

State of Florida



RECEIVED - FPSC **Public Service Commission**

09 SEP 16 PM 2:44

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

COMMISSION  
CLERK

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

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**DATE:** September 15, 2009  
**TO:** Ann Cole, Commission Clerk - PSC, Office of Commission Clerk  
**FROM:** Stephen C. Larson, Assistant to Commissioner Argenziano  
**RE:** Docket #'s 080677-EI, 090130-EI, 090079-EI, 090144-EI, and 090145-EI

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Please place the attached letters in the file for the above noted dockets and disseminate to all parties.

DOCUMENT NUMBER-DATE

09606 SEP 16 8

FPSC-COMMISSION CLERK



# THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

**COMMITTEES:**  
Transportation and Economic Development  
Appropriations, *Chair*  
Banking and Insurance  
Communications, Energy, and Public Utilities  
Ethics and Elections  
Governmental Operations - Policy and Steering  
Judiciary  
Ways and Means - Policy and Steering

**JOINT COMMITTEE:**  
Legislative Budget Commission

## SENATOR MIKE FASANO

*President Pro Tempore*  
11th District

September 11, 2009

The Honorable Nancy Argenziano  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Dear Commissioner Argenziano:

In the face of the serious controversy swirling around the Florida Public Service Commission I am requesting that the hearings regarding the Florida Power & Light and Progress Energy Florida rate cases be suspended immediately. Until the various investigations which are underway are complete, and the Senate confirms or rejects whomever the governor appoints to fill the two upcoming commission seats, any further work on these cases should be postponed indefinitely.

The integrity of the Commission has been brought into question due to the recent resignation of the PSC's lobbyist, the firing of a commission aide and the placement of two others on leave due to the question of ex parte communications, as well as sharing of Blackberry PINs, with utility executives of the two companies seeking the rate increases. With the possibility of the Florida Senate Ethics & Elections Committee holding a hearing to look into the serious allegations regarding the operation of the PSC, any decision made while under the cloud of controversy would forever plague all parties in the case.

I do not make this request lightly. The PSC has within its power the ability to impact millions of Floridians who receive utility service from these two companies. The utilities themselves will forever have their operations impacted by any action taken by the PSC at this time. As the custodian of the public's trust the PSC must make decisions without taint of scandal or misconduct. At some future time, when all investigations are finalized and appropriate actions are taken, would be the prudent moment to continue the rate cases.

The customers whom you serve need to have the confidence that all decisions made will be in their best interests. The utility companies will still be here when the investigations are closed and the findings are released. They may not be happy with this delay but they can continue to operate until the work of law enforcement and other bodies is complete. The customers surely

**REPLY TO:**

- 8217 Massachusetts Avenue, New Port Richey, Florida 34653-3111 (727) 848-5885
- 404 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5062

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

**JEFF ATWATER**  
President of the Senate

**MIKE FASANO**  
President Pro Tempore FPSC-COMMISSION CLERK

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September 11, 2009

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cannot afford the potential of increased rates that may or may not be imposed upon them if those decisions are made under the shroud of suspicion that currently exists.

I would greatly appreciate your response to this request. I believe that it would best serve Floridians to know that, when this all ends, their chief regulatory agency has been given, hopefully, a clean bill of health.

Yours truly,



Mike Fasano  
State Senator, District 11

MF/gg

Cc: The Honorable Charlie Crist  
The Honorable Jeff Atwater  
The Honorable Larry Cretul



**Florida House of Representatives  
Carlos Lopez-Cantera  
Majority Whip  
District 113**

District Office:  
2300 Coral Way  
Suite 111  
Miami, FL 33145  
(305) 442-6877

Tallahassee Office:  
323 The Capitol  
402 S. Monroe Street  
Tallahassee, FL 32399-1300  
(850) 488-4202

Senator Nancy Argenziano  
Commissioner, Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

September 10, 2009

Dear Commissioner Argenziano:

After reading your comments in yesterday's edition of *The Miami Herald*, I find it imperative to address your concerns regarding the Public Service Commission (PSC) as well as my comments during the September 1<sup>st</sup> meeting of the Public Service Commission Nominating Council (PSCNC) in Orlando, in order to quell your fear that legislators are intimidating commissioners.

My role as a member of the PSCNC is to screen and nominate applicants for appointment by the Governor to fill vacancies on the PSC. Furthermore, it is my duty at PSCNC meetings to explore every aspect of each applicant and to ask tough questions of them, in order to nominate the most qualified applicants. I hope that in the future, if you have concerns regarding my actions as a member of the PSCNC you will extend to me the same courtesies that were extended to you while a member of the Florida Legislature and speak to me personally before addressing these concerns through the media. Even more so if these concerns arise from my actions at a PSCNC meeting that you did not personally attend.

I have been critical of the unanimous vote by the PSC ordering Florida Power & Light (FPL) to reveal to regulators and the public how much they pay employees who make at least \$165,000 annually for two reasons. First, salary information is already readily available. The Federal Energy Regulatory Commission (FERC), under 18 C.F.R. § 141.1, annually require that major electric utilities disclose financial and operational information in a "FERC FINANCIAL REPORT - FERC FORM NO.1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report." Specifically, utilities must report the name, title and salary for each executive officer whose salary is \$50,000 or more.

