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December 29, 2016

**-VIA ELECTRONIC FILING-**

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

**RE: Docket No.: 16 \_\_\_\_\_  
Florida Power & Light Company's Petition for Limited Proceeding for  
Recovery of Incremental Storm Restoration Costs Related to Hurricane  
Matthew**

Dear Ms. Stauffer:

Please find enclosed for electronic filing as a new docket, Florida Power & Light Company's Petition for Limited Proceeding for Recovery of Incremental Storm Restoration Costs related to Hurricane Matthew, along with Appendices A through E.

If there are any questions regarding this transmittal, please contact me at (561)304-5170.

Sincerely,

*s/ Kevin I.C. Donaldson*  
Kevin I.C. Donaldson  
Fla. Bar No. 0833401

Enclosure

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition by Florida Power & Light Company  
for Limited Proceeding for Recovery of Incremental  
Storm Restoration Costs Related to Hurricane  
Matthew

Docket No. 16\_\_\_\_\_

Filed: December 29, 2016

**PETITION BY FLORIDA POWER & LIGHT COMPANY  
FOR LIMITED PROCEEDING FOR RECOVERY OF INCREMENTAL  
STORM RESTORATION COSTS RELATED TO HURRICANE MATTHEW**

Florida Power & Light Company (“FPL” or the “Company”), pursuant to Section 366.076(1), Florida Statutes (2016), Rules 25-6.0143 and 25-6.0431, Florida Administrative Code (“F.A.C.”) and the Revised Stipulation and Settlement approved by the Florida Public Service Commission (“Commission”) in Order No. PSC-13-0023-S-EI<sup>1</sup> (the “2012 Stipulation and Settlement”), hereby files this petition (the “Petition”) requesting that the Commission conduct a limited proceeding to authorize commencement of interim recovery of incremental storm restoration costs related to Hurricane Matthew and the replenishment of the Storm Reserve, a total of \$318.5 million, from customers beginning on March 1, 2017, subject to final true-up as described in this Petition.

In support of the Petition, FPL states as follows:

1. The name and address of the Petitioner is:

Florida Power & Light Company  
700 Universe Blvd  
Juno Beach, FL 33408

Any pleading, motion, notice, order or other document required to be served upon the petitioner or filed by any party to this proceeding should be served upon the following individuals:

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<sup>1</sup> Docket No. 120015-EI, issued on January 14, 2013.

Kenneth A. Hoffman  
Vice President, Regulatory Affairs  
Florida Power & Light Company  
215 South Monroe Street, Suite 810  
Tallahassee, FL 32301  
Phone: 850-521-3919  
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2. The Commission has jurisdiction pursuant to Sections 366.04, 366.05, 366.06 and 366.076, Florida Statutes, and Rules 25-6.0143 and 25-6.0431, F.A.C.

3. FPL is a corporation organized and existing under the laws of the State of Florida and is an electric utility as defined in Section 366.02(2), Florida Statutes.

4. This Petition is being filed consistent with Rule 28-106.201, F.A.C. The agency affected is the Commission, located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399. This case does not involve reversal or modification of an agency decision or an agency's proposed action. Therefore, subparagraph (c) and portions of subparagraphs (b), (e), (f) and (g) of subsection (2) of that rule are not applicable to this Petition. In compliance with subparagraph (d), FPL states that it is not known which, if any, of the issues of material fact set forth in the body of this Petition may be disputed by any others who may plan to participate in this proceeding. The discussion below demonstrates how the petitioner's substantial interests will be affected by the agency determination.

5. This Petition seeks to initiate a limited proceeding under Section 366.076(1), Florida Statutes and Rule 25-6.0431, F.A.C. A limited proceeding is appropriate because FPL's request is focused on the narrow issue of recovery, including interim recovery, of costs associated with Hurricane Matthew. Pursuant to the 2012 Stipulation and Settlement, the determination of storm cost recovery does not involve the application of any form of earnings test or measure.

## Background

6. On September 28, 2016, nearly a week after emerging from the African coast, a tropical system became a tropical storm and was named Matthew by the National Hurricane Center. One day later, Matthew became a hurricane, rapidly strengthening to achieve Category 5 intensity on September 30. When Hurricane Matthew made landfall on October 4, first in Haiti and then Cuba, it weakened to a Category 3 but regained Category 4 intensity as it moved away from Cuba. On October 6, Hurricane Matthew made landfall for the third time, this time over Grand Bahama Island as a Category 4 hurricane. Grand Bahama Island is only about 75 miles due east of Palm Beach County, Florida. Throughout the week-long period when Hurricane Matthew was ravaging the Caribbean, forecasts of its track raised the very real possibility that it would strike a large portion of FPL's service territory as a major (Category 3 or higher) hurricane. FPL, along with state and local emergency offices, were prudently preparing for the worst. Then on October 6, less than 24 hours before Hurricane Matthew was forecast to impact Florida, the news seemed to get worse, with the possibility of a severe, direct landfall becoming a probability, bringing 130-140 mile-per-hour-winds to Palm Beach County and the Treasure Coast. This portended massive devastation through a large, heavily populated portion of FPL's service territory.

7. Ultimately, and very fortunately, Hurricane Matthew made a small jog to the east as it passed over Grand Bahama Island and then continued on a path that kept the eye (and hence the worst of its winds) a few miles off the Florida coastline. Nonetheless, its winds and storm surge seriously impacted major portions of FPL's service territory. Sustained winds associated with Hurricane Matthew are estimated to have reached nearly 80 miles per hour with gusts exceeding 100 miles per hour along the Florida coastline. Hurricane force winds are estimated to

have reached up to about 8 miles inland along portions of Florida's coastline, and tropical storm force winds are estimated to have reached up to about 40 miles inland. The impacts of Hurricane Matthew affected much of FPL's service territory, with the counties along the east coast of the Florida peninsula, particularly those in the central and north regions of Florida, experiencing the highest winds and rainfall and the most damage.

8. With a massive storm potentially heading towards the most heavily populated portions of FPL's service territory, FPL began preparations on October 2, 2016. Reasonably anticipating the consequences of a massive storm, FPL arranged for approximately 14,600 FPL employees and contracted external resources to be available to support the restoration work. In the end, while Florida was spared the worst of Hurricane Matthew, the damage to FPL's service territory was substantial, with almost 1.2 million FPL customers having their service interrupted. Restoring service to so many customers was a massive undertaking. As part of service restoration, FPL replaced over 250 miles of wire, more than 900 transformers, and over 400 poles. Moreover, a large amount of vegetation clearing was required. Thanks to FPL's effective pre-planning, as well as the dedication of its employees and contracted external resources and the strong performance of FPL's hardened electric facilities, FPL was able to restore power to approximately 99 percent of its customers experiencing an outage by the end of the second full day after Hurricane Matthew left the service territory, and service was fully restored within four days.<sup>2</sup>

9. As of the filing of this petition, FPL is continuing to conduct follow-up work in response to Hurricane Matthew. Examples of this follow-up work include repairing storm-

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<sup>2</sup> Approximately 475 customers were unable to receive service due to unsafe/uninhabitable conditions in their residence or business. However, service had been restored within four days for all customers who were able to receive service.

damaged street lights, performing thermovision inspections on storm-affected feeders, and repairing/replacing storm-damaged facilities including automated feeder switches.

