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FPL's response to Staff's first data request, Nos. 1-3.

QUESTION:
Please provide a revised MFR Schedule D1a (with RSAM) for each of the projected test years ending December 31, 2022, and December 31, 2023, reflecting a return on equity of 10.60%, used to set the revenue requirement delineated in the proposed settlement.

RESPONSE:
As reflected in FPL witness Fuentes's rebuttal testimony, the weighted average cost of capital calculation originally filed on MFR D-1a (with RSAM) for the 2022 Test Year and 2023 Subsequent Year was revised to incorporate adjustments identified by FPL. Therefore, FPL has provided a revised weighted average cost of capital calculation for 2022 and 2023 based on the recalculated amounts reflected in Exhibit LF-12 of FPL witness Fuentes's rebuttal testimony.

Please see Attachment 1 for the calculations.

Florida Power & Light Company
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Staff's First Data Request
Request No. 1
Attachment 1 of 1
Tab 1 of 1

DOCKET NO. 20210015-EI
FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES (CONSOLIDATED)
RECALCULATED WEIGHTED AVERAGE COST OF CAPITAL (WITH RSAM)
USING PROPOSED SETTLEMENT MID-POINT ROE OF 10.6%
($000's)

		2022 Test Year [A]				2023 Subsequent Year [A]			
LINE NO.	CLASS OF CAPITAL	JURISDICTIONAL ADJUSTED	RATIO	COST RATE	WTD COC	JURISDICTIONAL ADJUSTED	RATIO	COST RATE	WTD COC
1	LONG TERM DEBT	$ 17,391,478	31.38%	3.61%	1.13%	$ 18,706,686	31.44%	3.77%	1.18%
2	PREFERRED STOCK	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%
3	CUSTOMER DEPOSITS	454,851	0.82%	2.03%	0.02%	490,182	0.82%	2.04%	0.02%
4	COMMON EQUITY	26,628,959	48.05%	10.60%	5.09%	28,703,416	48.24%	10.60%	5.11%
5	SHORT TERM DEBT	654,283	1.18%	0.94%	0.01%	750,229	1.26%	0.97%	0.01%
6	DEFERRED INCOME TAX	5,884,833	10.62%	0.00%	0.00%	6,253,783	10.51%	0.00%	0.00%
7	FAS 109 DEFERRED INCOME TAX	3,369,030	6.08%	0.00%	0.00%	3,398,407	5.71%	0.00%	0.00%
8	INVESTMENT TAX CREDITS	1,040,494	1.88%	7.84%	0.15%	1,200,022	2.02%	7.90%	0.16%
9	**TOTAL**	**$ 55,423,929**	**100.00%**		**6.40%**	**$ 59,502,725**	**100.00%**		**6.49%**
10									
11									
12	**ITC WEIGHTED COC**	**JURISDICTIONAL ADJUSTED**	**RATIO**	**COST RATE**	**WTD COC**	**JURISDICTIONAL ADJUSTED**	**RATIO**	**COST RATE**	**WTD COC**
13	LONG TERM DEBT	$ 17,391,478	39.51%	3.61%	1.42%	$ 18,706,686	39.46%	3.77%	1.49%
14	PREFERRED STOCK	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%
15	COMMON EQUITY	26,628,959	60.49%	10.60%	6.41%	28,703,416	60.54%	10.60%	6.42%
16	**TOTAL**	**$ 44,020,437**	**100.00%**		**7.84%**	**$ 47,410,102**	**100.00%**		**7.90%**

NOTES:
(A) OTHER THAN THE MID-POINT ROE OF 10.6%, AMOUNTS REPRESENT THE REVISED WEIGHTED AVERAGE COST OF CAPITAL COMPONENTS REFLECTED ON EXHIBIT LF-12 ATTACHED TO FPL WITNESS FUENTES'S REBUTTAL TESTIMONY IN THIS PROCEEDING.

Florida Power & Light Company
Docket No. 20210015-EI
Staff's First Data Request
Request No. 2

QUESTION:
Please refer to paragraph 3 of the proposed settlement. Please describe or list the source that will be used to determine the 30-year United States Treasury Bond yield rate for purposes of initiating the return on equity trigger mechanism.

RESPONSE:
The proposed source for the 30-year United States Treasury Bond yield rates will be the U.S. Department of Treasury website: https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield.

The 30-year bond yield rate (as of August 10th) to be used for the ROE Trigger is 1.99%.

QUESTION:
Please refer to paragraph 26 of the proposed settlement. Please explain how the accelerated amortization of the unprotected excess deferred income taxes affects the accumulated deferred income tax balance in the projected capital structure in the projected test years.

RESPONSE:
As required under section 4 of Rule 25-14.013, Accounting for Deferred Income Taxes Under SFAS 109 (the "Rule"), FPL must transfer the balance of excess or deficient deferred income taxes from accumulated deferred income taxes to a regulatory liability or regulatory asset, respectively. In addition, FPL is required under section 6 of the Rule to gross up these amounts for income taxes to reflect the revenue requirements to be refunded to customers in a future period, which is recorded by increasing the regulatory liability or asset and increasing accumulated deferred income taxes. This grossed up regulatory liability and regulatory asset, along with other items required under this Rule, are reflected in the FAS 109 deferred income tax amount reflected on MFR D-1a. Therefore, the acceleration of unprotected excess deferred income taxes stated in paragraph 26 of the proposed settlement agreement will reduce the amount of the FAS 109 deferred income taxes as well as the associated gross up reflected in accumulated deferred income taxes in FPL's capital structure.