



SPILMAN THOMAS & BATTLE, PLLC
ATTORNEYS AT LAW

Stephanie U. Roberts
336.631.1062
sroberts@spilmanlaw.com

July 7, 2016

VIA ELECTRONIC FILING

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

Re: Docket No. 160021-EI; In Re: Petition for Rate Increase by Florida Power & Light Company

Dear Ms. Stauffer:

Please find enclosed for filing in the above-referenced case on behalf of Wal-Mart Stores East, LP and Sam's East, Inc. (collectively, "Walmart"), the Direct Testimony and Exhibits of Steve W. Chriss.

Please contact me if you have any questions concerning this filing.

Sincerely,

/s/ Stephanie U. Roberts

Stephanie U. Roberts (Florida Bar No. 165610)
sroberts@spilmanlaw.com

Derrick Price Williamson
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
dwilliamson@spilmanlaw.com

SUR:sds:8627196

Enclosures

c: Certificate of Service

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished

by electronic mail to the following parties this 7th day of July, 2016.

Martha Barrera
Suzanne Brownless
Florida Public Service Commission
2540 Shumard Oak Blvd., Room 110
Tallahassee, FL 32399-0850
mbarrera@psc.state.fl.us
sbrownle@psc.state.fl.us

R. Wade Litchfield
John T. Butler
Kevin I.C. Donaldson
Maria J. Moncada
Eric E. Silagy
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
wade.litchfield@fpl.com
john.butler@fpl.com
kevin.donaldson@fpl.com
maria.moncada@fpl.com
eric.silagy@fpl.com

Kenneth A. Hoffman
Florida Power & Light Company
215 South Monroe Street
Suite 810
Tallahassee, FL 32301
ken.hoffman@fpl.com

J. R. Kelly
Patricia Christensen
Charles J. Rehwinkel
Erik Saylor
Tricia Merchant
Stephanie Morse
Office of Public Counsel
111 West Madison Street, Room 812
Tallahassee, FL 32301
kelly.jr@leg.state.fl.us
christensen.patty@leg.state.fl.us
rehwinkel.charles@leg.state.fl.us
saylor.erik@leg.state.fl.us
merchant.tricia@leg.state.fl.us
morse.stephanie@leg.state.fl.us

Jon C. Moyle, Jr.
Karen A. Putnal
Moyle Law Firm, P.A.
118 North Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com
kputnal@moylelaw.com

Thomas A. Jernigan
Federal Executive Agencies
AFCEC/JA-ULFSC
129 Barnes Drive, Suite 1
Tyndall Air Force Base, FL 32403
Thomas.Jernigan.3@us.af.mil

Kenneth L. Wiseman
Mark F. Sundback
William M. Rappolt
Kevin C. Siqueland
Andrews Kurth LLP
1350 I Street NW, Suite 1100
Washington, DC 20005
kwiseman@andrewskurth.com
msundback@andrewskurth.com
wrappolt@andrewskurth.com
ksiqueland@andrewskurth.com

John B. Coffman
John B. Coffman, LLC
871 Tuxedo Blvd.
St. Louis, MO 63119-2044
john@johncoffman.net

Jack McRay, Advocacy Manager
AARP Florida
200 W. College Ave., #304
Tallahassee, FL 32301
jmcray@arp.org

Robert Scheffel Wright
John T. LaVia, III
Gardner, Bist, Bowden, Bush, Dee, LaVia &
Wright, P.A.
1300 Thomaswood Drive
Tallahassee, FL 32308
schef@gbwlegal.com
jlavia@gbwlegal.com

/s/ Stephanie U. Roberts

Stephanie U. Roberts

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE)
BY FLORIDA POWER & LIGHT COMPANY) DOCKET NO. 160021-EI**

**DIRECT TESTIMONY AND EXHIBITS OF
STEVE W. CHRISS
ON BEHALF OF
WAL-MART STORES EAST, LP AND SAM'S EAST, INC.**

JULY 7, 2016

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Exhibits

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Exhibit SWC-3: Calculation of Proposed Test Year Jurisdictional Revenues Collected through Base Rates

Exhibit SWC-4: Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2013 to Present

Exhibit SWC-5: Calculation of Production Capacity Cost Allocators

Exhibit SWC-6: Comparison of Cost Recovery, FPL 12 CP and 25% Cost of Service Study, Present and Proposed Rates for GSLDT-1, GSLD-1, GSDT-1, and GSD-1

Exhibit SWC-7: Calculation of Proposed Rates, GSLD-1 and GSLDT-1

Exhibit SWC-8: Calculation of Proposed Rates, GSD-1 and GSDT-1

1 **Introduction**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.**

3 A. My name is Steve W. Chriss. My business address is 2001 SE 10th St.,
4 Bentonville, AR 72716-0550. I am employed by Wal-Mart Stores, Inc. as Senior
5 Manager, Energy Regulatory Analysis.

6 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS DOCKET?**

7 A. I am testifying on behalf of Wal-Mart Stores East, LP and Sam's East, Inc.
8 (collectively, "Walmart").

9 **Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.**

10 A. In 2001, I completed a Master of Science in Agricultural Economics at Louisiana State
11 University. From 2001 to 2003, I was an Analyst and later a Senior Analyst at the
12 Houston office of Econ One Research, Inc., a Los Angeles-based consulting firm. My
13 duties included research and analysis on domestic and international energy and
14 regulatory issues. From 2003 to 2007, I was an Economist and later a Senior Utility
15 Analyst at the Public Utility Commission of Oregon ("PUC") in Salem, Oregon. My
16 duties included appearing as a witness for PUC Staff in electric, natural gas, and
17 telecommunications dockets. I joined the energy department at Walmart in July
18 2007 as Manager, State Rate Proceedings, and was promoted to my current position
19 in June 2011. My Witness Qualifications Statement is attached as Exhibit SWC-1.

1 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE FLORIDA PUBLIC**
2 **SERVICE COMMISSION ("COMMISSION")?**

3 A. Yes. I submitted testimony in Docket Nos. 140002-EG, 130140-EI, 130040-EI,
4 120015-EI, and 110138-EI.

5 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER STATE**
6 **REGULATORY COMMISSIONS?**

7 A. Yes. I have submitted testimony in over 140 proceedings before 36 other utility
8 regulatory commissions. I have also submitted testimony before the Missouri House
9 Committee on Utilities, the Missouri House Energy and Environment Committee, the
10 Missouri Senate Veterans' Affairs, Emerging Issues, Pensions, and Urban Affairs
11 Committee, and the Kansas House Standing Committee on Utilities and
12 Telecommunications. My testimony has addressed topics including, but not limited
13 to, cost of service and rate design, return on equity ("ROE"), revenue requirement,
14 ratemaking policy, large customer renewable programs, qualifying facility rates,
15 telecommunications deregulation, resource certification, energy efficiency/demand
16 side management, fuel cost adjustment mechanisms, decoupling, and the collection
17 of cash earnings on construction work in progress.

18 **Q. ARE YOU SPONSORING EXHIBITS IN YOUR TESTIMONY?**

19 A. Yes. I am sponsoring the exhibits listed in the Table of Contents.

1 **Q. PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS IN FLORIDA.**

2 A. Walmart operates 361 retail units and eight distribution centers and employs
3 106,471 associates in Florida. In fiscal year ending 2015, Walmart purchased \$5.7
4 billion worth of goods and services from Florida-based suppliers, supporting 89,773
5 supplier jobs.¹

6 **Q. PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS WITHIN THE COMPANY'S**
7 **SERVICE TERRITORY.**

8 A. Walmart has 142 stores, three distribution centers, and related facilities that take
9 electric service from Florida Power & Light Company ("FPL" or "Company") on
10 several service schedules but primarily on the Company's General Service Demand &
11 Time of Use ("GSDT-1") and General Service Large Demand & Time of Use ("GSLDT-
12 1") schedules.

13

14 **Purpose of Testimony and Summary of Recommendations**

15 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

16 A. The purpose of my testimony is to address aspects of FPL's rate case filing and to
17 provide recommendations to assist the Commission in thoroughly and carefully
18 considering the customer impact of the Company's proposed rate increase.

19 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS TO THE COMMISSION.**

20 A. My recommendations to the Commission are as follows:

¹ <http://corporate.walmart.com/our-story/locations/united-states#/united-states/florida>

- 1 1) The Commission should thoroughly and carefully consider the impact on
2 customers in examining the requested revenue requirement and ROE, in
3 addition to all other facets of this case, to ensure that any increase in the
4 Company's rates is only the minimum amount necessary to provide adequate
5 and reliable service, while also providing an opportunity to earn a reasonable
6 return.
- 7 2) The Commission should closely examine the Company's proposed revenue
8 requirement increase and the associated ROE, especially when viewed in
9 light of:
- 10 a) The customer impact of the resulting revenue requirement increases;
- 11 b) The use of a future test year, which reduces regulatory lag by
12 allowing the utility to include the most current information in its rates
13 at the time they will be in effect;
- 14 c) The percentage of the Company's total jurisdictional revenues
15 recovered through base rates that are at risk due to regulatory lag
16 versus the amount of revenues collected through cost recovery clause
17 charges; and
- 18 d) Recent rate case ROEs approved by this Commission and other
19 commissions nationwide.
- 20 3) The Commission should reject the Company's proposal to allocate production
21 capacity cost using a 12 coincident peak and 25 percent energy methodology

1 ("12 CP and 25%"). If the Commission determines it is appropriate to move
2 away from the Company's currently approved 12 CP and 1/13th methodology
3 and to discontinue the practice of allocating a portion of production capacity
4 on an energy basis, it should approve either a demand allocator based on the
5 Company's four coincident peaks ("4 CP") or six coincident peaks ("6 CP"). If
6 the Commission determines it is appropriate to move away from the
7 Company's currently approved 12 CP and 1/13th methodology and to
8 continue the practice of allocating a portion of production capacity cost on
9 an energy basis, it should approve an average and excess allocator based on
10 the Company's Group Non-Coincident Peaks ("GNCP").

11 4) For the purposes of this docket, the Commission should approve the
12 following rate design for GSLD-1 and GSLDT-1 for 2017 rates:

- 13 a) Approve the customer charge methodology as proposed by the
14 Company;
- 15 b) Set the demand charge for both schedules at 90 percent of the
16 demand unit cost per the approved revenue requirement and cost of
17 service study in this docket;
- 18 c) For GSLD-1, apply the remaining revenue requirement to the energy
19 charge; and

1 d) For GSLDT-1, apply the remaining revenue requirement to the on-
2 peak and off-peak energy charges per the Company's proposed
3 relationship between those charges.

4 5) If the Commission approves the Company's proposal to institute an
5 incremental rate change in 2018, the Commission should apply the
6 methodology above to the approved revenue requirement and cost of
7 service study for 2018.

8 6) If the Commission approves the 2019 Okeechobee Limited Scope Adjustment
9 ("LSA"), for rate schedules that contain demand charges, the increase to
10 those schedules should only be applied to the demand charge.

11 **Q. DOES THE FACT THAT YOU MAY NOT ADDRESS AN ISSUE OR POSITION**
12 **ADVOCATED BY THE COMPANY INDICATE WALMART'S SUPPORT?**

13 A. No. The fact that an issue is not addressed herein or in related filings should not be
14 construed as an endorsement of any filed position.

15

16 **Return on Equity**

17 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED ELECTRIC**
18 **REVENUE REQUIREMENT INCREASES?**

19 A. My understanding is that the Company proposes a revenue requirement increase of
20 approximately \$866 million for 2017. See Exhibit KO-2, page 1. Additionally, the
21 Company proposes a revenue requirement increase of approximately \$263 million

1 for 2018. See Exhibit KO-4, page 1. Finally, the Company proposes an LSA for the
2 Okeechobee Clean Energy Center for 2019 of approximately \$209 million. See MFR
3 A-1, Okeechobee Limited Scope 2019, page 1.

