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October 8, 2018

STAFF'S FIRST DATA REQUEST

-VIA ELECTRONIC FILING-

Ms. Carlotta Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 20180143 - Petition to Initiate Rulemaking to Revise and Amend Portions of Rule 25-6.0426, F.A.C., by Florida Power & Light Company, Gulf Power Company, and Tampa Electric Company.

Dear Ms. Stauffer:

Please find attached for filing a copy of Florida Power and Light Company's ("FPL") non-confidential responses to the Staff of the Florida Public Service Commission's ("Staff") First Data Requests (Nos. 1-8) in the above referenced docket. FPL has separately filed a Request for Confidential Classification of certain documents responsive to Staff's First Data Requests (Nos. 6 and 7).

Thank you for your assistance. If there are any questions regarding this transmittal, please contact me at (561) 694-3330.

Sincerely,

s/ James S. King
James S. King
Senior Attorney
FL Authorized House Counsel No. 1007148

Enclosures

cc: Parties of record

QUESTION:

Referring to paragraph 14 of the petition, please explain the derivation of the 65% decrease in buying power of the \$3 million cap.

RESPONSE:

The 65% decrease assumes an inflation rate of 2.19% from 1995 to 2018. Thus, one would need to spend approximately \$4.94 million in 2018 to achieve the spending power of \$3.0 million in 1995.

QUESTION:

Referring to paragraph 17 of the petition:

Please explain and provide support for the statement that FPL's economic development efforts supported 220,000 full-time jobs and state for what period that statement refers to.

RESPONSE:

In early 2018, FPL contracted with Boyette Strategic Advisors (“Boyette”) to perform an economic impact study of FPL’s economic development efforts from 2012-2017. The Economic Development Program Impact Evaluation and Analysis (“ED Study”) is provided as Attachment No. 1 to this response.

The FPL Economic Development program reaches well beyond the utility’s service territory and touches every county in the state of Florida. This strong partnership with communities has had a significant impact on Florida’s economic development competitiveness and success over the last six years.

With respect to full-time jobs, as set forth on page 5 of the ED Study, FPL’s economic development efforts from 2012-2017, have resulted in an employment impact of 220,000 full-time jobs (direct, indirect, and induced). This number does not include an additional 281,724 construction jobs associated with FPL’s economic development efforts. (*see* ED Report at page 4). The methodology utilized by Boyette is set forth on pages 2 - 3 of the ED Study.



Economic Development Program
Impact Evaluation & Analysis

08.2018



Overview

Florida Power and Light (FPL) has positioned itself as a leader among electric utilities that have a comprehensive economic development program. The company made a strong commitment to support economic development in Florida when it established an Office of Economic Development in 2012. Since that time, the utility has taken a leadership role in Florida's economic development efforts by supporting local, regional and state economic development organizations and initiatives across the state.

The FPL Economic Development program reaches well beyond the utility's service territory and touches every county in the state of Florida. This strong partnership with communities has had a significant impact on Florida's economic development competitiveness and success over the last six years. Impact of a program of this kind can be measured in various ways, some of which are quantifiable, while others are more qualitative.

This impact evaluation and analysis, conducted by Boyette Strategic Advisors, measures the direct impact of the FPL program budget, announced jobs and capital investment in the FPL service territory. The report measures the effect of the jobs created or retained and capital investment made from 2012 through 2017 in the 35 counties served by FPL. Additionally, it examines the qualitative impact the company's economic development program has had both within the service territory and beyond those borders to all of Florida's 67 counties.

It should be noted that, while the job creation and capital investment results were based on the counties served by FPL, many of the programs offered are available to communities outside the service territory. This allows the company to contribute to and support statewide economic development efforts to the benefit of all Floridians.

Methodology

The impact evaluation and analysis measures the effect of FPL's economic development programs, as well as the jobs created or retained and capital investment made, in the 35 counties served by FPL.

