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Public Service Commission

February 11, 2019

Marie J. Moncada/ Joel T. Baker
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STAFF'S FIRST DATA REQUEST
via e-mail

RE: Docket No. 20190034-EI – Petition for approval of optional supplemental power services pilot program and rider, by Florida Power & Light Company.

Dear Ms. Moncada:

By this letter, the Commission staff requests that Florida Power & Light Company (FPL) provide responses to the following data requests:

1. Please generally describe the type(s)/operating specifications of generators contemplated and/or planned for use in effectuating Florida Power & Light's (FPL or Company) Optional Supplemental Power Services Pilot Program (OSPS).
2. Please refer to page 1 of the Petition for Approval of Optional Supplemental Power Services Pilot Program and Rider (Petition) for the following question. Please specify what "power conditioning equipment" is referring to and explain what power conditioning service is (as shown in tariff sheet No. 8.845
3. Please refer to page 4, section 7 of the Petition for the following request. Please elaborate on what types of equipment/costs are potentially contemplated by the passage: "[a]ny equipment installed by the Company that is not necessary to support OSPS service to the customer will not be included in the customers' monthly payment."

4. Please refer to page 5, section 12 of the Petition for the following questions.
 - a. FPL is requesting to record OSPS-related investments in Federal Energy Regulatory Commission Accounts 371 – Installations on Customer Premises, and 372 – Leased Property on Customers' Premises. Given the nature of the equipment is electrical energy generation, why are these investments considered distribution assets and not production assets?
 - b. Given the nature of the OSPS equipment is electrical energy generation, are there any environmental or safety-related regulatory concerns with the Company owning and operating such equipment? If so, please discuss.
 - c. Please generally discuss the factors which lead the Company to propose “heavy-duty generators” having double the assumed useful life (20-year) of “light-duty generators” (10-year).
 - d. Please list all known additional/accessory equipment to the light- and heavy-duty generators which the Company intends to capitalize in effectuating the OSPS Program.
5. Has the Company installed any OSPS-related equipment to date? If so, please identify the assets installed and dates of installation.
6. Is FPL currently recording any plant depreciation associated with the OSPS Program?
 - a. If the response to Request No. 6 is affirmative, is the Company requesting any plant in service and accumulated depreciation transfers be performed as part of this docket?

- b. If the response to Request No. 6(a.) is affirmative, please specify: amounts to be transferred; accounts in which the property/balances are currently being depreciated; and accounts to which the property/balances are being transferred to.
7. Has FPL estimated the total three-year capital cost associated with the OSPS Pilot Program? If so, please specify the estimated capital cost of the program by year.
8. Does FPL have any indication/estimation as to the future customer mix (i.e. residential, commercial, etc.) of the OSPS for the three-year duration of the pilot program? If so, please discuss, including what type of commercial customers expects to take service under this tariff.
9. Is the Company aware of any other electric utility in the United States that has received regulatory approval for average service life and net salvage values for the purposes of depreciating customer-sited electricity generators/OSPS equipment similar to the type(s) FPL will deploy? If so, please identify the utility or utilities and specify the approved service life and net salvage values.
10. Please refer to page 5, section 12 of the Petition. According to the Company: “. . . FPL consulted with its electrical subject matter experts, original generator equipment manufacturers and benchmarked generator industry data to conclude that a ten-year and twenty-year estimated useful life and net salvage of 0% is reasonable and appropriate for residential/small commercial light-duty generators and heavy-duty generators, respectively.”
 - a. Please identify the “subject matter experts” being referenced in this passage.
 - b. Please identify the “original equipment manufacturers” being referenced in this passage.

- c. Please further elaborate on the “benchmarked generator industry data” being referenced in this passage.
 - d. Will the residential/small commercial light-duty, as well as heavy-duty generators carry a manufacturer’s warranty when purchased by FPL? If so, please specify or approximate the typical warranty duration.
11. Does the OSPS program include such equipment as a battery back-up, rather than diesel or petrol generator for providing uninterrupted energy supply to its customers?
12. Please detail how the Company would account for a generator sited on customer premises that is rendered inoperable prior to its assumed useful life.
13. Please explain and provide support for the cost of installation included in capital costs for the OSPS.
14. Please provide the formulas to calculate the participants’ monthly fixed charge, including any projected capital, operating, and non-fuel maintenance costs. Please include the variations for customer types and equipment types. Spreadsheets may be appropriate.
15. Please detail the process the Company will employ from the customer request to installation and billing for the OSPS program, including estimated timeline.
16. Will the Company file the annual fuel cost recalculations with the Commission referenced in section 9 of the Petition?
17. If the Company lets the OSPS pilot expire after three years, please explain how any customers taking service under the OSPS would be affected:
 - a. During the term of their agreement
 - b. After the term of their agreement.
18. Other than the Company, who can install generation assets on customer premises?

19. Will the back-up generation equipment provided to customers under the OSPS be used exclusively for the customer that requests service or can it provide capacity to the Company's system if needed?
20. Referring to section 11 of the petition, please explain why it is appropriate to include the capital costs of the OSPS rider in rate base. Referring to the third sentence in section 11 of the petition, please clarify whether the OSPS program is designed to have no impact on the general body of ratepayers.
21. Referring to the second paragraph under "Limitation of Service" on sheet No. 8.845, please discuss where the generators will be installed in relation to the customer's point of delivery. Please include a simplified diagram of a typical back-up generator setup.
22. Referring to section 11 of the petition, please explain why FPL will incur property tax costs if the equipment is on the customers' premises.
23. Please state and provide the calculation of the current carrying cost as referenced in section 11 of the petition.

Documents Request

1. Please file with the Florida Public Service Commission (PSC) any documents the Company utilized in developing its proposed residential/small commercial light-duty generators and heavy-duty generators depreciation parameter request.
2. Please file with the PSC any documents the Company may have in support of its response to Data Request No. 9.
3. Please file with the PSC any documents the Company may have in support of its response to Data Request No. 10.

Docket No. 20190034-EI
Staff's First Data Request
Page 6

Please file all responses electronically no later than February 25, 2019 from the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6584 if you have any questions.

Sincerely,



Walt Trierweiler
Senior Attorney

WLT/lms

cc: Office of Commission Clerk
Ken Hoffman, FPL