4 **Q. IN SETTING THE REVENUE REQUIREMENT CHANGES AND ROE FOR THE COMPANY,**
5 **SHOULD THE COMMISSION CONSIDER THE IMPACT OF THE PROPOSED RATE**
6 **INCREASE ON CUSTOMERS?**

7 A. Yes. Electricity is a significant operating cost for retailers, like Walmart. When
8 electric rates increase, that increased cost to retailers can put pressure on consumer
9 prices and on the other expenses required by a business to operate. The
10 Commission should thoroughly and carefully consider the impact on customers in
11 examining the requested revenue requirement and ROE, in addition to all other
12 facets of this case, to ensure that any increase in the Company's rates is only the
13 minimum amount necessary to provide adequate and reliable service, while also
14 providing an opportunity to earn a reasonable return.

15 **Q. WHAT IS THE COMPANY'S PROPOSED ROE IN THIS DOCKET?**

16 A. The Company is proposing an ROE of 11.0 percent, based on a range of 10.5 percent
17 to 11.5 percent. See Direct Testimony and Exhibits of Robert B. Hevert, page 4, line
18 17 to page 5, line 3. The Company also proposes a 50 basis point performance
19 adder, for a total proposed ROE of 11.5 percent. See Direct Testimony and Exhibits
20 of Moray P. Dewhurst, page 5, line 13 to line 16.

1 For 2017, this results in a proposed overall weighted average cost of
2 capital of 6.61 percent. See MFR D-1A for 2017 test year. For 2018, this results in a
3 proposed overall weighted average cost of capital of 6.71 percent. See MFR D-1A
4 for 2018 subsequent year. Finally, for 2019, the Company proposes to use this ROE
5 to apply a weighted average cost of capital of 8.87 percent to the Okeechobee LSA.
6 See MFR D-1A, Okeechobee Limited Scope 2019.

7 **Q. IS THE COMPANY'S PROPOSED ROE HIGHER THAN ITS LAST APPROVED ROE?**

8 A. Yes. The proposed ROE represents an increase of 100 basis points from the
9 Company's last approved ROE of 10.5 percent. See Order No. PSC-13-0023-S-EI,
10 page 5. As such, the Company's 11.5 percent ROE proposal presents a significant
11 impact to customers.

12 **Q. ARE YOU CONCERNED THAT THE PROPOSED ROE IS EXCESSIVE?**

13 A. Yes. I am concerned that the Company's proposed ROE is excessive, especially when
14 viewed in light of:

- 15 1) The customer impact of the resulting revenue requirement increases as I
16 discuss above;
- 17 2) The use of a future test year, which reduces regulatory lag by allowing the
18 utility to include the most current information in its rates at the time they
19 will be in effect;

- 1 3) The percentage of the Company's total jurisdictional revenues recovered
2 through base rates that are at risk due to regulatory lag versus the amount of
3 revenues collected through cost recovery clause charges; and
4 4) Recent rate case ROEs approved by this Commission and other commissions
5 nationwide.

6
7 ***Customer Impact***

8 **Q. WHAT IS THE REVENUE REQUIREMENT IMPACT IN THE 2017 TEST YEAR OF THE**
9 **COMPANY'S PROPOSED 100 BASIS POINT INCREASE IN ROE, INCLUSIVE OF THE**
10 **PROPOSED PERFORMANCE ADDER, FROM ITS LAST APPROVED ROE?**

11 A. The proposed increase related to the Company's requested ROE alone has an annual
12 revenue requirement impact on the Company's rates of approximately \$239 million
13 for 2017. This constitutes about 27.6 percent of the Company's overall increase
14 request for the 2017 test year. See Exhibit SWC-2.

15
16 ***Future Test Year and Regulatory Lag***

17 **Q. FOR THE COMPANY'S PROPOSED 2017 TEST YEAR, WHAT PERCENT OF**
18 **JURISDICTIONAL REVENUES ARE PROPOSED TO BE COLLECTED THROUGH BASE**
19 **RATES?**

20 A. Approximately 55 percent of jurisdictional revenues for the proposed 2017 test year
21 would be collected through base rates and would be essentially at risk due to

1 regulatory lag. See Exhibit SWC-3. This is significant because the greater the
2 percentage of a utility's revenues that are collected through pass-through charges,
3 the lower the utility's risk due to regulatory lag.

4 **Q. HAS THE COMMISSION RECOGNIZED THAT THE USE OF A FUTURE TEST YEAR**
5 **IMPACTS FPL'S EXPOSURE TO REGULATORY LAG?**

6 A. Yes. The use of a projected test year reduces the risk due to regulatory lag because,
7 as the Commission has previously stated, "the main advantage of a projected test
8 year is that it includes all information related to rate base, NOI, and capital structure
9 for the time new rates will be in effect." See Order No. PSC-02-0787-FOF-EI, page 9.
10 As such, the Commission should carefully consider the level of ROE justified by the
11 Company's exposure to regulatory lag.

12
13 ***National Utility Industry ROE Trends***

14 **Q. HOW DOES THE COMPANY'S PROPOSED ROE COMPARE WITH ROES APPROVED BY**
15 **OTHER UTILITY REGULATORY COMMISSIONS?**

16 A. The ROE proposed by the Company, inclusive of the proposed 50 basis point
17 performance adder, is higher than the average ROE approved by other utility
18 regulatory commissions in 2013, 2014, 2015, and so far in 2016. Additionally, only
19 one ROE approved in that period was in the Company's proposed range of 10.5
20 percent to 11.5 percent – the remaining ROEs were below the low end of the
21 Company's proposed range. See Exhibit SWC-4. Finally, even without the proposed

1 performance adder, the Company's proposed ROE of 11.0, if approved, would be the
2 highest approved base rate ROE since 2011.²

3 **Q. WHAT IS YOUR UNDERSTANDING OF THE ROES APPROVED FOR ELECTRIC UTILITIES**
4 **BY COMMISSIONS NATIONWIDE DURING THIS TIME PERIOD?**

5 A. According to data from SNL Financial,³ a financial news and reporting company,
6 there have been 102 reported electric utility rate case ROEs authorized by state
7 regulatory commissions for investor-owned electric utilities in 2013, 2014, 2015, and
8 so far in 2016. The average of these reported ROEs is 9.73 percent. The range of
9 reported authorized ROEs for the period is 8.72 percent to 10.95 percent, and the
10 median authorized ROE is 9.75 percent. Id.

11 **Q. ARE ANY PREVIOUS COMMISSION DECISIONS INCLUDED IN THAT DATASET?**

12 A. Yes. In 2013, the Commission approved ROEs of 10.25 percent for Tampa Electric
13 Company in Docket No. 130040-EI and for Gulf Power Company in Docket No.
14 130140-EI. In 2014, the Commission approved a ROE of 10.25 percent for Florida
15 Public Utilities Company in Docket No. 140025-EI. Id. The Company's proposed ROE
16 is 125 basis points higher than these decisions.

² Excludes ROEs awarded for single issue riders. The Regulatory Commission of Alaska awarded Alaska Electric Light Power an ROE of 12.88 percent at Docket No. U-10-029.

³ Regulatory Research Associates is part of SNL Financial.

1 **Q. SEVERAL OF THE REPORTED AUTHORIZED ROES ARE FOR DISTRIBUTION-ONLY**
2 **UTILITIES, OR ARE ONLY FOR A UTILITY'S DISTRIBUTION SERVICE RATES. WHAT IS**
3 **THE AVERAGE AUTHORIZED ROE IN THE REPORTED GROUP FOR PARTIALLY OR**
4 **FULLY VERTICALLY INTEGRATED UTILITIES LIKE THE COMPANY?**

5 A. In the group reported by SNL Financial, the average authorized ROE for vertically
6 integrated utilities from 2013 to present is 9.88 percent. Id. When the average ROE
7 is broken down by year, there is a declining trend for vertically integrated utilities
8 from 2013 to present.

9 **Q. PLEASE EXPLAIN.**

10 A. The average authorized ROE for vertically integrated utilities in 2013 was 9.97
11 percent, in 2014 it was 9.92 percent, in 2015 it was 9.75 percent, and so far in 2016
12 it is 9.65 percent. It should be noted that in 2015 and so far in 2016, eight vertically
13 integrated utilities have been authorized ROEs of 9.53 or less. Id. As such, the
14 Company's proposed 11.0 percent ROE, and 11.5 percent inclusive of the proposed
15 performance adder, is counter to broader electric industry trends. Figure 1 provides
16 a summary of FPL's current and proposed ROEs versus the reported authorized ROEs
17 for vertically integrated utilities from 2013 through present.

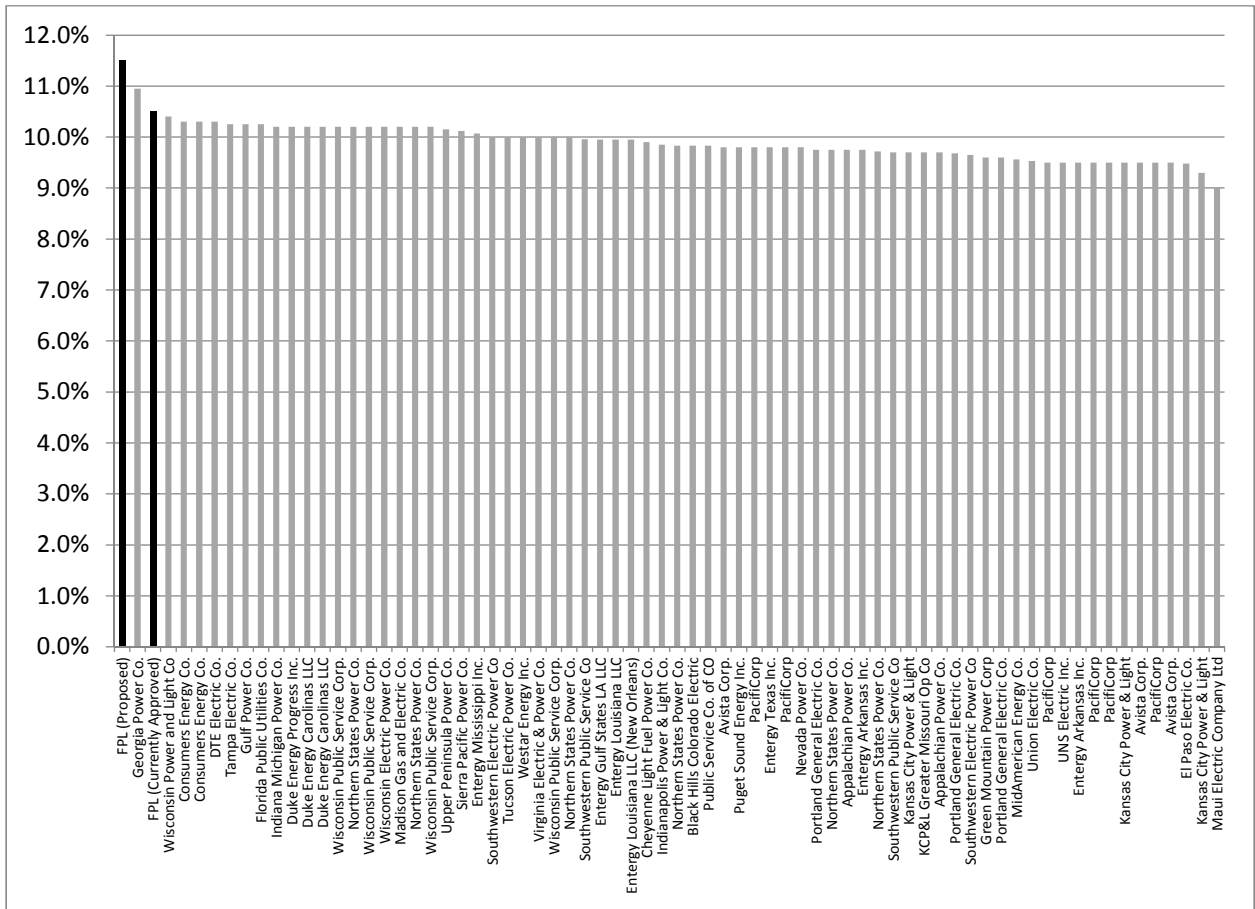


Figure 1. FPL Current ROE and Proposed ROE Versus Reported Authorized ROEs for Vertically Integrated Utilities, 2013 to Present.