10. In addition to its planning and implementation of storm restoration activities, FPL's efforts and investments in hardening its system made a clear difference with Hurricane Matthew. For instance, no hardened distribution feeder pole or transmission structure failed, and FPL's hardened feeders performed approximately 30% better than non-hardened feeders. Additionally, smart grid devices helped to avoid over 118,000 customer interruptions. And, as noted above, FPL's success in restoring power to its customers so quickly is partly a result of the strong performance of the hardened electric facilities.

#### **Costs for Restoration**

11. FPL has received invoices and/or recorded payments for over 80% of its estimated total restoration cost and awaits receipt of the remaining invoices for service restoration. FPL is also in the process of completing follow-up work activities. Recognizing that final costs will not be fully determined until later, FPL currently estimates that total storm-related restoration costs will be approximately \$316.8 million, as shown on the schedule attached as Appendix A. Appendix A breaks down the costs by major category, including regular and overtime payroll, contractor costs, line clearing, vehicle and fuel, materials and supplies, logistics, and property damage. After removing capitalizable costs and accounting for jurisdictional factors and non-incremental costs pursuant to the Commission's Incremental Cost and Capitalization Approach ("ICCA") methodology, the resulting retail recoverable costs are approximately \$293.8 million. This amount will fully deplete and exceed the \$93.1 million pre-storm balance of the retail storm reserve that FPL maintains pursuant to Rule 25-6.0143 (the "Storm Reserve"). Subtracting the \$93.1 million pre-storm balance in the Storm Reserve from

the \$293.8 million in retail recoverable costs results in net recoverable costs of \$200.7 million (the “Eligible Restoration Costs”), also shown on Appendix A.

### **2017 Interim Storm Restoration Recovery Charge**

12. Interim recovery of the Hurricane Matthew storm costs is governed by Paragraph 5 of the 2012 Stipulation and Settlement, which provides that “recovery of storm costs from customers will begin, on an interim basis, sixty days following the filing of a cost recovery petition and tariff with the Commission and will be based on a 12-month recovery period if the storm costs do not exceed \$4.00/1,000 kWh on monthly residential customer bills.” Order No. PSC-13-0023-S-EI, at Paragraph 5. The costs recoverable under Paragraph 5 include the Eligible Restoration Costs plus the amount required to replenish the Storm Reserve to its level on the Implementation Date of the 2012 Stipulation and Settlement, which was January 2, 2013. The balance as of that date was \$117.1 million (the “Implementation Storm Reserve Balance”).<sup>3</sup> Adding the Implementation Storm Reserve Balance to the Eligible Restoration Costs and recovery of interest on those costs as described in Paragraph 17 below, then applying a multiplier factor to gross up for Regulatory Assessment Fees, results in retail recoverable restoration costs of \$318.5 million (the “Recoverable Storm Amount”).

13. Attached as Appendix B to this Petition is the declaration of Keith Ferguson, Controller of FPL. Mr. Ferguson’s declaration supports the calculation of the estimated Recoverable Storm Amount associated with Hurricane Matthew that is described in Paragraphs 11 and 12 above, including the Eligible Restoration Costs and estimated interest on those costs. Exhibit 1 to Mr. Ferguson’s declaration is a letter filed with the Commission on February 15,

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<sup>3</sup> Per the 2012 Stipulation and Settlement, the agreement became effective on the first billing cycle of January 2013 (the “Implementation Date”), and continues in effect until the last billing cycle of December 2016.

2013 in compliance with Rule 25-6.0143(1)(m), which confirms that the Implementation Storm Reserve Balance is \$117.1 million.

14. FPL proposes to initiate recovery of the estimated Recoverable Storm Amount through a surcharge (the “2017 Interim Storm Restoration Recovery Charge” or “Recovery Charge”) to apply to customer bills for a 12-month period that is to commence on March 1, 2017 (the “Recovery Period”). The surcharge will be included in the non-fuel energy charge on customer bills.

15. As noted above, the 2012 Stipulation and Settlement caps interim recovery of storm restoration costs at a level that would result in a recovery charge of \$4.00 per 1,000 kWh on a residential customer bill over a 12-month period. Based on projected sales for the 12-month period in which the Recovery Charge will be in effect and the allocation of storm costs to the residential rate class, the Recovery Charge is below this cap.

16. Per the 2012 Stipulation and Settlement, FPL has allocated the estimated Recoverable Storm Amount among rate classes consistent with the rate design method set forth in Order No. PSC-06-0464-FOF-EI. The computation of the resulting Recovery Charge for each rate class is shown on the attached Appendix C, 2017 Interim Storm Restoration Recovery Charge Computation. For residential customers, the Recovery Charge is 0.336 cents per kWh, which equates to \$3.36 on a 1,000 kWh residential bill. Original Tariff Sheet No. 8.042, the 2017 Interim Storm Restoration Recovery Charge Tariff by which FPL proposes to implement the 2017 Interim Storm Restoration Recovery Charge for each rate class, is attached in Appendix D, in legislative and clean formats. Also included in Appendix D is the Fifty-Sixth Revised Tariff Sheet No. 8.010, the Index of Rate Schedules, reflecting the addition of the 2017 Interim



Storm Restoration Recovery Charge Tariff, in legislative and clean formats.<sup>4</sup> Attached as Appendix E to this Petition is the declaration of Tiffany Cohen, Manager of Rate Design, in support of the calculation of the 2017 Interim Storm Restoration Recovery Charge for each rate class associated with Hurricane Matthew in Appendix C, as well as the 2017 Interim Storm Restoration Recovery Charge Tariff in Appendix D. As described in Appendix E, FPL intends to include the Recovery Charge as part of the non-fuel energy charge line item on customer bills, which is consistent with FPL's practice of incorporating adjustment clause charges in the non-fuel energy charge line item.

17. As required under Rule 25-6.0143(1)(i), FPL has maintained the amount of Eligible Restoration Costs that exceed the pre-storm balance of the retail Storm Reserve as a debit in Account 228.1. However, FPL requests Commission approval to establish a regulatory asset to be recorded in Account 182.1, Extraordinary Property Losses, and transfer the debit balance in Account 228.1 to Account 182.1 effective March 1, 2017. The regulatory asset balance will be reduced by the amount collected through the Recovery Charge each month during the 12-month interim recovery period, with interest calculated on the unamortized balance at the then-prevailing commercial paper rate and added to the balance. The treatment described above is consistent with the storm cost recovery approved by the Commission to recover prudently incurred storm restoration costs associated with the 2004 storm season in Docket No. 041291-EI, Order No. PSC-05-0937-FOF-EI. FPL will remove the regulatory asset

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<sup>4</sup> The 2017 tariff sheets attached as Exhibit B to the Stipulation and Settlement approved in Docket No. 160021-EI and consolidated dockets on November 29, 2016 includes the Fifty-Fourth Revised Tariff Sheet No. 8.010, Index of Rate Schedules. On December 16, 2016, FPL filed a petition for approval of an optional pilot LED lighting tariff, which includes a proposed Fifty-Fifth Revised Tariff Sheet No. 8.010 that reflects the addition of the LED lighting tariff to the Index of Rate Schedules. The proposed Fifty-Sixth Revised Tariff Sheet No. 8.010 attached as part of Appendix D to this petition reflects the further addition of the 2017 Interim Storm Restoration Recovery Charge Tariff.

from rate base, and storm charge revenues and amortization of the regulatory asset from net operating income, on its monthly base rate earnings surveillance report.

