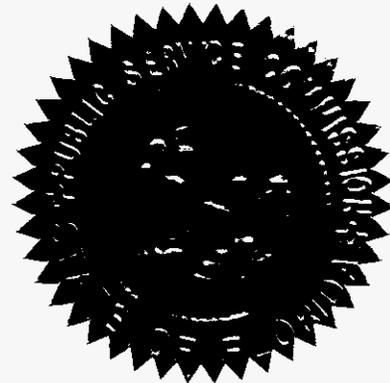


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 090079-EI

In the Matter of:

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



PROCEEDINGS: Ocala Service Hearing

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

DATE: Friday, July 17, 2009

TIME: Commenced at 2:00 p.m.  
Concluded at 4:13 p.m.

PLACE: Ocala City Council Chambers  
City Hall, 2nd Floor  
151 S.E. Osceola Avenue  
Ocala, Florida 34478

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

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

## 1 APPEARANCES:

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3 Service Company, LLC, Post Office Box 14042, Saint  
4 Petersburg, Florida 33733-4042, appearing on behalf of  
5 Progress Energy Service Company.

6 ROBERT SCHEFFEL WRIGHT, ESQUIRE, c/o Young Law  
7 Firm, 225 South Adams Street, Suite 200, Tallahassee,  
8 Florida 32301, appearing on behalf of the Florida Retail  
9 Federation.

10 CECILIA BRADLEY, ESQUIRE, Attorney General's  
11 Office, The Capitol - PL01, Tallahassee, Florida  
12 32399-1050, appearing on behalf of the Citizens of the  
13 State of Florida.

14 J. R. KELLY, ESQUIRE, Office of Public  
15 Counsel, c/o The Florida Legislature, 111 W. Madison  
16 Street, Room 812, Tallahassee, Florida 32399-1400,  
17 appearing on behalf of the Citizens of the State of  
18 Florida.

19 KATHERINE FLEMING, ESQUIRE, FPSC General  
20 Counsel's Office, 2540 Shumard Oak Boulevard,  
21 Tallahassee, Florida 32399-0850, appearing on behalf of  
22 the Commission Staff.

23  
24  
25

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8	Scheffel Wright, Florida Retail Federation	18
10	Cecilia Bradley, Attorney General's Office	23

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13

## WITNESSES

14

## NAME:

15

Burt Sugarman

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Steve Voorhees

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Noel Dumas

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Albert Coons

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Sherry Bowman

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J. J. Dean

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Harold Stanley

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22

Dennis Morgan

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

1  
2           **COMMISSIONER McMURRIAN:** Good evening. I  
3 would like to call this service -- customer service  
4 hearing to order.

5           Ms. Fleming, will you please read the notice?

6           **MS. FLEMING:** Pursuant to notice issued by the  
7 Commission Clerk, this time and place has been set for a  
8 customer service hearing in Docket Number 090079. The  
9 purpose of this customer service hearing is to take  
10 testimony from the public on the quality and adequacy of  
11 Progress' service and other matters related to Progress'  
12 petition for a rate increase.

13           **COMMISSIONER McMURRIAN:** Thank you,  
14 Ms. Fleming.

15           And let me begin by welcoming you all here  
16 this evening. My name is Katrina McMurrian, and I am  
17 pinch-hitting a little bit tonight. Our Chairman, who  
18 has been with us at most of the service hearings, has  
19 recently had back surgery and is not able to make it to  
20 this hearing tonight, so I will be filling in.

21           And I just wanted to tell you tonight we are  
22 here to hear from you, and so please don't be shy. And  
23 if you haven't seen someone about signing up to speak,  
24 there are people on our staff in the back who will help  
25 you with that. But before I get too much into those

1 opening comments, I will allow the other Commissioners a  
2 chance to say hello. Commissioner Argenziano also can't  
3 make it. She has a broken leg, but I will turn it over  
4 to her, and let her say hello to all of you.

5 Commissioner Argenziano, can you hear us okay?

6 **COMMISSIONER ARGENZIANO:** Yes. Can you hear  
7 me?

8 **COMMISSIONER McMURRIAN:** Yes, I can now.

9 **COMMISSIONER ARGENZIANO:** You are coming  
10 through very, very low, Commissioner, and maybe staff  
11 can work on that because I definitely want to hear the  
12 Commissioners, but I really want to hear the people who  
13 have come to speak.

14 And I want to apologize for not being there.  
15 I would be there with bells on. I tried, I really tried  
16 to get there, and I was a little aggressive and hurt my  
17 leg additionally. So I fractured my leg in a bunch of  
18 pieces, and it is hard for me to be there, but I want  
19 them to know that this is their Public Service  
20 Commission, and we are here to hear them.

21 I am so glad at least I can be there by phone.  
22 I will be here until the very last person speaks. And I  
23 want them to know up front that there has been no  
24 decision made on this yet, and we will take into  
25 consideration all the factors. And I also want to tell

1 the people that if during the hearing they want to speak  
2 to the legislators allowing the preconstruction cost of  
3 the nuclear plant, about that, because I was in the  
4 Legislature at that time, I voted for it not knowing it  
5 was in there. I would be happy to tell you how that  
6 piece of language got embedded in a very good bill.

7 And with that, Madam Chairman, I don't want to  
8 take up time from the people, but I am pleased that they  
9 are there, and I am here to hear from them. Thank you.

10 **COMMISSIONER McMURRIAN:** Thank you,  
11 Commissioner.

12 Commissioner Skop.

13 **COMMISSIONER SKOP:** Thank you. Good  
14 afternoon. I am Commissioner Nathan Skop and I'm happy  
15 to be here in Ocala this afternoon. I look forward to  
16 hearing each and every one of our comments, and with  
17 that I will turn it over to the Chair.

18 **COMMISSIONER McMURRIAN:** Thank you.

19 Let's take appearances of counsel.

20 Mr. Glenn.

21 **MR. GLENN:** Alex Glenn on behalf of Progress  
22 Energy Florida.

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

25 **MR. WRIGHT:** My name is Schef Wright, and I

1 represent the Florida Retail Federation.

2 **MS. BRADLEY:** I am Cecilia Bradley. I work  
3 for Attorney General McCollom, and together with your  
4 Public Counsel, we will be representing you in these  
5 proceedings, so we are glad you came out tonight.

6 **COMMISSIONER McMURRIAN:** Thank you all. And I  
7 would also like to recognize Mr. Jack Shreve sitting in  
8 the front row. If you would wave or stand so everyone  
9 can see you. Mr. Shreve works with Governor Crist.  
10 Governor Crist has taken a great interest in these  
11 matters before us. And, also, Mr. Shreve was your  
12 Public Counsel for over 25 years, and we are pleased to  
13 have him with us, and I just wanted to recognize him.  
14 Thank you for being here with us.

15 **MR. SHREVE:** Thank you, Chairman.

16 **COMMISSIONER McMURRIAN:** I would also like to  
17 introduce some of our members of the staff. Actually I  
18 didn't allow Ms. Fleming to take her appearance. So go  
19 ahead, Ms. Fleming.

20 **MS. FLEMING:** Katherine Fleming appearing on  
21 behalf of the Commission.

22 **COMMISSIONER McMURRIAN:** And we have several  
23 other staff members of the Commission here with us. You  
24 will see Cheryl Banks, Marshall Willis, Rick Moses here  
25 to help with the technical, and outside probably a lot

1 of whom you interacted with Dick Durbin and Cindy Muir,  
2 and they are in the back waving now. And definitely if  
3 you need to see anyone about signing up, those would be  
4 the people to help you. And then, of course, our great  
5 court reporter here, Jane Faurot. She will be taking  
6 down all of your comments. So I just wanted to do those  
7 introductions.

8           Again, if you plan to speak, please see our  
9 staff. There is a sign-up sheet in the back. And  
10 another important document that I want to make sure all  
11 of you got is a green document. Probably most of you  
12 received this on the way in. If you didn't, make sure  
13 you grab one. There is a lot of information about the  
14 case, including how to contact the Commission about this  
15 and other matters, including the website and an E-mail  
16 address.

17           And if some of you either don't feel like  
18 speaking tonight or you know people who didn't --  
19 weren't able to make it, the back sheet tears off and  
20 can be sent in to the Commission. Or if you just don't  
21 feel like speaking tonight and wanted to leave your  
22 comments with us, you can also do that.

23           Just make sure if you have something to say,  
24 whether or not you want to make it tonight in front of  
25 us, that you -- that you let us know how you feel about

1 this case.

2 Also, we have a lot information out front.  
3 There is a document about hurricane season preparedness  
4 tips and some other good information on energy  
5 conservation and things. Please take advantage of some  
6 of those publications.

7 And I think now if everyone who signed up to  
8 speak or wishes to make comments tonight will stand with  
9 me, we are just going to administer the oath before we  
10 get started.

11 (Witnesses sworn.)

12 **COMMISSIONER McMURRIAN:** Okay. I am going to  
13 start off with the Mayor of the City of Ocala,  
14 Mr. Randall Ewers, who wanted to make some opening  
15 comments to everyone.

16 **MAYOR EWERS:** Good afternoon. I would just  
17 like to take this opportunity to welcome all the  
18 citizens, and the Public Service Commission, and the  
19 businesses being represented here today for coming in  
20 here and having this public forum within our community  
21 so the individuals and all our citizens can be heard.  
22 Government is really good when we can interact this way.  
23 So I hope you have a very productive meeting, and  
24 welcome to our community.

25 **COMMISSIONER McMURRIAN:** Thank you so much,

1 Mayor.

2 Now, we will hear from Senator Charlie Dean,  
3 Senator from District 3. I did get that right, District  
4 3? Who wanted to make some opening comments, as well.  
5 Thank you, Senator.

6 **SENATOR DEAN:** Thank you, Madam Chairman. And  
7 I would like to also welcome you to beautiful Ocala and  
8 my part of Marion County today. I want to thank you and  
9 Chairman Carter for also promptly answering my request  
10 to have some of the hearings that you are putting on in  
11 the state in my district. I represent all or part of 13  
12 counties in this part of Florida, and this is my other  
13 home besides Citrus County and Marion County.

14 It is important today that all the citizens  
15 that are in this room who will be speaking for you to  
16 address the issue of the rate increase and the request  
17 before the Public Service Commission. This base rate  
18 request will receive and be -- and will be reviewed by  
19 this board. This is not about your Legislature. This  
20 is about your rates, and this is about what we are  
21 paying for the proposal that Progress Energy wants.

22 I would like to say this. In my home county,  
23 Citrus County, as well as here, Progress Energy has been  
24 a good partner in our communities. They pay a  
25 tremendous amount of the taxes and they provide a lot of

1 the economic security for us and job security in Citrus  
2 County. All of that being said, at the same time we  
3 cannot afford this rate increase. We just cannot afford  
4 it. The times are different. Our folks are strapped.  
5 And for the 1.6 million customers that are in this rate  
6 profile, we just can't afford it at this time.

7 So I would like to shut it off at that point  
8 and say thank you for letting me come speak to you  
9 today. Thank you for the third hearing you are giving  
10 in my district, and, again, I hope you consider my  
11 little bit of input and that is that we deny this rate  
12 increase.

13 **COMMISSIONER EDGAR:** Thank you very much,  
14 Senator Dean.

15 Now I will ask the parties to the case to make  
16 opening statements, starting off with the Progress  
17 Energy representative, Mr. Glenn.

18 **MR. GLENN:** Thank you. Before I start, I  
19 wanted to make everybody aware that we have customer  
20 service representatives in the room directly outside of  
21 here. So if you have a question about your bill, about  
22 your electric service, or any other issue regarding  
23 Progress Energy, don't hesitate to contact one of our  
24 customer service representatives in the back. They have  
25 realtime access to your customer account. They have

1 computers up and running.

2 And the gentleman in the back, Mr. Ken  
3 Talbott, and if you would stand up, please. If you have  
4 a question, Ken can direct you to the right person. If  
5 we can't answer it today, we will get back to you  
6 promptly.

7 Again, Commissioners, thank you for the  
8 opportunity to speak to our customers today, but more  
9 importantly, to listen. We value what you have to say,  
10 whether it is a concern, a compliment, or a question.

11 We know that there is never a good time to ask  
12 for an increase in base rates. No one wants to pay more  
13 for electricity. Not now, usually not ever. They don't  
14 want to pay more for anything. But we also know that we  
15 need and rely on dependable, reliable electric service.  
16 A financially healthy utility is critical to providing  
17 that level of service, so that is why we are here today  
18 about our base rate request. I will just give you a  
19 couple of examples of what that base rate request  
20 involves.

21 We are constantly investing in our business to  
22 serve you, to make sure that you have got the power when  
23 you need it. We are a very, very capital intensive  
24 business. We are investing this year \$300 million to  
25 replace the steam generators at our Crystal River

1 nuclear power plant. It is the guts of the power plant,  
2 and that is going to ensure that we have continued  
3 around the clock carbon free energy from the lowest cost  
4 fuel source on our system, and from one of the best  
5 performing and safest nuclear power plants in the  
6 country.

