

1                    BEFORE THE  
2                    FLORIDA PUBLIC SERVICE COMMISSION

3                    DOCKET NO. 120015-EI

4                    In the Matter of:

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

7  
8                    PROCEEDINGS:      PLANTATION SERVICE HEARING

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

11  
12                  DATE:               Wednesday, August 8, 2012

13                  TIME:                Commenced at 9:00 a.m.  
14                                        Concluded at 12:26 p.m.

15                  PLACE:              Plantation City Council Chambers  
16                                        400 Northwest 73 Avenue  
                      Plantation, Florida 33317

17                  REPORTED BY:      LINDA BOLES, RPR, CRR  
                      Official FPSC Reporter  
18                                        (850) 413-6734

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25                  FLORIDA PUBLIC SERVICE COMMISSION

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## 1 APPEARANCES:

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3 c/o The Florida Legislature, 111 W. Madison Street, Room  
4 812, Tallahassee, Florida 32399-1400, appearing on  
5 behalf of the Citizens of Florida.

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

9 WILLIAM C. GARNER, ESQUIRE, Nabors Law Firm,  
10 1500 Mahan Drive, Suite 200, Tallahassee, Florida 32308,  
11 appearing on behalf of the Village of Pinecrest.

12 THOMAS SAPORITO, 6701 Mallards Cove Road,  
13 Apartment 28H, Jupiter, Florida 33458, appearing pro se.

14 ALEXANDRIA LARSON, 06933 West Harlena Drive,  
15 Loxahatchee, Florida 33470, appearing pro se and on  
16 behalf of Daniel Larson.

17 LARRY NELSON, 312 Roberts Road, Nokomis,  
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19 CAROLINE KLANCKE, ESQUIRE, Office of the  
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21 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,  
22 appearing on behalf of the Florida Public Service  
23 Commission.

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

2                   **CHAIRMAN BRISÉ:** All right. We're going to go  
3 ahead and get started. We're going to convene our  
4 customer service hearing this morning for Docket No.  
5 120015-EI. I'm going to ask the Commissioners to  
6 introduce themselves. We'll start from my right, going  
7 to my left.

8                   **COMMISSIONER BALBIS:** Good morning. My name  
9 is Eduardo Balbis, and thank you for coming here this  
10 morning.

11                  **COMMISSIONER EDGAR:** Hello. Good morning.  
12 Lisa Edgar. Glad to see you all. Thank you for coming.

13                  **COMMISSIONER GRAHAM:** Good morning. Art  
14 Graham.

15                  **COMMISSIONER BROWN:** Good morning. Julie  
16 Brown.

17                  **CHAIRMAN BRISÉ:** Once again, good morning.  
18 Ronald Brisé. I have the pleasure of chairing this  
19 Commission.

20                  At this time we will hear from Ms. Klancke,  
21 who will read the notice.

22                  **MS. KLANCKE:** By notice issued on July 2nd,  
23 2012, by the Commission Clerk, this time and place has  
24 been set for a customer service hearing in Docket No.  
25 120015-EI.

1                   **CHAIRMAN BRISÉ:** Thank you very much,  
2 Ms. Klancke.

3                   At this time we will take appearances of  
4 counsel.

5                   **MR. BRYAN:** Good morning, Mr. Chairman and  
6 Commissioners. Patrick Bryan, appearing on behalf of  
7 Florida Power & Light Company.

8                   **CHAIRMAN BRISÉ:** Good morning.

9                   **MR. KELLY:** Good morning. J. R. Kelly. I'm  
10 with the Office of Public Counsel on behalf of the  
11 ratepayers.

12                  **MR. WRIGHT:** Good morning, Commissioners.  
13 Robert Scheffel Wright on behalf of the Florida Retail  
14 Federation.

15                  **CHAIRMAN BRISÉ:** Good morning.

16                  **MR. GARNER:** Good morning. Bill Garner on  
17 behalf of the Village of Pinecrest.

18                  **CHAIRMAN BRISÉ:** Good morning.

19                  **MR. SAPORITO:** Thomas Saporito, private  
20 citizen, just one of you guys, representing myself.

21                  **MR. NELSON:** My name is Larry Nelson, and I'm  
22 a private citizen also representing myself.

23                  **MS. LARSON:** Good morning, everybody. I'm  
24 Alexandria Larson, and I'm a private citizen intervening  
25 in this case. Thank you.

1                   **CHAIRMAN BRISÉ:** Good morning. Good morning.  
2                   Good morning.

3                   **MS. KLANCKE:** Caroline Klancke, Commission  
4                   legal staff.

5                   **CHAIRMAN BRISÉ:** Thank you.

6                   First of all, let me thank all of you for your  
7                   participation, counsel, and I want to thank all of you  
8                   who have come out this morning. This morning's customer  
9                   service hearing is about you, the customers. We are  
10                  here to hear from you. We want to hear your concerns,  
11                  your interests, and your opinions on the petition that  
12                  is brought forth by Florida Power & Light.

13                  With that in mind, each one of the Intervenors  
14                  and the Petitioners is going to have an opportunity to  
15                  make introductory statements to sort of express in  
16                  summary what they want to bring forward, or information  
17                  that they want to relate to you. And then there will be  
18                  a technical hearing where we look at all of the evidence  
19                  in the case, and there will be a formal hearing in that,  
20                  in the setting at our Commission in Tallahassee.

21                  But today is your opportunity to put on the  
22                  record what your thoughts are. So we want to make sure  
23                  that we give you every opportunity to say what you want  
24                  to say, and there are many ways that you can do so. And  
25                  I'm going to go ahead and say that now before we get

1 into the opening statements.

2                 If you are not very comfortable speaking in  
3 public, you will have an opportunity to provide your  
4 comments on paper in the green forms that were provided  
5 to you. You could either mail those in or make those  
6 available to our staff. You can also e-mail your  
7 comments, and they are just as valid as the comments  
8 that are provided on the record this morning.

9                 We know that there are, there's a lot of  
10 interest concerning smart meters, so you have a blue  
11 form that is present here and that you should have  
12 received, and on the blue form you can make comments  
13 with respect to smart meters. We will have a workshop  
14 at the Commission on September 20th at 1:00 p.m., and  
15 all the issues surrounding smart meters will be  
16 discussed at that particular workshop.

17                 Just for our mutual respect, I've turned off  
18 my cell phone and I've turned off all of my other  
19 communication devices. And so I will ask that you would  
20 do the same, either turn them off or put them on vibrate  
21 or silenced, just so that we can't hear them and that  
22 those who are speaking won't be disturbed by them, and  
23 those who are listening won't be disturbed by them  
24 either. We thank you for your cooperation with that.

25                 We are going to hear from the individuals who

1       are going to make opening statements. But before I do  
2       so, let me introduce some people who are here with us.

3                 Mr. Marshall Willis from the Commission,  
4       Mr. Andrew Maurey, Ms. Draper. We have Cindy Muir,  
5       who's in the rear, who probably signed you in and helped  
6       you get yourself organized. We have Mr. Dick Durbin,  
7       who's responsible for our audiovisual and all those type  
8       of things, and we have Ms. Linda Boles, who is our court  
9       reporter this morning.

10               So with that we are going to move into opening  
11       statements, and I'm going to ask Florida Power & Light  
12       to come forward. I want to remind all of the  
13       individuals who are making opening statements, we agreed  
14       on a time, so FPL has eight minutes, OPC, Office of  
15       Public Counsel, has eight minutes, and all the other  
16       Intervenors have five minutes apiece.

17               So, please, we have these lights. Green means  
18       go, yellow, time to slow down, yellow -- I mean, red  
19       means time to cease. So we trust that we will respect  
20       the time. Thank you very much.

21               FPL.

22               **MR. BRYAN:** Thank you, Mr. Chairman. Good  
23       morning. Again, my name is Patrick Bryan. I'm an  
24       attorney for Florida Power & Light Company. I'd like to  
25       first welcome you all here and thank you for coming out.

1           Your comments are very important to us.

2                 In a moment you'll hear from FPL's Vice  
3                 President of Customer Service, Marlene Santos. She'll  
4                 explain to you what we're asking for in this rate case  
5                 and why we're asking for it.

6                 But before she speaks to you I wanted to let  
7                 you know that we've brought several Customer Service  
8                 Representatives along with us today. They're set up in  
9                 a room just out, outside these chambers to the left as  
10                you're going out. If you have any question about your  
11                bill or problem with your service, please feel free to  
12                talk to them today. They'll try to do their best to  
13                resolve your, your issue or answer your question today  
14                while you're here. They've got computers so they can  
15                access your account information.

16                 With that, Marlene Santos.

17                 **MS. SANTOS:** Thank you, Commissioners, thank  
18                 you, Mr. Chairman, and thank you all for being here  
19                 today.

20                 I'm proud to be among the 10,000 FPL employees  
21                 who work every day to provide you with affordable,  
22                 reliable, and clean electricity. While we operate in a  
23                 regulated environment that makes us the only electric  
24                 company in our service area, we work hard to provide the  
25                 prices, the reliability, and the service that would

1 cause customers, if they had a choice, to choose us.

2 Consider this. FPL's typical residential  
3 customer bill is the lowest of the state's 55 electric  
4 utilities. A typical FPL residential customer saved  
5 \$357 last year compared to the Florida utility average.  
6 Even after the requested rate increase, we expect our  
7 bill to remain the lowest in the state.

8 Our service reliability ranks in the top 25%  
9 of comparable utilities nationwide. Our emissions  
10 profile is one of the cleanest in the country, and our  
11 customer service has been ranked by a national study  
12 eight years in a row.

13 We have accomplished this by investing in  
14 clean, cost-efficient technologies, and keeping  
15 operating costs down. For example, our groundbreaking  
16 smart grid investment, which some of our customers right  
17 here in Broward County helped us launch more than five  
18 years ago, is enabling enhanced reliability and giving  
19 millions of customers new ways to save.

20 Our investments in efficient natural gas power  
21 plants have resulted in greater fuel efficiency, and  
22 that means more money stays in your pockets. Like  
23 trading in an old gas guzzler for a more fuel efficient  
24 vehicle, you save on gas regardless of the price at the  
25 pump because you're using less fuel to get where you're

1 going.

2                   Indeed, since 2001, the investments we've made  
3 to improve the fuel efficiency of our power plants has  
4 saved you \$5.5 billion in fuel costs. By burning less  
5 fuel, we're generating cleaner power that's saving money  
6 every single day. Our strategy of switching to natural  
7 gas helps our environment and keeps your money here in  
8 America instead of buying foreign oil.

9                   This isn't just about fuel. It's about having  
10 a vision and an investment strategy that will provide  
11 benefits for many years to come to our customers, our  
12 state, and our country.

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

21                  We also work hard to be sensitive to the needs  
22 of less fortunate customers. Our Care To Share Program,  
23 which is funded by shareholders, customers, and  
24 employees, helps customers who are unable to pay their  
25 electric bills. Approximately 68,000 Florida families

1 have received help through this program.

2 Our current rates are based on a multiparty  
3 settlement approved by the Commission in 2010 and signed  
4 by the Public Counsel and many of the same parties that  
5 have intervened in this case. The agreement expires at  
6 the end of the year, which is why we are filing at this  
7 time.

8 This agreement effectively froze base rates  
9 for three years, but it also allowed for cost recovery  
10 for a new power plant and temporarily addressed our  
11 return on equity needs. The agreement allowed us to  
12 maintain earnings at acceptable levels sufficient to  
13 attract the capital necessary to continue to invest to  
14 provide you with reliable service.

15 Now to help us continue our successful  
16 performance for you, we're asking for an increase of  
17 \$7.09 a month, or 23 cents a day, on the base portion of  
18 a typical residential customer bill. But the base rate  
19 is only one part of your bill, and fortunately other  
20 parts are projected to be lower in 2013, so the net  
21 increase will be much less. Based on our April  
22 estimates for fuel prices and use by our power plants,  
23 the actual net increase on the total bill would be \$1.41  
24 a month, or about five cents a day for a typical  
25 residential customer.

1                   Small businesses, which make up about 80% of  
2 FPL's commercial customers, would see a relatively small  
3 net change in their bills as well.

4                   So what is the increase for? First is a new  
5 Clean Energy Center at Cape Canaveral. We will have  
6 spent about a billion dollars on this facility when it  
7 goes into service in June 2013. Primarily due to fuel  
8 savings estimated at more than a billion dollars, this  
9 plant more than pays for itself throughout its 30-year  
10 operational life.

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

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

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

1       customers with the lowest typical residential bill and  
2       reliability that is among the best in the nation.

3                 We're specifically asking for an allowed ROE  
4       midpoint of 11.25% and a performance incentive of  
5       one-quarter of 1% that would be allowed only if we  
6       maintain Florida's lowest typical residential bill.  
7       We're asking to be treated fairly when our performance  
8       is compared with the investor-owned utilities in this  
9       state, and we will be prepared to present our case in  
10      support of this request to the Commission's  
11      consideration during the upcoming hearings.

12               An appropriate ROE is crucial to our ability  
13      to finance the billions of dollars in improvements that  
14      keep reliability high and bills low and that create  
15      thousands of jobs for south Floridians like you.

16               Through difficult economic times FPL has  
17      invested in Florida. On average over the past five  
18      years our capital investments have far exceeded our net  
19      earnings. In fact, FPL is the state's biggest investor,  
20      with plans to invest roughly \$15 billion from 2010  
21      through 2014. We're a major taxpayer too. Last year  
22      alone FPL paid more than a billion dollars in taxes to  
23      state and local governments.

24               It's important to note that even with our  
25      requested increase our typical customer bill in 2013

1 will still be 11.5% lower than it was in 2006. Compare  
2 that with food and healthcare costs, which are both up  
3 20%, or a gallon of gas, up more than 40%. We're proud  
4 of keeping bills low and making Florida an even better  
5 place to live, work, and raise your family, and we ask  
6 for your support as we continue doing so.

7 I know this is a lot of information. You can  
8 learn more by reading the fact sheets that we've  
9 provided at the door.

10 We've asked a few local customers who have  
11 said they value our service if they would be willing to  
12 share their thoughts with you. We also want to hear  
13 from anyone who has a complaint, and that's why our  
14 customer advocates are here to help.

15 As a south Florida resident and an FPL  
16 customer myself, I know there is never a good time for  
17 rates to rise. My fellow employees and I have worked  
18 hard to minimize the required increase. We appreciate  
19 your business, we respect your opinions. And, in  
20 closing, I assure you that we are committed to exceeding  
21 your expectations today and continually improving for  
22 tomorrow. Thank you so much.

23 **CHAIRMAN BRISÉ:** Thank you very much. So  
24 you've exhausted your time for this morning.

25 The Office of Public Counsel.

1                   **MR. KELLY:** Good morning. Again, my name is  
2 J. R. Kelly. I'm with the Office of Public Counsel, and  
3 I have the pleasure of representing the ratepayers in  
4 this matter, both businesses and individuals.

5                   For those of you that are not familiar with  
6 our office, we are not part of the Public Service  
7 Commission. We're a separate office, we're funded by  
8 the Legislature, and our sole responsibility is to  
9 represent ratepayers in front of the Public Service  
10 Commission in rate cases such as this.

11                  Why are we here today? We're here because FPL  
12 has filed a \$690 million, excuse me, \$690.4 million  
13 request for an annual increase in their base rates.  
14 That's a 16% request increase. We've intervened on  
15 this, in this case on your behalf, and we are contesting  
16 many of the issues that we do not believe the evidence  
17 supports any increase.

18                  Let me first state what this case is not  
19 about. This case is not about personalities. Florida  
20 Power & Light is made up of a lot of good men and women.  
21 A lot of them are your friends, your church, fellow  
22 churchgoers, your neighbors. They're good men and  
23 women. We know that. It's a well run company. That's  
24 not what we're here to contest.

25                  The law requires FPL to prove to this

1       Commission that everything they're asking for, all the  
2       additional expenses, are reasonable and prudent, and  
3       it's our job, and we will insist that the Commissioners  
4       behind me adhere to that standard.

5                   So let's look at a couple of the issues.

6       First issue, excess profit. You heard Ms. Santos say  
7       Florida Power & Light is asking for 11.5% return on  
8       equity. That's after-tax profit. Bottom line is we  
9       feel that is excessive, especially in light of today's  
10      economy where we have, still have soaring unemployment,  
11      we have high mortgage foreclosures, we have high  
12      bankruptcies. The economy has not turned around yet.  
13      There may be indications, but the bottom line is it's  
14      still reeling from the recession.

15                  Tell me this. Who in this audience would not  
16      love to earn half of 11.5% on any of your investments?  
17      Now since the last rate case, when this Commission  
18      granted FPL a 10% return on equity, capital costs have  
19      actually decreased, some say at an all-time low of since  
20      40, 50, 60 years ago. Our expert is recommending a 9%  
21      return on equity is fair and reasonable.

22                  And to put that into perspective for you, for  
23      every 1%, or 100 basis points, that equates to  
24      approximately 130 to \$140 million more that would come  
25      out of your pocket and go to FPL.

1                   Let's look at capital structure. Now, folks,  
2 capital structure, for those of you that don't  
3 understand it, is essentially made up of two components,  
4 equity and debt. You raise equity basically by selling  
5 shares of stock. You raise debt capital by borrowing  
6 money or selling bonds. The bottom line is this:  
7 Equity is more expensive than debt. Equity is more  
8 expensive than debt. Therefore, a prudent company,  
9 especially a utility, should always utilize a sufficient  
10 amount of equity and debt that is a good ratio to lower  
11 the overall cost of their capital because that means you  
12 pay lower rates.

13                  Let's look at a few things in this case.  
14 First, FPL's own cost of capital expert, the person  
15 they've hired to argue for that high return on equity,  
16 he uses a proxy group of comparable electric utilities  
17 throughout the United States. What's the equity ratio  
18 of that proxy group? Keep this in mind now. 47.3%,  
19 47.3.

20                  Second, let's look at NextEra and the  
21 consolidated capital -- excuse me -- consolidated parent  
22 subsidiary that includes FPL. NextEra owns FPL. They  
23 own a bunch of nonregulated subsidiaries. If you look  
24 at those together, NextEra, which includes FPL, their  
25 consolidated capital structure -- excuse me -- with

1       their equity ratio is 39.4%. So I said 47, now we're  
2       39.

3                 If you take FPL out of the mix, the  
4       nonregulated subsidiaries in NextEra's capital --  
5       consolidated parent organization is only 21%. What's  
6       FPL asking this Commission to approve in this case?  
7       59.6%. Almost 60%. Bottom line is that is too high,  
8       and we believe it is absolutely absurd when you compare  
9       it to the three things I just told you about.

10                You're comparing 60%, one, to the 47% that  
11       their own expert uses in his proxy group. Two, FPL's  
12       consolidated equity ratio of 39%, you take out FPL and  
13       you're looking at their nonregulated subsidiaries of  
14       21%.

15                And the bottom line is we strongly believe an  
16       adjustment must be made, otherwise, you, the customers,  
17       are going to be required to finance the parent's  
18       unregulated activities.

19                Our expert is recommending a 50/50 mix: 50  
20       equity, 50 debt. That adjustment alone would amount to  
21       over \$214 million in the decrease of what FPL is asking  
22       in this case.

23                Performance adder, another issue. You heard  
24       Ms. Santos say they want a small bonus reward. Well,  
25       that little small bonus reward is .25%. Well, let's put

1       it into dollars: 41.5 million. It has nothing to do  
2       with them providing safe and reliable service. They  
3       have to do that anyway. They just want a bonus,  
4       \$41 million, to increase the profits. It's not going to  
5       go to you. It's going to go straight to the pockets of  
6       the shareholders. We absolutely oppose this.

7                  First, differences in electric bills are  
8       caused by many factors that have nothing to do with the  
9       quality of management, such as geography, weather,  
10      customer mix. Quality of management doesn't have  
11      anything to do with those factors.

12                 Second, FPL is a protected utility. They have  
13      a monopoly. Meaning what? You have no competition to  
14      go to for your electric service.

15                 FPL is obligated, by virtue of being given a  
16      monopoly for their geographic area, they're obligated,  
17      they're required to serve the customers in their  
18      territory. And they must, they must provide safe and  
19      reliable service at the least reasonable cost. So why,  
20      simply put, should FPL be given a reward for doing what  
21      they're required to do and they're already paid to do?

