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August 14, 2009

-VIA HAND DELIVERY -

090407 - E1

RECEIVED-FPSC
09 AUG 17 AM 11:02
COMMISSION
CLERK

Ms. Ann Cole, Director
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Florida Power & Light Company's Petition for Approval of Revisions to Long Term Rental Agreement for Distribution Substation Facilities

Dear Ms. Cole:

I am enclosing for filing the original and seven (7) copies of Florida Power & Light Company's Petition for Approval of Revisions to Long Term Rental Agreement for Distribution Substation Facilities, with Attachments A, B, and C. Also enclosed is a diskette containing the electronic version of FPL's petition, without the attachments. The enclosed diskette is HD density, the operating system is Windows XP, and the word processing software in which the documents appear is Word 2003.

Attachment A contains FPL's proposed Third Revised Tariff Sheet No. 9.730, Second Revised Tariff Sheet No. 9.731, and Third Revised Tariff Sheet No. 10.015. Attachment B contains these revised tariff sheets in "legislative" strikethrough/underline format. Attachment C contains a related tariff sheet which is not being revised.

Please contact me if you or your staff has any questions about this transmittal.

- COM _____
- CCR CD
- GCL 2
- GPC 1
- BCF _____
- SSC _____
- SGA _____
- ADM _____
- CLK _____

Sincerely,

Jessica A. Cano

DOCUMENT NUMBER-DATE

08532 AUG 17 09

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Florida Power & Light Company's)
Petition for Approval of Revisions)
to Long Term Rental Agreement)
for Distribution Substation Facilities)

Docket No. 090407

Filed: August 14, 2009

**PETITION FOR APPROVAL OF REVISIONS TO LONG TERM
RENTAL AGREEMENT FOR DISTRIBUTION SUBSTATION FACILITIES**

Florida Power & Light Company ("FPL"), by and through undersigned counsel, pursuant to Rules 25-6.033(4), 25-9.004, 25-9.033 and 28-106.201¹, Florida Administrative Code, respectfully requests the Florida Public Service Commission (the "Commission") to approve its Third Revised Tariff Sheet No. 9.730, Second Revised Tariff Sheet No. 9.731, and Third Revised Tariff Sheet No. 10.015, consisting of revisions to its Long Term Rental Agreement for Distribution Substation Facilities, and in support thereof states as follows:

1. FPL is a public utility subject to the jurisdiction of the Commission pursuant to Chapter 366 of the Florida Statutes. FPL's headquarters are located at 700 Universe Boulevard, Juno Beach, Florida 33408. Any pleading, motion, notice, order or other document required to be served upon FPL or filed by any party to this proceeding should be served upon the following individuals:

¹ This Petition seeks to initiate proceedings pursuant to Rule 28-106.201, Florida Administrative Code. The agency affected is the Florida Public Service Commission, located at 2540 Shumard Oak Blvd, Tallahassee, FL 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) 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 may be disputed by others planning to participate in the proceeding initiated by this Petition. All other requirements for petitions filed under Rule 28-106.201 are satisfied herein.

DOCUMENT NUMBER-DATE

08532 AUG 17 09

FPSC-COMMISSION CLERK

R. Wade Litchfield, Vice President of
Regulatory Affairs and Chief Regulatory Counsel
Wade.Litchfield@fpl.com
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
561-691-7101
561-691-7135 (fax)

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2. FPL currently offers a Long Term Rental Agreement for Distribution Substation Facilities (“Rental Agreement”) pursuant to its Commission-approved Second Revised Tariff Sheet No. 9.730, First Revised Tariff Sheet No. 9.731, Third Revised Tariff Sheet No. 9.732, and Second Revised Tariff Sheet No. 10.015. FPL currently has Rental Agreements in place with seven customers (“Rental Customers”).

3. FPL’s current Rental Agreement provides for a 20 year term for the rental of distribution substation facilities. However, upon expiration of that term, there is no provision for extending the agreement. Rather, the customer and FPL would have to execute a new 20 year Rental Agreement.