7 We are also investing a billion dollars in  
8 repowering our Bartow oil-fired steam power plant in  
9 Pinellas County. That went into service in June of this  
10 year. We have reduced emissions by about 80 or  
11 90 percent. We have increased the capacity of that  
12 plant by twofold, and we have replaced the oil-fired  
13 capacity with clean burning natural gas. So those are  
14 just a couple of examples.

15 We understand that customers expect electric  
16 service to be reliable, affordable, and produced in an  
17 environmentally sound manner, and we are committed to  
18 meeting those expectations. On behalf of all of the  
19 Progress Energy employees and particularly the nearly  
20 1,700 who live in Marion and surrounding counties, and  
21 who work hard every single day of each week of each year  
22 to serve you, thank you for coming out today. Thanks  
23 for listening, and I look forward to hearing what you  
24 have to say.

25 **COMMISSIONER McMURRIAN:** Thank you.

1 Mr. Kelly with the Office of Public Counsel.

2 **MR. KELLY:** Good afternoon. Thank you so much  
3 for taking time out of your busy day to come and attend  
4 the meeting today. I am going to be real brief. My  
5 name is J. R. Kelly. I'm the Public Counsel for the  
6 state of Florida, and I have the distinct privilege and  
7 pleasure and honor of representing you, the ratepayers,  
8 the individuals, the business owners, whomever is a  
9 ratepayer and customer of Progress Energy.

10 Let's cut to the chase. Why are we here? We  
11 are here because Progress Energy is asking for a  
12 \$500 million base rate increase. \$500 million. A  
13 31.5 percent increase.

14 A couple of things we are going to be arguing  
15 on your behalf, and I wanted you to be aware of today.  
16 As part of that increase they are asking for a rate of  
17 return, a return on equity of 12.54 percent. I ask  
18 everybody at every meeting, a show of hands, how many of  
19 you are receiving 12 percent return on any of your  
20 investments right now, anytime lately? I have yet to  
21 have anybody raise their hand. Folks, we feel that is  
22 not fair, it is not reasonable, and we are going to  
23 argue hard on your behalf that they should not get that  
24 kind of return.

25 The second big issue in this case is going to

1 be depreciation. Again, just to cut to the chase,  
2 Progress Energy has overcollected or collected in  
3 advance \$700 million of your money. \$700 million. We  
4 think that that money should not be spread out over the  
5 next 15 or 20 years and refunded to you in that fashion.  
6 It should come back to you today, today, over the next  
7 three or four years. It would make a significant  
8 decrease in the amount of money that might be awarded to  
9 them as an increase by the Public Service Commission  
10 behind me.

11 A couple of last points. Let's remember,  
12 Progress Energy is a monopoly. Now, they are a fine  
13 company. They are a well-run company, made up of fine  
14 men and women, many are probably your friends, your  
15 neighbors, but the bottom line is they are a monopoly.  
16 They don't compete with anybody for your business. You  
17 can't walk across the street like you can a drug store  
18 or a grocery store and say I want to go here; I want to  
19 go there. There is only one game in town. Okay.

20 Now, as part of that monopoly, they get a  
21 guaranteed range of return by the Public Service  
22 Commission behind me, okay. Now, they want  
23 12.54 percent. We think, again, it is way, way too  
24 high. We are going to argue to bring it down on your  
25 behalf.

1           What can you do today? Folks, it is so  
2 vitally important that you come up here to this podium  
3 and talk to the folks behind me. They have got to hear  
4 you. They need to know how this rate increase will  
5 affect you and affect you in your livelihood, okay. If  
6 you don't tell them, they are not going to know.

7           So, please, please, take this opportunity to  
8 come up here, speak loud. It doesn't matter, you do not  
9 have to be an eloquent speaker, just speak from the  
10 heart and tell them how it affects you.

11           Thank you.

12           **COMMISSIONER McMURRIAN:** Thank you, Mr. Kelly.

13           Now we will hear from Mr. Scheffel Wright with  
14 the Florida Retail Federation.

15           **MR. WRIGHT:** Thank you, Madam Chairman, and  
16 Commissioners. Thank you all for coming. My name is  
17 Schef Wright, and as I said before, I represent the  
18 Florida Retail Federation. I am a native Floridian. I  
19 have lived all but nine of my 59-1/2 years in this great  
20 state? I love it.

21           I have been working in energy for 29 years.  
22 First, for Governor Graham's Energy Office, then on the  
23 staff of the Public Service Commission, and for the last  
24 20 years or so as a private practice attorney and  
25 consultant.

1 I have the privilege of representing the  
2 Florida Retail Federation in this case. The Federation  
3 is a statewide organization of more than 9,000 members.  
4 Four years ago when I was in this room we had about  
5 10,400 members. We have lost a lot. Times have been  
6 tough. From the smallest mom and pop establishments to  
7 the largest chains of grocery, department, electronics,  
8 and pharmacies that serve your needs. We appreciate you  
9 all. We are not monopolies.

10 The Retail Federation and several of our  
11 principal members, including Publix, Wal-Mart, Target,  
12 Macy's, and Best Buy strongly oppose Progress' request  
13 for a rate increase. We are consumers like you. We use  
14 a few more kilowatt hours at our stores, but we are  
15 consumers, too. We are all in this together. We are  
16 fighting alongside your Public Counsel, Mr. Kelly, and  
17 alongside your Attorney General, Bill McCollom, just as  
18 we fought four years ago and seven years alongside Mr.  
19 Shreve and other Public Counsels to keep your rates  
20 down, to keep this increase from going into effect.

21 We do agree that Progress needs sufficient  
22 funds to provide safe, adequate, and reliable service.  
23 This case is about whether Progress needs another half a  
24 billion dollars a year of you all's money and our money  
25 in order to provide that service. We believe the answer

1 is no.

2 Why not? Real quick. Mr. Kelly talked about  
3 the requested rate of return on equity. That is profit  
4 in this context, folks, in every practical sense. They  
5 want a 12-1/2 percent after tax rate of return. That  
6 means after you pay for all their fuel, all the fuel in  
7 their trucks, lines, all the salaries, all the wages,  
8 everything else, and pay an estimated allowance for  
9 income taxes that they may or may not pay on their  
10 earnings, at the end when you get down to the bottom of  
11 the page they want a profit of 12-1/2 percent after you  
12 and we have paid for everything, including their income  
13 taxes.

14 We believe that is excessive. We think  
15 something in the range of 9 to 10 percent is more  
16 reasonable. If you set it at 9-1/2, that would knock  
17 \$150 million a year out of the increase. Refunding the  
18 depreciation surplus that we have helped to create would  
19 knock another \$120 million or more out of the requested  
20 increase. We believe they have overstated their  
21 depreciation expense. We believe they have overstated  
22 other expenses, and we think that will probably knock  
23 another couple hundred million dollars out of it.

24 You know, we are fair. We are objective. We  
25 are not saying no. We are saying do they need the money

1 to provide safe, adequate, and reliable service? We are  
2 saying we don't believe so. We are going to have a  
3 hearing the last two weeks in Tallahassee in a couple of  
4 months that is going to take evidence on this and at the  
5 end of that we will see how it shakes out.

6 Now, I have told you what we think ought to be  
7 knocked out of what they are asking for. I want to tell  
8 you some things we are not advocating cutting. We are  
9 not advocating cutting the real positions of the people  
10 who are in the field keeping you all's lights on. We  
11 are not talking about cutting their wages. We are not  
12 talking about cutting the amount that Progress spends on  
13 plants, power plants, transmission lines, distribution  
14 lines, meters and everything else they need to provide  
15 service. We are going to take a look at executive  
16 compensation, and we are talking very seriously, as you  
17 heard me say and Mr. Kelly say, about the profit that  
18 they earn on their investment.

19 One more time. This case is about whether  
20 Progress needs a half a billion dollars a year more of  
21 our money and your money. That is more as in on top of  
22 the 5-1/2, 5.7 billion that they are already going to  
23 collect from us this year and next year in order to  
24 provide safe, adequate, and reliable service. Our  
25 answer is unequivocally no. They don't need that much.

1 They may or may not need any at all to continue to  
2 provide that service. That is what this hearing is  
3 going to be about. That is what this case is about.  
4 That is what the Public Service Commissioners are called  
5 on to decide. This is your hearing, tell them what you  
6 think.

7 Thank you very much.

8 **COMMISSIONER ARGENZIANO:** Madam Chair.

9 **COMMISSIONER McMURRIAN:** Commissioner  
10 Argenziano, can you hear me?

11 **COMMISSIONER ARGENZIANO:** Yes. I'm sorry. I  
12 have a question for Mr. Wright. He brought up something  
13 that just sparked something that I need to ask.  
14 Mr. Wright, you had mentioned some of your members are  
15 Target, Publix, I think you said Winn-Dixie, Wal-Mart.  
16 Can you answer me, are any of those members also of the  
17 Associated Industries of Florida?

18 **MR. WRIGHT:** Commissioner Argenziano, I am  
19 checking on that. I only learned of the AIS petition to  
20 intervene in the other rate case yesterday afternoon,  
21 and I am checking on that right now.

22 **COMMISSIONER ARGENZIANO:** And the reason I  
23 asked is because it kind of sends a conflicting message.  
24 So I need to know. And if you can get that message to  
25 us, I would appreciate it.

1           **MR. WRIGHT:** I am working on it, Commissioner.  
2 Thank you for your question.

3           **COMMISSIONER ARGENZIANO:** Thank you.

4           **COMMISSIONER McMURRIAN:** Thank you,  
5 Commissioner.

6           Now we will hear from Ms. Cecilia Bradley with  
7 the Office of Attorney General McCollom.

8           **MS. BRADLEY:** Thank you. I am pleased to be  
9 here today. As I indicated earlier, I work for Attorney  
10 General McCollom, and we work with your Public Counsel  
11 to represent all of you in these proceedings. So it is  
12 very important to us that you come today, and that you  
13 testify, and you talk about the things that concern you  
14 or how this may affect your lives.

15           For those that are kind of thinking, well,  
16 somebody else is going to say the same thing, I don't  
17 need to get up. Actually, you do, because we need to  
18 know if somebody says something, well, is that one  
19 person that feels that way or is that 100 people that  
20 feel that way. And we have found that a lot of people  
21 have different circumstances that this is a pretty big  
22 impact on.

23           Now, there has been comments made by some  
24 folks about, well, it is only \$13.83. What is the big  
25 deal? Well, we have had testimony across the state from

1 people who say it is a big deal. That is the money that  
2 will pay for my doctor co-payment. That is the money  
3 that will pay for my prescription co-payment. We have  
4 had some single mothers with small children that are  
5 unemployed, and they have come in and said, well, that  
6 is the food for my kids, maybe their breakfast for a  
7 week. We had a lady that testified yesterday, she said,  
8 that is the difference between a hot meal for my kids at  
9 school, or a PB&J, or an air sandwich several days a  
10 week. So a lot of people are looking at this a little  
11 bit differently.

12 We have had people talk about the sacrifices  
13 that they are trying to make to get their bills down,  
14 and the fact that no matter what they do, the bills seem  
15 to go up. We had people that talked about -- seniors  
16 that talked about turning down the air conditioner or  
17 turning off the air conditioner, which really concerns  
18 us in this kind of hot weather. We had people that  
19 talked about -- we have had two people that came in and  
20 said I feel like I am living in a cave now. I either  
21 shut the storm windows every day, or I put up blinds and  
22 comforters over the windows to try to keep some of the  
23 cool air in.

24 You know, they talk about they have turned off  
25 most of their electrical appliances. They are drying

1 their clothes on a line outside. We had one lady that  
2 came and testified that she takes one shower a week.  
3 She can't afford to take more. The rest of the week she  
4 sponges off from water that she has heated in a cup in  
5 her microwave. You know, these are the type of  
6 sacrifices that people shouldn't have to be making.

7 And we have had people that came in, and they  
8 work with folks that are unemployed. One lady from St.  
9 Petersburg testified she was helping several seniors.  
10 And you think, oh, you know, 55, 60 years old. No,  
11 these were people in their 80s. And an a 84 gentleman  
12 had come in the week before and was trying to help  
13 her -- trying to get her to help him get his second job.  
14 People are coming out of retirement because they just  
15 can't afford to pay their bills. And we have heard a  
16 lot of these things, and we want to hear from you and  
17 how this really effects you.

18 There has also been comments about the 12.54  
19 return on equity. And we have heard from all the  
20 utilities. They are kind of making the same argument  
21 this year. They say they need that in order to attract  
22 investors, or they need that to be able to get loans  
23 cheaper.

24 Well, in one of the other cases that we have  
25 already done, we had someone that did an analysis of

1 that. And he figured that it would provide about a \$5  
2 million benefit if they had that high a return on  
3 equity. But then he took it a step further and he said,  
4 well, what would it cost? And that \$5 million benefit  
5 would cost the customers about \$30 million. Well, I  
6 don't usually deal with millions of dollars, so I put it  
7 in perspective for me, and I said, well, that would be  
8 like if somebody walked up and offered you five dollars,  
9 and you say, well, great, I'll go get a burger. But  
10 then they turn to you and they say, but you have to pay  
11 me 30. Suddenly that offer doesn't look as good. So we  
12 are going to be looking at the cost of the benefits that  
13 these type of things that they claim are going to be  
14 provided to you.