22                 And just to put it in a little better  
23      perspective, if you go back to the last rate case, when  
24      FPL was asking for a \$1.2 billion annual increase, this  
25      Commission thankfully gave them only 75 million instead.

1 Therefore, think about it. Had it not been for the  
2 Commission behind me, FPL's rates would have been lower.  
3 Therefore, why should we reward FPL as a result of the  
4 Commission not giving them what they asked for last  
5 time? It just doesn't make any sense to us.

6 There are several other areas that we are  
7 recommending some reductions in their request, staffing  
8 levels, and incentive benefits and some affiliated  
9 transactions.

10 But I will finish up, since the light's red,  
11 to just remind you, this is your opportunity, folks,  
12 your opportunity to come up here and address the  
13 Commission and tell them the impact that this rate  
14 increase would have on you. And remember this, it's not  
15 just a dollar increase. Don't be misled by this green  
16 statement that says it's only going to be a dollar. It  
17 has nothing to do with this case. That's, that's taking  
18 in account fuel. Fuel goes up and down, folks.

19 What this case has is a \$7 impact on you per  
20 1,000 kilowatt hours per month. Okay? And fuel can go  
21 up and down, and think about this. I'll leave you with  
22 this thought. If they weren't asking for this rate  
23 increase, your bills would be going down. Thank you.

24 **CHAIRMAN BRISÉ:** Thank you, Mr. Kelly. You  
25 have exhausted your time.

I will take the opportunity at this time to,  
to ask you all to do us a favor. We try to run these  
hearings in a very professional manner, so therefore we  
ask that you refrain from clapping or booing or anything  
of the sort after a speaker speaks. So we certainly  
appreciate that. Thank you very much.

8 Mr. Schef Wright from the Florida Retail  
9 Federation.

10                           **MR. WRIGHT:** Thank you, Mr. Chairman,  
11 Commissioners. Good morning.

12 Good morning. My name is Schef Wright. I was  
13 born down the road at Jackson Memorial Hospital 62 and a  
14 half years ago. I've lived all but nine years of my  
15 wonderful life in this wonderful state.

In 1980 I moved to Tallahassee where I took a job with Governor Bob Graham's Energy Office. After about a year and a half there I moved over and served on the Public Service Commission staff for almost seven years before I went to law school. Since that time I've been a private sector attorney working in energy matters. So I've been doing energy in Florida for 31 and a half years.

24 I have the great privilege to be here today  
25 representing the Florida Retail Federation. The

1 federation is a statewide organization of more than  
2 9,000 members, from the largest grocery, department  
3 stores, pharmacies, big box stores, including Publix,  
4 Wal-Mart, Macy's, and Best Buy, to literally thousands  
5 of mom and pop operations.

6 We, the Retail Federation, are working hard,  
7 fighting alongside your Public Counsel, Mr. Kelly, his  
8 wonderful staff, and the other consumer parties in this  
9 case to keep down rates for all customers. We're going  
10 after bottom line dollars for everybody. We are not  
11 looking for special deals, any special rate concessions,  
12 or anything else for commercial customers. We know that  
13 you are our customers. We are all FPL's customers. We  
14 want everybody to pay the lowest bills possible.

15 As Mr. Kelly said, we're here to hear from  
16 you. Tell the Commissioners what you think.

17 The real reason we're here is FPL wants you to  
18 pay, us to pay another \$690 million a year of our money  
19 for their service. Now at the Retail Federation, we're  
20 businesspeople and we understand business. We know that  
21 every company needs sufficient revenues to buy its  
22 input, to buy its inventory, pay its folks, and keep the  
23 operation going. Where we differ with FPL is on how  
24 much money they need to do their job. Their job is to  
25 provide safe, adequate, reliable service at the lowest

1 possible cost.

2 They're a highly reg -- they're a highly  
3 protected regulated monopoly provider of what is for all  
4 practical purposes an absolute necessity. Their job is  
5 to provide safe and reliable service at the lowest  
6 possible cost, and in our view the Public Service  
7 Commission's role is to ensure that they get enough  
8 money, and we mean that sincerely, enough money to do  
9 their job, but only enough money.

10 To put this in historical context, three years  
11 ago FPL asked for increases of more than \$1.2 billion a  
12 year. The Public Service Commission, wisely and  
13 thankfully from our perspective, awarded them an  
14 increase of about 5% of their request, \$75.5 million a  
15 year. To hear them tell it after that occurred, it was  
16 the end of the world as they knew it.

17 What happened after that? Let's see. A month  
18 after that they raised their dividend. Twice more in  
19 the succeeding years they raised their dividend again,  
20 in 2011 and 2012, in addition to the 2010 increase a  
21 month after the PSC's vote. Their stock prices  
22 increased somewhere between 35 and 40%, and they've  
23 maxed their earnings pretty much every month since the  
24 PSC made its decision at 11% achieved return on equity,  
25 which is profit.

1               Okay. Bottom line, FPL wants \$690 million a  
2 year more of your money. Our position is that the  
3 evidence in this case shows, introduced by Public  
4 Counsel's witnesses, witnesses and others, that FPL can  
5 do its job, provide safe, adequate, reliable service,  
6 cover all its costs, and earn a healthy profit after tax  
7 of 9% after tax with no rate increase at all, and in  
8 fact with a rate decrease of roughly \$253 million.

9               Now how can we say this? Well, here you go.  
10 First off, FPL says we need more money because we're  
11 building a power plant. Not so fast. Just because you  
12 build a power plant doesn't mean you need a rate  
13 increase. It depends on what your other revenues are.  
14 Between 1985 and 2005, Florida Power & Light Company  
15 built nearly, roughly, maybe even more than, roughly  
16 one-third of their entire power plant fleet,  
17 8,400 megawatts, with no rate increase at all, and in  
18 fact with rate reductions of \$600 million a year in two  
19 chunks, in 1999 and 2002.

20               We believe their requested profit rate of  
21 11.5% is excessive. That's a before tax rate of 18.7%.  
22 We think 9% after tax, which is a before tax of 14.6%,  
23 is plenty.

24               Making that one adjustment would cut  
25 \$350 million off their increase. Setting their rates

1 based on a more reasonable percentage of low cost debt  
2 financing versus high cost equity financing would cut  
3 another 200 million off their rate increase, and there  
4 are a bunch of other unnecessary costs in their, in  
5 their request.

6 Again, bottom line, we want a healthy FPL. We  
7 count on a healthy FPL as we count on healthy utilities  
8 in every place where our stores and our members conduct  
9 their operations. But the evidence shows FPL can still  
10 earn profits well over a billion dollars after tax  
11 return of 9% with no rate increase at all. That \$690  
12 million would stay in your pockets. You could spend it  
13 on your families and your business operations.

14 Thanks very much for your time and attention.  
15 Tell the Commissioners what you think.

16 **CHAIRMAN BRISÉ:** Thank you, Mr. Wright. You  
17 have exhausted your time.

18 Mr. Garner from the Village of Pinecrest.

19 **MR. GARNER:** Thank you, Mr. Chairman,  
20 Commissioners.

21 I'm Bill Garner with the law firm Nabors  
22 Giblin & Nickerson. I'm here today to represent the  
23 Village of Pinecrest against FP&L's rate increase.

24 FPL spent a lot of money on a slick ad  
25 campaign trying to convince people that their request

1 for \$690 million is no big deal. Part of this campaign  
2 for the fact sheets on FPL's table outside that were  
3 mentioned by Ms. Santos in her remarks. Those sheets  
4 say that rates will go up but only by a little bit.  
5 That's because FPL's rate hike is offset by fuel  
6 savings.

7 Other FPL advertising says that the hike  
8 amounts to no more than the price of a cup of coffee or  
9 a slice of pizza. Besides being insulting to those  
10 forced to cut back or go without, using falling fuel  
11 prices in this way to mask the impact of a rate hike is  
12 misleading. Your advocate, Mr. Kelly, has explained  
13 why.

14 By increasing base rates, FPL robs you of the  
15 big fuel savings you're entitled to. FPL didn't earn  
16 those fuel savings. They came from fuel costs dropping  
17 like a rock. They belong to you and not to FPL.

18 FPL will raise your rates dollar for dollar  
19 when the price of fuel goes back up, and they believe  
20 the price will go back up. In fact, they count on it to  
21 justify expensive new nuclear plants at Turkey Point.

22 This rate hike takes from you only to give  
23 more to FP&L shareholders. They want a new profit  
24 margin of 11.5%, up from 10%. According to discovery  
25 that Pinecrest has obtained from FP&L, for every 1%

1 increase in profit margin, FPL collects \$158 million  
2 more from you. This represents about a third of the  
3 rate hike, as others have discussed.

4 Witnesses in the case will tell the PSC why an  
5 increase in profits is not warranted. Part of the  
6 reason is this. FPL collects more than half of its  
7 revenues through dollar-for-dollar pass-through rate  
8 adjustments that are readjusted annually. The risk to  
9 them is minimal.

10 FPL made this very point when they first  
11 sought the permission to use these pass-through rate  
12 adjustments from the Public Service Commission. They  
13 made, they made that argument to support the idea that  
14 they would be able to borrow money more cheaply. We  
15 don't want the PSC to forget that fact.

16 The evidence supports a profit margin between  
17 8.5 to 9.25%, with no harm to FP&L's bond ratings or  
18 project financing, and that adjustment alone cuts the  
19 rate hike nearly in half.

20 FPL says that's unreasonable and confiscatory.  
21 It's not. Since the early 1980s, when FPL's profit  
22 margin was more than 15%, the PSC has reduced the  
23 company's margin again and again to track falling  
24 interest rates. All the while FPL has flourished. Now  
25 interest rates are at a historic low.

1                   After the PSC refused to hike rates in 2009,  
2 FPL shouted that the sky was falling. They halted  
3 construction of new plant, said it would suffer a  
4 downgrade, said it couldn't finance projects. None of  
5 that happened. Shareholders kept making money.

6                   In 2011, FPL's parent company justified a new  
7 incentive pay plan, claiming that FPL achieved its  
8 highest earnings ever in 2010. To regulators and  
9 customers they said it was due to the weather. To  
10 investors they said it was due to the motivating  
11 influence of the new incentive pay.

12                  This year FPL investors continue to earn more  
13 than they did last year. They're well compensated at  
14 the current rates, and we believe that the evidence  
15 proves that.

16                  Thank you for your time.

17                  **CHAIRMAN BRISÉ:** Thank you, Mr. Garner.

18                  At this time we'll hear from Ms. Larson.

19                  **MS. LARSON:** Is the little light on?

20                  **MR. NELSON:** You have to start first.

21                  **MS. LARSON:** I know. I'm sorry.

22                  Good morning, everybody. My name is  
23 Alexandria Larson, and I'm here as an Intervenor with my  
24 husband Daniel Larson. Daniel couldn't be with me  
25 today. We were separated for the first time in 34 years

1 last night.

2 As FPL ratepayers, we intervened in this rate  
3 case because we do not believe that FPL is entitled to  
4 the outrageous 16% rate increase that it has requested,  
5 rather that the Commission should ask FPL to decrease  
6 this increase. They should decrease the rates.

7 Unfortunately, the greed of FPL has no  
8 boundaries. Facing the greatest recession since the  
9 Great Depression and high unemployment rates in this  
10 state, Floridians are struggling just to pay their bills  
11 and make ends meet. Floridians -- senior citizens can't  
12 pay for their prescriptions, yet FPL has the audacity to  
13 demand an 11.25% profit from the Commissioners sitting  
14 here before you today, and there's another quarter  
15 percent for doing the job that they are supposed to do  
16 anyway.

17 Wouldn't you love that? Don't you want 12% to  
18 do, 11.5% to do exactly what you're supposed to do  
19 today? Thank you, honey. I washed the dishes. I want  
20 another 12%.

21 What has changed from the last rate case to  
22 justify this request? Absolutely nothing. Nothing.  
23 Nothing new has happened. After being denied the  
24 largest unjustified rate increase in Florida's history  
25 in 2010, Florida complained that the Public Service

1       Commission's decision to deny their \$1.3 billion rate  
2       case would cause terrible things to happen. Over the  
3       last two years FPL has reported healthy profits and  
4       earnings. FPL's parent company has raised its quarterly  
5       dividend by 26%. Again, I want 26% more for my husband  
6       to wash the dishes.

7                 Now FPL is once again making outrageous  
8       demands. The problem is, FPL -- is that FPL management  
9       has no credibility based upon what it said after the  
10      last rate, last rate request denial. FPL has a track  
11      record of crying wolf and will use any means necessary  
12      to get its way. That slick media campaign.

13               As an illustrative example, FPL, led by Eric  
14       Silagy, their now president, used money and power to  
15       lobby the Legislature to purge four Commissioners who  
16       denied the last FPL rate request. One of the  
17       Commissioners is still here. I have to -- she -- I  
18       didn't want to ignore her. She's still here. But they  
19       did get rid of four Commissioners when they had a really  
20       heavy campaign on them.

21               With respect to the current rate request, FPL  
22       is asking for roughly half of the \$1.3 billion that it  
23       asked for last time, which they didn't need to begin  
24       with. Once again, FPL is recycling the same failed  
25       arguments for the last rate case.

1                   Despite the expensive media campaign, which is  
2 not working, FPL ratepayers deserve to know the facts  
3 regarding the proposed rate increase. Having low rates  
4 in the state does not provide a legal basis or  
5 justification to increase the rates. They're a  
6 monopoly. That \$690 million rate hike is not  
7 necessarily for FPL to continue generating healthy  
8 profits, that 26% we talked about earlier.

9                   If, if the Commission denied the FPL rate  
10 request, our total electric bills would actually go down  
11 because lower fuel -- because we're getting lower fuel  
12 costs. An 11.5 return on equity is outrageous under the  
13 prevailing economic conditions. You walk into the bank,  
14 you get a quarter point for your 20 bucks.

15                  Return on equity has nothing to do with the  
16 ability of investments, because FPL receives fuel cost  
17 recovery ones a plant is put into operation. I got to  
18 tell you these things.

19                  In closing, we believe that FPL should  
20 withdraw the rate case or extend its existing base  
21 rates. Now is not the time for FPL to get a rate  
22 increase. Stop the greed. We can't afford it.

23                  And I wanted to add a little sidebar. You,  
24 the consumers, pay every single bill out there. Your  
25 county, your retail stores, we pay all those bills

1 because we're the consumers. So my county where I live,  
2 their light bill was \$24 million last year, and they  
3 refused to even write a letter and say, no, FPL, don't  
4 raise your rates.

5 Thank you.

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

7 At this time we'll hear from Mr. Saporito.

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

9 Good morning. My name is Thomas Saporito. I  
10 was born in Pittsburgh, Pennsylvania, with two brothers,  
11 and we were raised in the heart of Pittsburgh's steel  
12 city. My dad worked in a steel mill all his life, so I  
13 didn't get the financial benefits to attend college. So  
14 I'm not an attorney and I don't speak half as well as  
15 these other individuals who stated their cases very  
16 eloquently, but I'm going to do my best to put just a  
17 shed of light on some common sense in this rate case,  
18 and that's the best I can do for you.

19 The Florida Power & Light Company's petition  
20 in which FP&L requests authority from this Commission to  
21 increase base rates charged to its customers by  
22 \$690.4 million is grossly outrageous, and clearly  
23 illustrates why this Commission must exercise its  
24 regulatory authority to restrain this monopoly's conduct  
25 and behavior through meaningful and ongoing regulatory

1       oversight.

2                     FPL's request to increase base rates is  
3       nothing more than a demand for a 16% increase in profits  
4       at the worst possible time, when customers and the  
5       entire State of Florida are experiencing severe and  
6       unparalleled economic hardships. This is not the time  
7       for FPL to be seeking an increase in base rates.  
8       Rather, this is the time that FPL should be assisting  
9       its customers in the State of Florida by lowering its  
10      base rates to provide needed relief for unemployed  
11      families struggling to survive, for senior citizens  
12      living on fixed incomes, and to provide a major relief  
13      to hospitals and to the general business sector to  
14      assist Florida's job growth and economic recovery.

15                  Notably, FPL's arrogance in requesting a  
16      \$1.3 billion rate case increase three years ago came  
17      during the worst financial economic crisis our state has  
18      ever experienced. FPL's request was regulatory  
19      diminished by 75 million -- to \$75 million via a  
20      settlement agreement.

21                  Since that time, the economic conditions in  
22      Florida have actually worsened, with construction  
23      activities almost nonexistent, and with an unemployment  
24      rate at 8.6%, well above the national average, causing  
25      severe economic hardship to FPL customers, including the

1 business sector.

2 FPL's request for a return on equity of  
3 11.25%, with a .25% performance adder, is simply  
4 unconscionable in our existing abysmal economic climate.  
5 Notably as the yield on a U.S. ten-year Treasury bill  
6 stands under 1.5%, a return on equity of 6% is more than  
7 sufficient to attract investment in FP&L, especially  
8 where FPL has a very low risk profile.

9 Moreover, FPL recently reported a 17% profit  
10 for the current quarter, which clearly evidences that  
11 the company's return on equity requires a downward  
12 adjustment.

13 FPL requests that this Commission force the  
14 customers to pay for the Cape Canaveral natural gas  
15 plant through a base rate increase, absent any  
16 concurrent regulatory consideration of FPL's current  
17 rate structure to absorb all of the costs without any  
18 increase in base rates, and/or absent any regulatory  
19 consideration of FPL's recent 17% profit report for the  
20 most current quarter.

21 Incredibly, FPL has failed to offset any need  
22 to construct more power plants through implementation of  
23 energy conservation, energy efficient appliances such as  
24 tankless or on-demand water heaters and photovoltaic  
25 solar systems installed at customer locations.

1                   As Commissioner Brisé stated, as more and more  
2 consumers benefit from the PSC's net metering rules,  
3 Florida's economy and environment are reaping rewards.

4                   As championed by Commissioner Edgar, the  
5 Florida PSC assisted growth established -- establishing  
6 rules in 2007 that promote the development of  
7 customer-owned renewable generation. By making it  
8 easier for customers to interconnect their systems with  
9 the utility grid, the PSC's net metering rules encourage  
10 customers' use of clean, renewable generation that also  
11 lowers the utility bills.

12                  In, in concluding my remarks today, every time  
13 you look at the newspapers, turn on your TV and watch  
14 the news, it's one ethical act of conduct by one of the  
15 politicians, those people up there in Washington, D.C.  
16 who purport to represent us, and it's very debilitating  
17 to see that every day, every day when we're struggling  
18 to survive.

19                  There's one unsung hero in these chambers with  
20 us today who has tirelessly fought on our behalf in all  
21 these rate cases for years and years, and his name is  
22 Mr. J. R. Kelly. He is my hero and I look at him as an  
23 inspiration, and that's why I'm in this rate case. I  
24 would very much appreciate if you would honor this  
25 individual by just standing up.

1                   Thank you very much.

2                   (APPLAUSE.)

3                   **CHAIRMAN BRISÉ:** Mr. Nelson.

4                   **MR. NELSON:** Okay. Good morning. My name is  
5 Larry Nelson, and today I like to think I'm speaking in  
6 the spirit of Reddy Kilowatt, so I'm wearing this shirt.

7                   The first thing I want to say is that I have a  
8 press release here that I printed off the FPL website in  
9 April, and it announces the sale of \$500 million of  
10 their bonds at 5.69%. They can get money from the  
11 capital market any time they want at cheap rates.  
12 They're even lower now. They don't need to finance it  
13 from huge profits. That's what, that's what Mr. Kelly  
14 is talking about, but that's not what I want to talk  
15 about today.

16                  I do oppose the rate, but today I'm here to  
17 speak in favor of cogeneration, which means solar panels  
18 on your roof. The Legislature has passed laws  
19 recognizing the benefits of this over and over, and I'm  
20 going to enumerate some, and it's dry and I'm sorry.

21                  Section 366.051 of the *Florida Statutes* says,  
22 electricity produced by cogeneration and small power  
23 production is a benefit to the public when included as  
24 part of the total energy supply or consumed by a  
25 cogenerator or a small power producer.

1                   Another section, 366.041, authorizes the  
2 Commission to give consideration to, quote, the  
3 efficient use of alternative energy resources, end  
4 quote, when deciding FPL rates.

5                   Section 366.91, quote, the Legislature finds  
6 it is in the public interest to promote renewable  
7 energy.

