

Eric Fryson

From: John Hendricks [jwhendricks@sti2.com]
Sent: Friday, September 07, 2012 4:24 PM
To: Filings@psc.state.fl.us
Cc: Brian P. Armstrong; Capt. Samuel T. Miller; Caroline Klancke; J. R. Kelly; John Moyle; John T. Butler; John T. LaVia; Joseph A. McGlothlin; Karen White; Keino Young; Ken Hoffman; Kenneth L. Wiseman; Maria J Moncada; Mark F. Sundback; Martha Brown; R. Wade Litchfield; Robert Scheffel Wright; Thomas Saporito; Vicki Gordon Kaufman; William C. Garner

Attachments: JWH Data Request 1 to FPL with COS.docx

Electronic Filing

a. Person responsible for this electronic filing:

John W. Hendricks
367 S Shore Dr
Sarasota, FL 34234
jwhendricks@sti2.com
941-685-0223

b. Docket No. 120015-EI

In re: Petition for rate increase by Florida Power & Light Company

c. Documents being filed on behalf of John W Hendricks

d. There are a total of 3 pages.

e. The document attached for electronic filing is: HENDRICKS' FIRST SET OF DATA REQUESTS TO FPL (NOS. 1-10) WITH COS

Thank you for your attention and cooperation to this request.

John W. Hendricks
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DOCUMENT NUMBER-DATE

06070 SEP-7 2012

FPSC-COMMISSION CLERK

9/7/2012

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 120015-EI

DATED: September 7, 2012

HENDRICKS' FIRST SET OF DATA REQUESTS TO
FLORIDA POWER & LIGHT COMPANY (NOS. 1-10)

John W. Hendricks hereby submits the following data requests concerning the proposed Settlement Agreement to Florida Power & Light Company (FPL) and requests that they be answered separately, completely and within the five (5) day time period specified by the Commission's order.

DATA REQUESTS TO FPL FOR SETTLEMENT

1. Since the settlement agreement states that the ROE would be 10.7% for all purposes, the 0.25% performance adder included in FPL's rate request does not appear to be retained. If this is correct, please confirm that the performance adder is specifically and completely deleted from the settlement offer.
2. Please provide three additional versions of the summary table from your Stipulation and Settlement document (S&S) marked as Exhibit A (Revenue Increase by Rate Class – January 1, 2013). These tables should represent the following cases to identify comparable reference points for comparison with the data in Exhibit A:
 - a. Revenue at the currently effective rates
 - b. Revenue increases at rates in the original FPL rate case proposal as filed and updated with any changes and corrections (excluding the settlement proposal), assuming that the performance adder is in effect
 - c. Revenue increases at rates in the original FPL rate case proposal as filed and updated with any changes and corrections (excluding the settlement proposal), assuming that the performance adder is not in effect
3. Exhibit A also indicates that about \$32.4 million of the revenue increase is attributed to "Field Collection and Late Payment" for the RS(T)-1 rate class. It is likely that the majority of these costs would fall on the most poor and financially sensitive ratepayers. Please provide data that indicates how imposing these extra penalties on those who can least afford them is consistent with providing superior customer service and in the public interest.

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FPSC-COMMISSION CLERK

4. On page 3, the Stipulation and Settlement document states that, "FPL shall be entitled to recover the increased CLIC and CDR credits through the energy conservation cost recovery ("ECCR") clause." Please provide estimates of these costs in each year from 2013 through 2016 and their distribution across the rate classes.
5. Please define how the relationship between non-fuel energy and demand charges in the CLIC rates is changed (as discussed on S&S, page 3) and provide estimates of any impact that this change can have on the costs to other rate classes.
6. Page 3 of S&S also states that, "Base rates ... shall not be changed during the Term except as otherwise permitted in the Agreement." Other than the occurrence of conditions described in paragraph 9(b) on page 10 of S&S, are there other provisions in the proposed S&S agreement under which the FPSC or other non-FPL parties could seek to modify this agreement before 2017? If so, what specific conditions would be required for such actions to be enabled?
7. On page 8 of S&S, FPL identifies the three power plant modernization projects expected to enter service while the agreement would be in effect: Canaveral (2013), Riveria (2014) and Port Everglades (2016). For each of these projects individually, please provide data in the format of the following MFR schedules, assuming the proposed settlement and based on your current best estimate of the costs and project schedules.
 - a. Schedule A-1
 - b. Schedule C-44
 - c. Schedule D-1a
 - d. Schedule E-8
8. For the Rivera modernization project please state whether the data in your response to the question above includes the "proposed natural gas pipeline" to the Martin plant. If this is still planned, but not included in the above estimate, please provide data in the same format on this pipeline project.
9. Pages 10-12 of S&S describe options and constraints for amortization of Depreciation Reserve Surplus. Please provide any available data that describes the schedule that FPL currently anticipates using for this activity. Is it FPL's intent to use this provision in a similar manner to the excess depreciation permitted under the current settlement agreement?

10. Pages 12-15 of S&S (12.a and 12.b) provide a high-level sketch of an "Incentive Mechanism" covering wholesale power purchases and sales, and an open ended "asset optimization" which includes, but is not limited to, various gas transactions. It specifically includes authorization for outsourcing the optimization function. Relative to the proposed Incentive Mechanism, please provide the following data:
- a. The results and reports from any analysis that FPL has relied upon in designing this proposed "Incentive Mechanism," including, but not limited to, any estimates of the potential value of the overall program and of each of the categories of transactions and/or management strategies contemplated.
 - b. Since the assets being optimized are presumably a part of the regulated utility operations and FPL proposes that incremental costs be recovered from ratepayers through the Fuel Clause, please provide data that indicate why should FPL require 50% to 70% of the gains (above the threshold) as additional motivation to efficiently operate the proposed optimization of existing assets?
 - c. Alternatively, if the existing Incentive Mechanism for Non-separated Wholesale Power Sales were modified to include purchases of power and both purchases and sales of gas, how much of the potential value of the new "Incentive Mechanism" could be generated, and how would the division of the rewards differ?
 - d. Please identify and provide data on any examples of other utilities that are successfully operating an asset optimization function similar to the one FPL proposes.

s/ John W. Hendricks

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 120015-EI

DATED: September 7, 2012

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and one correct copy of HENDRICKS' FIRST SET OF DATA REQUESTS TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-10) has been served by electronic and U. S. mail to John T. Butler, Florida Power & Light Company, 700 Universe Blvd., Juno Beach, FL 33408-0420, and that a true copy thereof has been furnished to the following by electronic and/or U. S. mail this 24th day of April, 2012:

Caroline Klancke
Keino Young
Florida Public Service Commission
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Federal Executive Agencies
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CERTIFICATE OF SERVICE
DOCKET NO. 120015-EI
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