

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 120015-EI

In the Matter of:

PETITION FOR INCREASE IN RATES
BY FLORIDA POWER & LIGHT COMPANY.

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PROCEEDINGS: WEST PALM BEACH SERVICE HEARING

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

DATE: Thursday, June 14, 2012

TIME: Commenced at 4:00 p.m.
Concluded at 7:06 p.m.

PLACE: Solid Waste Authority of Palm
Beach County
7501 North Jog Road
West Palm Beach, Florida 33412

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

DOCUMENT NUMBER-DATE

FLORIDA PUBLIC SERVICE COMMISSION 04514 JUL-6 2012

FPSC-COMMISSION CLERK

1 APPEARANCES:

2 PATRICK BRYAN, ESQUIRE, Florida Power & Light
3 Company, 700 Universe Blvd., Juno Beach, Florida 33408,
4 appearing on behalf of Florida Power & Light Company.

5 ROBERT SCHEFFEL WRIGHT, ESQUIRE and
6 JOHN T. LaVIA, III, ESQUIRE, Gardner Law Firm, 1300
7 Thomaswood Drive, Tallahassee, Florida 32308, appearing
8 on behalf of the Florida Retail Federation.

9 J.R. KELLY, ESQUIRE, Office of Public Counsel,
10 c/o The Florida Legislature, 111 W. Madison Street, Room
11 812, Tallahassee, Florida 32399-1400, appearing on
12 behalf of the Citizens of Florida.

13 THOMAS SAPORITO, 177 US Hwy 1N, Unit 212,
14 Tequesta, Florida 33469, appearing on behalf of himself.

15 DANIEL R. and ALEXANDRIA LARSON,
16 06933 W. Harlena Drive, Loxahatchee, Florida 33470,
17 appearing pro se.

18 CAROLINE KLANCKE, FPSC General Counsel's
19 Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida
20 32399-0850, appearing on behalf of the Florida Public
21 Service Commission Staff.

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2 **CHAIRMAN BRISÉ:** Good afternoon, everyone. We
3 are going to call this hearing to order. Docket Number
4 120015-EI.

5 My name is Ronald Brisé and I have the
6 privilege of serving as Chair of the Public Service
7 Commission for this time. So I'm going to ask my fellow
8 Commissioners to introduce themselves at this time, and
9 I'm going to ask that we start from our left going to
10 our right.

11 **COMMISSIONER BROWN:** Thank you, Mr. Chairman.
12 Good afternoon. My name is Julie Brown, and it's nice
13 to be here in West Palm Beach.

14 **COMMISSIONER GRAHAM:** Good afternoon,
15 everyone. My name is Art Graham.

16 **COMMISSIONER EDGAR:** Hello. Lisa Edgar; I'm
17 glad to be here today.

18 **COMMISSIONER BALBIS:** Good afternoon. I'm
19 Eduardo Balbis, and I'm happy to be back in beautiful
20 West Palm Beach.

21 **CHAIRMAN BRISÉ:** All right. At this time I'm
22 going to ask our staff counsel, Ms. Klancke, to read our
23 notice.

24 **MS. KLANCKE:** By notice issued May 11th, 2012,
25 this time and place has been set for a customer service

1 hearing in Docket Number 120015-EI, petition for rate
2 increase by Florida Power and Light Company.

3 **CHAIRMAN BRISÉ:** Thank you very much. At this
4 time we're going to take appearances from counsel.

5 **MR. BRYAN:** Good afternoon. My name is
6 Patrick Bryan appearing on behalf of Florida Power and
7 Light Company.

8 **MR. KELLY:** Good afternoon. My name is
9 J.R. Kelly; I'm with the Office of Public Counsel. We
10 have the honor and privilege of representing the
11 customers in this rate case.

12 **MR. WRIGHT:** Good afternoon. My name is Schef
13 Wright, and I have the privilege of representing the
14 Florida Retail Federation in this case.

15 **MR. SAPORITO:** Good afternoon. My name is
16 Thomas Saporito. I am a nonattorney intervenor, a
17 private citizen.

18 **MS. KLANCKE:** Good afternoon. Caroline
19 Klancke, Commission legal staff.

20 **MS. LARSON:** Good afternoon. My name is
21 Alexandria Larson and I am a private citizen intervening
22 for the ratepayers of FPL rates. Thank you.

23 **CHAIRMAN BRISÉ:** Thank you very much.
24 Counsel, let me first begin by thanking all of
25 you for your presence here this afternoon and your

1 interest in the petition that has been filed by Florida
2 Power and Light.

3 We are here primarily because we want to hear
4 from you, the customers/consumers. We are interested in
5 hearing your opinions, your concerns related to the
6 company's request. We also have company representatives
7 that are present in the rear and in the lobby so that if
8 you have issues related to your bills and consumer
9 issues you may see them to see if you can have some of
10 those issues resolved.

11 We also have present with us some our staff
12 members, and as I say, I think they are the best staff
13 in government. And so I'm going to introduce a few of
14 them; Mr. Willis, Mr. Maurey, Ms. Draper, Ms. Muir, who
15 is in the lobby. Most likely if you signed up to speak
16 you interacted with her and she helped you sign in. Mr.
17 Durbin, who helps set us up with the audio/visual and
18 makes sure that these hearings run smoothly. And,
19 Ms. Faurot, who is our court reporter on this leg of our
20 hearings.

21 This is an official hearing that will be
22 transcribed and become part of our official record. As
23 such, at a later time you will be sworn in and your
24 comments will be part of the record. And also let me
25 state at this time that if you are not comfortable

1 speaking in public, the form that was provided to you,
2 the green form, there is a place for comments related to
3 the rate case, and you can fill that form out and make
4 it available to us in the rear, or you can mail it to
5 the Commission, or you can e-mail comments to the
6 Commission related to this case, and all of that
7 information weighs the same.

8 There is also another form that was made
9 available to you, which is a blue form, that relates to
10 smart meters. We have a separate track that is ongoing
11 looking at the issue of smart meters. So your comments
12 this afternoon, we trust and expect that those comments
13 will be related to this rate case. And if there is
14 anything related to smart meters that it will be related
15 to this rate case. Anything beyond that scope, please
16 make that available on these blue forms, and you can use
17 the form or e-mail us at the Commission.

18 Mr. Kelly from the Office of Public Counsel
19 will be calling you by twos. The first person he calls
20 will come up and speak, the second person, you should be
21 prepared, you are on deck to speak next. You should
22 also be aware that after you make your comments or you
23 provide your testimony, that you can be cross-examined
24 or questioned by the petitioner in this case, which is
25 FPL, or any one of the intervenors, or the

1 Commissioners.

2 Just so that you know, most of the questions
3 will be clarification questions coming to you. So if
4 they weren't clear on what you stated or something to
5 that effect, then most of the questions will be sort of
6 within that scope. If you are asked a question that is
7 beyond that scope, you have the right not to answer that
8 question. So we trust that everyone will govern
9 themselves appropriately.

10 I think that is everything I need to say prior
11 to our opening statements. Once again, I want to
12 reiterate that, you know, this customer service hearing
13 is really about hearing you, and we are going to try to
14 run it efficiently and effectively so that everyone has
15 the amount of time that we have allotted for them to
16 move forward and provide their comments. So at this
17 time we are going to move into hearing from the
18 Petitioner, which is FPL, and then from the Office of
19 Public Counsel, and after that from the Florida Retail
20 Federation, then Mr. Saporito, and then Ms. Larson.

21 The Petitioner and the Office of Public
22 Counsel will have eight minutes each. The Petitioner,
23 which is Florida Power and Light, will have the ability
24 to use a portion of their time at the beginning and
25 whatever the balance of that time is they will be able

1 to use that at the end to make comments with respect to
2 maybe answer some issues that may have been brought up
3 by some of the intervenors.

4 So with that, Mr. Bryan, the floor is yours.

5 **MR. BRYAN:** Thank you, Mr. Chairman.

6 And good afternoon, again. My name is Patrick
7 Bryan. I am an attorney for Florida Power and Light
8 Company. I want to first thank you all for coming out
9 this afternoon. We know your time is valuable and your
10 comments are very important to us.

11 In a moment you will hear from FPL's
12 Vice-President of Customer Service, Marlene Santos. She
13 will explain to you what we're asking for in this rate
14 case and why we're asking for it. But before she
15 speaks, I wanted to also inform you, as the Chairman
16 noted, we brought several customer service
17 representatives along with us today. If you have any
18 question or problem about your bill or your electric
19 service, please feel free to talk to them. They are set
20 up in a room just outside these chambers. If you go
21 out, hang a right, to the left and they are down the
22 hall.

23 They have computers so they can access your
24 account information readily, and they will do their best
25 to solve your problem or answer your question while you

1 are here today. So with that, I would like to introduce
2 Marlene Santos.

3 **MS. SANTOS:** Thank you, Commissioners, Mr.
4 Chair.

5 And most of all, thank you all for coming here
6 today. Like the Commissioners, we are here to listen to
7 you, so I will be brief. I'm very proud to be among the
8 10,000 FPL employees who work every day to provide you
9 with affordable, reliable, and clean electricity. While
10 we operate in a regulated environment that makes us the
11 only electric company in our service area, we work hard
12 to provide the prices, reliability, and service that
13 would cause customers, if they had a choice, to choose
14 us.

15 Consider this; FPL's typical residential
16 customer bill is the lowest in the state's 55 electric
17 utilities. A typical FPL residential customer saved
18 \$357 last year compared to the Florida utility average.
19 Even after the requested increase, we expect our bill to
20 remain the lowest in the state. Our service reliability
21 ranks in the top 25 percent of comparable utilities
22 nationwide. Our missions profile is one of the cleanest
23 in the country, and our customer service has been ranked
24 number one by a leading national study eight years in a
25 row.

1 We have accomplished this by investing in
2 clean, cost-efficient technologies, and keeping
3 operating costs down. For example, our investments in
4 efficient natural gas power plants have saved our
5 customers \$5.5 billion in fuel costs since 2001. Those
6 savings are the result of greater fuel efficiency, not
7 lower fuel prices, and that money goes right into the
8 pockets of our customers. It's like trading in your old
9 clunker for a new hybrid car. Savings from the lower
10 fuel prices are above and beyond the \$5.5 billion.

11 In addition, our strategy to switch to natural
12 gas helps our environment and keeps your money here in
13 America instead of buying foreign oil. This isn't just
14 about fuel; it's about having a vision and an investment
15 strategy that will provide benefits for many years to
16 come for our customers, our state, and our country.

17 We are also focused on benefits today. Our
18 investments in the smart grid and hardened
19 infrastructure have helped make our service more
20 reliable and efficient. In fact, because of our
21 investments and our focus on keeping operating costs
22 down, FPL is more efficient than 90 percent of the
23 nation's utilities. That translates into lower bills
24 for you.

25 We also work hard to be sensitive to the needs

1 of our less fortunate customers. Our care-to-share
2 program, which is funded by shareholders, employees, and
3 customers, help customers who are unable to pay their
4 electric bills. Approximately 68,000 Florida families
5 have received help through this program.

6 Our current rates are based on a multi-party
7 settlement approved by the Commission in 2010 and signed
8 by the Public Counsel and many of the same parties who
9 have intervened in this rate case. The current
10 agreement expires at the end of the year, which is why
11 we are filing at this time. This agreement effectively
12 froze our base rates for three years, but it also
13 allowed for cost-recovery for a new power plant and
14 temporarily addressed our return on equity needs. The
15 agreement allowed us to maintain earnings at an
16 acceptable level sufficient to attract the capital
17 necessary to continue to invest to provide you with
18 reliable service.

19 Now, to help us continue our successful
20 performance for you, we're asking for an increase of
21 \$7.09 a month, or 23 cents a day on the base portion of
22 a typical residential bill. With the latest estimates
23 for lower fuel used by our power plants and lower fuel
24 prices, this would actually result in a bill increase of
25 \$1.41 a month on the total bill, or about 5 cents per

1 day. For the small businesses that make up more than
2 80 percent of FPL's commercial customers, the net impact
3 is expected to be negligible and in some instances will
4 actually result in a net reduction.

5 So what will the increase pay for? First, is
6 a new clean energy center at Cape Canaveral. We will
7 have sent about a billion dollars on this facility when
8 it goes into service in June of 2013. This plant more
9 than pays for itself primarily due to fuel savings
10 estimated at more than a billion dollars over its
11 30-year operational life.

12 Second, is the impact of the accelerated
13 amortization of surplus depreciation which was ordered
14 by the Commission in 2010. While this provided a
15 temporary way to avoid a base rate increase at that
16 time, the surplus depreciation essentially runs out in
17 2013.

18 Third, we anticipate adding 100,000 new
19 customer accounts that we have a duty to serve, so our
20 request includes the costs of the infrastructure, the
21 poles and the wires to serve them.

22 Our request also includes an adjustment to our
23 return on equity, or ROE. Our current rates are based
24 on an authorized ROE midpoint of 10 percent, which is
25 the lowest of Florida's investor-owned utilities and in

1 the bottom third of the country, despite providing our
2 customers with the lowest typical bills in the state and
3 reliability that is among the best in the nation.

4 We are specifically asking for an allowed ROE
5 midpoint of 11.25 percent and a performance incentive of
6 one-quarter of one percent that would be allowed only if
7 we maintain Florida's lowest typical residential bill.
8 We are asking to be treated fairly when our performance
9 is compared to other investor-owned utilities in the
10 state, nothing more.

11 An appropriate ROE is crucial to our ability
12 to finance the billions of dollars in improvements that
13 keep reliability high and bills low and that create
14 thousands of jobs for you on your neighbors. On average
15 over the past five years our capital investments have
16 far exceeded our net earnings. In fact, FPL is the
17 biggest investor in Florida with plans to invest roughly
18 \$15 billion over the period 2010 through 2014.

19 We are a major taxpayer, too. Last year
20 alone, FPL paid more than one billion dollars in taxes
21 to the state and local governments. It's important to
22 note that even with our request, our 2013 bill will be
23 11-1/2 percent lower than it was in 2006. Compare that
24 to food and health care costs, which are both up
25 20 percent, or a gallon of gas up more than 40 percent.

1 We are proud of keeping bills low and making Florida an
2 even better place to live, work, and raise a family, and
3 we ask you for your support to continue doing so.

4 I know this is a lot of information. You can
5 learn more by reading the fact sheets available at the
6 door. We have asked a few local customers who have said
7 they value our service if they would be willing to share
8 their thoughts with you. We also want to hear from
9 anyone who has a complaint. We are a company of human
10 beings; and try as we may, we are not perfect. So if
11 that is what has brought you here, our customer
12 advocates are here to help you.

13 We appreciate your business and respect your
14 opinions. In closing, I assure you that we are
15 committed to exceeding your expectations today and
16 continually improving for tomorrow. Thank you so much
17 for coming.

18 **CHAIRMAN BRISÉ:** Thank you, Ms. Santos. So,
19 FPL, you have about 30 seconds left on your balance.

20 Mr. Kelly.

21 **MR. KELLY:** Good evening. Again, my name is
22 J.R. Kelly; I'm with the Office of Public Counsel. And
23 for those of you that are not familiar with our office,
24 we are a separate office. We are not part of the Public
25 Service Commission. We are funded by the Florida

1 Legislature, and we have one mission, one
2 responsibility, and that is to represent ratepayers in
3 front of the Public Service Commission in matters such
4 as these.

5 Now, why are we here today? We're here today
6 because Florida Power and Light has filed a petition to
7 increase their annual rates by \$690 million. That's
8 roughly a 16 percent increase over their current base
9 rates. We have intervened in this matter on your
10 behalf, and we are reviewing your filing, and we intend
11 to contest all those areas where we do not believe the
12 evidence will support their request.

13 What I want to state right up front to you is
14 this, this is not a case about personalities. You're
15 going to hear today, I'm sure, and may have personal
16 experience that Florida Power and Light is a good
17 neighbor, a good corporate citizen. They give a lot to
18 the charities in this area.

19 Folks, I don't dispute that at all. Florida
20 Power and Light is made up of a lot of good men and
21 women. Many of them are your friends and neighbors.
22 They are good folks, just like you and I are. This is
23 not a matter of a case of personality.

24 What the law sets up in Florida is this, FPL
25 is given a monopoly over a geographic area to provide

1 utility service. They must provide -- they must provide
2 safe and reliable service. In return, they are allowed
3 to recoup their expenses and they are given the
4 opportunity to earn a fair and reasonable return on
5 their investments.

6 What the law requires in this matter is
7 Florida Power and Light has the burden to prove to the
8 Commissioners up here that the future costs and charges
9 that they are proposing are reasonable and prudent, and
10 we will insist that the Commission ensure that the rates
11 you end up paying adhere to that standard.

12 Now, what are the issues that we are looking
13 at in this matter? Today I cannot crystalize all of
14 those specific issues for you. We currently have hired
15 about half a dozen experts in the areas of accounting,
16 cost of capital, and affiliated transactions, and they
17 are poring through a tremendous amount of discovery and
18 the filing documents that FPL has submitted in this
19 matter. And our testimony will be due on July 2nd. So
20 as we sit here today I cannot give you specifics, but I
21 will tell you areas that we are looking into.