8                   Section 366.92. These are all Florida  
9 statutes. It is in the -- it is the intent of the  
10 Legislature to promote renewable energy.

11                  Then there is the Florida Energy Efficiency  
12 and Conservation Act, a separate group of laws. Section  
13 366.81 says, quote, the Legislature finds and declares  
14 it is critical to utilize demand-side renewable energy.  
15 The Legislature intends that the use of solar energy and  
16 cogeneration be encouraged.

17                  And then it says, quote, the Legislature  
18 declares that these laws be liberally construed in order  
19 to encourage further development of demand-side  
20 renewable energy.

21                  And lastly, Section 366.82 says, the  
22 Commission shall consider the performance of each  
23 utility pursuant to the Florida Energy Efficiency and  
24 Conservation Act when establishing rates.

25                  Fantastic, right? Right. Reduce pollution.

1       Better future for all. Right? Not quite. In September  
2       we got our solar panels, two 10-kilowatt sets, one on  
3       our house, one on our duplex we rent to vacationers. We  
4       turned them on. This is fantastic. They make tons of  
5       power. Unbelievable. We watched the meter turn  
6       backwards. We switched them on before they put in the  
7       new meter. Sorry. That's against the rules, but we  
8       wanted to see it work, because they give you a digital  
9       one and you can't tell.

10           Anyway, so we have the air conditioner on, the  
11       oven on, the stove on, the dryer on, middle of the day,  
12       and it's still turning backwards. It's amazing. Okay?  
13       With all that stuff off, the excess, where is it going?  
14       Well, I finally get AC power. It goes like pressure to  
15       the nearest load. And I'm looking at the wire and I'm  
16       looking at the pole, and it's going to Ken's house, it's  
17       going across the street to Ike's house. It's not going  
18       to them off to Miami. It's going right there. You can  
19       see it.

20           And I'm thinking, wow, this is great. No  
21       pollution, no power plants, no transmission lines. This  
22       is fantastic. Okay. So, we're all excited. Then come  
23       the end of the year we come to find out that the various  
24       laws and rules that are in place make any excess power  
25       we make basically worthless, which totally discourages

1       putting bigger systems on your roof, which is the most  
2       efficient way to do it. Because, you know, all the  
3       concert (phonetic) picks, the contractor, the inverter,  
4       you know, the roof area, blah, blah, blah. You know,  
5       put up a lot, serve your neighbors, and that's the way  
6       it should be. That's not the way it is.

7                 If you supply excess power, they give you less  
8       than the fuel pass-through for it. Now, you know, I'm  
9       not even going to get into that. How is that possible?  
10      They're saying they give you -- the fuel gets passed  
11     through, and they won't even give you the cost of the  
12     fuel. You know, they say it's as-available energy,  
13     which means maybe it's there, maybe it doesn't have  
14     capacity, maybe it's not there. Okay.

15               Well, look. It does have the capacity and,  
16     and they know it. It, it is reliable, and across the  
17     system the aggregate solar panels are as reliable and  
18     predictable as the sun. They know when it's coming up,  
19     it's coming up tomorrow, and it adds capacity. But  
20     you're not getting paid for capacity. You're getting  
21     nothing. And they know, because those meters tell them,  
22     and they aren't telling.

23               Okay. So it turns out there's a law in the  
24     administrative code that says that you can't carry your  
25     power forward. So you make power in December, they give

1 you the nothing, then, you know, next summer you need  
2 it, it's not there. Okay. You pay full rate.

3 Then there's our, then there's our duplex. It  
4 has two meters, like the administrative code says it has  
5 to have. Okay? Well, the panels are hooked up to one  
6 side. Okay? So that means that we can't use it on the  
7 other side. This is my current bill for the side that  
8 has the panels. I have an excess credit of 3,999  
9 kilowatt hours that I can't apply to the other side of  
10 the same building on the same property, that I'm going  
11 to get nothing for.

12 And I'd like this to be an exhibit here in  
13 this today, although first I'm going to take off the  
14 payment coupon for the base charge, which is really  
15 \$6.41 after all the taxes, because if I don't pay it,  
16 they'll probably turn off my electric bill.

17 Okay. So, anyway, I do oppose this rate. I  
18 come here, you know, but there's nothing I can do, and  
19 what do I see? I see price gouging, gotcha late fees.  
20 I see 21% return to shareholders. Last year, for ten  
21 years, year after year after year I see \$15 million for  
22 the head guy. I see they want a new late fee, a new  
23 returned check fee, they want to charge you more for  
24 your base rate. Those three things. Your base charge,  
25 your late fee, and your returned payment fee is

1           \$84 million. I'm done.

2           Can I have these marked as exhibits?

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

4           At this time for Mr. Bryan, do you have some  
5 legal issues that we have to take care of?

6           **MR. BRYAN:** Thank you, Mr. Chairman. At this  
7 time I'd like to offer up two affidavits of publication  
8 from two local newspapers that demonstrate that FPL  
9 advertised this service hearing and this afternoon's  
10 service hearing in accordance with PSC rules.

11           **CHAIRMAN BRISÉ:** Thank you very much. If you  
12 can make that available to Ms. Klancke. And that would  
13 be Number 33, because we have Mr. Nelson's as 32.

14           **MS. KLANCKE:** Mr. Chairman, may I have a short  
15 title to Mr. Nelson's exhibit? They pertain to his --  
16 they consist, it's a composite exhibit, of two  
17 documents, one pertaining to -- one containing his bill,  
18 and one is an excerpt from an article.

19           **MR. NELSON:** It's actually printed off the FPL  
20 website. It's an FPL press release.

21           **CHAIRMAN BRISÉ:** Thank you, Mr. Nelson.

22           **MS. KLANCKE:** Nelson Composite Exhibit?

23           **CHAIRMAN BRISÉ:** Nelson Composite Exhibits.

24           (Exhibit 32 marked for identification.)

25           And 33 would be the affidavit for the --

1                   **MS. KLANCKE:** Affidavits of Publication?

2                   **CHAIRMAN BRISÉ:** Sure. Fort Lauderdale.

3                   **MS. KLANCKE:** Excellent. Thank you.

4                   (Exhibit 33 marked for identification.)

5                   **CHAIRMAN BRISÉ:** Thank you.

6                   At this time we're going to move into the  
7                   section that we are most interested in, and that is  
8                   hearing from the customers. We do have some individuals  
9                   that are present, and what we typically do is allow for  
10                  your elected officials to come forward and make  
11                  statements.

12                  So we will recognize two individuals before we  
13                  call forward the Mayor of the City of Plantation. We  
14                  have from the office of Representative Rogers, we have  
15                  her Legislative Aide, Ms. Young, and we have her  
16                  District Secretary, Ms. Honorat. All right. They're  
17                  present here today. And we also want to hear from the  
18                  mayor of the City of Plantation, Mayor Bendekovic.

19                  **MAYOR BENDEKOVIC:** You did well.

20                  **CHAIRMAN BRISÉ:** Thank you.

21                  **MAYOR BENDEKOVIC:** I can tell that you learned  
22                  syllabication very well in elementary school.

23                  No, I'm just here to welcome you to the City  
24                  of Plantation, and we're so glad that we were able to  
25                  host this event and have it as a public service for all

1           the residents to comment on. And if there's anything  
2           that you need, please, don't hesitate to ask. We have  
3           Susan Slattery, our City Clerk, will be more than happy  
4           to accommodate you. And if you'd like to stay tonight,  
5           we have our council meeting tonight, Wednesday night.  
6           So you're filling our seats right now, but we do have a  
7           council meeting at 7:30.

8                 But thank you for coming to the City of  
9           Plantation, and it's where the grass is greener and  
10          we're very proud. I've been a resident of the City of  
11          Plantation since 1955. It was cow pastures when my  
12          father bought the property, and now we're a city of  
13          almost 85,000.

14                 So with that, welcome, and enjoy your visit.  
15          And anything that we can do, we'll be more than happy to  
16          accommodate you.

17                 **CHAIRMAN BRISÉ:** Thank you, Madam Mayor, and  
18          thank you for your hospitality.

19                 **MAYOR BENDEKOVIC:** And thank you for  
20          pronouncing my name correctly.

21                 **CHAIRMAN BRISÉ:** Thank you.

22                 Okay. At this time we're going to move into  
23          hearing from our customers. We do have some  
24          interpreters that are present that -- for people who  
25          speak Creole and people who speak Spanish. And I guess

1 I did it yesterday so I'll do it today.

2 (Comments made by Chairman Brisé in Spanish  
3 and Creole.)

4 So at this time these are the housekeeping  
5 things that you need to bear in mind as you come forward  
6 to provide your testimony. Your testimony will be part  
7 of the record, so you will be sworn in. As the -- as  
8 you come up, be mindful of the lights. They will apply  
9 to you as well. A green light means you continue to go.  
10 A yellow light means you have 30 seconds left. And when  
11 the red light comes on, we trust that you will stop.

12 So, with that, when you come up, please  
13 provide your name, address, and phone number for the  
14 record. And if you don't mind standing with me, because  
15 I have to swear you in if you're going to provide  
16 testimony this morning.

17 (Witnesses collectively sworn.)

18 Thank you. You may be seated.

19 Mr. Kelly is going to call you up by twos,  
20 understanding that the person that's the first name, you  
21 will come up and the next person needs to be ready to go  
22 soon after.

23 Thank you, Mr. Kelly. You may proceed.

24 **MR. KELLY:** Thank you, Mr. Chair.

25 The first speaker is Kenneth Thomas, who will

be followed by Robert Busker.

Whereupon,

## KENNETH THOMAS

was called as a witness on behalf of the Citizens of the State of Florida and, having been duly sworn, testified as follows:

## **DIRECT STATEMENT**

**MR. THOMAS:** Good morning. My name is Kenneth Thomas. My address is 18711 Ocean Mist Drive. I live in Boca Raton, Florida. My phone number is (561) 372-4959.

And what a job to try to follow behind  
Mr. Nelson. This just isn't fair, but I'll do the best  
I can.

Thank you for the opportunity to speak. First of all, I'd like to say that I value the services that FPL provides. I'm not an unhappy customer. I'm very satisfied with what they do for me. But I have to talk about how the rate increase is going to affect me and my family, friends, and loved ones.

Now is just not the right time for a rate increase. Their desire for a higher rate of return on their, on their equity will hit people like me and my family, those who are unemployed, many retirees who are struggling to live off of Social Security, those who are

1 underemployed, and many others with much more hardship  
2 in trying to live today.

3 I'm also not convinced that their rate  
4 increase is going to be insignificant as, as it has been  
5 described, especially when it pertains to fuel charges.  
6 I note that the President of the United States hasn't  
7 been able to control the cost of fuel, so I don't find  
8 any comfort in the fact that this forever increase is  
9 being voiced as being insignificant because of fuel  
10 charges. I just don't see the duration of savings being  
11 enough to really have a positive impact in my life.

12 The cost of this rate increase is also going  
13 to affect my cost of living in other ways. I'm going to  
14 pay more than once. I'm going to pay as a residential  
15 customer, but I'm also going to pay for the additional,  
16 for the impact of it on my food purchases, my medical  
17 services, my transportation and housing costs. It hits  
18 me in more ways than just one.

19 Also, when you look at it from a larger level,  
20 we take one side or another in the debate about whether  
21 or not increasing taxes would stimulate the economy to  
22 bring us back to where we would all want to be as far as  
23 an economy goes, but I'm also not convinced that a rate  
24 increase will stimulate the economy either by taking  
25 more money out of my pocket. It just doesn't help that

1 way.

2                   So even before the yellow light comes on, in  
3 closing, I understand their desire to make more money.  
4 I think we all would feel the same way. However, when  
5 you look -- oh, it got me. (Laughter.) But when you  
6 look and see the, the longer lines at the food pantries,  
7 at the churches, all of those organizations providing  
8 help to needy families, when you look at the long lines  
9 that form when people are announcing job fairs, people  
10 are still hurting, people still need jobs, people still  
11 need help living today. All of these indicate that just  
12 now is not the time to take more money from our pockets.

13                   Right on time.

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

15                   Are there any questions for Mr. Thomas?

16                   Seeing none, thank you for your testimony this  
17 morning.

18                   **MR. THOMAS:** And I did it in two minutes.

19                   **CHAIRMAN BRISÉ:** Indeed. Thank you very much.

20                   **MR. KELLY:** After Mr. Busker is Juliette Love.

21                   **SPEAKER:** Excuse me. Is it two minutes that  
22 people get?

23                   **CHAIRMAN BRISÉ:** Well, we have set it up for  
24 between two and three minutes. Yeah.

25                   **SPEAKER:** Is that 2.5 minutes?

2 **CHAIRMAN BRISÉ:** Just about. Yeah.

3 Whereupon,

4 ROBERT BUSKER

5 was called as a witness on behalf of the Citizens of the  
6 State of Florida and, having been duly sworn, testified  
7 as follows:

8 DIRECT STATEMENT

**MR. BUSKER:** I'll try to be shorter than that.

10 My name is Robert Busker. I live at 310  
11 Southeast 9th Street, Pompano Beach, Florida. My phone  
12 number is (954) 782-7207.

13 I'm a utility consultant, which means I  
14 basically help builders and developers deal with FPL.  
15 So as a result of that, they've asked me to come and  
16 talk about their service level and what this would  
17 affect today (phonetic).

18 To contradict this guy, construction business  
19 is now picking up and we're seeing more and more  
20 increase in that. To hold them -- and so I deal with  
21 more the everyday, the local engineers, and to see the  
22 commitment from these guys is incredible. So I've seen  
23 the improvement coming of their service level in the  
24 market to the construction industry increase every year  
25 as it's going up. And I feel like that they're really,

1       they're working really hard with our developers to  
2       expedite construction.

3                 Because when you hold up a job for as simple  
4       as a week, it costs as much as \$25,000 a day. So it's  
5       really important that, that FPL can respond to our  
6       builders, because if we hold this construction industry  
7       down now, it will just increase the effect on the  
8       customers.

9                 I'm sorry. I'm a little nervous. But that's  
10      all I have to say. Thanks.

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

12                 Any questions?

13                 Mr. Busker, there is a question for you from  
14      Mr. Saporito.

15                 **MR. BUSKER:** Yes.

16                 **EXAMINATION**

17                 **BY MR. SAPORITO:**

18                 **Q**         Hi. How are you? Thanks for coming out  
19       today. I just have a quick question.

20                 Over the last three years have you had any  
21       problem sustaining your business or growing your  
22       business?

23                 **A**         No.

24                 **MR. SAPORITO:** All right. Thank you very  
25       much.

1                   **CHAIRMAN BRISÉ:** Thank you very much for your  
2 testimony today.

3                   How about if we could raise the volume on that  
4 mike just a little more, please.

5                   **MR. KELLY:** After Ms., after Ms. Love will be  
6 Julio Nieto.

7 Whereupon,

8                   **JULIETTE LOVE**

9 was called as a witness on behalf of the Citizens of the  
10 State of Florida and, having been duly sworn, testified  
11 as follows:

12                   **DIRECT STATEMENT**

13                   **MS. LOVE:** Good morning, Commissioners. It's  
14 so nice to meet you all. You've like been a phantom  
15 over the years. And than meant, oh, yeah, we have one,  
16 but who are they? So it's so nice to see you all.

17                   And I just have a very brief, brief comment,  
18 and the essence of it is two words: Fixed income. Now,  
19 I am retired now for two years myself, but we want to  
20 look at the big picture, because it goes beyond me. In  
21 the general scheme of things, I've discovered that I'm  
22 doing very well as far as retirement is concerned. I  
23 had no idea that there were people who did not get  
24 pensions in addition to Social Security.

25                   And the amount of the Social Security, I don't

1 know how people can live on it. My background is in  
2 public health, specifically STD, HIV, and AIDS. So many  
3 of the people -- it's not just senior citizens. There  
4 are young people, younger people than myself who are on  
5 fixed income who get SSD and SSI and all that. There  
6 are people living in, yes, HUD housing, housing where  
7 you just pay one-third of your income for your, your  
8 rent. But your, your stipend or your income is like  
9 \$600 a month; so you pay one-third, you've got 400 left  
10 to try to live off of.

11                   So I speak against this increase simply  
12 because it is, it would be very painful to a lot of  
13 people. I've met people -- since I've been retired I've  
14 met people who have to make decisions between food and  
15 medicine. Americans should not have to make those kinds  
16 of decisions. Floridians should not have to make those  
17 kinds of -- people should not have to make those kinds  
18 of decisions.

19                   That's all I have.

20                   **CHAIRMAN BRISÉ:** Thank you, Ms. Love. If you  
21 could provide your address.

22                   **MS. LOVE:** Juliette E. Love, 2730 Somerset  
23 Drive, Number 103, Lauderdale Lakes, Florida. My phone  
24 is (954) 735-0435. Thanks again.

25                   **CHAIRMAN BRISÉ:** Thank you for your testimony

1           this morning.

2           Any questions for Ms. Love?

3           Seeing none, thank you again for your  
4 testimony this morning.

5           **MR. KELLY:** After Julio Nieto is Gloria  
6 Fleitman.

7           Whereupon,

8                           **JULIO NIETO**

9           was called as a witness on behalf of the Citizens of the  
10 State of Florida and, having been duly sworn, testified  
11 as follows:

12                           **DIRECT STATEMENT**

13           **MR. NIETO:** Good morning, Mr. Commissioner and  
14 Mr. Chairman. My name is Julio Nieto. I'm a design  
15 consultant for utility work in the South Florida region.  
16 I was asked by FPL staff to attend this meeting. This  
17 is the first time I've attended a meeting of this  
18 nature.

19           And, you know, it's very interesting, very  
20 emotional for me, because all the arguments presented by  
21 the office of counsel, by the different representatives  
22 here from the federation of small businesses, citizens  
23 of every type, you know, we all have a point. We're all  
24 in this together.

25           FPL has a point. They're a business, they're

1       in business to make money. There's nothing wrong with  
2       making money. I mean, how can we guarantee that they  
3       make 10% or 15% or 20%? Most of us in here, you know,  
4       we're laypeople. We're not economists. We don't know  
5       what the rate of return should be.

6                  I think as a society we need to get together  
7       and help each other, not castigate them, not castigate a  
8       small businessman. Small business is the fuel of the  
9       economy. We all know that. The economy is in very bad  
10      shape. We all know that.

11                 What is the solution? The solution is in  
12      here. All, all you guys in here, you know, lawyers and  
13      engineers, it has to come from within us. If not, we're  
14      doomed.

15                 That's all I can say.

16                 **CHAIRMAN BRISÉ:** Thank you, Mr. Nieto.

17                 Any questions for Mr. Nieto?

18                 Okay. Seeing none, thank you for your test --  
19      oh, sorry, Mr. Nieto. If you can provide your address.

20                 **MR. NIETO:** Okay. 3201 West Commercial  
21      Boulevard, Fort Lauderdale, 33309. Phone,  
22      (305) 796-7289. Thank you.

23                 **CHAIRMAN BRISÉ:** Thank you once again for your  
24      testimony.

25                 I'm going to remind everyone once again that

1       we certainly understand that you have an interest, you  
2       have a very -- you have high stakes at play here. But I  
3       think everyone in the room does, and we trust that you  
4       will contain your emotions and contain the noise to a  
5       minimum. So we certainly appreciate that you don't  
6       clap, you don't boo or anything of this sort, and you  
7       don't speak while others are speaking so that, you know,  
8       it interferes with, with the ability of others to hear.  
9       I certainly appreciate that, and hopefully this will be  
10      the last time that I have to state that.

11                   **MR. KELLY:** After Ms. Fleitman will be Jason  
12                  Welch.

13                  Whereupon,

14                   **GLORIA FLEITMAN**  
15                  was called as a witness on behalf of the Citizens of the  
16                  State of Florida and, having been duly sworn, testified  
17                  as follows:

18                   **DIRECT STATEMENT**

19                   **MS. FLEITMAN:** Good morning, Commissioners and  
20                  everyone in the audience.

21                  My name is Gloria Fleitman. I have lived in  
22                  Plantation, Florida, for over 30 years. My address is  
23                  6500 Cypress Road, Number 412, in Plantation. My number  
24                  is (954) 584-4699.

25                  I'm going to illustrate to you how I feel

1 about my status at this point in time. Much has already  
2 been said that I won't repeat. I am impressed by the  
3 quality of what I have heard and I will take it into  
4 advisement as I think about this meeting.