The economic impact of job creation, capital investment, and economic development program expenditures on the state of Florida was modeled using the IMPLAN input-output model for the years 2012 through 2017. The evaluation of the non-economic and social contributions of FPL's economic development programs included the PoweringFlorida® Resource Center, incentives/special rates, events and training, local program support, and publicity and recognition, with detailed information about those programs for 2016 and 2017.

The economic impact is measured in direct effects, which gauges the change in final demand of directly impacted industries; indirect effects, which captures business-to-business spending; and induced effects, which represents increased household spending.



A Social Accounting Matrix model was used to measure spending of households, governments, and inventory and export transactions. The model estimated inter-industry spending from purchaser to producer to determine the economy-wide impact. The impact values include payroll generated; contribution to the gross regional product (GRP) of Florida; tax impact; and total output, which includes the initial investment. Data used in the model is 2016, and all funds are expressed in 2017 values and adjusted for inflation/deflation.

Data Parameters

Data related to the success of FPL's economic development program has been cataloged by the FPL economic development team. That information was reviewed, analyzed and summarized for 2016 and 2017 as part of this document. While the impact of some programs is difficult to quantify, they clearly have had a significant social impact in the FPL service territory and beyond

The job creation/retention and investment data utilized for this analysis was obtained from FPL's Office of Economic Development. It is based on the jobs and investment announced at the time a company made a location or expansion decision in one of the 35 counties served by FPL.

Qualitative research was completed to determine the impact of various economic development programs offered by FPL. Data related to attendees and participants in various programs was provided by FPL's Office of Economic Development, while further research was completed to obtain additional information about the programs and their impact.

Impact of Job Creation & Capital Investment

Since 2012, job creation and capital investment in the 35 Florida counties served by FPL has resulted in a total impact of more than \$84 billion in the state and has resulted in a \$44 billion impact on Florida's Gross Regional Product (GRP). These results include a tax impact in excess of \$2.8 billion and labor income of more than \$25 billion.

2012 – 2017 JOB CREATION & CAPITAL INVESTMENT IMPACT OVERVIEW	
State of Florida	
Total Impact	\$84,133,538,371
(Includes Announced Jobs & Capital Investment 2012 - 2017)	
Contribution to Florida Economy	\$44,159,380,667
Total Labor Income	\$25,197,005,361
Total State & Local Taxes	\$2,819,539,503



Jobs and Investment

Boyette used an input-output model to measure the impact of announced jobs and investment for 2012 to 2017 in Florida. Employment data for this analysis represents all full-time, part-time and seasonal employment, according to definitions used by the Bureau of Economic Analysis and Bureau of Labor Statistics Quarterly Census of Employment and Wages data. The analysis does not include jobs created in the 32 counties that are outside the FPL service territory, even though FPL's economic development program provides all communities access to some products and services.

During the six-year analysis period, the 35 Florida counties served by FPL have seen investment of more than \$20 billion and the announcement of almost 78,000 new or retained jobs.

Year	New Jobs	Retained/Supported Jobs	Investment
2012	12,362	2,783	\$828,507,335
2013	11,958	2,174	\$14,925,778,000
2014	11,350	1,384	\$1,334,249,639
2015	9,961	2,777	\$1,277,488,000
2016	12,441	2,601	\$848,781,000
2017	6,941	1,237	\$1,055,930,000
TOTAL	65,013	12,956	\$20,270,733,974

Capital Investment

For the period 2012 to 2017, there has been more than \$20 billion in capital investment as a result of project announcements in the counties served by FPL. The largest investment during that time period is from AT&T in 2013, announcing an investment of \$14 billion in broadband infrastructure.^{1 2} The largest recent investments are from Georgia-Pacific, which announced a \$400 million investment in Putnam County, and KPMG, which announced a \$400 million investment in a learning development and innovation facility in Orange County. Both projects were announced in 2017.^{3 4}

The total capital investment for 2012 through 2017 created an impact of nearly \$38 billion on Florida's economy, with more than \$13 billion of the impact in payroll. In addition, more than 281,000 jobs were supported as a result of the construction funded by these investments. Construction is a one-time event, and associated jobs are likely temporary or represent an existing employee working additional hours. For that reason, jobs are considered supported rather than created.