18. Once all invoices are received and insurance recoveries (if any) are confirmed, FPL will file documentation of all restoration and follow up costs for Commission review and approval. FPL will then compare the final, approved restoration costs to the actual revenue received from the Recovery Charges and determine whether there is an excess or shortfall in recovery. FPL thereafter will submit for Commission approval a one-time credit or charge to customer bills for the excess or shortfall.

**Summary of Issues To Be Determined in this Limited Proceeding**

19. As referenced above, a limited proceeding is appropriate for consideration of this request because the relevant issues are narrow. Specifically, the issues to be decided are:

- (a) Has FPL correctly calculated the interim storm cost recovery factors that are proposed to go into effect on March 1, 2017, for recovery of estimated restoration costs associated with Hurricane Matthew?
- (b) What are the final, actual restoration costs for Hurricane Matthew that FPL may recover from customers?
- (c) Based on the final, actual restoration costs for Hurricane Matthew that FPL is authorized to recover, by what amount, if any, did FPL over- or under-recover those costs in the twelve months that the interim storm cost recovery factors were in effect?
- (d) How should FPL credit to or recover from customers the over- or under-recovery?

20. Pursuant to Paragraph 5 of the 2012 Stipulation and Settlement, the determination of cost recovery does not involve the application of any form of earnings test or measure. Therefore, the issues relevant to this proceeding do not involve examination of FPL's business as a whole, but rather are limited to a determination of the appropriate interim recovery factors, the determination of FPL's final, actual recoverable costs, and whatever true-up is required so that FPL recovers and customers pay only those costs.

21. As required by Rule 25-6.0431, the appendices attached hereto and incorporated herein include: (i) a detailed description of the Hurricane Matthew-related expenses on both a system and jurisdictional basis, addressed in Appendices A and B; (ii) a schedule showing how FPL proposes to allocate any change in revenues to rate classes, addressed in Appendices C, D and E; and (iii) a schedule showing the specific rate base components on which FPL seeks recovery, on both system and jurisdictional basis, addressed on page 3 of Appendix A.

### **Conclusion**

22. Consistent with the 2012 Stipulation and Settlement, the Commission should enter an order approving this Petition. That will enable FPL to begin prompt recovery of the significant and extraordinary storm-related costs FPL incurred to repair the damage caused to FPL's transmission and distribution systems, power plant facilities and offices by Hurricane Matthew, as contemplated by the 2012 Stipulation and Settlement.

**WHEREFORE**, for the above and foregoing reasons, Florida Power & Light Company respectfully requests that the Commission:

- (1) conduct a limited proceeding to authorize commencement of interim recovery of incremental storm restoration costs related to Hurricane Matthew and the replenishment

of the Storm Reserve, a total of \$318.5 million, from customers beginning on March 1, 2017;

(2) approve Original Tariff Sheet No. 8.042 and Fifty-Sixth Revised Tariff Sheet No. 8.010 (attached as Appendix D), reflecting the proposed 2017 Interim Storm Restoration Recovery Charge Tariff; and

(3) maintain this docket open for determination of the final true-up amounts.

Respectfully submitted,

By: s/ John T. Butler

John T. Butler  
Assistant General Counsel – Regulatory  
Maria J. Moncada  
Senior Attorney  
Kevin I. C. Donaldson  
Senior Attorney  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, Florida 33408-0420

# APPENDIX A

**Florida Power and Light**  
**Storm Restoration Costs Related to Hurricane Matthew**  
(\$000's)

LINE NO.	Estimated Storm Costs By Function							Total (7)	Storm Reserve Balance (8)
	Steam & Other (1)	Nuclear (2)	Transmission (3)	Distribution (4)	General (A) (5)	Customer Service (6)			
1	Storm Reserve balance (Pre-Storm)								\$ (93,105)
2	34	168	442	4,965	345	90	6,043		
3	324	1,668	650	11,655	641	615	15,553		
4	707	3,127	283	172,968	414	307	177,806		
5	0	0	0	25,000	0	0	25,000		
6	0	0	144	4,419	138	0	4,702		
7	20	51	65	3,848	16	56	4,056		
8	1	0	107	80,028	19	263	80,418		
9	0	0	0	0	0	0	0		
10	34	5	52	1,721	1,380	42	3,234		
11	1,121	5,019	1,743	304,605	2,953	1,372	316,812		
12	55	162	244	2,454	645	731	4,290		
13	0	0	0	0	0	0	0		
14	1,066	4,857	1,499	302,150	2,308	641	312,521		
15	500	106	344	17,457	0	0	18,407		
16	566	4,751	1,156	284,693	2,308	641	294,114		
17	0.9819	0.9819	0.9029	0.9998	0.9848	1.0000			
18	\$ 555	\$ 4,665	\$ 1,043	\$ 284,650	\$ 2,273	\$ 641	\$ 293,828	\$ 293,828	
19	Balance of Storm Reserve after Funding Estimated Storm Costs ("Eligible Restoration Costs") (line 1 + line 18)								\$ 200,722
20	Plus: Interest on Unamortized Reserve Balance (D)								373
21	Plus: Amount to Replenish Reserve to Level at Settlement Agreement Implementation Date, January 2, 2013 ("Implementation Storm Reserve Balance")								117,131
22	Subtotal - System Storm Losses to be Recovered from Customers								318,227
23	Regulatory Assessment Fee Multiplier								1.00072
24	Total System Storm Losses to be Recovered from Customers ("Recoverable Storm Amount")								\$ 318,456

Notes:

- (A) General plant function reflects restoration costs associated with FPL's Human Resources, External Affairs, Information Management, Real Estate and Marketing & Communications Departments
- (B) Includes estimated capital associated with follow-up work that has not been completed.
- (C) Jurisdictional Factors are based on factors approved in Docket 120015-EI.
- (D) Interest calculation is provided on Page 2.