22 First and foremost, we will contest their
23 excess profit that they are asking for, which is
24 11.5 percent return on equity. Bottom line is we do not
25 think that is reasonable. We think it is excessive

1 especially in light of today's economy and what other
2 utilities are earning. I think if many of you are
3 business people, or if you would ask your neighbors that
4 are businessmen and women, they would love to be earning
5 today a fraction of that amount.

6 Additional areas we're looking at, the amount
7 of salaries and benefits that FPL is requesting, the
8 reasonableness of their affiliate charges and
9 transactions. And affiliate charges, by that I mean
10 transactions they have in between their corporate
11 subsidiaries and parent. We're going to be taking a
12 very close look at their projections of future
13 customers' revenues and expenses, the prudence of the
14 company's expenses related to many of the plant upgrades
15 and modifications that Ms. Santos referred to. We're
16 going to be taking a very close looks at proportions of
17 equity and debt within their capital structure as they
18 relate to their parent, NextEra, and also how they
19 compare to utilities of like size and kind around the
20 nation. In addition, we will be looking at the proposal
21 for their future storm cost-recovery.

22 Now, we are here tonight, folks, because this
23 is your hearing. This is a customer hearing. This is
24 your opportunity to come up here and speak to the
25 Commissioners. They will make the decision of how much

1 you pay in rates. This is your chance to come up and
2 speak to them. I implore you, take advantage of that
3 opportunity. All I ask is this, be honest. If you
4 think Florida Power and Light is a good company, come
5 and say so. If you think they provide good service, say
6 so. If you don't think they provide good service, say
7 so. Whatever it is, you need to come up here and speak
8 to these Commissioners. Most importantly, you need to
9 let them know how this rate, proposed rate increase will
10 impact you and your livelihood.

11 Now, what I want to make sure you understand
12 tonight is this, what this case is not about. This case
13 is not about fuel. You're going to hear that. I'm sure
14 you have read it in newspapers in this area. You may
15 have read it when you picked up this special report that
16 talks about, oh, your rates will only go up 57 cents or
17 \$1.86. Folks, that has nothing to do with why we are
18 here tonight.

19 This is a request for an increase in base
20 rates. An increase that's going to be roughly \$7 per
21 1,000 kilowatt hours a month, okay. Fuel has no place
22 here tonight. We have a total separate hearing in
23 November in front of these Commissioners dealing with
24 fuel.

25 How does fuel work? Whatever FPL pays for

1 fuel, you pay for fuel. If their price goes up, your
2 price goes up. If their price goes down, your price
3 goes down. It's as simple as that. Thankfully, natural
4 gas prices are very low right now. I think they're
5 under \$2. That's fantastic. But no one -- not Florida
6 Power and Light, not these Commissioners, not me -- can
7 predict what natural gas prices will do next year. They
8 may double; they may go lower; we don't know. But think
9 back to 2007 and 2008. How many of you remember natural
10 gas prices were almost \$14 per MMBtu? Almost seven
11 times what they are today.

12 This case is not about fuel. It's about a
13 request for a 16 percent increase in your base rates.
14 Please, please take the opportunity to come up here and
15 speak to the Commissioners tonight. They want to hear
16 from you; more importantly, they need to hear from you.
17 Just be honest, speak from your heart. And I really
18 appreciate you being here tonight. Thank you.

19 **CHAIRMAN BRISÉ:** Thank you, Mr. Kelly.

20 Mr. Wright.

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

22 Good evening. Again, my name is Schef Wright
23 and I have the privilege of representing the Florida
24 Retail Federation in this case. Thank you all for
25 coming.

1 A brief personal note. I was born down the
2 road in Miami 62 years ago, and I have lived all but
3 nine years of my life in this wonderful state. I really
4 love this place. I have been doing energy issues in
5 Florida for more than 31 years, first for Governor Bob
6 Graham's Energy Office, then as a member of the PSC
7 staff for about seven years, and for the last 20-plus
8 years as a private sector attorney where I represent
9 customers, including the Florida Retail Federation,
10 cities and towns, counties, and renewable energy
11 producers.

12 The Florida Retail Federation is a statewide
13 organization of more than 9,000 members, from the
14 largest big-box, grocery, pharmacy, and department
15 stores, including Publix, Wal-Mart, Macy's, and Best
16 Buy, to literally thousands of mom and pop retailers.

17 In this case, the Retail Federation is
18 working, fighting as it were alongside your Public
19 Counsel and the other consumer parties in this case for
20 lower rates for all customers. We are not in this for
21 lower rates for commercial customers, we are in this for
22 lower rates for all of FPL's customers because we know
23 we are all in this together.

24 Now, Mr. Kelly, with whom I agree, I agree
25 with everything he said, he said we are here to hear

1 from you. We are. This is your hearing. Tell the
2 Commissioners what you think. If you think FPL does a
3 great job, tell them. If you have got beef, tell them.
4 If you think they ought to get some or all of their
5 requested increase, tell them that. If you think they
6 shouldn't get any, tell them that. But tell them what
7 you think.

8 The underlying reason that we are here is that
9 FPL has asked the PSC for its authority, which they
10 need, to raise their rates so as to get another
11 \$690 million a year of your money to provide their
12 service. To put this request in perspective, three
13 years ago FPL asked the Commission for authority to
14 increase its rates by more than one and a quarter
15 billion a year.

16 The PSC in that case, wisely in our view of
17 the world, decided to grant FPL an increase of about
18 6 percent of what they asked for, about \$76 million a
19 year. And since that time FPL and its parent, NextEra
20 Energy, have been doing just fine. They have had
21 consistently high profits. Its parent's stock price,
22 NextEra's stock price has increased more than
23 30 percent, and they have increased their dividend three
24 times in three years.

25 Now, at the Retail Federation we are business

1 people, and we know that every business, whether it's
2 Publix, Wal-Mart, Macy's, or Florida Power and Light
3 Company, needs enough revenues, enough money to provide
4 its goods and services, to pay its employees, and to
5 stay in business.

6 In this case, as a regulated monopoly where
7 you customers have no choice, it is FPL's duty to
8 provide safe and reliable service at the lowest possible
9 cost, and it's the Public Service Commission's role to
10 ensure that they do their job, to make sure they get
11 enough money, but only enough money to provide safe and
12 reliable service at the lowest possible cost.

13 Where we, the consumer representatives and
14 your Public Counsel differ with FPL is on the factual
15 question, how much money does FPL really and truly need
16 to do that job? They say they need another \$690 million
17 a year. We don't believe it. We're not convinced that
18 they need any more of your money at all in order to
19 continue doing their job.

20 Why not? Well, for starters, next year with
21 no rate increase at all their own projections show they
22 will recover about \$10.4 billion in revenues, of which
23 nearly \$1.2 billion will be profit. We believe their
24 requested profit rate is excessive. They have asked for
25 11-1/2 percent after taxes; that's 18.7 percent before

1 taxes. We believe that a much more reasonable and
2 realistic rate relative to current capital market
3 conditions, let alone today's economy, of 9 percent
4 frankly is generous. That is a before-tax rate of 14.4.
5 That's pretty good. That would cut their request in
6 half.

7 They have asked for their rates to be set
8 assuming a higher than we believe is prudent percentage
9 of high cost equity capital as opposed to lower cost
10 debt capital. Making an appropriate adjustment there
11 would cut their request by 100 million to \$200 million a
12 year. We believe they have used an unrealistic sales
13 forecast. Making appropriate adjustments would cut
14 their request by another 100 to \$200 million a year.

15 In short, we don't believe they have
16 justified, don't believe they can justify an increase
17 like they have asked for. And, by the way, they
18 mentioned they are adding a power plant, they are adding
19 a power plant, but adding a power plant does not equal
20 needing increased rates. Between 1985 and 2005, FPL
21 built something like 8,400 megawatts of generating
22 capacity. That is a third of their generating fleet
23 with no increase in base rates. And not only that, in
24 1999 and 2002, they agreed to settlements with consumer
25 parties that reduced their base rates permanently by a

1 total of \$600 million a year; it was 350 million one
2 time, and 250 the other time. Just because they are
3 adding a plant doesn't mean they need increased rates.

4 Finally, if the PSC denies their rate
5 increase, your bills will go down by the amount by which
6 FPL's fuel costs are going down. You are entitled to
7 those decreases because that's how fuel charges work.
8 Thank you very much for coming out and for listening to
9 what I had to say.

10 **CHAIRMAN BRISÉ:** Thank you, Mr. Wright.

11 Mr. Saporito.

12 **MR. SAPORITO:** I'll explain this in a minute.

13 Again, my name is Thomas Saporito. I am a nonattorney
14 intervenor. But most importantly, I'm an FPL
15 stockholder, and I do go to the stockholder meetings
16 because I'm a stockholder activist. I believe I have a
17 responsibility to make sure my company is doing its job
18 in all of our interests.

19 These people really work for me. I can't fire
20 them, not that they deserve to be fired, they are only
21 reporting to the higher-ups, but last year I went to the
22 stockholder meeting and I did ask the board of directors
23 to fire Lew Hay, who was the CEO at that time. He made
24 too much money, and I asked them to reduce his salary
25 and I told them just to fire him. I thought his

1 performance was in the toilet.

2 This year I went to the stockholder meeting
3 and he is being replaced now by Mr. Robo, and I think
4 Mr. Robo is going to do a much better job. So I would
5 urge y'all to buy some stock and attend these meetings.

6 I'm not an attorney, like I said, and there
7 are attorneys all over here, so they may get a little
8 excited when I make this next statement, because I'm
9 going to tell you right now I think FPL filed their rate
10 case in the wrong forum. They filed it before the PSC,
11 but I think it should be filed here, the garbage can.
12 Notice it says FPL rate case only.

13 This case is frivolous. It is without merit.
14 My company is morally and ethically bankrupt for
15 bringing it at a time of such dire economic conditions
16 in this country. Our president, President Barack Obama,
17 recently told us that the private sector economy is just
18 fine. Mr. Obama is not -- he's not speaking in the
19 interests of Americans. He is not in touch with
20 Americans. He is not in touch with reality. The fact
21 of the matter is Hewlett Packard laid off 27,000
22 workers; Astro Zinnia, 15,000 layoffs through 2013; IBM
23 is laying off people to the tune of 2,000 workers; Nokia
24 announced 10,000 layoffs. Just the other day the U.S.
25 Department of Labor reported 386,000 weekly jobs --

1 people filing for unemployment that lost another 386,000
2 jobs. You know -- is this working? I guess not. It's
3 not all Barrack Obama's fault because it's partly my
4 fault, I voted for him. I won't make that mistake in
5 November.

6 You heard the attorneys talk about the return
7 on equity of 11-1/2 percent. The Office of Public
8 Counsel said it's too much and the attorney intervenor
9 here, I think he said 9 percent. As a stockholder, that
10 is money that they want to take out of my pocket. I
11 think they're both wrong. I think that rates should be
12 at 6 percent. I'm willing to give back some of my
13 excess profit to you people. Six percent is a hell of a
14 lot more than the ten-year Treasury notes only paying
15 1.6 percent. Go try to get a CD, it's even going to
16 give you 2 percent. It's just absolutely absurd to come
17 here and try to get 11-1/2 percent.

18 This is an FPL rate buster. That's an
19 on-demand electric hot water heater. This only comes on
20 when you turn your faucet on. If you get rid of your
21 hot water tank, which is on all the time, 60 percent
22 less energy that uses.

23 This is FPL's website telling y'all how to
24 save energy. It says right here, appliances are a major
25 source of energy and can drive your electric bills.

1 This is the only appliance that's not on here. But you
2 know why, because -- here's why. They want to build
3 more power plants. They want to take -- a one billion
4 dollar power plant they want to build, and they say this
5 will pay for itself over time, but they want you to pay
6 for it now.

7 It's going to generate 1250 megawatts, but
8 it's only going to power 250,000 homes. An on-demand
9 electric water heater saves you 60 percent of your
10 electric power that would normally take you to heat that
11 hot water. It saves it now. It only costs \$200 per
12 customer and it's going to benefit 4.6 million FPL
13 customers. I mean, you don't have to be a rocket
14 scientist to figure this out.

15 This case is frivolous. We don't need more
16 power plants. The reason that device is not on FPL's
17 website is very clear. If all the customers put this in
18 their homes, FPL would have to shut down power plants,
19 not build more.

20 This case is about one issue only, it's about
21 money. My company wants more money out of your pockets.
22 11-1/2 percent more, which equates to about a 16 percent
23 raise. Who here got a 16 percent raise? The teachers
24 are getting laid off. The budgets are strained in every
25 county, including my county right here, Palm Beach

1 County. I live up here in Jupiter. It's ridiculous.
2 My best friend can't get a job. They are going to lose
3 their home. They can't make the mortgage payments
4 anymore. I have seen them sleeping on sidewalks in
5 Jupiter and park benches. Thank you.

6 **CHAIRMAN BRISÉ:** Thank you, Mr. Saporito.

7 Ms. Larson.

8 **MR. LARSON:** I'm going to try to read it from
9 the podium, but the light is much better here. I might
10 end up back here. If you will just bear with me. I'm
11 blind. Let's start there.

12 Thank you. That was wonderful. Thank you for
13 coming today, everybody. I wish the room was more
14 packed, but I realize -- I do think this was a bad venue
15 for this meeting, because I don't think a lot of people
16 know where the Solid Waste Authority is. I'd like to
17 make that statement to start with, because truly our
18 taxpayers do not know what this -- they have never been
19 to this arena ever.

20 But, thank you, Commissioners. I'm Alex
21 Larson. I'm speaking on behalf of my husband. We are
22 intervenors. I am not an attorney. I care about us. I
23 think this is the most obscene rate case I have seen
24 since the 1.3 billion last time. As FPL ratepayers, we
25 intervened in this rate case because we do not believe

1 FPL is entitled to this outrageous rate increase that
2 they have requested. They just don't deserve it, I'm
3 sorry, not in this economy.

4 Unfortunately, the greed of FPL has no
5 boundaries. Facing the greatest recession since the
6 Great Depression, high unemployment rates, Floridians
7 are struggling to pay their bills and make ends meet.
8 Senior citizens cannot pay for their prescriptions, yet
9 FPL has the audacity to demand an 11.25 percent profit
10 from their -- you know, the new Commissioners that are
11 sitting here today, because there was another set of
12 Commissioners that sat in on the last rate case.

13 What has changed from the last rate case to
14 justify such a request? Absolutely nothing except that
15 we now have FPL -- you know, the Public Service
16 Commission. At the urging of a very big campaign up in
17 Tallahassee, they changed all the Public Service
18 Commissioners save for one, Ms. Edgar. She did survive
19 that.

20 Is the rate increase justified? No. In
21 Florida's history in 2010, FPL complained to the Public
22 Service Commission, they complained about the decision
23 to deny their \$1.3 billion rate case would cause
24 terrible things to happen. Just four weeks later after
25 the rate case, history had already shown that the prior

1 Commission had made the right decision as evidenced by
2 the facts that, A, FPL and its parent company, NextEra
3 Energy, reported record earnings. Four weeks later,
4 amazing. They really needed that 1.3 billion.

5 FPL was able to raise half a billion dollars
6 at favorable interest rates, something it said it would
7 be unable to do. FPL's parent company raised its
8 quarterly dividend by 6 percent. All these things
9 happened very quickly.

10 In the two years since the denial of the
11 largest unjustified rate request in Florida's history,
12 FPL's parent company has raised its quarterly dividends
13 by 26 percent. These dividends are funded by FPL
14 ratepayers. The stock of FPL's parent company is
15 currently trading at a 52-week high. They're doing
16 really good.

17 Now FPL is once again making outrageous
18 demands. The problem is that FPL management has no
19 credibility, based upon what it said after the last rate
20 request denial. FPL has a track record of crying wolf
21 and will use any means necessary to get its way. As an
22 illustrative example, FPL led by Eric Silagy
23 (phonetic) -- I don't know if I messed up his name, I
24 apologize -- used its money and power to lobby the
25 legislature to purge four of the Commissioners who

1 denied the last FPL rate request. Former Commissioner
2 Nancy Argenziano, Steve Stevens, David Clement, and
3 Nathan Skop all lost their jobs for being fair and
4 honest Commissioners, because they said no to an
5 outrageous demand of Florida Power and Light. I thought
6 was the saddest something I ever saw.

7 As for the remaining, we have one -- like I
8 said, we have one Commissioner who survived it. She did
9 okay. She tried her best. And we have Governor Scott;
10 he has decried high electric rates in Florida, and yet
11 has been silent regarding this rate increase. He hasn't
12 said a word. Could this be because FPL has donated
13 \$250,000 to his reelection campaign? Unlike Bill
14 McCullum, current Attorney General, Pam Bondi, also has
15 not intervened in this case. FPL gives generously to
16 our elected officials. He flies certain people running
17 for office, like Connie Mack and other politicians
18 around on their private jet. They have logs. You can
19 all pull them.

20 Floridians like us deserve to have a fair and
21 impartial Public Service Commission, and I think we have
22 one sitting here, hopefully. With respect to the current
23 rate request, FPL is asking for roughly half of the
24 \$1.3 billion that they asked for at the last rate
25 hearing. Once again, FPL is recycling the same failed

1 arguments from the last rate case. The same exact
2 campaign that they are doing.

