

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 110138-EI

PETITION FOR INCREASE IN
RATES BY GULF POWER COMPANY.

_____ /

PROCEEDINGS: PENSACOLA SERVICE HEARING

COMMISSIONERS
PARTICIPATING:

CHAIRMAN ART GRAHAM
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Thursday, September 15, 2011

TIME: Commenced at 10:00 a.m.
Concluded at 2:00 p.m.

PLACE: The School Board of Escambia
County
J. E. Hall Educational Services
Center
Room 160
30 East Texar Drive
Pensacola, Florida

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

1 APPEARANCES:

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3 Post Office Box 12950, Pensacola, Florida 32591-2950,
4 appearing on behalf of Gulf Power Company.

5 J. R. KELLY, PUBLIC COUNSEL, CHARLES J.
6 REHWINKEL, ESQUIRE, Office of Public Counsel, c/o The
7 Florida Legislature, 111 W. Madison Street, Room 812,
8 Tallahassee, Florida 32393-1400, appearing on behalf
9 of the Citizens of the State of Florida.

10 ROBERT SCHEFFEL WRIGHT, ESQUIRE, Young Law
11 Firm, 225 South Adams Street, Suite 200, Tallahassee,
12 Florida 32301, appearing on behalf of Florida Retail
13 Federation.

14 CAROLINE KLANCKE, ESQUIRE, FPSC General
15 Counsel's Office, 2540 Shumard Oak Boulevard,
16 Tallahassee, Florida 32399-0850, appearing on behalf of
17 the Florida Public Service Commission Staff.

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P R O C E E D I N G S

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2 **CHAIRMAN GRAHAM:** Good morning, everyone.

3 I want to welcome everybody to the service
4 hearing that we have for Gulf Power. This is Docket
5 Number 110138. If I can get staff to read the notice,
6 please.

7 **MS. KLANCKE:** By notice, this time and place
8 has been set for a customer service hearing in Docket
9 Number 110138-EI, Petition for Rate Increase by Gulf
10 Power Company.

11 **CHAIRMAN GRAHAM:** Thank you.

12 Let's take appearances of counsel. Let's
13 start off with Gulf.

14 **MR. STONE:** Commissioner, I'm Jeffrey A. Stone
15 of the law firm of Beggs and Lane, and I'm here today as
16 Gulf Power Company's representative.

17 **CHAIRMAN GRAHAM:** Thank you, sir.

18 **MR. KELLY:** Good morning, Mr. Chair,
19 Commissioners. My name is J. R. Kelly. I'm with the
20 Office of Public Counsel. With me today is Mr. Charles
21 Rehwinkel, also with our office, and we have the
22 pleasure of representing the ratepayers in this matter.

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

24 Robert Scheffel Wright appearing on behalf of
25 the Florida Retail Federation. Thank you.

1 **CHAIRMAN GRAHAM:** Do we have any other
2 attorneys of record in the audience? Okay.

3 I want to thank you all for coming today. I
4 know there's a lot of other things that we would all
5 like to be doing at 10:00 o'clock on a Thursday morning,
6 but we're here specifically for the ratepayers in this
7 case, so we can hear first-hand how you feel about the
8 petition that's before us.

9 You can talk about the petition itself, you
10 can talk about the service that you receive, you can
11 talk about anything that's relevant to Gulf Power.
12 Because we have so many people, and we only have this
13 room until about 2:30, I'm going to limit everybody to
14 about five minutes. I'll let you know when you have a
15 minute left so you can start concluding.

16 The Public Counsel will call you up two at a
17 time, so the first person he calls will be the person at
18 the mike, the next person will be the next person
19 speaking. And if you can just sit in the seat in the
20 front, we can just continue rotating so we can move kind
21 of quickly.

22 When you get to the microphone, I need for you
23 to give your name and address, and if you could spell
24 your last name so we have it clear on the record. And
25 when you are done speaking, if you would hold on for a

1 second, because the opposing counsel may have a question
2 or two to ask, mainly just to clarify the things that
3 you have said.

4 I know a lot of people, this is probably your
5 first time ever speaking in public, so you may be
6 nervous. Take your time and relax. You know, nobody is
7 out here to get you. We are here to try to get as much
8 information from you as we possibly can.

9 The utility company has got some
10 representatives here in the back. If you have specific
11 questions, we can get you lined up with them, and they
12 can answer your specific questions. But for the most
13 part, what we are here to do is to just get your
14 testimony on the record.

15 With me, I have the full Public Service
16 Commission, the Commissioners. I have Eduardo Balbis on
17 my right, far right, Lisa Edgar on my right, Ronald
18 Brisé on my left, and Julie Brown on my left.

19 Also, staff, I have Caroline Klancke, Marshall
20 Willis, and Andrew Maurey. We are all here because we
21 want to hear first-hand from you the things you have to
22 say. That all being said, I'm going to let the
23 different counsels of record give an opening statement,
24 and then we'll have the Public Counsel start calling you
25 up, like I said, two at a time, and we will start taking

1 your testimony. Before we start calling you up, I'm
2 going to have to swear you all in. But we will do that
3 after opening statements.

4 But before all that starts, if I can get all
5 of you to raise your right hand, just raise your hand.
6 Now, please find your cell phone and turn it off or put
7 it on vibrate. (Laughter.)

8 Thank you very much.

9 **MR. STONE:** Chairman Graham, I have a couple
10 of preliminary matters. First, I have distributed to
11 each of you and counsel and the court reporter a copy of
12 a composite exhibit that we would like to have marked
13 for identification. This exhibit consists of an
14 affidavit from Ms. Sandy Sims, Gulf's Public Affairs
15 Manager, and sets forth the efforts that the company has
16 taken to comply with the notice requirements pursuant to
17 the Commission's rule, the applicable order establishing
18 procedure both for this hearing and the main hearing in
19 this case. There are also three attachments that are
20 more particularly described in the affidavit itself.

21 Ms. Klancke has custody of the original, which
22 will be introduced into evidence at the hearing in
23 December.

24 **CHAIRMAN GRAHAM:** Ms. Klancke, this is the one
25 we have down for Exhibit 2?

1 **MS. KLANCKE:** That's correct.

2 **MR. STONE:** As you noted earlier, Gulf Power
3 has several customer service representatives present to
4 assist customers with any service issues. Also present
5 is Mr. Gary Sammons (phonetic), our district manager
6 here in Pensacola, and Mr. Ed Taylor, our district
7 manager for Fort Walton Beach. They will be helping the
8 customers get in touch with our customer service
9 representatives, and I just want to be sure that the
10 customers were aware of that.

11 And at the appropriate time, the company does
12 have a brief presentation to make to the Commission as
13 is required by your notice, and Mr. Crosswhite will be
14 making that presentation.

15 **CHAIRMAN GRAHAM:** Now is the time.

16 **MR. STONE:** Mr. Crosswhite.

17 **MS. KLANCKE:** May I have a suggested title for
18 the notices? Perhaps Gulf Service Hearing Notices.

19 **CHAIRMAN GRAHAM:** Sounds good. Gulf Service
20 Hearing Notices will be the title.

21 (Exhibit 2 marked for identification.)

22 **CHAIRMAN GRAHAM:** Sir.

23 **MR. CROSSWHITE:** Thank you, Commissioners, for
24 the opportunity to speak on behalf of Gulf Power and its
25 employees who live and work in this community. We

1 understand the primary purpose of the hearing is to hear
2 from our customers, so I will be brief and to the point.

3 Gulf Power has served Northwest Florida since
4 1926. We understand that we can only be successful if
5 the communities we serve are successful. We understand
6 that electricity prices have a direct impact on all of
7 our customers, and many of our customers are on a fixed
8 income. We also understand that customers have seen
9 electricity prices increase due to environmental
10 requirements and escalating fuel costs, and we
11 understand the region has been in an economic downturn.

12 So we are sympathetic to our customers who say
13 this is a bad time for us to seek an increase in our
14 base rates. But let me be clear, Gulf Power has worked
15 hard to delay this request as long as possible. We have
16 not asked for a base rate increase in ten years, since
17 2001, and we would not be asking now if it were not
18 necessary to continue providing reliable electric
19 service in North Florida.

20 We take very seriously our responsibility to
21 keep the lights on. The electric utility business is a
22 long-term business. We have an obligation to serve
23 every new customer, an obligation to set the poles,
24 string the wires, build the substations, and maintain
25 the power plants so everyone has electricity as soon as

1 and as often as they demand it. We don't have the
2 option of delaying production or shutting down a portion
3 of the business until things get better. We can't delay
4 expansion until construction prices come down. We can't
5 stop buying copper wire just because the prices have
6 increased almost 300 percent since our last rate filing.

7 Since our last base rate filing, we have added
8 hundreds of miles of new power lines and several new
9 substations. We have strengthened our power lines in
10 the wake of a number of major hurricanes and tropical
11 storms, and we have constructed a generating facility at
12 the Perdido landfill to convert landfill gases to
13 energy. And because this is a long-term business, we
14 have to plan today and take steps today to make sure
15 that when our customers flip the switch five to ten
16 years from now that we have the infrastructure in place
17 to make sure the lights come on.

18 Part of that long-term planning process
19 includes buying the land for new generators. In
20 Escambia County, we are fulfilling that obligation by
21 buying land in the northern end of the county for a
22 future power plant site. Planning, building, licensing,
23 and bringing a new generator to life can take ten years
24 or longer, but buying the land is the first necessary
25 step to ensure that we will have the power we will need

1 in the future. You can't plan a power plant if you
2 don't have the land to build it.

3 So we have to meet our obligations today, and
4 we have to plan and prepare for the future, and that is
5 why we are here now. It costs us much more to do
6 business today than it did when our base rates were set
7 in 2001. Simply put, the cost of making and delivering
8 electricity has increased; our base prices have not. So
9 while we are reluctant to ask for an increase, we must
10 do so. We have to cover our rising expenses and
11 continue to make investments in the electric system so
12 we can fulfill our obligation to provide reliable
13 electric service to our customers.

14 Since 1926, Gulf Power has been an active part
15 of the communities we serve. Our employees volunteer
16 and get involved in local events because it is their
17 community, too. They want to see it grow, and they want
18 to see it be a better place. Today I speak on behalf of
19 all those Gulf Power employees by saying that we remain
20 committed to ensuring reliable electric service,
21 providing outstanding customer service, and being a good
22 community citizen. We remain committed to helping this
23 community grow.

24 As Mr. Stone indicated, we have customer
25 service representatives available here today to help

1 customers with any needs that they may have. Thank you
2 very much for the time.

3 **CHAIRMAN GRAHAM:** Mr. Stone, is that your
4 opening statement?

5 **MR. STONE:** Yes, sir, on behalf of the
6 company.

7 **CHAIRMAN GRAHAM:** Thank you.

8 Mr. Kelly or Mr. Rehwinkel.

9 **MR. REHWINKEL:** Thank you, Mr. Chairman. With
10 your indulgence, I would like to address the audience.
11 Thank you.

12 Thank you, Commissioners, and especially Gulf
13 Power's customers for taking the time to come here.
14 Thank you, customers, who have taken the time to come
15 here and testify and to provide support and watch your
16 government in action.

17 My name is Charles Rehwinkel; I'm the Deputy
18 Public Counsel. I am proud to be here to represent you
19 today in this building where I went to high school all
20 four years, and in this neighborhood where I went to
21 elementary school at Brown Barge. It is an honor, truly
22 an honor to represent you in this matter today.

23 You just heard from the company, and I think
24 if you listen to nothing more than what the company said
25 that you would be convinced that your base rates would

1 be going up 23 percent, which is the request that the
2 company has before the Commission. Fortunately, the
3 Florida Legislature, your legislators, have provided you
4 with legal counsel, and that is the Office of Public
5 Counsel, and that's J. R. Kelly. He's appointed by the
6 Legislature to represent you, and he takes that job very
7 seriously. And he only has your interest at heart.

8 Public Counsel is not a part of the Public
9 Service Commission. We are an independently funded
10 office established by law to represent you and only you
11 before the Commission. We have attorneys and CPAs on
12 staff, and we have hired seasoned nationally recognized
13 expert witnesses to provide expert testimony in this
14 hearing. Our office has begun the process of providing
15 detailed questions to Gulf Power, and those questions
16 have raised more questions and have given us the
17 motivation to fight this case on your behalf.

18 Before I give you an overview of the concerns,
19 some of the concerns that we have in this case, I would
20 like to say something about the interim rate increase
21 that you may have read about that has been authorized by
22 the Commission. While it is true that the Commission
23 has authorized a \$38 million interim rate increase, you
24 should not view that as being an indicator that Gulf
25 Power is entitled to a final rate increase of that

1 amount or any amount.

2 As a matter of Florida law, based on the
3 company's historical books and a formula established in
4 the 1980s, the Commission had no lawful discretion to do
5 anything but authorize the interim increase. The Public
6 Counsel did not challenge that, because the law does not
7 allow for that challenge. However, that interim
8 increase is based on historical information that still
9 must be verified in the hearing, along with the
10 permanent rate increase that Gulf Power has requested.

11 The permanent increase that is before the
12 Commission in the hearing in December, the \$93 million
13 increase is based on Gulf's projections, estimates, and
14 proposed profit level. We will challenge Gulf's
15 proposals for both interim and permanent at that time.
16 We believe that Gulf has filed a case that significantly
17 overstates their need, and thus we will challenge the
18 entire request.

19 What we have found so far, and these are just
20 preliminary issues that we have raised. We have not
21 assigned any dollar impact to these, but these are
22 issues that we will likely file testimony on in the
23 hearing. The first one and the most obvious one is the
24 excess profit level. Gulf wants an 11.7 percent
25 after-tax profit at a time when authorized profit levels

1 for other electric utilities around the country are much
2 closer to 10 percent. We will challenge this with a
3 national leading expert in the field of finance.

4 Gulf wants to increase your rates in order to
5 set aside more money for possible storm damage. While
6 this can be an emotional issue during hurricane season,
7 these expenses must be based upon sound evidence and a
8 balancing of the financial hardship that it imposes upon
9 you, the current customers, against the benefits of
10 customers at an undefined time in the future.

11 The third issue that we have seen is that Gulf
12 wants to raise rates now to pay for a \$27 million,
13 4,000-acre parcel of land for a possible nuclear plant
14 in the north end of the county. This is a plant that
15 they may or may not build. New customers have already
16 paid or been paying for the last 30-plus years for a
17 smaller piece of land in Caryville, plus over
18 \$11 million in plant cancellation costs based on a very
19 similar speculative decision to secure a possible
20 generating plant site. That land has been in rates for
21 over 40 years. No plant was ever built, though there
22 was at one time a nice farm on it owned by a sister
23 company of Gulf. The notion that Gulf may build a
24 nuclear plant on this \$27 million piece of property is
25 far more speculative in today's environment where new

1 nuclear plant construction has nearly stalled.

2 In addition, there is a mechanism in the law
3 for Gulf to get advanced cost-recovery for things like
4 that piece of property once they have a firm approved
5 plan by the Commission. We would take the position
6 probably in this case that they should take that piece
7 of land and ask for recovery when and if they ever get
8 an approved plan and use that mechanism and not include
9 that as a speculative cost in the rate case.

10 The fourth issue, payroll costs and related
11 increases for Gulf when others are struggling with no
12 increases, pay concessions, or even lost jobs in their
13 customer base, is not appropriate in these hard times.
14 We will challenge these projected and estimated costs
15 and other accounting adjustments with another, a
16 national leading accounting expert.

17 Finally, a fifth issue that we have identified
18 at this time is that we will scrutinize many of Gulf's
19 affiliated transactions. These forms of self-dealing
20 while not, per se, wrong, have the potential for abuse
21 and excess profits and cross-subsidization. Like in
22 other cases, we will scrutinize these using another
23 expert who is nationally known in her field.

24 These are just some of the potential issues
25 that we have identified at this time in our case

1 preparation. There is no dollar value assigned to
2 these. We will raise many other issues as we conduct
3 our discovery and find out more information from the
4 company. And once we do that, we will file testimony
5 and put our case on before the Commission.

6 You may ask now how can you help. And I can
7 see by the turnout here that there are a lot of people
8 who are willing to help. We have over 50 people now
9 signed up to testify. Your voice is important. Share
10 your opinion with the PSC. As the Chairman has said,
11 they want to hear from you. So testify and testify
12 honestly. If you don't want to testify, fill out the
13 forms and send those in. They consider those as much as
14 they consider your testimony in the case.

15 So I want to thank you, again, for coming out
16 to this hearing so the Commission can hear your opinion.
17 I want you to voice your concerns. We look forward to
18 hearing from you. You are our clients, and we are here
19 to represent you.

20 In closing, I want to assure you that we will
21 represent you zealously. You are our only matter in
22 this case, and we will do our best on your behalf. You
23 have heard, and you will hear about what Gulf Power is
24 in the community, and what good corporate citizens they
25 are in Pensacola and in Northwest Florida. There is no

1 doubt in my mind that that is true. But the activities
2 that allow them to be good corporate citizens are not
3 the issue in this case. Most of the costs of being good
4 citizens and being good contributors to the community
5 are not allowable in rates, so that's not the issue
6 here.

7 The law in Florida requires Gulf to prove to
8 the Commission everything that they are asserting in
9 their case, all the projected costs and estimates, not
10 only that they are a reasonable amount, but that they
11 are reasonable in purpose. And the Public Counsel's
12 Office, on your behalf, will insist that they follow the
13 law and prove their case to the Commission.

14 Thank you, Mr. Chairman.

15 (Audience applause.)

16 **UNIDENTIFIED SPEAKER:** Thank you.

17 **CHAIRMAN GRAHAM:** I just want to make
18 something clear before we move forward. We are not
19 going to allow any clapping, or cheering, or hooping and
20 hollering. We need to make sure that -- we want a
21 controlled meeting. As you heard Public Counsel, there
22 is over 50 people here to speak. If everybody spoke for
23 their five minutes, we can only take about 45 people.
24 So we need to make sure -- we will move through this as
25 quick as we can and as efficiently as we can, but we're

1 not going to allow that kind of outburst. I know this
2 is high energy for a lot of people, just please control
3 yourself.

4 Mr. Wright.

5 **MR. WRIGHT:** Thank you, Mr. Chairman, and
6 thank you, Commissioners. With your indulgence, I would
7 also like to speak directly to the audience.

8 **CHAIRMAN GRAHAM:** Sure.

9 **MR. WRIGHT:** Thank you. Good morning, and
10 thank you all very much for turning out today. I'm
11 really impressed. Great job.

12 My name is Schef Wright. I'm a native
13 Floridian. I have lived 52 of my 61 years in this fine
14 state. I have been working on energy issues in the
15 State of Florida for more than 30 years, including about
16 seven years on the Florida Public Service Commission
17 staff back in the old days, the 1980s.

18 I have the privilege to be here today
19 representing the Florida Retail Federation, which is a
20 statewide association consisting of more than 9,000
21 businesses from your largest chain stores -- Publix,
22 Target, Wal-Mart, CVS, Best Buy, Macy's, on and on --
23 all the way down to literally thousands of individual
24 mom and pop businesses. We are consumers, we are
25 electricity customers like you. And we, like your fine

1 Public Counsel, will fight for consumers' interests to
2 ensure that any increase that Gulf gets will be only the
3 lowest possible amount necessary for Gulf to provide
4 safe, reliable service at the lowest possible cost.

5 Before I go on, I want to say this is your
6 meeting, and I'm truly proud that so many of you have
7 come out. This is your hearing. This is your
8 opportunity to tell your Florida Public Service
9 Commission what you believe about Gulf's request for a
10 rate increase of nearly \$100 million a year. If you are
11 for it, great. If you are against it, fine, too. Tell
12 the Commissioners what you believe so that they will
13 hear from you.

14 Now, as Mr. Rehwinkel said, Gulf has asked for
15 a rate increase total of about \$93.5 million a year to
16 take effect in March of next year. We, the Florida
17 Retail Federation, the Public Counsel, and other
18 consumer groups oppose these requests, at least for the
19 amount requested. As Mr. Rehwinkel said, and I agree
20 with everything he said, we are still fairly early in
21 this case, and so we are still evaluating all the
22 issues. He touched on a number of them, I want to
23 expand on one of them, and that is Gulf's request for
24 their rate of profit, which we call in technical terms
25 the rate of return on shareholder's equity. You know it

1 as profit. Any walking-around person would know it as
2 profit. They have asked for an after-tax rate of return
3 profit of 11.7 percent. That's a before-tax return of
4 more than 19 percent.

5 In this economy, in these times, and relative
6 to the risks, the miniscule risks that Gulf faces as the
7 regulated monopoly provider of a necessity, this is
8 excessive. And this rate that they have asked for is
9 more than three times the current rate being paid on
10 20 and 30-year United States Treasury bonds. The risks
11 that they face -- and keep in mind they get to recover
12 about 60 percent of all their costs through what we call
13 cost-recovery clauses, and which you would recognize as
14 pass-through charges. Sixty percent of their costs they
15 get through pass-through charges. They don't face risks
16 that are anywhere near sufficient to justify a
17 before-tax return of 19 percent.

18 So as Mr. Rehwinkel went into in some detail,
19 there are a bunch of other technical issues that we are
20 looking at and that we will be fighting for on all
21 customers' behalf, too. But I wanted to add a couple of
22 other things. These increases will hurt customers. You
23 know, whatever they get is money out of your pockets.
24 It is further going to squeeze customers' ability to pay
25 for food, medicine, and other necessities, and it's

1 going to put pressure on jobs.

2 You know, they're a business, and we're
3 businesses, too. But electricity represents a
4 significant part of our business costs -- and we are
5 competitive, by the way, we don't get to go to the
6 Florida Grocery Regulatory Commission, or the Florida
7 Department of Regulatory Commission and say we want
8 higher rates. We can only charge what a competitive
9 market will allow us to charge. When our costs go up,
10 we have either got to raise prices or cut expenses
11 elsewhere. Any rate increase will only put pressure on
12 our ability to keep people on the payrolls.

13 Of course, we want the lights to stay on. We
14 are business people, we know that nothing is free. We
15 want Gulf to have enough money to provide safe,
16 adequate, and reliable service. But we want them to
17 have only enough money to provide safe, adequate, and
18 reliable service at the lowest possible cost.

19 At the bottom line, Gulf may be able to
20 justify some increase. We will find out in the hearing
21 that is going to be held in December. But we will
22 fight, along with Public Counsel and the industrial
23 power users, to make sure and to scrutinize and make
24 sure that any increase Gulf gets will be only what they
25 need to keep the lights on to provide safe, adequate,

1 reliable service.

