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P R O C E E D I N G S

1
2 **COMMISSIONER EDGAR:** Okay. Folks, we are
3 going to go ahead and get started this evening. The
4 first thing I need to do is call this customer hearing
5 to order. Thank you all for being here.

6 My name is Lisa Edgar. I'm a Commissioner of
7 the Florida Public Service Commission. And with me here
8 next to me at the table are two of my colleagues. I'm
9 going to asking them to please introduce themselves. To
10 my left.

11 **COMMISSIONER BROWN:** Thank you, Madam Chair.
12 Good evening. My name is Julie Brown, and it's nice to
13 see you all here.

14 **COMMISSIONER BALBIS:** Thank you. My name is
15 Eduardo Balbis. And I want to thank everyone for coming
16 here today, and I look forward to your testimony.

17 **COMMISSIONER EDGAR:** Thank you. And if I
18 could ask our staff to read the notice.

19 **MS. BARRERA:** Good afternoon. By notice, this
20 time and place has been set for a customer service
21 hearing in Docket Number 140025-EI, application for rate
22 increase by Florida Public Utilities Company.

23 **COMMISSIONER EDGAR:** Thank you. And if I could
24 take appearances briefly from the attorneys that are
25 representing parties in this case.

1 **MS. KEATING:** Good afternoon, Madam Chair,
2 Commissioners. Let me make sure that's on.

3 I'm Beth Keating with the Gunster Law Firm --

4 **UNIDENTIFIED SPEAKER:** We can't hear you.

5 **COMMISSIONER EDGAR:** Hold on. Let's see.
6 You're just going to have to get close to it, Ms.
7 Keating. And it's okay if you're not looking at us.

8 **MS. KEATING:** Good afternoon. I'm Beth
9 Keating with the Gunster Law Firm. I'm here today on
10 behalf of FPUC.

11 **COMMISSIONER EDGAR:** Thank you.

12 OPC.

13 **MS. CHRISTENSEN:** Good afternoon. Patty
14 Christensen with the Office of Public Counsel. I'm here
15 with my boss, the Public Counsel, J. R. Kelly.

16 **COMMISSIONER EDGAR:** And our staff counsel.

17 **MS. BARRERA:** Good afternoon again. I'm
18 Martha Barrera, attorney for the Public Service
19 Commission. And Suzanne Brownless is not here, but
20 she's also an attorney on the case.

21 **COMMISSIONER EDGAR:** Thank you. And also with
22 us here at the front is Jim Dean, who is a division
23 director, technical member of our staff, who is
24 available if you have questions.

25 So we are here to hear from customers of

1 Florida Public Utilities on the petition that they have
2 filed with us. This is part of the long process prior
3 to an evidentiary hearing that we will have next month
4 on this request. There were sign-up sheets at the
5 doorway when you came in. If you would like to speak,
6 we ask that you do sign up. In a few moments Mr. Kelly
7 will use the sign-up sheet to call names in order to
8 come forward. The comments that you will give are a
9 part of the official record for this case. So we are
10 being taped, just so you know that, with a camera and
11 the audio, and that will be transcribed at a later date.

12 Also at the sign-up table there are a number
13 of documents that are general information about the
14 Commission work that we do, programs that are out there
15 that may be of interest or assistance to you. So if you
16 didn't, please take a look at that and see if there's
17 anything of interest to you. And also there's a sheet
18 that looks like this, a yellow sheet that gives some
19 frequently asked questions and general information about
20 the Public Service Commission and also about the
21 petition that is before us. If you turn to the back
22 page, there is an area that you can fill out with any
23 comment that you have. We hope that you will take this
24 opportunity to speak to us here. But if for some reason
25 you would prefer to put it in writing, please use this

1 sheet. And you can either take it home, there is a mail
2 in address on the back that you can just pop it in the
3 mail, or hand it to a member of our staff who are out
4 there by the doorway. That will also then go into the
5 docket file. Also, if you have friends, neighbors,
6 family members, colleagues who you think could not come
7 tonight but would have liked to or were not aware of
8 this proceeding or this opportunity to speak, then
9 please grab a stack. You're welcome to take them with
10 you, pass them out. It's also easily available on our
11 website, so that's a way you can print it out or email
12 it or put it in the mail to us.

13 Okay. We have our court reporter and she's
14 going to be setting up while we're going ahead with some
15 of these preliminary comments.

16 Okay. What I'm going to do before I ask
17 Mr. Kelly to start calling names here is we're going to
18 ask FPUC to make a brief statement to you with an
19 overview of what is before us, and then I will ask Mr.
20 Kelly to also make some comments. So let's go ahead
21 with that, Ms. Keating, and you're welcome to face away
22 from us.

23 **MS. KEATING:** And I do apologize for that.
24 Thanks, Madam Chair, Commissioners. First, I'd like to
25 introduce Mr. Jeff Householder, who --

1 **COMMISSIONER EDGAR:** You need to be closer --
2 I'm sorry. The acoustics are a little tough, but just
3 close to the microphone and feel free to speak forward.

4 **MS. KEATING:** Absolutely. I'd like to
5 introduce the president of FPUC who will be making the
6 comments today on the company's behalf. But first,
7 Madam Chair, if I may, I do have a composite exhibit
8 that I believe we would like to be, ask to be marked and
9 moved into the record. This is the composite of our
10 proof of service.

11 **COMMISSIONER EDGAR:** That's fine. If you
12 would hand it to Ms. Barrera, and we will mark it as
13 Exhibit Number 6 for the Comprehensive Exhibit List.
14 And, Ms. Keating, my preference is to not enter any
15 exhibits in the customer hearing at this time. We will
16 take them up as a group at the evidentiary hearing as a
17 preliminary matter.

18 **MS. KEATING:** Thank you.

19 **COMMISSIONER EDGAR:** Thank you.

20 **MS. BARRERA:** Madam Chair, this is the hearing
21 Exhibit Number 5, customer hearing Exhibit Number 5.

22 **COMMISSIONER EDGAR:** I'm looking here. Hang
23 on. I'm going to mark it as 6 because that's the way it
24 shows for me, but we'll make sure that the exhibit list
25 is in order.

1 **MS. BARRERA:** Okay. Thank you.

2 **COMMISSIONER EDGAR:** Okay. Thank you.

3 (Exhibit 6 marked for identification.)

4 **MS. KEATING:** And with that, I'll invite Mr.
5 Householder up.

6 **MR. HOUSEHOLDER:** I'm sorry to face away from
7 you.

8 **COMMISSIONER EDGAR:** That's okay. You go
9 right ahead.

10 **MR. HOUSEHOLDER:** Good afternoon. I hope
11 you're not quite as hot as I am in this coat. It's a
12 little warm in here. I appreciate you guys coming this
13 afternoon. We've been serving this community, as you
14 all know, for about 79 years, a rather long history
15 here. We really feel like we're a part of the
16 community, (inaudible), we use our own electrical power
17 here, and so we're about as connected as we possibly can
18 be. It's important for us to listen to what you have to
19 say this afternoon. We take very seriously the comments
20 that you make. In fact, I have spent the last four and
21 a half years of my time with this company spending a
22 great deal of time with customers, asking them what they
23 think about our service and how we can improve it. And
24 a great deal of the work that we've done over the last
25 four years has been aimed at meeting the objectives that

1 you guys have established for us in terms of service
2 reliability and customer service, and part of this case
3 is about that.

4 Nobody likes a rate case. I think that I can
5 probably speak with some degree of definitiveness saying
6 I believe we have about the best record in the state of
7 not filing rate cases. We rarely do this. It's been
8 seven years since the last case was filed by FPU. And I
9 believe, if my numbers are correct, we've only had four
10 rate increases filed for Fernandina Beach in the last 30
11 years. So it really is a -- we make a substantial
12 effort to keep from doing this.

13 We've been working hard in my time with the
14 company since the Chesapeake acquisition in late 2009 to
15 really do three things here.

16 One is to hold the line on our wholesale power
17 costs. We don't generate electricity in this division;
18 we don't generate electricity in our western division.
19 We purchase all of our power from third-party suppliers.
20 The majority of that in this division comes from
21 Jacksonville Electric Authority. But we also purchase
22 power from the two paper mills that are generating some
23 power on this island: Rock-Tenn and Rayonier.

24 When I got here, the price of wholesale power
25 had increased significantly in the two years before my

1 time. We have spent a great deal of effort to try and
2 get a handle on that and to make sure that the power
3 costs, both here and in our western divisions, are not
4 only, that we not only stop the increases but we
5 actually move the bar back a little bit. We've seen
6 about a 14 percent decrease in power costs, wholesale
7 powers costs here over the last couple of years. That
8 ticked up a little bit this year, but we've got JEA
9 (inaudible) to hold the line on those costs in 2015, and
10 we might even see some reduction in that. So I feel
11 fairly comfortable sitting here today saying that we're
12 not looking for an increase in the wholesale power
13 costs, and I think we might be able to move those costs
14 down a little bit over the next couple of years.

15 The second thing that I think is important to
16 talk about here is we've really been trying to hold the
17 line on local operating costs. In the last rate case,
18 if you compare our total positions, for example, in the
19 last rate case to the total positions that we have today
20 working in our electric distribution system, we're
21 actually 12 positions down. We've been able to find
22 efficiencies and improve our processes enough to
23 eliminate 12 full-time employment positions over that
24 period of time. Now some of that has been replaced by
25 corporate cost increases (phonetic), and part of this

1 case is exactly that.

2 When Chesapeake purchased Florida Public
3 Utilities, we got access to a great deal of things that
4 FPU just never had before: Professional IT services, HR
5 services, safety and regulatory compliance services that
6 just didn't exist (inaudible) at FPU before that. We
7 also got access to our financing through low cost
8 capital. We've been able to consistently draw the debt
9 costs down for FPU, which ultimately results in savings
10 to you guys.

11 The other piece of increase that I think is
12 important to talk about, because it gets a lot of, a lot
13 of play, I think, in the press, so to speak, are the
14 compensation costs for our people. We have moved
15 steadily down the path to develop performance-based pay
16 practices. These are modern pay practices that actually
17 pay employees for achieving significant performance.
18 And whether it's financial performance overall of the
19 company, whether it's customer service performance,
20 making sure we can answer the phone, or whether it's
21 doing the kind of operational tasks that we do on a
22 day-to-day basis and making sure that our operating guys
23 are performing in an appropriate way. We're paying
24 people for that. And those pay plans often get
25 criticized, I'm sure you'll hear some of that today, as

1 bonus programs. They are bonus programs, but they're
2 specifically related to performance activities that will
3 move the bar up, we think, to providing efficient
4 service to customers.

5 The third thing we've really been making some,
6 I think, great headway in is to invest in the physical
7 system that we operate both on this island and in our
8 western division. Again, when I came in the door
9 four and a half years ago, this system was not in great
10 physical shape. It wasn't falling apart by any means,
11 but we had some substantially -- well, maybe the best
12 way to say it, we had some old, unreliable equipment
13 that was far beyond its useful life. That included
14 transformers, it included relay systems in our
15 substations, circuit breakers. We had a lot of
16 underground wiring in this system that had been put in
17 back in the early '70s; it was long past its useful
18 life. And we have systematically and methodically gone
19 through this system and improved all of that. And our
20 reliability statistics would bear measure to the fact
21 that we've been fairly successful doing that. We've
22 seen substantial improvements in the, in the times that
23 the power is out on this island from when I first got
24 here.

25 And I mention that not only in the statistics

1 that have been provided to the Public Service
2 Commission, but I don't get the calls that I used to. I
3 mean, the first three years I was here, you know,
4 everybody on this island seemed to have my cell phone
5 number, and when the power went out, they called. And
6 I'm not getting those calls anymore. That's, as I tell
7 my guys, that's a big major success for me is that, you
8 know, people seem to be much happier when reliable
9 service is provided.

10 We still have significant improvements yet to
11 go. Part of this rate case is attempting to continue to
12 drive forward those improvements. We have a number of
13 substation improvements that are planned. There are a
14 number of very large sets of transformers that need to
15 be replaced. We'll continue to replace the, some of the
16 wooden poles that have been around this island for 30 or
17 40 years. Many of you have seen those large concrete
18 poles we're putting up on our transmission side. I know
19 those are not the prettiest things to look at but,
20 believe me, they mean the world in our reliability
21 statistics. The next time we have a storm through here,
22 we have a much better chance of actually holding the
23 system with those poles than we would with those wooden
24 poles.

25 We are working steadily to try to find

1 additional on-island sources of power. We will continue
2 to work with Rayonier, we'll continue to work with Rock-
3 Tenn to use some of the generating power they're making
4 at their plants. We also have a project that we're a
5 long way down the road trying to build our own electric
6 power generating facility that would provide some of the
7 power on this island. When we do that, when we bring
8 that online in May '16, we'll see another significant
9 reduction in the power costs on this island and we'll
10 improve significantly the reliability of power.

11 All the power today that comes onto this
12 island comes across two little wires that run under the
13 bridge, and you see those transmission towers as you
14 come onto the island. If one of those goes down, we've
15 got some real issues; we're dealing with portable
16 generators. And so we believe by moving more of our
17 generation on the island we're going to substantially
18 improve the reliability of our system.

19 So essentially that's what this case is about
20 for us. It's making sure that we can take the
21 investments that we've currently made, making sure we
22 continue those investments, making sure our people are
23 paid appropriately for the performance that they
24 provide, and then overall providing a reliable system.

25 There are two or three people I'd like to

1 introduce this afternoon. Buddy Shelley, where's Buddy?
2 Buddy is the Director of Electric Operations for all of
3 our electric activities around the state. Bill Grant is
4 next to him. Bill is our local Operations Manager in
5 Fernandina. And Cheryl Martin is our Director of
6 Regulatory Affairs, who runs the (inaudible) that
7 provides assistance to us on a regulatory basis.

8 I would be delighted to answer any questions
9 or however you guys would like to do that.

10 **COMMISSIONER EDGAR:** Okay. Thank you so much.
11 Thank you for your comments. We will go ahead and ask
12 Mr. Kelly to come forward and give some general overview
13 comments as well. And as questions arise, we may call
14 upon you for assistance with that.

15 Mr. Kelly.

16 **MR. KELLY:** Thank you, Madam Chair.

17 Good evening. Excuse me. My name is J. R.
18 Kelly and, along with Patty, we represent you, the
19 ratepayers. We're with the Office of Public Counsel,
20 and we are here today because we're contesting areas of
21 Florida Public Utilities Company's case that we do not
22 believe they've met the burden of proving that they
23 deserve a rate increase.

24 Now they filed a petition for a \$5.8 million
25 annual increase. That is approximately 34 percent

1 increase annually over their current base rates. Folks,
2 we don't contest in any way, shape, or form that FPUC is
3 not a good company, not a well-run company, and not a
4 good corporate citizens. But here's the deal: They're
5 required to provide safe, adequate, and reliable service
6 to you, the ratepayer. In return they are allowed to
7 recover their prudent and reasonable operating expenses
8 and earn a fair and reasonable return on their
9 investment.

10 We do not believe in certain areas they've met
11 the burden -- and they have the burden here -- to prove
12 that they're entitled to their total \$5.8 million
13 increase. We've hired the services of two nationally
14 known experts in accounting and cost of capital. We've
15 filed testimony in this matter. And we believe that the
16 correct increase should be no more than \$2 million a
17 year.

18 And I want to give you a couple of examples of
19 areas that we're contesting, what I call some of the big
20 ticket items. The first is excess profit. FPUC is
21 asking for 11.25 percent return on profit -- that's
22 after-tax profit -- and we do not believe that the
23 market conditions today support that in any way, shape,
24 or form. That's about a \$1 million a year issue.