Conclusion

Q. GENERALLY, WHAT IS YOUR RECOMMENDATION TO THE COMMISSION ON THE COMPANY'S PROPOSED INCREASE IN ROE?

A. The Commission should closely examine the Company's proposed revenue requirement increase and the associated ROE, especially when viewed in light of:

- 1) The customer impact of the resulting revenue requirement increases as I discuss above;

- 1 2) The use of a future test year, which reduces regulatory lag by allowing
2 the utility to include the most current information in its rates at the time
3 they will be in effect;
- 4 3) The percentage of the Company's total jurisdictional revenues recovered
5 through base rates that are at risk due to regulatory lag versus the
6 amount of revenues collected through cost recovery clause charges; and
- 7 4) Recent rate case ROEs approved by this Commission and other
8 commissions nationwide.

9

10 **Production Cost Allocation**

11 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED PRODUCTION**
12 **CAPACITY COST ALLOCATION METHODOLOGY?**

13 A. My understanding is that the Company proposes to allocate production capacity
14 cost using a 12 coincident peak and 25 percent energy methodology ("12 CP and
15 25%"). The 12 CP and 25% methodology allocates 75 percent of production capacity
16 cost using the Company's 12 monthly coincident peak demands for the test year and
17 the remaining 25 percent using the Company's energy allocator. See Direct
18 Testimony and Exhibits of Renae B. Deaton, page 21, line 3 to line 9.

1 **Q. DOES THE COMPANY'S PROPOSED ALLOCATOR REPRESENT A DEPARTURE FROM**
2 **THE COMPANY'S CURRENT ALLOCATOR?**

3 A. Yes. The Company current allocates production capacity cost using a 12 CP and
4 1/13th methodology, in which 12/13 of the production capacity cost is allocated
5 using the Company's 12 CP and the remaining 1/13 is allocated using the Company's
6 energy allocator. Id.

7 **Q. DO YOU HAVE CONCERNS WITH THE COMPANY'S PROPOSAL?**

8 A. Yes. While Walmart does not expressly support the use of the 12 CP and 1/13th
9 methodology due to the arbitrary designation of a portion of production capacity
10 cost as energy-related,⁴ the Company's proposed 12 CP and 25% methodology
11 continues this practice of arbitrary designation to a greater degree and should be
12 rejected by the Commission. If the Commission determines that it is appropriate to
13 move away from the 12 CP and 1/13th methodology but continue the practice of
14 allocating a portion of production capacity cost on an energy basis, it would be more
15 appropriate to use an average and excess ("A&E") methodology as I describe below.

16 **Q. WHAT IS YOUR UNDERSTANDING OF THE PURPOSE OF PRODUCTION CAPACITY**
17 **COST ALLOCATION?**

18 A. Production capacity cost allocation is the process of allocating to each customer
19 class the fixed costs of a utility's generation assets. Fixed costs are defined as costs

⁴ The National Association of Regulatory Utility Commissioners "Electric Utility Cost Allocation Manual" ("NARUC Manual") categorizes the 12 CP and 1/13th methodology in its "Judgmental Energy Weightings" section. See NARUC Manual, page 57 to page 59.

1 that do not vary with the level of output and must be paid even if there is no
2 output.⁵

3 **Q. DO A UTILITY'S FIXED PRODUCTION CAPACITY COSTS CHANGE WITH CHANGES IN**
4 **THE AMOUNT OF ELECTRICITY GENERATED?**

5 A. No. The utility's fixed production capacity costs do not change with changes in the
6 amount of electricity generated. For example, if a baseload unit is not dispatched
7 and produces no energy, the fixed costs are not avoided by the utility or customers.
8 Generation units can be built and operated for different reasons, such as lower fuel
9 costs, peaking needs, or reliability, but the way in which a generation unit is
10 operated does not change the fact that the fixed costs are, in fact, fixed and should
11 be treated as such in the production capacity cost allocation.

12 **Q. IS IT YOUR UNDERSTANDING THAT PRODUCTION CAPACITY IS SIZED TO MEET THE**
13 **MAXIMUM DEMAND IMPOSED ON THE SYSTEM BY THE COMPANY'S CUSTOMERS?**

14 A. Yes. It is my understanding that the timing and size of a utility's production plant
15 capacity additions are made to meet the maximum demand placed on the utility's
16 system by all customer classes, also known as its coincident peak ("CP"). All of a
17 utility's generation units are needed to meet that demand, and removing any of the
18 units from that stack will limit the utility's ability to do so.

⁵ Pindyck, Robert S. and Daniel L. Rubinfeld, Microeconomics, 5th ed., 2001, page 206.

1 **Q. WHY IS IT IMPORTANT FOR THE ALLOCATION OF PRODUCTION CAPACITY COST TO**
2 **RECOGNIZE THAT PRODUCTION CAPACITY IS DESIGNED TO MEET SYSTEM PEAK?**

3 A. Basing the allocation of production capacity cost on the utility's system peak ensures
4 that the resulting rates reflect cost causation and minimizes cost responsibility shifts
5 between rate classes. Allocation of fixed production capacity costs on a variable or
6 energy basis can introduce shifts in cost responsibility from lower load factor classes
7 to higher load factor classes. Under an energy allocator, two customer classes can
8 have the same level of demand during the coincident peak in the test year and cause
9 the Company to incur the same amount of fixed costs to meet that demand, but
10 because one class uses more kWh than the other, that class will pay more of the
11 demand cost than the class that uses fewer kWh. Additionally, use of an energy
12 allocator implies that the generation plant to which that allocator is applied has no
13 fixed cost, which is plainly not the case.

14 **Q. IN YOUR EXPERIENCE, IS IT COMMON FOR PRODUCTION CAPACITY COSTS TO BE**
15 **ALLOCATED ON A CP BASIS?**

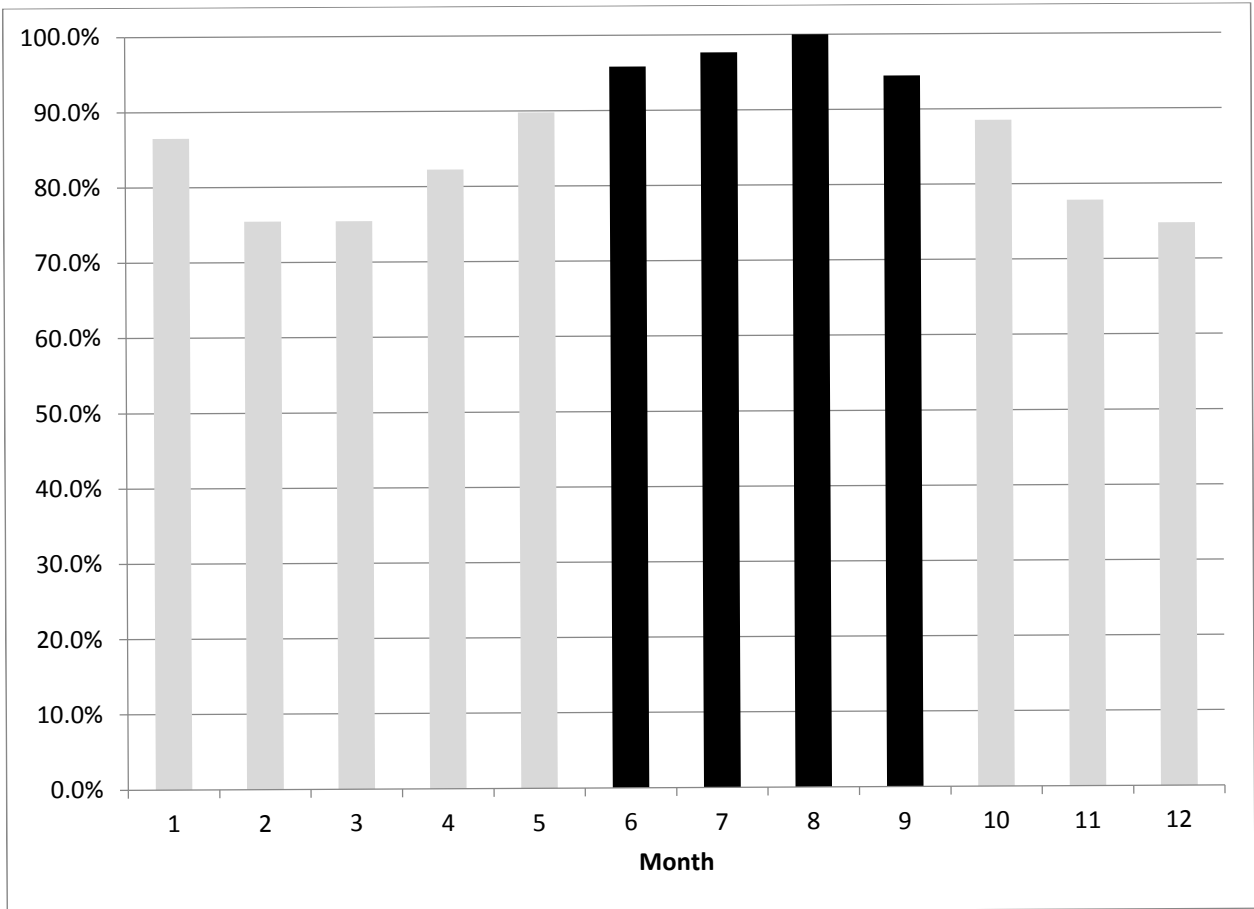
16 A. Yes. Allocating costs on a CP basis reflects the fact that generation is built to meet
17 system peak. This can range from consideration of a one month peak (1 CP) to the
18 peaks of all twelve months (12 CP), depending on the specific characteristics of a
19 given utility. For instance, a distinctly summer peaking utility may reflect
20 consideration of the four summer months while a summer/winter peaking utility
21 may consider more monthly peaks. In my experience, a rule of thumb is to identify

1 the month with the highest CP in the year and count that month plus any additional
2 month that has a CP demand within 10 percent of the overall CP demand.⁶

3 **Q. BASED ON YOUR ANALYSIS, HOW MANY CPS SHOULD BE INCLUDED IN A CP-BASED**
4 **PRODUCTION COST ALLOCATOR FOR FPL?**

5 A. Based on my analysis of FPL's monthly peaks for the proposed test year, as provided
6 by the Company in MFR No. E-11, adjusted for losses, a CP-based production cost
7 allocator should use 4 CP, as the CPs for June, July, August, and September exceed
8 the 90 percent threshold. See Figure 1 and Exhibit SWC-5. For the test year data
9 set, FPL's need for generation units is primarily driven by its customers' demand in
10 those four months. It should be noted that the January, May, and October peaks are
11 not a great deal lower than 90 percent. In particular, the CP for May is 89.8 percent
12 of the maximum CP and the CP for October is 88.5 percent of the maximum CP.

