

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20210034-EI

Petition for rate increase  
by Tampa Electric Company.

DOCKET NO. 20200264-EI

Petition for approval of 2020 depreciation  
and dismantlement study and capital  
recovery schedules, by Tampa Electric  
Company.

PROCEEDINGS: SERVICE HEARING

COMMISSIONERS  
PARTICIPATING: CHAIRMAN GARY F. CLARK  
COMMISSIONER ART GRAHAM  
COMMISSIONER ANDREW GILES FAY  
COMMISSIONER MIKE LA ROSA  
COMMISSIONER GABRIELLA PASSIDOMO

DATE: Tuesday, August 10, 2021

TIME: Commenced: 10:00 a.m.  
Concluded: 10:25 a.m.

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK  
Court Reporter

PREMIER REPORTING  
112 W. 5TH AVENUE  
TALLAHASSEE, FLORIDA  
(850) 894-0828

1 APPEARANCES:

2 JAMES D. BEASLEY, J. JEFFRY WAHLEN and MALCOLM  
3 N. MEANS, ESQUIRES, Post Office Box 391, Tallahassee,  
4 Florida 32302, appearing on behalf of Tampa Electric  
5 Company (TECO).

6 RICHARD GENTRY, PUBLIC COUNSEL; CHARLES  
7 REHWINKEL, DEPUTY PUBLIC COUNSEL; STEPHANIE MORSE,  
8 ANASTACIA PIRRELLO and MARY WESSLING, ESQUIRES, OFFICE  
9 OF PUBLIC COUNSEL, c/o The Florida Legislature, 111 West  
10 Madison Street, Room 812, Tallahassee, Florida  
11 32399-1400, appearing on behalf of the Citizens of the  
12 State of Florida (OPC).

13 CHARLES MURPHY and WALT TRIERWEILER, ESQUIRES,  
14 FPSC General Counsel's Office, 2540 Shumard Oak  
15 Boulevard, Tallahassee, Florida 32399-0850, appearing on  
16 behalf of the Florida Public Service Commission (Staff).

17 KEITH HETRICK, GENERAL COUNSEL; MARY ANNE  
18 HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service  
19 Commission, 2540 Shumard Oak Boulevard, Tallahassee,  
20 Florida 32399-0850, Advisor to the Florida Public Service  
21 Commission.

22

23

24

25

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

I N D E X

WITNESS :

PAGE

LOUIS SEGAL  
CHRIS KENNEY

14  
16

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

2 CHAIRMAN CLARK: Good morning. I would like  
3 to welcome everyone to this customer service  
4 hearing in the Tampa Electric Company rate case.  
5 Today's hearing is an important part of the rate  
6 case process and is dedicated to hearing from you,  
7 the customer.

8 My name is Gary Clark. I am the Chairman of  
9 the Florida Public Service Commission, and we are  
10 going to go ahead and get started this morning.

11 I will ask staff, if they would, to please  
12 read the notice.

13 MR. MURPHY: By notice issued on July 13th,  
14 2021, this time and place has been set for a  
15 customer service hearing in Docket Nos. 20210034-EI  
16 and 20200264-EI.

17 CHAIRMAN CLARK: Thank you, Mr. Murphy.

18 We will take appearances beginning with TECO.

19 MR. WAHLEN: Good morning, Commissioners. I  
20 am Jeff Wahlen of the Ausley McMullen Law Firm in  
21 Tallahassee, Florida, appearing on behalf of Tampa  
22 Electric Company. Together with me today are James  
23 D. Beasley and Malcolm M. Means of the same law  
24 firm.

25 CHAIRMAN CLARK: We are having a little bit of

1 trouble hearing you this morning, Mr. Wahlen. I am  
2 not sure what the -- were we able to get  
3 everything? I am looking for my court reporter.  
4 All right.

5 MR. WAHLEN: I will try to speak up.

6 CHAIRMAN CLARK: That's a little bit better.  
7 You can hear him, Debbie. Thank you very  
8 much, Debbie.

9 All right, OPC.

10 MS. PIRRELLO: Thank you, Mr. Chairman, and  
11 good morning, Commissioners.

12 My name is Anastacia Pirrello with the Office  
13 of Public Counsel. I would also like to enter an  
14 appearance for Richard Gentry, the Public Counsel,  
15 Charles Rehwinkel, Stephanie Morse and Mary  
16 Wessling.