25 And also in 2009, and Mr. Householder

1 mentioned this, they were merged into a large company
2 from out of state and they're now a subsidiary of that
3 company. Well, since that time there have been a lot of
4 costs that have flowed down from that out-of-state
5 company to FPUC. And now FPUC is asking for you, the
6 ratepayers, to bear the burden of those costs. And we
7 do not believe all those costs are justified. We
8 believe that many of those costs are not directly
9 related to providing you safe, adequate, and reliable
10 service, and they don't involve the operation of FPUC.
11 Some of those involve new development, strategic
12 development that has nothing to do with FPUC. And we're
13 contesting all of those costs, and that's approximately
14 a \$700,000 a year issue.

15 And the final issue is excessive bonuses and
16 incentive compensation. And Mr. Householder touched on
17 it a little bit, but, with all due respect to him, we
18 have a little bit of different take on that. And I
19 cannot discuss the bonus incentive compensation plan
20 because they have requested confidentiality, as is their
21 right, so I can't discuss the details. But I will tell
22 you, consistent with the position we've always taken in
23 our office, we're going to contest all of the incentive
24 plans that are not directly, directly tied to providing
25 safe, adequate, and reliable service to you, the

1 ratepayers. That's over a half a million dollar annual
2 issue.

3 Now we're here tonight, folks, because this is
4 your meeting. It is not my meeting, it's not the
5 company's meeting. This is your, the ratepayers,
6 meeting and we want to hear from you. And the
7 Commissioners behind me really, really want to hear from
8 you. So please take this opportunity, come up here and
9 share any opinions you have -- good, bad, whatever --
10 about FPUC.

11 And I know they're a good company, but we want
12 to hear how this rate increase would impact you or your
13 everyday lives and, most importantly, the affordability
14 of it.

15 The bottom line is I want to thank you very
16 much for taking your time out of your schedules to come
17 here today, and I want to assure you that Patty and I
18 and the rest of our staff are going to work very, very
19 hard to give you the best representation we can in this
20 case. Thank you again for being here.

21 (Applause.)

22 **COMMISSIONER EDGAR:** Thank you, Mr. Kelly.

23 So we are about at that point where we can
24 begin to hear from customer testimony. Just a few quick
25 preliminaries before we start.

1 As I mentioned earlier, here in a moment I
2 will ask Mr. Kelly to call names in the order from the
3 sign-up sheet. I'll ask him to call two at a time so
4 that when he calls one and then he'll say who's next
5 just so you know that you're kind of on deck to come
6 forward second.

7 Then after you've shared your comments with
8 us, I'm going to ask to see if there are any questions
9 from me or from my fellow Commissioners or from either
10 of the parties in the case. Give us just a second
11 before you turn around to sit down to see if there are
12 any questions. And I'm also going to ask you when you
13 come to the microphone -- as you can see, the acoustics
14 are a little tough, so you need to lean into the mike,
15 but we'll make sure that we can hear you. Please tell
16 us your name and your address. And if your name has any
17 bit of an unusual spelling or it could be spelled a
18 couple of different ways, if you would spell that for
19 us, that helps us and it certainly helps our court
20 reporter as well so that we have your name accurately.

21 Because, as I mentioned earlier, this is part
22 of the official record for this case, I need to swear
23 those of you who would like to speak to us tonight in as
24 witnesses. We will do that as a group. So those of you
25 who have signed up to speak, if you would all stand

1 together with me and raise your right hand.

2 **UNIDENTIFIED SPEAKER:** Who has the sign-up
3 sheet?

4 **COMMISSIONER EDGAR:** It's at the door. Thank
5 you. If you're going to sign up, you should -- yeah.
6 Thank you. Okay.

7 (Witnesses collectively sworn.)

8 Thank you. Have a seat.

9 So, Ms. Barrera, Mr. Kelly, to my colleagues,
10 any other preliminary matters or anything we should
11 cover before we move ahead?

12 **MS. BARRERA:** We have no other matters.

13 **COMMISSIONER EDGAR:** Okay. Wonderful. Thank
14 you. Then, Mr. Kelly, if you would call the first two
15 names, please.

16 **MR. KELLY:** The first speaker is Rick
17 Abernathy, and the second is Berta Arias.

18 **RICK ABERNATHY**

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. ABERNATHY:** Good afternoon.

24 **COMMISSIONER EDGAR:** Good evening.

25 **MR. ABERNATHY:** Good evening. I just have a

1 couple of questions. My name is Rick Abernathy,
2 A-B-E-R-N-A-T-H-Y. I reside at 1307 South Fletcher in
3 Fernandina Beach.

4 **COMMISSIONER EDGAR:** Thank you.

5 **MR. ABERNATHY:** And I will preempt a couple of
6 my questions or comments with the fact that I am a part
7 owner, board member, and executive vice president of a
8 retail electric provider in Texas, which is a
9 deregulated state, which -- so I have a little bit of
10 knowledge about some of these things.

11 So currently, if I look at the 1,000 kWh
12 present total charge, I'm going to say that if I receive
13 my bill and I used 1,000 kilowatts, then we can say I'm
14 paying 13.3 cents all in per kilowatt. Would you agree?

15 Okay. If the proposal goes into effect, as of
16 January I'm going to be paying 13.9 cents. And by the
17 way, I use a lot more than a 1,000, but that's just what
18 we're going to go off of. Okay. So that's cleared up
19 for me.

20 The next question is for FPU, do y'all have a
21 long-term power purchase agreement or PPA with JEA? And
22 obviously I'm sure you do, but what are the terms of it?
23 How long does it go out?

24 **COMMISSIONER EDGAR:** I'll need you to come to
25 the mike, and we'll just be cozy here if you'll work

1 with us.

2 **MR. HOUSEHOLDER:** Our current agreement with
3 JEA terminates at the end of 2017.

4 **COMMISSIONER EDGAR:** Thank you.

5 **MR. ABERNATHY:** Thank you. Because I just
6 kind of, I buy wholesale power every morning and sell it
7 long-term over three years, and I just thought that.
8 And I've seen companies get in these, some of these
9 long-term PPAs and then ask the ratepayers to take the
10 burden. Power is not traded at these prices right now.
11 That's my comments. And I do not support the rate
12 increase and I just wanted to make myself heard. Thank
13 you.

14 **COMMISSIONER EDGAR:** Commissioners?

15 Al right. Thank you very much. Thank you.

16 **MR. KELLY:** After Ms. Arias -- and I
17 apologize, is it Arias?

18 **MS. ARIAS:** Arias.

19 **MR. KELLY:** Arias. I apologize. It will be
20 Pete Smith.

21 **BERTA ARIAS**

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. ARIAS:** My name is Berta Arias, B-E-R-T-A
2 A-R-I-A-S. I am here as a private citizen. And thank
3 you, Mr. Kelly. I think you said it all in terms of the
4 rate increase. But I'm also on the steering committee
5 of the Amelia Tree Conservancy, and we are very
6 concerned about lack of planning, even though the FPU is
7 asking for a rate increase, a lack of planning to
8 maintain and actually improve the quality of our island.

9 And I will read from another steering
10 committee member who is an arborist, Mr. Arthur Herman.
11 And he says that underground utilities are definitely
12 the way to go to maintain the beauty of our island, not
13 only for the aesthetics but also for services. And I
14 digress for a moment. I know a lot has been said about
15 storm surges, but there are other communities such as
16 Hilton Head more prone, in fact, to hurricanes that have
17 underground facilities. So underground utilities will
18 eliminate high wind and heavy rain problems. They will
19 permanently eliminate the barbaric and hideous pruning
20 that is widespread on our island. Trees will finally
21 have a chance to establish their rightful canopy, and we
22 are unique in our maritime canopy here on the island.
23 The installation of underground lines does have some
24 impact on the trees, a certain amount of root removal,
25 but trees will respond positively over time to minimal

1 root pruning and they will be able to establish
2 themselves as nature intended.

3 So we believe that as all of this is being
4 discussed we need to bring up again, I know it has been
5 on the table before, that underground utilities really
6 are a must. We're going from wooden now to cement. It
7 is outrageously ugly and we think it's a quick fix.
8 Expensive, I know, to put it underground, but we need to
9 think long-term and how it all affects the tourism and
10 the quality of life for all of our residents. So I
11 thank you for the opportunity to speak. And any
12 questions?

13 **COMMISSIONER EDGAR:** Yes, there are.
14 Commissioner Brown.

15 **COMMISSIONER BROWN:** Thank you. Could you
16 just clarify the agency or organization that you
17 represent?

18 **MS. ARIAS:** Amelia Tree Conservancy, and we
19 have over 100 members on the island. Some of them
20 actually don't even live here full-time, but they belong
21 to our organization because they're very concerned as to
22 the quality of life that's being eroded because of
23 trees, and again we lose them all the time, and we feel
24 that it's part of the important things to maintain.

25 **COMMISSIONER BROWN:** Thank you.

1 **COMMISSIONER EDGAR:** Thank you, Ms. Arias.

2 (Applause.)

3 **MR. KELLY:** After Mr. Smith will be Scott
4 Jensen.

5 **PETE SMITH**

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. SMITH:** Hi. Can you hear me?

11 **COMMISSIONER EDGAR:** Uh-huh.

12 **MR. SMITH:** My name is Pete Smith. I live at
13 4309 South Fletcher, and I have several other properties
14 on South Fletcher as well. I've been here 29 years, and
15 I love this town. And I've seen a lot of tremendous
16 improvements in the 29 years that I've been here. One
17 of them is not the condition and the visibility of the
18 power lines.

19 I actually took notice of this in January of
20 2013. We all got a letter from you, Mr. Householder.

21 **UNIDENTIFIED SPEAKER:** We can't hear you.

22 **COMMISSIONER EDGAR:** I know it's tough, but a
23 little closer to the mike, please. Okay. Thank you.

24 **MR. SMITH:** I actually received a letter, mass
25 mailing from you in January of 2013, and it indicated

1 some cost cutting measures and some management
2 techniques that you were promoting to us as your
3 customers. And I sent you -- it asked for our responses
4 to the questions and I sent you an email. And I
5 applauded the cost cutting measures, and I noted that I
6 questioned about the potential burial of utilities on
7 the island. I think I sent that November the 13th or
8 14th through email. The letter came out around the
9 middle of January. And in that letter I noted that some
10 of the world-class communities, I work (phonetic) in
11 hotels for a living in some of the nicest places in the
12 country, and some of the world-class communities out
13 there, Sea Island, New Port Beach, and Beverly Hills and
14 even parts of Utah, they've all got utilities there.
15 Sea Island, Georgia, just north of here, all those oak
16 trees, they're underground. And I simply asked what was
17 the outlook for that and didn't get a response.

18 In the meantime, those concrete poles keep
19 going up down the road I live on and they're enormous.
20 On November 15th of 2013 the transformers on the one in
21 front of my house exploded and it caught the yard on
22 fire of my neighbor. We had 20-foot flames going up
23 through oleanders and bushes. We called the sheriff,
24 the Nassau County Sheriff, and fire department, and
25 unfortunately nobody ever showed up to put that fire

1 out. It was raining luckily and it put itself out. And
2 the response I got from FPU when I called was that there
3 was six or seven or eight of the transformers that had
4 exploded on those poles in that area down around Peters
5 Point. And midday the next day when the truck rolled up
6 and fixed those lines, I went out and I talked to the
7 guys, who, by the way, are great. I mean, every time I
8 call for service, the staff, the team, they've got a
9 great team. This is not (inaudible). They explained,
10 they said those lines are aboveground and there's
11 saltwater corrosion and they're exploding due to the
12 resistance that's building up. So I question the
13 comment when I'm told that the concrete poles are making
14 things better, that they're hardening, when just the
15 salt causes those kind of explosions.

16 So then when the letter went out to the paper
17 a few weeks ago, a month or so ago, it suggested a rate
18 increase. I think it was in July, June or July. It
19 noted three things in that paper that caught my eye, in
20 that article that caught my eye. You guys said that you
21 underestimated the original capital expenses required
22 when Chesapeake took over FPU in 2009. You indicated an
23 extraordinary number of, of capital expenses required to
24 replace the wooden poles and concrete poles, which I
25 asked our city commission who was approving those

1 concrete poles and I still haven't gotten an answer. I
2 don't know who's approving those things, who's allowing
3 FPU to go down the road and plant 100-foot-high concrete
4 poles in our front yards when every resident I've talked
5 to doesn't want them. They would prefer -- we would pay
6 a premium to get them underground, quite frankly. I
7 mean, we're not, we're not incapable of considering
8 that. So that fired me off and I wrote a letter
9 stating (inaudible). I was mad.

10 **COMMISSIONER EDGAR:** Mr. Smith.

11 **MR. SMITH:** Yeah.

12 **COMMISSIONER EDGAR:** We are having a hard time
13 hearing you a little bit. You're straying a bit from
14 the mike. Sorry. And I understand that there's some
15 things you want to say directly to the company and to
16 us, but I'm going to ask you kind of to face us, if you
17 would, just so that we can hear you and the court
18 reporter can get you and we'll try to do the best we
19 can.

20 So you mentioned concerns about
21 undergrounding, old transformers, concrete poles, how
22 they're sited, and I think you had a third, one third
23 point.

24 **MR. SMITH:** It's escaped me. You have to be a
25 contortionist.

1 (Laughter.)

2 Every resident -- we've got a group website
3 that we've started on South Fletcher. There's about
4 1,200 of us on that street. And it looks like
5 (inaudible) when you drive up and down that road. If
6 you leave here and go to the east and go south, just
7 drive that road. Our city commission has made it
8 illegal for us to replace our own private fire alarms in
9 our houses without putting them underground. Some of
10 the people in the room commented a moment ago that's
11 costing them two, three, and \$4,000 each to do that when
12 they have that need arise. But nobody is forcing FPU to
13 put it underground and we're asking for that.

14 There was an Underground Utilities Commission
15 report that was done for the city, by the city, that I
16 think went on from 2004 to 2011. It was presented to
17 the city commission on November, in November of 2011,
18 and the city commission discussed it for 30 minutes,
19 dismissed it, and dropped it.

20 And in that report it said two very clear
21 things, and I've posted a copy of it and I have a copy
22 of it, Marshall McCrary has a copy of it, the city has a
23 copy of it. It said two or three things. It said
24 Florida Public Utilities is not going to be a willing
25 partner to bury those utilities. It's going to require

1 an ordinance by our city and our county commissioners to
2 put them underground. That was what it said. And it
3 also said it recommended putting those utilities
4 underground with the exception of, I think, the high
5 power lines coming across the Intercoastal. And the
6 only action the city commission did take is forcing the
7 private property owners (inaudible) to the property line
8 and take them underground to the side of the house. So
9 when you're driving down South Fletcher, all your power
10 lines are on the east (phonetic) side of the road, and
11 every line that goes over to the left side of the road
12 goes above the cars and then down and then underground
13 at our expense, and I think there's a letter in the
14 paper today from one of our residents that clearly
15 indicates that we think that's a double standard. And
16 we're, we're glad to have this. I think it's been seven
17 or eight years since you guys have been here (phonetic).

18 But we're looking for some guidance, some
19 comments, some concrete information. Is it viable? Can
20 you do it? Will you do it? Under what conditions? How
21 much will it really cost? Do we need to get a third, a
22 fourth, and a fifth party to qualify those costs? When
23 can it be done? So tangible, measurable, economical
24 ideas. This is a world-class island. That road 300
25 yards from here is one of prettiest stretches of A1A in

1 the entire state. Those lines are awful.

2 **COMMISSIONER EDGAR:** Thank you, Mr. Smith. Do
3 you have any other comments about your service?

4 **MR. SMITH:** What's that?

5 **COMMISSIONER EDGAR:** Any comments about your
6 service?

