

State of Florida



Public Service Commission

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COMMISSION
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NCB

DATE: September 11, 2012
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Keino Young, Senior Attorney, Office of the General Counsel
RE: Docket No. 120015-EI
 SFHHA's Response and Notice of Service to Staff's First Data Request.

Please add the attached response to Staff's 1st Data Request from South Florida Hospital and Heathcare Association to the 120015-EI docket file.

DOCUMENT NUMBER-DATE

06116 SEP 11 2

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 120015-EI

Served: August 31, 2012

**SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION'S
RESPONSE TO STAFF'S FIRST DATA REQUEST (NO. 1)**

South Florida Hospital and Healthcare Association ("SFHHA"), pursuant to Rule 1.340 of the Florida Rules of Civil Procedure and Rule 28-106.206 of the Florida Administrative Code submits the following response to Florida Public Service Commission Staff's ("Staff") First Data Request (No. 1).

1. Attached hereto is SFHHA's answer to Staff's First Data Request (No. 1).
2. Any responsive documents will be made available via electronic mail or U.S.

Mail unless otherwise indicated.

WAS:186440.1

DOCUMENT NUMBER-DATE
06116 SEP 11 2012
FPSC-COMMISSION CLERK

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Attorneys for the South Florida Hospital and Healthcare Association

August 31, 2012

CERTIFICATE OF SERVICE
DOCKET NO. 120015-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail and U.S. mail to the following parties on this 31st day of August, 2012:

Florida Power & Light Company Ken Hoffman R. Wade Litchfield 215 South Monroe Street, Suite 810 Tallahassee, FL 32301-1858 Phone: (850) 521-3900 Fax: (850) 521-3939 Email: ken.hoffman@fpl.com	Florida Retail Federation Robert Sheffel Wright John T. LaVia, III Gardner, Bist, Wiener, Wadsworth, Bowden, Bush, Dee, LaVia & Wright, P.A. 1300 Thomaswood Drive Tallahassee, FL 32308 Phone: (850) 385-0070 Fax: (850) 385-5416 Email: schef@gbwlegal.com
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/s/ Kenneth L. Wiseman
 Kenneth L. Wiseman

Q. During Docket 080677-EI, SFHHA sponsored witness Kollen who criticized the GBRA mechanism because "it provides the Company an almost unfettered ability to automatically impose base rate increases to recover selective increases in certain costs without consideration of increases in revenues and reduction in all other costs." (See page 15-16 of Order PSC-10-0153-FOF-EI). Does the SFHHA still support witness Kollen's statement? If so, please explain why the SFHHA now believes that a GBRA mechanism is in the best interest of FPL's ratepayers. If not, please explain the rationale for the change in SFHHA's position.

A. A Generation Base Rate Adjustment ("GBRA") mechanism was first adopted, to SFHHA's knowledge, by the Settlement Agreement, dated August 22, 2005, that resolved Docket Nos. 050045-EI and 050188-EI. That Settlement Agreement, and the adoption of a GBRA mechanism, was supported by, among others, the Attorney General of the State of Florida and the Office of Public Counsel. The Commission approved that settlement, including adoption of the GBRA mechanism as part of the settlement, in an order issued September 14, 2005. See PSC Order No. PSC-05-0902-S-EI.

SFHHA, through its witness Mr. Kollen, opposed FPL's request for a GBRA mechanism as a stand-alone issue in the context of the litigated case in Docket No. 080677-EI .

SFHHA believes the proposed settlement in the current docket provides benefits to all FPL ratepayers and to the South Florida economy. Benefits will include reduced rates (relative to FPL's requested rate increase) and rate stability for a four-year period. The GBRA mechanism is an integral part of the proposed settlement and contributes to the benefits of the proposed settlement by allowing the parties to avoid the costs of litigation of potential future requests by FPL to increase base rates as it brings the Riviera and Port Everglades projects to commercial operation. The Commission has approved the Riviera and Port Everglades projects in needs determinations. As a result, acceptance of the GBRA mechanism with respect to the Riviera and Port Everglades projects in the context of the proposed settlement does not provide FPL unfettered ability to automatically impose base rate increases as was the case in Docket 080677-EI. Agreement to a GBRA mechanism reflects part of the inevitable give and take inherent to a settlement of the issues. SFHHA strongly supports the proposed settlement and the GBRA mechanism as an integral part of the proposed settlement, particularly as the GBRA mechanism assists in providing the benefits discussed above.

Prepared by Counsel