17 CHAIRMAN CLARK: Thank you, Ms. Pirrello.  
18 Florida Retail  
19 Staff.

20 MR. MURPHY: Charlie Murphy and Walt  
21 Trierweiler on behalf of Commission Staff.

22 MR. HETRICK: And your General Counsel, Keith  
23 Hetrick, Mr. Chair.

24 CHAIRMAN CLARK: All right. Thank you very  
25 much.

1           All right. Let me begin by saying again thank  
2 you to everyone that's taken time out of your  
3 schedule to call into this hearing today. We  
4 appreciate your interest in the petition that's  
5 been filed by Tampa Electric Company. This hearing  
6 is designed so that we can hear directly from you,  
7 the customer. This is your opportunity to express  
8 your thoughts, your concerns and your comments  
9 related to the utility's request. In October,  
10 there will be a technical hearing where the  
11 Commission will take in the evidence and substance  
12 of the case.

13           If you are calling in and you have a billing  
14 or a technical issue and you would like to speak  
15 with a TECO representative, they can be reached by  
16 calling (866)896-1222. They will be on-line and  
17 available all day today.

18           This is an official hearing. I believe that  
19 we only have one customer that has not been sworn  
20 in yet, so I will swear that customer in before we  
21 begin testimony this morning.

22           I would also remind you that your comments are  
23 subject to cross-examination. That is, you may be  
24 asked questions by any of the parties or by any of  
25 the Commissioners.

1           For those of you who are calling in, we ask  
2           you that please keep your phone on mute until you  
3           are recognized.

4           All right. At this time, I am going to ask  
5           Mr. Wahlen if he would like to begin by making an  
6           opening statement.

7           MR. WAHLEN: Yes, sir, and thank you very  
8           much.

9           Good morning, Commissioners. I am Jeff  
10          Wahlen. I am an attorney for Tampa Electric  
11          Company. I am here today with three of Tampa  
12          Electric's team members, Frank Busot, Penelope Rusk  
13          and Karen Sparkman. Ms. Sparkman will make a brief  
14          statement in a moment.

15          Before she does, however, I would like to note  
16          for the record that on Friday, the company filed a  
17          settlement agreement that resolves all of the  
18          issues in this case and the depreciation docket.  
19          The settlement agreement was signed by all of the  
20          parties and will be considered by the Commission at  
21          a later date, so we do not intend to discuss the  
22          details of the settlement today except to say that  
23          we believe that it is fair and in the public  
24          interest.

25          This hearing, we believe, is an important part

1 of our rate case and is an opportunity for the  
2 Commission and the company to hear from our  
3 customers and to address any concerns they may  
4 have. So unless there are any questions for me, I  
5 will turn it over to Ms. Sparkman.

6 Thank you.

7 CHAIRMAN CLARK: Thank you Mr. Wahlen.

8 Mr. Sparkman, you are recognized.

9 MS. SPARKMAN: Good morning, Chairman, and  
10 good morning, Commissioners. My name is Karen  
11 Sparkman, and I am the Vice-President for Customer  
12 Experience for Tampa Electric. Our team very much  
13 appreciates the opportunity to participate today  
14 and looks forward to hearing from our customers.

15 Tampa Electric has not requested a general  
16 base rate increase since 2013. As our attorney,  
17 Mr. Wahlen, has noted, we filed an agreement that  
18 resolves all of the issues in our rate case last  
19 Friday, and think that the agreement is fair and in  
20 the public's interest. We look forward to the  
21 Commission's consideration of the agreement in the  
22 near future, but today we really want to focus our  
23 attention on listening to our customers.

24 We understand that our customers would rather  
25 not face price increases, whether it's for the

1 price of groceries, clothing, gas for their  
2 vehicles or electricity. However, we must keep our  
3 eye on the future and continue to invest in  
4 projects that will help us become cleaner and  
5 greener, and also to keep up with changing customer  
6 expectations about quality customer service.

7 We are adding solar generation. We are  
8 improving the efficiency and environmental profile  
9 of our generating fleet, and we are upgrading our  
10 electric grid so that it will be more reliable and  
11 resilient. We are putting technology to work to  
12 ensure that our customers can communicate with us  
13 when they want, and in ways that are convenient to  
14 them.