4. Under the current Rental Agreement, rental payments are calculated based upon the replacement cost of the facilities at the time the agreement is executed. Accordingly, upon expiration of each Rental Customer’s current Rental Agreement and execution of a new Rental Agreement, FPL would need to recalculate the customer’s monthly rental payments based on the current replacement value of the facilities. For most Rental Customers, monthly rental payments would significantly increase based upon this calculation. For example, for Tropicana Manufacturing Company, Inc. (“Tropicana”), the Rental Customer who’s Rental Agreement will expire first, its monthly rental payments would almost triple. This increase is the result of two factors. First, on average, the cost of distribution substation facilities has more than doubled

over the last 20 years. Secondly, certain equipment has necessarily been added or replaced over the course of the 20 year term, further increasing the value of these facilities.

5. Such an increase to the Rental Customers' monthly payment after the initial 20 year term is unnecessary for FPL to fully recuperate its costs from the appropriate customer. The amount which FPL should collect from Rental Customers to avoid subsidization of these customers by its general body of customers, following the initial 20-year term, is equal to the net book value of such facilities. Accordingly, the revisions proposed by FPL to its Rental Agreement allow for subsequent five-year extensions of the Rental Agreement with monthly payments calculated based upon the net book value of the rental facilities.

6. Additionally, FPL proposes to include a provision by which necessary additions to the rental facilities can be accounted for, incorporated into the in-place value of the rental facilities, and incorporated into the Rental Customer's monthly payments. These in-place value changes would reflect necessary equipment modifications that must be made during any subsequent extension that are caused by mechanical and/or electrical failure. This same provision currently appears in FPL's standard facility rental agreement (Tariff Sheet Nos. 9.750 to 9.751), as approved by the Commission.

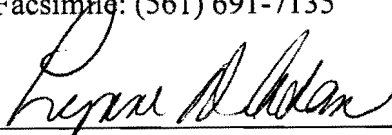

7. Attached hereto are FPL's Third Revised Tariff Sheet No. 9.730, Second Revised Tariff Sheet No. 9.731, and Third Revised Tariff Sheet No. 10.015, reflecting the revisions discussed above. The proposed final versions are included in Attachment A, and the "legislative" versions in underline/strikethrough format are included in Attachment B. No changes are necessary to FPL's Third Revised Tariff Sheet No. 9.732; however, this sheet is attached hereto as Attachment C for purposes of providing a complete copy of the Rental Agreement. FPL requests that the attached tariff sheets become effective upon approval so that

the extension option will be available to Rental Customers upon the expiration of their current Rental Agreements.

WHEREFORE, for the foregoing reasons, FPL requests that the Commission grant FPL's Petition and approve its Third Revised Tariff Sheet No. 9.730, Second Revised Tariff Sheet No. 9.731, and Third Revised Tariff Sheet No. 10.015 in the form attached hereto as Attachment A, and requests that these tariff sheets become effective upon approval.

Respectfully submitted this 14th day of August, 2009.

R. Wade Litchfield, Vice President of
Regulatory Affairs and Chief Regulatory Counsel
Jessica A. Cano, Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408-0420
Telephone: (561) 304-5226
Facsimile: (561) 691-7135

By: 
 _____
Jessica A. Cano
Florida Bar No. 0037372

ATTACHMENT A

**Long-Term Rental Agreement for
Distribution Substation Facilities**

This Agreement is made this _____ day of _____, _____, by and between _____ (hereinafter called the "Customer"), located at _____ in _____, Florida, and Florida Power & Light Company, a corporation organized and existing under the laws of the State of Florida (hereinafter called the "Company").