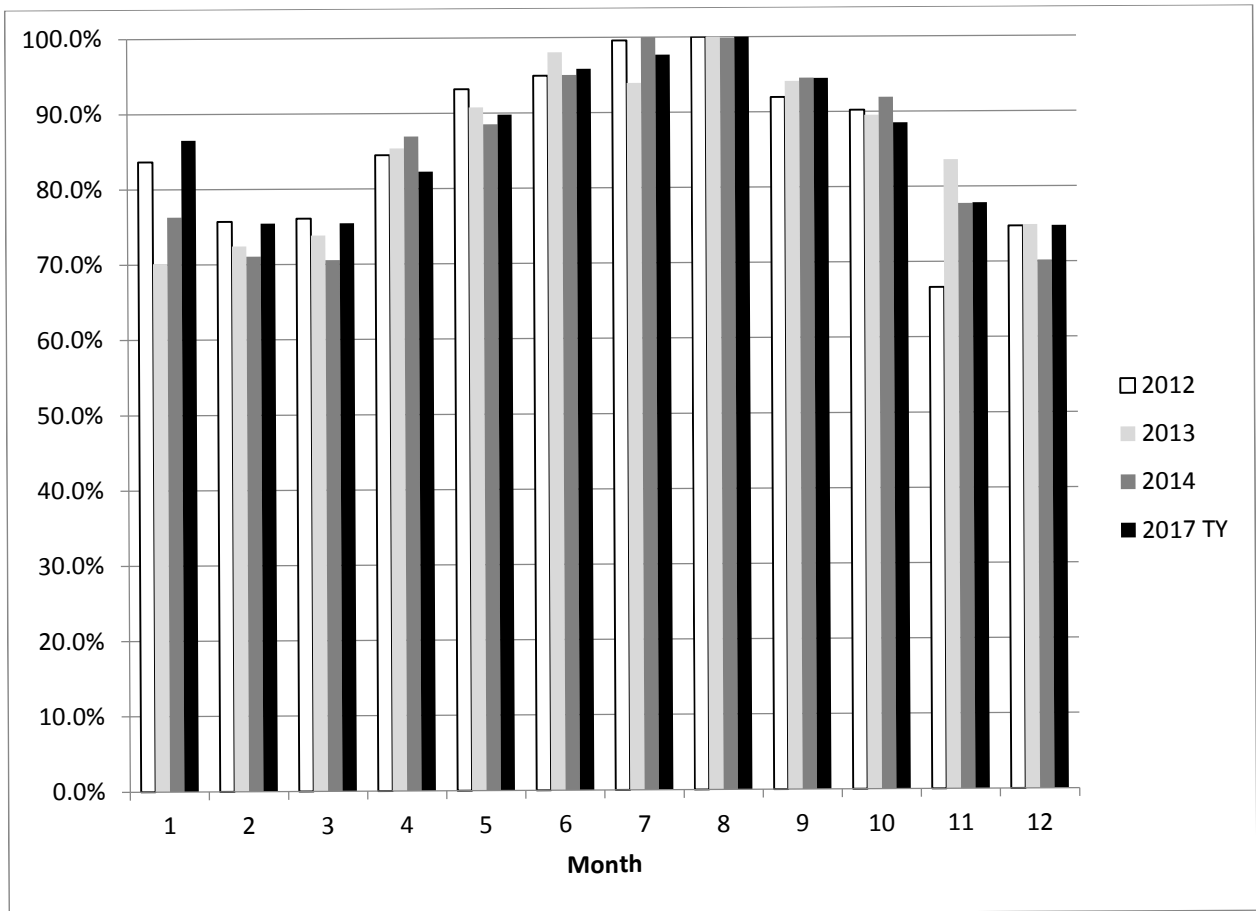
⁶ Additionally, pages 46 to 47 of the NARUC Manual states in its description of the multiple coincident peak methodology: "Criteria for determining which hours to use include: (1) all hours of the year with demands within 5 percent or 10 percent of the system's peak demand, and (2) all hours of the year in which a specified reliability index (loss of load probability, loss of load hours, expected unserved energy, or reserve margin) passes an established threshold value."



1
2 **Figure 2. FPL Test Year Monthly CP, Adjusted for Losses, as a Percentage of System Maximum CP.**
3 **Sources: MFR Schedule E-11, Attachment 1 and MFR E-19C**

4 **Q. DOES AN EXAMINATION OF FPL'S LOAD RESEARCH STUDIES SHOW THAT THE**
5 **INCLUSION OF ADDITIONAL CP MAY BE WARRANTED IN A CP DEMAND**
6 **ALLOCATOR?**

7 **A.** Yes. As shown in Figure 2, in the three years of load research study data provided by
8 FPL, the CPs for both May and October each exceed 90 percent in two of the three
9 years, so it is not unreasonable to include them in the test year CP demand
10 allocator.



1
2 **Figure 3. FPL Monthly CP as a Percentage of System Maximum CP, 2012 through 2014 and 2017**
3 **Test Year. Sources: MFR No. E-11, Attachment 1, Attachment 2, page 1, Attachment 3, page 1,**
4 **Attachment 4, page 1, and MFR No. E-19C**

5 **Q. HAVE YOU CALCULATED REPRESENTATIVE CP-BASED PRODUCTION CAPACITY COST**
6 **ALLOCATORS BASED ON FPL'S PROPOSED TEST YEAR DATA?**

7 **A. Yes. Exhibit SWC- 5 shows the results of those calculations.**

1 **Q. DOES THE USE OF A CP-BASED PRODUCTION COST ALLOCATOR CORRECTLY**
2 **REFLECT BOTH THE FIXED NATURE OF THE COMPANY'S PRODUCTION COSTS AND**
3 **THE USE OF ALL OF ITS GENERATION PLANT TO MEET SYSTEM PEAK DEMAND?**

4 A. Yes, and optimally a production cost allocator based on 4 CP or 6 CP would result
5 from a Commission decision in this docket. However, I recognize that the
6 Commission has historically approved production capacity cost allocators that
7 contain an energy component, including the Company's current 12 CP and 1/13th
8 methodology. As such, if the Commission determines it would be appropriate to
9 move away from the 12 CP and 1/13th methodology but continue the practice of
10 allocating a portion of production capacity cost on an energy basis, it would be more
11 appropriate to use an allocator based on the A&E methodology.

12 **Q. WHAT IS AN A&E ALLOCATOR?**

13 A. An A&E allocator is an allocator that recognizes the contribution of each class to
14 average demand, as well as the relative peak demand of each class. The class non-
15 coincident peak value, which for the purposes of this docket is referred to as Group
16 Non-Coincident Peak ("GNCP"),⁷ is subdivided into average demand and excess
17 demand.

18 The average demand, which represents the energy portion for each class
19 and is calculated by dividing the kWh for each class by 8760, is weighted by the
20 system load factor. The excess demand portion, which is the difference between

⁷ In this docket, the acronym "NCP" is used to represent customer-level non-coincident peaks.

1 the average demand and GNCP demand for each class, is weighted by 1 minus the
2 system load factor.

3 As system load factor increases, the weighting of the average demand
4 portion of the allocator increases. That is, as the system load factor increases, more
5 weight is given to the energy portion of the allocator. Additionally, as a class load
6 factor increases, the allocator for that class reflects an increase in the weight given
7 to the energy portion of the allocator. At a theoretical maximum of 100 percent
8 load factor, the A&E allocator is essentially an energy allocator. As such, this
9 methodology recognizes production plants as being used to meet peak demand as
10 well as provide energy.

11 **Q. DO YOU BELIEVE THE USE OF THE GNCP A&E ALLOCATOR TO BE REASONABLE?**

12 A. Yes. While the GNCP A&E allocator allocates a significant portion of capacity cost on
13 an energy basis, the allocator avoids the mathematical issues inherent in other
14 hybrid demand-energy allocators. Additionally, the determination of amount of
15 production capacity cost allocated on an energy basis for each class is based on
16 system load factor and class load factor, not an arbitrary value.

17 **Q. OF THE ALLOCATORS DISCUSSED ABOVE, WHICH DO YOU BELIEVE WOULD BE**
18 **REASONABLE ALLOCATORS OF FPL'S PRODUCTION CAPACITY COST?**

19 A. I believe the 4 CP, 6 CP, and GNCP A&E allocators are reasonable.

1 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION ON THIS ISSUE?**

2 A. The Commission should reject the Company's proposal to allocate production
3 capacity cost using the 12 CP and 25% methodology. If the Commission determines
4 it is appropriate to move away from the Company's currently approved 12 CP and
5 1/13th methodology and to discontinue the practice of allocating a portion of
6 production capacity on an energy basis, it should approve a demand allocator based
7 either on the Company's 4 CP or 6 CP. If the Commission determines it is
8 appropriate to move away from the Company's currently approved 12 CP and 1/13th
9 methodology and to continue the practice of allocating a portion of production
10 capacity cost on an energy basis, it should approve an A&E allocator based on the
11 Company's GNCP.

12

13 **Rate Design**

14 **Q. DO YOU HAVE CONCERNS REGARDING THE DESIGN OF THE RATE SCHEDULES**
15 **UNDER WHICH WALMART TAKES SERVICE FROM FPL?**

16 A. Yes. My primary concern is the relationship of the schedules to their respective
17 underlying costs of service and the recovery of fixed demand-related costs through
18 the variable energy charges. This is done by underpricing the demand charge for a
19 rate schedule and applying revenues that should be recovered through the demand
20 charge to that schedule's energy charges.

1 **Q. WHY IS THIS A CONCERN?**

2 A. Underpricing the demand charge results in a shift of cost recovery of fixed demand-
3 related costs to variable kWh energy charges. The shift of demand costs from \$/kW
4 demand charges to \$/kWh energy charges results in a shift in demand cost
5 responsibility from lower load factor customers to higher load factor customers who
6 are more efficiently utilizing Company facilities. In essence, two customers can have
7 the same level of coincident demand and cause the utility to incur the same amount
8 of fixed cost, but because one customer uses more kWh than the other, that
9 customer will pay more of the demand cost than the customer that uses fewer kWh.
10 This results in misallocation of cost responsibility as higher load factor customers
11 overpay for the demand-related costs incurred by the Company to serve them and
12 are essentially penalized for more efficiently using the Company's system.

13 I recognize that for GSDT-1 and GSLDT-1 some of the disconnect between
14 rates and the underlying cost of service appears to be an artifact of the price
15 response function of the rate, as the rates are designed to send price signals to
16 customers to manage their load and drive usage off-peak. However, even within the
17 bounds of the development of a price responsive rate, it is important that the rates
18 reflect the underlying cost of service.

1 **Q. DO YOU PROPOSE TO MOVE THE RATES FOR EACH SCHEDULE TO THEIR FULL COST**
2 **IN THIS DOCKET?**

3 A. No. While it would be optimal and a goal of the Commission to set the rates for
4 every class as their cost of service level, I recognize the breadth and diversity of
5 customers on each rate schedule can require a gradual approach to this goal. I apply
6 this approach to my recommendation for GSD-1 and GSDT-1 rates below as well.

7

8 ***GSLDT-1 Rate Design, 2017 Rates***

9 **Q. WHAT IS YOUR UNDERSTANDING OF THE CURRENT GSLDT-1 RATE DESIGN?**

10 A. My understanding is that the current GSLDT-1 rate design contains the following
11 charges:

- 12 • A \$/customer-month customer charge;
- 13 • A \$/kW-month on-peak demand charge, subject to a billing demand floor of
14 500 kW;
- 15 • A \$/kWh on-peak base energy charge; and
- 16 • A \$/kWh off-peak base energy charge. See MFR No. E-14, Attachment 1,
17 page 14.

18 **Q. DOES THE COMPANY PROPOSE ANY CHANGES TO THE STRUCTURE OF GSLDT-1 IN**
19 **THIS DOCKET?**

20 A. My understanding is that the Company does not propose to change the structure of
21 GSLDT-1 in this docket.

1 **Q. IS IT YOUR UNDERSTANDING THAT THE RATES FOR GSLDT-1 ARE COORDINATED**
 2 **WITH THOSE FOR GSLD-1?**

3 A. Yes. My understanding is that the current and proposed GSLD-1 and GSLDT-1
 4 customer and demand charges are the same, and the Company maintains the
 5 GSLDT-1 energy charges in a manner such that they are revenue neutral to the
 6 Company. See Schedule E-13C, page 13 and page 14, and Exhibit TCC-6, page 9.

7 **Q. DO THE COMPANY'S PROPOSED GSLDT-1 RATES REFLECT THE SCHEDULE'S**
 8 **UNDERLYING COST OF SERVICE?**

9 A. No. As summarized in Table 1, an examination of the Company's unit cost study
 10 shows that the proposed demand charge of \$12.60/kW (inclusive of West County
 11 Energy Center 3 ("WCEC3") clause recovery) only recovers approximately 57 percent
 12 of the schedule's revenue requirement, where a cost-based demand charge would
 13 collect approximately 76 percent of the schedule's revenue requirement. As such,
 14 the proposed GSLDT-1 demand charge is set at approximately 75 percent of full cost.

Table 1. Comparison of Cost Recovery, FPL 12 CP and 25% Cost of Service Study, GSLDT-1, and GSLD-1.

	COSS Results	GSLDT-1 Current	GSLDT-1 Proposed	GSLD-1 Current	GSLD-1 Proposed
Customer	0.3%	0.6%	0.5%	0.7%	0.6%
Energy	23.2%	42.4%	42.5%	35.2%	35.5%
Demand	76.4%	57.1%	57.0%	64.2%	63.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Exhibit SWC-6.

15

16

1 **Q. DO THE DEMAND CHARGES FOR GSLD-1 FULLY RECOVER THAT SCHEDULE'S**
2 **DEMAND COSTS?**

3 A. No, however, as shown in Table 1, both the current and proposed charges are set to
4 collect approximately 64 percent of the GSLD-1 revenue requirement. This level of
5 collection is closer to the cost of service level but still only approximately 84 percent
6 of full cost.

