

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: December 14, 2016

TO: Julie I. Brown, Chairman
Lisa Polak Edgar, Commissioner
Art Graham, Commissioner
Ronald A. Brisé, Commissioner
Jimmy Patronis, Commissioner

FROM: Andrew L. Maurey, Director, Division of Accounting & Finance

RE: Docket No. 060038-EI (Petition for Issuance of a Storm Recovery Financing Order by FPL) Response to December 9, 2016 Notice by FPL for a Non-Routine Storm Charge True-Up Adjustment effective January 1, 2017.

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COMMISSIONER
CLERK
ALM

Pursuant to Order Nos. PSC-06-0464-FOF-EI issued May 30, 2006, and PSC-06-0626-FOF-EI issued July 21, 2006, collectively known as the Financing Order, Florida Power and Light Company (FPL) as Servicer of the Senior Secured Bonds, Series A (Storm Recovery Bonds) has filed a notice of a non-routine adjustment to the storm recovery bond repayment charges (storm recovery charges) and the storm recovery bond tax charges (tax charges).

Pursuant to Paragraph 80 of the Financing Order, and Section 4.01(c)(A) of the Servicing Agreement, FPL is required to file a non-routine true-up adjustment anytime following a base rate change that includes any change in the rate allocation among customers used in determining the storm recovery charges and tax charges. The changes to the storm recovery charges and tax charges go into effect simultaneously with any changes to FPL's base rates. Paragraph 80 of the Financing Order states in part:

The servicer may also make a true-up adjustment to be effective simultaneously with a base rate change that includes any change in the rate allocation among customers used to determine the storm-recovery charges, such true-up to go into effect simultaneously with any changes to FPL's other base rates.

On November 29, 2016, in Docket No. 160021-EI, the Florida Public Service Commission approved a four-year rate settlement agreement which takes effect on January 1, 2017. Therefore, as required by Paragraph 80 of the Financing Order and Section 4.01(c)(A) of the Servicing Agreement, FPL has revised its Storm Charge Tariff Sheet 8.040 to reflect the cost of service allocations provided in the Minimum Filing Requirements accompanying FPL's 2016 Petition for Rate Increase filed on March 15, 2016, in Docket No. 160021-EI.

Julie I. Brown, Chairman

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December 14, 2016

The storm recovery charges and tax charges in the tariff sheets have been revised based on the approved cost of service allocations of base rates by customer class and are to take effect January 1, 2017, when FPL's new base rates go into effect. Attached is FPL's Thirty-Fourth Revised Tariff Sheet No.8.040 in legislative format, which reflects the revised Storm Bond Repayment Charge and Storm Bond Tax Charge allocation factors. Attachment No. 1 shows the revised storm recovery charges, tax charges, and total storm recovery charges for all rate classes. The residential customer charge did not change as a result of the reallocation of charges among rate classes. Staff is preparing the required approval letter for the new tariff sheets.

ALM/DRB:dr

cc: Braulio Baez
Mark Futrell
Cheryl Bulecza-Banks
Mark Cicchetti
✓ Carlotta Stauffer
Mary Anne Helton
J.R. Kelly, Office of Public Counsel
Ken Hoffman, Florida Power and Light Company

FLORIDA POWER & LIGHT COMPANY

~~Thirty-Third~~**Fourth** Revised Sheet No. 8.040
 Cancels ~~Thirty-Second~~**Third** Revised Sheet No. 8.040

STORM CHARGE

The following charges are applied to the Monthly Rate of each rate schedule as indicated and are calculated in accordance with the formula approved by the Public Service Commission.

<u>Cents/kWh</u>			
<u>Rate Schedule</u>	<u>STORM BOND REPAYMENT CHARGE</u>	<u>STORM BOND TAX CHARGE</u>	<u>TOTAL STORM CHARGE</u>
RS-1, RTR-1	0.079	0.038	0.117
GS-1, GST-1	0.066	0.038	0.104
GSD-1, GSDT-1, HLFT-1, SDTR (21-499 KW)	0.043	0.032	0.075
GSLD-1, GSLDT-1, CS-1, CST-1, HLFT-2, SDTR (500- 1,999 KW)	0.0400 <u>0.039</u>	0.0320 <u>0.031</u>	0.0720 <u>0.070</u>
GSLD-2, GSLDT-2, CS-2, CST-2, HLFT-3, SDTR (2000+ KW)	0.031	0.012	0.043
GSLD-3, GSLDT-3, CS-3, CST-3	0.006	0.000	0.006
OS-2	0.2740 <u>0.272</u>	0.1540 <u>0.153</u>	0.4280 <u>0.425</u>
MET	0.0470 <u>0.046</u>	0.0320 <u>0.031</u>	0.0790 <u>0.077</u>
CILC-1(G)	0.0400 <u>0.037</u>	0.0320 <u>0.029</u>	0.0720 <u>0.066</u>
CILC-1(D)	0.0310 <u>0.030</u>	0.012	0.0430 <u>0.042</u>
CILC-1(T)	0.006	0.000	0.006
SL-1, SL-1M, PL-1	0.4820 <u>0.472</u>	0.2530 <u>0.248</u>	0.7350 <u>0.720</u>
OL-1	0.4900 <u>0.484</u>	0.2530 <u>0.250</u>	0.7430 <u>0.734</u>
SL-2, SL-2M, GSCU-1	0.0310 <u>0.036</u>	0.0120 <u>0.014</u>	0.0430 <u>0.050</u>
SST-1(T), ISST-1(T)	0.0060 <u>0.009</u>	0.000	0.0060 <u>0.009</u>
SST-1(D1), SST-1(D2) SST-1(D3), ISST-1(D)	0.1040 <u>0.087</u>	0.0550 <u>0.046</u>	0.1590 <u>0.133</u>

(Continued on Sheet No. 8.041)