### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Power

Docket No. 160021-EI

Company

In re: Petition for approval of 2016-2018 storm hardening plan, by Florida Power & Light Docket No. 160061-EI

Company.

In re: 2016 depreciation and dismantlement

Docket No. 160062-EI

study by Florida Power & Light Company.

Docket No. 160088-EI

In re: Petition for limited proceeding to modify and continue incentive mechanism, by Florida Power & Light Company.

Filed: August 28, 2016

## OPC'S NOTICE OF SERVICE OF ERRATA TO THE TESTIMONY AND EXHIBIT OF DANIEL J. LAWTON

Pursuant to Section 350.0611, Florida Statutes, the Citizens of the State of Florida, by and through J. R. Kelly, Public Counsel, hereby give notice that they have served the attached Errata Sheets to the Direct Testimony of Daniel J. Lawton and Exhibit DJL-5, filed on July 7, 2016.

The revisions to Exhibit DJL-5 reflect removal of the impact of Mr. Pous' Testimony.

J. R. Kelly Public Counsel

Charles J. Rehwinkel Deputy Public Counsel

Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 (850) 488-9330

Attorneys for the Citizens of the State of Florida

### **CERTIFICATE OF SERVICE**

### **Docket No. 160021-EI**

I HEREBY CERTIFY that a true and correct copy of the foregoing Citizens' Notice of Service has been furnished by electronic mail to the following parties on this 28<sup>th</sup> day of August, 2016:

Suzanne Brownless
Adria Harper / Danijela Janjic
Kyesha Mapp / Margo Leathers
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
<a href="mailto:sbrownle@psc.state.fl.us">sbrownle@psc.state.fl.us</a>

Ken Hoffman
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, FL 32301-1858
ken.hoffman@fpl.com

John T. Butler
R. Wade Litchfield
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
john.butler@fpl.com
wade.litchfield@fpl.com

Jon C. Moyle, Jr.
118 North Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com

K. Wiseman/M. Sundback/W. Rappolt Andrews Law Firm 1350 I Street NW, Suite 1100 Washington DC20005 kwiseman@andrewskurth.com msundback@andrewskurth.com wrappolt@andrewskurth.com Derrick Price Williamson
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
dwilliamson@spilmanlaw.com

Stephanie U. Roberts
Spilman Thomas & Battle, PLLC
110 Oakwood Drive, Suite 500
Winston-Salem, NC 27103
<a href="mailto:sroberts@spilmanlaw.com">sroberts@spilmanlaw.com</a>

Federal Executive Agencies Thomas A. Jernigan c/o AFCEC/JA-ULFSC 139 Barnes Drive, Suite 1 Tyndall AFB FL32403 Thomas.Jernigan.3@us.af.mil John B. Coffman, LLC Coffman Law Firm 871 Tuxedo Blvd. St. Louis MO63119-2044 john@johncoffman.net

Robert Scheffel Wright/John T. LaVia, III Gardner Law Firm 1300 Thomaswood Drive Tallahassee FL32308 schef@gbwlegal.com jlavia@gbwlegal.com Jack McRay AARP Florida 200 W. College Ave., #304 Tallahassee FL32301 jmcray@aarp.org

Diana Csank Sierra Club 50 F St. NW, 8th Floor Washington DC 20001 diana.csank@sierraclub.org

Charles J. Rehwinkel Deputy Public Counsel

# **ERRATA SHEET**

## WITNESS: DAN LAWTON - DIRECT TESTIMONY AND EXHIBITS

## **Testimony Errata**

PAGE#	LINE#	<u>CHANGE</u>
27	10	Delete "three" and replace with "two"
27	16-18	Delete "A third S&P financial metric is Debt to Capital (Debt/Capital) and is the same indicator of financial leverage employed by Moody's as discussed earlier."
29	15	Delete "Debt/Capital" from the third row, under the column entitled "S&P"

# **Exhibit Errata**

## Exhibit DJL-5 Financial Metric Evaluation (Page 1 of 1)

Replace the following second table from DJL-5:

## ALTERNATIVE CAPITAL STRUCTURE, COST RATES, AND RETURN ON EQUITY@ 8.75%

DESCRIPTION	CAPITAL	RATIO	COST RATE	WEIGHTED COST	RETURN
LONG TERM DEBT	\$11,636,598	35.56%	4.62%	1.643%	\$537,611
CUSTOMER DEPOSITS	\$409,700	1.25%	2.050%	0.026%	\$8,399
COMMON EQUITY	\$12,398,749	37.89%	8.750%	3.315%	\$1,084,891
SHORT TERM DEBT	\$762,151	2.33%	1.850%	0.043%	\$14,100
DEFERRED INCOME TAX	\$7,411,492	22.65%	0.000%	0.000%	\$0
INVESTMENT TAX CREDITS	\$106,894	0.33%	6.750%	0.022%	\$7,215
TOTAL CAPITAL	\$32,725,584	100.00%		5.049%	\$1,652,215
RATE BASE			\$32,725,584		(\$497,703)

PER COMPANY FILING SCHEDULES B-1, ADJUSTED PER OPC TESTIMONY OF RALPH SMITH EXHIBIT RCS-2 P. 15.

# With the following table (Revised 8/27/2016):

## ALTERNATIVE CAPITAL STRUCTURE, COST RATES, AND RETURN ON EQUITY@ 8.75%

				WEIGHTED	
DESCRIPTION	CAPITAL	RATIO	COST RATE	COST	RETURN
LONG TERM DEBT	\$11,553,623	35.56%	4.62%	1.643%	\$533,777
CUSTOMER DEPOSITS	\$406,779	1.25%	2.050%	0.026%	\$8,338.97
COMMON EQUITY	\$12,310,339	37.89%	8.750%	3.315%	\$1,077,154.73
SHORT TERM DEBT	\$756,716	2.33%	1.850%	0.043%	\$13,999
DEFERRED INCOME TAX	\$7,358,644	22.65%	0.000%	0.000%	\$0
INVESTMENT TAX CREDITS	\$106,132	0.33%	6.750%	0.022%	\$7,164
TOTAL CAPITAL	\$32,492,233	100.00%		5.049%	\$1,640,434
RATE BASE			\$32,492,235		(\$509,484)

PER COMPANY FILING SCHEDULES B-1, ADJUSTED PER OPC TESTIMONY OF RALPH SMITH EXHIBIT RCS-2 P. 15.

## **DJL-5 BOTTOM TABLE**

## LINE # CHANGE

1	Change	\$32,725,584 to \$32,492,235
3	Change	\$1,652,215 to \$1,640,434; and (\$497,703) to (\$509,484)
4	Change	\$1,140,564 to \$1,641,771; and (\$525,361) to (\$950)
5	Change	\$2,792,779 to \$3,282,205; and (\$1,023,064) to (\$510,434)
6	Change	\$12,398,749 to \$12,310,339; and \$2,427,393 to \$2,338,983
7	Change	\$551,711 to \$547,777; and "blank" to \$104,078
8	Change	5.1 to 6.0
9	Change	22.52% to 26.66%