**Florida Power and Light**  
**Incremental Storm Restoration Costs Related to Hurricane Matthew**  
**Interest Calculation**  
**(\$000's)**

LINE NO.	(1) MAR 2017	(2) APR 2017	(3) MAY 2017	(4) JUN 2017	(5) JUL 2017	(6) AUG 2017	(7) SEP 2017	(8) OCT 2017	(9) NOV 2017	(10) DEC 2017	(11) JAN 2018	(12) FEB 2018	TOTAL
1	Unrecovered Eligible Restoration Costs - Beg Bal	\$ 200,722	\$ 178,245	\$ 154,712	\$ 128,624	\$ 99,684	\$ 68,155	\$ 36,227	\$ 4,819	0	0	0	0
2	Less: Current Month Amortization (A)	(22,569)	(23,613)	(26,157)	(28,995)	(31,570)	(31,953)	(31,419)	(4,820)	0	0	0	\$ (201,095)
3	Unrecovered Eligible Restoration Costs - Before Cur Mo Int (Line 1 + 2)	\$ 178,153	\$ 154,632	\$ 128,556	\$ 99,629	\$ 68,115	\$ 36,202	\$ 4,809	\$ (1)	0	0	0	0
4	Average Unrecovered Eligible Restoration Costs	189,438	166,438	141,634	114,127	83,899	52,179	20,518	2,409	0	0	0	0
5	Interest Rate - First day of Business Reporting Month (B)	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%
6	Interest Rate - First day of Subsequent Reporting Month (B)	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%
7	Total Interest Rate (Lines 5 + 6)	1.15940%	1.15940%	1.15940%	1.15940%	1.15940%	1.15940%	1.15940%	1.15940%	1.15940%	1.15940%	1.15940%	1.15940%
8	Average Interest Rate (50% of Line 7)	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%	0.57970%
9	Monthly Average Interest Rate (1/12 of line 8)	0.04831%	0.04831%	0.04831%	0.04831%	0.04831%	0.04831%	0.04831%	0.04831%	0.04831%	0.04831%	0.04831%	0.04831%
10	Monthly Interest	92	80	68	55	41	25	10	1	0	0	0	373
11	Unrecovered Eligible Restoration Costs - End Bal (Line 3 + 10)	\$ 178,245	\$ 154,712	\$ 128,624	\$ 99,684	\$ 68,155	\$ 36,227	\$ 4,819	0	0	0	0	0

Notes:

(A) Based on billed kWh storm charge sales. Storm charge revenues will be allocated first to the amortization of the unrecovered eligible restoration costs (expected to conclude in October 2017) and then to the replenishment of the reserve balance of \$117 MM.

(B) Represents the average commercial paper rate included in the year-end short term debt rate calculation reflected on Schedule 4, Page 1 of 2, from the October 2016 ESR of 1.75%. FPL will utilize the then-prevailing commercial paper rate when recording actual interest on its books and records.

**Florida Power and Light**  
**Summary of Rate Base Components and Expenses<sup>(A)</sup>**  
**(\$000's)**

LINE NO.	FERC Account	Description	Notes	(1) Total System	(2) Retail Jurisdictional
1	<b><u>Rate Base Components</u></b>				
2	182.1	Extraordinary Property Losses - Unrecovered Eligible Restoration Costs	(B)	\$ 201,096	\$ 201,096
3	128	Other Special Funds - Storm Fund	(C)	71,948	71,948
4	190	Accumulated deferred income taxes	(C)	45,183	45,183
5	228.1	Accumulated provision for property insurance	(C)	117,131	117,131
6	<b><u>Expense Components</u></b>				
7	407.3	Regulatory Debits - Amortization of Unrecovered Eligible Restoration Costs	(B)	\$ 201,096	\$ 201,096
8	924	Property Insurance Expense - Replenishment of Accumulated Provision for Property Insurance	(C)	117,131	117,131

Notes:

(A) Items reflected on this schedule are provided in compliance with parts (3) and (4) of Rule No. 25-6.0431, Petition for a Limited Proceeding.

(B) Amounts are removed for retail base ratemaking purposes since these items will be reflected in the storm recovery mechanism.

(C) Amounts are removed for retail base ratemaking purposes since the storm reserve is funded and earns its own return.



# APPENDIX B

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition by Florida Power & Light     )  
Company for Limited Proceeding for     )  
Recovery of Incremental Storm Restoration )  
Costs Related to Hurricane Matthew     )

Docket No: \_\_\_\_\_

Filed: December 29, 2016

1. My name is Keith Ferguson, and my business address is Florida Power & Light Company (“FPL” or the “Company”), 700 Universe Boulevard, Juno Beach, Florida, 33408.
  
2. I graduated from the University of Florida in 1999 with a Bachelor of Science Degree in Accounting and earned a Master of Accounting degree from the University of Florida in 2000. Beginning in 2000, I was employed by Arthur Andersen in their energy audit practice in Atlanta, Georgia. From 2002 to 2005, I worked for Deloitte & Touche in their national energy practice. From 2005 to 2011, I worked for Mirant Corporation, which was an independent power producer in Atlanta, Georgia. During my tenure there, I held various accounting and management roles. Most recently and prior to joining FPL in September 2011, I was Mirant’s Director of SEC Reporting and Accounting Research. I am a Certified Public Accountant (“CPA”) licensed in the State of Georgia and a member of the American Institute of CPAs.
  
3. I am employed by FPL as Controller.

4. The purpose of my declaration is to support the calculation of the estimated Recoverable Storm Amount associated with Hurricane Matthew for which FPL seeks interim recovery. These calculations are shown on Appendix A, which is incorporated by reference herein.
5. Hurricane Matthew was named as a tropical system by the National Hurricane Center on September 28, 2016. Storm restoration costs associated with Hurricane Matthew are eligible for interim recovery pursuant to Paragraph 5 of the 2012 Stipulation and Settlement that was approved by the Commission in Order No. PSC-13-0023-S-EI, dated January 14, 2013.
6. FPL began preparations for Hurricane Matthew on October 2, 2016, four days before tropical storm force winds impacted FPL's service territory. FPL established internal work orders at that time for recording storm-related costs.
7. FPL's Sarbanes-Oxley compliance processes require that it prepare a "Phase 3" cost estimate of storm-related costs. A Phase 3 estimate relies on SAP payroll data, post-restoration estimates of losses from all business units (including any follow-up work to be completed), a determination of what costs may be properly recorded to the storm reserve under the Incremental Cost and Capitalization Approach methodology ("ICCA") specified in Rule 25-6.0143, F.A.C., and other validation steps. FPL has prepared a Phase 3 cost estimate of the storm restoration costs for Hurricane Matthew, which is summarized in Appendix A.
8. Paragraph 5 of the 2012 Stipulation and Settlement permits interim recovery of an "estimate of incremental costs above the level of storm reserve prior to the storm and to the replenishment of the storm reserve to the level as of the Implementation

Date.” As shown on Appendix A, the total storm-related restoration costs for Hurricane Matthew are estimated to be \$316.8 million. FPL has estimated that \$4.3 million of those costs are not incremental under the ICCA methodology. Thus, the net estimated restoration costs are \$312.5 million, of which an estimated \$18.4 million will be capitalized and hence are not eligible to be charged to the storm reserve under the ICCA methodology. As a result of those adjustments, the estimated storm costs eligible for recovery associated with Hurricane Matthew are \$293.8 million (the “Retail Recoverable Costs”) (net of jurisdictional factors).