WITNESSETH:

WHEREAS, the Customer has requested to rent from the Company certain distribution substation facilities consisting in summary of _____ hereinafter collectively called the "Facilities") located at _____ for the purpose of _____ and

WHEREAS, the Company is willing to rent such Facilities upon the terms and conditions specified herein;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein set forth, the parties hereto covenant and agree as follows:

1. In order to be eligible for service under this Agreement, the Customer agrees to rent distribution substation facilities from the Company. If a Customer is currently renting distribution substation facilities under a Facilities Rental Agreement (Tariff Sheet Nos. 9.750 and 9.751), the Customer may enter into this Agreement for the rental of distribution substation facilities, but not for other distribution facilities.
2. The Company will make the Facilities available to Customer on terms consistent with this Agreement, provided, the Company will continue to own, operate and maintain the Facilities.
3. As consideration for making the Facilities available to Customer, Customer shall pay to the Company a monthly rental charge calculated by multiplying the in-place value of the Facilities, as determined pursuant to Paragraphs 4 and 5 of this Agreement, by the applicable Monthly Rental Factor set forth in Tariff Sheet No. 10.015 (Appendix A), attached hereto and made a part of this Agreement, or any successor or substitute schedule which may become effective by filing with or otherwise approved by the Florida Public Service Commission (hereinafter called the "Commission"). Based on the in-place value of the Facilities and the Monthly Rental Factor in effect at the initiation of this Agreement, the monthly charge for the rental of Distribution Substation Facilities to be paid by Customer to the Company is \$_____. This monthly rental charge may change from time to time upon modification of either or both the Monthly Rental Factor set forth on Appendix A (or any successor or substitute schedule) or the in-place value of the Facilities in accordance with Paragraph 5.

(Continued on Sheet No. 9.731)

(Continued from Sheet No. 9.730)

4. The in-place value of the Facilities is \$ _____. This initial in-place value of the Facilities is based upon the agreed replacement cost of the Facilities as set forth on Appendix B, which is attached to and made a part of this Agreement. Regardless of the initial in-place value of the Facilities shown on Appendix B, the in-place value of the Facilities may change consistent with the terms and conditions of Paragraph 5.
5. Changes in the in-place value of the Facilities shall alter the monthly rental charges set forth in Paragraph 3 and such changes shall be utilized in the calculation of any applicable Termination Fee as specified in Paragraph 6; however, changes in the in-place value of the Facilities shall not otherwise alter the terms of this Agreement. Changes in the in-place value of the Facilities shall be made as follows and shall be memorialized on a revised Appendix B:
 - a. When mutually agreed, additional facilities (hereinafter called "Additional Facilities") may be installed and the in-place value set forth in Paragraph 4 shall be increased by the installed cost of such Additional Facilities.
 - b. When mutually agreed, a portion of the Facilities or Additional Facilities may be removed and the in-place value set forth in Paragraph 4 shall be adjusted to reflect such changes. The Company may require a contribution by the Customer to compensate for the undepreciated portion of the Facilities or Additional Facilities to be removed, less salvage, plus removal costs.
 - c. When requested by the Customer, and when mutually agreed, the Facilities or Additional Facilities may be modified by the Company. In the event of such a modification, the in-place value set forth in Paragraph 4 will be adjusted in accordance with the procedures stated in Paragraphs 5a and 5b, above.
 - d. When the Facilities or Additional Facilities are replaced or modified at the Company's option, no change in the in-place value will be made.
 - e. After the Initial Term and upon each successive five (5) year extension (as such is set forth in Paragraph 6), the in-place value set forth in Paragraph 4 shall be adjusted to reflect the net-book value of the Facilities. In addition, if Facilities are replaced due to mechanical and/or electrical failure at any time after the Initial Term, the in-place value set forth in Paragraph 4 will be increased by the installed cost of such replacement facilities and reduced by the previously established in-place value of the replaced facilities.
6. The term of this Agreement (the "Initial Term") shall be 20 years, and thereafter this Agreement will continue in effect for successive five (5) year periods (each such five (5) year period an "Extension") unless terminated by either party upon ninety (90) days' advanced written notice. If Customer elects to terminate this Agreement during the Initial Term or prior to the end of any Extension, Customer shall be responsible for, and shall pay to the Company, a Termination Fee calculated in accordance with Tariff Sheet No. 10.015, set forth as Appendix A, as currently approved or as may be modified from time to time by the Commission.
7. On the termination of this Agreement, and in the event that the Customer fails to make rental payments in a timely fashion, then and in each of those events, at the option of the Company, the Facilities may be removed by the Company.
8. This Agreement may be assigned only with the prior written consent of the Company.

