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Subject: Electronic Filing - Docket No. 120015-EI - OPC's Objections to FPL's 4th Rogs
Attachments: Citizens' Objections to FPL 4th Rog's Nos. 28-73pdf.pdf

Electronic Filing

a. Person responsible for this electronic filing:

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b. Docket No. 120015-EI

In re: Petition for rate increase by Florida Power & Light Company

c. Documents being filed on behalf of the Office of Public Counsel

d. There are a total of 20 pages.

e. The document attached for electronic filing is Citizens' Objections to FPL's 4th Set of Interrogatories (Nos. 28-73)

Thank you for your attention and cooperation to this request.

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DOCUMENT NUMBER-DATE

04926 JUL 23 02

FPSC-COMMISSION CLERK

7/23/2012

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida
Power & Light Company

Docket No: 120015-EI

Filed: July 23, 2012

**CITIZENS' OBJECTIONS TO FLORIDA POWER AND LIGHT'S FOURTH SET OF
INTERROGATORIES (NOS. 28-73)**

Office of Public Counsel, ("Citizens"), by the requirements set forth in the Commission Order No. PSC-12-0143-PCO-EI, Rule 28-106-206, Florida Administrative Code, and Rule 1.340, Florida Rules of Civil Procedure, submit the following response to the Fourth Set of Interrogatories (Nos. 28-73) propounded by Florida Power and Light (FPL) on July 6, 2012.

GENERAL OBJECTIONS

With respect to the "Definitions" and "Instructions" in the requests, Citizens object to any definitions or instructions that are inconsistent with Citizens' discovery obligations under applicable rules. If some question arises as to Citizens' discovery obligations, Citizens will comply with applicable rules and not with any of the definitions or instructions that are inconsistent with those rules.

Citizens object to each and every request to the extent it is vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of such discovery requests. Any responses provided by Citizens are provided subject to, and without waiver of, the foregoing objection.

Citizens object to the extent any discovery request is unduly burdensome. Citizens further object to any requests that would require Citizens and/or its consultants to perform a new study or analysis.

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Citizens generally object to any request that calls for data or information protected by the attorney-client privilege, the work product privilege, the accountant-client privilege, the trade secret privilege, or any other applicable privilege or protection afforded by law.

Citizens reserve the right to supplement any of its responses if Citizens cannot locate the answers immediately due to their magnitude and the work required to aggregate them, or if Citizens later discover additional responsive information in the course of this proceeding. By making these general objections at this time, Citizens do not waive or relinquish its right to assert additional general and specific objections to FPL's discovery.

By making these responses herein, Citizens do not concede that any request is relevant to this action or is reasonably calculated to lead to the discovery of admissible evidence. Citizens expressly reserve the right to object to further discovery into the subject matter of any of these requests, to the introduction of evidence of any response or portion thereof, and to supplement its responses should further investigation disclose responsive information.

Citizens object to providing information to the extent that such information is already in the public record before the Florida Public Service Commission and available to FPL through normal procedures.

In responding to these Requests, Citizens do not waive the foregoing objections, or the specific objections that are set forth in the responses to particular requests.

ADDITIONAL SPECIFIC OBJECTIONS

In addition to the general objections which apply to every interrogatory, Citizens provide the following objections to specific interrogatories:

28. Regarding OPC witness O'Donnell (pages 21-22): Please identify all analyses and/or studies performed or relied upon by witness O'Donnell to support the statements on credit ratings?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

29. Regarding OPC witness Lawton: Please identify the regulatory orders or statutes in Florida and/or in the United States that has OPC witness Lawton relied upon to support the position that utilities have an obligation to provide superior service and performance?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

30. Regarding OPC Witness Woolridge (12:25-13:13): With respect to the identified "Electric Proxy Group" as identified and listed in Exhibit JRW-5; please list the following data for the select group of electric utilities:
- (i) Ocean and/or gulf Shoreline miles
 - (ii) The number of hurricanes and/or tropical storm damage since 1990
 - (iii) The percentage of owned and operated nuclear in the electric utilities fuel mix.