3 Somebody's tape recorder is there.

4 Despite the expensive FPL media campaign,
5 which is not working, FPL ratepayers deserve to know the
6 facts regarding the proposed rate increase. You're
7 going to have -- I'm regurgitating some of everything
8 somebody said today.

9 One, having the lowest interest -- lowest
10 rates in the state does not provide legal basis or
11 justification for a rate increase. I've got all of my
12 bills from 1983, people. My bill has never gone down.
13 I literally pulled all of my bills. I have them. I
14 don't shred anything. I keep them. Never, never has it
15 gone down. Never has the kilowatt hour changed.

16 **CHAIRMAN BRISÉ:** Ms. Larson.

17 **MR. LARSON:** I'm sorry, I'm going to do it
18 real quick. A \$690 million rate hike is not necessary
19 for FPL to continue generating healthy profits. If the
20 Commission denied FPL's rate increase, our total
21 electric bills would actually go down because of lower
22 fuel costs. An 11.25 percent return on equity is
23 outrageous under prevailing economic conditions. We
24 can't pay our bills. Return on equity has nothing to do
25 with the ability to make investments because FPL

1 receives full cost recovery once a plant is in
2 operation. That's how the system works.

3 **CHAIRMAN BRISÉ:** Your time is up.

4 **MR. LARSON:** I'm almost there. FPL already
5 receives an allowance for funds used during construction
6 allowing FPL to accrue interest and other carrying
7 costs. FPL is not legally entitled to cost-recovery
8 until a plant is placed into service. FPL has never
9 been denied a base rate increase once a plant has been
10 placed into service.

11 In closing, we believe that the FPL rate
12 request should be denied by the new Commissioners now
13 sitting before you. FPL should withdraw the rate case
14 or extend the existing base rate settlement for a period
15 of an additional two years. Now is not the time for FPL
16 to increase their rates. They need to stop the greed.
17 Thank you.

18 **CHAIRMAN BRISÉ:** Thank you, Ms. Larson.

19 **MR. LARSON:** I'm sorry, I have a cold, so I'm
20 a little slow today.

21 **CHAIRMAN BRISÉ:** Okay. Thank you.

22 We are done with -- no, we're not done with
23 opening statements. FPL, sorry, you have 30 seconds.

24 **MR. BRYAN:** Thank you. I'll try to use it
25 wisely. You heard the Office of Public Counsel and

1 others talk about fuel and fuel prices, what this case
2 is about and what it's not about. Respectfully, what
3 this case is about is a history of vision and prudence
4 exercised by FPL over the years to produce the lowest
5 cost, most fuel-efficient, cleanest power plants in the
6 state today, and in turn the lowest cost customer bills.
7 Saving billions of dollars in fuel has simply been a
8 by-product of that vision. Investing millions of
9 dollars today in state-of-the-art, clean, fuel-efficient
10 technology results in customer savings of billions of
11 dollars tomorrow for our customers. In our view, that
12 is a wise and prudent course and it ought to be
13 continued. Thank you.

14 **CHAIRMAN BRISÉ:** Thank you.

15 Do you have an exhibits?

16 **MR. BRYAN:** Yes. Mr. Chairman, at this time I
17 would like to offer an affidavit of publication from the
18 Palm Beach Post, which demonstrates that Florida Power
19 and Light Company advertised this quality of service
20 hearing in compliance with Commission rules.

21 **CHAIRMAN BRISÉ:** Thank you very much.

22 If you would make that available to Ms.
23 Klancke on this side.

24 **MS. KLANCKE:** That will be Exhibit Number 22,
25 and the short title will be affidavit of publication.

1 **CHAIRMAN BRISÉ:** All right. Thank you very
2 much.

3 (Exhibit 22 marked for identification.)

4 **CHAIRMAN BRISÉ:** A couple of housekeeping
5 things before we move forward. If you have a cell
6 phone, please turn it off or put it on vibrate so that
7 we are respectful to each other as we are speaking.

8 I also failed to mention when we spoke a
9 little bit about smart meters, I failed to mention that
10 the Commission is hosting a staff workshop on that issue
11 on September 20th, so all of your comments that you are
12 going to use the blue forms for will be taken into
13 consideration between now and then and be used at that
14 workshop.

15 There's a couple of people that I need to
16 recognize before we go into swearing in those who are
17 going to speak this afternoon. We have the Honorable
18 Dr. Daniel Cumerford from the town of Jupiter Inlet
19 Colony. I wasn't sure if he wanted to speak or just
20 wanted to be recognized.

21 **DOCTOR CUMERFORD:** I do want to speak, Mr.
22 Chairman.

23 **CHAIRMAN BRISÉ:** Okay. Do you want to provide
24 testimony, or did you want to make comments?

25 **DOCTOR CUMERFORD:** Provide testimony.

1 **CHAIRMAN BRISÉ:** Okay. So you will be sworn
2 in. Perfect.

3 We also have Mr. Andrew Watt (phonetic) from
4 Representative Patrick Rooney's office, who is present.
5 Thank you for your presence this afternoon.

6 And we also have Kimberly Diaz from
7 Representative Abruzzo's office who is also present.
8 Thank you for your presence this afternoon.

9 We also like to run an efficient meeting that
10 requires some work on all of our parts. It requires
11 that we manage our emotions, so therefore we prefer, and
12 actually we won't tolerate outbursts, clapping or booing
13 or any type of thing of that nature. Everyone is
14 entitled to their opinion, and their testimony in many
15 cases is this opinion, so therefore we will respect
16 that. And we up here, we will do our absolute best to
17 treat you with respect, and we trust that you will do
18 the same with us. So we are thankful in advance for the
19 way we are going to move forward in this hearing.

20 At this time if you have been -- if you are
21 interested in providing testimony today and you have
22 filled out a form, if you don't mind standing with me
23 and raising your right hand so we can swear you in.

24 (Witnesses sworn.)

25 **UNIDENTIFIED SPEAKER:** Should we have sworn in

1 the FPL people?

2 **UNIDENTIFIED SPEAKER:** Yeah, you got it.

3 **CHAIRMAN BRISÉ:** No, they are putting on a
4 case. So, you know, their responsibility -- just the
5 like the other intervenors, we didn't swear them in,
6 either.

7 **MR. LARSON:** (Inaudible.)

8 **CHAIRMAN BRISÉ:** Thank you, Ms. Larson. They
9 are not providing testimony. They are presenting a
10 case, and that is their role.

11 So at this time, Mr. Kelly.

12 **MR. KELLY:** The first speaker is Mr. Brian
13 Galvin followed by -- and I apologize -- Carol is it
14 Chouinard?

15 **MS. CHOUINARD:** Yes.

16 **CHAIRMAN BRISÉ:** Okay. As you come up -- you
17 may come up. As you come up to speak, when you begin
18 please state your name, your address, and phone number
19 so that we can have that for the record. And there is a
20 little device which has some lights. I know that one
21 has two devices, the larger square one, please pay
22 attention to the lights. Green means that you can
23 continue talking. Yellow means that, you know, it's
24 time to wrap it up. And when it's red you should have
25 wrapped up already. And if by chance it starts

1 blinking, you should have left that area.

2 **MR. GALVIN:** I don't think I'll be here quite
3 that long. Thank you.

4 **CHAIRMAN BRISÉ:** So you on average will have
5 two minutes to --

6 **BRIAN GALVIN**

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

9 **DIRECT STATEMENT**

10 **MR. GALVIN:** Well, that will be enough. I'm
11 not a public speaker. I'm not here to talk about
12 Barrack Obama or to sell water heaters. And all these
13 numbers or these percentages kind of gave me a headache.
14 I'm not qualified to speak about all that. What I can
15 tell you is that I have seen that FPL's infrastructure
16 is improving. They have done a lot of work during
17 hurricanes. My own personal service with FPL has been
18 exquisite. I have been involved with supermarket
19 repairs for my entire life in two different states. FPL
20 has been on the spot with every issue that I have had
21 and the companies that I have worked for, and I cannot
22 argue with the quality of service that they provide.

23 I don't know if the rate increase that they
24 are requesting is necessary, but I do know that the
25 entire infrastructure needs to be built up. Florida is

1 growing; they need more power. They need to better
2 provide for storm damage, and what I have seen from them
3 doing that has been exemplary.

4 That's all I've got to say.

5 **CHAIRMAN BRISÉ:** If you would provide -- I
6 missed you name. If you provide --

7 **MR. GALVIN:** Oh, I'm sorry. It's Brian
8 Galvin, I'm at 16933 72nd Road North in Loxahatchee.

9 **CHAIRMAN BRISÉ:** Thank you very much.

10 **MR. GALVIN:** In all the hurricanes we have
11 had, I have never been without power for more than 24
12 hours, so I give them a thumbs up for that.

13 **CHAIRMAN BRISÉ:** Thank you very much. I don't
14 know if any intervenors have questions, or
15 Commissioners, any questions?

16 Seeing none, thank you very much.

17 **MR. GALVIN:** Sure.

18 **MR. KELLY:** After Ms. Chouinard -- is that
19 correct?

20 **MS. CHOUINARD:** Chouinard.

21 **MR. KELLY:** Chouinard is Leslie Telford.

22 **CAROL CHOUINARD**

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

25 **DIRECT STATEMENT**

1 **MS. CHOUINARD:** My name is Carol Chouinard.
2 I'm at 1625 Southeast Harp Lane in Port St. Lucie. Do
3 you need my phone number?

4 **CHAIRMAN BRISÉ:** Please.

5 **MS. CHOUINARD:** 772-344-8076. I'm here to
6 talk to you about my granddaughter. Jamie is 25 years
7 old. She rents an old small house in Port St. Lucie.
8 Her electric bills are high due to the condition of the
9 house and the age of the air conditioning unit. Her
10 only income is a disability check which allows her to
11 survive very frugally. An increase in the base rate
12 will be an added hardship for her. Even a small raise
13 in her bill will adversely affect her. Does she pay her
14 whole electric bill this month or do without one of her
15 medications or perhaps not go see the doctor when she had
16 to.

17 This isn't a choice that she should have to
18 make because her electric bill went up. Please don't
19 grant this rate increase. FPL doesn't need it, and the
20 many Florida residents who are already struggling to pay
21 their bills don't need the increase, either. Thank you.

22 **CHAIRMAN BRISÉ:** Thank you, Ms. Chouinard.

23 Are there any questions for Ms. Chouinard?

24 Thank you for your testimony this afternoon.

25 **MR. KELLY:** After Ms. Telford is Robert

1 Tibbetts.

2 **LESLIE JOHN TELFORD**

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

5 **DIRECT STATEMENT**

6 **MR. TELFORD:** Good afternoon. My name is
7 Leslie John Telford, 6950 Springville Cove in Boynton
8 Beach. My phone number is 561-740-9880.

9 I am a retiree whose sole source of income is
10 from Social Security and a small state pension. I have
11 a wife and two adult kids, all of whom lost their jobs
12 and now live with me. We are living on the edge. Our
13 house uses an average of 1500 kilowatts per month. And
14 according to projected estimates, we pay approximately
15 10.50 per month. If the request increase requested by
16 FPL is approved, where will I get these additional
17 funds?

18 Currently I have several prescriptions which I
19 do not take because I cannot afford them. There is one
20 I currently take which cost \$22 per month for 30 pills.
21 To pay an increase of 10.50 on my FPL bill, I will have
22 to buy only 15 pills per month and take half each day
23 and pray that I survive. And I'm sure there will be
24 hundreds of others, especially retirees who rely solely
25 on Social Security for survival who will have to make

1 similar or even more drastic life-threatening decisions
2 to pay an increase, since we will not have a choice.

3 My question to this Commission is did FPL
4 investors complain about the current rate of 10 percent?
5 Where can they get 10 percent or better on any
6 investment that is legal and risk free? Can they live
7 with themselves when they receive bigger dividend checks
8 which they really don't need, knowing that there are
9 hundreds maybe thousands of us who will have to suffer
10 to facilitate these payments.

11 If the investors did not request an increase,
12 why has FPL decided to create this hardship situation
13 for their customers in these difficult economic times?
14 What do they have to gain?

15 In conclusion, please consider the
16 consequences of this action on the elderly, sick, and
17 children, and do everything in your power to ease some
18 of the suffering by possibly lowering rather than
19 raising rates. Thank you.

20 **CHAIRMAN BRISÉ:** Thank you, Mr. Telford.

21 Are there any questions for Mr. Telford?

22 Seeing none, thank you for your testimony this
23 afternoon.

24 **MR. TELFORD:** Thank you.

25 **MR. KELLY:** After Mr. Tibbetts is James Casey.

ROBERT TIBBETTS

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

DIRECT STATEMENT

4
5 **MR. TIBBETTS:** My name is Robert Tibbetts. I
6 live at 533 Aspen Road in West Palm Beach, Florida;
7 561-683-0039, and I'm an AARP member.

8 Speaking for the consumer, the people that
9 live at the bottom of the hill, and as we all know
10 manure rolls downhill, when they get this 16 percent
11 rate increase, not only is my bill going to go up, but
12 I'm sure the guy from the Retail Federation is going to
13 tell you that their bills are going to go up. They are
14 going to pass that rate increase on to the consumer. I
15 have no one to pass it on to. So when my rates go up,
16 then the price of all the goods that I consume go up,
17 where is this money going to come from? I don't know.
18 Nobody knows.

19 FPL makes a lot of money, all right. They pay
20 a lot of taxes to state and local government, but what
21 they didn't tell you was that their parent company,
22 NextEra, pays negative federal income tax. They not
23 only don't pay tax, they get a credit which more than
24 covers the amount that FPL pays at a state and local
25 level. They are not losing any money on their overhead.

1 They actually are making more money.

2 I just don't understand. I'm not a lawyer,
3 and I'm not a businessman, and I don't understand how
4 they can justify raising their rates when they say they
5 want to invest capital and they need more money to raise
6 capital to invest, but if I'm not mistaken, there is a
7 proposed temporary rate increase for them to raise
8 \$2 billion to build two nuclear power plants that may or
9 may not get built or may or may not be approved. And if
10 the rate increase goes through for that, once they're
11 built they will become capital or they will become
12 equity that we'll have to pay a return of investment on.
13 And if they don't get built, then FPL in their proposal
14 as it is worded gets to keep that money without having
15 to rebate it to the customer.

16 I just don't understand that. Most of my
17 other concerns have been addressed by the intervenors,
18 but I will say this. After Hurricane Wilma we were out
19 of power for 25 days. Thank you.

20 **CHAIRMAN BRISÉ:** Thank you for your testimony.

21 Are there any questions for Mr. Tibbetts?

22 Seeing none, thank you for your testimony.

23 **MR. KELLY:** After Mr. Casey is Dennis Grady.

24 **JAMES CASEY**

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

1 testified as follows:

2 **DIRECT STATEMENT**

3 **MR. CASEY:** Good afternoon. My name is James
4 Casey. I live at 423 Narrowleaf Court, Royal Palm
5 Beach. My phone number is 561-333-2225.

6 Happy Flag Day to everybody. I'm a very proud
7 American. I belong to the family of FPL, too. I call
8 mine the Friendly Pennywise Likable Customers of FPL.
9 We people are concerned about the bills. They are
10 outrageous. Customers who disagree with the rate
11 request, remind them that rates never go down, they're
12 forever. Once the increase is there, it is forever.
13 Don't forget that. You tell me the last time that one
14 was rescinded.

15 You already have a monopoly right now, FPL,
16 which is you're supposed to service the people with no
17 competition, the opportunity to keep costs down and
18 profits up. It's a win/win situation for you. However,
19 you have to keep in mind that it seems like your eye is
20 not on -- its agreed. It seems like too much has gone
21 up, and nothing seems to come back to the consumer.

22 We, the people, have an interest in showing a
23 little bit of mercy on us. All the figures that were
24 flipped around right here, I could talk for half an hour
25 about now. I'm shocked at some of the things I'm

1 hearing about.

2 I'm endorsing what State Senator Mike Bennett
3 said. He states that rate increases aren't acceptable
4 with unemployment in Florida at 8.7 percent. I concur.
5 Across the country we have got an 8.2 percent
6 unemployment, which is really about 14 percent. We're
7 actually in a recession comparable to the 1930s, because
8 that's the year I was born. That's how bad it is. You
9 couldn't find work. These people can't find work.

10 This is a win/win situation for FPL. They
11 have nothing to lose. We absorb all their costs. If
12 they don't get that, they will be back for another one.
13 They must have three or four rate increases in the
14 drawers of their desk at home. They've got a ten-year
15 plan for outing the different plants that they have. I
16 did when I was running a business, so I know what you
17 have to do, but I thought of my customers first.
18 Without a customer you don't have a business. So that's
19 what I think their motto should be. That's one of the
20 first things I wrote down, that I would like to FPL have
21 a motto, customers always come first.

22 With the customer you have a business.
23 Without a customer you have no business. Why don't you
24 think of us first? When you ask for that rate increase,
25 how is it going to effect all the millions of people in

1 the state? You have no competition. It's outrageous
2 what they do with their money.

3 The ROE is 10 percent return on equity. I
4 just heard these comments before. It's ridiculous. You
5 can't get a CD, you can't get any interest money
6 anywhere in the market. They recommend in New York and
7 Wall Street as of the 1st of May to buy utility stocks,
8 because they return a good return on investment and the
9 dividend is very high. So if they can't raise money and
10 can't sell their stock in this market there is something
11 wrong. They've got a gold mine just waiting for it.

