

**Eric Fryson**

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**Subject:** Docket No. 120015-EI

**Attachments:** Reply to FPL Response to Pinecrest Motion to Intervene\_06 13 12.pdf

- A. Person responsible for this electronic filing:  
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- B. Docket No.: 120015-EI  
 In re: Petition for Increase in Rates by Florida Power & Light Company
- C. Document is being filed on behalf of the Village of Pinecrest
- D. There are a total of 16 pages in the attached document
- E. The document attached for electronic filing is Village of Pinecrest's Reply to FPL's Response to Petition to Intervene of the Village of Pinecrest, Florida

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03855 JUN 13 2012

FPSC-COMMISSIONER CLERK

6/13/2012

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Petition for Increase in Rates by )  
Florida Power & Light Company )  
\_\_\_\_\_ )

DOCKET NO.: 120015-EI  
FILED: June 13, 2012

**REPLY TO FPL'S RESPONSE TO PETITION TO INTERVENE  
OF THE VILLAGE OF PINECREST, FLORIDA**

1. On June 8, 2012, FPL filed a response to Pinecrest's petition to intervene in the above-referenced proceeding.

2. FPL takes no position regarding Pinecrest's petition to become a party to the proceeding. However, FPL gives notice of its intent to object to issues which may be raised by Pinecrest, even prior to Pinecrest becoming a party or raising a single issue.

3. The purpose of FPL's response is unclear. However, Pinecrest notes that FPL's anticipation of issues to be raised and its peremptory conclusions that issues to be raised are not relevant to the rate proceeding are consistent with FPL's tactics to date relating to its \$690.4 million rate increase request.

4. For example, FPL's External Affairs personnel aggressively sought to discourage Pinecrest's participation in this docket, often making unsubstantiated and inaccurate statements as to the legitimacy and veracity of Pinecrest's concerns.

Of particular note:

(A) Pinecrest passed a resolution in opposition to the 16 percent base rate increase requested by FPL. FPL's External Affairs Manager, Ramon Ferrer, appeared before Pinecrest's Council on March 20, 2012 alleging that the Council was being misinformed. Mr. Ferrer alleged

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FPLS-COMMISSION CLERK

that the assertion in the Council's resolution that FPL was seeking a 16 percent base rate increase was misleading, although he would not substantiate this claim.<sup>1</sup>

Mr. Ferrer's difficulty establishing an inaccuracy in Pinecrest's resolution is understandable in that FPL's test year letter of January 17, 2012 (copy attached as Appendix A) and FPL's petition for rate increase filed with this Commission on March 19, 2012 (at p. 4), both explicitly refer to the fact that FPL is seeking a 16 percent base rate increase in this docket.

(B) Pinecrest and others have requested that FPL provide facts, in writing, supporting FPL's allegations of inaccuracies in Pinecrest's resolution (copy of resolution attached hereto as Appendix B). FPL failed to do so with the exception of a letter dated May 30, 2012 (copy attached as Appendix C) from Mr. Ferrer. This letter suggests that Pinecrest is disingenuous when the Village asserts that Commission staff identified a \$400 million over-earning situation in 2010. The FPL letter states:

Regarding the resolution, perhaps most disingenuous is the omission of indisputably relevant information. For example, one clause reads:

*WHEREAS, October 4, 2010, the [Public Service Commission] Staff recommended that the PSC order FPL to hold \$400 million for possible refund to customers and that the PSC investigate over earning by the company, however the customers never received a refund;*

Nowhere in Resolution 2010-20 does the Village disclose the fact that the PSC Staff recommendation referenced above was later rejected by a unanimous vote of the Commission. The resolution also fails to mention that the recommendation was based on the Staff members' belief, at the time, that there existed a possibility for an over-earnings situation to occur under certain circumstances. This speculation *was later disproved as FPL's earnings never exceeded the level approved by the PSC*, although the Village's

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<sup>1</sup> The following link is to the March 20, 2012 meeting of the Pinecrest Village Council discussing the Resolution: [http://pinecrest.granicus.com/MediaPlayer.php?view\\_id=2&clip\\_id=191](http://pinecrest.granicus.com/MediaPlayer.php?view_id=2&clip_id=191) (beginning at 02:45:00)

resolution clearly intends to convey the contrary. (Emphasis supplied.)

