BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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
	Filed: November 18, 2016

NOTICE OF INTENT TO IMPLEMENT RATES PURSUANT TO "FILE AND SUSPEND" PROVISION

Florida Power & Light Company ("FPL" or the "Company") hereby gives notice of its intent to implement on January 1, 2017 – pursuant to the "file and suspend" provisions of Section 366.06(3), Florida Statutes, and subject to refund – the rates that it filed with its rate petition on March 15, 2016 (the "Filed Rates"). If, however, at the November 29, 2016 special agenda conference, the Florida Public Service Commission ("Commission") approves the Stipulation and Settlement that was jointly filed for approval by FPL, the Office of Public Counsel, the South Florida Hospital and Healthcare Association and the Florida Retail Federation on October 6, 2016 (the "Proposed Settlement Agreement"), then FPL will implement on January 1, 2017, the rates contained in Exhibit B to the Proposed Settlement Agreement (the "Settlement Rates").

Under Section 366.06(3), a utility is entitled to implement filed rates "or any portion not consented to" if the Commission does not make a decision on the utility's rate petition within eight months. The Commission acknowledged this in Order No. PSC-16-0472-PCO-EI, noting

that FPL is entitled to place its proposed rates into effect, subject to refund, at the end of the eight-month period that commenced with the filing of FPL's base rate case on March 15, 2016. That eight-month period expired on November 15, 2016, but FPL has requested that new rates take effect on January 1, 2017, in accordance with its 2012 Stipulation and Settlement, which was approved in Order No. PSC-13-0023-S-EI and remains in effect through the last billing cycle in December 2016.

FPL is thus authorized by the "file and suspend" provisions of Section 366.06(3) to implement the Filed Rates on January 1, 2017, subject to refund. If the Proposed Settlement Agreement is not approved at the November 29 special agenda conference, this is the approach FPL will take. However, if the Commission approves the Proposed Settlement Agreement at the November 29 special agenda conference, then FPL will implement the Settlement Rates, rather than the Filed Rates, on January 1, 2017. The Settlement Rates constitute a "portion of the [Filed Rates] not consented to." Therefore, FPL is entitled by the express terms of Section 366.06(3) to implement them in lieu of the Filed Rates. *See also Transwestern Pipeline Co.*, 36 FERC P 61,175, at p. 61,338 (1986), *aff'd, Transwestern Pipeline Co. v. FERC*, 820 F.2d 733 (5th Cir. 1987) (FERC allowed Transwestern Pipeline Company to put settlement rates into effect in lieu of the initial filed and suspended rates).

FPL intends to provide all customers at least 30 days' notice of its intent to implement new rates on January 1, 2017. In order to do so, FPL will begin notifying customers via messages in their bills no later than December 1, 2016. The bill message will include a link to FPL's website, which will detail all rate adjustments scheduled to take effect on January 1, 2017. Following the November 29 special agenda conference, FPL will promptly update its website with the appropriate rate schedules.

2

If a refund were to be required, FPL proposes to make the refund, with interest, in the form of a one-time revenue refund credit on customer bills. Pursuant to Rule 25-6.109(2), Florida Administrative Code, the credit will be completed within 90 days of the PSC's final order in the rate case. The total revenue amount would be derived by calculating the difference between the revenue billed during the refund period (January 1, 2017 through the date when Commission-approved rates are implemented) and the revenue that would have been billed during that period using the Commission-approved rate factors. The refund factor would be derived using this revenue refund amount divided by the total base rate revenue from sales of electricity during the refund period. This would yield a refund factor to be used for all customers. The amount credited to each customer would be calculated by multiplying the refund factor by the actual base rate revenue incurred during the refund period. Additionally, pursuant to Rule 25-6.109(4) credit for interest would be applied to the refund. Refunds would be communicated to customers on their billing statement. All customers of record during the refund period would receive the credit, and those who no longer are FPL customers would be mailed a refund check.

FPL believes that the method described above would be the most equitable manner to administer any refund that might be required, consistent with Rule 25-6.109, for several reasons:

- It captures all components of service (customer charge, energy, demand, etc.);
- It uses the actual base amount billed to each customer during the refund period;
- The company has successfully employed this method to issue prior refunds; and
- It represents the quickest and most accurate method to issue a refund to customers.

3

FPL has begun preparing for the necessary billing system programming changes to handle a potential refund, should they become necessary to implement.

Respectfully submitted this 18th day of November 2016.

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By: <u>/s/ John T. Butler</u>

John T. Butler Florida Bar No. 283479

CERTIFICATE OF SERVICE Docket No. 160021-EI, 160061-EI, 160062-EI and 160088-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished

by electronic service on this <u>18th</u> day of November 2016 to the following:

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