2012 – 2017 Capital Investment				
Impact	Jobs Supported	Labor Income	Contribution to Florida GRP	Total Impact
Direct	170,518	\$7,861,275,127	\$12,580,072,632	\$21,181,310,852
Indirect	37,515	\$2,117,347,306	\$3,501,760,051	\$6,524,061,792
Induced	73,691	\$3,187,366,288	\$5,837,865,532	\$10,167,487,642
TOTAL	281,724	\$13,165,988,721	\$21,919,698,215	\$37,872,860,286



State and local taxes generated as a result of capital investment for 2012 through 2017 total more than \$1 billion. It should be noted that incentives are not accounted for in this data. Incentives would only have an impact on the direct taxes paid by the benefitting company. Indirect and induced tax impacts, which are not affected by incentives, total more than \$850 million.

2012 - 2017 State & Local Tax Impact from Capital Investment		
Direct Tax Impact	Indirect & Induced Tax Impact	Total Tax Impact
\$249,434,838	\$850,516,303	\$1,099,951,141

Announced and Retained Jobs

More than 65,000 new jobs and almost 13,000 retained jobs were announced in the 35-county study region between 2012 and 2017. The economic impact of all announced and retained jobs in those Florida counties is more than \$46.2 billion, including a payroll impact of more than \$12 billion. One of the most notable announcements during that time period is rental car company Hertz's relocation of its corporate headquarters from New Jersey to Lee County, Florida. At the time of the announcement, it was expected the project would result in capital investment of \$50 million and 700 jobs.⁵

In addition to the 78,000 new and retained jobs announced during the study period, more than 141,000 additional indirect and induced jobs were created. Following is a summary of the impact, broken down by direct, indirect and induced effects.

2012 - 2017 Employment Impact				
	Employment	Labor Income	Contribution to Florida GRP	Total Impact
Direct	77,969	\$5,445,772,485	\$10,035,506,397	\$24,496,353,132
Indirect	71,909	\$3,965,903,257	\$6,674,621,102	\$12,131,740,574
Induced	69,789	\$3,019,340,898	\$5,529,554,953	\$9,632,584,379
TOTAL	219,667	\$12,431,016,640	\$22,239,682,452	\$46,260,678,085

State and local taxes generated as a result of announced and retained jobs from 2012 through 2017 total more than \$1.7 billion. It should be noted that incentives are not accounted for in this data. Incentives would only have an impact on the direct taxes paid by the benefitting company. Indirect and induced tax impacts, which are not affected by incentives, total almost \$988 million.

2012 - 2017 State & Local Tax Impact from Job Creation		
Direct Tax Impact	Indirect & Induced Tax Impact	Total Tax Impact
\$731,726,850	\$987,861,512	\$1,719,588,362



FPL ECONOMIC DEVELOPMENT PROGRAM IMPACT EVALUATION & ANALYSIS

Fiscal Impact to FPL

New companies locating in the FPL territory between 2013 and 2017 have added 160.55 MW of new demand to the FPL system. Additionally, FPL's annual investments in economic development have generated \$47.7 million in new revenue for FPL. These increases are from only new companies in the region and do not account for additional revenue and demand from expansion of existing businesses.

Fiscal Impact to FPL		
	Economic Development Budget	New Revenue
2013 - 2015	\$6,860,298	\$16,160,885
2016 - 2017	\$4,300,000	\$31,508,422
TOTALS	\$11,160,298	\$47,669,307

The economic impact of this additional revenue was modeled. From 2013 through 2017, there was an \$87.9 million impact on the Florida economy as a result of the increased revenue. It should be noted this number is included in the employment impact total of \$46.3 billion.