9. As shown on Appendix A, prior to the time of Hurricane Matthew, the balance in the Storm Reserve was \$93.1 million. Subtracting the Retail Recoverable Costs of \$293.8 million from the Storm Reserve results in recoverable costs of \$200.7 million (the “Eligible Restoration Costs”).
10. As required under Rule 25-6.0143(1)(i), FPL has maintained the amount of Eligible Restoration Costs that exceed the pre-storm balance of the retail Storm Reserve as a debit in Account 228.1. However, FPL requests Commission approval to establish a regulatory asset to be recorded in Account 182.1, Extraordinary Property Losses, and transfer the debit balance in Account 228.1 to Account 182.1 effective March 1, 2017, the date on which FPL proposes to implement its interim storm cost recovery charge. The regulatory asset balance will be reduced by the amount of the Recovery Charge collected each month during the 12-month interim recovery period, with interest calculated on the unamortized balance at the then-prevailing commercial paper rate and added to the balance. The treatment described above is consistent with the storm cost recovery approved by the Commission to recover

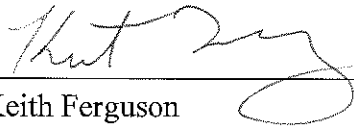
prudently incurred storm restoration costs associated with the 2004 storm season in Docket No. 041291-EI, Order No. PSC-05-0937-FOF-EI. The estimated interest calculation is included on Appendix A and total interest for the 12-month interim recovery period is estimated to be \$0.4 million.

11. Under the 2012 Stipulation and Settlement, FPL is entitled to replenish the Storm Reserve to the balance as of the settlement's implementation date, which was January 2, 2013 (the "Implementation Storm Reserve Balance"). Exhibit 1 to my declaration is a letter that was filed with the Commission on February 15, 2013, pursuant to Rule 25-6.0143(1)(m). Attachment 1 to that letter shows that the retail Storm Reserve balance as of December 31, 2012, was \$117.1 million, which was likewise the balance the next business day, January 2, 2013.<sup>1</sup> Thus, the Implementation Storm Reserve Balance is \$117.1 million.
12. Replenishing the storm reserve to a balance of \$117.1 million from a deficit balance of \$200.7 million, plus the recovery of estimated interest of \$0.4 million, and applying a multiplier factor to gross up for Regulatory Assessment Fees, will require recovery from customers of \$318.5 million (the "Recoverable Storm Amount").

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<sup>1</sup> Exhibit 1, Attachment 1 shows that the balance in Account 228.100 – Retail Storm Reserve on December 31, 2012 was \$115,302,320. As shown, there was a mark-to-market adjustment to that amount in Account 228.101 – FAS 115 Mark-to-Market of \$1,828,984. The total of those two amounts is \$117,131,304.

13. Under penalties of perjury, I declare that I have read the foregoing declaration and that the facts stated in it are true to the best of my knowledge and belief.

  
\_\_\_\_\_  
Keith Ferguson

Date: 12/29/2016

**APPENDIX B**  
**EXHIBIT 1**



February 15, 2013

Mr. Marshall Willis  
Director, Accounting & Finance  
Florida Public Service Commission  
Capital Circle Office Center  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

**RE: Accumulated Provision for Property Insurance**

Dear Mr. Willis:

Enclosed for filing please find Florida Power & Light Company's report, as required by Rule 25-6.0143(1)(m), Florida Administrative Code, Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4, reflecting the Company's efforts to obtain reasonably priced Transmission & Distribution insurance coverage. Also enclosed for filing as Attachment 1 to the report is a summary schedule of the amounts recorded in Account 228.1 as of December 31, 2012.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Korel M. Dubin".

Korel M. Dubin  
Director, Regulatory Affairs

Enclosures



**FLORIDA POWER & LIGHT COMPANY**  
**Period Ending December 31, 2012**

**Update on Efforts to Obtain Commercial Insurance for Transmission and Distribution (T&D) Facilities**

For a number of years following Hurricane Andrew in 1992, T&D insurance was totally unavailable. By 1999, the Company was able to obtain a very limited amount of T&D insurance (from \$20 to \$88 million in 1999 through 2001). In the years since September 11, 2001, there was a general unwillingness in the insurance markets to write T&D insurance coverage. In late 2006, a group of southeastern storm exposed utilities (including four in Florida) began efforts to develop an industry insurance program (see below). Through those efforts, it appears that there may be a limited potential for some commercial T&D coverage with very high deductibles (for the Company, in excess of \$750 million per occurrence for above ground distribution only, which exceeds the actual storm restoration damage incurred from any one storm in our history). At this time, the Company believes the products potentially available in the commercial market do not provide sufficient value to customers to warrant the cost. The company will continue to work to develop commercial insurance alternatives to improve the possibility that eventually, reasonably priced coverage that represents good value to the Company and its customers will become available.

**Status of an Industry-Wide T&D Insurance Program and the Feasibility and Cost-Effectiveness of a Risk Sharing Plan among Investor Owned Electric Utilities in Florida**

In 2006, the four Florida investor owned utilities (IOUs), in conjunction with other IOUs with hurricane exposed transmission and distribution facilities in the Gulf and Atlantic coastal regions, initiated a project to investigate a feasible risk financing alternative to cover transmission and distribution storm damage. The option of developing an industry mutual insurance company and/or risk purchasing group was appealing to the group. After initial discussions, the focus became to seek mutual coverage with premium cost, deductibles and loss payments based on modeled events. Modeled loss coverage was considered the most likely approach to attract insurance market interest. In an effort to simplify the model and to encourage group participation the members elected to explore coverage solely for overhead distribution assets. In addition, it became clear that the market would only be willing to supply coverage for more infrequent storms, those in the once in 75 year frequency category and above, hence the coverage focus was for catastrophic storms with a high deductible/self insured retention.

In May 2007, the Florida IOUs made a presentation on their progress to date to a Florida Public Service Commission (“Commission”) staff workshop and then later provided the staff answers to some informal questions.

Possible risk financing alternatives explored by the group have included: group captives (a/k/a industry mutual) insurance, commercial insurance, capital market solutions and public/private insurance pools for natural catastrophes.

There have been numerous hurdles to the success of the project, including: understanding of coastal wind and flood exposures, developing an acceptable loss forecasting model, subjective perceptions and acknowledged limitations of predictive models, gaining participants' confidence in the equity of the underwriting model and cost allocations, seeking market underwriting of the risk, attempting to finance a "frequency of severity" risk profile, assembling a critical mass portfolio of companies willing to pool risk, size of premiums and exposure to retrospective calls.

This activity continued through 2008, and the four Florida IOUs continued to participate while several of the other IOUs dropped out of the group. The Florida IOUs and other participants in the group hired outside experts to model their respective overhead distribution risks and aggregate scenarios were modeled. One member of the group (i.e. a non-Florida member) elected to seek insurance coverage from the insurance market on a stand-alone basis using modeled results, and was successful for the 2007 and 2008 storm seasons. Some other members dropped from the group and at least one of those solicited the market on their own as well.

As the group lost membership and became smaller, the idea of a mutual company became untenable and the focus shifted to a buying group concept. However, even though it became more clear that the insurance market was becoming receptive to providing catastrophic insurance, the cost was still high.

The group periodically maintained communication in 2009, meeting as a group once in February. No members were able to support the buying group concept in 2009. One member of the group outside of Florida has purchased a limited amount of insurance based on modeled results for the past three storm seasons, inclusive of 2009.

### **2012 Update:**

FPL discussed T&D insurance with its domestic, London and European insurers on the Company's operating property insurance program during underwriting renewal meetings in March and April. No incumbents on the FPL property insurance program were interested in providing T&D insurance for FPL's Florida transmission and distribution assets.

The Company will continue to monitor insurance market conditions and to seek T&D insurance that will provide value to its customers at a reasonable cost, and will periodically communicate with the remaining members of the IOU group with Atlantic and Gulf hurricane exposure.