7 **MR. SMITH:** No.

8 **COMMISSIONER EDGAR:** Okay. Thank you very
9 much.

10 (Applause.)

11 **MR. KELLY:** After Mr. Jensen will be Phillip
12 Scanlan.

13 **SCOTT JENSEN**

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 **MR. JENSEN:** How's that?

19 **COMMISSIONER EDGAR:** That's good right now.

20 **MR. JENSEN:** Okay. I'm concerned about the
21 customer charge. The -- I called when I, when they told
22 me that I had a customer charge. I said, "What is the
23 customer charge for?" And the young lady said, "Well, I
24 don't know. I will," and she put me on hold and came
25 back a few minutes later and she says, "It's for

1 maintenance." And I said, "Well, I would like to know
2 the days and the times that they came out and did
3 maintenance." So she put me on hold again, and she went
4 out and said, "I think that's for reading the meter."
5 And I said, "\$18 to read the meter?" Now it's going up
6 to 24, okay, which I think this is extraordinary to read
7 the meter, \$24.

8 I had a \$2.59 bill for power, \$2.59. It's to
9 run dock lights. You know what my bill is? \$26.21.
10 When you add the customer charge in and all these other
11 fees and stuff, \$2.59 and I have a \$26.21 bill. I think
12 that's ridiculous.

13 And I'm not going to -- I'm not going to say
14 anything other than the fact that, \$18 to \$24, I got, I
15 got a problem with that because it's just, it's
16 ridiculous. And where they're getting, where they're
17 getting this is on these charts. You know, the increase
18 in electric costs is, that's okay, but it's all the
19 charges that they, that they put on us. So that's all I
20 have to say.

21 **COMMISSIONER EDGAR:** Thank you, Mr. Jensen.

22 Thank you.

23 **MR. KELLY:** After Mr. Scanlan is Bob
24 Weintraub.

25 **PHILLIP SCANLAN**

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

4 **DIRECT STATEMENT**

5 **MR. SCANLON:** Would you pass one of those
6 around to people?

7 **MR. KELLY:** Sure.

8 **MR. SCANLON:** My name is Phillip Scanlan. I
9 live at 1832 Village Court, Amelia Island, Florida.

10 When I got your notice of this meeting I
11 wasn't really concerned about the rates. I was mostly
12 concerned about having it underground because I'm a
13 member of the tree conservancy as well and I've been
14 working on making the island a little better. And our
15 objective is to be the best island in all of Florida.
16 All right? I mean, this island is built on tourism. We
17 have the Ritz, we have the Omni. Those are million
18 dollar properties that those big, ugly cement posts are
19 being plunked in the front yard. I mean, it's pretty
20 sick (phonetic). And we've got to attract people to
21 come here, to retire here, to be tourists here. I mean,
22 it's the fundamental basic business of the island. And
23 for people like me that's a retiree, we want it to look
24 nice. So that may seem a little selfish that we want it
25 to look nice, but I think that's part of business and

1 it's part of living.

2 So then I looked at the actual rate increase
3 and I said, "4.62, that's not bad." That seems
4 reasonable to me. But then I looked at the actual rates
5 that were going up, and for residential it said that
6 less than 1,000 kilowatts is going to go up 11 percent
7 and the fixed charge is going to go up 33 percent, and
8 over 1,000 the whole new charge is going up 75 percent.
9 And I'm an engineer, I was actually an electrical
10 engineer, and I can do a little math, and I could not
11 figure out how you take 11 percent, 33, and 75 and get
12 4.26.

13 So I wrote an email to the PSC staff and they
14 explained it. And I'll just reword it a little bit, but
15 they said ignore the 75. We don't want to count that
16 because we're just talking about 1,000 kilowatts. Even
17 though that's a whole new charge which was never
18 mentioned in the letter and it's going to be applied,
19 that's not counted in the 4.62 because that's somebody
20 that uses more than 1,000.

21 The second thing is we're going to add in a
22 whole bunch of JEA costs, another company that's holding
23 their costs down, we're going to count all that in at
24 zero, and now we draw 80 percent of zero and then the 11
25 and 33 and then you can finally get 4.62. I got to tell

1 you, I think that's misleading information to call this
2 4.62. FPU is the one asking for the rate increase. You
3 should be looking at those rates. Those rates are much
4 closer to 34 percent than these folks are talking about.
5 And I calculated it just for a residential, a 1,000
6 kilowatt customer, it's really 19 percent from FPU.
7 Forget the fuel charge for a minute. And then it's
8 really 40 percent if you use 2,000 kilowatts.

9 Well, I just don't think you ought to be
10 communicating this way, you know. And I think that, by
11 the way, if I go back to what's a reasonable rate
12 increase, 4.62 sounds reasonable but 75 doesn't to me.
13 So I don't think you should approve the 75.

14 Now the reason for the 75 is articulated to be
15 we need to have higher rates after 1,000 to drive people
16 to conserve more. At the same time they're saying you
17 need a rate increase because the revenue is down, which
18 means people are conserving more. You can't have it
19 both ways. I mean, you can't say, gee, we need a rate
20 increase because the revenues are down and, by the way,
21 we're going to hit you with 75 percent to make sure you
22 don't use more. I mean, that's inconsistent. I'm
23 really disappointed.

24 And by the way, I spent 33 years with AT&T, so
25 I know something about regulation of companies. I

1 retired as a (inaudible). This is pretty unbelievable
2 is the best word. I mean, that's why I wrote the PSC.
3 I said, I can't possibly be understanding this correctly
4 what you're communicating, what you're doing. It's
5 shocking.

6 Now getting to the trees. Man, that's a
7 really big deal. And these poles are being plunked
8 down, when you hear the people that live on South
9 Fletcher, I mean, it's, it's just atrocious. And, you
10 know, all this rate increase and somebody is saying you
11 can't afford to put it underground, and that's what the
12 community wants. So we got, this is really out of
13 whack.

14 And, by the way, I think reliability has
15 improved a little and I think that's a good thing. But,
16 you know, what I just heard from South Fletcher about
17 the transformers and the salt air, it would probably be
18 a lot better if it was underground.

19 **COMMISSIONER EDGAR:** Are there questions,
20 Commissioners?

21 Commissioner Brown.

22 **MR. SCANLON:** By the way, my letter is in the
23 *News Leader* today if anybody is interested.

24 **COMMISSIONER BROWN:** Thank you, Mr. Scanlan.
25 I just wanted to thank you for your testimony, and I

1 appreciate -- you did prepare this document?

2 **MR. SCANLON:** Yes.

3 **COMMISSIONER BROWN:** Okay. Thank you. And it
4 will be marked as an exhibit.

5 **MR. SCANLON:** Thank you.

6 **COMMISSIONER EDGAR:** Ms. Keating, did you get
7 a copy of this? Ms. Barrera?

8 **MR. SCANLON:** If anybody needs one, I have
9 more.

10 **COMMISSIONER EDGAR:** Okay. That will work,
11 too. Thank you, Mr. Scanlan.

12 (Applause.)

13 And, Ms. Barrera, we will, we will mark as
14 Exhibit Number 7 Mr. Scanlan's exhibit.

15 **MS. BARRERA:** Yes.

16 (Exhibit 7 marked for identification.)

17 **MR. KELLY:** After Mr. Weintraub the next
18 speaker will be Michael Harrison.

19 **BOB WEINTRAUB**

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. WEINTRAUB:** It's Bob Weintraub, 9 Belted
25 Kingfisher Road in the Fernandina post office. I am not

1 representing any organization at the present time,
2 although in the past I have been a spokesperson for a
3 number of them, including the Sierra Club.

4 My comments are directed into two areas. One
5 is the rates and the second is the undergrounding of the
6 facilities.

7 I just got my bill dated 8/15. My total
8 kilowatt hour usage is 1,600 kilowatt hours. I live in
9 a small house. I own 2,000 square feet completely
10 surrounded by large oaks, so it's well shaded. There
11 are only two of us in that house and we had a 1,600
12 kilowatt hour usage. I can imagine what a family of
13 four living in a tract house where the development was
14 clear-cut so there were no trees, what their rate
15 probably is.

16 Now I take the numbers -- of course, the
17 numbers that FPU sent out don't make any sense -- and I
18 take the numbers that Mr. Scanlan just quoted and I
19 tried to do some math. And I'm not the world's great
20 mathematician, but it appears after the 10 percent
21 increase or 11 percent increase of usage of the first
22 1,000 kilowatt hours and a 75 percent increase of the --
23 of 600 hours over that, that my bill would have gone up
24 \$46 for the month. And that's a lot, especially when
25 you put it on a year's basis and some people really

1 can't afford that. I feel really fortunate where I
2 probably could afford it, although I'd be very unhappy
3 with it.

4 So if you look at the rates and the numbers,
5 FPU's numbers just don't add up. And you figure that
6 people in a small house, two people, 1,600 kilowatt
7 hours in the past month, when they talk about, keep
8 talking about the 1,000 kilowatt hour people.

9 The second issue is this whole issue of
10 burying the lines. Now I saw, when this was first
11 brought up a few weeks ago, I saw a response from, I
12 believe it was somebody from FPU, and they talked that,
13 well, there could be a storm surge, there could be
14 flooding, it could affect the underground. Well, Amelia
15 Island Plantation was developed 40 years ago and it's
16 all, all of its electric facilities are underground. If
17 you count back 40 years ago, that includes 1986, and in
18 1986 we had something called Hurricane Dora hit this
19 island and there was no problem with the underground
20 facilities.

21 For 12 years I lived in the community of Marsh
22 Lakes, which is just across from Amelia Island,
23 completely surrounded by water. Most of the 200 homes
24 in that fair community have an elevation of under ten
25 feet. So -- but in Marsh Lakes all the electric

1 facilities are underground and there has never been a
2 problem from flooding. We haven't had any big
3 hurricanes hit in those, in the 30 years that Marsh
4 Lakes has been around, but there's been an awful lot of
5 rain from a lot of tropical storms. There's never been
6 a problem. So when FPU or anyone else says that, oh,
7 you can't have power lines underground because flooding
8 will damage them and create a problem, I think they're
9 being specious. Thank you very much for this
10 opportunity.

11 **COMMISSIONER EDGAR:** One question, if we may,
12 Mr. Weintraub.

13 Commissioner Balbis.

14 **COMMISSIONER BALBIS:** Thank you,
15 Mr. Weintraub. And I want to thank you for your
16 testimony. And you are, you know, one of a series of
17 customers that have indicated the issue of
18 undergrounding utilities. So my question is in most
19 cases the undergrounding of utilities is more costly.
20 And are you saying that you have a consensus from the
21 community on the desire to underground utilities and
22 that Florida Public Utilities is not willing to discuss
23 it, or are you having difficulty getting a consensus in
24 order to have those discussions? I mean, what are the
25 main issues with that?

1 **MR. WEINTRAUB:** Currently I am not a community
2 leader; therefore, I do not have a consensus. All I
3 know is that enough people have talked about the need to
4 do this. And it makes a lot of sense, especially living
5 in Marsh Lakes for 12 years with no overhead power
6 cables, now living on the Plantation, again with no
7 overhead power cables, it makes a lot of sense. And so
8 I'm not here saying I have a consensus. I'm just one
9 person speaking on this issue.

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

11 **COMMISSIONER EDGAR:** Thank you, sir.

12 (Applause.)

13 If you'll give us just a moment, the sun is
14 kind of bright there. We're going to see if we can make
15 it a tad more comfortable.

16 (Laughter.)

17 For many people that would get the sun out of
18 your eyes. I'm not sure if it does for you. Welcome,
19 sir.

20 **MICHAEL HARRISON**

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

24 **DIRECT STATEMENT**

25 **MR. HARRISON:** Commissioners, good evening and

1 welcome to Fernandina and Amelia Island. My name is
2 Michael Harrison, which I think is spelled as
3 pronounced. I live at 820 Someruelos Street. That's
4 S-O-M-E-R-U-E-L-O-S Street, and that's in Old Town
5 Fernandina, one of our two historic districts.

6 In the interest of full disclosure, I have to
7 tell you that I was a member of the city's Underground
8 Utility Commission that wrote this report that was
9 finalized in 2011. The concept that FPU would require
10 to have a city ordinance in order to act is, is, I
11 think, valid. It comes initially from the idea that FPU
12 has done a very good job over the years of delivering
13 electricity to homes in a very low cost way.

14 The poles and overhead wires that we see
15 delivering 12.47000 volts, which is then transformed
16 down to 220 volts on the transformers on each of the
17 poles is essentially a 100-year-old technology. It's
18 the way that you would deliver electricity if you did
19 not have today's technology of cables and insulators.
20 But for any of you who have worked on an old house and
21 you've seen what they call the post and hole wiring
22 method of those early installations. Overhead
23 transmission is archaic and there is certainly room for
24 moving to 21st century technology, which FPU has proven
25 is reliable in the various subdivisions that people have

1 spoken about, and particularly since they established
2 some standard operating procedures as to how to do it
3 well in the 1980s.

4 I plan to talk about two elements here. One
5 is, one is the undergrounding on the system and the
6 other one is some general questions on the rates.

7 On the question of undergrounding, the
8 committee recommended that the service -- that is the
9 12.47000 that is the high voltage distribution and the
10 220 volt that's the heavy cable distribution to the
11 house -- should be put underground. The city had some
12 years previously established that whenever work was
13 needed on the, on the main house interface, that
14 delivery of electricity to that interface from the
15 right-of-way, which is where Florida Public Utilities
16 has its poles, was to be underground. The city had done
17 that way before the Underground Utility Committee came
18 onboard.

19 One of the problems, one of the strange
20 effects of this ordinance is the situation that we see
21 across Fletcher, which is that FPU can do whatever it
22 wants within the right-of-way. It can put up cones, it
23 can hang wires across the streets. And so when you've
24 got a property that is connected to a utility service
25 that is across the street, FPU, rather than following

1 what the Utility Commission would have liked to have
2 seen, which is putting the whole, the 220-volt low
3 voltage service under the road and then up the pole to
4 the transformer, what they do is to send 220-volt
5 service across the street to another drop pole, and then
6 the consumer on his side of the street connects up
7 underground. It's not the best way of doing things, and
8 it will probably take a city action in order --

9 **COMMISSIONER EDGAR:** Mr. Harrison, if I may,
10 I'm going to ask you to refresh my memory a little bit.
11 That 2011 report and group that helped to put it
12 together, and I do remember following some of the issues
13 at that point in time, and obviously there's a study
14 issue, there's a cost issue, and a reliability issue and
15 others as well, but those are generally ones with
16 undergrounding. That Commission you helped to serve on,
17 was that an advisory group to the city commission?

18 **MR. HARRISON:** Yes.

19 **COMMISSIONER EDGAR:** Okay. Thank you. And
20 then you said you had some general questions?

21 **MR. HARRISON:** Yeah. And that report is
22 available from the city website, which I can, which I
23 can give to you later.

24 As regards the rate elements, I cannot
25 understand the difference between an energy charge and a

1 fuel cost, and I hope that somebody will be able to
2 clarify that for me.

3 **COMMISSIONER EDGAR:** Mr. Dean, can you give us
4 a quick on that one?

5 **MR. DEAN:** Yes, ma'am.

6 **COMMISSIONER EDGAR:** To the microphone. I'm
7 sorry. Pull it forward.

8 **MR. DEAN:** Let me, let me try and distinguish
9 between the two. The energy charge, while it is using
10 the word energy --

11 **COMMISSIONER EDGAR:** A little closer, please.

12 **MR. DEAN:** While the energy charge uses the
13 word energy, it is really a measurement of the kilowatt
14 hour. And what is captured in that fee is the capital
15 and operating costs to essentially operate the system.
16 And that that is built on the kilowatt hour basis is in
17 fact called a energy charge, but it doesn't reflect the
18 cost of the actual energy produced. The system cost is
19 measured on energy charges.

