

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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| In re: Petition for rate increase by Florida Power & Light Company. | DOCKET NO. 160021-EI |
| In re: Petition for approval of 2016-2018 storm hardening plan, by Florida Power & Light Company. | DOCKET NO. 160061-EI |
| In re: 2016 depreciation and dismantlement study by Florida Power & Light Company. | DOCKET NO. 160062-EI |
| In re: Petition for limited proceeding to modify and continue incentive mechanism, by Florida Power & Light Company. | DOCKET NO. 160088-EI |
| DATED: August 5, 2016 | |

LARSON PREHEARING STATEMENT

Pursuant to Order No. PSC-16-0125-PCO-EI, issued on March 25, 2016, as modified by Order Nos. PSC-16-0182-PCO-EI, PSC-16-0182-PCO-EI, and PSC-16-0300-PCO-EI issued on May 4, May 27, and July 27, 2016, respectively, Mr. Daniel R. Larson and Mrs. Alexandria Larson (“Larson”), by and through undersigned counsel, hereby files their Prehearing Statement and states as follows:

1. All Known Witnesses

None.

2. All Known Exhibits

None at this time. The Larsons’ reserve the right to introduce exhibits during the evidentiary hearing.

3. Larson Statement of Basic Position

The Larsons’ positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. The Larsons’ final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

4. Larson Position on the Issues

LEGAL ISSUES

ISSUE 1: Does the Commission possess the authority to grant FPL's proposal to continue utilizing the storm cost recovery mechanism that was part of the settlement agreements approved in Order Nos. PSC-11-0089-S-EI and PSC-13-0023-S-EI?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 2: Does the Commission have the authority to approve FPL's requested limited scope adjustment for the new Okeechobee Energy Center in June of 2019?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 3: Does the Commission possess the authority to adjust FPL's authorized return on equity based on FPL's performance?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 4: Does the Commission have the authority to include non-electric transactions in an incentive mechanism?

POSITION: No.

ISSUE 5: Does the Commission have the authority to approve proposed depreciation rates to be effective January 1, 2017, based upon a depreciation study that uses year-end 2017 plant balances?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 6: Are Commercial Industrial Load Control (CILC) and Commercial/Industrial Demand Reduction (CDR) credits subject to adjustment in this proceeding?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

STORM HARDENING ISSUES

ISSUE 7: Does the Company's Storm Hardening Plan (Plan) comply with the National Electric Safety Code (ANSI C-2) (NESC) as required by Rule 25-6.0345, F.A.C.?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 8: Does the Company's Plan address the extreme wind loading standards specified in Figure 250-2(d) of the 2012 edition of the NESC for new distribution facility construction as required by Rule 25-6.0342(3)(b)1, F.A.C.?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 9: Does the Company's Plan address the extreme wind loading standards specified by Figure 250-2(d) of the 2012 edition of the NESC for major planned work on the distribution system, including expansion, rebuild, or relocation of existing facilities, assigned on or after the effective date of this rule distribution facility construction as required by Rule 25-6.0342(3)(b)2, F.A.C.?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 10: Does the Company's Plan address the extreme wind loading standards specified by Figure 250-2(d) of the 2012 edition of the NESC for distribution facilities serving critical infrastructure facilities and along major thoroughfares taking into account political and geographical boundaries and other applicable operational considerations as required by Rule 25-6.0342(3)(b)3, F.A.C.?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 11: Is the Company's Plan designed to mitigate damages to underground and supporting overhead transmission and distribution facilities due to flooding and storm surges as required by Rule 25-6.0342(3)(c), F.A.C.?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 12: Does the Company's Plan address the extent to which the placement of new and replacement distribution facilities facilitate safe and efficient access for installation and maintenance as required by Rule 25-6.0342(3)(d), F.A.C.?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 13: Does the Company's Plan provide a detailed description of its deployment strategy including a description of the facilities affected; including technical design specifications, construction standards, and construction methodologies employed as required by Rules 25-6.0341 and 25-6.0342(4)(a), F.A.C.?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 14: Does the Company's Plan provide a detailed description of its deployment strategy as it relates to the communities and areas within the utility's service area where the electric infrastructure improvements, including facilities identified by the utility as critical infrastructure and along major thoroughfares are to be made as required by Rules 25-6.0342(3)(b)3 and 25-6.0342(4)(b), F.A.C.?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 15: Does the Company's Plan provide a detailed description of its deployment strategy to the extent that the electric infrastructure improvements involve joint use facilities on which third-party attachments exist as required by Rule 25-6.0342(4)(c), F.A.C.?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 16: Does the Company's Plan provide a reasonable estimate of the costs and benefits to the utility of making the electric infrastructure improvements, including the effect on reducing storm restoration costs and customer outages as required by Rule 25-6.0342(4)(d), F.A.C.?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 17: Does the Company's plan provide an estimate of the costs and benefits to third-party attachers affected by the electric infrastructure improvements, including the effect on reducing storm restoration costs and customers outages realized by the third-party attachers as required by Rule 25-6.0342(4)(e), F.A.C.?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 18: Does the Company's Plan include a written Attachment Standards and Procedures addressing safety, reliability, pole loading capacity, and engineering standards and procedure for attachments by others to the utility's electric transmission and distribution poles that meet or exceed the edition of the National Electrical Safety Code (ANSI C-2) that is applicable as required by Rule 25-6.0342(5), F.A.C.?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