12 I suggest that the Governor and the Attorney
13 General get together and revisit the agreement that
14 awarded FPL this damn monopoly in the first place.
15 There is something wrong with it. When I was young,
16 monopolies were capitalized at 4 percent to 6 percent
17 and they kept growing. Your profit is in the growth of
18 your customer base and it keeps growing. In the last
19 three years 100,000 people would get on-line with FPL,
20 new customers have moved down here. They are averaging
21 about 35,000 new customers a year.

22 With that I'll wrap it up. I knew I had more
23 things to say because of what everybody else said. I
24 thank you very much for the time. I would just add at
25 the very end that I thank you very much. Join the

1 friendly, likable, pennywise people that FPL should be
2 like, and customers of yours with ambition like yours
3 should stop the rate increases. And I thank you very
4 much for listening.

5 **CHAIRMAN BRISÉ:** Thank you, Mr. Casey. Don't
6 go anywhere. I don't know if there is any questions for
7 you, and it likes there might be one from Mr. Saporito.

8 Mr. Saporito.

9 **MR. SAPORITO:** Thanks for coming out tonight.
10 Just a quick question. You gave some testimony about
11 FPL being a monopoly utility and mentioned the Attorney
12 General, so the question is if you got the Attorney
13 General involved with a utility like FPL being an
14 monopoly, and there was an action that caused FPL to
15 split up into several other utilities, would that give
16 you a better choice of rates?

17 **MR. CASEY:** No. I would prefer one company.
18 I would recommend it. That's the best thing. I studied
19 this in business back in college when I went to college.
20 I called PG&I, which is Philadelphia Gas and Electric.
21 They're no longer in business. Their headquartered in
22 (inaudible) or something like that in Chicago. It's
23 crazy. They've all merged together. They are all
24 capitalizing in the advantage of this electrical system
25 and the cheap gas that we can get right now out of

1 Texas. They are all trying to monopolize on that.

2 So what I want the Attorney General to do,
3 along with the Governor, is to revisit the contract.
4 The contract is written -- and this is a paragraph in
5 it -- when I was young the way they were written is that
6 the customers' benefits came first and their profits
7 would come later. They had to manage that business so
8 that they would make a profit. I believe the profits
9 are so exorbitant. They are not prudent the way they
10 spend the money. What do you think they're going to do
11 with this billion dollars they've got? I was just going
12 to ask her a question about that. They had a
13 situation -- (Simultaneous conversation.)

14 **CHAIRMAN BRISÉ:** Mr. Casey.

15 Mr. Casey, please address the Commission.

16 **MR. CASEY:** I apologize. Didn't they just say
17 that it was going to cost a billion dollars for that
18 plant that is going to go on next year?

19 **MR. SAPORITO:** Yes, sir.

20 **MR. CASEY:** Okay. Profits expected next year
21 is \$1 billion. If they took half the profits over the
22 last five years they would have a paid for that without
23 getting any additional raise at all, and they got
24 refused the last time you had a rate increase, which was
25 astronomical. They asked for over a billion dollars.

1 They are not prudent in how they spend our money.

2 That's what is wrong.

3 **CHAIRMAN BRISÉ:** Thank you for your testimony.

4 **MR. CASEY:** I'm passionate about this. I
5 think it's a wonderful company. I've told every one of
6 these officers, my whole family is pleased with them,
7 but they don't watch our money right. Thank you very
8 much. Thank you all.

9 **CHAIRMAN BRISÉ:** Thank you.

10 **MR. KELLY:** After Mr. Grady is Lynne Purvis.

11 **DENNIS GRADY**

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

14 **DIRECT STATEMENT**

15 **MR. GRADY:** Good evening. Mr. Chairman,
16 Commissioners, members of staff, take a deep breath.
17 I'm not here to talk about the case in front of you. My
18 name is Dennis Grady. I'm CEO of the Chamber of
19 Commerce of the Palm Beaches, and I'm here to welcome
20 you to Palm Beach County.

21 I've had the pleasure of serving in this
22 position for 26 years now, and I have welcomed many who
23 have sat in those chairs before you to our community.
24 We appreciate the Commission bringing this hearing to
25 our community and applaud your commitment to public

1 input and access. And I want to issue a special welcome
2 to Commissioner Balbis. Eduardo, who is familiar to
3 many of us here in Palm Beach County when he served as
4 Assistant City Manager in the City of West Palm Beach.
5 Ed, welcome home.

6 FPL does have its corporate headquarters in
7 Palm Beach County, and I'm pleased to tell you that.
8 It's one of our major employers, an excellent corporate
9 citizen as the Public Counsel stated in his opening
10 remarks.

11 I'm not a stockholder. Nobody from FPL asked
12 me to be here. As I said, I was just here to welcome
13 you. But, finally, as a good chamber CEO, after the
14 hearing is over and a hard day's work, I encourage each
15 and every one of you to patronize one of the many fine
16 restaurants we have here in Palm Beach County and leave
17 a little for the local economy.

18 Thank you, Mr. Chairman and Commissioners.

19 **CHAIRMAN BRISÉ:** Thank you, Mr. Grady.

20 **MR. SAPORITO:** A question for the witness.

21 **CHAIRMAN BRISÉ:** Sure, Mr. Saporito.

22 **MR. SAPORITO:** Mr. Grady, as I understand you
23 are the CEO for the Chamber of Commerce in Palm Beach
24 County, is that right?

25 **MR. GRADY:** Chamber of Commerce of the Palm

1 Beaches.

2 **MR. SAPORITO:** So you have an understanding of
3 different businesses that operate here?

4 **MR. GRADY:** Yes.

5 **MR. SAPORITO:** In your view, would this rate
6 increase that FPL has put before the Commission be
7 harmful or favorable to all those businesses that you
8 have an awareness of?

9 **MR. GRADY:** In an attempt to answer your
10 question, I'm going to perform a little Chamber of
11 Commerce 101. I'm a hired CEO and chief of the
12 administrative staff of our organization. We have an
13 excellent and outstanding 35-member board of directors
14 who establish the policy of our organization. My job
15 and my mission is to implement that policy. Our board
16 has not entertained this rate increase, so as not to
17 mislead or to interject my personal opinion to the
18 Commissioners, I would just have to say I can't answer
19 that.

20 **MR. SAPORITO:** All right. Thank you.

21 **CHAIRMAN BRISÉ:** Thank you very much,
22 Mr. Grady.

23 **MR. KELLY:** After Ms. Purvis is Winsome
24 Naylor.

25 **LYNNE PURVIS**

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

3 **DIRECT STATEMENT**

4 **MS. PURVIS:** Hi. Good afternoon. My name is
5 Lynne Purvis, and I am also an FPL stockholder. And I
6 come to you today to point out that what this really is
7 about is the battle between the one percent and the
8 99 percent of people. Because if you look at the -- you
9 know, this came out in the newspaper a few weeks ago
10 that some of the CEOs and people who run FPL are in
11 the -- three of them are in the top ten highest paid
12 executives in South Florida, right? People are making
13 like \$22 million, or was it billion dollars, I don't
14 even remember. \$220 million a year as their salary,
15 right? This company makes billions of dollars in
16 profits. It was almost \$7 billion in the last three
17 years. And how much money have they put into the
18 federal government through taxes? Zero. How much money
19 have they taken back from the federal government in
20 handouts from our government? \$42 million over the last
21 three years.

22 So here is this company that the executives
23 are makings millions and millions of dollars, they're
24 not paying into the federal funds, and, in fact, they
25 are getting handouts from all of us who are paying

1 taxes, and then they want to have the audacity to come
2 and say we need more money from you, from all of us who
3 pay our bills every month.

4 The power is in your hands. You can decide,
5 okay, are we going to give this rate increase and keep
6 allowing these people and these companies that are
7 already taking money out of the federal system which
8 could be going to, you know, public health care, it
9 could be going to better education, it could be going to
10 a lot of things. And instead it's going into their
11 pockets, literally, okay?

12 Now that I'm getting my numbers, Lew Hay over
13 the last three years made \$43 million. How much did
14 NextEra get from the federal government? \$42 million.
15 So that was direct from all of us paying taxes into the
16 federal government right into Lew Hay's pocket. And now
17 they are going to come and ask us for more. It cannot
18 happen and you guys cannot allow that to happen. And I
19 am imploring you to take this opportunity to stand with
20 the majority of people in the state, the 99 percent of
21 people who are working hard and who are paying their
22 taxes, and tell FPL, hey, you guys cannot get a rate
23 hike until you pay your fair share of taxes, then we can
24 even talk. No conversation until they are ready to pay
25 into the federal system. Thank you.

1 **CHAIRMAN BRISÉ:** Thank you, Ms. Purvis.

2 Are there any questions for Ms. Purvis?

3 **MR. SAPORITO:** Just one clarification. The
4 federal tax issue as I understand, and I could be wrong,
5 applies to FPL's parent company, NextEra Energy, is that
6 correct?

7 **MS. PURVIS:** That's correct.

8 **MR. SAPORITO:** Okay. Thank you.

9 **MS. PURVIS:** But, you know, FPL is something
10 like 69 percent of NextEra, so primarily their whole
11 business is FPL.

12 **CHAIRMAN BRISÉ:** Thank you very much for your
13 testimony.

14 **MR. KELLY:** After Ms. Naylor is Eddie Strick.

15 **WINSOME NAYLOR**

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

18 **DIRECT STATEMENT**

19 **MS. NAYLOR:** Hi. Good afternoon. My name is
20 Winsome Naylor. I live at 8655 Pine Cay in West Palm
21 Beach. My telephone number 561-254-8795.

22 And I have something prepared, but I came from
23 the doctor before I came here, and the reason I mention
24 it is yet again I have another medication that I need to
25 be taking. I have osteoarthritis in my knees and in my

1 back. And, you know, it's wonderful that the people
2 from FPL stand up here, and I don't know how -- if they
3 have a mirror and they look in the mirror each morning
4 that, you know, we pay the lowest cost. What does that
5 mean when your bill is \$70, \$80 a month that you don't
6 have. And the lowest cost doesn't mean it could be
7 lower cost.

8 I live on a fixed income. Seven dollars,
9 eight dollars a month is medication that I need to take
10 generic, which I really shouldn't be taking, but because
11 the other medication is too expensive, I'm forced to
12 take the generic, which costs maybe \$4 for one
13 medication. One was \$1.34. I was shocked when I got
14 that bill. I've never seen a medication for \$1.34 for
15 30 pills.

16 So, FPL, is their service great? Yes, their
17 service is great. But how much profit does a company
18 need? We're back again with this corporate greed,
19 American greed. How much profit? How much does a CEO
20 in upper management have to make off the backs of
21 taxpayers, off the backs of people who don't have the
22 money, off the backs of people who are underwater in
23 their mortgage, off the backs of people who are working
24 two, three, four jobs, if they can find the jobs, to pay
25 their mortgage, to pay for their children's food? Seven

1 dollars is food money; it's medication money.

2 And when I sit in the audience and I hear of
3 someone making \$40 million off of my back and other
4 people's backs, it's ridiculous. And we wonder why
5 America is in the shape it is today. Corporate greed.
6 And, no, corporations are not people, because the
7 linemen that fix all the electricity on Okeechobee are
8 not making \$40 million.

9 So if you are a Public Service Commission, do
10 the public the service of denying this base increase,
11 because we both know that the base rate is only a
12 portion of our bill. And if fuel costs go up, then your
13 bill goes up. And trust me, I live in a home, and if
14 you go to my home now the thermostat is at 80 degrees.
15 There is no fans on. There's no electricity on. I'm
16 very green about how I live, and I'm still paying
17 \$70-plus a month for electricity. And when I look at my
18 bill I just shake my head.

19 And, yes, I can still pay for my medication,
20 but I don't if this goes through if I will be. And I
21 sure know of neighbors and people who can't pay for
22 their medication if this goes through.

23 Thank you very much for your time.

24 **CHAIRMAN BRISÉ:** Thank you, Ms. Naylor.

25 Are there any questions for Ms. Naylor?

1 **MR. SAPORITO:** Just one quick question, Mr.
2 Chairman.

3 **MS. NAYLOR:** Sorry.

4 **MR. SAPORITO:** You talked about your FPL power
5 bill, and you mentioned the \$7, or \$7.09 that this
6 increase would cause your bill to go up. Do you
7 understand if FPL had not brought this rate case that
8 your electric bill might actually go down with the fuel?

9 **MS. NAYLOR:** Yes, because the price of natural
10 gas has gone down. And, you see, when you look at the
11 bill it's so confusing. The base rate, as I said, is
12 only a portion of the bill. And that is constant, okay?
13 The others are variable. So if you're increasing
14 something that is constant now by seven or eight
15 dollars, what's going to happen if natural gas goes up,
16 or if something happens in the Middle East, or something
17 happens in Texas, or, you know, something happens to a
18 gas pipeline? Now I've got to pay \$14 more for gas, or
19 15, or whatever for the electricity. And the base rate,
20 I could have saved \$7, or I could have paid \$8. I mean,
21 you know, it's ridiculous. You know, I'm lucky if I got
22 two percent on the few little CDs that I have, you know,
23 and you're talking about people making 11 percent
24 return. I would take 3.

25 **CHAIRMAN BRISÉ:** Thank you, Ms. Naylor.

1 **MS. NAYLOR:** Thank you.

2 **CHAIRMAN BRISÉ:** Thank you for your testimony
3 this afternoon.

4 **MR. KELLY:** After Mr. Strick is Carol Strick.

5 **EDDIE STRICK**

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

8 **DIRECT STATEMENT**

9 **MR. STRICK:** Hello. My name is Eddie Strick.
10 I live at 3516 Whitehall Drive, West Palm Beach;
11 561-699-1597.

12 What I wanted to talk about today was the
13 impact of -- there's a \$15 billion investment FPL is
14 making on the infrastructure. That's partly why this
15 rate increase. I feel that this is going to be
16 disastrous for Florida environmentally speaking, because
17 we are going to be adding more power plants, which means
18 more air pollution, more water pollution, which means
19 more cancer, more asthma. I live only a few miles from
20 the FPL plant, the next generation clean energy center.
21 Clean energy where it has already a high asthma and high
22 cancer rate.

23 What sounds like cheap energy is not so cheap
24 when you think about global warming and we are going to
25 be adding more industrial impact into the environment

1 and the health impacts of this. It's going to be so
2 costly in terms of health, in terms of the environment
3 that if FPL invested every single dollar that it has to
4 repair the damage that it has already done it would be
5 bankrupt.

6 And I think the only good solution would be to
7 nationalize FPL where the citizens would have a say in
8 how this company is run rather than this monopoly for
9 profit then we could go towards solar energy, have solar
10 panels on the roofs and solar hot water heaters. And
11 actually we might not even have to pay anything on our
12 electric bill because we would have our own -- we would
13 be generating our own energy. Thank you.

14 **CHAIRMAN BRISÉ:** Thank you, Mr. Strick.

15 There is a question for you from Mr. Saporito.

16 **MR. SAPORITO:** Thank you, Mr. Chairman.

17 You talked in your testimony about FPL
18 expensing \$15 billion on infrastructure.

19 **MR. STRICK:** The pipeline and -- and the
20 pipeline is also an accident waiting to happen.

21 **MR. SAPORITO:** The question I have for you is
22 does it make any common sense for you for FPL to be
23 expensing \$15 billion on infrastructure when the economy
24 keeps getting worse and worse and worse?

25 **MR. STRICK:** I don't think so. And also I

1 don't like the way they are using it towards natural gas
2 when Florida is a solar -- a sunshine state. We should
3 be tapping into what we already have, which is sunshine
4 and using solar energy which would be zero emissions as
5 opposed to natural gas, which is piped in from Texas.

6 That pipeline is a hazardous -- hundreds of
7 miles of pipeline buried by three or four feet of
8 surface. That's an accident waiting to happen and a
9 whole neighborhood could blow if there is an accident.
10 It's also a rate that is low right now that could
11 skyrocket if we have a shortage of natural gas, so the
12 rates could shoot through the roof.

13 **CHAIRMAN BRISÉ:** Thank you for your testimony,
14 Mr. Strick.

15 **MR. KELLY:** After Ms. Strick is Bradley
16 Shofstall.

17 **CAROL STRICK**

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

20 **DIRECT STATEMENT**

21 **MS. STRICK:** Hello. My name is Carol Strick.
22 I live at a 3516 Whitehall Drive in West Palm Beach.

23 The plans, FPL's plans for the future can only
24 be called obscene. Using garbage for energy produces 25
25 times the methane that a coal-powered plant produces, so

1 this is what we are supposed to be. Where I live,
2 Congress (phonetic) and 45th, between the incinerator
3 and the plant. That's like add the marine industry and
4 I'm in the Bermuda Triangle there. It's completely
5 poisonous.

6 But what I wanted to say is the world changed.
7 Everybody has to admit that we are no longer living in
8 the same world we lived in ten years ago. I don't eat
9 the same food I used to eat. I don't buy the same
10 clothes. Everything is changing. The corporate -- we
11 have all globally adjusted because we have no choice but
12 to lessen our buying power. And we have basically
13 adjusted to a new way.

