in 1985. It's really a three-bedroom
20 plan, however, we left off two walls and made a two-bedroom
21 out of it. But anyway, at the time I had spent quite a
22 little time researching insulation factors and so forth
23 and set up the house to be built as energy efficient as
24 I could.

25 Some of the subcontractors thought I was off my

1 rocker. Well, maybe I was, but it was my money I was
2 spending. I sort of looked down the road a little. However,
3 I didn't know about the ferocious rates that we have now.

4 The other day I went down to the tax assessor's
5 office and noticed that my assessed valuation had gone
6 down, which was \$75,940. 1989 it had dropped to \$74,790.
7 1991 it dropped to \$73,020. I subtracted that from '89
8 through '91. It amounted to \$2,900.90 assessed valuation.

9 Of course, I'm not ready to sell my house, but
10 I've heard an awful lot of statistics and problems with
11 depreciation. Naturally all of us want our property to
12 appreciate, not depreciate.

13 I asked about the market value. The appraiser
14 told us our particular home was assessed on approximately
15 85 percent of the market value. So I added that other
16 15 percent on there, and I found out our market value had
17 dropped \$2,900.64.

18 In the code that they show they have about four
19 different categories for a house. They have average, below
20 average, above average, and premium. On my tax assessment
21 bill it says our house is above average in each case. Well,
22 the reason for that is we spent about \$6,000 more when the
23 house was built making it energy efficient and comfortable
24 to live in. I think we have probably one of the most
25 efficient houses in Highlands County. Even though I was

1 crazy when I had the house built, my bills reflect the
2 same. I'm not crazy.

3 I just wanted to bring that out this afternoon.
4 I'll give you copies of these assessment bills so it's
5 positive proof. Thank you again.

6 CHAIRMAN BEARD: Thank you.

7 - - - - -

8 CHARLES KEMPTON

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 WITNESS KEMPTON: There's something that I would
13 like to say concerning this assessment. I work for Cooper
14 Industries, which is the largest municipal light plant
15 engine builders in the world. I make a very comfortable
16 living delivering parts. These things don't run seven days
17 a week, 24 hours a day.

18 Now, what protection do we have against the
19 thing breaking down, parts and repairs. The thing has to
20 run pretty efficiently. You're talking about iron on iron.
21 I had trucks and I made a good living delivering parts all
22 over. And Peter Vesper, originally I think they spent a
23 lot of money surveying it and said absolutely it was
24 intolerable. They didn't want to bid on it, and that's
25 been a long time ago. But I was just wondering.

1 I know what is happening to many, many gas
2 pipelines in cities. They get in a bind, the thing blows
3 up, and money is hard to come by. But are we protected if
4 we are assessed this \$22 for anything from Florida Power?

5 You say no. Here this engine blows up, we're
6 not going to repair it. All that stuff shipped in here,
7 this is ridiculous. This is where we live. This is where
8 it should have been bought in the first place. The result
9 of it, things have been bothering me. We want protection.

10 I'm not a bit ashamed to say you people from
11 Tallahassee, you're supposed to protect us.

12 Don't let us get into anything more. I'm
13 sixty-eight. I have gone about as far as I can. I shuffle
14 more every year. Thank you for listening. Thank you for
15 your time.

16 CHAIRMAN BEARD: Thank you. Judd Berkey.

17 - - - - -

18 JUDD BERKEY

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 WITNESS BERKEY: First I'd like to say --

23 CHAIRMAN BEARD: Would you spell your last
24 name, please.

25 WITNESS BERKEY: Judd Berkey, B-e-r-k-e-y.

1 CHAIRMAN BEARD: Go ahead.

2 WITNESS BERKEY: Just briefly. My wife and myself
3 are in favor of the sale to Florida Power Corporation. I
4 am not in favor of the transition rate. I have read it.
5 The rate is discriminatory.

6 We do have rental houses here. We have five
7 homes in Lakewood Terrace. I can tell you when we are
8 renting these properties it is extremely tough. Eight out
9 of ten folks who call, as soon as you say Sebring Utilities
10 they hang up. They still know. The service may be
11 improved, but this transition fee, their rates are still
12 going to be very similar. They have great concern. I
13 think if this transition fee was eliminated certainly our
14 rents would be better, businesses would be moving along,
15 but it's not right now.

16 If you come up to our property you will see a
17 lot of vacancies and a lot for sale. That's all I have
18 to say. I think this has a lot to do with it.

19 CHAIRMAN BEARD: Is there anyone else who has
20 not signed up that wishes to speak at this time?

21 (No response.)

22 CHAIRMAN BEARD: We will take a break here for
23 a few minutes and come back at 6:00 just to make sure we
24 hear everybody. So if you want to stick around please feel
25 free, and we will wait around until 6:00 o'clock to make

1 sure everyone who want to speak can speak.

2 (Thereupon, a recess was had.)

3 CHAIRMAN BEARD: Folks, if we could get everybody's
4 attention again. Okay. We've got two more people that came
5 in and signed up while we were taking a break, and one more
6 person wanted to make another comment. Chris, if you would
7 come up.

8 - - - - -

9 CHRIS VINES

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

13 WITNESS VINES: Like I said before, I'm not a
14 public speaker, and a lot of things slipped my mind when
15 I was up here before. There were a couple of things I
16 wanted to bring out.

17 First of all, the bonds. When somebody purchases
18 a bond they assume an amount of risk, and there's also
19 insurance for those bonds. I can't imagine why I'm having
20 to pay off somebody else's risk that they were assuming.
21 That's the part I wanted to say.

22 Also, as we're paying this transition fee, we're
23 paying 20, 50, \$75, some of us. Thirty-something million
24 dollars debt, what are we getting in return for that?
25 I know Florida Power has stockholders. It seems to me that

1 we're benefitting the stockholders. They're looking pretty
2 good. If I got a share of the stock every time I paid off
3 \$10 that would be a benefit for me and it wouldn't be so
4 bad, but since I'm getting nothing and the Florida Power
5 shareholders are, that's why I'm against the transition fee.

6 Another thing was the water. I guess the city is
7 taking care of the water. I want to make sure everybody
8 understands that even though we're going to settle for this
9 transition fee, hopefully not, but the water rates are going
10 to be going up. And it will probably offset the electric
11 rates.

12 I just can't see how this is a good decision.
13 I know we have a professional team here who hopefully will
14 cover all those ideas.

15 Basically, I know that this decision has been on
16 the Sebring Utilities Commission -- we've read about it
17 in the paper a lot and I know it's a big issue here. I don't
18 want these people to make a rash decision but they've been
19 painted in the corner. I know they say let's go with it.

20 And again, talking about those bond holders. You
21 know, the government has FDIC insurance to cover your money
22 in a bank. That's all I have to say. Thank you very much.

23 CHAIRMAN BEARD: Somebody mentioned on the
24 break my giving you an idea of who was up here. I introduced
25 myself. Over at this table are attorneys for both Florida

1 Power and Sebring Utilities.

2 These are working with us, and we'll be working
3 on the case as far as going through this contract detail by
4 detail. We have economists and we have attorneys, so we
5 will get plenty of attorneys to look at this contract in great
6 detail and try to understand the questions that you all
7 raised both this afternoon and this evening. Okay.

8 Fred Fields.

9 - - - - -

10 FRED FIELDS

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 WITNESS FIELDS: My name is Fred Fields,
15 F-i-e-l-d-s. I do believe the appreciated book value with
16 no value based on a going business on a customer basis is
17 wrong.

18 A couple of questions. During the early
19 afternoon there were questions asked concerning conservation
20 of your electric consumption. If a great many rate payers
21 practiced measures reducing their consumption and
22 consequently reduced the number of kilowatt hours used
23 that would reduce the amount of the transition fee going
24 to Florida Power. Would Florida Power then have a right
25 to assess a bigger transition fee to cover their shortfall?

1 And also the issue of hurricanes was brought up. In the
2 event of a hurricane Florida Power would be in better shape
3 to come over and make repairs. Along those same lines, even
4 though the central part of the state is subject to hurricanes
5 we don't usually get one full blown this far from the
6 coast. If the Florida Power area was severely damaged in
7 a hurricane, and since we would not be necessarily involved
8 or were not involved, would we also be assessed part of
9 that cost even though we're being charged a transition fee
10 because of things that happened in the past?

11 That's all. Thank you.

12 CHAIRMAN BEARD: Thank you. Mr. Reinbolt.

13 - - - - -

14 LESTER REINBOLT

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

18 WITNESS REINBOLT: I didn't really expect to be
19 called on this quick. Lester Reinbolt, R-e-i-n-b-o-l-t.
20 I have been following this case since I wrote a letter to
21 the Public Service Commission in 1982. I have been going
22 to a lot of Commission meetings, and I see a lot of people
23 here who I don't think I have ever seen at a Commission
24 meeting.

25 We have worked hard in the last two years to get

1 this deal worked out. I think it's the best thing that we
2 can go with right now. If we don't accept this, from my
3 experience what happened to me up north before I moved south,
4 if we don't accept this it will end up costing us twice as
5 much as it will cost in a few years.

6 A lot of people say this \$22 fee here, but they
7 don't quite understand everything. This \$22 fee could be a
8 lot lower by the end of 15 years. It's based on a three
9 percent increase of electric usage.

