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RESOLUTION NO. 2012-51

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A RESOLUTION OF THE MAYOR AND VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA, OPPOSING THE PROPOSED BASE RATE INCREASE BY FLORIDA POWER AND LIGHT; AUTHORIZING THE MAYOR TO FILE THIS RESOLUTION WITH THE FLORIDA PUBLIC SERVICE COMMISSION; PROVIDING FOR DISTRIBUTION BY THE VILLAGE CLERK; PROVIDING FOR SERVERABILITY; PROVIDING FOR CONFLICTING RESOLUTIONS; PROVIDING AN EFFECTIVE DATE. [Sponsored by Mayor Shelley Stanczyk.]

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WHEREAS, Florida Power and Light ("FPL") provides electricity within the Village of Palmetto Bay ("Village"), and the Village and its residents have no alternative but to purchase services from FPL; and the Village government purchases electricity from FPL to power Village Hall and numerous municipal buildings in order to provide services to residents; and,

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WHEREAS, the residents and business of the Village must also purchase electric service from FPL; and,

WHEREAS, the Village, its residents and businesses continue to face a depressed economy with limited resources wherein jobs are being lost, incomes and revenues are static or declining, and home mortgages are being foreclosed, requiring the Village, its residents and businesses to live within their means and budget accordingly; and,

WHEREAS, in March 2012, FPL proposed a 16 percent base rate hike in order to ensure up to a 12.5 percent return on equity for its shareholders; and,

WHEREAS, FPL benefits from more pass-through cost recovery mechanisms than any other regulated utility in the United States of America, including the Storm Cost Recovery Surcharge, the Fuel Cost Recovery Clause pass-through, the Environmental Cost Recovery Clause pas-through, the Capacity Cost Recovery Clause pass-through, the Conservation Cost Recovery Clause pass-through, and the Nuclear Cost Recovery Clause pass-through, which pass-through mechanisms increase FPL's current cash flow without the scrutiny employed in a traditional rate case; and,

WHEREAS, currently approximately 52 percent of the rates paid by FPL customers are paid pursuant to these cost recovery mechanisms instead of through base rates; and,

WHEREAS, in 2009 the Florida Public Service Commission ("PSC") awarded FPL only 7 percent of its requested base rate relief, yet FPL continued in 2010 and 2011 to report substantial earnings growth, including an increase of 14 percent in 2010 and 13 percent in 2011; and,

WHEREAS, in October 4, 2010, the PSC Staff recommended that the PSC order FPL to hold \$400 million for possible refund to customers that the PSC investigate over earning by the company, however the customers never received a refund; and,

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2 WHEREAS, the proposed rate increase will adversely affect the residents of the Village and
3 further strain limited resources.
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5 NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND VILLAGE
6 COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA, AS FOLLOWS:
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8 Section 1. The foregoing "Whereas" clauses are hereby ratified as true and correct and
9 are incorporated herein by this reference.
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11 Section 2. The Village hereby objects to and opposes the Public Service Commission
12 ("PSC") approving FPL's request for a base rate increase.
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14 Section 3. The Village Clerk is authorized on behalf of the Village to file this Resolution
15 with the PSC and the Mayor and Village Council are authorized to present this Resolution opposing
16 the rate increase at any public meeting, conference or hearing, including those scheduled for the
17 purpose of discussing or considering any matters under consideration in PSC docket number
18 120015-EI.
19

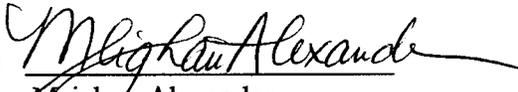
20 Section 4. The Village Clerk is hereby directed to distribute a copy of this resolution via
21 mail to the PSC Clerk, Attention: Docket 120015-EL, 2540 Shumard Oak Blvd., Tallahassee, Florida
22 32399-0850, and via electronic mail to the Commission at Contact@psc.state.fl.us.
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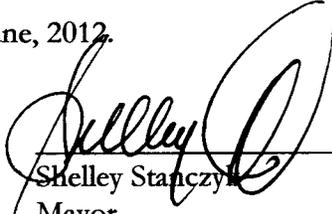
24 Section 5. If any section, subsection, sentence, clause, phrase or portion of this
25 resolution, or application hereof, is for any reason held invalid or unconstitutional by any Court,
26 such portion or application shall be deemed a separate, district, and independent provision, and such
27 holding shall not affect the validity of the remaining portions or application hereof.
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29 Section 6. All resolutions made in conflict with this resolution are hereby repealed.
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31 Section 7. This resolution shall be effective immediately upon its adoption.
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33 PASSED and ADOPTED this 4th day of June, 2012.

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35 Attest: 
36 Meighan Alexander
37 Village Clerk
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39 Shelley Stanczyn
40 Mayor

41 APPROVED AS TO FORM:
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44 Eve A. Boutsis
45 Village Attorney

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FINAL VOTE AT ADOPTION:

Council Member Patrick Fiore YES

Council Member Howard J. Tendrich YES

Council Member Joan Lindsay YES

Vice-Mayor Brian W. Pariser YES

Mayor Shelley Stanczyk YES