14 The corporate sector refuses to adjust. Like
15 the divine right of kings, they are going to live the
16 way they lived while the rest of us are struggling. But
17 there is something else. In 1975, I went to live in
18 Surinam in Paramaribo. It's hot there, and there isn't
19 a lot of electricity, and there wasn't any air
20 conditioning. And I went from the sophistication of New
21 York to a house that didn't have electricity. I went to
22 the market in the morning. We ate the big meal at noon.
23 We didn't miss anything here. What we're dependent on
24 and we think we can't live without, we can live without
25 very well. So as far as them adding to this, no, they

1 don't need another dime. They don't have to do anything
2 else. If there are repairs, make them. But as far as
3 any stats projected, projected what? If you rode on
4 I-95 in the winter you see fewer and fewer out-of-state
5 cars. The crunch to Florida is over, and FPL can go
6 with it. We definitely don't need it.

7 Financially, you're asking us to put our hands
8 in our pockets, money that we don't have anymore, so
9 some guy who's living a sumptuous lifestyle doesn't have
10 to give in to change one iota of his life. They have to
11 get with the world. The world is different now, and
12 they are part of it, and they have got to come along
13 with the rest of us. Thank you.

14 **CHAIRMAN BRISÉ:** Thank you, Ms. Strick. Thank
15 you for your testimony.

16 **MR. KELLY:** After Mr. Shofstall is Mark Young.
17 I think it's Mack Young.

18 **MR. YOUNG:** Mark.

19 **MR. KELLY:** Mark, I'm sorry.

20 Bradley Shofstall. Am I saying that
21 correctly? S-H-O-F-S-T-A-L-L.

22 Okay. Mr. Young. And after Mr. Young is Cara
23 Jennings.

24 **MARK YOUNG**

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

1 testified as follows:

2 **DIRECT STATEMENT**

3 **MR. YOUNG:** Good afternoon, esteemed
4 Commissioners. My name is Mark Young, 4870 127th Trail,
5 West Palm Beach Florida. 561-784-2322.

6 I would support the 9 percent return on
7 equity. My statements are comments, not testimony. The
8 thing I'm actually here to comment on was my being
9 disturbed that the Commission granted a request for
10 confidentiality for various financial information FPL
11 submitted with their request. And the reason I'm
12 concerned is the privacy would allow FPL to submit one
13 version of financial statements to this Commission and a
14 different version to the SEC.

15 FPL's parent company's annual report, the 10K
16 states that they actually do adjust numbers
17 appropriately based on appropriate accounting standards,
18 and so they do acknowledge various adjustments of these
19 numbers which would allow them to give different numbers
20 to the Commission than what they submit to another
21 government or regulatory agency.

22 The 10K report also states that they
23 overcharged FPL customers for \$404 million, which is in
24 the last page of the 10K report. And, of course, FPL
25 sat on that money until the Commission ordered them to

1 return it back to customers in the form of a rebate.
2 And, of course, when they sat on the money it increased
3 FPL's equity, their stock price, further injuring FPL
4 customers because of the inflated stock price for
5 sitting on the extra money.

6 The point is I would encourage that FPL's
7 financial statements be publicly disclosed to make sure
8 that the Commission sees the same information that they
9 give the SEC, and to do this there should be no
10 confidentiality on financial information on capital
11 structures. So I would urge the Commission to
12 reevaluate their determination in Document Number
13 01804-12, and to change that determination that there
14 be -- that the information is nonconfidential because it
15 is not unreasonably impairing their business to disclose
16 that.

17 Their statements say in Document Number
18 01647-12, in which they request confidentiality
19 classification, in Paragraph 4 they said part of the
20 reason was they would have mandatory disclosure to the
21 SEC, the Securities and Exchange Commission, if they
22 disclose this, which is actually a good thing. Because
23 the public should -- if they are asking for this much
24 money, they should disclose this information. And so
25 those are my comments.

1 **CHAIRMAN BRISÉ:** Thank you very much,
2 Mr. Young. Thank you for your testimony.

3 Any questions for Mr. Young?

4 Seeing none, thank you for your testimony.

5 **MR. YOUNG:** Also, I do have an exhibit, which
6 is substantial. Should I give it to the court reporter
7 or your staff?

8 **CHAIRMAN BRISÉ:** Give it to Ms. Klancke.

9 **MR. YOUNG:** Thank you.

10 **CHAIRMAN BRISÉ:** Thank you very much.

11 **MS. KLANCKE:** This will be Exhibit 23.

12 **CHAIRMAN BRISÉ:** Perfect. Exhibit 23. What
13 would be the short title?

14 **MS. KLANCKE:** This is a Form 10K for NextEra
15 Energy, Inc., and so, therefore, the short title I would
16 submit would be Form 10K for NextEra Energy.

17 **CHAIRMAN BRISÉ:** Okay.

18 **MS. KLANCKE:** Excerpt of Form 10K from NextEra
19 Energy provided by Mr. Young.

20 **CHAIRMAN BRISÉ:** Thank you.

21 (Exhibit 23 marked for identification.)

22 **MR. KELLY:** After Ms. Jennings is Patricia
23 Curry.

24 **CARA JENNINGS**

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

1 testified as follows:

2 **DIRECT STATEMENT**

3 **MS. JENNINGS:** Hi. My name is Cara Jennings
4 and I oppose the rate increase. As other people have
5 stated, NextEra Energy, the parent company of FPL, is
6 the most profitable corporation in South Florida. So
7 while they are making 7 billion in profits and their CEO
8 is making 43 million a year in salary, the people of
9 this region are suffering under the largest income
10 inequality in our nation's history.

11 In addition to being one of the most
12 profitable, or the most profitable in South Florida,
13 they are also one of the biggest polluters. I just find
14 it hard to believe that their representative could stand
15 up here with a straight face and talk about clean
16 energy, when in this county alone they are the person
17 responsible for having the top source -- point source
18 pollution power plant in our county. The one they just
19 built not too far from here; I encourage you to drive on
20 by. Go at night. It looks like a city. The West
21 County Energy Center is one of the largest fossil fuel
22 power plants in the country.

23 So to use the idea of clean energy as a reason
24 to justify a rate increase is really a lie. Their New
25 Riviera Beach plant will run on natural gas. Anyone who

1 can stand up here and say natural gas is clean, again,
2 is lying. Natural gas is not clean. It pollutes just
3 like diesel fuel, just like any other fossil fuels. It
4 might not pollute as badly, but it is still a polluter.
5 So I really take opposition to their claims. Their
6 clean energy investment really is dismal compared to
7 their investment in new fossil fuel power plants.

8 So while the residents in this county are
9 suffering income inequality and suffering the pollution
10 of FPL, they expect us to pay higher rates. Instead of
11 asking us to pay higher rates, we should be demanding
12 that FPL pay their federal income taxes and stop
13 creating pollution in our county.

14 I know your prior Commissions when they were
15 brave enough to not allow FPL their rate hike, a lot of
16 them were fired. And although they might have been
17 penalized by their boss, in the court of public opinion
18 they are honored. So I hope you will be as brave as
19 them and deny this rate case.

20 **CHAIRMAN BRISÉ:** Thank you for your testimony.

21 **MR. KELLY:** After Ms. Curry is M.H.

22 **PATRICIA CURRY**

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

25 **DIRECT STATEMENT**

1 **MS. CURRY:** Patricia Curry, 12390 59th Street
2 North. I'm in the Acreage.

3 I was here yesterday in this very room for a
4 meeting before the Solid Waste Authority, and during
5 that meeting there was a discussion about why solid
6 waste employees could not get an increase in their
7 salaries. One of the county commissioners at that
8 meeting talked about how the average public person has
9 actually lost 17 percent of their spending power over
10 the last few years.

11 The cost of living is going up. Incomes are
12 going down. And I can personally attest to that because
13 in 2009, I went from a full-time job to a three day a
14 week. Now I'm at four, which is better than three. I'm
15 still not whole, not to mention the benefits that I
16 lost.

17 For FPL to come in here and ask for a
18 16 percent rate increase, it is unconscionable. I mean,
19 at least I have a job. There are people that are not
20 working. We have people who are disabled that are
21 living on fixed incomes that cannot afford even an
22 additional \$7 and that is assuming they only use 1,000,
23 you know, kilowatts per month.

24 I don't know about everybody else, I live in
25 the Loxahatchee area, and the gentleman who said he only

1 lost power for one day after the storms, after Frances I
2 lost power for almost three weeks. After the next
3 storm, which was Jeanne, I lost power for about 12 days.
4 After Wilma, I lost power for about nine days. And
5 every single time we have a little rainstorm my power
6 goes off. It may come right back on, or it goes on and
7 off, on and off, on and off until it's putting wear and
8 tear on my appliances. I don't think that that's good
9 service.

10 The West County Energy Center that was just
11 spoken about, that is called one of the worst polluting
12 plants in the country. And I asked the Department of
13 Health why that was if natural gas was so wonderful, and
14 what he said is because the plant is massive. It's
15 massive. It was a \$1 billion project designed to serve
16 1 million new customers. Where are all of these new
17 customers? FPL is partnering with Solid Waste Authority
18 to build another facility. They are rebuilding another
19 facility. Now they're talking that they need more money
20 to build yet another facility? How more new customers
21 are they really adding?

22 Who deserves an income of 11-1/2 percent net?
23 Nobody is getting that. Everybody is getting a
24 decrease. I agree this is a case of the one percent
25 against the 99. I think that this board should deny it.

1 I hope you are brave enough to deny it. Thank you.

2 **CHAIRMAN BRISÉ:** Thank you, Ms. Curry. It
3 seems that there are a couple of questions for you.

4 Commissioner Balbis.

5 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.
6 And, thank you, Ms. Curry, for your testimony.
7 You mentioned some issues with power fluctuations at
8 your house --

9 **MS. CURRY:** Yes.

10 **COMMISSIONER BALBIS:** -- not associated with
11 the hurricane. Did you notify Florida Power and Light
12 of those issues?

13 **MS. CURRY:** I have lived in my house for 32
14 years. It used to be worse. They keep telling us that
15 it's getting better, so I'm happy when it just flickers
16 on and off.

17 **COMMISSIONER BALBIS:** So you haven't notified
18 them of that?

19 **MS. CURRY:** I have had discussions with them
20 in the past. I mean, am I going to call them every
21 single time my power flickers on and off? It flickers
22 on and off for everybody. Surely they have to know
23 about it.

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

25 **MS. CURRY:** And not only that, then you have

1 to call them and wait through the whole process, so not
2 wonderful customer service.

3 **CHAIRMAN BRISÉ:** Thank you, Ms. Curry.

4 You have one more question from Mr. Saporito.

5 **MR. SAPORITO:** Thank you, Mr. Chairman.

6 Ms. Curry, you testified about Florida Power
7 and Light's new gas plants, some out west of here, and
8 some testimony about them building another power plant.
9 Just basically, does it make any common sense for
10 Florida Power and Light to be investing billions of
11 dollars in more power plants when the economy is so bad
12 that -- in your mind could there be any expectation that
13 there would be customers to fill that need for all those
14 megawatts?

15 **MS. CURRY:** I see our population numbers have
16 actually declined. They may be on the rise now, but I
17 can tell you just based on my own community there are
18 empty houses everywhere, so we are losing population.
19 They may be moving in with other family members and
20 staying here, but they have to be losing customers, and
21 there is more foreclosures coming. I don't know where
22 these new customers are coming from.

23 **MR. SAPORITO:** Thank you.

24 **CHAIRMAN BRISÉ:** Thank you, Ms. Curry, for
25 your testimony.

1 **M.H.**

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

4 **DIRECT STATEMENT**

5 **CHAIRMAN BRISÉ:** If you could state your name,
6 please.

7 **M. H.:** I use M. H. You probably recognize me
8 from GQ. I'm a male underwear model. That's why I
9 don't like to use my address and phone number.

10 **CHAIRMAN BRISÉ:** Okay.

11 **M. H.:** By the way, this is fantastic. This
12 is more fun than my HOA where the cats got into the
13 playground and used it as a kitty box. Kitty litter,
14 rather.

15 **CHAIRMAN BRISÉ:** The reason I was asking for
16 your name is simply that after you make your comments or
17 provide your testimony we're going to take about a
18 ten-minute break.

19 **M. H.:** Oh, good. Are you buying the coffee?
20 Obviously, there's a lot of things that are
21 going on here already about mentioning things, but some
22 things were overlooked. According to the Palm Beach
23 Post, Lewis Hay makes \$60,000 per workday, and I'm
24 assuming he works a five-day week. That would be
25 \$300,000 per week. And, let's see, per year fifteen and

1 a half million dollars. That's a lot of money. Excuse
2 my back. Excuse my front.

3 According to statistics, the average American
4 makes \$63,000 a year, so Mr. Hay makes 2,476 times the
5 average American. That is a little bit excessive, but
6 let's face it, if he can make that money, why not?
7 Wouldn't we all love to do that? I mean, that's the
8 whole thing, getting ahead and beating the next guy up.
9 That's why you have to consider moving into a community
10 where you have snowbird neighbors and get extension
11 cords. That would help the bill tremendously.

12 They're looking for an increase. I don't know
13 who's getting 2 percent return on their investment;
14 \$20,000 at Wells Fargo gives you a half a percent, so
15 could somebody please tell me where to get 2 percent? I
16 would really like to hear that. And I'd like to know
17 where you get the water heaters, too, before I forget.

18 Why shouldn't Florida Power and Light get more
19 money? I think they deserve it, but with one caveat,
20 and that would be when I can get the 2 percent, or maybe
21 let's go for broke on this, 5 percent on my investment,
22 then maybe they can get their -- how much is it now,
23 18.7 percent on its investment, which they said they
24 need.

25 Now, need to me is seemingly the wrong word.

1 I think want would be the word followed by greed. That
2 would make it 37.4 times greater than what I can get on
3 my investment of, again, half a percent. Where was I?
4 I think everything else has been touched upon.

5 By the way, if I end up having to pay more
6 money and I have less money to buy food, I don't know,
7 would that be such a bad thing? I mean, right?

8 **CHAIRMAN BRISÉ:** Please address the
9 Commission.

10 **M. H.:** Sorry. I was trying to make a point
11 to the group. And why is it that everyone's personal
12 problems have to be taken into account, because maybe
13 they didn't work hard enough, maybe they didn't work
14 long enough, maybe they had the wrong job, the wrong
15 education? Why does that become my problem that I have
16 to now take them on my back and support them. It
17 doesn't make it right for FPL to do it, but let's face
18 it, there is too many people in the world today. We're
19 using up our natural resources at an exponential rate,
20 and it's just not there for the end of time.

21 So thank you very much, everyone, for your
22 time.

23 **CHAIRMAN BRISÉ:** Thank you.

24 All right. At this time we are going to take
25 a break and we will reconvene at 5:55.

1 (Recess.)

2 **CHAIRMAN BRISÉ:** At this time we're going to
3 call up Mayor Cummerford. We usually have a practice
4 that if an elected official is here we generally allow
5 them to go first. It was my error, and I failed to do
6 so, and I apologize to the Mayor.

7 **MAYOR DANIEL J. CUMMERFORD**

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

10 **DIRECT STATEMENT**

11 **MAYOR CUMMERFORD:** Mr. Chairman, thank you.
12 No apology is necessary. Mr. Chairman, members of the
13 Commission, my name is Daniel J. Cummerford. I live at
14 237 Beacon Lane, Jupiter Inlet Colony, and my telephone
15 number is area code 561, 676-4532.

16 I am the Mayor of Jupiter Inlet Colony, which
17 is a small municipality consisting of 235 single family
18 residences located on the south end of Jupiter Island in
19 Northern Palm Beach County. Given the tenor of the
20 hearing today, I had some written comments and I was
21 going to tell you about the extraordinary good service
22 that we have enjoyed from FPL over the years. And I
23 will tell you one short story, but then I would like to
24 amend what I was going to say.

25 Recently -- this past January on a Sunday

1 afternoon an elderly resident of ours lost power when
2 the temperature dipped into the 30s. When we went out
3 to investigate, we discovered that her weatherhead on
4 the roof had completely rotted away given the salt
5 intrusion. We went out, we got a private electrician to
6 assess the problem. I called FPL on the telephone for
7 her. The lady was in her 90s. I got an immediate
8 response. I got a power disconnect on a Sunday
9 afternoon. The electrician repaired the response. We
10 called out our building official to inspect it. FPL
11 immediately came back out after the power release was
12 issued and put the power back on. That's just one of
13 many examples of how FPL has serviced us over the years.
14 All good.

15 All right. I would like to say something to
16 amend what I was going to say earlier. I'm from New
17 York, if you couldn't tell by this accent, and having
18 experienced for almost 60 years of my life ConEd and
19 LIPA, formerly LILCO (phonetic), the highest rates in
20 the country, the two utilities with the highest rates in
21 the country, and traditionally the worst service and the
22 highest polluters. And a nuclear power plant which took
23 them over 25 years to get on-line, okay? So those
24 stories are legendary in the power industry.