20 The fuel charge is actually the charge that's
21 paid to the wholesale provider, in this case JEA, and
22 that captures the actual production value of the coal
23 and natural gas, the power plant costs that JEA owns,
24 and that, those costs are carried on that. Does that
25 make sense?

1 **COMMISSIONER EDGAR:** Does that help?

2 **MR. HARRISON:** Yes.

3 **COMMISSIONER EDGAR:** Good.

4 **MR. HARRISON:** I understand that. And so I
5 guess that helps to explain why there is this sort of
6 arbitrary tipping point at 1,000 kilowatt hours per
7 month, that if consumers were to use more and more
8 energy, then FPU would need to increase the capacity of
9 it, of its system and at great cost. Although it's,
10 it's strange to find such a round number coming out of
11 engineering and economic calculations, I assume it's
12 arbitrary.

13 What I cannot understand then is why the fuel
14 costs should pivot about the same tipping point.

15 **COMMISSIONER EDGAR:** Mr. Dean?

16 **MR. DEAN:** The selection of a 1,000 kilowatt
17 hour threshold is not completely arbitrary. Our other
18 investor-owned utilities have that same threshold and
19 they have a two-tier rate. And there is an effort,
20 perhaps imprecise, to incent the pricing per customers
21 to, in fact, conserve and use less energy. Historically
22 that 1,000, that 1,000 kilowatt hours has been pretty
23 much the mean usage in Florida residential homes, and I
24 think that may be part of the historical basis applying
25 that 1,000 selected.

1 **COMMISSIONER EDGAR:** Thank you.

2 **MR. HARRISON:** The bottom line here is it
3 appears that the, the differential fuel costs do not
4 reflect FPU's costs of providing fuel.

5 In my limited experience of industrial
6 pricing, it's fair to pass on to your customers those
7 costs that vary with your need to service that customer.
8 But it seems here that the fuel cost is established by,
9 is established by contract through 2017. And I'd be
10 very surprised if, if that is broken down to a point of
11 1,000 kilowatt hours per month per consumer. I imagine
12 that they're buying so many megawatt hours per year by
13 contract. I don't see that the costs in the contract
14 vary in that manner, and I suggest that FPU should be
15 charging a flat rate for the fuel costs per kilowatt
16 hour.

17 **COMMISSIONER EDGAR:** Okay.

18 **MR. HARRISON:** Thank you.

19 **COMMISSIONER EDGAR:** Thank you very much.

20 (Applause.)

21 Mr. Kelly.

22 **MR. KELLY:** The next speaker is E. J.
23 McClelland, to be followed by John Everett.

24 **E. J. McCLELLAND**

25 was called as a witness on behalf of the Citizens of the

1 State of Florida and, having been duly sworn, testified
2 as follows:

3 **DIRECT STATEMENT**

4 **MR. McCLELLAND:** I thought I was going to be
5 in the spotlight. First of all, my name is E. J.
6 McClelland. That's M-C-C-L-E-L-L-A-N-D. I'm retired
7 from Florida Public Utilities. If I weren't, this
8 gentleman would be my boss.

9 Florida Public Utilities was good to me and I
10 was good to them for 36 years. I was in charge of
11 purchasing and keeping up with all operating supplies.
12 And I did a good job and, in so, Florida Public
13 Utilities was good to me. And I'm happy in my
14 retirement. However, I am on a fixed income. And
15 hopefully Florida Public Utilities might sometime in the
16 future be lenient, if you will, to retirees such as
17 myself. I live at 1274 South 5th Street, Fernandina
18 Beach, Florida. That's the cheap seats. I pay the same
19 rates as the gentlemen on South Fletcher.

20 Now let me say this, and I do believe these
21 gentlemen will concur, when you put utilities
22 underground, you double the cost. Somebody has to pay
23 for it. Florida Public Utilities has no place to go but
24 to the consumer.

25 Now -- speaking with a two-edge sword now --

1 saying that, I have questions. If the rate increase has
2 already been approved, why are we having this meeting?

3 **COMMISSIONER EDGAR:** The rate increase has not
4 been approved. So we will have a hearing approximately
5 in a month from now and a decision after that, after we
6 have weighed all the evidence, testimony, and our staff
7 has reviewed it and put a recommendation into writing.

8 **MR. McCLELLAND:** Well, I guess interim --

9 **COMMISSIONER EDGAR:** The interim -- okay. The
10 rate request and, nor any portion of it, neither of
11 those have been approved. We are still in process on
12 that. However, by statute, by Florida law, FPUC and
13 other investor-owned utilities in the state, the statute
14 applies just the same. During the course of the
15 proceeding they are entitled to what is called interim
16 rates. If, after the proceeding is done, what we
17 approve and/or disapprove, if those interim rates exceed
18 what we approve for them to charge from that point
19 forward, customers will get a rebate.

20 **MR. McCLELLAND:** Thank you.

21 **COMMISSIONER EDGAR:** You're welcome.

22 **MR. McCLELLAND:** Moving right along, Florida
23 Public Utilities has always prided itself on its
24 service, and I think they still do. I still have a lot
25 of friends that work for the company.

1 I will ask, was the new building really
2 necessary? It's a very fine building, and I went out
3 and Bill was kind enough to have someone show me around,
4 and it's really nice. However, I spent 36 years at
5 611 Lime Street, and it was an old building, old
6 facility, but it worked. So that's just a little tidbit
7 there.

8 Now I'll ask the gentleman from Florida Public
9 Utilities, does the bonus and incentives include the
10 people, the CEOs and the people that are in the high
11 offices?

12 **MR. HOUSEHOLDER:** Yes.

13 **MR. McCLELLAND:** Thank you, Mr. Householder.

14 That's, that's about the gist of my oration
15 here, except that I do know that the cost of living has
16 increased tremendously. The increase in retirement
17 programs, Social Security, et cetera, has not. One has
18 quadrupled, if you will. So I just won't demand
19 anything. I'll just ask Florida Public Utilities to
20 help us, if you can. Thank you.

21 **COMMISSIONER EDGAR:** Thank you.

22 (Applause.)

23 Mr. Kelly.

24 **MR. KELLY:** Mr. Everett will be followed by
25 Mr. Dan Ward.

JOHN EVERETT

1
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:

DIRECT STATEMENT

5
6 **MR. EVERETT:** Hello. My name is name is John
7 Everett.

8 **COMMISSIONER EDGAR:** If you'll pull that up
9 just a little. There you go. Thank you.

10 **MR. EVERETT:** I live at 5364 Village Way.
11 I've been a resident of the island for 20 years. Most
12 of the, my comments have already been covered, but I do
13 have a couple of quick questions I'd like to ask.

14 My understanding is the *Florida Statutes* say
15 that the Florida gross receipts tax is 2.5 percent. And
16 every month, and I've gone back two years of records
17 that I keep, if I multiply the electric service amount
18 by 2.5 percent, there's always an additional 10 to 15
19 cents added on to the gross receipts tax. And I noticed
20 that in the proposal they have for the rate increase, if
21 you multiply the total charges, if you add the total
22 charges and then multiply it by 2.5 percent, they again
23 add a few cents on to it. And I was just -- and I'm
24 sure there must be a sensible explanation for this. I'd
25 just like to know how they calculate that.

1 **COMMISSIONER EDGAR:** Well, I'll tell you, I
2 certainly hope there is a sensible explanation, but I
3 don't have it. So let me ask, is that something that,
4 that you are prepared to answer? And if so, please,
5 please come to the microphone. Okay.

6 **MS. MARTIN:** Yes. The gross receipts tax,
7 that's the gross receipts tax, and we're, we're required
8 to pay that. That's not something that is paid to the
9 company. That's remitted to the, to the state. But
10 part of the requirement of that tax is that we pay the
11 tax on the tax. It's a gross-up of that amount. I
12 don't know if that makes sense. So, again, it's not
13 anything that the company retains. We remit that to the
14 government in return on the tax.

15 **COMMISSIONER EDGAR:** Through the Florida
16 Department of Revenue, I presume.

17 **MS. MARTIN:** Yeah. So does that makes sense?

18 **MR. EVERETT:** Well, then my only comment was
19 the statute says 2.5 percent. It doesn't say
20 2.5 percent plus something else, so. And I'm sure it's
21 a very small amount, and I don't know how many customers
22 you all have, but if you have a million customers,
23 that's a lot of money a month if everybody is paying
24 10 to 15 cents more than they should be paying.

25 **COMMISSIONER EDGAR:** Well, every little bit

1 adds up. But, again, to make that point, that does not
2 go to the company. It goes basically as a tax to the
3 Florida Department of Revenue.

4 **MR. EVERETT:** My other question had to do with
5 the gentlemen from the Public Counsel Office mentioned a
6 couple of times the duty to provide safe and reliable
7 electricity. Does that include surge-free electricity
8 or do we have to pay \$10 a month for a surge protector?

9 **MR. KELLY:** That's a different issue. Talking
10 about paying a separate charge for a surge protector is
11 a different issue than the -- what the statutes require
12 is the utility must provide safe, adequate, and reliable
13 service.

14 **MR. EVERETT:** Well, does safe, reliable
15 include surge-free electricity? I mean, when I go to
16 the gas station to buy gas, I don't have to pay extra to
17 have the gas filtered. It seems if you buy electricity,
18 it ought to come into your house surge free.

19 **COMMISSIONER EDGAR:** Mr. Everett, have you had
20 problems with electric surge at your home?

21 **MR. EVERETT:** Well, that's another point. If
22 I've been paying \$10 a month for the 20 years I've lived
23 here, I could have replaced every appliance in my house.
24 And I've never had a surge of electricity. So in
25 addition to that, I looked at Amazon. You can buy a

1 house surge protector for \$60.

2 Finally, I had just a general comment about
3 the request of the increase. Every month I get, or
4 every two months I get correspondence from Florida
5 Public Utilities showing me ways to reduce my electric
6 cost and install more efficient equipment, turn my
7 thermostats down in the summer, up -- or up in the
8 summer, down in the winter. And then we do that as
9 consumers, and they come along and ask as part of their
10 reason for a rate increase that they have reduced
11 revenues. Well, what did they think they were going to
12 have? When they asked people to conserve electricity,
13 we're going to use less electricity; therefore, you have
14 less revenues. I just wanted to make that observation.
15 It seems kind of crazy to me.

16 **COMMISSIONER EDGAR:** It is counterintuitive, I
17 grant you. The very simplistic response is generally
18 the cost to provide electricity does not go down, the
19 cost for the basic structure, infrastructure,
20 generation, transmission, and delivery of service.

21 **MR. EVERETT:** Thank you very much.

22 **COMMISSIONER EDGAR:** Thank you very much.

23 (Applause.)

24 Mr. Kelly.

25 **MR. KELLY:** The last speaker signed up is

1 Mr. Ward.

2 Madam Chair?

3 **COMMISSIONER EDGAR:** Yes.

4 **MR. KELLY:** Mr. Harrison said -- asked could
5 he come up. He had a last question after all the
6 speakers are done.

7 **COMMISSIONER EDGAR:** Okay. Mr. Ward.

8 **DAN WARD**

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. WARD:** Yes. My name is Dan Ward. I live
14 at 3036 South Fletcher Avenue. I live ocean side, and
15 ocean side there's a lot of repairs that you have to
16 make on an annual basis. I also have another property
17 on the ocean. Doorknobs, fixtures in both of these
18 properties, and I've been on the island since 2006.
19 Before I bought the property I'm in now, there was a
20 lightning strike that hit the pole, blew out the
21 transformer. It costs me \$5,000 in doing repairs. Then
22 it hit again. This is recently.

23 The other property that I had during the time
24 that I was there, we had brown fades. They had to
25 replace the transformer. So I'm sure being on the

1 island with all the salt and the weather that we have
2 that there's a lot of replacement and a lot of repair.
3 The increase, I'm sure, is to go to pay for all these
4 concrete posts that are going up, which, like many
5 people, have expressed a concern. It's unsightly. It's
6 not attractive. And I think somewhere I saw statistics
7 that we're ranked number five in the nation for tourism
8 as far as an island is concerned. One of the aspects of
9 our island is the community and how it comes across.
10 And it's low key. We don't like huge tourism, meaning
11 every house rented out. We have restrictions in
12 Fernandina Beach. So versus placing that money to
13 replace those, have we done a cost analyses that looks
14 at eliminating a lot of these repairs because you are
15 underground? You're not going to have to replace all
16 these electric components. I'm not -- that's not my
17 area of expertise.

18 But my, most of my life I lived in California
19 and they put most everything underground, especially the
20 new developments. So I would think that's the wave of
21 the future, and I would think that cost is less over the
22 long-term. So my thought process is are we really going
23 forward with a long-term approach with this strategy or
24 are we putting these posts up and then raising an
25 increase to pay for posts that a lot of us don't even

1 want? Or is there a way that we could say let's relook
2 at this and we approach maybe undergrounding the areas
3 over the long-term and have a better approach?

4 And the other question that I have is
5 everything that I've seen about this, and I haven't been
6 to all the meetings, but it appears we did these cost
7 analyses but it didn't really go anywhere. I don't
8 know. Was it voted on? Was it all approved? It just
9 seems like we start to see these posts come up across,
10 and I think that's a big impact to our community and to
11 tourism. So that's just all I had to say.

12 **COMMISSIONER EDGAR:** Any questions?

13 Thank you, Mr. Ward.

14 **MR. WARD:** Thanks.

15 (Applause.)

16 **COMMISSIONER EDGAR:** Hang on. Okay. Mr.
17 Kelly, you said that that was the last name that you had
18 on the sign-up sheet? Okay.

19 Let me ask, is there anybody who did not sign
20 up that has changed their mind and would like to make a
21 few comments or came late and didn't sign up and would
22 like to make a few comments? Okay. I see none.

23 So, Mr. Harrison, you had one or two more
24 brief comments?

25 **MICHAEL HARRISON**

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

4 **DIRECT STATEMENT**

5 **MR. HARRISON:** I do. Thank you, Madam
6 Chairman.

7 **COMMISSIONER EDGAR:** You're welcome.

8 **MR. HARRISON:** I appreciate your indulgence
9 here. Whether it's the sun or the emotion or whatever,
10 things, thoughts tend to get away from me.

11 Mr. Balbis asked another speaker, I think,
12 about the cooperation of FPU. Certainly when the
13 Utilities Committee was working through 2011 we did have
14 a representative from FPU come and attend our meetings.
15 But in terms of getting cost estimates, we had somewhat
16 of a breakwater (phonetic). We were told that
17 undergrounding costs a million dollars a mile to do, and
18 if we wanted more specific information, we were free to
19 turn in a request for an engineered estimate of whatever
20 was required with a nonrefundable deposit of 10 percent
21 of the cost estimate, which would be (inaudible).

22 **THE COURT REPORTER:** I'm sorry. I can't hear
23 you. Which would be what?

24 **MR. HARRISON:** Which would be 10 percent of
25 the estimated cost of undergrounding the utilities in

1 the city to be paid up front and to be applied to the
2 cost of service if it were ever ordered.

3 In the event we made our own cost estimate of
4 comparative costs of undergrounding versus
5 overgrounding, and I imagine that that situation has
6 changed radically now. I hear a different attitude
7 coming out from the FPU representatives, and that is
8 very much welcome. I'd like to think that consumers
9 were offered help in undergrounding their services
10 rather than being told, as I suspect may still be the
11 case, that undergrounding is much more expensive than
12 overgrounding.