10 This man who's seated before me stated people
11 saved electric and did not use as much. But experience is
12 saving electric so they didn't have to pay \$108 rate, and
13 right now in anticipation that this deal will go through.

14 If this deal does not go through, the day after
15 it's refused, our electric rates will go to \$151. If these
16 people think that their water will cover that much
17 difference in the company, I think they've got another
18 thing to look at.

19 And also I think the people should take a pencil
20 and paper and really work out what this comes to. You'll
21 find this is the best deal that they can really get. If this
22 goes under bankruptcy in the future no one knows what will
23 happen. It would be in bankruptcy court in ten years. And
24 in that ten years we would be paying \$151 to \$161 for a
25 thousand kilowatts.

1 I think that's all I've got.

2 CHAIRMAN BEARD: Thank you.

3 - - - - -

4 IVY EVANS

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

8 WITNESS EVANS: My name is Ivy Evans, E-v-a-n-s.
9 This situation means quite a bit to my husband and I. And
10 just due to the fact that we came out at night, which we
11 never do. Of course, my husband can't see at night and I
12 have difficulty driving.

13 We live in the Thunderbird Hill Homes. And a year
14 ago January there was a transition where in that particular
15 area some pepole that had been serviced by Sebring Utilities
16 were just automatically switched over to Florida Power. And
17 in our little community, which is approximately 200 homes,
18 they're called the Thunderbird Hill Homes, there are three
19 villages. And we are the only one in the surrounding area
20 that is being serviced by Sebring Utilities. Everybody else
21 is on Florida Power.

22 They had a meeting in our clubhouse -- and if you
23 look to your map you will find that we were not supposed to
24 be serviced by Sebring Utilities in the first place. But
25 the builder who built the homes applied for water when he

1 started to build and Sebring Utilities told him if he didn't
2 take the electric he couldn't have the water.

3 So we were forced in. When I purchased my home --
4 and the builder, I might add, is Lee Woods, who is in
5 bankruptcy at the time. When I purchased my home I
6 particularly asked who will service me with my electricity.
7 Not that I claim to be that smart, but it was just a
8 question that I happened to ask. And I was told that
9 Florida Power would service us.

10 It wasn't until the day after we had had the
11 settlement that I applied for service that I found out that
12 I have Sebring Utilities. I was very much disappointed
13 in that. But due to the fact that everything was cut and
14 dried I didn't have much to argue with. Okay.

15 Now, we were pacified a year ago last January.
16 And if you notice, I don't know if any of you people have
17 ridden around and seen for sale signs of houses and all of
18 them state Florida Power. Sebring Utilities has been a
19 great drawback to people who own property because of their
20 extensive rates.

21 We were pacified and thought if we put our
22 homes up for sale that the new owner could apply and would
23 automatically be switched over to Florida Power.

24 Now, my question is this: This assessment that's
25 going to be put on us monthly, how is that going to affect

1 us if we want to sell our home? Is that going to be put on
2 even though -- or has this Florida Power determined that the
3 new buyer would be switched over? Has that been abolished
4 or will it be abolished?

5 I tend to agree with the young fellow that we
6 are being held responsible for something that we had nothing
7 to do with in the beginning. And I repeat his statement by
8 saying when you make an investment you are taking a chance.
9 And these people that bought these bonds, there was no
10 guarantee made to them any more than there is a guarantee
11 made when I take out a building loan, although the government
12 will cover that.

13 But I really don't think it's fair to the people
14 that are under Sebring Utilities to have the heavy burden
15 with this expense. Just our service charges per month for
16 coming and reading the meters is \$19. And if we're going
17 to have to pay this \$22 in addition to this, people that
18 are living on Social Security, this is really a hardship.

19 And I really would appreciate if you folks would
20 take these things into consideration. Thank you.

21 CHAIRMAN BEARD: Thank you, ma'am.

22 - - - - -

23 EDGAR WEBSTER

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

1 as follows:

2 WITNESS WEBSTER: Hello. I'm Edgar Webster, and
3 I'm here representing J.C. Penney in Lakeshore Mall. We
4 have been reviewing this sale. Part of it based on the
5 worksheets that were supplied to us by Florida Power. We
6 would support the sale of Sebring Utilities to Florida
7 Power. We are still in the process of reviewing it and
8 plan to send it to our district office for further review,
9 which hopefully we will get some feedback to Florida Power
10 at the time.

11 We also have some questions about the worksheet
12 that I am trying to get answered by Florida Power, but
13 based on all the information we have at this time we are
14 supporting this sale. Thank you.

15 CHAIRMAN BEARD: Thank you. Is there anybody
16 else? We thank you, the people that didn't stay for the
17 evening session this afternoon and those of you who have
18 been here this afternoon and tonight. We appreciate your
19 input. This is what this is all about.

20 You have raised some interesting questions for
21 me when we go back and take a look at this contract. We
22 will take a hard look at those as we go through and review
23 the process. Again, thank you so much. Good night.

24 (Thereupon, the hearing was concluded at
25 6:15 p.m.)

1 F L O R I D A)
2 COUNTY OF POLK) CERTIFICATE OF REPORTER

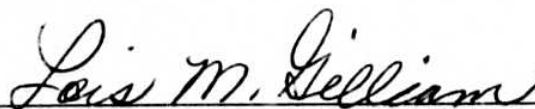
3
4 I, LOIS M. GILLIAM, Deputy Official Court
5 Reporter, and Notary Public in and for the State of Florida
6 at Large.

7 DO HEREBY CERTIFY that the hearing in this cause,
8 Docket No. 920949-EU, was heard by the Florida Public
9 Services Commission at the time and place herein stated;
10 it is further

11 CERTIFIED that I reported in shorthand the said
12 proceedings; that the same has been transcribed under my
13 direct supervision, and that this transcript, consisting of
14 110 pages, constitute a true and accurate transcription of
15 my notes of said proceedings; it is further

16 CERTIFIED that I am neither of counsel nor
17 related to the parties in said cause and have no interest,
18 financial or otherwise, in the outcome of this docket.

19 IN WITNESS WHEREOF, I have hereunto set my hand
20 at Bartow, Polk County, Florida, this 16th day of November,
21 A.D., 1992.

22
23 
24 LOIS M. GILLIAM
25 Deputy Official Court Reporter
Tenth Judicial Circuit of Florida
(813) 533-1170

DATE Oct 19, 1991PAGE 102

WE, THE CUSTOMERS & RATEPAYERS OF SEBRING UTILITIES CORP., HEREBY ASK AND PETITION THE STATE OF FLORIDA PUBLIC SERVICE COMMISSION NOT TO APPROVE ANY REQUEST FROM THE FLORIDA POWER CORP. TO PLACE ANY SURCHARGE ON THE S. U. C. RATEPAYERS IN THEIR EFFORT TO PURCHASE THE SEBRING UTILITY CORP. THE SURCHARGE WOULD BE FORCING THE RATEPAYERS TO PAY THE DEBT OF S. U. C.

WE FURTHER PETITION THAT WE BE GIVEN THE RIGHT TO PURCHASE OUR ELECTRIC CURRENT FROM THE COMPANY OF OUR CHOICE, AS LONG AS THE COMPANY WE SELECT HAS LINES AVAILABLE OR THE COMPANY SELECTED DESIRES TO MAKE THEIR LINES AVAILABLE. IF THIS REQUEST REQUIRES LEGISLATIVE ACTION, WE THEN DESIRE TO FURTHER OUR PETITION TO EXTEND TO THE LEGISLATORS OF THE STATE OF FLORIDA.

COMPLYING WITH THIS PETITION WOULD MAKE THE VARIOUS UTILITY CORPORATIONS COMPETITIVE, AS ALL OTHER BUSINESSES.

PETITIONER

ADDRESS

| | |
|---------------------|---------------------------------------|
| <i>[Signature]</i> | 45 Highland Ave, Sebring FL |
| J. E. Francis Jr | 1430 Marlow Ave. Sebring 33870 |
| Lillian Francis | 1430 Marlow Ave Sebring 33870 |
| Jacob Francis | 517 S. Pine Sebring 33870 |
| Lori A. Keller | 557 NE LAKEVIEW DR Seb " |
| Harry R. Kerner | 2918 San Francisco Ln 33870 |
| Sam & Ma | 5224 BARNUM ST. Seb. Fla 33870 |
| David B. John | 915 Ivory Crest St, Sebring Fla 33872 |
| Susan S. John | 915 Ivory Crest St, Sebring Fla 33872 |
| Charles R. Campbell | 4400 Fort Center Ave, Labelle, 33935 |
| Walter Pinkley Jr | 601 Crestview Dr Sebring |
| Charles Pinkley Jr | 601 Crestview Dr Sebring |
| Andrew Caputo | 4600 Alhambra Ave. Seb. 33870 |
| Wanda Caputo | 4720 Alhambra Ave. Seb. 33870 |
| John Caputo | 4720 Alhambra Ave. Seb. Fla 33870 |
| Bill Caputo | 217 Pine St Seb. Fla 33870 |
| Walter Caputo | 3211 Has Vign Blvd Sebring |
| Walter Caputo | 3745 SANTA Rd Seb. 33872 |
| Walter Caputo | 1500 PENNY AV. Seb 33870 |
| Walter Caputo | 501 S. CECIL ST. SEBRING |
| Walter Caputo | 1531 Rainbow Ave Sebring |
| Walter Caputo | 1531 Rainbow Ave Sebring |

| | | | |
|---------------------|----------------------|-------------|------------|
| Dr. R. K. Thompson | 2333 Business Rd. | Sebring | |
| William H. Thompson | | | |
| Janet L. Bailey | 1829 Wightman Ave. | Sebring | 33870 |
| Boston Shanks | 9 McRae St. | 1945 Road | 33852 |
| Gray, Eugene | 521 Arlington Pl. | Sebring | Fla. 33870 |
| Dr. Wm. Williams | 521 Arlington Pl. | Sebring | Fla. 33870 |
| W. H. H. H. H. | 1601 N. Highways | Sebring | Fla. 33870 |
| Timothy L. Wellsey | 4510 Royal Palm Ave. | Sebring, FL | 33870 |
| J. C. Escovell | 3610 SPRING RD | " | 33872 |