25 We enjoy reliable cheap power down here.

1 Whether or not a rate increase is justified or not, I'm
2 not here today to speak to that. I'm sorry that people
3 are on fixed incomes. I'm happy that I'm not. I'm very
4 fortunate in that regard, but people who have lived in
5 other parts of the country, as many of us have here in
6 Florida, we are not native Floridians, we came here for
7 a better life because there was something special about
8 this. And one of the things that was special about this
9 place was cheap electricity, all right. And when your
10 budget is built around how much are you going to pay for
11 electricity, how much are you going to pay insurance,
12 how much are you going to pay for medical insurance,
13 auto insurance, house insurance. Everything in Florida
14 is cheap compared to other parts of the country, all
15 right.

16 Now, that's off the top of my head, all right,
17 having amended what I was earlier going to say. But we
18 are enjoying a good life down here. FPL is part of what
19 provides that for us. And an investment in the future,
20 whether it's \$15 million or whether it's \$10 billion
21 costs money, okay. And it's little for us to pay. And
22 I have to disagree with the Office of Public Counsel
23 when he thinks that the energy, the reduction in the
24 energy cost, the gas price doesn't have anything to do
25 with the rate increase, okay. It's not coincidental

1 that the rate increase is going to be \$7 and the
2 reduction is going to be \$6. So the net effect is not
3 that dramatic. I agree with what one of the people said
4 earlier at the microphone when they mentioned, yes, but
5 every other part of the bill except for the fixed rate
6 is variable. So, yes, it's true, it could go up in the
7 future, but it could go down in the future, as well.
8 So, thank you for your comments today.

9 **CHAIRMAN BRISÉ:** Thank you, Mr. Mayor. It
10 seems that you have a question from Mr. Saporito.

11 **MAYOR CUMMERFORD:** How did I know that I was
12 going to get a question from you?

13 **MR. SAPORITO:** You must have some other powers
14 we don't know about.

15 Mr. Mayor, you talked about the net effect of
16 FPL's rate increase. Is it your understanding that if
17 we weren't here today for this -- if there was no rate
18 case, the consumers of FPL, their bills would actually
19 go lower with the price of fuel?

20 **MAYOR CUMMERFORD:** Their rates would probably
21 go lower as the fuel price went lower, that is correct.

22 **MR. SAPORITO:** And the Jupiter Inlet district,
23 that's where you have the authority, is that correct?

24 **MAYOR CUMMERFORD:** Jupiter Inlet Colony.

25 **MR. SAPORITO:** Jupiter Inlet Colony, sorry.

1 Is it not true that the majority, if not all the
2 residents are FPL consumers that live in that area are
3 very influential and well to do?

4 **MAYOR CUMMERFORD:** They are affluent.

5 **MR. SAPORITO:** So there is no fixed income
6 people to worry about there, is there?

7 **MAYOR CUMMERFORD:** There may be, but nobody
8 that I'm aware of. And this is why we just invested
9 \$3 million of our dollars that was not passed on to the
10 ratepayers because the Public Service Commission, which
11 Ms. Edgar served on and saw me testify twice in
12 Tallahassee, granted a 25 percent credit for anybody who
13 would be willing to go underground. I'm happy to say
14 that we are in our 13th week of being totally
15 underground with our FPL utility and are about to
16 convert over on our Comcast and our AT&T within the next
17 several months. I'm happy we were able to afford to do
18 that.

19 **MR. SAPORITO:** So what you're saying is the
20 people who live in the Jupiter Inlet Colony have so much
21 money that they invested their own money to take FPL's
22 -- (Inaudible; simultaneous conversation.)

23 **MAYOR CUMMERFORD:** I just would like to
24 respond to that one comment.

25 No, it means that there will be more trucks

1 available to service the rest of the state because we
2 have invested in reliable underground safe power. So we
3 don't ever expect to see a truck out there again.

4 **MR. SAPORITO:** Okay. Thank you.

5 **MAYOR CUMMERFORD:** You're welcome.

6 Thank you, Mr. Chairman.

7 **CHAIRMAN BRISÉ:** Thank you, Mr. Mayor, for
8 your testimony.

9 **MAYOR CUMMERFORD:** Thank you, Commissioners.

10 **MR. KELLY:** The next speaker is Tom Tomlinson
11 followed by Tony Fransetta.

12 **TOM TOMLINSON**

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

15 **DIRECT STATEMENT**

16 **MR. TOMLINSON:** Tom Tomlinson, 7170 Southwest
17 Rattlesnake Run, Palm City, Florida; 772-283-2325.

18 Is FPL using my money to fund local political
19 campaigns? The Future PAC that sent this political
20 mailing in Martin County lists FPL as a contributor.
21 Are you doing this in Palm Beach County or just in
22 Martin County? FPL is asking Martin County voters to
23 vote against all of the county commission candidates who
24 are environmentalists and support the local
25 comprehensive land use plan.

1 I can understand that you don't like people to
2 make you follow environmental rules. But as a
3 ratepayer, I don't want my money spent destroying the
4 environment and breaking the rules. I can understand
5 that rapid unrestrained growth makes it possible for you
6 to build more new expensive plants and raise my rates
7 again, but as a ratepayer I don't want that to happen.
8 I would hope that you would stop this and concentrate on
9 electricity and not politics. That's it.

10 **CHAIRMAN BRISÉ:** Thank you, Mr. Tomlinson.

11 Would you like to enter that document into
12 evidence?

13 **MR. TOMLINSON:** Sure.

14 **CHAIRMAN BRISÉ:** If you could provide it to
15 Ms. Klancke.

16 **MS. KLANCKE:** This will be Exhibit Number 24.
17 Do we need a short title?

18 **CHAIRMAN BRISÉ:** Yes. Thank you, sir.

19 **MS. KLANCKE:** The title represented here is
20 something with Future PAC, so Tomlinson Future PAC
21 excerpt, or handout.

22 **CHAIRMAN BRISÉ:** Yes. That sounds good to me.

23 (Exhibit 24 marked for identification.)

24 **TONY FRANSETTA**

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

1 testified as follows:

2 **DIRECT STATEMENT**

3 **MR. FRANSETTA:** Thank you, Mr. Chair. Tony
4 Fransetta. I live in Wellington. I filled out a card.
5 You have got my address and phone number, it's on
6 record.

7 I'm here today, and the first thing the
8 affluent committee, the mayor that represented 240-some
9 families, I represent 216,000 families in Florida that
10 are seniors-based. I have a lot more knowledge on some
11 of the hardships that the seniors have, and I don't know
12 of any affluent seniors that really have a hardship
13 buying prescription drugs or affording to going out to
14 dinner.

15 In the very modest community I live in, the
16 cable, the electricity, everything is underground.
17 Hell, when they had the bad weather and the storms, we
18 lose our electric. So I don't know who told who up
19 there in the Colony that they wouldn't lose their
20 electric if they put it underground, but it's kind of
21 like politicians, and I would have to put FPL in the
22 category of a politician when the very nice young lady
23 made her presentation. It was full of promises based on
24 fuzzy math. And the fuzzy math was in Item 4 of their
25 own thing where they're talking about fuel costs going

1 down. You're not going to pay as much as we're asking
2 for. Well, that was fuzzy math, and that's just a
3 polite way of putting it. We don't need that.

4 When a CEO of a company makes between 20 and
5 40 times as much as the President of the United States
6 does, this is corporate greed ran amok. And until the
7 CEO sets an example, no Public Service Commission should
8 ignore that kind of abuse by the one percent of the
9 99 percent that can't afford to run their air
10 conditioning sometimes.

11 It's obscene. It's wrong. It's morally
12 extremely wrong. I don't think that everyone in each of
13 your families is affluent because, you know, in families
14 we have some that have been blessed more than others.
15 But each of you probably have family or friends that
16 can't afford a rate increase. I can't. I'm a
17 76-year-old Korean veteran with a disability. I
18 volunteer my time to run this state organization, and we
19 are all volunteers. We are very active and we get out,
20 and we're a 501(c)(4), and we do endorse candidates, and
21 we get involved, but we don't give them money.

22 But we're extremely knowledgable. We're
23 technologically advantaged. We're all on the Internet.
24 We have the websites, and we do all of that, and don't
25 think for a minute that the senior population you can

1 float something off over them and they don't know it.

2 There is that wisdom that comes with age. And
3 when each of you need counsel or you have a problem, you
4 probably go to your parents or grandparents for advice.
5 So listen to the wisdom that comes with age. Do the
6 right thing and turn this fuzzy math down. Thank you.

7 **CHAIRMAN BRISÉ:** Thank you, Mr. Fransetta.

8 **MR. KELLY:** The next speaker is Leo Solar
9 followed by Noemi Coltea.

10 **LEO SOLAR**

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

13 **DIRECT STATEMENT**

14 **MR. SOLAR:** Good afternoon, Mr. Chairman,
15 members of the Commission. My name is Leo Solar. I
16 live at 2641 Gately Drive West in West Palm Beach,
17 Florida, and my phone number is 561-439-8863.

18 I was looking for Mayor Cummerford and he
19 slipped out on me, but I was hoping to rub up against
20 him and maybe some of the affluence would rub up against
21 me, because certainly I need it. But I look here and
22 I'm listening to people, and this reminds me of when I
23 was in school and I read about the medieval times when
24 they had the lords and the serfs. And the lords with
25 all their money would come down out of the castle and go

1 to the serfs on their little plot of land and say I want
2 money from you; and if you don't have any money, give me
3 your cow. I don't care if it's the only thing you get
4 the milk from. And we are in dire need of a Robin Hood.
5 I ask you, I beseech you to play Robin Hood for us. We
6 need you. From the lord, FPL, we cannot afford to pay
7 for the wealthy.

8 Now, I was at the stockholders meeting, and
9 FPL pays -- NextEra pays no income taxes. Now, to me
10 that is morally bad. Lew Hay had the audacity to so
11 grandiosely tell us that we shouldn't blame them because
12 they do everything within the law. Well, naturally they
13 do; they write the law. They write the law, give it to
14 the lobbyist, he gives it to the paid politician, the
15 politician never even looks at it, and hands it in. So
16 naturally, FPL by not paying any federal income taxes,
17 is always within the law.

18 Now, I have heard some rhetoric from
19 Ms. Santos and some of this creative accounting and so
20 on and so forth to come up with figures to justify
21 everything. That's bologna. All I know is when I look
22 at my bill it shocks me. And then when I hear that Lew
23 Hay made as much money in one month as I made in my
24 entire lifetime, that is obscene. And Lew Hay and FPL,
25 you're cavalier, you're callous, you're arrogant in

1 asking us for a rate increase. They don't need it.
2 They don't pay any taxes. We can't afford to carry them
3 on the tax thing. Because they don't pay any taxes, we
4 have to pay more or get less services and they wallow in
5 their wealth without paying any taxes at all. Now that
6 is obscene. I'm all finished, sir. I've got more to
7 say, but that's enough.

8 **CHAIRMAN BRISÉ:** Understood. Thank you for
9 your testimony.

10 **MR. SOLAR:** Okay. You're welcome.

11 **CHAIRMAN BRISÉ:** Seeing no questions, thank
12 you.

13 **MR. SOLAR:** No questions? Good.

14 **MR. KELLY:** Noemi Coltea, Coltea. I'm sorry.

15 **NOEMI COLTEA**

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

18 **DIRECT STATEMENT**

19 **MS. COLTEA:** That's okay. Thank you, Mr.
20 Chairman, and good evening to every member of the
21 Commission.

22 My name is Noemi Coltea, and I am a resident
23 of North Palm Beach County, and I live at 468 Marbella
24 Drive. And I am here today because I would like to
25 share with you my experience as a new customer to

1 Florida Power and Light.

2 About sometime ago, I became a first time
3 homeowner, and as part of the process, I created a new
4 customer profile on-line. And I guess I could have done
5 that over the phone, but it was a generational
6 preference. And if I were to summarize my experience
7 that I received about a year ago, I would say that it
8 was uneventful. And if anybody has spent some time
9 trying to resolve some issues with their cell phone
10 companies, or with any other public utilities, I'm sure
11 that you will empathize with me in that sentiment.

12 I think that the fact that my service was so
13 is a testament to how reliable Florida Power and Service
14 (sic) is in providing the services to us, the new
15 clients. And although the service seemed flawless on my
16 end as a client, I am sure that it was anything but
17 uneventful on Florida Power and Light's side. I can
18 only assume that there were several departments that
19 carry out my new service request. It made it possible
20 for them to design the data processing that allowed me
21 to process my information as well as carry out the
22 services that we were provided flawlessly on my end.

23 Another useful service that I found as a new
24 homeowner was the benefit that I get from tracking my
25 consumer usage that was installed through my smart meter

1 that allows me to track my monthly, daily, and even
2 hourly usage on-line as I pay my bill. That's an
3 incredible service to me, and this feature allows me to
4 determine that on average I use less than \$4 day of
5 electricity and sometimes even as low as \$1.98 a day.
6 And that's usually Monday through Friday when I travel a
7 lot and I'm in school.

8 So I understand the cases that are being
9 brought in front of you in front of this Commission, but
10 I would also like to say that there are some services
11 that you would ought not to compromise in, and I am,
12 too, on a fixed income, and when I come home I want to
13 make sure that whenever I submit a public request for
14 service or for them to check into something that they
15 have over-delivered, and in a way that it did not create
16 any additional stress on my daily life.

17 And although I am new to paying electricity
18 bills due to being put on a budget with the purchase of
19 my new home, I also have lived with people that have
20 been paying electricity. And my parents are both
21 emergency medical response personnel, so they are
22 usually the first people out after the storms to
23 provide, you know, service to hospitals. And I usually
24 volunteer, and I do what I can. Because they do have
25 the permits to travel, and along with my parents the

1 trucks that I do see on the streets are the FPL trucks
2 that are trying to restore service. So I think that is
3 noteworthy, and I would like to thank them for doing
4 that. Thank you so much.

5 **CHAIRMAN BRISÉ:** Thank you, Ms. Coltea.

6 Are there any questions for Ms. Coltea?

7 Seeing none, thank you for your testimony this
8 afternoon.

9 **MR. KELLY:** The next speaker is Glenn Heran,
10 or Heran, followed by Denva May.

11 **GLENN HERAN**

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

14 **DIRECT STATEMENT**

15 **MR. HERAN:** Good afternoon, Chairman Brisé,
16 members of the Commission, and staff, thank you for this
17 opportunity to speak to you today. My name is Glenn
18 Heran. I am from Vero Beach. I have a Certified Public
19 Accountant. I am also the President of the Indian River
20 County Taxpayers Association. I also am a customer of
21 both Florida Power and Light and the City of Vero Beach
22 Municipal Electric Utility.

23 I have heard some passion in the crowd today
24 about the rate increase, and I would like the
25 constituents of South Florida to keep that in

1 perspective. This rate increase, keep it in perspective
2 in what are your alternatives.

3 Well, one of your alternatives is to be a
4 muni. There are 33 munies in the State of Florida, and
5 there are 1.4 million customers being served by the 33
6 munies in the State of Florida. These customers, these
7 utilities don't have to come to the PSC to approve a
8 rate increase. They are effectively price unregulated
9 monopolies, unlike Florida Power and Light.

10 So what are your alternatives. Well, like I
11 said, I come from Vero Beach, and in Vero Beach our
12 electric utility pays 30 percent more than FPL. Our
13 little community paying 30 percent more means we lose
14 \$21 million per year by not having access to FPL rates;
15 21 million is a lot for our community.

16 FPL is proposing a \$1.41 rate increase, net
17 increase in 2013. That doesn't even make a dent in the
18 rate disparity with the City of Vero Beach, and there
19 are 33 others. Lake Worth here in Palm Beach County
20 pays 41 percent more on average with their utility
21 compared to FPL. Fort Pierce Utilities pays 34 percent
22 more, their customers compared to FPL. Across the State
23 of Florida 33 munis on average pay 30 percent more than
24 FPL. So, again, keep it in perspective.

25 FPL is the lowest utility, the lowest priced

1 utility in the State of Florida, and they are clearly
2 doing an excellent job. But before I leave you, I
3 wanted to impress upon you there is a forgotten class of
4 constituents in the State of Florida. There are
5 municipal customers of the 33 munis in the State of
6 Florida who have no representation whatsoever, neither
7 from the city councils or from the PSC. These are
8 customers who live outside of the munis who are served
9 by the municipal electric utilities. They have no
10 representation. Some of their territories have not been
11 reviewed in over 30 years. They are prisoners to a
12 system that is an unregulated price monopoly charging
13 30 percent more than FPL. These customers, in my
14 opinion, would be desperate for choice, would be
15 desperate to have FPL rates.

16 So I encourage you in this year, hopefully, to
17 look after these customers and protect them. Offer them
18 the chance for choice. Please open their territories
19 for review so that they, too, could have the opportunity
20 for the lowest rates in the State of Florida. I thank
21 you.

22 **CHAIRMAN BRISÉ:** Thank you, Mr. Heran. You
23 have a question from Mr. Saporito.

24 **MR. SAPORITO:** Thank you.
25 Are you an FPL consumer?

1 **MR. HERAN:** No. In the last four years of
2 studying this issue, I get that question a lot. I'm not
3 an FPL employee; I'm not a stockholder of FPL. I'm an
4 FPL customer, yes, and I'm also a customer of the City
5 of Vero Beach Electric Utility.

