

Timolyn Henry

From: Rhonda Dulgar [rdulgar@yvlaw.net]
Sent: Tuesday, January 24, 2006 4:17 PM
To: Filings@psc.state.fl.us
Cc: Bryan_Anderson@fpl.com; Natalie_Smith@fpl.com; Patrick_Bryan@fpl.com;
Wade_Litchfield@fpl.com; Charles Beck; christensen.patty@leg.state.fl.us;
mcglothlin.joseph@leg.state.fl.us; mclean.harold@leg.state.fl.us; jmcwhirter@mac-law.com;
tperry@mac-law.com; Rick Melson; miketwomey@talstar.com; swright@yvlaw.net
Subject: Electronic Filing for Docket 060038-EI

Attachments: FRF Petition to Intervene-FPL.Jan24.doc

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FRF Petition to
Intervene-FPL...

a. Person responsible for this electronic filing:

Robert Scheffel Wright
Young van Assenderp, P.A.
225 South Adams Street, Suite 200
Tallahassee, FL 32301
(850) 222-7206
swright@yvlaw.net

b. Docket No. 060038-EI
In re: Florida Power & Light Company's Petition for Issuance of a Storm Recovery
Financing Order.

c. Document being filed on behalf of the Florida Retail Federation.

d. There are a total of 13 pages.

e. The document attached for electronic filing is The Florida Retail
Federation's Petition to Intervene.

(see attached file: FRF Petition to Intervene-FPL.Jan24.doc)

Thank you for your attention and assistance in this matter.

Rhonda Dulgar
Secretary to Schef Wright
Phone: 850-222-7206
FAX: 850-561-6834
email: rdulgar@yvlaw.net

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Florida Power & Light Company's)
Petition for Issuance of a Storm) DOCKET NO. 060038-EI
Recovery Financing Order) FILED: JANUARY 24, 2006
_____)

THE FLORIDA RETAIL FEDERATION'S PETITION TO INTERVENE

The Florida Retail Federation ("FRF"), pursuant to Chapter 120, Florida Statutes, and Rules 25-22.039 and 28-106.205, Florida Administrative Code ("F.A.C."), and by and through its undersigned counsel, hereby petitions to intervene in the above-styled docket. In summary, the FRF is an established association with more than 10,000 members in Florida, many of whom are retail customers of Florida Power & Light Company ("FPL"). The interests of the many members of the FRF who are FPL customers will be directly affected by the Commission's decisions in this case, and accordingly, the FRF is entitled to intervene to protect its members' substantial interests. In further support of its Petition to Intervene, the FRF states as follows.

1. The name, address, and telephone number of the Petitioner are as follows:

Florida Retail Federation
227 South Adams Street
Tallahassee, Florida 32301
Telephone (850) 222-4082
Telecopier (850) 226-4082.

DOCUMENT NUMBER-DATE

00693 JAN 24 8

FPSC-COMMISSION CLERK

2. All pleadings, orders and correspondence should be directed to Petitioner's representatives as follows:

Robert Scheffel Wright, Attorney at Law
John T. LaVia, III, Attorney at Law
Young van Assenderp, P.A.
225 South Adams Street, Suite 200
Tallahassee, Florida 32301
(850) 222-7206 Telephone
(850) 561-6834 Facsimile.

3. The agency affected by this Petition to Intervene is:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850.

4. The Florida Retail Federation is an established association of more than 10,000 members engaged in retail businesses in Florida. Among the FRF's many authorized functions on behalf of its members is participation in government proceedings to protect its members' interests. Many - probably several thousand - of the FRF's members are retail electric customers of FPL; these members purchase electricity from FPL pursuant to several different FPL rate schedules. The FRF's members require adequate, reasonably-priced electricity in order to conduct their businesses consistently with the needs of their customers and ownership.

