

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Florida Power & Light Company's  
Petition for Approval of Arrangement to  
Mitigate Impact of Unfavorable Cedar Bay  
Power Purchase Obligation

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DOCKET NO.: 150075-EI

FILED: July 31, 2015

**FLORIDA INDUSTRIAL POWER USERS GROUP'S  
OBJECTIONS TO JOINT MOTION FOR APPROVAL OF  
SETTLEMENT AGREEMENT**

The Florida Industrial Power Users Group (FIPUG), by and through its undersigned counsel, hereby objects to the Joint Motion for Approval of Settlement Agreement filed by Florida Power & Light Company (FPL) and the Office of Public Counsel (OPC) on July 24, 2015, and states as follows:

1. The proposed settlement adopts the same proposed purchase price for FPL's acquisition of CBAS Power, Inc. (Cedar Bay) from CBAS Power Holdings, LLC (The Carlyle Group/Cogentrix) as initially proposed by FPL in its original petition in this matter, to wit, \$520.5 million.

2. The evidence of record of this proceeding reflects that FPL's proposed purchase price of \$520.5 million is greatly inflated. The proposed \$520.5 million purchase price and other significant costs associated with FPL's proposed transaction, including the payment of a rate of return to FPL on the purchase price and the payment of more than \$300 million in taxes, will be borne by Florida ratepayers, including FIPUG's members. FIPUG contends that the currently proposed purchase price of \$520.5 million is unreasonably inflated and, if approved, would result in significant and unnecessary expense to ratepayers.

3. Documents obtained from The Carlyle Group/Cogentrix, entered into evidence at the July 28, 2015 hearing in this matter, contain information relating to the fair value of Cedar

Bay, as determined on behalf of The Carlyle Group/Cogentrix in 2012 and 2013. FIPUG Exhibits 66 and 67, entered into evidence at the July 28, 2015 hearing, include a 2013 valuation report for the Cedar Bay asset prepared by the same firm that prepared a 2015 valuation of Cedar Bay for FPL, and additional documentation pertaining to The Carlyle Group's prior acquisition of Cedar Bay. Additionally, OPC's expert witness testified at hearing that in no event should FPL pay more than \$370 million for Cedar Bay. The evidence makes clear that FPL is overpaying, by hundreds of millions of dollars, for Cedar Bay.

4. The Carlyle Group has requested the Commission to shield from public view FIPUG's Exhibits 66 and 67. FIPUG contends that The Carlyle Group has failed to meet the statutory criteria for exemption of the information from Florida's public records law. FIPUG is awaiting a ruling from the Commission on this issue.

5. At the July 28, 2015 hearing, the presiding officer informed the parties that the parties' briefs in this matter, including argument pertaining to the merits of the proposed settlement agreement, are due on August 13, 2015, and the proposed settlement agreement will be considered by the Commission at its August 27, 2015 Special Agenda conference.

6. FIPUG submits these general objections to the Joint Motion for Approval of Settlement Agreement and will, pursuant to the presiding officer's direction, submit more detailed objections and arguments in its August 13, 2015 brief on the matter.

Respectfully submitted,

*/s/ Jon C. Moyle*

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Jon C. Moyle, Jr.

Karen A. Putnal

Moyle Law Firm, P.A.

118 North Gadsden Street

Tallahassee, Florida 32301

Telephone: (850)681-3828

Facsimile: (850)681-8788

[jmoyle@moylelaw.com](mailto:jmoyle@moylelaw.com)

[kputnal@moylelaw.com](mailto:kputnal@moylelaw.com)

Attorneys for Florida Industrial Power Users Group

**CERTIFICATE OF SERVICE**

I **HEREBY CERTIFY** that a true and correct copy of the foregoing Florida Industrial Power Users Group's Objections to Joint Motion for Approval of Settlement Agreement was served by electronic mail this 31<sup>st</sup> day of July 2015, to the following:

Martha F. Barrera  
John Villafrate  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399  
[mbarrera@psc.state.fl.us](mailto:mbarrera@psc.state.fl.us)  
[JVillafr@psc.state.fl.us](mailto:JVillafr@psc.state.fl.us)

R. Wade Litchfield  
John T. Butler  
Maria J. Moncada  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, FL 33408  
[wade.litchfield@fpl.com](mailto:wade.litchfield@fpl.com)  
[john.butler@fpl.com](mailto:john.butler@fpl.com)  
[maria.moncada@fpl.com](mailto:maria.moncada@fpl.com)

Schef Wright  
1300 Thomaswood Drive  
Tallahassee, FL 32308  
[Schef@gbwlegal.com](mailto:Schef@gbwlegal.com)

Ken Hoffman  
Florida Power & Light Company  
215 South Monroe Street, Suite 810  
Tallahassee, Florida 32399-1400  
[Ken.hoffman@fpl.com](mailto:Ken.hoffman@fpl.com)

J.R. Kelly, Esq.  
Charles J. Rehwinkel  
John Truitt  
Office of Public Counsel  
111 West Madison Street, Room 812  
Tallahassee, FL 32301  
[kelly.jr@leg.state.fl.us](mailto:kelly.jr@leg.state.fl.us)  
[rehwinkel.charles@leg.state.fl.us](mailto:rehwinkel.charles@leg.state.fl.us)  
[truitt.john@leg.state.fl.us](mailto:truitt.john@leg.state.fl.us)

*/s/ Jon C. Moyle*  
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Jon C. Moyle