5 But basically this is going to tell you how I  
6 feel. I am a captive. I am at the mercy of the  
7 suppliers of my vital services for life. I'm not going  
8 to say to you more than a few words. Please be fair.

9 When you look at the balance sheet, this is  
10 what FPL needs and this is what we need -- needs to  
11 live, because I'm on a very fixed income like so many  
12 seniors are.

13 Please, Commissioners, be fair. Sharpen the  
14 pencil a little bit so that you can do what is right for  
15 both sides. I want to pay it forward as much as  
16 everybody else does, but I don't want to have these  
17 chains on me. I want to feel a sense of freedom, and I  
18 know that you all feel the same way. So, again, let the  
19 fairness factor come into play when you're doing your  
20 final evaluations.

21 Thank you very much.

22 **CHAIRMAN BRISÉ:** Thank you very much,  
23 Ms. Fleitman.

24 Are there any questions?

25 Thank you for your testimony this morning.

1                   **MR. KELLY:** After Mr. Welch is Linda Grant.

2 Whereupon,

3                   **JASON WELCH**

4 was called as a witness on behalf of the Citizens of the  
5 State of Florida and, having been duly sworn, testified  
6 as follows:

7                   **DIRECT STATEMENT**

8                   **MR. WELCH:** Good morning, Mr. Chairman. Good  
9 morning, Commissioners. Thanks for taking the time to  
10 listen this morning.

11                  I am an FP&L customer. I was asked to be here  
12 by FPL after I recently shared a story with them that  
13 was pretty interesting. I'm a father of two young  
14 elementary school students. One thing we preach in our  
15 house is every dollar that goes out of our house we want  
16 to understand where it goes. I want my kids to  
17 understand the value of money just like I did growing  
18 up.

19                  Recently I had the opportunity to go through  
20 an online FP&L -- call it an audit -- a survey that they  
21 have available on their website. And it goes through  
22 and asks you question by question: How many showers do  
23 you take, how many lights are on during the day, how  
24 many computers are on, do you turn your computer off at  
25 night, and it goes through everything.

1                   It's thorough, it's time-consuming, but in the  
2 end it provides you with direct ways to save money. It  
3 provides you dollar for dollar different areas where you  
4 can look, whether it's your air conditioning, whether  
5 it's using hot water versus cold water to do your  
6 laundry, all the different areas. It will show you  
7 based on your exact utility use, based on the dollars  
8 you spend, where you can save money with their energy.

9                   I took that in our household. It was an  
10 eyeopener for me because, honestly, I never paid  
11 attention. I just paid the bill. It's an eyeopener for  
12 me. We no longer need to use hot water to wash clothes.  
13 I don't know why my wife did it. I don't know why it  
14 was used that way. But we changed.

15                  We have since used it also to help educate the  
16 kids. I have a seven-year-old who now remembers, and I  
17 know this because he points out to me every night that,  
18 Daddy, I turned off my computer. I think it's  
19 wonderful. Although it's minor, it has provided us an  
20 opportunity to look at how we can save money with our  
21 current spending at FP&L, and it's a great tool that we  
22 have found of value in our household.

23                  Thank you.

24                  **CHAIRMAN BRISÉ:** Mr. Welch, if you can provide  
25 your address.

1                   **MR. WELCH:** 900 East Ocean Boulevard, Stuart,  
2 Florida, 34994.

3                   **CHAIRMAN BRISÉ:** Thank you very much for your  
4 testimony.

5                   Any questions? There's a question for you.

6                   **EXAMINATION**

7                   **BY MR. SAPORITO:**

8                   **Q**       Thanks for coming out here today. I have a  
9 question for you regarding your testimony. All these  
10 changes you talked about at your home related to the use  
11 of FPL's services, so what you're saying is if the  
12 customers -- and correct me if I'm wrong because I'm  
13 trying to clarify -- if the customers of FP&L agree to  
14 change their way of life, then they can reduce their  
15 electric bill. Is that what you're saying?

16                  **A**       No. What I'm saying is that if I looked at my  
17 energy usage, it better helped me understand my energy  
18 usage. And if I wanted to make changes, I could do so.  
19 I unfortunately can't do that with some of my other  
20 utilities that I have, so this provided a great tool for  
21 me to better understand my energy use.

22                  **CHAIRMAN BRISÉ:** Thank you very much for your  
23 testimony.

24                  **MR. KELLY:** After Ms. Grant is Carol Smith.  
25 Whereupon,

1                   **LINDA GRANT**

2       was called as a witness on behalf of the Citizens of the  
3       State of Florida and, having been duly sworn, testified  
4       as follows:

5                   **DIRECT STATEMENT**

6       **MS. GRANT:** Good morning. My name is Linda  
7       Grant, 6800 Cypress Road, Apartment 217, Plantation,  
8       Florida. Phone, (954) 327-3395.

9                  A little background, I've lived in Florida  
10       over 20 years. I'm college educated with a master's  
11       degree. I'm employed with the State of Florida as a  
12       Special Investigator in Financial Services. My job is  
13       to investigate fraudulent and deceptive practices,  
14       unethical practices, false advertising, and compliance.

15               In 2009 I spoke at an FPL rate hearing right  
16       in these chambers against the proposed rate increases.  
17       Since then I have had absolutely no communication with  
18       FPL about any matters except one home free energy audit.  
19       Fast-forward to April 3rd, 2012. What I'm about to tell  
20       you outraged me enough that I took vacation time today  
21       to be here.

22               I received a phone call from FPL's corporate  
23       office, which is saved on my machine that I've even  
24       brought in here if you'd like to listen to it. The  
25       message said they had really good news about my account.

1 I called back. It was Mr. Sean Stewart. What I  
2 discovered was a highly inappropriate discussion that I  
3 considered to be a bribe and unethical practice. First  
4 he offered to refund my deposit. I had none. I have  
5 been a customer for 20 years.

6 Then he alleged, he said, well, due to my good  
7 payment history, which was not true, which I will  
8 introduce as evidence since I paid bills late several  
9 times, at least four times a year with a late fee. He  
10 then said he was going to give my account a credit for  
11 my late fees, which he did. I didn't ask for the money.  
12 I, I did my own audit. I paid bills late.

13 This was not warranted or deserving, so I  
14 realized that FPL was trying to influence me. I put two  
15 and two together, and that is why I saved the message on  
16 my machine since April.

17 That same week the newspapers announced there  
18 would be public hearings. The media was flooded with  
19 deceptive advertising with the pretense of an  
20 educational infomercial telling us that we have the  
21 lowest bill in the state. Our FPL bill had inserts  
22 telling us we had the lowest bill in the state. A total  
23 brainwashing by a monopoly.

24 What I'm asking for you is your job is to seek  
25 the truth and filter out self-serving lies. I support

1       the position of the Office of Public Counsel. This  
2       should be denied.

3           I'd like to introduce this as evidence. I  
4       have my machine here and extension cord if you'd like me  
5       to play it.

6           **MS. LARSON:** I'd love to hear it.

7           **CHAIRMAN BRISÉ:** Thank you, Ms. Grant. Thank  
8       you for your testimony this morning.

9           Are there any questions for Ms. Grant?

10          **MR. SAPORITO:** Mr. Chairman, I respectfully  
11       request as a pro se litigant and participant in this  
12       proceeding that all evidence be entered in the record,  
13       and I request that that recording be played for, for  
14       this Commission and for the other, benefit of the other  
15       parties in this proceeding.

16          **MR. NELSON:** I'm afraid I would have to agree  
17       with that.

18          **MS. LARSON:** I agree. We want to hear it.

19          **MS. KLANCKE:** Although Section 120.569 does  
20       afford all parties in this proceeding the ability to  
21       cross-examine the witness, the witness themselves  
22       dictates the parameters of their testimony, and thus  
23       it's up -- it is at the discretion of the Chairman  
24       whether or not to permit the recording to be played for  
25       completeness.

1                   **CHAIRMAN BRISÉ:** All right. We have -- well,  
2 let's see if it works.

3                   (Recording played as follows:)

4                   "Time of day not set. You have --"

5                   **MS. GRANT:** I've got to go through messages I  
6 saved in my file.

7                   **CHAIRMAN BRISÉ:** Okay.

8                   (Recording played as follows:)

9                   "Thursday, 12:38 p.m.

10                  "Good morning. This is Sean Stewart. I'm  
11 calling from Florida Power & Light's corporate office.  
12 This message is for Ms. Grant. If you can, please give  
13 me a call. My number is 1-800-397-6544, Extension 33.  
14 Again, that's 1-800-397-6544, Extension 33. It is  
15 regarding your FPL account. Once again, you can reach  
16 me at 1-800-397-6544, Extension 33. Thank you."

17                  **SPEAKER:** Do we need to replay it for the  
18 court reporter?

19                  **THE COURT REPORTER:** It's recorded.

20                  **CHAIRMAN BRISÉ:** It's recorded. Thank you.

21                  Thank you for your testimony.

22                  Mr. Kelly.

23                  **MR. KELLY:** We've got one more exhibit.

24                  **CHAIRMAN BRISÉ:** Oh, yes. Thank you.

25                  **MS. KLANCKE:** A brief housekeeping matter for

1       Exhibit 34, suggested short title, this is a composite  
2       exhibit consisting of three documents, Grant Composite  
3       Exhibit.

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

5                   (Exhibit 34 marked for identification.)

6                   **MR. KELLY:** After Ms. Smith is Mr. Edward  
7       Portner.

8       Whereupon,

9                   **CAROL SMITH**

10      was called as a witness on behalf of the Citizens of the  
11     State of Florida and, having been duly sworn, testified  
12     as follows:

13                   **DIRECT STATEMENT**

14                   **MS. SMITH:** Thank very much. Good morning.  
15     Thank you, Commissioners, for joining us in Plantation.

16                   My name is Carol Smith. I live at  
17     4047 Northwest 115th Avenue in Coral Springs. My phone  
18     is (954)341-9221. I've been an FPL customer for over 23  
19     years and obviously retired.

20                   I urge the Public Service Commission to deny  
21     this request for \$695 million increase in customer rates  
22     to give investors a higher rate of return. Everyone is  
23     scrimping and trying to manage their finances to stay  
24     afloat. FPL profits are now over 10%, generally  
25     considered more than adequate. And if we can believe

1 what we've seen in the papers, they've had record  
2 profits this year. So there's something in, inequitable  
3 here. Most people would be happy with 2 to 3%.

4 I've heard it said that our actual costs would  
5 go down because of the fuel cost adjustment. That would  
6 be helpful. But it could just as well go up and  
7 probably will as our fuel becomes more expensive. Fuel  
8 costs fluctuate because of actual costs. The base cost,  
9 however, is what's now under consideration.

10 We appreciate all FPL does for the community,  
11 and I would agree that FPL deserves a reasonable profit.  
12 But they're currently receiving more than a reasonable  
13 profit. Asking for this increase is just greedy.  
14 Please deny the request.

15 **CHAIRMAN BRISÉ:** Thank you, Ms. Smith, for  
16 your testimony this morning.

17 **MR. NORIEGA:** After Mr. Portner it'll be Jim  
18 Inkelbarger. After Mr. Portner it will be Jim  
19 Inkelbarger.

20 Whereupon,

21 **EDWARD PORTNER**

22 was called as a witness on behalf of the Citizens of the  
23 State of Florida and, having been duly sworn, testified  
24 as follows:

25 **DIRECT STATEMENT**

1                   **MR. PORTNER:** Good morning, Commissioners,  
2 Chairman. My name is Edward C. Portner. I live at  
3 5810 Northwest 56th Place, Tamarac, Florida.  
4 (954) 721-8122.

5                   I stand here this morning as a former  
6 commissioner of the City of Tamarac. I must tell you I  
7 envy you your position to do good for the public. I  
8 understand that FP&L needs an increase, but why does it  
9 have to be so much?

10                  It is almost like a Chinese torture with FP&L.  
11 Drop by drop by drop by drop it is increased all the  
12 time. I've lived here in Florida for 36 years. I am  
13 what you call a super senior citizen. That means I'm  
14 over 55, over 65, over 75, and over 85.

15                  (Laughter.)

16                  I'm not going to come to you with an old song  
17 about I live on a fixed income. The majority of us do.  
18 It depends on what we do with that income. FP&L has  
19 done wonderful service. We need their energy, we need  
20 their company, we need their employees, but what we  
21 don't need are excessive profits. It's nice to have an  
22 extra buck in your pocket. It's nice to be able to  
23 afford a nice steak dinner, but it doesn't have to be  
24 every day.

25                  I ask FP&L -- first of all, let me say this.

1 They do a wonderful service. During Hurricane Wilma my  
2 energy was down for 11 days. And I got to tell you,  
3 living down here without air conditioning and your  
4 freezer is out, you have to go buy meat every day, it is  
5 not a nice sight. But they did a great job. They  
6 cleaned it up, they did what they're supposed to do.

7                 But in all candor with you, excessive profits  
8 are -- I'm trying to find a word -- ridiculous. If you  
9 can't live on a 9.5% profit and you think you have to  
10 have 11.25%, plus another quarter percent for bonuses.  
11 Now, I agree that bonuses are necessary. I used to be  
12 in retail business, and I know they are. But  
13 \$41 million? That's a lot of money.

14                 So I ask you in all good conscience, as, as  
15 members of the Commission that has a tremendous effect  
16 on the public, you're there to do good, not for a  
17 corporation, but for the public that you represent.

18                 Thank you very much.

19                 **CHAIRMAN BRISÉ:** Thank you very much for your  
20 testimony.

21                 Any questions?

22                 Seeing none, thank you again for your  
23 testimony.

24                 **MR. KELLY:** After Mr. Inkelbarger is Rob  
25 Kornahrews. I probably butchered that. I apologize.

1           Whereupon,

2                                 **JIM INKELBARGER**

3           was called as a witness on behalf of the Citizens of the  
4           State of Florida and, having been duly sworn, testified  
5           as follows:

6                                 **DIRECT STATEMENT**

7                 **MR. INKELBARGER:** You did pretty good with  
8           Inkelbarger.

9                 My name is Jim Inkelbarger. I live at  
10          2321 Southwest 98th Terrace, Davie, Florida. My phone  
11          is (954)370-8262.

12               I'd like to thank the Chairman and the  
13          Commission for allowing me to make a brief comment. I  
14          was asked by Florida Power & Light to speak about an  
15          issue that, with my background, I manage about a  
16          700,000-square-foot commercial real estate portfolio  
17          from Davie, Florida, on up to Delray Beach. I've been  
18          in that business for 35 years. I've had my office in  
19          Plantation for 35 years. I've lived in Florida since  
20          1955.

21               The main issue I'd like to just comment on is  
22          the hardening of the infrastructure that FP&L continues  
23          to do. I really feel this is an important aspect of  
24          what I've experienced with issues with a storm that  
25          knocked out power to some of our properties for weeks on

1 end. I think it's an important matter that they  
2 continue their efforts in this direction. I'm not sure  
3 what the budgets are for this, and I'm sure that you're  
4 going to be looking at increases or decreases or  
5 whatever happens, but in my perspective I'm really  
6 hoping that that aspect of what we're working on can  
7 still be applied with Florida Power & Light resources  
8 going in for the hardening of the infrastructure.

9 That's all I have to speak about for now.

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

11 Are there any questions?

12 Okay. Seeing none, thank you for your  
13 testimony this morning.

14 **MR. KELLY:** After Mr. Kornah -- is it  
15 Kornahrews?

16 **MR. KORNAHREWS:** Kornahrews.

17 **MR. KELLY:** Kornahrews. I apologize.

18 **MR. KORNAHREWS:** No problem.

19 **MR. KELLY:** It'll -- the next speaker will be  
20 Ms. Lorna Brown-Burton.

21 Whereupon,

22 **ROB KORNAHREWS**

23 was called as a witness on behalf of the Citizens of the  
24 State of Florida and, having been duly sworn, testified  
25 as follows:

1                   **DIRECT STATEMENT**

2                   **MR. KORNAHREWS:** Good morning, and thank you  
3                   for allowing me to present today. I also was asked by  
4                   FP&L to give you my view of what's going on with the  
5                   rate case and what they've done.

6                   Basically I run two companies, Advanced  
7                   Roofing and Advanced Green Technologies. Advanced  
8                   Roofing has been in business in Broward County since  
9                   1983. We employ about 250 people. We've been involved  
10                  with the FP&L business envelope program on reflective  
11                  coatings and insulation, and that program has been  
12                  wonderful for us as a contractor. It's enabled us to  
13                  keep more people employed, as well as my customers, both  
14                  commercial and residential, enjoying the savings from  
15                  reflective coatings and insulation. That's on the  
16                  Advanced Roofing side.

17                  Advanced Green Technologies we started in '07.  
18                  That was right after the state started their rebate  
19                  program in solar. As a roofing contractor I felt solar  
20                  on roofs makes sense, and everybody knows that went by  
21                  the wayside and sun-setted, and FP&L now has a rebate  
22                  program that's helped my business grow as far as in the  
23                  state of Florida.

24                  But more importantly, Advanced Green  
25                  Technologies is an international company. We've

1       installed over 40 megawatts of rooftop solar,  
2       distributed and installed, and we work with a lot of  
3       utilities around the country and around the globe. And  
4       I can tell you by far their service on the  
5       interconnection of solar is best by far.

6                  Interconnection, for those who don't know, is  
7       when you actually got to hook it up to the utility and  
8       you've got to cooperate, they cooperate with you. We  
9       have jobs in Massachusetts that we've been waiting for  
10      the utility six months to interconnect. Why is that  
11      important? It's important to the business owner and the  
12      residential owner because they're excited about getting  
13      their solar and they don't want to hear that they've got  
14      to wait a long time. So they really appreciate here in  
15      Florida getting hooked up immediately.

16                  And it also brings down the cost of solar.  
17       When a contractor has to wait to get interconnected,  
18       he's got sunk costs in structural analysis and  
19       engineering and has to wait. So I can testify that FP&L  
20      is by far the best on interconnections.

21                  Also, you know, I'd like to, I appreciate  
22       Mr. Nelson's 2 kW -- 10 kW system. It's music to my  
23       ears. But for the record, we all know that the Public  
24       Service Commission sets that rate that they buy the  
25       power back at. So, and what we really need to work on

is the politicians in Tallahassee to set a policy. We're one of 14 states in the country that does not have an energy policy. No fault of this Commission obviously, and I know you'll do the right thing once we get some good policy in place.

But for the audience, you know, the politicians push back, and they say, well, it's another tax. It's not a tax. It's an investment. Solar renewables will be paid back in less than seven years, and then you have no fuel costs after that.

So I ask the audience to get on your politicians and get some, some legislation so the Public Service Commission can do more renewables.

And, again, the service of the FP&L organizations, both on their development side and on the solar side, has been excellent, and I think they deserve what they get.

Thank you.

**CHAIRMAN BRISÉ:** Thank you, Mr. Kornahrews.  
There is a couple of questions for you. Mr. Saporito  
has a question for you.

**EXAMINATION**

**BY MR. SAPORITO:**

**Q** How are you doing? Thanks, thanks for coming out today. I appreciate it.

1                   It's my understanding -- well, let me have  
2 your understanding. Is it not true that the PSC has  
3 authorized a residential photovoltaic solar system, I  
4 believe it's called a Tier 1, up to 10 kilowatt hours?  
5 Is that true?

6                   **A**     That's correct.

7                   **Q**     Okay. Can you give me an opinion, if  
8 4.6 million of FP&L customers were to employ a  
9 10-kilowatt PV solar system on their rooftops, what is  
10 the total or approximate total megawatt, power  
11 generation in, in watts, in your view?

12                  **A**     I have engineers for that question. But I can  
13 tell you this. A 10 kW system will run an average  
14 house. So if you're going to put it on every house,  
15 then we wouldn't need any extra, so.

16                  **Q**     You wouldn't need any extra what?

17                  **A**     Well, power. I mean, you would be basically  
18 off grid with a 10 kW on a house.

19                  **Q**     But when you testified earlier about the  
20 people interconnecting, did that mean -- and, again,  
21 correct me if I misunderstand, but my understanding is  
22 if you have a customer who has, let's say for  
23 hypothetical purposes a 10-kilowatt system on their roof  
24 and they're interconnected at Florida Power & Light's  
25 grid, if they're not using the benefit of the entire

1 amount of power, the 10 kilowatts, then that power goes  
2 back to FPL's grid. Is that not true?