15 One of the other things that I wanted to  
16 mention to you was the trickle down. We realize that  
17 not only will this increase your electrical rates, but  
18 it will increase electric rates for every business. You  
19 have heard from Mr. Wright. Well, most of the  
20 businesses he represents, they are not monopolies. They  
21 have to compete for your business. And if their rates  
22 go up, at some point they are going to have to pass that  
23 along to you.

24 So we are concerned about the fact that not  
25 only will you have to pay a higher electric bill, you

1 are going to pay maybe a higher grocery bill, or higher  
2 doctor bill, or higher pharmacy bill. You are going to  
3 have to pay more for your goods and services. So this  
4 is kind of like a double whammy.

5 And those are some of the concerns that we  
6 have, but, you know, we are looking forward to all of  
7 these folks. I can see we have got a great group from  
8 AARP here. They have been a lot of help, and we are  
9 anxious to hear what you all have to say and how this is  
10 going to affect you.

11 So I want to thank you for coming. I kind of  
12 figure on a Friday afternoon you could have thought of  
13 something a lot more fun to do, but we are glad you came  
14 here instead.

15 Thank you.

16 **COMMISSIONER McMURRIAN:** Thank you, Cecilia.

17 Mr. Moses is going to help us get the podium  
18 turned around. And while he is doing that, there is  
19 something I neglected to do when we started. I know you  
20 all notice that we started a little bit late, and I  
21 apologize for that. We had a hearing this morning at  
22 9:00 in Inverness -- Inverness, am I saying that  
23 correctly? Inverness. I'm sorry for this north Florida  
24 accent I have. I put the emphasis in the wrong place, I  
25 apologize.

1           But, anyway, I wanted to offer an apology to  
2 you all for us getting started late. We ended at 12:30  
3 and came straight here. Most of us ate in the car. So  
4 I apologize for getting started a little bit late.

5           But now we are ready to hear from you all.  
6 And Mr. Kelly is going to call you up, maybe two at a  
7 time to let you know if you might be up next that you  
8 can start making your way.

9           Ms. Bradley.

10           **MS. BRADLEY:** I would just ask everybody to  
11 watch out. There is a step up here as you come up here  
12 to speak, so please be careful.

13           **CHAIRMAN CARTER:** Thank you. Yes, absolutely.

14           Mr. Kelly, I guess we are ready for our first  
15 witness. Thank you.

16           **MR. KELLY:** The first speaker is Burt  
17 Sugarman, who will be followed by Steve Voorhees.

18                           BURT SUGARMAN

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

21                           DIRECT STATEMENT

22           **MR. SUGARMAN:** Good afternoon.

23           **COMMISSIONER McMURRIAN:** Good afternoon.

24           **MR. SUGARMAN:** My name is Burt Sugarman, and  
25 some of the people in the audience here may know my

1 name, because I have written several articles over the  
2 last few years that have appeared in the Ocala  
3 Star-Banner editorial section. They have been very kind  
4 to put in some of my opinions, and I am not afraid to  
5 say what is on my mind, as most people who know me will  
6 tell you.

7 I am very glad to see Senator Dean here. I  
8 have quite a few letters that I have corresponded with  
9 Senator Dean back and forth, and I am glad that he is  
10 are here. Some of the things that I have here, I am not  
11 going to read all of this stuff, we would be until  
12 tomorrow night, and I certainly don't want to be here  
13 until tomorrow night.

14 But I have been very involved in this Progress  
15 Energy thing right from the very, very beginning. I  
16 have a letter that I have from Jeffrey Lyash, who  
17 happens to be the President and COE of Progress Energy.  
18 This is an actual letter that he sent me to my home  
19 after I sent a letter to Mr. Johnson, the Chairman, and  
20 so forth, way back in January of 2009 when this all came  
21 up about the nuclear power centers, and all of that, and  
22 so forth.

23 I understand that that is not the issue now,  
24 because that has been put on hold for awhile. So some  
25 of the stuff that I was planning on talking about, I

1 will skip, and so forth.

2 But the gentleman that came up before -- I'm  
3 sorry I don't remember your name.

4 **MR. GLENN:** That's okay.

5 **MR. SUGARMAN:** All right. That's all right.  
6 I wake up in the morning, and I say to my wife, George.

7 But you mentioned it is very important to be a  
8 financially healthy utility company, and, yes, it is.  
9 And I think Progress Energy is a good company. I just  
10 upgraded my complete air conditioning system in my home  
11 for almost \$7,000. I went from a 10 SEER up above 15  
12 SEER. Progress Energy was very helpful in getting a  
13 little money back in my pocket as part of a rebate  
14 program that they have. And I keep my temperature on  
15 79 degrees. That is not very, very cool, 79 degrees.  
16 But yet my bill this month was higher than my bill was  
17 last year for the same month with this new system, even  
18 though it is more efficient, because of the rate  
19 increases we have had over the last year, and so forth.

20 You mentioned that it is very, very important  
21 to be a financially healthy utility. It is very  
22 important for every corporation to be financially  
23 healthy. But, you know, where does it stop? I mean, do  
24 we get to the point where it becomes corporate greed,  
25 which has put this country into the mess that it is in

1 right now? That is basically what has happened to us  
2 over the last couple of years. This country has fallen  
3 apart. Corporate greed -- hold on a moment. I am just  
4 looking for something here I have. And where does it  
5 stop? I mean, where does the point come that we say  
6 enough is enough is enough.

7 You know, Thomas Jefferson said many, many  
8 years ago every country needs a revolution every 100  
9 years. I don't know. Maybe we need a revolution now.  
10 Maybe it is time. Maybe it is time to march and yell  
11 and scream enough is enough is enough.

12 I know that we have senior citizens in the  
13 community that I live in that are hurting very, very  
14 badly. Their retirement funds are 50 percent of what  
15 they were worth two years ago before the financial  
16 crisis came about.

17 And we are living in an economy now that is  
18 just unbelievable. I mean, nobody expected this was  
19 going to happen, and we are falling apart. This cannot  
20 go on and we can't have companies and corporations that  
21 are going to go on and raise rates and just keep asking  
22 for more and more and more.

23 I think the amount of money that Progress  
24 Energy is looking for is actually criminal, to be honest  
25 with you. I think it is criminal. I think that is

1 no -- showing no consideration for the people of  
2 Florida. Florida is basically made up mostly of senior  
3 citizens and retirees, at least in this area. We have  
4 13 percent unemployment in Marion County. We have in  
5 the nation 9.5 percent unemployment, expected to go into  
6 double digits in a matter of time, which we already are  
7 in double digits if you factor in the fact that the  
8 unemployment figures really only show the unemployment  
9 of the people that are collecting unemployment. But  
10 once they get off the unemployment and they no longer  
11 collect those -- they are not even shown in the  
12 unemployment figures anymore. So, in reality, the  
13 9.5 percent unemployment or the 13 percent unemployment  
14 we have here in Marion County is farther up than what  
15 most people really realize it is, and so forth.

16 I think that it is important that the  
17 people -- the people not only -- not only come to  
18 meetings like this, but it is important that they send  
19 e-mails to the various executives of Progress Energy.  
20 Now, try and find those executives' e-mail addresses.  
21 Ladies and gentlemen back of me, I have every one of  
22 them, and it took two weeks for me to get them. Because  
23 if you go on the Progress Energy website, you will not  
24 find their e-mail addresses. You will not find their  
25 e-mail addresses anywhere. But I managed to get them.

1 It took lot of doing, but I got them. And that was how  
2 I ended up getting the e-mail back or the letter back  
3 from Mr. Lyash on behalf of Mr. Johnson, because I  
4 started on this a long time ago.

5 I sent out these e-mail addresses that I am  
6 holding here in my hand to over 1,000 people in our  
7 community and asked them to send e-mails, and I believe  
8 they flooded the corporate offices of Progress Energy.

9 I am not going to stand here and take up much  
10 more time, because a lot of what I was going to say,  
11 actually, as I said, has to do with the nuclear power.  
12 I don't believe -- I will say this much, and I won't say  
13 any more about it. I do believe that it is quite unfair  
14 for any corporation to try to recoup its costs on any  
15 construction or anything of that nature while they are  
16 doing it. Where I come from, if you are a corporation,  
17 you go to the banks, you float bonds, you take out  
18 loans. You don't bill your customers in advance for a  
19 nuclear plant that may not be used for 20 years, or ten  
20 years, or five years, or whatever. But I won't say any  
21 more about that.

22 The Ocala Star-Banner has been publishing  
23 things in the newspaper, and they have been talking  
24 about all kinds of stuff over here over the last few  
25 weeks. And there is something I have here that they

1 have got.

2 Under the last -- about two weeks ago, and I  
3 am just going to read this one little paragraph, and I  
4 think it sums it up pretty well. Seeking a 36 percent,  
5 although they say now it is 31 percent, but seeking a  
6 36 percent increase in its base rate at the height of a  
7 recession to ensure bigger profits when it already has  
8 an enviable profit margin for its industry and the time  
9 simply is insensitive and impractical on Progress  
10 Energy's part.

11 On February 12th of this year, Progress Energy  
12 came out with their earnings estimate. They beat the  
13 street estimate. I watch Wall Street. I have an  
14 economic background. I watch CNBC until it is coming  
15 out of my years. I watch this stuff. They beat the  
16 street estimate. They increased the dividends of their  
17 stockholders. This is not a corporation that is in  
18 financial difficulty. This is a corporation that is  
19 greedy and is an example of what is happening in this  
20 country, and it has to stop now.

21 Thank you very much.

22 **COMMISSIONER McMURRIAN:** Thank you, Mr.  
23 Sugarman.

24 **MR. KELLY:** Steve Voorhees followed by Noel  
25 Dumas.

1 STEVE VOORHEES

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

4 DIRECT STATEMENT

5 **MR. VOORHEES:** Good afternoon. I want to  
6 thank you very much for exposing yourself to all of  
7 this. It can't be fun. It can't be fun. My father  
8 used to work for the Public Service Commission as an  
9 auditor. I know what the auditors have to go through to  
10 present the cases and so forth. Sometimes he was  
11 astounded when the auditor's results were not followed  
12 through as far as the Commission decision was made.  
13 Sometimes they went one way and sometimes they went the  
14 other. But that is going to happen. That is going to  
15 happen.

16 I also for the 15 years that ended my career  
17 sold products to Florida Power Corporation in St.  
18 Petersburg. It was a very competitive environment. I  
19 probably had half a dozen people bidding on the same  
20 products that I was trying to sell. And believe me, it  
21 was bottom dollar. There was no funny business so to  
22 speak.

23 **UNIDENTIFIED SPEAKER:** Louder.

24 **COMMISSIONER McMURRIAN:** Sir, if you would  
25 pull the microphone a little closer.

1                   **MR. VOORHEES:** Beg your pardon.

2                   Most recently the company that I worked for,  
3                   which is now HD Supply, Home Depot Supply, they have  
4                   chosen -- Florida Power Corp., Progress Energy, have  
5                   chosen single source. They no longer take competitive  
6                   bids from HD Supply, from General Electric Company.  
7                   They have sole source with Westinghouse who was not even  
8                   a factor. They weren't even in the business ten years  
9                   ago when I retired. So I don't know how they can  
10                  produce the least expensive product if they are not  
11                  getting competitive bids anymore.

12                  Secondly, the nuclear plant at Crystal River,  
13                  if I'm not mistaken, was built in the '60s. And they  
14                  had a 20-year license to operate. So they amortized all  
15                  of those expenses over the next 20 years when they had  
16                  the license. In the '80s, they went back to the Nuclear  
17                  Regulatory Commission and got permission for another  
18                  20 years. So they had already paid for the plant in the  
19                  first 20 years. They got the second 20 years -- not  
20                  free, they have maintenance, they have fuel costs, but  
21                  they didn't have to build a new building.

22                  Now, this year they have gone back to the NRC  
23                  and gotten a third 20-year extension on their license.  
24                  So now they are double dipping, so to speak, not having  
25                  to build that new plant. I'm trying to read my notes

1 through new glasses.

2           Somebody told me to address shortages when my  
3 electric has gone off. The last two, which were storm  
4 related, I was without power for three days. I bought a  
5 generator. FEMA paid me back for the generator. It is  
6 unbelievable. But twice in the last three years I have  
7 been without power from Progress Energy for three days.

8           Also, I know when Carolina Power and Light  
9 bought what used to be Florida Power Corporation, the  
10 CEO from Carolina Power and Light flew into  
11 Clearwater/St. Petersburg Airport, which is where  
12 Florida Power had their hangers and their private  
13 aircraft. He asked when he got there how many security  
14 people they had to escort him from the airport to  
15 downtown St. Petersburg where they could go see the CEO  
16 of then Florida Power Corporation. They told him two.  
17 They had two security people. He would not leave the  
18 airport until he had three.

19           Now, in my mind there is something wrong with  
20 some guy that has got to have security that is the CEO  
21 of a corporation. I don't know what your feeling is  
22 about that. And the gentleman from Progress Energy, I  
23 don't know how many -- how many corporate jets do they  
24 have now between Carolina Power and Light and Progress  
25 Energy South? I mean, it is similar like -- I feel like

1 I am the big three, Chrysler, Ford, General Motors when  
2 they went to Washington to ask for money. The next time  
3 they went they went in a cab. I think I will start a  
4 cab business.

