



August 29, 2016

ON TO THE PUBLIC SERVICE COMMISSION (PSC) SEPTEMBER 13

Dear Neighbors –

As you know, the Vero Beach City Council ignored the unanimous recommendation of their own Utilities Commission and rejected a \$30 million cash offer from FPL to purchase the utility system in our Town. FPL made that offer after the Chair of the PSC, back in July, deferred consideration of our Complaint until September 13, and strongly encouraged the parties in the meantime to work in good faith and resolve their dispute through a negotiated settlement. We had hoped that FPL's significant cash offer, which included a contribution of \$3 million from our citizens, would provide a basis for that settlement. But Mayor Kramer and Councilmen Winger and Old voted instead to walk away from a cash payment that would have more than doubled the City's annual revenues.

Unfortunately, their decision leaves us with no choice but to continue to pursue our Complaint with the PSC to redraw service boundaries so that our entire Town can be served by FPL. The **PSC plans to hear our case on Tuesday, September 13.**

As a reminder, our complaint is straightforward. Under the pretense of a territorial agreement, Vero Beach is operating an unregulated monopoly in Indian River Shores, and is subjecting its captive customers in our Town to monopoly abuses such as excessive rates and poor service quality. It is our strong belief that Article VIII, Section 2 (c) of Florida's Constitution forbids the City from unilaterally exercising unregulated monopoly powers within our Town's municipal boundaries after our franchise agreement with the City expires in November.

After the franchise agreement expires, the City will no longer have our consent to operate an unregulated monopoly within our Town. We are asking the PSC to view this as a "changed legal circumstance" and grant our request for a change in territorial boundaries.

We plan to reiterate the following points at the September 13 PSC hearing:

- Vero Beach is operating an unregulated monopoly in our Town, and is subjecting its captive customers in our Town to unregulated monopoly abuses, including excessive electricity prices (which are now over 30% higher than FPL's) and inferior quality of service (e.g., unlike FPL, the City does not offer rebates for energy efficient appliances nor does it offer smart meters that can lower electric bills). **Unregulated monopolies are not in the public interest.**
- Having FPL, whose rates are professionally and neutrally regulated by the PSC, as the single electric utility provider in our Town would cure these issues.
- Not only are our residents captive customers to the Vero Beach electric utility, they also are completely disenfranchised. Our residents have no say whatsoever in how the Vero utility operates, how rates are set, or how the City of Vero Beach uses the unregulated profits that it extracts from us. This was exemplified by the City Council's cavalier rejection of its own Utilities Commission's unanimous recommendation to accept FPL's \$30 million cash offer to purchase the utility system in our Town. Not only that, Mayor Kramer and Councilman Winger publicly ridiculed members of the Utilities Commission that the City Council itself appointed to make recommendations regarding the electric utility.
- Meanwhile, our residents are forced to subsidize the operations of a City that is unaccountable to them. **This is classic "taxation without representation."**
- Our neighbors who are fortunate enough to be served by FPL are provided with a team of lawyers from the Office of Public Counsel -- funded entirely by the State of Florida -- whose sole charge is to protect FPL customers from excessive electric rates and poor quality of service. Unfortunately our residents who are forced to take service from the Vero Beach utility are precluded from using the State-funded legal services of the Office of Public Counsel. Instead, they are left to fend for themselves and are totally at the mercy of the Vero unregulated monopoly.
- The predecessors to the current PSC created this debacle when they approved the Territorial Agreement over 28 years ago.
- The PSC has not reviewed that territorial agreement as it applies to our Town in over 28 years.
- Now is the time for the current PSC to correct these injustices.

A lot of you have expressed to me your serious concerns about these injustices and the need for assistance from the PSC. I would encourage you to voice your concerns with the PSC Commissioners. You can reach them using the following e-mail addresses:

- Chairman Julie Imanuel Brown – Commissioner.Brown@psc.state.fl.us
- Commissioner Ronald A. Brisé – Commissioner.Brise@psc.state.fl.us
- Commissioner Lisa Polak Edgar – Commissioner.Edgar@psc.state.fl.us
- Commissioner Art Graham – Commissioner.Graham@psc.state.fl.us
- Commissioner Jimmy Patronis – Commissioner.Patronis@psc.state.fl.us

If you send an email, be sure to copy the Clerk of the PSC at clerk@psc.state.fl.us.

Because the PSC is an agency of the Florida Legislature you also may want to copy Legislative leaders and the Governor.

You can reach them using the following e-mail addresses:

- **Senate** President Joe Negron- negron.joe@fla.senate.gov
- **House Speaker** Richard Corcoran- richard.corcoran@myfloridahouse.gov
- **Governor** Rick Scott- rick.scott@eog.myflorida.com

Meanwhile, I will continue to keep residents informed as our case progresses. Specific to that, **we have scheduled a meeting for all Indian River Shores residents at our Community Center on Thursday, September 22, 2016 at 2 pm.** At that time we will review the status of our lawsuit post the September 13 PSC hearing and answer any questions.

Thank you.

Brian M. Barefoot
Mayor