

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida Power & Light Company
for Approval of a New Depreciation Class and Rate
for Energy Storage Equipment

Docket No. 17 _____

Filed: May 1, 2017

**PETITION BY FLORIDA POWER & LIGHT COMPANY
FOR APPROVAL OF A NEW DEPRECIATION CLASS AND
RATE FOR ENERGY STORAGE EQUIPMENT**

Florida Power & Light Company (“FPL” or the “Company”), pursuant to Rule 25-6.0436(3)(b), Florida Administrative Code (“F.A.C.”), hereby files this petition (the “Petition”) requesting that the Commission approve new depreciation accounts and rates for energy storage equipment.

In support of the Petition, FPL states as follows:

1. The name and address of the Petitioner is:

Florida Power & Light Company
700 Universe Blvd
Juno Beach, FL 33408

Any pleading, motion, notice, order or other document required to be served upon the petitioner or filed by any party to this proceeding should be served upon the following individuals:

Kenneth A. Hoffman
Vice President, Regulatory Affairs
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2. The Commission has jurisdiction pursuant to Section 366.06, Florida Statutes, and Rule 25-6.0436, F.A.C.

3. FPL is a corporation organized and existing under the laws of the State of Florida and is an electric utility as defined in Section 366.02(2), Florida Statutes.

4. This Petition is being filed consistent with Rule 28-106.201, F.A.C. The agency affected is the Commission, located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399. This case does not involve reversal or modification of an agency decision or an agency's proposed action. Therefore, subparagraph (c) and portions of subparagraphs (b), (e), (f) and (g) of subsection (2) of that rule are not applicable to this Petition. In compliance with subparagraph (d), FPL states that it is not known which, if any, of the issues of material fact set forth in the body of this Petition may be disputed by any others who may plan to participate in this proceeding. The discussion below demonstrates how the petitioner's substantial interests will be affected by the agency determination.

5. Pursuant to the Stipulation and Settlement approved by this Commission in Order No. PSC-16-0560-AS-EI (Docket No. 160021-EI), dated December 15, 2016 (the "FPL Rate Settlement"), FPL will implement a 50 MW battery storage pilot program ("Battery Storage Pilot") designed to enhance service for large commercial and industrial customers, small retail customers and large retail customers or to enhance operations of existing or planned solar facilities. This equipment includes, but is not limited to, batteries and the necessary equipment to connect such batteries to FPL's electric system.

6. FPL does not currently have a depreciation account or rate for this type of energy storage equipment. In order to properly account for the depreciation related to this type of equipment, FPL requests authority to record the costs of energy storage equipment in FERC Account 348 Energy Storage Equipment – Production, FERC Account 351 Energy Storage Equipment – Transmission and FERC Account 363 Energy Storage Equipment – Distribution and to establish a depreciation rate of 10% for equipment so recorded. These FERC accounts were created in FERC Order No. 784 (Docket Nos. RM11-24-000 and AD10-13-000) to record

installed costs of energy storage assets in the accounts based on the function or purpose the asset serves, including the potential to allocate a single asset to multiple functions. In establishing the rate for this new class of depreciable assets, FPL consulted with its engineering subject matter experts, original equipment manufacturers for energy storage equipment and benchmarked with industry peers to conclude that a ten (10) year estimated useful life and net salvage of 0% is reasonable and appropriate.

7. FPL's petition to establish a new depreciation rate for energy storage equipment is for accounting purposes only and will have no impact on base rates during the term of the FPL Rate Settlement. FPL will pursue cost recovery for the Battery Storage Pilot in its next general base rate case pursuant to paragraph 18 of the FPL Rate Settlement. In addition, FPL will include FERC Accounts 348, 351 and 363 in its next depreciation study filed with the Commission.

WHEREFORE, for the above and foregoing reasons, Florida Power & Light Company respectfully requests that the Commission consider and approve Florida Power and Light's request for a new depreciation class and rate of 10% for energy storage equipment consistent with this petition.

Respectfully submitted,

By: s/ John T. Butler

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