

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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COMMISSION
CLERK

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

DOCKET NO. 080677-EI

In re: 2009 depreciation and dismantlement study by Florida Power & Light Company.

DOCKET NO. 090130-EI

DATED: JULY 23, 2009

STAFF'S PRELIMINARY LIST OF ISSUES AND POSITIONS

Staff of the Florida Public Service Commission hereby files its Preliminary List of Issues and Positions.

TEST PERIOD

ISSUE 1: Is FPL's projected test period of the 12 months ending December 31, 2010, appropriate?

POSITION: Staff has no position at this time.

ISSUE 2: Is FPL's projected subsequent year test period of the 12 months beginning January 1, 2011 and ending December 31, 2011, appropriate?

POSITION: Staff has no position at this time.

ISSUE 3: Are FPL's forecasts of customer growth, kWh by revenue class and system KW, for the 2010 and 2011 projected test years appropriate?

POSITION: Staff has no position at this time.

QUALITY OF SERVICE

ISSUE 4: Is the quality and reliability of electric service provided by FPL adequate?

POSITION: Staff has no position at this time.

DEPRECIATION STUDY

ISSUE 5: Should the current-approved depreciation rates, capital recovery schedules, and amortization schedules be revised?

POSITION: Staff has no position at this time.

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ISSUE 6: What are the appropriate depreciation rates, capital recovery schedules, and amortization schedules?

POSITION: Staff has no position at this time.

ISSUE 7: What, if any, corrective reserve measures should be approved?

POSITION: Staff has no position at this time.

ISSUE 8: What should be the implementation date for revised depreciation rates, capital recovery schedule, and amortization schedules?

POSITION: Staff has no position at this time.

FOSSIL DISMANTLEMENT COST STUDY

ISSUE 9: Should the current-approved annual dismantlement provision be revised?

POSITION: Staff has no position at this time.

ISSUE 10: What, if any, corrective reserve measures should be approved?

POSITION: Staff has no position at this time.

ISSUE 11: What is the appropriate annual provision for dismantlement?

POSITION: Staff has no position at this time.

RATE BASE

ISSUE 12: Has the Company removed all non-utility activities from rate base?

POSITION: Staff has no position at this time.

ISSUE 13: Are FPL's requested levels of Plant in Service in the amounts of \$28,288,080,000 for the 2010 projected test year and \$29,599,965,000 for the 2011 subsequent projected test year appropriate?

POSITION: Staff has no position at this time.

ISSUE 14: Are FPL's requested levels of accumulated depreciation in the amounts of \$12,590,521,000 for the 2010 projected test year and \$13,306,984,000 for the 2011 subsequent projected test year appropriate?

POSITION: Staff has no position at this time.

ISSUE 15: Are FPL's requested levels of Construction Work in Progress (CWIP) in the amounts of \$707,530,000 for the 2010 projected test year and \$772,484,000 for the 2011 subsequent projected test year appropriate?

POSITION: Staff has no position at this time.

ISSUE 16: Are FPL's requested levels of Property Held for Future Use in the amounts of \$74,502,000 for the 2010 projected test year and \$71,452,000 for the 2011 projected test year appropriate?

POSITION: Staff has no position at this time.

ISSUE 17: Should any adjustments be made to FPL's fuel inventories?

POSITION: Staff has no position at this time.

ISSUE 18: Are FPL's requested levels of Working Capital in the amounts of \$209,262,000 for the 2010 projected test year and \$335,360,000 for the 2011 projected test year appropriate?

POSITION: Staff has no position at this time.

ISSUE 19: Should the unamortized balance of the FPL Glades Power Park (FGPP) be included in rate base?

POSITION: Staff has no position at this time.

ISSUE 20: Should an adjustment be made to CWIP for FPL's proposed gas pipeline?

POSITION: Staff has no position at this time.

ISSUE 21: Should an adjustment be made for FPL's End-of Life Nuclear Fuel Last Core and M&S Inventory?

POSITION: Staff has no position at this time.

ISSUE 22: Should nuclear fuel be capitalized and included in rate base due to the dissolution of FPL Fuels, Inc.?

POSITION: Staff has no position at this time.

