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OFFICE OF THE GENERAL COUNSEL
S. CURTIS KISER
GENERAL COUNSEL
(850) 413-6199

Public Service Commission

April 22, 2010

COMMISSION
CLERK

10 APR 22 AM 10:45

RECEIVED-FPSC

John T. Butler
Managing Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408

STAFF DATA REQUEST

Re: Docket No. 100143-EI - Evaluation of study by Florida Power & Light on prepayment billing option for retail customers

Dear Mr. Butler:

By this letter, the Commission staff requests that Florida Power & Light Company (FPL) provide responses to the following data requests.

1. What is the appropriate discount rate to use in the proposed prepay program? In your response, please provide the rationale for your answer, and include any work papers and pro-forma financial data used to determine the discount rate.
2. Is the discount rate in the proposed prepay program the same or similar to the internal rate of return used in capital budgeting that makes the net present value of all cash flows from a particular project equal to zero? In your response, please provide the rationale for your answer.
3. Is it appropriate to use the interest rate on customer deposits described in Rule 25-6.097, Florida Administrative Code, Customer Deposits, as the discount rate in the proposed prepay program? In your response, please provide the rationale for your answer.
4. Identify the financial impact (benefits and detriments) to FPL if a prepay program is implemented. Please elaborate on the financial impacts identified and provide any documentation supporting your response.

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5. Identify the financial risks to FPL if a prepay program is implemented. Please elaborate on the financial risks identified and provide any documentation supporting your response.
6. If a prepay program is implemented, describe in detail how FPL would account for the revenue received as prepayment from customers. In your response, please provide the following:
 - a. In what accounts would FPL book the payment for the entire year?
 - b. In what accounts would FPL book the electric service owed to the customer for the entire year?
7. FPL identified legal contracting as an additional cost that would need to be funded by participants in the program. Please explain the nature of the legal costs.
8. Please provide documentation to support the operational costs FPL referred to on page 12 of the study and provide an explanation of the type of costs included.
9. On page 12 of the study, FPL referred to billing system costs between \$817,000 and \$917,000. Please provide documentation to support the billing system costs and provide an explanation of the type of costs included. Are these billing system costs included in the prepayment revenue requirements calculation shown in appendix 3, page 2 of 2?
10. Appendix 3, page 2 of 2, identifies capital costs as part of the prepayment revenue requirements calculation. Please provide documentation to support the capital costs and provide an explanation of the type of costs included.
11. On page 13 of the study, FPL states that it developed many customer-focused initiatives that made sense for both the customers and FPL. Please provide a list of those initiatives FPL has developed.
12. Please provide a discussion as to what programs or assistance FPL currently offers its commercial accounts to lower their electric bill.
13. What customer payment options does FPL currently offer?

14. Did FPL investigate a similar concept in the 1990s as alleged by the consultants Mr. Morgan and Mr. Balogh? If yes, please describe the outcome of that investigation, and state whether FPL internally investigated the concept, or whether it was a matter brought before the Commission.

Please file the original and five copies of the requested information by Friday, May 21, 2010, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6230 if you have any questions.

Sincerely,



Lisa C. Bennett
Senior Attorney

LCB:th

cc: Office of Commission Clerk
Office of Public Counsel (J.R. Kelly)