

Eric Fryson

From: White, Jordan [Jordan.White@fpl.com] ·
Sent: Friday, September 07, 2012 5:04 PM
To: Filings@psc.state.fl.us
Subject: Electronic Filing / Dkt 120015-EI / FPL's First Data Request to Florida Retail Federation Regarding Proposed Settlement Agreement

Attachments: 9.7.12 - FPL's 1st Data Request to FRF re Settlement.pdf
Electronic Filing

a. Person responsible for this electronic filing:

Jordan A. White
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Juno Beach, FL 33408
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b. Docket No. 120015 - EI
In re: Petition for rate increase by Florida Power & Light Company

c. The Document is being filed on behalf of Florida Power & Light Company.

d. There are a total of 4 pages

e. The document attached for electronic filing is Florida Power & Light Company's First Data Request to the Florida Retail Federation Regarding Proposed Settlement Agreement.

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September 7, 2012

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FPL'S FIRST DATA REQUEST

Re: Docket No. 120015-EI – Petition for increase in rates by Florida Power & Light Company.

By this letter, Florida Power and Light Company (“FPL” or “Company”) requests, pursuant to Order PSC-12-0440-PCO-EI, that the Florida Retail Federation (“FRF”) provide responses to the following data requests within five days or less.

1. FRF states that “FPL has enjoyed stable revenues and healthy returns” under settlement agreements that have been in place over the past seven years.

a. Please explain in detail by what measure FRF considers FPL’s revenues to have been stable over the past seven years and what mechanism, if any in FRF’s Summary of Offer of Settlement would stabilize revenues.

b. Please identify what FRF considers to be “healthy returns” for FPL and provide any and all analyses performed by FRF supporting the conclusion that FPL would be able to earn “healthy returns” under FRF’s Summary of Offer of Settlement.

2. FRF opposes the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement but has offered in its place an alternate proposal that includes, among other things, a 10% ROE (FRF Summary of Offer of Settlement). Does FRF contend that FPL could earn a 10.00% ROE in 2013 with no base rate increase? If so, please provide a detailed calculation in the form of MFRs A-1, B-1, C-1 and D-1a showing FRF’s calculation of FPL’s 2013 earnings with no base rate increase other than recovery of Canaveral Modernization Project revenue requirements as contemplated by Paragraph 5 of FRF’s Summary of Offer of Settlement. Please reconcile such calculations to FPL’s filed case showing any and all adjustments that would be necessary to reach FRF’s 10% ROE proposal.

3. Does FRF contend that FPL could earn a 10.0% ROE in 2014 with no base rate increase and assuming that all of the \$894 million of depreciation reserve surplus has been amortized by the end of 2013 as contemplated by the 2010 rate settlement agreement? If so, please provide a calculation in the form of MFRs A-1, B-1, C-1 and D-1a showing FRF’s calculation of FPL’s 2014 earnings with no base rate increase other than recovery of Canaveral Modernization Project and Riviera Modernization Project revenue requirements as contemplated by Paragraph 5 of FRF’s Summary of Offer of Settlement. Please reconcile such calculations to

FPL's filed case showing any and all adjustments that would be necessary to reach FRF's 10% ROE proposal.

4. Does FRF contend that FPL could earn a 10.0% ROE in 2015 with no base rate increase? If so, please provide a calculation in the form of MFRs A-1, B-1, C-1 and D-1a showing FRF's calculation of FPL's 2015 earnings with no base rate increase other than recovery of Canaveral Modernization Project and Riviera Modernization Project revenue requirements as contemplated by Paragraph 5 of FRF's Summary of Offer of Settlement. Please reconcile such calculations to FPL's filed case showing any and all adjustments that would be necessary to reach FRF's 10% ROE proposal.

5. Does FRF's Summary of Offer of Settlement provide any form of recovery for the Everglades Modernization Project if it comes into service in June 2016 as projected?

a. If not and FPL elected a four-year term for the agreement, does FRF contend that FPL would be able to a 10.0% ROE during 2016? If so, please provide a calculation in the form of MFRs A-1, B-1, C-1 and D-1a showing FRF's calculation of FPL's 2016 earnings with no base rate increase other than recovery of Canaveral Modernization Project and Riviera Modernization Project revenue requirements as contemplated by Paragraph 5 of FRF's Summary of Offer of Settlement and no recovery mechanism for the Everglades Modernization Project. Please reconcile such calculations to FPL's filed case showing any and all adjustments that would be necessary to reach FRF's 10% ROE proposal.

6. Does FRF agree that under the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement FPL takes on financial risks in the form of inflation and interest rates? If not, please explain why FRF does not agree.

7. What is the basis for the equity ratio of 55% that is proposed in Paragraph 3 of FRF's Summary of Offer of Settlement?

8. Has FRF conducted any analysis to assess the impacts of its Summary of Offer of Settlement on FPL's credit metrics? If so, please describe or provide a copy of that analysis.

