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September 22, 2020

**-VIA ELECTRONIC FILING -**

Adam Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

**Re: Docket No. 20200211-EI**

Dear Mr. Teitzman:

Enclosed for filing in the above referenced docket are Florida Power and Light Company's Responses to Staff's Data Request dated September 17, 2020 (Nos. 1-10).

Should you have any questions regarding this filing, please contact me.

Sincerely,

*s/ David M. Lee*  
\_\_\_\_\_  
David M. Lee

Attachments  
cc: Adria E. Harper

**QUESTION:**

If the petition for temporary rule variance/waiver or tariff waiver is granted in this docket, what basis point impacts will it have on the company's weighted average cost rate of customer deposits and total weighted average cost of capital?

**RESPONSE:**

If the petition for waiver is granted in this docket, FPL's weighted average cost rate of customer deposits would decrease by less than one basis point (approximately 0.0005%) and total weighted average cost of capital would increase by less than one basis point (approximately 0.001%). These estimates are based on the average data reflected on Schedule 4, Page 1 of 2 of FPL's July 2020 earnings surveillance report and assumes a one-time residential customer deposit refund of \$11.0 million, which is the high end of the range of estimated accelerated deposit refunds stated in paragraph 13 of FPL's petition.

**QUESTION:**

Section 6.3 of Tariff Sheet No. 6.050 references a required Security Deposit. Please provide the portion of FPL's Tariff that requires a residential customer to provide the Security Deposit referenced in this Section.

**RESPONSE:**

Please see Section 6.1 of FPL's Tariff Sheet No. 6.040 in Attachment No. 1 to this response.

5 COMPANY'S INSTALLATIONS

5.1 Protection of Company's Property. The Customer shall properly protect the Company's property on the Customer's premises, and shall permit no one but the Company's agents, or persons authorized by law, to have access to the Company's wiring, meters, and apparatus.

5.2 Damage to Company's Property. In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect or misuse by the Customer, the cost of making good such loss or repairing such damage shall be paid by the Customer.

5.3 Relocation of Company's Facilities. When there is a change in the Customer's operation or construction which, in the judgment of the Company, makes the relocation of Company's facilities necessary, or if such relocation is requested by the Customer, the Company will move such facilities at the Customer's expense to a location which is acceptable to the Company.

5.4 Attachments to Poles. The use of the Company's poles, wires, towers, structures or other facilities for the purpose of fastening or supporting any radio or television aerials or other equipment, or any wires, ropes, signs, banners or other things, not necessary to the supplying by the Company of electric service to the community, or the locating of same in such proximity to the Company's property or facilities as to cause, or be likely to cause, interference with the supply of electric service, or a dangerous condition in connection therewith, is prohibited, and the Company shall have the right forthwith to remove same without notice. The violator of these rules is liable for any damage resulting therefrom.

5.5 Interference with Company's Facilities. The Customer should not allow trees, vines and shrubs to interfere with the Company's adjacent overhead conductors, service wires, pad mounted transformers and meter. Such interference may result in an injury to persons, or may cause the Customer's service to be interrupted. In all cases the customer should request the Company to trim or remove trees and other growth near the Company's adjacent overhead wires, and under no circumstances should the Customer undertake this work himself, except around service cables when specifically authorized by and arranged with the Company.

5.6 Unobstructed Access to Company's Facilities. The Company shall have perpetual unobstructed access to its overhead and underground facilities such as poles, underground cables, pad mounted transformers and meters in order to perform repair and maintenance in a safe, timely and cost-efficient manner. The Customer is responsible for contacting the Company for guidance before constructing any items which may obstruct the Company's access. Such items include, but are not limited to, building additions, decks, patios, pools, fences or pavings. Relocation of the Company's facilities, as provided in Section 5.3 of these Rules and Regulations, may be necessary. Should an item interfere with access to Company facilities requiring repair or maintenance, the Company will explore with the Customer all alternatives deemed feasible by the Company to determine the method of repair most acceptable to the Customer. When the most acceptable or only option involves the Customer removing the obstruction or the Customer taking other actions, the Customer shall accomplish the work within 20 working days. Should the Customer fail to accomplish said work within 20 working days or to make other satisfactory arrangements with the Company, the Company may elect to discontinue service to the Customer, pursuant to F.A.C. Rule 25-6.105 (5) (f). In all cases, the Customer will be responsible for all costs in excess of a standard, unobstructed repair.