ISSUE 23: Should the net over-recovery/under-recovery of fuel, capacity, conservation, and environmental cost recovery clause expenses for the 2010 projected test year and the 2011 subsequent projected test year be included in the calculation of working capital allowance for FPL?

POSITION: Staff has no position at this time.

ISSUE 24: Has FPL removed any Environmental Cost Recovery Clause (ECRC) capital cost recovery items from the ECRC and placed them into rate base?

POSITION: Staff has no position at this time.

ISSUE 25: Should FPL's rate base be increased to remove the recovery of the St. Johns River Power Park capacity charges from the capacity cost recovery clause?

POSITION: Staff has no position at this time.

ISSUE 26: Is FPL's requested rate base in the amount of \$17,063,586,000 for the 2010 projected test year and \$17,880,402,000 for the 2011 projected test year appropriate?

POSITION: Staff has no position at this time.

ISSUE 27: Are the costs associated with Advanced Meter Infrastructure (AMI) meters appropriately included in rate base?

POSITION: Staff has no position at this time.

ISSUE 28: Should FPL be permitted to record in rate base the incremental difference between Allowance for Funds Used During Construction (AFUDC) permitted by Section 366.93, F.S. for nuclear construction and FPL's most currently approved AFUDC for recovery when the nuclear plants enter commercial operation?

POSITION: Staff has no position at this time.

COST OF CAPITAL

ISSUE 29: What is the appropriate amount of accumulated deferred taxes to include in the capital structure?

POSITION: Staff has no position at this time.

ISSUE 30: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure?

POSITION: Staff has no position at this time.

ISSUE 31: What are the appropriate cost rates for short-term debt for the 2010 and 2011 projected test years?

POSITION: Staff has no position at this time.

ISSUE 32: What are the appropriate cost rate for long-term debt for the 2010 and 2011 projected test years?

POSITION: Staff has no position at this time.

ISSUE 33: Have rate base and capital structure been reconciled appropriately?

POSITION: Staff has no position at this time.

ISSUE 34: What is the appropriate capital structure to use in establishing FPL's revenue requirement for the 2010 and 2011 projected test years?

POSITION: Staff has no position at this time.

ISSUE 35: What is the appropriate return on equity (ROE) to use in establishing FPL's revenue requirement?

POSITION: Staff has no position at this time.

ISSUE 36: What is the appropriate weighted average cost of capital including the proper components, amounts and cost rates associated with the capital structure?

POSITION: Staff has no position at this time.

NET OPERATING INCOME

ISSUE 37: Are FPL's projected levels of Total Operating Revenues in the amounts of \$4,114,727 for the 2010 projected test year and \$4,175,024,000 for the 2011 subsequent projected test year appropriate?

POSITION: Staff has no position at this time.

ISSUE 38: What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2010 and 2011 test years?

POSITION: Staff has no position at this time.

ISSUE 39: Is FPL's requested level of O&M Expense in the amount of \$1,694,367,000 for the 2010 projected test year and \$1,781,961,000 for the 2011 subsequent projected test year appropriate?

POSITION: Staff has no position at this time.

ISSUE 40: Has FPL made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause?

POSITION: Staff has no position at this time.

ISSUE 41: Has FPL made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Conservation Cost Recovery Clause?

POSITION: Staff has no position at this time.

ISSUE 42: Has FPL made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause?

POSITION: Staff has no position at this time.

ISSUE 43: Has FPL made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause?

POSITION: Staff has no position at this time.

ISSUE 44: Should Bad Debt Expense be increased to disallow the recovery of bad debt expenses through recovery clauses?

POSITION: Staff has no position at this time.

ISSUE 45: Should an adjustment be made to advertising expenses for the 2010 and 2011 projected test years?

POSITION: Staff has no position at this time.

ISSUE 46: Has FPL made the appropriate adjustments to remove lobbying expenses from the 2010 and 2011 projected test years?

POSITION: Staff has no position at this time.

ISSUE 47: Should an adjustment be made to FPL's requested level of Salaries and Employee Benefits for the 2010 and 2011 projected test years?

POSITION: Staff has no position at this time.

