

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 120015-EI
ORDER NO. PSC-12-0261-PCO-EI
ISSUED: May 29, 2012

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

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

BY THE COMMISSION:

This proceeding commenced on March 19, 2012, with the filing of a petition for a permanent rate increase by Florida Power & Light Company (FPL or Company). 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 more than 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 \$516.5 million in additional gross annual revenues, effective January 2, 2013. This increase would allow the Company to earn an overall rate of return of 7.00 percent or an 11.50 percent return on equity (ROE) which includes a 25 basis point ROE performance adder. The Company based its request on a projected test year ending December 31, 2013. FPL stated that this test year is the appropriate period to be utilized because it best represents expected future operations in the period immediately after any new base rates go into effect. FPL has also requested a \$173.9 million base rate step increase for the Canaveral Modernization Project effective upon the commercial in-service date of the unit (projected to be June 1, 2013). In total, the Company is requesting a \$690.4 million base rate increase. It is estimated that the monthly base rate would increase by \$6.97 for a typical residential customer. However, FPL projects that the monthly total bill increase would be \$2.48 due to lower fuel costs and other reductions. FPL did not request any interim rate relief.

In FPL's most recent base rate proceeding in Docket No. 080677-EI, we authorized a \$75.5 million base rate increase¹ and approved a subsequent stipulation and settlement

¹ See Order No. PSC-10-0153-FOF-EI, issued March 17, 2010, in Docket No. 080677-EI, In re: Petition for increase in rates by Florida Power & Light Company.

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agreement.² The agreement provided that retail base rates, with certain exceptions, would be frozen through the last billing cycle in December 2012.

The Office of Public Counsel, Florida Industrial Power Users Group, Florida Retail Federation, and South Florida Hospital and Healthcare Association have intervened in this proceeding. In addition, Mr. John W. Hendricks and Mr. and Mrs. Daniel R. and Alexandria Larson, and Thomas Saporito have intervened in this proceeding as individual FPL ratepayers. A hearing has been scheduled for August 20-24 and 27-31, 2012.

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.

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 rate schedules to allow our staff and 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 \$516.5 million permanent base rate increase effective January 2, 2013, the \$173.9 million base rate step increase, and the associated tariff revisions requested by the Company 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.

² See Order No. PSC-11-0089-S-EI, issued February 1, 2011, in Docket No. 080677-EI, In re: Petition for increase in rates by Florida Power & Light Company.

By ORDER of the Florida Public Service Commission this 29th day of May, 2012.



ANN COLE

Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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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.

Any party adversely affected by this order, which is non-final 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. Citizens of the State of Florida v. Mayo, 316 So.2d 262 (Fla. 1975), states that an order on interim rates is not final or reviewable until a final order is issued. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.