5 Thank you. I appreciate your time very much.

6 **COMMISSIONER McMURRIAN:** Thank you very much,  
7 Mr. Voorhees.

8 Just a minute. I forgot, I wanted to ask you  
9 one quick question.

10 **MR. VOORHEES:** You're welcome.

11 **COMMISSIONER McMURRIAN:** You said that your  
12 last two outages were for three days.

13 **MR. VOORHEES:** Each.

14 **COMMISSIONER McMURRIAN:** Were those during  
15 storms?

16 **MR. VOORHEES:** Yes. Oh, yes, I'm sorry.

17 **COMMISSIONER McMURRIAN:** Was it during  
18 hurricanes or --

19 **MR. VOORHEES:** Hurricanes.

20 **COMMISSIONER McMURRIAN:** Okay. Thank you very  
21 much.

22 **MR. VOORHEES:** Oh, sure.

23 **MR. KELLY:** Noel Dumas followed by Albert  
24 Coons.

25 NOEL DUMAS

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

3 DIRECT STATEMENT

4 **MR. DUMAS:** Hello. I live in Marion County,  
5 actually just outside the city limits of Ocala.

6 And first I want to say I am for nuclear  
7 energy. I worked at Turkey Point, which is owned by  
8 Florida Power and Light in Miami/Dade County for a  
9 couple of years, so I am a little bit familiar with  
10 nuclear power. I am definitely against funding it the  
11 way Progress Energy wants to fund it. We have to go  
12 back a few years.

13 **COMMISSIONER McMURRIAN:** Excuse me, sir.

14 Excuse me.

15 Ma'am, on the cell phone, if you all could  
16 help me and take the cell phone conversations outside,  
17 that would be helpful. Ma'am, I'm sorry. We are trying  
18 to transcribe this, so thank you.

19 Go ahead, sir, I'm sorry.

20 **MR. DUMAS:** The Public Utility Commission was  
21 elected instead of -- a few years ago, and now they are  
22 appointed by the Governor. So I think a lot of our  
23 problems go through the Governor, because I'm not happy  
24 with the Public Service Commission when they come up  
25 with a five to zero vote to charge us for a fictitious

1 nuclear power plant that NRC hasn't issued a permit in I  
2 don't know how many years to build one.

3 Any individual can file a court case for  
4 dissolution of that. So until they change certain laws,  
5 that is not going to happen. I think Seabrook in New  
6 Hampshire was the last nuclear plant that came on line.  
7 So if we have a five to nothing vote to finance this,  
8 people are going to die, they are going to move, they  
9 are going to get absolutely nothing for their money for  
10 maybe 20 years. By then we might have low fusion power.  
11 And then we have to come back to our law change of a  
12 couple of years ago that enabled the public utility  
13 commissions -- well, no, the power companies, the  
14 utilities, to press for this funding for a nuclear plant  
15 that they couldn't fund before that way. And, like I  
16 say, most people are not going to get a bit of anything  
17 for their money except Progress Energy.

18 As far as the 31.5 percent, whatever it is,  
19 rate increase, that is really unheard of. I just -- I  
20 cannot feature how the Public Utility Commission can  
21 okay any kind of rate increase anywhere near that.

22 Thank you.

23 **COMMISSIONER ARGENZIANO:** Madam Chair. Madam  
24 Chair, can you hear me?

25 **COMMISSIONER McMURRIAN:** Yes, I hear you. I

1 was trying to get the customer to come back to the  
2 podium.

3 **COMMISSIONER ARGENZIANO:** Yes, please.

4 **COMMISSIONER McMURRIAN:** Commissioner  
5 Argenziano, go ahead. We can hear you loud and clear.

6 **COMMISSIONER ARGENZIANO:** Is he back at the  
7 podium?

8 **COMMISSIONER McMURRIAN:** Yes, he is.

9 **COMMISSIONER ARGENZIANO:** Okay. Thank you,  
10 sir, for coming, and your comments, but I wanted to get  
11 one thing clear, because I wasn't sure which one you  
12 meant and how you meant it. And I want to make sure I  
13 understand it as you meant it. You first opened up  
14 saying that you were for nuclear energy, but not for the  
15 cost-recovery, up front recovery, and not for the vote  
16 that the Commission took to allow the nuclear, the  
17 plant. I'm trying to figure out, because we haven't  
18 taken a vote on the rates yet. That is not done. And  
19 the Legislature, of which I was a part of at the time,  
20 had a bill and a very sneaky amendment in there, and I'm  
21 not making excuses, but when you want to hear about  
22 that, I will be happy to tell you -- passed a bill that  
23 mandated the Public Service Commission to allow those up  
24 front recoveries. That you will, you shall.

25 But, I didn't get the part when you said --

1 were you against the Commission's vote with our need  
2 determination that said that we needed to have extra  
3 electric and thus being the nuclear power plants?

4 **MR. DUMAS:** For the fund raising that they are  
5 trying to do.

6 **COMMISSIONER ARGENZIANO:** For the up front  
7 recovery?

8 **MR. DUMAS:** Yes.

9 **COMMISSIONER ARGENZIANO:** Okay. That's what I  
10 wanted to make sure we got clear. We did not vote for  
11 the up front cost-recovery. That was sent to us as a  
12 mandate by the Legislature. This Commission never voted  
13 to say we are going to take your money up front for the  
14 building of the nuclear power plant. That was a mandate  
15 that came from the Legislature.

16 In other words, we didn't make that rule up,  
17 and I just wanted to make sure I got that clear. Or, if  
18 you were you were saying you were mad at the Commission  
19 for determining a need for the new power and thus the  
20 nuclear power plant.

21 **MR. DUMAS:** Basically, what I was saying is  
22 that is strictly self-serving for Progress Energy that  
23 the Legislature passed a law a couple of years ago that  
24 would enable them to do this.

25 **COMMISSIONER ARGENZIANO:** I got you now. Now

1 I understand what you meant. And, again, Madam Chair,  
2 to anybody in the audience, if you want to know how that  
3 happened in the Legislature, I would be happy to tell  
4 you that because I'm not pleased with it, either.

5 **MR. DUMAS:** I appreciate that. Thank you.

6 **COMMISSIONER ARGENZIANO:** Thank you, sir.

7 **COMMISSIONER McMURRIAN:** Thank you.

8 Mr. Kelly.

9 **MR. KELLY:** Albert Coons followed by Sherry  
10 Bowman.

11 ALBERT COONS

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

14 DIRECT STATEMENT

15 **MR. COONS:** Goods afternoon. My name is  
16 Albert Coons. I have been a resident of Marion County  
17 for 33 years. I love this county. I love what it is  
18 doing. And I want to thank Progress Energy because they  
19 have gone out of their way during the hurricanes and  
20 provided us with the energy.

21 But I am here today against this, because we  
22 are in a financial crisis right now. I am in the field  
23 of medical equipment. I go to seniors' homes to provide  
24 the equipment Medicare says they need and everything.  
25 We are supposed to collect up front the 20 percent that

1 Medicare doesn't pay. The company I work for is great.  
2 If the seniors cannot do it, he writes it off.

3 Now, we have got a company coming in that are  
4 making 10 percent profit. And I have a couple of  
5 questions for the gentleman with Progress. What was  
6 your profits last year in 2007?

7 **COMMISSIONER McMURRIAN:** Sir. Sir, this  
8 hearing is really for us to hear from you all and not so  
9 much the --

10 **MR. COONS:** Well, what I'm getting at, I want  
11 to know what their profits was. They made 10 percent,  
12 and now they want to come back and they want more  
13 profits and for what? Why can't they take -- they say,  
14 according to the Ocala Star-Banner, it says the rate  
15 increase is for power plant upgrades, new lines, and to  
16 earn a fair rate of return.

17 Now, folks, 10 percent is a darn good rate,  
18 and I don't know how many millions of dollars that their  
19 rate was last year. And that was my question about what  
20 it was and what is it going to be this year for 2008 if  
21 they do not get an increase, and what is it going to be  
22 if they do get this increase?

23 There are seniors that are living on Social  
24 Security and Medicare and that's it. And they have to  
25 make up their minds if they are going to buy food, buy

1 their medicine, do with half doses of medicine the  
2 doctor wants them to take, or turn things off and do  
3 without air conditioning that these seniors need. We  
4 are having heat factor days that are already 100-plus.  
5 I have gone to some of these seniors homes and it is  
6 stifling. The windows are open and they have got little  
7 electric fans going and everything. They are going to  
8 be getting emergency calls that these people are passing  
9 out and dying from heat.

10 But yet this company wants to come in, and  
11 they want to increase their rates. This country is in  
12 financial crisis. We have so many people, as it has  
13 already been stated, that have lost their jobs, they are  
14 going to be losing their unemployment benefits. What  
15 are they going to do? I am fortunate to still be  
16 working and my wife is still working, but I would say I  
17 am in a low percentage of the state that both members of  
18 the family are working.

19 And this rate increase has to be denied. And  
20 if they need more money to take care of these power  
21 plant upgrades, new lines, then take it out of the 10  
22 percent. What does the CEO of this company make, and  
23 how much is he going to get in an increase if they get  
24 this rate increase, along with these other executive  
25 members. So I am respectfully asking you to deny this.

1 Thank you.

2 **COMMISSIONER McMURRIAN:** Thank you, Mr. Coons,  
3 and I assure you a lot of these questions (inaudible).

4 **MR. KELLY:** Sherry Bowman followed by J. J.  
5 Dean.

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

9 DIRECT STATEMENT

10 **MS. BOWMAN:** Good afternoon. My name is  
11 Sherry Bowman, and I have been a resident of Ocala for  
12 11 years. I am one of those people that the gentleman  
13 just before me spoke of. I am on Social Security  
14 disability and I am also on veterans disability. That  
15 is my only source of income. And to put it short, that  
16 pay equals approximately \$5.60 an hour if I were to base  
17 it on an hourly wage, which is nothing. And I have to  
18 live off of it.

19 I have come here to oppose this proposed rate  
20 increase and even object to the last six month's rate  
21 increase of 18 percent. It is almost impossible for me  
22 to even pay my electric bill. I have tried to ask for  
23 help, and I would almost double-dog dare somebody to get  
24 through the LIHEAP line to get that help. And when you  
25 finally get through, sorry, we are all filled up. We

1 are closed. We can't help you. So you are left just,  
2 you know, with nothing to do except suffer.

3 It wasn't until I walked in the door today  
4 that I was even aware of the proposed 31-1/2 percent  
5 increase. I was here over this total year's increase  
6 and the proposed \$9.30 increase in January. That is  
7 what I thought it was going to be, so I nearly had a  
8 stroke. You know, you should have ambulances here.

9 I want to read an article from the AARP  
10 magazine, but first I want to tell you that people on  
11 Social Security and veterans disability are both tied in  
12 together as far as rate increases. This is the first  
13 year and its the highest in history that recipients have  
14 ever received a cost of living increase, and we got  
15 5.8 percent.

16 The article in AARP comes out, and this is  
17 what it says: No Social Security COLA. It was  
18 upsetting to read no Social Security cost of living  
19 increase, forecasting no COLA for 2010. That means we  
20 get no increase, period, in salary or cost of living  
21 adjustment. We have to live on what we got this year.

22 Since our Congressional leaders have already  
23 gotten a pay raise this year, let's see them step up and  
24 decline to accept their increase for the balance of this  
25 year and not give themselves a pay raise in 2010. Okay.

1                   Sorry, I have never spoken before publicly.

2                   **COMMISSIONER McMURRIAN:** That's okay. Take  
3 your time.

4                   **MS. BOWMAN:** There are thousands of people  
5 that are on fixed income in this county who are deciding  
6 whether to eat or sweat to death. Marion County has the  
7 highest unemployment in the state due to lost jobs and  
8 businesses. Your company is probably one of the highest  
9 paid wages in the state. It is time you woke up and  
10 realized people are hurting right now, and we can't keep  
11 paying these unreasonable rate increases.

12                   I also have a short article I want to read  
13 from Tomorrow's World: America's Last Days. Lady  
14 Liberty is crying, and I can't imagine why. Right now  
15 there are deep fissures in our entire society. A  
16 violent shift away from traditional morality and decency  
17 is taking place on a massive scale. We read daily of  
18 top political leaders and business executives lying,  
19 stealing, cheating on their income taxes, having  
20 affairs, and indulging in other skullduggery of sorts.  
21 We see that the mainstream media is almost pushing the  
22 breakdown of traditional family values and almost  
23 everything that we consider normal and decent in the  
24 past.

25                   And in closing, what you are doing to citizens

1 defies common sense and decency. I guess more power  
2 means more control over us.

3 Thank you for your attention.

4 **MR. KELLY:** J. J Dean followed by Harold  
5 Stanley.

6 J. J. DEAN

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

9 DIRECT STATEMENT

10 **MR. DEAN:** Good afternoon. I really don't  
11 feel comfortable turning my back on all of these good  
12 people who are out here for this hearing. Can everyone  
13 hear me, though? I have a pretty loud voice. I will  
14 try to moderate it.

