

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 120015-EI

In the Matter of:

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

PROCEEDINGS: SARASOTA SERVICE HEARING

COMMISSIONERS  
PARTICIPATING:

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

DATE: Thursday, May 31, 2012

TIME: Commenced at 9:30 a.m.  
Concluded at 12:10 p.m.

PLACE: Sarasota City Commission Chambers  
Sarasota City Hall  
1565 1st Street  
Sarasota, Florida 34236

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

63780 JUN 11 2012

FLORIDA PUBLIC SERVICE COMMISSION

FPSC-COMMISSION CLERK

SFHHA 010988

FPL RC-16

## 1 APPEARANCES:

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3 Light Company, 700 Universe Boulevard, Juno Beach,  
4 Florida 33408, appearing on behalf of Florida Power &  
5 Light Company.

6 ROBERT SCHEFFEL WRIGHT, ESQUIRE, Gardner Law  
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8 appearing on behalf of the Florida Retail Federation.

9 J.R. KELLY, ESQUIRE, Office of Public Counsel,  
10 c/o The Florida Legislature, 111 W. Madison Street, Room  
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12 behalf of the Citizens of Florida.

13 THOMAS SAPORITO, Saprodani Associates, 177  
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19 appearing on behalf of the Florida Public Service  
20 Commission.

21  
22  
23  
24  
25

## I N D E X

1		
2		
3	OPENING STATEMENTS:	PAGE NO.
4	MR. BRYAN	11
	MR. SILAGY	12
5	MR. KELLY	18
	MR. WRIGHT	23
6	MR. SAPORITO	27
	MR. SILAGY	31
7	SENATOR BENNETT	33
8		
9	WITNESSES	
10	NAME:	PAGE NO.
11	BOBBY BRY	39
12	BOB MATTINGLY	41
13	TESS CANJA	43
14	BILL CLARK	45
15	JOHN REILLY	47
16	ROBERT SULICH	48
17	MARA ROUTH	49
18	SHARLENE HILLIER	50
19	DAVID TEITELBAUM	52
	Examination by Mr. Saporito	53
20	RUTH ANDERSON	54
21	JOYCE GIORDANO	56
22	DAVID ROSSIN	57
23	Examination by Mr. Saporito	61
24	DOUG HEINLEIN	61
25	LEE SWIFT	65

	WITNESSES	
1		
2	NAME:	PAGE NO.
3	FRED HALL	66
4	CHRISSE BLEVIO	68
5	GLEN GIBELLINA	70
6	Examination by Mr. Saporito	72
7	JUD BOEDECKER	74
8	CATHY GRIPPI	76
9	Examination by Mr. Saporito	78
10	KERRY KIRSCHNER	80
11	Examination by Mr. Wright	83
12	Examination by Mr. Saporito	83
13	MARILYNNE MARTIN	84
14	RICHARD "DICK" PAGE	87
15	ANDRES MALEVÉ	89
16	MARCIA HOODWIN	91
17	Examination by Mr. Saporito	93
18	SAM BOYD	95
19	ELDON JOHNSON	97
20	Examination by Mr. Saporito	99
21	SARAH HERNANDEZ	100
22	HELGA WILLIAMSON	103
23	SHERRY SMART	104
24	Examination by Mr. Saporito	106
25	RANDY TUCKER	107
	MARCELLA LEVIN	109
	SUSAN HICKS	112
	DR. CAROL ANN BRYERE	114
	Examination by Mr. Saporito	116

FLORIDA PUBLIC SERVICE COMMISSION

WITNESSES

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

NAME:	PAGE NO.
JOHN McGRUDER	116
PAUL SCIONTI	118
JOAN McGILL	120
Examination by Mr. Kelly	122
Examination by Mr. Saporito	123

EXHIBITS

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

NUMBER:	ID.	ADMTD.
1 (Gibellina)	74	125
2 (Martin)	87	125
3 (Grippi)	91	125
4 (Hoodwin)	93	125
5 (Levin)	112	125
6 Affidavits of Publication	125	125

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

1  
2           **CHAIRMAN BRISÉ:** Good morning. We want to  
3 welcome you to today's Service Hearing. And before we  
4 call this meeting officially to order, I'm going to ask  
5 the Commissioners to introduce themselves, and I guess  
6 I'll go first. My name is Ronald Brisé, and I am  
7 privileged to serve as the Chair of the Commission board  
8 at this time. So I guess we'll start from my left, so  
9 if you would introduce yourself.

10           **COMMISSIONER BROWN:** Good morning. My name is  
11 Commissioner Julie Brown.

12           **COMMISSIONER GRAHAM:** Good morning. My name  
13 is Arthur Graham.

14           **COMMISSIONER EDGAR:** Good morning. Lisa  
15 Edgar, and I'm glad to be here in beautiful Sarasota.  
16 Thank you all for coming out.

17           **COMMISSIONER BALBIS:** And good morning. I'm  
18 Eduardo Balbis. Thank you.

19           **CHAIRMAN BRISÉ:** So at this time we'll call  
20 the hearing officially to order, Docket No. 125 -- I  
21 mean, 120015-EI, and we'll ask staff to read the notice.

22           **MR. HARRIS:** By notice issued May 2nd, 2012,  
23 this time and place has been set for a Customer Service  
24 Hearing in Docket No. 120015-EI, Petition for Rate  
25 Increase by Florida Power & Light Company.

1                   **CHAIRMAN BRISÉ:** Thank you. At this time  
2 we'll take appearances from counsel.

3                   **MR. BRYAN:** Good morning. My name is Patrick  
4 Bryan appearing on behalf of Florida Power & Light  
5 Company. And, Mr. Chairman, at the appropriate time I  
6 have one small housekeeping item I'd like to have  
7 addressed.

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

9                   **MR. KELLY:** Good morning. Good morning. I'm  
10 J. R. Kelly. I'm with the Office of Public Counsel, and  
11 we have the privilege and honor of representing the  
12 customers of Florida Power & Light here today.

13                   **MR. WRIGHT:** Good morning, Mr. Chairman.  
14 Thank you. My name is Robert Scheffel Wright, and I  
15 have the privilege of representing the Florida Retail  
16 Federation, a statewide organization of customers.

17                   **CHAIRMAN BRISÉ:** Thank you. Any other  
18 intervenors that are present?

19                   **MR. SAPORITO:** Good morning. My name is  
20 Thomas Saporito. I'm intervening in opposition to the  
21 rate case as a private citizen.

22                   **MR. HENDRIX:** Good morning. My name is John  
23 Hendrix, and I'm also an Intervenor in this case.

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

25                   **MR. PAGE:** I am Dick Page. I will have things

1 to say as a private citizen.

2 CHAIRMAN BRISÉ: Okay. Thank you. There will  
3 be a time for private citizens to enter -- to make  
4 comments and we will let you know when, when the  
5 appropriate time for that is. And I guess we'll lay  
6 down some ground rules as to how we're going to proceed.

7 First of all, I want to thank all of you for  
8 coming out this morning. We appreciate your interest  
9 in, in the decision that we're going to have to make in  
10 the future. These hearings are designed so that we can  
11 hear from the customers, and so this is your opportunity  
12 to express your thoughts. We will also have, as you've  
13 probably seen as you were coming in, representatives  
14 both from the company, which in this case is Florida  
15 Power & Light, and the Public Service Commission to  
16 address issues that are outstanding for you. And our  
17 representatives and their representatives will be  
18 available to address issues such as billing and other  
19 service issues.

20 There are some staff from the Public Service  
21 Commission that are here, and I want to introduce them  
22 at this time.

23 We have Mr. Willis; we have Mr. Maurey; we  
24 have Ms. Draper; we have Ms. Muir, she's probably  
25 outside; we have Mr. Durbin, and I think, no, he's in

1 the back there; and then we have our court reporters who  
2 are present who are going to be taking the transcripts  
3 of the proceedings this morning. Larry Harris, which is  
4 our staff counsel, is also present. Did you enter an  
5 appearance?

6 **MR. HARRIS:** Larry Harris on behalf of staff.

7 **CHAIRMAN BRISÉ:** Thank you. So as I said, our  
8 staff reporter is here, our court reporter is here, so  
9 everything that is going to be said here today is part  
10 of an official record. So as we, as you make comments,  
11 understand that those will be part of the record. So  
12 for that purpose you will be sworn in at the appropriate  
13 time. And after you make your comments, there will be  
14 opportunity by the parties and the Commissioners to pose  
15 your questions, if necessary. So I want to make sure  
16 that you bear that in mind.

17 You may have been asked to sign up as you came  
18 in by our staff. If you plan to speak today and you  
19 haven't signed up, feel free to go to the front and --  
20 or to the back of the room and sign in. The Office of  
21 Public Counsel will be calling you up so that we can  
22 keep things running in order.

23 And if you are not comfortable speaking in  
24 public, then you could write your comments down, and  
25 those are just as good as the comments that you provide

1 on the record here on the microphone.

2 For your, for your convenience, the handout  
3 has been designed for written comments, the handout that  
4 you received, so feel free to provide that to us either  
5 today or feel free to mail that back in to us.

6 So at this time I will invite the attorneys  
7 for the parties to give brief opening statements. And  
8 our thought process is that we want to limit the amount  
9 of time for these opening comments so that we can  
10 provide as much time as possible for you, the customers,  
11 to provide your input. Considering the number of people  
12 who have signed up at this time, we are looking at three  
13 minutes -- two minutes per, per customer to provide  
14 comment because we're trying to make sure that  
15 individuals have all the, as many individuals as  
16 possible that want to make comments will be allowed to  
17 do so.

18 So at this time we're going to ask that FPL  
19 come forward to make their opening comments, opening  
20 statements.

21 **MR. BRYAN:** Good morning. My name is Patrick  
22 Bryan. I'm an attorney for Florida Power & Light  
23 Company. And I'd like to first thank you all for coming  
24 out this morning. Your comments are very important to  
25 us. We take them very seriously.

1           In a moment you will hear from FPL's  
2 president, Eric Silagy. He will explain to you what  
3 we're asking for in this rate request and why we're  
4 asking for it.

5           But before he speaks, I wanted to inform you  
6 that we've also brought several Customer Service  
7 Representatives along with us today. If you have a  
8 question or a problem with your electric bill or your  
9 service, please feel free to talk to them. They're set  
10 up in a room that's just out these chambers to the left.  
11 They have computers and can access your account  
12 information. And if it's possible for them to resolve  
13 your question or problem today, they will do so.

14           We have a couple of FPL representatives in the  
15 room, if you'd raise your hands, who would be happy to  
16 assist you in locating the customer service room.

17           So at this time then I'd like to introduce the  
18 president of FPL, Mr. Eric Silagy.

19           **MR. SILAGY:** Good morning, Commissioners.

20           **CHAIRMAN BRISÉ:** Good morning.

21           **MR. SILAGY:** Mr. Chairman, with your  
22 permission, I'd like to be able to address the customers  
23 directly. I apologize. I'm going to turn my back to  
24 you. That's okay?

25           **CHAIRMAN BRISÉ:** That's perfectly fine.

1           **MR. SILAGY:** Great. Thank you very much.

2           Thank you all for coming today. Like the  
3           Commissioners, we're here to hear from you. So I know  
4           this will disappoint you, but I'm going to try to keep  
5           my remarks quite brief.

6           I'm very proud to be among the 10,000 FPL  
7           employees who provide affordable and reliable and clean  
8           electricity for all of you. FPL's typical residential  
9           customer bill is the lowest in the state's 55 electric  
10          utilities. In fact, a typical FPL residential customer  
11          saved last year \$357 compared to the Florida utility  
12          average.

13          Our service reliability ranks in the top 25%  
14          of comparable utilities nationwide; and our emissions  
15          profile is one of the cleanest in the country; and our  
16          customer service has been ranked number one by a leading  
17          national study now for eight years, an unprecedented  
18          eight years in a row.

19          We accomplished this by investing in clean and  
20          cost-efficient technologies and keeping our operating  
21          costs low. For example, our investments in efficient  
22          natural gas power plants have saved our customers \$5.5  
23          billion since 2001. That's the equivalent of an entire  
24          year's worth of free fuel for every FPL customer. Our  
25          strategy to switch to natural gas helps our environment

FLORIDA PUBLIC SERVICE COMMISSION

1 and keeps your money here in America instead of us going  
2 out and buying foreign oil.

3 And our investment in smart meters is also  
4 providing our customers with better information about  
5 their usage, while our investments in the smart grid and  
6 hardened infrastructure have helped make our service  
7 more reliable and more efficient. In fact, because of  
8 our investments and our focus on keeping operating costs  
9 down, FPL is more efficient than 90% of all utilities  
10 nationwide, which translates into lower bills for you  
11 every day.

12 We also work very hard to be sensitive to the  
13 needs of our less fortunate customers. Our Care To  
14 Share Program, which is funded by shareholders,  
15 employees, and customers, help customers who are unable  
16 to pay their electric bills, and so far approximately  
17 68,000 Florida families have received help through this  
18 system. In just the last five years more than 350,000  
19 residential customers have benefited from our Home  
20 Energy Program.

21 Our current rates are the result of a  
22 multiparty settlement approved by the Commission in 2010  
23 which expires at the end of this year. It effectively  
24 froze base rates for three years, allowed cost recovery  
25 for a new power plant that we are building, and

1 temporarily addressed our return on equity needs. To  
2 help us continue our successful performance for all of  
3 you we're asking for an increase of \$7.09 a month, or 23  
4 cents a day, on the base rate part of a typical  
5 residential bill.

6 Now with the latest estimates of lower fuel  
7 usage by our plants as well as lower fuel prices, this  
8 would actually result in a bill impact for you of about  
9 \$1.41 a month, or a nickel a day. For the small  
10 businesses that make up more than 80% of all of FPL's  
11 commercial customers, the net impact is expected to be  
12 negligible, and in some instances will actually result  
13 in a net reduction.

14 So what will the increase pay for? First is a  
15 new clean energy center at Cape Canaveral. We'll have  
16 spent nearly \$1 billion on this facility when it goes  
17 into service in June of next year. The plant more than  
18 pays for itself primarily due to the fuel savings, which  
19 are estimated today to be more than a billion dollars  
20 over the 30-year life of the project.

21 Second is the impact of the accelerated  
22 amortization of so-called surplus depreciation which was  
23 ordered by the Commission in 2010. While this provides  
24 a temporary way to avoid a base rate increase at that  
25 time, the surplus depreciation essentially runs out in

1 2013.

2 Third, we anticipate adding about 100,000 new  
3 customers, new customer accounts and that we have a duty  
4 to serve. So we have to go out, and we're requesting  
5 cost to pay for the infrastructure such as poles and  
6 wire that's required to serve them.

7 Our request also includes an adjustment to our  
8 return on equity or, as many of you will hear, ROE. Our  
9 current rates are based on an authorized ROE midpoint of  
10 10%, which is the lowest of all Florida's investor-owned  
11 utilities and in the bottom third of all utilities  
12 nationwide. Despite that fact, we're providing  
13 customers with the lowest typical residential bill in  
14 Florida, extremely high reliability, a clean emissions  
15 profile, and award winning customer service. We're  
16 asking for an allowed ROE midpoint of 11.25% and a  
17 performance incentive of one-quarter of 1% that would be  
18 allowed only if we maintain Florida's lowest typical  
19 residential bill in the state. We think having the  
20 lowest bill in the state matters to all of you.

21 An appropriate ROE is crucial to our ability  
22 to finance the billions of dollars in improvements that  
23 keep reliability high and bills low and that create  
24 thousands of jobs for you and all of your neighbors.

25 On average over the past five years our

1 capital investments have far exceeded our net earnings.  
2 In fact, FPL is the biggest investor in Florida with a  
3 roughly \$15 billion investment over the period between  
4 2010 and 2014. We're also, by the way, a major taxpayer  
5 in Florida, the largest taxpayer in Florida. Last year  
6 we paid just over \$1 billion in taxes to state and local  
7 governments.

8 Now I know this is a lot of information, and  
9 you can learn more by reading the fact sheets available  
10 out at the doors there or by going to our website. It's  
11 important to note that even with our request in 2013, if  
12 granted, our bill will still be 11.5% lower than it was  
13 in 2006. That's 11.5% lower than the bills were in  
14 2006. Now compare that to food and healthcare costs,  
15 which in that same period of time are up over 20%, or to  
16 a gallon of gasoline, which during that same period of  
17 time is up over 40%.

18 We're very proud of keeping our bills low and  
19 making Florida a better place to live, work, and raise  
20 our families, and I'm asking and we're asking for your  
21 support to be able to continue to do so. We've asked  
22 some local customers who have said they value our  
23 service if they would be willing to share their thoughts  
24 today. We also want to hear from anyone who has a  
25 complaint.