ISSUE 48: Should an adjustment be made to FPL's level of executive compensation included in the 2010 and 2011 projected test years?

POSITION: Staff has no position at this time.

ISSUE 49: Should an adjustment be made to Other Post Employment Benefits Expense for the 2010 and 2011 projected test years?

POSITION: Staff has no position at this time.

ISSUE 50: Should an adjustment be made to Pension Expense for the 2010 and 2011 projected test years?

POSITION: Staff has no position at this time.

ISSUE 51: Should adjustments be made for the net operating income effects of transactions with affiliated companies for FPL?

POSITION: Staff has no position at this time.

ISSUE 52: Should FPL's annual storm damage and property insurance reserve accrual of \$150 million be approved for the 2010 and 2011 projected test years?

POSITION: Staff has no position at this time.

ISSUE 53: What adjustment, if any, should be made to the fossil dismantlement accrual?

POSITION: Staff has no position at this time.

ISSUE 54: What is the appropriate amount and amortization period of Rate Case Expense?

POSITION: Staff has no position at this time.

ISSUE 55: What is the appropriate level of Bad Debt Expense for the 2010 and 2011 projected test years?

POSITION: Staff has no position at this time.

ISSUE 56: Should an adjustment be made to Depreciation Expense for the 2010 and 2011 projected tests year to reflect the effects of the 2009 depreciation study?

POSITION: Staff has no position at this time.

ISSUE 57: Should an adjustment continue to be made to Administrative and General Expenses to eliminate "Atrium Expenses" per Order No. 10306, Docket No. 810002-EU?

POSITION: Staff has no position at this time.

ISSUE 58: Should FPL's payroll taxes associated with the payroll dollars recovered through the energy conservation cost recovery (ECCR) clause be recovered through the ECCR?

POSITION: Staff has no position at this time.

ISSUE 59: Should an adjustment be made in base rates to include FPL's nuclear uprates being placed into service during the 2010 and 2011 projected test years if any portion of prudently incurred NCRC recovery is denied?

POSITION: Staff has no position at this time.

ISSUE 60: Should an adjustment be made to Taxes Other Than Income Taxes for the 2010 and 2011 projected test years?

POSITION: Staff has no position at this time.

ISSUE 61: Should an adjustment be made to reflect the effects of "The Economic Stimulus Bill" signed into law by the President on February 17, 2009?

POSITION: Staff has no position at this time.

ISSUE 62: Should an adjustment be made to Income Tax expense for the 2010 and 2011 projected test years?

POSITION: Staff has no position at this time.

ISSUE 63: Has FPL made the appropriate adjustments to remove charitable contributions?

POSITION: Staff has no position at this time.

ISSUE 64: Are FPL's projected Net Operating Income in the amounts of \$725,883,000 for the 2010 projected test year and \$662,776,000 for the 2011 subsequent projected test year appropriate?

POSITION: Staff has no position at this time.

ISSUE 65: Should an adjustment be made for the FPL Museum?

POSITION: Staff has no position at this time.

ISSUE 66: Should an adjustment be made for FPL's Aviation cost for the test year?

POSITION: Staff has no position at this time.

ISSUE 67: Are the cost savings associated with AMI meters appropriately included in net operating income?

POSITION: Staff has no position at this time.

REVENUE REQUIREMENTS

ISSUE 68: What are the appropriate revenue expansion factors and the appropriate net operating income multipliers, including the appropriate elements and rates, for FPL?

POSITION: Staff has no position at this time.

ISSUE 69: Are FPL's requested annual operating revenue increase of \$1,043,535,000 for the 2010 projected test year and \$247,367,000 for the subsequent projected test year appropriate?

POSITION: Staff has no position at this time.

RATE DESIGN ISSUES

ISSUE 70: Did the utility correctly calculate the projected revenues at existing rates?

POSITION: Staff has no position at this time.

ISSUE 71: Are FPL's proposed billing determinants for the test years appropriate?

POSITION: Staff has no position at this time.

ISSUE 72: Has FPL correctly calculated revenues at current rates for the 2010 and 2011 projected test year?

POSITION: Staff has no position at this time.

ISSUE 73: What is the appropriate jurisdictional separation of costs and revenues between the wholesale and retail jurisdictions?