WOODEN POLE INSPECTION PROGRAM

ISSUE 19: Does the Company's eight-year wooden pole inspection program comply with Order No. PSC-06-0144-PAA-EI, issued on February 27, 2006, in Docket No. 060078-EI, and Order No. PSC-06-0778-PAA-EU, issued on September 18, 2006, in Docket No. 060531-EU?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

10 POINT STORM PREPAREDNESS INITIATIVES

ISSUE 20: Does the Company's 10-point initiatives plan comply with Order No. PSC-06-0351-PAA-EI, issued on April 25, 2006; Order No. PSC-06-0781-PAA-EI, issued on September 19, 2006; and Order No. PSC-07-0468-FOF-EI, issued on May 30, 2007, in Docket No. 060198-EI?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

APPROVAL OF STORM HARDENING PLAN

ISSUE 21: Should the Company's Storm Hardening Plan for the period 2016 through 2018 be approved?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

COSTS FOR STORM HARDENING AND 10 POINT INITIATIVES

ISSUE 22: What adjustments, if any, should be made to rate base associated with the storm hardening Rule 25-6.0342, F.A.C., and 10 point initiatives requirements?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 23: What adjustments, if any, should be made to operating expenses associated with the storm hardening Rule 25-6.0342, F.A.C., and 10 point initiatives requirements?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

TEST PERIOD AND FORECASTING

ISSUE 24: Is FPL's projected test period of the 12 months ending December 31, 2017, appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 25: Do the facts of this case support the use of a subsequent test year ending December 31, 2018 to adjust base rates?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 26: Has FPL proven any financial need for rate relief in any period subsequent to the projected test period ending December 31, 2017?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 27: Is FPL's projected subsequent test period of the 12 months ending December 31, 2018, appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 28: Are FPL's forecasts of Customers, KWH, and KW by Rate Schedule and Revenue Class, for the 2017 projected test year appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 29: Are FPL's forecasts of Customers, KWH, and KW by Rate Schedule and Revenue Class, for the 2018 projected test year appropriate, if applicable?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 30: Are FPL's forecasts of Customers, KWH, and KW by Rate Schedule and Revenue Class, for the period June 2019 to May 2020, appropriate, if applicable?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 31: Are FPL's projected revenues from sales of electricity by rate class at present rates for the 2016 prior year and projected 2017 test year appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 32: Are FPL's projected revenues from sales of electricity by rate class at present rates for the projected 2018 test year appropriate, if applicable?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 33: What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2017 test year budget?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 34: What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2018 test year budget, if applicable?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 35: Are FPL's estimated operating and tax expenses, for the projected 2017 test year, sufficiently accurate for purposes of establishing rates?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 36: Are FPL's estimated operating and tax expenses, for the projected 2018 subsequent year, sufficiently accurate for purposes of establishing rates, if applicable?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 37: Are FPL's estimated Net Plant in Service and other rate base elements, for the projected 2017 test year, sufficiently accurate for purposes of establishing rates?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 38: Are FPL's estimated Net Plant in Service and other rate base elements, for the projected 2018 subsequent year, sufficiently accurate for purpose of establishing rates, if applicable?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

QUALITY OF SERVICE

ISSUE 39: Is the quality of the electric service provided by FPL adequate taking into consideration: a) the efficiency, sufficiency and adequacy of FPL's facilities provided and the services rendered; b) the cost of providing such services; c) the value of such service to the public; d) the ability of the utility to improve such service and facilities; e) energy conservation and the efficient use of alternative energy resources; and f) any other factors the Commission deems relevant.