1           We're a company of human beings and, try as we  
2 may, we're not perfect and we do make mistakes. That's  
3 why we brought our Customer Service Representatives  
4 here. We'd like to hear from you. We'd like to see if  
5 we can't resolve your complaints today.

6           We appreciate your business. We respect your  
7 opinions. And in closing, I want to assure you that  
8 we're committed to exceeding your expectations, not just  
9 today, but every day, and continuing to improve the job  
10 that we're doing for tomorrow. Thank you very much.  
11 Thank you, Commissioners.

12           **CHAIRMAN BRISÉ:** Thank you.

13           Mr. Kelly, before you go up, we're having a  
14 little bit of technical difficulty with our time  
15 monitoring apparatus, so -- there we go. Thank you.

16           **MR. KELLY:** Good morning.

17           **SPEAKER:** Good morning, J. R.

18           **MR. KELLY:** My name is J. R. Kelly. And as I  
19 mentioned earlier, I have the honor and privilege of  
20 representing you, the ratepayers, the customers of  
21 Florida Power & Light. My office, for those of you that  
22 are not aware, we are not part of the Public Service  
23 Commission. We're funded separately by the Legislature.  
24 We have one mission and one mission only, and that's to  
25 represent you, the customers, in front of the Public

FLORIDA PUBLIC SERVICE COMMISSION

1 Service Commission.

2 Why are we here today? We're here because  
3 Florida Power & Light is asking for a \$690 million  
4 roughly, approximately, rate increase, an annual rate  
5 increase into their base rates. Okay? It's about a 16%  
6 request. We've intervened on your behalf, and we're  
7 currently reviewing the filing of Florida Power & Light,  
8 and I'll get into it a little bit more where we're at,  
9 the status.

10 Now let me say right up front, this case is  
11 not about personalities. I will tell you right now  
12 Florida Power & Light is a good company. They're made  
13 up of good men and women that work very hard for their  
14 company day in and day out. This case is not about  
15 that. They're a good corporate citizen. They give a  
16 lot back to the community. That is not what this case  
17 is about.

18 This case is about, quite simply, are what  
19 Florida Power & Light is asking for, are they reasonable  
20 and prudent future expected expenses that they need to  
21 provide safe, affordable, and reliable service to you,  
22 the ratepayers? And we will insist that the  
23 Commissioners sitting behind me adhere to that standard  
24 when they hear this case later on this year in August.

25 Now what are some of the issues? At this

1 point we have not identified all of the issues that we  
2 will be bringing in this case because it is still early  
3 and our testimony is not due for, for about another  
4 month. So unfortunately I can't crystalize a lot of the  
5 issues for you, but I can tell you a couple of them.  
6 And number one, and Mr. Silagy hit on it, is the company  
7 is asking for a 11.5% return on equity. Okay? That's a  
8 profit margin.

9 Quite honestly, we believe that is not  
10 reasonable and we believe it's excessive, especially in  
11 today's economy. I just read in the paper this morning  
12 interest rates have dropped once again. 30- and 15-year  
13 mortgages, all-time low. Okay? Why would we want to  
14 grant this company that kind of an increase?

15 Some other areas we're looking at. We're  
16 going to look at the amount of salaries and benefits  
17 that they're requesting. We're going to look at the  
18 reasonableness of affiliate charges and transactions,  
19 and that's transactions that they have in, in and  
20 amongst their, their corporate subsidiary parent  
21 relationships. We're going to look very carefully at  
22 their protections of the number of customers that they  
23 project for the future, the revenues that they're  
24 projecting, as well as the expenses. We're going to  
25 look at the prudence of the company's expenses related

1 to the investments that Mr. Silagy mentioned. There's  
2 no doubt they are investing a lot. We want to make sure  
3 that they get what they're entitled to, but that it is  
4 reasonable and prudent and no more that they need to run  
5 their company.

6 We're going to look at the proportions of  
7 equity and debt in their capital structure as it  
8 compares to other companies and also as it relates to  
9 their parent, NextEra, and we'll look carefully at their  
10 proposal for their future storm cost recovery.

11 We have engaged accounting experts, cost of  
12 capital experts, and experts with respect to affiliated  
13 transactions that will all be testifying on your behalf  
14 in August at the hearing.

15 Now why are we here today? We're here to hear  
16 from you, the customers. Okay? We want to hear from  
17 you and we ask you to please participate. Share your  
18 opinion with the PSC. I'm not asking you to come up  
19 here and bash the company. I'm not asking you to do  
20 that at all. I'm asking you to come up here and be  
21 honest and say, one, how this company, their proposed  
22 request will affect you and in your lifestyle. If you  
23 don't speak up, folks, the PSC cannot develop the best  
24 informed judgment of the impact that this rate case  
25 would have on you, the customer.

1           Now one thing I want to make very clear today,  
2 what this case is not about. This case is not about  
3 fuel. You're going to read in the newspapers, you're  
4 going to read in this Special Report that your rates may  
5 only go up a little bit because fuel is going to come  
6 down. Well, folks, that's, that's a misnomer. This  
7 case is not about the cost of fuel. That is a totally  
8 separate hearing that the Public Service Commission  
9 holds in November.

10           Whatever they pay for fuel, you pay for fuel.  
11 Their price goes up, your costs go up. If the price  
12 goes down, your cost goes down. That has nothing to do  
13 with this base rate increase. I just want to make sure  
14 everybody understands that. I like the fact that the  
15 rates are coming down and natural gas has really pushed  
16 the price down. But make no mistake, it could double  
17 tomorrow. Remember 2008? So, please, when you think  
18 about this case, think about what we're here today  
19 about, and that's a \$690 million rate request on an  
20 annual basis that FPL is asking for. Please, please  
21 come up and speak. If you haven't signed up, you heard  
22 the Chairman say there's still time, and we want to hear  
23 from you and, more importantly, these men and women  
24 behind me need to hear from you. Thank you very much.

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

FLORIDA PUBLIC SERVICE COMMISSION

1 Mr. Wright, give me one second.

2 (Pause.)

3 Go right ahead, Mr. Wright.

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

5 Good morning. Thank you all for coming out.

6 My name is Schef Wright. I'm a private sector attorney  
7 based in Tallahassee, and I have the privilege of  
8 representing the Florida Retail Federation in electric  
9 utility matters.

10 The Florida Retail Federation is a statewide  
11 organization of more than 9,000 members, from the  
12 largest chains of groceries, department stores, and big  
13 box stores, to literally thousands of mom-and-pop  
14 retailers. The Florida Retail Federation is fighting  
15 alongside your Public Counsel and other consumer  
16 Intervenors to keep your electric rates as low as  
17 possible.

18 A quick word about my history. I'm a native  
19 Floridian. I was born in Miami 62 years ago, and I've  
20 lived all but nine of my years -- in school and a little  
21 bit of work -- in this wonderful state. So I've been  
22 here 53 years. I've been working on energy issues for  
23 31 plus years, first for Governor Bob Graham's Energy  
24 Office, then on the Public Service Commission staff for  
25 about seven years, and for the last 23 years now as a

1 private sector legal practitioner representing mostly  
2 customers and renewable energy producers.

3 Why are we here? As Mr. Kelly said, we're  
4 here to hear from y'all. This is your hearing. Tell  
5 the Commissioners what you think. If you support the  
6 rate increase, tell the Commissioners that. If you  
7 oppose the rate increase, tell the Commissioners that.  
8 It's really important that you talk because to say it on  
9 the record makes it part of the official record.

10 Underlying that purpose, we're here because  
11 Florida Power & Light Company is asking for the Public  
12 Service Commission's authority to charge you an extra  
13 \$690 million a year for your electric service over and  
14 above the \$10.4 billion a year that you're already  
15 paying without any rate increases. And to put this rate  
16 request in perspective, three years ago FPL came to the  
17 Commission and asked for an extra \$1.25 billion a year  
18 of rate increases. The PSC, wisely in our opinion, saw  
19 fit to give them a rate increase of about \$75 million,  
20 or about 6% of their request. Since that time, FPL has  
21 had consistently high profits and its stock price has  
22 increased by well over 30%. They're doing fine with the  
23 rates they have.

24 At the Florida Retail Federation we look at  
25 the underlying business proposition like this: We're

1 businesspeople and we know that every business needs  
2 enough money, sufficient revenues to pay its employees,  
3 provide its goods and services, and stay in business.  
4 We don't just say no to any rate increase request that  
5 comes in the door. We have supported modest increases  
6 for two other utilities and for a third in a  
7 comprehensive settlement that we entered into just last  
8 year with Progress Energy Florida.

9 Here's what this case is about: It is FPL's  
10 duty to provide safe and reliable service at the lowest  
11 possible cost, and it's the Public Service Commission's  
12 role to ensure that FPL gets just enough money to  
13 fulfill this duty, but no more than that.

14 Where we and your Public Counsel and the other  
15 consumer representatives differ from FPL is here: How  
16 much money does FPL really need to provide safe and  
17 reliable service at the lowest possible cost? We don't  
18 believe that FPL has demonstrated and, frankly, we doubt  
19 that they can demonstrate they need any additional  
20 money, and here are some reasons why. Their request for  
21 a profit percentage, a return on equity, 11.5% is an  
22 after-tax rate, translates to a before-tax rate of  
23 18.7%. We believe, in current capital markets when  
24 30-year Treasury bond rates are south of 3%, that is  
25 excessive. We believe that a more realistic return on

1 equity would cut their request in half.

2 Mr. Kelly mentioned their debt and equity  
3 percentages. They want to use a high percentage of  
4 equity, high cost equity capital as opposed to a more  
5 balanced combination of high cost equity and low cost  
6 debt financing. We think that adjustment would save  
7 somewhere between \$100 and \$200 million a year.

8 We believe they have an unrealistic sales  
9 forecast on which they have based their request.  
10 They're actually projecting that they're going to sell  
11 less electricity in 2013 than they did in 2011. This is  
12 different from most of the other utilities in Florida.  
13 We don't believe it. Making that adjustment would save  
14 well over \$100 million, maybe \$150 million or more a  
15 year.

16 At the bottom line, like I said, we're  
17 businesspeople. We count on FPL and we count on all the  
18 utilities. We want FPL and all Florida utilities to  
19 have enough money to do their job, to provide safe,  
20 reliable service at the lowest possible cost. We don't  
21 believe that FPL's request for another \$690 million on  
22 top of the \$10.4 billion they will already collect in  
23 2013 with no rate increases is justified.

24 By the way, if the PSC determines to deny  
25 FPL's request altogether, that will mean that you, FPL's

1 customers, will have another \$690 million a year to  
2 spend on groceries, rent, gasoline, and your families.  
3 No base rate increase, your rates will come down by the  
4 amount of the fuel cost about \$5.50 per month.

5 Thank you very much for your attention.  
6 Thanks for coming out. Tell the Commissioners what you  
7 think.

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

9 Okay. Mr. Hendrix?

10 **MR. HENDRIX:** I won't be speaking this  
11 morning.

12 **CHAIRMAN BRISÉ:** Okay. Mr. Saporito, you have  
13 five minutes.

14 **MR. SAPORITO:** I apologize if you can't see  
15 this, but I certainly want the members to see it, the  
16 customers.

17 **CHAIRMAN BRISÉ:** I just want you to be aware  
18 that as the -- as long as it's green, you're okay. When  
19 it's yellow, you have about a minute left. When it's  
20 red, you need to stop.

21 **MR. SAPORITO:** Good afternoon. My name is  
22 Thomas Saporito and I'm an FP&L stockholder and an  
23 intervenor opposing FPL's request to the PSC to increase  
24 our base electric rates.

25 As you might know, this room right here is

1 air-conditioned. I'm still hot, and the reason is  
2 because of all the incandescent lights that are here  
3 instead of fluorescent. You would think our government  
4 could, could put some different equipment in here.

5 I was recently at a FPL stockholder meeting  
6 because I'm a stockholder, and their building sank  
7 (phonetic) incandescent lights. I made the comment to  
8 management and they just blew it off.

9 Now you heard Public Counsel talk about  
10 compensation packages. We complained that Lew Hay's  
11 exorbitant compensation package should be decreased, and  
12 we asked the board of directors to look at that.

13 You heard comments about a \$690 million rate  
14 case. Well, I recently read in the papers FPL  
15 mismanaged the rate, the uprates for the nuclear plants  
16 by the cost of about \$600 million. If they would have  
17 correctly managed those, heck, maybe they would only  
18 need \$90 million.

19 FPL states that there is never a good time for  
20 rates to go up. Well, I'm here to tell you that this is  
21 the worst time for electric rates to go up. Over the  
22 last five years a large number of Florida residents have  
23 struggled with high unemployment, there's a chart over  
24 there that shows Florida Power -- the State of Florida's  
25 unemployment, failing home values, rising cost of food,

1 fuel, and healthcare, college tuition, just to name a  
2 few.

3 During the same time period, Florida residents  
4 have seen their life savings destroyed by market turmoil  
5 and plunging returns on investments. Just try to find a  
6 CD that's paying 2%.

7 FPL is asking the Public Service Commission to  
8 increase our base electric rates by \$7.09 a month. FP&L  
9 is asking the PSC to allow them a return on equity of  
10 11.25% and a performance incentive of .25% on top of  
11 that. The question is how will the Public Service  
12 Commission ensure that the increased base rates will  
13 result in better service or reliability? The quick  
14 answer is that they won't.

15 FPL says that the 11.25% return on equity --  
16 you add the other quarter, it's really 11.5% -- is  
17 crucial to their ability to finance the billions of  
18 dollars in improvements that keep reliability high and  
19 bills low. However, Standard & Poor's rating agency,  
20 and it's on the chart right here to my right, the S&P  
21 expects FP&L's operating earnings per share in 2012 to  
22 increase more than 4% from 2011, which was up 2.1% from  
23 2010.

24 Florida law requires FP&L to adjust fuel costs  
25 in its rate structure if the fuel costs go up or if they

1 go down. Since natural gas prices have fallen, the law  
2 requires FPL to pass those savings along to us, the  
3 customers. FPL doesn't tell you that if there's no base  
4 rate increase, your electric rates would actually go  
5 down because the fuel costs for natural gas went down.  
6 Florida used 21.4% more natural gas to produce power  
7 from 2011 to 2012. The customers of FP&L should be  
8 receiving reduced electric bills due to the fuel cost  
9 savings. The base rate in our electric bill should not  
10 be going higher.

11 FPL's electric rates are higher than 27 other  
12 states in our country. It's shown on the display. The  
13 State of Florida has one of the highest unemployment  
14 rates in the United States at 8.7%. Again, on the  
15 display.

16 Retail sales of electric power delivered to  
17 Florida residents decreased from 2011 to 2012,  
18 indicating that the economy of our state remains in a  
19 recession. The retail sales for electric power across  
20 the United States has decreased by 11.7%, indicating  
21 that our country remains in recession with low  
22 productivity.

23 FPL's power tracker shown on the board, and  
24 it's on their website, shows that FPL's systemwide  
25 reliability performance is 99.94%. Clearly, FPL's

1 request to increase our base rates for electric power  
2 will not improve reliability. 99.94%, it's on their  
3 website, it's on this board.

4 My closing remarks, FPL's website shows  
5 customers how to save electric power to reduce their  
6 electric bill as shown on that board. However, what is  
7 clearly missing from FPL's website is one appliance that  
8 could save customers the most electric power, reduce  
9 their electric bill the greatest amount. That is an  
10 appliance called an on demand electric water heater  
11 which only turns on when you turn the faucet on. You  
12 would save 60% of electric power compared to a standard  
13 hot water tank. If FPL assisted its customers with  
14 installation of on demand electric hot water heaters,  
15 they might just have to shut down power plants, not  
16 build more. Thank you very much.

17 **CHAIRMAN BRISÉ:** Thank you. Thank you, Mr.  
18 Saporito.

19 FPL used seven minutes of their time. They  
20 have a minute left in case they have other comments that  
21 they would like to make at this time.

22 **MR. SILAGY:** Thank you, Mr. Chairman.

23 Well, I'll be brief since I have less than a  
24 minute.

25 A few, few points I would like to make.

1 You've heard a lot of comments. One I'll say is  
2 benchmark us. Measure our performance. Lowest bills in  
3 the state and a bill that's 25% below the national  
4 average does not come by accident. It is not because of  
5 just lower fuel prices. It is because we have installed  
6 new technology. We've adopted new technology when  
7 nobody asked this company to do that.

8 Ten years ago we were burning 40 million  
9 barrels of oil a year to generate electricity. This  
10 year we'll burn less than 600,000 barrels. No one asked  
11 us to do that. We made a decision to switch to natural  
12 gas, and, yes, we're taking advantage now of lower fuel  
13 prices, but we're using a lot less gas. It's like  
14 parking the car that was made in the 1960s that doesn't  
15 have the best fuel efficiency and buying a new car  
16 that's much more fuel efficient so now we're burning  
17 less fuel.