7 **Q. DOES THE COMPANY PROVIDE THE UNIT COST FOR DEMAND FOR THE SCHEDULES**
8 **IN THE GSLD(T)-1 GROUP?**

9 A. Yes. The cost of service-based unit demand cost for the GSLD(T)-1 group is
10 \$16.12/kW. See MFR E-6b, Attachment 1, page 1. As such, the Company's proposed
11 demand charge of \$12.60/kW for both GSLD-1 and GSLDT-1 is set at approximately
12 78 percent of unit cost. See Exhibit TCC-6, page 12.

13 **Q. DOES IT APPEAR THAT THE COMPANY PROPOSES TO MAINTAIN THIS STRUCTURE**
14 **FOR THE PROPOSED 2018 RATE YEAR AS WELL AS THE PROPOSED 2019**
15 **OKEECHOBEE UNIT INCREASE?**

16 A. Yes. See Direct Testimony and Exhibits of Tiffany C. Cohen, page 24, line 17 to line
17 20.

18 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION ON THIS ISSUE?**

19 A. For the purposes of this docket, the Commission should approve the following rate
20 design for GSLD-1 and GSLDT-1 for 2017 rates:

21 1) Approve the customer charge methodology as proposed by the Company;

- 1 2) Set the demand charge for both schedules at 90 percent of the demand unit
 2 cost per the approved revenue requirement and cost of service study in this
 3 docket;⁸
 4 3) For GSLD-1, apply the remaining revenue requirement to the energy charge;
 5 and
 6 4) For GSLDT-1, apply the remaining revenue requirement to the on-peak and
 7 off-peak energy charges per the Company's proposed relationship between
 8 those charges.

9 **Q. HAVE YOU ESTIMATED THE 2017 RATES THAT WOULD RESULT FROM THE**
 10 **APPLICATION OF THIS METHODOLOGY?**

11 A. Yes. Table 2 shows the rates for each rate schedule.

Table 2. Present, FPL Proposed, and Walmart Proposed GSLD-1 and GSLDT-1 Rates, FPL Proposed Revenue Requirement.

	GSLD-1			GSLDT-1		
	Present	FPL Proposed	Walmart Proposed	Present	FPL Proposed	Walmart Proposed
Customer	\$61.83	\$75.00	\$75.00	\$61.83	\$75.00	\$75.00
Non-Fuel Energy	1.43¢/kWh	1.834¢/kWh	1.33¢/kWh			
On-Peak				2.38¢/kW	3.025¢/kWh	2.41¢/kWh
Off-Peak				1.04¢/kWh	1.314¢/kwh	1.05¢/kWh
Demand	\$9.96/kW	\$12.60/kW	\$14.51/kW	\$9.96/kW	\$12.60/kW	\$14.51/kW

Source: Exhibit SWC-7.

12
 13

⁸ This represents just over 50 percent movement towards unit cost. Applying this methodology to the Company's proposed revenue requirement and cost of service study results in a demand charge for GSLDT-1 that is approximately 86 percent of full cost and for GSLD-1 that is approximately 96 percent of full cost.

1 **GSDT-1 Rate Design, 2017 Rates**

2 **Q. WHAT IS YOUR UNDERSTANDING OF THE CURRENT GSDT-1 RATE DESIGN?**

3 A. My understanding is that the current GSDT-1 rate design contains the following
4 charges:

- 5 • A \$/customer-month customer charge;
- 6 • A \$/kW-month on-peak demand charge, subject to a billing demand floor of
7 21 kW;
- 8 • A \$/kWh on-peak base energy charge; and
- 9 • A \$/kWh off-peak base energy charge. See MFR No. E-14, Attachment 1,
10 page 9.

11 **Q. DOES THE COMPANY PROPOSE ANY CHANGES TO THE STRUCTURE OF GSDT-1 IN**
12 **THIS DOCKET?**

13 A. My understanding is that the Company does not propose to change the structure of
14 GSDT-1 in this docket.

15 **Q. IS IT YOUR UNDERSTANDING THAT THE RATES FOR GSDT-1 ARE COORDINATED**
16 **WITH THOSE FOR GSLD-1?**

17 A. Yes. As was the case with GSLD-1 and GSLDT-1, my understanding is that the current
18 and proposed GSD-1 and GSDT-1 customer and demand charges are the same, and
19 the Company maintains the GSDT-1 energy charges in a manner such that they are
20 revenue neutral to the Company. See Schedule E-13C, page 8 and page 9, and
21 Exhibit TCC-6, page 9.

1 **Q. DO THE COMPANY'S PROPOSED GSDT-1 RATES REFLECT THE SCHEDULE'S**
2 **UNDERLYING COST OF SERVICE?**

3 A. No. As summarized in Table 3, an examination of the Company's unit cost study
4 shows that the proposed demand charge of \$10.40/kW only recovers approximately
5 52 percent of the schedule's revenue requirement, where a cost-based demand
6 charge would collect approximately 75.6 percent of the schedule's revenue
7 requirement. As such, the proposed GSDT-1 demand charge is set at approximately
8 69 percent of full cost.

Table 3. Comparison of Cost Recovery, FPL 12 CP and 25% Cost of Service Study, GSDT-1, and GSD-1.

	COSS Results	GSDT-1 Current	GSDT-1 Proposed	GSD-1 Current	GSD-1 Proposed
Customer	1.6%	1.5%	1.2%	2.5%	2.6%
Energy	22.8%	47.4%	46.9%	42.9%	42.8%
Demand	75.6%	51.1%	51.8%	54.7%	54.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Exhibit SWC-6.

9
10 **Q. DO THE DEMAND CHARGES FOR GSD-1 FULLY RECOVER THAT SCHEDULE'S**
11 **DEMAND COSTS?**

12 A. No, however, as shown in Table 3, both the current and proposed charges are set to
13 collect approximately 54 percent of the GSD-1 revenue requirement. This level of
14 collection is closer to the cost of service level but still only approximately 72 percent
15 of full cost. See Exhibit SWC-6.

1 **Q. DOES THE COMPANY PROVIDE THE UNIT COST FOR DEMAND FOR THE SCHEDULES**
2 **IN THE GSD(T)-1 GROUP?**

3 A. Yes. The cost of service-based unit demand cost for the GSD(T)-1 group is
4 \$14.39/kW. See MFR E-6b, Attachment 1, page 1. As such, the Company's proposed
5 demand charge of \$10.40/kW for both GSD-1 and GSDT-1 is set at approximately 72
6 percent of unit cost. See Exhibit TCC-6, page 12.

7 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION ON THIS ISSUE?**

8 A. For the purposes of this docket, the Commission should approve the following rate
9 design for GSD-1 and GSDT-1 for 2017 rates:

- 10 1) Approve the customer charge methodology as proposed by the Company;
- 11 2) Set the demand charge for both schedules at 85 percent of the demand unit
12 cost per the approved revenue requirement and cost of service study in this
13 docket;⁹
- 14 3) For GSD-1, apply the remaining revenue requirement to the energy charge;
15 and
- 16 4) For GSDT-1, apply the remaining revenue requirement to the on-peak and
17 off-peak energy charges per the Company's proposed relationship between
18 those charges.

⁹ This represents just under 50 percent movement towards unit cost. Applying this methodology to the Company's proposed revenue requirement and cost of service study results in a demand charge for GSDT-1 that is approximately 80 percent of full cost and for GSD-1 that is approximately 85 percent of full cost.

1 **Q. HAVE YOU ESTIMATED THE 2017 RATES THAT WOULD RESULT FROM THE**
 2 **APPLICATION OF THIS METHODOLOGY?**

3 A. Yes. Table 4 shows the rates for each rate schedule.

Table 4. Present, FPL Proposed, and Walmart Proposed GSD-1 and GSDT-1 Rates, FPL Proposed Revenue Requirement.

	GSD-1			GSDT-1		
	Present	FPL Proposed	Walmart Proposed	Present	FPL Proposed	Walmart Proposed
Customer	\$20.24	\$25.00	\$25.00	\$20.24	\$25.00	\$25.00
Non-Fuel Energy	1.93¢/kWh	2.311¢/kWh	1.79¢/kWh			
On-Peak				4.11¢/kW	4.712¢/kWh	3.87¢/kWh
Off-Peak				1.05¢/kWh	1.248¢/kwh	0.98¢/kWh
Demand	\$8.70/kW	\$10.40/kW	\$12.23/kW	\$8.70/kW	\$10.40/kW	\$12.23/kW

Source: Exhibit SWC-8.

4
 5 **2018 Rates**

6 **Q. WHAT IS YOUR RECOMMENDATION FOR THE COMPANY'S PROPOSED 2018 RATE**
 7 **YEAR?**

8 A. If the Commission approves the Company's proposal to institute an incremental rate
 9 change in 2018, the Commission should apply the methodology above to the
 10 approved revenue requirement and cost of service study for 2018.

1 **2019 Okeechobee LSA**

2 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED RATE DESIGN**
3 **FOR THE 2019 OKEECHOBEE LSA?**

4 A. The Company proposes to apply an equal percent increase to all base charges and
5 non-clause recoverable credits. See Direct Testimony and Exhibits of Tiffany C.
6 Cohen, page 24, line 17 to line 20.

7 **Q. DO YOU BELIEVE THIS IS THE APPROPRIATE METHODOLOGY TO IMPLEMENT THE**
8 **LSA?**

9 A. No. My understanding is that the majority of the base rate revenue increase due to
10 the LSA is related to the installed capacity cost of the Okeechobee unit, which is the
11 fixed cost of the unit. See Direct Testimony and Exhibits of Robert E. Barrett Jr.,
12 page 43, line 13 to line 17. As such, for rate schedules that contain demand charges,
13 it is not appropriate to apply the increase to the non-demand charges such as the
14 customer or energy charges.

15 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION ON THIS ISSUE?**

16 A. If the Commission approves the 2019 Okeechobee LSA, for rate schedules that
17 contain demand charges, the increase to those schedules should only be applied to
18 the demand charge.

19 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

20 A. Yes.

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE)
BY FLORIDA POWER & LIGHT COMPANY) DOCKET NO. 160021-EI
)**

**EXHIBITS OF STEVE W. CHRISS
ON BEHALF OF
WAL-MART STORES EAST, LP AND SAM'S EAST, INC.**

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE
BY FLORIDA POWER & LIGHT COMPANY**

)
)
)

DOCKET NO. 160021-EI

EXHIBIT SWC-1 OF STEVE W. CHRISS

ON BEHALF OF

WAL-MART STORES EAST, LP AND SAM'S EAST, INC.

Steve W. Chriss

Senior Manager, Energy Regulatory Analysis

Wal-Mart Stores, Inc.

Business Address: 2001 SE 10th Street, Bentonville, AR, 72716-0550

Business Phone: (479) 204-1594

EXPERIENCE

July 2007 – Present

Wal-Mart Stores, Inc., Bentonville, AR

Senior Manager, Energy Regulatory Analysis (June 2011 – Present)

Manager, State Rate Proceedings (July 2007 – June 2011)

June 2003 – July 2007

Public Utility Commission of Oregon, Salem, OR

Senior Utility Analyst (February 2006 – July 2007)

Economist (June 2003 – February 2006)

January 2003 - May 2003

North Harris College, Houston, TX

Adjunct Instructor, Microeconomics

June 2001 - March 2003

Econ One Research, Inc., Houston, TX

Senior Analyst (October 2002 – March 2003)

Analyst (June 2001 – October 2002)

EDUCATION

2001

Louisiana State University

M.S., Agricultural Economics

1997-1998

University of Florida

Graduate Coursework, Agricultural Education and Communication

1997

Texas A&M University

B.S., Agricultural Development

B.S., Horticulture

TESTIMONY BEFORE REGULATORY COMMISSIONS

2016

Colorado Public Utilities Commission Docket No. 16AL-0048E: Re: In the Matter of Advice Letter No. 1712-Electric Filed by Public Service Company of Colorado to Replace Colorado PUC No.7-Electric Tariff with Colorado PUC No. 8-Electric Tariff.