2 Thank you very much for coming out today.

3 Thank you for listening to what I had to say. We are
4 customers like y'all, and we're on your side.

5 Thank you. Don't applaud.

6 (Laughter.)

7 **CHAIRMAN GRAHAM:** I thank you very much.

8 Once again, we want to thank everybody for
9 coming out and giving of your day, your time today. If
10 you are here to speak, there was a sign-up sheet as you
11 came. Even if you haven't signed up and you still want
12 to, you can go back out that door and put your name on
13 the list, and we'll add it to the list. If we call your
14 name, and you decide that you choose not to speak, if
15 you would just stand up and say I decided not to speak,
16 just kind of let us know so we can move through this
17 process. Right now everybody that has signed up to
18 speak, I need to get you to stand up and raise your
19 right hand, please, so I can swear you in.

20 (Witnesses sworn.)

21 **CHAIRMAN GRAHAM:** I do thank you for that.

22 Once again, the Public Counsel is going to call
23 everybody up here two at a time. The first person will
24 come to the mike, the second person will sit in the seat
25 right here on the front row. The first person I'm going

1 to call up is going to be your representative for this
2 area in the Florida House of Representative, it's
3 Representative Broxton. Sir, thank you very much for
4 coming and welcome.

5 **REPRESENTATIVE BROXTON:** Thank you, Mr.
6 Chairman, and thank you, Commissioners. I am not
7 here -- we have counsel to represent the House. I'm not
8 here to represent the House specifically, but to
9 represent my constituents.

10 And what I would like to do is give you a
11 statement. If I could have 150,000 of my constituents
12 here, it would be impossible, but if they were to make a
13 brief statement it would be to you this: We do trust
14 Gulf Power in many ways. We think they have provided
15 dependable, reliable service. But the problem that we
16 have is that we are at a breaking point. Our income has
17 been fixed in many cases, and we have no place to turn.
18 We are asking you to look at every line item from power
19 equipment, to employees, to cost of goods, to land
20 purchase, everything, and try to give us some sense of
21 relief.

22 There is no area in Florida that has not been
23 affected. Every business, every family has not only had
24 to cut the fat, they have had to cut the bone and the
25 flesh. And I encourage you to help us, as we did in the

1 Legislature when we cut over \$4 billion out of our
2 budget, to do your part in helping Gulf Power.

3 You oversee many utilities across the state.
4 We are a very creative state. Take those things you
5 have heard, apply it to this meeting, and come to a
6 conclusion that's fair and equitable for both parties.

7 Thank you for your time, and thank you for
8 being in Pensacola.

9 **CHAIRMAN GRAHAM:** Representative, thank you
10 very much for coming and for speaking for your
11 constituents today.

12 We will be taking a break probably around
13 12:15 or so. Our court reporter after about two or so
14 hours has to rest her little fingers. But other than
15 that, we should move through this as quickly as we can
16 until about 2:30 or 2:40. That being said --

17 **MR. REHWINKEL:** Mr. Chairman, Public Counsel
18 calls first Jerry Williams, and, second, Rita Kershaw.

19 **CHAIRMAN GRAHAM:** Mr. Williams.

20 JERRY W. WILLIAMS

21 appeared as a witness and, swearing to tell the truth,
22 testified as follows:

23 DIRECT STATEMENT

24 **MR. WILLIAMS:** With your indulgence, may I
25 present you a copy of my talk.

1 May I also turn the microphone around like the
2 other gentleman did?

3 **CHAIRMAN GRAHAM:** No, you need to address us.

4 **MR. WILLIAMS:** Okay. Well, my name is Jerry
5 Wade Williams. I reside at 6373 Sunnyside Drive in
6 Milton, Florida. I am greatly honored that you have
7 allowed me to speak today before the Florida Public
8 Service Commission. This fair state of Florida strives
9 for the best; we deserve the best.

10 I speak today to this honorable Commission on
11 behalf of others. I do not want to be here. However, I
12 must allow responsibility to override my personal
13 feelings and emotions. I speak on behalf of good
14 citizens of this state who are economically depressed.
15 In other words, we do not have the money to pay a higher
16 price for electricity. Our pension checks have not
17 increased. In fact, many participants do not receive
18 the same amount as last year. Why? It's because health
19 care premiums have greatly increased, hourly wage
20 employees' hours of work are decreased. Everyone knows
21 the cost of living increases daily. Unemployment and
22 living costs adversely effects everyone.

23 I call upon Gulf Power to withdraw their
24 proposal for a rate increase. I do understand Gulf
25 Power's desire to earn more money for their investors.

1 Everybody who is in business is there to make money.
2 This is the American way. Every kind of business and
3 individual families are urged to reduce spending. Some
4 are doing it voluntarily, while others out of necessity.

5 Again, I repeat my earnest plea. Public
6 Service Commission, please reject the proposal, proposed
7 rate increase. Most families cannot afford any
8 additional expense. I hope both Gulf Power and the
9 Public Service Commission will hear my petition. I
10 speak on behalf of many good Florida citizens who are
11 not financially able to pay this desired increase.

12 Gulf Power has an exclusive franchise for
13 distributing electricity in this area. It is also the
14 American way for the citizens to be heard when there is
15 a request for any change or rate increase in service.
16 We are lead to believe that the Public Service
17 Commission conducts a hearing. After the hearing, they
18 must then decide to approve or disapprove the company's
19 request for any change. However, in this situation, the
20 Florida Public Service Commission has already approved a
21 portion of Gulf Power's rate increase. Should we doubt
22 the entire amount of this rate increase will also be
23 approved by you?

24 Again, I repeat my request to both Gulf Power
25 and Public Service Commission to set aside the amount

1 that you have already approved. Please invalidate this
2 amount, then also deny any kind of rate increase at this
3 time.

4 I offer my thanks and appreciation to Gulf
5 Power for the good service we have received through the
6 years. Public Service Commission, we hope you will
7 leave Gulf Power with us. We know they will continue to
8 provide excellent service to everyone in the panhandle.

9 In closing, I must repeat my request, please
10 do not increase our electric bill. Thank you.

11 **CHAIRMAN GRAHAM:** Thank you, Mr. Williams.
12 Hold on just a second. Mr. Stone.

13 **MR. STONE:** No questions.

14 **CHAIRMAN GRAHAM:** Sir, thank you very much for
15 coming.

16 **MR. REHWINKEL:** Mr. Chairman, may I ask, would
17 it be appropriate for the handout to be identified as an
18 exhibit.

19 **CHAIRMAN GRAHAM:** Sure.

20 We'll identify this as Exhibit Number 3.

21 (Exhibit Number 3 marked for identification.)

22 **MR. WILLIAMS:** My reason for doing that, I
23 didn't want to be quoted as having said something that I
24 didn't say.

25 (Laughter.)

1 **CHAIRMAN GRAHAM:** That's quite all right, sir.

2 **MR. REHWINKEL:** Mr. Chairman, following Ms.
3 Kershaw is Wesley Greeson.

4 **MS. KLANCKE:** May I have a short title for
5 that? Perhaps Williams' demonstrative.

6 **CHAIRMAN GRAHAM:** We will call that Composite,
7 Mr. Williams.

8 **MR. STONE:** Mr. Chairman, I realize there were
9 not enough copies to go around. At some point we would
10 like a copy of that exhibit.

11 **CHAIRMAN GRAHAM:** Ma'am, please.

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

15 DIRECT STATEMENT

16 **MS. KERSHAW:** Good morning, sir. My name is
17 Rita Kershaw. I live at 12041 Longwood Court,
18 Pensacola, Florida 32507. I am a retired resident of
19 Pensacola.

20 Adding approximately 1,000 miles of new power
21 lines, replacing and repairing infrastructure, hardening
22 infrastructure to mitigate storm damage and facilitate
23 restoration. To my knowledge, Gulf Power is supposed to
24 have a 6.2 percent rate of return in their investments.
25 I believe that this is the figure that they provide to

1 their shareholders. I wish that any of my investments
2 would provide me with such a return.

3 But we are not here to castigate a company
4 because they know how to provide their shareholders with
5 great returns. We are here because the increase of
6 23 percent on any of our rates would impose an undue and
7 extreme economic burden to their customers. Having been
8 in business for many years, I don't know of a company or
9 a corporation that does not put yearly reserves for the
10 actions that they claim are necessary and provide those
11 requests as an excuse to increase their rates. If they
12 don't put enough monies for these maintenance issues,
13 then perhaps a 6.2 percent rate of return is not an
14 adequate figure that they should present to their rate
15 holders.

16 I would appreciate the Commissioners that they
17 would also take into consideration the state of the
18 economy that we are all facing today. Seniors have seen
19 their investments down. Their Social Security has not
20 been increased. The cost of living is way up, and
21 unemployment coming to numbers that we have not seen in
22 my lifetime. Poverty levels are way up. These are some
23 of the very, very important issues that I feel you need
24 to consider when you study whether these increases are
25 necessary for Gulf Power. Thank you.

1 **CHAIRMAN GRAHAM:** Ma'am, thank you very much.
2 Mr. Stone.

3 **MR. STONE:** No questions.

4 **CHAIRMAN GRAHAM:** Ma'am, thank you for coming.

5 **MR. REHWINKEL:** Following Mr. Greeson, Mr.
6 Chairman, the Citizens would call Shirlene Lashley.

7 **CHAIRMAN GRAHAM:** Mr. Greeson, welcome.

8 **MR. GREESON:** Thank you.

9 WESLEY GREESON

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

12 DIRECT STATEMENT

13 **MR. GREESON:** My name is Wesley Greeson. I
14 reside at 930 Caterpillar Lane, Cantonment, Florida
15 32533.

16 Good morning, Commissioners, and staff. Thank
17 you for the opportunity to talk to you this morning and
18 express our concerns with the Gulf Power request for a
19 substantial rate increase.

20 I'm the Area Process Manager with
21 International Paper located in Cantonment, Florida. My
22 position entails the safe and reliable operation of
23 several boilers, two steam turbine generators with a
24 potential -- some potential of cogeneration, and
25 management of a \$32 million energy budget and many other

1 responsibilities.

2 I was born in Escambia County. I grew up in
3 Ensley, and I returned here soon after completing my
4 engineering degree at Auburn University. My wife and I
5 consider ourselves very fortunate. Fortunate to live in
6 our home town, fortunate to raise our children with our
7 parents nearby, and fortunate to be able to support our
8 family in a town in which we both were born.

9 I'd like to give you a bit of background on
10 International Paper. International Paper is a company
11 that manufactures quality wood, raw wood fiber, and
12 recycled fiberpaper products. Here in Northwest
13 Florida, International Paper has a facility that
14 manufactures liner board for corrugated boxes, and fluff
15 pulp used to make paper towels, diapers, and many other
16 household goods used by everyday people.

17 International Paper has been an active and
18 integral part of the Northwest Florida community for
19 nearly 75 years. We currently employ approximately 500
20 people, and we have numerous suppliers and contractors
21 that we work and partner with on a daily basis.

22 In addition, the Pensacola mill is a top
23 taxpayer in Escambia County. Last year in 2010, we paid
24 \$4.2 million back to the community. As you can imagine,
25 the mill consumes quite a bit of electricity. In fact,

1 electricity is one of our largest variable costs. So,
2 yes, we are quite concerned when we see Gulf Power
3 seeking an increase of \$93.5 million. Such a large
4 increase has the potential to effect IP's operation and
5 its ability to compete not only in the U.S., but
6 globally, as well.

7 The Pensacola facility generates nearly
8 70 percent of its own green power, and even with our own
9 generation, this rate hike would still cost us
10 significantly. In preparing for this meeting, we looked
11 at some our other operations having rates from other
12 utilities. Just to give you a rough idea, the current
13 Gulf Power rates are already approximately 62 percent
14 above our own International Paper fleet average. Even
15 when comparing our electrical rate here with our
16 facilities in Alabama, in 2010 our average rate was
17 approximately 75 percent higher than theirs.

18 I know that all of you are aware of the hard
19 economic times the citizens and the businesses that
20 employ them are facing in this state. The magnitude of
21 the increase Gulf Power seeks is going to be very hard
22 to bear by everyone it impacts. So we ask you to
23 listen. Listen critically, as we know you will, to Gulf
24 Power's claims, and keep in mind that the requested
25 increase -- this requested increase would have on the

1 State of Florida, and especially those in Gulf Power's
2 service territory.

3 Thank you for your time.

4 **CHAIRMAN GRAHAM:** Mr. Greeson, thank you very
5 much for coming.

6 **MR. STONE:** No questions.

7 **CHAIRMAN GRAHAM:** Hold on just a second. Mr.
8 Greeson, we have a question for you.

9 **COMMISSIONER EDGAR:** Good morning. Thank you
10 for coming.

11 **MR. GREESON:** Good morning. Yes.

12 **COMMISSIONER EDGAR:** Just a quick
13 clarification for my benefit. Are you speaking on
14 behalf of you and your family or on behalf of
15 International Paper?

16 **MR. GREESON:** I'm speaking on behalf of my
17 family.

18 **COMMISSIONER EDGAR:** Thank you.

19 **CHAIRMAN GRAHAM:** Thank you, sir.

20 **MR. REHWINKEL:** Mr. Chairman, following
21 Ms. Lashley is Helen Clark.

22 **CHAIRMAN GRAHAM:** Ms. Lashley, welcome. Pull
23 that microphone down.

24 SHIRLENE LASHLEY

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

1 testified as follows:

2 DIRECT STATEMENT

3 MS. LASHLEY: My name is Shirlene Lashley. I
4 live at 2799 Stratford Road, Pensacola, Florida 32526.

5 I hope that I am speaking today on behalf of
6 the retired military, the military, and the rest of the
7 retirees in this area. My husband is a 100 percent
8 disabled veteran. I'm a retired teacher who taught only
9 14 years to early retirement, and I only draw \$130 a
10 month in teacher retirement.

11 Now, people who go to Congress spend two years
12 and they draw a full retirement. My \$130 only
13 includes -- also only includes the insurance, not just
14 what I've got in retirement. My husband and I get
15 Social Security. Our Social Security is only a little
16 over \$600-month for mine, because I decided to work for
17 the Lord the last five years instead of teaching. And
18 when they got through taking mine and averaging it up, I
19 couldn't even draw disability when I became disabled,
20 because I didn't have the quarters.

21 Well, that puts us in a state where we do not
22 have the funds to pay an electric bill like the one we
23 got last winter at the old rate. Our house is total
24 electric, and one of the months this last winter our
25 bill was \$447 a month. If the average here for 3,000

1 kilowatt hours last year was only 347, and the interim
2 rate is 359, with the proposed rate of 373, can you
3 imagine what it's going to be if our electric bill is
4 proportionately the same?

5 We'll have to be some of the people that
6 decides do we buy our medicine? Even though we are
7 retired military, and we can use what is called Express
8 Scripts, they have gone up, too, this time, starting
9 October 1st. And they have also required us to use that
10 Express Scripts. We cannot go to, like, Walgreens and
11 buy them anymore. If we do, they are three times the
12 price, because they only provide the same amount for one
13 month that you can get from E-scripts for three months.

14 Since my husband is disabled, and since we
15 have had a lot of medical issues in the last three
16 years, we have nearly \$1,000 in medicine. And when you
17 look at how much you have to pay just for co-pays, if
18 it's a brand name, you have to pay a lot more. That's
19 going up. Not just the basic amount you pay for
20 co-pays. Tri-care has given an increase to E-scripts,
21 and we are now going to be paying a lot more. If it's a
22 medication that you have to have immediately, you can't
23 send it in to E-scripts, you have to buy it locally.
24 That's the kind of thing it's going to do to people like
25 us that are on fixed incomes. We're not going to have

1 those funds.

2 Nearly every month we get something in the
3 mail that tells us that another bill is going up, it's
4 increasing. Nearly every month. Our insurance
5 increased. Our taxes increased. Not the rate now, but
6 the total amount. It's the bottom line, the total
7 amount that makes the difference with people on fixed
8 incomes.

9 **CHAIRMAN GRAHAM:** Ms. Lashley, you've got
10 about a minute to go.

11 **MS. LASHLEY:** Okay. And what bothers me
12 personally is that the best rate that we can get is on
13 doing an annuity at 4 to 6 percent, and they're asking
14 for 23 percent. Even if you only said they're asking
15 for 11.7 percent as a profit margin, I'm not getting a
16 profit margin of that by any stretch of the imagination.
17 And I don't -- you know, all of us have to live within
18 our means if we want our credit rating to stay up there.
19 Why can't Gulf Power. Thank you very much.

20 **CHAIRMAN GRAHAM:** Ms. Lashley, we want to
21 thank both you and your husband for your service and for
22 coming here today.

23 **MS. LASHLEY:** Thank you.

24 **CHAIRMAN GRAHAM:** Mr. Stone.

25 **MR. STONE:** No questions.

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

2 **MR. REHWINKEL:** Mr. Chairman, following Helen
3 Clark, the Citizens call Sharon Glass.

4 HELEN CLARK

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

7 DIRECT STATEMENT

8 **MS. CLARK:** My name is Helen Clark, C-L-A-R-K,
9 3020 Cedarwood Village Lane, Pensacola, Florida 32514.

10 Thank you for making the trip from Tallahassee
11 and coming to the poorest county in the entire state.
12 That's the dubious honor Escambia County, Florida,
13 holds. And I want to talk about Gulf Power and their
14 rate increase request for their profit margins. And
15 it's no wonder that they can't get a high enough return
16 on their investments, when the one piece of property
17 that the OPC didn't talk about that they purchased was a
18 soccer complex that they decided would make a great
19 staging area for after a disaster like a hurricane that
20 they could set their equipment up and operate out of,
21 which never happened. Like the other property, it's
22 just sitting there.

23 Well, when the Escambia County Commissioners
24 purchased that land for about three times its value, it
25 was worth about 1.2 million, and they paid 3.4 million,

1 it caused an investigation, which ended rather badly for
2 one of those Commissioners. And so somebody at Gulf
3 Power who purchases land decided to buy that same piece
4 of property for \$15 million. And as I understand it,
5 that property today as it stands is valued at less than
6 a million, roughly, because of the recession, property
7 going down in value. And this is based on information
8 from the Pensacola News Journal that they have had
9 several articles on this rate increase. And they
10 interviewed an executive from Gulf Power, and he was
11 quoted as saying, oh, the customers are not paying for
12 that property. Well, we are.

13 What kind of return are you going to get if
14 you pay 15 million on something that is only worth about
15 a million? Okay. Those kind of investment strategies
16 are the reason why they need money, or they claim they
17 need money. They don't know how to handle the money
18 that they have. And I don't think it's fair for the
19 residents of this poorest community, I mean the county,
20 to have to pay for it.

21 And, also, let's think about other reasons
22 that they lost income. There are businesses and homes
23 that were damaged and destroyed during Hurricane Ivan
24 that have never rebuilt. Those are electric customers
25 they have lost. Foreclosures, people are losing their

1 homes. More lost income.

2 People did what they asked and what you, the
3 PSC, has told us to do. We've caulked, we've gotten
4 energy-efficient windows; we have gotten blown-in
5 insulation; we have replaced all of our light bulbs with
6 the ice cream cones, you know, compact fluorescent
7 bulbs. And so if just 100,000 of the 430,000 customers
8 reduced their energy use by 30 percent, how much lost
9 income is that? So people are tightening their belts,
10 they are doing what you have told us to do, what they
11 have told us to do, and now because their income, their
12 revenue has dropped and their investments aren't turning
13 as big a profit as they would like, they want us to pay
14 for their mistakes. And they want us to also pay
15 because we have done what we've been told to do, to use
16 less energy.

17 And I just feel that it's not right. It's
18 not -- I don't think they are giving you all the facts.
19 When they say they haven't had a rate increase in ten
20 years, our bills have gone up because of those
21 pass-through charges. Every winter when the cost of
22 coal and the cost of natural gas goes up, they raise
23 our -- those pass-throughs. And since 2008, our total
24 electric bills today are 40 percent higher than they
25 were back then because of those pass-through fees. And

1 every winter, depending on other parts of the country,
2 the demand for natural gas, when the rates go up they
3 pass it through, and that's why your \$150 electric bill
4 becomes a 300 to \$400 electric bill, because they pass
5 those fees through.

6 The October issue of *Consumer Reports* is out,
7 and it gives you tips on how to energize your home, and
8 it also talks about electric cars, when you plug them
9 in, what the actual cost is per kilowatt hour. And
10 according to *Consumer Reports*, the national average cost
11 per kilowatt hour is 11 cents, which is what our current
12 rate now with Gulf Power is, approximately is 11 cents a
13 kilowatt hour. And I really don't see any justification
14 for them requiring to earn more than what the rest of
15 the country earns.

16 Thank you. Thank you very much for your time.

17 **CHAIRMAN GRAHAM:** Ms. Clark, thank you very
18 much for coming. Ms. Clark, we have a question for you.

19 **COMMISSIONER BROWN:** It's actually more for
20 Mr. Stone regarding something Ms. Clark referenced.

21 Mr. Stone, Ms. Clark referenced that Gulf paid
22 15 million for a soccer complex. Can you please
23 elaborate on how the company is utilizing that complex
24 today?

25 **MR. STONE:** Commissioner, the soccer complex

1 is a below-the-line investment. It is not included in
2 our rate case request.

3 **COMMISSIONER BROWN:** Thank you.

4 (Audience laughter.)

5 **SHARON GLASS**

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

8 **DIRECT STATEMENT**

9 **MS. GLASS:** My name is Sharon Glass. I live
10 at 5661 Windrun Place in Pace. And I would like to
11 address -- I would like to address you on behalf of
12 young people, children, and the elderly. But first I
13 would like to -- I know the lady before we talked a
14 little bit about Southern Company, and Gulf Power is
15 owned by Southern Company. But July 27th, 2011, there
16 was a press release that said Southern Company today
17 reported second quarter earns of \$603.3 million, or 71
18 cents a share, compared with 510.2 million, or 62 cents
19 a share for the same period a year ago. For the six
20 months ended June the 30th, Southern Company's earnings
21 were 1.03 billion, or 1.20 a share, compared with 1.0
22 billion, or 1.22 a share for the same period a year ago.
23 So they are not having a problem with any money.