It is FPL which is disingenuous and which is misleading Pinecrest, the public and its customers with the above-referenced assertion. The Commission never found that over-earnings by FPL did not exist. Rather, as Mr. Beck of the Office of Public Counsel clearly noted before the Commission on January 11, 2011 in Docket No. 100410, FPL's over-earnings were addressed in the settlement FPL entered with the Office of Public Counsel. Mr. Beck explained:

[W]e believe the agreement that we and a number of other intervenors signed last August covers the overearnings of Florida Power and Light and makes the Staff's recommendation unnecessary.

(C) FPL persists in netting current fuel cost reductions against its requested rate increase. Fuel costs vary and are addressed separately in the specific pass-through rate mechanism enjoyed by FPL. Surely, FPL would not be touting fuel cost increases to its customers and adding fuel cost increases to its requested base rate increases if fuel costs currently were increasing. If FPL were not seeking the 16 percent rate increase, Pinecrest's bills, and the bills of all FPL customers, would be going down. FPL's continued use of current low fuel costs in this manner is designed to hide the true impact of its rate increases on customers.

5. These are but three examples of FPL's efforts to mislead its customers to prevent them from intervening in this docket and discourage customers from opposing FPL's rate increase. The Commission should not tolerate such actions.

6. In fact, the actions of FPL's External Affairs personnel raise a significant issue regarding whether ratepayers are being asked to pay for the salaries, benefits and overheads of such External Affairs personnel in FPL's base rates and the requested rate increase. The motivation of such personnel so clearly is to dissuade ratepayer involvement in the rate proceeding, by disseminating misinformation as to the substance of FPL's request and its impact

on ratepayers, that no justification would appear to exist for FPL's customers to pay for the associated costs. FPL and its shareholders should absorb all costs associated with its use of External Affairs personnel for these purposes.

7. FPL's response refers to Pinecrest's attempts to represent the public interest as well as satisfy its obligation to ensure that local government funds are spent wisely, and not unnecessarily in giveaways to electric utilities, in two other proceedings. FPL appears to suggest that no facts pertinent to these other proceedings will have relevance to issues to be raised from FPL's rate request.

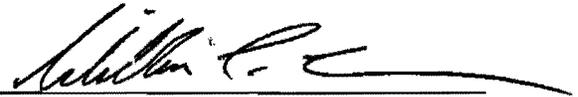
FPL is mistaken, as confirmed from a few examples of relevant issues stated below:

(A) FPL is using a projected test year. FPL applies overheads, perhaps as high as 18 percent to capital projects. In addition to the transmission line project, FPL has perhaps hundreds of capital projects to which the overhead is applied. Does FPL remove from its expenses amounts equal to the salaries, benefits, supplies, office space and other items which FPL is allocating to overheads?

(B) Is FPL recovering in the advanced nuclear cost recovery rate the costs for the proposed transmission line? Are these costs properly removed from the expenses and rate base sought by FPL in this base rate increase?

(C) Are costs and overheads associated with FPL's External Affairs personnel included in FPL base rates and, if so, should they be removed and borne solely by FPL shareholders?

Respectfully Submitted,



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Attorneys for the Village of Pinecrest

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail, and where indicated U.S. Mail, to the service list below, on this 13<sup>th</sup> day of June, 2012:

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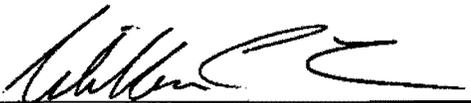
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WILLIAM C. GARNER



January 17, 2012

The Honorable Ronald A. Brisé  
Chairman  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

RECEIVED-FPSC  
12 JAN 17 AM 8:56  
COMMISSION  
CLERK

120015 - EI

Re: Test Year Notification Pursuant to Rule 25-6.140, F.A.C.

Dear Chairman Brisé:

Florida Power & Light Company is providing its customers with typical bills that are the lowest out of the state's 55 electric utilities and 25 percent lower than the national average<sup>1</sup>, while at the same time delivering service reliability that is among the best in the country. This exceptional value proposition helps to make Florida a more affordable place to live and to run a business – benefits that are even more important in today's uncertain economy. Our superior performance is largely the result of FPL's strategy of investing in new, fuel-efficient, low-emissions generation technologies and managing operating costs effectively.

As you are aware, FPL is operating under a settlement agreement that addresses base rates through the end of 2012. The agreement has effectively frozen base rates since 2010<sup>2</sup> and therefore does not adequately address items such as inflationary cost pressures that unfortunately increase our cost of doing business. In addition, over the three-year period from 2011 to 2013, FPL plans to invest approximately \$9 billion to strengthen and improve Florida's electric generation and delivery system. These investments, which are funded directly from base rates and the capital markets, will contribute to the continued high reliability our customers expect and deserve and should help keep customer bills low over the longer term through the use of fuel-efficient generation technologies. They are an investment in Florida's future, yet the current settlement does not address how to pay for them.