FPL Revenue Impact			
Total Payroll	Contribution to GRP	State & Local Taxes	Total Impact
2013 - 2015	\$14,039,148	\$3,862,812	\$30,567,919
2016 - 2017	\$27,558,180	\$6,547,833	\$57,026,018
TOTALS	\$41,597,328	\$10,410,645	\$87,939,937

Economic Development Support

The FPL Economic Development Program is multi-faceted, offering support to both communities and businesses across Florida. In addition to the tools available in the PoweringFlorida Resource Center, FPL hosts special events, promotes Florida as a business location, provides training to local leaders, and supports site development activities. The expenditures required to support these programs also has an economic impact in the state of Florida. That impact for 2016 and 2017 totaled more than \$30 million and generated more than \$5 million in payroll throughout the state.

FPL Economic Development Support			
2016 and 2017			
Total Payroll	Contribution to GRP	State & Local Taxes	Total Impact
\$5,185,983	\$14,737,330	\$3,180,992	\$30,571,272



PoweringFlorida® Resource Center

The PoweringFlorida Resource Center is designed for both economic development organizations across the state, as well as businesses and site location consultants. This comprehensive online research tool provides access to Economic Modeling Specialist International (EMSI) comprehensive demographic and workforce data for the entire state of Florida and the United States. Additionally, the Geographic Information Systems (GIS) Planning application integrated into the Resource Center allows users to visualize and interpret data, as well as providing access to the Florida buildings and sites database.

Florida communities also utilize the tool to enhance their competitiveness by identifying economic advantages and researching companies that might be targeted for a potential location or expansion in their region. Due to the comprehensive nature of the Resource Center and the various tools it offers, FPL provides user training to ensure that Florida economic development professionals can fully maximize the tools. In 2016, FPL offered 25 Resource Center training sessions, with participants representing all of Florida's 67 counties. Ten additional sessions in 2017 included participants from more than 30 counties across the state. This powerful tool now has more than 100 active users.

Additional Support

The FPL Economic Development program provides a variety of tools and support programs to enhance the competitiveness of the state of Florida and communities within the FPL service territory. These include a comprehensive sites and buildings database and a small business toolkit, both available through PoweringFlorida.com, as well as a Data Center program that addresses various aspects of competitiveness for data center location projects.

Sites and Buildings Database

FPL Economic Development created the first ever comprehensive database of available properties all across the state of Florida. This online tool offers access to building and site information, as well as community profiles, for all 67 counties in the state. Through the tool, all Florida communities can list and market available property, which now has more than 9,300 listings throughout the state.

The sites and buildings database is built on a Geographic Information System (GIS) platform that offers visitors the opportunity to explore demographic, consumer spending, and workforce data through map overlays of selected properties. The tool's search functions allows for filtering available properties by site or building specifications, city or county. ⁶ Prospects can also utilize map layers for other location considerations, including broadband, transportation infrastructure, energy sources, and educational institutions. More than 900 visitors utilize this important site selection tool each month.



Data Center Program

FPL has been a leader in enhancing and promoting Florida's advantages for location of data centers. The data center effort began with the identification of data center sites that offer redundant power and the fiber infrastructure required for data center operations. Following are the sites identified through this effort:

- Jupiter Research Park – Southeast, Florida
- Lakewood Ranch Corporate Park – Southwest, Florida
- Nassau Crossing Industrial Park – Northeast, Florida

The promotion of these sites, since their identification in 2014, have positioned Florida as a true competitor for data center locations. However, initially, the state was not well positioned from a tax perspective related to data centers.

With FPL's leadership and work with key elected officials, the Florida legislature has now approved critical tax exemptions to increase the state's competitiveness. In 2017, the state eliminated sales and use tax for data centers, infrastructure, equipment, personal property and electricity. To qualify for the exemption, the project must represent a minimum \$150 million investment, with a critical IT load of at least 15MW and a critical load of at least 1MW per individual tenant of the facility.⁷ Florida is one of only four states offering a tax exemption on electricity.⁸

FPL supports these competitive advantages in its marketing efforts. A reception at the 7x24 Exchange Spring Conference each year from 2015 to 2018 has showcased what the state offers companies seeking new data center locations. This event is designed for companies involved in information technology, data centers, disaster recovery, cyber security, and network/telecommunications related to 7x24 infrastructures.