13 The second thing is I'd like to make sure that
14 the Public Service Commission is aware of, of the
15 linkage between what you require and what actually
16 happens on the ground. And when you require that FPU
17 should storm harden its infrastructure, the result of
18 that is more poles and bigger poles and damage to our
19 trees. There is likely a long-term savings in terms of
20 reduced vegetation costs if the utilities are put
21 underground. I'm not sure that's taken into account.
22 But we'd certainly appreciate whatever support the
23 Public Service Commission can bring towards producing a
24 more enlightened or at least an alternative approach to
25 how the system can be hardened rather than pouring more

1 money into this 100-year-old system. Thank you.

2 **COMMISSIONER EDGAR:** Thank you. Thank you,
3 Mr. Harrison.

4 (Applause.)

5 Ms. Barrera, any other matters that we should
6 address while we are gathered here together?

7 **MS. BARRERA:** No, Commissioner. We do have
8 the FPUC's Exhibit 6, and Mr. Scanlan's exhibit to place
9 into the record.

10 **COMMISSIONER EDGAR:** We're not going to do
11 that right now. My preference is to take all the
12 exhibits prior -- as a preliminary matter at the
13 beginning of the hearing.

14 **MS. BARRERA:** At the beginning of the hearing?

15 **COMMISSIONER EDGAR:** Yes.

16 **MS. BARRERA:** Yes.

17 **COMMISSIONER EDGAR:** So we'll wait on, we'll
18 wait on that. That way all the parties can look at
19 them.

20 **MS. CHRISTENSEN:** That's fine.

21 **COMMISSIONER EDGAR:** Any other matters?

22 **MS. BARRERA:** No, ma'am.

23 **COMMISSIONER EDGAR:** Okay. Mr. Kelly?

24 **MR. KELLY:** No, ma'am.

25 **COMMISSIONER EDGAR:** Commissioners?

1 All right. Well, then on behalf of my
2 colleagues, thank you for being here tonight. Again,
3 thank you for your patience. For those of you who
4 participated by speaking with us, thank you for coming
5 forward and sharing your thoughts with us. And those of
6 you who were just here to listen, thank you also for
7 being here and for being interested in these issues and
8 in your community. And with that, we are adjourned.

9 (Service Hearing adjourned at 6:30 p.m.)
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1 STATE OF FLORIDA)
2 COUNTY OF LEON) : CERTIFICATE OF REPORTER

3
4 I, LINDA BOLES, CRR, RPR, 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
9 reported the said proceedings; that the same has been
10 transcribed under my direct supervision; and that this
11 transcript constitutes a true transcription of my notes
12 of said proceedings.

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

18 DATED THIS 27th day of August, 2014.

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25


LINDA BOLES, CRR, RPR
FPSC Official Hearings Reporter
(850) 413-6734

DOCKET NO. 140025-EI - Application for rate increase by Florida Public Utilities Company.

HEARING EXHIBIT NO. 6

(Composite Exhibit – Northeast Division:
A. Proof of Publication
B. Proof of Mailing Customer Notice)

Submitted by

FLORIDA PUBLIC UTILITIES COMPANY

AFFIDAVIT

STATE OF Florida

COUNTY OF Jackson

BEFORE ME, the undersigned authority, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Cheryl Martin, who deposed and stated that the Notice of the Service Hearings listed below was published in the Fernandina Beach News Leader and the Jackson County Floridan consistent with the publication sheets attached to this Affidavit, in accordance with Commission Rule 25-22.0406, Florida Administrative Code:

Tuesday, August 19, 2014	Wednesday, August 20, 2014
5:00 p.m. CDT	5:00 p.m. EDT
Jackson County Agriculture Conference Center	Atlantic Recreation Center Auditorium
2740 Pennsylvania Avenue	2500 Atlantic Avenue
Marianna, FL	Fernandina Beach, FL

Sworn to and subscribed before me this 19th day of August, 2014.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 19th day of August, 2014.

Julie Rayne Ball
Notary Public
State of Florida, at Large



My Commission Expires:
August 5, 2018

LANDFILL

Continued from 1A
many, many years to come," said Kelley.
He said franchise fees could take the cost of property owners.
"It would relieve the ad valorem tax base," said Kelley. Kelley brought the issue to the board earlier this year when the board signed a new five-year agreement with Advanced Disposal for trash pick-up and recycling.
"I'm aware we have a five-year (agreement) with Advanced Disposal... in no way is this meant to hurt our relationship," said Kelley.
The board heard from company representative Chris Hagan. He acknowledged Advanced Disposal's successful and long-term relationship with

the county and questioned whether franchise fees could put it in jeopardy.
"It's something you have to be very careful about," said Hagan. "It could affect our relationship. I don't want to harm our relationship. Let's be careful."
Hagan did not offer details. Commissioner Walker Jr., Boatright said franchise fees are a tax in disguise.
"You can call it a franchise fee but it's just another tax," he said.
Commissioner Chair Barry Holloway agreed.
"Lipstick on a pig is still a pig," said Holloway.
Holloway said that costs involved with monitoring the landfill over several decades need to be addressed, but he questioned the timing. He said Advanced Disposal is doing a

good job and "keeping customers satisfied." Because the company is at the start of a new five-year contract, Holloway asked if it was too soon to make plans.
"Are we jumping the gun?" said Holloway.
County Manager Ted Selby asked the board to consider how to select task force participants.
"In the past the board has gone about using different ways, such as selecting people from the business community," said Selby.
Commissioner Pat Edwards said to cast a wide net.
"If we're going to do it, be inclusive," said Edwards.
Kelley said it would be a couple of weeks before he gets back to the board with a recommendation on how to organize the task force.

CRIME

Continued from 1A
Leeper said that in 2013 the team dismantled seven methamphetamine labs and that three such labs have been taken apart to date this year. He said the meth labs have been scattered across the county.
"Drug activity takes place in all areas," said Leeper.
Geography contributes to the problem.
The application considers the area's deep waterways and ocean access as well as the major roadways that run through Nassau County, including I-95 and US 1.
"These numerous modes of transportation that surround and/or encircle Nassau County provide routing for drugs, narcotics and illegal activities in Nassau County," according to the application.
The grant application also notes the county's 500,000 annual tourists and 200,000 annual day visitors as well as its 75,710 permanent residents.
While local government and business leaders embrace Amelia Island's growing popularity as a tourist destination, it is also contributing to the increase in criminal and drug activity.
"It's hard to say," said Leeper. "As our county continues to grow, the opportunities for crime will continue to grow as well."
The sheriff applied for the annual Edward Byrne Memorial Justice Assistance Grant (JAG) grant and expects to use the money in fiscal 2014-15, starting Oct. 1. The award amount is \$49,172.
When the money arrives, the sheriff said it will be used to fund the department's drug unit and K-9 team and that it will buy equipment for the "evolving" Special Response Team, including night vision monoculars, tear gas and aerial reconnaissance to weed out marijuana and methamphetamine labs, according to the application.
"This purchase will further aid in homeland security and public safety," said the applica-

Patrol statistics

Nassau County Sheriff Bill Leeper said he reformed the department's SWAT team soon after he took office almost two years ago because the officers did not have the proper training or equipment. Leeper said it is now called the Special Response Team and includes officers from the Fernandina Beach Police Department as well as his deputies.
The SRT is part of the Patrol Division. Here are the division's latest numbers as announced in the department's 2013 annual report:
Factory arrests: 579
Motorist/arrests: 1,252
Notices to appear: 476
Warrants served: 563
DUI's: 157
Citations: 4,788
Warnings issued: 11,920
Calls for service: 165,978

tion.
The money also will buy food and veterinary care for the department's drug-sniffing dogs. The K-9 team has four dogs, four handlers and one supervisor.
"This team is a valuable part of law enforcement operations and works in tandem with the drug unit," said the application.
The sheriff also is planning to pay cell phone bills and buy supplies, including pens, pencils, notebooks, dry erase boards, video recording tapes, batteries and a book on street drugs to help with identification.
According to the application, the sheriff said it would spend \$13,000 on operating costs, \$7,500 on canine care, \$1,500 for office supplies, \$4,000 on training and \$23,172 on equipment for the Special Response Team.
The sheriff did not want to characterize the seriousness of the county's crime as it relates to drug activity, but he said it was less than what is happening in Duval County.
Here is how the application puts it:
"Nassau County has waged a war against illegal drugs and criminal activity."
The application was released publicly at the Aug. 6 county commission meeting. Under the program guidelines, the grant requires approval letters from the board, as well as from other governments within the county, including the city of Fernandina Beach and the towns of Hilliard and Callahan, since they are all participating in the program.
All of the letters were signed the first week in August and then sent to the Florida Department of Law Enforcement (FDLE) in Tallahassee.
While the grant is a federal program, FDLE distributes the money to Florida's 67 counties. The state is expected to receive more than \$7 million. Last year, Nassau County received more than \$54,000.
The annual grant money can be used to fund various law enforcement programs, including drug enforcement, though the Department of Justice has identified priorities and encourages officials to use the money for reducing gun violence, reducing unnecessary incarceration, intelligent defense and improving mental health services.
Awards are based on population and crime statistics and the information the sheriff included in this year's application points to serious local crime.
The application said there were nine forcible sex offenses, including two rapes, and that three arrests were made in these cases.
The application reports 423 simple assaults and said that, "Notably for 2013 there were 365 reported incidences from domestic violence, and tragically one (husband/wife) murder/suicide." That crime happened in Hilliard.
mmsg@newsleader.com

BUDGET

Continued from 1A
grant.
Agency Executive Director Steve Rieck said in 2012 he hoped to create through a "Nassau Tomorrow" effort 3,800 jobs in the county in the next five years at 135 percent of the current annual wage, which would result in \$63 million in increased consumer spending and additional property and sales taxes.
Rieck asked commissioners in 2012 for an annual commitment of \$25,000 of the city's money to be invested over the next five years. Commissioners at the time agreed to contribute half the \$25,000 from the city's general fund and half from the airport fund. Rieck recently announced his retirement from the board.
Commissioners at the budget meeting gave no real explanation for withdrawing the grant, but Mayor Ed Boner, who is on the NCEEDB board, made mild objections.
Boner also brought up an offer for \$50,000 by Billy Casper Golf toward greens renovations, in exchange for an extension of five years on its contract, saying the city should consider negotiating to take advantage of the offer.
The city negotiated a contract with Billy Casper Golf in December 2010 and the company started managing the course in early 2011. The course, however, has been beset with financial problems connected with existing debt, plus bad weather and falling greens conditions.

Free wifi

The city will offer free wifi downtown some time in the next fiscal year, according to Deputy City Manager Marshall McCrary.
At a cost of about \$17,000, which is part of the new city budget, the free internet access will be available for anyone with wireless devices within the two blocks on either side of Centre Street, from the Fernandina Harbor Marina to South Eighth Street, McCrary said.
McCrary said in an email that "users would be allocated some static amount of data access (and) once they exceed the data usage, they'd have to pay the provider to get more. A portion of those fees paid for excess data would come to the city."
"This would be direct access, not linked to the city's data network at all," McCrary wrote.
"Ultimately, this project is intended to be a service to the public and an additional offering to our downtown experience," McCrary wrote. "The hope is that sufficient revenue is generated to eventually cover the cost of providing the service."

So far, the city has not officially responded to Casper's offer, according to City Manager Joe Gerrity, but has been in contact with management officials on the matter.
The contract between the city and Billy Casper Golf has an initial term of five years, and an automatic renewal of one year after that, with a maximum of two additional one-year terms unless either party gives notice not to renew the contract.
"There might be a way to extend the contract and allow us to oversee (the course)," Boner said. "I hate to give away \$50,000 just because they can't do a year to year commitment... now it's our job to counteroffer."
Boner said the new contract with Casper would also need "some kind of improvement benchmark."
"We need to talk about reasonable goals they can meet," Boner said.
The Fernandina Men's Golf Association sent a letter July 31 to commissioners that "strongly recommended" accepting Billy Casper's offer.
Projects included in the city's 2014-15 budget as of August were: accounting/permitting software evaluation, \$25,000; street resurfacing, \$50,000; final payment Humane Society renovation, \$75,000; Peck Center window replacement, \$50,000; marina dredging, \$300,000; waterfront park, \$225,000; downtown wifi, \$17,000; Martin Luther King Center restroom renovations, \$150,000; Central Park restroom renovation, \$155,000; and golf course clubhouse roof, \$70,000.

PLANT

Continued from 1A
I'm sure there are lots of options."
Fernandina Beach Mayor Joe Gerrity also said he had received complaints about the abandoned site, "basically stating it is in disrepair and a terrible entrance to the city."
The concrete plant was last sold in 1972 for \$36,000, according to the Nassau County Property Appraiser's website, and has a current assessed value of \$429,883. The factory was built in 1952 and comprises 1.82 acres.
adaughey@newsleader.com

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NOTICE

The Florida Public Service Commission announces a customer service hearing to be held in the following docket to which all interested persons and parties are invited to attend.

Docket No. 140025-E1

Application for Rate Increase by Florida Public Utilities Company.

DATE AND TIME:
Wednesday, August 20, 2014
5:00 p.m. EDT

PLACE:
Atlantic Recreation Center Auditorium
2500 Atlantic Avenue
Fernandina Beach, FL 32034

The hearing will begin as scheduled and will continue until all witnesses have been heard. If no witnesses are present, the hearing may be adjourned. All persons desiring to present testimony are urged to appear at the beginning of the hearing since the hearing may be adjourned early if no witnesses are present to testify.

PURPOSE:

To permit members of the public to give testimony regarding the electric rates and service of Florida Public Utilities Company. All witnesses shall be subject to cross-examination at the conclusion of their testimony. Any person requiring accommodations at this hearing because of a physical impairment should call the Office of the Commission Clerk at **850.413.6770** at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Commission by using the Florida Relay Service, which can be reached at **800.955.8771**.

Docket No. 140025-EI

AFFIDAVIT

STATE OF FLORIDA

COUNTY OF NASSAU

BEFORE ME, the undersigned authority, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Cheryl Martin, who deposed and stated that the Customer Notice of Florida Public Utilities Company's Application for a Rate Increase, assigned Florida Public Service Commission Docket No. 140025-EI, has been sent to all customers of the Company's Electric Division in accordance with Commission Rule 25-22.0406(2)(f), Florida Administrative Code.

Sworn to and subscribed before me this 2nd day of July, 2014.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 2nd day of July, 2014.



Linda J. Gamble
Notary Public
State of Florida, at Large

My Commission Expires:
Jan 30, 2015

United States Postal Service
**Postage Statement—First-Class Mail and
 First-Class Package Service**

Post Office: Note Mail Arrival Date & Time
 (Do Not Round-Stamp)

Use this form for First-Class Mail and First-Class Package Service.