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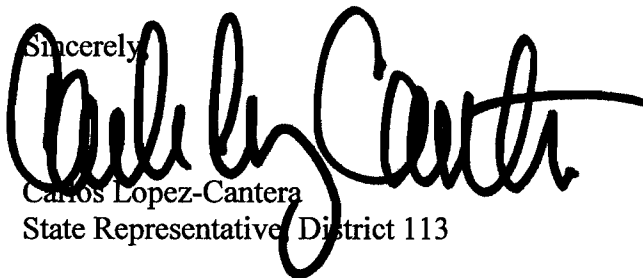
FPSC-COMMISSION CLERK

The lack of awareness by all Commissioners of the above mentioned federal law which mandates the disclosure of the information you were seeking brought about my criticism of the PSC. In addition, these reports are non-confidential and available to the public by simply going online and visiting the FERC's webpage. Enclosed for your review are several pages from FPL's 2008 FERC Financial Report, specifically relating to the salaries of executive officers, which took me and my office less than an hour to produce. This same information would have saved the PSC time and tax payer money. The PSC is charged with balancing the needs of the various utilities and its shareholders with the needs of consumers. When the entire Commission is unable to have a complete understanding of applicable federal law, in addition to Florida law and regulation, you fail to do so.

Secondly, to ensure the safety of the citizens of the State of Florida, it is imperative that the best, brightest and most qualified individuals are overseeing the nuclear reactors in our state. Therefore, I will continue to be concerned that the disclosure of non-executive salaries will put Florida utilities at a competitive disadvantage when trying to attract these highly specialized engineers who may not want their salary publicly known. Furthermore, disclosing their salaries will create an additional competitive disadvantage for Florida utilities when trying to retain their current employees by allowing out-of-state competitors information regarding employee salaries which was not already known.

I have the utmost respect for the role the Commission plays in the regulatory process. However, it is the Legislature's role to set policy and to call into question as a function of our oversight authority when we believe the policy is not being adhered to.

Sincerely,

A handwritten signature in black ink, appearing to read "Carlos Lopez-Cantera". The signature is fluid and cursive, with a large initial "C" and "L".

Carlos Lopez-Cantera  
State Representative District 113

Enclosure

THIS FILING IS

Item 1:  An Initial (Original) Submission OR  Resubmission No. \_\_\_\_\_

Form 1 Approved  
OMB No. 1902-0021  
(Expires 2/29/2009)  
Form 1-F Approved  
OMB No. 1902-0029  
(Expires 2/28/2009)  
Form 3-Q Approved  
OMB No. 1902-0205  
(Expires 2/28/2009)



**FERC FINANCIAL REPORT  
FERC FORM No. 1: Annual Report of  
Major Electric Utilities, Licensees  
and Others and Supplemental  
Form 3-Q: Quarterly Financial Report**

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

Florida Power & Light Company

Year/Period of Report

End of 2008/Q4

Name of Respondent Florida Power & Light Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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**OFFICERS**

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.  
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Chairman of the Board and Chief Executive Officer of FPL	Lewis Hay, III	665,749
2	Group and Chairman of FPL		
3			
4	President and Chief Executive Officer of FPL	Armando J. Olivera	594,700
5			
6	Former Vice President, Finance and Chief Financial	Moray P. Dewhurst	179,314
7	Officer of FPL Group and Senior Vice President,		
8	Finance and Chief Financial Officer of FPL; transitioned		
9	from role of CFO on 5/3/08 and retired 5/30/08		
10			
11	Executive Vice President, Finance and Chief Financial	Armando Pimentel, Jr.	507,645
12	Officer of FPL Group and FPL;		
13	Executive Vice President Finance of FPL Group and FPL -		
14	effective 2/15/08;		
15	Chief Financial Officer FPL Group and FPL - effective		
16	5/3/08		
17			
18	Executive Vice President, Nuclear Division of FPL Group	John A. Stall	295,000
19	and FPL		
20			
21	Former Senior Vice President and General Counsel of FPL,	Edward F. Tancer	280,034
22	Vice President and General Counsel of FPL Group, and		
23	Assistant Secretary of FPL Group and FPL;		
24	became Vice Chairman & Senior Vice President		
25	Governmental Affairs - State, effective 12/1/08		
26			
27	Executive Vice President, FPL; effective 12/1/08	Charles E. Steving	23,942
28			
29	Executive Vice President Power Generation Division of	Antonio Rodriguez	233,874
30	FPL Group and FPL		
31			
32	Former Executive Vice President Human Resources of FPL	Robert H. Escoto	252,389
33	Group and FPL, and Assistant Secretary of FPL Group and		
34	FPL; became Vice President, Human Resources, Transition,		
35	of FPL Group, effective 12/12/08		
36			
37	Executive Vice President Human Resources of FPL Group	James W. Poppel	212,000
38	and FPL, and Assistant Secretary of FPL Group and FPL;		
39	effective 12/12/08		
40			
41	Executive Vice President Engineering, Construction and	Robert L. McGrath	249,080
42	Corporate Services of FPL Group and FPL		
43			
44			

Name of Respondent Florida Power & Light Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2006/Q4
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**OFFICERS**

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.  
 2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Vice President, Accounting and Chief Accounting Officer	K. Michael Davis	225,847
2	of FPL and Controller and Chief Accounting Officer of		
3	FPL Group		
4			
5	Treasurer of FPL Group and FPL and Assistant Secretary	Paul I. Cutler	184,001
6	of FPL Group and FPL		
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11	NOTE: The salaries above reflect amounts charged		
12	to the respondent.		
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