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Public Service Commission

August 5, 2015

John T. Butler
Assistant General Counsel – Regulatory
700 Universe Boulevard
Juno Beach, Florida 33408
john.butler@fpl.com

STAFF'S SECOND DATA REQUEST

Re: Docket No. 150075-EI - Petition for approval of arrangement to mitigate impact of unfavorable Cedar Bay power purchase obligation, by Florida Power & Light Company.

Dear Mr. Butler:

By this letter, the Commission staff requests that Florida Power & Light Company (FPL) provide responses to the following data requests.

For the purposes of the following requests, please refer to Section 3(b) of the Settlement Agreement filed in Docket 150075-EI (2015 Settlement), and the Settlement Agreement filed in Docket No. 120015-EI (2012 Settlement), which was approved by Order PSC-13-0023-S-EI.

1. Staff understands the \$400 million Reserve Surplus as specified in the 2012 Settlement to consist of both a depreciation and a dismantlement component. The 2012 Settlement, beginning on page 10, states that the depreciation component at the end of 2012 was estimated to be approximately \$191 million, and by inference, \$209 million of dismantlement reserve.
 - a. What was the final amount of depreciation-only reserve available for amortization if different than \$191 million?
 - b. Has the amount identified in response (a.) been fully amortized?
 - c. If the response to (b) is negative, please specify the remaining balance.
 - d. At the time of 2012 Settlement approval, what was the total amount of dismantlement reserve available for amortization net of the amount specified in (a)?

- e. What is the remaining balance (not withstanding section 3(b) of the 2015 Settlement Agreement), i.e., total dismantlement reserve currently available for amortization of the amount identified in (d)?
2. Has the Company recorded, then later reversed any reserve amounts available to it from the 2012 Settlement Agreement? If so, please detail the amount(s) and fiscal year(s) which the entries were initially recorded, and which fiscal year the associated entry(s) were reversed.
3. Does Section 3(b) of the 2015 Settlement Agreement imply that the (new) maximum reserve amount available for amortization during the term of the 2012 Settlement is now \$370 (not withstanding bottom-of-the-range ROE provision in 3(b))?
4. Please refer to Section 3(b) of the 2015 Settlement Agreement. This question pertains to the \$400 million reserve amount as defined and permitted under the 2012 Settlement Agreement. For purposes of this question, please assume the proposed settlement is approved and FPL's amortization of its Reserve Amount is limited to \$370 million through the term of the 2012 Settlement Agreement, thereby ensuring there will be a remaining Reserve Amount of at least \$30 million on FPL's books after the term of the settlement. Assuming there is a recalculation of depreciation and/or dismantlement expenses at the time of the next rate case, what is the likely general impact of the remaining Reserve Amount, \$30 million, on base rates on January 1st of the rate case test year?

Please file all responses electronically no later than August 10, 2015 from the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6220 if you have any questions.

Sincerely,

/s/ John Villafrate

John Villafrate
Senior Attorney

JEV/as

cc: Office of Commission Clerk
Office of Public Counsel (Kelly, Rehwinkel, Truitt)
Florida Industrial Power Users Group (Moyle, Kaufman, Putnal)