

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Re: Florida Power & Light Company's)
 Petition for Base Rate Reduction Reflecting)
End of Amortization Period for Retired Plant)

Docket No. _____

Filed: September 18, 2015

**FLORIDA POWER & LIGHT COMPANY'S
 PETITION FOR BASE RATE REDUCTION REFLECTING
END OF AMORTIZATION PERIOD FOR RETIRED PLANT**

Florida Power & Light Company ("FPL"), pursuant to Section 366.93(4), Florida Statutes, Rule 25-6.0423(8), Florida Administrative Code, and Rule 28-106.201, Florida Administrative Code, hereby petitions the Florida Public Service Commission (the "Commission") to reduce its base rates to reflect the end of the five-year amortization period that began in 2011 for plant retired as part of the Extended Power Uprate ("EPU") project. FPL's requested reduction in its jurisdictional annual revenue requirements is \$222,192. FPL requests that this adjustment be reflected in its base rates effective March 1, 2016. In support of this petition, FPL states as follows:

1. FPL is a company with headquarters at 700 Universe Boulevard, Juno Beach, Florida, 33408. FPL is an investor-owned utility operating under the jurisdiction of this Commission pursuant to the provisions of Chapter 366, Florida Statutes. FPL is a wholly-owned subsidiary of NextEra Energy, Inc., a registered holding company under the federal Public Utility Holding Company Act and related regulations. FPL provides electric generation, transmission, and distribution service to approximately 4.7 million retail customers in the state of Florida.

2. Any pleading, motion, notice, order or other document required to be served upon FPL or filed by any party to this proceeding should be served upon the following individuals:

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3. This Petition is being filed consistent with Rule 28-106.201, Florida Administrative Code. The agency affected is the Florida Public Service Commission, located at 2540 Shumard Oak Blvd, Tallahassee, FL 32399. This case does not involve reversal or modification of an agency decision or an agency's proposed action. Therefore, paragraph (c) and portions of paragraphs (e), (f) and (g) of subsection (2) of such rule are not applicable to this Petition. In compliance with paragraph (d), FPL states that it is not known which, if any, of the issues of material fact set forth in the body of this Petition or supporting exhibits may be disputed by others planning to participate in this proceeding.

4. In January 2008, the Commission made an affirmative determination of need for FPL's EPU project. *Re Petition for Determination of Need for Expansion of Turkey Point and St. Lucie Nuclear Power Plants*, Docket No. 070602-EI, Order No. PSC-08-0021-FOF-EI (issued January 7, 2008). The EPU project was successfully completed in 2013.

5. The EPU project qualified for cost recovery pursuant to the Nuclear Cost Recovery ("NCR") process set forth in Section 366.93, Florida Statutes, and Rule 25-6.0423, Florida Administrative Code (the "NCR Rule"). Section 366.93(4), Florida Statutes, establishes that when a nuclear power plant is placed in commercial service, a utility is allowed to increase

its base rate charges by the projected annual revenue requirements of the plant for the first 12 months of operation. It also states that “[i]f any existing generating plant is retired . . . the commission shall allow for the recovery, through an increase in base rate charges, of the net book value of the retired plant over a period not to exceed 5 years.” § 366.93(4), Fla. Stat. Accordingly, each year during 2010 through 2014, as EPU plant was placed in commercial service and existing plant was retired, FPL obtained a base rate adjustment. *See* Docket No. 090529-EI, Order No. PSC-10-0207-PAA-EI (issued April 5, 2010); Docket No. 100419-EI, Order No. PSC-11-0078-PAA-EI (issued Jan. 31, 2011); Docket No. 110270-EI, Order No. PSC-11-0575-PAA-EI (issued Dec. 14, 2011); Docket No. 120244-EI, Order No. PSC-12-0647-PAA-EI (issued Dec. 11, 2012); Docket No. 130245-EI, Order No. PSC-14-0024-PAA-EI (issued Jan. 10, 2014).

6. The NCR Rule specifies that “at the end of the recovery period, base rates shall be reduced by an amount equal to the increase associated with the recovery of the retired generating plant.” Rule 25-6.0423(8)(e), Fla. Admin. Code. By this petition, FPL seeks to reflect the end of the five-year amortization period for the recovery of the net book value of retirements, removal costs, and salvage that began March 1, 2011, as approved by Order No. PSC-11-0078-PAA-EI. That order approved the amortization of the final true-up amount of the net book value of plant retired in 2009, which began in March 2011, and the amortization of the actual/estimated net book value of plant retired in 2010, which also began in March 2011. Together, these components total a \$222,192 reduction in annual revenue requirements beginning in 2016. A summary description of the two components of FPL’s request can be found in Attachment A. FPL should be allowed to reflect the revenue requirement reduction presented in Attachment A in base rates beginning March 1, 2016, consistent with Rule 25-6.0423(8)(e), Fla. Admin. Code.