5. Statement of Affected Interests. In this docket, the Commission will decide whether to approve FPL's request for a financing order and its associated request for approval of "Storm Charges" to repay bonds to be issued pursuant to that financing order, or in the alternative, to implement conventional Storm Restoration Surcharges that FPL alleges are necessary to enable FPL to recover approximately \$906 million

(jurisdictional) in costs that FPL alleges are related to its efforts to restore electric service following the hurricanes that struck Florida in 2005, plus an additional \$650 million that FPL asserts is necessary as a storm reserve. The Commission will necessarily have to decide whether to approve such Storm Charges or Storm Restoration Surcharges at all, and if so, at what levels. The Commission must also decide how to treat FPL's request in light of the Commission's over-arching duty to ensure that FPL's rates are, in their totality, fair, just, reasonable, and not unduly discriminatory.

6. The FRF's substantial interests are of sufficient immediacy to entitle it to participate in the proceeding and are the type of interests that the proceeding is designed to protect. To participate as a party in this proceeding, an intervenor must demonstrate that its substantial interests will be affected by the proceeding. Specifically, the intervenor must demonstrate that it will suffer a sufficiently immediate injury in fact that is of the type the proceeding is designed to protect. Ameristeel Corp. v. Clark, 691 So. 2d 473 (Fla. 1997); Agrico Chemical Co. v. Department of Environmental Regulation, 406 So.2d 478 (Fla. 2d DCA 1981), rev. denied, 415 So. 2d 1359 (Fla. 1982). Here, the FRF is the representative of a large number - probably several thousand - of its members who are retail electric customers of FPL, and these members' substantial interests will be directly affected by the Commission's decisions regarding FPL's retail electric rates. Thus, the interests that the FRF seeks to protect are of sufficient

immediacy to warrant intervention, and the nature of its members' interests in having the Commission's protection against rates that are unjust, unfair, or unreasonable is exactly the type of interest that this proceeding is designed to protect.

7. Associational Standing. Under Florida law, to establish standing as an association representing its members' substantial interests, an association such as the Florida Retail Federation must demonstrate three things:

- a. that a substantial number of its members, although not necessarily a majority, are substantially affected by the agency's decisions;
- b. that the intervention by the association is within the association's general scope of interest and activity;
and
- c. that the relief requested is of a type appropriate for an association to obtain on behalf of its members.

Florida Home Builders Ass'n v. Dep't of Labor and Employment Security, 412 So. 2d 351, 353-54 (Fla. 1982). The FRF satisfies all of these "associational standing" requirements. A substantial number - probably several thousand - of the FRF's more than 10,000 members are located in FPL's service area and receive their electric service from FPL, for which they are charged FPL's applicable retail rates. The FRF exists to represent and protect its members' interests in a number of venues, including the Florida Public Service Commission. In this regard, the FRF was an intervenor in FPL's 2002 general rate case, FPL's 2005 general rate case, and FPL's 2004 storm

cost recovery docket. Finally, the relief requested -- intervention and the lowest rates consistent with the Commission's governing law -- is across-the-board relief that will apply to all of the FRF's members in the same way, according to the retail rate schedules under which they receive service; therefore, the requested relief is of the type that is appropriate for an association to obtain on behalf of its members.

8. Disputed Issues of Material Fact. The FRF believes that the disputed issues of material fact in this proceeding will include, but will not necessarily be limited to, the following.

ISSUE 1: What is the appropriate methodology to be used for booking costs to FPL's Storm Reserve?

ISSUE 2: Has FPL booked costs to its Storm Reserve using the appropriate methodology?

ISSUE 3: Has FPL quantified the appropriate amount of non-management employee labor payroll expense that should be charged to the Storm Reserve? If not, what adjustments should be made?

ISSUE 4 Has FPL properly treated payroll expense associated with managerial employees when determining the costs that should be charged to the Storm Reserve? If not, what adjustments should be made?

ISSUE 5: At what point in time should FPL stop charging costs related to the 2005 storm season to the Storm Reserve?

ISSUE 6: Has FPL properly quantified the costs of tree trimming

that should be charged to the Storm Reserve? If not, what adjustments should be made?

ISSUE 7: Has FPL properly quantified the costs of company-owned fleet vehicles that should be charged to the Storm Reserve? If not, what adjustments should be made?

ISSUE 8: Has FPL properly determined the costs of call center activities that should be charged to the Storm Reserve? If not, what adjustments should be made?