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

DEPRECIATION STUDY

ISSUE 40: What, if any, are the appropriate capital recovery schedules?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 41: What is the appropriate depreciation study date?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 42: If the appropriate depreciation study date is not December 31, 2017, what action should the Commission take?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 43: Should accounts 343 and 364 be separated into subaccounts and different depreciation rates be set for the subaccounts using separate parameters? If so, how should the accumulated depreciation reserves be allocated and what parameters should be applied to each subaccount?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 44: What are the appropriate depreciation parameters (e.g., service lives, remaining lives, net salvage percentages, and reserve percentages) and resulting depreciation rates for the accounts and subaccounts related to each production unit?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 45: What are the appropriate depreciation parameters (e.g., service lives, remaining lives, and net salvage percentages) and resulting depreciation rates for each transmission, distribution, and general plant account, and subaccounts, if any?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 46: Based on the application of the depreciation parameters and resulting depreciation rates that the Commission deems appropriate, and a comparison of the theoretical reserves to the book reserves, what are the resulting imbalances?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 47: If the Commission accepts FPL's depreciation study for purposes of establishing its proposed depreciation rates and related expense, what adjustments, if any, are necessary?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 48: What, if any, corrective reserve measures should be taken with respect to the imbalances identified in Issue 46?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 49: What should be the implementation date for revised depreciation rates, capital recovery schedules, and amortization schedules?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 50: Should FPL's currently approved annual dismantlement accrual be revised?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 51: What, if any, corrective dismantlement reserve measures should be approved?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 52: What is the appropriate annual accrual and reserve for dismantlement:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

RATE BASE

ISSUE 53: Should the revenue requirement associated with West County Energy Center Unit 3 currently collected through the Capacity Cost Recovery Clause be included in base rates?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 54: Has FPL appropriately accounted for the impact of the Cedar Bay settlement agreement:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 55: Has FPL made the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation and Working Capital

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 56: What is the appropriate amount of Plant in Service for FPL's Large Scale Solar Projects?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 57: Is FPL's replacement of its peaking units reasonable and prudent?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 58: If adjustments are made to FPL's proposed depreciation and dismantling expenses, what is the impact on rate base

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 59: What is the appropriate level of Plant in Service (Fallout Issue)

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 60: What is the appropriate level of Accumulated Depreciation (Fallout Issue)

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 61: Are FPL's proposed adjustments to move certain CWIP projects from base rates to the Environmental Cost Recovery Clause appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 62: Are FPL's proposed adjustments to move certain CWIP projects from base rates to the Energy Conservation Cost Recovery Clause appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 63: Is the company's proposed adjustment to remove Fukushima-related costs from the rate base and recover all Fukushima-related capital costs in the Capacity Cost Recovery Clause appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 64: What is the appropriate level of Construction Work in Progress to be included in rate base

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 65: Are FPL's proposed reserves for Nuclear End of Life Material and Supplies and Last Core Nuclear Fuel appropriate:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 66: What is the appropriate level of Nuclear Fuel (NFIP, Nuclear Fuel Assemblies in Reactor, Spent Nuclear Fuel less Accumulated Provision for Amortization of Nuclear Fuel Assemblies, End of Life Materials and Supplies, Nuclear Fuel Last Core)

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 67: What is the appropriate level of Property Held for Future Use:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 68: What is the appropriate level of fossil fuel inventories:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 69: Should the unamortized balance of Rate Case Expense be included in Working Capital and, if so, what is the appropriate amount to include:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 70: What is the appropriate amount of injuries and damages (I&D) reserve to include in rate base?