15 I am a senior citizen, nearly 74 years old. I  
16 have lived in Marion County for over 20 years. I chose  
17 Florida to come to. I transferred here, and my wife and  
18 I have both worked here, my wife in education. She has  
19 taught everything over the years from preschool all the  
20 way through graduate students. I also have a Master's  
21 in education, and after retiring I taught some in a  
22 private college. But my wife was just recently let go  
23 after 20 years for her job in education with a private  
24 institution. This was effected by the decline in that  
25 institution's income. They have had to close their

1 programs in Marion County and other areas.

2 I want you to know that over the past  
3 20-something years I have paid all of my bills,  
4 including our dental coverage, and although we have very  
5 good medical coverage, my wife and me, and I pay for my  
6 medical coverage, a great deal of it, we had no --  
7 basically, no dental coverage. So this past year it has  
8 cost us over \$2,000 between the two of us for extra  
9 dental bills that we had.

10 Well, this is summertime, and I love warm  
11 weather. Where I grew up in St. Louis it got hotter  
12 than it does here in Florida in the summertime.  
13 However, our summers didn't last quite as long as they  
14 do here. But we have managed by keeping our temperature  
15 at 81 degrees in the summer, and we have fans that help  
16 moderate things, and I dress like this. I wear shorts,  
17 and change clothes frequently.

18 I was just at a bank today and talking to the  
19 clerk at the bank, and told her I was coming here. And  
20 she said, oh, I wish I could have come and spoken. I  
21 told my husband we should have been there. And she said  
22 she keeps her temperature in her house at 79 degrees.  
23 Well, my wife and I dress accordingly. We have paid all  
24 of our bills for this period. I think we are one of the  
25 20 or 25 percent of Marion County who are senior

1 citizens. As I say, I worked here for about three and  
2 half years and then retired here.

3 Over the past 20 years we have replaced the  
4 well in our -- the pump in our well several times, we  
5 have replaced the air conditioner, we have replaced our  
6 roof, we have done intensive repairs in our plumbing,  
7 and we have paid for all of that. Over the years there  
8 have been some power outages, and I have dealt with  
9 Florida Power and have a very positive attitude about  
10 the service. During the hurricane when we were out of  
11 power for seven or eight days, I collected debris from  
12 my own several square acres and also collected debris  
13 from an empty lot. And worked closely with the Florida  
14 Power people in returning power and telling them where  
15 the problem was, and working with my neighbors in trying  
16 to collect debris.

17 But, I have been very positive about the  
18 workers at Florida Power and the service we have gotten.  
19 In fact, when we have had power lines down, sometimes I  
20 have gone out and directed traffic and helped them when  
21 they were trying to restore power. So I have been very  
22 positive about Florida Power.

23 Now, I don't personally object to the small  
24 increase in electric rates, but you must consider that  
25 as a retired public service employee myself, and the son

1 of a deceased policeman father who was a public service  
2 employee in the midwest, and I helped care for my  
3 parents, my aged parents until they were deceased, as  
4 did some of my siblings.

5 But, you know, a lot of families today, they  
6 don't have the extensive family care that was provided.  
7 So what I have done personally is to provide for  
8 long-term care. About nine or ten years ago I bought a  
9 program that will give me at most about five years of  
10 coverage if I -- if I do become ill and can't take care  
11 of myself.

12 Now, I am the only one of all of my siblings.  
13 I am the last of eight children. I had a brother-in-law  
14 who took care of one of my older sisters who developed  
15 some severe problems and was unable to take care of  
16 herself. He had a very good income, but he didn't  
17 provide for himself or his wife. I am the only one that  
18 I know of in about 50 or 100 people in my extensive  
19 family, which covers nearly 100 people by this time in  
20 the midwest and in other parts of the country, but I  
21 think I am the only one who has provided for my own  
22 long-term care.

23 Now, I would not object to a small increase  
24 for Florida Power. I am very positive about this  
25 company. I might note that over my career, the typical

1 increase in the cost of living increase in my job was  
2 about 2 percent. I know that times are tough in our  
3 community, the unemployment here. I think that Florida  
4 Power should share the pain that we, as a community, are  
5 suffering, or taking, or being under pressure for. And  
6 so I wouldn't object to a 2 percent increase in the  
7 electric rate, but I think that something more extensive  
8 in these difficult times is, basically, unwarranted.

9 Thank you for listening to me.

10 **COMMISSIONER McMURRIAN:** Thank you, Mr. Dean.

11 **MR. KELLY:** Harold Stanley followed by Dennis  
12 Morgan.

13 HAROLD STANLEY

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

16 DIRECT STATEMENT

17 **MR. STANLEY:** I hope this doesn't disappoint  
18 you, but I am going to be short.

19 **COMMISSIONER McMURRIAN:** Just a second, Mr.  
20 Stanley.

21 Commissioner Argenziano. Okay. I just  
22 thought --

23 **COMMISSIONER ARGENZIANO:** Can you hear me now?

24 **COMMISSIONER McMURRIAN:** I can. I just  
25 thought that maybe I heard you there. I wasn't sure if

1 you were trying to speak with us or maybe we were  
2 hearing some feedback.

3 **COMMISSIONER ARGENZIANO:** It has been going in  
4 and out. And at some point, Madam Chair, I wanted to  
5 speak or I wanted to make a clarification of something I  
6 heard before that needs to be clarified, but I can wait.

7 **COMMISSIONER McMURRIAN:** Okay. If you want to  
8 wait or do it now.

9 **COMMISSIONER ARGENZIANO:** Basically, what I  
10 want to say is that I heard a couple of times in our  
11 service hearings that the Governor gets to appoint the  
12 Public Service Commissioners, and that is true in one  
13 respect, and I will try to do this as quick as I can.  
14 The Legislature -- nominating committee is made up of  
15 House members, Senate members, and even outside members  
16 who have a part or a say in the nominating process.  
17 That committee picks -- the process starts at the  
18 legislative realm in that committee. They pick one  
19 applicant -- I'm sorry, three applicants for every open  
20 seat at the PSC. So it doesn't start in the Governor's  
21 office; it starts at the Legislature and at that  
22 nominating committee.

23 Now, for each opening, three get sent, three  
24 applicants get sent to the Governor. And then from  
25 those three, the Governor picks one. So he doesn't have

1 a beginning choice. He can weigh in, but it is the  
2 Legislature, also. And I didn't want people to leave  
3 thinking that it is solely up to the Governor, because  
4 you have recourse with your legislators, also. And  
5 thank you for letting me clarify that.

6 **COMMISSIONER McMURRIAN:** No problem. Thank  
7 you, Commissioner.

8 Go ahead, Mr. Stanley.

9 **MR. STANLEY:** Well, before I retired I was  
10 working as a scientist, and for some reason or other I  
11 never had a course in finance. So I am having a great  
12 deal of difficulty understanding these rate increases  
13 that are being requested by Progress Energy. And  
14 apparently right now their profit is approximately  
15 9 percent, and they want to increase it to about 12-1/2  
16 percent. And part of that is to go to finance the  
17 building of a nuclear plant.

18 Well, in first place, the people who are  
19 already Progress Energy customers aren't using this  
20 electricity that will be developed by this nuclear  
21 plant, it is somebody else. It is like you buying a  
22 car, and they charge you an extra amount of money for  
23 some other car that you might buy in the future. I  
24 mean, that is crazy. I'm sorry, but I just don't  
25 understand that, and that takes away the logic of what

1 their increase is. And, anyway, their increase is way  
2 higher than most people will see as an increase in  
3 anything that they are doing, including their annual  
4 salaries.

5 Thank you very much.

6 **COMMISSIONER McMURRIAN:** Thank you,  
7 Mr. Stanley.

8 **MR. KELLY:** Dennis Morgan and Cori Welbes.

9 DENNIS MORGAN

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

12 DIRECT STATEMENT

13 **MR. MORGAN:** Thank you all for allowing us to  
14 speak. Most of your customers are working families  
15 struggling to make ends meet or retired and on a fixed  
16 income. A lot of families cannot even make their house  
17 payments. If you don't believe me, just look at how  
18 many houses are in foreclosure.

19 Your company is making a percent of profit  
20 that most companies would love to have. This rate  
21 increase is not necessary. I am retired, and on my  
22 Social Security I will have no increase for several  
23 years. Please don't do this to me. In the audience is  
24 my two grandchildren. They are watching so my daughter  
25 can work so she can make her house payment. So, please

1 don't do this to us.

2 **MR. POUCHER:** Cori Welbes followed by Genny  
3 Fulmer.

4 **COMMISSIONER McMURRIAN:** Could you repeat the  
5 name, Mr. Poucher?

6 Please tell us your name.

7 CORI WELBES

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

10 DIRECT STATEMENT

11 **MS. MELBES:** I am Cori Melbes, and I represent  
12 a not for profit, a 501(c)(3), located in Levy County,  
13 directly across the street from the proposed new plant,  
14 which is actually a wonderful thing as far as we are  
15 concerned, because it is going to mean more jobs for the  
16 people of Levy County.

17 We look forward to the investment that  
18 Progress Energy has made in our community, as far as new  
19 jobs and investment in future programs for youth. We  
20 are looking at all of those positive things. But as a  
21 budget manager of a not for profit, we are making our  
22 not for profit donor dollars scream and stretch really  
23 far these days trying to make the dollars go just a  
24 little bit further and a little bit more. And the one  
25 cost that I have a hard time trying to cover every year

1 is how much it costs for electricity to manage our  
2 buildings.

3 You know, even when no one is there, just the  
4 power to keep the mold and mildew out and to protect our  
5 infrastructure. And I agree that there has to be some  
6 increases for investment in the future, but in tough  
7 times, everything needs to be with that tightening of  
8 the belt, kind of bringing it in, managing your budget  
9 well, and getting everybody through the tough times so  
10 that we can have good times in the future. So, as far  
11 as a huge increase, no, but some increase is important  
12 for the future.

13 Thank you.

14 **COMMISSIONER McMURRIAN:** Thank you, Ms.  
15 Welbes.

16 **MR. POUCHER:** Genny Fulmer followed by Bruce  
17 Seaman.

18 GENNY FULMER

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

21 DIRECT STATEMENT

22 **MS. FULMER:** I didn't know I was going to talk  
23 today, so this may seem a little bit here, there, and  
24 yonder.

25 My understanding for the 31-1/2 percent rate

1       hike was for the purpose of building a new nuclear power  
2       plant at Crystal River. We are involved because we  
3       would receive the end product. In searching for a  
4       retirement home over seven years ago, we chose not to  
5       locate near a nuclear power plant. It is just something  
6       that I am opposed to, and that was at the top of our  
7       list. That is why we ended up where we did. Therefore,  
8       I am opposed in the whole concept. I would rather go in  
9       another direction. And besides that, my 2 percent COLA  
10      won't go far when everybody is reaching into my pocket.

11                We had gotten a notice in our magazine where I  
12      live, which happens to be the Dell Webb's Spruce Creek  
13      Country Club, and it was talking about contractors,  
14      being contractor smart, and it kind of correlates. If a  
15      contractor asks for a deposit or for a total payment in  
16      advance of beginning work, which is the nuclear site  
17      would be for, this could be a warning sign that the  
18      contractor may not be very reliable. Most reputable  
19      companies do not require payment until the work has been  
20      completed, and that you, the customer, is satisfied. So  
21      I thought that kind of fit right in.

22                I have concerns about the nuclear power.  
23      Environmentally, nuclear power has radioactive waste.  
24      What is happening to that? What about our aquifer here?  
25      It is being endangered. It is bad enough we don't get

1 enough rain to fill it back up, but what danger is there  
2 to the aquifer?

3 It is an additional financial burden on  
4 retirees, and there are health concerns because of the  
5 inability to pay. Some people earlier spoke of turning  
6 down their air conditioning or not having it on at all.  
7 They could die. That is what I meant by health  
8 concerns.

9 So, I would ask why not generate electricity  
10 via solar or wind power instead. We have got 350 days  
11 of the year we have sunshine, so that should be a very  
12 doable way of creating some electricity. If the  
13 Internet cables run on the floor of the ocean around the  
14 world, either of these methods would be or should be  
15 able to do the job cheaply and yet be green. Instead of  
16 imposing these extra fees, could a bond be issued  
17 instead? Like I said, this is all scattered here,  
18 there, and yonder.

19 There was an article in our Village's Daily  
20 Sun Newspaper dated Thursday, July the 16th from  
21 Albuquerque, New Mexico. That power company out there  
22 is developing a hydrogen power plant. That is another  
23 option. It is cleaner.

24 So, I guess my final note is, is this increase  
25 a matter of greed or need?

1 Thank you.

2 **COMMISSIONER McMURRIAN:** Thank you.

3 **MR. POUCHER:** Bruce Seaman followed by Sally  
4 Ann Collins.

5 BRUCE SEAMAN

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

8 DIRECT STATEMENT

9 **MR. SEAMAN:** Good afternoon. My name is Bruce  
10 Seaman. I am a pastor of a tiny church in the northern  
11 part of the county. I am involved with a variety of  
12 community groups. I am the chairman of the local  
13 democratic party. I talk to a lot of people. Most  
14 everyone I talk to is not doing well. The one who is  
15 doing well is a lawyer who works on bankruptcies. He is  
16 working night and day to keep up with all the work.