**Update on the Evaluation of the Company's Exposure to a Hurricane and the Adequacy of the Storm Reserve**

The Storm Reserve is not adequate to cover the potential damage associated with Major Hurricanes (Category 3 and higher) or many lower level storms (depending on their size and location).

In December 2010, the Commission approved a settlement agreement that resolved all outstanding issues related to FPL's 2009 base rate proceeding. Per the agreement, FPL would be allowed to recover incremental storm costs over a 12 month recovery period, as long as the costs allocated to residential customers do not exceed \$4.00/1,000 kWh. In the event that storm costs exceed that level, any additional costs may be recovered in subsequent year(s), as determined by the Commission. In addition, FPL reserves the right to petition the Commission to increase the initial 12 month recovery beyond the \$4.00/1,000 kWh in the event FPL incurs storm damage in excess of \$800 million. The settlement agreement expired on December 31, 2012.

On December 13, 2012, the Commission approved a settlement agreement that resolved FPL's 2012 base rate proceeding. Under the 2012 settlement agreement, the storm recovery mechanism from the 2010 settlement agreement remains in effect. The 2012 settlement agreement became effective on the first billing cycle of January 2013 and will expire on the last billing cycle in December 2016.

**ATTACHMENT 1**

Summary Schedule of the Amounts Recorded in Account 228.1  
as of December 31, 2012

Florida Power & Light Co.  
Account 228.1  
As of December 31, 2012

	Account 228.100 Retail Storm Reserve (1)	Account 228.101 FAS 115 Mark-to-Market (2)	Account 228.106 Non-Retail Storm Reserve (3)	Total
Proceeds from Securitization Bond Issuance - Pre-tax (4)	\$ (1,048,815,983)	\$ -	\$ -	\$ (1,048,815,983)
Admin & Service Fees Recovered due to Securitization (5)	\$ (2,341,442)	-	-	(2,341,442)
<b>Storm Costs:</b>				
2004 Storm Costs	\$ 100,207,090	-	(296,830)	99,910,260
2005 Storm Costs	\$ 717,342,858	-	543,376	717,886,234
2006 Storm Costs	\$ 18,462,867	-	14,332	18,477,199
2007 Storm Costs	\$ 1,424,001	-	-	1,424,001
2008 Storm Costs (7)	\$ 36,482,878	-	27,505	36,510,383
2009 Storm Costs (8)	\$ -	-	-	-
2010 Storm Costs (8)	\$ -	-	-	-
2011 Storm Costs (9)	\$ 6,819,566	-	-	6,819,566
2012 Storm Costs (10)	\$ 88,126,953	-	315,319	88,442,271
	<b>\$ 968,866,213</b>	<b>-</b>	<b>603,701</b>	<b>969,469,914</b>
Retail Storm Fund Earnings (6)	\$ (33,011,108)	-	-	(33,011,108)
Mark-to-market adjustment in accordance with FAS 115 (2)	-	(1,828,984)	-	(1,828,984)
<b>Balances as of December 31, 2012</b>	<b>\$ (115,302,320)</b>	<b>\$ (1,828,984)</b>	<b>\$ 603,701</b>	<b>\$ (116,527,603)</b>

**Notes:**

- (1) Represents activity in storm reserve associated with retail jurisdictional customers.
- (2) Represents mark-to-market adjustment in accordance with Accounting Standards Codification 320-10 (FAS 115).
- (3) Represents storm damages allocated to non-retail operations using the following jurisdictional factors: 0.00103 for 2004, 0.00074 for 2005, 0.00077 for 2006, 0.0075 for 2008 and 0.00357 for 2012.
- (4) Issuance authorized by FPSC in Order No. 06-0464-FOF-EI to recover unrecovered 2004 and 2005 storm costs, and to replenish the storm reserve to cover future storm damages associated with retail customers.
- (5) Admin and service fees remitted to FPL per servicing agreement and required to be added to the storm fund pursuant to FPSC order noted in Note (4) above. Amounts are collected from retail customers through the Storm Bond Repayment Charge.
- (6) Represents pre-tax earnings reinvested in the Storm Fund.
- (7) Includes amounts for Tropical Storm Fay previously communicated to the Commission.
- (8) No deferrable events happened during 2009 and 2010.
- (9) Hurricane Irene
- (10) Includes amounts for Tropical Storms Beryl, Debby, Isaac and Sandy.

# APPENDIX C

**STORM RESTORATION RECOVERY CHARGE COMPUTATION  
DERIVATION OF RATE SCHEDULE CHARGES**

Line No. Rate Schedule	Allocation % (see page 3)	Allocated \$	kWh Sales Mar 2017 - Feb 2018	cents/kWh
	[A]	[B] = [A] x Line 17	[C]	[D] = [B] / [C] x 100
1 CILC-1(D)	1.583%	\$5,041,033	2,637,297,575	0.191
2 CILC-1(G)	0.112%	\$356,193	106,472,262	0.335
3 CILC-1(T)	0.277%	\$880,892	1,404,062,188	0.063
4 GS-1, GST-1	5.829%	\$18,563,897	6,146,282,692	0.302
5 GSD-1, GSdT-1, HLFT-1, SDTR-1	18.629%	\$59,326,579	26,341,112,068	0.225
6 GSLD-1, GSLDT-1, CS-1, CST-1, HLFT-2, SDTR-2	8.000%	\$25,477,681	10,500,857,057	0.243
7 GSLD-2, GSLDT-2, CS-2, CST-2, HLFT-3, SDTR-3	1.412%	\$4,495,473	2,507,194,814	0.179
8 GSLD-3, GSLDT-3, CS-3, CST-3	0.047%	\$150,910	169,279,447	0.089
9 MET	0.068%	\$217,130	92,005,464	0.236
10 OL-1	0.487%	\$1,551,159	98,401,998	1.576
11 OS-2	0.039%	\$124,693	11,207,373	1.113
12 RS-1, RTR-1	60.529%	\$192,757,806	57,435,460,907	0.336
13 SL-1, PL-1, SL-1M	2.897%	\$9,226,234	525,464,019	1.756
14 SL-2, GSCU-1, SL-2M	0.045%	\$143,376	90,706,131	0.158
15 SST-1(T), ISST-1(T)	0.012%	\$39,437	91,985,498	0.043
16 SST-1(D1), SST-1(D2), SST-1(D3), ISST-1(D)	0.033%	\$103,507	13,233,397	0.782
17 <b>Total Retail</b>	100.000%	\$318,456,000	108,171,022,890	0.294