9. Regarding Paragraph 7 of the Summary of Offer of Settlement, does FRF oppose the amortization of a portion of FPL's fossil dismantlement reserve as proposed in Paragraph 10 of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement? If so, please explain in detail the basis for FRF's opposition.

10. Indicate whether FRF opposes permitting FPL to defer filing depreciation and dismantlement studies during the term of the settlement agreement, as proposed in Paragraph 11 of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement and explains the basis for FRF's position.

11. Regarding Paragraph 6 of the Response, please explain in detail why FRF opposes accelerated amortization of depreciation and dismantlement reserves up to a limit of \$400 million over four years as disadvantaging customers when it supported the amortization of up to \$776 million over three years under the 2010 settlement agreement.

12. Does FRF oppose the incentive mechanism proposed in Paragraph 12 of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement? If so, please explain in detail the basis for FRF's opposition and demonstrate how customers would be harmed by the proposal.

13. How many of FRF's 8000 constituents has FRF consulted to determine whether they would support the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement?

14. To which of its constituents has FRF communicated the rate impacts, if any, of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement? Please provide a copy of all such communications.

15. Has FRF done any analysis to assess the rate impacts of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement by rate class? Has FRF requested any such analysis from FPL? Did FPL offer such analyses to FRF?

16. Please provide a detailed calculation of FPL's earnings in 2013 based on FRF's litigation position as reflected in the prehearing order (PSC-12-0428-PHO-EI) issued on August 17, 2012. Use FPL's filed case and make any and all adjustments that correspond to FRF's litigation positions.

17. How many of FRF's members receive service from FPL solely under the GS rate class?

18. Please confirm that FRF took no position on the partial stipulation in Gulf's recent rate case and the reasons for FRF's taking no position on that partial stipulation.

19. Please provide the basis for FRF's belief that GS customers will pay less in monthly rates in 2013 if the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement is not approved and the Commission enters a final order on the issues in the rate case?

20. What is the FRF decision-making entity (e.g., Board of Directors, Executive Committee or Energy Committee) that made the decision not to participate in the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement?

21. What FRF members are represented on the decision-making entity identified in response to Interrogatory No. 20 above, and how did each such member vote in the decision not to participate in the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement?

22. Please explain why FRF made a public pronouncement in January 2012 that it would not enter into any rate case settlement negotiations with FPL until the conclusion of the final hearings in this proceeding?

23. Please confirm that the FRF did not seek to intervene in the need determination proceedings for the Canaveral, Riviera and Port Everglades plants in opposition to any of these projects or the estimated costs for such projects?

24. Please state whether FRF agrees that with respect to its thousands of small business members who receive service under the GS rates, the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement contains no increase in monthly rates for GS customers in 2013.

25. Please describe how FRF expects that GS customers will fare better with rejection of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement and a litigated outcome in this proceeding.

26. Please provide copies of all work papers and analyses done by FRF or FRF Witness Chriss that compare the current electric bills for all Walmart stores in Florida and reflect how the accounts served by FPL compare to those for all other accounts on a “base cents per kWh” and “total cents per kWh” basis.

27. Please provide copies of all work papers and analyses done by FRF or FRF Witness Chriss that compare the projected electric bills for all Walmart stores served by FPL at FPL's current rates and charges and under FPL's requested rate relief. Provide this comparison for each and every Walmart account on a “base cents per kWh” and “total cents per kWh” basis.

28. Please provide copies of all analyses performed by FRF or FRF Witness Chriss and any or all other FRF members or representatives that assesses or attempts to assess the impact of FPL's requested base rate increase on FRF member costs or operations.

29. Please provide copies of all analyses performed by FRF or FRF Witness Chriss and any or all other FRF members or representatives that assesses or attempts to assess or any documents that describe the impact of the FRF Summary of Offer of Settlement on FRF member costs or operations.

30. Please provide copies of all documents that show the impact of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement on any or all of FRF's members.

31. Please provide copies of all documents that show the impact of the FRF Summary of Offer of Settlement on any or all of FRF's members.

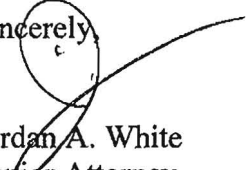
32. Please provide copies of Walmart's rate or bill comparisons among electric providers.

33. Please provide copies of any communications to FRF members notifying them of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement. FRF may redact any comments within such communications which FRF asserts are privileged communications with a note explaining basis for privilege.

34. Please provide copies of any communications to FRF members notifying them of the FRF Summary of Offer of Settlement. FRF may redact any comments within such communications which FRF asserts are privileged communications with a note explaining the basis for privilege.

Please feel free to call me at (561) 304-5602 if you have any questions.

Sincerely,


Jordan A. White
Senior Attorney

JW:ps

cc: Office of Commission Clerk
All Parties in Docket No. 120015-EI