24 What I would like to do is to talk to you a
25 little bit about the census reports that have just come

1 out. I don't know whether you have seen those or not,
2 but it was very disturbing to me to see what these
3 things said. And I'm just going to take you to 2008
4 first. In 2008, there were 39.8 million people in
5 poverty, and that was up from 37.3 in 2007. And in 2008
6 the family poverty rate and the number of families in
7 poverty was 10.3 percent, and 8.1 million, which was up
8 from 9.8 and 7.6 million in the year 2007. So
9 15.4 million Americans were living in extreme poverty in
10 those years.

11 So that means their family's cash income is
12 less than half of the poverty line, or less than 10,000
13 a year for a family of four. So 16 million low-income
14 households either paid more for rent and utilities than
15 the federal government says is affordable, or live in
16 over-crowded or substandard housing. The official
17 poverty rate in 2010 was 15.1 percent, up from
18 14.3 percent in 2009. That's just one year. This was
19 the third consecutive annual increase in the poverty
20 rate. Since 2007, the poverty rate has increased by
21 2.6 percentage points, from 12.5 percent to
22 15.1 percent. In 2010, 46.2 million people were in
23 poverty. That's up from 43.6 million in 2009. So the
24 number of people living in poverty is the largest number
25 in the 52 years for which poverty estimates have been

1 published.

2 So between 2009 and 2010 the poverty rate
3 increased for children under age 18 from 20.7 percent to
4 22.0 percent, and people age 18 to 64 from 12.9 to 13.7.
5 So the Center on Budget and Policy Priority says in
6 Florida 620,882 poverty level renter households pay more
7 than half their monthly cash income for housing costs.
8 After paying utilities, these households typically have
9 about \$133 to pay for other necessities. This is in
10 Florida. Sixty-six percent of these low-income renters
11 are elderly, disabled, or families with children.

12 So given the positive correlation between the
13 unemployment rate and the poverty rate, it is likely
14 that 2011 poverty figures are even higher, which we
15 don't have those figures yet. But I want to speak for
16 the families and those that cannot get here today,
17 because they didn't even have the fuel to drive over
18 maybe from some outer areas beyond Escambia County.

19 But I want to speak first about the elderly.
20 I want to tell you about a lady that -- I work for a
21 church, in an office, and we help people with food. We
22 feed over 500 people a month that come just to our
23 little small church to get food. Among those people are
24 people that need electrical help sometimes. We have had
25 to stop that because of the food increase. We felt like

1 we had to feed people more than provide for electricity.
2 But we took care of a lady's husband, and I'll get a
3 little emotional about this, but we took care of him for
4 almost two years because he was dying, and he had to
5 have Ensure. He couldn't even afford to buy Ensure, so
6 we bought it for him for almost two years. Every month
7 he came and got his Ensure. But he couldn't stand the
8 life he had anymore, so he killed himself one night.
9 This is a true story. Okay. She didn't collect the
10 insurance for one reason, because he committed suicide.

11 One day she called me at the church, and she
12 said do y'all have any old screens down there. She
13 lives in a mobile home. And I said what do you need old
14 screens for? And she said because it's so hot in my
15 house. And this was in July. And for the last two
16 months she had been staying with her windows shut
17 because she had no screens, in that 100-degree weather.
18 So she had turned her air conditioning off because she
19 couldn't afford it. She had to budget out to \$50 a
20 month for her just for her air conditioning. And so she
21 had to turn it off.

22 So, anyway, I said I don't have any screens,
23 but I have a son that's a builder. And he went that
24 afternoon and out of the back of his truck he built
25 screens and put them on every window in her house, in

1 her trailer. And the next day I called her, and she was
2 so happy because she had a little bit of cool air.
3 That's the kind of people that I'm talking about.

4 This lady that just spoke about her and her
5 husband, you know, and then you see all of this
6 shareholder stuff, giving all this money to
7 shareholders. I'm happy for people that make a lot of
8 money and buying into something and have an investment,
9 but I'm not happy about what is happening out here with
10 the people in our community. And this talk about --

11 **CHAIRMAN GRAHAM:** You have about a minute to
12 go.

13 **MS. GLASS:** The children in Escambia County,
14 there are 26.8 percent of the county's children that are
15 food insecure. Okaloosa County, 24.8 percent. Walden
16 County, 27.4. Holmes County, 31.2. Washington County,
17 31.2. Bay County, 26.9. Santa Rosa County, 27.2.
18 These are children that are called food insecure. If
19 you don't know what that means, it means they don't have
20 enough food. And their parents have to pay for
21 electricity, and you cannot raise someone's rates to
22 this extent unless you look at the big picture, at all
23 of the people out there and not just focus on the people
24 who can afford it, but look at the big picture. And I
25 would ask you, respectfully, to take back the 4 percent

1 and not give them any other raise and let them sell the
2 property that is sitting to -- even if they lose a
3 little bit, to recoup some of this so that people are
4 not choosing electricity over food.

5 Thank you. And I do have copies of this.

6 **CHAIRMAN GRAHAM:** Thank you, Ms. Glass.

7 **MR. REHWINKEL:** Mr. Chairman, Ms. Glass has
8 passed out a document. Would it be appropriate to ask
9 that we mark this as an exhibit?

10 **CHAIRMAN GRAHAM:** We will mark this as Exhibit
11 Number 4.

12 (Exhibit 4 marked for identification.)

13 **MR. REHWINKEL:** I will give this copy to Mr.
14 Stone.

15 **CHAIRMAN GRAHAM:** And we will mark it as
16 Composite, Mrs. Glass?

17 **MR. REHWINKEL:** And I apologize, Mr. Chairman,
18 I didn't call two people. So I think I have Robert
19 Rollo and Tim Brennan next.

20 ROBERT ROLLO

21 appeared as a witness and, swearing to tell the truth,
22 testified as follows:

23 DIRECT STATEMENT

24 **MR. ROLLO:** Thank you, Mr. Chair. My name is
25 Robert Rollo, R-O-L-L-O. I live at 9250 Barney Bloxham

1 Road, Milton, Florida 32583. I have lived there and in
2 Santa Rosa county all of my life, and I'm proud of it.
3 I do appreciate my electricity. When I turn the switch
4 on, it's nice to have a light come on. But I sometimes
5 question how that they can beat their chest on how good
6 a community citizen they are and seeing their
7 11.7 percent rate of return guaranteed.

8 I saved -- I worked all of my life until I
9 retired, and my investments now is drawing, what, one
10 and a half, two percent? My checking account is drawing
11 .1 percent. You know, something just doesn't add up.
12 One good citizen shouldn't be able to take away from
13 other good citizens. That is distributing the wealth,
14 and we know what that is called in America.

15 But, right now, I worked for a chemical
16 company at Pace. Synthetic fiber is what we made, and
17 we had a pretty good employee benefit package. One of
18 the things they want to do is defer the cost of certain
19 aspects of payroll and employee benefits. I would
20 compare their benefits with better than I worked for for
21 25 years. And right now on my electric bill, before
22 they charge me one cent for the kilowatt hours I use,
23 I've got to pay about \$78 a month cost. I'm already
24 helping them until it's breaking my back. I don't know
25 where I can get any more money to help them with. It

1 just doesn't make sense.

2 I get upset when I look at this, because
3 they're talking about storm repair damage and building a
4 reserve. Their reserve now is already about six or
5 seven times what they claim they use annually or what
6 they budget for. My reserve is down below that right
7 now. And, of course, my reserve is only for me to live
8 and eat and protect my family, but it's just as
9 important to me, and I don't have anyplace to go to ask
10 for a rate increase.

11 Our government has seen fit to withhold my
12 raises for the last two years. My retirement has not
13 increased one cent since I've been retired. Nobody
14 takes care of me except me and my wife, and I
15 respectfully request that you look upon this rate
16 increase as ludicrous. Times is hard everywhere. And
17 the audacity that somebody has got to come and ask me
18 for a 23 percent increase in this day and time. That's
19 not what a good citizen would do to me, or not what I
20 would do to any of my neighbors. And I respectfully
21 request that you look upon it in that way and tell them,
22 whoa, cut back.

23 I know about the soccer complex. I know about
24 the acreage up north for the future plans. I can't even
25 afford to own the lot next door for my family to grow.

1 You know, it just doesn't make sense. And I'm just a
2 poor dumb country boy, but I know better than this. And
3 I resent the fact that they think they can do this and
4 pull the wool over my eyes. That tells me what they
5 think of me. And I hope you folks have a little better
6 opinion of the ratepayers in Florida. Thank you.

7 **CHAIRMAN GRAHAM:** Thank you, Mr. Rollo. Thank
8 you for coming today.

9 **MR. REHWINKEL:** Mr. Chairman, after Mr.
10 Brennan is Robert Austin.

11 **TIM BRENNAN**

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

14 **DIRECT STATEMENT**

15 **MR. BRENNAN:** My name is Tim Brennan. I live
16 the 4267 Antioch Road in Crestview, Florida, 32536. I
17 thought long and hard coming here today, but my question
18 is as they ask for this rate increase, have you looked
19 or do we have access to where they have gone out and
20 asked for new bids and new suppliers and go back to the
21 suppliers?

22 It's one thing to have a contract rollover
23 every year, every year with annual increases, but I
24 think they need to provide the public with some kind of
25 backup of these rate increases. You know, have they

1 gone out and bought the best possible price for all of
2 their goods and services. We have to do that in our
3 daily lives. Every business in here has to do that. In
4 this time and age, there is a lot of businesses that
5 would be glad to breaking even instead of going into
6 your personal savings to support your businesses or your
7 reserves to support your businesses.

8 Now, it's real nice to look down the road, but
9 right now we need to look here and now. I never thought
10 I would be saying that, but a lot of companies don't
11 even worry about today getting by in five years. They
12 are trying to survive this year and then reassess. So
13 please take that into consideration and ask them, you
14 know, where is your bids? Are you picking their best
15 bids and the best services for our money? Thank you.

16 **CHAIRMAN GRAHAM:** Mr. Brennan, thank you very
17 much for coming today.

18 **MR. REHWINKEL:** Following Mr. Austin, the
19 citizens call Cynthia Apperson.

20 ROBERT AUSTIN

21 appeared as a witness and, swearing to tell the truth,
22 testified as follows:

23 DIRECT STATEMENT

24 **MR. AUSTIN:** Thank you. Robert Austin, 1200
25 La Paz Street -- and the last name is spelled

1 A-U-S-T-I-N -- Pensacola, Florida 32506.

2 I want to thank you, Commissioners, for
3 coming. And I notice that you have intently been
4 watching each person and listening carefully. Each of
5 you have is going to be in the same position that myself
6 and most of this audience is in in a few years. You are
7 going to be retired and you are going to have what they
8 call a fixed income. It is not a fixed income. It is a
9 decreasing income because of inflation, because of
10 increased fees, and increased costs of living.

11 They talk about the percent return. I was
12 self-employed, so I had to invest my money. I do own
13 Southern Company stock, as a disclosure, and according
14 to my accountant, I'm getting 4.6 percent return on
15 Southern Company common stock. My understanding is that
16 Gulf Power -- all of Gulf Power stock, common stock is
17 owned by Southern Company.

18 I understand a lot about the power game. My
19 father worked for a utility company, and I for a brief
20 time worked for a utility company. And I understand
21 that there can be greater efficiencies, and that we do
22 have to make amends, so to say, during times when things
23 are rough. We have to plan for the future. But I hope
24 that Gulf Power, as they do plan for the future,
25 considers all of us that have a declining income, and

1 think about where they will be and where each of you in
2 the Commission will be in X number of years when you
3 retire. Thank you.

4 **CHAIRMAN GRAHAM:** Thank you, sir.

5 **MR. REHWINKEL:** Mr. Chairman, following
6 Ms. Apperson is Willie Johnson.

7 **CHAIRMAN GRAHAM:** Ms. Apperson, welcome. You
8 can pull that mike down.

9 CYNTHIA APPERSON

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

12 DIRECT STATEMENT

13 **MS. APPERSON:** Thank you. I'm short. I'm not
14 as educated as a lot of people that got up here to speak
15 to you, and I appreciate y'all being here for us, and
16 Gulf Power giving us electricity. I'm on a fixed
17 income. I have been disabled since 2002. I was a CNA
18 home health aide going in and bathing people and taking
19 care of them. Transporting them from the bed to the
20 wheelchair or up in a chair, the disabled. I can't even
21 buy a pair of shoes because I'm on such a fixed income,
22 that it's either food, bills, or something. And with
23 Gulf Power making -- wanting an increase, that's coming
24 out of my pocket, and I can't afford it.

25 They have changed my meter three times since I

1 have lived in my home at 603 North Crow Road, C-R-O-W,
2 Road, 32506, Pensacola, Florida. And there is no way
3 that I can afford it. I can't even afford to buy food.
4 I have to maybe pay two-hundred-something dollars a
5 month for food, which isn't very much, and that's for me
6 and my husband.

7 He was in an accident two months ago. A woman
8 rear-ended him and she was doing 40 miles an hour, and
9 everybody else had stopped for a guy to make a U-turn on
10 Bretton Lane (phonetic) going over the vudock, and she
11 rear-ended him. It cut his chrome bumper, it knocked
12 his quarter panel an eighth of an inch from his tire.
13 To keep from cutting his tire, God had his hand on it.
14 But it messed up him. It messed up his neck, it messed
15 up his back, and he might end up on disability. I had
16 quarters to get disability. I worked three years 110
17 hours a week without a day off. That's a lot of work,
18 because I appreciated God giving me the job to help me
19 take care of his people, his disabled people. The
20 elderly, the young children that had cerebral palsy.
21 There is no way that the children of today can afford
22 Gulf Power's increase, or water increase, or garbage
23 increase, or cable increase, or phone increase
24 because -- there's no way. Today we are in a recession.
25 How are we going to end up? What is tomorrow going to

1 bring if we in such poverty today?

2 I was listening on TV last night, which this
3 has nothing to do with it, but bed bugs are coming back
4 because people are bringing them back from overseas.
5 And there is no way to control them except for heat over
6 170 degrees in their home to kill them. And if they go
7 to somebody else's house or to a motel, you can bring
8 them back into your house.

9 We have problems. I have to have somebody to
10 cut my yard because my husband is not able to. But he
11 gets that back, because of the lady that hit him. And
12 we can't afford it. \$35 every two weeks. We can't
13 afford it. And Gulf Power an increase, that means I
14 have to cut back on my medicine. I take 26 different
15 medications just to live, because I'm 100 percent --
16 every part of my body is affected by fibromyalgia,
17 arthritis, heart arrhythmia, cirrhosis of the liver,
18 ulcerated colitis, irritable bowel syndrome, migraine
19 headaches. My esophagus is affected. I have GERD. I
20 have --

21 **CHAIRMAN GRAHAM:** Ms. Apperson, you've got
22 about a minute to go.

23 **MS. APPERSON:** Okay. But I have so much going
24 on with me. I just had back surgery, a tumor taken out
25 of my back Friday. I've got to have surgery on my thumb

1 where I fell and had messed it up in February, and then
2 reinjured it again in June. And I've got to have
3 surgery Monday. Then I go to the gynecologist to have a
4 D&C because they can't do a hysterectomy on me because
5 of my health. I have diabetes. My diabetes could be 74
6 or 500. I have so much going on with me that I had -- I
7 had right eye cataract surgery July 20th. Now I've got
8 to have October 19th the left eye. And every one of
9 y'all are blurry. I can't see your names on your tags.

10 So please help us that are disabled. Help us
11 that are young. Help us that are elderly. I'm 48 years
12 old. I will be 49 September 25th. So please help us,
13 and thank y'all for being here with us and for us, even
14 Gulf Power.

15 **CHAIRMAN GRAHAM:** Ms. Apperson, thank you very
16 much. We have a question for you. Hold on.

17 **MS. APPERSON:** Okay.

18 **COMMISSIONER BRISÉ:** Thank you, Mr. Chairman.

19 Ms. Apperson, thank you very much for your
20 testimony this morning. I just want to know what the
21 reason was that the company provided to you as to why
22 your meter was changed out three times.

23 **MS. APPERSON:** They told me it was because
24 they had to. But yet my neighbor's meters never got
25 changed, but mine did. I have an electronic meter now,

1 and why is mine changed, but not the neighbor behind me
2 or the neighbor beside me.

3 **COMMISSIONER BRISÉ:** Okay. Thank you very
4 much.

5 **MS. APPERSON:** Thank you.

6 **CHAIRMAN GRAHAM:** Thank you, Ms. Apperson.

7 **MR. REHWINKEL:** Mr. Chairman, following Mr.
8 Johnson, the citizens call Carolyn Denton.

9 **CHAIRMAN GRAHAM:** Mr. Johnson, welcome.

10 WILLIE JOHNSON

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

13 DIRECT STATEMENT

14 **MR. JOHNSON:** Thank you. Thanks to all of you
15 responsible for giving me this opportunity to speak.

16 **CHAIRMAN GRAHAM:** Sir, could I get you to lift
17 that mike a little bit. Thank you.

18 **MR. JOHNSON:** And I think I'm speaking
19 partially for single parents, male and female, and for
20 military personnel that's dedicated their life to
21 serving this country. We who have not been around to
22 build up that nest egg or to pay for that house, but are
23 only now getting an opportunity to start. And I have
24 had many setbacks, whether it is hurricanes, the price
25 of gas, and now the increase of the electric bill, which

1 many of us can't afford to pay. I am short of \$100 on
2 that. I paid what I could. But, again, that's about
3 me.

4 I have learned since 1966 when I went to
5 church and came late, and when I walked in everybody
6 turned and looked at me. I walked to the pastor and
7 told him I wasn't ready yet and decided to join the
8 Navy. And that was partially because I lost a cousin
9 because of Vietnam, and I didn't want to follow the same
10 route, so I figured I would choose my poison. I joined
11 the Navy so I could be out at sea and not in country.
12 But the Marines needed medical personnel, so they
13 trained me in health care, and I was immediately sent to
14 Vietnam.

15 Now, I survived Vietnam not of my ability, but
16 I did accept the responsibility of making sure Marines
17 came back by putting myself on the line offering medical
18 care under fire. And I made it back. And I decided I
19 wanted to kiss the ground in San Francisco on the
20 tarmac, but as I bent over something made me so dizzy I
21 quickly stood up. And then -- I didn't realize it then,
22 but I know now it was God. He was saying this ground is
23 not worthy to kiss. And I wondered why, and he brought
24 down a sheet and let me peer over it, and it was the
25 sound of everybody talking at once. You couldn't

1 understand a thing, just confusion. People were
2 actually speaking their opinion.

3 Well, I later went to radiology school and
4 graduated at the top of the class, and was given my duty
5 assignment of anywhere in the world. And upon returning
6 from the Philippines after a three-year assignment, I
7 was selected to provide service to President Nixon and
8 his family for a period of five years at the western
9 White House. I learned one thing --

10 **CHAIRMAN GRAHAM:** Mr. Johnson, hold on just a
11 second. Now, I have asked very patiently and politely
12 for everybody to quiet their phone. If anybody has not
13 done it yet, would you please put your phone on vibrate
14 or turn it off. I find this being very rude right in
15 the middle of somebody's testimony here to hear all this
16 stuff going on in the background.

17 Mr. Johnson, I apologize. Please continue.

18 **MR. JOHNSON:** They say experience is the best
19 teacher. If there is anything I obtained from that
20 experience is learning one thing, that we all put our
21 pants on the same way. And it's not the individual, but
22 it's the office that he holds, the responsibility he has
23 to demonstrate to the children what this country is all
24 about.

25 Now, I saw what President Nixon did. He set a

1 standard for the Enrons and Martha Stewart. It's not
2 about your mother, it's that nickel you get for selling
3 her. And we have lost perspective in this country.
4 Now, upon my retirement, I walked off into the void and
5 left with two little boys of five and nine, and it
6 completely wiped me out. But I heard a voice across my
7 shoulder that said give it to me. And that voice must
8 have been faithful to keep me focused on it, and it gave
9 me the energy to move from Southern California here with
10 two little boys, nine and five. And it helped me over
11 the past 25 years in raising them up, and it gave me a
12 nurturing to take joy in watching them eat.

13 I couldn't get on food stamps because my
14 limited military retirement said that I was three
15 dollars over the limit. So I had to take \$800 a month
16 and raise those boys for the past 25 years. But I have
17 seen miracles. I attended Bible College and was given
18 the word that God gave in San Diego at a church, and He
19 said there needs to be a revival in this country, the
20 way that people think, their priorities. They have lost
21 perspective. They have lost sight of our goal. It's
22 not about greed drawing in every penny from whatever
23 source. It's about the children.

24 Now, I thank God that he gave me his help in
25 raising two boys, and I said, well, that was great.

1 What about the joy of raising a daughter. Is there
2 another wife for me? And I got a distinct frown. He
3 said, nevertheless, take delight in me always, and I'll
4 give you your heart's desire. He said the harvest is
5 ripe, and the laborers are few.

6 I didn't quite understand that, because he
7 explained that he is a covenanted God, and I was about
8 to break covenant. It wasn't until a little
9 eight-year-old girls began to show up at my house in
10 Myrtle Grove --

11 **CHAIRMAN GRAHAM:** Mr. Johnson, you have got
12 about a minute to go, please.

13 **MR. JOHNSON:** Those little girls are now 18
14 years old. Their mother willingly let them come to me,
15 because they were all from broken families. There are
16 many women that have the responsibility of raising
17 children by themselves, and God has let me see what that
18 is about. There is never enough. And I speak to them
19 right now that have a job and making an income, I'm now
20 watching a little eight year old whose mother just
21 passed away. She is scared to death. I was over at her
22 house when Gulf Power's truck came and cut the
23 electricity off. The bill was \$396. I called her
24 mother, so she made arrangements to get the lights back
25 on, and then the ECUA came over and turned the water

1 off. I don't think this is uncommon. This is Myrtle
2 Grove, all of these families, and you want to make a
3 rate hike. We have lost perspective.

4 If President Nixon set an example, the Martha
5 Stewarts, the Enrons, and the Gulf Power will following,
6 but we all have to answer before a higher authority.
7 None of our hands are clean and we forget the children.

8 **CHAIRMAN GRAHAM:** Mr. Johnson, I want to thank
9 you for coming.

10 **MR. JOHNSON:** Thank you.

11 **MR. REHWINKEL:** Following Ms. Denton, Mr.
12 Chairman, the citizens call Marilyn Jackson.

13 **CAROLYN DENTON**

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

16 **DIRECT STATEMENT**

17 **MS. DENTON:** Hello. I wanted to just ask a
18 question.

19 **CHAIRMAN GRAHAM:** Pull the mike down, please.

