

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **SUPPLEMENTAL DIRECT**

4 **TESTIMONY OF ROSEMARY MORLEY**

5 **DOCKET NO. 041291-EI**

6

7 **Q. Please state your name and business address.**

8 A. My name is Rosemary Morley. My business address is 9250 West Flagler Street,
9 Miami, Florida 33174.

10

11 **Q. Did you previously submit direct testimony in this proceeding?**

12 A. Yes.

13

14 **Q. What is the purpose of this supplemental direct testimony?**

15 A. The purpose of my testimony is to submit a revised proposed Storm Restoration
16 Surcharge Tariff to reflect the continuation of the Storm Restoration Surcharge, at the
17 current level, for an additional twelve months beyond the twenty-four months
18 originally proposed, or for such shorter period as is necessary to recover the Storm
19 Reserve Deficit.

20

21 **Q. Why are you proposing an additional twelve months?**

22 A. As described in the Supplemental Direct Testimony of Witness K. Michael Davis, the
23 estimate for total storm damages has increased by \$180 million, and the jurisdictional

1 portion of the Storm Reserve Deficit is now estimated to be \$533 million. As a result,
2 FPL projects that a longer recovery period is required.

3

4 **Q. Are you sponsoring any exhibits?**

5 A. Yes. I am sponsoring Revised Exhibit RM-2 which is the proposed tariff sheet for the
6 Storm Restoration Surcharge.

7

8 **Q. Does FPL believe that 36 months will be sufficient to recover the revenue**
9 **requirements associated with the updated Storm Reserve Deficit?**

10 A. Yes. The total Storm Reserve Deficit of \$533 million (jurisdictional) results in total
11 retail revenue requirements (including interest) of approximately \$557 million. As I
12 outlined in my direct testimony, the Storm Restoration Surcharge is derived from an
13 annual retail revenue requirement of \$185 million and the most recent actual retail
14 kWh sales available at the time of the filing. Multiplying this annual revenue
15 requirement figure by a 36 month recovery period results in a total revenue figure of
16 \$555 million which is within \$2 million of the total retail revenue requirements
17 needed. Assuming load growth occurs during the recovery period, it is possible that
18 the \$557 million revenue requirements could be reached before the conclusion of the
19 36 months in which case the surcharge would be terminated earlier.

20

21 **Q. What does Revised Exhibit RM-2 show?**

22 A. Revised Exhibit RM-2 is the proposed revised Storm Restoration Surcharge, First
23 Revised Sheet No. 8.033, in legislative format, which shows a revised recovery

1 period of 36 months or such shorter period as may be sufficient to fully recover the
2 applicable revenue requirements.

3

4 **Q. Does FPL propose that the revised tariff sheet take effect immediately?**

5 A. No. FPL proposes that First Revised Sheet No. 8.033, shown in Revised Exhibit RM-
6 2, take effect upon the Commission's vote subsequent to the hearing that is scheduled
7 in Docket No. 041291-EI. If the Commission votes to accept First Revised Sheet No.
8 8.033, then FPL will submit a clean version of the tariff sheet for implementation at
9 that time.

10

11 **Q. Does this conclude your supplemental direct testimony?**

12 A. Yes, it does.

FLORIDA POWER & LIGHT COMPANY

First Revised Sheet No. 8.033
 Cancels Original Sheet No. 8.033

EXHIBIT A

STORM RESTORATION SURCHARGE

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 Storm Restoration Surcharge shall be charged monthly for a period of thirty-six (36) months effective February 17, 2005 or for such shorter period as may be sufficient to fully recover the applicable revenue requirements.

<u>Rate Schedule</u>	<u>¢/kWh</u>
RS-1, RST-1	0.207
GS-1, GST-1, WIES-1	0.192
GSD-1, GSDT-1	0.161
GSLD-1, GSLDT-1	0.147
CS-1, CST-1	0.132
GSLD-2, GSLDT-2	0.140
CS-2, CST-2	0.141
GSLD-3, GSLDT-3, CS-3, CST-3	0.091
OS-2	0.405
MET	0.166
CILC-1(G)	0.133
CILC-1(D)	0.127
CILC-1(T)	0.083
SL-1, PL-1	0.764
OL-1	0.603
SL-2	0.119
SST-1(T), ISST-1(T)	0.100
SST-1(D1), SST-1(D2) SST-1(D3), ISST-1(D)	0.193