Accordingly, as required, we are providing notification that we intend to seek an increase in base rates to be effective on the first cycle day of January 2013, as well as a base rate step adjustment effective when the new, highly efficient power plant currently under construction at Cape

- COM 5 <sup>1</sup> Sources: Average of typical 1,000-kWh July through September monthly bill data compiled from the Florida
- APA \_\_\_\_\_ Public Service Commission, Florida Municipal Electric Association, Reedy Creek Improvement District, Florida
- ECR \_\_\_\_\_ Electric Cooperatives Association and Jacksonville Electric Authority; Edison Electric Institute (EEI) July, 2011
- GCL 1 \_\_\_\_\_ national electric utility bill survey.
- RAD 1 <sup>2</sup> The only exception is an increase authorized under the new nuclear development law adopted by the Florida
- SRC \_\_\_\_\_ Legislature and approved by the PSC. The increase has added a total of \$0.25 to the typical monthly residential
- ADM \_\_\_\_\_ customer bill over the term of the settlement agreement.
- OPC \_\_\_\_\_ Florida Power & Light Company
- CLK \_\_\_\_\_ 700 Universe Boulevard, Juno Beach, FL 33408

DOCUMENT NUMBER-DATE

00293 JAN 17 2012

FPSC-COMMISSION CLERK

Canaveral becomes operational. We know there is never a good time for an increase, and we are particularly mindful of the difficult economy and its impact on our customers and the state. We made the decision to seek rate relief only after a very thorough review of financial projections, which are discussed below, and we have worked hard to minimize the financial impact to customers.

Our preliminary request, including the full step-up to pay for the new Cape Canaveral Next Generation Clean Energy Center later in 2013, would increase the base rate portion of a typical residential customer bill by an estimated total of \$6.80 per month, or just 23 cents per day<sup>3</sup>. Based on current projections of fuel pricing and other aspects of the bill, the total typical residential bill is projected to actually increase only by about \$3.00 per month, or 10 cents per day<sup>4</sup>. Importantly, even with this requested base rate increase, FPL expects that customers' bills would remain the lowest in the state based on currently available comparisons of the state's 55 utilities. Customers' bills would also still be well below the national average.

The amount of the 2013 base rate request has not been finalized; however, our preliminary estimate is that we will request a general base revenue increase of approximately \$525 million effective in January 2013, as well as a base rate step adjustment of approximately \$170 million effective when the new Cape Canaveral plant becomes operational in June 2013. It is important to note that, over the life of this plant, the fuel savings are expected to pay for the entire facility and result in hundreds of millions of dollars of additional net savings for customers.

In furtherance of FPL's request, and consistent with the requirements of Rule 25-6.140 of the Florida Administrative Code, FPL submits the following additional information:

Test Year

FPL proposes to use the projected 12-month period ending December 31, 2013, as the test year. FPL's proposed use of a projected test period is consistent with current Commission practice and prior Commission and Florida Supreme Court precedent.

Using the projected 12-month period ending December 31, 2013, as the test year will provide an accurate representation of costs for the purposes of setting rates effective January 2013, excluding the costs associated with the new Canaveral plant scheduled to enter service on June 1, 2013. As previously mentioned, FPL proposes 2013 as the test year; FPL also will request a base rate step adjustment for the additional costs of the new Canaveral plant, effective once the facility is in commercial operation, to better match the costs with the projected benefits. This will help ensure that rates continue to be fair and reasonable in 2014.

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<sup>3</sup> Based on the company's preliminary estimates, a 1,000-kWh monthly base rate would increase \$5.03 in January 2013 and \$1.77 in June 2013, when FPL's Cape Canaveral Next Generation Clean Energy Center enters service. These figures do not include fuel savings or adjustments to clauses.

<sup>4</sup> The estimated 1,000-kWh base rate increase of \$6.80 would be partially offset by fuel savings and anticipated reductions in clauses, resulting in a net increase of about \$3.00 on the overall customer bill, based on current projections.