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 71: What is the appropriate amount of deferred pension debit in working capital for FPL to include in rate base

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 72: Should the unbilled revenues be included in working capital

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 73: What is the appropriate methodology for calculating FPL's Working Capital:

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 74: If FPL's balance sheet approach methodology for calculating its Working Capital is adopted, what adjustments, if any, should be made to FPL's proposed Working Capital:

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 75: Should FPL's requested change in methodology for recovering nuclear maintenance outage costs from accrue-in-advance to defer-and-amortize be approved? If so, are any adjustments necessary:

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 76: What is the appropriate level of Working Capital (Fallout Issue)

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 77: What is the appropriate level of rate base:

- A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

COST OF CAPITAL

ISSUE 78: What is the appropriate amount of accumulated deferred taxes to include in the capital structure and should a proration adjustment to deferred taxes be included in capital structure:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 79: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 80: What is the appropriate amount and cost rate for short-term debt to include in the capital structure:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 81: What is the appropriate amount and cost rate for long-term debt to include in the capital structure:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 82: What is the appropriate amount and cost rate for customer deposits to include in the capital structure:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 83: What is the appropriate equity ratio to use in the capital structure for ratemaking purposes:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 84: Should FPL's request for a 50 basis point performance adder to the authorized return on equity be approved?

POSITION: No.

ISSUE 85: What is the appropriate authorized return on equity (ROE) to use in establishing FPL's revenue requirement:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 86: What is the appropriate weighted average cost of capital to use in establishing FPL's revenue requirement?

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

NET OPERATING INCOME

ISSUE 87: What are the appropriate projected amounts of other operating revenues:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 88: What is the appropriate level of Total Operating Revenues:

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 89: Has FPL made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause:

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 90: Has FPL made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause:

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 91: Has FPL made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause:

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 92: Has FPL made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause:

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 93: Has FPL made the appropriate adjustments to remove all non-utility activities from operating revenues and operating expenses:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 94: What is the appropriate percentage value (or other assignment value or methodology basis) to allocate FPL shared corporate services costs and/or expenses to its affiliates:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 95: What is the appropriate amount of FPL shared corporate services costs and/or expenses (including executive compensation and benefits) to be allocated to affiliates:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 96: Should any adjustments be made to FPL's operating revenues or operating expenses for the effects of transactions with affiliated companies:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: Yes.

ISSUE 97: What is the appropriate amount of FPL's vegetation management expense:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 98: What is the appropriate level of generation overhaul expense:

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 99: What is the appropriate amount of FPL's production plant O&M expense

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 100: What is the appropriate amount of FPL's transmission O&M expense:

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 101: What is the appropriate amount of FPL's distribution O&M expense:

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 102: Should the Commission approve FPL's proposal to continue the interim storm cost recovery mechanism that was part of the settlement agreements approved in Order Nos. PSC-11-0089-S-EI and PSC-13-0023-S-EI?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 103: What is the appropriate annual storm damage accrual and storm damage reserve:

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 104: What is the appropriate amount of Other Post Employment Benefits expense:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 105: What is the appropriate amount of FPL's requested level of Salaries and Employee Benefits

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 106: What is the appropriate amount of Pension Expense:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 106A: Should an adjustment be made to the amount of the Directors and Officers Liability Insurance expense that FPL included in the 2017 and, if applicable, 2018 projected test year(s)?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 107: What is the appropriate amount and amortization period for Rate Case Expense:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 108: What is the appropriate amount of uncollectible expense and bad debt rate

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 109: Has FPL included the appropriate amount of costs and savings associated with the AMI smart meters:

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: No.

ISSUE 110: If the proposed change in accounting to defer and amortize the nuclear maintenance reserve is approved, is the company's proposed adjustment to nuclear maintenance expense appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 111: What are the appropriate expense accruals for: (1) end of life materials and supplies and 2) last core nuclear fuel:

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 112: What are the appropriate projected amounts of injuries and damages (I&D) expense accruals:

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 113: What is the appropriate level of O&M Expense (Fallout Issue)

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 114: What is the appropriate amount of depreciation, amortization, and fossil dismantlement expense (Fallout Issue)

- A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 115: What is the appropriate level of Taxes Other Than Income (Fallout Issue)

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 116: What is the appropriate level of Income Taxes

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 117: What is the appropriate level of (Gain)/Loss on Disposal of utility property:

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 118: What is the appropriate level of Total Operating Expenses? (Fallout Issue)

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 119: Is the company's proposed net operating income adjustment to remove Fukushima-related O&M expenses from base rates and recover all Fukushima-related expenses in the capacity cost recovery clause appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 120: What is the appropriate level of Net Operating Income (Fallout Issue)

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

REVENUE REQUIREMENTS

ISSUE 121: Is the Section 199 Manufacturer's deduction properly reflected in the revenue expansion factor?