3           **A** Yes. That's correct.

4           **Q** And so if 4.6 million customers of FPL had  
5 10 kilowatts and they're not all using it at the same  
6 time, all that excess power will go back to FPL's grid.  
7 Is that not true?

8           **A** Yeah. The excess would go back to the grid.  
9 Yes.

10          **Q** And so that would actually decrease FPL's  
11 baseload requirements across the state. Is that not  
12 true?

13          **A** That would be correct.

14           **MR. SAPORITO:** Thank you very much.

15           **CHAIRMAN BRISÉ:** Mr. Nelson.

16                           **EXAMINATION**

17           **BY MR. NELSON:**

18          **Q** Hi. How are you?

19          **A** Good. How are you?

20          **Q** Maybe you can address the capacity issue, I  
21 think it was alluded to there, which is that in the, at  
22 the peak periods in the daytime and in the summer these,  
23 these net metering systems, they're actually feeding  
24 excess power to the grid even at the peak times, aren't  
25 they?

1           **A**     Yes.

2           **Q**     Okay. That was, that was all I have on that.

3                         But I wanted in all fairness to say that FPL  
4     was fantastic at hooking us up. I mean, they were there  
5     like the next day, it was unbelievable, to put in the  
6     new meter. So, you know, kudos to FPL for, for doing  
7     that.

8                         My last question is, you're absolutely right,  
9     the Legislature does set the rate they pay in, in the  
10    statute, the COG cash fund rate (phonetic). But to the  
11    extent that the Public Service Commission has a role in  
12    rulemaking as far as the administrative code, would you  
13    be in favor of them using the power that they have for  
14    rulemaking to promote the solar panels, the renewable  
15    energy?

16           **A**     Oh, yeah, I'd love that. Any power they can.

17                         And back to your comment on, on FP&L and their  
18    hookup, I mean, I'd just reiterate that we work around  
19    the country, and we should be proud to have a corporate  
20    citizen like this where it's the lowest rates. Up in  
21    New Jersey they're paying 22 cents. So, you know, we're  
22    very fortunate to have this utility with the vision to  
23    own the most renewable in the country and here in the  
24    state of Florida.

25

1           **Q**     Yeah. We, we can disagree about how much  
2     profit they should get. But the men and women, the lady  
3     who installed the new meters, their, their people are  
4     fantastic.

5           **A**     I agree.

6           **MR. NELSON:** Thank you.

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

8           **MR. KELLY:** Mr. Chair, Mr. Saporito,  
9     Mr. Nelson, the gentleman with the camera asked when  
10    y'all ask questions, would you stand up so he can  
11    capture, please?

12           After Ms. Brown-Burton is Edward Kaplan.

13           Whereupon,

14                           **LORNA BROWN-BURTON**

15     was called as a witness on behalf of the Citizens of the  
16     State of Florida and, having been duly sworn, testified  
17     as follows:

18                           **DIRECT STATEMENT**

19           **MS. BROWN-BURTON:** Good morning,  
20     Commissioners, Mr. Chairman. My name is Lorna  
21     Brown-Burton, and my address is 11673 Northwest 11th  
22     Place. That's Coral Springs, Florida, 33071. My phone  
23     number is (954) 345-3865. I've been a Broward County  
24     resident since 1970. And currently I've lived in Coral  
25     Springs since 1996. Except for the four years that I

1                   went away to college, Broward County has been my home.

2                   I've been asked to speak on the residential  
3                   service of Florida Power & Light by Florida Power &  
4                   Light, and I'm pleased to do that.

5                   My experience with Florida Power & Light has  
6                   been very positive. My husband and I, in looking at our  
7                   bills, had some concerns, and we called in Florida Power  
8                   & Light. They were very professional, reliable, and  
9                   responsive. We took advantage of their home energy  
10                  survey, and the residential account specialist was also  
11                  very professional, on time, had a wealth of knowledge  
12                  and information on saving on energy costs.

13                  Although the result determined that my husband  
14                  and I were doing a lot of things, he was still able to  
15                  make a few suggestions that he provided in a written  
16                  report. He then took the time to explain it to us, went  
17                  through those suggestions to us and how we could take  
18                  advantage of that.

19                  I also have an 85-year-old father who lives in  
20                  the City of Tamarac and is also on a fixed income. I  
21                  found that information to be very useful that I was able  
22                  to provide to him as well, that he was able to take  
23                  advantage of it. It had a great impact as well on his  
24                  energy savings.

25                  For example, we looked at possibly replacing

1 our AC system with the Florida Power & Light rebates.  
2 There were various tips that were given to us when we go  
3 on vacation. There is the Florida Power & Light budget  
4 billing, which is an average of our billings. There is  
5 an on-call credit program that they have.

6 So with all of that I felt that FP&L was  
7 definitely looking out for the consumer. They were  
8 concerned in making sure that we were well taken care  
9 of, that our energy, we were doing everything possible  
10 to save on energy.

11 So I thank you for your time.

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

14 Any questions for Ms. Brown-Burton?

15 Okay. Seeing none, thank you once again.

16 **MR. KELLY:** After Mr. Kaplan will be Norman  
17 Wedderborn.

18 Whereupon,

19 **EDWARD KAPLAN**

20 was called as a witness on behalf of the Citizens of the  
21 State of Florida and, having been duly sworn, testified  
22 as follows:

23 **DIRECT STATEMENT**

24 **MR. KAPLAN:** Thank you for the opportunity to  
25 speak. Edward Kaplan, 1755 Southwest 110th Terrace,

1 Davie. (954) 370-0179. I've been a resident of South  
2 Florida 60 years. Moved here as a teenager.

3 My, my work, most of my employment career has  
4 been in purchasing for the private sector and for the  
5 government. The companies I've worked for, my job was  
6 to reduce costs by competitive bidding, and I want to  
7 say Florida Power & Light has done a great job like  
8 that, their purchasing people, to reducing their fuel  
9 costs, energy costs.

10 The companies that I worked for were, were not  
11 able to raise their prices, they are competitive, so in  
12 order to increase profits we reduced costs. Florida  
13 Power & Light should not have the opportunity or the  
14 right to increase costs -- I'm sorry -- to increase  
15 their price just because they've been able to reduce  
16 costs.

17 Over the years the only interaction I've had  
18 with the company has been, of course, paying the bill,  
19 and occasionally when there's a power outage I've found  
20 that their response system was very good. You call  
21 them, they tell you almost immediately how many homes  
22 are, how many customers are affected and when the power  
23 will be back on, and inevitably the power was on before  
24 they said it would.

25 So we have no, no, no qualms with the company.

1                   Nobody could say that they're not a good company.

2                   They're well run. But at this point in the economy it  
3                   is not the time for a rate increase.

4                   Thank you.

5                   **CHAIRMAN BRISÉ:** Thank you very much,  
6                   Mr. Kaplan.

7                   Any questions for Mr. Kaplan?

8                   Seeing none, thank you for your testimony.

9                   **MR. KELLY:** After Mr. Wedderborn is, will be  
10                  Ms. Nadine Floyd.

11                  Whereupon,

12                  **NORMAN WEDDERBORN**  
13                  was called as a witness on behalf of the Citizens of the  
14                  State of Florida and, having been duly sworn, testified  
15                  as follows:

16                  **DIRECT STATEMENT**

17                  **MR. WEDDERBORN:** Good morning, Commissioners.  
18                  My name is Norman Wedderborn. I'm the President and CEO  
19                  of the Make-A-Wish Foundation of Southern Florida. Our  
20                  address is 4491 South State Road 7, Suite 201. Area  
21                  code -- not area code. Area code (954) 967-9474, and THE  
22                  zip code is 33314.

23                  I'M -- I don't have an opinion on the, whether  
24                  FPL should get a rate increase or not, but I was asked  
25                  to come and share a story of how a service we used of

1 FPL made a very significant and meaningful difference to  
2 the foundation.

3 Roughly four years ago we were in the process  
4 of looking for new office space. Now, not-for-profits  
5 love to have fixed costs. As much as they have control  
6 over it they know how to budget appropriately. Things  
7 that vary, you have no idea how that's going to affect  
8 the Foundation.

9 So when we were looking at our current space,  
10 we were negotiating with the landlord, and the landlord  
11 wanted a certain per-square-footage amount in order to  
12 cover electricity, and we would then have our fixed  
13 costs and we would be able to plan for the duration of  
14 the lease on what our utility costs were going to be,  
15 and that's a very comforting feeling for us.

16 However, I decided to take a look and have  
17 somebody contact FPL, because they had a service that  
18 allowed us to describe our organization, how many  
19 employees we have, how many workstations, what hours we  
20 work. We put in a lot of data, and they were able to  
21 come back and tell us what the range of electricity  
22 costs would be for our property.

23 When they came back, they gave us a range of  
24 between \$1,100 and \$1,300 a month. The landlord's cost  
25 was going to be \$2,087 per month. I don't believe the

1       landlord was trying to make additional money on us, I  
2       truly don't. I believe that was representative of the  
3       other tenants in the building and what the costs were.  
4       Over the duration, we're now in the 45th month of  
5       leasing this property, to date our savings has been in  
6       excess of \$54,000. In terms of anybody, that's a very  
7       significant savings.

8                 I can promise you, in terms of a  
9       not-for-profit, over the last few years where we have  
10      had the kind of challenges in fundraising, it has been  
11      an incredible savings to us, which has allowed us those  
12      dollars to turn around and go right back out and grant  
13      more wishes to children with life-threatening diseases  
14      and conditions.

15               So I share that with you mainly because it's  
16      a, it's a good story. And just as you need to factor in  
17      all the different considerations in your decision, I  
18      think that we also have an obligation to share the  
19      things that are positive by some of our big mega  
20      corporations in our community.

21               Just for the record, they have never given us  
22      a dollar. They're not a donor. I wouldn't mind if they  
23      would, but they don't to this point. And so we have no  
24      vested interest other than to share that story with you.

25               Thank you all very much.

1                   **CHAIRMAN BRISÉ:** Mr. Wedderborn, you have a  
2 question from Commissioner Balbis.

3                   **MR. WEDDERBORN:** Yes.

4                   **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.  
5 And thank you, Mr. Wedderborn, for coming here today.  
6 And I just wanted to thank you and your organization. I  
7 think you provide a tremendous service to children. And  
8 I do know how helpful that is, and how it can really,  
9 you know, make someone's day and life brighter when they  
10 most need it. So thank you for you and your  
11 organization.

12                  **MR. WEDDERBORN:** Thank you very much. We  
13 appreciate it.

14                  **CHAIRMAN BRISÉ:** Thank you. You have one more  
15 question. Mr. Saporito has a question for you.

16                  **EXAMINATION**

17                  **BY MR. SAPORITO:**

18                  Q         Thank you for coming out to testify today,  
19 sir, in this proceeding. I would echo the Chairman's  
20 comments he just made. Very appreciative of your  
21 organization's efforts.

22                  You spoke that you were a nonprofit and then  
23 you spoke to some benefits that children receive from  
24 the, when you get money for your organization to carry  
25 out its mission.

1                   The only question I have is does your  
2 organization, when you get your FPL electric bill in the  
3 mail, does anybody ever make a wish that the rates would  
4 be lower?

5                   (Laughter.)

6                   **A**     No. Well, you know, you know, we always want  
7 to have, you know, obviously we want to have our costs  
8 as low as possible, and we spend a tremendous amount of  
9 time on, on that aspect. But I do think that services  
10 that any organization provides has to be also looked at.

11                  So, yes, in one sense, of course, I'd like to  
12 have our electric bill lessened. But at the same time,  
13 if FPL did not provide that service, there's no doubt  
14 that we would have elected for the fixed cost that the  
15 landlord had offered, which would have been a \$54,000  
16 difference to date to the organization. That's all I'm  
17 here to share.

18                  **MR. SAPORITO:** Thank you.

19                  **CHAIRMAN BRISÉ:** There's one additional  
20 question. Did you have a question?

21                  **MS. LARSON:** No, dear. I was just pointing to  
22 him.

23                  **CHAIRMAN BRISÉ:** Okay. Thank you very much.

24                  **MR. WEDDERBORN:** Thank you all very much.

25                  **CHAIRMAN BRISÉ:** Thank you for your testimony

1           this morning.

2           **MR. KELLY:** After Ms. Floyd will be Ric Green.

3           Whereupon,

4           **NADINE FLOYD**

5           was called as a witness on behalf of the Citizens of the  
6           State of Florida and, having been duly sworn, testified  
7           as follows:

8           **DIRECT STATEMENT**

9           **MS. FLOYD:** Hi. It's still morning; right?

10          My name is Nadine Floyd. I live at 10370 Southwest 50th  
11          Street, Cooper City. My number is (954)434-4673.

12          I was asked to be here by FP&L, and I'm happy  
13          to be here. I own the Media Lab and Power Images, which  
14          is off of Sterling Road. It's a video production  
15          company, and Power Images is a website and digital  
16          photography and printing, on-demand printing.

17          My companies all need electric. I mean, if  
18          the electricity goes down, I go down. There's no way to  
19          make money. And when -- FP&L response is excellent. I  
20          mean, they're right there, they're wonderful, and, you  
21          know, I always know that when I call they'll come right  
22          out and they'll fix it, because time is money.

23          And I know no one wants to pay more. Nobody  
24          wants to pay more. We all want things for nothing. We  
25          all want wishes granted. But the fact of the matter is

1 to keep up with technology it costs money. To run my  
2 business costs money. I'd like to make as much money as  
3 I can, but it costs me to run a business.

4 And just by the reminder of what happened in  
5 India where the grids aren't kept up and the  
6 infrastructure isn't put money into that, they had 20  
7 states out of 28 states in their country go out. So I  
8 mean, you know, in a perfect world we wouldn't have to  
9 pay for that. And the list goes on about what happened  
10 with their businesses for those days and the, the, the  
11 people, what they had to suffer.

12 FPL, FP&L is striving constantly for new  
13 technology and they're always upgrading their  
14 infrastructure, and this costs money. They're a  
15 terrific community partner in Broward County. I have  
16 seen that at many functions, and they give so much to  
17 the community and to people who are less fortunate. A  
18 lot of people don't hear that, but they do. And with  
19 all of this, they're still the lowest cost in Florida.

20 And times are tough. However, we still have  
21 to strive for that excellence, and sometimes that  
22 excellence costs money and you get what you pay for.

23 And that's all I have to say on that. I know  
24 I have a question here because, you know, I spoke for  
25 FP&L.

1                   **CHAIRMAN BRISÉ:** Thank you very much, Ms.  
2 Floyd.

3                   (Laughter.)

4                   **MS. FLOYD:** I'm just waiting. Come on, hit me  
5 with your best shot.

6                   **MR. SAPORITO:** I don't know if I want to.

7                   **MS. FLOYD:** Oh, come on. You can take it.

8                   **EXAMINATION**

9                   **BY MR. SAPORITO:**

10                  **Q**      I was -- I might have a -- I'm a bit tired, so  
11 I may have not recalled your entire testimony. You said  
12 you were a business person?

13                  **A**      Yeah. I own two businesses.

14                  **Q**      And what are those businesses?

15                  **A**      It's a video production and a website design  
16 and digital photography and on-demand printing.

17                  **Q**      And have you been in business for more than  
18 three years?

19                  **A**      For more than 28 years.

20                  **Q**      Here in Florida?

21                  **A**      Uh-huh.

22                  **Q**      Okay.

23                  **A**      Started in Miami.

24                  **Q**      And over the last three years did you have an  
25 opinion as to the reliability of FPL's service that

1           they've given you?

2           **A**     Yes.

3           **Q**     What is that opinion?

4           **A**     They're excellent. Their response time is  
5           terrific, and I need that, I need that in my business.  
6           And, yes, I've been hit. I have been hurt by the  
7           economy. As I speak, I'm being hurt by the economy.  
8           But, again, you can't knock down your excellence for  
9           other things.

10          **Q**     Okay, ma'am.

11          **A**     I know this one is going to get one too.

12          Okay.

13                 **MS. LARSON:** I am too.

14                 **BY MR. SAPORITO:**

15          **Q**     Over the years that you just testified to that  
16           you operated these two businesses, your costs for  
17           products or providing whatever services these businesses  
18           provide, they go up and down; true?

19          **A**     Right now it's let's make a deal.

20          **Q**     Okay.

21          **A**     I used to have a set cost for the printing and  
22           stuff. You can't do that now. You can't do that now,  
23           not in these times.

24          **Q**     So your costs for electricity, materials,  
25           products, when they go up, how do you compensate for

that as a businessperson?

**A** I have to dig further in my profits.

**Q** And is it sometimes you pass those costs on to your customers?

**A** I can't and stay in business. I'm just hanging on like everybody else here waiting for this thing to turn. But I think it turned up on its back and it's dead, the economy, but other than that.

**Q** I might agree with you on that point. My last question is though if your rates were to actually decrease, would that not benefit your companies?

**A** Of course. It would benefit everybody.

## **EXAMINATION**

BY MR. NELSON:

**Q**     Wouldn't you agree that excellence of service is not a justification for unlimited profits or unlimited executive compensation, that there's a limit somewhere?

**A** Well, I'm not too smart to answer that, but I know that what you -- you get what you pay for, and if you buy cheap, you buy twice.

**MR. NELSON:** Thank you.

**CHAIRMAN BRISÉ:** Thank you very much for your testimony, Ms. Floyd.

**MS. FLOYD:** Did you have a question?

1                   **EXAMINATION**2                   **BY MS. LARSON:**3                   **Q**       I have a question. Yeah, I was just curious.

4                   Yes.

5                   (Turning microphone on.)

6                   Sorry about that. We've seen many people come  
7                   up, and they have, you know, said that they have come at  
8                   the request of FPL. A couple of people in the audience  
9                   have approached me and asked are people being  
10                  compensated in any way, shape, or form by FPL.11                  **A**      No. And FPL is not a client of mine.12                  **MS. LARSON:** Okay.13                  **CHAIRMAN BRISÉ:** Thank you.14                  **MR. BRYAN:** May I ask --15                  **CHAIRMAN BRISÉ:** Mr. Bryan?16                  **MR. BRYAN:** May I ask the Chair for an  
17                  instruction on the permissible scope of  
18                  cross-examination, please.19                  **CHAIRMAN BRISÉ:** Okay. Generally we attempt  
20                  to keep the questions to the testimony and, as I stated  
21                  at prior hearings, I think I stated maybe earlier today,  
22                  that we prefer that the questions are clarifying  
23                  questions. In other words, if something that was not  
24                  clear in the person's testimony. This is not an attempt  
25                  to get the person to testify to something that they have

1 not testified to.

2 So we ask that all of the Intervenors remember  
3 that and keep the scope of questionings within that  
4 line. We certainly appreciate that.

5 We have Mr. Green who's next. And then after  
6 Mr. Green we will take a short break.

7 Whereupon,

8 **RIC GREEN**

9 was called as a witness on behalf of the Citizens of the  
10 State of Florida and, having been duly sworn, testified  
11 as follows:

12 **DIRECT STATEMENT**

13 **MR. GREEN:** I'll be brief. And it is nice to  
14 get to face them, although I was worried about facing  
15 you. You get the wrong side.

16 My name is Ric Green. I'm the President and  
17 CEO of the Greater Pompano Beach Chamber of Commerce,  
18 which resides at 2200 East Atlantic Boulevard, Pompano  
19 Beach. Phone number is (954) 941-2940.

20 Our organization celebrates this year its 65th  
21 anniversary of existence in a city that is considered a  
22 tourism venue, but has in essence grown to have almost  
23 33 million square feet of manufacturing space. And it's  
24 about our attempts to occupy that space to bring  
25 business to the area, which I'm addressing you in

1 support of what FP&L's program is in helping us and the  
2 county and the state by attracting businesses to our  
3 area with their special electric service rate for  
4 businesses that relocate or expand.

5 I'm no expert, I'm not an engineer, I can't  
6 tell you how big a 350-kilowatt demand is, added, and  
7 what that means. I once asked and I was told it's a  
8 building about that size, and I can't point one out to  
9 you here.

10 I represent the board of directors of the  
11 Chamber of Commerce, who came to me, asked me to come to  
12 you today to express our support for what FP&L does in  
13 helping bring business to the area, as I said.