20 **MS. DENTON:** I just wanted to ask a question.
21 Why isn't there a plan to help the senior citizens who
22 are on limited income, that they pay for the usage that
23 they use instead of all this other stuff added onto
24 their bills? A lot of us have had to go and depend on
25 our children, and our children are having to work two

1 jobs just to take care of their own household as well as
2 take care of the parents. And I want to know if it was
3 at all possible that something could be done where they
4 would have a plan. There's enough of us that you could
5 still get enough money. I don't think that's your
6 problem, but to think about the people who can't afford
7 to pay \$200 a month for utilities. And they are turning
8 our lights off; they during the air off in order to keep
9 the bill from going up, and they still get a bill for
10 \$200. Okay. That's my question.

11 **CHAIRMAN GRAHAM:** Thank you, ma'am. Ma'am,
12 can I get your name and address for the record.

13 **MS. DENTON:** I'm sorry. Carolyn Denton,
14 D-E-N-T-O-N, 281 North H Street, Pensacola, Florida
15 32502.

16 **CHAIRMAN GRAHAM:** Thank you, Ms. Denton.
17 Thank you for coming.

18 **MR. REHWINKEL:** Mr. Chairman, following
19 Ms. Jackson, the citizen call Stephen Embry.

20 **MARILYN JACKSON**
21 appeared as a witness and, swearing to tell the truth,
22 testified as follows:

23 **DIRECT STATEMENT**

24 **MS. JACKSON:** Good afternoon. My name is
25 Marilyn Jackson. I live at 515 North 57th Avenue,

1 Pensacola, Florida 32506. I'm a single parent. I'm a
2 CNA. I have been on my job for 14 years trying to raise
3 my daughter, and by one slip of your lazy meter
4 technicians to record an estimate bill -- and I
5 understand that that is fair. If you have a dog, they
6 don't have to go in, they can estimate.

7 I called and they sent someone out to recheck
8 my meter. They charged me for that. Okay. The number
9 that the technician sent in to record my bill was higher
10 than the number the technician wrote down before me on
11 that day. And my bill is 650, 700, \$800 a month that I
12 don't have. I can't eat. Sorry. I can't get my blood
13 pressure medicine. And they said this is fair, because
14 when the lady went back and turned the report in to Gulf
15 Power, they say it was right. And this sucker ain't
16 even getting out of the truck reading my meter. He
17 writing what he want, and I'm suffering. I'm skinny as
18 a damn bone, because I can't buy no groceries.

19 Seven hundred, just me and my daughter. I
20 work at night. She in school. There must have been an
21 extension cord to your house or your house, because I'm
22 not using no power like that. Seven or \$800 a month
23 every month only from an estimate. And why you got to
24 charge to come out and check the meter to see if its
25 your fault? Why do you charge the customer that every

1 time you come out? And then explain why the numbers
2 were different. The technician was still right.

3 Please help me. Please, somebody help me
4 explain that. Because I don't think Gulf Power got a
5 mama and daddy like the rest of us that can get a
6 whipping for mistreating people. (Audience laughter.)

7 **CHAIRMAN GRAHAM:** Ms. Jackson, they have
8 people in the back of the room that can answer your
9 specific questions. But if you have anything else
10 testimony-wise you want to add to the record, please
11 continue.

12 **MS. JACKSON:** Well, sir, I just don't know
13 where to go. I bust my behind working 16-hour shifts
14 and I still don't have enough to run my house. I cannot
15 give Gulf Power 650 and \$700, not one month, every
16 month. Every month, and it's just me and my daughter.
17 I don't understand it. There ain't nothing that I can
18 do, because I can't pay it. I don't pay the mortgage
19 trying to keep the lights on. If I don't keep the
20 lights, I won't have a mortgage, if I don't have a
21 mortgage I don't need to pay Gulf Power.

22 Somebody help me. That's all I need to know.
23 Somebody help me, because I'm about to go crazy. A \$700
24 bill every month, and I'm a widow. Why do you got to
25 charge the customer to come and check the meter and --

1 **CHAIRMAN GRAHAM:** Ma'am, you need to be
2 speaking into the mike.

3 **MS. JACKSON:** Okay. And the technician gets
4 to estimate. He don't even have to get out of the
5 truck. That is just not fair. That is just not fair.
6 And then when the lady come out there and the numbers
7 were different, it still didn't make a difference. The
8 bill is the same, \$800. Somebody do something to help
9 me, because I'm going to stroke out. I can't get my
10 blood pressure medicine, I can't eat, and I can't pay
11 Gulf Power \$800 a month. Thank you for hearing me. And
12 I hope if God don't help nobody and don't hear nobody
13 but me, help me, somebody, because this is not right how
14 they doing me. Thank you.

15 **CHAIRMAN GRAHAM:** Ma'am, if you could go back
16 out front by the front desk, I will make sure somebody
17 from Gulf is out there to answer some of your questions.

18 **MR. STONE:** Ms. Jackson, Mr. Sammons, is in
19 the back of the room, and he would be happy to take you
20 and look into your billing history and try to help you
21 with all your issues.

22 **MS. JACKSON:** Thank you so much.

23 **CHAIRMAN GRAHAM:** Ms. Jackson, hold on. We
24 have a question for you.

25 **COMMISSIONER BRISÉ:** Thank you, Ms. Jackson,

1 for your testimony this morning. I have one simple
2 question. You mentioned that there is only two of you
3 in the household, and, you know, sometimes there are
4 bills that vary based upon maybe, there's an issue with
5 the AC or things like that. But they primarily vary on
6 the size of the house, so I just wanted to have an idea
7 of roughly the square footage.

8 **MS. JACKSON:** Sir, I don't know the square
9 footage, but I do know my bill say estimated bill. That
10 means he ain't read it. That's all I know. It says
11 that.

12 **CHAIRMAN GRAHAM:** Thank you, ma'am.

13 **MR. REHWINKEL:** Mr. Chairman, following Mr.
14 Embry, the citizens call Joan Bost.

15 **STEPHEN M. EMBRY**

16 appeared as a witness and, swearing to tell the truth,
17 testified as follows:

18 **DIRECT STATEMENT**

19 **MR. EMBRY:** Stephen Michael Embry, 710 Scenic
20 Highway, Pensacola, Florida, 32503. Listening to these
21 people, I must first say I feel very blessed that I
22 don't personally find myself in their situation. But I
23 do -- I wasn't always well off. I know what it's like
24 to be poor. I know what it's like to go hungry. I know
25 what it's like to not have electricity. Childhood can

1 sometimes be a very cruel thing.

2 I also want to make an observation. I am
3 extremely disappointed that I don't see on there our
4 city council and our county commissioners here to hear
5 the people of this community. Escambia County is poor.
6 I have lived all over this country, and when I first
7 came to Escambia County, and I was exploring around, I
8 thought, my God, what did I do, land in a Third World?
9 I mean, it is poor.

10 Workforce Innovation, do you know they only
11 count 21 percent of the people who are unemployed? That
12 means the unemployment rate is actually over 30 percent.
13 More than it was during the Great Depression. People
14 are choosing between taking their prescriptions and
15 food. I mean, like I said, I can afford it, but do you
16 know I paid 85 cents for one orange, 92 cents for a
17 prune, or a plum, excuse me. While many people because
18 they have gotten older and they have worked hard all of
19 their lives, their health isn't very good, and they have
20 diabetes and they have to have fresh food and
21 vegetables. So I guess they are choosing between the
22 insulin, their electricity, and their fresh vegetables.
23 So which way do they go? There's only so many places
24 they can turn.

25 Escambia County also has a massive

1 underemployment problem. Many of the people who have
2 lived in this community all of their lives and retired,
3 they worked for slave wages their entire lives, so they
4 get the minimum on Social Security, 450 to \$500 a month.
5 Try living on that. They could teach Gulf Power a
6 little bit about managing money.

7 Now, the last time in western civilization
8 when there was this kind of disparaging between the
9 haves and the have-nots -- I'm sure you all know
10 20 percent of the population controls more of the wealth
11 than the 80 percent combined. The last time there was
12 this kind of disparity between the haves and the
13 have-nots, Louis the XVI and Marie Antoinette were on
14 the throne in France, and you saw what that led to. So
15 I ask you to please, those of you who are better off
16 than others, realize that many, many people in this
17 community, far more than those who can afford it cannot.
18 They can't go anywhere else. They just -- it's like, I
19 guess Gulf Power wants to pick the last piece of flesh
20 off their bones. And like one lady said, I wish there
21 was someone that could take Gulf Power out you to the
22 woodshed and give them a whipping, because they
23 certainly deserve it. And I thank you very much.

24 **CHAIRMAN GRAHAM:** Thank you, Mr. Embry.

25 **MR. REHWINKEL:** Mr. Chairman, following Ms.

1 Bost, the citizens call Richard Hunt.

2 JOAN BOST

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

5 DIRECT STATEMENT

6 MS. BOST: Good morning. Thank you for
7 inviting us to share this time with the council so that
8 you can hear what we have to say. My name is Joan Bost,
9 B-O-S-T. I reside at 4357 Montessori Drive, Pensacola,
10 32504.

11 I would like to begin by saying that my
12 remarks are fairly spontaneous. I got up this morning
13 and said it's just the right thing to do, so here I am
14 with my handwritten little notes. I don't have all
15 these wonderful statistics to provide you with this
16 morning, but I think you have heard enough that it
17 states the case.

18 I do think it is notable, however, that 10:00
19 o'clock in the morning on a working day prohibits the
20 working poor who really need representation from even
21 being here. I find it also notable that you would
22 choose a facility where handicapped parking is so
23 limited. I, myself am one of those, and I'm parked
24 having to jump the curb over across the street.

25 I question why Gulf Power, since this is on

1 their behalf, would not have generously and graciously
2 volunteered the use of their wonderful facilities for
3 this hearing. As a consumer, when I moved into my home,
4 which was six years old at the time, I, first of all,
5 called Gulf Power and requested an energy audit of my
6 home. I live alone. No little kids running in and out
7 of the house. I wanted to be as energy efficient as a
8 responsible environmentally concerned citizen as I could
9 possibly be. They very graciously sent someone to me
10 and he couldn't have been nicer. We reviewed everything
11 that I could do, and I have done every blasted one of
12 them.

13 I got a new roof on, which is a much heavier
14 quality than what was there. I have the blown-in
15 maximum insulation. I have replaced all of my light
16 bulbs to ecofriendly bulbs. I maintain my heat at
17 68 degrees in the winter and 78 degrees in the summer.
18 I have a maintenance contract on my heat and air system
19 twice annually. They are there repairing, replacing
20 parts, making sure that I'm at top efficiency. I
21 replace my filters every month. Every exterior wall I
22 have put the plugs in so no seepage of air in and out of
23 my little house. I've got foam pads behind all the
24 outlets. I don't know what else to do, but yet my bill
25 has gone up and up and up. Nothing. I'm running out of

1 what do I do now, since apparently it's down to a matter
2 of it really doesn't seem to matter when you have done
3 it all.

4 So, yes, I'm objecting to a rate increase in
5 that I feel like I am playing by their rules, but I'm
6 not winning. Seniors on a fixed income have not had a
7 COLA rate increase in over two years. I am one of those
8 people. The working poor and the middle class struggle
9 to merely keep a roof over their head and provide for
10 the basic essentials of survival. I find it
11 unconscionable that Gulf Power would have the audacity
12 to ask for such an increase at such a miserable time as
13 what we are presently in. Therefore, I would ask that
14 Gulf Power, rather than asking for this monstrous
15 increase, try to become a part of the solution instead
16 of a part of our problems. Thank you for your time.

17 **CHAIRMAN GRAHAM:** Ms. Bost, thank you very
18 much for coming today.

19 **MR. REHWINKEL:** Mr. Chairman, following Mr.
20 Hunt, the citizens call Betty Carter.

21 **CHAIRMAN GRAHAM:** Mr. Hunt, welcome.

22 RICHARD HUNT

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

25 DIRECT STATEMENT

FLORIDA PUBLIC SERVICE COMMISSION

1 MR. HUNT: Thank you. My name is Richard
2 Hunt. I live at 8229 Monticello Drive, Pensacola,
3 Florida 32514.

4 My concern with the rate increase is like
5 everybody else, we can't afford it. I'm on a fixed
6 income. My wife is on a fixed income. We are both on
7 Social Security disability. And I set aside each month
8 what I have to pay out, and it doesn't match. It used
9 to, but it's getting out of hand.

10 My bill -- my electric bill last month went up
11 \$25. I couldn't afford that \$25, so I had to borrow out
12 of my savings account, which I am only drawing a half a
13 percent on it right now, and I just can't draw the money
14 from anywhere else. Now, I do have a question for Gulf
15 Power. I believe the gentleman over here, I'm not sure
16 where he's at, stated that they are using copper wire.
17 I would like to know where they are using this copper
18 wire. Because when I had my house rebuilt after Ivan, I
19 asked for copper wire from the street to my house. They
20 said we don't use copper wire. It's aluminum, period.
21 That's what we use. We don't use copper. It's not
22 there.

23 Where is this copper wire he's speaking of?
24 That's a cost -- if he's buying copper wire, we're
25 getting aluminum, somebody has got his finger in the

1 fish bowl. That's the way I look at it. They are
2 robbing Peter to pay Paul, you know, and we're the ones
3 that are being robbed. That's all I have to say. Thank
4 you.

5 **CHAIRMAN GRAHAM:** Thank you, Mr. Hunt.

6 **MS. CARTER:** I'm Betty Carter. I'm not going
7 to speak at this time.

8 **CHAIRMAN GRAHAM:** Let the record show that Ms.
9 Carter wishes not to speak.

10 **MR. REHWINKEL:** Mr. Chairman, then the
11 citizens call Chrystine Land and Catherine Cox.

12 Chrystine Land.

13 **CHAIRMAN GRAHAM:** She's on the way.

14 **MR. REHWINKEL:** Ms. Cox is not coming.
15 Following her is Jim Hunt.

16 **CHRISTINE K. LAND**

17 appeared as a witness and, swearing to tell the truth,
18 testified as follows:

19 **DIRECT STATEMENT**

20 **MS. LAND:** Gentlemen and ladies, you have my
21 e-mail on file. My name is Chrystine K. Land, 6115
22 Audubon Drive, Pensacola.

23 In response to my e-mail, I received a note
24 from Bev DeMello, and I quote, "The PSC will ensure that
25 final customer rates reflect only these costs that are

1 prudent and necessary for Gulf Power to deliver quality
2 electric service to your home," unquote. Thanks for the
3 Florida Office of Public Counsel. I appreciate the
4 summary that you have given us because it tells all.
5 And that's all I have to say. Thank you.

6 **CHAIRMAN GRAHAM:** Thank you, Ms. Land. Thank
7 you very much for coming here today.

8 **MR. REHWINKEL:** Following Mr. Hunt, the
9 citizens would call Greg Walter. Thank you.

10 JIM HUNT

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

13 DIRECT STATEMENT

14 **MR. HUNT:** Jim Hunt 11659 Wakefield Drive,
15 Pensacola 32514. I do not want to finance further
16 combustible energy generation by Gulf Power. Thus, I am
17 opposed to a rate increase for continuing the status
18 quo, especially the return on investment for those
19 privileged enough to get such a high return.

20 Gulf Power is not doing enough to transition
21 to renewable and sustainable energy sourcing. By 2015,
22 Gulf Power should produce 50 percent of it's electricity
23 from noncombustibles. How can it do that? Create
24 neighborhood energy farms. It can lease out space on
25 residents of customers and/or commercial sites for

1 photovoltaic solar cells or small energy wind turbines.
2 GP could also lease out those products to provide those
3 energy services. Other GP programs should initiate
4 infrastructure for noncombustible vehicle transportation
5 units. GP should provide public access to all of their
6 easements, all of the transmission lines, and all those
7 wasted properties that we have heard so much about.
8 These pathways provide greater destination connectivity,
9 allow for more mobility of nonvehicle transportation so
10 kids can get to school safely, to markets, to neighbors,
11 and other cul-de-sacs and entertainment destinations.

12 That would further increase public health
13 activity. GP should not be outshined by the Golden
14 State in California with their solar and wind power
15 generation. I recommend that GP and the Service
16 Commission here take advantage of the opportunity to
17 reenergize not just GP, but all electricity service
18 providers in this state towards renewable and
19 sustainable energy sources in the Sunshine State.

20 Labor and material costs are low right now,
21 relatively speaking, and they should take advantage or
22 take leverage of those pricings since companies need to
23 work and manufacturers need to work, and those can stay
24 local. More jobs can be created. If GP and the Public
25 Service Commission can't ensure aggressive transition

1 towards sustainable energies, I do not support any rate
2 increase anywhere.

3 **CHAIRMAN GRAHAM:** Thank you, sir.

4 **MR. REHWINKEL:** Mr. Chairman, following
5 Mr. Walter, the citizens would call Grady Stokes, Jr.

6 GREG WALTER

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

9 DIRECT STATEMENT

10 **MR. WALTER:** Thank you. Greg Walter, 1143
11 Mary Kate Drive, Gulf Breeze, Florida 32563.

12 I would like to thank Mr. Rehwinkel and his
13 staff here representing us today. My points, I guess,
14 were for Gulf Power. Whenever the gentleman from Gulf
15 Power talked about why they wanted the increase, but he
16 did not say what have they done as a business to
17 decrease their costs. I don't think anybody heard that.
18 So, in my mind, they should not -- a cost increase
19 should not be justified until they can present and prove
20 they have taken all necessary actions to reduce their
21 operating costs and eliminate waste. We have all done
22 that in our households, our businesses, and everywhere.

23 Five points. Number one, what have they done
24 for their material sourcing? Where have they gotten
25 group purchasing and gone to their vendors to reduce

1 their costs to purchase these supplies.

2 Employee costs. What wage and salary increase
3 have they had. What have they done to help reduce their
4 labor costs.

5 Executive bonus and compensation. Where do
6 they stand as far as some of these power companies.
7 Have these executive taken their necessary cutbacks like
8 we have.

9 Cost of benefits. We all know health plans
10 have changed. Mine went from zero deductible to 3,000
11 this last two years. What have they done to pass that
12 on to their employees and reduce their costs.

13 Reductions in force. What have they done over
14 the last couple of years to show they have done their
15 due diligence like we have.

16 And then just process, you know, waste for
17 waste. What have they done to improve their processes
18 from a lean standpoint to improve, eliminate, and
19 combine their administrative and other places to help
20 reduce waste. And then, all other costs, as well.
21 Every cost that they have, they should prove an
22 initiative they have done to reduce that cost.

23 And also, personally, from a technology
24 standpoint, I had the GoodCents Select a couple of years
25 ago, that I bought a brand new 16 SEER high energy air

1 conditioner dual compressor. They did not have the
2 technology for a thermostat to run that system. I did
3 what I thought I could do not. They did not have the
4 technology to do that, and it took them a year, they
5 pulled out my Energy Select. So they are not keeping up
6 with technology as far as all of us making our effort to
7 improve our cost at home. In summary, I think they
8 should prove all their initiatives to reduce their costs
9 before this rate is justified. Thank you.

10 **CHAIRMAN GRAHAM:** Thank you, Mr. Walter.
11 Thank you for coming today.

12 **MR. REHWINKEL:** Chairman, following Mr.
13 Stokes, the citizens would call Bob Steffen.

14 **GRADY STOKES, JR.**
15 appeared as a witness and, swearing to tell the truth,
16 testified as follows:

17 **DIRECT STATEMENT**

18 **MR. STOKES:** Thank you. Good morning, Mr.
19 Chairman. My name is Greg Stokes, Jr. I live at 7159
20 Whirlybird Avenue, Pensacola 32544.

21 I just have three things I would like to
22 address to the Commission. Number one is I'm a senior
23 citizen, and we haven't had a raise for the last several
24 years. Number two is the land purchase. This is a big
25 fiasco. They purchased all of this property with the

1 possibility of never using it, so why is it they went
2 and done it and the money is being -- the pay is being
3 passed on down to us to pay for it.

4 And my last thing is for the last -- over the
5 last ten years, and I think everybody in this room could
6 attest to it, you have a \$10 service fee on your bill.
7 What is this for? We have got a bunch of other service
8 companies in this area, too, and they don't charge \$10
9 for it. I have called several times, and they said,
10 well, that's just the way it is. But what it is is
11 really just a way of ripping off the customers to
12 justify their rates. That's all I have, and thank you
13 for your time. I recommend that you disapprove their
14 rates.

15 **CHAIRMAN GRAHAM:** Mr. Stokes, wait for just a
16 second. We have got a question for you.

17 **COMMISSIONER BROWN:** Thank you.

18 Thank you, Mr. Stokes, for coming up and
19 providing the testimony. My question, again, is to Mr.
20 Stone about the \$10 service fee. Can you please explain
21 what that fee is, and is it typical on all residential
22 bills?

23 **MR. STONE:** I believe what Mr. Stokes was
24 referring to, in our current rate design is the base
25 charge or customer charge. And the way our rates are

1 designed, as approved by the Commission in past rate
2 cases, there is an element of the fixed cost that is
3 established -- that is a fixed charge per bill separate
4 from the energy charge of the bill. I believe that is
5 what he is referring to. I haven't seen his bill, and I
6 don't know that for a fact.

7 (Inaudible; simultaneous conversation.)

8 **CHAIRMAN GRAHAM:** Hold on.

9 Mr. Stokes, can you be more specific about the
10 bill?

11 **MR. STOKES:** It appears on the bill just as
12 \$10 service charge, and it has for the past ten years.
13 Everybody has that.

14 **MR. STONE:** I feel certain that is what we
15 refer to as the customer or base charge.

16 **CHAIRMAN GRAHAM:** Let's do it this way.
17 Mr. Stokes, if I could you to go to the back and talk to
18 the one of their customer service people, and then we
19 can find out exactly that is, and we can get back to
20 Mr. Stone. And right after we take our break, we will
21 speak specifically to that \$10 fee. Thank you very
22 much.

23 **MR. REHWINKEL:** Mr. Chairman, the Citizens
24 would call Bob Steffen. If he is not here, the next two
25 him following are Mary Armstrong and Janet Mayeaux.

1 **CHAIRMAN GRAHAM:** Armstrong and Mayeaux.

2 MARY ARMSTRONG

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

5 DIRECT STATEMENT

6 **MS. ARMSTRONG:** Good morning. I am not going
7 to prolong what I have to say, because most of
8 everything that I have to say has been said already.

9 **CHAIRMAN GRAHAM:** Ma'am, could I get your name
10 and address for the record.