ISSUE 9: Has FPL appropriately charged to the Storm Reserve any amounts related to advertising expense or public relations expense for the storms? If not, what adjustments should be made?

ISSUE 10: Has uncollectible expense been appropriately charged to the Storm Reserve? If not, what adjustments should be made?

ISSUE 11: Of the costs that FPL has charged or proposes to charge to the Storm Reserve, should any portion(s) instead be booked as capital costs associated with its retirement (including cost of removal) and replacement of plant items affected by the 2005 storms? If so, what adjustments should be made?

ISSUE 12: Has FPL appropriately quantified the costs of materials and supplies used during 2005 storm restoration activities that should be charged to the Storm Reserve? If not, what adjustments should be made?

ISSUE 13: Taking into account any adjustments identified in

preceding issues, what is the appropriate amount of storm-related costs related to the 2005 storms to be charged against the Storm Reserve?

ISSUE 14: Were the costs FPL has booked to the Storm Reserve reasonable and prudently incurred?

ISSUE 15: Should the Commission allow FPL to recover any portion of "lost revenues" that FPL experienced as a result of outages caused by the 2005 storms?

ISSUE 16: Were FPL's pre-2005 distribution system maintenance activities reasonable, prudent, and consistent with "good utility practice?" If not, what action should the Commission take with regard to any surcharges it may approve as a result of this docket?

ISSUE 17: What, if any, consideration should the Commission give to its intended function of replicating a competitive market result in determining the issues in this case?

ISSUE 18: What is the appropriate amount of 2005 storm-related costs to be recovered from FPL's customers?

ISSUE 19: If recovery is allowed, what is the appropriate accounting treatment for the unamortized balance of the storm-related costs subject to future recovery?

ISSUE 20: If recovery is allowed, what is the appropriate method for recovery, e.g., via "storm-recovery bonds" and "storm-recovery charges" pursuant to Section 366.8260, Florida Statutes, or via "conventional" surcharges approved by the Commission pursuant to its general ratemaking authority?

ISSUE 21: If recovery is allowed, what is the appropriate period for recovery of approved storm restoration costs?

ISSUE 22: If the Commission approves recovery of any storm-related costs, how should they be allocated to the rate classes?

ISSUE 23: What is the proper, reasonable, and prudent level of a Storm Reserve for FPL, and how should FPL accrue funds to any such reserve?

ISSUE 24: What is the appropriate method for FPL to accrue additional funds to its Storm Reserve?

ISSUE 25: How should any costs associated with FPL's accruing additional funds to its Storm Reserve be allocated to rate classes?

ISSUE 26: What is the appropriate treatment of the tax effects attributable to any storm surcharges that the Commission approves in this docket?

ISSUE 27: If the Commission approves surcharges for the recovery of storm-related costs, or for accruals to FPL's Storm Reserve, or both, from FPL's ratepayers, on what date should such surcharges become effective?

ISSUE 28: Should the Commission issue the requested financing order?

ISSUE 29: Should the Commission approve alternate "conventional" surcharges? If so, at what levels should such surcharges be set, and over what period of time should they be in effect?

The FRF reserves all rights to raise additional issues in

accordance with the Commission's rules and the Order Establishing Procedure in this case.

9. Statement of Ultimate Facts Alleged. FPL is entitled to recover the reasonable and prudent costs of restoring service following hurricanes and tropical storms. FPL's entitlement, however, is conditioned upon FPL's demonstrating that such costs were reasonable and prudent, and that they could not have been avoided by reasonable and prudent preparation and pre-storm maintenance activities. Any rate recovery allowed by the Commission must also, at a minimum, be based upon a determination that any storm recovery costs claimed by FPL were reasonable and prudent, and must, at a minimum, exclude (without limitation): (a) all normal operating and replacement costs, (b) all FPL "regular" labor time, (c) all budgeted FPL overtime, and (d) all budgeted contract expenses. Any cost recovery allowed by the Commission must also include appropriate credits or offsets for removal costs and for other applicable items. The actual amounts to be recovered from FPL's customers, and the method of such recovery, must be determined pursuant to analysis and appropriate testing, in the hearings in this case, of the evidence of record brought forth in those hearings.