POSITION: Staff has no position at this time.

ISSUE 74: Should FPL be required to reduce base rates on January 1, 2014, to recognize the change in the separation factor resulting from the increased wholesale load served under the Lee County Contract?

POSITION: Staff has no position at this time.

ISSUE 75: What is the appropriate Cost of Service Methodology to be used to allocate base rate and cost recovery costs to rate classes?

POSITION: Staff has no position at this time.

ISSUE 76: How should any change in revenue requirements be allocated among the customer classes?

POSITION: Staff has no position at this time.

ISSUE 77: Has FPL properly adjusted revenues to account for unbilled revenues?

POSITION: Staff has no position at this time.

ISSUE 78: Are FPL's proposed service charges for initial connect, field connection, reconnect, exiting connect, and returned payment charges appropriate?

POSITION: Staff has no position at this time.

ISSUE 79: Is FPL's proposal to increase the minimum late payment charge to \$10 appropriate?

POSITION: Staff has no position at this time.

ISSUE 80: Is FPL's proposed Temporary Service Charge appropriate?

POSITION: Staff has no position at this time.

ISSUE 81: Is FPL's proposed increase in the charges to obtain a Building Efficiency Rating System (BERS) rating appropriate?

POSITION: Staff has no position at this time.

ISSUE 82: Are FPL's proposed termination factors to be applied to the total installed cost of facilities when customers terminate their lighting agreement prior to the expiration of the contract term appropriate?

POSITION: Staff has no position at this time.

ISSUE 83: Is FPL's proposal to eliminate the 10 and 20 year payment option under the Recreational Lighting schedule at the end of existing contracts for existing customers appropriate?

POSITION: Staff has no position at this time.

ISSUE 84: Are FPL's proposed charges under the Street Lighting Vandalism Option notification appropriate?

POSITION: Staff has no position at this time.

ISSUE 85: Is FPL's proposed Present Value Revenue Requirement multiplier to be applied to the installed cost of premium lighting facilities under rate Schedule PL-1 to determine the lump sum advance payment amount for such facilities appropriate? (8.743)

POSITION: Staff has no position at this time.

ISSUE 86: Is FPL's proposal to close the Wireless Internet Rate (WIES) schedule to new customers appropriate?

POSITION: Staff has no position at this time.

ISSUE 87: What are the appropriate administrative charges and the Utility Controlled Demand Credit under the Commercial/Industrial Demand Reduction Rider? (8.680)

POSITION: Staff has no position at this time.

ISSUE 88: Should FPL's proposal to limit the relamping option to SL-1 and OL-1 customers who currently have relamping accounts be approved?

POSITION: Staff has no position at this time.

ISSUE 89: Is FPL's proposal to require prepayment of Contributions In Aid of Construction (CIAC) associated with the Premium Lighting Schedule and the Recreational Lighting schedule appropriate?

POSITION: Staff has no position at this time.

STAFF'S PRELIMINARY LIST OF ISSUES AND POSITIONS
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ISSUE 90: Is FPL's monthly KW credit to be provided customers who own their own transformers pursuant to the Transformation Rider appropriate? (8.820)

POSITION: Staff has no position at this time.

ISSUE 91: Are FPL's proposed monthly fixed charge carrying rates to be applied to the installed cost of customer-requested distribution equipment for which there are no tariffed charges appropriate? (10.010)

POSITION: Staff has no position at this time.

ISSUE 92: Is FPL's proposed Monthly Rental Factor to be applied to the in-place value of customer-rented distribution substations to determine the monthly rental fee for such facilities appropriate? (10.010)

POSITION: Staff has no position at this time.

ISSUE 93: Are FPL's proposed termination factors to be applied to the in-place value of customer-rented distribution substations to calculate the termination fee appropriate? (10.015)

POSITION: Staff has no position at this time.

ISSUE 94: Is FPL's proposed minimum charge for non-metered service under the GS rate appropriate?

POSITION: Staff has no position at this time.

ISSUE 95: What are the appropriate customer charges?

POSITION: Staff has no position at this time.

ISSUE 96: What are the appropriate demand charges?