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

31. Regarding OPC Witness Woolridge (15:12-16): Does business risk play a role in the level of financial strength a firm needs to support? That is, all things being equal, does a firm with higher business risk need to maintain greater financial strength?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

32. Regarding OPC Witness Woolridge (16:12-16): In general, do ratepayers pay the interest expense on debt?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

33. Regarding OPC Witness Woolridge (16:13-14): What is the income tax burden to ratepayers directly due to equity?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

34. Regarding OPC Witness Woolridge (17:24 – 18:-2): All other things being equal, does the cost of debt increase as the level of debt increases in proportion to the overall capital structure?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

35. Regarding OPC Witness Woolridge (17:24-18:1): Please provide the statistical studies, companies analyzed and the date of the time study for the correlation (either the correlation coefficient or the coefficient of determination) and the statistical support for statement that there is a direct correlation between the amount of debt in a utility's capital structure and the financial risk that the investor will associate with that utility."

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

36. Regarding OPC Witness Woolridge (18:1-2): What is the currently authorized high, low, median and average ROE for the electric proxy group?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

37. Regarding OPC Witness Woolridge (20:10-12): Is product differentiation an example of product market imperfections?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

38. Regarding OPC Witness Woolridge (22:1-23): Are book values also affected by retention ratios? As part of your answer, please state whether higher levels of retained earnings positively impact book values.

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

39. Regarding OPC Witness Woolridge: Please explain the correlation of retention ratios to book value?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

40. Regarding OPC Witness Woolridge (22:19-23): Please provide additional or supporting statistical data that produced the r-square ratios noted on line 21 (i.e., f-test, p-values).

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

41. Regarding OPC Witness Woolridge (22:19-23): Please state whether the witness conducted an analysis on non-regulates utilities. As part of your answer, please identify the r-square for the broader equity index, e.g., the S&P 500.

RESPONSE: Citizens specifically object to the extent this request calls for *our consultant to perform a new study or analysis*. Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

42. Regarding OPC Witness Woolridge (22:19-23): Why is the r-square ratio for the electric utilities so much lower than the other utilities?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

43. Regarding OPC Witness Woolridge (22:19-23): Please identify the number of electric companies, gas companies and water companies used in the study.

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

44. Regarding OPC Witness Woolridge (22:19-23): Please state whether there is a relationship between the number of data points used in a study and the r-square? As part of your answer, please state whether fewer the points in the data set results in a higher the higher r-square? [sic]

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

45. Regarding OPC Witness Woolridge (22:19-23): Please state whether there a minimum number of observation required to produce a valid data set for statistical purposes? If so, what is that minimum number? [sic]

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

46. Regarding OPC Witness Woolridge (23:1-7): Please identify the average long-term "A" rated bond yields from exhibit JRW-7, page 1.

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

47. Regarding OPC Witness Woolridge (23:1-17): Please identify the average dividend yield for the electric proxy group stated on page 2 of JRW-7.

RESPONSE: Citizens specifically object to the extent this request calls for our consultant to perform a new study or analysis. Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

48. Regarding OPC Witness Woolridge (23:1-17): Please identify the average earned Return on Equity ratios noted on page 3 of JRW-7.

RESPONSE: Citizens specifically object to the extent this request calls for our consultant to perform a new study or analysis. Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

49. Regarding OPC Witness Woolridge (23:1-17): State whether the Return on Equity ratios presented on page 3, JRW-7 are earned or authorized ROEs?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

50. Regarding OPC Witness Woolridge (pages 24-25): With respect to JRW-8, which industry group listed has the highest number of observations?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

51. Regarding OPC Witness Woolridge (pages 24-25 and JRW-8): With respect to JRW-8, please identify that group's beta ratio?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

52. Regarding OPC Witness Woolridge (JRW-10, page 4): Please state whether electric utilities are less risky than other companies?

RESPONSE: Citizens specifically object to this request to the extent it is vague. Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

53. Regarding OPC Witness Woolridge (JRW-10, page 4): State whether it is possible for electric utilities to generate negative earnings?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

54. Regarding OPC Witness Woolridge (JRW-10): Please state whether the witness's exhibit shows the following negative earnings:

- a. Ameren (-1.0%)
- b. Entergy (-4.5%)
- c. Exelon (-2.0%)

d. PNM (-7.5%)

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

55. Regarding OPC Witness Woolridge (JRW-10): How is it possible for each of the major electric utilities to have little risk and not produce positive earnings?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

56. Regarding OPC Witness Woolridge (JRW-10): Are these negative earnings anomalies – that is, are these unusual or expected events?