18 Regardless of what the price of natural gas  
19 is, we're going to be using a lot less of your money to  
20 buy fuel. And the fuel we are buying is domestic  
21 instead of \$4 billion a year of oil that we would  
22 otherwise be buying today had we not made a decision.  
23 Public Counsel, Retail Federation, nobody asked us to do  
24 that, and, in fact, on many of those decisions they  
25 objected to them along the way.

1           So I ask you to benchmark us. Measure us by  
2 what we've done so we can continue to provide you with  
3 the lowest bill and the highest reliability. Thank you  
4 very much.

5           **CHAIRMAN BRISÉ:** Thank you.

6           At this time we have some elected officials  
7 which are present. We're going to ask Senator Mike  
8 Bennett, I believe that he has some comments that he  
9 would like to make. Please come forward.

10          **SENATOR BENNETT:** I'm certainly not turning my  
11 back on my constituents, but I have a few notes that I  
12 wanted to make. And I think it's important to clarify  
13 that I'm not here to beat up on FP&L. I think FP&L is  
14 probably without a doubt the best operating company for  
15 power that I'm certainly aware of.

16          But I wanted to welcome you to Sarasota, and  
17 specifically my Senate district. And I want to thank  
18 you for taking the PSC meeting on the road. You guys  
19 have got a tough job. I know you're going to be  
20 traveling a lot over the next 30 days as you do these  
21 hearings. And it's interesting I find myself in this  
22 position because I know each of you personally. I was  
23 the Chairman of the Nominating Commission when we  
24 brought you on board. And actually I've gotten a lot of  
25 heat on that because we felt that we had removed the --

1 not because of you coming on board, because of the  
2 people that we asked not to come back because we did not  
3 feel that they were cooperating and working together as  
4 a team to do the best for the people of the State of  
5 Florida and so we made that decision.

6 We selected you because we believed that you  
7 would offer a balance and a fairness while executing  
8 your duties. We ask that you -- and we searched out  
9 people who we felt would work together without  
10 prejudice, without infighting, without acrimony, and to  
11 ensure that the citizens and the utility providers would  
12 be treated in a fair and a balanced manner. Now is your  
13 chance to show the people of the State of Florida that  
14 we made the correct decisions.

15 I've spent the last 12 years of my life in the  
16 Florida legislative process trying to improve the  
17 business climate in the State of Florida because we know  
18 as the business climate improves, people's standard of  
19 living improves. We know that if the standard of living  
20 improves, along comes education; jobs, well-being,  
21 retirees, they want to live here, they want to move  
22 here, and they want to have an environment that'll help  
23 them with that process.

24 Governor Scott has spent the last 24 months  
25 basically in his time in office attempting to have the

1 most business friendly environment in the nation and he  
2 has taken that to number two. And I'm here to tell you  
3 today number two is not satisfactory. We do not want to  
4 do anything to keep us at number two. We want to make  
5 sure that we have the best business environment in the  
6 entire country, that people will want to relocate here,  
7 they're willing to come here, they're willing to create  
8 jobs here, that the kids who graduate from school here  
9 will have jobs and be able to stay in the State of  
10 Florida. That's we're trying striving to do, and  
11 Governor Scott is on that mission and I'm going to help  
12 him get there.

13           You're now faced with a ruling on a rate  
14 increase that will set us back in many ways. A rate  
15 increase while we're still facing high unemployment is  
16 unacceptable. A rate increase when so many are getting  
17 by on so little is unacceptable. A rate increase that  
18 improves the rate of return on investment at the expense  
19 of so many is unacceptable. And a rate increase that  
20 would guarantee a profit of over 10% while many of my  
21 constituents are earning less than a half a percent on  
22 their savings is totally unacceptable. In fact, as I  
23 was actually looking at it, I was looking at that  
24 \$7.50 and I figured, well, what would it take in a CD  
25 today? And if you're not sitting on somewhere around

1 \$36,000 to \$40,000 in your CD, you're not going to get  
2 that rate of return that they're talking about or that  
3 \$7.50.

4 A rate increase would put small businesses at  
5 jeopardy. They would have to cut jobs. Some of them  
6 are facing foreclosure, and in some cases they've had to  
7 close down their businesses. The power companies say  
8 that these returns, that they can build new or improve  
9 existing sources of power is unacceptable when they can  
10 change the policies and the business practices and give  
11 the consumer an opportunity to get a reasonable rate of  
12 return if they were allowed to have power and have  
13 solar. I've never understood why I can own a shopping  
14 center, have tenants in my shopping center, in my  
15 building, if I want to put solar panels on that  
16 building, why can't I sell power to my tenants? I think  
17 I should have to pay the power company, whoever it is,  
18 FP&L or whoever, I think we should have to pay them 1.5,  
19 maybe 2 cents a kilowatt to do nothing but maintain the  
20 grid. We would have distributed generation and have a  
21 safer power grid if we were allowed to do that.

22 We can change the Bid Rule, we can change the  
23 Bid Rule and bring more competition in. We always have  
24 loved the Bid Rule process and it's always been able to  
25 be overcome by all of the power companies in the state,

1 not strictly FP&L. But I would hope you would not  
2 compromise on this rate increase. I know in the past  
3 we've had to compromise. I hope you will not bargain.  
4 I hope you will not approve a rate increase for any  
5 utility in the State of Florida. When we're currently  
6 facing the unemployment that we've got, when we're  
7 currently changing the business environment that we've  
8 got, now is the time for y'all to step up and prove that  
9 I was right when I selected you all to represent the  
10 people of the State of Florida.

11 I hope you will use your collective wisdom to  
12 suggest changes in policy to the Florida Legislature  
13 that protects the consumers, ensures healthy  
14 competition, and promotes energy that is consumer and  
15 earth friendly, and I hope you will do the job that we  
16 nominated you for. You have the power to make a  
17 difference, and Florida should be the most business  
18 friendly state in the nation and not number two.

19 I really appreciate your time. And, again,  
20 welcome to my district. Welcome to Sarasota. I hope  
21 you enjoy your stay. Thank you very much.

22 **CHAIRMAN BRISÉ:** Thank you, Senator Bennett.

23 All right. At this time we're going to move  
24 into public comment. I feel kind of bad, but I'm going  
25 to recognize Senator Richter, just say hi. Senator

1 Richter is present, is present here with us this  
2 morning.

3 We are going to at this time provide you  
4 instructions as to how the public comment is going to  
5 move forward. You're going to have two minutes for  
6 public comment. As we provided the information before,  
7 the lights that are on the podium, when the light is  
8 yellow, be aware that you have about a minute left. And  
9 when the light turns red, then we expect that you'll at  
10 the very least wrap up your comments.

11 Okay. So at this time if you would not mind  
12 standing, all of you who are going to provide public  
13 comment, so we can swear you in.

14 (Witnesses collectively sworn.)

15 Thank you very much. You may be seated. We  
16 would also ask that you turn off your cell phones. That  
17 makes it a whole lot easier so that they don't start  
18 ringing. And if you're not comfortable turning it off,  
19 at least put it on vibrate or silent, particularly if  
20 you're coming up, we would prefer that you turn it off  
21 because then it may cause interference with the  
22 microphones.

23 Mr. Kelly will call you up and you will  
24 provide your testimony. And as we stated before, there  
25 may be some questions that arise from the Commissioners

1 or from some of the Intervenors or FPL. So Mr. Kelly.

2 **MR. KELLY:** And I apologize if I get this  
3 first name wrong. Is it Brynne Anne Besio? Is it  
4 Brynne Anne, Brynne Anne with the South Florida Museum?

5 (No response.)

6 The next name is Bob Bry.

7 **CHAIRMAN BRISÉ:** And I failed to mention that  
8 as you come up, please state your name, your address,  
9 and your phone number so that we have that for the  
10 record.

11 **BOB BRY**

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

15 **DIRECT STATEMENT**

16 **MR. BRY:** My name is Bob Bry, B-R-Y. I live  
17 at 707 Casey Key Road in Nokomis. My phone number is  
18 484-0335.

19 I'm here to support the rate increase of  
20 Florida Power & Light based on the value received as a  
21 customer. My narrative goes back 30 years when we moved  
22 here and I built a house and was in negotiations with  
23 Florida Power & Light to move a utility pole. It was a  
24 hard negotiation done with stability, good faith, and to  
25 the satisfaction of everyone.

1           The narrative transcends to another ten or 15  
2 years, part of which I was president of the Casey Key  
3 Association and we dealt with outages. I found the  
4 outages were reasonable. We live on a barrier island.  
5 And the hallmark was that we could always get good  
6 information. If they said it's a downed power -- a tree  
7 had hit a power line and we expect service to be  
8 restored in 40 minutes or two hours, it was usually done  
9 there.

10           But the heart of what I want to say goes back  
11 six years when people on the island wanted to bury the  
12 utility lines. There was an initiative that would have  
13 cost the people \$10 million over a period of time. I  
14 strongly opposed it. I was in the leadership that  
15 opposed it, and in that capacity I had weekly contact  
16 with Florida Power & Light. They remained neutral  
17 because they didn't care, or at least they gave me the  
18 impression they didn't care as to whether it was buried  
19 or not, you know, we had to pay for it. But Rae Dowling  
20 and her people, and Joe Wolf with the outages, and other  
21 people gave us hard information. The proponents were  
22 very insistent on it. They kept at it for six years,  
23 and we really had to fight it and it's, the issue is  
24 over. So I think for value received, FP&L deserves this  
25 wholeheartedly. Thank you.

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

2                   Wait one second, sir.

3                   Are there any questions?

4                   (No response.)

5                   Okay. Seeing none, thank you very much.

6                   **MR. KELLY:** Mr. Chair, would you like me to

7                   call two names at a time?

8                   **CHAIRMAN BRISÉ:** Yes. Thank you.

9                   **MR. KELLY:** The next speaker is Mr. Bob

10                  Mattingly. And Mr. Mattingly will be followed by Tess

11                  Canja.

12                  **CHAIRMAN BRISÉ:** Just for clarification, when  
13                  the yellow light comes on, it's 15 seconds left.

14   **BOB MATTINGLY**

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

16                  State of Florida and, having been duly sworn, testified.

17                  As follows:

18   **DIRECT STATEMENT**

19                  **MR. MATTINGLY:** Good morning. I'm Bob

20                  Mattingly. I'm the Vice President of Operations and

21                  Maintenance for the Sarasota-Manatee Airport Authority.

22                  The Sarasota/Bradenton International Airport is owned

23                  and operated by the authority and is an independent

24                  special district established by the Florida Legislature

25                  and is self-supporting with no revenues taken from any

FLORIDA PUBLIC SERVICE COMMISSION

1 of the local tax base. FPL has been a partner to the  
2 airport in many of our projects. It's currently  
3 providing on the average of 650,000-kilowatt hours per  
4 month for the terminal complex and over 34,000-kilowatt  
5 hours per month on the airfield.

6 In some of the projects we've embarked upon  
7 over the last couple of years, one of which is that we  
8 installed two brand new 500-ton magnetic bearing  
9 chillers in our terminal. That resulted in a \$10,000 a  
10 month savings to us in electrical consumption. We're  
11 very thankful that FPL has helped up us in that matter.  
12 However, I think it's very important that we keep in  
13 mind the airport authority operates with a \$15 million  
14 annual budget. Any increase often results in a negative  
15 impact to the airport's efforts to retain and/or attract  
16 airline service. It is with this picture that the  
17 authority requests that the base rates be maintained and  
18 that the, such that the airport can maintain their rates  
19 in our operation.

20 It has been a very difficult recessionary  
21 climate that we have been in, and we would appreciate  
22 the -- we appreciate the opportunity to speak here  
23 before you and we look forward to your decisions. Thank  
24 you.

25 **CHAIRMAN BRISÉ:** Thank you. Are there any

1 questions?

2 (No response.)

3 Seeing none, thank you very much for your  
4 testimony.

5 **MR. KELLY:** Ms. Canja will be followed by Bill  
6 Clark.

7 **TESS CANJA**

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

11 **DIRECT STATEMENT**

12 **MS. CANJA:** My name is Tess Canja. I live at  
13 1166 Winston Street in Port Charlotte. My telephone  
14 number is 941-624-0105. And I am a residential  
15 consumer.

16 I agree, frankly, that many of Florida Power &  
17 Light's endeavors are commendable, but for several  
18 reasons I find this particular rate increase proposal  
19 troubling.

20 First, the base rate increase may not sound  
21 like much to some people, but to those who may be  
22 working two, three, or four jobs to make ends meet, not  
23 to mention those who have no job and cannot get one, it  
24 could mean a choice between electricity and food on the  
25 table. And that word "base" is there for a reason. It

1 means other costs can be added to be paid by FPL  
2 consumers.

3 The proposed increase, if approved, would add,  
4 as we've heard, \$7.09 to the bill of a consumer using  
5 1,000 kilowatt hours per month. However, there are a  
6 lot of people that are still average who are paying --  
7 who are using 1,200 kilowatt hours a month and it means  
8 that their figures would go higher. And on top of that,  
9 there are many added costs because this is a base cost.

10 My second cause for concern and the crux of  
11 this entire rate request is that Florida Power & Light  
12 is currently making at least 10% in profit and wants  
13 that profit margin increased to 11.5%. And 11.5%,  
14 frankly, when their stock has gone up and their  
15 stockholders are getting an increase and we are lucky to  
16 get 1% on our CDs.

17 Third, FPL projects to amortize a net surplus  
18 of \$703 million through the end of 2012 and \$191 million  
19 in 2013. I have questions. What does this mean to  
20 ratepayers and how vigilant will the Public Service  
21 Commission be in monitoring this process? And could the  
22 surplus just be written off and have FPL ask for less  
23 money now?

24 Fourth, it's troubling not to know how that  
25 \$690 million request will be divided between business

1 and residential.

2 And in closing, my aim is not to deny FPL a  
3 fair return on equity, but to limit any increase to what  
4 can be justified. Frankly, I find -- in these tough  
5 economic times I cannot see how an 11.5% increase -- ROE  
6 can be justified. Thank you very much.

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

8 Are there any questions?

9 (No response.)

10 Okay. Seeing none, thank you very much for  
11 your testimony.

12 **MS. CANJA:** Thank you.

13 **MR. KELLY:** Mr. Clark will be followed by  
14 Mr. John Reilly.

15 **BILL CLARK**

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

19 **DIRECT STATEMENT**

20 **MR. CLARK:** Good morning. My name is Bill  
21 Clark and I'm a resident of Manatee County, and I've  
22 been a customer of Florida Power & Light for more than  
23 35 years. And I would like to echo the comments made  
24 earlier: This is not personal, this is not about the  
25 company. I've had good service and I think they're a

1 good company.

2 The reason that I'm here and the reason that  
3 the Public Service Commission is, is here and listening  
4 to comments is when it comes to power for me as a  
5 resident of Manatee County, I have three choices. One  
6 choice is to do and live without power, and my wife and  
7 I both find that not too pleasing and not really a good  
8 choice.

9 The second one is I can generate my own power,  
10 and my neighbors aren't crazy about that idea, nor am I.

11 But the third choice is I have to get it from  
12 Florida Power & Light, and that's why it's important  
13 that we have this opportunity to speak.

14 Like I said, I think it's a good company, but  
15 we know from comments earlier that the return on equity  
16 is at least 10%, and today's paper mentions the national  
17 average is 10.5%. I agree with Senator Bennett's  
18 comments that this is the wrong time to raise that  
19 return on equity, and that's really what my comment is.  
20 I'm opposed to the raise that's, the rate increase  
21 that's proposed.

22 And I also note that they can make adjustments  
23 should they have fuel increases in the cost of producing  
24 power, that's already part of the rate and that's not a  
25 part of what this hearing is about.

1                   **CHAIRMAN BRISÉ:** Thank you very much. Any  
2 questions?

3                   (No response.)

4                   Seeing none, thank you very much for your  
5 testimony this morning.

6                   **MR. KELLY:** Mr. Reilly is, will be followed  
7 by, and I apologize, Robert, is it Robert Sulich,  
8 Sulich?

9   **JOHN REILLY**

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

13   **DIRECT STATEMENT**

14                   **MR. REILLY:** Good morning. My name is John  
15 Reilly. I live at 8310 249th Street East, Myakka City.  
16 My phone number is 941-315-3953.

17                   I take care of the golf clubs and the  
18 landscape at the Longboat Key Club. And I'm really not  
19 hear to give any kind of comment on the rate increase  
20 but to talk about the service from Florida Power that we  
21 receive in the, in the commercial end.