11 **MS. ARMSTRONG:** My name is Mary Armstrong. I
12 live at 1007 West Fisher Street, Pensacola 32501.

13 **CHAIRMAN GRAHAM:** Thank you, ma'am.

14 **MS. ARMSTRONG:** I am speaking on behalf of my
15 community as well as another entity. Number one, I want
16 to say that the \$10 customer service charge, or the
17 customer charge, I inquired about that sometime ago
18 because I was concerned about it. I was told that it
19 was a charge that they give to the customer in order to
20 submit them their bills. Now, I don't know what that
21 meant, but, I mean, for lack of a better explanation,
22 that is what I was told.

23 Now, I live in a home that's about a little
24 more than 1,200 square feet. My mortgage is \$460 a
25 month, and my light bill is 400. I live alone. And I

1 do a lot of traveling back and forth, so a lot of times
2 I'm not there. And I had someone to come out and check
3 for me to see about what was going on, and they were
4 telling me the things that needed to be done in order
5 to, you know, save the energy. Then they found out that
6 I had already done them. Just like the other lady. I
7 had a new roof put on, I had insulation put in, the
8 whole nine yards. So then they told me one of the
9 problems was that I didn't have the stairwell leading
10 into the attic insulated.

11 The next thing, I'm also on the board of
12 community action, and there is a problem there, as well,
13 because community action sets out to help those people,
14 low-income people who have bills that they can't afford.
15 The problem with that is when the public gives the
16 community action money to help pay those bills, much of
17 the money goes toward what Gulf Power terms as fees for
18 not being able to pay your bill. So if the bill is 200
19 or \$300, they tack another 250 on as an extra deposit
20 because you weren't able to pay your bill. And that's
21 for other customers, as well. And so with a \$10
22 customer charge and those extra fees that they tack on
23 when you are not able to pay your bill, I think that
24 that is enough money so that they don't really need a
25 raise. Thank you.

1 **CHAIRMAN GRAHAM:** Thank you, Ms. Armstrong.

2 **MR. REHWINKEL:** Mr. Chairman, following
3 Ms. Mayeaux, the Citizens would call Jimmie Floyd.

4 **CHAIRMAN GRAHAM:** Ms. Mayeaux, welcome.

5 JANET MAYEAUX

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

8 DIRECT STATEMENT

9 **MS. MAYEAUX:** My name is Janet Mayeaux,
10 M-A-Y-E-A-U-X, and I live at 5624 Russell Drive, Milton,
11 Florida.

12 I'm a retired registered nurse. I am here
13 today to protest the requested rate increase. Last
14 winter, our priest made an announcement I had never
15 heard before in church. He requested special donations
16 to help people who were coming to the church asking for
17 assistance in paying their electric bills. Also, last
18 winter, which was a very, very cold winter, as you
19 recall, people were admitted to Santa Rosa Hospital
20 directly as a result of not having heat because they
21 could not pay for the electricity.

22 Economists daily increase their predictions of
23 another coming recession. The majority of people in
24 this community are having to make dire decisions about
25 how to get by. New electric meters that can be read

1 remotely are being installed on homes. Are the meter
2 readers the next to be unemployed? People have no idea
3 what their bill is going to be until it shows up. You
4 cannot budget for your electric bill. Meters should
5 show a dollar amount that allows people to know on a
6 day-to-day basis what their electrical costs are. I
7 have watched my own personal bill increase steadily. I
8 remember the first time that it went over \$200. It was
9 a shock. This summer it topped \$300 for the first time.
10 I live in a very energy efficient home, extremely energy
11 efficient.

12 In conclusion, a rate increase for electric
13 power at this time is too much of a burden to bear for
14 many people, as we have heard today. Now is not the
15 time. Thank you.

16 **CHAIRMAN GRAHAM:** Thank you, Ms. Mayeaux.

17 **MR. REHWINKEL:** Chairman, we have called
18 Jimmie Floyd. So following Mr. Floyd would be Wallis
19 Mahute and Jeannine Parton. I hope I have pronounced
20 that right name right.

21 **CHAIRMAN GRAHAM:** Ma'am, welcome.

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

25 DIRECT STATEMENT

1 **MS. MAHUTE:** I'm Wallis Mahute, 5500 Cox Road,
2 Milton, Florida 32583. I first wanted to talk about
3 Hurricane Ivan and the service we received during that
4 hurricane. Gulf Power was excellent. They did a really
5 hard job. They were working in that heat, and we got
6 really good results from Gulf Power on the cleanup and
7 getting the electricity back on. And also another good
8 thing that Gulf Power has done was to -- the scrubber,
9 the new scrubber for the pollution. That benefits
10 everyone.

11 But I think the rate hike is way too much to
12 the ask of everyone. As you have heard from many people
13 before me, we just can't afford it. Gulf Power is
14 saying that they need a profit. Well, they have low
15 risks, but most people in the community who have a
16 business, or are sick, have illnesses, they have a high
17 risk because of their limited incomes. Businesses,
18 little mom and pop businesses, every little single
19 business also needs to make a profit, and they incur a
20 large risk, especially when their costs go up.

21 I did want to ask this question about the
22 proposed nuclear plant. I was wondering who approves a
23 permit for a nuclear power plant?

24 **CHAIRMAN GRAHAM:** There are several approvals,
25 ma'am. It's not just one person that has to approve

1 that.

2 **MS. MAHUTE:** Okay. Who gives you the permit
3 for a nuclear power plant?

4 **CHAIRMAN GRAHAM:** Once again, there are
5 several people.

6 **MS. MAHUTE:** So far is there an approved plan
7 or an approved permit for this power plant?

8 **CHAIRMAN GRAHAM:** Ma'am, the nuclear plant
9 that you are talking about is not in the State of
10 Florida, so that is something that is beyond our
11 purview.

12 **MS. MAHUTE:** It's not in the state of Florida?
13 I thought it was going to be built in Cantonment.

14 **MR. STONE:** Mr. Chairman, I believe what she
15 is referring to is the land that we have purchased that
16 is proposed for a planned nuclear unit, and as we
17 outlined in our testimony, a nuclear plant is one of the
18 options for that land, and it is in the long-term
19 planning. There is no immediate plan to build a nuclear
20 plant. And when they is a plan, whatever plant that
21 will be built it will be brought before the Commission
22 pursuant to a need determination proceeding.

23 **MS. MAHUTE:** Then I suggest at that time they
24 purchase the property for that nuclear power plant.
25 Once it's approved, once it has everyone's approval,

1 once the plant is approved, and once they have an
2 approved permit. Don't spend money on land that you are
3 not sure you are going to use. And, you know, if you
4 spend \$15 million on a piece of land, and now it is
5 worth a million of dollars, I say hold off on that. Use
6 common sense, and do it when it's needed.

7 And also I would like to say that I think if
8 Gulf Power errs on the side of compassion and listens to
9 all of these people today with all of their needs and
10 all their problems, when Gulf Power has a problem and
11 they need the support of the community then they will
12 probably get it. Thank you.

13 **CHAIRMAN GRAHAM:** Thank you, ma'am.

14 **MR. REHWINKEL:** Mr. Chairman, following
15 Ms. Parton would be Jack, I believe it's Culverson.

16 **JEANNINE PARTON**

17 appeared as a witness and, swearing to tell the truth,
18 testified as follows:

19 **DIRECT STATEMENT**

20 **MS. PARTON:** My name is Jeannine Parton,
21 P-A-R-T-O-N. My first name is J-E-A-N-N-I-N-E. I live
22 1822 Whaley Avenue 32503. My problem is my husband is
23 81. I am 66. My husband can't breathe good, and we
24 can't afford a raise. My light bill right now is
25 sitting on my coffee table not paid this month so far,

1 because I decided to pay for my husband's life insurance
2 policy. The same for a raise to water bills, gas bills.
3 Cox Cable is a ripoff artist, too. I paid DirecTV off,
4 completely off. They are now telling me I owe them
5 \$450. I sent all their stuff back, paid the \$128, and
6 they said I owe them 24 more dollars. I paid that. Now
7 they say I owe them \$400-something. There is no way
8 that I can pay this extra money. I don't have it
9 anywhere.

10 I tried to get food stamps. He thought he was
11 funny, I was 50 cents over. They told me 50 cents. I
12 said thank you. I walked out of there frustrated. I
13 see people getting disability in this country that can
14 work, that can do things that I am doing at my age. I
15 see people walking around collecting checks, picking up
16 ladders and claiming they have bad backs, but that's the
17 system. I can't do anything about it. I'm only one
18 person. But I'm here today to ask Gulf Power, please
19 listen to us people that don't have any extra money for
20 this bill. Thank you.

21 **CHAIRMAN GRAHAM:** Thank you, Ms. Parton.

22 Thank you for coming.

23 **MR. REHWINKEL:** The Citizens call Earl Rhodes.

24 JACK CULVERSON

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

1 testified as follows:

2 DIRECT STATEMENT

3 MR. CULVERSON: Chairman, thank you for being
4 here. My name is Jack Culverson, 6000 Mandie Lane,
5 Milton, Florida 32570.

6 I would like to just reiterate what our
7 citizens, my fellow citizens have said. This rate
8 increase is on the verge of ludicrous. It's not a time
9 in this nation's history where we can afford this kind
10 of increase, period. It doesn't matter what the issue
11 is with Gulf Power. They are not a good citizen if they
12 do that.

13 Without being disparaging, I would like to
14 challenge our legal counsel on the left because he
15 alluded to in his opening remarks that one of the
16 reasons for this increase is the fuel cost. That's a
17 pass-through. Look at the 2008 statement, financial
18 statement by Gulf Power. It says on Page 21 just that.
19 This is not costing you extra on your rate increase,
20 it's costing you on your fuel charge, because that fuel
21 charge is more than your kilowatt hour charge today.

22 He also alluded to the fact that we haven't
23 had a rate increase since 2001. Well, I tell you what,
24 look at your bills. And I hope you have looked at some
25 of those bills, too, because in 2001 the rate was 3

1 cents, 3.606 cents per thousand, per kilowatt hour.
2 Now, today my bill says it is 5.829. That's an increase
3 of 62 percent by my poor math. That is 6.2 percent a
4 year. That is what he is paying his shareholders. Why
5 does he need a rate increase?

6 So the legal double-ese that we are getting on
7 the left needs to be counted by the legal double-ese we
8 are hopefully getting on the right. And I am just
9 appalled that these people will take a paycheck and
10 state these kind of vehement claims, and that's exactly
11 what they are.

12 Now, I don't want to be disparaging to you
13 gentlemen and ladies on the Commission, and I thank you
14 for being here, but I was a little appalled when the
15 lady came up and said my bill calls for a customer
16 service charge and there seemed to be a surprised look
17 on your face. Have you seen the bills? Have you looked
18 at a bill, because it's there on every single bill, \$10
19 for residential customers, and I think it's \$20 for
20 businesses. So it's there.

21 My goodness, folks. You guys are making a lot
22 of money now, and I appreciate what you have done in the
23 past, but I don't appreciate what you are doing to the
24 citizens of this country today. Thank you.

25 **CHAIRMAN GRAHAM:** We are going to take a

1 five-minute recess.

2 (Recess.)

3 **CHAIRMAN GRAHAM:** We can start off with the
4 gentleman right here in front. Please state your name
5 and address for the record, and then the company is
6 going to explain the service fee.

7 **EARL RHODES**

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

10 **DIRECT STATEMENT**

11 **MR. RHODES:** Okay. I'm Earl Rhodes. I live
12 at 1800-1/2 North Border Street, Pensacola, Florida
13 32505. I'm off today from work. This is just a day I
14 take off every week. You know, I work for the building
15 industry, a supplier local here, and we have had a lot
16 of cutbacks, you know, and I have had to cut back in my
17 household. I'm the only one that works in a family of
18 four. We had, you know, the increase here, you know,
19 they have had the last year or so, and the one that is
20 coming up, it has put a financial burden on my family,
21 and my in-law's family, and everybody else.

22 But what I'm getting at is if I went to my
23 boss and told him I couldn't make it for what I'm paid,
24 you know, he would send me off walking. You know, that
25 is just the way it goes, you know. We have learned how

1 to make cutbacks, and I feel that Gulf Power ought to do
2 the same as everybody else and be responsible, you know,
3 for what they are doing. And all I've got to say, you
4 know, more or less is I just disapprove this rate hike
5 they are wanting to come back up on. So that's all I've
6 got to say. Thank you.

7 **CHAIRMAN GRAHAM:** Thank you, sir. Thank you
8 very much. And thank you for waiting during the break.
9 I know that you were there in the front, but it seemed
10 like an opportune time to take that break.

11 **MR. RHODES:** That's fine. Thank you.

12 **CHAIRMAN GRAHAM:** Mr. Stone.

13 **MR. STONE:** Mr. Chairman, the element of the
14 bill that is referred -- I guess it has been referred to
15 this morning as the customer service charge, there are
16 several billing components of our bill that were
17 designed as part of the rate design. Of course, the
18 entire rate design has been the subject of the
19 Commission's review and oversight, and it's ultimately
20 something to be addressed in this case.

21 In our current billing format there is a
22 customer or base charge that is designed to cover the
23 fixed costs of service. It does not vary for the usage
24 of each individual customer, and that is a charge that
25 was submitted to the Commission back in 2001. It was

1 reviewed, it was approved, and it was set up in that
2 fashion so that there would be an element of the bill,
3 it's on the fixed charge that covers the fixed charge of
4 serving the customer. It does not vary with usage. And
5 then the energy charge is devoted to those charges that
6 vary with the usage. So that is the reason for the rate
7 design.

8 There is some confusion on referring to it as
9 the customer charge, and so one of the things that we
10 have proposed in this case is to approve that that we
11 refer as a base charge versus a customer charge.

12 **CHAIRMAN GRAHAM:** Mr. Stone, thank you very
13 much. Just to let everybody know, we are about -- we
14 have about two hours left. We have done -- we have
15 testified for about two hours. We have got 66 people
16 that wish to speak, and we are 34 people into it. So we
17 are going to continue to crunch on.

18 Please be respectful of the five minutes. I
19 know people get energized and they want more and more to
20 say, but when I tell you you have a minute left, you
21 need to conclude in that minute and move on so that
22 everybody has the opportunity to speak before we have to
23 leave from here.

24 Mr. Rehwinkel.

25 **MR. REHWINKEL:** Yes, Mr. Chairman. The

1 citizens now call Liz Davis and Thomas Chaapel.

2 **MS. DAVIS:** I will not speak, because the
3 things that I was going to say have already been spoken
4 of.

5 **CHAIRMAN GRAHAM:** Ma'am, what is your name?

6 **MS. DAVIS:** Lizzie Davis.

7 **CHAIRMAN GRAHAM:** Ms. Davis, thank you.

8 Mr. Rehwinkel, maybe we should call three at a
9 time.

10 **MR. REHWINKEL:** Okay. We will do that.

11 Following Mr. Chaapel, Mr. Chairman, the Citizens call
12 Donald Loreman and Clifford Bellow.

13 **CHAIRMAN GRAHAM:** Sir, welcome.

14 THOMAS CHAAPEL

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

17 DIRECT STATEMENT

18 **MR. CHAAPEL:** Good afternoon. My name is
19 Thomas Chaapel, and it is spelled C-H-A-A-P-E-L. Thank
20 you, Mr. Chairman, members of the Public Service
21 Commission, illustrious attorney for Gulf Power and
22 Office of Public Counsel for listening to me today.

23 I have here that I really want to discuss --
24 well, I'm not here to bury Gulf Power, but I'm not here
25 to praise them either.

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1 One of the items that I feel is unjustified in
2 their asking for this, which I consider an egregious
3 rate increase, is I live in the -- did I give my
4 address? I live at 10930 Tara Dawn Circle, Pensacola,
5 Florida. That's in the Maple Oaks subdivision in
6 Ensley.

7 I have been subject to many numerous power
8 brownouts, blackouts, and bumps. On September 4th, not
9 in my area, but that was when they had Irene and they
10 had the storm, Gulf Power had a limited blackout, and it
11 was attributed to a downed limb, which overhead
12 utilities is a problem for, you know, some treed areas
13 here, and it is a problem because it damaged the lines
14 causing them to come down.

15 Now, I had -- on October 13th, I had power --
16 and there was no reason for this. It was fairly calm.
17 I had power that was out for over an hour. It went down
18 for a short period. I know it was out for over two
19 hours, and then it went down again, and it came up, and
20 then it went down again for another shorter period. So,
21 like I said, I have a lot of -- I'm a hi-fi fanatic, and
22 I have a lot of hi-fi equipment, stereos, computers.
23 And Gulf Power has subjected my home equipment to many
24 violent power bumps that have caused significant damage
25 to my equipment.

1 I was thinking that maybe Gulf Power might be
2 interested in paying me for the damage to my equipment.
3 Now, as I understand from Gulf Power, you can purchase
4 one of the power regulators. I'm not sure, but it's a
5 purchasable item. I think Gulf Power should not charge
6 you for that. I think they should provide that as a
7 service since they have -- I mean, I wish I could put a
8 meter on their lines, but it looks like the voltage
9 output level fluctuates quite a bit.

10 And my second item, if I can get myself
11 together here -- well, I have already discussed that.
12 Item 3 is, you know, there was a retired nurse who spoke
13 about that called the smart meter. Gulf Power has
14 installed the smart meter for remote reading of the
15 customer's kilowatt use. Now, I don't want -- I don't
16 want to really say this, but I don't understand why Gulf
17 Power is putting these meters in when they have
18 perfectly reliable people that work for them that can go
19 around and read the meters. Maybe possibly they could
20 be looking for potential overhead lines, not just going
21 around looking for -- you know, looking for -- you know,
22 just reading the meters. But, anyway, Gulf Power found
23 that I guess that was economically feasible for them to
24 put these meters in.

25 An interesting point -- an interesting point

1 on that is that I have a -- I have a letter here I got
2 off the Internet from Gulf Power, and they told about,
3 you know, it's a good feel letter here from the Internet
4 from Gulf Power. You know, your meter is about to get
5 smart. I don't think I will read the whole thing
6 because I don't have time for it, but an interesting
7 thing on the bottom -- one of the bottom paragraphs says
8 we will install -- a question is will installing smart
9 meters change the amount of my energy bill. "Gulf Power
10 is replacing all existing meters free of charge to our
11 customers. Smart meters will continue to measure
12 electricity used for energy savings. Go to save money
13 and energy." Money and energy for saving your energy.
14 I doubt it.

15 I think they could have -- I think Gulf Power
16 could have put their resources to better use than the
17 smart meters and then coming to the board. I think this
18 is -- I don't own a business, and I'm not sure about how
19 the financial pie is cut, you know, from the business,
20 research and whatever, but I think -- I think this is
21 somewhere that Gulf Power has put out this item, I think
22 they are going to try to recoup it with this increased
23 proposed rate before the Commission. I think that's in
24 the works.

25 **CHAIRMAN GRAHAM:** Sir, you have about a

1 minute.

2 **MR. CHAAPEL:** I'm not sure what they're
3 attempting to do here, but, you know, I think -- like I
4 said, I'm in the Maple Oaks subdivision, and there is a
5 new subdivision called Maple Oaks West, and they are all
6 underground utilities. And when they have power
7 outages, and tropical storms, and hurricanes, this
8 happens here, they are really pretty much free from the
9 damage that we are subjected to. In my area, which is
10 older above-ground utility lines, we are usually the
11 first one to go down with the high winds and the last
12 ones to come up.

13 Now, I know there is easements, and a lot of
14 red tape, and a lot of requirements, but it seems to me
15 that Gulf Power should spend their time in looking at
16 those problem areas which seem to go down and seem to
17 have a lot of blackouts and a lot of brownouts. That
18 they should use their effort and try to see if some of
19 these utilities can't be placed underground for more
20 efficient service.

21 **CHAIRMAN GRAHAM:** Sir, you need to conclude
22 your comments.

23 **MR. CHAAPEL:** Pardon?

24 **CHAIRMAN GRAHAM:** Your time is running out.

25 **MR. CHAAPEL:** Okay. I also went on the web

1 this morning before I came, and I looked at the stock
2 price quoted for Gulf Power Company preferred, and it
3 was at a low of 24 and the last trade was at 26. It
4 shows a pretty much -- it doesn't look like Gulf Power
5 is in financial trouble. Of course, the stock market
6 goes up and down. We know that, but it looks like they
7 are a pretty good financial statement.

8 I would like to submit -- I don't know if this
9 is worthy to submit this, but I would make to submit
10 this letter from Gulf Power where they say that the
11 smart meters are not going to cost anyone.

12 **CHAIRMAN GRAHAM:** Thank you, sir. We
13 appreciate it. Hold on one second. We have a question
14 for you.

15 **COMMISSIONER BALBIS:** Thank you, sir. Thank
16 you for coming.

17 **MR. CHAAPEL:** Sure.

18 **COMMISSIONER BALBIS:** I have a question for
19 you. The voltage fluctuations that you mentioned and
20 also the outages, did you contact Gulf Power on either
21 of those issues?

22 **MR. CHAAPEL:** I called Gulf Power when my
23 power was down, and they said you need to -- you need to
24 try to -- but you got the automated service, and they
25 said we are already looking at that.

1 **COMMISSIONER BALBIS:** Okay. So the customer
2 service that they provided, was it adequate when you
3 contacted them on those issues?

4 **MR. CHAAPEL:** Their estimates about when --
5 their estimates about when the power was going to return
6 was way off. They give themselves a lot of wiggle room.
7 They said a couple of hours, and that time it came back
8 in about an hour and a half, but they gave two or three
9 hours estimate when it would be up. So, you know, I
10 guess it was a conservative estimate they gave, but it
11 was up before then.

12 **COMMISSIONER BALBIS:** Okay. Thank you.

13 **CHAIRMAN GRAHAM:** Sir, if we can get a copy of
14 that letter, please. We will make sure we enter that
15 into the record. We will put it down as Exhibit Number
16 5.

17 **MR. STONE:** Mr. Chairman, if I could ask
18 Mr. Chaapel to speak with Mr. Taylor in the back, or
19 Mr. Sammons in the back. They would like to get the
20 particulars about his service address so they can look
21 into his power quality problems.

22 **CHAIRMAN GRAHAM:** Okay.

23 (Exhibit 5 marked for identification.)

24 **MR. REHWINKEL:** And, Mr. Chairman, the Public
25 Counsel's Office will -- next we have Mr. Loreman, Mr.