7. FPL's new base rates will not require any revisions to FPL's tariff sheets. The total retail revenue requirements were allocated among the various rate classes based on the allocations of nuclear revenue requirements in the Cost of Service study approved by the Commission in Docket No. 120015-EI, Order No. PSC-13-0023-SS-EI (issued Jan. 14, 2013). The allocation results in no changes to rates, as shown in Attachment B.

WHEREFORE, consistent with Section 366.93(4), Florida Statutes, and Rule 25-6.0423(8), Florida Administrative Code, Florida Power & Light Company respectfully requests that the Commission enter an order approving the revenue requirement reduction associated with the end of the amortization period that began in 2011 for the net book value of retirements, removal costs, and salvage approved by Order No. PSC-11-0078-PAA-EI, effective March 1, 2016.

Respectfully submitted this 18th day of September, 2015.

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Attachment A

**Florida Power & Light Company
12 Month Base Rate Revenue Requirement
For EPU Base Rate Decrease
Effective March 1, 2016**

	Approved Revenue Requirement (Jurisdictional, Net of Participants)
2010 Annual Amortization of Net Book Value of Retirements, Removal and Salvage (a)	(\$198,307)
True-up of 2009 Annual Amortization of Net Book Value of Retirements, Removal and Salvage (b)	(\$23,885)
Total Revenue Requirement	<u>(\$222,192)</u>

Note:

- (a) Please see Order No. PSC-11-0078-PAA-EI, page 4, approving the 5 year amortization beginning in 2011. Supporting detail may be found in FPL's Petition filed in Docket No. 100419-EI, Attachment A, page 1 of 25, line 49.
- (b) Please see Order No. PSC-11-0078-PAA-EI, page 4, approving the 2009 true-up of \$48,335. A portion of this true-up was the true-up of the annual amortization for the net book value of retirements, removal and salvage in the amount of \$23,885. Supporting detail may be found in FPL's Petition filed in Docket No. 100419-EI, Attachment A, page 22 of 25, line 36.

Attachment B

Florida Power & Light Company
Summary of EPU Allocations

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line	Rate Class	2016 Billed Sales Forecast (kWh)	Total Nuclear Cost Allocation	Nuclear Cost Allocation %	Allocated EPU Costs (\$)	EPU Recovery Factor (\$/kWh)	Recovery Factor (¢/kWh)
1	CILC-1D	2,636,346,836	\$ 25,647,247	2.21%	\$ (4,904)	-	-
2	CILC-1G	137,865,984	\$ 1,641,180	0.14%	\$ (314)	-	-
3	CILC-1T	1,352,648,209	\$ 11,416,742	0.98%	\$ (2,183)	-	-
4	GS(T)-1	5,968,723,003	\$ 66,608,138	5.73%	\$ (12,736)	-	-
5	GSCU-1	81,850,614	\$ 332,991	0.03%	\$ (64)	-	-
6	GSD(T)-1	25,780,251,707	\$ 261,963,219	22.54%	\$ (50,091)	-	-
7	GSLD(T)-1	10,617,262,134	\$ 116,268,583	10.01%	\$ (22,232)	-	-
8	GSLD(T)-2	2,553,194,139	\$ 22,751,730	1.96%	\$ (4,350)	-	-
9	GSLD(T)-3	163,603,794	\$ 1,789,061	0.15%	\$ (342)	-	-
10	MET	90,613,286	\$ 1,013,465	0.09%	\$ (194)	-	-
11	OL-1	98,712,480	\$ 451,475	0.04%	\$ (86)	-	-
12	OS-2	10,815,996	\$ 114,523	0.01%	\$ (22)	-	-
13	RS(T)-1	59,217,744,919	\$ 648,321,576	55.79%	\$ (123,969)	-	-
14	SL-1	538,895,079	\$ 2,386,537	0.21%	\$ (456)	-	-
15	SL-2	32,523,462	\$ 293,615	0.03%	\$ (56)	-	-
16	SST-DST	14,030,773	\$ 58,399	0.01%	\$ (11)	-	-
17	SST-TST	84,383,192	\$ 940,300	0.08%	\$ (180)	-	-
18	Total Retail	109,379,465,607	1,161,998,781	100.00%	\$ (222,192)		
19			EPU Revenue Requirements		\$ (222,192)		

- Notes:
- (2) Projected kWh sales for the period January 2016 through December 2016
 - (3) Nuclear Cost allocation per MFR E-6b approved in Docket No. 120015-EI
 - (4) Col(3) / Total for Col(3)
 - (5) Total for Col(5) * Col(4)
 - (6) Col(5) / Col(2)
 - (7) Col(6) * 100

Totals may not add due to rounding.