(Continued on Sheet No. 9.732)

Appendix A

**Distribution Substation Facilities
 Monthly Rental and Termination Factors**

The Monthly Rental Factor to be applied to the in-place value of the Distribution Substation Facilities as identified in the Long-Term Rental Agreement is as follows:

Monthly Rental Factor

Distribution Substation Facilities 1.62%

Termination Fee for Initial 20 Year Period

If the Long-Term Rental Agreement for Distribution Substation Facilities is terminated by Customer during the Initial Term, Customer shall pay to Company a Termination Fee, such fee shall be computed by applying the following Termination Factors to the in-place value of the Facilities based on the year in which the Agreement is terminated:

<u>Year Agreement</u> <u>Is Terminated</u>	<u>Termination</u> <u>Factors %</u>	<u>Year Agreement</u> <u>Is Terminated</u>	<u>Termination</u> <u>Factors %</u>	<u>Year Agreement</u> <u>Is Terminated</u>	<u>Termination</u> <u>Factors %</u>
1	3.29	8	19.82	15	19.75
2	6.43	9	21.07	16	17.52
3	9.32	10	21.98	17	14.54
4	11.96	11	22.5	18	10.7
5	14.33	12	22.6	19	5.89
6	16.44	13	22.21	20	0
7	18.27	14	21.28		

Termination Fee for Subsequent Extension Periods

If the Long-Term Rental Agreement for Distribution Substation Facilities is terminated by Customer during an Extension, Customer shall pay to Company a Termination Fee, such fee shall be computed based on the net present value of the remaining payments under the extension period by applying the Termination Factor based on the month terminated to the monthly rental payment amount.

<u>Month</u> <u>Terminated</u>	<u>Termination</u> <u>Factor</u>	<u>Month</u> <u>Terminated</u>	<u>Termination</u> <u>Factor</u>	<u>Month</u> <u>Terminated</u>	<u>Termination</u> <u>Factor</u>	<u>Month</u> <u>Terminated</u>	<u>Termination</u> <u>Factor</u>
1	48.655	16	38.431	31	27.010	46	14.252
2	48.008	17	37.709	32	26.203	47	13.350
3	47.357	18	36.980	33	25.390	48	12.442
4	46.700	19	36.247	34	24.570	49	11.526
5	46.039	20	35.508	35	23.745	50	10.604
6	45.372	21	34.764	36	22.913	51	9.675
7	44.701	22	34.014	37	22.076	52	8.740
8	44.025	23	33.259	38	21.232	53	7.797
9	43.343	24	32.497	39	20.382	54	6.847
10	42.657	25	31.731	40	19.525	55	5.891
11	41.966	26	30.958	41	18.663	56	4.927
12	41.269	27	30.180	42	17.793	57	3.956
13	40.568	28	29.397	43	16.918	58	2.978
14	39.861	29	28.607	44	16.036	59	1.993
15	39.149	30	27.812	45	15.147	60	1.000

ATTACHMENT B

**Long-Term Rental Agreement for
Distribution Substation Facilities**

This Agreement is made this _____ day of _____, _____, by and between _____ (hereinafter called the "Customer"), located at _____ in _____, Florida, and Florida Power & Light Company, a corporation organized and existing under the laws of the State of Florida (hereinafter called the "Company").

WITNESSETH:

WHEREAS, the Customer has requested to rent from the Company certain distribution substation facilities consisting in summary of _____ hereinafter collectively called the "Facilities") located at _____ for the purpose of _____ and

WHEREAS, the Company is willing to rent such Facilities upon the terms and conditions specified herein;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein set forth, the parties hereto covenant and agree as follows:

