

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO.: 160154-EI

FILED: September 9, 2016

**FLORIDA INDUSTRIAL POWER USERS GROUP'S
PREHEARING STATEMENT**

The Florida Industrial Power Users Group ("FIPUG"), pursuant to the Order Establishing Procedure in this docket, Order No. PSC-16-0276-PCO-EI, issued July 19, 2016, hereby submits its Prehearing Statement.

APPEARANCES:

Jon C. Moyle, JR.
Karen A. Putnal
Moyle Law Firm, P.A.
118 North Gadsden Street
Tallahassee, Florida 32301

Attorneys for the Florida Industrial Power Users Group

1. WITNESSES:

All witnesses listed by other parties

2. EXHIBITS:

All exhibits listed by other parties.

3. STATEMENT OF BASIC POSITION:

As the burden of proof rests with FPL in this matter, it must affirmatively prove that the acquisition of the Indiantown coal-fired generating facility is in the best interests of consumers, including FIPUG members. Coal-fired generating plants are currently facing many challenges, including market, environmental, regulatory and economic pressures. The risks associated with

these challenges should not be shifted to FPL's ratepayers, and if done so, FPL should ensure that ratepayers risk is limited in a meaningful and measureable way.

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

ISSUE 1. Is FPL's proposal to acquire the ICL Facility as proposed in its Petition (the "ICL Transaction") cost effective?

FIPUG No.

ISSUE 2. Is the purchase price for the ICL Facility in the proposed ICL Transaction fair and reasonable?

FIPUG No.

ISSUE 3. What are the operational and regulatory risks associated with FPL's proposed ICL Transaction and has FPL appropriately accounted for these risks under the transaction?

FIPUG Owning and operating a coal-fired generating facility presents a host of regulatory, market and operational risks. Such risks should not be shifted to ratepayers.

ISSUE 4. In its economic evaluation of and selection of the proposed transaction, did FPL take into account all reasonable measures to mitigate future purchase power agreement ("PPA") impacts to ratepayers?

FIPUG No.

ISSUE 4A. Is FPL's assessment of the fair value of the existing PPA with Indiantown Cogeneration, L.P. reasonable?

FIPUG No.

ISSUE 5. Is FPL's proposal to acquire the ICL Facility through its proposed ICL Transaction prudent?

FIPUG No. The risks associated with owning and operating a coal-fired generation facility should remain with the contracting third party, not be assumed by ratepayers.

ISSUE 6. If the Commission approves FPL's proposed ICL Transaction, what is the proper accounting treatment for the transaction?

FIPUG The costs should be recovered in base rates.

ISSUE 7. If the Commission approves FPL's proposed ICL Transaction, what is the proper rate of return?

FIPUG No position at this time.

ISSUE 8. Should FPL be permitted to recover the costs associated with the ICL Transaction as set forth in FPL's Petition?

FIPUG No.

ISSUE 9. Should FPL be required to file, with the Commission, the actual accounting entries to record the ICL transaction for both FPL and the subsidiary Indiantown within six months of the ICL transaction being consummated?

FIPUG No position at this time.

ISSUE 10. Should the Docket be closed?

FIPUG Yes.

5. STIPULATED ISSUES:

None at this time.

6. PENDING MOTIONS:

None.

7. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:

None.

8. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

FIPUG objects to any expert witness not designated as an expert and expressly offered as an expert witness, with areas of expertise identified.

9. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which FIPUG cannot comply.

/s/ Jon C. Moyle

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
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 has been furnished by electronic mail this 9th day of September, 2016, to the following:

Walt Trierweiler
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399
wtrierwe@psc.state.fl.us

ken.hoffman@fpl.com
(850) 521-3919
(850) 521-3939 (fax)

Bryan Anderson
Assistant General Counsel - Regulatory
Will Cox
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
bryan.anderson@fpl.com
will.cox@fpl.com
(561) 304-5662
(561) 691-7135 (fax)

J.R. Kelly, Esq.
Charles J. Rehwinkel
Office of Public Counsel
111 West Madison Street, room 812
Tallahassee, FL 32301
kelly.jr@leg.state.fl.us
rehwinkel.charles@leg.state.fl.us

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

Kenneth A. Hoffman
Vice President Regulatory Affairs
Florida Power & Light Company
215 S. Monroe Street, Suite 810
Tallahassee, FL 32301

/s/ Jon C. Moyle
Jon C. Moyle