22                   I'd like to talk on two matters. Acute  
23 service, where we are we have some extreme conditions  
24 and we do have power outages. And we are always kept  
25 abreast and taken care of the best way possible in my,

1 my three years that I've been there. We also experience  
2 seasonal audits and -- which help us use our power more  
3 wisely, and at the end of the day it has affected the  
4 bottom line substantially. So thank you for your time,  
5 and good luck on your decision.

6 **CHAIRMAN BRISÉ:** Thank you very much. Any  
7 questions?

8 (No response.)

9 Thank you, Mr. Reilly.

10 **MR. KELLY:** Mr. Sulich will be followed by  
11 Mara Rooth -- or Booth. I'm sorry. Booth.

12 **ROBERT SULICH**

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

16 **DIRECT STATEMENT**

17 **MR. SULICH:** My name is Robert Sulich.

18 **MR. KELLY:** I apologize, sir.

19 **MR. SULICH:** I live in Port Charlotte,  
20 Florida. My phone number is 941-743-6166. I'm a  
21 private consumer and I oppose the increase. I volunteer  
22 for St. Vincent de Paul's food pantry and their home  
23 assistance, and also with Virginia B. Andes Community  
24 Clinic. And we have so many people that come in there  
25 that are out of work and cannot pay their bills, cannot

1 get their prescriptions, they can't see doctors, they  
 2 have to come to us, and an increase right now would just  
 3 be more of a heavy burden on them.

4 We commend Florida Power & Light for their  
 5 work and their assistance to the community, but they're  
 6 going to have to realize that there is a lot of people  
 7 out there that just cannot do it. Thank you.

8 **CHAIRMAN BRISÉ:** Thank you very much. Any  
 9 questions for Mr. Sulich?

10 (No response.)

11 Okay. Seeing none, thank you very much,  
 12 Mr. Sulich.

13 **MR. KELLY:** After Ms. Booth [sic] is Sharlene  
 14 Hillier.

15 **MARA ROUTH**

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

19 **DIRECT STATEMENT**

20 **MS. ROUTH:** Hi. My name is Mara Routh,  
 21 R-O-U-T-H. My phone number is 364-5187.

22 I don't think that we should take Florida  
 23 Power & Light for granted. I have a very lifetime  
 24 memory story when I had 40 ten-year-olds for a birthday  
 25 party with a swimming pool and a chocolate fountain that

1 was flowing and a bouncy house that was bouncing when a  
2 transformer blew up, 40 children that I did not want in  
3 my home wet and covered in chocolate. And within an  
4 hour the transformer was fixed and the party was  
5 rescued.

6 So I think that, you know, every day when we  
7 flip on the light we should be just so grateful that we  
8 have such a wonderful, responsible, nurturing company  
9 such as Florida Power & Light.

10 They do have a program that are helping people  
11 that can't pay their bills, they're wonderful taxpayers  
12 to the State of Florida, they're great employers, and we  
13 shouldn't really take them for granted. Because  
14 lifetime memories, you really get one shot at those 10th  
15 birthday parties, and it is what it is. So thank you  
16 very much.

17 **CHAIRMAN BRISÉ:** Thank you, Ms. Routh.

18 Are there any questions for Ms. Routh?

19 (No response.)

20 Seeing none, thank you very much.

21 **MR. KELLY:** After Ms. Hillier will be David --  
22 is it Teitelbaum?

23 **MR. TEITELBAUM:** Teitelbaum.

24 **MR. KELLY:** Teitelbaum.

25 **SHARLENE HILLIER**

FLORIDA PUBLIC SERVICE COMMISSION

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 **MS. HILLIER:** Good morning. My name is  
6 Charlene Hillier. My address is 6712 Pennsylvania  
7 Avenue, and my phone number is 941-504-1808. And I am  
8 here to tell you a personal story of customer service  
9 with Florida Power & Light.

10 I had a billing issue in January, and I have  
11 online paying of which I have four Florida Power & Light  
12 accounts, three of which were terminated or nonexistent  
13 but I still had them on my PayPal. So I paid to the  
14 wrong account, and then I get my next month's bill and I  
15 am, have this huge bill of which I call and I just talk  
16 to customer service and they tell me, first of all, I  
17 have to pay my bill, of which I said, "I have." And she  
18 says, "Well, we can't do anything about it." And I  
19 said, "Well, you have to find my money." And the girl  
20 was very nice, very courteous, but says, "We can't do  
21 anything about this, and you have to pay \$600 as -- to  
22 cover your bad debt."

23 So I asked to speak to a supervisor, and  
24 basically the supervisor followed the same script and  
25 said, "You have to pay \$600. We'll debit your credit

1 card," whatever. And I said, "This is unacceptable  
2 because, in fact, I've paid it. Just find it." So she  
3 says, "Well, we can't do that."

4 And my resort was to call the Manager of  
5 External Services, a local call here in Sarasota, went  
6 through the process of telling her my fault, I did it  
7 and what I did, and "Help me." She did, made two phone  
8 calls, one to Miami, one local, took care of it.  
9 Florida Power & Light is a wonderful company, and I  
10 thank her, thank you, Rae, and I thank you for listening  
11 to me.

12 **CHAIRMAN BRISÉ:** Thank you, Ms. Hillier. Any  
13 questions for Ms. Hillier?

14 (No response.)

15 Seeing none, thank you very much.

16 **MR. KELLY:** After Mr. Teitelbaum, Ruth  
17 Anderson.

18 **DAVID TEITELBAUM**

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. TEITELBAUM:** Hi. I'm David Teitelbaum,  
24 and I -- my -- I live at 115 Third Street South in Anna  
25 Maria -- Bradenton Beach actually. And my phone number

1 is 941-778-0156.

2 I own and operate five resorts in Anna Maria  
3 in Bradenton Beach, and we're probably the, among the  
4 largest users of, of FPL services and equipment.

5 I want to just tell you that Rae Dowling and  
6 our experience with, with FPL has been fantastic. We  
7 are doing everything we can to lower our cost of energy  
8 through the things we can do ourselves, and we have. We  
9 have been very, very, very happy with what they've been  
10 providing us, and I support them. Thank you.

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

12 **MR. SAPORITO:** I have a question to ask him.

13 If you --

14 **CHAIRMAN BRISÉ:** If you -- Mr. Saporito, if  
15 you could come to the table here and ask it.

16 **EXAMINATION**

17 **BY MR. SAPORITO:**

18 **Q** Yes, sir. Just one quick question. Over the  
19 time period you've been receiving electrical power and  
20 service from FP&L, would you agree that it's been very  
21 highly reliable service?

22 **A** It's extremely reliable.

23 **Q** Thank you very much.

24 **CHAIRMAN BRISÉ:** Thank you.

25 **MR. TEITELBAUM:** And any service concerns

1 we've had have been dealt with quickly.

2 **SPEAKER:** I have a question.

3 **CHAIRMAN BRISÉ:** Thank you.

4 Sir, the only people who are allowed to ask  
5 questions are the Intervenors. So the reason why  
6 Mr. Saporito was allowed to ask a question is because he  
7 is one of the Intervenors in this case.

8 **MR. TEITELBAUM:** Thank you.

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

10 **MR. KELLY:** After Ms. Anderson is Joyce  
11 Giordano.

12 **RUTH ANDERSON**

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

16 **DIRECT STATEMENT**

17 **MS. ANDERSON:** Good morning. My name is Ruth  
18 Anderson. I live in Englewood, Florida, 941-716-1017.  
19 And I'm just here to speak for FP&L. I've been in the  
20 area for 50 years. They've been my provider all of that  
21 time.

22 I had a little personal incident that I just  
23 want to speak on principle. This weekend my 89-year-old  
24 father's air conditioning went out. So we did get an  
25 air condition repairman in. Well, his house was built

1 in 1986. It's the original unit. So I had to have a  
2 conversation with my father, who wanted to repair the  
3 unit. Now it's 26 years old. How much money do you  
4 keep putting into old technology, old appliances, old  
5 things? And he says, "But it's been good. It's worked  
6 well." And I agreed with him. But the cost compared to  
7 putting in a new unit, the electrical savings, the  
8 overall savings that will come back in time was, to me,  
9 more logical. My dad won out. He's very stubborn.

10 But on principle I think we should support the  
11 rate increases. I think the new technology that Florida  
12 Power & Light has taken upon themselves to go after and  
13 supply, which gives us the reliability, the bang for the  
14 buck that we get, I just think it's better to kind of  
15 pay forward to be more energy efficient and  
16 cost-effective in the long run, even though it might  
17 cost a little bit up-front and it might be a little bit  
18 hard right now as it is for my father because he is on a  
19 fixed income, to get a whole new unit. But in the long  
20 run his savings are going to be better and I think ours  
21 will be too if we support this increase.

22 I think their track record shows that their,  
23 that their management of money is put in good places and  
24 it does come back to benefit us. I'm very happy with  
25 their service.

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

2                   Any questions for Ms. Anderson?

3                   (No response.)

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

6                   **MR. KELLY:** Joyce Giordano will be followed by  
7 David Rossin.

8                                   **JOYCE GIORDANO**

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

12                                   **DIRECT STATEMENT**

13                   **MS. GIORDANO:** Hi. My name is Joyce Giordano.  
14 I live in Englewood, 941-445-1180. I also am here to  
15 support Florida Power & Light for several reasons.

16                   Basically they do a fantastic job. I've lived  
17 here my whole life and been through a few hurricanes,  
18 and their response time is fantastic. And you want to  
19 walk into your house after a hurricane and turn the  
20 light on, you know. You don't want to get there and  
21 have issues.

22                   They are also a forward thinking company.  
23 They are, excuse me, environmentally conscious. And  
24 they do a lot for the underprivileged. So I just wanted  
25 to say that I support the increase. Thank you.

1                   **CHAIRMAN BRISÉ:** Thank you.

2                   **MR. KELLY:** David Rossin or Rossin, and  
3 followed by Doug Heinlein.

4                   **A. DAVID ROSSIN**

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

8                   **DIRECT STATEMENT**

9                   **MR. ROSSIN:** My name is A. David Rossin, 7325  
10 Eaton Court, University Park. Phone, 358-6902. I've  
11 lived there ten years.

12                   I'm a nuclear engineer and was Director of  
13 Research at the utility in Chicago for a number of  
14 years, and Assistant Secretary of Energy under President  
15 Reagan in 1986. I teach a course called Energy Politics  
16 at the Lifelong Learning Academy up the road here. I've  
17 testified at and attended many utility rate hearings.

18                   I'm confused about a couple of things I just  
19 heard this morning. One is return on investment and  
20 profit. These are not the same, and I would appreciate  
21 it if the Commission's counsel or Florida Power & Light  
22 or the people's counsel would explain that to all of us  
23 in the audience after I get done.

24                   I testified here a couple of years ago. The  
25 members of the PUC [sic] are required to hold public

FLORIDA PUBLIC SERVICE COMMISSION

1 hearings and listen to what is said. But it's important  
2 for us, the people like me in this room, to clearly  
3 recognize that although we have a right to be heard,  
4 that the right to be heard is not the same as the  
5 authority to be obeyed. That goes for newspaper  
6 editorial writers as well, if you read the *Herald*  
7 *Tribune* this morning. The Commission will listen to us,  
8 but it is you who have to make these decisions on rate  
9 cases.

10           You have the staff, you have the reams and  
11 reams of testimony and paper in your hands. We don't.  
12 When I testified a couple of years ago, one member of  
13 the PUC demanded that I tell her if I was in favor of or  
14 against the rate increase. I gently responded that such  
15 a decision was hers to make, not mine. I could comment  
16 on service reliability, community building, and  
17 professional behavior, but the PUC has the final job.  
18 And as I recall, when that decision came down, granted  
19 it was a very small fraction of the rate increase, there  
20 was some severe repercussions, projects deferred and  
21 cancelled, that would have meant further savings in the  
22 future.

23           Nobody, none of us want actually to pay higher  
24 electric rates. I agree. But I think we all recognize  
25 that the utility's source of funds is the rates paid by

1 us, the people and companies who depend on them for  
2 reliable electricity, not just this month but for the  
3 future of our communities and the state.

4 I want to get what I pay for. I expect to  
5 have to pay for what I get. I trust the state and  
6 utility will find ways to help some people who cannot  
7 afford a rate increase. That's always been mentioned.

8 If a utility does not pay its bills, does not  
9 maintain its systems, and has to pay more to borrow  
10 because it cannot operate profitably, the rest of us  
11 will end up paying more. Thank you very much.

12 **CHAIRMAN BRISÉ:** Thank you very much, Mr.  
13 Rossin. If you could stay right there, I'll ask  
14 Mr. Willis if he can answer your questions.

15 **MR. WILLIS:** I'll, I'll try to answer your  
16 question. I'm the Director of Economic Regulation at  
17 the Florida Public Service Commission.

18 When you're talking about the difference  
19 between rate of return and profit, rate of return for  
20 utility companies is the return they receive on their  
21 equity investment, which basically is their profit. It  
22 does not include any debt costs of the utility company.

23 **MR. ROSSIN:** Look, I spent a number of years  
24 in the utility business too. That's not enough.

25 **SPEAKER:** That's not correct.

1           **MR. ROSSIN:** Please, please explain it in more  
2 detail. Return on investment is return on invested  
3 capital. Profit is what your income statement says at  
4 the end of a quarter or a year. Those are two very  
5 different things. They've been lumped together by  
6 several of the people who have talked today, and I, I  
7 would like a professional to clarify this because my  
8 memory of my utility experience is getting thinner and  
9 thinner.

10           **MR. WILLIS:** We're sort of talking about the  
11 same thing. There's two terminologies we use at the  
12 Public Service Commission. One is return on, your  
13 overall rate of return, which is your return on all of  
14 your investment. It's your return on your debt capital  
15 and your equity capital invested in the company.

16           What we were talking about was, is the 11.5 is  
17 strictly the return on the equity portion of your  
18 investment.

19           **MR. ROSSIN:** I hear you. I've got that part  
20 straight. Now what is profit?

21           **CHAIRMAN BRISÉ:** Sir? Sir, I think we -- I  
22 think the question has been asked and it's been  
23 answered, and I think we will, as time progresses or  
24 maybe during the break or something like that, we can --  
25 you can speak to Mr. Marshall and then we can get some

1 further clarification on that.

2 MR. ROSSIN: Thank you, Mr. Chairman. I hope  
3 the members of the Commission will beat on him to get  
4 the answers too.

5 CHAIRMAN BRISÉ: Thank you very much.

6 MR. SAPORITO: I've got one question for the  
7 witness, Mr. Chairman.

8 CHAIRMAN BRISÉ: Excuse me, sir?

9 MR. SAPORITO: I have one question for this  
10 witness.

11 CHAIRMAN BRISÉ: Okay.

12 EXAMINATION

13 BY MR. SAPORITO:

14 Q Would you not agree that the return on equity  
15 at 11.5% would ultimately benefit FPL's stockholders  
16 like myself?

17 A I hope so. Because if the stockholders do  
18 better, they can borrow money cheaper.

19 CHAIRMAN BRISÉ: Thank you very much.

20 Mr. Kelly.

21 MR. KELLY: Doug Heinlein or Heinlein.

22 MR. HEINLEIN: Heinlein. You got it  
23 correctly.

24 MR. KELLY: Followed by Lee Swift.

25 DOUG HEINLEIN

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. HEINLEIN:** Hello. My name is Doug  
6 Heinlein. I live in 5128 Windward Avenue, Siesta Key.  
7 My phone number is 941-346-3335.

8 I am here -- I'm the AARP's Volunteer State  
9 President. I just happen to be a resident of Sarasota,  
10 and I'm basically here on my own behalf as a Florida  
11 Power & Light customer. And also, full disclosure here,  
12 I'm a Florida Power & Light stockholder. Like many  
13 retirees, I've had to seek out yield over the last  
14 several years, and I have found yield in utilities where  
15 my brokers put me better than what I'm getting in CDs.  
16 Ten-year T-bills this morning were, I think, below  
17 1.6 is what they hit this morning, which is the lowest  
18 since 1780 or something. Incredible.

19 And I'm not here to bash Florida Power &  
20 Light. I like a lot of their service. I like one  
21 program in particular, since we have some high-level  
22 executives here, I love their callback program. When  
23 your service is out, they call you back and say we now  
24 expect you to be fixed in two hours or three hours or  
25 whatever. It's a very good program. I wish Comcast and

1 those guys had it as well.

2 Okay. I want to make three points -- two  
3 points basically, and they have to do, they have to do  
4 with transparency. I think one of the things that  
5 bothers me about what goes on here is people toss around  
6 a 15% increase like it's nothing. And for a lot of our  
7 2.7 million members that we have in Florida, a 15%  
8 increase in their base rate is not nothing.