DATE

Oct 19, 1992

PETITION

WE, THE CUSTOMERS & RATEPAYERS OF SEBRING UTILITIES CORP., HEREBY ASK AND PETITION THE STATE OF FLORIDA PUBLIC SERVICE COMMISSION NOT TO APPROVE ANY REQUEST FROM THE FLORIDA POWER CORP. TO PLACE ANY SURCHARGE ON THE S. U. C. RATEPAYERS IN THEIR EFFORT TO PURCHASE THE SEBRING UTILITY CORP. THE SURCHARGE WOULD BE FORCING THE RATEPAYERS TO PAY THE DEBT OF S. U. C.

WE FURTHER PETITION THAT WE BE GIVEN THE RIGHT TO PURCHASE OUR ELECTRIC CURRENT FROM THE COMPANY OF OUR CHOICE, AS LONG AS THE COMPANY WE SELECT HAS LINES AVAILABLE OR THE COMPANY SELECTED DESIRES TO MAKE THEIR LINES AVAILABLE. IF THIS REQUEST REQUIRES LEGISLATIVE ACTION, WE THEN DESIRE TO FURTHER OUR PETITION TO EXTEND TO THE LEGISLATORS OF THE STATE OF FLORIDA.

COMPLYING WITH THIS PETITION WOULD MAKE THE VARIOUS UTILITY CORPORATIONS COMPETITIVE, AS ALL OTHER BUSINESSES.

PETITIONERADDRESS

| | |
|--------------------|------------------------------|
| William F. Collins | 1622 CRESENT DR. SEB. |
| GEORGE VRETH | 1622 CRESENT DR. SEB |
| Mark J. Worzel | 618 Denise Av SEB |
| W. F. BRIGHT | 1707 CRESCENT DR SEB |
| Joseph E. Vreth | 9337 Canter Path Sebring |
| Alvin Bright | 1707 Crescent Drive Seb. |
| Bob Doster | 9237 Canter Path Sebring |
| W. H. Webster | 3700 Hall Ave Seb. |
| N. W. Neel | 1104 Highland Dr. Seb. |
| Wm Edwards | 1502 W Prospect DR |
| Ray W. Hall | 1404 MELBOY BUE. SEBRING |
| George W. Hall | 4450 DESOTO ROAD lot 26 |
| Michael B. Biles | 4450 Desoto Rd #76 |
| Don W. Wilson | 2131 CRYSTAL DR #27 Ft Myers |
| Nancy B. Biles | 12300 Lakewood Dr. SEBRING |
| Shirley B. Biles | 4013 Elson Ave Seb. |
| Sandy Long | 437 Walnut St Sebring |

Good afternoon.

I am Bob Pollard, long time Sebring resident and Sebring Utilities ratepayer. I am speaking today as an individual consumer and as Chairman of the Concerned Citizens of Sebring. We are a registered political committee under Florida law and have been focusing our attention on the Sebring Utilities financial situation since April, 1991.

We oppose the sale of Sebring Utilities assets to Florida Power Corporation and ask that you not approve this joint petition as it now stands for the following reasons:

1. There is no substantial rate relief in the total package. SUC customers now pay the highest electric rates in the state and will continue to do so even if this sale is consummated. In order for this sale contract to work out the City of Sebring must go to the bond market and float thirty (30) year bonds to purchase the water system for the bid price of \$21.5 M, admittedly about three (3) times the depreciated book value. Mr. William R. Hough, former consultant for SUC, in responding to a question in open meeting voiced the opinion that the system could possibly be bonded for about \$23.5M. That figure was seized upon as the number and used in FPC'S initial bid figures. City council then cut it back \$2.0M in its actual bid. To make this work Council has already called for water increases of 25% over a period of four years. Point of all of this is that on one hand SUC and Council are willing to sell the electric distribution system at depreciated book value to FPC and are eager to pay three times depreciated book value for a water system that SEBRING already owns thus giving the ratepayer the short end of the deal on both transactions. Rates will reflect these shortcomings.

Utility rates are made up of four items: Electricity, Water,

four plus the transition fee will take more money from rate payer pockets, not less.

2. The TRANSITION FEE or SEBRING RIDER as it is identified in this Docket is discriminatory. It creates one more class of consumer for FPC and requires them to pay more for the same service as their neighbors. It will add a burden on SUC ratepayers. It will lower property values and restrict growth for the next fifteen years.

This transition fee is crafted to pay off the balance of the bonds after applying the selling price of the system (\$17.8M) the purchase price of the water system (\$21.5M); other monies and the bond reserve account (\$13M approximately) thus leaving \$38,134,631.00 to pay off. The interest cost of this \$38 M is figured to be \$29,303,749 over fifteen years and expenses for issuance of medium term notes is listed at \$42,901.00. As you can see this is not cheap.

We are being asked to divest assets and retain and pay debts to the benefit of FPC.

3. Purchase price in this contract is too low. Original bid price was \$10.2M and has been worked laboriously up to \$17.8M. Still too low but obviously much better. All of this was done with the understanding that FPC could work it into the ratebase and pass it on to other ratepayers. No

risk for FPC. I am told that rules and regulations will not allow an investor owned utility to pay more than depreciated book value to a municipality for its system.

In the issue of "Going Concern" value the figure of \$4.8M is being kicked around with both SUC and FPC feeling positive

about it and Public Service Commission having no position at this time. Mr. Gerry Warren's pretrial testimony says that this is a measurable commodity and should fall between \$5.M and \$14.M. Whatever this amount is when agreed upon will reduce the unpaid \$38.M figure. We urge you to rule favorably on this issue and set it in the \$10.M range. This will reduce the transition fee and give relief to the SUC ratepayer. FPC wants both the purchase price and the "Going Concern" amount figured in its rate base. Great. Where then is the Florida Power Corporation's participation in this since their rate payers will be paying all of the tab? No doubt Sebring's electric system is worth having because FPC has pursued this purchase with much zeal. They have dedicated many man hours of research, thought, preparation and strategies to this project. Why then would it not be proper for FPC's board and stockholders to have some investment and risk in this venture. If they felt secure

in investing about five million dollars (\$5.0M) of their money thus cutting down on the \$38.M shortfall even more they could wipe away most if not all of the opposition to this deal. We could all go forward hand in hand for the next foreseeable future feeling like we had a fair deal. Finally, and I know you are glad to hear that, I ask that you do not approve the Joint Petition as it now stands

unless a substantial figure for "Going Concern" value can be justified.

Thank you very much.



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida
Power Corporation for approval
of transition rate applicable
to Sebring area customers.

DOCKET NO. 920949-EU

OBJECTION TO PROPOSED TRANSITIONAL RATE

We, the undersigned Sebring Utilities' ratepayers, object to Florida Power Corporation's Petition for authority to charge Sebring Utilities' consumers a Transitional Rate on electric power and respectfully request that the Florida Public Service Commission deny the Petition for the following reasons:

1. The proposed Transitional Rate is a discriminatory rate and not in the best interest of the Sebring Utilities' ratepayers;

2. The proposed Transitional Rate does not give the Sebring Utilities' consumers any substantial rate relief in that they will be required to pay in the form of a Transitional Rate, substantially all of the outstanding debt at an interest rate which is substantially higher than the present bond indebtedness.

3. Florida Power Corporation has proposed to purchase Sebring Utilities Commission's electrical system at the depreciated book value of the facilities. The electrical system currently has in excess of 12,000 consumers and the proposed purchase price is for facilities only with no consideration for

revenue. If the transaction is to be consumated, Florida Power Corporation should be required to pay more for the system thereby reducing the amount of the outstanding debt to be paid by the ratepayers.

4. The proposed Transition Rate will be detrimental to existing and future rate payers in the Sebring area, and will definitely impact growth and property values in the area.

5. The Florida Legislature amended the Sebring Utilities Commission's Charter in 1991 giving SUC authority to levy a surcharge to pay the outstanding indebtedness. The amendment provided for a referendum. The proposed Transition Rate is a form of surcharge and should not be allowed without a referendum of the consumers of Sebring Utilities.

6. There are other options available which would eliminate the need for a Transition Rate, give rate relief and be better for Sebring Utilities consumers in the long run We request the Petition be denied. Please keep the undersigned advised of all future proceedings in this docket at the following address: Robert G. Pollard, Chairman of wood Concerned Citizens of Sebring, 810 N. Ridgewood Dr., Sebring, Florida 33870.