17 When I heard about this increase in base  
18 rates, I wondered what the financial condition of the  
19 company was. When I realized that they had made money  
20 in the fourth quarter of 2008, having a better quarter  
21 than they did the previous year, I thought that was  
22 pretty rare.

23 In the first quarter of 2009, where we know  
24 how bad it had become, Progress Energy made  
25 significantly more money than it did the previous year.

1 I know the company has need of capital, and yet it  
2 reports it was able to borrow a couple of billion  
3 dollars on the commercial market. It would seem that  
4 investors would have great confidence in this company's  
5 ability to repay. It is very profitable. It can borrow  
6 money. It also has this gift from the Legislature which  
7 allows them to collect the advance costs without having  
8 to float any additional loans, to have us pay for it.  
9 And we get nothing in return apparently. That seems  
10 pretty unfair, and I realize that is not what this is  
11 about, but, obviously, that has a good impact on their  
12 bottom line.

13 To now ask for more money, when we are in the  
14 condition we are in, seems incredulous. There is no  
15 company or organization that I know of that can go out  
16 and say I want a raise. I don't know how many people  
17 who are still working in Marion County are going to find  
18 themselves getting a raise. They probably would be too  
19 scared to ask for one, but not so with Progress Energy.  
20 It seems unconscionable, and I certainly hope the  
21 Commission will deny this request.

22 Thank you.

23 **MR. POUCHER:** Sally Ann Collins followed by  
24 Pete Tesch.

25 SALLY ANN COLLINS

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

3 DIRECT STATEMENT

4  
5 **MS. COLLINS:** Now I am a double-dipper. I saw  
6 you this morning. My name is Sally Ann Collins. I live  
7 at 12450 Southeast 19th Street in Morriston.

8 Hi, Miss Nancy. I just wanted to give you an  
9 addendum. I did vote for you.

10 **COMMISSIONER ARGENZIANO:** I'm glad you are  
11 there.

12 **MS. COLLINS:** I just wanted to come back to  
13 say, in addition to everybody else's statements that you  
14 have heard here today and over the number of days that  
15 you have had these meetings, that there is great  
16 concern, not only of this additional cost, but of future  
17 costs of fuel adjustments that they are not going to  
18 refund to us as the fuel goes up and down. Of all those  
19 other pass-through costs, they are going to be on top of  
20 that 31 percent.

21 I have heard, and I cannot prove this, but I  
22 will put this information out there for you to dispute.  
23 I have heard that if and when they get permission to  
24 build this second site, this nuclear plant that they are  
25 trying to collect money now to build in the year 2018,

1 put it on line in 2018, that plant is not going to give  
2 me electricity. There is no guarantee that one ounce of  
3 electricity from that plant will go to anyone in the  
4 state of Florida. I was told that it will be  
5 transported out of our state, out of our area and sold  
6 to other people.

7 I have also been told another point that I  
8 haven't found evidence of yet, but I have had a lot of  
9 discussion with people that there is currently a plant  
10 that was built and was ready to bring on line, I believe  
11 I was told in Alabama, and the people rebelled, and the  
12 plant is sitting idle.

13 Now, I know that our plant in Crystal River is  
14 needing refurbishing, that it is behind the times, that  
15 it has -- two parts of it are running on coal now, and  
16 that it is past due being fixed. When we had 9/11 come  
17 and everybody else was afraid of what was going on in  
18 New York and Washington, I was afraid someone was going  
19 to sneak in through the Gulf to that little nuclear  
20 plant sitting there in Crystal River. And I was told,  
21 oh, that is protected, but they gave out tablets for  
22 those people like me who live nearby. Only when I went  
23 to get the tablets, they were gone.

24 Now they are building a nuclear plant, if they  
25 get the permission, that is going to be ten to 20 miles

1 closer to me. I won't have a chance. It won't matter.  
2 If I happen to still be here. I am 70 years old. I may  
3 not be here in 2018 and I am going to have to pay for  
4 it. I don't think it is fair. I am on Social Security.  
5 The majority of the people out there are either  
6 unemployed or on Social Security. They were having to  
7 struggle to keep electricity, and they may never get to  
8 use it. That is not fair.

9 I don't mind paying as you go. I have paid my  
10 way all of my life. I own my property. I own my little  
11 mobile home. I have a 1987 Volvo wagon that I drive. I  
12 am a responsible person, and I don't mind paying a few  
13 cents more; but I do mind when it is \$13 here and \$14  
14 there, and 31 percent this year, and what will it be  
15 next? We need you to protect us. And I appreciate your  
16 help.

17 Thank you.

18 **COMMISSIONER McMURRIAN:** Thank you.

19 Commissioner Skop.

20 **COMMISSIONER SKOP:** Thank you, Ms. Collins.

21 It is good to see you again. Like this morning, I  
22 appreciate your comments. One comment that I heard that  
23 I had a concern with, and I will look to our staff,  
24 Mr. Willis. You mentioned a concern about the two new  
25 proposed nuclear units and the fact that they would not

1 be used for base load generation to serve Progress  
2 customers in Florida, and I'm not sure that is factual,  
3 but I will defer to staff to make sure that is staff's  
4 understanding, also.

5 **MR. WILLIS:** No, sir, that is not -- my  
6 understanding is they are used to serve base load. In  
7 fact, my understanding is they will be taking two coal  
8 plants off line at the same time these come on line.  
9 That is the idea right now, to retire two of the  
10 dirtiest coal plants at the same time that these come on  
11 line.

12 **MS. COLLINS:** Well, I thought I had understood  
13 the gentleman from Progress Energy to say that they were  
14 needing this money to refurbish and replace those two  
15 coal.

16 **MR. WILLIS:** No, ma'am. That is not what is  
17 happening here.

18 **MS. COLLINS:** Well, that is good news.

19 **MR. WILLIS:** The increase that they are asking  
20 for now is really about base rates and it has nothing to  
21 do with the nuclear power plants. The cost of the  
22 nuclear power plants right now is completely controlled  
23 by the statute and is recovered through a pass-through  
24 clause or capacity cost-recovery clause.

25 **MS. COLLINS:** You know, that is also affecting

1 us. It is just not written out. I mean, we still have  
2 to pay that in addition to the 31 percent.

3 **MR. WILLIS:** You are correct.

4 **MS. COLLINS:** So that is a hidden cost in  
5 there. I mean, we are still paying for it.

6 **MR. WILLIS:** I just wanted to let you know  
7 that that is not part of the amount the company is  
8 asking for.

9 **MS. COLLINS:** No, it is not part of the 31; it  
10 is that little sentence below there, 31 percent -- 31  
11 point whatever, this does not include the fuel, et  
12 cetera, et cetera. I forget all the items that are  
13 listed there that will come through as pass-throughs.  
14 So that could almost double or more.

15 Now, last fall, I was given a letter or sent a  
16 letter from Progress Energy telling me that as a  
17 customer, beginning January 1st I was going to have to  
18 pay an additional -- and I have forgotten the  
19 percentage -- between September and January fuel costs  
20 started to drop. They did not renege on surcharging us  
21 for all of these extra costs, but they did drop the  
22 percentage, and I can't remember if it was originally  
23 36 percent and it went to 23. I have forgotten what the  
24 figures are, because it is very stressful. I try not to  
25 think about it.

1                   **COMMISSIONER SKOP:** Mr. Willis, could you  
2 briefly address the fuel cost issue also for  
3 Ms. Collins, please?

4                   **MR. WILLIS:** Sure, Commissioner. The  
5 Commission actually lists the fuel costs once a year.  
6 We are about to do that. Come November, actually, we  
7 will have our fuel hearing where we do it once a year.  
8 If, like last year, there is a need where the fuel drops  
9 or rises more than 10 percent, the Commission can look  
10 at what we call midcourse corrections. That happened in  
11 April for Progress Energy. We actually looked at a  
12 midcourse correction for Progress Energy, and the fuel  
13 costs were dropped at that point. So you probably saw a  
14 slight reduction in your bill after April, probably  
15 starting in May.

16                   **MS. COLLINS:** I haven't seen any reduction,  
17 and I keep trying to keep the lights off. I know, I  
18 have been through all of that earlier. And I have heard  
19 the 79 degrees and the 81 degrees, and I told you  
20 83 degrees that I keep my thermostat. I also had people  
21 inquire right after I spoke this morning that wanted to  
22 know how I could survive with that, that they couldn't  
23 breathe in that. Well, I go outside in the 90-something  
24 degree weather, and when I come in I am sweating, and it  
25 is cool. Good night.

1                   **MR. POUCHER:** We have 18 people who have  
2 signed up. Number 13 is Pete Tesch and Number 14 is  
3 Brent Christensen.

4                                   PETE TESCH

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

7                                   DIRECT STATEMENT

8                   **MR. TESCH:** Good afternoon, Madam Chair and  
9 members of the Commission. Thank you for coming to  
10 Ocala, Marion County. I am Pete Tesch, and I am  
11 President of the Ocala/Marion County Economic  
12 Development Corporation, and I would like to offer a few  
13 observations about this particular issue.

14                   There is no question that our community is  
15 facing turbulent economic times. Currently, the  
16 unemployment rate in Marion County is 12.6 percent.  
17 There is approximately 17,000 people out of work. The  
18 issue of a rate increase when it comes to traditional  
19 intuitive thinking in this time might be a very, very  
20 critical situation.

21                   However, I would like to pose this as an  
22 investment in the fact that Progress Energy is a very  
23 capable corporate partner and citizen, and they have  
24 done a lot of good things in trying to increase the  
25 economic vitality of our community. So if we look at

1 this as an investment, we need to look at what are the  
2 ways that we are going to get back and have it serve the  
3 economy.

4 If you look, Marion County has an economy, the  
5 gross metro product of our community is about  
6 \$8 billion. And if you take the unemployment rate times  
7 the average earnings per worker of about 31,000, with a  
8 multiplier effect there is probably half a billion  
9 dollars that have been lost in our community. A lot of  
10 that has to do with the consumers.

11 My opinion is that if this state and our  
12 community is going to experience some type of economic  
13 diversity, we have to look at these investments,  
14 education and our infrastructure. So this is very  
15 important. Part of my job and the Economic Development  
16 Corporation's responsibilities is to assist in the  
17 creation of high quality jobs. And part of looking at  
18 the drivers of Florida's economy along with education, a  
19 competitive business environment and climate is one of  
20 infrastructure. And if we are going to get out of this  
21 economic recession it is going to require investment and  
22 sacrifice from all of us.

23 Whether it is going to be coming from the  
24 public sector in terms of taxes or credible investments  
25 by the private sector to spur further business

1 expansion, we are really going to need additional and  
2 reliable power. That is a critical element for whatever  
3 is going to occur in the post-recession economy.  
4 Talent, infrastructure, and the ability to have a stable  
5 business climate. So when we look at the things that  
6 are going to get us out of the recession, please  
7 consider this investment as a long-term venture, and  
8 that our capabilities as a community and a state will be  
9 hinged upon being able to provide adequate power to keep  
10 us competitive, not only on a state level, not only on a  
11 national level, on a global level.

12 Thank you very much for listening to me. Have  
13 a good afternoon.

14 **MR. KELLY:** Brent Christensen followed by  
15 Reneé McPheeters.

16 Brent Christensen.

17 **UNIDENTIFIED SPEAKER:** Mr. Christensen had to  
18 leave.

19 **MR. KELLY:** Thank you, sir.

20 Reneé McPheeters. And Ms. McPheeters will be  
21 followed by Amanda Douglas.

22 RENEÉ MCPHEETERS

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

25 DIRECT STATEMENT

1                   **MS. MCPHEETERS:** Good afternoon,  
2                   Commissioners. I know I spoke earlier today over at  
3                   Citrus County, but I thought I would explain to you why.  
4                   My family moved here to Marion County in 1962. I went  
5                   to school here and moved to Citrus County in '95 after I  
6                   was married. But, still my husband and I have had  
7                   businesses here in Marion County over the years, so I  
8                   have family here, and I care about the people here.

9                   So, I would like to go on and read to you what  
10                  I gave to you earlier. I went before the Board of  
11                  County Commissioners at Citrus County and asked them --  
12                  I requested on February 10th, that the BOCC vote for a  
13                  resolution against Bill 366.93 that allowed Progress  
14                  Energy to raise our utility bills exorbitantly. The  
15                  Citrus County Board of County Commissioners passed the  
16                  Resolution Number 2009070, which reads in part:

17                  Whereas, the Board of County Commissioners of  
18                  Citrus County, Florida recognizes the severe economic  
19                  times the residents of Citrus County are faced with at  
20                  the present time;

21                  And, whereas, the Board recognizes that Citrus  
22                  County has one of the highest unemployment rates in the  
23                  state of Florida;

24                  Whereas, the board has knowledge that electric  
25                  rates have been increased as of January 2009 by

1 25 percent per 1,000 kilowatt hour by Progress Energy;

2 And, whereas, the board recognizes that this  
3 rate hike was imposed on the ratepayers service by  
4 Progress Energy at a time when the economy is faltering  
5 locally and statewide;

6 And, whereas, the board feels a need to  
7 support efforts to correct this situation, this body  
8 does hereby both endorse and support all efforts to  
9 remove those parts of the law that allows charges  
10 related to reconstruction costs to ratepayers by  
11 Progress Energy as provided for in Section 366.93,  
12 Florida Statutes, entitled, "Cost recovery for the  
13 siting, licensing, and construction of nuclear and  
14 integrated gasification combined cycle power plants."