9 I mean, a lot of us exist in a bubble. You  
10 know, life is good, so on and so forth, and \$7 a month  
11 is nothing. But for a lot of seniors living in Florida  
12 who are on fixed incomes and who cannot get returns on  
13 their CDs, it's a lot of money. It makes a difference.

14 So as you make your considerations, I want to  
15 ask that you tend to think in terms of those terms as to  
16 how much 15% really is. And I wish Florida Power &  
17 Light -- I know they spin the numbers and that's what  
18 they do. And my granddad used to say, you know,  
19 "Figures don't lie but liars figure." All right? And  
20 I'm not saying Florida Power & Light is lying, because  
21 they're not. They just spin the numbers very nicely so  
22 every time there's a rate increase it coincides with a  
23 fuel surcharge decrease so it looks like less. I mean,  
24 it's a strong company. They should just come forward  
25 and say outright we're asking 15% and we deserve it and

1 here's why. And maybe they do, you know. I don't know.

2 And the last part goes to the fact that  
3 bothers me about Florida Power & Light, there's no  
4 competition. You have to serve as the competition. I  
5 cannot switch from Florida Power & Light to somebody  
6 else. If they raise my rates, I can't change. If  
7 Comcast raises my rates, I can switch to Dish or I can  
8 switch to FiOS. All right? If Verizon raises my rates,  
9 I can go to, you know, my cell phone or whatever. If I  
10 don't like what United Airlines charges, I can fly a  
11 different airline. But there's no competition for  
12 Florida Power & Light. So I think they tend to go to  
13 the well of increased revenue much more than cost  
14 control. And in an era when Hewlett Packard is firing  
15 20,000 people, Panasonic is firing 7,000, even the state  
16 workers of Florida haven't had a raise in three or four  
17 years, it would seem -- and the county is firing people,  
18 it would seem that, that you folks should act as the  
19 competition and push them back to look at their cost  
20 structure rather than them always coming to the revenue  
21 side.

22 So I thank you for your attention, and I wish  
23 you well with your decision. Thank you.

24 **CHAIRMAN BRISÉ:** Thank you very much. Any  
25 questions?

1 (No response.)

2 Okay. Seeing none, thank you very much for  
3 your testimony.

4 **MR. KELLY:** Lee Swift will be followed by Fred  
5 Hall.

6 **LEE SWIFT**

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

10 **DIRECT STATEMENT**

11 **MR. SWIFT:** Good morning, Commissioners. My  
12 name is Lee Swift. I live at 1064 Harbour Way Place in  
13 Punta Gorda. My phone number is 941-629-5857.

14 First off, I am an 18-year veteran of the  
15 Charlotte County School Board. In the last four years  
16 our employees have not received any kind of a pay raise,  
17 and effectively last year had a pay cut of about 5%.

18 We have a distinct lack of ability to change  
19 our revenue stream. Our rates are, our revenue rates  
20 are set by the state legislature each year. We have cut  
21 over \$40 million out of our budget in the last four  
22 years. We're reducing employees, reducing programs.  
23 Other than employee personnel costs, which are about 80%  
24 to 85% of our budget, Florida Power & Light is the next  
25 biggest percentage of, of our budget. This rate

FLORIDA PUBLIC SERVICE COMMISSION

1 increase would mean about \$276,000 to us. That is four  
2 teachers in an environment where we are cutting programs  
3 and reducing our services to students.

4 I think -- I respect the fact that Florida  
5 Power & Light pays a great deal of taxes to the State of  
6 Florida, but they also have a large amount of their  
7 property off of the tax roll just by the way the  
8 structure is set up.

9 School districts particularly need ways to  
10 generate more revenue. There needs to be more  
11 flexibility in the system for us to find creative ways  
12 to maybe reduce our power costs and generate additional  
13 revenue.

14 Thank you for the opportunity to speak to you  
15 this morning. I wish you good luck in your decision.

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

17 Any questions for Mr. Swift?

18 (No response.)

19 Okay. Seeing none, thank you very much for  
20 your testimony.

21 **MR. KELLY:** Mr. Hall will be followed by  
22 Chrissy Blevio.

23 **FRED HALL**

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

FLORIDA PUBLIC SERVICE COMMISSION

1 as follows:

2 **DIRECT STATEMENT**

3 **MR. HALL:** Good morning, Mr. Chairman. My  
4 name is Fred Hall. I represent myself. I'm a resident  
5 of Charlotte County, 3408 Royal Palm Drive, North Port,  
6 Florida.

7 I would like to say that Florida Power &  
8 Light, as they have demonstrated here, are one of the  
9 most well-run companies in the country as far as energy  
10 providers are concerned, investors. I'm well acquainted  
11 with Florida Power & Light, as well as NextEra, their  
12 parent company, and exactly what their endeavors are.

13 I would like to say that on behalf of the  
14 State of Florida, all the counties in Florida, the city  
15 governments, and the school system, and you heard  
16 Mr. Swift give testimony, we're all facing the same  
17 shortfalls as Florida Power & Light has. They've had to  
18 look to themselves in order to get through this time of  
19 peril. Possibly Florida Power & Light, as well run and  
20 well managed as they are, can also do the same.

21 It's also good news to hear that they're going  
22 to be diverting more oil back to the roads so that we'll  
23 have road taxes that all of us will benefit from. Thank  
24 you very much.

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

1 Any questions for Mr. Hall?

2 (No response.)

3 Seeing none, thank you for your testimony.

4 **MR. KELLY:** After Ms. Blevio is Glen --

5 **MS. BLEVIO:** Hi. My name is Chrissy -- oh,  
6 I'm sorry.

7 **MR. KELLY:** -- Gibellina.

8 **CHRISSE BLEVIO**

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  
14 **MS. BLEVIO:** I'm Chrissy Blevio. I live in  
15 Bradenton on 34th Street West. My home phone number is,  
16 or my personal number is 941-737-7743. I am the Field  
17 Coordinator for Americans for Prosperity in Manatee,  
18 Sarasota, and Charlotte Counties. And the position at  
19 Americans for Prosperity is that this rate request,  
20 increase request is unreasonable.

21 In 2011, CEO compensation at Florida Power &  
22 Light was over \$14 million. And like other people have  
23 mentioned here, that they are a monopoly and we don't  
24 have a choice. I would love to see some competition.  
25 So to ask Floridians to, you know, to approve of this

1 rate increase at a time when most Floridians are  
2 struggling I think is unreasonable, and that's our  
3 position at Americans for Prosperity. And if anybody  
4 would like to know more about that position, they can go  
5 to Americansforprosperity.org.

6 I would also like to make a personal statement  
7 as just a citizen and a mom. I'm a person -- I'm a, I  
8 am a single mom of two teen-agers, and my electric bill  
9 is kind of a hurdle every month. And right now for them  
10 to ask for a rate increase -- well, you know what, with  
11 this economy, I think we all would like a rate increase.  
12 We would all like a break. But what are we doing?  
13 We're waiting. We're waiting for times to get better,  
14 for the economy to pick up, hopefully, Dear God.

15 A lot of us are hurting out there, regular  
16 citizens. And you know what, I have to keep telling my  
17 kids to wait. A lot of us are putting off purchases or,  
18 you know, vacations or, you know, we are putting off  
19 spending money because it is a bad economy right now.  
20 And I think, as a single mom and a citizen, I think it's  
21 a bit shameful to come forward, whether they deserve it  
22 or not, I'm not going to go into that, and I know  
23 they're a very good company, but this is a really bad  
24 economy. And I think they should be told to wait for a  
25 better economy like everybody else before they bring

1 something up like this. And that's it. Thank you.

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

3 Any questions for Ms. Blevio?

4 (No response.)

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

6 **MR. KELLY:** After Mr. Gibellina will be Jud  
7 Boedecker or Boedecker. Sorry.

8 **GLEN GIBELLINA**

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. GIBELLINA:** Hello. My name is  
14 Mr. Gibellina, 7106 28th Street East, Sarasota.  
15 941-296-5489.

16 Senator Bennett, thank you for coming out.  
17 J. R., you're my hero. Eric, this is a tough crowd.  
18 Thanks for coming out.

19 I just want to read my statement that I've  
20 sent to all of you, and then if there's any questions,  
21 I'll be happy to answer them.

22 As the gal just said, that FP&L has a monopoly  
23 on its services. It does. They have no competition and  
24 they have a guaranteed return on investment currently at  
25 10%. FP&L wants the PSC to approve a 11.25% rate

1 increase, which, according to the CFO, is necessary to  
2 continue to deliver value to their customers. However,  
3 the shareholders of FP&L's parent company, NextEra,  
4 received a 22% return in 2011, and their profits  
5 increased by 72% in the first quarter.

6 The president says the company has a history  
7 of tightening its belt, but continue to increase the  
8 cost of salaries and compensation, including the CEO, of  
9 \$14.8 million a year. I don't make \$14,000 a year, but,  
10 you know, nothing wrong with being (phonetic)  
11 capitalist.

12 You know, when the average consumer is lucky  
13 to receive 1% return on savings, if they have any  
14 savings at all, it's outrageous that FP&L can ask for  
15 such an unfounded rate increase. It's time for FP&L to  
16 be good stewards and watch out for their customers, not  
17 just for their shareholders.

18 And on that note I want to, I want to segue  
19 into the FP&L solar rebate position, which is \$2 a watt,  
20 which I argue is outstanding. I mean, you guys do a  
21 great job on that. However, it's just not enough. You  
22 know, they wave the carrot. They offer \$5 million for a  
23 \$2 rebate on solar, which is a great, great incentive.  
24 However, I've been trying for two years to get this  
25 rebate. And it's a one-page application and it's gone

1 in 30 seconds. So why, if, if a program is that  
2 successful, would you want to discontinue it? I say  
3 continue it with no time constraints. They were, they  
4 were sold out within, within three minutes. Like I  
5 said, I've been trying two years. So I hope, Eric, you  
6 would continue with the \$2 a watt solar rebate. It  
7 would help customers like myself get off the grid and  
8 hopefully keep everybody's cost down. And for the  
9 record, my household has all LED lights. Thank you.

10 **MR. KELLY:** Mr. Gibellina?

11 **MR. GIBELLINA:** Yes.

12 **MR. KELLY:** Did you want to make that, your  
13 written statements part of the record?

14 **MR. GIBELLINA:** Yes. I sent you a copy of  
15 that and I sent all the Commissioners a copy of it.

16 **MR. KELLY:** It's already part of the record?

17 **MR. GIBELLINA:** Yes.

18 **MR. SAPORITO:** Can I ask one question?

19 **MR. GIBELLINA:** Sure.

20 **EXAMINATION**

21 **BY MR. SAPORITO:**

22 Q Now you mentioned briefly FPL's solar program.  
23 Is it your understanding that if you were to install a  
24 solar system on your home, that you would decrease the  
25 amount of energy that you take off of FP&L's grid?

1           A     I would actually be getting a check from them.

2           Q     And then so the excess power would go back to  
3 FPL; correct?

4           A     Absolutely.

5           Q     And if the majority of FP&L's 4.5 million  
6 customers would do the same thing, would that decrease  
7 FPL's load demand on the grid?

8           A     Of course. I mean, if they wanted to add  
9 additional houses or anything down -- no, no additional  
10 trunk lines. It would decrease, you know -- everybody  
11 would benefit.

12          Q     So FPL wouldn't really need to be having rate  
13 case hearings because they would not need to build more  
14 power plants; is that not true?

15          A     Oh, absolutely.

16          Q     Thank you.

17          A     Okay.

18          **MR. KELLY:** Can --

19          **CHAIRMAN BRISÉ:** Mr. Kelly.

20          **MR. KELLY:** I just want to make sure, what I'd  
21 like to do is make that an exhibit because it's part of  
22 the correspondence file, but I want to get it as part of  
23 the official record.

24          **CHAIRMAN BRISÉ:** Sure. We can do that. Can  
25 we get a --

1                   **MR. GIBELLINA:** It's got my notes on it.

2                   **CHAIRMAN BRISÉ:** You can hand that over to the  
3 court reporter.

4                   **MR. GIBELLINA:** There you go.

5                   **CHAIRMAN BRISÉ:** Okay.

6                   **MR. GIBELLINA:** All right. Thank you so much.

7                   (Exhibit 1 marked for identification.)

8                   **MR. KELLY:** After Mr. Boedecker is Monique  
9 Thomas.

10   **JUD BOEDECKER**

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

14   **DIRECT STATEMENT**

15                   **MR. BOEDECKER:** Good morning. My name is Jud  
16 Boedecker. I'm a resident of Sarasota County. I'd ask  
17 that you favorably consider Florida Power & Light's rate  
18 request. Due to their unique position as a public  
19 utility they have a unique opportunity to provide  
20 tremendous investment in our community.

21                   I personally have been involved in one of the  
22 first residential developments, housing developments  
23 coming out of the ground in these difficult economic  
24 times. In order to make this community a reality,  
25 Florida Power & Light upgraded, at great expense, a

1 major transmission line to this community. Without that  
2 commitment and investment, this 80-home community would  
3 not have become a reality, and the many new homes that  
4 will be built and the new jobs that have been created  
5 would not have occurred.

6 Florida Power & Light also helped us in  
7 designing a highly functional distribution system for  
8 the community, again another cost, sitting down with us  
9 with their engineers who provided their expertise in  
10 providing this system.

11 On a more personal note, Florida Power & Light  
12 has worked to ensure continuation of power to its  
13 sewage, sewer package plant that serves 42 homes.  
14 Unfortunately the owner of this package plant passed  
15 away and his estate has been in, going through probate  
16 and, as a result, bills haven't been paid. Florida  
17 Power & Light, to ensure that those people are still  
18 allowed to flush their toilets, still has made  
19 accommodation to ensure power continues to that plant.

20 I think these are just two examples of the  
21 investment in the community that Florida Power & Light  
22 makes that are not reflected on a balance sheet or that  
23 do not lend themselves to a form, some type of formula.  
24 Thank you very much.

25 **CHAIRMAN BRISÉ:** Thank you.

1           **MR. KELLY:** I understand Ms. Thomas had to  
2 leave. Cathy Grippi will be followed by Kerry  
3 Kirschner.

4                           **CATHY GRIPPI**

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

8                           **DIRECT STATEMENT**

9           **MS. GRIPPI:** Good morning. My name is Cathy  
10 Grippi. I live at 586 Longboat -- 586 Lyons Lane on  
11 Longboat Key. My home number is 941-383-6532.

12                   I'm a recent resident of the state. I moved  
13 from the State of Connecticut. And this whole issue of  
14 rates and all these things are new to me because, you  
15 know what, like everyone else, I really didn't pay much  
16 attention. But I have been paying attention to Florida  
17 Power & Light because something very troubling has come  
18 to mind.

19                   I agree with Mr. Wright, who represents the  
20 retailers association, in that we want Florida Power &  
21 Light to sufficiently fund their operation so that they  
22 can work efficiently. I want Florida Power & Light to  
23 provide efficient electricity to homes and businesses so  
24 that people can operate effectively as well. But I'm  
25 not quite convinced that Florida Power & Light's

1 judgment is necessarily efficient. But they might need  
2 to feather their nest, so I'm on two sides of the fence  
3 here right now. They might need to feather their nest  
4 and build up their, their reserves.

5 Because as a recent resident, I have a friend  
6 who recently moved here from Connecticut too to get a  
7 job. She had been out of work for two and a half years  
8 and found a job here in Florida. Her job took her to  
9 Pinellas County where I believe it's another power  
10 company that's there. But that job put her in an  
11 apartment that made us aware of something called smart  
12 meters. Smart meters made her very sick, and the cost  
13 that it has been to her individually has been enormous  
14 in that she's had to get out of the apartment and now  
15 she's living on Longboat Key with me because I am not  
16 smart, my house is not smart yet.

17 And as they begin to bring this new technology  
18 that's supposed to help them monitor and control how  
19 power is used by us, their -- I don't think they looked  
20 at the long-term effects that are costing people money.

21 This particular gal, you know, she has trouble  
22 working. She can't be in these places. It affects your  
23 neurological system. And I could go into it in depth  
24 but I know my time is short here.

25 What I'm going to ask you to do is to do what

1 we did. Because within a week's time this woman was,  
2 got heart palpitations and ultimately was unable to speak  
3 clearly. She couldn't recall her Social Security  
4 number, she couldn't recall her phone number that she's  
5 had for years. So there's a whole lot of reasons for  
6 you to Google "What if I have a smart meter on my house  
7 and it makes me sick?" And I did that because the poor  
8 woman was in my house and we're going, "Well, what are  
9 we going to do?" And what we found was this new  
10 technology is being installed all over the world, and as  
11 far back as 2007 there are anecdotal reports that you  
12 will find if you do that Google search from people all  
13 over the world who indicate that they have health  
14 problems as a result of being near these electromagnetic  
15 radiating pulsing devices. They send out a pulse every  
16 six seconds. So when you go into --

17 **CHAIRMAN BRISÉ:** Ma'am, your time is up.

