

State of Florida



RECEIVED-FPSC
08 NOV 20 AM 9:51
COMMISSION
CLERK

Public Service Commission

CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: November 19, 2008
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Stephen C. Larson, Executive Secretary to Commissioner Argenziano
RE: Docket # 080001 EI

Please file the attached letter from Commissioner Argenziano in the above noted docket. Thank you.

DOCUMENT NUMBER-DATE

10819 NOV 20 8

FPSC-COMMISSION CLERK

NANCY ARGENZIANO
COMMISSIONER

STATE OF FLORIDA



Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
(850) 413-6038

Public Service Commission

November 18, 2008

The Honorable Mike Fasano
8217 Massachusetts Avenue
New Port Richey, FL 34653-3111

The Honorable John Legg
10014 Grove Drive
Port Richey, FL 34668-3401

Dear Senator Fasano and Representative Legg:

I was grateful that, by your comments reported in Friday's Tampa Tribune, you have realized the burden of increased electric rates and up-front cost recoveries upon consumers. However, this has occurred as a consequence of Senate Bill 888 and House Bill 7135, both of which you voted for.

These bills COMPELLED the Public Service Commission ("PSC") to permit the recoveries sought by the utility. If I can be clearer: by the actions of the legislature, the PSC was LIMITED to insuring that the costs of fuel adjustment, nuclear construction - including the recovery of pre-construction costs even if the plant is never built -, storm hardening, environmental compliance, etc, were "prudently incurred" by the utility. The PSC's ordinary charge, to review the reasonableness of costs incurred, was rendered moot by the word "shall" in the statutes. While you may be in "total disagreement with the Public Service Commission's decision...", you and the legislature left us no choice.

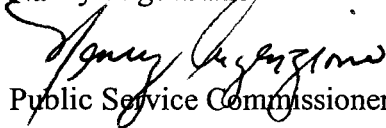
As to the issue you mention of oil prices dropping without a consequent reduction in fuel costs, you may want to address this by looking into utilities' fuel hedging practices. But be aware that hedging in some cases saves consumers millions in potential fuel charges.

I have voiced my concerns repeatedly at PSC hearings over the legislative mandates which leave the Commission very little discretion in regulating cost recoveries. Many seniors as well as hard working couples have testified to the great hardship and financial strain they are suffering.

DOCUMENT NUMBER - DATE
10819 NOV 20 08
FPSC-COMMISSION CLERK

Inasmuch as you have indicated a wish to remedy the hardship to consumers, I would be most happy to work with you to achieve this. In your new leadership role, perhaps you will arrange for the relief so many consumers need.

Nancy Argenziano



Public Service Commissioner

cc: Chairman Matthew Carter
Commissioners Edgar, McMurrian, Skop