1. In order to be eligible for service under this Agreement, the Customer agrees to rent distribution substation facilities from the Company. If a Customer is currently renting distribution substation facilities under a Facilities Rental Agreement (Tariff Sheet Nos. 9.750 and 9.751), the Customer may enter into this Agreement for the rental of distribution substation facilities, but not for other distribution facilities.
2. The Company will ~~provide, install or otherwise make the Facilities available to Customer on terms consistent with this Agreement, provided, the Company will continue to own, operate and maintain the Facilities described in this Agreement.~~
3. As consideration for ~~furnishing making the Facilities available, to the Customer, Customer shall pay to the Company a monthly rental charge. The monthly rental charge shall be calculated by multiplying the in-place value of the Facilities, as determined pursuant to Paragraphs 4 and 5 of this Agreement, by the applicable Monthly Rental Factor set forth in Tariff Sheet No. 10.015 (Appendix A), which is attached hereto and made a part of this Agreement, or any successor or substitute schedule which may become effective by filing with or otherwise approved by the Florida Public Service Commission (hereinafter called the "Commission").~~ Based on the in-place value of the Facilities and the Monthly Rental Factor in effect at the initiation of this Agreement, the monthly charge for the rental of Distribution Substation Facilities to be paid by Customer to the Company is \$_____. This monthly rental charge may change from time to time upon modification of either or both the Monthly Rental Factor set forth on Appendix A (or any successor or substitute schedule) or the in-place value of the Facilities in accordance with Paragraph 5.

(Continued on Sheet No. 9.731)

(Continued from Sheet No. 9.730)

4. The in-place value of the ~~Distribution Substation Facilities~~ is \$ _____-. This initial in-place value of the Facilities is based upon the agreed replacement cost of the Facilities as set forth on Appendix B, which is attached to and made a part of this Agreement. Regardless of the initial in-place value of the Facilities shown on Appendix B, the in-place value of the Facilities may change consistent with the terms and conditions of Paragraph 5.

5. Changes in the in-place value of the Facilities shall alter the monthly rental charges ~~set forth~~ ~~calculated pursuant to and shown in Paragraph 3~~ and such changes shall be utilized ~~recognized~~ in the calculation of any applicable ~~the Termination Fee~~ as specified in Paragraph 6; however, changes in the in-place value of the Facilities shall not otherwise alter the terms of this Agreement. Changes in the in-place value of the Facilities shall be made as follows and shall be memorialized on a revised Appendix B:
 - a. When mutually agreed, additional facilities (hereinafter called "Additional Facilities") may be installed and the in-place value set forth in Paragraph 4 shall be increased by the installed cost of such ~~the~~ Additional Facilities.
 - b. When mutually agreed, a portion of the Facilities or Additional Facilities may be removed and the in-place value set forth in Paragraph 4 shall be adjusted to reflect such changes. The Company may require a contribution by the Customer to compensate for the undepreciated portion of the Facilities or Additional Facilities to be removed, less salvage, plus removal costs.
 - c. When requested by the Customer, and when mutually agreed, the Facilities or Additional Facilities may be modified by the Company. In the event of such a modification, the ~~The~~ in-place value set forth in Paragraph 4 will be adjusted in accordance with the procedures stated in Paragraphs 5a and 5b, above.
 - d. When the Facilities or Additional Facilities are replaced or modified at the Company's option, no change in the in-place value will be made.
 - e. After the Initial Term and upon each successive five (5) year extension (as such is set forth in Paragraph 6), the in-place value set forth in Paragraph 4 shall be adjusted to reflect the net-book value of the Facilities. In addition, if Facilities are replaced due to mechanical and/or electrical failure at any time after the Initial Term, the in-place value set forth in Paragraph 4 will be increased by the installed cost of such replacement facilities and reduced by the previously established in-place value of the replaced facilities.

6. The term of this Agreement ~~(the "Initial Term")~~ shall be 20 years, and thereafter this Agreement will continue in effect for successive five (5) year periods (each such five (5) year period an "Extension") unless terminated by; however, either party ~~the Company or the Customer may terminate this Agreement upon ninety (90) days' advanced~~ days' advance written notice. If the Customer ~~elects~~ chooses to terminate this Agreement during the Initial Term or prior to the end of any Extension, Customer, ~~it shall be responsible for, and shall pay to the Company, a Termination Fee calculated in accordance with Tariff Sheet No. 10.015, set forth as Appendix A, as currently approved or as may be modified from time to time by the Commission.~~

7. On the termination of this Agreement, and in the event that the Customer fails to make rental payments in a timely fashion, then and in each of those events, at the option of the Company, the Facilities may be removed by the Company.
8. This Agreement may be assigned only with the prior written consent of the Company.