Respectfully Submitted,



Address:

Ratepayers:

M. R. Stocker

414 N.W. Lakeview Dr.

Sebring, FL 33870

Melvin R Friedel

Marion Bliss

Mary Barrett

Helene B. Lever

William C. Green

Linda Cantore

Mrs. Dorothy Smart

Edis Cornbr

Mrs. Huldred

Marvin D. Rose

Harold Rendell

Mrs. Mrs. Stanley Hattis

Burgh Hordley

Mrs. Mrs. John Phillips

Mrs. & Mrs. W. E. Potter

Mark Mullins

Anthony De man

Harold T. Ferguson

Maynard L. E. Gubler

Henry C. Van Clusen

George Marion

Clayton H. O'Brien

Robert J. Dykes

George Czinski

Steve Podnanski

Chet Bednarski

H. D. Nees

4710 FERDINAND

4711 Ferdinand

4800 Ferdinand

4810 Ferdinand

3321 DESOTO CITY RD

3417 Sunset Rd

5137 Roanoke St

3421 Sunset Road

3501 Sunset Road

3506 Sunset Rd

4521 Alhambra

4525 Alhambra Ave

Alhambra Ave

5036 Argonne St

3511 Highlander Rd.

4716 Alhambra Ave

4721 ALHAMBRA AVE

4723 Alhambra Ave Selving

4717 ALHAMBRA AVE

5118 Roanoke St.

4800 Alhambra Ave

4814 Alhambra Ave

4516 FERDINAND AVE

4908 Barnum St

4936 Barnum St

3230 Carter St

4935 Barnum St.

Miss Thacker

Edith Morgan

John F. Johnson

E. Thacker

Mr. & Mrs. R. C. C. C.

John A. C. C. C.

John A. C. C. C.

John A. C. C. C.

John A. C. C. C.

John A. C. C. C.

John A. C. C. C.

John A. C. C. C.

John A. C. C. C.

John A. C. C. C.

John A. C. C. C.

Mr. & Mrs. R. W. BARRIGAR

Clara Johnson

John C. C. C.

John C. C. C.

John C. C. C.

Willard R. Alexander

Logan R. Newitt

Sandra Burnett

Mr. & Mrs. E. Abner

Mr. & Mrs. Richard W. Clark

Mr. & Mrs. George K. K.

Barbara Morris

4611 Royal Palm Ave. C. C. C.

4601 Royal Palm Ave. C. C. C.

4521 Royal Palm Ave. C. C. C.

4521 Royal Palm Ave. C. C. C.

4521 Royal Palm Ave. C. C. C.

4507 Royal Palm Ave. C. C. C.

3321 Grand Ave. C. C. C.

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Mr & Mrs Wm H. Knapp

Linda Tucker

Robert White

John Winter

Helen Engel

Lillian Slanaker

Thomas J. Knapp

John Knapp

Jack Little

Harry C. McQueen

Rich B. Brown

John B. Laine

Chas. Laine

Joseph J. Namanya

John J. Jank

Margaret Tuttle

Floyd Gibson

George R. Certe

Ray Charles

Paul E. Meyer

Henry R. Brown

5011 Barnum St. Spring Fl.

5027 Barnum St. Spring

5028 Barnum St. Spring

5044 Barnum St. Spring

5103 Barnum St.

5112 Barnum St.

5120 Barnum St.

5304 Barnum St.

5345 Roanoke St.

5214 Roanoke St.

5213 Roanoke St.

5221 Roanoke St.

5134 Roanoke St.

5146 Roanoke St.

5126 Roanoke St.

5111 Roanoke St.

3301 DESOTO CITY RD.

4946 Roanoke St.

4938 Roanoke St.

4930 Roanoke

4921 Roanoke Pl.

[illegible]

339 Tiger Tail
 338 Tiger Tail Rd
 549 Van Moxey Rd.
 19 Phoenix St.
 341 Tiger Tail Rd
 Tiger Tail Rd
 Tiger Tail Rd
 36 Phoenix St.
 13 Tiger Tail Rd
 15 Tiger Tail Rd
 23 Phoenix St.
 302 Tiger Tail Rd
 309 Golf Course
 338 Tiger Tail Rd
 919 15th Ave
 4816 S. Palm Beach
 4818 S. Palm Beach
 4818 S. Palm Beach
 2202 S. Palm Beach
 542 S. E. 1st St.
 907 Golf Side Dr
 1300 S. Palm Beach
 2630 Imperial Lane S. Brow.
 1525 S. Palm Beach
 4404 Virginia Ave 33812
 1103 S. Palm Beach 33812
 1311 S. Palm Beach 33812

Linda Ring

Camille McGrath

Honore Powers

Bakers Campbell

Ellis Watson

Georgia Williams

Lynn Davis

Chester Hinshaw

Ray C. Spill

Glen Harris

Walter Fox

Ernie A. Pome

Walter Markel

Jimmy Miller

Paul Miller

Don Parsons

Anderson Miller Jr.

Willette Williams

Patty Taylor

Robert C. Yang

John C. Rogers

Paul Perkins

Jean Perrowers

Betty L. White

Peggy Woodcock

Carole L. Walter

Hail W. Beavers

1311 Shon-ter Avenue

1625 SE Lakewood St.

1506 Andalusia, Seb.

1326 Schlosser Rd., Sebring

2110 Jackson Hgts. Dr.

1042 Lemon Ave.

5005 Roanoke St. Sebring

1607 melody ave

1933 LA GRANGE AVE Sebring

1326 Lucas Dr.

381 N Commerce Ave

2300 N W Interview Dr.

Whiteman 4016 South

3311 Gould AL

1417 formelline

115 Chestnut Rd

1520 Citrus Ave

903 Booker Ave

1123 Grand Ave

1803 Warfield Place

1006 CHAPMAN DR

2318 Cleveland Rd.

1727 Rainbow Ave

3015 Sparks Rd Apt. 225

1715 HOWEY RD, Sebring, FL

1119 Booker Ave, Sebring, FL

4012 Lewis Ave, Sebring, FL 33872

~~Joe M. Stiles, Jr.~~
~~Ted O. Shoemaker~~

Joseph
FRAME
M.R.
Rhoades
M.H. Groves

Jacob L.
House

M. W. Brown
Jacob L. House

Richard E. Johnson

Gina Call

Ruby M. Vaughn

Ruby Jackson

Lynn M. Schaad

Pauline K. Meredith

Antonia Anier

Jane Carr

Mary S. Thompson

Margaret E. Wilson

Ray H. Hays

Charles Bottoms

Yvonne S. Travers

Guth E. Sharp

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Stiles Lurniture Co.

735 S.E. Lakeview Dr

3125 Villa Road Sebring

4516 Calissa Ct. - Sebring

1831 N.E. Laneview

3138 Circle Sebring

511 Magnolia Ave.

540 S. Eucalyptus St.

510 Magnolia Ave

520 MAGNOLIA AVE

520 B Magnolia Ave.

731 S.E. Lakeview Dr

856 Eucalyptus

844 Bay St. apt. 1

844 Bay St. - apt 3

2128 NW Lakeview Dr.

500 Lamar St.

4722 4th St.

3731 Kenilworth

720 N. Ridgewood (Bus)

2110 N.E. Lakeview (Home)

Wm. J. L. L.

Leah C. Culverhouse

Jane Harold

Carl B. Cause

John C. Fald

Richard L. Fung

Monas E. Fung

Rich. J. Fung

Lisa Pa

Rachel Wilkins

John F. Boy

John F. Boy

Frank Padgett

Emmett Anderson

Chris Anderson

William H. Ferguson DM

William H. Ferguson DM

William H. Ferguson DM

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William H. Ferguson DM

2207 NE Lakeview Dr. Sebring 33870

3820 Leeway Ct, Sebring 33872

3829 Lee Way Ct Sebring, 33872

3708 SPART Rd, Sebring, 33872

1703 Tusculum Dr. Sebring, FL 33870

5021 LAUREL Dr Sebring, 33870

1502 Perry Ave, Sebring

3745 SPARTA Rd. Sebring

1203 Van Duren St. Lakeland

3316 Hound Ave, Sebring

4711 Howard St Sebring

5301 OAKLAND Rd.

4819 2ND STREET

2237 N.E. LAKEVIEW DR.

906 S.E. LAKEVIEW DR.

1310 STEVENAGE AVE Sebring

1257 Edgewater Point Dr. Sebring

2177 E. Lakeview Dr. Sebring

2009 N.E. LAKEVIEW DR

Walter A. Babb
Walter J. Capello

Dennis Decker

Ellen

Mrs. Mrs. M. Ford

John E. Giffen

Mrs. Mrs. L. G. Smith

Betty Ann Watson

Lorraine Schmitt

George L. Hansen

Mrs. M. J. Randall

Mrs. + Mrs. Fred Canale

Mrs. Ray Peters

William L. Schuler

Mrs. + Mrs. Owen Craig

Mrs. + Mrs. Tom Davis

Mrs. C. Watson

C. L. Lipp

Thomas + Veda Compel

Deanna Dealy

Caroly Howard

Olga Papalazarus

12th St. Clear

Tom D. Kibitt

Marjorie Belling

Harold Smith

Caroline H. West

Phyllis Trumble

John Beeskee

3801 70th Court LN

1724 Rainbow Ave.

Springer Rd.