1 Bellow, and then Jerry Faller, I think it is,
2 F-A-L-L-E-R.

3 **CHAIRMAN GRAHAM:** That letter -- we will call
4 that letter from Mr. Chaapel as Exhibit Number 5. Sir,
5 thank you.

6 DONALD LOREMAN

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

9 DIRECT STATEMENT

10 **MR. LOREMAN:** Mr. Graham, Commissioners,
11 ladies and gentlemen, I'm a customer, a paying person at
12 101 Boeing Street in Pensacola. My name is Donald
13 Loreman, L-O-R-E-M-A-N. I am by background a DAV,
14 retired military.

15 I just wanted to share some thoughts and
16 comments. These people have really poured their hearts
17 out to you, even with a 10:00 o'clock in the morning
18 meeting. It's too bad you don't have some of the
19 younger people that, unfortunately, are probably working
20 during these periods of time.

21 I recently had a meter replaced at the house
22 and it was replaced by a private contractor, not a Gulf
23 Power employee. And before that I had a Gulf Power
24 person out there to look at one of the lines that came
25 down the house to the meter because it is frayed and

1 everything. And he told me that that was my
2 responsibility. It used to be the power company, now
3 it's mine. When the contractor was there, I mentioned
4 that same thing to him, too, and he said, well, yes,
5 they used to do it, and now it is yours, unfortunately.

6 But there's a couple of things here. I'm kind
7 of wondering why there is no -- and I apologize for my
8 ignorance, but why is there no off-peak rates that could
9 be used during the time of, say, 11:00 o'clock until
10 6:00 in the morning? Why this automatic rate that you
11 gave them, the increase you gave them through December?
12 I understand -- now, I did question why you unanimously
13 agreed to it, but now I understand it was the law. The
14 question now is if you deny the regular rates they are
15 coming for in December, will this be rescinded. And if
16 so, I think you need to relook at that law, because
17 that's like me saying, okay, grandson, I'll buy you a
18 car if you are good. No, it should be if you're good,
19 I'll buy you a car.

20 Next, I would like to know if they are
21 considering the amounts of money they making on the
22 float from the deposit accounts. That, too, comes in as
23 a hidden fee for them.

24 And then the last two things, I was very
25 alarmed that you don't have any ESCOs to buy from. We

1 all know that utility companies are noted oligopolies.
2 This is the first time I have ever run one into one that
3 is a monopoly, and I think you need to take a look at
4 that. There should not be any monopolies allowed to
5 dictate costs to people, customers and so on.

6 Another place that I live, in New York we are
7 deregulated. I can buy my electricity from California.
8 The carrier brings it in and I pay him to bring to my
9 home there. But here I was astounded that I can't do
10 that. I have to buy from Gulf Power or just don't get
11 it.

12 And the fact that all the utilities are
13 congregated together surprises the heck out of me, too.
14 Why don't you allow competition? Let somebody else do
15 the water. Let somebody do the electricity. Let
16 somebody do the waste, okay? This putting it together
17 like that, I don't think there is a cost savings there.
18 I think, number one, you would have more competition and
19 maybe create a few more jobs based on what they make off
20 of it. I thank you.

21 **CHAIRMAN GRAHAM:** Sir, thank you very much for
22 coming and for your time today.

23 **MR. REHWINKEL:** After Mr. Faller would be Mr.
24 Dolph Todd.

25 CLIFFORD BELLOWS

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

3 DIRECT STATEMENT

4 MR. BELLOWS: My name is Clifford Bellows.
5 I've got numerous addresses I will give you. The main
6 one is 1001 Gulf Beach Highway, Unit D. I have several
7 furniture stores here in Escambia County. I have one in
8 Fort Walton Beach in Okaloosa County.

9 I definitely disapprove of this rate. I get
10 four electric bills every month. That's four service
11 fees just for being a customer. They are the only ones
12 in town. How can I be a customer of somebody else?
13 That's ridiculous. They are ripping me off. I mean,
14 right in front of our faces. They are laughing at
15 y'all. They know what's going to happen in the end.
16 They don't care what y'all do here. This is just
17 ridiculous. You hear all these people crying back here,
18 shaking, getting upset. That should wake up some of
19 y'all.

20 And like I was telling the gentleman, maybe I
21 need to be sitting over there. Maybe I'm studying the
22 wrong classes in school. Maybe that's where I need to
23 be, because these guys over here, they're crooked, man.
24 They have gotten way too much money already. We just
25 had an increase. You know, that's ridiculous. Do you

1 know how many millions of dollars they're collecting in
2 past due amounts? Everybody probably in Escambia County
3 has a past due bill at least two or three times a year.
4 Where is all that money going for the past dues? It's
5 35 or 40 bucks a pop just for being one day late.

6 You know why they got customer service reps
7 back here? So they can help them make payment
8 arrangements. They don't care about nothing else. Yes,
9 they're going to look at your bill. They're going to
10 tell you the time thing; that's just the way it is. It
11 is what it is, is what I was told by a Gulf Power
12 representative one time. There was a young lady who
13 worked there, she found an old bill of ours back in Fort
14 Walton Beach. She came into my furniture store and cut
15 my electricity off right in the middle of a business.
16 Right in the middle of business hours with customers in
17 the store and everything. Cut it off. She said she
18 found an old bill from Fort Walton Beach and I had to
19 pay it. It was \$1,100. I went down and paid it. She
20 said it would be on tomorrow. It took them three days
21 to get to my business. I had to do without electricity.
22 Three days. And they said they would be in there
23 between a specific time, 10:00 and noon. They showed up
24 at 5:30 p.m., 30 minutes after I closed.

25 They're not customer services, they're just

1 ripoffs. They are just trying to figure out how to get
2 around it with all the bureaucrats and paper and all of
3 that. You know it's true, if you don't document
4 something nobody really listens. So this is all being
5 documented, so hopefully you're listening.

6 I don't approve of it at all. And if it does
7 take place, I think I'm going to shut my businesses down
8 and move somewhere else where Gulf Power don't exist.
9 Thank you.

10 **CHAIRMAN GRAHAM:** Mr. Bellows, I have a
11 question for you. The store location where they shut
12 the power down, what location was that?

13 **MR. BELLOWS:** 1001 Gulf Beach Highway, Unit D.

14 **CHAIRMAN GRAHAM:** And do you know
15 approximately when it was that --

16 **MR. BELLOWS:** It was about a year ago.

17 **CHAIRMAN GRAHAM:** So last September?

18 **MR. BELLOWS:** I don't have the specific date,
19 but it was close to about a year ago. Maybe a year and
20 three months, something like that.

21 **CHAIRMAN GRAHAM:** Okay. We have a question
22 for you.

23 **COMMISSIONER BROWN:** Thank you, Mr. Chairman.
24 And when was that past due bill?

25 **MR. BELLOWS:** It was about four or five years

1 old. They said it was in my name, and it didn't matter.
2 And the sad part about it is, the power was not even in
3 my name at that business that they shut off. It was in
4 my ex-wife's name, and they still shut her off. That's
5 her furniture store in this town. They just went in
6 there and shut her off right in the middle of
7 customers -- I mean, customers in the store and all.

8 We go out -- we have a used consignment shop,
9 very nice, very upscale. We go out to customer's houses
10 every day. We went out last Tuesday about 10:30, out
11 there by Perdido. Perdido is a very nice area. We go
12 into a lot of senior citizens' homes. They're getting
13 rid of their furniture, they're downsizing and all for
14 whatever matters it may be. There was a couple of them,
15 they are sitting in candles. They had electricity;
16 they're just not turning it on because they can't afford
17 it. You hear them saying it. I mean, candles, look at
18 the sales of candles. They're coming up, especially in
19 this area. So, you know, when you pass -- if you give
20 them this money, in the next month watch how many people
21 lose their electricity. Just watch.

22 **CHAIRMAN GRAHAM:** Thank you, sir.

23 **COMMISSIONER BROWN:** I'm sorry, if I may.

24 Just as a follow-up to your earlier statement regarding
25 it took the company three days to turn it back on. Did

1 the company tell you why?

2 **MR. BELLOWS:** Oh, yes, her first comment was,
3 you know, we are the only people that let y'all -- we
4 give y'all service before you have to pay. She said one
5 day we will change that where you have got to pay before
6 you get your electric. That's what they want to do.
7 That's what she told me, and she was a supervisor there.
8 She never would tell me why they were late or anything.

9 I called at -- on that third day we kept
10 calling. We called every day. We probably called and
11 documented everything, we got about 20 or 25 calls in.
12 When their guys finally came by at 5:30. He said I was
13 actually on my way back to the shop from Perdido. And
14 I'm like, why you didn't turn me on while you were going
15 to Perdido instead of going back. And he goes, well,
16 they just called it in. It was three days ago. I went
17 down there and paid that money. They should have put it
18 on the next day. They laughed at us. And they knew it.
19 They knew it.

20 Go down to customer service and just sit there
21 and listen. You know, watch how they treat some of
22 these people. They don't respect nobody. They don't
23 respect at all. So what they give a little money to
24 schools every now and then. That's good, but I do that,
25 too. You know, I do things for schools and for fire

1 departments and law enforcement and all. I made the
2 paper several times in Okaloosa County for helping out,
3 but you don't see me asking for more money.

4 You know, I'm trying to get by just like
5 everybody else. They shouldn't get this raise. There
6 is no way. You have already given them some money. I'm
7 not saying that they should get that back, or, you know,
8 you should give it back. Maybe let them keep that, but
9 they should not give them more. That's it. They don't
10 need no more. And, like I said, if you approve it, you
11 are probably going to put a couple of us out of business
12 and we'll just pull the plug.

13 **CHAIRMAN GRAHAM:** Mr. Stone, any questions?

14 **MR. STONE:** No questions.

15 **CHAIRMAN GRAHAM:** Thank you, Mr. Bellows.

16 **MR. BELLOWS:** Thank you.

17 **MR. REHWINKEL:** Mr. Chairman, pending a
18 request for -- the Citizens have called Jerry Faller, or
19 Faller, and Dolph Todd. And if they are not here, the
20 next customer would be Elizabeth Phelps, and Mike Hill,
21 and Mike Horgan.

22 **CHAIRMAN GRAHAM:** Welcome, ma'am.

23 **MS. PHELPS:** Thank you.

24 **CHAIRMAN GRAHAM:** We'll take you.

25 **MS. PHELPS:** I had to go get my cell phone and

1 be sure to turn it off.

2 **CHAIRMAN GRAHAM:** Thank you very much for
3 that.

4 **ELIZABETH PHELPS**

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

7 **DIRECT STATEMENT**

8 **MS. PHELPS:** Well, I have heard a lot of
9 speakers today -- good morning -- with a lot of factual
10 excellent information. I don't have any factual
11 information. I'm just a regular person. I was born and
12 raised here. But I do want to comment on people like me
13 that work. I'm not direly poor, but my mother died
14 within the last month, dementia for twenty years. My
15 brother has been dealing with that and a child at home
16 and a grandchild at home.

17 People in my boat that are working people, if
18 we are allowed to become stronger, we'll be able to
19 support a lot more in our country. I see this as a
20 national issue, because the more productive we can be,
21 the stronger we can be as individuals. You know, the
22 day will come when we will be -- all of this will be
23 lifted back up, but, honestly, I have got one drop of
24 blood left. And it's not just Gulf Power. It's a lot
25 of corporations. Give me more, give me more. I will

1 fight you over a dime now. You know, it used to be, ah,
2 well, it's a dollar, five bucks, ten bucks, twenty
3 bucks, who cares? Just on principle now, it's my money,
4 I want to keep it.

5 And, Gulf Power, I love y'all so much, I
6 really do. I understand that y'all are really good
7 people, but I also understand the condition of people
8 like me. I'm a strong healthy woman working, you know,
9 and I'm struggling. And honestly we can't take -- we
10 can't fix everything, and that's how I feel, and a lot
11 of my friends feel.

12 One of them e-mailed and told me to holler at
13 y'all. I'm not going to holler. I know that would be
14 completely inappropriate, and you don't deserve to be
15 hollered at, but I do think if that y'all can give us
16 time and support us in becoming strong, get our economy
17 back on the road, we can be the solution to this. But
18 now is a really rotten time. I refuse -- I will not pay
19 a higher power bill. I'll be hot; I'll be cold; I'll
20 hand my guests a sweater or a water hose, but I'm not
21 going to do it. The day that I'm working to pay my
22 power bill is the day I need to get rid of everything
23 and go live in an RV and be free. Because when you kill
24 the hope in us that are working -- can you imagine? I
25 mean, some you are not old enough yet to know what it's

1 like to be held -- have your mother that you adored
2 slowly dying for 20 years. It will kill you. And you
3 have got to keep working, and then people keep asking
4 you for more money.

5 Did I say anything worthwhile?

6 **CHAIRMAN GRAHAM:** Yes, ma'am.

7 **MS. PHELPS:** Okay. Thank you.

8 **MR. REHWINKEL:** Annie Owens will follow Mike
9 Horgan, Mr. Chairman.

10 **MIKE HILL**

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

13 **DIRECT STATEMENT**

14 **MR. HILL:** My name is Mike Hill, H-I-L-L. I'm
15 from 6080 Forest Green Road in Pensacola, Florida,
16 32507. And listening to the comments today, I see where
17 it looks like battle lines have been drawn between Gulf
18 Power and the people. And I want to submit to you that
19 there is an entire different front that this battle
20 needs to be fought on, and that should be Gulf Power
21 against the EPA.

22 You see, the scrubbers that they were forced
23 to put in place, I was privileged to receive a briefing
24 from Gulf Power where I saw a lot of their costs that
25 they incur in different areas. And even the Gulf Power

1 gentleman mentioned in the beginning that one of their
2 largest costs is environmental regulations. We find
3 that that \$500 million scrubber which had to be put in
4 place -- of course we all want clean air and clean
5 water, and we can't live without it, but when they are
6 forced to put in -- abide by regulations and rules which
7 do not increase the quality of that water or the air by
8 a minimal amount, that's when we need to draw the line.

9 Instead of Gulf Power just assuming and
10 accepting those rules and regulations which come down,
11 and then pass the costs on to the customer, so that is
12 where the battle line is drawn, instead we need to
13 challenge those rules and regulations. And we find them
14 not that just here in Pensacola, we find it around the
15 U.S. It is time for people to stand up to a government
16 which is out of control. When you have bureaucrats who
17 are requiring people to abide by the rules and
18 regulations and it is costing us all dearly.

19 So I know you folks have a tremendous
20 responsibility. I would not want to be in your
21 position, but I would ask you to consider -- I, for one,
22 am against the rate increase, but I think the battle
23 line needs to be drawn in another direction against
24 these excessive rules and regulations which are coming
25 from the EPA and the Florida DEP. Thank you.

1 **CHAIRMAN GRAHAM:** Mr. Hill, just to let you
2 know and we may have a question for you, but be rest
3 assured that Gulf and all the other utility companies
4 have fought everything that comes out of the EPA. You
5 know, nobody takes this sitting down. I'm sure they
6 make sure that stuff -- you know, it's as lean as it
7 needs to be, it's as tight as it needs to be. And at
8 the end of the day, basically you have got to comply
9 with whatever the regulation is.

10 **MR. HILL:** Mr. Chairman, that is my whole
11 point. Why do you have to comply at the end of the day?

12 **CHAIRMAN GRAHAM:** Because everybody wants
13 clean air.

14 **MR. HILL:** Absolutely. But when you see that
15 that request or that desire for that adds only a minimal
16 result in increase, but the cost is very high, then
17 there comes a point when we need to tell EPA that we are
18 not going to accept it this time. We understand what
19 you want, but no. Someone has to tell them no
20 sometimes, too.

21 **CHAIRMAN GRAHAM:** You've got to keep the
22 fellow chemical engineers like myself in business.

23 **MR. HILL:** Absolutely. (Laughter.)

24 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.
25 And, Mr. Hill, to your comment and discussion

1 on the EPA regulations, one thing that this Commission
2 has done recently is look at the proposed EPA
3 regulations that are coming down the pike and having
4 Gulf Power, Progress Energy, and Florida Power and Light
5 give information as to what that proposed regulation --
6 how it will impact each of the individual utilities.
7 And what we did is we summarized that in a letter, and I
8 believe the top end of the estimates is a \$6.7 billion
9 impact to the state on these proposed regulations.

10 And we provided that information to each
11 member of the Florida delegation so that those that are
12 in Washington can have the information that are dealing
13 with those policy issues. So, again, we are a
14 regulatory body, but more on the financial side, not on
15 the environmental side. But at least those folks that
16 are making those decisions will know what the fiscal
17 impact will be. I appreciate the concern, and I think
18 you're hitting it right on the head, because those costs
19 are passed directly onto the ratepayers, and we really
20 have no choice in doing so. So I appreciate you
21 bringing it out.

22 **MR. HILL:** And thank you all for your service.

23 **CHAIRMAN GRAHAM:** Thank you.

24 EVELYN OWEN

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

1 testified as follows:

2 DIRECT STATEMENT

3 MS. OWEN: My name is Evelyn Owen. I reside
4 at 204 Eden Lane, Lot 1-A, in Cantonment, Florida,
5 32533. Thank you for listening to us.

6 The formula for figuring this rate increase I
7 understand was created in the 1980s, and I'm old enough
8 to remember when this legislation and this change came
9 through. It was to protect the consumer. And my
10 question to the counsel and to the Commissioners today
11 is that formula was created in a different economic time
12 than we live in today. And I question should not that
13 formula be readdressed, and should it not be maybe even
14 abandoned for the sake of the public under these
15 economic times for at least one, or two, or three years.
16 It's something that needs to be looked at and addressed.

17 Secondly, I want to tell you about myself and
18 my husband. He was unemployed for two and a half years.
19 Recently he now is full-time employed. He works here on
20 Texar Street, a street a few blocks away from us. He
21 travels from Cantonment to his job and back on a scooter
22 right now because he is saving gas money. We are
23 cutting back everywhere we can. I don't have proper
24 eyeglasses today because I'm waiting for my very first
25 Social Security check to come in this month, and then

1 I'll be able to get them. I cannot afford these
2 increases that are coming in the electric bill. Next
3 summer I will be replacing my screens and be doing
4 without air conditioning.

5 I want you to know that the 23 percent that
6 was requested, while elsewhere the average is
7 10 percent, is outrageous. And during the current state
8 of economy for Gulf Power to ask for a before-tax profit
9 of 19 percent is obscene. They should not have any
10 profit after -- before tax. Because before tax, what
11 they are talking about is the cost for those scrubbers
12 and everything is considered in. It's after those costs
13 are taken out of their income that they come to that
14 figure of 19 percent profit. None of us are able to
15 make that, and neither should Gulf Power, because it's
16 robbing people of the things they need; food, medicine,
17 eyeglasses. And I ask you today to turn that down.

18 But if the Commission cannot turn it down,
19 then at least consider this: Twenty-three percent
20 increase minus the 19 percent before tax increase would
21 be 4 percent. So say we knock out their profit
22 completely and give them only 4 percent. I shoot for
23 zero percent. They shouldn't be making a profit in this
24 day and time. Thank you.

25 **CHAIRMAN GRAHAM:** Thank you, Ms. Owen.

1 Chairman Graham, and I would like to read the -- it was
2 actually an e-mail that I sent to you just in case you
3 didn't see it. And it states, "Regarding Gulf Power's
4 request for a rate increase, I hope you and the other
5 Commissioners will be very diligent in reviewing this
6 request and ask why Gulf Power management can't do as
7 good a job as their counterparts of Georgia Power and
8 Alabama Power at keeping their costs down. Companies
9 always pass their costs on to consumers. And we need to
10 ask were these costs necessary, or something the company
11 wanted."

12 And the \$500 million scrubber that was
13 mentioned earlier, apparently that is something that was
14 required by the EPA, which I wasn't aware of, but I
15 would like to know how much that improved the emissions
16 leaving the smoke stacks from Gulf Power. The other
17 thing that concerns me is the land purchases in northern
18 Escambia County, and also the soccer complex where they
19 actually sold that for an \$11 million loss. So I wonder
20 if that loss is also being paid for by the citizens,
21 because they did have a rate increase in 2009 right
22 after that sale, which amounted to about 39 percent.

23 I think in this economy that we have that
24 energy is the reason for our recession that we are in,
25 the cost of energy. That includes gasoline and also

1 higher energy for power. So I ask that you do the right
2 thing for the citizens of Florida and try to keep our
3 economy moving forward. Thank you.

4 **CHAIRMAN GRAHAM:** Thank you, Mr. Sutton.

5 Thank you for coming down and for your
6 testimony today.

7 **MR. SUTTON:** Sure.

8 **CHAIRMAN GRAHAM:** Ma'am, your name and address
9 for the record, please?

10 SHIRLEY MCCRAW

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

13 DIRECT STATEMENT

14 **MS. McCRAW:** My name is Shirley McCraw. I
15 live at 1595 Bush Street in Pensacola, Florida 32534.
16 We need an overcoat in here.

17 **MR. REHWINKEL:** Mr. Chairman, before Ms.
18 McCraw begins, I would like to call Brenda DeWindt and
19 Charlotte Benboe. Excuse me.

20 **CHAIRMAN GRAHAM:** Please, Ms. McCraw.

21 **MS. McCRAW:** Most everything that I wanted to
22 say something about has already been said, so I will
23 make this kind of brief.

24 **CHAIRMAN GRAHAM:** Could you pull that
25 microphone down a little bit. It's kind of hard for the

1 court reporter to hear you.

2 **MS. McCRAW:** Is that better?

3 I'm on a fixed income, and I can't afford
4 these rate increases, and I'm asking you to reject the
5 rate increase. I'm on a fixed income, and it's not like
6 I can sell another car or work overtime to get extra
7 money. There is no place else to go to get that. And I
8 cannot afford to run my air conditioner. My house stays
9 around 86 degrees. This is like the winter here. It's
10 hot in the summertime, and I can't run the heating in
11 the wintertime. I wear an overcoat in my house in the
12 winter, and I can't use the hot water. I usually take a
13 bath every three days. That's when I turn the hot water
14 heater on for long enough to get the bath. That's it.

15 I just can't cut out anything else. So I'm
16 asking you to please reject the rate increase and please
17 listen to everyone that has spoken before me. Thank
18 you.

19 **CHAIRMAN GRAHAM:** Thank you, Ms. McCraw.

20 **MR. REHWINKEL:** After Ms. Benboe, I want to
21 call four people. Evelyn Owen, Robert Fair, Cary
22 Schwencke, and Michael Castro.