Major Factors Necessitating a Rate Increase and Estimate of Impact on Revenue Requirements  
The major factors necessitating this requested increase are as follows:

- The accelerated amortization of the non-cash depreciation surplus that was ordered by the previous Commission in 2010, and implemented through the settlement agreement, contributed substantially to the need for a base rate increase today.
- To ensure Florida's energy future, FPL must continue to make capital investments in its current infrastructure. For example, we expect to add nearly 100,000 new customer accounts from the end of 2010 through the end of 2013. This will require a significant investment on the part of the company to construct the poles, wires and transformers needed to serve these new customers. As a result, FPL's rate base will grow from the end of 2010 through the end of 2013.
- We at FPL have been working aggressively to tighten our belts and keep operating and maintenance (O&M) expenses down. In fact, the company's O&M performance ranks in the top 10 percent of utilities nationwide<sup>5</sup>. Nevertheless, since 2010 the company has experienced inflation in many of the materials and products that we must purchase to maintain our ability to provide affordable, reliable power. Additionally, we expect to add nearly 100,000 new customers from the end of 2010 through the end of 2013. This combination of inflation and customer growth is the primary driver leading to higher expected O&M costs in 2013. Even with this increase in O&M expense, we expect that FPL's O&M costs in 2013 will continue to be significantly better than the industry average performance.
- As mentioned previously, FPL will request a base rate step adjustment for the revenue requirements associated with the first year of the new Canaveral plant, not to be effective until the in-service date of the unit. This project is expected to save customers hundreds of millions of dollars in fuel costs, will significantly reduce greenhouse gas emissions, and was unanimously approved by the Commission in 2008. By mid-2013, FPL will have invested approximately \$1 billion to complete the plant. Nevertheless, customer bills have not been impacted throughout the multi-year development and construction process, and our request for cost recovery for the plant would not take effect until the day the facility goes into operation and begins delivering its significant benefits to customers. Our latest analyses estimate that, over the operating lifetime of the plant, customers will receive a net savings of about \$600 million on their electric bills due to the dramatically increased fuel efficiency. In other words, FPL customers will benefit from much cleaner energy and actually save money on their bills.
- In addition to the major cost drivers described above, FPL will propose to reset the company's approved return on common equity (ROE) to 11.25 percent. FPL's proposed

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<sup>5</sup> Source: 2010 FERC Form 1 for investor-owned electric utilities with more than 100,000 customers.

ROE is approximately the average of the currently allowed return for Florida's other investor-owned electric utilities. While we provide our customers with performance that significantly exceeds state and national averages, our current allowed ROE is the lowest of all Florida investor-owned electric utilities and is among the lowest nationally. While the financial markets and credit rating agencies recognize that the allowed ROE is not a guarantee of profit, an adjustment to a more competitive level would be consistent with maintaining a good credit rating and encouraging and attracting investment with FPL and within the state of Florida. A key element in a constructive regulatory environment is an appropriate ROE that allows a utility to attract capital necessary to make long-term investments that maintain and improve the quality of service and lower costs to customers over time. Constructive rate regulation also recognizes superior quality of service and cost reductions, allowing higher ROE to utilities that have superior performance. Accordingly, FPL will also propose a 0.25 percent ROE performance adder, which would only be granted and retained for maintaining the lowest customer bill in the state – a win for all FPL customers.

#### Actions and Measures Implemented to Avoid a Retail Base Rate Increase

In 2010, FPL negotiated a base rate settlement agreement with the Office of Public Counsel, the Florida Attorney General, the Florida Retail Federation, the Florida Industrial Power Users Group, the Federal Executive Agencies, the South Florida Hospital and Healthcare Association, and the Associated Industries of Florida. This agreement, as approved by the Commission by Order No. PSC-11-0089-S-EI, was designed to benefit FPL customers by effectively freezing base rates until 2013.

Unfortunately, FPL continues to experience inflationary cost increases in a number of areas that have an upward impact on overall O&M costs. However, as outlined earlier, all FPL business units have worked diligently to aggressively manage costs and reduce overhead.

The performance of FPL's generating units over time continues to be a major contributor to controlling base rates. Indeed, not only has FPL's fossil operating performance improved over time, it has consistently exceeded national industry averages and has frequently been among the top 10 percent, or even best-in-class, when compared to other large fossil fuel-generating fleets in the industry.