Colorado Public Utilities Commission Docket No. 16A-0055E: Re: In the Matter of the Application of Public Service Company of Colorado for Approval of its Solar*Connect Program.

Missouri Public Service Commission Case No. ER-2016-0023: In the Matter of the Empire District Electric Company of Joplin, Missouri for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Missouri Service Area of the Company.

Georgia Public Service Commission Docket No. 40161: In Re: Georgia Power Company's 2016 Integrated Resource Plan and Application for Decertification of Plant Mitchell Units 3, 4A and 4B, Plant Kraft Unit 1 CT, and Intercession City CT.

Oklahoma Corporation Commission Cause No. PUD 201500273: In the Matter of Oklahoma Gas and Electric Company for an Order of the Commission Authorizing Applicant to Modify its Rates, Charges, and Tariffs for Retail Electric Service in Oklahoma.

New Mexico Case No. 15-00261-UT: In the Matter of the Application of Public Service Company of New Mexico for Revision of its Retail Electric Rates Pursuant to Advice Notice No. 513.

2015

Indiana Utility Regulatory Commission Cause No. 44688: Petition of Northern Indiana Public Service Company for Authority to Modify its Rates and Charges for Electric Utility Service and for Approval of: (1) Changes to its Electric Service Tariff Including a New Schedule of Rates and Charges and Changes to the General Rules and Regulations and Certain Riders; (2) Revised Depreciation Accrual Rates; (3) Inclusion in its Basic Rates and Charges of the Costs Associated with Certain Previously Approved Qualified Pollution Control Property, Clean Coal Technology, Clean Energy Projects and Federally Mandated Compliance Projects; and (4) Accounting Relief to Allow NIPSCO to Defer, as a Regulatory Asset or Liability, Certain Costs for Recovery in a Future Proceeding.

Public Utility Commission of Texas Docket No. 44941: Application of El Paso Electric Company to Change Rates.

Arizona Corporation Commission Docket No. E-04204A-15-0142: In the matter of the Application of UNS Electric, Inc. for the Establishment of Just and Reasonable Rates and Charges Designed to Realized a Reasonable Rate of Return on the Fair Value of the Properties of UNS Electric, Inc. Devoted to its Operations Throughout the State of Arizona, and for Related Approvals.

Rhode Island Public Utilities Commission Docket No. 4568: In Re: National Grid's Rate Design Plan.

Oklahoma Corporation Commission Cause No. PUD 201500208: Application of Public Service Company of Oklahoma, an Oklahoma Corporation, for an Adjustment in its Rates and Charges and the Electric Service Rules, Regulations and Conditions of Service for Electric Service in the State of Oklahoma.

Public Service Commission of Wisconsin Docket No. 4220-UR-121: Application of Northern States Power Company, A Wisconsin Corporation, for Authority to Adjust Electric and Natural Gas Rates.

Arkansas Public Service Commission Docket No. 15-015-U: In the Matter of the Application of Entergy Arkansas, Inc. for Approval of Changes in Rates for Retail Electric Service.

New York Public Service Commission Case No. 15-E-0283: Proceeding on Motion of the Commission as to the Rates, Charges, Rules, and Regulations of New York State Electric & Gas Corporation for Electric Service.

New York Public Service Commission Case No. 15-G-0284: Proceeding on Motion of the Commission as to the Rates, Charges, Rules, and Regulations of New York State Electric & Gas Corporation for Gas Service.

New York Public Service Commission Case No. 15-E-0285: Proceeding on Motion of the Commission as to the Rates, Charges, Rules, and Regulations of Rochester Gas & Electric Corporation for Electric Service.

New York Public Service Commission Case No. 15-G-0286: Proceeding on Motion of the Commission as to the Rates, Charges, Rules, and Regulations of Rochester Gas & Electric Corporation for Gas Service.

Public Utilities Commission of Ohio Case No. 14-1693-EL-RDR: In the Matter of the Application Seeking Approval of Ohio Power Company's Proposal to Enter Into an Affiliate Power Purchase Agreement for Inclusion in the Power Purchase Agreement Rider.

Public Service Commission of Wisconsin Docket No. 6690-UR-124: Application of Wisconsin Public Service Corporation for Authority to Adjust Electric and Natural Gas Rates.

Arkansas Public Service Commission Docket No. 15-034-U: In the Matter of an Interim Rate Schedule of Oklahoma Gas and Electric Company Imposing a Surcharge to Recover All Investments and Expenses Incurred Through Compliance with Legislative or Administrative Rules, Regulations, or Requirements Relating to the Public Health, Safety or the Environment Under the Federal Clean Air Act for Certain of its Existing Generation Facilities.

Kansas Corporation Commission Docket No. 15-WSEE-115-RTS: In the Matter of the Application of Westar Energy, Inc. and Kansas Gas and Electric Company to Make Certain Changes in their Charges for Electric Service.

Michigan Public Service Commission Case No. U-17767: In the Matter of the Application of DTE Electric Company for Authority to Increase its Rates, Amend its Rate Schedules and Rules Governing the Distribution and Supply of Electric Energy, and for Miscellaneous Accounting Authority.

Public Utility Commission of Texas Docket No. 43695: Application of Southwestern Public Service Company for Authority to Change Rates.

Kansas Corporation Commission Docket No. 15-KCPE-116-RTS: In the Matter of the Application of Kansas City Power & Light Company to Make Certain Changes in its Charges for Electric Service.

Michigan Case No. U-17735: In the Matter of the Application of the Consumers Energy Company for Authority to Increase its Rates for the Generation and Distribution of Electricity and for Other Relief.

Kentucky Public Service Commission Case No. 2014-00396: Application of Kentucky Power Company for a General Adjustment of its Rates for Electric Service; (2) an Order Approving its 2014 Environmental Compliance Plan; (3) an Order Approving its Tariffs and Riders; and (4) an Order Granting All Other Required Approvals and Relief.

Kentucky Public Service Commission Case No. 2014-00371: In the Matter of the Application of Kentucky Utilities Company for an Adjustment of its Electric Rates.

Kentucky Public Service Commission Case No. 2014-00372: In the Matter of the Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates.

2014

Ohio Public Utilities Commission Case No. 14-1297-EL-SSO: In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and the Toledo Edison Company for Authority to Provide for a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan.

West Virginia Case No. 14-1152-E-42T: Appalachian Power Company and Wheeling Power Company, Both d/b/a American Electric Power, Joint Application for Rate Increases and Changes in Tariff Provisions.

Oklahoma Corporation Commission Cause No. PUD 201400229: In the Matter of the Application of Oklahoma Gas and Electric Company for Commission Authorization of a Plan to Comply with the Federal Clean Air Act and Cost Recovery; and for Approval of the Mustang Modernization Plan.

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Washington Utilities and Transportation Commission Docket No. UE-141368: In the Matter of the Petition of Puget Sound Energy to Update Methodologies Used to Allocate Electric Cost of Service and For Electric Rate Design Purposes.

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West Virginia Public Service Commission Case No. 14-0702-E-42T: Monongahela Power Company and the Potomac Edison Company Rule 42T Tariff Filing to Increase Rates and Charges.

Ohio Public Utilities Commission Case No. 14-841-EL-SSO: In the Matter of the Application of Duke Energy Ohio for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of Case No. 14-841-EL-SSO an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service.

Colorado Public Utilities Commission Docket No. 14AL-0660E: Re: In the Matter of the Advice Letter No. 1672-Electric Filed by Public Service Company of Colorado to Revise its Colorado PUC No. 7-Electric Tariff to Implement a General Rate Schedule Adjustment and Other Rate Changes Effective July 18, 2014.

Maryland Case No. 9355: In the Matter of the Application of Baltimore Gas and Electric Company for Authority to Increase Existing Rates and Charges for Electric and Gas Service.

Mississippi Public Service Commission Docket No. 2014-UN-132: In Re: Notice of Intent of Entergy Mississippi, Inc. to Modernize Rates to Support Economic Development, Power Procurement, and Continued Investment.

Nevada Public Utilities Commission Docket No. 14-05004: Application of Nevada Power Company d/b/a NV Energy for Authority to Increase its Annual Revenue Requirement for General Rates Charged to All Classes of Electric Customers and for Relief Properly Related Thereto.

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2010

Public Utilities Commission of Ohio Docket No. 10-2586-EL-SSO: In the Matter of the Application of Duke Energy Ohio for Approval of a Market Rate Offer to Conduct a Competitive Bidding Process for Standard Service Offer Electric Generation Supply, Accounting Modifications, and Tariffs for Generation Service.

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South Carolina Public Service Commission Docket No. 2009-489-E: Application of South Carolina Electric & Gas Company for Adjustments and Increases in Electric Rate Schedules and Tariffs.

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2009

Virginia State Corporation Commission Case No. PUE-2009-00030: In the Matter of Appalachian Power Company for a Statutory Review of the Rates, Terms, and Conditions for the Provision of Generation, Distribution, and Transmission Services Pursuant to § 56-585.1 A of the Code of Virginia.

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Public Utilities Commission of Nevada Docket No. 08-12002: In the Matter of the Application by Nevada Power Company d/b/a NV Energy, filed pursuant to NRS §704.110(3) and NRS §704.110(4) for authority to increase its annual revenue requirement for general rates charged to all classes of customers, begin to recover the costs of acquiring the Bighorn Power Plant, constructing the Clark Peakers, Environmental Retrofits and other generating, transmission and distribution plant additions, to reflect changes in cost of service and for relief properly related thereto.

New Mexico Public Regulation Commission Case No. 08-00024-UT: In the Matter of a Rulemaking to Revise NMPRC Rule 17.7.2 NMAC to Implement the Efficient Use of Energy Act.

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Efficient Technologies; Energy Conservation Programs; And Incentives and Cost Recovery for Such Programs.

2008

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Public Service Commission of Utah Docket No. 07-035-93: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations, Consisting of a General Rate Increase of Approximately \$161.2 Million Per Year, and for Approval of a New Large Load Surcharge.

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2007

Louisiana Public Service Commission Docket No. U-30192: Ex Parte, Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

Public Utility Commission of Oregon Docket No. UG 173: In the Matter of PUBLIC UTILITY COMMISSION OF OREGON Staff Request to Open an Investigation into the Earnings of Cascade Natural Gas.

2006

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Public Utility Commission of Oregon Docket No. UE 179: In the Matter of PACIFICORP, dba PACIFIC POWER AND LIGHT COMPANY Request for a general rate increase in the company's Oregon annual revenues.

Public Utility Commission of Oregon Docket No. UM 1129 *Phase II*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

2005

Public Utility Commission of Oregon Docket No. UM 1129 *Phase I Compliance*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

Public Utility Commission of Oregon Docket No. UX 29: In the Matter of QWEST CORPORATION Petition to Exempt from Regulation Qwest's Switched Business Services.

2004

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TESTIMONY BEFORE LEGISLATIVE BODIES

2016

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2014

Regarding Kansas House Bill 2460: Testimony Before the Kansas House Standing Committee on Utilities and Telecommunications, February 12, 2014.

2012

Regarding Missouri House Bill 1488: Testimony Before the Missouri House Committee on Utilities, February 7, 2012.

2011

Regarding Missouri Senate Bills 50, 321, 359, and 406: Testimony Before the Missouri Senate Veterans' Affairs, Emerging Issues, Pensions, and Urban Affairs Committee, March 9, 2011.

AFFIDAVITS

2015

Supreme Court of Illinois, Docket No. 118129, Commonwealth Edison Company et al., respondents, v. Illinois Commerce Commission et al. (Illinois Competitive Energy Association et al., petitioners). Leave to appeal, Appellate Court, First District.

2011

Colorado Public Utilities Commission Docket No. 11M-951E: In the Matter of the Petition of Public Service Company of Colorado Pursuant to C.R.S. § 40-6-111(1)(d) for Interim Rate Relief Effective on or before January 21, 2012.

ENERGY INDUSTRY PUBLICATIONS AND PRESENTATIONS

Panelist, The Governor's Utah Energy Development Summit 2015, May 21, 2015.

Mock Trial Expert Witness, The Energy Bar Association State Commission Practice and Regulation Committee and Young Lawyers Committee and Environment, Energy and Natural Resources Section of the D.C. Bar, Mastering Your First (or Next) State Public Utility Commission Hearing, February 13, 2014.