3610 Sparta Rd.

41200 1st Ave.

1100 1st Ave. N. 11th St.

1100 1st Ave. N. 11th St.

3610 Sparta Rd. 1st 4th

3610 Sparta Rd. 1st

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3610 Sparta Rd. 1st

3610 Sparta Rd. 1st

1543 Millar Ave.

1609 9th St. N. 1st

1613 Kensington 33rd

1214 16th St. N. 1st

1131 5th St. N.

1124 Shamrock Dr.

1111 Shamrock Dr.

1020 Shamrock Dr.

926 Shamrock Dr.

820 Shamrock Dr.

921 Shamrock Dr.

931 Shamrock Dr.

936 Shamrock Dr.

976 SHAMROCK DR.

1017 Shamrock Dr.

1035 Shamrock Dr.

Helen H. Patton
Robert D. Kurt
Georgia R. Tisd
Matt G. Cook
Eugene Schmidt
Elizabeth H. H. H. H.
Robert E. Billhardt
Ray Sterling
Ray G. G.
G. M. MacCall
William H. H. H.
Ray H. H. H.
C. H. H. H.
J. H. H.
J. H. H. H. H.
Pauline B. H. H.
Ada Jackson
L. H. H. H. H.
B. H. H.
L. H. H. H.
Elizabeth H. H.
Charlotte B. H.
Mar. C. H.
Andrey H. H.
Robert W. H.
Sandra Knight
Margaret Condon

404 NW. Lakeview Dr.
203 St. Agnes St.
207 St. Agnes St.
211 St. Agnes St.
1703 Palm St.
1719 Palm St.
1201 N.W. Lakeview Dr.
338 NW Lakeview Dr.
224 NW Lakeview Dr.
700 NW. Lakeview Dr.
1200 NW. LAKEVIEW DR. SEBRING
552 NW Lakeview Dr.
404 S.W. LAKEVIEW DR.
414 S.W. LKVV. DR.
336 NE LKVV M.
1306 D. W. Lakeview Dr.
318 N.W. Lakeview Dr. Sebring
514 N.W. LAKEVIEW DR. SEBRING
219 W. Commerce Dr. Sebring
504 NW Lakeview Dr. Sebring
1233 Edgewater Pt. Dr.
1221 Edgewater Pt. Dr.
1323 Edgewater Pt. Drive
421 Pomegranate A
1110 Hammock Rd. Sebring
1002 Lake Sebring Dr. Sebring
1246 Shamrock Rd. Sebring

Jake Cronson
Elaine P. Cronson
Carol Julian
~~John P. Julian~~
Kenda Coleman
Bet Coleman
Zoe Coleman
Richard K. Coleman
Kay G. Carr
Patricia A. Carr
Stanley Norby
Virginia Norby
Jonathan D. Norby
Jane D. Norby
Lloyd A. Wickstrom
Wayne Wickstrom
John F. Mack
Katherine Mack
U. M. Brown
W. Bielefeld
Sammy Steves
Betty M. Marklin
David R. Rie
Betty R. Rie
Joseph G. Rie
Andy Rie

1236 Shamrock Dr.
" "
1201 Shamrock Dr.
" " "
1231 Shamrock Dr.
1345 Shamrock Dr.
1312 Shamrock Dr. Sch. 10
1311 Shamrock Dr. Sch. 10
1413 Shamrock Dr. Sch. 10
1410 Shamrock Dr. Sch. 10
1400 Shamrock, Dr.
" " "
1406 Shamrock Dr.
1450 Shamrock Dr.
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1320 Shamrock Dr.
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1200 Shamrock Dr.
1535 Shamrock Dr. Sch. 10
1540 Shamrock Dr. Sch. 10
1520 Shamrock Dr. Sch. 10
3801 40th Ave #34 Sch
X6 X4 X3 X2 X1 X0
1536 Schlosser Rd.
1516 Schlosser Rd.

Born Date

Paul & Ann Weed

Hellie Bair

Luven Bair

Babette Campbell

Samuel Johnson

Lex R. Harvey

Rosalee Kelly

Dorothy L. Clark

Marianne L. Klippert

Luven Hummel

Mr. M. M. H. H.

John F. Kell

Billie Gladys Hargrave

Addison Kepner

Ree Sachs

Dorothy J. Hall

William B. McMillan

Shirley L. McMillan

Al Bladzik

Bonita Helms

Frank O'Brien

Tom Rabbitville

Barbara Webster

Shirley Stealy

Caroline R. Kestrow

Josephine R. Leason

1460 Schlosser Rd

1410 Schlosser Rd

1350 Schlosser Rd Sebring

1340 Schlosser Rd Sebring

1326 Schlosser Rd Sebring

1325 Schlosser Rd Sebring

1302 Schlosser Rd Sebring

1300 Schlosser Rd Sebring

4016 Ethiopia St.

4020 Ethiopia Blvd.

1066 Shana St Sebring

1241 Shamrock Dr Sebring

1201 Shamrock Dr Sebring

1415 Shamrock Dr Sebring

1445 Shamrock Dr Sebring

547 Von Miley Rd

453 Sunrise Blvd

563 Coral Street

563 Coral Street

461 Sunrise Blvd.

450 Sunrise Blvd.

416 Pauline St.

114 Gemini St

46 Gemini St

534 Von Miley Rd

36 Miami St

41 Miami St

Marlowe Struss
Robert J. Jardine
William R. Ward
Donald Braven
Ben Rose
Gerald Jones
In [unclear]
George R. Houtabber
Clair J. Jurney
Rufus Cunningham
Earl Picket
Edward Kindinger
Mrs. Susan M. Munn
James Malinski
Martha Jackson
Fred H. Jackson
Lion Barry
Grace E. Kindinger
Harry J. Ramsey
Laura & Alfred Heaton
Stella Bachmaga
Glen & Doreen Robertson
Mary Ann Gussow
Robert L. Wesson
Katherine & Harvey Smith
Alfred C. Rauzon
Blanche Hood

152 Lakeview Mobile Court
109 Lakeview Mobile Court
130 ~~130~~ LAKEVIEW MOBILE CT.
33 Lakeview mobile ct.
149 Lakeview Mobile Ct.
112 Lakeview Mobile Ct.
30 Lakeview Mobile Ct.
136 Lakeview Mobile Ct.
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168 Lakeview Mobile Ct.
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139 Lakeview Mobile Ct.
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156 Lakeview M.C.
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172 Lakeview M.C.
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148 Lakeview M.C.
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Catherine L. Kessell
Mildred Shansberger
Christine Martin
Reba Palmer
Beth M. Johnson
Ruth Becker
Bernice Sheehan
Aron Daniels
Albert A. Bath
Luis Gurney
Thomas Traubiger
Marie Padiau
Rose Swedorske
John H. Swedorski
Susan Baginski
Jerry Loftis
Raymond Palmer
Marion Uggie
Wanda R. Swamer
Lois Buggerd
Bernice DePauw
Doris Tenack
Mary Simmonds
Jack Simmonds
Catherine Schmidt
Phyllis Phelps
Frank Kotouch
Andy Anderson
Fredrica Anderson

511 Von Maxey
442 Sunrise Blvd
10 Cherokee
450 Sunrise Blvd.
546 Von Maxey Rd
52 Cherokee St.
512 Von Maxey Rd
307 Francis
106 Eva St
14 Harglewood St
442 Sunrise Blvd
69 Cherokee St
537 Von Maxey Rd.
539 Von Maxey Rd.
78 Cherokee St
Cherokee St
Cherokee St
352 T. J. Taylor Rd.
25 Cherokee St
24 Cherokee St
72 Cherokee St S.E.
16 C. H. B. D. K. F. St
72 Cherokee
72 Cherokee
24 T. J. Taylor
217 Francis
Francis
70 Cherokee
70 Cherokee

Norma S. Martin

T. C. Colley

John De Santos

Lelia Thistlewood

Carol Beronius

H M King

Tony Wright

Wesley Padgett

Patricia A. Haggren

William L. Haggren

Kenn S. Sells

Kristina Long

Stephanie Curridg

Angelina Kenney

Betty Lou Huggins

Ruby Barham

Charles Huggins Jr.

Fredddie Mae Spear

Lisa Speers

Paul Boynton

Albert Blasky

Ken Dennis

Stephanie Bromhall

T. Stanback

Stan Jones

Darida Jones

Bob Newbold

730 Magnolia Ave.

4806 6th Street

1243 Fern Vale Ave

1502 Sunset Ave

618 Denise Ave

1516 KATCADIAN AVE

4611 Minerva St

535 NE Lakeview Dr.

1320 Stenewacker Ave

544 4816

4820 5TH

1033 Lucerne Dr.

419 Grapefruit Ave Apt 12A

74 Tassachee Ave

4711 4th St.