14 We find that we have great competition, not  
15 only from outside of Broward County and South Florida,  
16 but the other parts of the state and around the United  
17 States. There are packages available in very, very  
18 ambitious programs throughout the United States to  
19 attract businesses, especially in manufacturing. FP&L  
20 has given us a tool to help us bring those businesses to  
21 South Florida, specifically Pompano Beach.

22 As I said, we have roughly 33 million square  
23 feet of industrial space in Pompano, which  
24 approximately, depending on what day of the week, month,  
25 whatever, is 85% occupied. That means we have 15%

1       vacancy. When you do that, do the math with that  
2       number, and forgive me, it's going to be somewhere  
3       around what, 5%, 6%, in that ballpark, 4 million square  
4       feet vacant, that is larger than most cities have in  
5       total in Broward County.

6                   So this is important for us. We're not here,  
7       I'm not here today to address your rate, the rate  
8       increase. My board has given me explicit orders not to  
9       speak on their behalf in that regard. I can't address  
10      it. I'm here to tell you plain and simple that the  
11      program that you have in place has been beneficial.

12                  Thank you.

13                  **CHAIRMAN BRISÉ:** Thank you, Mr. Green. It  
14       seems like there's a question for you from Mr. Saporito.

15                  **MR. GREEN:** Well, of course. You've got a  
16       reputation. Go for it.

17                  **MR. NELSON:** Stand up.

18                  **MR. GREEN:** Yeah, stand up. He did say stand  
19       up, for Pete's sake.

20                   **EXAMINATION**

21                  **BY MR. SAPORITO:**

22                  Q       Thank you for reminding me of that. Thank you  
23       for coming out and testifying.

24                  Is it your view and your position with the  
25       board -- I mean, the Chamber of Commerce, are you?

**A** Uh-huh.

**Q** If FPL's electric rates were to be actually ordered to be lowered from what they are right now, would that not benefit the business sector of your community?

**A** I'm not allowed to address that question. I'm only allowed to address the question by my board as to the program in place.

**Q** So they directed you not to answer?

**CHAIRMAN BRISÉ:** Mr. Saporito, I think he was asked and it was answered.

Ms. Larson?

**MS. LARSON:** I have a question.

**CHAIRMAN BRISE:** You might have to stand too.

**MS. LARSON:** I don't have to. I'm right here.

**CHAIRMAN BRISE:** Ms. Larson, please.

**MS. LARSON:** You want me to stand up?

## **EXAMINATION**

BY MS. LARSON:

**Q** I was just curious, because this is a rare case. I think everybody is here to weigh in whether they are for or against. That, that seems to be the answer. That's all.

**CHAIRMAN BRISÉ:** Ms. Larson, that was not a question.

1 MS. LARSON: No.

2 BY MS. LARSON:

3 Q All right. Are you for or against the rate  
4 increase as, as an individual?

5 A I am not allowed to speak on that. I am here  
6 to speak about the program, which we don't want to get,  
7 see get cut in the rates, and that is the reason we are  
8 addressing it. What we're saying is they will make a  
9 decision that we will abide by.

10 Q I apologize. I wondered what the program was  
11 you were alluding to.

12 A The program is a special electric service rate  
13 for businesses that expand or relocate, and to do that  
14 there's a program of accelerated payments that decrease.  
15 You start off at 20% less, you go to -- let me make sure  
16 I get my stats right -- 15% the next year, 10% the next  
17 year, 5% the fourth year. It decreases. If at any  
18 point you fail to make the payments, it reverts back to  
19 the regular rate.

20 So it's a win-win to bring in jobs, to attract  
21 businesses. But there is certainly a position that if  
22 you come in short and you don't make it right away,  
23 you're responsible for the rate going back all the way  
24 to the beginning.

25

1           **Q**     So in the rate case, if FPL does not get the  
2     rate increase, will you lose this program?

3           **A**     Don't know that. Didn't say that. I'm saying  
4     that we endorse that program.

5           **Q**     Okay. I was trying to understand the program.

6           **A**     You got it.

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

8           **MR. GREEN:** It was my pleasure.

9           **CHAIRMAN BRISÉ:** Thank you, Mr. Green. Thank  
10    you for your testimony today.

11           All right. At this time we're going to take a  
12    ten-minute break. It is 11:05, so we look to come back  
13    at 11:15.

14           (Recess taken.)

15           All right. We are going to reconvene at this  
16    time.

17           Before Mr. Kelly calls out the first name,  
18    we're going to make an admonishment I've made before,  
19    that -- concerning questions to the people who are  
20    providing testimony.

21           Once again, we're looking for questions to  
22    clarify things that were not clear. What I mean by  
23    that, the person says, my name is such and such. I'm  
24    not clear what your name was. Can you repeat that back  
25    into the record?

1                   The other thing that I'm looking for is for us  
2 to stay within the scope of the actual testimony  
3 provided by the individual. This is not an opportunity  
4 for us to editorialize what the person is saying. So we  
5 are asking for direct questions which can be answered  
6 directly by the individual.

7                   And just for those who are in the audience who  
8 may not be aware of how the rest of the process works,  
9 each one of the Intervenors here is going to put up a  
10 case, and they could put up witnesses to proffer  
11 whatever theories that they have. So their witnesses  
12 will be able to come before the Commission and make,  
13 provide testimony and so forth, and then they can  
14 cross-examine all of the individuals that will be  
15 brought up by each one of the other parties in the case.  
16 And at that time they can ask within the scope of what  
17 is available by the record whatever they need to ask at  
18 that time.

19                  I, before I came here, I used to be a state  
20 legislator and I used to have town hall meetings, and I  
21 respected the idea that when a consumer or a person who  
22 was my constituent came before me as, as a state  
23 legislator, that they could ask me whatever they wanted.  
24 But I was very guarded and protective of the individual  
25 that would come and ask questions because I didn't want

1 anybody to badger them when they came before and  
2 provided either testimony or comments or so forth. And  
3 I'm not suggesting that people are being badgered today.

4 But my concept is that if an individual comes  
5 and they want to offer testimony, they should be able to  
6 do so, and we trust that it will be a pleasant  
7 experience for all that are here today.

8 Thank you very much, and I hope that that is  
9 understood and will be respected.

10 **MR. SAPORITO:** Mr. Chairman, I would like to  
11 ask a clarifying question, because I am a non-attorney  
12 pro se litigant in this proceeding. The witnesses that  
13 are testifying here today are sworn testimony, and on  
14 that basis do I have a procedure or a means to have  
15 these, to have any of these individuals that I feel I  
16 would like to examine further at the technical hearing,  
17 do I have a means to ensure their appearance at that  
18 hearing?

19 **CHAIRMAN BRISÉ:** No. And this is not, you're  
20 not seeking -- the purpose is here -- the purpose here  
21 is to hear from the customers. And they are not, they  
22 are not seeking to become people who are going to  
23 testify at the technical hearing. They are testifying  
24 at the Customer Service Hearing as customers. They are  
25 not testifying as experts, they are not testifying as

1 anything else other than a customer. And we trust that  
2 we will respect them as customers, as individuals who  
3 have taken time from their busy schedules to provide how  
4 they feel, whether we agree with it or don't agree with  
5 it, and we will limit ourselves to the scope of what  
6 they offer. Okay? And that's all I'm asking. And I  
7 trust that we will treat each individual in that way. I  
8 certainly hope that we will continue forward that way.

9 Mr. Kelly.

10 **MR. KELLY:** The next speaker is Ms. Becky  
11 Blackwood, followed by Mr. Howard Willis.  
12 Whereupon,

13 **BECKY BLACKWOOD**

14 was called as a witness on behalf of the Citizens of the  
15 State of Florida and, having been duly sworn, testified  
16 as follows:

17 **DIRECT STATEMENT**

18 **MS. BLACKWOOD:** Good morning.

19 First of all, I'd like to say I'm a native  
20 Floridian. I was born here. I actually lived here when  
21 we didn't have air conditioning. And I would also like  
22 to say, even though I'm running for a position with the  
23 school board, I'm very concerned that we don't have any  
24 school board people here to speak about the electrical  
25 costs for our schools, because we have over 300

1 facilities here. And in the State of Florida we  
2 probably have five of the top 15 largest school  
3 districts in the United States.

4 And for that reason, the only reason I brought  
5 it up is, as you may or may not know, they're increasing  
6 the millage of our property tax here to take care of  
7 their expenses, the school board is, and so we're going  
8 to have an increase in our property taxes. Also the  
9 City of Plantation is increasing our property taxes by  
10 32% this year to incorporate the costs that they've lost  
11 during this recession, and I'm sure part of that is  
12 their utility bill.

13 My concern with FP&L, and I've used them for  
14 years because I've lived in Florida most of my life, I  
15 did participate in Share to Care until I read an article  
16 in the paper where they couldn't explain where the money  
17 was going and they couldn't ensure it was being used for  
18 the intent that they shared with the customers in which  
19 we all made donations, so I stopped donating.

20 Second of all, right now I have surge  
21 protection that I pay \$9.95 a month for. About two  
22 weeks ago I got hit by lightning. Took out my modem, my  
23 DVR, my DVD. And guess what? They're not responsible  
24 for that. So I don't know why I'm paying 9.95, except  
25 it would probably burn down my house and they still

1       wouldn't be responsible.

2                     The other thing I'm very concerned about is  
3       you're all making a huge profit -- they're making a huge  
4       profit. The CEO makes \$14 million a year. That's more  
5       than the President of the United States makes, and I'm  
6       certain that he has more responsibilities than the CEO  
7       of FP&L.

8                     I'm very concerned about the research and  
9       development. There doesn't seem to be a sincere  
10      interest in doing that because there's a larger profit  
11      to be made by using fuel.

12                  And I was reading an article also about the  
13      solar panel farm in Lake Okeechobee and the fact that  
14      there's been some material that's been spilt on top of  
15      the panels and they can't do accurate research on what  
16      they can benefit from, and therefore right now we don't  
17      know the, what the outcome is going to be and how it's  
18      going to benefit us.

19                  There seems to be not much interest in wind  
20      turbine. There also doesn't seem to be much interest in  
21      the ocean wave.

22                  And I also brought up to some people here,  
23      there's an invention called the Bloom Box that is  
24      presently under research in California that will make  
25      it -- you buy this box. It's about like this. It was

1 invented by a NASA engineer. And people will be able to  
2 use it in their homes without having grids and having  
3 poles and everything else.

4               Those things I think FP&L should be doing,  
5 research and development on more economical types of  
6 energy that don't impact our environment, which is an  
7 additional cost that the taxpayer pays for because of  
8 the carbon emissions that we get and what we have to do  
9 to pay for the reactionary against the carbon emissions.  
10 So that's another thing that the consumer has to pay  
11 for.

12               My personal experience. In 2009, when this  
13 Commission met before, I had an incident in my home. I  
14 have a -- my house was built in 1960. I had a copper  
15 tube that was incorporated into my slab and it leaked  
16 out, and I had a bill for \$500 from FP&L and another  
17 bill for \$700, and I had \$350 from the City of  
18 Plantation for the water that leaked out.

19               Plantation cut it down to 100. FP&L, when I  
20 first contacted, said no. I wrote a letter to the  
21 Public Service Commission. The next thing I know I had  
22 two phone calls from a VP and also one from another  
23 employee. They cut my costs down to \$500 and I was  
24 given a payment plan.

25               So that's basically all that I have to say. I

1 thank you for allowing me to testify in front of you.

2                   **CHAIRMAN BRISÉ:** Thank you, Ms. Blackwood.

3 Any questions for Ms. Blackwood?

4                   Okay. Seeing none, thank you for your  
5 testimony.

6                   Mr. Kelly.

7                   **MR. KELLY:** After Mr. Willis is Mr. Michael  
8 Smith.

9 Whereupon,

10                   **HOWARD WILLIS**

11 was called as a witness on behalf of the Citizens of the  
12 State of Florida and, having been duly sworn, testified  
13 as follows:

14                   **DIRECT STATEMENT**

15                   **MR. WILLIS:** My name is Howard Willis,  
16 7080 West State Road 84, Number 7, Davie, Florida.  
17 (954)370-7201.

18                   I'm the owner of Fastsigns in Davie.  
19 Fastsigns is a national franchise, and in Florida we  
20 have more than 25 owners like myself who are ratepayers.

21                   While we can't -- let me first acknowledge  
22 that I serve on the board of directors with Plantation  
23 Chamber, and one of my colleagues there overheard a  
24 story I was telling about an audit in my store and she  
25 asked if I would please repeat that to you.

1                   I have two words that I want to share with  
2 you, and that is investment and service. Investment,  
3 before I get to the audit comment, investment would be  
4 wonderful if the Service Commission and FP&L could find  
5 a way to let a lot of flat boxes -- we're a  
6 manufacturer, we make things, and fortunately we are  
7 sales tax exempt. That's a big help on our FP&L bill.  
8 But we would also appreciate the opportunity as a  
9 commercial business to have a dollar match our dollar in  
10 terms of investment in solar.

11                  I have a huge 2,500-square-foot roof, I have  
12 two large air conditioning units, and I have a lot of  
13 technology that I'm using power. It would be great if I  
14 could offset, not all, but some of my electrical usage  
15 with solar.

16                  The second one is service. I have been, I  
17 have been open five years, and I had been open about a  
18 year and my bill was a lot more than I had budgeted. My  
19 bill was approaching \$400 a month, and I had budgeted,  
20 naively, about 225 a month. I heard about the audit  
21 service by FP&L. I jumped on that. A lady came over,  
22 fantastic lady. I said, show me. I'm a, I'm a sponge.  
23 Show me what I can do better.

24                  She walked through, she spent probably an hour  
25 and a half with me. And the, the one item that stands

1 out for a limited time was just the simple use of my  
2 thermostat. I said, now I'm raising my temperature to  
3 80 degrees, I've got vinyl and I've got some products  
4 I'm concerned about, but how can I lower my bill?

5 And she said, honey, you can go on up to  
6 85 degrees. And I said, honey, I love you. So my --  
7 over the last four years I've probably saved about  
8 \$4,000 because of that hour-and-a-half visit by my  
9 honey.

10 So I hope you can keep that up. I can't  
11 address the technical details. But let's face it, this  
12 is not rocket science. I have a corporate background.  
13 Everybody needs to make a profit. Let's don't be India.  
14 Let's give FP&L a fair rate increase.

15 Thank you.

16 **CHAIRMAN BRISÉ:** Thank you, Mr. Willis. There  
17 seems to be a question for you.

18 **EXAMINATION**

19 **BY MR. SAPORITO:**

20 **Q** Mr. Willis, thanks for coming out today. Just  
21 to clarify on your, on your last statement, last part of  
22 your testimony, you said you increased your thermostat  
23 to 85 degrees and you saved electricity. Is that what  
24 you said?

25 **A** Definitely.

**Q** So if you went to 90, you would save more?

**A** I wouldn't go to 90. That would be stupid.

**MR. Saporito:** Oh, okay. Thank you.

**CHAIRMAN BRISÉ:** Thank you.

**MR. KELLY:** After Mr. Smith is Mr. Don Hosea.

Whereupon,

# MICHAEL SMITH

was called as a witness on behalf of the Citizens of the State of Florida and, having been duly sworn, testified as follows:

## **DIRECT STATEMENT**

**MR. SMITH:** Good morning, Commissioners.

**CHAIRMAN BRISÉ:** Good morning.

**MR. SMITH:** My name is Michael Smith, and I'm a resident of Oakland Park, Florida. The day phone is (954) 283-8110, and the address is 33 West Prospect Road, Oakland Park, 33309.

As a resident and ratepayer in South Florida, I am here to question the need for an increase in the basic residential electric power rate by the provider FP&L, formerly known as Florida Power & Light Corporation, by 11.5%.

While not privy to FP&L's financial or infrastructure conditions, I am aware, bullet point. After the last major hurricane, Wilma, the electric

1 power was off in my house for 14 days. Its restoration  
2 was accomplished in my neighborhood by crews from Hydro  
3 One of Toronto, Ontario.

4 Bullet point. Since the August 2005 storm,  
5 five of the ten power poles within 500 feet of my house  
6 have been replaced. One of three overhead transformers  
7 has been replaced. I recall as a child that power pole  
8 installation preceded home construction in this area.  
9 Municipalities rely on utilities for power pole age.

10 Bullet point. When a former municipal mayor  
11 of a Broward County town attempted to lower power bills  
12 by ordering replacement LED streetlights at city hall, a  
13 news article stated that per a previous agreement among  
14 the state and private utilities it was required that  
15 electric bills would not be lowered for energy efficient  
16 street lighting installations. And Broward County pays  
17 millions of dollars per year to FP&L for street lighting  
18 municipalities unless they're removed.

19 In the nearly seven years, the above-mentioned  
20 storm, FP&L has enjoyed profits. According to others,  
21 FP&L is already collecting funds for another nuclear  
22 plant. At the present time the bank interest rate for  
23 an additional individual certificate of deposit is  
24 rarely, rarely available for over 2.5%. I'm told that  
25 FP&L asks to be granted a return of equity of 11.5%.

I believe that I am already paying a portion of my property taxes for inefficient, non-metered dusk to dawn street lighting since there is no incentive to replace the existing bulbs with energy efficient LED lighting. While such energy expense is a minor financial burden, to local residents this becomes a larger financial problem to fund over time on a statewide basis.

Is it also part of the program to fund the future nuclear plant for which FP&L now collects a fee?

With respect to its past infrastructure repairs, I propose that FP&L be granted a return on equity of no more than 6%.

To conclude, thank you for the opportunity to make these comments.

**CHAIRMAN BRISÉ:** Thank you, Mr. Smith.

Any questions for Mr. Smith? Okay. Seeing none, thank you for your testimony this morning.

**MR. KELLY:** After Mr. Hosea is Gina Cilla.  
Whereupon,

DON HOSEA

was called as a witness on behalf of the Citizens of the State of Florida and, having been duly sworn, testified as follows:

## **DIRECT STATEMENT**

1                   **MR. HOSEA:** Good morning.

2                   **CHAIRMAN BRISÉ:** Good morning.

3                   **MR. HOSEA:** My name is Don Hosea. My address  
4                   is 958 Briar Ridge Road, Weston, Florida. My number is  
5                   (954) 214-4692.

6                   I'd like to start by -- I can't help but  
7                   notice, be struck by the fact that the people that were  
8                   here to represent for FP&L all are touting about how  
9                   they're saving money, yet they're asking for a rate  
10                  increase. I mean, just the perception of it just  
11                  boggles my mind.

12                  The -- the -- I do have a suggestion. Instead  
13                  of FP&L raising their rate to this unreasonable amount,  
14                  I do have a way that maybe they could save money within  
15                  their own organization and stop spending ours, would be  
16                  to -- in a free market capitalist society, what other  
17                  company do you know of that spends millions of dollars  
18                  trying to talk customers out of using something they  
19                  produce?

20                  Now I posed this, this question to FP&L.  
21                  Their response was to block me on Facebook. I've spoken  
22                  to Ms. Santos. She says, well, she's concerned about  
23                  saving people money. But yet, once again, we're back to  
24                  the same thing. They're asking for this huge increase.  
25                  So if they're doing all this saving, why are they asking

1 for so much? It just doesn't make any sense to me.

2 So I'm like -- I'd like to say that I don't  
3 think that this increase is warranted in any way.

4 Thank you.

5 **CHAIRMAN BRISÉ:** Thank you, Mr. Hosea.

6 Was there any questions for Mr. Hosea? Seeing  
7 none, thank you very much.

8 **MR. KELLY:** After Ms. Cilla will be Mike, and  
9 I apologize, Mike McNeal.

10 Whereupon,

11 **GINA CILLA**

12 was called as a witness on behalf of the Citizens of the  
13 State of Florida and, having been duly sworn, testified  
14 as follows:

15 **DIRECT STATEMENT**

16 **MS. CILLA:** Good morning. Thank you for this  
17 opportunity. I'm here today for two reasons.

18 The first reason is I'm one of the 8.6% who  
19 was able to come today because I don't have a job and I  
20 can't find one. A lot of my neighbors and friends  
21 couldn't come because they are at work.

22 I also represent -- to keep my sanity, I'm a  
23 volunteer driver for the American Cancer Society. I've  
24 been driving cancer patients for radiation. The need is  
25 multiple. They are all on fixed income, all the people

1 I take. I drive every week since I've been unemployed.

2 From everything I've read, it appears that FPL  
3 is making plenty of profit. They themselves claim they  
4 have an acceptable earning rate. Well, if that's the  
5 case, why are we even here? Why are they even asking  
6 for an increase? To me it is just an outrage.