15 And I commend the Citrus County Board of  
16 Commissioners for passing that resolution unanimously,  
17 and I hope that the City Council of Ocala and Marion  
18 County will do the same.

19 Instead of the citizens being given a rate  
20 hike by Progress Energy, require Progress Energy to  
21 return the vast sums of dollars collected since last  
22 January for an unpermitted nuclear power plant. Money  
23 charged because of faulty and unconstitutional  
24 legislation. Environmental groups have recently been  
25 granted standing by the Nuclear Regulatory Commission to

1 prevent plant construction due to radioactive waste and  
2 concern for what is said to be the largest subterranean  
3 aquifer in the world.

4 Protection of our water resources and  
5 citizens' economic welfare should have top priority, and  
6 instead of raising Progress Energy Florida's rate of  
7 return from 10 to 12-1/2 percent, according to the July  
8 Ocala Star-Banner, my recommendation to you is: One,  
9 deny any rate hike; two, demand a refund of all monies  
10 since January for the imaginary nuclear power plant;  
11 and, three, investigate whether or not Progress Energy  
12 Florida should be charged in violation of the Sherman  
13 Antitrust Act or the Antimonopoly Act.

14 Thank you.

15 **COMMISSIONER EDGAR:** Thank you.

16 **MR. KELLY:** Amanda Douglas followed by Suzan  
17 Franks.

18 AMANDA DOUGLAS

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

21 DIRECT STATEMENT

22 **MS. DOUGLAS:** Good afternoon. As was stated  
23 d, my name is Amanda Douglas, and I am here to speak on  
24 behalf of the Nature Coast Business Development Council,  
25 which is the economic development agency for Levy

1 County. I have a brief statement on behalf of the  
2 board, so here goes.

3           Though today's hearing is in regard to rates,  
4 I am not here to take a position on rates. I am,  
5 however, here at the request of the Nature Coast  
6 Business Development Council to make known to this  
7 Commission that we are in full support of all continued  
8 investment efforts and to Progress Energy's projects  
9 that provide safe, reliable power and into projects that  
10 create jobs and increase revenue while working with us  
11 toward a greener future. Any questions?

12           **COMMISSIONER ARGENZIANO:** Yes, I have a  
13 question.

14           **MS. DOUGLAS:** Yes, ma'am.

15           **COMMISSIONER ARGENZIANO:** Yes. I heard you --  
16 you did say you were not here in support or against the  
17 rate issue, is that correct?

18           **MS. DOUGLAS:** That is correct.

19           **COMMISSIONER ARGENZIANO:** Okay. Well, then  
20 your other concern, which I understand very much, can  
21 you tell me that if you have a position that if the rate  
22 increase is not granted that those things that are  
23 currently occurring will not keep occurring? Is that  
24 the reason for your comment?

25           **MS. DOUGLAS:** That is something that I would

1 have to bring back to my board to address. I was here  
2 to make a brief statement on behalf of them. So I can  
3 take your question back to them, if you would like.

4 **COMMISSIONER ARGENZIANO:** Okay. And just one  
5 other question. Was the board -- did the board decide  
6 to come on its own or were they asked by the utility?  
7 And that it is not a problem if they were, but I am  
8 entitled to ask. I would just like to know as a  
9 Commissioner.

10 **MS. DOUGLAS:** No. Because their proposed  
11 plant is in Levy County, we go to all the hearings. The  
12 Nature Coast -- basically, the board votes whether or  
13 not to send a representative, generally me, the  
14 executive director, to hearings like this. So, yes,  
15 they all took a vote at the monthly board meeting to  
16 send me.

17 **COMMISSIONER ARGENZIANO:** Okay. Thank you  
18 very much.

19 **MS. DOUGLAS:** Thank you.

20 **COMMISSIONER McMURRIAN:** Thank you, Ms.  
21 Douglas.

22 **MR. KELLY:** Suzan Franks followed by John  
23 Russell.

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

1 testified as follows:

2 DIRECT STATEMENT

3 **MS. FRANKS:** Good afternoon. I already spoke  
4 earlier today in Inverness and gave a lengthy speech.  
5 But one of the things I realized that I should probably  
6 introduce to you is some of the -- a petition -- some  
7 petitions that have been gathered.

8 I have one question for the members of the  
9 Public Service Commission. I think I know that Nancy  
10 Argenziano has the answer to this question, and since  
11 you are the only one that seems to be present at this  
12 time, are you aware that a number of petitions have been  
13 forwarded on to the Public Service Commission with  
14 signatures?

15 **COMMISSIONER ARGENZIANO:** Suzan, are you  
16 asking me?

17 **MS. FRANKS:** No, I already know you know,  
18 because you were given some. But are you aware of them?

19 **COMMISSIONER McMURRIAN:** I don't believe so  
20 yet, although, I was aware that we might get some today.

21 **MS. FRANKS:** Okay. What I would like to let  
22 you know is over 7,600 petition signatures have already  
23 been submitted to the Public Service Commission for your  
24 review. And, obviously, if you didn't know about it,  
25 you haven't had a chance to look at them.

1           These were not paid petitioners. They were  
2 just placed in stores, and neighbors went door to door,  
3 and I have an additional series of petitions to present  
4 to you. And I would like to do that now. I would like  
5 to read to you the language -- if I can put my glasses  
6 on, hold on -- of the petition, and it reads: A protest  
7 of the unconstitutional rate hike for electricity. We,  
8 the undersigned, are citizens of the United States of  
9 America and Florida, and firmly believe that the  
10 Progress Energy Company -- that Progress Energy Company  
11 is illegally collecting our money through a rate  
12 increase to build a nuclear generating plant in Florida.  
13 We protest this Florida Statute, Statute 366.93, which  
14 you have all heard about I'm sure at length, granting  
15 the privilege to Progress Energy and demand that the  
16 statute be adjudged unconstitutional and repealed in  
17 accordance with Article 3, Section 11, Subsection A,  
18 Paragraph 12 of the Florida State Constitution.

19           In saying this, I also want to tell you where  
20 these are also going. These petitions are going to be  
21 presented to the Governor and with a demand that he  
22 issue an executive order to stop the collection of these  
23 funds that are being collected for a power plant that  
24 may or may not be built. In addition, we also are going  
25 to ask for a refund of all of the \$44 million thus far

1 that has been collected from the ratepayers, the  
2 1.7 million ratepayers for Progress Energy. So I would  
3 like to present this to the red-headed man over here.

4 **COMMISSIONER EDGAR:** Marshall Willis.

5 **MS. FRANKS:** I should tell you in addition to  
6 those 7,600, this is another 3,000 signatures. So I am  
7 speaking for these people, because my name is on this  
8 one.

9 **COMMISSIONER EDGAR:** Okay.

10 **MS. FRANKS:** And if I could just for a moment,  
11 I just want to say to you all, and to the audience, and  
12 the people that are still present, the testimony has  
13 been truly moving. It is something that having been  
14 previously an elected official in another state, in New  
15 Hampshire, that I have paid a great deal of attention  
16 to. And I am hoping, in fact, I am expecting that you  
17 all will do the same thing.

18 And in terms of the kind of profits that are  
19 being proposed by Progress Energy, quite frankly, when  
20 you are talking about 31 percent, and 18 percent, and  
21 you keep going one on top of the other, it is really  
22 starting to sound like Enron to me. And I think you  
23 should be very careful about this and pay strict  
24 attention to what they are doing.

25 Thank you very much.

1           **COMMISSIONER McMURRIAN:** Thank you.

2           **MR. KELLY:** John Russell.

3           **COMMISSIONER ARGENZIANO:** Madam Chair.

4           **COMMISSIONER McMURRIAN:** Mr. Kelly, just a  
5 second.

6           **MR. KELLY:** Oh, I'm sorry.

7           Commissioner Argenziano.

8           **COMMISSIONER ARGENZIANO:** Not for Suzan  
9 Franks. Thank you, Suzan, for being with us. Just a  
10 comment, a brief comment to Marshall. You are forever  
11 now going to be known as the red-headed stepchild of the  
12 PSC.

13           **COMMISSIONER McMURRIAN:** Thank you, Marshall.

14           **MR. KELLY:** Has he been called worse?

15           **COMMISSIONER McMURRIAN:** Ms. Fleming, we  
16 probably need to mark the petitions.

17           **MS. FLEMING:** Yes.

18           **MR. GLENN:** May I ask a question?

19           **COMMISSIONER McMURRIAN:** Mr. Glenn, could you  
20 go to the microphone for us?

21           **MR. GLENN:** The last speaker had indicated  
22 that there were other petitions, and I just wanted to  
23 make sure that -- were those those petitions or were  
24 there other petitions that have been provided to other  
25 members of the Commission?

1           **MS. FRANKS:** Those petitions have already been  
2 sent to the PSC, and they have been put on the record,  
3 or however they (inaudible).

4           **MR. GLENN:** Okay. So this is a total --

5           **MS. FRANKS:** A total of over 10,000  
6 signatures.

7           **MR. GLENN:** Okay. Thank you.

8           **COMMISSIONER McMURRIAN:** Commissioner Skop  
9 wanted to ask a question of you, Ms. Franks. Would you  
10 come back. I apologize.

11          **MS. FRANKS:** Yes, sir.

12          **COMMISSIONER SKOP:** Thank you, Ms. Franks.  
13 You mentioned a couple of sets of petitions. Are they  
14 all the same petition or different petitions?

15          **MS. FRANKS:** They are all protesting the rate  
16 hikes and the power plant and -- you know, all the rate  
17 hikes, basically. They are similar. The first 7,600  
18 were protesting the Statute 366.93, and asking for it to  
19 be repealed. This one is doing essentially the same  
20 thing, but it is going to be forwarded on to the  
21 Governor to ask for him -- demand that he issue an  
22 executive order to stop this immediately because all of  
23 this money, the millions of dollars that is being  
24 collected is just going into a black hole right now.

25          **COMMISSIONER SKOP:** And were there other

1 petitions? Again, it seems like there were -- the  
2 petitions were each of a different subject matter, or  
3 were --

4 **MS. FRANKS:** One specifically dealt with  
5 366.93, which this one does, too, but it is declaring --  
6 it believes it is unconstitutional, which that is the --  
7 that is the statute that allowed Progress Energy to add  
8 these costs on for the preconstruction costs. So they  
9 are both similar, but this one happens to be going to  
10 the Governor.

11 **COMMISSIONER SKOP:** And is there a third one,  
12 also, that I thought I heard you mention?

13 **MS. FRANKS:** No.

14 **COMMISSIONER SKOP:** Okay. And when were these  
15 sent -- were the other ones sent to the PSC?

16 **MS. FRANKS:** Nancy, when did you come and  
17 address the --

18 **COMMISSIONER ARGENZIANO:** The other ones  
19 were -- let's see. When we -- when we had a -- when you  
20 handed them to us, Suzan, I don't remember.

21 **MS. FRANKS:** I think it was March. I think it  
22 was March.

23 UNIDENTIFIED SPEAKER: It was Valentine's Day.

24 **MS. FRANKS:** Oh, that's right.

25 **COMMISSIONER ARGENZIANO:** I'm sorry. My staff

1 immediately turned those in, and I believe that Senator  
2 Fasano had a bunch of petitions also that were turned  
3 in.

4 **MS. FRANKS:** That is correct.

5 **COMMISSIONER SKOP:** With respect to the  
6 petitions that were turned in or sent to the PSC, do you  
7 know what docket number was on the filing? Again, our  
8 staff is asking that concern to try and locate those.

9 **MS. FRANKS:** No, I do not. I don't know what  
10 docket number this one is that I just gave you.

11 **COMMISSIONER SKOP:** All right. Thank you.

12 **MS. FRANKS:** Okay. Well, I'm sure we can find  
13 out for you if you need to know, or your staff can find  
14 out.

15 **COMMISSIONER SKOP:** Our staff will probably be  
16 looking at it momentarily.

17 **MS. FRANKS:** Okay. Well, thank you.

18 **COMMISSIONER SKOP:** But I want to thank you  
19 for providing that, but I also wanted to emphasize, too,  
20 that the Commission is not vested with the jurisdiction  
21 to appeal.

22 **MS. FRANKS:** I understand that, but I thought  
23 you should have this information for your information,  
24 so that it could help you better make a decision that  
25 will support the ratepayers. Thank you very much.



1 to pursue, I think, lawsuits or whatnot to stopping the  
2 progress of this project based on safety grounds, et  
3 cetera. Some of which were alluded to earlier. This  
4 project is a -- I guess it is a conception of the system  
5 that we have here.