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 122: What are the appropriate revenue expansion factor and the appropriate net operating income multiplier, including the appropriate elements and rates for FPL

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 123: What is the appropriate annual operating revenue increase or decrease (Fallout Issue)

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

OKEECHOBEE LIMITED SCOPE ADJUSTMENT

ISSUE 124: Should the Commission approve or deny a limited scope adjustment for the new Okeechobee Energy Center? And if approved, what conditions/adjustments, if any should be included?

POSITION: The Commission should deny the limited scope adjustment..

ISSUE 125: Has FPL proven any financial need for single-issue rate relief in 2019, based upon only the additional costs associated with the Okeechobee generating unit, and with no offset for anticipated load and revenue growth forecasted to occur in 2019?

POSITION: No.

ISSUE 126: What are the appropriate depreciation rates for the Okeechobee Energy Center?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 127: What is the appropriate treatment for deferred income taxes associated with the Okeechobee Energy Center?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 128: Is FPL's requested rate base of \$1,063,315,000 for the new Okeechobee Energy Center appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 129: What is the appropriate weighted average cost of capital, including the proper components, amounts and cost rates associated with the capital structure, to calculate the limited scope adjustment for the new Okeechobee Energy Center?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 130: Is FPL's requested net operating loss of \$33.868 million for the new Okeechobee Energy Center appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 131: What is the appropriate Net Operating Income Multiplier for the new Okeechobee Energy Center? (Fallout)

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 132: Is FPL's requested limited scope adjustment of \$209 million for the new Okeechobee Energy Center appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 133: What is the appropriate effective date for implementing FPL's limited scope adjustment for the new Okeechobee Energy Center?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ASSET OPTIMIZATION INCENTIVE MECHANISM

ISSUE 134: Should the asset optimization incentive mechanism as proposed by FPL be approved?

POSITION: No.

COST OF SERVICE AND RATE DESIGN ISSUES

ISSUE 135: Is FPL's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 136: What is the appropriate methodology to allocate production costs to the rate classes?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 137: What is the appropriate methodology to allocate transmission costs to the rate classes?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 138: What is the appropriate methodology to allocate distribution costs to the rate classes?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 139: Is FPL's proposal to recover a portion of fixed distribution costs through the customer charge instead of energy charge appropriate for residential and general service non-demand rate classes?

POSITION: No.

ISSUE 140: How should the change in revenue requirement be allocated to the customer classes?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 141: What are the appropriate service charges (initial connection, reconnect for nonpayment, connection of existing account, field collection)

A. Effective January 1, 2017?

B. Effective January 1, 2018?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 142: Is FPL's proposed new meter tampering penalty charge, effective on January 1, 2017, appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 143: What are the appropriate temporary construction service charges:

A. Effective January 1, 2017?

B. Effective January 1, 2018?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 144: What is the appropriate monthly kilowatt credit for customers who own their own transformers pursuant to the Transformation Rider

A. Effective January 1, 2017?

B. Effective January 1, 2018?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 145: What is the appropriate monthly credit for Commercial/Industrial Demand Reduction (CDR) Rider customers effective January 1, 2017?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 146: What are the appropriate customer charges

A. Effective January 1, 2017?

B. Effective January 1, 2018?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 147: What are the appropriate demand charges

A. Effective January 1, 2017?

B. Effective January 1, 2018?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 148: What are the appropriate energy charges

A. Effective January 1, 2017?

B. Effective January 1, 2018?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 149: What are the appropriate charges for the Standby and Supplemental Services (SST-1, ISST-1) rate schedules

A. Effective January 1, 2017?

B. Effective January 1, 2018?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 150: What are the appropriate charges for the Commercial Industrial Load Control (CILC) rate schedule

A. Effective January 1, 2017?

B. Effective January 1, 2018?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 151: What are the appropriate lighting rate charges

A. Effective January 1, 2017?

B. Effective January 1, 2018?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 152: Is FPL's proposal to close the customer-owned street lighting service option of the Street Lighting (SL-1) rate schedule to new customers appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 153: Is FPL's proposal to close the current Traffic Signal (SL-2) rate schedule to new customers appropriate?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 154: Is FPL's proposed new metered Street Lighting (SL-1M) rate schedule appropriate and what are the appropriate charges