- a. If the answer to (56) is no, does the witness agree that electric utilities must clearly have risk?
- b. If the witness's answer to (6) is yes – then, did the witness use these data in his averaging for growth rates? [sic]
- c. If it is the position that negative earnings are rare or unusual events – then does the witness agree that it would be logical to remove these negative values from the average calculation?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

57. Regarding OPC Witness Woolridge (JRW-10): What would be the average growth rate if these negative figures were not included?

RESPONSE: Citizens specifically object to the extent this request calls for our consultant to perform a new study or analysis. Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

58. Regarding OPC Witness Woolridge (JRW-10): What is the average ROE for the group listed on JRW-10?

RESPONSE: Citizens specifically object to the extent this request calls for our consultant to perform a new study or analysis. Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

59. Regarding OPC Witness Woolridge (page 13 and JRW-10): As to the statement that Witness Woolridge's proxy group only included companies in his proxy group that paid cash dividends for the past three years (with no cuts or omissions):

a. Do each of companies listed in JRW-10 all pay cash dividends? [sic]

b. At any time over the past five years, did any of the companies cut dividends?

If so, which companies did so and when?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

60. Why would equity analysts forecast negative growth for an electric utility?

RESPONSE: Citizens specifically object to this request to the extent it is vague and speculative. Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

61. Why would equity analyst forecast negative growth in dividends?

RESPONSE: Citizens specifically object to this request to the extent it is vague and speculative. Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

62. What does Value Line project for NextEra's (FPL) sustainable growth for ROE?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality

and/or privilege that come to Citizens' attention during the preparation of the discovery.

63. What does Value Line project for Sothern Company's sustainable growth for ROE?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

64. What does Value Line project for Dominion's sustainable growth for ROE?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

65. What does Value Line project for TECO Energy's sustainable growth for ROE?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

66. Regarding OPC Witness Woolridge: Do investors believe equity analysts?

RESPONSE: Citizens specifically object to this request to the extent it is vague and speculative. Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

67. Regarding OPC Witness Woolridge: Do equity analysts provide any value to investors? If so, what value to they provide? If not, please explain the existence of a market for equity analysis and analysts? [sic]

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

68. Regarding OPC Witness Woolridge: Are stock price returns log-normal – that is, is there evidence that there is an upward return bias on the price of stock?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

69. Regarding OPC witness Vondle (page 9): In Mr. Vondle's experience, do single state utility operating companies typically have a service company structure?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality

and/or privilege that come to Citizens' attention during the preparation of the discovery.

70. Regarding OPC witness Vondle (page 9): Identify which single state utility operating companies have a service company structure?

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

71. Regarding OPC witness Vondle: Identify and describe in detail any and all instances in which Mr. Vondle has testified as an expert witness on the basis of his review of a single state public utility operating company. In your response, identify the utility company, the proceeding, on whose behalf Mr. Vondle testified, and whether such utility company employed a service company structure.

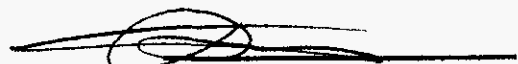
RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

72. Identify any reports or documents that OPC witness Vondle reviewed other than FPL-furnished materials in connection with his engagement in this case.

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.

73. Identify and describe in detail any instance in which OPC Witness Vondle as a expert witness has proposed an adjustment to affiliate transaction costs in the nature of or similar to his 20% adjustment. Include in your answer an identification of the utility company in question, the proceeding, the client he represented, the basis for the specific amount of the proposed adjustment, and whether his proposal was accepted by the regulator.

RESPONSE: Citizens have no specific objection at this time. However, Citizens reserve the right to assert any additional objections based on confidentiality and/or privilege that come to Citizens' attention during the preparation of the discovery.



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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was furnished by e-mail and

U.S. Mail this 23rd day of July, 2012 to:

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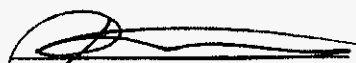
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