Small Business Tool

The PoweringFlorida.com site also provides a Small Business Tool that offers companies the opportunity to conduct business and industry analysis of the competition; advertising analysis to target future campaigns; business intelligence to understand competitors, customers, and suppliers; and demographic analysis to explore who lives and works near the business.⁹ Since its launch in early 2016, the tool has averaged more than 250 visits per month.

Incentives

Opportunities to offset the cost of doing business are frequently a consideration when companies are exploring a location decision or expansion. Incentives not only play a role in job creation and investment, but also provide an opportunity for economic development organizations to market the



state's competitive business climate. FPL offers two incentive rates that are particularly important in attracting large power users, such as data centers, to the state.

Economic Development Rider

The Economic Development Rider (EDR), created in 2011, is available to new or expanding businesses that add a minimum of 350-kilowatt demand of new electric load and create a minimum of 25 new jobs per 350 kW demand of added load. This incentive provides declining discounts on the standard base energy and demand charges over four years. To encourage companies to move into vacant, existing buildings, the discount is available in those instances for five years. Following is an overview of the five-year discount schedule: ¹⁰

Economic Development Rider					
Year	1	2	3	4	5
Business Discount	20%	15%	10%	5%	N/A
Business Discount for Re-use of Vacant Property	25%	20%	15%	10%	5%

At the end of 2017, a total of 53 companies were currently on the EDR rate, creating a total of 7,526 jobs and 42.46 MW new demand in the following counties:

- Brevard
- Broward
- Charlotte
- Davie
- Lee
- Manatee
- Miami-Dade
- Palm Beach
- Sarasota
- St. John's
- St. Lucie
- Volusia

An additional 33 companies have announced new projects and will qualify for EDR incentives upon project completion. Those projects represent a total of 6,764 new jobs with 30.67 MW in new demand in the following counties:

- Brevard
- Broward
- Collier
- Lee
- Manatee
- Miami-Dade
- Sarasota
- Palm Beach
- Volusia



Commercial Industrial Service Rate

The Commercial Industrial Service Rate (CISR) is available to major power users in the FPL service territory. Projects that meet the following criteria qualify to negotiate a rate under the CISR incentive:

- A load of 2,000 kW or greater, served by a single meter
- Document that project is competitive with opportunities for lower rates outside FPL territory
- CISR is for firm power only; load management or interruptible rates are not eligible

FPL and the potential customer negotiate a power contract when a project meets the above requirements.¹¹ Through 2017, a total of three companies have taken advantage of the CISR rate, creating 110 new jobs and additional demand of 37.5 MW. Those projects located in Manatee, Palm Beach and St. Lucie counties.

Energy Efficiency

FPL offers a number of services to support companies in the service territory as they seek to improve their energy efficiency. Following are programs and rebates available to businesses through FPL:¹²

- Energy evaluations, with customized solutions to reduce costs
- Rebates for direct expansion air conditioning; demand control ventilation; energy recovery ventilation; thermal energy storage systems; business lighting; and chiller upgrades
- Business On Call and Commercial Demand Reduction programs provide monthly bill credits for allowing FPL to manage power usage during high-demand periods
- Power Monitoring Service to manage operations during power outages

Special Events/Capacity Building

FPL's Economic Development team works closely with economic development partners throughout the state to ensure they have the tools and training needed to be effective. Two programs created by FPL provide educational opportunities for economic development professionals and community leaders who play important roles in community and economic development.

Illumination

PoweringFlorida®: Illumination provides an opportunity for economic development professionals to connect with leading site selection consultants and corporate real estate executives, who provide insight and training on current key topics in economic development. The two-day events include panel discussions and presentations led by site selection thought leaders, as well as networking opportunities to allow local economic developers to strengthen critical relationships.



The Illumination events, which are held in different regions around service territory, have limited attendance to encourage more meaningful interaction between practitioners and consultants. A total of seven Illumination events have been held since the event was launched in 2014. Almost 400 economic development professionals have participated in the events, which have been held in the following counties:

- Brevard
- Broward
- Collier
- Flagler
- Miami-Dade
- Palm Beach
- St. John's

In 2017, the second Illumination event was postponed to Spring 2018 due to Hurricane Irma.