18 **MS. GRIPPI:** Yes. Well, please Google that.  
19 My name is Cathy Grippi and I'll leave this with you.

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

21 **MR. SAPORITO:** One question, Mr. Chairman.

22 **EXAMINATION**

23 **BY MR. SAPORITO:**

24 Q The electronic transmission you're talking  
25 about is radio frequencies. Your friend is obviously

1 sensitive to this, as many people are.

2 Did FPL offer you an opportunity to take that  
3 meter back and put the analog meter back in?

4 A No. In fact, when I moved here, I was aware  
5 of them from a different perspective from the ability  
6 for people to hack into them and get into your house.  
7 So I asked Florida Power & Light back in February not to  
8 put one on my house. I was phoned, I got a call from  
9 FPL in February and I was told I must take one. And I  
10 said, "Excuse me. I don't want one." And they said,  
11 "No, you have to have one." And I said, "Well, are you  
12 threatening me?" And after I said that, I was offered  
13 the ability to put, be put on a wait list.

14 The problem here, folks, is we might have a  
15 gigantic lawsuit if we can't recognize that only 3% to  
16 7% of the human population is sensitive enough like my  
17 friend and now myself, I've experienced it. I've had my  
18 words mixed, I've gotten the banding headaches, I've  
19 gotten some of the symptoms that you will find when you  
20 do the Google searches. It's out there.

21 CHAIRMAN BRISÉ: Thank YOU, ma'am. I think  
22 you answered.

23 MS. GRIPPI: So, so, you know what, you're  
24 not -- and, frankly, I believe that there is a, there  
25 was a federal act in 2005 that indicated that they were

1 supposed to give you an opt out, and no power company is  
2 giving us the opt out.

3 **CHAIRMAN BRISÉ:** Ma'am. Thank you,  
4 Ms. Grippi.

5 **MR. KELLY:** Kerry Kirschner followed by Mary  
6 Anne [sic] Martin.

7 **KERRY KIRSCHNER**

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

11 **DIRECT STATEMENT**

12 **MR. KIRSCHNER:** Chairman Brisé, Commissioners,  
13 my name is Kerry Kirschner. I am Executive Director of  
14 the Argus Foundation, 2033 Main Street, Sarasota,  
15 941-365-4886.

16 As a former locally elected official of the  
17 City of Sarasota, mayor and commissioner, I'd like to  
18 offer my comments on the service being provided our  
19 community by Florida Power & Light.

20 As the City of Sarasota provider of  
21 electricity since the 1920s we've been very fortunate to  
22 have had Florida Power & Light here as an important  
23 business in support of the Sarasota social and economic  
24 fabric of the community.

25 Currently I serve as Executive Director of The

FLORIDA PUBLIC SERVICE COMMISSION

1 Argus Foundation, which is non-partisan local public  
2 policy organization supported by presidents and CEOs of  
3 companies here on the west coast of Florida. Our  
4 mission is to seek effectiveness and efficiency in local  
5 government.

6 Over the past several years we have spent a  
7 good deal of time in support of Florida Power & Light  
8 continuing to provide electricity to the City of  
9 Sarasota as opposed to it being provided to us by our  
10 local government. After extensive deliberations our  
11 elected leaders chose to stay with Florida Power &  
12 Light. This decision is testimony to our members'  
13 belief that in both price and service we, as citizens,  
14 are fortunate to have a well-capitalized and up-to-date  
15 utility like Florida Power & Light here in Sarasota.  
16 Neither as an individual nor an organization are we  
17 equipped to provide expert testimony to the current rate  
18 case before you as to what specific rate of return  
19 should be granted in the proposed rate request.

20 That said, we realize that electric utilities  
21 are capital intensive businesses that require extensive  
22 investment in both power generation and transmission in  
23 order that they're able to deliver safe and reliable  
24 electric service to our homes and businesses.

25 As Commissioners, together with your staff, we

1 rely on your judgment to determine a rate that will  
2 ensure that adequate capital will be attracted to  
3 Florida Power & Light that both maintains and expands  
4 electric service without raising the cost of their debt,  
5 which in turn would lead to higher customer bills.

6 No one is ever happy with a price increase,  
7 yet we recognize that in difficult economic times in the  
8 competitive workplace in attracting capital that  
9 investors' concern for safety and investment based upon  
10 financial strength demonstrated through the credit  
11 rating agencies will be largely dependent upon fair and  
12 reasonable rates of return as determined by your  
13 Commission.

14 As citizens we're all struggling with budgets.  
15 Electricity is something that many of us take for  
16 granted. Yet when electricity was invented, people  
17 became discontent with simple oil lamps. If we lose our  
18 current level of service from Florida Power & Light, we  
19 will not know what that means until we actually lose it.  
20 In the end, your decision balanced between customer and  
21 company will be a large determinant as to our future  
22 supply of electricity at a reasonable, safe return for  
23 investors and reasonable rates for customers.

24 Thank you very much.

25 **CHAIRMAN BRISÉ:** Thank you, Mr. Kirschner. A

1 question for you, sir.

2 **EXAMINATION**

3 **BY MR. WRIGHT:**

4 Q Good morning, former Mayor Kirschner.

5 A Good morning.

6 Q Quick question. Does The Argus Foundation  
7 have an official position on supporting the rate  
8 increase, opposing it, or no position?

9 A We, our position is that the Commission should  
10 look at the expert testimony and a reasonable rate of  
11 return in order for Florida Power & Light to access the  
12 capital markets in a very competitive way in order to  
13 keep our service levels at the level that they are.

14 Q Okay. But you don't have a position on the  
15 proposed rate increase; is that correct?

16 A As to the specific rate increase, no.

17 Q Thank you very much.

18 A You're welcome.

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

20 **CHAIRMAN BRISÉ:** I think you have one more  
21 question.

22 **EXAMINATION**

23 **BY MR. SAPORITO:**

24 Q Good morning. Your foundation, does it -- has  
25 it received any financial contributions from Florida

1 Power & Light?

2 A Florida Power & Light is a member of the  
3 foundation.

4 CHAIRMAN BRISÉ: Thank you very much,  
5 Mr. Kirschner.

6 Just some housekeeping stuff before you,  
7 before you begin.

8 MS. MARTIN: Sure.

9 CHAIRMAN BRISÉ: We have about 20 other  
10 speakers that, that need to speak. And so we -- when  
11 your red light comes on, we really need you to -- when  
12 your yellow light comes on, we really need you to start  
13 wrapping it up because that means you have 15 seconds  
14 left.

15 As you know, we have hearings across the  
16 state. We have to be in Fort Myers this afternoon for a  
17 subsequent hearing, so -- or meeting -- so please be  
18 mindful of the time. Thank you.

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

23 DIRECT STATEMENT

24 MS. MARTIN: Good morning. Marilynne Martin,  
25 420 Cerromar Court, Venice, Florida, 941-244-0783. I'm

1 here because I read the article in the *Herald*, which  
2 basically four of you apparently are political hacks,  
3 but I doubt it. A very slanted article.

4 You know, this is about -- your role isn't to  
5 worry about whether we get a job or not. It's really  
6 there is a contract. We have a monopoly, an electric  
7 service, and there's a contract. And part of that  
8 contract, the financial piece is cost of service and  
9 rate of return. I come from the telephone industry.  
10 And I trust that Mr. Kelly and your staff will go  
11 through the cost of service and look for reasonable  
12 costs. 400 million of it probably won't be all  
13 approved, but they deserve the reasonable costs being  
14 reimbursed.

15 I'm here today because of the rate of return,  
16 which I agree with Mr. Kelly is totally ridiculous.  
17 Okay? You know, in today's environment and the fact  
18 that it's a utility, that 11% or 10% that we talk about  
19 is again after tax. So it's like, more like 18%.

20 The president has indicated we should  
21 benchmark, so I did. I'm an accountant. Okay? Go to  
22 their 511 just two weeks ago and they basically filed an  
23 SEC filing. And in it they told their shareholders, our  
24 CEO did such a wonderful job, okay, he deserves a  
25 performance bonus of ten times his salary. And then

1 they benchmarked against, let's see, 1-, 3-, 5-, and  
2 ten-year measurements total shareholder returns against  
3 the Electric Utilities Index, the Utilities Index in  
4 general, the UTY, and other peer groups, and the S&P in  
5 general, which they should never do. They're not a  
6 Kellogg (phonetic).

7 But, anyway, in every single measurement,  
8 okay, for that time period they exceeded, okay, their  
9 peer groups. Okay? And then they go even further to  
10 say for the first five months of this year how well  
11 they've done in each measurement. So I ask you to look  
12 at that.

13 Go Google your YCharts, okay, and this is for  
14 the return on equity rankings for the electrical  
15 utilities industry. Out of 48 they rank four. I think  
16 their return on equity is adequate.

17 They will use a lot of different things, they  
18 always do, about downgrading of, and ability to get  
19 loans and stuff. But just two days ago Bloomberg  
20 reports, "Moody's fading relevance exposed in Nordic  
21 downgrades. The response to the Moody's Investors  
22 Service downgrade of the biggest banks has resulted in  
23 rising bond and share prices." Okay? Because people  
24 are discounting Moody's. So this credit rating stuff  
25 really should be disregarded.

1           They deserve a fair return on their costs and  
2 their cost of service, but the rate of return,  
3 considering what the public's rate of return is, is just  
4 too excessive. Thank you.

5           **CHAIRMAN BRISÉ:** Thank you, ma'am. Would you  
6 like to enter those items as exhibits to go along with  
7 your testimony?

8           **MS. MARTIN:** Yes, I can.

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

10          **MR. KELLY:** Do you have an, do you have an  
11 exhibit number you're giving these?

12          **MR. HARRIS:** I believe that would be Number 2.

13          **MR. KELLY:** The first one is Gibellina  
14 remarks?

15          **MR. HARRIS:** Right.

16          (Exhibit 2 marked for identification.)

17          **MR. KELLY:** The next speaker is Bill Coughlin,  
18 followed by Richard Page.

19          Bill Coughlin or Coughlin, C-O-U-G-H-L-I-N.

20          (No response.)

21          All right. The next speaker is Richard Page.

22                           **RICHARD "DICK" PAGE**

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

**DIRECT STATEMENT**

1  
2           **MR. PAGE:** Good morning. I'm Dick Page,  
3 4463 Cinnamon Drive, Sarasota, Florida. I have been a  
4 Sarasota/Charlotte County area business owner for over  
5 30 years now. I belong to civic groups in the area, to  
6 the Sarasota Patriots, Americans for Prosperity.

7           This issue, I think, is rather simple. It's  
8 about money. They want more money, and I don't think we  
9 should give them more money. I'm hearing from the  
10 public with greater precision and understanding  
11 questions about return on equity and profit. I did not  
12 hear the same accuracy, by the way, when I heard  
13 responses from the board.

14           Return on equity is the money that you receive  
15 for your capital. Profit is what is left over from your  
16 revenue after you've paid your operating costs. Two  
17 different things. They, FPL, is doing very well in  
18 both. They've got a 10% return on equity. They want it  
19 to be 11.25. They're a monopoly, a legally permitted  
20 monopoly. They have no competition. So their level of  
21 profit and return should be limited. A 10% return on  
22 equity is more than sufficient on profit. That number  
23 is not their profit number. Their profit number is more  
24 like 22% and their return for their shareholders is  
25 great. Their profit is more than enough for a monopoly

1 in public service and so is their return on equity. So,  
2 no, this is about money. They want more. Don't give it  
3 to them.

4 (Applause.)

5 **CHAIRMAN BRISÉ:** Thank you.

6 **MR. KELLY:** The next speaker is Andres Malevé,  
7 and followed by Marcia Hoodwin.

8 **ANDRES MALEVÉ**

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. MALEVÉ:** Good morning, Commissioners. My  
14 name is Andres Malevé, 3720 Countryside Road, Sarasota  
15 Florida, 305-632-3207.

16 Like Representative Brisé, I'm from the Miami  
17 area originally as well. I've had the pleasure of  
18 living here in Sarasota for over five years now. I also  
19 have the pleasure of serving for Americans for  
20 Prosperity as their Florida Coordinator for Hispanic  
21 Outreach, and I also have the pleasure of serving the  
22 community as a realtor and as a member of the Young  
23 Professionals Group Government Affairs Committee.

24 We simply can't afford the rate increase at  
25 the moment. You know, yes, you know, we have this nice

1 leaflet from the Office of Public Counsel that just  
2 states that it would be about a \$7 increase. You  
3 multiply that by 12, you get to 84. Especially when we  
4 start talking about our low income families that are, I  
5 believe the president said about 68,000 members are  
6 affected by this and get assistance for their utilities.  
7 If this rate increase goes up, I would easily say that  
8 that 68,000 could, would easily surpass 70,000.

9           People don't want to be on assistance. People  
10 want to be able to afford their own things. And the  
11 reason that they can't afford their things is because  
12 it's tough, it's a tough economy. Please keep in mind  
13 the, the fragility of our economy and the fragility of  
14 our -- of your constituents. So many of you have  
15 already served the public in great ways. Thank you to  
16 the senators for being here as well. We can't afford  
17 it. We have a great campaign right now that just puts  
18 it very simply: "It's the spending, stupid." It's  
19 what's gotten us in so much trouble. We simply can't  
20 afford it. And while we appreciate that FP&L does a  
21 great service and even keeps, keeps our rates lower than  
22 \$350 per year than other companies, please keep it that  
23 way. We simply can't afford it. And so I'd like to  
24 share these with you all as a token so that you guys  
25 remember as you're making these deliberations. Okay?

1 Thank you very much.

2 (Applause.)

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

4 At this time we're going to take a short break  
5 to give our court reporter a little bit of a break. You  
6 can take about five minutes, and we will return,  
7 reconvene at 11:20. Thank you very much.

8 (Recess taken.)

9 All right. We're going to reconvene at this  
10 time. One thing, so that you are aware of, if you have  
11 to leave, you can submit your testimony in writing so  
12 that we can include that.

13 Ms. Grippi, I understand that there's  
14 something that you would like to put into the record, so  
15 we're going to go ahead and deal with that at this time.

16 **MS. GRIPPI:** Thank you very much for accepting  
17 my comments.

18 **CHAIRMAN BRISÉ:** All right. So that would be  
19 Exhibit 3.

20 (Exhibit 3 marked for identification.)

21 All right. Mr. Kelly.

22 **MR. KELLY:** The next speaker is Marcia  
23 Hoodwin, followed by Sam Boyd.

24 **MARCIA HOODWIN**

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 **MS. HOODWIN:** My name is Marcia Hoodwin. I  
5 live at 8236 Shadow Pine Way in Sarasota, Florida, and  
6 my phone number is 941-921-9533.

7 Part of good customer service is having  
8 questions answered in a timely fashion. To date, FPL  
9 has avoided answering the question of transmission  
10 intervals for smart meters. FPL says the smart meter is  
11 dormant 99% of the time. We are told that our meter  
12 transmits our data approximately every four to six  
13 hours.

14 In the California legal response from Pacific  
15 Gas and Electric, documents showed millisecond radiation  
16 pulses in the range of 9,600 average to 190,000 pulses  
17 maximum per meter per home. This occurs because the  
18 meters forward routed messages from meter to meter. Why  
19 will FPL not tell us the transmission interval? Why are  
20 people not getting the whole story?

21 FPL also states that the smart meter gives off  
22 a fraction of RF -- I'm sorry. FPL also states that the  
23 smart meters give off a fraction of RF emissions  
24 compared to cell phones or other common household  
25 devices.

1 I would like to submit a report by Dr. Daniel  
2 Hirsch, a nuclear physicist, that shows that the  
3 radiation from a smart meter is much higher than that  
4 from a cell phone. Thank you.

5 Will you accept this documentation?

6 **CHAIRMAN BRISÉ:** Sure. Sure. And that would  
7 be Exhibit 4.

8 (Exhibit 4 marked for identification.)

9 **EXAMINATION**

10 **BY MR. SAPORITO:**

11 **Q** One question. Hi. How are you?

12 In regards to the smart meters and the RF  
13 radiation emitted, has FPL made an offer to you to  
14 replace that meter with the old analog meter that used  
15 to be there?

16 **A** No. They tell me that I have no choice, and  
17 for now I'm on a delay list.

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

19 **CHAIRMAN BRISÉ:** There is a question.

20 **COMMISSIONER BALBIS:** Thank you. Actually --

21 **CHAIRMAN BRISÉ:** It's okay.

22 **COMMISSIONER BALBIS:** -- just a statement. I  
23 believe that this Commission at a recent Internal  
24 Affairs have directed staff to look into the issue of  
25 smart meters, and they're going to come back to us with,

1 with comprehensive information. I just want to let you  
2 know we've had several comments about that. It's  
3 something that under the Chairman's direction has  
4 addressed this with staff, just so everyone knows we are  
5 looking at that issue.