6 Principally, Progress Energy, having  
7 contributed \$500 to every legislator in Tallahassee,  
8 \$200,000 to the Florida Democratic Party, \$400,000 to  
9 the Florida Republican Party, this is all on record,  
10 doesn't give much latitude for people like this who  
11 really essentially have no vote since the corporate --  
12 corporate entities select the people that are going to  
13 be representing the people in Tallahassee. We really  
14 have no say in that vote, and certainly no say in this  
15 vote here. This is not -- this is immaterial what I'm  
16 saying or what anybody else is saying here today. This  
17 thing in all likelihood may well go -- may well go  
18 through.

19 Notwithstanding the fact that Germany, this is  
20 slated for 3,000 megawatts, over a, what, ten, 15-year  
21 construction period, probably with numerous cost  
22 overruns, Germany installed 3,000 megawatts of solar  
23 power last year. So, this is a boondoggle of the  
24 highest order.

25 I think what we have to look at -- what this

1 is about is really maintaining centralized control over  
2 power generation and distribution. Decentralized power  
3 generation and distribution as witnessed by Germany and  
4 other countries that are moving away from nuclear,  
5 France, yes, they have developed a considerable nuclear  
6 power industry, but France has not -- has decided  
7 against building any more. So, this is not the way to  
8 go.

9 The gentleman with the business organization  
10 said we want to create jobs. By far and away many  
11 multiples more jobs would be created by going with a  
12 decentralized platform of furthering our energy  
13 development objectives, and, certainly, there is no  
14 effort to conserve energy when we talk about people, and  
15 I talked with a friend of mine yesterday, three or \$400  
16 electric bills in small houses on a monthly basis. The  
17 real first dollar cost-recovery is in conservation, not  
18 building more capital intense projects.

19 So this comes down to elected officials in  
20 Tallahassee elected with corporate money, who then  
21 appoint -- the Governor appoints you people from a  
22 select list, always corporate friendly people, who are  
23 likely to do the right thing, and we know what the right  
24 thing is. You know, it is really -- and, of course, we  
25 do have one person who is seemingly offering some

1 opposition, but it is token at best given the numbers.  
2 How many against one, the one vote, and still, de  
3 rigueur, it goes through.

4 So, this is the problem of our -- in our --  
5 not only this state, but our nation in that corporate  
6 America is running the show and the people have little  
7 say. This is a unifying event. There are people from  
8 every political persuasion here saying in one way or  
9 another the same thing that I'm saying right now.

10 And, you know, I would -- you know, I  
11 understand that you people are very well paid. It is a  
12 very nice job. And, you know, I don't believe that  
13 there is all that much work involved. We are sitting  
14 here taking some notes on an afternoon here, but in the  
15 end your job is to vote yea on putting through this  
16 project.

17 So, I hope I am giving one small voice as are  
18 these other people to what -- to what really needs to be  
19 done, and that is, in order forestall this stuff in the  
20 future is to have campaign finance reform and electric  
21 reform on a national and certainly a state basis here  
22 with Florida being a real fine example of -- and this  
23 one in particular laser focusing down on what -- what  
24 really is the problem here.

25 Progress Energy is determining its own future

1 by giving all of those corporate -- all those  
2 contributions to all those politicians who then in turn  
3 appoint you to this position. Lasering down to just  
4 less than half a dozen people who are going to decide,  
5 and deciding, yes, I am going forward with what is  
6 unconstitutional, and that has -- that has been  
7 discussed in a detailed fashion certainly in literature.  
8 This thing is not -- is not right, but it is going to go  
9 through, nonetheless, and our voices ring silent.

10 **COMMISSIONER McMURRIAN:** Commissioner Skop.

11 **COMMISSIONER ARGENZIANO:** Hello. Madam Chair.

12 **COMMISSIONER McMURRIAN:** Commissioner  
13 Argenziano.

14 **COMMISSIONER ARGENZIANO:** Madam Chair.

15 **COMMISSIONER McMURRIAN:** Yes. Go right ahead,  
16 Commissioner.

17 **COMMISSIONER ARGENZIANO:** I can hardly hear  
18 you. I heard the gentleman, and I just wanted to make a  
19 couple of comments that -- because I always, you know,  
20 even when I was in the Legislature was able to come back  
21 to my constituents and tell them how things really work  
22 in Tallahassee. I was never one to hide behind a rock,  
23 and have gotten in trouble many times for being very  
24 open when people did not want me to be, but that is what  
25 I owe those people who sent me to Tallahassee.

1           And I want to tell them that there are things  
2 that we can talk about. In this position it is very  
3 frustrating because it is quasi-judicial, and you can't  
4 speak to a case ahead of time. It wouldn't be fair.  
5 And after all, I haven't acquired all the information to  
6 make a fair decision, but I want to tell the gentleman  
7 that -- let me tell you this -- I can say this, and I  
8 will say it with some levity. I can almost guarantee  
9 you that there will be problems when it comes time if I  
10 want to be reappointed to this position. That there are  
11 not going to be too many people in the utility sector  
12 that are --

13           **MR. RUSSELL:** And you were the exception that  
14 I was speaking of, Commissioner. You were the exception  
15 that I was speaking of.

16           **COMMISSIONER ARGENZIANO:** I know. I know. I  
17 know that. And I just wanted to reassure you, though,  
18 that as depressing as sometimes it can be, that, you  
19 know, that I don't -- all I can say is don't leave  
20 there feeling defeated. I don't want you to feel that  
21 way.

22           **MR. RUSSELL:** Oh, I'm not defeated. I have a  
23 little more insight in this. As someone who has run for  
24 Congress a couple of times here in Florida, I have my  
25 own personal experiences of lobbyists attempting to buy

1 me off. So I do know how it works. And no matter what  
2 you say, and, you know, you are the one token vote, and  
3 I'm sure that was part of the program so that it doesn't  
4 look like a total whitewash, you know, to the public,  
5 that everybody just votes in lockstep.

6 The bottom line is the bottom line. I have  
7 had my own experience. I could go on and on, but I'm  
8 not going to waste anybody else's time.

9 **COMMISSIONER ARGENZIANO:** And, you know, I  
10 understand.

11 **MR. RUSSELL:** You know, I understand how it  
12 works.

13 **COMMISSIONER ARGENZIANO:** I know that. But  
14 what I wanted to say, though, was that, yes, and you are  
15 right. Probably -- let me tell you this, there probably  
16 weren't too many people (inaudible) to the PSC. I think  
17 that was part of the Governor's --

18 **MR. RUSSELL:** It is a nice parking place,  
19 though, in between elected positions, though, I think  
20 for some people.

21 **COMMISSIONER ARGENZIANO:** Yes. Yes. But let  
22 me just leave you with this, because I do want those  
23 people and I know the Commissioners have been sitting  
24 awhile, but I do want to say this, because this is  
25 important. And this has nothing to do with the docketed

1 case. I will tell you that for years I have felt that  
2 the Public Service Commission should not be an arm of  
3 the Legislature. And for some of the reasons you have  
4 stated and for some other reasons that I would love to  
5 some day elaborate to maybe the media or the people of  
6 the state of Florida --

7 **MR. RUSSELL:** The media is complicit, as well.

8 **COMMISSIONER ARGENZIANO:** -- it should not be  
9 a part of the Legislature. We work for the Legislature.

10 **MR. RUSSELL:** Well, all I can say is, like I  
11 say, I have my personal experiences. It is crystal  
12 clear when the public looks at it, when you look at the  
13 economics of this, it is -- and I have my MBA, and I  
14 know a little bit about economics. I have been in  
15 business. I am in health care, and I understand health  
16 care. I also understand economics, and the problem is  
17 that this is a boondoggle. \$15 billion-plus over -- or  
18 \$17 billion-plus just right now over 15 years, when  
19 Germany installed 3,000 megawatts of solar. And,  
20 Germany -- I'm from Buffalo, New York originally, and,  
21 you know, the sun shines a lot more intensely, the  
22 photons are a lot more available in Florida than they  
23 are -- and that is peak demand during the day.

24 Solar, wind, there is lots of options out  
25 there. You just have to Google. Go on the Internet.

1 It is a joke how much is out there. Nuclear is bad from  
2 the standpoint -- I'm not saying tear down all the  
3 nuclear plants. I'm just saying not build anymore.  
4 France is a little smarter than we are it looks like,  
5 but this is about maintaining centralized power,  
6 generation and distribution, and not disturbing the  
7 status quo business model. I thank you very much.

8 **COMMISSIONER McMURRIAN:** Hang on just a  
9 second.

10 **COMMISSIONER SKOP:** Thank you, Mr. Russell,  
11 and I appreciate your points. You raised several points  
12 that are worthy of noting. First and foremost, I just  
13 want to make sure that you understand that the proposed  
14 base rate increase and the nuclear cost-recovery clause,  
15 and all the discussion that we have heard about that  
16 today are separate and distinct issues. They all impact  
17 the bill, but I wanted to make sure that --

18 **MR. RUSSELL:** And they don't have to -- if  
19 they never build the plant, they do not have to return  
20 those dollars collected, either. I mean, this is -- I  
21 mean, come on, you know, we are all adults here. Some  
22 people are very well educated here.

23 **COMMISSIONER SKOP:** I understand that.

24 **MR. RUSSELL:** I mean, it is ridiculous.

25 **COMMISSIONER SKOP:** With all due respect as

1 are mine. You have read my bio.

2 **MR. RUSSELL:** Yes, I'm sure your bio is solid.

3 **COMMISSIONER SKOP:** It is very solid.

4 **MR. RUSSELL:** As is mine.

5 **COMMISSIONER SKOP:** But with respect to the  
6 comment that you made about consumer friendly, and, you  
7 know, the token vote, and all that, I do take some  
8 personal exception to that to the extent --

9 **MR. RUSSELL:** I'm not saying you are the token  
10 vote. I'm saying you're one of the agreeable ones.

11 **COMMISSIONER SKOP:** I understand, but I do  
12 take exception to that -- to that characterization to  
13 the extent that, for the record, I went head-to-head  
14 with Florida's largest utility over Sunshine Energy.  
15 Okay. The Commission terminated that program. They  
16 collected \$13 million over four and a half years and  
17 spent only 20 percent of it on renewables. Okay.

18 So, again, if I were so corporate friendly, I  
19 don't think I would have done that, because I don't  
20 think, frankly, it is very career enhancing for people  
21 that traditionally have held this position.

22 Secondly, you know, I did advocate for a much  
23 larger coal refund from Progress Energy in the first  
24 coal refund case, and that was not adopted by the  
25 Commission. So, again, I do take some exception.

1 Again, I am responsible for my votes, I am accountable  
2 for my votes, and if I vote a certain way, I will tell  
3 you I voted that way, and I may tell you later I made a  
4 mistake.

5 **MR. RUSSELL:** And, I know we could debate the  
6 merits of going nuclear, and I am sure you know that --  
7 you can go to my website and check it out, okay.

8 **COMMISSIONER McMURRIAN:** (Inaudible).

9 **MR. RUSSELL:** Yes, I know. That's fine.  
10 That's fine. I think I have made my point quite  
11 clearly. Yes, you have a right to defend yourself. I  
12 mean, I don't think I am making unfair accusations,  
13 though, when you look at the general public's perception  
14 of this whole affair.

15 **COMMISSIONER SKOP:** I understand.

16 **MR. RUSSELL:** Thank you very much.

17 **COMMISSIONER McMURRIAN:** Mr. Kelly.

18 **MR. KELLY:** That is all the names.

19 **COMMISSIONER McMURRIAN:** Just a minute here.

20 **UNIDENTIFIED SPEAKER:** I have a question.  
21 When is a decision expected to be reached?

22 **COMMISSIONER McMURRIAN:** Hang on just a  
23 second. I will get an answer to that question, but I  
24 don't want to take questions from the audience yet, but  
25 I will get you an answer to that by Mr. Willis. I think

1 we have got the case scheduling form. I am pretty sure  
2 it is December.

3 **MS. FLEMING:** The hearing is scheduled  
4 September 21st through August 2nd -- I mean, I'm sorry,  
5 October 2nd. September 21st through October 2nd. Staff  
6 will file a recommendation. There will be a special  
7 agenda on November 19th to address the revenue  
8 requirements and rate design. The Commissioners will  
9 vote on the rates at the December 1st agenda. December  
10 1st.

11 **UNIDENTIFIED SPEAKER:** Thank you.

12 **COMMISSIONER McMURRIAN:** Thank you,  
13 Ms. Fleming.

14 Okay. And let me just say on behalf of all of  
15 my colleagues, thank you all for coming out. Thanks to  
16 the staff and the parties, for everyone's cooperation  
17 here. Thanks to the City of Ocala for letting us use  
18 this great facility. And I think with that, we are  
19 adjourned.

20 (The service hearing concluded at 4:13 p.m.)  
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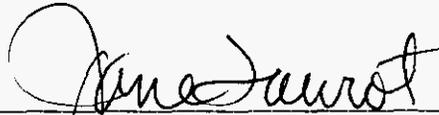
STATE OF FLORIDA        )  
                                  :  
                                  :        CERTIFICATE OF REPORTER  
COUNTY OF LEON        )

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

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

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

DATED THIS 4th day of August, 2009.



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JANE FAUROT, RPR  
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