6 SECURITY DEPOSITS/GUARANTIES

6.1 Security Deposit/Guaranty.

- (1) Before the Company renders service, or upon termination of an existing Unconditional Guaranty Contract, or a surety bond or an irrevocable bank letter of credit, each applicant will be required to provide:
  - a) a Security Deposit consisting of cash, surety bond, or irrevocable bank letter of credit; or
  - b) a guaranty satisfactory to the Company to secure payment of bills; or
  - c) information which satisfies the Company's application requirements for no deposit.
- (2) a) New service Requests - If a Security Deposit is required, the Security Deposit for a new service request shall be based upon no more than two months of projected charges, calculated by adding the 12 months of projected charges, dividing this total by 12, and multiplying the result by 2. After the new account has had continuous service for a twelve (12) month period, the amount of the required deposit shall be recalculated using actual data. If an excess deposit is identified by this recalculation, the difference between the recalculated deposit and the deposit on hand will be credited to the account. If the recalculated amount indicates a deficiency in the deposit held, the utility may bill customer for the difference. Each applicant that provides a guaranty, surety bond, or an irrevocable bank letter of credit as a Security Deposit must enter into the agreement(s) set forth in Tariff Sheet No. 9.400 /9.401 or 9.410 /9.411/9.412 for the guaranty contract, No. 9.440/ 9.441 for the surety bond and 9.430/9.431 and 9.435 for the bank letter of credit.

(Continue on Sheet No. 6.050)

**QUESTION:**

Please explain how FPL's proposal for a one-time accelerated refund of deposits does not constitute preferential treatment to those customers (compared to customers that have to wait 23 months for the deposit).

**RESPONSE:**

FPL's Petition takes the current status quo of returning deposits after 23 months only to residential customers with a prompt payment record and proposes a one-time acceleration of the return of deposits (to 12 months) for that same group of customers. Normally a residential customer would be required to meet the requirements of Section 6.3 of FPL's Tariff (continuous service for a period of not less than 23 months) to have their deposit refunded. Here, FPL is seeking approval for a one-time acceleration of deposit refunds to all residential customers who have paid on time for the preceding twelve months and have had 12 months of continuous service, as opposed to the normal 23-month requirement.

**QUESTION:**

Paragraph 10 of the petition states that the proposed one-time refund of deposits will only apply to those residential customers who have cash deposits. Please state the number of customers who have paid cash deposits to FPL and would qualify for this refund. What is the percentage of these customers from FPL's total residential base?

**RESPONSE:**

There are approximately 50,000 – 60,000 residential customers with a paid cash deposit who currently qualify for this refund. This represents approximately 1% of FPL's total residential customer base. Please note that this snapshot changes daily based on account status. The final analysis of eligible customers will be performed upon approval by the Florida Public Service Commission.

**QUESTION:**

What is the time period to process the accelerated refunding of customer deposits and accrued interest? What is the anticipated cost to FPL to process these refunds?

**RESPONSE:**

If approved by the Commission, FPL plans to process the deposit refunds within one week of the end of the protest period. There are no anticipated program costs other than non-incremental analytical time.

**QUESTION:**

Paragraph 13 of the petition states that the requested rule waiver will benefit those customers receiving the deposit refund and will "likely provide indirect benefits to others." Please discuss this statement and describe the anticipated indirect benefits from the refund of deposits.

**RESPONSE:**

FPL estimates the requested accelerated deposit refund will result in approximately \$9 million – \$11 million, plus interest, being returned to qualifying residential customers. While it is not certain what the customers will do with the refunded money, FPL anticipates some of the customers will spend some or all of the refunded money at various businesses, resulting in an indirect benefit to the communities where those funds are spent.



**QUESTION:**

Paragraph 14 of the petition states that this rule waiver is to be applied to Tariff Sheet No. 6.050, and is temporary in nature. What is the beginning and ending period of this requested temporary rule waiver and how will the company revert back to its current tariff sheet?

**RESPONSE:**

Although FPL estimates it will take a week to process the refunds, which customers qualify will be determined as of a single date within the week following an order approving the petition becoming final. FPL would then resume normal application of Section 6.3 of its Tariff immediately after processing the refunds.

**QUESTION:**

Please explain in detail how FPL intends to implement the refund of deposits to the eligible customers.

**RESPONSE:**

Eligible customers would be identified through a query based on the existing tariff exclusion criteria, which would be modified from 23 months of continuous service to 12 months. These accounts would be placed in a file to systematically process the refund. FPL's Customer Information System will automatically calculate and apply the interest based on existing logic and credit the deposit along with the interest on the customer's electric account.

**QUESTION:**

Will the waiver occur on a specific date, and if so, will only customers with a deposit on file for 12 months *as of that specific date* be refunded? (i.e., Please clarify if a customer with a deposit on file for 11 months, 28 days would still fall under the 23-month provision.)

**RESPONSE:**

Upon approval from the Commission, a snapshot will be taken of eligible accounts and the refunds will be processed within a week. Only residential customers who qualify as of the date of the snapshot will be refunded.

**QUESTION:**

Does the company believe that refunding deposits early could place an increased risk on the general body of ratepayers if the customers who receive early refunds under the petition are unable to maintain a good payment history in the near term? Please explain.

**RESPONSE:**

The customers receiving the accelerated refunds are residential customers who have been continuous customers for 12 to 22 months and have paid promptly for the preceding 12 months. While some customers may default, FPL believes that the potential increase in risk is modest and contained due to the prompt payment history of these customers and the limited, one-time nature of the request.