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**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE
BY FLORIDA POWER & LIGHT COMPANY**

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DOCKET NO. 160021-EI

EXHIBIT SWC-2 OF STEVE W. CHRISS

ON BEHALF OF

WAL-MART STORES EAST, LP AND SAM'S EAST, INC.

Estimated Impact of FPL's Proposed Increase in ROE from 10.5 Percent to 11.5 Percent

Line No.	Description	Amount
1	Proposed Jurisdictional Adjusted Rate Base, 2017 TY (\$000)	\$ 32,536,116
2	Return on Rate Base at 10.5 Percent ROE	6.16%
3	1 x 2 Jurisdictional Net Operating Income	\$ 2,003,207
4	Jurisdictional Adjusted Net Income	\$ 1,618,192
5	3 - 4 Net Operating Income Deficiency	\$ 385,015
6	Net Operating Income Multiplier	1.63024
7	5 x 6 Revenue Requirement	\$ 627,667
8	FPL Proposed	\$ 866,354
9	8 - 7 Increase Due to Proposed Increase in ROE (\$000)	\$ 238,687
10	9 / 8 Increase Due to Proposed Increase in ROE (%)	27.6%

Sources:

MFR A-1, 2017 Test Year

Exhibit SWC-2, page 2

Line No.		Ratio	Cost Rate	Weighted Cost Rate
1	Long Term Debt	28.76%	4.62%	1.33%
2	Preferred Stock	0.00%	0.00%	0.00%
3	Customer Deposits	1.25%	2.05%	0.03%
4	Common Equity	45.13%	10.50%	4.74%
5	Short Term Debt	1.88%	1.85%	0.03%
6	Deferred Income Tax	22.65%	0.00%	0.00%
7	Investment Tax Credits	0.33%	8.82%	0.03%
8	Sum 1 to 7 Total			6.16%

Source:

MFR D-1A, 2017 Test Year

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE
BY FLORIDA POWER & LIGHT COMPANY**

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DOCKET NO. 160021-EI

EXHIBIT SWC-3 OF STEVE W. CHRISS

ON BEHALF OF

WAL-MART STORES EAST, LP AND SAM'S EAST, INC.

Calculation of Proposed Test Year Jurisdictional Revenues Collected through Base Rates

Line No.	Description	Amount (\$000)
1	Jurisdictional Revenues	\$ 10,327,574
	<i>Revenue Adjustments</i>	
2	<i>Capacity Cost Recovery</i>	\$ (320,700)
3	<i>Conservation Cost Recovery</i>	\$ (72,433)
4	<i>Environmental Cost Recovery</i>	\$ (206,703)
5	<i>Franchise Revenue</i>	\$ (462,560)
6	<i>Fuel Cost Recovery Retail</i>	\$ (3,175,557)
7	<i>Gross Receipts Tax</i>	\$ (245,047)
8	<i>Storm Deficiency Recovery</i>	\$ (116,245)
9	Total Revenue Adjustments	\$ (4,599,245)
10	1 + 9 Jurisdictional Adjusted Amount	\$ 5,728,329
11	10 / 1 Percent of Jurisdictional Revenues in Base Rates	55%

Sources:

1 MFR C-1, column 6

2 - 9 MFR C-2

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE
BY FLORIDA POWER & LIGHT COMPANY**

)
)
)

DOCKET NO. 160021-EI

EXHIBIT SWC-4 OF STEVE W. CHRISS

ON BEHALF OF

WAL-MART STORES EAST, LP AND SAM'S EAST, INC.

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2013 to Present

State	Utility	Docket	Decision Date	Vertically Integrated (V)/Distribution (D)	Return on Equity (%)
Missouri	Kansas City Power & Light	ER-2012-0174	1/9/2013	V	9.70%
Missouri	KCP&L Greater Missouri Op Co	ER-2012-0175	1/9/2013	V	9.70%
Indiana	Indiana Michigan Power Co.	44075	2/13/2013	V	10.20%
Maryland	Baltimore Gas and Electric Co.	9299	2/22/2013	D	9.75%
Louisiana	Southwestern Electric Power Co	U-32220	2/27/2013	V	10.00%
New York	Niagara Mohawk Power Corp.	12-E-0201	3/14/2013	D	9.30%
Idaho	Avista Corp.	AVU-E-12-08	3/27/2013	V	9.80%
Ohio	Duke Energy Ohio Inc.	12-1682-EL-AIR	5/1/2013	D	9.84%
Michigan	Consumers Energy Co.	U-17087	5/15/2013	V	10.30%
North Carolina	Duke Energy Progress Inc.	E-2, Sub 1023	5/30/2013	V	10.20%
Hawaii	Maui Electric Company Ltd	2011-0092	5/31/2013	V	9.00%
Arizona	Tucson Electric Power Co.	E-01933A-12-0291	6/11/2013	V	10.00%
New Jersey	Atlantic City Electric Co.	ER-12121071	6/21/2013	D	9.75%
Washington	Puget Sound Energy Inc.	UE-130137	6/25/2013	V	9.80%
Maryland	Potomac Electric Power Co.	9311	7/12/2013	D	9.36%
Minnesota	Northern States Power Co.	E-002/GR-12-961	8/8/2013	V	9.83%
Connecticut	United Illuminating Co.	13-01-19	8/14/2013	D	9.15%
Florida	Tampa Electric Co.	130040-EI	9/11/2013	V	10.25%
South Carolina	Duke Energy Carolinas LLC	2013-59-E	9/11/2013	V	10.20%
North Carolina	Duke Energy Carolinas LLC	E-7, Sub 1026	9/24/2013	V	10.20%
Texas	Southwestern Electric Power Co	40443	10/3/2013	V	9.65%
Wisconsin	Wisconsin Public Service Corp.	6690-UR-122	11/6/2013	V	10.20%
Kansas	Westar Energy Inc.	13-WSEE-629-RTS	11/21/2013	V	10.00%
Virginia	Virginia Electric & Power Co.	PUE-2013-00020	11/26/2013	V	10.00%
Florida	Gulf Power Co.	130140-EI	12/3/2013	V	10.25%
Washington	PacifiCorp	UE-130043	12/4/2013	V	9.50%
Wisconsin	Northern States Power Co.	4220-UR-119	12/5/2013	V	10.20%
Illinois	Ameren Illinois	13-0301	12/9/2013	D	8.72%
Oregon	Portland General Electric Co.	UE-262	12/9/2013	V	9.75%
Maryland	Baltimore Gas and Electric Co.	9326	12/13/2013	D	9.75%
Louisiana	Entergy Gulf States LA LLC	U-32707	12/16/2013	V	9.95%
Louisiana	Entergy Louisiana LLC	U-32708	12/16/2013	V	9.95%
Nevada	Sierra Pacific Power Co.	13-06002	12/16/2013	V	10.12%
Arizona	UNS Electric Inc.	E-04204A-12-0504	12/17/2013	V	9.50%
Georgia	Georgia Power Co.	36989	12/17/2013	V	10.95%
Illinois	Commonwealth Edison Co.	13-0318	12/18/2013	D	8.72%
Oregon	PacifiCorp	UE-263	12/18/2013	V	9.80%
Michigan	Upper Peninsula Power Co.	U-17274	12/19/2013	V	10.15%
New York	Consolidated Edison Co. of NY	13-E-0030	2/20/2014	D	9.20%
North Dakota	Northern States Power Co.	PU-12-813	2/26/2014	V	9.75%
New Hampshire	Liberty Utilities Granite St	DE-13-063	3/17/2014	D	9.55%
District of Columbia	Potomac Electric Power Co.	1103-2013-E	3/26/2014	D	9.40%
New Mexico	Southwestern Public Service Co	12-00350-UT	3/26/2014	V	9.96%
Delaware	Delmarva Power & Light Co.	13-115	4/2/2014	D	9.70%
Texas	Entergy Texas Inc.	41791	5/16/2014	V	9.80%
Massachusetts	Fitchburg Gas & Electric Light	13-90	5/30/2014	D	9.70%
Wisconsin	Wisconsin Power and Light Co	6680-UR-119	6/6/2014	V	10.40%
Maine	Emera Maine	2013-00443	6/30/2014	D	9.55%
Maryland	Potomac Electric Power Co.	9336	7/2/2014	D	9.62%
Louisiana	Entergy Louisiana LLC (New Orleans)	UD-13-01	7/10/2014	V	9.95%

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2013 to Present

State	Utility	Docket	Decision Date	Vertically Integrated (V)/Distribution (D)	Return on Equity (%)
New Jersey	Rockland Electric Company	ER-13111135	7/23/2014	D	9.75%
Maine	Central Maine Power Co.	2013-00168	7/29/2014	D	9.45%
Wyoming	Cheyenne Light Fuel Power Co.	20003-132-ER-13	7/31/2014	V	9.90%
Arkansas	Entergy Arkansas Inc.	13-028-U ¹	8/15/2014	V	9.50%
New Jersey	Atlantic City Electric Co.	ER-14030245	8/20/2014	D	9.75%
Vermont	Green Mountain Power Corp	8190, 8191	8/25/2014	V	9.60%
Utah	PacifiCorp	13-035-184	8/29/2014	V	9.80%
Florida	Florida Public Utilities Co.	140025-EI	9/15/2014	V	10.25%
Nevada	Nevada Power Co.	14-05004	10/9/2014	V	9.80%
Illinois	MidAmerican Energy Co.	14-0066	11/6/2014	V	9.56%
Wisconsin	Wisconsin Public Service Corp.	6690-UR-123	11/6/2014	V	10.20%
Wisconsin	Wisconsin Electric Power Co.	05-UR-107	11/14/2014	V	10.20%
Virginia	Appalachian Power Co.	PUE-2014-00026	11/26/2014	V	9.70%
Wisconsin	Madison Gas and Electric Co.	3270-UR-120	11/26/2014	V	10.20%
Oregon	Portland General Electric Co.	UE-283	12/4/2014	V	9.68%
Illinois	Commonwealth Edison Co.	14-0312	12/10/2014	D	9.25%
Illinois	Ameren Illinois	14-0317	12/10/2014	D	9.25%
Mississippi	Entergy Mississippi Inc.	2014-UN-0132	12/11/2014	V	10.07%
Wisconsin	Northern States Power Co.	4220-UR-120	12/12/2014	V	10.20%
Connecticut	Connecticut Light & Power Co.	14-05-06	12/17/2014	D	9.17%
Colorado	Black Hills Colorado Electric	14AL-0393E	12/18/2014	V	9.83%
Wyoming	PacifiCorp	20000-446-ER-14	1/23/2015	V	9.50%
Colorado	Public Service Co. of CO	14AL-0660E	2/24/2015	V	9.83%
New Jersey	Jersey Central Power & Light Co.	ER-12111052	3/18/2015	D	9.75%
Washington	PacifiCorp	UE-140762	3/25/2015	V	9.50%
Minnesota	Northern States Power Co.	E-002/GR-13-868	3/26/2015	V	9.72%
Michigan	Wisconsin Public Service Corp.	U-17669	4/23/2015	V	10.20%
Missouri	Union Electric Co.	ER-2014-0258	4/29/2015	V	9.53%
West Virginia	Appalachian Power Co.	14-1152-E-42-T	5/26/2015	V	9.75%
New York	Central Hudson Gas & Electric	14-E-0318	6/17/2015	D	9.00%
New York	Consolidated Edison Co. of NY	15-E-0050	6/17/2015	D	9.00%
Missouri	Kansas City Power & Light	ER-2014-0370	9/2/2015	V	9.50%
Kansas	Kansas City Power & Light	15-KCPE-116-RTS	9/10/2015	V	9.30%
New York	Orange & Rockland Utlts Inc.	14-E-0493	10/15/2015	D	9.00%
Michigan	Consumers Energy Co.	U-17735	11/19/2015	V	10.30%
Wisconsin	Wisconsin Public Service Corp.	6690-UR-124	11/19/2015	V	10.00%
Wisconsin	Northern States Power Co.	4220-UR-121	12/3/2015	V	10.00%
Illinois	Ameren Illinois	15-0305	12/9/2015	D	9.14%
Illinois	Commonwealth Edison Co.	15-0287	12/9/2015	D	9.14%
Michigan	DTE Electric Co.	U-17767	12/11/2015	V	10.30%
Oregon	Portland General Electric Co.	UE 294	12/15/2015	V	9.60%
Texas	Southwestern Public Service Co	43695	12/17/2015	V	9.70%
Idaho	Avista Corp.	AVU-E-15-05	12/18/2015	V	9.50%
Wyoming	PacifiCorp	20000-469-ER-15	12/30/2015	V	9.50%
Washington	Avista Corp.	UE-150204	1/6/2016	V	9.50%
Arkansas	Entergy Arkansas Inc.	15-015-U	2/13/2016	V	9.75%
Indiana	Indianapolis Power & Light Co.	44576	3/16/2016	V	9.85%
Massachusetts	Fitchburg Gas & Electric Light	15-80	4/29/2016	D	9.80%
Maryland	Baltimore Gas and Electric Co.	9406	6/3/2016	D	9.75%
New Mexico	El Paso Electric Co.	15-00127-UT	6/8/2016	V	9.48%

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2013 to Present

State	Utility	Docket	Decision Date	Vertically Integrated (V)/Distribution (D)	Return on Equity (%)
New York	NY State Electric & Gas Corp.	15-E-0283	6/15/2016	D	9.00%
New York	Rochester Gas & Electric Corp.	15-E-0285	6/15/2016	D	9.00%

¹ The Arkansas Public Service Commission originally approved a 9.3% ROE, but increased it to 9.5% on rehearing. See Order No. 35, Arkansas Docket 13-028-U.

