

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by Florida
Power & Light Company.

DOCKET NO. 080677-EI
ORDER NO. PSC-09-0351-PCO-EI
ISSUED: May 22, 2009

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman
LISA POLAK EDGAR
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

ORDER SUSPENDING FLORIDA POWER & LIGHT COMPANY'S
REQUEST FOR PERMANENT BASE RATE INCREASE AND ASSOCIATED TARIFFS

BY THE COMMISSION:

This proceeding commenced on March 18, 2009, with the filing of a petition for a permanent rate increase by Florida Power & Light Company (FPL or Company). This Order addresses the suspension of the requested permanent rate increase. We have jurisdiction over this matter pursuant to Sections 366.06(2) and (4), F.S.

The Company is engaged in business as a public utility providing electric service as defined in Section 366.02, Florida Statutes (F.S.), and is subject to our jurisdiction. FPL provides electric service to approximately 4.5 million retail customers in all or parts of 35 Florida counties.

FPL has requested an increase in its retail rates and charges to generate \$1.044 billion in additional gross annual revenues, effective January 4, 2010. This increase would allow the Company to earn an overall rate of return of 8.00 percent or a 12.50 percent return on equity (range 11.50 percent to 13.50 percent). The Company based its request on a projected test year ending December 31, 2010. FPL stated that this test year is the appropriate period to be utilized because it best represents expected future operations. FPL also requested a \$247.4 million subsequent year base rate increase effective January 2011. This additional increase would allow the Company to earn an overall rate of return of 8.18 percent or a 12.50 percent return on equity (range 11.50 percent to 13.50 percent). The Company based its subsequent year request on a projected test year ending December 31, 2011. FPL did not request any interim rate relief.

In FPL's most recent base rate proceeding in Docket No. 050045-EI,¹ we approved a stipulation and settlement agreement. The agreement provides that retail base rates will not

¹ Order No. PSC-05-0902-S-EI, issued September 14, 2005, in Docket No. 050045-EI, In re: Petition for rate increase by Florida Power & Light Company.

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increase during the term of the agreement except for the recovery of the revenue requirements associated with certain power plants that go into service during the term of the agreement. Essentially, the agreement terminates on December 31, 2009.

Historically, we have suspended requested permanent rate schedules in order to adequately and thoroughly examine the basis for the new rates. The suspension of the rate increase is authorized by Section 366.06(3), F.S., which provides:

Pending a final order by the commission in any rate proceeding under this section, the commission may withhold consent to the operation of all or any portion of the new rate schedules, delivering to the utility requesting such increase, within 60 days, a reason or written statement of good cause for withholding its consent.

Accordingly, we suspend the requested permanent base rate schedules to allow our staff and any intervenors sufficient time to adequately investigate whether the request for permanent rate relief is appropriate.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's requested permanent base rate increase to generate \$1.044 billion in additional gross annual revenues, effective January 4, 2010, and its requested permanent base rate increase to generate an additional \$247.4 million subsequent year base rate increase, effective January 2011, and the associated tariff revisions, are hereby suspended to allow Commission staff and intervenors sufficient time to investigate whether the request for permanent rate relief is appropriate. It is further

ORDERED that this docket shall remain open pending a final Commission determination in this matter.

By ORDER of the Florida Public Service Commission this 22nd day of May, 2009.



ANN COLE
Commission Clerk

(S E A L)

LCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.