15 Since 2013 we have successfully implemented a  
16 new customer billing system, a new on-line portal  
17 with a mobile first approach. We've improved and  
18 increased electronic payment channels. We have  
19 improved customer service levels for our customer  
20 experience contact center, billing and payment  
21 services, and we've made hundreds of smaller  
22 process and system enhancements to better serve  
23 Tampa Electric's customers. We are proud of these  
24 changes and the way they have improved our service  
25 levels, but we do know that there are always ways

1 for us to I am move.

2 We look forward to hearing from our customers  
3 today, and have a team of people that are ready to  
4 help answer questions and resolve any issues that  
5 our customers bring to our attention.

6 Thank you.

7 CHAIRMAN CLARK: Thank you very much, Ms.  
8 Sparkman.

9 OPC, Ms. Pirrello.

10 MS. PIRRELLO: Thank you, Mr. Chairman, and  
11 good morning, Commissioners. Again, my name is  
12 Anastacia Pirrello. I am with the Office of Public  
13 Counsel.

14 This office within the Legislature is tasked  
15 by law with representing you, the ratepayers of  
16 Tampa Electric Company. As you may be aware, our  
17 office and TECO, along with several other consumer  
18 groups, have entered into an agreement which will  
19 settle all of the issues presented in this case.  
20 We've asked that the Commission delay the rate case  
21 hearing scheduled for October so that they can  
22 consider approval of the settlement instead of the  
23 company's petition.

24 We are here today to listen to your testimony  
25 on the service provided by TECO and any thoughts

1           that you have on this agreement since the agreement  
2           must be approved by the Public Service Commission  
3           before it may go into effect.

4                        Last year, we hired experts in accounting,  
5           depreciation, cost of capital and other regulatory  
6           matters who aided us in preparing for the case  
7           before it was filed, and in investigating this  
8           request. With their expertise, and that of our  
9           in-house experts, we've come to the conclusion that  
10          this settlement agreement represents the best  
11          possible outcome for the customers of Tampa  
12          Electric.

13                      I would like to take a few moments to explain  
14          some of the benefits that TECO customers stand to  
15          gain under this deal.

16                      First, our office and the other signatories  
17          were able to reach an agreement to reduce TECO's  
18          requested rate increase from 295 million to 123  
19          million, with a profit level for TECO of 9.95  
20          percent, which alone will save customers more than  
21          \$32 million annually when compared to the profit  
22          level that the company requested.

23                      This agreement also continues to further  
24          TECO's efforts to respond to increasing public  
25          demand to transition to cleaner energy by allowing

1 the company to replace their remaining coal plant  
2 in its fleet with natural gas, and to build 600  
3 megawatts of utility scaled solar generation.

4 Additionally, this deal ensures that customers  
5 pay no more than absolutely necessary for the cost  
6 of retiring the coal plant, and by collecting those  
7 costs over 15 years rather than 10 years as is  
8 standard practice, results in otherwise lower  
9 customer bills in the early years of the  
10 retirement. The longer period also helps to match  
11 the recovery of these old costs over the period  
12 that the new cleaner and renewable plants will be  
13 in service and serving future customers.

14 The settlement reduces certain types of  
15 executive compensation that is designed to reward  
16 shareholders more than to help customers save, and  
17 reduces some costs, including excessive vacant  
18 positions that customers should not be paying for.

19 This agreement also protects customers from  
20 utility practice called hedging, which has often  
21 cost customers more than it's saved them.

22 Finally, the deal increases customers' access  
23 to two of the company's conservation programs which  
24 aid customers in reducing their electric bills.

25 If approved, this deal would be effective in

1           January 2022, and prevent TECO from raising its  
2           rates before January 2025 except a small amount in  
3           a very specific limited circumstance.

4                     As I previously stated, the Commission must  
5           make a decision whether this agreement is in the  
6           public interest, and we look forward to hearing  
7           your thoughts about your service and this  
8           agreement.

9                     Thank you.

10                    CHAIRMAN CLARK: Thank you, Ms. Pirrello.

11                    Any of the other parties? Any of the other  
12           parties?

13                    All right. We will begin now with our  
14           customer testimony. I think we have four  
15           individuals scheduled today. We normally run a  
16           three-minute time limit. I would ask you to please  
17           keep your comments somewhere in that close  
18           vicinity. We won't be monitoring that quite as  
19           strict today since we only have four customers on  
20           the line.