10. FPL is not entitled to recover any amounts from its customers to compensate FPL for "lost revenues," i.e., monies that FPL did not collect from its customers because it was unable to provide service to those customers during the outages caused by the 2005 storms.

11. FPL does not need a storm reserve of \$650 million.

The Commission should approve recovery, through continuing surcharges, of \$20 million per year towards FPL's storm reserve.

12. Statutes and Rules That Entitle the Florida Retail Federation to Relief. The applicable statutes and rules that entitle the FRF to relief include, but are not limited to, Sections 120.569, 120.57(1), 366.04(1), 366.05(1), 366.06(1)&(2), 366.07, and 366.8260, Florida Statutes, and Rule 25-22.039 and Chapter 28-106, Florida Administrative Code.

13. Statement Explaining How the Facts Alleged By the Florida Retail Federation Relate to the Above-Cited Rules and Statutes In Compliance With Section 120.54(5)(b)4.f, Florida Statutes. Rules 25-22.039 and 28-106.205, F.A.C., provide that persons whose substantial interests are subject to determination in, or may be affected through, an agency proceeding are entitled to intervene in such proceeding. A substantial number - probably several thousand - of the FRF's members are FPL's retail customers, and accordingly, their substantial interests are subject to determination in and will be affected by the Commission's decisions in this docket. Accordingly, as the representative association of its members who are FPL customers, the FRF is entitled to intervene herein. The above-cited sections of Chapter 366 relate to the Commission's jurisdiction over FPL's rates, including storm surcharges and financing orders, and the Commission's statutory mandate to ensure that FPL's rates are fair, just, and reasonable. The facts alleged here by the FRF demonstrate (a) that the Commission's decisions herein will have a significant impact on FPL's rates and

charges, (b) that a substantial number of the FRF's members will be directly impacted by the Commission's decisions regarding FPL's rates and charges, and (c) accordingly, that these statutes provide the basis for the relief requested by the FRF herein.

CONCLUSION AND RELIEF REQUESTED

The Florida Retail Federation is an established association that, consistent with its purposes and history of intervening in Commission proceedings to protect its members' interests under the Commission's statutes, rules, and orders, seeks to intervene in this docket to protect its members' substantial interests in having the Commission set rates for Florida Power & Light Company that are fair, just, and reasonable. The interests of the FRF's members that the FRF seeks to protect via its intervention and participation in this case are immediate and of the type to be protected by this proceeding.

WHEREFORE, the Florida Retail Federation respectfully requests the Florida Public Service Commission to enter its order GRANTING this Petition to Intervene and requiring that all parties to this proceeding serve copies of all pleadings, notices, and other documents on the FRF's representatives indicated in paragraph 2 above.

Respectfully submitted this 24th day of January, 2006.

S/Robert Scheffel Wright
Robert Scheffel Wright
Florida Bar No. 966721
John T. LaVia, III
Florida Bar No. 853666
Young van Assenderp, P.A.
225 South Adams Street, Suite 200
Tallahassee, Florida 32301
(850) 222-7206 Telephone
(850) 561-6834 Facsimile

Attorneys for the Florida
Retail Federation

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Florida Retail Federation's Petition to Intervene has been furnished by electronic Mail and U.S. Mail this 24th day of January, 2006, to the following:

Richard Melson
General Counsel
Florida Public Service Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

R. Wade Litchfield
Bryan Anderson
Patrick Bryan
Natalie F. Smith
Florida Power & Light Company
700 Universe Blvd.
Juno Beach, FL 33408

Harold A. McLean
Charles J. Beck
Joseph A. McGlothlin
Patty Christensen
Office of the Public Counsel
111 West Madison Street
Room 812
Tallahassee, Florida 32399

John W. McWhirter, Jr.
McWhirter, Reeves, & Davidson, P.A.
400 North Tampa Street, Suite 2450
Tampa, Florida 33602

Timothy J. Perry
McWhirter, Reeves, & Davidson, P.A.
117 South Gadsden Street
Tallahassee, Florida 32301

Michael Twomey
Post Office Box 5256
Tallahassee, FL 32314-5256

S/Robert Scheffel Wright
Attorney