



Kevin I.C. Donaldson Senior Attorney Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 (561) 304-5170 (561) 691-7135 (Facsimile) E-mail: Kevin.Donaldson@fpl.com

December 28, 2017

-VIA ELECTRONIC FILING-

Ms. Carlotta S. Stauffer Commission Clerk Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

RE: Docket No.: 20170231-EI

Petition for approval to transfer Martin-Riviera Lateral Pipeline to Florida Southeast Connection and implement associated rate adjustments, by Florida Power & Light Company

Dear Ms. Stauffer:

Please find enclosed for electronic filing a copy of Florida Power & Light Company's responses to Staff's Third Data Request (Nos. 1-3) in the above mentioned docket.

If there are any questions regarding this transmittal, please contact me at (561) 304-5170.

Sincerely,

/s/ Kevin I.C. Donaldson Kevin I.C. Donaldson Fla. Bar No. 0833401

Enclosure

Florida Power & Light Company

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QUESTION:

List the "inputs" or sources of information the Company relied upon in order to prepare its cumulative present value revenue requirement (CPVRR) analysis.

<u>RESPONSE</u>:

Information relied upon for the CPVRR model includes:

- a) FPL's incremental weighted average cost of capital
- b) Property tax rates
- c) Net book value of relevant assets
- d) Depreciation rates of relevant assets
- e) Tax depreciation rates of relevant assets
- f) Forecast of future O&M and Capital investments
- g) Affiliate management fee
- h) Florida Southeast Connection tariff rates

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QUESTION:

Discuss whether each source of information identified in the Company's response to Question #1 above used public or proprietary information.

RESPONSE:

Information relied upon for the CPVRR model includes:

- a) FPL's incremental weighted average cost of capital: Return on Equity is public. Debt rates are based on reports purchased from Blue Chip Financial.
- b) Property tax rates: FPL assumptions based on public data.
- c) Net book value of relevant assets: Public
- d) Depreciation rates of relevant assets: Depreciation rates approved in FPL's 2016 Settlement Agreement (Order No. PSC-16-0560-AS-EI)
- e) Tax depreciation rates of relevant assets: Public
- f) Forecast of future O&M and Capital investments: Proprietary
- g) Affiliate management fee: Proprietary
- h) Florida Southeast Connection tariff rates: Proprietary and confidential

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QUESTION:

Discuss whether each source of information identified in the Company's response to Question #1 above was new or different from sources used in preparing the fuel price forecast used in the Fuel Cost Recovery Clause docket for 2017 or 2018.

RESPONSE:

Not applicable. The inputs and sources of information identified in FPL's response to Staff's Third Data Request No. 1 are not used in preparing the fuel price forecast used in the Fuel Cost Recovery Clause docket.