979 S.E. Lakeview Dr.

4711 5th St. Sisking

721 Harris St.

733 Booker St.

603 NE Lakeview Dr.

4139 Tobay St - Schring

234 Rose Ave #2 Schring

729 Poinsettia Ave

4521 Royal Palm Ave

729 Poinsettia Ave

3613 Scenic Hwy

216 Douglas Ave.

William H. Bullock
Teresa D. Palmer
James Oliver
N. Nikki Strickland
Melody Bates
Dwain Thamm
Ken Toller
Candace Butler
Paula Terwat
Ellen Wingler
Clifford Payer
Candace
Eddie Coronado
Anthony M. Robinson
Cathy Bagley
Kathy Louca
Deborah Andrews
Frank M. M. M.
Donald Smith
B. J. Peters
James Hunt
Paul M. M. M.
Mrs. James Jensen
Mark L. L.

829 Grand Ave
4107 Josephine St.
421 Elm Ave
729 Rainetta Ave. Apt #1
4703 4th St. Seb.
1406 Lucas Dr.
1000 S.E. Lakeview Dr.
12550 Kennedy Dr.
510 NE Lakeview Dr.
526 Kernan Dr. near
123 N. King Dr.
1323 Oscoda Ave. Solving
152 S.E. Lakeview Dr. 33870
923 Taseschee Dr.
4736 Elm Ave.
2845 US 275 Solving #8
1314 9th Ave Solving
1625 SE Lakeview
1718 Evangeline Seb.
3000 Villa Rd. apt #6
1103 BELLEVUE AVE SEB.
731 S. Eucalyptus St.
906 Fielder Blvd
432 N. Rickwood Dr. Solving.

| | | |
|----------------------------|------|---------------------|
| On Paul's Den on the Lakes | 3100 | Highway Rd. Spring |
| Ch. Muth SKYERS | 3100 | 60th View Rd. |
| J. J. Edwards SKYERS | 2223 | W. 4th Rd. Spring |
| Ann. Hardy Skyles | 121 | Douglas Ave. Spring |

Sylvia J Rosenthal
Elizabeth L Jacobson
Robert S. Pearson
W. H. Dutton
Norma Harriss
Edward

168 West Center Ave.
166 W Center Ave
164 W Center St.
156 W Center
" " "
158 W Center

Mary Stefanakos

Ernest Morgan

Charles J. Bell

Margaret P. Nipple

Jos. A. Harper

Maynard + Lynn James

Margaret Becharst

William J. York

Lewis W. Greenough

Marta L. Neal

1512 Hotspur Spring Fla.

1210 N. W. Lehigh Dr. Spring Fla.

1631 Jackson Ave. Ar.

1200 NW Lakeview Dr.

1300 Persimmon CP Apt-36

1134 NW Lakeview Dr.

205 S. W. Ave. Spring Fla.

224 Lakeside Rd

118 IVY AVE

104 Highlands Rd.

Sherman P. Wark

Wayne J. Lee

Thy G. Wood

424 NW LAKEVIEW DR, SEBRING

434 NW LV DR. SEBRING

444 N.W. LAKEVIEW DR. SEBRING

MRS
RAY SENKPIEL
1025 HAPPY LN
SEBRING FL 33870

My husband died March 1st.

I am 80 yrs old.

I would like to see

Electric bill lower, and

not have to pay a small

Pension for just for

Electric bill.

Mrs. Ray Senkpiel

MRS
RAY SENKPIEL
1026 HAPPY LN
SEBRING FL 33870

My husband died March 1st.

I am 80 yrs old.

I would like to see

Electric bill lower, and

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Pension for just for

Electric bill.

Mrs. Ray Senkpiel

1 My name is Don Darling and I am a Sebring Utilities Commission ratepayer living
2 at 1520 Tenth Avenue, Sebring, Florida. I am the co-chairman of **Citizens for Utility**
3 **Rate Equity**. CURE was formed in the summer of 1989 by our chairman, Jim
4 Flynn, and by Nancy Hawk, Pat Wilk, Kathy Main, and the James Sacco family.
5 All of these people are Sebring area citizens and Sebring Utility ratepayers. Within
6 the first month ^{or so} CURE attracted about 1300 members, many of whom were present
7 at four major public meetings hosted by CURE. It is important for you PSC
8 representatives to be aware that CURE asked at each of our public meetings if
9 anyone was in favor of SUC rates or the continuation of SUC. Not one person
10 ever spoke in favor of either. Our organization is composed of private citizens and
11 business people joined together to find a solution to what we believe is Sebring's
12 number one problem: SUC's exorbitantly high utility rates. CURE's single
13 objective, as stated in its original position paper, was and is to obtain electric rates
14 comparable to Florida Power rates.

15 While CURE will be represented at the formal hearing in Tallahassee, I would like
16 to share with you now some of our concerns as Sebring Utility ratepayers.

17 While the problem of high electric rates in Sebring has been an ongoing problem
18 since the early to mid eighties, it wasn't until CURE was formed that SUC
19 ratepayers banded together to solve the rate problem. It is CURE's opinion as
20 stated in already written and submitted testimony, that all previous efforts, to solve
21 the Sebring Utilities financial problems resulted only in raising rates. Repeated
22 refinancing benefited only the consultants, the bondholders; ^{and} and as a result, the
23 SUC ratepayers unwillingly assumed these costs plus the huge commissions paid
24 the bond brokers. CURE cannot find any record of where any substantial effort

1 was made to sell SUC until both continually an angry customer base plus an
2 absolutely disastrous financial future faced the SUC commissioners, ~~and for this~~

3 ~~year.~~

4 We believe that a sale to FPC is in the best interest of SUC ratepayers and the
5 surrounding area for various reasons.

6 We believe improper and uninformed financial management decisions have led to
7 the situation where SUC ratepayers have the highest electric rates in the state. If
8 these rates go from the current \$107 per thousand kilowatt hours, to the rate of
9 \$151 as outlined in the testimony of Mr. Calhoun, those rates might well skyrocket *the*
10 cost of ^{our} electricity to be the highest in the United States. These projected rates will
11 make electric service unaffordable to the majority of SUC ratepayers. I'm sure the
12 Public Service Commission is aware that Highlands County demographics show
13 this is a rather low income area with many retirees on fixed incomes.

14 Another reason for the sale...historically municipal utilities have only been brought
15 into play when they would be useful to the public by providing better rates or
16 service than the private sector. SUC fails the rate test miserably. It cannot begin
17 to provide rates anywhere near as low as those of Florida Power. Remember, we
18 have single, working mothers trying to conserve on electric consumption who still
19 have utility bills that require more than a week's pay so they can purchase SUC
20 electricity, a basic necessity of life.

21 SUC ratepayers should not have to make the choice between buying groceries or
22 paying the electric bill. Elderly people dependent on medication should not have
23 to cut back on their electric consumption because they can't afford both of these
24 necessities of life.

1 SUC is not providing electric service at a fair price. As is shown in Ms. Holloway's
2 testimony, SUC is taking ^{about} \$14,000 per day from the Reserve Fund to keep rates
3 "low" during the pending sale. I would like to ^{quote} ~~give you now a copy of~~ a letter
4 CURE received when CURE was formed. It is a perfect example of the many
5 letters and hundreds of phone calls we have received calling for lower rates. *For example*
6 CURE knows there is no question FPC would immediately offer SUC ratepayers
7 an immediate rate reduction as well as an increase in customer service options.
8 For example, SUC, desperate for income, retains customer deposits until the
9 customer moves from the area or dies. FPC returns deposits to customers in
10 good standing.
11 While SUC offers brochures on energy conservation, it does not conduct personal
12 energy audits. FPC offers this needed service, another reason to sell to Florida
13 Power.
14 Still another reason for a sale to Florida Power is that SUC commissioners are a
15 self-perpetuating group of people who do not seem to be held accountable to the
16 ratepayers. SUC commissioners nominate their successors and therefore the
17 ratepayers have no voice in commission appointments or any other utility
18 decisions. If bad decisions are made, the customer has no one to turn to for help.
19 FPC is regulated by the PSC which will provide an outlet for customer complaints,
20 and can force Florida Power to provide rates which are fair and equitable to all
21 concerned. As I stated a few minutes ago, SUC rates are fair only to SUC
22 bondholders.
23 We need a professionally managed utility. SUC commissioners have not had the
24 necessary expertise in the managing of large businesses. For example, in Mr.

1 Calhoun's testimony he states that the engineers and consultants to the Phillips
2 Plant stated the plant would be a financial success. CURE has repeatedly
3 expressed the opinion that where the plant was concerned, only those who had
4 a financial reward coming from the building of the Phillips Plant were the ones who
5 said the plant made marketing sense. We believe a properly conducted
6 independent marketing study would have shown that the dream of building the
7 Phillips plant was just that -- a dream. No such study was ever conducted as far
8 as CURE can find out. In reality, the plant turned out to be a liability for the
9 ratepayers. A sale to Florida Power would eliminate this sort of poor management.
10 The guaranteed PSC oversight would make a business decision such as the
11 Phillips Plant virtually impossible.

12 If the PSC allows the sale to Florida Power, Sebring area customers would be
13 assured of professional utility management. For example, past SUC management
14 received bonuses for "good management". Yes, even when the Sebring Utility was
15 losing money, even at a time when CURE believes the utility was "technically
16 bankrupt", management bonuses were awarded. This indicates that the managers
17 of SUC did not have stated job objectives they had to meet in order to receive
18 extra monetary compensation.