PoweringFlorida Seminars

Training for elected officials, staff and volunteers of local and regional economic development organizations is offered through the PoweringFlorida® seminar series. This training, which has been offered 17 times across the state with attendance estimated at around 700 since 2012, presented an overview of the site selection process and reviewed corporate expectations for local leaders. Representatives of counties all across the state, including some outside the FPL service territory, have participated in PoweringFlorida® seminars.

Program Support

The FPL Economic Development team is continually working to support local economic development organizations by monitoring the latest trends that impact business locations. As a result of Corporate America's commitment to sustainability, FPL has compiled a comprehensive list of sustainable assets at the state and metropolitan levels in Florida. This sustainable inventory assists local and regional economic development organizations in responding to requests for information from companies exploring new locations, while also promoting regional sustainable assets to both existing and potential new businesses.

The sustainability inventory includes assets in the following categories:

- Energy
- Construction
- Transportation
- Emissions
- Water
- Waste
- Workforce
- Land
- Agriculture
- Education
- Community
- Research



In addition to the general inventory, a University Sustainability Inventory has also been developed that addresses the following additional topics:

- Initiatives & Plans
- Outreach
- Food
- Curriculum

These inventories also serve as the basis for a sustainability narrative and series of key messages highlighting important programs and initiatives that support business and economic development. In addition to a statewide narrative, local documents have also been developed for Brevard, Broward, Duval, Miami-Dade, Nassau, Palm Beach, Putnam and Sarasota counties.

Publicity & Recognition

FPL has regularly been recognized for the innovative and effective economic development programs it offers. Following is a summary of the recognition garnered by FPL's economic development efforts in 2016 and 2017:

Rankings/Recognition

Each year *Business Facilities* magazine identifies the top utility economic development programs in the nation. Factors considered in the selection include active involvement in securing economic development projects, availability of low-cost energy, infrastructure (including smart grid technologies), and development of renewable energy.¹³ FPL was one of 20 utilities to be recognized in 2017.

In 2017, FPL Director of Economic Development Crystal Stiles was named to the Development Counsellors International (DCI) 40 Under 40 annual list. The recognition was announced at the International Economic Development Council Leadership Summit held in Jacksonville, Florida in January 2017. The list annually recognizes 40 young economic developers who are "making a difference in their communities and raising the bar for the profession."¹⁴

Other Recognition and Awards

- 2017 International Economic Development Council, Bronze Award for Paid Advertising Campaign
- 2017 Florida Economic Development Council, Innovation in Marketing Award for Special Events for FPL Energy 101
- 2017 Florida Economic Development Council, Innovation in Marketing Award for Single Ad
- 2017 Honorable Mention, *Site Selection Magazine* "Top Utilities in Economic Development"



- 2016 Best of Economic Development by *Southern Business and Development*
- 2016 Florida Economic Development Council, Innovation in Promotional and Marketing Innovation for Ad Campaign
- 2016 Florida Economic Development Council, Innovation in Digital Media
- 2016 Honorable Mention, *Site Selection Magazine* "Top Utilities in Economic Development"

Endnotes

¹ <http://www.flgov.com/2013/04/09/governor-scott-announces-att-creating-nearly-350-new-jobs-in-florida/>

² <https://www.enterpriseflorida.com/news/governor-scott-announces-att-creating-nearly-350-new-jobs-in-florida/>

³ <http://www.jacksonville.com/business/2017-06-22/georgia-pacific-expand-palatka-mill-add-80-jobs>

⁴ <https://www.enterpriseflorida.com/news/komg-to-build-state-of-the-art-learning-development-innovation-facility-in-orlando/>

⁵ <http://www.usatoday.com/story/money/business/2013/05/07/hertz-headquarters-relocate-lee-county/2140561/>