23 **CHAIRMAN GRAHAM:** Ma'am, your name and address
24 for the record, please.

25 CHARLOTTE BENBOE

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

3 DIRECT STATEMENT

4 MS. BENBOE: My name is Charlotte Benboe,
5 that's B-E-N-B-O-E, and I live at 7178 Rampart Way,
6 Pensacola, Florida 32505. And thank you, ladies and
7 gentlemen, for having us up to talk to you today.

8 I'm here to speak on behalf of seniors who
9 live on fixed income, as well as young families who have
10 children with serious chronic illnesses who need the
11 power and can't pay it. Jobs have been cut and few new
12 ones are being provided. There are seniors who only
13 live on Social Security, and that is in jeopardy it
14 seems. Some seniors have to decide whether to buy food
15 and meds in order to keep the power on. Most have
16 serious or chronic health problems which require power
17 to have oxygen and other apparatuses. Compassion and
18 consideration should be given to this group of
19 individuals.

20 Also, there are young families with children
21 who have life-threatening illnesses. Some are not
22 eligible to receive assistance provided by the state.
23 They are the population who are just above the poverty
24 level. I worked for the Department of Children and
25 Families for 25 years, and I had a chance to get to know

1 a lot of these families. If they want to live in safe
2 and decent housing and have to buy food, and meds, and
3 have heat and light, a lot of times they will not buy
4 the food or get the medication for their children.

5 The church I attend have a food pantry which
6 ideally we used to just serve individuals. The last
7 five or six months our pantry has been almost bare after
8 two or three days. We are serving families now rather
9 than individuals.

10 I echo what was mentioned by Ms. Denton, a
11 plan for these people who cannot make the payments. The
12 City of Pensacola does provide what they call, I think,
13 an equalized plan. Is that not something that Gulf
14 Power can provide for these families, if they can prove
15 to them or to you that they need this help? This is
16 something that I think should be considered.

17 Have some compassion and consideration. Thank
18 you.

19 **CHAIRMAN GRAHAM:** Thank you, Ms. Benboe.
20 Thank you for coming down today.

21 **MR. REHWINKEL:** Mr. Chairman, the four that I
22 called have not come forward. So after Ms. Schwencke
23 would be Donald Ozburn, Ms. Bradley Proctor, and John W.
24 Thomas. And, Mr. Chairman, before Ms. Schwencke starts,
25 Mr. Thomas is on my list -- according to my records is

1 the last witness who would have been sworn by you. So
2 any witnesses after that would need to be sworn in.

3 **CHAIRMAN GRAHAM:** Okay. Thank you. Ma'am,
4 could you pull that mike down. Name and address for the
5 record.

6 **CARY SCHWENCKE**

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

9 **DIRECT STATEMENT**

10 **MS. SCHWENCKE:** My name is Cary Schwencke.
11 I'm with Select Support Services, which is a small
12 business. We serve developmental disability clients,
13 and they are part of the weak and vulnerable that right
14 now the strong in our culture are going after.

15 The time and place of this meeting, I would
16 like to protest that. You have it in the middle of the
17 day at a place where it is very hard to park. It's hard
18 for people to get here who are working, again, and weak
19 and vulnerable. It's difficult for people to get off
20 work.

21 I would like to say that the poverty level
22 here, this is a fact, in 2010, the people who lived
23 below the poverty level was 19.4 percent. That's nearly
24 one in five people who are living below the poverty
25 level in this area. I don't know what it's going to

1 be -- I don't know what it is now in 2011, and I don't
2 know what it will be after we have this increase. Can
3 you imagine?

4 There are places -- in the 32505 area code,
5 the people living below the poverty level is
6 39.20 percent, 39.20 percent below the poverty level.
7 Now, there are some neighborhoods where the people
8 living below the poverty level is 1.2 percent. They are
9 probably not really that worried about a power increase,
10 but what about this area?

11 The poverty level will definitely go up. You
12 know, we have had three disasters so far, real serious
13 disasters, Ivan, the mortgage crisis, and the oil spill.
14 This rate increase that is not the first represents
15 another disaster that we in Pensacola will have to deal
16 with. A man-made disaster. Another man-made disaster.
17 And by the way, I would not down the EPA or the DEP
18 because their lack of regulation is what caused the
19 disaster of the oil spill. So I don't think that that
20 is the solution is to reject regulation.

21 Here's some more facts. I got these off the
22 Internet. I know our media is not always totally
23 accurate. However, in 2007, the price per 1,000
24 kilometers, kilometers, or whatever it is was \$70.29.
25 \$70.29. In 2009, the same amount of electricity was

1 \$113.76. In 2010, it was \$124.23. If this goes
2 through, it will be \$136. That is nearly twice as much
3 since 2007. How many people here are earning twice as
4 much? How many people?

5 This is a vital essential commodity and it is
6 operated by a monopoly. This is a fact. Why is the
7 monopoly allowed to be here? Because of you. You are
8 supposed to protect us from a monopoly that we are bound
9 to use. You are supposed to protect us from them. They
10 are being bullies. You are supposed to protect us. And
11 you know why I don't think you are really taking the job
12 seriously, because in 2010, the last time they had a
13 rate increase, the last time that people came out to
14 speak to you it was the same kind of emotion. We have
15 the same emotion that we have today.

16 Probably since 2007, I really haven't been
17 keeping up with it, but the last time I did watch and
18 try to keep up with what was going on. And I thought,
19 you know, the people made a point. The people won the
20 argument. But they didn't win; the rate was approved.
21 It has been approved since 2007. Every time we come
22 before you it's approved. I think the system is broken.
23 I hope that I'm wrong. I hope that I'm wrong, but I
24 believe that if this rate increase is approved then our
25 system is broken because you're not listening. You

1 didn't listen the last time. If you don't listen this
2 time, I will be convinced that our culture, our whole
3 system is broken. We are being bullied.

4 This state is deregulated. You can have a
5 choice of power companies. Panama City has a choice of
6 power companies. We need a choice. The monopoly system
7 is not working. We need to organize, folks. We need to
8 advocate.

9 **CHAIRMAN GRAHAM:** Ma'am, you need to conclude
10 your comments.

11 **MS. SCHWENCKE:** I say power to the people, not
12 necessarily Gulf Power. Thank you. Advocate, folks.

13 DONALD E. OZBURN

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

16 DIRECT STATEMENT

17 **MR. OZBURN:** My name is Donald E. Ozburn,
18 O-Z-B-U-R-N. I reside at 2356 Bur, B-U-R, Oak Drive,
19 Cantonment, Florida 32533.

20 I feel embarrassed that I'm standing here
21 after hearing some of the people's problems. And that
22 lady made a statement. You know, I don't know if you
23 guys -- every time we get a new governor, do they
24 appoint you guys?

25 **CHAIRMAN GRAHAM:** We are appointed every four

1 years.

2 **MR. OZBURN:** Every four years. So you might
3 not have been working back then, I don't know, I just
4 feel embarrassed. I'm a disabled senior. I'm a
5 veteran. And I thought that being disabled, or being a
6 senior, or being a veteran, when I go to McDonald's or I
7 go to Carl, Jr., or I go to most restaurants, or most
8 stores, or something, one of the things I ask for is do
9 you have a senior discount. And you know what they tell
10 me? Most of the time they tell me yes.

11 I asked Gulf Power for a senior discount, and
12 I can tell you what they told me. Just like this guy
13 here is representing Gulf Power. This is a joke.
14 Nothing personal, but I hope you take it personal,
15 because you're taking food out of my family's mouth.
16 You are taking food, and drugs, and everything. There
17 is veterans in here you're taking from. I don't make
18 the money that you make, but let me tell you something,
19 there was a time I did.

20 **CHAIRMAN GRAHAM:** Sir, if I can get you to
21 address the board up here.

22 **MR. OZBURN:** Well, it seems from that lady
23 you're not listening, either. I'm embarrassed. You're
24 supposed to be the watchdog for guys like me. You know,
25 this is ridiculous. The first guy that got up here said

1 where is our county commissioners? Where is the mayor?
2 Hell, I don't know. Maybe they're out on the beach
3 picking up oil.

4 I had just had to take -- being disabled, I
5 still have to -- and being over 65, my wife was laid off
6 after 9-1/2 years of being full-time employed, and I was
7 blessed at 53 to have a 14-year-old daughter now --
8 born. She is 14 now. But it's hard to sit down and
9 tell your children that even though she misses her
10 mother, because her mother is working a lot of hours,
11 that even though her mother works hard, because of the
12 economy she has to be laid off.

13 So I work with a lot of men who are -- being
14 retired -- that are drug dependent and alcohol dependent
15 trying to help them. And I was talking to some
16 businesses, and I talked to a business and he said, Don,
17 would you like to be a courier? And I said, boy, I
18 don't know. I haven't worked in awhile. And I said,
19 yes.

20 My question is on one of my deliveries as a
21 courier, I was out at Pensacola Airport. And I was
22 going to this business -- not business, but building
23 where Gulf Power had one of their jets. Now, I was told
24 that they only had business in Alabama, Mississippi,
25 Georgia, and Northwest Florida. When I owned a

1 business, if I had a problem with one of my terminals, I
2 got in my car and drove down there. But they though --
3 when their new CEO came in, I understand she is no
4 longer there, that it was time to buy a new jet. Is
5 that a deferred expense? I don't know. But that's
6 awful. That is kind of grandiose to me. Especially
7 when we have got people going without drugs for their
8 health and welfare or paying an exuberant amount of
9 money.

10 This isn't why I served in the service. This
11 isn't why I paid what I paid for Social Security to know
12 that I have something to look forward to in my senior
13 years. The scary part of about it is I'm part of the
14 baby boomers. The Vietnam era, that generation is
15 called the forgotten generation. Do you know what my
16 daughter told me in school they say about their
17 generation? They are the entitled. That's scary.

18 **CHAIRMAN GRAHAM:** Sir, you have about a
19 minute.

20 **MR. OZBURN:** Well, I appreciate the staff
21 being here representing us. And I appreciate AARP. And
22 I would like to say I appreciate you being here, the
23 Commission, but I pay for you to be here. I'm glad
24 you're here. Please do your job. Thank you.

25 **CHAIRMAN GRAHAM:** Sir, I appreciate your

1 service to the country, and I do appreciate you coming
2 down today to speak to us.

3 **MR. OZBURN:** Thank you.

4 **MR. REHWINKEL:** Mr. Chairman, following
5 Mr. Ozburn, I call Ms. Bradley Proctor, if she is here,
6 and then following her, John Thomas. And those are all
7 the witnesses I have record of having been sworn in.

8 **CHAIRMAN GRAHAM:** Thank you. Ma'am.

9 BRADLEY PROCTOR

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

12 DIRECT STATEMENT

13 **MS. PROCTOR:** I'm glad to be here. Thank you
14 all for being here. My name is Bradley Proctor. I live
15 at 1810 East Blount Street, Pensacola 32503.

16 I'm here also to recommend that you not
17 approve the rate increase that has been requested by
18 Gulf Power. I think now is not the time for a
19 23 percent rate increase to be considered. I also --
20 I'm retired, but I have a very small part-time business.
21 I would never go to my customers in one step and ask
22 them to pay 23 percent more for my product, or
23 15 percent, or 10 percent in one step. I think that
24 that would be poor planning on my part.

25 My customers could turn around and go

1 somewhere else to buy the product. I can't do that
2 because Gulf Power is a monopoly. So I can't shop
3 around for a less expensive source of electricity. I'm
4 doing okay right now, but you have heard the stories
5 from other people that have less to spend on power than
6 I do, and I feel for them.

7 I think that an 11.7 guaranteed return for
8 investors is wrong. I think it's abusive. I think it's
9 embarrassing. And when my father died he let me
10 Southern Company stock. I don't expect 11.7 guaranteed
11 return on my stock. He left me some other stock, too.
12 I mean, it crashed. I mean, that's what happens when
13 you have stock; you don't know whether it's going to go
14 up or down. I think it is criminal to be asking for a
15 guarantee of 11.7 percent for the investors.

16 I don't know people around me in my
17 neighborhood, people that I have worked with that are
18 getting 11.7 percent in any of these last years. Most
19 of them are just keeping their heads above water and a
20 lot of people are going backwards. I think really and
21 truly if it's true that our rates are 40 percent higher
22 because of pass-through costs since the economy crashed
23 in 2008, I think that's just deplorable.

24 And as for purchasing this land, for
25 purchasing the land that they want to buy now to

1 consider holding for a nuclear power plant, I would hope
2 that they would put that off for another day. Save that
3 money. And for God's sake, in light of what has
4 happened in Japan with their nuclear facilities, and in
5 light of the fact that the whole country of Germany has
6 decided not to even use nuclear power plants anymore
7 because they are too dangerous, I think we could wait.

8 We are the Sunshine State, so why are we not
9 working to develop sunshine? We have got this
10 peninsular that is bordered by wave action all the way
11 around the State of Florida, and so we need to be
12 looking at other sources other than nuclear. So I would
13 hope that that would be denied, also, that they would
14 wait and not spend money on that, because I think
15 actually in the future people are going to go with
16 nuclear.

17 So, you know, in conclusion, thank you for
18 listening to me. I hope that you will consider this
19 very carefully and will reject their request for this
20 obscene increase. Thank you.

21 **CHAIRMAN GRAHAM:** Thanks, Ms. Proctor. Thank
22 you for coming down today.

23 **MR. REHWINKEL:** Mr. Chairman, if I might,
24 while Mr. Thomas is coming up, I have not called any
25 witnesses after Mr. Thomas to give you an opportunity to

1 swear them in, but I intend to call every witness that
2 has signed up.

3 **CHAIRMAN GRAHAM:** Thank you. Mr. Thomas.

4 **JOHN THOMAS**

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

7 **DIRECT STATEMENT**

8 **MR. THOMAS:** My name is John Thomas. I live
9 at 620 Cessna Drive, Pensacola, Florida 32506. I'm here
10 today because I felt obligated. First, I would like to
11 say that I'm a military veteran retired. And I'm here
12 today because I just felt obligated. When I read in the
13 paper that Gulf Power was getting a large increase, or
14 requesting a large increase, I just felt obligated to
15 come down and state my disapproval of that.

16 And I have a few questions that just ran
17 through my mind, is that Gulf Power does advertise. I
18 believe they advertise. And I was wondering why do they
19 feel the need to advertise when they could be saving
20 that money, spending a lot of money for paperwork and
21 lot of other things, because they are more or less a
22 monopoly.

23 And my next question was, is have this board
24 ever refused a request for an increase by Gulf Power?
25 Because I can't remember the board ever -- not just this

1 board, but any board ever refusing a request for
2 approval. Again, to me it looks like every one that
3 they ask for, they always approved it.

4 And another thing that I have seen -- now,
5 they have a truck going around at this particular time
6 advising people about the energy efficiency, supposedly,
7 in their house. And one thing I saw in particular, they
8 said, well, we will replace two energy efficiency bulbs.
9 Well, most houses have way more than that. I don't know
10 what the objective is, but maybe just to prove that -- I
11 doubt that if you could make a judgment on two light
12 bulbs that they are going around -- and how much is it
13 costing them to send around that truck? And I don't
14 know how many peoples are involved for that. And that's
15 a lot of money being -- I can't say it's being wasted,
16 because I don't know what the end result will be, but
17 those are some of the things or questions that I had.

18 Plus, I just don't feel that they deserve to
19 get that, what, 23 percent increase in whatever profit
20 that they might do. And I would like to thank y'all for
21 listening to me, and I hope that y'all will disapprove
22 this rate increase. Thank you.

23 **CHAIRMAN GRAHAM:** Mr. Thomas, I want to thank
24 you for your service to your country and thank you for
25 coming down today and giving your testimony.

1 **MS. THOMPSON:** Thank you.

2 **CHAIRMAN GRAHAM:** Okay. My understanding is
3 everybody else that has signed up to speak showed up
4 after we had sworn all the initial people in. So if you
5 have turned in your name and that you wanted to speak
6 and you haven't been called yet, I need for you to stand
7 and raise your right hand so I can swear you in.

8 (Witnesses sworn.)

9 **CHAIRMAN GRAHAM:** Thank you.

10 **MR. REHWINKEL:** Thank you, Mr. Chairman. The
11 citizens now call Michael Sheehan, RaJeanna Carson, and
12 Corine Bradley.

13 **CHAIRMAN GRAHAM:** Those people that were
14 called, just come sit on the front row so we know that
15 you still want to speak.

16 MICHAEL SHEEHAN
17 appeared as a witness and, swearing to tell the truth,
18 testified as follows:

19 DIRECT STATEMENT

20 **MR. SHEEHAN:** Good afternoon. My name is
21 Michael Sheehan, spelled S-H-E-E-H-A-N. I live at 2517
22 Water Oak Circle, Navarre, Florida 32566.

23 Let me break down why I'm here. I'm here to
24 ask a couple of questions of Gulf Power, also to share
25 with the board a grading system that I have come up

1 with, as well as a closing comment. Okay?

2 My questions to Gulf Power is how much of the
3 increases are being driven by federal EPA requirements?
4 That's a question. I have another question. How much
5 is being driven by federal executive fiat versus as a
6 result of classical legislative action? That is where
7 people had an input on it. And my third question is how
8 does this compare with, say, ten years ago, and how is
9 it going to look ten years from now, the same questions.
10 Okay. Those are my questions, rhetorical possibly.

11 The next one is going to be my grading system.
12 Ready for a grading system? We are back in grade
13 school, okay. So I'm rating Gulf Power in a letter
14 system the say way you had when you went to school,
15 okay. Power quality. G for good. Power availability.
16 VG for very good. Rate of return on investment. VG
17 with a gold star.

18 Now, that's my grading system. Now I have a
19 question, or I should say my closing comment. Given the
20 fact that this is a natural monopoly, is this
21 appropriate for systems such as this? My question to
22 youse guys, youse being Philadelphia talk, or youse
23 being plural of you, youse guys. My question to youse
24 guys is why does a natural monopoly get a VG with a gold
25 star for return on investment? My question. Okay,

1 thank you.

2 **MR. REHWINKEL:** Mr. Chairman, I call
3 Ms. Carson and after her, Corine Bradley, Carmen
4 Reynolds.

5 **CHAIRMAN GRAHAM:** Please, when your name is
6 called, come up.

7 **MR. REHWINKEL:** And Larametta Harvell.

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

11 **DIRECT STATEMENT**

12 **MS. HARVELL:** Hello. My name is RaJeanna
13 Carson. I live at 205 Gillilano, and I am a retired
14 veteran. I'm a senior. And I'm here because I have a
15 lot of the same issues as the other people, but the
16 thing that they didn't seem to talk about too much is
17 that I watch your Commission on television. I have a
18 degree in government, so I'm very interested in how you
19 guys are appointed. And I notice that the best Chairman
20 we had was Nancy Argenziano. She was from southern
21 Florida, and she was doing a really good job. And you
22 guys keep saying, oh, four years and different things,
23 but it's not really true what I have been watching in
24 the last couple of years on television, because there
25 has been a lot of turnover in your Commission.

1 So I think there is a real problem with the
2 Commission. I would like to have salaries of everybody
3 that is on this and your staff and everything. I wish
4 it was all put on television or sent in the mail in our
5 electric bills and all of that so we can keep an idea of
6 how often these people are coming and what their
7 salaries are. Because that's where we know if you are
8 really on our side or if you are just behind the doors
9 doing things that we don't know what's going on. So I'm
10 very disappointed in your Commission because Nancy is
11 gone, but, Lisa, I'm glad you're still here.

12 So, thank you.

13 **CHAIRMAN GRAHAM:** Thank you, ma'am.

14 Ms. Carson, thank you, also, for your service to the
15 country.

16 CARMEN REYNOLDS

17 appeared as a witness and, swearing to tell the truth,
18 testified as follows:

19 DIRECT STATEMENT

20 **MS. REYNOLDS:** Good afternoon. My name is
21 Carmen Reynolds. I'm a retired military veteran. I'm
22 here to echo the abominable rate increase and ask the
23 Commission to decline it.

24 I have listened on the verge of tears to
25 testimony today to stories of the better than average

1 return of investment on Gulf Power's behalf, I have
2 listened to the poverty levels in this area, which are
3 some of the worst in the State of Florida. I have
4 listened to the increased efficiencies and redundancies
5 that could be performed by Gulf Power prior to
6 implementing this as recommended by the people that have
7 testified. I have listened to regulations by the EPA
8 which are contributing to this.

9 In light of the highest state in the nation
10 for foreclosures, rising unemployment, those in this
11 room that are soon to be unemployed, the businesses that
12 are closing, medication costs that are rising, medical
13 costs that are rising, fuel costs, water bills, the
14 exorbitant cost of the new mercury infested light bulbs
15 from China, our food bills, the price for all goods and
16 services is skyrocketing. Our fire department rates
17 increasing, our county and city taxes, our health
18 premiums, our co-pays, our life insurance premiums, our
19 phone bills, canceling our satellite bills and our gas
20 bills. I would like to know has Gulf Power -- and this
21 is for the record, I don't need an answer -- taken an
22 assessment of what percentage of the members have been
23 late in paying their bills by the month and by the year.
24 Are they tracking the pulse of their constituents, their
25 customers?

1 I am also a member of another power group,
2 because I have cared for my disabled, handicapped, now
3 decease veteran, Vietnam veteran father for ten years in
4 my home. Our power bills have broached \$500 a month as
5 we pay for his oxygen machine, his electric bed, his
6 inflating air mattress to avoid bed sores, the frequent
7 laundry for urine and soiled clothing and bed linens.
8 Our power bill continued to skyrocket, and having to had
9 to pay his bills, I'm a member of a little place in
10 Colorado called the Intermountain Rural Electric
11 Company, which only charges \$4.38 month for its constant
12 having service on vice the \$10.

13 But going there and packing up all of his
14 clothes and donating them to the Salvation Army, and
15 Goodwill, and the senior center, and all the rats and
16 little mice in his little bitty garage, I was there for
17 five weeks, and in five weeks -- granted without air
18 conditioning -- I dried two loads of laundry rather than
19 hanging them, and five weeks of power only cost me \$43,
20 and there was two of us.

21 I'm sure a lot of people in this room would
22 like to have power at those rates. That is very
23 affordable. I was astounded. And this power company in
24 Colorado, they actually send out notices, and they say
25 more than 10 percent of our members were late paying

1 their bills last month. That's 15,000 people. We know
2 that you are already having difficulty paying your
3 bills, that's why we will fight for you against
4 increases in your electric rates. This is who you are
5 to us. You are an advocate against situations like
6 this. The power company in Colorado is fighting for its
7 own customers, but that is not the situation that we
8 have today.