Allocation Factors by Rate Class

	weight	CILC-1D	CILC-1G	CILC-1T	GS-1(T)	GSD-1(T)	GSLD-1(T)	GSLD-2(T)	GSLD-3(T)	MET	OL-1	OS-2	RS-1(T)	SL-1/ PL-1	SL-2/ GSCU-1	SST-TST	SST-DST
Nuclear Plant	2.9%	0.059%	0.004%	0.026%	0.167%	0.643%	0.287%	0.054%	0.004%	0.003%	0.001%	0.000%	1.683%	0.003%	0.001%	0.000%	0.002%
Steam Plant	1.5%	0.030%	0.002%	0.013%	0.085%	0.328%	0.146%	0.027%	0.002%	0.001%	0.000%	0.000%	0.858%	0.001%	0.001%	0.000%	0.001%
Other Production	4.0%	0.081%	0.005%	0.036%	0.228%	0.875%	0.391%	0.073%	0.006%	0.004%	0.001%	0.000%	2.290%	0.004%	0.002%	0.000%	0.003%
Transmission Plant	20.2%	0.407%	0.026%	0.193%	1.148%	4.414%	1.970%	0.370%	0.034%	0.018%	0.003%	0.002%	11.547%	0.018%	0.010%	0.001%	0.025%
Distribution Plant	70.9%	0.998%	0.074%	0.005%	4.166%	12.275%	5.166%	0.880%	0.001%	0.043%	0.481%	0.036%	43.844%	2.866%	0.031%	0.011%	0.001%
General Plant	0.5%	0.009%	0.001%	0.003%	0.035%	0.094%	0.040%	0.008%	0.000%	0.000%	0.001%	0.000%	0.307%	0.006%	0.000%	0.000%	0.000%
Intangible	0.0%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Total	100.000%	1.583%	0.112%	0.277%	5.829%	18.629%	8.000%	1.412%	0.047%	0.068%	0.487%	0.039%	60.529%	2.897%	0.045%	0.012%	0.033%

Allocation factors are based on weight multiplied by percent allocation of plant share by rate class as per the Cost of Service approved in Docket No. 120015-EI. (This is their share of distribution (or the weighted share of assets projected to be damaged)). The storm financing order specifies we use most recently approved COS thus it was determined this storm filing should follow the same methodology).

Summary:	
CILC-1D	1.583%
CILC-1G	0.112%
CILC-1T	0.277%
GS-1(T)	5.829%
GSD-1(T)	18.629%
GSLD-1(T)	8.000%
GSLD-2(T)	1.412%
GSLD-3(T)	0.047%
MET	0.068%
OL-1	0.487%
OS-2	0.039%
RS-1(T)	60.529%
SL-1/ PL-1	2.897%
SL-2/ GSCU-1	0.045%
SST-TST	0.012%
SST-DST	0.033%



# APPENDIX D

### 2017 Interim Storm Restoration Recovery Charge

The following charges are applied to the Monthly Rate of each rate schedule as indicated and are calculated in accordance with the formula specified by the Florida Public Service Commission. The 2017 Interim Storm Restoration Recovery Charge shall be charged monthly for a period of twelve (12) months from the effective date of this tariff.

<u>Rate Schedule</u>	<u>¢/kWh</u>
ALL KWH -- RS-1, RTR-1	0.336
GS-1, GST-1	0.302
GSD-1, GSDT-1, HLTF-1, SDTR-1	0.225
GSLD-1, GSLDT-1, CS-1, CST-1, HLFT-2, SDTR-2	0.243
GSLD-2, GSLDT-2, CS-2, CST-2, HLFT-3, SDTR-3	0.179
GSLD-3, GSLDT-3, CS-3, CST-3	0.089
OS-2	1.113
MET	0.236
CILC-1(G)	0.335
CILC-1(D)	0.191
CILC-1(T)	0.063
SL-1, SL-1M, PL-1	1.756
OL-1	1.576
SL-2, SL-2M, GSCU-1	0.158
SST-1(T), ISST-1(T)	0.043
SST-1(D1), SST-1(D2) SST-1(D3), ISST-1(D)	0.782

### 2017 Interim Storm Restoration Recovery Charge

The following charges are applied to the Monthly Rate of each rate schedule as indicated and are calculated in accordance with the formula specified by the Florida Public Service Commission. The 2017 Interim Storm Restoration Recovery Charge shall be charged monthly for a period of twelve (12) months from the effective date of this tariff.

<u>Rate Schedule</u>	<u>¢/kWh</u>
ALL KWH -- RS-1, RTR-1	0.336
GS-1, GST-1	0.302
GSD-1, GSDT-1, HLTF-1, SDTR-1	0.225
GSLD-1, GSLDT-1, CS-1, CST-1, HLFT-2, SDTR-2	0.243
GSLD-2, GSLDT-2, CS-2, CST-2, HLFT-3, SDTR-3	0.179
GSLD-3, GSLDT-3, CS-3, CST-3	0.089
OS-2	1.113
MET	0.236
CILC-1(G)	0.335
CILC-1(D)	0.191
CILC-1(T)	0.063
SL-1, SL-1M, PL-1	1.756
OL-1	1.576
SL-2, SL-2M, GSCU-1	0.158
SST-1(T), ISST-1(T)	0.043
SST-1(D1), SST-1(D2) SST-1(D3), ISST-1(D)	0.782

## INDEX OF RATE SCHEDULES

<u>RATE SCHEDULE</u>	<u>DESCRIPTION</u>	<u>SHEET NO.</u>
BA	Billing Adjustments	8.030
SC	Storm Charge	8.040
<del>ISC</del>	<del>2017 Interim Storm Restoration Recovery Charge</del>	<del>8.042</del>
GS-1	General Service - Non Demand (0-20 kW)	8.101
GST-1	General Service - Non Demand - Time of Use (0-20 kW)	8.103
GSD-1	General Service Demand (21-499 kW)	8.105
GSDT-1	General Service Demand - Time of Use (21-499 kW)	8.107
GSL	General Service Load Management Program	8.109
NSMR	Non-Standard Meter Rider	8.120
GSCU-1	General Service Constant Usage	8.122
RS-1	Residential Service	8.201
RTR-1	Residential Time of Use Rider	8.203
CU	Common Use Facilities Rider	8.211
RLP	Residential Load Control Program	8.217
GSLD-1	General Service Large Demand (500-1999 kW)	8.310
GSLDT-1	General Service Large Demand - Time of Use (500-1999 kW)	8.320
CS-1	Curtable Service (500-1999 kW)	8.330
CST-1	Curtable Service -Time of Use (500-1999 kW)	8.340
GSLD-2	General Service Large Demand (2000 kW +)	8.412
GSLDT-2	General Service Large Demand - Time of Use (2000 kW +)	8.420
HLFT	High Load Factor – Time of Use	8.425
CS-2	Curtable Service (2000 kW +)	8.432
CST-2	Curtable Service -Time of Use (69 kV or above)	8.440
CST-3	Curtable Service -Time of Use (69 kV or above)	8.542
CS-3	Curtable Service (69 kV or above)	8.545
GSLD-3	General Service Large Demand (69 kV or above)	8.551
GSLDT-3	General Service Large Demand - Time of Use (69 kV or above)	8.552
OS-2	Sports Field Service	8.602
MET	Metropolitan Transit Service	8.610
CILC-1	Commercial/Industrial Load Control Program (Closed Schedule)	8.650
CDR	Commercial/Industrial Demand Reduction Rider	8.680
SL-1	Street Lighting	8.715
SL-1M	Street Lighting Metered Service	8.718
PL-1	Premium Lighting	8.720
OL-1	Outdoor Lighting	8.725
SL-2	Traffic Signal Service	8.730
SL-2M	Traffic Signal Metered Service	8.731
LT-1	LED Lighting Pilot	8.735
RL-1	Recreational Lighting	8.743
SST-1	Standby and Supplemental Service	8.750
ISST-1	Interruptible Standby and Supplemental Service	8.760
EDR	Economic Development Rider	8.800
DSMAR	Demand Side Management Adjustment Rider	8.810
TR	Transformation Rider	8.820
SDTR	Seasonal Demand – Time of Use Rider	8.830
EFEDR	Existing Facility Economic Development Rider	8.900
CISR	Commercial/Industrial Service Rider	8.910
VSP	Voluntary Solar Partnership Pilot Program	8.930