6 **MR. SAPORITO:** So you pay your electric bill
7 to FPL?

8 **MR. HERAN:** Yes. One of my houses I pay to
9 FPL, and the other one I pay to Vero Beach.

10 **MR. SAPORITO:** All right. Thank you.

11 **CHAIRMAN BRISÉ:** Thank you for your testimony
12 this afternoon.

13 **MR. HERAN:** Thank you, sir.

14 **CHAIRMAN BRISÉ:** Oh, Ms. Larson.

15 **MR. LARSON:** You sound very knowledgable about
16 municipalities. Are any of those municipalities buying
17 their power from FPL?

18 **MR. HERAN:** To my knowledge, of the 33
19 municipalities in the State of Florida, 30 of them are
20 members of the FMPA. Twenty of them are voting members
21 and ten of them are not. Twenty of them essentially get
22 their power from the FMPA and 10 basically don't. Some
23 of the munis are generating munis. There is possibly
24 some power sharing, but not much. My knowledge is they
25 are largely getting their power -- 14 of those munis are

1 getting 100 percent of the power from the FMPA, not FPL.

2 **MR. LARSON:** Well, you sounded very
3 knowledgable, and I was just curious because I do know
4 that they have cost-sharing programs --

5 **MR. HERAN:** There are some --

6 **MS. LARSON:** -- of the specific municipalities
7 you mentioned --

8 **CHAIRMAN BRISÉ:** Ms. Larson.

9 **MS. LARSON:** Thank you.

10 **CHAIRMAN BRISÉ:** Thank you for your testimony
11 this afternoon.

12 **MR. KELLY:** Denva May. After Ms. May is Bill
13 Hannah.

14 **DENVA MAY**

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

17 **DIRECT STATEMENT**

18 **MS. MAY:** Good afternoon, or good early
19 evening. I'm Denva May, and this is a first for me. I
20 have never been to anything like this, never
21 participated in anything like this, so bear with me.

22 I'm here as a consumer, as a native of the
23 State of Florida, having lived in Palm Beach County most
24 of my life. And all I wanted to do was just share a few
25 of my own personal thoughts. There are so many things

1 that we tend to take for granted that are going to come
2 to us every day such as food and shelter, and that our
3 loved ones will always be there, and also we're going to
4 turn on that switch and the lights are going to come on.
5 Throughout the challenges of life, of my life, let me
6 speak for me, my first apartment, marriage, first house,
7 first divorce, and raising families, FPL has always been
8 there.

9 Now, why am I getting emotional? Anyway, I
10 have taken great comfort in that. It's just one of
11 those things that, you know, as you go through life
12 things that you can count on. For me it has always
13 worked. Recently I was blessed for Mother's Day from my
14 children with an I-Pad and an I-phone. Ay-yi-yi. I
15 have been deal with other carriers and other providers
16 for the last two weeks. Ay-yi-yi. So I have
17 experienced of late a lesser quality of service. It
18 required taking time off from work, so on and so forth.

19 Those are some of my perspectives personally.
20 Allow me to share some professionally. I'm an insurance
21 agent with a very teeny tiny little independent agency.
22 And prior to opening my own business, I worked for a
23 major insurance carrier, not only on the sales side, but
24 on the claims side, as well. So my first experience in
25 claims and having the opportunity to observe our claims

1 people first wave after a major catastrophic loss, which
2 was Andrew, by the way, I also saw how team FPL
3 responded.

4 So on numerous occasions subsequent to that I
5 handled hailstorms, additional hurricanes, and I was
6 part of the group that would go in and get set up so
7 that we could provide a service to our policyholders.
8 And without the support of the FPL people, it wouldn't
9 have happened.

10 I don't know how the nuts and bolts work, I
11 don't know how you put them wires together, I don't know
12 anything about that. All I know is we were able to
13 provide the service. And at the end of the day it
14 doesn't matter how much you promise, what you commit to,
15 it's when the rubber meets the road that makes the
16 difference. And so thank you for your time.

17 **CHAIRMAN BRISÉ:** Thank you for your testimony.

18 Are there any questions for Ms. May?

19 Seeing none, thank you.

20 **MS. MAY:** Thank you.

21 **MR. KELLY:** After Mr. Hannah is Penni Redford.

22 **BILL HANNAH**

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

25 **DIRECT STATEMENT**

1 **MR. HANNAH:** At my age I need notes. My name
2 is Bill Hannah. I live at 11188 Sea Pines Circle in
3 Hope Sound, but I'm representing the Indiantown
4 Telephone System, which serves fiber-optic phone
5 service, Internet service, and DirecTV to western Martin
6 County. Some of you may have come to some of our rate
7 issues.

8 We are presently revising our capabilities to
9 handle a call center in little old Indiantown up the
10 road, and Florida Power and Light -- we have had to
11 require from them or ask them to cooperate with us for
12 installations that are not normal and for things that
13 are not usually thought of in the business-to-business
14 situations. They have been extremely cooperative in
15 every issue that we have had with them, and that's all I
16 can speak to is that issue. But I will say this, I'm a
17 charter member of the Indiantown Education Coalition
18 board of directors. I have served on the Indiantown
19 neighborhood advisory committee and I currently am
20 serving on the community redevelopment agency in Martin
21 County. And I'm sure you folks are familiar with all of
22 those particular agencies and civic.

23 I consider myself a civic activist, and I can
24 assure you that FPL has been an outstanding corporate
25 neighbor to all of our funds and to all of our events

1 that we have to put Indiantown where it belongs on the
2 map. Thank you.

3 **CHAIRMAN BRISÉ:** Thank you, Mr. Hannah.

4 Are there any questions for Mr. Hannah?

5 Seeing none, thank you for your testimony.

6 **MR. KELLY:** After Ms. Redford is Vincent
7 Bonvento.

8 **PENNI REDFORD**

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

11 **DIRECT STATEMENT**

12 **MS. REDFORD:** Good evening, Commissioners,
13 Penni Redford. I'm the Sustainability Manager for the
14 City of West Palm Beach. Our team's mission is to
15 reduce the community's greenhouse gas emissions and to
16 address the impacts of climate change.

17 FPL has been a strong supporter of ours from
18 the creation of the Office of Sustainability in 2008.
19 We began an annual E4 sustainability summit that year
20 and have done that every year. FPL has provided
21 speakers, sponsorships, and support for our conservation
22 efforts. We also have worked together in the past year
23 to do two HEMI programs -- which HEMI is Home Energy
24 Makeover Initiative -- for the residents of West Palm
25 Beach. That was more than 100 homes. We went in and

1 did weatherization and energy efficiency retrofits.
2 City staff worked hand-in-hand with FPL to provide those
3 services. It meant, you know, weatherstripping,
4 changing out compact fluorescents from the regular
5 bulbs, and even adding insulation into the attics all
6 for no charge for these really needy and thankful
7 customers and residents.

8 We also recently have been working together to
9 put a solar demonstration project together at the city's
10 waterfront. So if you come down and visit our great
11 green market or one of the other events that you will
12 find at Climata Street (phonetic), please visit the
13 waterfront. Look at the trellises behind the lake
14 pavilion, and you will see about 25 kW of solar that was
15 installed there by FPL.

16 We want to be a leader in our commitment to
17 global climate change reductions and addressing the
18 impacts and we look forward to working with FPL as a
19 partner. Thank you.

20 **CHAIRMAN BRISÉ:** Thank you, Ms. Redford. It
21 seems like there is two questions. I have a question
22 here from Commissioner Balbis.

23 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.
24 And I actually do not have a question, but
25 just for full disclosure, I had the pleasure of working

1 with Ms. Redford at the City of West Palm Beach, and she
2 was a very passionate manager of the Office of
3 Sustainability and did a fantastic job while I was
4 there, and it's really a pleasure to see her here today.
5 And it is, again, one of the benefits of coming home to
6 seeing friendly faces of folks that I have worked with.
7 So thank you.

8 **MS. REDFORD:** Thank you.

9 **CHAIRMAN BRISÉ:** Good deal.

10 Mr. Saporito.

11 **MR. SAPORITO:** Thank you, Mr. Chairman.

12 Your testimony about the projects, the weather
13 stripping and the energy efficiency measures, and you
14 said there was no charge for the consumers, but is it
15 your understanding that the costs are covered in the
16 rate base?

17 **MS. REDFORD:** I know that it was a service
18 that was provided with no cost.

19 **MR. SAPORITO:** Okay. Thank you.

20 **MS. REDFORD:** Thank you.

21 **CHAIRMAN BRISÉ:** Thank you, Ms. Redford, for
22 your testimony.

23 **MR. KELLY:** After Mr. Bonvento is David
24 Powers.

25 **VINCE BONVENTO**

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

3 **DIRECT STATEMENT**

4 **MR. BONVENTO:** Good evening. My name is Vince
5 Bonvento. I'm Assistant County Administrator for Palm
6 Beach County. I'm not here tonight to comment on the
7 merits of the FPL rate proposal, but I am here on behalf
8 of the Board of County Commissioners and the County
9 Administrator's Office to welcome you to Palm Beach
10 County, and to welcome you to our facility tonight.

11 But I would like to just make a couple of
12 comments as a part of my job duties and responsibilities
13 is to oversee the disaster preparedness and response for
14 Palm Beach County, and I would just like to go on record
15 in commending FPL for the infrastructure improvements
16 that they have made since 2005 when Frances, Jeanne, and
17 Wilma impacted our community. They are a vital team
18 member of our emergency management response team in Palm
19 Beach County. They participate and they actually are
20 physically housed in our emergency operating center when
21 we do an activation and they are a real key member to
22 our disaster team, and I'd just like to go on record to
23 acknowledge that. Thank you.

24 **CHAIRMAN BRISÉ:** Thank you, Mr. Bonvento.

25 Are there any questions?

1 I want to say this is a wonderful facility,
2 and thank you for your hospitality.

3 **MR. BONVENTO:** Thank you.

4 **MR. KELLY:** After Mr. Powers is Richard Ross.

5 **DAVID POWERS**

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

8 **DIRECT STATEMENT**

9 **MR. POWERS:** Good evening, Commissioners. My
10 name is David Powers. I'm from 1494 Southwest Lox Road
11 (phonetic). Born and raised in Indiantown, Florida, a
12 small community just to the west of here. I'm very
13 proud to say the home of the second largest solar
14 thermal plant in the United States this side of
15 California. And that plant was put into place with the
16 vision that Florida Power and Light has. Those things
17 just can't pop up within a year or so, they have to be
18 planned today for tomorrow's future.

19 How did that help our community? A couple of
20 different ways. I'm not a tax expert, but when you
21 invest that type of money into an infrastructure inside
22 your community, the benefits from a tax standpoint are
23 tremendous and everybody from the community gets the
24 benefit from that.

25 Immediately there was jobs. Again, this thing

1 started construction in 2008 and was completed in 2010.
2 The planning I would imagine started in 2006 maybe. So,
3 again, you have to start planning today for what is
4 going to happen in the next few years to come.

5 Jobs. I was part of helping put on a job
6 fair, you know, to help the local residents. Again,
7 there was 1,000 jobs created out of that. In a two-day
8 event there were 5,000 people that showed up, you know,
9 and I never want to see that again in my life as far as
10 when they, you know, just line up and almost fight for
11 jobs.

12 Again, it goes back to the vision. What has
13 that been able to do for us, as well? The investment
14 that Florida Power and Light has made in the community,
15 hardening the infrastructure, the reliability, the low
16 cost. Indiantown is economically challenged. We are
17 in -- you know, it's not a county fight as far as jobs
18 go, it's not a state fight, it's a global fight as far
19 as trying to, you know, build and create jobs and create
20 a better future for the community.

21 They have been a partner in that every step of
22 the way. Again, a low-cost provider of electricity, but
23 also the redundancy has allowed us to talk to companies
24 that we have never thought about talking to before.
25 And, again, it all goes back to the infrastructure and

1 the commitment that they have put in there. And being
2 at the table when asked to come speak for the community
3 as far as are they able to provide the service and the
4 level of service that these companies are looking for?
5 Again, it's not a State of Florida issue, it's not a
6 United States, it's a global issue that we are fighting
7 for jobs.

8 And I will finish up real quick. Just from an
9 employee standpoint, I heard 10,000. That's fantastic.
10 There is not a nonprofit organization that I'm involved
11 in or in Martin County that I don't see a Florida Power
12 and Light employee on there. It's not a forced issue,
13 it's one that they really get involved with the
14 community. Again, I thank them for encouraging that
15 from the employees. Thank you.

16 **CHAIRMAN BRISÉ:** Thank you, Mr. Powers, for
17 your testimony.

18 Are there any questions for Mr. Powers?

19 Seeing none, thank you for your testimony.

20 **MR. KELLY:** After Mr. Ross is Gary Hines. Is
21 it Hines or Hires?

22 **MR. HINES:** Hines.

23 **GARY HINES**

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

DIRECT STATEMENT

1
2 **MR. HINES:** Good evening, Mr. Chairman,
3 members of the Commission, and audience. Commissioners,
4 thank you for the opportunity to speak to you. Gary
5 Hines, a lifetime resident of Palm Beach County. I
6 currently reside at 149 King's Way in Royal Palm Beach.
7 Phone number 561-790-2928.

8 On the card I turned in I did list my business
9 affiliation, which is the Business Development Board of
10 Palm Beach County. I have been there 23 years, and I'm
11 a manager with that organization. I would like to make
12 comments not to the rate, I can't address that, but I
13 would like to talk to you about the quality and level of
14 service that I have observed personally through the
15 years from FPL.

16 To lead into that, let me explain the mission
17 of our organization. And this is not a shameful
18 commercial for the BDB, but you will understand the
19 connection in just a moment. The mission of our
20 organization, and this is our 30th anniversary, we are
21 Palm Beach County's official economic development
22 organization. Basically, the mission is three-fold;
23 recruit, expand, and retain companies and jobs in Palm
24 Beach County. That's all we're about.

25 I have heard a number of people earlier talk

1 about unemployment. Without a doubt we have all come
2 through the most serious downturn in our economy and the
3 most serious recession in my lifetime, and probably
4 since the Great Depression. And it is still very tough
5 out there, as a lot of people in this room and outside
6 this room can attest.

7 We are seeing some success, more so than our
8 competitors around the state and in other states, but
9 economic development is a very competitive business. We
10 have the fortune to be supported by the public sector
11 partner, the Palm Beach County Board of County
12 Commissioners, we have a contract with them, and they
13 supply 40 percent of our annual funding. The
14 60 percent, the majority of our funding comes from about
15 350 businesses all around Palm Beach County, and FPL is
16 one of those members, supporting members of our
17 organization.

18 They have been very supportive of economic
19 development, not just in our county, but throughout the
20 service area and beyond, I believe. They support
21 economic development for the State of Florida. In fact,
22 they have full-time person, Lynn Pitts, that does
23 economic development and works with communities. Last
24 week here in Palm Beach County, FPL funded and sponsored
25 an event to help local officials, county and state

1 officials, and was well attended by many municipal
2 officials across Palm Beach County, several people from
3 county government, to understand how economic
4 development works and how to better prepare their
5 communities to compete in a very competitive environment
6 to attract new companies relocating and expanding and
7 creating jobs in those communities. And it was a very
8 successful event; again, sponsored and funded by FPL.

9 I want to speak now to a very recent event
10 which I was just amazed at the quality and the
11 timeliness and the level of service. For several months
12 after working with the company here in the north county,
13 a company called Logus Traxx, T-R-A-X-X, they have got a
14 patented technology, it's something that fits in a box
15 this size. It is a technology device that measures and
16 calculates the temperature in an enclosed truck that is
17 transporting perishables, food items or other
18 perishables, ornamentals, from the point of Point A,
19 where it is shipped, to the destination. The shipper
20 can tell at any given point in time where that truck is
21 and the temperature if it's transporting perishables.
22 And we are all concerned about food quality. That is a
23 terrorist threat. The terrorists, they want to get into
24 our water quality, they want to attack our food. This
25 is going to protect the quality and safety of our food

1 and water.

2 This company, they are growing quite
3 successfully. In the next year they are going to add
4 110 jobs. That mandated that they move to a larger
5 facility. Several months ago they signed a lease for a
6 facility in the West Jupiter area. And all was going
7 well; they planned a grand opening; they invited several
8 of our U.S. Congressmen and local officials there for
9 the grand opening and the ribbon cutting.

10 All was set, and in three days, this was last
11 Thursday, uh-oh, something happened. The electrician
12 goofed up, ordered the wrong wire, and they were not
13 able to order and set the electric meters or get power
14 turned on. There was a real risk of canceling the
15 entire event. The invitations had all been sent out
16 long ago. The congressmen had this on their calendar
17 and FPL came to the rescue. This was Thursday --

18 **CHAIRMAN BRISÉ:** Your time is up.

19 **MR. HINES:** Okay. I'll finish. Within two
20 days FPL got out there. The meters were set, the power
21 was turned on, the grand opening happened. They are
22 very supportive of economic development and creating
23 jobs in Palm Beach County. Thank you.

24 **CHAIRMAN BRISÉ:** Thank you, Mr. Hines.
25 Are there any questions for Mr. Hines?

1 All right. Thank you very much for your
2 testimony this afternoon.

3 **MR. KELLY:** The next speaker is Devesh -- is
4 it Nismul?