19 And what if a hurricane ever hit this area? With an already existing \$91,000,000
20 debt, we question that our local, small utility would ever have the manpower or be
21 able to obtain the necessary financial resources to rebuild. If you allow the sale
22 to Florida Power, Florida Power would be far better able to recover from tragedies
23 such as the recent hurricane in south Florida.

24 The whole community has to pay SUC rates in various ways. Businesses have to

1 recover this extra cost of doing business. A recent study has shown that County
2 taxes could show a reduction as a result of a sale to FPC. Even with the transition
3 rate, the Highlands County School Board could save an estimated \$94,000 per
4 year and the County could realize a \$47,000 per year savings on its electric bills.
5 These County electric costs are paid by all ^{County} taxpayers and are but one confirmed
6 example of the magnitude of savings available to Sebring area residents if FPC is
7 allowed to purchase SUC.

8 This community needs to be rid of the stigma of living in SUC territory. Today
9 even realtors advertise property in FPC territory as a plus to prospective buyers..
10 Rates will drop immediately if you allow the sale to Florida Power, even including
11 the transition fee. ~~A~~ the end of 15 years everyone will be out of this miserable
12 situation. Since SUC has a history of refinancing and dragging out our
13 indebtedness, we see the 15 year period as a positive end to this debt.

14 We concur with the testimony of Mr. Nixon, from Florida Power, which states this
15 transition rate should not be contested as being discriminatory as he cites
16 examples of 17 similar rate structures throughout the state.

17 We also agree with the testimony of Mr. Calhoun which states that a sale to FPC
18 is in the best interest of the SUC ratepayers.

19 Admittedly SUC is in financial trouble as it attempts to keep rates down even
20 though its customers pay the highest rates in the state and among the highest in
21 the nation. According to Ms. Holloway's testimony, as I said before, while the sale
22 is pending, it is costing us ^{about} \$14,000 per day from the Reserve Fund to supplement
23 the consumer rates. If the sale is not consummated, Mr. Calhoun, the SUC
24 General Manger, says in his testimony that SUC will be forced to raise rates to

1 \$151 per 1000kwh.

2 The bottom line is the SUC ratepayers need the services of FPC (services such
3 as load management discounts, energy audits, etc.) and we need our rates to be
4 regulated by a state agency rather than five local business people. We believe
5 that at this time a sale to FPC is indeed in the best interest of all SUC ratepayers
6 and all Highlands County taxpayers.

7 If you do not allow the sale to Florida Power, and that idea frightens us, any other
8 option eliminates PSC control, the only protection we as ratepayers have. We
9 believe it is a safe assumption to say that current and former SUC commissioners
10 and managers have a far-less-than-wholesome financial management record ~~at~~ with
11 that utility.

12 Please allow SUC to become Florida Power.. Please do not allow the ratepayers
13 here to be held hostage to the costs of refinancing and/or continued financial
14 mismanagement. We believe the majority of SUC ratepayers want to see SUC
15 sold to FPC. Now.

16 Thank you.

My name is Bill Van Baalen. I have been a resident of the city of Sebring since 1973 and of course have been a ratepayer of SUC all this time.

I can remember the good old days before they ran up this horrendous debt in the early 80's. Although I have virtually no chance of outliving this 15 year transition rate, I am 100 per cent in favor of having the Florida Power proposal approved by the PSC.

I am a fairly average user and would benefit by about \$20 a thousand kilowatts immediately. The transition rate is based on a 3% growth rate. There are predictions that this area will have a growth rate of 6 to 7 percent. That would allow the transition rate to be paid off in 7-8 years.

I think that some of the people opposing this deal are not aware of the immediate benefits, such as:

Florida Power's base rate plus a \$22 transition rate would result in a saving of \$15 immediately for someone averaging 1,000 kwh per month.

In addition he would have available a load management option averaging \$10.75, making a saving of \$25 total per month.

It is understood that the \$22 transition fee is per 1,000, and that the customer who used 2,000 would pay \$44.

However by the same token, the fellow who used only 500 kwh would pay only an \$11 transition fee.

If you were a 1,000 kwh user and dropped to 851 in a winter month (so that your transition cost would be \$18.72) you would still get a \$13.50 load management credit. In a summer month if you used as little as 662 your transition fee would be only \$14.56 and you would still get a load management credit of \$10.50. If you used less than those figures you would lose only a proportion of the load management credit. For instance only 200 a month winter or summer would still get a \$3.17 credit.

Sounds pretty good to me compared to any alternatives I have heard about. I respectfully ask the Public Service Commission to approve the deal with Florida Power.

Thank you.

Bill Van Baalen
1407 Golfside Drive
Sebring, FL 33872

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 920949-EM EXHIBIT NO. 6
COMPANY/
WITNESS:
DATE: 11-4-92

AKE HAVEN EST SEC 1

N 7 BC 6

N 13 BC 2

DARLING DONALD C & FRANCES J

1520 10TH AVE

SEBASTIAN

FL 33672

C01-95-28-020-0020-0150

HIGHLANDS COUNTY

FL 33672

| ELEMENT | CODE | CONSTRUCTION DETAIL |
|---------|------|---------------------|
| 1 | 17 | CB STUCCO |
| 2 | | |
| 3 | 03 | GABLE OR HIP |
| 4 | 05 | CORR ASBESTOS |
| 5 | 5 | DRYWALL |
| 6 | | |
| 7 | 14 | CARPET |
| 8 | | |
| 9 | 04 | ELECTRIC |
| 10 | 04 | FORCED AIR-DUCTED |
| 11 | 03 | CENTRAL |
| 12 | 4 | ABOVE AVERAGE |
| 13 | | 2.0 |
| 14 | 3 | 2 BEDROOMS |
| 15 | 1 | 1.0 STORIES |

ORCODE 01 SINGLE FAMILY
DATA 49A MHD 1107.00 1.00

| AS | TOTAL GROSS AREA | PCT OF BASE | TOTAL ADJUSTED AREA | SUBAREA MARKET VALUE |
|----|------------------|-------------|---------------------|----------------------|
| DA | 1,612 | 100 | 1,612 | 41,225 |
| PA | 550 | | | |
| OP | 447 | 30 | 134 | 3,427 |
| GR | 581 | 60 | 349 | 8,925 |

3.640 2.095 53.577 1520 TENTH AV

| OB/XF CODE | DESCRIPTION | LENGTH | WIDTH | UNITS | UNIT PRICE | ORIG. PCT. COND. | L | ON | ANNUAL ADJ. | MT. ADJ. | OB/XF MT. VALUE |
|------------|-------------|--------|-------|-------|------------|------------------|---|----|-------------|----------|-----------------|
| 0161 | TRIM BS | 19 | 8 | 15200 | 3400 | 100 | B | 5 | 2.00 | -.90 | 410 |
| 9031 | C WALK | 46 | 3 | 13800 | 1300 | 100 | B | 5 | 1.00 | -.95 | 170 |
| 0031 | C WALK | 30 | 4 | 12000 | 1300 | 100 | B | 5 | 1.00 | -.95 | 148 |
| 9020 | C DRIVE | 29 | 18 | 52200 | 1300 | 100 | B | 5 | 1.00 | -.95 | 645 |
| 0312 | POOL M | 30 | 15 | 9000 | 8500 | 100 | B | 5 | 2.00 | -.90 | 6885 |
| 0032 | C PATIO | 40 | 25 | 55000 | 1300 | 100 | B | 5 | 1.00 | -.95 | 679 |
| 0321 | FPL MD | | | 100 | 125000 | 100 | B | 5 | 2.00 | -.90 | 1125 |
| 0202 | ENC SC | 90 | 10 | 90000 | 1300 | 100 | B | 5 | 2.00 | -.90 | 1053 |
| 0202 | ENC SC | 40 | 22 | 88000 | 1300 | 100 | B | 5 | 2.00 | -.90 | 1030 |

TOTAL OB/XF VALUE

12.145

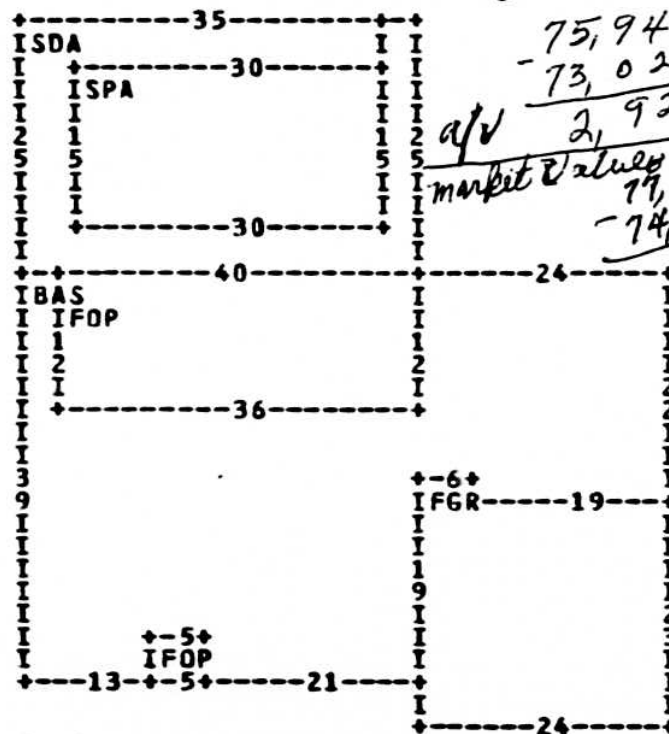
| LAND USE DESCRIPTION | USE CODE | LOCAL ZONING | FRONTAGE | DEPTH | DEPTH OR SIZE | D | COND. FACTOR | OTHER ADJUST AND NOTES | LAND UNIT PRICE | TOTAL LAND UNITS | UNIT TYPE | TOTAL ADJUST | ADJUSTED UNIT PRICE | LAND VALUE |
|----------------------|----------|--------------|----------|-------|---------------|---|--------------|------------------------|-----------------|------------------|-----------|--------------|---------------------|------------|
| SFR | 0100 | | 80 | 125 | 100 | | 100 | | 8800 | 8000 | F | 100 | 8800 | 7040 |