POSITION: Staff has no position at this time.

ISSUE 97: What are the appropriate energy charges?

POSITION: Staff has no position at this time.

ISSUE 98: What are the appropriate lighting rate charges?

POSITION: Staff has no position at this time.

ISSUE 99: What is the appropriate level and design of the charges under the Standby and Supplemental Services (SST-1) rate schedule?

POSITION: Staff has no position at this time.

ISSUE 100: What is the appropriate level and design of charges under the Interruptible Standby and Supplemental Services (ISST-1) rate schedule?

POSITION: Staff has no position at this time.

ISSUE 101: What is the appropriate effective date for FPL's revised rates and charges

POSITION: Staff has no position at this time.

OTHER ISSUES

ISSUE 102: Should FPL be allowed to continue the GBRA mechanism?

POSITION: Staff has no position at this time.

ISSUE 103: Should FPL be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case?

POSITION: Staff has no position at this time.

ISSUE 104: Should this docket be closed?

POSITION: Staff has no position at this time.

Dated this 23rd day of July, 2009.

Respectfully submitted,



LISA C. BENNETT, Senior Attorney
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
(850) 413-6199

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In re: Petition for increase in rates by Florida
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In re: 2009 depreciation and dismantlement
study by Florida Power & Light Company.

DOCKET NO. 090130-EI

DATED: JULY 23, 2009

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished to John T. Butler, Esquire, Florida Power & Light Company, 700 Universe Blvd., Juno Beach, Florida 33408-0420, and that a true and correct copy was furnished by electronic mail on this 23rd day of July, 2009:

Wade Litchfield
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, Florida 32301-1859

Bill McCollum/ Cecilia Bradley
Office of the Attorney General
The Capitol, PL-01
Tallahassee, Florida 32399-1050

Robert A. Sugarman/D. Marcus Braswell
I.B.E.W. System Council U-4
Sugarman & Susskind, P.A.
100 Miracle Mile, Suite 300
Coral Gables, Florida 33134

J.R. Kelly /Joseph A. McGlothlin
Office of Public Counsel
c/o The Florida Legislature
111 W. Madison Street, Room 812
Tallahassee, Florida 32399-1400

K. Wiseman/M. Sundback/J. Spina/L. Purdy
Andrews Kurth, LLP
1350 I Street NW, Suite 1100
Washington, DC 20005

Thomas Saporito
Saporito Energy Consultants
P.O. Box 8413
Jupiter, Florida 33468-8413

Brian P. Armstrong & Marlene K. Stern
Nabors, Giblin & Nickerson, P.A.
1500 Mahan Drive, Suite 200
Tallahassee, Florida 32308

Robert Scheffel Wright/John T. LaVia, III
Young van Assenderp. P.A.
225 South Adams Street, Suite 200
Tallahassee, Florida 32301

Vicki G. Kaufman/Jon C. Moyle, Jr.
Florida Industrial Power Users Group
Keefe Anchors Gordon & Moyle, PA
118 North Gadsden Street
Tallahassee, Florida 32301

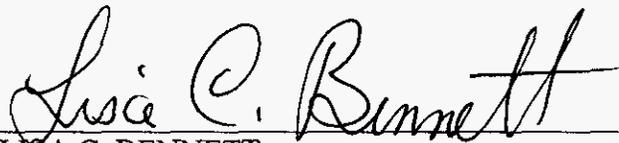
John W. McWhirter, Jr.
Florida Industrial Power Users Group
c/o McWhirter Law Firm
P.O. Box 3350
Tampa, Florida 33601-3350

Joseph W. Yarbrough, City Manager
City of South Daytona
P.O. Box 214960
South Daytona, FL 32121

Captain Shayla L. McNeill
AFLOA/JACL-ULT
AFCESA
139 Barnes Drive, Suite 1
Tyndall Air Force Base, Florida 32403

Tamela I. Perdue
Associated Industries of Florida
516 North Adams Street
Tallahassee, Florida 32301

Stephanie Alexander, Esquire
Tripp Scott, P.A.
200 West College Avenue
Tallahassee, Florida 32301



LISA C. BENNETT
SENIOR ATTORNEY
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
(850) 413-6199