A. Effective January 1, 2017?

B. Effective January 1, 2018?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 155: Is FPL's proposed new metered Traffic Signal (SL-2M) rate schedule appropriate and what are the appropriate charges

A. Effective January 1, 2017?

B. Effective January 1, 2018?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 156: Is FPL's proposed allocation and rate design for the new Okeechobee Energy Center limited scope adjustment, currently scheduled for June 1, 2019, reasonable?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 157: Should FPL's proposal to file updated base rates in the 2018 Capacity Clause proceeding to recover the Okeechobee Energy Center limited scope adjustment be approved?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 158: Should the Commission approve the following modifications to tariff terms and conditions that have been proposed by FPL:

- a. Close relamping option for customer-owned lights for Street Lighting (SL-1) and Outdoor Lighting (OL-1) customers;
- b. Add a willful damage clause, require an active house account and clarify where outdoor lights can be installed for the Outdoor Lighting (OL-1) tariff;
- c. Clarify the tariff application to pre-1992 parking lot customers and eliminate the word "patrol" from the services provided on the Street Lighting (SL-1) tariff;
- d. Remove the minimum 2,000 Kw demand from transmission-level tariffs;
- e. Standardize the language in the Service section of the distribution level tariffs to include three phase service and clarify that standard service is distribution level; and
- f. Add language to provide that surety bonds must remain in effect to ensure payments for electric service in the event of bankruptcy or other insolvency.

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 159: Should the Commission require FPL to develop a tariff for a distribution substation level of service for qualifying customers?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 160: Should the Commission give staff administrative authority to approve tariffs reflecting Commission approved rates and charges effective January 1, 2017, January 1, 2018, and tariffs reflecting the commercial operation of the new Okeechobee Energy Center (June 1, 2019)?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 161: What are the effective dates of FPL's proposed rates and charges?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

OTHER ISSUES

ISSUE 162: Should the Commission approve FPL's proposal to transfer the Martin-Riviera pipeline lateral to Florida Southeast Connection (FSC)?

POSITION: No.

ISSUE 163: What requirements, if any, should the Commission impose on FPL if it approves FPL's proposed transfer of the Martin-Riviera pipeline lateral to Florida Southeast Connection?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 164: Did FPL's Third Notice of Identified Adjustments remove the appropriate amount associated with the Woodford project and other gas reserve costs?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 165: Should FPL be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

ISSUE 166: Should this docket be closed?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

CONTESTED ISSUES

OPC ISSUE: Does the Commission have the authority to approve rate base adjustments based upon a test year subsequent to the period ending December 31, 2017?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

FIPUG ISSUE: Has FPL appropriately managed the cooling canal system at its Turkey Point Power Plant?

POSITION: No.

SFHHA ISSUE: Should a mechanism be established to capture for the benefit of ratepayers savings, if any that result from any mergers, acquisitions or reorganizations by NextEra Energy?

POSITION: Yes.

SFHHA ISSUE: What requirements, if any, should the Commission impose on FPL as a result of its affiliation with Sabal Trail Transmission, LLC (Sabal Trail)?

POSITION: The Larsons' take no position pending evidence adduced at the hearing.

5. Stipulated Issues

There are no stipulated issues at this time.

6. Pending Motions

a) The Larson Petition to Intervene is currently awaiting FPSC approval.

b) FPL has filed a Motion to Strike relating to the above reference petition.

7. Pending Confidentiality Claims or Requests

The Larson's have no pending confidentiality claims or requests at this time.

8. Objections to Witness Qualifications as an Expert

The Larson's have no objections to any witness's qualifications as an expert.

9. Compliance with Order No. PSC-16-0125-PCO-EI

The Larsons' have complied with all requirements of the Order Establishing Procedure entered in this docket.

10. Sequestration of Witnesses

The Larsons' are not requesting the sequestration of any witnesses.

[REMAINDER OF PAGE BLANK; SIGNATURE PAGE FOLLOWS]

Respectfully submitted this 5th day of August, 2016.

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Attorney for the Larsons

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been filed with the Commission Clerk and furnished to the parties of record and interested parties indicated below via electronic mail on August 5, 2016:

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