TOTAL LAND VALUE

MARKET

7040

SINGLE FAMILY RESIDENTIAL



Reviewed
3-25-72 J2

75,940
- 73,020
a/v 2,920
market value 77,079
- 74,115
2,964

BUILDING MARKET VALUE

MARKET

TOTAL MARKET OB/XF VALUE

53,577

TOTAL LAND VALUE MARKET

12,145

TOTAL LAND VALUE AGRICULTURAL

7,040

TOTAL CLASSIFIED USE VALUE CARD

TOTAL CLASSIFIED USE VALUE PARCEL

TOTAL JUST VALUE CARD

72,762

TOTAL JUST VALUE PARCEL

72,762

INCOME VALUATION

| METHOD | PCT | AMOUNT |
|-------------------------|-----|--------|
| ECON ANNUAL INCOME | | |
| VACANCY & COLL. LOSS | | |
| EFFECTIVE GROSS INCOME | | |
| TYPICAL OPERATING EXP. | | |
| RESERVE FOR REPLACEMENT | | |
| NET ANNUAL INCOME | | |

1991 ASSESSMENT

INCOME VALUE

OFF-RECORD

DATE

TYPE

BOOK

PAGE

MO

YR

INST

O/V

U/I

REASON CODE

73,020

07500826 483WDOV 8,000

059706541 078WDOV 1,200

BUILDING DIMENSIONS

BAS=W24 SDA=N25 W5 S5 SPA=W30 S15 E30 N15

S15 W30 N15 E30 N5 W35 S25 E40 FOP=W36 S12

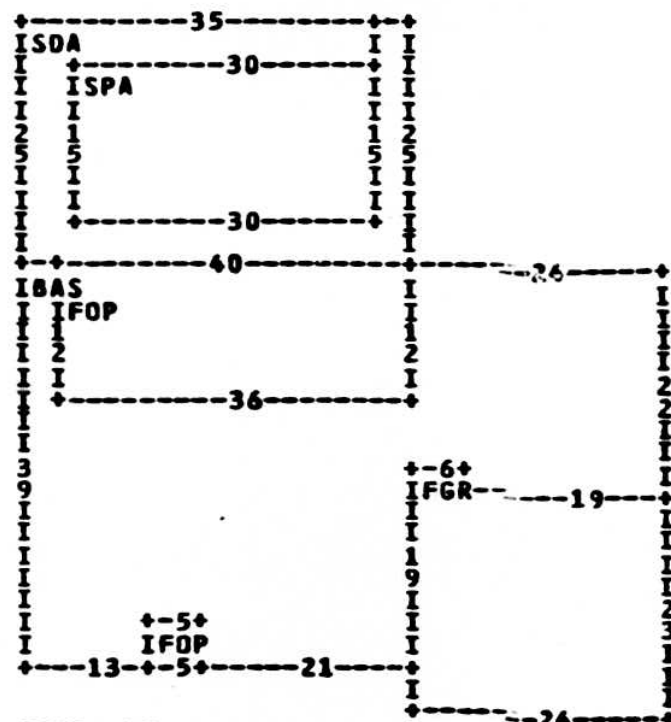
E36 N12 S12 W36 N12 W4 S39 E13 FOP=E5 N3 W5

S3 S3 E5 S3 E21 FGR=E1 S6 E24 N23 W19 N2 W6

S19 S19 N19 E6 S2 E19 N22 S.

| | | |
|---------------|-----|-------------------|
| STRUCTURE | 03 | CABLE OR HIP |
| OF COVER | 05 | CORR ASBESTOS |
| EXTERIOR WALL | 5 | DRYWALL |
| FLOORING | 14 | CARPET |
| HEATING FUEL | 04 | ELECTRIC |
| HEATING TYPE | 04 | FORCED AIR-DUCTED |
| AIR COND TYPE | 03 | CENTRAL |
| QUALITY | 4 | ABOVE AVERAGE |
| BATHS | 2.0 | |
| BEDROOMS | 3 | 2 BEDROOMS |
| STORIES | 1 | 1.0 STORIES |

SINGLE FAMILY RESIDENTIAL



FORCODE 01 SINGLE FAMILY
DATA 49A NHD 1107.00 1.04

| AREA TYPE | TOTAL GROSS AREA | PCT OF BASE | TOTAL ADJUSTED AREA | SUBAREA MARKET VALUE |
|-----------|------------------|-------------|---------------------|----------------------|
| ISDA | 1,612 | 100 | 1,612 | 41,549 |
| ISPA | 550 | | | |
| ISPA | 450 | | | |
| IFOP | 447 | 30 | 134 | 3,454 |
| IFGR | 581 | 60 | 349 | 8,996 |

| OB XF CODE | DESCRIPTION | LENGTH | WIDTH | UNITS | UNIT PRICE | ORIG PCT COND | L | ON | ANNUAL ADJ | MET ADJ | OB XF MET VALUE |
|------------|-------------|--------|-------|-------|------------|---------------|---|----|------------|---------|-----------------|
| 0161TRM | | 19 | 8 | 15200 | 275100 | 885 | | | 1.00 | | 418 |
| 0031MLK | | 46 | 3 | 13800 | 120100 | 885 | | | 1.00 | | 166 |
| 0031MLK | | 30 | 4 | 12000 | 120100 | 885 | | | 1.00 | | 144 |
| 0020CDR | | 29 | 18 | 52200 | 100100 | 885 | | | 1.00 | | 522 |
| 0309POOL | | 30 | 15 | 9000 | 8000100 | 885 | | | 1.00 | | 7200 |
| 0032PTO | | 40 | 25 | 55000 | 120100 | 885 | | | 1.00 | | 660 |
| 0321FPM | | | | 100 | 250000100 | 885 | | | 1.00 | | 2500 |
| 0202SCR | | 90 | 10 | 90000 | 120100 | 885 | | | 1.00 | | 1080 |
| 0202SCR | | 40 | 22 | 88000 | 120100 | 885 | | | 1.00 | | 1056 |

TOTAL OB/XF VALUE

13,746

| BAND USE DESCRIPTION | USE CODE | LOCAL ZONING | FRONTAGE | DEPTH | DEPTH OR SITE | COND FACTOR | OTHER ADJUST. AND NOTES |
|----------------------|----------|--------------|----------|-------|---------------|-------------|-------------------------|
| SFR | 0100 | | 80 | 125 | 100 | 100 | |

TOTAL LAND VALUE

APPRAISED ON 09/13/85 BY PCBS

| | |
|-----------------------------------|--------|
| BUILDING MARKET VALUE | |
| TOTAL MARKET VALUE | 13,746 |
| TOTAL LAND VALUE MARKET | 7,040 |
| TOTAL LAND VALUE AGRICULTURAL | |
| TOTAL CLASSIFIED USE VALUE CARD | |
| TOTAL CLASSIFIED USE VALUE PARCEL | |
| TOTAL JUST VALUE CARD | 74,785 |
| TOTAL JUST VALUE PARCEL | 74,785 |

INCOME VALUATION

| METHOD | PCT | AMOUNT |
|--|-----|--------|
| ECON ANNUAL INCOME | | |
| VACANCY & COLL LOSS | | |
| EFFECTIVE GROSS INCOME | | |
| TYPICAL OPERATING EXPS & RESERVE FOR REPLACEMENT | | |
| NET ANNUAL INCOME | | |

1989 ASSESSMENT

| INCOME VALUE | DATE | TYPE | VAL | REASON |
|--------------|------|------|-----|--------|
| 07500826 | 483 | WDQV | | |
| 059706541 | 1078 | WDQV | | |

75,940

8,000
1,200

BUILDING DIMENSIONS

BAS=M24 SDA=M25 W5 S5 SPA=M30 S15 E30 N15
S15 W30 N15 E30 M5 W35 S25 E40 FOP=M36 S12
E36 N12 S12 M36 N12 W4 S39 E13 FOP=E5 N3 W5
S38 N3 E5 S3 E21 FGR=E1 S6 E24 N23 M19 N2 M6
S19 N19 E6 S2 E19 N22

| TOTAL LAND UNITS | UNIT TYPE | TOTAL ADJUST | ADJUSTED MARKET VALUE | LAND VALUE |
|------------------|-----------|--------------|-----------------------|------------|
| 8000 | FF | 100 | 8800 | 7040 |

MARKET 7040
PRINTED 07/27/89

13491