7 And every time I put on the TV, I'm bombarded  
8 with TV ads telling me how I can save money to lower my  
9 bill. I have -- can't imagine how much they're spending  
10 on their marketing campaign on TV. I'd like to see that  
11 publicized.

12 In finishing, I would just like to say that  
13 living on unemployment right now and probably not much  
14 longer, it's very difficult to even think about a rate  
15 increase. And anyone on a fixed income as well. And  
16 those of you that I'm looking at and I'm privileged to  
17 be here to speak to, I know you're going to do the right  
18 thing. And if they are making an acceptable earnings  
19 now, you will not give them any more, not in this  
20 market.

21 Thank you.

22 **CHAIRMAN BRISÉ:** Thank you, ma'am. If you  
23 could provide your name and your address for the record.

24 **MS. CILLA:** Oh, I'm sorry. Gina Cilla,  
25 1201 River Reach Drive, Unit 311, Fort Lauderdale,

1 33315. (954)462-7852.

2 Thank you.

3 **CHAIRMAN BRISÉ:** Thank you, Ms. Cilla, for  
4 your testimony this morning.

5 **MR. KELLY:** After Mr. McNeal will be Bob Knox.

6 **MR. McNEAL:** That's Mr. McNeal.

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

8 Whereupon,

9 **MIKE McNEAL**

10 was called as a witness on behalf of the Citizens of the  
11 State of Florida and, having been duly sworn, testified  
12 as follows:

13 **DIRECT STATEMENT**

14 **MR. McNEAL:** I'm Mike McNeal, and I'm  
15 president of the Warehouse at Oakland Park, and the  
16 address is 4233 Northeast 12th Terrace, and my phone  
17 number is (954)786-8571.

18 I'm here because I had an energy survey that I  
19 requested of FPL six months ago, and I had a  
20 representative come to my building and give me quite a  
21 few recommendations. I was quite surprised that he came  
22 on time, which, experiencing other businesses that have  
23 come to my place, they don't show up on time, and I was  
24 quite impressed.

25 He also came in a electric car which he

1 demonstrated to all my associates, which made me think  
2 that maybe there's something here with saving energy.

3 What we did find was that the roof was pitch  
4 black and we couldn't cool our building, and the  
5 representative suggested that we get a roofer out there  
6 and have it painted white or do something of that sort.

7 The one thing that was, concerned me the most  
8 though was I wonder why FPL doesn't offer more  
9 incentives to help small businesses to save in their  
10 electric bills. And these rebates that the company has,  
11 they're good, but I don't believe they're really good  
12 enough to make these changes. Small businesses, we're  
13 all having trouble making money, and these rebates I  
14 think ought to be increased. And with these increases,  
15 you'll see more people successful.

16 Overall though I am pleased with the service  
17 that FPL has given us. We've had outages from storms  
18 and bad lightning storms that we have in the afternoon,  
19 and when it knocks out your computers, you're out of  
20 business. And FPL has done a good job in getting us  
21 back in service.

22 I would like to say that the increased rates I  
23 hope don't go in the corporate pockets and the  
24 stockholders, because if you look at all their testimony  
25 we heard here already, it seems to me that they're doing

1 good and we're not. And I think, I think we're the 1  
2 percenters and -- or they are, rather. Not me. But I  
3 would like to see the company be successful, because if  
4 they're not, we're not.

5 And I do believe that this, this rate increase  
6 possibly is too much. I'd like to see this, the  
7 recommendations of the Florida Office of Public Counsel,  
8 their recommendation of 9% seems more reasonable to me  
9 at this time. And hopefully we'll be able to all get  
10 together and do better.

11 Thank you very much.

12 **CHAIRMAN BRISÉ:** Thank you very much,  
13 Mr. McNeal. Are there any questions for Mr. McNeal?

14 Thank you again for your testimony this after  
15 -- this morning.

16 **MR. KELLY:** After Mr. Knox will be Alexa Diaz.  
17 Whereupon,

18 **BOB KNOX**

19 was called as a witness on behalf of the Citizens of the  
20 State of Florida and, having been duly sworn, testified  
21 as follows:

22 **DIRECT STATEMENT**

23 **MR. KNOX:** Good morning. I'm Bob Knox. I  
24 live at 305 Northwest 78th Avenue in Plantation, and my  
25 phone number is (954) 452-9660.

1                   I'm a concerned citizen and quite active in a  
2 number of things, and I find this very interesting that  
3 FPL is asking for a rate increase.

4                   I have a cookie jar at home, and every once in  
5 a while it does get empty and I fill it. Okay? Well,  
6 right now I'm looking at everyone, the City of  
7 Plantation, Broward County, the state, the federal  
8 government, everyone wants to get their hand in my  
9 cookie jar and take those cookies out, and it's going to  
10 be empty pretty darn fast. So we have to think about  
11 that and you have to think about that for all of us  
12 citizens, and that's very important.

13                  The one thing I would like to say to FPL is,  
14 look, let the private sector do the research, the  
15 design, and the building of wind and solar power until  
16 it becomes economically feasible to develop electricity  
17 using those techniques. It is not there today.

18                  Look at Solyndra, a perfect example of  
19 \$500 billion of our taxpayer dollars down the tubes, and  
20 I don't want to see that going on again with FPL.

21                  The other thing I'd like to make a comment on  
22 is I noticed, in reading some information, that in April  
23 of 2012 that there was a ten-year power plant site plan  
24 submitted to the Commission. I find it very interesting  
25 that they can plan ten years out. I find it difficult

1 for most of us to plan two, three years out. If you  
2 look at the weather, they can't even tell us what the  
3 weather is going to be five days from now. I just think  
4 it's very interesting and coincidental that that would  
5 be submitted just about the time that these meetings  
6 start.

7 Thank you very much.

8 **CHAIRMAN BRISÉ:** Thank you very much, Mr.  
9 Knox. Are there any questions for Mr. Knox?

10 Seeing none, thank you for your testimony this  
11 morning.

12 **MR. KELLY:** Alexa Diaz?

13 (No response.)

14 The next speaker will be Nikolas Camejo.

15 (No response.)

16 Ms. Sonya Burrows. She'll be followed by  
17 Mr. Edward -- I apologize -- is it Sailkind?

18 Whereupon,

19 **SONYA BURROWS**

20 was called as a witness on behalf of the Citizens of the  
21 State of Florida and, having been duly sworn, testified  
22 as follows:

23 **DIRECT STATEMENT**

24 **MS. BURROWS:** Good afternoon. My name is  
25 Sonya Burrows, and I operate a family-owned business,

1 Burrows Electric Company, located at 1552 Northwest 6th  
2 Street in Fort Lauderdale.

3 I'm here not really to speak to you about the  
4 rate increase at all, but I was asked by Florida Power &  
5 Light to speak. I speak as an electrical contractor.

6 I'll tell you my story a little bit. My  
7 father started our business in 1948. He actually was  
8 the first licensed black electrician in the City of Fort  
9 Lauderdale. He operated a very successful business. I  
10 spent the first 22 years of my career as a risk manager;  
11 left the corporate world to come back and to assume my  
12 father's business.

13 Luck would have it it happened when the market  
14 tanked, so, you know, I'm his baby daughter, I'm his  
15 baby girl, the youngest of four, and he's entrusted his  
16 business in me in a tough time. So I'm feeling the  
17 pressure. For me, service is very important. I'm  
18 feeling the pressure to prove myself that I can carry on  
19 his legacy.

20 During this transition for me, my customer  
21 service is most important and paramount to me. And I  
22 can tell you that I -- I appreciate the service that our  
23 company receives locally here at the Wingate Service  
24 Center.

25 When I tell my customers, when we're doing --

1 mainly we do service repair. We do repair, service  
2 changes, service upgrades, and I can tell my customers  
3 with confidence, when we, when we complete your repair,  
4 that day your service will be back on. And it is back  
5 on.

6 Without fail, I can tell you that the service  
7 center here in Wingate has always delivered, that I've  
8 made that promise to my customer and they've, they  
9 deliver that. They've helped me to deliver that  
10 promise. Particularly the lineman, Michael Michael, and  
11 Valjean Smith that run the Wingate Service Center, I  
12 just want -- I mean, I know FP&L gets a lot of negative  
13 play, but I just wanted to give the flip side of the  
14 story to the Commission, to let them know that this is  
15 one electrical contractor that they have helped me in my  
16 business.

17 In this tough time, in this trying time for  
18 me, transitioning from the success of my dad running a  
19 successful business to his baby girl, that they have  
20 helped me to prove myself with their service, and I'm, I  
21 am grateful for the service that we get out of the  
22 Wingate Service Center.

23 That's all I have to say.

24 **CHAIRMAN BRISÉ:** Thank you very much,  
25 Ms. Burrows. Any questions for Ms. Burrows?

1                   Seeing none, thank you for your testimony.

2                   **MR. KELLY:** Again, I apologize. Is it Edward  
3                   Sailkind, Sailkind with Pitney-Bowes?

4                   (No response.)

5                   All right. The next speaker is Siobhan  
6                   Edwards.

7                   Whereupon,

8                   **SIOBHAN EDWARDS**

9                   was called as a witness on behalf of the Citizens of the  
10                  State of Florida and, having been duly sworn, testified  
11                  as follows:

12                  **DIRECT STATEMENT**

13                  **MS. EDWARDS:** I'm pretty impressed you knew  
14                  how to say my name. I was waiting for you to fumble  
15                  over that one.

16                  I'm Siobhan Edwards. I live at 540 Southwest  
17                  75th Terrace here in Plantation. I've lived in that  
18                  house for over 26 years. It's about 3,700 square feet.  
19                  And my electric bill used to be the scariest envelope.  
20                  It was bigger than your American Express bill. I'd be,  
21                  oh, you'd open that bill up.

22                  And then I got a suggestion, someone said to  
23                  have one of these energy audits, which I did do. The  
24                  gentleman came out, he was prompt, he was very nice. It  
25                  wasn't sweet, whoever was the earlier person's person.

1 It was a nice gentleman. He came out. He was there for  
2 about two hours, went through the entire house. Gave me  
3 quite a laundry list of what needed to be done in the  
4 house to make my bill a little lower and to be a little  
5 bit more energy efficient. Some of them were a little  
6 bit costly; however, he did explain the rebate program.

7 So I took advantage of pretty much everything  
8 on the list, replacing the central air unit, installing  
9 additional, in the attic, insulation. I went on the  
10 on-call meter.

11 So my bill went from approximately 650 and  
12 change traditionally during the hot months in the summer  
13 down to in the low fours. And for me that was a pretty  
14 big savings. So I did have an initial impact of outlay  
15 of cash, but I am absolutely seeing the rewards of that.

16 And, and I would not have known about that had  
17 not Florida Power & Light been advertising that and  
18 telling you about taking advantage of that service.

19 And I also just wanted to say, one of the  
20 things is, especially in the summer, while walking into  
21 this city hall building, I appreciate coming in here,  
22 the electric being on, the AC being on. We live in  
23 south Florida, we want that air working when we come  
24 home at night. And we want it to be there when we have  
25 a storm come along, we want that power back on as

1 quickly as possible. And I do think that Florida Power  
2 & Light does what we ask them to do, which is provide a  
3 service that's there on demand. That's it.

4           **CHAIRMAN BRISÉ:** Thank you, Ms. Edwards.

5           Are there any questions for Ms. Edwards?

6           **MS. EDWARDS:** Okay. Thank you.

7           **CHAIRMAN BRISÉ:** All right. Seeing none,  
8 thank you for your testimony.

9           **MR. KELLY:** The next speaker is Mr. William  
10 Armbrister, followed by Mara Shlackman.

11 Whereupon,

12           **WILLIAM ARMBRISTER**

13 was called as a witness on behalf of the Citizens of the  
14 State of Florida and, having been duly sworn, testified  
15 as follows:

16           **DIRECT STATEMENT**

17           **MR. ARMBRISTER:** Good afternoon, wonderful  
18 people of the Commission.

19           I'm here to let you know that Florida Power &  
20 Light, without their rate increase, will still earn a  
21 profit. They want a greater profit. Now, you may not  
22 understand this entire United States is going through a  
23 semi-recession, or a recession, and how your homes are  
24 worth less than they used to be. The power plants  
25 aren't worth less than they used to be. Their vehicles

1 and equipment aren't worth less than they used to be.

2 So why is it they aren't taking their profit  
3 and making what -- that's how you grow business. You  
4 take your profit and you invest in your business in  
5 order that the stability of it will always be.

6 And they aren't hurting for any money. We, we  
7 have to focus on those things that are beneficial to the  
8 consumer. You are the, the watchdog for the people.  
9 You are the Public Service Commission, not the public  
10 utility service commission. Your representation and  
11 your actions should reflect what we need and not what  
12 FP&L wants.

13 I mean, you can look at, you can look at  
14 seniors. I'm a policy council member for the, for the  
15 Miami-Dade County Head Start, Early Head Start Program,  
16 and the increase in electricity, 1% will end up being  
17 greater than 5. Because when you go up on the, your  
18 electric bill, so does everything else, so is your  
19 groceries, so are the public works. Everything is going  
20 to go up, so you don't pay for it once. You pay for a  
21 1% percent increase about five times.

22 Florida Power & Light approached you with 15%,  
23 16% increase, when their expectations are that they'll  
24 walk away with 4.75. What you should be doing is  
25 looking at how can you justify increasing our electric

1 bills when everybody else is losing money, if all those,  
2 all those cost increases have to be passed on to the  
3 consumer?

4 So you should request that Florida Power &  
5 Light justify or explain how you should not reduce the  
6 cost of electricity. And I think that they may believe  
7 that you may have considered that we need to reduce the  
8 cost of electricity, so let's go in there for an  
9 elaborate increase that we know we don't deserve.

10 And if you're going to be the Public Service  
11 Commission, I'm just asking that your decision reflect  
12 our economic downturn and not their -- I can't say greed  
13 because I'm not a mind reader, but their actions reflect  
14 greed.

15 **CHAIRMAN BRISÉ:** Thank you, Mr. Armbrister.  
16 Are there any questions for Mr. Armbrister?

17 Seeing none, thank you for your testimony.

18 **MR. KELLY:** After Ms. Shlackman is Cara  
19 Campbell.

20 Whereupon,

21 **MARA SHLACKMAN**  
22 was called as a witness on behalf of the Citizens of the  
23 State of Florida and, having been duly sworn, testified  
24 as follows:

25 **DIRECT STATEMENT**

1                   **MS. SHLACKMAN:** Good afternoon, Commissioners  
2 and the audience. My name is Mara Shlackman. My  
3 address is 2100 South Ocean Drive, Apartment 8E, Fort  
4 Lauderdale, Florida, 33316. Phone number is  
5 (954) 767-6123.

6                   I'm a lifelong resident of South Florida for  
7 44 years. I went to college and graduate school here as  
8 well. And I am here to oppose this, this rate increase.

9                   I'm a homeowner, I'm a ratepayer, and FP&L has  
10 a monopoly on electrical service. It's an essential  
11 service I can't do without. I come from a family that I  
12 was taught early on to save electricity. We, we had air  
13 conditioning in our house. We never used it. We had  
14 ceiling fans like this in every room. I don't use the  
15 AC in my apartment, so I have a pretty low bill. But  
16 nonetheless, I still have to pay FP&L every month.

17                  And there is a number of things that my bill  
18 is helping finance that I, I don't appreciate, and one  
19 of those would be the proposed additional two nuclear  
20 reactors at Turkey Point down in Homestead. Also  
21 there's a proposal that is still under consideration by  
22 the National Park Service for power lines to be run  
23 through Everglades National Park. That's a world  
24 heritage site, and to spoil that for future generations,  
25 to run power lines across that.

1                   Also FP&L is proposing, it's in that Ten-Year  
2 Site Plan that was alluded to earlier, a new power plant  
3 in Hendry County would be a natural gas powered plant,  
4 3,750 megawatts. It would be a twin of the West County  
5 Energy Center that's been built in West Palm Beach, or  
6 west of West Palm Beach. That, that plant is number one  
7 or number two in the entire country in terms of capacity  
8 for fossil fuel power plants. And FP&L, I think, is not  
9 doing enough in terms of renewable energy.

10                  Florida, according to the National Renewable  
11 Energy Laboratory on their website, they're a part of  
12 the U.S. Department of Energy, Florida is only ranked  
13 number 18 in terms of numbers of photovoltaic systems  
14 installed. You look at who the top ten states are, that  
15 includes New Jersey, New York, Massachusetts,  
16 Pennsylvania, Connecticut, Maryland. These are  
17 northeastern states and New England states that don't  
18 get the kind of sunshine we get here. And, you know,  
19 that, that needs to be changed.

20                  There, in California there's a company called  
21 Sungevity that leases solar systems, and that helps  
22 scale up the production. And that would make it much  
23 more attractive to consumers if they didn't have to pay  
24 out up front and if -- and I see my time is up. Thank  
25 you.

1                   **CHAIRMAN BRISÉ:** Thank you very much. Any  
2 questions for Mrs. Shlackman? Ms. Shlackman. Thank you  
3 for your testimony.

4                   **MS. CAMPBELL:** My name is --

5                   **MR. KELLY:** After, after Ms. Campbell will be  
6 Gary Hecker.

7 Whereupon,

8                   **CARA CAMPBELL**

9 was called as a witness on behalf of the Citizens of the  
10 State of Florida and, having been duly sworn, testified  
11 as follows:

12                  **DIRECT STATEMENT**

13                  **MS. CAMPBELL:** My name is Cara Campbell. I  
14 live at 641 Southwest 6th Avenue, Fort Lauderdale. My  
15 phone number is 525-4522.

16                  I wanted to say, echo what somebody else said  
17 about the time of these hearings. If you really wanted  
18 to hear from a lot of people, you wouldn't hold these  
19 hearings when people can't attend.

20                  The thing is that the two public -- the two  
21 power companies that we have, Progress and FP&L, we all  
22 know that they wield a huge amount of political  
23 influence. I'm sure that you're very mindful of that,  
24 considering what happened to your predecessors when they  
25 opposed them, including I'm sure Mr. Kelly is too,

1 because I understand that they went after him for what  
2 he did.

3                 This is not a good corporate citizen, FP&L.  
4 This is somebody that goes after whistleblowers. They  
5 have on their -- I have a solar panel, I have solar  
6 panels on my house. I have four kilowatts, which takes  
7 care of all my needs, and I also put energy into the  
8 grid.

9                 You allow them to pay us wholesale prices for  
10 the power that we provide, and they get retail if we go  
11 over that amount of power that we use. As far -- and  
12 you do have net metering and people are talking about  
13 how, you know, FP&L has supported solar with their  
14 energy center, with the solar power grid that they cut  
15 down I don't know how many acres of trees to, to build,  
16 which were also taking up carbon. But they fought net  
17 metering tooth and nail, so please don't give them  
18 credit for that. We're just lucky that public opinion  
19 changed enough so that we would get it.

20                 The smart meters, I wanted, I know this is not  
21 within the scope of the hearing, but I do want to say  
22 that I can't get up to Tallahassee for that smart meter  
23 thing, and I would like to urge you to allow people to  
24 opt out. They have allowed me to opt out because I  
25 fought tooth and nail. However, friends of mine that

1 did not want to have smart meters because they were  
2 concerned about their children's health were not allowed  
3 to opt out.

4                 When we had the hearing several years ago at  
5 the Broward County library, I thought that FP&L was  
6 being insensitive about -- because it was right when the  
7 economy had started to tank and house prices had gone  
8 down. Now I feel they're just shameless. I think it's  
9 absolutely appalling what they're asking for, and, you  
10 know, I think that despite what happened to your  
11 predecessors, I think that you need to consider doing  
12 the right thing and denying them this, this increase.

13                 **CHAIRMAN BRISÉ:** Thank you, Ms. Campbell. Are  
14 there any questions for Ms. Campbell?

15                 Seeing none, thank for your testimony.

16                 **MR. KELLY:** After Mr. Hecker is John Gilbert.