9 My second question is the coal-fired plants of
10 which Gulf Power has to produce electricity, EPA is now
11 implementing additional costs and standards to continue
12 this, and I would like to know how much of that is going
13 to be passed on or is that going to be part of a future
14 increase. And where is Gulf Power's goodwill? You can
15 make a lot of mileage by doing the right thing here.

16 There was a lady that talked about goodwill
17 earlier, and we heard a lot about the term social
18 justice. If there is ever a right time to exercise this
19 social justice it is after what you have heard today
20 with people that are pulled apart every which way but
21 loose. And to quote one of my favorite musicians and
22 songwriters, Stevie Wonder, in closing nothing from
23 nothing leaves nothing. Thank you.

24 **CHAIRMAN GRAHAM:** Thank you, Ms. Reynolds.
25 And thank you for your service to the country.

1 **MR. REHWINKEL:** Mr. Chairman, after Ms.
2 Harvell, the Citizens call Shirley Cornette, Richard
3 Thomas, Jr., and James C. Nims, Jr. If they could come
4 up.

5 LARAMETTA HARVELL

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

8 DIRECT STATEMENT

9 **CHAIRMAN GRAHAM:** Welcome, ma'am.

10 **MS. HARVELL:** I'm Larametta Harvell,
11 L-A-R-A-M-E-T-T-A H-A-R-V-E-L-L. I reside at 6247
12 Arnett Street in Milton, Florida. If you, sir, are
13 really appreciative of the veterans that have given
14 their time, some of them their lives, and their families
15 here then you will vote no to this abominable increase
16 that Gulf Power has asked for. The Pensacola News
17 Journal yesterday said that nationwide one in six people
18 live in poverty, one in six.

19 My husband is a veteran. I am retired from
20 civil service. I feel blessed when I have heard the
21 testimony of the other people. We are not hungry. By
22 the looks of you, you're not either. You're well
23 dressed. But think about what your job is, public
24 service, public service. Remember that when you have to
25 vote on whether or not Gulf Power gets a rate increase.

1 We work at the food bank. We just came from
2 there this morning. Our church has seen an increase in
3 people coming and asking for food. People in our own
4 church don't have jobs. You have jobs. And your job is
5 to see that we, the people, are represented by you, the
6 Public Service Commission. Thank you.

7 **CHAIRMAN GRAHAM:** Thank you, ma'am. Thank you
8 coming down today.

9 **MR. REHWINKEL:** After Ms. Cornett, I have
10 Brenda Mihalik.

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

14 DIRECT STATEMENT

15 **CHAIRMAN GRAHAM:** Ma'am, welcome.

16 **MS. CORNETT:** Good afternoon. I'm Shirley
17 Cornett. You spell that C-O-R-N-E-T-T. I am the
18 Executive Director of Interfaith Ministries in Gulf
19 Breeze. My office address is 4435 Gulf Breeze Parkway,
20 32563.

21 I want to thank the members of the Commission
22 and the members of Gulf Power who are attending this
23 meeting today. Thank you for your patience and for the
24 respect that you have shown to all of the speakers. I
25 appreciate that very much.

1 I am not here to speak for myself today. I'm
2 here to speak for my clients, who are unable to get to
3 this meeting and speak for themselves. Interfaith
4 Ministries is a not-for-profit 501(c)(3) corporation.
5 We furnish financial assistance, food, clothing, and
6 through our Good Samaritan clinic, free medical care and
7 free medications to the under-resourced in our county,
8 in Santa Rosa County.

9 We average helping about 3,000 people per
10 year. A good 75 percent of those folks that come to us,
11 in addition to needing help with their rent, food, and
12 clothing, and other nonemergent items, need help with
13 their electric bill. We pay Gulf Power right at
14 \$150,000 a year to help our clients keep their
15 electricity turned on.

16 Just so you all know, I'm a stockholder in
17 Gulf Power, or Southern Company, and I'm certainly
18 interested in them turning a profit. But I really don't
19 believe that this is the time to turn an exorbitant
20 profit. I would be okay with less money for my stock if
21 they could give some consideration to those people that
22 we work with every day who are the under-resourced in
23 our county. And I must tell you that our increase in
24 people who are in situational poverty as opposed to
25 those who are in generational poverty has increased

1 tremendously, and we expect that increase to continue to
2 grow.

3 We appreciate the service that you give to the
4 taxpayers of the state of Florida, and we depend on you
5 to make the right decision for us. Thank you so much.

6 **CHAIRMAN GRAHAM:** Thank you, Ms. Cornett.

7 Hold on a second. We have a question for you.

8 **COMMISSIONER BRISÉ:** Thank you, Mr. Chairman.

9 Thank you, Ms. Cornett, for your testimony
10 today. And you mentioned that your organization offers
11 about \$150,000, or pays \$150,000 to Gulf for assistance.
12 Just for point of reference for me, what is the size of
13 your clientele, that helps me quantify the --

14 **MS. CORNETT:** Okay. We help anywhere between
15 3,000 and 3,200 people a year.

16 **COMMISSIONER BRISÉ:** Thank you.

17 **CHAIRMAN GRAHAM:** Thank you, Ms. Cornett.

18 Hold on.

19 Ms. Cornett, we have one more question for
20 you.

21 **COMMISSIONER BROWN:** Hi. I would remiss in
22 not thanking you for your service to this wonderful
23 organization. We all appreciate it, and I thank you.
24 I'm impressed, and I would love to know more information
25 about it.

1 **MS. CORNETT:** Okay. Well, one thing I did
2 fail to mention is that we are a volunteer organization.
3 We have 170 people who volunteer their time, both in our
4 medical clinic, and we operate a thrift stop, and in our
5 financial services office. With the Interfaith
6 Ministries and with Good Samaritan Clinic, we serve over
7 6,000 residents in Santa Rosa County every year, and all
8 of that is done with free help. And we thank you.

9 **CHAIRMAN GRAHAM:** Thank you, ma'am.

10 **MR. REHWINKEL:** Mr. Chairman, the last four
11 witnesses in this order are Richard Thomas, Jr., James
12 C. Nims, Jr., Brenda Mihalik, and Estelle Greenwood.
13 Those are the last four that I have signed up.

14 **CHAIRMAN GRAHAM:** Mr. Thomas.

15 RICHARD THOMAS, JR.

16 appeared as a witness and, swearing to tell the truth,
17 testified as follows:

18 DIRECT STATEMENT

19 **MR. THOMAS:** Thank you. Richard Thomas, Jr.,
20 474 Manowar Circle, Cantonment, Florida, of course,
21 32533. Thank you.

22 I was once asked what's the definition of
23 communications. My response was one speaks, the other
24 listens and understands. And certainly, my wife and I
25 are here today, you have listened. You have not been

1 interactive to the speakers, and we appreciate that.

2 I am a product of the corporate world.
3 Probably one of the largest corporation high-tech in
4 this world. At least we would like to think that. They
5 call it Big Blue. Last assignment, Managing Director
6 and Traffic Control. We have been here now for, what,
7 about 14 years, I believe, and it has been great. And
8 we are thankful for that.

9 Rate increase of Gulf Power. I have a small
10 list my wife provided to me just a few minutes ago just
11 as we were coming. Nine months in 2011, this is the
12 ninth month, and we have witnessed ECUA, not your
13 business, however, but you are users, I'm sure,
14 requesting a rate increase of 30-plus some odd percent
15 earlier this year. That is for garbage collection and
16 what have you.

17 The next thing, approval of septic tanks, that
18 is inspection. You know, where are we going here in
19 this state? This is for rural people who happen to be
20 under the septic tank system. We have got some real
21 problems here, and it's to be paid by the homeowners,
22 something that the homeowners did not request.

23 The next item I have, which is where we were
24 last night. The county commissioners are considering an
25 additional tax assessment on our properties. That is

1 for fire protection. We, as voters, must have control.
2 This isn't about fire. This is not about garbage
3 collection or anything like that. This is about people,
4 and right now I believe our people are under pressure to
5 financially just live, not just in this county, this
6 state, or even this country, but in this world. And we
7 need to take, as people, control.

8 Now, I'm not here to preach to you or anything
9 like that. I'm not that guy. I'm a businessman, and I
10 am still in business here, and I'm thankful. I would
11 rather live -- I have been all over the world, and, yes,
12 I do have about 16 years of reserve time. What we truly
13 need, that I tell my girls, as well as the college
14 system that I am on on an annual basis for IBM, let me
15 put it that way, for my company that I spent 31
16 full-time years in, what we really need is effective
17 business management. Effective business management.

18 Many of us might say what's good business and
19 what is not. And today, or when I discovered or found
20 out, as I mentioned to the Board of Directors at ECUA,
21 let's put our managing people or our executives to test
22 to effectively manage your travel, effectively manage
23 your expenditures, effectively manage your rental
24 equipment and those kinds of things. I operated a
25 business for almost ten years on my own here. I think

1 someone mentioned it earlier, and I don't mind saying
2 it, I was Cox Communication's primary contractor just
3 one year after I moved here. Because, because I proved
4 to them that I could do the job. And ten years later,
5 Cox, I'm done. And the contract, if you were here was
6 on an annual basis, if you know anything about Cox.
7 Absolutely. And the reason we were there for ten years
8 because of effective management, effective insurance
9 coverage, that kind of thing.

10 So my thing here is to ask the panel here --
11 and we certainly thank you -- let's take a look at
12 whether or not Gulf Power is actually using effective
13 executive management. And if we are doing those kind of
14 things, watching the nickels and dimes, watching the
15 mileage, watching the equipment, watching the
16 subcontractors that are here, we can cut costs. And do
17 not take the easy road out. The easy road out is
18 getting back to what this is all about. Not about
19 power, but your people. This is about the people of
20 this county.

21 I am reminded -- in finality, we were around
22 the country, I think, eight different times. That is
23 living in eight different areas of this country. And
24 the wife and I happened to have been going through the
25 Rochester, Minnesota airport, and I heard a voice. This

1 is a true story, and she is here today -- Richard.
2 Richard. And, was that me? Richard. I saw this
3 gentleman holding up something. I turned, and "I'm on
4 my way going back to my home." I said and you -- and I
5 looked at him. I think I have seen you on television,
6 sir. "My name is Ivan Koloff," is what he said. And I
7 said, yes, you are the Russian wrestler, right? He
8 said, "Yes, I am." If I go back to my home to my wife
9 and tell her that I met Richard Pryor and did not get an
10 autograph, she is going to kick me back to the United
11 States. And his hands were on my shoulder. A true
12 story. My wife is cracking up. Squeezing my shoulder.
13 And I took a piece of paper that he had, and I put
14 Richard T. -- well, my Ts sometimes look like a P. I am
15 Richard Thomas. And, folks, this is a true story. An
16 upon departing, he said, "Now remember when you" -- and
17 this is the point I really want to get across, not just
18 to Gulf Power, but to all of our businesses -- he said,
19 "Now, you remember when you get your opponent or your
20 client down, stick the boot in him." And my point here
21 now is do not allow Gulf Power to stick the boot in its
22 citizens of these areas, because their economic
23 conditions are really down. We thank you.

24 **CHAIRMAN GRAHAM:** Mr. Thomas, I want to thank
25 you for coming. I also want to thank you for your

1 service to the country.

2 **MR. THOMAS:** Absolutely. We appreciate it,
3 sir. Thank you. We thank you, guys.

4 **JAMES C. NIMS, JR.**

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

7 **DIRECT STATEMENT**

8 **MR. NIMS:** James Curtis Nims, Jr., 2813 Langly
9 Avenue, 205, Pensacola, Florida 32507.

10 The first point I would like to make is that
11 I'm very disappointed in this young crew we have got up
12 here, and I'm talking about almost everybody maybe
13 except for these two gentlemen over here. I don't know
14 if any of them -- this group, or this gentleman, or the
15 people up here including the ladies, and I believe in
16 ladies having power, too, have any military background.

17 Mr. Chairman, you said -- you thanked the
18 veterans for their service. If you are sincere and you
19 mean it -- I'm tired of hearing it. I'm a Vietnam
20 Marine. I get angry when somebody says that to me,
21 because their actions don't back it up. It makes people
22 feel good because you tell me you appreciate it. Show
23 me. Show me. These young veterans of Vietnam have
24 medical issues. If I had known then what I know today,
25 I would have put in a Cheney and a Bush, I wouldn't have

1 went because what have I accomplished? A 0.05 rate
2 increase to me is fair. That is not unreasonable. Do
3 you people have the power to do that, or do you have to
4 say yea or nay to their request? Say, look, we agree to
5 a 0.05 increase.

6 **CHAIRMAN GRAHAM:** Sir, I need you to back off
7 the microphone.

8 **MR. NIMS:** Am I too loud? It's from Vietnam.
9 I can't even hear. So I didn't know if you could hear
10 me? Can you hear me?

11 **CHAIRMAN GRAHAM:** It's just a little garbled.
12 If you can just back up a little.

13 **MR. NIMS:** Okay, thank you. I'm in a bank,
14 this guy taps me on the shoulder. I've been talking to
15 you for two minutes. I can't hear you over here. Get
16 over here. I love to talk. So, I mean, is this better.

17 **CHAIRMAN GRAHAM:** Yes, sir. Thank you.

18 **MR. NIMS:** I feel like our society, and I'm
19 blaming you, you -- the human factor is tossed out the
20 window. Profits, profits, profits, profits. I have
21 nothing wrong with a businessman or a business lady
22 making a profit, but how do they do it? Do they
23 overwork their workers? Did they lie to a customer? I
24 feel like we are not -- like the gentleman earlier, the
25 communication factor. Why is our society beating up on

1 people that can't defend themselves? It's the elderly,
2 the handicapped, and, Lord, forgive me, I believe
3 this -- I mean, I wasn't going to use a word
4 inappropriate for the ladies.

5 Our country has given the veterans the umph
6 (phonetic). You guys and gals say that you appreciate
7 us, you love us, but when it's your time to stand up
8 like this gentleman talked about his bill, why wouldn't
9 Gulf Power -- you guys are smart enough to say, look,
10 elderly, people that are really struggling, we know
11 there is two percent out that there are bums. That's
12 part of society. But why does 98 percent of us have to
13 pay for -- and this is what really irks me, I'm talking
14 to politicians. Why do you want to beat up the
15 98 percent for the 2 percent that is not doing anything.
16 And I'm tired of hearing that.

17 And the word profit. I have no problem with
18 profit, because people can't stay in business if they
19 are not making some money, but do it fairly -- Am I
20 getting too close? Like I said, it's a souvenir -- I
21 mean, like I really don't want to hear -- do it fairly.
22 And I honestly believe nobody answered my question. Do
23 y'all have the right to tell them, okay, this is what we
24 looked at, we have talked about, and we agree with a
25 0.05 increase? Do you have that right, or do you have

1 to say yea or nay?

2 Why don't you all have -- my Marine Corps
3 mindset is kicking in a little bit -- why don't y'all
4 have the intellect to do that? Be fair to everybody
5 involved. That kind of rate increase is going help
6 them. Why don't y'all -- why don't you have the -- I
7 know one reason is because y'all are politically
8 appointed, and that's a problem. That's my own personal
9 opinion. Have the leadership to do something like that.
10 Have some pride in yourself personally, and say, look,
11 I'm not going to do what the corporation wants. My
12 politicians and political friends are probably going to
13 beat me up for this, but be a leader and have the guts
14 to do it. Don't be afraid. Show you mean you love
15 America.

16 I cannot believe as a Vietnam Marine what I
17 went through in Vietnam, I'm up here talking, and
18 remember earlier about two and a half hours ago that
19 young lady that came up with the cane and could barely
20 get up here? Do you really think she wanted to come up
21 here and do this? Do you really think that was her goal
22 today to come up here and tell you she has problems and
23 issues? Do you think she got a kick out of doing that?
24 I don't.

25 I wish you would be leaders. Don't be a

1 political crony. Have some pride in yourself. Stand up
2 for something every now and then. And I'm disappointed
3 in y'all when you want to beat the EPA up. I can't
4 believe this. I can't believe it. I've got
5 grandchildren and I love them to death. I would do
6 something for them over an adult, and it happens all the
7 time. My son asked me to go fishing the other the day.
8 After Vietnam, I can't stand rain, fishing, camping.
9 You get me in an RV and we'll go. But they wanted to do
10 it and I did it. I want my grandchildren to have
11 something.

12 You people are destroying -- it's my country.
13 A lot of you politicians act like it is just your
14 country. It's my country, too. Act like you really
15 care. Show these elderly, and veterans, and the young
16 lady that was up here that works with people that need
17 help, show them that you -- you said you appreciate it.
18 Show her you appreciate it by doing the right thing.
19 Not 10 percent. I'm repeating myself. 0.05. And the
20 reason I brought that up, the energy charge is 0.0582
21 now. That is Gulf Power. I heard that one.

22 I appreciate your time. And I'm sincere,
23 folks, and you ladies. Ladies, show me you mean it.
24 Stand up for something. Have some pride in your country
25 and don't just do it because your political friends call

1 you off to the side, "Well, we've got to give them their
2 raise. You know how it goes. The corporations are
3 running the country. We've got to do it. We need that
4 political contribution later on down the line."

5 **CHAIRMAN GRAHAM:** Sir, you need to conclude.

6 **MR. NIMS:** I appreciate your time. And I'm
7 sincere here, folks. There is a lot of people out there
8 hurting. Don't show them that you don't care and think
9 about them buy voting for this. And I have said it four
10 times. I hope you remember my number? What was my
11 number? What was the amount of rate increase? I want
12 to see if you were listening.

13 **UNIDENTIFIED SPEAKER:** 0.05.

14 **MR. NIMS:** No, I'm asking these ladies and
15 gentlemen. What was my number?

16 **CHAIRMAN GRAHAM:** Sir, we need for the rest of
17 the people to come up and speak. We want to thank you
18 for coming.

19 **MR. NIMS:** All right. But don't tell me you
20 appreciate my service, because if you really mean it you
21 will do what I asked you to do. Thank you.

22 **CHAIRMAN GRAHAM:** All right, I won't say it.
23 Thank you, sir.

24 **BRENDA MIHALIK**

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

1 testified as follows:

2 DIRECT STATEMENT

3 MS. MIHALIK: I hadn't planned on speaking
4 today, but I kind of felt I ought to get up and say
5 something. I'm Brenda Mihalik, and I live at 1909
6 Stacey Road in Cantonment, Florida 32533.

7 Most of the people we have heard from are from
8 Pensacola, and I know there is an awful lot of people in
9 trouble financially in Pensacola. People where I live
10 have usually moved up there to raise their families
11 because it was cheaper than living in Pensacola. So we
12 don't usually make as much as the people in Pensacola,
13 and there are people who live out up north of me that
14 make even less.

15 Right now everybody is losing jobs. My
16 husband is lucky; he has got a job; he is working. I
17 lost mine a few years back, but I keep telling people
18 that they just retired me a little early. But right now
19 we are getting in tough times. We are living off of our
20 savings. He wanted to retire last year. He can't
21 retire now. He can't retire next year. We are barely
22 making it on what he makes now. When he retires, which
23 he really needs to do for medical reasons. He is not
24 one of these young kids anymore, and he works very hard.

25 My parents have lived in this area for a very

1 long time. My father has been retired for a long time.
2 Now they are facing many more medical problems. My
3 mother has dementia, which means they just don't want to
4 diagnose Alzheimer's. My daughter is disabled. My
5 father has been trying to support my daughter, who is
6 disabled, and a granddaughter who is now pregnant.
7 Every so often they come knocking at the door. They
8 can't make their electric bill this month. My electric
9 bill several times over the last six months has gone
10 over \$500. Then we have got to pay hers. I can't
11 afford to pay the increase for everybody. And I'm in
12 good shape. There's a lot of people out where we live
13 that are in much worse shape than we are.

14 So I'm just asking you to please keep my end
15 of the county in mind, too. There is good people --
16 there is people out there who are doing really well, but
17 not as many as there used to be so, please keep us in
18 mind.

19 **CHAIRMAN GRAHAM:** Thank you, Ms. Mihalik.

20 **MR. REHWINKEL:** Mr. Chairman, I have called
21 Estelle Greenwood. I don't see her. That is the last
22 witness that we have signed up.

23 **CHAIRMAN GRAHAM:** Welcome, Ms. Greenwood.

24 ESTELLE GREENWOOD

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

1 testified as follows:

2 DIRECT STATEMENT

3 MS. GREENWOOD: My name is Estelle Greenwood.
4 I live in Pensacola. My husband served in World War II,
5 Vietnam, and Korea, and you should thank your lucky
6 stars that he is not the one standing here right now,
7 because he would have something to say.

8 I just have one question. As I understand it,
9 Gulf Power is one of the many power companies owned by
10 Southern Company. And it seems to me from the
11 information that I got over the Internet that their
12 stocks are now higher than they were since 2006. They
13 are going up constantly. And my question is this, if
14 they are so affluent, then why do they need this
15 outrageous increase? I mean, is that why they are so
16 affluent, because we are paying for it? Think about it.
17 That's all I have to say. Thank you.

18 CHAIRMAN GRAHAM: Thank you, ma'am. That is
19 all the speakers we have.

20 Is there anybody in the audience that has not
21 gotten the opportunity to speak that we have missed
22 over, that had a card and had something they wanted to
23 add to the record? Seeing none.

24 I do want to take a moment to thank everybody
25 for coming out. Thank you for your time. I know we

1 have been here for a good four hours, and I know there's
2 a lot of things that people could be doing on a Thursday
3 morning other than sitting here giving testimony, but
4 your testimony is very helpful. It gives us a
5 first-hand understanding of what you are going through
6 and what this increase is going to do to you one way or
7 the other. And we will put all of this stuff into the
8 record, and we'll make our determination from there.
9 But, once again, we want to thank you for coming out.
10 And I hope you all travel safely home.

11 We are adjourned.

12 (The service hearing concluded at 2:00 p.m.)
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1
2 STATE OF FLORIDA)

3 : CERTIFICATE OF REPORTER

4 COUNTY OF LEON)

5
6 I, JANE FAUROT, RPR, Chief, Hearing Reporter
7 Services Section, FPSC Division of Commission Clerk, do
8 hereby certify that the foregoing proceeding was heard
9 at the time and place herein stated.

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

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

20 DATED THIS 30th day of September, 2011.

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JANE FAUROT, RPR
Official FPSC Hearings Reporter
(850) 413-6732