Mailer	Permit Holder's Name and Address and Email Address, if Any Print Dynamics 1721 North Federal Hwy FT. Lauderdale FL 33305	Telephone 954-524-9294	Name and Address of Mailing Agent (If other than permit holder) Print Dynamics 1721 North Federal Hwy FT. Lauderdale FL 33305	Telephone 954-524-9294	Name and Address of Mail Owner (If other than permit holder) Florida Public Utilities MTN 389006 780 Amelia Island Parkway Fernandina Beach, FL 32034 Northeast PC
	CAPS Cust. Ref. No. <u>N/A</u> CRID 4262104		CRID 4262104		CRID <u>N/A</u>

Mailing	Post Office of Mailing FORT LAUDERDALE FL 33310	Processing Category <input checked="" type="checkbox"/> Letters <input type="checkbox"/> Flats <input type="checkbox"/> Parcels	Parcels Only Hold For Pickup HFPU No. of Pieces	Mailer's Mailing Date 08/01/14	Federal Agency Cost Code N/A	Statement Seq. No. Northeast	No. and type of Containers 24 - EMM Trays	
	Type of Postage <input checked="" type="checkbox"/> Permit Imprint <input type="checkbox"/> Precanceled Stamps <input type="checkbox"/> Metered			Weight of a Single Piece 0.0177 pounds	Combined Mailing <input type="checkbox"/> Single Class	SSF Transaction ID#		Total Pieces 12,932
	Permit # 5222	For Mail Enclosed Within Another Class <input type="checkbox"/> Standard Mail <input type="checkbox"/> Bound Printed Matter <input type="checkbox"/> Library Mail <input type="checkbox"/> Media Mail	Periodicals <input type="checkbox"/>	Customer Generated Electronic Labels <input type="checkbox"/> SigCon				Total Weight 228.8964

Postage	Letter or Flat-size mailpieces contain: <input type="checkbox"/> Round Trip ONLY: One DVD/CD or other disk	Parts Completed (Select all that apply) <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> NSA <input type="checkbox"/> S		
	This is a Political Campaign Mailing Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			
	This is Official Election Mail Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	1	Subtotal Postage (Add parts totals)	\$5,224.48
	2 Price at Which Postage Affixed (Check one). Complete if the mailing includes pieces bearing metered/PC Postage or precanceled stamps. <input type="checkbox"/> Correct <input type="checkbox"/> Lowest <input type="checkbox"/> Neither _____ pcs. x \$ _____ \$ = Postage Affixed			
	3 Incentive/Discount Flat Dollar Amount			-
4 Fee Flat Dollar Amount			+	
5 Permit # _____		Net Postage Due (Line 1 +/- Lines 2, 3, 4)	\$5,224.48	

USPS Use	Additional Postage Payment (State reason)	
	For postage affixed add additional payment to net postage due; for permit imprint add additional payment to total postage.	Total Adjusted Postage Affixed
	Postmaster: Report Total Postage in AIC 121	Total Adjusted Postage Permit Imprint

Incentive/Discount Claimed: _____ Type of Fee _____

The mailer's signature certifies acceptance of liability for and agreement to pay any revenue deficiencies assessed on this mailing, subject to appeal. If an agent signs this form, the agent certifies that he or she is authorized to sign on behalf of the mailer and that the mailer is bound by the certification and agrees to pay any deficiencies. In addition, agents may be liable for any deficiencies resulting from matters within their responsibility, knowledge, or control. The mailer hereby certifies that all information furnished on this form is accurate, truthful, and complete; that the mail and the supporting documentation comply with all postal standards and the mailing qualifies for the prices and fees claimed; and that the mailing does not contain any matter prohibited by law or postal regulation. I understand that anyone who furnishes false or misleading information on this form or who omits information requested on this form may be subject to criminal and/or civil penalties, including fines and imprisonment.
 Privacy Notice: For information regarding our Privacy Policy visit www.usps.com.

Signature of Mailer or Agent	Printed Name of Mailer or Agent Signing Form	Telephone 954-524-9294
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	Total Pieces _____ Total Weight _____		
	Total Postage _____		
	Presort Verification Performed? (If required) <input type="checkbox"/> Yes <input type="checkbox"/> No		
	I CERTIFY that this mailing has been inspected for each item below if required: (1) eligibility for postage prices claimed; (2) proper preparation (and presort where required); (3) proper completion of postage statement; (4) payment of annual fee; and (5) sufficient funds on deposit (if required)		
Date Mailed Notified _____ Contact _____		Round Stamp (Required) Payment Date _____	
By (Initials) _____ Time _____ AM _____ PM			
USPS Employee's Signature _____	Print USPS Employee's Name _____		

NOTICE

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Application for Rate Increase by Florida Public Utilities Company.

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5:00 p.m. EDT

PLACE:
Atlantic Recreation Center Auditorium
2500 Atlantic Avenue
Fernandina Beach, FL 32034

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PURPOSE: To permit members of the public to give testimony regarding the electric rates and service of Florida Public Utilities Company. All witnesses shall be subject to cross-examination at the conclusion of their testimony. Any person requiring accommodations at this hearing because of a physical impairment should call the Office of the Commission Clerk at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771.

MAILING SUMMARY

NOTICE TO FLORIDA PUBLIC UTILITIES CUSTOMERS

Docket No. 140025-EI

NORTHEAST DIVISION:

Final File sent to print house: 06.11.14

Final File approved for press: 06.13.14

Final Final dropped at USPS & Mailed via Standard Mail: 06.19.14

Expected In-Home Date Range: 06.21.14 – 06.25.14

NORTHWEST DIVISION:

Final File sent to print house: 06.11.14

Final File approved for press: 06.13.14

Final Final dropped at USPS & Mailed via Standard Mail: 06.19.14

Expected In-Home Date Range: 06.21.14 – 06.25.14

Customer Notice Post to Web (FPUC.com/2014ElectricRates): 06.19.14

See attached, executed USPS Certification.



JOANIE DUPONT
projects & strategies director

MTN Advertising
1355 S. Patrick Dr
Satellite Beach, FL 32937
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ph: 321-779-1010
c: 321-403-4488
fx: 321-779-0200



NOTICE TO CUSTOMERS

On April 28, 2014, Florida Public Utilities Company filed a Petition with the Florida Public Service Commission seeking approval to increase rates and charges to produce an additional \$5,852,171 in revenues. The proposed increase, if approved, would increase the total bill in January 2015 for an average 1,000 kWh/month customer by \$6.12 or 4.62% over the current average bill. The Company is also requesting interim rate relief to temporarily increase its revenues by \$2,433,314 pending the Commission's decision on the Company's request for a permanent increase.

The Florida Public Service Commission Docket number assigned to this request is Docket No. 140025-EI.

The main reasons for this request are that the Company has made significant investments in its electric distribution in order to enhance the reliability of service to customers, including, but not limited to, replacement of wood distribution and transmission line poles, replacement of aging underground conductors, and replacement of a substation. The Company is planning additional projects to further enhance service reliability for customers. In addition, the Company's Operations and Maintenance expenses have increased over the past several years, while the Company's revenues have declined.

The Commission will conduct customer service hearings regarding this request at locations in the Company's service area. In those hearings the Commission will receive comments from customers regarding the Company's service quality and the Company's request for a base rate increase. The dates and locations for those service hearings will be as follows:

Tuesday, August 19, 2014 5:00 p.m. CDT Jackson County Agriculture Conference Center 2740 Pennsylvania Avenue Marianna, FL	Wednesday, August 20, 2014 5:00 p.m. EDT Atlantic Recreation Center Auditorium 2500 Atlantic Avenue Fernandina Beach, FL
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A technical hearing has been scheduled for September 15-18, 2014, in Tallahassee.

Details regarding the Company's request are contained in the Minimum Filing Requirements, which also contain detailed financial, accounting, tariff and engineering data supporting the request. These are available for review at the business offices at the following locations during regular work hours.

2825 Pennsylvania Avenue
Marianna, Florida 32448
850-526-6800
Monday-Friday (9:00a.m.-5:00p.m.)

780 Amelia Island Parkway
Fernandina Beach, Florida 32034
904-430-4700
Monday-Friday (10:00a.m.-5:00p.m.)

The Company's MFRs, as well as a synopsis of the case, can also be reviewed at the following locations during normal operating hours:

Fernandina Library Branch
25 N. 4th St.
Fernandina Beach, FL 32034

Jackson County Public Library
2929 Green Street
Marianna, Florida 32446

Currently, the schedule for this proceeding is as follows:

Recommendation on Interim Rates	06/26/2014
Staff Audit Due	07/08/2014
Agenda (Interim Rates)	07/10/2014
Order on Interim Rate Request	07/30/2014
Hearing (9/15 - 18/14)	09/15/2014
Briefs Due	10/02/2014
Staff Recommendation (Revenue Requirement)	11/13/2014
Agenda (Revenue Requirement)	11/25/2014
Staff Recommendation (Rates)	12/04/2014
Agenda (Rates)	12/16/2014
Final Order on Proposed Final Rates	12/30/2014

Any customer comments regarding the Company's service or the proposed rate increase should include the docket number assigned to this case, Docket No. 140025-EI, and should be addressed to:

Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

You may also contact the Commission at their toll free number: **1-800-342-3552**.

Additional information is also available by visiting the Company's website at www.fpuc.com. You may also obtain information about this request by calling the Florida Public Service Commission at 1-800-342-3552 or visiting the Commission's website at www.psc.state.fl.us.

	<u>Present Rates</u>	<u>Interim Rates</u>	<u>Proposed Rates</u>	
	----- Customer Charge(s) -----			
Residential (RS)	\$12.00	\$13.79	\$16.00	
General Service (GS)	\$18.00	\$20.68	\$24.00	
General Service Demand (GSD)	\$52.00	\$59.75	\$65.00	
General Service Large Demand (GSLD)	\$100.00	\$114.91	\$150.00	
General Service Large Demand (GSLD1)	\$600.00	\$689.46	\$900.00	
Standby (SB) <500 kw	\$126.47	\$145.33	\$190.00	
Standby (SB) ≥500 kw	\$626.47	\$719.87	\$940.00	
	----- Energy Charge \$/kwh -----			
Residential (RS)	\$0.01958	\$0.02250	≤1,000 -	\$0.02170
			>1,000 -	\$0.03420
General Service (GS)	\$0.01927	\$0.02214		\$0.02582
General Service Demand (GSD)	\$0.00340	\$0.00391		\$0.00571
General Service Large Demand (GSLD)	\$0.00145	\$0.00167		\$0.00218
General Service Large Demand (GSLD1)	\$0.00000	\$0.00000		\$0.00000
Standby (SB) <500 kw	\$0.00000	\$0.00000		\$0.00000
Standby (SB) ≥500 kw	\$0.00000	\$0.00000		\$0.00000
	----- Demand Charge \$/kw -----			
Residential (RS)	\$ 0.00	\$ 0.00		\$ 0.00
General Service (GS)	\$ 0.00	\$ 0.00		\$ 0.00
General Service Demand (GSD)	\$ 2.80	\$ 3.22		\$ 4.20
General Service Large Demand (GSLD)	\$ 4.00	\$ 4.60		\$ 6.00
General Service Large Demand (GSLD1)	\$ 1.12	\$ 1.29		\$ 1.68
General Service Large Demand (GSLD1)	\$ 0.24 kVAR	\$ 0.28 kVAR		\$ 0.36 kVAR
Standby (SB) <500 kw	\$ 2.00	\$ 2.30		\$ 2.83
Standby (SB) ≥500 kw	\$ 0.53	\$ 0.61		\$ 0.80
Outdoor/Street Lighting	various	14.91%		15.9%

	<u>Present Rates</u>	<u>Interim Rates</u>	<u>Proposed Rates</u>
	----- Service Charge(s) -----		
Initial Entitlement of Service	\$53.00	\$53.00	\$ 61.00
Re-establish Service or Account Changes	\$23.00	\$23.00	\$ 26.00
Customer Request Temp Disconnect/Reconn	\$33.00	\$33.00	\$ 65.00
Reconnect After Disconnect (Normal Hrs)	\$44.00	\$44.00	\$ 52.00
Reconnect After Disconnect (After Hours)	\$95.00	\$95.00	\$178.00
Temporary Service	\$51.00	\$51.00	\$ 85.00
Collection Charge	\$14.00	\$14.00	\$ 16.00
Returned Check Charge	Per Statute	Per Statute	Per Statute
Credit Card Fees	----- \$3.50 RS and 3.5% other classes -----		
Late Fees	----- Greater of 1.5% or \$5.00 -----		