(Continued on Sheet No. 9.732)

Appendix A

**Distribution Substation Facilities
 Monthly Rental and Termination Factors**

The Monthly Rental Factor to be applied to the in-place value of the Distribution Substation Facilities as identified in the Long-Term Rental Agreement is as follows:

Monthly Rental Factor

Distribution Substation Facilities 1.62%

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If the Long-Term Rental Agreement for Distribution Substation Facilities is terminated by Customer during the Initial Term, Customer shall pay to Company a Termination Fee, such fee shall be computed by applying the following Termination Factors to the in-place value of the Facilities based on the year in which the Agreement is terminated:

Year Agreement <u>Is Terminated</u>	Termination <u>Factors %</u>	Year Agreement <u>Is Terminated</u>	Termination <u>Factors %</u>	Year Agreement <u>Is Terminated</u>	Termination <u>Factors %</u>
1	3.29	8	19.82	15	19.75
2	6.43	9	21.07	16	17.52
3	9.32	10	21.98	17	14.54
4	11.96	11	22.5	18	10.7
5	14.33	12	22.6	19	5.89
6	16.44	13	22.21	20	0
7	18.27	14	21.28		

Termination Fee for Subsequent Extension Periods

If the Long-Term Rental Agreement for Distribution Substation Facilities is terminated by Customer during an Extension, Customer shall pay to Company a Termination Fee, such fee shall be computed based on the net present value of the remaining payments under the extension period by applying the Termination Factor based on the month terminated to the monthly rental payment amount.

<u>Month Terminated</u>	<u>Termination Factor</u>	<u>Month Terminated</u>	<u>Termination Factor</u>	<u>Month Terminated</u>	<u>Termination Factor</u>	<u>Month Terminated</u>	<u>Termination Factor</u>
1	48.655	16	38.431	31	27.010	46	14.252
2	48.008	17	37.709	32	26.203	47	13.350
3	47.357	18	36.980	33	25.390	48	12.442
4	46.700	19	36.247	34	24.570	49	11.526
5	46.039	20	35.508	35	23.745	50	10.604
6	45.372	21	34.764	36	22.913	51	9.675
7	44.701	22	34.014	37	22.076	52	8.740
8	44.025	23	33.259	38	21.232	53	7.797
9	43.343	24	32.497	39	20.382	54	6.847
10	42.657	25	31.731	40	19.525	55	5.891
11	41.966	26	30.958	41	18.663	56	4.927
12	41.269	27	30.180	42	17.793	57	3.956
13	40.568	28	29.397	43	16.918	58	2.978
14	39.861	29	28.607	44	16.036	59	1.993
15	39.149	30	27.812	45	15.147	60	1.000

ATTACHMENT C

(Continued from Sheet No. 9.731)

- 9. Subject to section 2.7 Indemnity to Company, or section 2.71 Indemnity to Company – Governmental, FPL’s General Rules and Regulations, the Customer shall indemnify, hold harmless and defend the Company from and against any and all liability, proceedings, suits, cost or expense for loss, damage or injury to persons or property, in any manner directly or indirectly connected with, or growing out of, the transmission and use of electricity on the Customer’s side of the point of delivery as such term is defined in Rule 2.3 of the Company’s “General Rules and Regulations for Electric Service.”
- 10. This Agreement supersedes all previous agreements or representations, either written or oral, heretofore in effect between the Company and the Customer, made in respect to matters herein contained and, when duly executed, this Agreement constitutes the entire Agreement between the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first above written.

Charges and Terms Accepted:

Customer (Print or type name of Organization)

FLORIDA POWER & LIGHT COMPANY

By: _____
Signature (Authorized Representative)

By: _____
(Signature)

(Print or type name)

(Print or type name)

Title: _____

Title: _____