Issued by: S. E. Romig, Director, Rates and Tariffs

Effective:

INDEX OF RATE SCHEDULES

<u>RATE SCHEDULE</u>	<u>DESCRIPTION</u>	<u>SHEET NO.</u>
BA	Billing Adjustments	8.030
SC	Storm Charge	8.040
ISC	2017 Interim Storm Restoration Recovery Charge	8.042
GS-1	General Service - Non Demand (0-20 kW)	8.101
GST-1	General Service - Non Demand - Time of Use (0-20 kW)	8.103
GSD-1	General Service Demand (21-499 kW)	8.105
GSDT-1	General Service Demand - Time of Use (21-499 kW)	8.107
GSL	General Service Load Management Program	8.109
NSMR	Non-Standard Meter Rider	8.120
GSCU-1	General Service Constant Usage	8.122
RS-1	Residential Service	8.201
RTR-1	Residential Time of Use Rider	8.203
CU	Common Use Facilities Rider	8.211
RLP	Residential Load Control Program	8.217
GSLD-1	General Service Large Demand (500-1999 kW)	8.310
GSLDT-1	General Service Large Demand - Time of Use (500-1999 kW)	8.320
CS-1	Curtable Service (500-1999 kW)	8.330
CST-1	Curtable Service -Time of Use (500-1999 kW)	8.340
GSLD-2	General Service Large Demand (2000 kW +)	8.412
GSLDT-2	General Service Large Demand - Time of Use (2000 kW +)	8.420
HLFT	High Load Factor – Time of Use	8.425
CS-2	Curtable Service (2000 kW +)	8.432
CST-2	Curtable Service -Time of Use (69 kV or above)	8.440
CST-3	Curtable Service -Time of Use (69 kV or above)	8.542
CS-3	Curtable Service (69 kV or above)	8.545
GSLD-3	General Service Large Demand (69 kV or above)	8.551
GSLDT-3	General Service Large Demand - Time of Use (69 kV or above)	8.552
OS-2	Sports Field Service	8.602
MET	Metropolitan Transit Service	8.610
CILC-1	Commercial/Industrial Load Control Program (Closed Schedule)	8.650
CDR	Commercial/Industrial Demand Reduction Rider	8.680
SL-1	Street Lighting	8.715
SL-1M	Street Lighting Metered Service	8.718
PL-1	Premium Lighting	8.720
OL-1	Outdoor Lighting	8.725
SL-2	Traffic Signal Service	8.730
SL-2M	Traffic Signal Metered Service	8.731
LT-1	LED Lighting Pilot	8.735
RL-1	Recreational Lighting	8.743
SST-1	Standby and Supplemental Service	8.750
ISST-1	Interruptible Standby and Supplemental Service	8.760
EDR	Economic Development Rider	8.800
DSMAR	Demand Side Management Adjustment Rider	8.810
TR	Transformation Rider	8.820
SDTR	Seasonal Demand – Time of Use Rider	8.830
EFEDR	Existing Facility Economic Development Rider	8.900
CISR	Commercial/Industrial Service Rider	8.910
VSP	Voluntary Solar Partnership Pilot Program	8.930

Issued by: S. E. Romig, Director, Rates and Tariffs

Effective:

# APPENDIX E

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition by Florida Power & Light     )  
Company for Limited Proceeding for         )  
Recovery of Incremental Storm Restoration )  
Costs Related to Hurricane Matthew         )

Docket No: \_\_\_\_\_

Filed: December 29, 2016

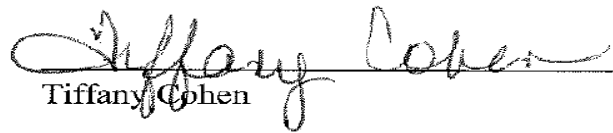
1. My name is Tiffany Cohen, and my business address is Florida Power & Light Company (“FPL” or the “Company”), 700 Universe Boulevard, Juno Beach, Florida, 33408.
2. I hold a Bachelor of Science Degree in Commerce and Business Administration, with a major in Accounting from the University of Alabama. I obtained a Masters of Business Administration from the University of New Orleans. I am also a Certified Public Accountant. I joined FPL in 2008 as the Manager of the Nuclear Cost Recovery Clause. I assumed my current position in June 2013. Prior to joining FPL, I was employed at Duke Energy for five years, where I held a variety of positions in the Rates & Regulatory, Corporate Risk Management and Internal Audit departments. Prior to joining Duke Energy I was employed at KPMG, LLP.
3. I am employed by FPL as Senior Manager, Rate Development.
4. The purpose of my declaration is to support the calculation of the “2017 Interim Storm Restoration Recovery Charge” or “Recovery Charge” for each rate schedule using the Recoverable Storm Amount reflected in Appendix A, as well as proposed Tariff Sheet 8.042 that is included in Appendix D. The Recovery

Charge calculations are shown on Appendix C, which is incorporated by reference herein.

5. Hurricane Matthew was named as a tropical system by the National Hurricane Center on September 28, 2016. As such, storm restoration recovery costs associated with Hurricane Matthew are eligible for interim recovery pursuant to Paragraph 5 of the 2012 Stipulation and Settlement that was approved by the Commission in Order No. PSC-13-0023-S-EI.
6. Paragraph 5 of the 2012 Stipulation and Settlement permits interim recovery of an “estimate of incremental costs above the level of storm reserve prior to the storm and to the replenishment of the storm reserve to the level as of the Implementation Date.” As shown on Appendix A, and as discussed in more detail in the declaration of Keith Ferguson that is Appendix B, the “Recoverable Storm Amount” for Hurricane Matthew is estimated to be \$318.5 million.
7. Under Paragraph 5 of the 2012 Stipulation and Settlement, the interim recovery amount is limited to an amount that results in a charge of no more than “\$4.00/1,000 kWh on monthly residential customer bills.” As reflected in Appendix C, using FPL’s projected sales of electricity for the 12-month period during which the Recovery Charge will be in effect and the residential rate class’s allocation of storm costs, the estimated Recoverable Storm Amount yields a charge of \$0.336 per kWh for a residential customer. On a typical 1,000 kWh residential bill, the monthly charge amounts to \$3.36, which falls below the \$4.00 cap established in the 2012 Stipulation and Settlement. The storm cost recovery charges for each rate class are reflected on proposed Tariff Sheet 8.042 in Appendix D.



8. FPL intends to bill the Recovery Charge under non-fuel energy on a customer bill, which is consistent with FPL's practice of incorporating adjustment clause charges in the non-fuel energy charge line item.
9. Under penalties of perjury, I declare that I have read the foregoing declaration and that the facts stated in it are true to the best of my knowledge and belief.

  
Tiffany Cohen

Date: 12/29/14