6 **MS. HOODWIN:** And will there be a public  
7 hearing regarding this?

8 **CHAIRMAN BRISÉ:** Well, I will address that.  
9 As we gather the information, as the information comes  
10 in, at a time we will determine what the next step needs  
11 to be, whether it's a workshop with Commissioners or  
12 whether it needs to be a public type forum meeting. So  
13 once we get all that information in, then we will decide  
14 what the next appropriate step will be.

15 **MS. HOODWIN:** Okay. We'd like a hearing, if  
16 possible.

17 **CHAIRMAN BRISÉ:** Understood. Thank you.

18 Did you have a question or --

19 **MR. BRYAN:** Just one point of clarification  
20 that may be helpful to customers.

21 **CHAIRMAN BRISÉ:** Sure.

22 **MR. BRYAN:** While FPL believes its smart  
23 meters are safe and of benefit to its customers, FPL  
24 does allow the postponement of a customer's meter, smart  
25 meter if the customer so requests. And, in fact, the

1 Customer Service Representatives that we have here today  
2 can do that if any customer is interested in that. And  
3 we fully support the Commission's efforts in evaluating  
4 these issues. Thank you.

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

6 Mr. Kelly.

7 **MR. KELLY:** Sam Boyd, followed by Eldon  
8 Johnson.

9 **SAM BOYD**

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

13 **DIRECT STATEMENT**

14 **MR. BOYD:** Good morning, ladies and gentlemen.  
15 My name is Sam Boyd. I live at 3270 Lake Pointe  
16 Boulevard, Unit 118, in Sarasota. Zip code is 34231.  
17 My telephone number is 471-929-2558. I'm here to  
18 request that the board deny this rate increase for a  
19 number of the reasons mentioned.

20 We're in a constantly evolving society, as you  
21 know. We have -- a number of people are broken up into  
22 either rich or poor. The rich are taken care of and  
23 they're doing well for themselves. The poor are getting  
24 more and more numerous and their opportunities are  
25 becoming less and less.

1           This became very familiar, very important to  
2 me in the last several days when I ran into a friend of  
3 mine who I had gone to school with about 80 years ago.  
4 And I find that he was a resident of Sarasota -- a  
5 resident of Florida and he moved back to the north two  
6 and a half years ago because he couldn't stay living in  
7 Florida. It was too expensive for him. It got too  
8 expensive. And he's faced with other problems now.

9           So these few pennies a day that are so glibly  
10 handled by the rich has a different meaning to people  
11 who don't have the few pennies a day to spare. You're  
12 all familiar with Andrew Carnegie. He coined the term  
13 of "Take care of the pennies and the dollars will take  
14 care of themselves." Now it worked for him, it worked out  
15 real well, but it doesn't seem to work out too good  
16 today.

17           The, the few pennies that, that the poor don't  
18 have is a very common problem, and about 50% of the  
19 population in this country is dependent upon some type  
20 of welfare system, wealth distribution. And this is  
21 getting away entirely from what our forefathers set up  
22 for the country to run. And the importance of a  
23 Commission like this is to bring fiscal sanity back to  
24 our government, back to the people, back to the  
25 consumers, and to make it a far better country. Your

1 job is very important for all of us. Thank you very  
2 much.

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

4 Mr. Kelly.

5 **MR. KELLY:** Mr. Johnson will be, will be  
6 followed by Sarah Hernandez.

7 **ELDON JOHNSON**

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

11 **DIRECT STATEMENT**

12 **MR. JOHNSON:** First of all, I want to applaud  
13 all of you that are still here. That's at least how I  
14 feel.

15 Hi. My name is Eldon Johnson, and I've lived  
16 here in Sarasota for going on 12 years. I'm a small  
17 business owner, I'm a children's author, and I will have  
18 my juris doctorate from Stetson coming next May.

19 And the amazing thing to me is that no one  
20 here has called for an end to this monopoly. Why are we  
21 here? Because it's a monopoly. This is how monopolies  
22 work. There's 3.5 million customers; right? How many  
23 do you think will actually come and be able to give  
24 their input to the company? It doesn't make any sense.

25 It was Mark Twain who said, "There's lies,

1 there's damned lies, and then there's statistics." And  
2 all we have in a world run by government bureaucracies  
3 and government controlled monopolies is statistics. We  
4 have debt statistics that don't count all of our debt.  
5 We have unemployment statistics that don't count all the  
6 unemployed. And now we have a statistic of what the  
7 return on equity is, and we've already learned there's a  
8 difference between return on equity and profit. We've  
9 learned that their actual profit is, that statistic is  
10 after tax. Wow. That alone, that's pretty significant.

11 I would love to have a guaranteed return on my  
12 businesses. I would love the chance to go out and have  
13 to raise capital with a 10% guaranteed return. Usually  
14 a rate of return is based on the risk taken by the  
15 investor. I have yet to hear any risk that is taken by  
16 any investor in this company. They have a guarantee, by  
17 the, by the Florida state tax base, to pay them a  
18 certain amount, and then they also have a guarantee of  
19 a, of a monopoly to provide electric power.

20 So I'm calling, sorry for you guys, but it  
21 would be the end of your job. Because, you know what,  
22 if I didn't like my service, if I didn't like my power  
23 meter, I would call another company. This has happened  
24 in the telephone industry. How many of you have cell  
25 phones? Do you think you'd have those if Ma Bell was

1 still around? I'd say you'd probably be using a rotary  
2 dial to this day. So it's time that we introduce  
3 competition. That's common sense. No more statistics.  
4 Okay? Just give me common sense and give me  
5 competition. Thank you.

6 (Applause.)

7 **MR. SAPORITO:** I've got one question.

8 **CHAIRMAN BRISÉ:** There's a question for you,  
9 Mr. Johnson.

10 **EXAMINATION**

11 **BY MR. SAPORITO:**

12 Q Yes, sir. You were saying that Florida Power  
13 & Light is a monopoly. I think you said they had like  
14 3.5 million customers. Actually they've got 4.5 million  
15 customers.

16 If, if the, if you had a choice to go to a  
17 utility in the State of Florida that provided you  
18 electricity for less money, would you opt to do that?

19 A That's the whole point is that when are we  
20 going to see lower cost? We've seen, we've seen flat  
21 screen TVs go from \$25,000 to \$250. We've seen cell  
22 phones go from where only the rich can have them to  
23 everybody has them. Why is there -- you see how we've  
24 been entrapped in this system?

25 **CHAIRMAN BRISÉ:** Mr. Johnson --

1           **MR. JOHNSON:** -- where we don't even ask these  
2 questions? So my -- obviously the answer is yes, I'd  
3 like to have the choice to get lower prices.

4 **BY MR. SAPORITO:**

5           **Q**     And my final question is if the state attorney  
6 for -- the attorney for the State of Florida were to  
7 file a legal action, antitrust action against Florida  
8 Power & Light so they would cause them to split up into  
9 other utilities, would that be a benefit to you?

10          **A**     Of course it would be. But, I mean, the main  
11 question I have to ask you guys is why does there need  
12 to be a monopoly on the power, on power, and why do we  
13 accept it? Why do we accept government run  
14 bureaucracies when we know --

15           **CHAIRMAN BRISÉ:** Mr. Johnson --

16           **MR. JOHNSON:** -- that they tend to lose money  
17 and not turn profits like the post office? Thank you.

18           **CHAIRMAN BRISÉ:** Thank you.

19           **MR. KELLY:** Mr. -- excuse me. Ms. Hernandez  
20 will be followed by Helga Williamson.

21                   **SARAH HERNANDEZ**

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**

FLORIDA PUBLIC SERVICE COMMISSION

1           **MS. HERNANDEZ:** Thank you. It's been  
2 interesting today hearing a lot of comments from various  
3 citizens like myself speaking about the benefits and the  
4 service from FP&L. And I have no complaints in their  
5 service, but I don't think that has anything to do with  
6 the price necessarily in this particular case.

7           I should point out for the record my name is  
8 Sarah Hernandez. I live in Sarasota, Florida, Ixora  
9 Avenue. My number is 941-330-0303.

10           Most of the time the justification for  
11 corporations for earning profits or the return on their  
12 investment has to do that investment implies risks.  
13 However, many times in more recent, many corporations  
14 have been coming to us, the citizens, to be paying, and  
15 FPL is one of those, wanting us to pay higher rates for  
16 them to be able to have the money for their investments.  
17 But I don't see that money actually buying any of their  
18 stock. If we're being asked to pay more, then we should  
19 be actually getting a cut on that stock and at least  
20 become stock owners. And as much as we're becoming the  
21 investors for that new technology, new solar panels and  
22 so on for energy.

23           So speaking to perhaps the earlier idea of  
24 breaking the corporation up, I would say at the very  
25 least maybe the citizens can start getting ownership of

1 it.

2 Florida Power & Light had been at one point  
3 asked by the city, the city utilities in Sarasota to be  
4 able to build a solar panel next to the utility's plant  
5 so that it could actually feed it with solar energy, but  
6 it was crossing the lines of their electric grid and  
7 they were told, no, you cannot.

8 One year ago, sitting pretty much where you  
9 are sitting today, our city officers, our City  
10 Commissioners denied, and actually two of -- most of  
11 them except for two preferred to maintain a 30-year  
12 contract with FP&L rather than make it a public-owned  
13 corporation. To me that was turning their backs on the  
14 public citizens, and we're seeing here part of what is  
15 happening today.

16 I do not blame the managers of FP&L coming  
17 after the time that is, the time to come and ask for  
18 increased rates to do so. That's their job. If they  
19 don't, they get fired. Right?

20 It is our job as citizens to come back and say  
21 not now, not at this point, not when you're making 10%  
22 and more than that, 11% return on your investment.  
23 That's just not the time, it's not the right  
24 justification. So I'm asking you to represent the  
25 citizens of Florida and say no. Thank you.

1                   **CHAIRMAN BRISÉ:** Thank you. Any questions for  
2 Ms. Hernandez?

3                   (No response.)

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

6                   **MR. KELLY:** Ms. Williamson will be followed by  
7 Sherry Sart [sic].

8                   **MS. SMART:** Smart.

9                   **MR. KELLY:** Smart. I'm sorry.

10   **HELGA WILLIAMSON**

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

14   **DIRECT STATEMENT**

15                   **MS. WILLIAMSON:** My name is Helga Williamson.  
16 I live at 1005 South Orange Avenue in Sarasota. My  
17 phone number is 941-953-2423.

18                   As a private citizen I strongly oppose the  
19 increase in the present economic climate. It makes no  
20 sense, especially given the profitability of Florida  
21 Power & Light.

22                   I was led to believe that this was a meeting  
23 about smart meters. I realize it's not. However, I  
24 will follow that very closely.

25                   In any case, I would like Florida Power &

1 Light to inform the public about smart meters, not you  
2 guys, but Florida Power & Light should be doing it,  
3 whether we are to be charged for their installation, of  
4 which I do not approve for many reasons, especially  
5 since I assume this will mean the firing of meter  
6 readers. I would add that most people I speak to have  
7 no idea about smart meters. We need to know more and  
8 what our options are, and we need to know it from  
9 Florida Power & Light. Thank you.

10 **CHAIRMAN BRISÉ:** Thank you very much. Any  
11 questions or comments?

12 (No response.)

13 Okay. Seeing none, thank you very much,  
14 Ms. Williamson.

15 **MR. KELLY:** Ms. Smart will be followed by  
16 Randy Tucker.

17 **SHERRY SMART**

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

21 **DIRECT STATEMENT**

22 **MS. SMART:** Hi. Sherry Smart. 2875 Thomas  
23 Lane, North Port, 941-876-3668. I'm opposed to a rate  
24 hike. I'm glad to know that you guys are going to be  
25 involved in a smart meter investigation. It's my

1 understanding that FPL received funds from the federal  
2 government to buy smart meters. Whenever any kind of  
3 entity gets money from the government we always know  
4 there are strings attached. And we know when the  
5 government is involved that there's going to be more  
6 coming down the road. Once their fingers are in the  
7 pie, it never comes out.

8           There is a great author in California that's  
9 written a 300-page book on the ramifications, the  
10 long-term effects of smart meters. Idaho is launching,  
11 the State of Idaho is launching a major movement against  
12 them. I hope that Florida will be on the cutting edge  
13 of this and be watching out for the citizens because  
14 there are a lot of people that are uninformed, that have  
15 no idea. They don't even know a smart meter has been  
16 put on their home until it's too late.

17           I had a person in North Port that was talking  
18 to a meter reader and said, "What happens to your job?"  
19 Here we're talking about tough economic times, people  
20 are looking for jobs. And he said, "Well, you know, out  
21 of 45 jobs, five of us will have a job left." So we're  
22 looking at unemployment.

23           It's just inconceivable to me. There's got to  
24 be better ways. I mean, the CEO is a brilliant man.  
25 He's not stupid. There's no way he got to that job by

1 being dumb. So why don't we think outside the box and  
2 look at other alternatives? We're bright people. We're  
3 at a paradigm shift right now. Thank you.

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

5 Ms. Smart, there's a question for you.

6 **MR. SAPORITO:** This is more of a comment for  
7 the Chairman, for the Commission.

8 **CHAIRMAN BRISÉ:** No. Only questions.

9 **EXAMINATION**

10 **BY MR. SAPORITO:**

11 **Q** Okay. Let me ask you a question. Are you  
12 aware or not whether or not the Commission's  
13 investigative body into smart meters are going to look  
14 in the national security issues and addressed by a high  
15 level government official that the smart meters, since  
16 they can be read remotely by FP&L, can also be accessed  
17 by a person with bad intent for Americans, terrorist  
18 organizations?

19 **A** Oh, absolutely.

20 **Q** Do you know whether or not their Commission is  
21 going to be looking into that aspect?

22 **A** I don't know. Gentleman, are you? Were you  
23 aware that people can drive by and pick up information  
24 on your home, they'll know whether you're home or not?  
25 So someone with bad intent will know whether you're on

1 vacation. We're going to drive buy and see what your  
2 thing is doing. They'll say, ah, this is my golden  
3 opportunity. They're not here. There's tons of  
4 information that's going to be giving out, and it's not  
5 just the good guys receiving it. Thank you.

6 **CHAIRMAN BRISÉ:** Thank you, Mrs. Smart.

7 **MS. SMART:** Ms.

8 **CHAIRMAN BRISÉ:** Ms. Smart.

9 **MR. KELLY:** Mr. Tucker will be followed by  
10 James Bryingfort.

11 **RANDY TUCKER**

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

15 **DIRECT STATEMENT**

16 **MR. TUCKER:** My name is Randy Tucker. I live  
17 at 4403 67th Street East, Bradenton, and our phone  
18 number, 941-567-4550.

19 My wife and I are senior citizens. We've  
20 lived here about three years. As I look at the issue,  
21 it seems like it's simplified over perhaps, but need  
22 versus greed or desire versus require on the part of  
23 FPL.

24 There are three aspects of this perhaps that  
25 seem to be involved for share -- SEC for abbreviation,

1 shareholders, executives and employees, and customers.  
2 Who will get rich, who will not? Who will profit, who  
3 will be charged?

4 Getting some information from the newspaper,  
5 *Herald Tribune*, last September 23rd, the median income  
6 of Florida householders for seniors, of which my wife  
7 and I are two, rose actually to a rousing, that's my  
8 editorial comment, \$35,024; whereas, the other  
9 three major income groups fell. Those 45 to 64 were  
10 down 9% since '07. Those 25 to 44 were also down 9%  
11 since '07. And those 15 to 24 years of age dropped a  
12 rousing, unfortunate 22%, which would coincide with the  
13 22% that shareholders received in 2011. So while  
14 shareholders got 2000 -- excuse me -- a 22% increase,  
15 the unemployment dropped for those in the lowest age  
16 bracket.

17 Excuse me. I don't think there should be a  
18 logical connection, I don't see one, between the  
19 service, which let's not question it, it's been good  
20 with FPL, their service staying the same or perhaps even  
21 getting better with necessitating an increase in cost.  
22 The government, we know, is nearly \$6 trillion in debt,  
23 our national government. We hope that they will see the  
24 reasonableness of budgeting.

25 One more quote, if I may, from the *Herald*

1 Tribune of this March 20th. Representative Kelly noted  
2 that the Commission recently approved only a 10.25% rate  
3 of return for Pensacola-based Gulf Power. And FPL has a  
4 stronger capital structure, so it should not need a  
5 higher rate of return than Gulf to attract investment.  
6 Thank you.

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

8 Any questions for Mr. Tucker?

9 (No response.)