	----- PRESENT RATES -----				----- INTERIM RATES -----				----- PROPOSED RATES -----			
	Facility Charge	Energy Charge	Maint Charge	Total Charge	Facility Charge	Energy Charge	Maint Charge	Total Charge	Facility Charge	Energy Charge	Maint Charge	Total Charge
100w HPS Cobra Head-OL	\$ 6.13	\$ 1.55	\$ 0.96	\$ 8.64	\$ 7.01	\$ 1.82	\$ 1.10	\$ 9.93	\$ 6.34	\$ 1.83	\$ 1.88	\$ 10.05
175w MV Cobra Head -OL	\$ 1.44	\$ 2.72	\$ 0.52	\$ 4.68	\$ 1.65	\$ 3.13	\$ 0.60	\$ 5.38	\$ 1.19	\$ 3.15	\$ 1.04	\$ 5.38
400w MV Cobra Head-OL	\$ 4.39	\$ 5.82	\$ 0.89	\$ 11.10	\$ 5.04	\$ 6.69	\$ 1.02	\$ 12.75	\$ 1.31	\$ 6.74	\$ 1.12	\$ 9.17
1000w HPS Flood -OL2	\$ 16.38	\$ 15.61	\$ 2.19	\$ 34.18	\$ 18.82	\$ 17.94	\$ 2.52	\$ 39.28	\$ 18.99	\$ 18.09	\$ 2.54	\$ 39.62
1000w MH Flood - OL2	\$ 15.20	\$ 15.61	\$ 2.03	\$ 32.84	\$ 17.47	\$ 17.94	\$ 2.33	\$ 37.74	\$ 17.51	\$ 18.09	\$ 2.48	\$ 38.08
1000w MH Vert Shoebox - OL2	\$ 21.31	\$ 15.61	\$ 2.69	\$ 39.61	\$ 24.49	\$ 17.94	\$ 3.09	\$ 45.52	\$ 24.70	\$ 18.09	\$ 3.12	\$ 45.91
100w HPS Amer Rev-OL2	\$ 8.10	\$ 1.58	\$ 1.15	\$ 10.83	\$ 9.31	\$ 1.82	\$ 1.32	\$ 12.45	\$ 8.23	\$ 1.83	\$ 2.78	\$ 12.84
100w HPS Cobra Head-OL2	\$ 6.13	\$ 1.55	\$ 0.96	\$ 8.64	\$ 7.01	\$ 1.82	\$ 1.10	\$ 9.93	\$ 6.34	\$ 1.83	\$ 1.88	\$ 10.05
100w HPS SP2 Spectra -OL2	\$ 18.18	\$ 1.58	\$ 3.16	\$ 22.92	\$ 20.89	\$ 1.82	\$ 3.63	\$ 26.34	\$ 21.07	\$ 1.83	\$ 3.66	\$ 26.56
100w MH SP2 Spectra -OL2	\$ 18.04	\$ 1.58	\$ 2.20	\$ 21.82	\$ 20.73	\$ 1.82	\$ 2.53	\$ 25.08	\$ 20.91	\$ 1.83	\$ 2.55	\$ 25.29
150w HPS Acom-OL2	\$ 14.42	\$ 2.34	\$ 1.83	\$ 18.59	\$ 16.57	\$ 2.69	\$ 2.10	\$ 21.36	\$ 16.72	\$ 2.71	\$ 2.12	\$ 21.55
150w HPS ALN 440 -OL2	\$ 21.46	\$ 2.34	\$ 2.61	\$ 26.41	\$ 24.66	\$ 2.69	\$ 3.00	\$ 30.35	\$ 24.88	\$ 2.71	\$ 3.03	\$ 30.62
150w HPS Am Rev-OL2	\$ 8.31	\$ 2.34	\$ 1.14	\$ 11.79	\$ 9.55	\$ 2.69	\$ 1.31	\$ 13.55	\$ 7.70	\$ 2.71	\$ 3.79	\$ 14.20
175w MH ALN 440 -OL2	\$ 21.60	\$ 2.75	\$ 2.66	\$ 27.01	\$ 24.82	\$ 3.16	\$ 3.06	\$ 31.04	\$ 25.73	\$ 3.19	\$ 2.22	\$ 31.14
175w MH Shoebox -OL2	\$ 16.62	\$ 2.75	\$ 2.15	\$ 21.52	\$ 19.10	\$ 3.16	\$ 2.47	\$ 24.73	\$ 19.27	\$ 3.19	\$ 2.49	\$ 24.95
200w HPS Cobra Head -OL2	\$ 9.32	\$ 3.13	\$ 0.42	\$ 12.87	\$ 10.71	\$ 3.60	\$ 0.48	\$ 14.79	\$ 8.31	\$ 3.63	\$ 2.14	\$ 14.08
250w HPS Cobra Head -OL2	\$ 11.21	\$ 3.88	\$ 1.46	\$ 16.55	\$ 12.88	\$ 4.46	\$ 1.68	\$ 19.02	\$ 9.07	\$ 4.50	\$ 3.36	\$ 16.93
250w HPS Flood -OL2	\$ 8.49	\$ 3.88	\$ 1.34	\$ 13.71	\$ 9.76	\$ 4.46	\$ 1.54	\$ 15.76	\$ 9.98	\$ 4.50	\$ 2.05	\$ 16.53
250w MH Shoebox-OL2	\$ 17.69	\$ 3.88	\$ 2.40	\$ 23.97	\$ 20.33	\$ 4.46	\$ 2.76	\$ 27.55	\$ 20.51	\$ 4.50	\$ 2.78	\$ 27.79
400w HPS Cobra Head -OL2	\$ 8.43	\$ 6.26	\$ 1.34	\$ 16.03	\$ 9.69	\$ 7.19	\$ 1.54	\$ 18.42	\$ 9.21	\$ 7.26	\$ 2.35	\$ 18.82
400w HPS Flood - OL2	\$ 13.08	\$ 6.26	\$ 1.66	\$ 21.00	\$ 15.03	\$ 7.19	\$ 1.91	\$ 24.13	\$ 15.16	\$ 7.26	\$ 1.92	\$ 24.34
400w MH Flood OL2	\$ 8.81	\$ 6.26	\$ 1.39	\$ 16.46	\$ 10.12	\$ 7.19	\$ 1.60	\$ 18.91	\$ 10.29	\$ 7.26	\$ 1.88	\$ 19.43
10' Alum Deco Base-OL2	\$ 13.50	\$ -	\$ -	\$ 13.50	\$ 15.51	\$ -	\$ -	\$ 15.51	\$ 15.77	\$ -	\$ -	\$ 15.77
13' Decorative Concrete-OL2	\$ 10.36	\$ -	\$ -	\$ 10.36	\$ 11.90	\$ -	\$ -	\$ 11.90	\$ 12.01	\$ -	\$ -	\$ 12.01
18' Fiberglass Round-OL2	\$ 6.86	\$ -	\$ -	\$ 6.86	\$ 7.88	\$ -	\$ -	\$ 7.88	\$ 8.48	\$ -	\$ -	\$ 8.48
20' Decorative Concrete-OL2	\$ 11.75	\$ -	\$ -	\$ 11.75	\$ 13.50	\$ -	\$ -	\$ 13.50	\$ 13.59	\$ -	\$ -	\$ 13.59
30' Wood Pole Std-OL2	\$ 3.95	\$ -	\$ -	\$ 3.95	\$ 4.54	\$ -	\$ -	\$ 4.54	\$ 4.55	\$ -	\$ -	\$ 4.55
35' Concrete Square-OL2	\$ 11.45	\$ -	\$ -	\$ 11.45	\$ 13.16	\$ -	\$ -	\$ 13.16	\$ 13.44	\$ -	\$ -	\$ 13.44
40' Wood Pole Std - OL2	\$ 7.85	\$ -	\$ -	\$ 7.85	\$ 9.02	\$ -	\$ -	\$ 9.02	\$ 9.10	\$ -	\$ -	\$ 9.10
30' Wood pole	\$ 3.53	\$ -	\$ -	\$ 3.53	\$ 4.06	\$ -	\$ -	\$ 4.06	\$ 4.09	\$ -	\$ -	\$ 4.09
175w MV Cobra Head - SL1-2	\$ 0.67	\$ 2.71	\$ 1.23	\$ 4.61	\$ 0.77	\$ 3.11	\$ 1.41	\$ 5.29	\$ 1.19	\$ 3.15	\$ 1.04	\$ 5.38
400w MV Cobra Head - SL1-3	\$ 1.13	\$ 5.81	\$ 1.40	\$ 8.34	\$ 1.30	\$ 6.68	\$ 1.61	\$ 9.59	\$ 1.31	\$ 6.74	\$ 1.12	\$ 9.17
175w MV Cobra Head -SL2	\$ 0.67	\$ 2.71	\$ 1.23	\$ 4.61	\$ 0.77	\$ 3.11	\$ 1.41	\$ 5.29	\$ 1.19	\$ 3.15	\$ 1.04	\$ 5.38

	----- PRESENT RATES -----				----- INTERIM RATES -----				----- PROPOSED RATES -----			
	<u>Facility Charge</u>	<u>Energy Charge</u>	<u>Maint Charge</u>	<u>Total Charge</u>	<u>Facility Charge</u>	<u>Energy Charge</u>	<u>Maint Charge</u>	<u>Total Charge</u>	<u>Facility Charge</u>	<u>Energy Charge</u>	<u>Maint Charge</u>	<u>Total Charge</u>
400w MV Cobra Head -SL2	\$ 1.13	\$ 5.81	\$ 1.40	\$ 8.34	\$ 1.30	\$ 6.68	\$ 1.61	\$ 9.59	\$ 1.31	\$ 6.74	\$ 1.12	\$ 9.17
1000w MH Flood -SL3	\$ 11.09	\$ 15.61	\$ 6.79	\$ 33.49	\$ 12.74	\$ 17.94	\$ 7.80	\$ 38.48	\$ 17.51	\$ 18.09	\$ 2.48	\$ 38.08
100w HPS Amer -SL3	\$ 5.99	\$ 1.58	\$ 3.80	\$ 11.37	\$ 6.88	\$ 1.82	\$ 4.37	\$ 13.07	\$ 8.23	\$ 1.83	\$ 2.78	\$ 12.84
100w HPS Cobra Head- SL3	\$ 4.37	\$ 1.58	\$ 2.78	\$ 8.73	\$ 5.02	\$ 1.82	\$ 3.19	\$ 10.03	\$ 6.34	\$ 1.83	\$ 1.88	\$ 10.05
150w HPS Acorn -SL3	\$ 10.47	\$ 2.34	\$ 6.15	\$ 18.96	\$ 12.03	\$ 2.69	\$ 7.07	\$ 21.79	\$ 16.72	\$ 2.71	\$ 2.12	\$ 21.55
150w HPS Amer Rev -SL3	\$ 5.85	\$ 2.34	\$ 4.28	\$ 12.47	\$ 6.72	\$ 2.69	\$ 4.92	\$ 14.33	\$ 7.70	\$ 2.71	\$ 3.79	\$ 14.20
175w MH ALN 440 -SL3	\$ 22.36	\$ 2.75	\$ 1.71	\$ 26.82	\$ 25.69	\$ 3.16	\$ 1.96	\$ 30.81	\$ 25.73	\$ 3.19	\$ 2.22	\$ 31.14
200w HPS Cobra Head -SL3	\$ 5.61	\$ 3.13	\$ 2.88	\$ 11.62	\$ 6.45	\$ 3.60	\$ 3.31	\$ 13.36	\$ 8.31	\$ 3.63	\$ 2.14	\$ 14.08
250w HPS Cobra Head -SL3	\$ 5.38	\$ 3.88	\$ 3.94	\$ 13.20	\$ 6.18	\$ 4.46	\$ 4.53	\$ 15.17	\$ 9.07	\$ 4.50	\$ 3.36	\$ 16.93
250w HPS Flood - SL3	\$ 9.22	\$ 3.88	\$ 5.38	\$ 18.48	\$ 10.59	\$ 4.46	\$ 6.18	\$ 21.23	\$ 9.98	\$ 4.50	\$ 2.05	\$ 16.53
400w HPS Cobra Head -SL3	\$ 6.28	\$ 6.26	\$ 4.41	\$ 16.95	\$ 7.22	\$ 7.19	\$ 5.07	\$ 19.48	\$ 9.21	\$ 7.26	\$ 2.35	\$ 18.82
400w MH Flood -SL3	\$ 9.63	\$ 6.26	\$ 11.58	\$ 27.47	\$ 11.07	\$ 7.19	\$ 13.31	\$ 31.57	\$ 10.29	\$ 7.26	\$ 1.88	\$ 19.43
10' Alum Deco Base-SL3	\$ 14.92	\$ -	\$ -	\$ 14.92	\$ 17.14	\$ -	\$ -	\$ 17.14	\$ 15.77	\$ -	\$ -	\$ 15.77
13' Deco Concrete - SL3	\$ 10.35	\$ -	\$ -	\$ 10.35	\$ 11.89	\$ -	\$ -	\$ 11.89	\$ 12.01	\$ -	\$ -	\$ 12.01
18' Fiberglass Round-SL3	\$ 7.64	\$ -	\$ -	\$ 7.64	\$ 8.78	\$ -	\$ -	\$ 8.78	\$ 8.48	\$ -	\$ -	\$ 8.48
20' Decorative Concrete-SL3	\$ 11.45	\$ -	\$ -	\$ 11.45	\$ 13.16	\$ -	\$ -	\$ 13.16	\$ 13.59	\$ -	\$ -	\$ 13.59
30' Wood Pole Std - SL3	\$ 3.67	\$ -	\$ -	\$ 3.67	\$ 4.22	\$ -	\$ -	\$ 4.22	\$ 4.55	\$ -	\$ -	\$ 4.55
35' Concrete Square-SL3	\$ 12.81	\$ -	\$ -	\$ 12.81	\$ 14.72	\$ -	\$ -	\$ 14.72	\$ 13.44	\$ -	\$ -	\$ 13.44

*Outdoor lighting and Street lighting will be combined under one Lighting Service in proposed rates.

ALL ENTRY-POINTS, ALL BATCHES, PIECE-ID: 001, ALL PRESORT GROUPS

MTN 16337 A1

USPS

UNITED STATES POSTAL SERVICE
POSTAGE STATEMENT -- STANDARD MAIL

POST OFFICE: NOTE MAIL ARRIVAL DATE & TIME
(DO NOT ROUND-STAMP)

MAILER	PERMIT HOLDER'S NAME AND ADDRESS AND EMAIL ADDRESS	TELEPHONE	NAME AND ADDRESS OF MAILING AGENT (IF OTHER THAN PERMIT HOLDER)	TELEPHONE	NAME AND ADDRESS OF MAIL OWNER (IF OTHER THAN PERMIT HOLDER)
	3225 JORDAN BLVD MALABAR FL 32950-4524	(321) 725-8081	MTN ADVERTISING INC 1355 S PATRICK DRIVE SATELLITE BEACH FL 32937		FLORIDA PUBLIC UTILITIES ATTN: COMMUNICATIONS GROUP 401 SOUTH DIKE HIGHWAY WEST PALM BEACH FL 33401
	CAPS CUST. REP. NO. 16337				
	CRID		CRID		CRID

MAILING POST OFFICE OF MAILING MELBOURNE FL 32901

JAN 19 2014

FED. AGCY. COST CODE : SIMT. SEQ. NO. : NO. AND TYPE OF CONTAINERS

TYPE OF POSTAGE	PROCESSING CATEGORY	WEIGHT OF A SINGLE PIECE	COMBINED MAILING CLASS	TOTAL PIECES	
1X PERMIT IMPRINT	1X LETTERS	.0419 POUNDS	1X SINGLE CLASS	15,555	31 1 FT LETTER TRAYS 53 2 FT LETTER TRAYS 8MM LETTER TRAYS PLAT TRAYS PALLETS OTHER
1X PRECANCELED STAMP	1X MARKETING PARCELS				
1X METERED	1X PARCELS-MACHINABLE				
	1X PARCELS-IRREGULAR				
	1X CDM				
	1X CATALOGS				
				TOTAL WEIGHT	651.7545

PERMIT # 724

FOR AUTOMATION PIECES, ENTER DATE OF ADDRESS MATCHING AND CODING : 6/15/2014

FOR CARRIER ROUTE PIECES, ENTER DATE OF ADDRESS MATCHING AND CODING : 6/16/2014

FOR CARRIER ROUTE PIECES, ENTER DATE OF CARRIER ROUTE SEQUENCING : 6/16/2014

FOR PIECES BEARING A SIMPLIFIED ADDRESS ENTER DATE OF DELIVERY : N/A

MOVE UPDATE METHOD: ANCILLARY SERVICE ENDORSEMENT : X: NCOALINK : ACS : ALTERNATIVE METHOD : N/A

THIS IS A POLITICAL MAILING : YES : X: NO | THIS IS OFFICIAL ELECTION MAIL : YES : X: NO | LETTER-SIZE OR PLAT MAILPIECE CONTAINS DVD/CD OR OTHER DISK.

POSTAGE PARTS COMPLETED (SELECT ALL THAT APPLY) : X:A : X:B : X:C : D : E : F : G : H : I : L : M : S : NSA

(1) SUBTOTAL POSTAGE (ADD PARTS TOTALS) : 3,594.08

PRICE AT WHICH POSTAGE AFFIXED COMPLETE IF THE MAILING INCLUDES PIECES BEARING METERED/PC POSTAGE OR PRECANCELED STAMPS : PCS. X = POSTAGE AFFIXED

(2) CORRECT : LOWEST : NEITBER (CHECK ONE)

(3) INCENTIVE/DISCOUNT FLAT DOLLAR AMOUNT

(4) FEE FLAT DOLLAR AMOUNT

(5) PERMIT # 724 NET POSTAGE DUE (LINE 1 +/- LINES 2, 3, 4) : 3,594.08

USPS USE ONLY

ADDITIONAL POSTAGE PAYMENT (STATE REASON)

FOR POSTAGE AFFIXED, ADD ADDITIONAL PAYMENTS TO NET POSTAGE DUE; FOR PERMIT IMPRINT ADD ADDITIONAL PAYMENT TO TOTAL POSTAGE. TOTAL ADJUSTED POSTAGE AFFIXED

POSTMASTER: REPORT TOTAL POSTAGE IN AIC 130 (PERMIT IMPRINT ONLY) TOTAL ADJUSTED POSTAGE PERMIT IMPRINT

POSTMASTER: REPORT TOTAL POSTAGE IN AIC 208 (SIMPLIFIED ADDRESSING (EODM), PERMIT IMPRINT ONLY) TOTAL ADJUSTED POSTAGE SIMPLIFIED ADDRESSING (EODM)

CERTIFICATION INCENTIVE/DISCOUNT CLAIMED: FEE TYPE:

THE MAILER'S SIGNATURE CERTIFIES ACCEPTANCE OF LIABILITY FOR AND AGREEMENT TO PAY ANY REVENUE DEFICIENCIES ASSESSED ON THIS MAILING, SUBJECT TO APPEAL. IF AN AGENT SIGNS THIS FORM, THE AGENT CERTIFIES THAT HE OR SHE IS AUTHORIZED TO SIGN ON BEHALF OF THE MAILER AND THAT THE MAILER IS BOUND BY THE CERTIFICATION AND AGREES TO PAY ANY DEFICIENCIES. IN ADDITION, AGENTS MAY BE LIABLE FOR ANY DEFICIENCIES RESULTING FROM MATTERS WITHIN THEIR RESPONSIBILITY, KNOWLEDGE, OR CONTROL. THE MAILER HEREBY CERTIFIES THAT ALL INFORMATION FURNISHED ON THIS FORM IS ACCURATE, TRUTHFUL, AND COMPLETE; THAT THE MAIL AND THE SUPPORTING DOCUMENTATION COMPLY WITH ALL POSTAL STANDARDS AND THE MAILING QUALIFIES FOR THE PRICES AND FEES CLAIMED; AND THAT THE MAILING DOES NOT CONTAIN ANY MATTER PROHIBITED BY LAW OR POSTAL REGULATION. I UNDERSTAND THAT ANYONE WHO FURNISHES FALSE OR MISLEADING INFORMATION ON THIS FORM OR WHO OMITTS INFORMATION REQUESTED ON THIS FORM MAY BE SUBJECT TO CRIMINAL AND/OR CIVIL PENALTIES, INCLUDING FINES AND IMPRISONMENT.