5 **MR. NIRMUL:** Nirmul.

6 **MR. KELLY:** Nirmul. How do you spell that,
7 sir?

8 **MR. NIRMUL:** N-I-R-M-U-L.

9 **DEVESH NIRMUL**

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

12 **DIRECT STATEMENT**

13 **MR. NIRMUL:** Good evening, Commissioners. I'm
14 here just to really talk about quality of service,
15 customer service and our relationship. We are based out
16 of Dania Beach, Florida. We are North American Wide, a
17 property management firm that deals with residential
18 properties, high-rise condos in South Florida, low-rise
19 HOAs across Florida, et cetera, and the entire country.

20 We have got a corporate mission on
21 sustainability to basically reduce energy and water
22 consumption. Starting with energy, we are very
23 successful in New York, and part of that process
24 involves data collection and these types of things. So
25 part of that is working with the utility, FPL. I would

1 say of all of our requests to utilities, FPL has been
2 supportive in helping us in our effort to help our
3 clients understand what they are consuming and what
4 direction we can take to reduce that consumption.

5 So in our territory with FPL, we have about
6 3,000 meters under FPL's territory. What I would like
7 to say is that we'd like to see more cooperation on the
8 data side in helping us to address energy efficiency,
9 and this is kind of the larger picture with what you're
10 dealing with with the rate analysis. I'm not here to
11 comment on that, but the idea being that we could be
12 very comprehensive in energy management for buildings
13 that are left out the equation. These are residential
14 buildings. And make a dent in that and probably have
15 some very good demand management opportunities that are
16 win/win for the utilities, for ratepayers, and
17 ourselves.

18 The reason we're doing this social
19 responsibility. We have a large portfolio. We want our
20 clients to understand energy and to be able to be
21 efficient and reduce costs and consumption. What I
22 would like to say is that last year the National
23 Associate of Regulated Utility Commissioners put out a
24 resolution on data benchmarking, and I do have that to
25 submit as an exhibit. I think in the larger context

1 when we talk about generational capacity, how much you
2 need, conservation, demand management, really I think
3 corporate players like us that can really have a
4 leadership role in that process should -- you know,
5 should be able to exceed. In all our other markets we
6 have home building data available to us in New York,
7 Chicago, and Canada.

8 So I think we would just like for Florida to
9 be on the cutting edge a bit more, and we appreciate
10 whatever support we're getting. I think there is a big
11 story to be told that existing buildings. If you look
12 at New York, if you look at what Bloomberg is doing, we
13 are in that market. Every day an existing building gets
14 older there is even more opportunity to make sure that
15 building is running efficiently. We will try to do our
16 part as we maintain these buildings and help our clients
17 understand the opportunity for energy efficiency.

18 Thank you. I would like to submit the New
19 York resolution, if I can. Thank you.

20 **CHAIRMAN BRISÉ:** Sure. Thank you, Mr. Nirmul.
21 Before you do that, are there any questions
22 for Mr. Nirmul?

23 Seeing none, you may approach.

24 **MR. NIRMUL:** Thanks. And the company is First
25 Service Residential, by the way. That's the

1 corporation. Thank you.

2 **CHAIRMAN BRISÉ:** Thank you.

3 **MR. KELLY:** Mr. Chairman, I will go ahead and
4 call the next names that can be coming up.

5 Dan Clark followed by Barbara Susco.

6 **MS. KLANCKE:** This is Exhibit Number 25 and it
7 is consisting of a resolution access to whole building
8 energy data, so I would suggest for the short title
9 Nirmul resolution abstract.

10 **CHAIRMAN BRISÉ:** Thank you.

11 (Exhibit 25 marked for identification.)

12 **MS. SUSCO:** Dan Clark isn't here?

13 **MR. KELLY:** Dan Clark?

14 All right. Barbara Susco.

15 **BARBARA SUSCO**

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

18 **DIRECT STATEMENT**

19 **MS. SUSCO:** Thank you, Mr. Chairman and
20 members. Barbara Susco, 7164 St. Andrews Road, Lake
21 Worth; 561-641-3818.

22 I had a little sign, it was a little piece of
23 paper that said captive customer, because I felt that
24 the article that was in the Palm Beach Post by the
25 Florida Retail Federation was very apropos and gave us a

1 lot of information to inform us. My main gripe is that
2 FPL is spending money on projects that we don't want and
3 we don't need. We had the -- what, a year ago, I guess
4 it was, this room was filled. We couldn't even get in
5 the building protesting the incinerator burning trash
6 for fuel that we don't need, and yet FPL went ahead with
7 that project.

8 The second one that I'm opposed to, which is
9 part of Agenda 21, or sustainable development, which
10 sounds good, but is not good, it's more government
11 control, are the smart meters that they went ahead and
12 put on our homes without informing us, holding a public
13 hearing, just going ahead and putting something that is
14 very, very dangerous by a company, GE, that doesn't care
15 a thing about the United States. They were the ones
16 planning the Fukushima plant on a fault line. Engineers
17 quit because they were angry with that. And they are
18 not a pro-American company, even if Obama has Immelt for
19 his advisor.

20 This is a dangerous thing, the smart meter.
21 They are making people sick. They give off radiation.
22 They destroy appliances. And now after they are on our
23 houses now they want to take testimony in September? I
24 think it's a little late. So I hope that you will take
25 this into consideration. We don't want an increase,

1 especially when they are putting in projects to which we
2 are opposed. And I thank you for listening.

3 **CHAIRMAN BRISÉ:** Thank you, Ms. Susco. It
4 seems that there is a question for you, Ms. Susco.

5 **MS. SUSCO:** Oh, sure.

6 **CHAIRMAN BRISÉ:** Mr. Saporito has a question
7 for you.

8 **MS. SUSCO:** Sure.

9 **MR. SAPORITO:** Thank you, Mr. Chairman.

10 With respect to your testimony about the rate
11 meters, smart meters, did FPL offer you an opportunity
12 to opt out of that installation?

13 **MS. SUSCO:** A postcard was sent out. I'm
14 trying to think. It might have been before they put it
15 in, but I was out of town when it was put in, so I
16 really didn't have an opportunity to do anything about
17 it. Friends of mine wrote letters. They had theirs
18 removed, then they came back and put them in again, and
19 then they had to replace them again a second time. So
20 they are playing games with the people. But my husband
21 wouldn't permit me to do anything about it. He's afraid
22 of FPL, that they are going to raise the rates.

23 **CHAIRMAN BRISÉ:** Thank you, Ms. Susco, for
24 your testimony.

25 Mr. Kelly.

1 **MR. KELLY:** The next speaker is Sylvia Moffett
2 followed by Seabron Smith.

3 **SYLVIA MOFFETT**

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

6 **DIRECT STATEMENT**

7 **MS. MOFFETT:** Good evening, Commissioners. My
8 name is Sylvia Moffett and I live at 513 35th Street in
9 West Palm Beach. My telephone number is 561-848-9674.

10 I know that FPL has done some good things in
11 the community, but that's not what I'm here to talk
12 about today. What I think makes lot of sense is what
13 the Florida Retail Organization has said. In the
14 article that was written in the paper, it was posted in
15 the *Palm Beach Post* a couple of days ago did make a lot
16 of sense. In order to have a rate hike, it has to be a
17 fair and reasonable return. It has to be prudent. A
18 16 percent increase in base line, or in base rate,
19 rather, isn't prudent or reasonable, I don't think.

20 It has been mentioned that in Florida we are
21 lucky customers because we get such a low rate. I think
22 that's admirable. I think it could continue. When
23 mention was made of saving billions of dollars in fuel,
24 that reflects not only customers, but that reflects
25 money coming back to FPL.

1 Base rates are forever. It's not conscionable
2 to allow this 16 percent base rate increase. Thank you.

3 **CHAIRMAN BRISÉ:** Thank you. If you would wait
4 for one second. I think there may be some comments from
5 Commissioner Balbis.

6 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.
7 And I guess it wasn't mentioned, Commissioner Moffett is
8 a City of West Palm Beach Commissioner, I believe
9 District 1, and it's good to see you here. And I
10 apologize for not recognizing you earlier.

11 **MS. MOFFETT:** Oh, no, that's all right. I
12 came here, really, as private citizen. But I will say
13 this, my district, District 1, is the poorest district
14 in the city. We have residents who deliberately don't
15 turn on -- they turn off the electricity and use regular
16 water because they can't afford it. This is the truth.
17 So a rate increase is going to be really crippling to
18 them. Thanks.

19 **CHAIRMAN BRISÉ:** Thank you, Commissioner
20 Moffett.

21 **MR. KELLY:** After Mr. Smith is Stan Smilan or
22 Smilan.

23 **SEABRON SMITH**

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

DIRECT STATEMENT

1
2 **MR. SMITH:** Good evening, Commissioners. My
3 name is Seabron Smith. I reside at 7510 Anthony Court
4 (phonetic), Lake Worth, Florida. My phone number is
5 561-968-7205. I signed the sheet as my business
6 address, which is 401 West Atlantic Avenue, Delray
7 Beach.

8 I thank God that I'm not living in -- I live
9 in West Lake Worth out west, and I'm thankful that I do
10 not have Lake Worth Utilities, because I appreciate
11 Florida Power and Light and the rate that we have now
12 because, you know, I'm on the line where I could have
13 been paying a lot more.

14 My experience as a consumer with FPL when we
15 had the hurricanes is that we have underground utilities
16 out there, and our service wasn't off very much at all.
17 Through all three hurricanes I think it was only maybe
18 four or five days, and I'm thankful for that, too. But
19 on a professional level, you know, we do get support
20 from FPL through sponsorships for some of the events
21 that we have to support small businesses. We have
22 conference; we do a lot of training; and FPL is a
23 community sponsor that actually helps us to do that.

24 We really do appreciate some of the things
25 that -- I appreciate some of the things I have heard

1 today, you know, on the negative level and also on the
2 positive level, but more so on the positive level
3 because, again, I have to appreciate having the power
4 and having the opportunity to go home, turn the switch
5 on and it works. That is more relaxing than anything
6 else. When you have air conditioning you can enjoy
7 that.

8 Professionally, I have 3,100 square feet of
9 space in Delray Beach, and my building is not really
10 that high. It's energy efficient, and when I got here
11 today I went and signed up an energy survey for my
12 personal residence because I want to make sure that I'm
13 getting the very best rates that I can, keeping the rate
14 down. So one of the things that I'm doing now as a
15 consumer is not complaining about FPL, but also finding
16 out how I can be a better customer from FPL so we can
17 all save money. So, thank you. I appreciate it.

18 **CHAIRMAN BRISÉ:** Thank you for your testimony.
19 There is a question for you.

20 Mr. Saporito.

21 **MR. SAPORITO:** With respect to -- you made a
22 comment that your energy bills aren't really that high.
23 Can you tell me what is -- what was your most recent FPL
24 electric bill, the dollar amount?

25 **MR. SMITH:** About \$160.

1 **CHAIRMAN BRISÉ:** Thank you.

2 **MR. SMITH:** Thank you.

3 **CHAIRMAN BRISÉ:** Thank you for your testimony.

4 **MR. KELLY:** The last speaker is Stan -- is it
5 Smilan? And that's the last speaker I have, Mr.
6 Chairman.

7 **CHAIRMAN BRISÉ:** Thank you.

8 **STAN SMILAN**

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

11 **DIRECT STATEMENT**

12 **MR. SMILAN:** The name is pronounced Smilan,
13 and I live in Lake Worth. My address and telephone
14 number, it's all on record.

15 I am an atomic veteran, so I'm going to share
16 something with you people that you probably don't have
17 any experience knowing about. Also, the reason I came
18 up here today was I listened to Nancy Argenziano's
19 resignation speech, which I recorded at the time she
20 made it, and she spoke glowingly of the PSC staff, and
21 she said there were dedicated people on the staff, and
22 she had no complaints, for the most part, the staff
23 members who work for the PSC.

24 One point she made was that the regulator is
25 actually regulated and the involvement of the

1 legislature in choosing the members of the PSC, the
2 legislators themselves are regulated by the regulated
3 FPL. So I'm an American veteran with a combat-related
4 disability. I come up here; I see the flag; I want to
5 see how this institution works, that's why I came
6 dashing up here. And to you this is all in the
7 abstract. To people like me, who are atomic veterans,
8 it's an experience that is actually pressed in our
9 flesh.

10 Now, I attended the National Conference of
11 Radiation Protection Seminar in Arlington, Virginia, in
12 2006, and it was the 20th anniversary of Chernobyl, and
13 there was a discussion of why cogeneration is so much
14 more efficient, produces twice the amount of electricity
15 and cooling and heating from the same amount of fuel,
16 why do we have a monopoly with a centralized
17 distribution system that wastes half of the fuel that
18 goes up the smoke stack as waste.

19 Now, I asked the question during the Q&A why
20 aren't we using more decentralized cogeneration like at
21 MIT, and like at M.A. Anderson down in Houston, and like
22 the University of Florida up in Gainesville? And the
23 reason I was given was that you had to dislodge the
24 legacy utilities. And I hope the Chairman will just
25 waive a couple more minutes here for me, if you can,

1 because I've got something at stake in this, and I want
2 to share something with you.

3 We have 80 percent of the nuclear power in the
4 State of Florida located in southeast Florida. And one
5 of the things that Nancy Argenziano raised was she said
6 there was a substantive policy change made in the
7 legislature that allowed FPL to collect payments in
8 advance of construction and also licensing. Now I will
9 try to get right to the essential point here.

10 Dislodging this utility -- they have a
11 responsibility to their shareholders. And if they can
12 convert being the middleman just paying the oil company
13 and the gas company for the gas, increase their capital
14 expenditures and tuck it into their rate base, get that
15 10-1/2 percent return, this is the only way that they
16 can remain a growth industry, and that's the
17 responsibility of these executives to their
18 shareholders, to remain a growth industry.

19 But what they are doing is they are stifling a
20 really efficient, effective way for this country to
21 solve its energy problems and that is to go ahead, get
22 decentralized cogeneration, put it to work as a
23 transition for solar. They only have 301 megawatts of
24 solar and it's located in the Mojave Desert and they
25 sell it is a merchant utility to the State of California

1 because they can get higher rates. They proposed a
2 merger with Chesapeake Energy -- I'll finish up very
3 quickly here -- a merger with Chesapeake Energy to --
4 they wanted to have the Koch industry -- you know, the
5 Koch brothers have \$48 billion. They own privately
6 owned companies. They wanted to do merge, do a joint
7 venture --

8 **CHAIRMAN BRISÉ:** Mr. Smilan, you're a minute
9 and 44 seconds over.

10 **MR. SMILAN:** Okay. -- do a joint venture with
11 Koch Industries to move gas up to Maryland where they
12 would get 70 percent more selling it in a deregulated
13 market, and they have built that new generation
14 facility --

15 **CHAIRMAN BRISÉ:** Thank you.

16 **MR. SMILAN:** -- in West Palm Beach, which they
17 will shut down if they can get more nuclear power on
18 line, and they will sell that gas up north, and we're
19 supposed to pay for that.

20 **CHAIRMAN BRISÉ:** Thank you for your testimony.

21 **MR. SMILAN:** Okay.

22 **CHAIRMAN BRISÉ:** Mr. Saporito.

23 **MR. SAPORITO:** Yes, sir. I just have a
24 question for you. Are you living on a fixed income.
25 And if so, how would FPL's rate request effect you?

1 **MR. SMILAN:** I can well afford to pay them
2 double, triple what they want, but that's not the point.
3 I mean, we send people out to fight for this country and
4 we have a critical thing that is tearing this country
5 apart, and that is becoming independent from Middle East
6 oil. And what FPL is doing is not in the interest of
7 the American people. Whether I can pay them or not, I
8 mean, I will give this man a \$50 bill if it will help
9 him out. I'll buy him dinner. I'll take him to dinner.
10 That's not the point.

11 Did you have another question? I'm sorry.
12 Would one of you people want to ask me why Long Island
13 rates are higher than FPL's?

14 **CHAIRMAN BRISÉ:** Thank you for your testimony.
15 It was appreciated.

16 **MR. SMILAN:** It's something you should know.

17 **CHAIRMAN BRISÉ:** Thank you for your testimony.
18 It was certainly appreciated, sir.

19 **MR. SMILAN:** Are you interested?

20 **CHAIRMAN BRISÉ:** Thank you for your testimony.

21 **MR. SMILAN:** Are you interested, sir?

22 **CHAIRMAN BRISÉ:** Thank you for your testimony.

23 **MR. SMILAN:** How about the other
24 Commissioners? No one is interested.

25 **CHAIRMAN BRISÉ:** We certainly appreciate your

1 participation this evening, and I think we will continue
2 this process. This is a long process. We will be in
3 Miami in about a week from now, and we will continue
4 that part of the process, and then it moves back up to
5 Tallahassee.

6 So we thank you, once again, for your
7 participation. We thank, I guess, it's the county for
8 access to this facility. And with that we stand
9 adjourned.

10 (The service hearing concluded at 7:06 p.m.)
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STATE OF FLORIDA)
 : CERTIFICATE OF REPORTER
COUNTY OF LEON)

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

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

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

DATED THIS 6th day of July, 2012.



JANE FAUROT, RPR
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