17                 **CHAIRMAN BRISÉ:** Just one comment on what  
18 Ms. Campbell said about the smart meter meeting that  
19 we're going to have in Tallahassee. As we said,  
20 whatever comments individuals have, there's a blue form,  
21 they can fill that out. You can take some blue forms.  
22 You can suggest to your friends and colleagues and so  
23 forth that they can go on our website and post their  
24 comments there. They're just as good as --

25                 **MS. CAMPBELL:** It doesn't have the same --

1                   **CHAIRMAN BRISÉ:** Understood.

2                   **MS. CAMPBELL:** Yeah.

3                   **CHAIRMAN BRISÉ:** But, you know, we have to  
4 work within the confines that, that exist in, in the  
5 world.

6 Whereupon,

7                   **GARY HECKER**

8 was called as a witness on behalf of the Citizens of the  
9 State of Florida and, having been duly sworn, testified  
10 as follows:

11                  **DIRECT STATEMENT**

12                  **MR. HECKER:** Good morning. My name is Gary  
13 Hecker. I live at 641 Southwest 6th Avenue, Fort  
14 Lauderdale, Florida. My telephone number is  
15 (954) 523-7139.

16                  I'm opposed to a rate increase, and some of my  
17 comments are perhaps directed more to the public, since  
18 I'm sure you'll be a little bit more familiar with the  
19 concepts.

20                  One of the reasons that FP&L wants this money  
21 is they're expecting the cost of energy to go up or the  
22 vagaries of the fuels market. Most of the public isn't  
23 aware of fuel hedging. I work for a major airline. The  
24 good airlines buy their fuel months and years in  
25 advance. And it would be the same as if we could, if

1       the price of gasoline went down, if you could buy a  
2       year's worth of gasoline, and you would then have a  
3       fixed rate of what it would cost you to fill up your  
4       tank every, every week or every month.

5                 And I'm sure FP&L takes advantage of this  
6       possibility, and with the low fuel prices that they have  
7       right now, especially with natural gas, it's pretty  
8       outrageous if they're not hedging. They're also getting  
9       money from the federal government for smart meters.

10                You know, there are just way so many  
11       opportunities that FP&L has had to reap massive  
12       benefits, economic benefits, that it's just appalling  
13       that they should then come and ask for hundreds of  
14       millions of dollars in increases, when in reality the  
15       costs should be going down. The cost of their services  
16       should be going down.

17                Paying for hardening the infrastructure,  
18       that's an investment in the corporation, and that's  
19       something that every good corporation does. You invest,  
20       you renew, you replace when it's appropriate. And then  
21       they get, it's my understanding that they get a  
22       guaranteed profit on that infrastructure once they add  
23       it. So why should they need an increase for an  
24       investment when they're going to get a -- you know, I  
25       wish my airline could get a guaranteed 11% every time

1       they bought an airplane. Believe me, there would be  
2       flights to Tallahassee about every 20 minutes.

3                  Money is cheap. Rather than attacking the  
4       ratepayers, if they needed money to build  
5       infrastructure, go to your local bank. You know, I'm  
6       sure a bank would love to loan them lots of money for  
7       nothing because they're guaranteed to make a profit.

8                  They have -- there have been no hurricanes in  
9       Florida for years. It's built into their budget every  
10      year a certain amount of money for emergencies that  
11      haven't occurred. What do they do with this money?  
12      Well, they give it to the stockholder. Well, that's all  
13      well and good. However, we're stockholders. We are the  
14      ratepayers. We are the ultimate stockholders. We're  
15      the ones who are being held hostage.

16                  And finally, people talk about what a great  
17      partner FP&L is in the community. I donate to the  
18      charities that I choose to donate to, and I would love  
19      it if they would lower their rates and maybe stop being  
20      a better community partner and let me use the money I  
21      save to give to the people I want to give to.

22                  Thank you.

23                  **CHAIRMAN BRISÉ:** Thank you very much. Are  
24      there any questions for Mr. Hecker?

25                  Okay. Seeing none, thank you for your

1           testimony this morning.

2           **MR. KELLY:** After Mr. Gilbert, the next  
3           speaker is Mr. Donald Foster.

4           Whereupon,

5           **JOHN GILBERT**

6           was called as a witness on behalf of the Citizens of the  
7           State of Florida and, having been duly sworn, testified  
8           as follows:

9           **DIRECT STATEMENT**

10          **MR. GILBERT:** I really think -- excuse me. My  
11          name is John Gilbert. I live at 613 Orchid Drive,  
12          Plantation, 33317. My number is (954) 689-7588.

13          And I came here, I didn't expect to even get  
14          up here and speak to anybody. But as a retired person  
15          that's on a fixed income, it's increasingly hard for us  
16          to get by. My roof is already white, so I can't do  
17          anything there. I have air conditioning at each end of  
18          my house. They're not brand new, and they talk about  
19          getting, getting other ones. Well, that all costs extra  
20          too.

21          And it's just, like I say, for people in my  
22          position, and there's a lot of us, probably some of them  
23          not as well off as I am, that really are having a hard  
24          time. And myself, I have to keep dipping in my savings  
25          every, every month. I go a little bit deeper into it.

1 I don't take as long of vacations as what I used to or  
2 anything like that. And when I got older I didn't  
3 expect to be this way. I expected to be a little better  
4 off.

5 But we use every dollar. You know, I look at  
6 every bill I get. And my air conditioning is already on  
7 80 degrees. I keep that all the time, as my wife  
8 protests about it so much. But it's, when it drops  
9 below that, my bills shoot right through the roof it  
10 seems like. And that's -- and I have all the insulation  
11 and everything like that in my house that could be  
12 without stacked clear to the, to the, you know, the  
13 roof.

14 So that's about all I can really say, that  
15 it's hard on people like us, any kind of an increase,  
16 any kind. And that's all I have to say.

17 **CHAIRMAN BRISÉ:** Thank you very much,  
18 Mr. Gilbert. Any questions for Mr. Gilbert?

19 All right. Seeing none, thank you very much  
20 for your testimony today.

21 **MR. KELLY:** Donald Foster.

22 (No response.)

23 Steven Cook? And after Mr. Cook will be  
24 Mr. William Marachiefski.  
25 Whereupon,

## 1 STEVEN COOK

2 was called as a witness on behalf of the Citizens of the  
3 State of Florida and, having been duly sworn, testified  
4 as follows:

## 5 DIRECT STATEMENT

6 **MR. COOK:** Steven Cook, 708 Southwest 16th  
7 Court, Fort Lauderdale, Florida.

8 I'm not here opposing the increase. I'm here  
9 opposing how it's being done. It's disproportionate to  
10 people that use less. And I have -- can we ask  
11 questions? I missed the first part of the meeting, but  
12 is there -- the way they're telling you what the  
13 increase is, they're offsetting it with a fuel decrease.  
14 But is there a cap on that decrease? Can that change  
15 next year?

16 **CHAIRMAN BRISÉ:** Mr. Willis.

17 **MR. WILLIS:** The Commission looks at fuel a  
18 little differently than they do base rates. They  
19 actually have what we call a fuel clause, and that does  
20 get changed every year, and it varies only as fuel goes  
21 up or down.

22 **MR. COOK:** Right. So it's not a, it's not  
23 fixed.

24 **MR. WILLIS:** No. It's only fixed for a year  
25 unless fuel changes more than 10% a year.

1                   **MR. COOK:** So if you use that calculator,  
2 they're assuming a figure to offset the increase that's  
3 not necessarily going to be that next year.

4                   **MR. WILLIS:** It's projected to be there.  
5 That's exactly right.

6                   **MR. COOK:** All right. Here's my problem with  
7 it. It's a penalty on the poor and the people that  
8 conserve, or a tax, or whatever you want to call it.

9                   I brought one of my electric bills. It's \$27.  
10 The increase from -- I had to ask here, because I called  
11 the Public Service Commission in Tallahassee to see how  
12 this increase was broken down and could not get an  
13 answer. So what I was told here today, that the  
14 customer charge goes from 5.90 to \$1.10, and then the  
15 rest is a 16% increase in the nonfuel charge. That's a  
16 17% increase on my bill.

17                  And I don't see how you're going to ask people  
18 to conserve, which I do, and put up solar panels, and  
19 then increase the fixed fee. And it's not based on  
20 consumption. If you go to FP&L's site, they have a  
21 little calculator, what it'll actually cost you. And I  
22 did my bill and it's \$1.45 a month. That's assuming  
23 their savings on fuel, which could change.

24                  If I use ten times more electricity, the  
25 increase to me is only 2%. So the more you use, the

1 less you pay. My bill of 20 -- my bill, what was it,  
2 \$24, the increase is \$1.45. If my bill was \$245, the  
3 increase is only \$4. That's 2%.

4                 Like I said, I don't have a problem with the  
5 increase. I have a problem with how it's being done.  
6 They need to figure out some way not to tie it to the  
7 low consumers, or put anybody that uses less than  
8 400 kilowatts is exempt. Because you're not going to  
9 encourage people to, unless they totally disconnect from  
10 the grid, you're not going to encourage people to  
11 consume if you're taxing them more than you're, than  
12 you're taxing the high users.

13                 That's what I have to say. Thank you.

14                 **CHAIRMAN BRISÉ:** Thank you, Mr. Cook. Any  
15 questions for Mr. Cook?

16                 Seeing none, thank you for your testimony  
17 today.

18                 **MR. KELLY:** All right. After Mr. Marachiefski  
19 will be George Cavros.

20 Whereupon,

21                 **WILLIAM MARACHIEFSKI**

22 was called as a witness on behalf of the Citizens of the  
23 State of Florida and, having been duly sworn, testified  
24 as follows:

25                 **DIRECT STATEMENT**

1                   **MR. MARACHIEFSKI:** My name is Bill  
2 Marachiefski. I live in Fort Lauderdale, Florida,  
3 33312. My number is (954)931-2011.

4                   I'm here to say that I understand that you may  
5 need an increase, because I've been in business for 50  
6 years and I know how it works, and since '07 things have  
7 been a little bit touchy for everybody.

8                   But what I'd like to see you do, if you can,  
9 have Florida Power & Light talk to you about how they  
10 could reduce their costs somewhat and maybe have that  
11 increase be smaller and maybe not at all this year.  
12 That would be nice, if not at all.

13                  Now, what they might want to do and you could  
14 ask them to do it is they own thousands of acres of  
15 property in Florida with high tension wires over it  
16 that's all vacant. It's suitable for storage, for RVs,  
17 boats, scrap yards, gardens, even animals. Maybe they  
18 could rent some of that out. They've got a lot of it  
19 rented out but there's a lot of it that isn't. And  
20 bring in money. Instead of asking for a big increase  
21 this year, maybe get some of that stuff rented out.

22                  The other thing is my own experience with  
23 diesel, because I had a lot of trucks and I dealt with  
24 ships and airplanes. When a vehicle leaves the United  
25 States flying, once it gets far enough out to sea, it

1 isn't in the U.S. anymore, there's no tax on their fuel  
2 until they come back. Then they got to start paying tax  
3 again. It's computed that way. Ships, the same thing.

4                   And your trucks spend a lot of time sitting  
5 with the motor running using hydraulics or whatnot.  
6 That's not taxable. You're not using the highway. So  
7 do the math like we do on the Turnpike. We run the  
8 Turnpike. If we pay a fee for running the Turnpike, we  
9 get our money back from the state, the federal  
10 government, the city or town we're in that's charging  
11 city or town tax.

12                  Because if you pay once, you don't have to pay  
13 twice. And you guys burn thousands of gallons of --  
14 well, you don't, but Florida Power & Light burns lots of  
15 fuel, and them big trucks just eat it. I know from  
16 firsthand. And they're sitting working on the wires,  
17 burying a pole. When they're not moving they don't have  
18 to pay tax on that fuel.

19                  That's all I got to say.

20                  **CHAIRMAN BRISÉ:** Thank you, Mr. Marachiefski.  
21 Any questions for Mr. Marachiefski?

22                  All right. Seeing none, thank you for your  
23 testimony today.

24                  **MR. MARACHIEFSKI:** Thank you very much.

25                  **MR. KELLY:** The last speaker I have signed up

is Mr. Cavros.

Whereupon,

GEORGE CAVROS

was called as a witness on behalf of the Citizens of the State of Florida and, having been duly sworn, testified as follows:

## **DIRECT STATEMENT**

**MR. CAVROS:** Good afternoon, Chairman. I have an exhibit. Could I have permission to approach the dais?

**CHAIRMAN BRISE:** Sure. Ms., Ms. Draper will take it.

**MR. CAVROS:** George Cavros, 1525 Rodman Street, Hollywood, Florida, 33020.

Commissioners, in the interest of full and fair disclosure, I appear before you often on behalf of my client, Southern Alliance for Clean Energy, and, and we still have some, some open dockets before the Commission. So I want to make that very clear. But I'm not appearing on behalf of any client today but as an FP&L customer.

As a threshold issue, the 11.5% return on equity seems a little high to me for a regulated -- for a utility in a regulated market in a pretty much low risk business model. But I'm sure that through the

1       two-week hearing that you're going to have in  
2       Tallahassee and the comments that you're getting from  
3       customers today you'll arrive at a reasonable ROE, and  
4       also a reasonable amount to add to the rate base.

5           My guess is that we'll probably be having  
6       another base rate request in a couple of years after the  
7       Port Everglades expansion. We had a base rate increase  
8       request a couple of years ago. So they seem to be  
9       happening pretty regularly.

10          And I think the greater question is how can we  
11       get customers like myself some relief from these, this  
12       parade of base rate increases? Another way to, I think,  
13       phrase that question is how can FP&L, or how can you  
14       encourage FP&L not only to be a seller of electricity  
15       but a company that provides energy services?

16          And one way to do that is that a greater  
17       energy efficiency implementation is something that's  
18       near and dear to, to my heart. And I have provided you  
19       with a document, and that document should look pretty  
20       familiar. It was testimony, an exhibit to testimony  
21       from the last conservation goals hearing from your own  
22       expert.

23          And if you take a close look at it, you'll see  
24       that actually none of the Florida utilities broke the  
25       top 100 in energy savings as measured kilowatt, as

1 measured as kilowatt hour sales against annual energy,  
2 annual energy sales. They were well below 1%. The  
3 leaders were well above 1, 1%.

4 So I guess my point to you today is that you  
5 ought to consider energy efficiency as a service. It  
6 helps people lower their bills and it's the best way to  
7 meet electricity demand. You can meet it at a fraction  
8 of the cost of building new power plants. And, you  
9 know, that's not just a slogan, it's not a talking  
10 point, but it's evident in today's base rate hearing  
11 increase. And, you know, this is a perfect example of  
12 the types of increases in people's bills that you can  
13 defer through meaningful energy efficiency, and I hope  
14 you'll consider that in determining the appropriate, the  
15 appropriate base rate increase, and also what you're  
16 going to put into the base rate and also what ROE you're  
17 going to provide to FP&L shareholders.

18 Thank you.

19 **CHAIRMAN BRISÉ:** Thank you, Mr. Cavros. Any  
20 questions for Mr. Cavros?

21 Okay. Seeing none, thank you for your  
22 testimony.

23 Ms. Larson, do you have a question for  
24 Mr. Cavros?

25 **MS. LARSON:** No, no, no. For you. I wanted a

1 point of clarification, and I didn't want to interrupt  
2 anybody's testimony.

3 **CHAIRMAN BRISÉ:** Okay.

4 **MS. LARSON:** Can I do that now?

5 **CHAIRMAN BRISÉ:** You may pose your question.

6 **MS. LARSON:** I apologize for that, because  
7 when you, when you spoke you spoke very eloquently about  
8 our questioning, and my questions were trying to get  
9 clarification on a problem. But you proffered that we  
10 could call testimony and we could bring witnesses to  
11 Tallahassee.

12 I just wanted to point out to you very  
13 graciously, Mr. Chairman, as pro se litigants, that's  
14 not going to happen. We can't pull these witnesses  
15 from, you know, down south here. And I just thought --  
16 I hope you understand that when -- because I saw, I  
17 thought Mr. Saporito's question was very valid when it  
18 came to how do we handle this when we bring this -- you  
19 know, we're going to be at a hearing with you, with the  
20 board in two weeks. But as far as proffering witnesses  
21 and dragging people to Tallahassee and having 22  
22 attorneys, that is not our option.

23 So I think if we get lost a little bit in the  
24 fray, hopefully you'll bear with us when we do ask these  
25 questions. Because these people do come up here under

1       oath, and there's been plenty of people who have  
2       testified and said I'm talking today about FPL, what a  
3       great company it is, but this is a rate hearing, yes or  
4       no.

5                 And I did ask that for you yesterday. And I  
6       just hope that I was very clear in asking that specific  
7       question. Are we, are we pro rates or are we low rates?  
8       And I apologize for the question, but I hope you  
9       understand as pro se litigants, I can see the loss here  
10      for, you know, a couple -- it's a great expense to be an  
11      Intervenor and not have an attorney before you, and I  
12      hope you'll understand that.

13                 So I just hope you understand some of the  
14      questions I think are valid, and maybe they're not. But  
15      like you said, you know, we're, we're, we're working on  
16      the curve. You've been doing -- you've had people  
17      before you before for years, and I've been before you  
18      myself before but in a different situation. And we  
19      can't, we can't bring them, the testimonies to  
20      Tallahassee and say, well, did you get a lunch? You  
21      know, am I making sense? Thank you very much.

22                 **CHAIRMAN BRISÉ:** Understood. I will make a  
23      suggestion to you. The point that I've been making from  
24      day one is that if you have someone who comes up and  
25      testifies, they are providing to you the information

1           that they've come prepared to testify as a consumer.  
2           And so we hope that you would ask the questions  
3           pertaining to exactly what the person is testifying.

4                 I think it's perfectly fair, like Mr. Nelson  
5           has been asking, if you were asked by FPL, if the person  
6           doesn't say or whatever, were you asked by anybody to  
7           come forward and testify? I think that's a perfectly  
8           fair question to pose.

9                 Now, when we go beyond -- if a person says,  
10          you know, I like blue, and then we ask them, well, why  
11          do you like blue? What makes blue a better color than  
12          green? That goes beyond what the person is coming  
13          prepared to testify. So, so that is my admonition.

14                 And we have our staff attorney here, and so  
15          you can work with our staff attorney to get further  
16          clarification. And so we just want to make sure that  
17          these run efficiently and that they're fair to everybody  
18          that comes out and presents testimony.

19                 **MS. LARSON:** Well, I was just hoping you were  
20          aware of some of the hostility I witnessed here today.  
21          There was, you know, some, at some, some people who were  
22          testifying, and then if we asked a question, they  
23          weren't very happy about it.

24                 And I didn't understand yesterday when  
25          somebody said I don't want, I don't want to be

1       cross-examined, then he should not be allowed to  
2       testify. Am I making sense at all?

3                   **CHAIRMAN BRISÉ:** I understand what you're  
4       saying.

5                   **MS. LARSON:** He said, absolutely, I don't want  
6       to answer any questions. Well, then, he shouldn't have  
7       testified.

8                   **CHAIRMAN BRISÉ:** I understand what you're  
9       saying.

10                  **MS. LARSON:** Thank you.

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

12                  At this time we stand adjourned.

13                  Thank you very much.

14                  **MR. KELLY:** Well, we have the gentleman's  
15       exhibit.

16                  **CHAIRMAN BRISÉ:** Oh, yes, we do. We have one  
17       exhibit. Thank you, Mr. Kelly. We have one exhibit,  
18       and that would be what, thirty --

19                  **MS. KLANCKE:** 35.

20                  **CHAIRMAN BRISÉ:** 35. And that would be  
21       Mr. Cavros' composite?

22                  **MS. KLANCKE:** Sure.

23                  (Exhibit 35 marked for identification.)

24                  **CHAIRMAN BRISÉ:** Thank you for catching that,  
25       Mr. Kelly.

1           All right. At this time we stand adjourned.

2           (Proceeding adjourned at 12:26 p.m.)

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1 STATE OF FLORIDA )  
2 : CERTIFICATE OF REPORTER  
COUNTY OF LEON )

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4 I, LINDA BOLES, RPR, CRR, Official Commission  
5 Reporter, do hereby certify that the foregoing  
6 proceeding was heard at the time and place herein  
7 stated.

8

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.

9

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'  
attorneys or counsel connected with the action, nor am  
I financially interested in the action.

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DATED THIS 17<sup>th</sup> day of August,  
2012.

  
LINDA BOLES, RPR, CRR  
FPSC Official Commission Reporter  
(850) 413-6734