21                    Our first customer is Louis Segal. Mr. Segal,  
22           are you --

23                    MR. SEGAL: Segal.

24                    CHAIRMAN CLARK: Segal, I'm sorry. I need to  
25           swear you in before --

1           MR. SEGAL: That's okay. I am not related to  
2 Steven.

3           CHAIRMAN CLARK: Sir?

4           MR. SEGAL: That's all right. I am not  
5 related to Steven?

6           CHAIRMAN CLARK: No relation to Steve.  
7 Understood. Let me swear you in before we begin.

8           (Whereupon, Louis Segal was sworn by Chairman  
9 Clark.)

10          MR. SEGAL: Yes, I do.

11          CHAIRMAN CLARK: All right. You are  
12 recognized, sir.

13          MR. SEGAL: Thank you.

14          Okay. First, on the proposal thing, it says  
15 that the current price for the first thousand, you  
16 know, kilowatt hours is 5.225 cents per kilowatt  
17 hour, but my bill says 5.662 cents per kilowatt  
18 hour, okay. On the proposal thing, it says that  
19 the additional kilowatts per hour charge is 6.225  
20 cents per kilowatt hour, but my bill is 6.662 cents  
21 per kilowatt hour, and I don't understand why the  
22 difference.

23          Also, the -- I didn't really understand, it  
24 didn't seem very clear what they are talking about  
25 why the increase in costs because -- talking about

1 solar power. Well, we had solar power before and  
2 the cost did go down considerably. What they had  
3 in 2019 was considerably more than what we have  
4 now, so we did have a decrease because of the solar  
5 power. Now they are talking -- it sounds like they  
6 are talking about having an increase because of the  
7 solar power.

8 Also, just a few months ago, I believe I heard  
9 on TV they said that we are going to have -- we get  
10 to have a choice of what electric company to use.  
11 Well, phone service, whether landline or cell you  
12 have a choice. AC service you have a choice of,  
13 but we don't with the electric company. So I am  
14 wondering why, unless if we have a choice, then  
15 they might not be able to charge as much. I don't  
16 know.

17 Okay. That's enough.

18 CHAIRMAN CLARK: All right. Well, thank  
19 you -- thank you very much for your testimony here  
20 today.

21 Do any of the parties have any questions for  
22 Mr. Segal?

23 MR. WAHLEN: Chairman Clark, it's Jeff Wahlen.  
24 I don't have any questions, but we certainly would  
25 be happy to have one of our people talk with Mr.

1           Segal about the -- the kilowatt hour charge  
2           question he had and see if we can't here that up.  
3           He could call that number or we could reach out to  
4           him.

5           CHAIRMAN CLARK: That would be great if they  
6           could reach out to Mr. Segal and explain those  
7           charges 20 him, that might be a big help to him.

8           All right. Any of the other parties --

9           MR. SEGAL: Why is it different on the  
10          proposal than what's on my bill?

11          MR. WAHLEN: Yeah, we can -- we can help  
12          straighten that out, sir.

13          CHAIRMAN CLARK: All right. Any other -- any  
14          of the other parties have a question for Mr. Segal?

15          Any Commissioners have a question for Mr.  
16          Segal?

17          All right. Thank you very much for being with  
18          us today.

19          Next up is Chris Kenney. Mr. Kenney, are you  
20          on the line.

21          MR. KENNEY: Yes, I am.

22          CHAIRMAN CLARK: All right. Sir, you are  
23          recognized.

24          MR. KENNEY: Hey, good morning.

25          Let me begin by saying that first of all, I

1 fully support TECO's effort to move to green  
2 energy. In fact, in light of the UN climate report  
3 that came out the other day, I believe we need to  
4 move even more strongly in that direction, whether  
5 it's solar, wind, whatever, in order to reduce our  
6 greenhouse gases.

7 However, what I am finding is that, and I know  
8 it costs money to do this, but a 14 percent  
9 increase, which is what I believe it will be  
10 effective in January, coming at one time is quite a  
11 substantial hit. That's well above the rate of --  
12 the current rate of inflation, especially coming  
13 after what I see or believe, from what I could  
14 discern, are three years of progressively  
15 increasing profitable years for TECO, net income  
16 gradually increasing each year through last year.  
17 And I know one of the key components to that --

18 Well, first of all, I should say that I am 65  
19 years old and I am not on Social Security yet. I  
20 work seasonally in educational services. So I am  
21 of very modest means, as I am sure there are  
22 probably hundreds of thousands of people like me in  
23 TECO service area who, for us, you know, for the  
24 average person, maybe for people that have higher  
25 incomes, a 10, 15, 25-dollar increase a month isn't

1           that much. For people like us, it is -- it's a  
2           little bit of a hit. You feel it.