Entire Period

# of Decisions	102	
Average (All Utilities)		9.73%
Average (Distribution Only)		9.38%
Average (Vertically Integrated Only)		9.88%
Median		9.75%
Minimum		8.72%
Maximum		10.95%

2013

# of Decisions	38	
Average (All Utilities)		9.83%
Average (Distribution Only)		9.37%
Average (Distribution Only, exc. IL FRP)		9.56%
Average (Vertically Integrated Only)		9.97%

2014

# of Decisions	33	
Average (All Utilities)		9.75%
Average (Distribution Only)		9.49%
Average (Distribution Only, exc. IL FRP)		9.53%
Average (Vertically Integrated Only)		9.92%

2015

# of Decisions	23	
Average (All Utilities)		9.60%
Average (Distribution Only)		9.17%
Average (Distribution Only, exc. IL FRP)		9.19%
Average (Vertically Integrated Only)		9.75%

2016

# of Decisions	8	
Average (All Utilities)		9.52%
Average (Distribution Only)		9.39%
Average (Distribution Only, exc. IL FRP)		9.39%
Average (Vertically Integrated Only)		9.65%

Source: SNL Financial LC, June 30, 2016

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE)
BY FLORIDA POWER & LIGHT COMPANY) DOCKET NO. 160021-EI
)**

**EXHIBIT SWC-5 OF STEVE W. CHRISS
ON BEHALF OF
WAL-MART STORES EAST, LP AND SAM'S EAST, INC.**

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE
BY FLORIDA POWER & LIGHT COMPANY**

)
)
)

DOCKET NO. 160021-EI

EXHIBIT SWC-6 OF STEVE W. CHRISS

ON BEHALF OF

WAL-MART STORES EAST, LP AND SAM'S EAST, INC.

	GSLDT-1							GSLD-1				
	Revenue Requirement, COSS		Revenue Requirement, Present Rates		Revenue Requirement, Proposed Rates			Revenue Requirement, Present Rates		Revenue Requirement, Proposed Rates		% Of Full Cost, Proposed
	(\$000)	(%)	(\$)	(%)	(\$)	(%)	(%)	(\$)	(%)	(\$)	(%)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)		
	(1) / Total		(3) / Total		(5) / Total	(6) / (2)		(3) / Total		(5) / Total		
Customer	\$ 1,851	0.3%	\$ 819,866	0.6%	\$ 994,500	0.5%	153.0%	\$ 932,582	0.7%	\$ 1,131,225	0.6%	180.1%
Energy	\$ 124,239	23.2%	\$ 62,887,061	42.4%	\$ 79,879,746	42.5%	183.1%	\$ 50,252,291	35.2%	\$ 64,449,441	35.5%	152.9%
Demand	\$ 408,966	76.4%	\$ 84,592,800	57.1%	\$ 107,014,988	57.0%	74.5%	\$ 91,583,892	64.2%	\$ 115,985,646	63.9%	83.6%
Transformation Credit			\$ (37,841)	0.0%	\$ (29,011)	0.0%		\$ (28,968)	0.0%	\$ (22,209)	0.0%	
Total	\$ 535,056	100.0%	\$ 148,261,886	100.0%	\$ 187,860,223	100.0%		\$ 142,739,797	100.0%	\$ 181,544,103	100.0%	

Source:
Schedule E-13C, page 13 and 14

	GSDT-1							GSD-1				
	Revenue Requirement, COSS		Revenue Requirement, Present Rates		Revenue Requirement, Proposed Rates			Revenue Requirement, Present Rates		Revenue Requirement, Proposed Rates		% Of Full Cost, Proposed
	(\$000)	(%)	(\$)	(%)	(\$)	(%)	(%)	(\$)	(%)	(\$)	(%)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)		
	(1) / Total		(3) / Total		(5) / Total	(6) / (2)		(3) / Total		(5) / Total		
Customer	\$ 21,189	1.6%	\$ 1,352,438	1.5%	\$ 1,253,650	1.2%	77.2%	\$ 24,252,884	2.5%	\$ 29,956,625	2.6%	162.9%
NMSR				0.0%		0.0%		\$ 7,932	0.0%	\$ 7,932	0.0%	
Energy	\$ 306,004	22.8%	\$ 41,361,284	47.4%	\$ 48,292,920	46.9%	205.9%	\$ 417,304,575	42.9%	\$ 498,650,917	42.8%	187.7%
Demand	\$ 1,014,728	75.6%	\$ 44,603,952	51.1%	\$ 53,319,666	51.8%	68.5%	\$ 532,326,352	54.7%	\$ 636,344,145	54.6%	72.2%
Transformation Credit			\$ (3,364)	0.0%	\$ (2,579)	0.0%		\$ (23,496)	0.0%	\$ (18,014)	0.0%	
Total	\$ 1,341,921	100.0%	\$ 87,314,310	100.0%	\$ 102,863,657	100.0%		\$ 973,868,247	100.0%	\$ 1,164,941,605	100.0%	

Sources:
MFR E-6B, page 1
MFR E-13C, page 8, 9, 13, and 14

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE
BY FLORIDA POWER & LIGHT COMPANY**

)
)
)

DOCKET NO. 160021-EI

EXHIBIT SWC-7 OF STEVE W. CHRISS

ON BEHALF OF

WAL-MART STORES EAST, LP AND SAM'S EAST, INC.

Wal-Mart Stores East, LP and Sam's East, Inc.

Exhibit SWC-7

Florida Docket 160021-EI

Billing Units	Present		Proposed		Walmart Proposed		
	Rate	Revenue	Rate	Revenue	Rate	Revenue	
Customer	15,083	\$ 61.83	\$ 932,582	\$ 75.00	\$ 1,131,225	\$ 75.00	\$ 1,131,225
Non-Fuel Energy Charge	3,514,146,195	\$ 0.0143	\$ 50,252,291	\$ 0.01834	\$ 64,449,441		
Demand	9,205,210	\$ 9.96	\$ 91,683,892	\$ 12.60	\$ 115,985,646	\$ 14.51	\$ 133,558,640
Transformation Credit	96,561	\$ (0.30)	\$ (28,968)	\$ (0.23)	\$ (22,209)		
Total		\$	\$ 142,839,796	\$	\$ 181,544,103	\$	\$ 134,689,865
				Target Revenue		\$	\$ 181,544,103
				Difference		\$	\$ 46,854,239
				Energy Billing Determinants			3,514,146,195
				Non-Fuel Energy Charge		\$	\$ 0.01333

GSLDT-1							
Billing Units	Rate	Revenue	Rate	Revenue	Rate	Revenue	
Customer	13,260	\$ 61.83	\$ 819,866	\$ 75.00	\$ 994,500	\$ 75.00	\$ 994,500
Non-Fuel Energy Charge							
<i>On-Peak</i>	1,179,751,800	\$ 0.0238	\$ 28,078,093	\$ 0.03025	\$ 35,687,492		
<i>Off-Peak</i>	3,363,185,270	\$ 0.0104	\$ 34,808,968	\$ 0.01314	\$ 44,192,254		
Demand	8,493,253	\$ 9.96	\$ 84,592,800	\$ 12.60	\$ 107,014,988	\$ 14.51	\$ 123,228,836
Transformation Credit	126,135	\$ (0.30)	\$ (37,841)	\$ (0.23)	\$ (29,011)		
Total		\$	\$ 148,261,886	\$	\$ 187,860,223	\$	\$ 124,223,336
				Target Revenue		\$	\$ 187,860,223
				Difference		\$	\$ 63,636,887
				On-Peak Revenue Ratio			44.6%
				Non-Fuel Energy Charge		On-Peak	\$ 0.0241
						Off-Peak	\$ 0.0105

Unit Cost, Demand \$ 16.12

Sources:

MFR E-6B, page 1

MFR E-13C, page 13 and page 14

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE
BY FLORIDA POWER & LIGHT COMPANY**

)
)
)

DOCKET NO. 160021-EI

EXHIBIT SWC-8 OF STEVE W. CHRISS

ON BEHALF OF

WAL-MART STORES EAST, LP AND SAM'S EAST, INC.

Wal-Mart Stores East, LP and Sam's East, Inc.

Exhibit SWC-8

Florida Docket 160021-EI

Billing Units	Present		Proposed		Walmart Proposed		
	Rate	Revenue	Rate	Revenue	Rate	Revenue	
Customer	1,198,265	\$ 20.24	\$ 24,252,884	\$ 25.00	\$ 29,956,625	\$ 25.00	\$ 29,956,625
NSMR - Enrollment Fee	12	\$ 89.00	\$ 1,068	\$ 89.00	\$ 1,068	\$ 89.00	\$ 1,068
NSMR - Monthly Surcharge	528	\$ 13.00	\$ 6,864	\$ 13.00	\$ 6,864	\$ 13.00	\$ 6,864
Non-Fuel Energy Charge	21,577,278,972	\$ 0.0193	\$ 417,304,575	\$ 0.02311	\$ 498,650,917		
Demand	61,186,937	\$ 8.70	\$ 532,326,352	\$ 10.40	\$ 636,344,145	\$ 12.23	\$ 748,408,592
Transformation Credit	78,320	\$ (0.30)	\$ (23,496)	\$ (0.23)	\$ (18,014)		
Total		\$	973,868,247	\$	1,164,941,605	\$	778,373,149
				Target Revenue		\$	1,164,941,605
				Difference		\$	386,568,456
				Energy Billing Determinants			21,577,278,972
				Non-Fuel Energy Charge		\$	0.01792

GSDT-1							
Billing Units	Rate	Revenue	Rate	Revenue	Rate	Revenue	
Customer	50,146	\$ 26.97	\$ 1,352,438	\$ 25.00	\$ 1,253,650	\$ 25.00	\$ 1,253,650
Non-Fuel Energy Charge							
<i>On-Peak</i>	548,337,572	\$ 0.0411	\$ 22,558,608	\$ 0.04712	\$ 25,837,666		
<i>Off-Peak</i>	1,799,299,182	\$ 0.0105	\$ 18,802,676	\$ 0.01248	\$ 22,455,254		
Demand	5,126,891	\$ 8.70	\$ 44,603,952	\$ 10.40	\$ 53,319,666	\$ 12.23	\$ 62,709,615
Transformation Credit	11,213	\$ (0.30)	\$ (3,364)	\$ (0.23)	\$ (2,579)		
Total		\$	87,314,310	\$	102,863,658	\$	63,963,265
				Target Revenue		\$	102,863,658
				Difference		\$	38,900,392
				On-Peak Revenue Ratio			54.5%
				Non-Fuel Energy Charge		On-Peak	\$ 0.0387
						Off-Peak	\$ 0.0098

Unit Cost, Demand	\$	14.39
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Sources:
MFR E-6B, page 1
MFR E-13C, page 13 and page 14