10 Okay. Seeing none, thank you very much.

11 **MR. KELLY:** And I may mispronounce this,  
12 James, is it Bryingfort or Bryington?

13 **SPEAKER:** He had to leave, sir.

14 **MR. KELLY:** Okay. The next one, Marcella  
15 Levin. Did she indicate -- she's come back.

16 Okay. And she'll be followed by Susan Hicks.

17 **MARCELLA LEVIN**

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

21 **DIRECT STATEMENT**

22 **MS. LEVIN:** Good morning. Thank you. My name  
23 is Marcella Levin. I live at 1111 North Gulfstream  
24 Avenue, Apartment 3B, Sarasota, Florida, 941-364-9354.

25 All right. As a NextEra Energy stockholder

1 and a senior citizen ratepayer I oppose the proposed FPL  
2 rate increase. As an NEE stockholder I receive a  
3 3.72% return on my investment. That rate is higher than  
4 the return on any money on deposit in a bank and higher  
5 than most bank stocks pay.

6 When discussing this issue with a prominent  
7 financial advisor, he asked, "But don't you want more?"  
8 My answer was, "Not if it causes undue hardship to  
9 others." And this rate increase will cause undue  
10 hardship on the elderly and disabled on fixed incomes;  
11 on the long-term unemployed who will soon lose their  
12 benefits, according to the *Herald Tribune*; on the  
13 recently employed who must live on salaries well below  
14 their previous jobs; on struggling not-for-profit  
15 agencies; and on and on.

16 FPL's rate increase request letter to the PSC  
17 stated, "We know there never is a good time for an  
18 increase, and we are particularly mindful of the  
19 difficult economy and its impact on our customers and  
20 the state," and then they go on to ask for a general  
21 base revenue increase effective January 1 and a step  
22 rate increase when the Cape Canaveral power plant comes  
23 on.

24 100,000 new customers, I'm having a lot of  
25 trouble with the logic here. FPL says that it

1 anticipates adding 100,000 more customers in the next  
2 few years, and therefore has included in its rate  
3 increase the cost of infrastructure, the poles, and the  
4 wires needed to serve them. Well, maybe your region  
5 will grow by that number in the next five years. But  
6 given the economy, it will most likely be new or  
7 remodeled homes in already established neighborhoods  
8 with established infrastructure, not in new untapped  
9 lands. No longer will that unprecedented housing  
10 development boom of a few years ago -- oh dear, I  
11 have -- well, I'll submit this to you. I'm really  
12 sorry.

13 I feel that the FPL is asking for a rate  
14 increase just because. I mean, in the letter to the, to  
15 Chairman Brisé, it says, you know, they're requesting a  
16 rate increase before, this January 17th letter, before  
17 they had fully determined how much of an increase it  
18 wanted, let alone needed, just because it was the right  
19 time to submit a request for a rate increase. I oppose  
20 it. Thank you.

21 **CHAIRMAN BRISÉ:** Thank you. Would you like to  
22 submit your comments?

23 **MS. LEVIN:** Yes.

24 **CHAIRMAN BRISÉ:** So that would be Exhibit 5.  
25 And that would be Mrs. Levin?

1           **MS. LEVIN:** Yes.

2           **CHAIRMAN BRISÉ:** Thank you.

3           (Exhibit 5 marked for identification.)

4           **MR. KELLY:** All right. After Ms. Hicks is  
5 Dr. Carol Ann Breyere.

6                           **SUSAN HICKS**

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

10                           **DIRECT STATEMENT**

11           **MS. HICKS:** My name is Susan Hicks. My  
12 address is 2560 Arapaho Street, Sarasota, Florida 34231.  
13 My home phone is 941-922-7671.

14                           I appreciate the opportunity to speak to you  
15 and the opportunity to hear all these other comments,  
16 many of which have brought up points that I hadn't  
17 thought about.

18                           FPL's only commitment to their customers is to  
19 provide electricity, and they do good service and good  
20 service makes sense. It's expected and it's  
21 appreciated, especially in a monopoly, as that was  
22 pointed out, which I don't agree with either.

23                           Their commitment to their shareholders is  
24 profit, and that's what they base their decisions on is  
25 that profit, even though their shareholders, as stated,

1 have no risk.

2 Smart meters are being touted as more  
3 information for customers. But let's get real; it's  
4 more potential profit or they wouldn't be trying to  
5 spend \$800 million to put them in. We get more  
6 information, they get more information. There are less  
7 meter readers going to be there. They've already  
8 reduced their time to half so it doesn't look like such  
9 a drastic cut. They have more ability to manipulate,  
10 monitor, and control electricity use. There have been  
11 areas where they've been put in and rates then reflect  
12 peak times and not peak times. So electric bills  
13 eventually may go up considerably based on the  
14 investment that they are making in their business that  
15 they are asking us to fund.

16 They say nobody asks them to build natural gas  
17 power plants. Correct. I don't remember anybody asking  
18 them to build nuclear power plants either, and yet they  
19 want \$800 million to upgrade their nukes and build more.  
20 I'm a Three Mile Island survivor. I know what it's like  
21 to be asked to leave your home. We could be the next  
22 area of problem with a storm. Think about what they  
23 want to spend their money on and who they're asking to  
24 pay for it. Thank you.

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

1 Any questions for Ms. Hicks?

2 (No response.)

3 Thank you very much

4 **MR. KELLY:** After Dr. Breyere is Pat Sleight.

5 **DR. CAROL ANN BREYERE**

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 **DR. BREYERE:** Good morning. Thank you very  
11 much for this opportunity. I really appreciate it. My  
12 name is Carol Ann Breyere, and I live at 505 Palm Avenue  
13 in Ellenton, Florida, right on the Manatee River, and  
14 I'm very pleased to be able to offer this input.

15 My phone number and my cell phone is  
16 850-212-7979, which you will notice is a Tallahassee  
17 number. I was in Tallahassee 21 years, and during a lot  
18 of that period I had the wonderful opportunity to work  
19 with the Florida's Alliance for People with  
20 Disabilities. And I am here today representing those  
21 people who cannot represent themselves. They are too  
22 poor, they are too physically unable, they are mentally  
23 incapable of representing themselves very often, at  
24 least to the extent that they should be represented and  
25 should be remembered. So I'm talking to you about that.

1           I worked with the public/private partnership  
2 called the Governor's Alliance under Governor Graham.  
3 It was established in his first administration, and it  
4 continued right through Governor Martinez, who  
5 fortunately supported very much from Florida the passage  
6 of the Americans with Disabilities Act.

7           And so this is a population out there, ladies  
8 and gentlemen, which is huge, and it is growing all the  
9 time because of our aging and because of our very good  
10 medical service which costs more for many of these  
11 people who depend so much on your product for their  
12 lifeline and their opportunity to continue. So I'm  
13 asking you, please, to keep in mind those people who  
14 cannot speak for themselves.

15           On a personal note, I just want to add that  
16 ten years ago my husband and I built an environmentally  
17 friendly house that's a model based on the Florida  
18 House. And Florida Power & Light was extremely helpful  
19 in doing that. So we received a commendation that we  
20 keep on our wall in our family room with some other  
21 articles that we've received on this house.

22           And my red light is on, but I want to tell you  
23 you do a good job in environment, but just remember,  
24 there are human beings out there first. Thank you.

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



1 as follows:

2 **DIRECT STATEMENT**

3 **MR. McGRUDER:** Hi. John McGruder, and I'm  
4 from the City of Sarasota. I want to thank you first  
5 for your service and thank FPL for their service.

6 Frankly, this rate increase would not affect  
7 me at all. But two years ago I sat where you're  
8 sitting. I was on a police advisory panel and I was a  
9 representative for, an advocate for the poor and the  
10 underprivileged. And I can assure you, as you've heard  
11 from a number of other folks, those people cannot afford  
12 this.

13 The other side of that was it was regarding a  
14 police department, and like a lot of other cities,  
15 Sarasota has significant problems with pensions. One of  
16 the reasons that they're having problems with pensions  
17 is that they can't get an 8% return on their money,  
18 which is what they projected for many, many years. In  
19 fact, they're now telling them that you can't even use  
20 the 7%, which would be a significant million dollars of  
21 increased cost for the city and our taxpayers. I don't,  
22 I say this tongue in cheek, but I don't know why the  
23 city can't just invest in you all and get the 10% and  
24 then we wouldn't have the pension problem either.

25 But realistically I think the increase of

1 return is just not reasonable. There is no risk,  
2 minimal risk involved, and yet these people want an  
3 increase -- or you want to provide them a better rate of  
4 return on their money.

5 My son is a financial advisor in West Palm  
6 Beach. He rang the bell Tuesday on Wall Street. He  
7 would love to be able to guarantee his customers 10%.  
8 He makes it on some, he loses it all on others.

9 It's just not a reasonable rate of return.  
10 And that, the rest of the increase and the other part of  
11 that that you feel is justified I would be able to  
12 support, even though I recognize that there are going to  
13 be people who are going to have difficulty with that.  
14 But that element of it particularly is to me  
15 unconscionable, and it's part of what's gotten our  
16 country into some of our financial problems, and it's  
17 greed. It's fundamental greed. Thank you.

18 **CHAIRMAN BRISE:** Thank you, Mr. McGruder.

19 Any questions for Mr. McGruder?

20 (No response.)

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

23 **MR. KELLY:** Paul Scionti, Scionti. He'll be  
24 followed by Joan McGill.

25 **PAUL SCIONTI**

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. SCIONTI:** Hi. My name is Paul Scionti. I  
6 live in Englewood, Florida, on Eileen Place.

7 I'm here to, because of the people of  
8 Englewood. It's a small community, probably none of you  
9 know where it is or have ever been there. We're kind of  
10 orphans. We're on the south side of Sarasota and on the  
11 north side of Charlotte County. It used to be a small  
12 fishing village. The average age is probably 70 years  
13 old. A lot of these people are going back to their  
14 children because they can't afford to live in Florida  
15 anymore. It is unbelievable that Florida Power & Light  
16 is coming out and asking for an increase in profits.  
17 It's unbelievable in today's marketplace.

18 Wal-Mart is being threatened in their food  
19 industry by the Dollar Store. This is how serious this  
20 is in the United States, especially in Florida.

21 I have worked as a contractor for utilities.  
22 They're thieves and they throw our money to the wind  
23 because if they spend it, they know they're going to get  
24 an increase on the other end. If they can go through a  
25 million dollars, that means that their revenue increase

1 will be 10% of that million dollars. They don't care  
2 about the people of Florida or the people of the United  
3 States. It's time to stop this and stop this now.

4 Thank you very much.

5 (Applause.)

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

7 Any questions for Mr. Scionti?

8 (No response.)

9 All right. Mr. Kelly.

10 **MR. KELLY:** The last speaker I have signed up  
11 is Joan McGill.

12 **JOAN MCGILL**

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

16 **DIRECT STATEMENT**

17 **MS. MCGILL:** Good afternoon, I think at this  
18 point. My name is Joan McGill. I am Vice President for  
19 Business Development with the Economic Development  
20 Corporation of Sarasota County. Our office address is  
21 2601 Cattlemen Road, 34232. And the phone number is  
22 941-309-1200.

23 I'm here to really speak basically about FPL  
24 and their involvement with economic development. I've  
25 been doing economic development for over 12 years. And

1 as a practitioner, we look at utility companies as being  
2 partners with us in any economic development project. I  
3 have to say that FPL has been one of our reliant  
4 partners in, in our work over the years. We have a  
5 number of programs that require their assistance and  
6 their participation, which they, they do willingly.

7 We have one program that's called Link, which  
8 is really a business solution system. So if a company  
9 has got an issue that they can't get resolved, they can  
10 call us, we'll call the partner company or agency, and  
11 they work with us to resolve that issue within three  
12 days. We've had a number of times we've had to call  
13 FPL, and they are always responsive. They call right  
14 back, they follow up with us on the resolution, and, and  
15 we really respect them for, for being that kind of  
16 partner.

17 And over this past year, even especially from  
18 the economic development perspective, they have  
19 established an Office of Economic Development with --  
20 the leader of that is Lynn Pitts, who is well recognized  
21 as a, as a established economic development individual  
22 for the, in the southeast. And Lynn has visited with  
23 us, he has made us aware that he wants to be a partner  
24 with projects, he has established a couple of programs  
25 already, he's been in the office less than a year. He's

1 got one that's for expanding companies that can help  
2 them with some of their electric rates. And then he's  
3 recently brought to us a seminar, a half-day seminar  
4 with leading site selector advocates who will come to  
5 our community with no charge and do a seminar for local  
6 elected officials and volunteers to help them understand  
7 the economic realities that we deal with with expanding  
8 projects. So I just want to mention that they are a  
9 true partner in economic development.

10 The other thing that has not been mentioned  
11 here that I would like to mention is they also are a  
12 community partner. They are involved in a lot of  
13 non-profits, a lot of civic organizations. They are  
14 always at the table. So they really are part of this  
15 Sarasota County community and we appreciate that. Thank  
16 you.

17 **CHAIRMAN BRISÉ:** Thank you, Ms. McGill. It  
18 seems that there's a question.

19 **EXAMINATION**

20 **BY MR. KELLY:**

21 **Q** I was just going to ask a quick question.

22 Ms. McGill, does your, does the Economic  
23 Development Corporation support the rate increase  
24 they're asking for, oppose it, or take no position?

25 **A** That would be up to our board of directors,

1 and they have not taken a position on it.

2 Q Okay. So you're not speaking for them.

3 A No. I'm speaking strictly as a practitioner  
4 in the, in the community.

5 **EXAMINATION**

6 **BY MR. SAPORITO:**

7 Q Yes. Is your organization, have they accepted  
8 any financial benefits from Florida Power & Light to  
9 your knowledge?

10 A We have what we call investors, which is  
11 basically a membership organization. FPL, along with  
12 some of the other utility companies, are members of  
13 that. And FPL has sponsored events for us in the past  
14 as well.

15 Q At the time that you've received electrical  
16 service and power from Florida Power & Light, would you  
17 agree it's been very, very reliable?

18 A I would.

19 Q And the last question is not -- do -- what is  
20 your opinion on the, your discussion here with the  
21 Public Service Commission today about your partnership  
22 with Florida Power & Light? Is that -- FPL's rate  
23 request, would that, does that have anything to do with  
24 that partnership?

25 A That really does not. I'm only speaking in,

1 on behalf of my working relationship with the local FPL  
2 representatives and their responsiveness to our work.

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

4 **MS. MCGILL:** Thank you.

5 **CHAIRMAN BRISÉ:** Okay. At this time I'm going  
6 to see if there's anything else that we have to do in  
7 terms of exhibits.

8 **MR. HARRIS:** Mr. Chairman, I believe it's  
9 customary for the company to introduce the Affidavit of  
10 Publication of the Service Hearing. I suspect they're  
11 ready to do that.

12 **CHAIRMAN BRISÉ:** Sure. Thank you.

13 **MR. BRYAN:** Thank you. Mr. Chairman,  
14 Commissioners, I do have Affidavits of Publication from  
15 two local newspapers that demonstrate that FPL  
16 advertised this Service Hearing in compliance with  
17 Commission rules. And may I give them to staff?

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

19 **MR. BRYAN:** And just going forward, would you  
20 like me to do this at the beginning?

21 **CHAIRMAN BRISÉ:** The beginning. Yes, please.

22 **MR. WRIGHT:** Is that Exhibit 6, Mr. Chairman?

23 **CHAIRMAN BRISÉ:** It would be Exhibit 6, I  
24 believe. We're going to handle those as, as one  
25 exhibit, rather than 6 and 7.

1 (Exhibit 6 marked for identification.)

2 Okay. If there are no objections -- are there  
3 any objections to the exhibits?

4 All right. Seeing none, so are we squared  
5 away in terms of exhibits?

6 **MR. HARRIS:** Yes.

7 **MR. WRIGHT:** Mr. Chairman, does that mean that  
8 all the exhibits that have been identified are now in  
9 the record?

10 **CHAIRMAN BRISÉ:** Yes, sir.

11 **MR. WRIGHT:** Thank you, sir.

12 **CHAIRMAN BRISÉ:** I think we did that. But  
13 just for clarity, all those exhibits are, have been  
14 moved into the record, for clarity.

15 (Exhibits 1 through 6 admitted into the  
16 record.)

17 All right. Thank you for your participation  
18 this morning, and now it's afternoon. And we appreciate  
19 the fact that you've taken the time out to come out and  
20 express your thoughts, and at this time we stand  
21 adjourned.

22 (Proceeding adjourned at 12:10 p.m.)

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STATE OF FLORIDA )  
 : CERTIFICATE OF REPORTER  
COUNTY OF LEON )

I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

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

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

DATED THIS 11<sup>th</sup> day of June, 2012.

Linda Boles  
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FPSC Official Commission Reporter  
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