PRIVACY NOTICE: FOR INFORMATION REGARDING OUR PRIVACY POLICY VISIT WWW.USPS.COM.

SIGNATURE OF MAILER OR AGENT : PRINTED NAME OF MAILER OR AGENT SIGNING FORM : TELEPHONE : DATA MANAGEMENT/CON HALL : (321) 725-8081

USPS USE ONLY

WEIGHT OF A SINGLE PIECE : POUND

ARE POSTAGE FIGURES AT LEFT ADJUSTED FROM MAILER'S ENTRIES? IF 'YES' STATE REASON: YES NO

TOTAL PIECES : TOTAL WEIGHT

TOTAL POSTAGE

PRESORT VERIFICATION PERFORMED? (IF REQUIRED) : FOUND STAMP : (REQUIRED) : PAYMENT DATE

YES : NO

I CERTIFY THAT THIS MAILING HAS BEEN INSPECTED FOR EACH ITEM BELOW IF REQUIRED:

(1) ELIGIBILITY FOR POSTAGE PRICES CLAIMED;

(2) PROPER PREPARATION (AND PRESORT WHERE REQUIRED);

(3) PROPER COMPLETION OF POSTAGE STATEMENT;

(4) PAYMENT OF ANNUAL FEE; AND

(5) SUFFICIENT FUNDS ON DEPOSIT (IF REQUIRED)

DATE MAILER NOTIFIED : CONTACT : BY (INITIALS)

USPS EMPLOYEE'S SIGNATURE : PRINT USPS EMPLOYEE'S NAME : TIME : AM : PM

PS FORM 3502-B, JANUARY 2014 FACSIMILE, MAILSTREAM PLUS 008.2W00 THIS FORM AND MAILING STANDARDS ARE AVAILABLE ON POSTAL EXPLORER AT FE.USPS.COM

ALL ENTRY-POINTS, ALL BATCHES, PIECE-ID: 002, ALL PRESORT GROUPS

MTN 16337 A1

USPS

UNITED STATES POSTAL SERVICE
POSTAGE STATEMENT -- STANDARD MAIL

POST OFFICE: NOTE MAIL ARRIVAL DATE & TIME
(DO NOT ROUND-STAMP)

MAILER	PERMIT HOLDER'S NAME AND ADDRESS AND EMAIL ADDRESS	TELEPHONE	NAME AND ADDRESS OF MAILING AGENT (IF ANY)	TELEPHONE	NAME AND ADDRESS OF MAIL OWNER (IF OTHER THAN PERMIT HOLDER)
	3225 JORDAN BLVD MALABAR FL 32950-4524	(321) 725-8081	MTN ADVERTISING INC 1355 S PATRICK DRIVE SATTELLITE BEACH FL 32937		FLORIDA PUBLIC UTILITIES ATTN: COMMUNICATIONS GROUP 401 SOUTH DIXIE HIGHWAY WEST PALM BEACH FL 33401
	CAPS CUST. REF. NO. 16337				
	CRID		CRID		CRID

MAILING	POST OFFICE OF MAILING	POST OFFICE OF MAILING	FED. AGCY. COST CODE	STMT. SEQ. NO.	NO. AND TYPE OF CONTAINERS
	MELBOURNE FL 32901				

TYPE OF POSTAGE	PROCESSING CATEGORY	WEIGHT OF A SINGLE PIECE	COMBINED MAILING	TOTAL PIECES	SACKS
					33 1 FT LETTER TRAYS
					40 2 FT LETTER TRAYS
					8MM LETTER TRAYS
					FLAT TRAYS
					PALLETS
					OTHER

PERMIT #	724				
FOR AUTOMATION PIECES, ENTER DATE OF ADDRESS MATCHING AND CODING	6/16/2014	FOR CARRIER ROUTE PIECES, ENTER DATE OF ADDRESS MATCHING AND CODING	6/16/2014	FOR CARRIER ROUTE PIECES, ENTER DATE OF CARRIER ROUTE SEQUENCING	6/16/2014

MOVE UPDATE METHOD:	ARCILLARY SERVICE ENDORSEMENT	HCOALINK	ACS	ALTERNATIVE METHOD	MULTIPLE	ONECODE ACS

THIS IS A POLITICAL MAILING: YES (X) NO () THIS IS OFFICIAL ELECTION MAIL: YES (X) NO () LETTER-SIZE OR FLAT MAILPIECE CONTAINS DVD/CD OR OTHER DISK.

POSTAGE PARTS COMPLETED (SELECT ALL THAT APPLY) A B C D E F G H I J K L M N SA

(1)	SUBTOTAL POSTAGE (ADD PARTS TOTALS)	2,810.25
(2)	PRICE AT WHICH POSTAGE AFFIXED COMPLETE IF THE MAILING INCLUDES PIECES BEARING METERED/PC POSTAGE OR PRECANCELED STAMPS.	
(3)	INCENTIVE/DISCOUNT	FLAT DOLLAR AMOUNT
(4)	FEE	FLAT DOLLAR AMOUNT

(5)	PERMIT # 724	NET POSTAGE DUE (LINE 1 +/- LINES 2, 3, 4)	2,810.25
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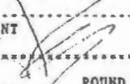
ADDITIONAL POSTAGE PAYMENT (STATE REASON)

FOR POSTAGE AFFIXED, ADD ADDITIONAL PAYMENTS TO NET POSTAGE DUE; FOR PERMIT IMPRINT ADD ADDITIONAL PAYMENT TO TOTAL POSTAGE.	TOTAL ADJUSTED POSTAGE AFFIXED

POSTMASTER: REPORT TOTAL POSTAGE IN AIC 130 (PERMIT IMPRINT ONLY)	TOTAL ADJUSTED POSTAGE PERMIT IMPRINT

POSTMASTER: REPORT TOTAL POSTAGE IN AIC 208 (SIMPLIFIED ADDRESSING (EDDM), PERMIT IMPRINT ONLY) TOTAL ADJUSTED POSTAGE SIMPLIFIED ADDRESSING (EDDM)

CERTIFICATION INCENTIVE/DISCOUNT CLAIMED: THE MAILER'S SIGNATURE CERTIFIES ACCEPTANCE OF LIABILITY FOR AND AGREEMENT TO PAY ANY REVENUE DEFICIENCIES ASSESSED ON THIS MAILING, SUBJECT TO APPEAL. IF AN AGENT SIGNS THIS FORM, THE AGENT CERTIFIES THAT HE OR SHE IS AUTHORIZED TO SIGN ON BEHALF OF THE MAILER AND THAT THE MAILER IS BOUND BY THE CERTIFICATION AND AGREES TO PAY ANY DEFICIENCIES. IN ADDITION, AGENTS MAY BE LIABLE FOR ANY DEFICIENCIES RESULTING FROM MATTERS WITHIN THEIR RESPONSIBILITY, KNOWLEDGE, OR CONTROL. THE MAILER HEREBY CERTIFIES THAT ALL INFORMATION FURNISHED ON THIS FORM IS ACCURATE, TRUTHFUL, AND COMPLETE; THAT THE MAIL AND THE SUPPORTING DOCUMENTATION COMPLY WITH ALL POSTAL STANDARDS AND THE MAILING QUALIFIES FOR THE PRICES AND FEES CLAIMED; AND THAT THE MAILING DOES NOT CONTAIN ANY MATTER PROHIBITED BY LAW OR POSTAL REGULATION. I UNDERSTAND THAT ANYONE WHO FURNISHES FALSE OR MISLEADING INFORMATION ON THIS FORM OR WHO OMITTS INFORMATION REQUESTED ON THIS FORM MAY BE SUBJECT TO CRIMINAL AND/OR CIVIL PENALTIES, INCLUDING FINES AND IMPRISONMENT.

SIGNATURE OF MAILER OR AGENT:  PRINTED NAME OF MAILER OR AGENT SIGNING FORM: DATA MANAGEMENT/RON WALL TELEPHONE: (321) 725-8081

USPS USE ONLY: WEIGHT OF A SINGLE PIECE: POUND ARE POSTAGE FIGURES AT LEFT ADJUSTED FROM MAILER'S ENTRIES? IF 'YES' STATE REASON: YES () NO ()

TOTAL PIECES: TOTAL WEIGHT: TOTAL POSTAGE:

PRESORT VERIFICATION PERFORMED? (IF REQUIRED): YES () NO () ROUND STAMP (REQUIRED) PAYMENT DATE

I CERTIFY THAT THIS MAILING HAS BEEN INSPECTED FOR EACH ITEM BELOW IF REQUIRED: (1) ELIGIBILITY FOR POSTAGE PRICES CLAIMED; (2) PROPER PREPARATION (AND PRESORT WHERE REQUIRED); (3) PROPER COMPLETION OF POSTAGE STATEMENT; (4) PAYMENT OF ANNUAL FEE AND (5) SUFFICIENT FUNDS ON DEPOSIT (IF REQUIRED)

USPS EMPLOYER'S SIGNATURE: PRINT USPS EMPLOYER'S NAME: TIME AM: PM:

PS FORM 3602-R, JANUARY 2014 FACSIMILE, MAILSTREAM PLUS R06.2M00 THIS FORM AND MAILING STANDARDS ARE AVAILABLE ON POSTAL EXPLORER AT PR.USPS.COM

Florida Public Utilities (FPU) Co. Proposed Electric Service rate increase.

8/16/14

There is a Florida Public Service Commission (PSC) Hearing on Aug. 20, 2014 at 5 pm at the Atlantic Recreation Center on a proposed FPU electric rate increase. I suggest customers of FPU read the below analysis of that proposed rate increase and that they attend the 8/20/14 PSC Public Hearing to have their voice heard.

Interim Residential Rate Increase – effective 8/9/14:

The new FPU interim Energy Rate of \$.02224/kwh is 14% higher than the present Energy Rate (\$22.24/\$19.58= 1.136). This has already been approved by the PSC.

Proposed Residential Rate Increase – effective Jan. 2015:

The Proposed Customer Charge is \$16.00/mo. That is a 33% increase. (\$16/\$12 = 1.33)
 This charge is incurred even if you use zero electricity. The Proposed Energy Usage charge is an 11% increase (\$.02170/\$.01958) for usage less than 1000kwh/mo. and is a 75% increase (\$.03420/\$ 0.1958) for usage over 1000kwh/mo.

I have been told the proposed higher rate for the energy charge over 1000kwh/mo. is a new charge. This new charge results in a 75% increase, over using the current energy charge, for usage greater than 1000kwh/mo.. This new charge is intended to motivate conservation.

Residential Bill for 1000kwh/mo. customer:

	<u>Current</u>	<u>Proposed</u>	<u>Increase %</u>
Customer Charge	\$ 12.00	\$ 16.00	33%
<u>Energy Charge</u>	<u>\$ 19.58</u>	<u>\$ 21.70</u>	<u>11%</u>
FPU Svc Charges	\$ 31.58	\$ 37.70	19% FPU Rate Increase Proposal
<u>Fuel Charges</u>	<u>\$ 89.75</u>	<u>\$ 89.75</u>	<u>0%</u> To be increased at another time
Total Bill	\$121.33	\$127.45	5% PSC communicated rate increase

Residential Bill for a 2000kwh/mo. Customer:

	<u>Current</u>	<u>Proposed</u>	<u>Increase %</u>
Customer Charge	\$ 12.00	\$ 16.00	33%
Energy Charge 1	\$ 19.58	\$ 21.70	11% (1 st 1000 kwh)
Energy Charge 2	<u>\$ 19.58</u>	<u>\$ 34.20</u>	<u>75%</u> (2 nd 1000 kwh – new charge)
FPU Svc. Charges	\$ 51.16	\$ 71.90	40% FPU Rate Increase Proposal
Fuel Charge 1	\$ 89.75	\$ 89.75	0% To be increased at another time
<u>Fuel Charge 2</u>	<u>\$102.25</u>	<u>\$102.25</u>	<u>0%</u> To be increased at another time
Total Bill	\$243.10	\$263.90	9%

The FPU is asking for rate increases that amount to 19% for a 1000kwh/mo. customer usage and 40% for a 2000kwh.mo. customer usage, on the FPU service part of the total bill. In addition, we can expect future increases on the fuel portion of the bill. The PSC communicated rate increase of 5% (4.6%) on the total bill for a 1000kwh/mo. customer is a misleading representation of the proposed FPU rate increase.

Business Customer proposed rate increase:

The business rates are broken down into small, medium and large customers.
 Small Business proposed rates: Customer charge up **33%** and Energy charge up **34%**
 Medium Business proposed rates: Customer charge up **25%** and Energy charge up **68%**.
 Large Business proposed rates: Customer charge up **33%** and Energy charge up **50%**.

FPU Investment improvements

The first example of improvements made by FPU for the community is the replacement of smaller wood transmission line poles by much larger cement poles. As a resident of Amelia Island, and a customer of FPU, I do not consider the replacement of the smaller wood poles by much larger (pole volume looks 3 to 4 times the size) cement transmission poles an improvement. Amelia Island is a special and beautiful place. It is an island whose economy relies on tourists, resorts, a beach rentals and a retirement housing market. That requires Amelia Island to be a beautiful place to live and to visit. I believe the FPU new very large cement poles are an eye-sore along the island's main road, A1A that is used daily by all on Amelia Island and by tourists.

The south-end of Amelia Island (Plantation and Summer Beach) has underground facilities and wonderful tree canopies. Those properties are among the highest value for ownership, rentals and resorts. If we have underground facilities for the Plantation and Summer Beach areas of Amelia Island then why not a long range plan for the whole island? In 2011 a Fernandina Beach City Committee recommended that all future facility hardening projects be done with underground facilities rather than with above ground investments. I am sure that the majority of Amelia Island residents, and key stakeholders, agree with that recommendation. An FPU representative was quoted in the News Leader (8/13/14) as saying that 55% of Amelia Island facilities are currently underground.

I do not feel the above FPU very significant proposed rate increases have been justified.

I do not feel the improvement plans of FPU have included the desires of the community for underground facilities rather than overhead facilities.

Recommendations:

I propose the Florida PSC:

1. Deny the very high Jan. 2015 FPU proposed rate increases.
2. Request FPU to develop a more reasonable rate increase proposal.
3. Require FPU to update their 2008 storm hardening plan to utilize underground facilities on Amelia Island, instead of more very large cement poles.
4. Continue the 8/9/14 FPU interim residential energy rate increase of 14% until 12/31/14 (5 months) at which time this interim rate will revert back to the prior energy rate.

Reasonable Rate Increase:

What is a reasonable rate increase? When I received the PSC letter on the proposed rate increase implying rates were going to be increased 4.62%, and the same 4.62% increase was reported in the Fernandina Beach News Leader on 8/13/14, it seemed reasonable although higher than inflation.

I think a reasonable increase would be 4.62% applied to the rates actually under consideration. The FPU rates being considered for increase could be allowed an increase of up to 4.62%.

The new energy charge for residential customers, a 75% increase for all energy usage above 1000kwh/mo., should be eliminated since 75% increase is an unreasonable rate increase. Proposing a 75% rate increase to force conservation is also inconsistent with FPU claiming they need a rate increase because revenues are declining. If FPU revenues are declining apparently people are already cutting back on their electrical energy use and do not need a 75% rate increase to force them to do so.



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