⁶ <http://www.poweringflorida.com/florida-advantage/explore-florida/>

⁷ <http://www.flsenate.gov/Session/Bill/2017/7109/BillText/er/PDF>

⁸ <http://www.poweringflorida.com/industries/florida-data-centers/>

⁹ <https://www.fpl.com/business/resources/small-business-tool.html>

¹⁰ <http://www.poweringflorida.com/florida-advantage/rates-incentives/>

¹¹ <http://www.poweringflorida.com/florida-advantage/rates-incentives/>

¹² <https://www.fpl.com/business/save/programs/government-services.html>

¹³ <https://businessfacilities.com/2017/04/top-utilities-the-power-behind-growth/>

¹⁴ <https://www.iedconline.org/blog/2017/01/31/leadership-and-professional-development/dci-s-40-under-40-winners-announced-at-iedc-leadership-summit/>



QUESTION:

Referring to paragraph 17 of the petition:

Please explain and provide support for the statement that FPL's economic development efforts include \$44.1 billion in direct contributions to the Florida economy. What is meant by "direct contributions?"

RESPONSE:

In early 2018, FPL contracted with Boyette Strategic Advisors to perform an economic impact study of FPL's economic development efforts from 2012-2017. The Economic Development Program Impact Evaluation and Analysis ("ED Study") is provided as Attachment No. 1 to FPL's response to Staff's First Data Request No. 2.

As the ED Study states "[s]ince 2012, job creation and capital investment in the 35 Florida counties served by FPL has . . . resulted in a \$44 billion impact on Florida's Gross Regional Product (GRP)." (ED Study page. 3.)

QUESTION:

Referring to paragraph 17 of the petition:

Please explain and provide support for the statement that FPL's economic development efforts include over \$25 billion in labor income. What is meant by "labor income?"

RESPONSE:

In early 2018, FPL contracted with Boyette Strategic Advisors to perform an economic impact study of FPL's economic development efforts from 2012-2017. The Economic Development Program Impact Evaluation and Analysis ("ED Study") is provided as Attachment No. 1 to FPL's response to Staff's First Data Request No. 2.

As set forth on page 3 of the ED Study, the impact of job creation and capital investment in the 35 counties served by FPL on labor income is \$25 billion.

QUESTION:

Referring to paragraph 17 of the petition:

Please provide support for the statement that FPL's economic development efforts include approximately \$2.8 billion in additional state and local taxes.

RESPONSE:

In early 2018, FPL contracted with Boyette Strategic Advisors to perform an economic impact study of FPL's economic development efforts from 2012-2017. The Economic Development Program Impact Evaluation and Analysis ("ED Study") is provided as Attachment No. 1 to FPL's response to Staff's First Data Request No. 2.

Significantly, the ED Study estimates that since 2012, job creation and capital investment in the 35 Florida counties served by FPL has resulted in \$2.8 billion in additional state and local taxes. (ED Study at pages 3 and 5.) The tax impact is broken into two areas: impact from capital investment and impact from job creation activities.

QUESTION:

Referring to paragraph 25 of the petition, please show the calculation to support the \$0.24 impact on a 1,000 kWh monthly residential bill by 2023.

RESPONSE:

Please see Attachment No. 1 to this response.

Florida Power & Light Company
Docket No. 20180143-EI
Staff's First Data Request
Request No. 6
Attachment No. 1-Redacted
Tab 1 of 1

FPL 000465
20180143-EI

<u>EDR (\$millions)</u>	<u>2023</u>
EDR Cap %	0.250%
Projected Operating Revenues	
EDR Cap % x Projected Operating Revenues	
95% Allowable	
Current EDR Allowable Cap	\$3.0
Change in EDR Allowable Cap	

Residential kWh Forecast	
Total Jurisdiction kWh Forecast	
Energy Allocation	54%
Residential Allocation	
\$/1,000 kWh	\$0.23
Gross Receipts Tax	\$0.01
Total Residential 1,000 kWh Bill Change	\$0.24

*Estimated Bill Change allocated based on forecasted energy sales.

QUESTION:

Referring to paragraph 25 of the petition, please state the impact on a 1,000 kWh monthly residential bill for 2018, 2019, 2020, 2021 and 2022 based on the economic development rule modifications suggested by the company. In your response, include the calculation to support the bill impact.