3                   And I know one of the key components to  
4           increasing, or in making this investment and also  
5           in the cost that TECO has, are executive  
6           compensation. I know Ms. Pirrello addressed that.  
7           I haven't seen the details of the settlement. I  
8           don't know if they are available yet, but I would  
9           remind the Commission that TECO is a public  
10          service, and that in return for basically what is a  
11          monopoly, and the stability that that provides to  
12          the executives, to the board of directors, their  
13          compensation, as well as the investors, that really  
14          needs to be tempered.

15                   Our expectations are not -- shouldn't be the  
16          same as for a company, for example, that  
17          manufactures appliances, or automobiles, or  
18          software, or whatever. And I think that that is a  
19          component that the Commission should look at very  
20          closely in terms of the pay scales. In fact, I  
21          know some of the members of the board are prominent  
22          figures who already have substantial incomes. And  
23          from what I could discern from the SEC filings, I  
24          believe they are paid in the six figure range for  
25          what essentially is part-time work, and not all of

1           them have expertise, I would say very few of them  
2           have expertise in power generation.

3           So -- so I would ask the Commission to really  
4           consider that long and hard within the confines of  
5           this settlement as far as how much, you know, what  
6           the allowable increase -- final allowable increase  
7           is.

8           Finally, what I would like to suggest is that  
9           -- that any rate adjustments be modified to the  
10          point where they are phased in. I realize we had a  
11          decrease a few years ago. Perhaps a rescission of  
12          that decrease and adding just a couple of points  
13          for inflation, that could make this a little easier  
14          on people like myself and -- and most of the  
15          families in the Tampa Electric service area. Then  
16          perhaps small incremental increases as needed  
17          commensurate with the -- with the rate of  
18          inflation.

19          Again, I don't want to underestimate the  
20          significance of moving toward green energy. We  
21          have to do that, but I believe we need to do it in  
22          a responsible manner that's fiscally responsible  
23          for the public that TECO serves.

24          So in that vein, I believe that's -- that's  
25          all I have to add at this point in time.

1           CHAIRMAN CLARK: All right. Thank you very  
2 much, Mr. Kenney.

3           Any of the parties have any questions for Mr.  
4 Kenney? Any of the parties?

5           MR. WAHLEN: No thank you.

6           CHAIRMAN CLARK: All right. Any Commissioners  
7 have a question?

8           All right. Thank you very much, Mr. Kenney,  
9 for being with us today.

10          Next up is Pamela Levitt. Ms. Levitt, are you  
11 on the line? Pamela Levitt.

12          All right. Next up is Jeffrey Basiaga.  
13 Mr. Basiaga, I believe you spoke last night. Are  
14 you still on the line?

15          All right. I know Mr. Basiaga was a speaker  
16 last night, so he may have satisfied his needs  
17 there.

18          All right. Are there any other customers on  
19 the line? Anyone we missed, overlooked, that has  
20 signed up to speak today?

21          All right. Seeing none, Commissioners, do you  
22 have any questions, any comments before we adjourn?

23          On behalf of the Commission, let me thank  
24 everyone for participating today and being a part  
25 of this hearing. Thank you to the customers that

1           took time out of your schedules to call in.

2                       With that -- Commissioner Graham, you are  
3           recognized. Oh, you were waiving us to. I am  
4           sorry. I saw your handing up. No problem.

5                       All right. No further business to be  
6           conducted, we stand adjourned. Thank you.

7                       (Proceedings concluded.)

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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

CERTIFICATE OF REPORTER

STATE OF FLORIDA )  
COUNTY OF LEON )

I, DEBRA KRICK, Court 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'  
attorney or counsel connected with the action, nor am I  
financially interested in the action.

DATED this 24th day of August, 2021.



---

DEBRA R. KRICK  
NOTARY PUBLIC  
COMMISSION #HH31926  
EXPIRES AUGUST 13, 2024