RESPONSE:

FPL is currently operating under an approved settlement agreement per Order No. PSC-2016-0560-AS-EI, Docket No. 20160021-EI through December 31, 2020. Thus, under the settlement, there would be no impact to FPL customers.

Pursuant to the settlement agreement, the impact of economic development expenses is estimated to be \$0.02 per 1,000 kWh typical residential bill. Notwithstanding, please see Attachment No. 1 to this response for the hypothetical calculation of the 1,000 kWh monthly residential bill impacts for 2019 through 2022.

EDR (\$millions)	2019	2020	2021	2022
EDR Cap %	0.150%	0.175%	0.200%	0.225%
Projected Operating Revenues	[REDACTED]			
EDR Cap % x Projected Operating Revenues	[REDACTED]			
95% Allowable	[REDACTED]			
Current EDR Allowable Cap	\$3.0	\$3.0	\$3.0	\$3.0
Change in EDR Allowable Cap	[REDACTED]			

Residential kWh Forecast	[REDACTED]			
Total Jurisdiction kWh Forecast	[REDACTED]			
Energy Allocation	53%	53%	54%	54%
Residential Allocation	[REDACTED]			
\$/1,000 kWh	\$0.12	\$0.15	\$0.17	\$0.20
Gross Receipts Tax	\$0.00	\$0.00	\$0.00	\$0.01
Total Residential 1,000 kWh Bill Change	\$0.12	\$0.15	\$0.17	\$0.21

*Estimated Bill Change allocated based on forecasted energy sales.

QUESTION:

For 2016, 2017 and 2018, please state the total amount of rate discounts offered to commercial/industrial customers pursuant to all Commission-approved economic development rate schedules. In your response, include the economic development rate schedules the customers take service under, the number of customers for each year, and the discounts given as a percentage of total economic development expense.

RESPONSE:

Please see Attachment No. 1 to this response.

Florida Power & Light Company
Docket No. 20180143-EI
Staff's First Data Request
Request No. 8
Attachment No. 1
Tab 1 of 1

TOTAL Economic Dev. Expenses

\$2,150,000.00

	Bill Rate Code	Rate Schedule	Number of Customers on EDR/EFEDR/CISR	Savings	Discount as percentage of total economic development expenses
2016	62	GSLD-1	18	\$295,933.82	13.76%
	64	GSLDT-1	6	\$76,205.68	3.54%
	70	GSDT-1	11	\$80,146.33	3.73%
	72	GSD-1	14	\$116,766.51	5.43%
	164	HLFT-2	1	\$25,421.51	1.18%
	Total Savings 2016				\$594,473.85

2017	62	GSLD-1	15	\$179,916.01	8%	
	63	GSLD-2	1	\$102,628.91	5%	
	64	GSLDT-1	11	\$226,114.66	11%	
	70	GSDT-1	14	\$90,098.51	4%	
	72	GSD-1	9	\$74,628.42	3%	
	164	HLFT-2	1	\$16,800.50	1%	
	Total EDR/EFEDR Savings 2017				\$690,187.01	
		GSLD-2		\$1,446,894.97	67%	
Total CISR Savings 2017^				\$1,446,894.97		

2018	54	CILC-1D	1	\$20,347.87	1%	
	62	GSLD-1	10	\$91,904.17	4%	
	63	GSLD-2	2	\$66,812.81	3%	
	64	GSLDT-1	13	\$167,132.29	8%	
	70	GSDT-1	17	\$80,020.24	4%	
	72	GSD-1	9	\$37,134.45	2%	
	164	HLFT-2*	1	\$0.00	0%	
	Total EDR/EFEDR Savings 2018				\$463,351.83	
		63	GSLD-2	1	\$1,898,985.66	88%
		91	GSLD-3	1	\$69,852.44	3%
	Total CISR Savings 2018				\$1,968,838.10	

*This customer is in the 5th year of the EDR agreement and so does not receive a discount, but is required to maintain demand

^ CISR discounts are not included in recoverable economic development costs, but are considered economic development rider accounts