In its last rate case, FPL was shown to be one of the top performers among comparable companies, both in Florida and on a national basis. FPL's performance was particularly strong in controlling non-fuel O&M expenses year after year and, in 2007 alone (the last year for which data was available at the time), this performance saved our customers between \$700 million and \$1.3 billion as compared to costs that customers would have incurred if FPL's O&M costs had been merely average based on the comparable peer group. FPL has continued this impressive performance based on an update through 2010 of the benchmarking conducted for FPL's last rate case, which reflects that FPL's performance continues to surpass that of the peer group companies. In fact, over the past quarter-century, FPL's industry-leading performance and drive for excellence has resulted in base rates that are lower today than in 1985. Put another way, FPL customers pay 58 percent less than they would have if we simply managed our cost to be "average" and kept the bill in line with inflation. Even accounting for fuel costs and all other

Chairman Brisé  
January 17, 2012  
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charges, on an inflation-adjusted basis, FPL customers pay 46 percent less today than they did in 1985. We have succeeded on behalf of our customers, and we intend to continue providing the residents and businesses of our service area the best possible reliability while keeping customer bills low.

Other Matters

Rule 25-6.140 requires the company to indicate in this letter whether it will request that its petition be processed pursuant to Section 366.06(4), Florida Statutes. Because our annual sales exceed 500 gigawatt-hours, FPL is not eligible under Section 366.06(4) to make such a request.

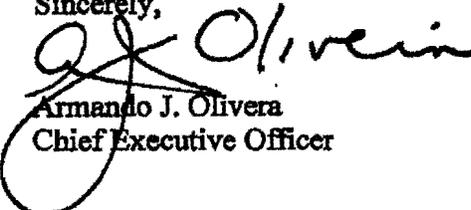
Conclusion

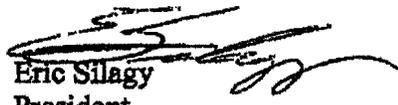
We feel fortunate to serve Florida, and we want this state to be the most competitive for business, as well as the best place to reside, in the entire United States. We renew this commitment every day, and we are proud to have delivered on our promises.

As a result of our investments in fuel-efficient generation technology, innovative practices and relentless focus on operating efficiently, FPL's customers receive service reliability that is among the best in the country for a price that is the lowest in the state and 25 percent lower than the national average. An increase of 23 cents per day on the base portion of the typical residential customer bill will allow FPL to continue to deliver exceptional service reliability and to invest in advanced technologies that will benefit our customers and our state's economy for many years to come.

We plan to continue delivering the most affordable, reliable energy possible, and we look forward to demonstrating how we will put these new rates to work for our customers and Florida's future.

Sincerely,

  
Armando J. Olivera  
Chief Executive Officer

  
Eric Silagy  
President

cc: Florida Public Service Commission (via Hand-Delivery)  
Hon. Lisa Polak Edgar, Commissioner  
Hon. Art Graham, Commissioner  
Hon. Eduardo E. Balbis, Commissioner  
Hon. Julie Imanuel Brown, Commissioner  
Braulio Baez, Executive Director  
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Ann Cole, Director of the Commission Clerk and Administrative Services

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J. R. Kelly, Public Counsel

**RESOLUTION NO. 2012-20**

**A RESOLUTION OF THE VILLAGE OF PINECREST, FLORIDA, OPPOSING THE PROPOSED BASE RATE INCREASE BY FLORIDA POWER AND LIGHT; AUTHORIZING THE MAYOR TO FILE THIS RESOLUTION WITH THE FLORIDA PUBLIC SERVICE COMMISSION; PROVIDING FOR DISTRIBUTION BY THE VILLAGE CLERK; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTING RESOLUTIONS; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS, Florida Power and Light ("FPL") provides electricity within the Village of Pinecrest ("Village"), and the Village and its residents have no alternative but to purchase services from FPL; and the Village government purchases electricity from FPL to power Village Hall and numerous municipal buildings in order to provide services to residents; and**

**WHEREAS, the residents and businesses of the Village must also purchase electric service from FPL; and**

**WHEREAS, the Village, its residents and businesses continue to face a depressed economy with limited resources wherein jobs are being lost, incomes and revenues are static or declining, and home mortgages are being foreclosed, requiring the Village, its residents and businesses to live within their means and budget accordingly; and**

**WHEREAS In March 2012, FPL proposed a 16% base rate hike in order to ensure up to a 12.5% return on equity for its shareholders; and**

**WHEREAS, FPL benefits from more pass-through cost recovery mechanisms than any other regulated utility in the United States of America, including the Storm Cost Recovery Surcharge, the Fuel Cost Recovery Clause pass-through, the Environmental Cost Recovery Clause pass-through, the Capacity Cost Recovery Clause pass-through, the Conservation Cost Recovery Clause pass-through, and the Nuclear Cost Recovery Clause pass-through, which**

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pass-through mechanisms increase FPL's current cash flow without the scrutiny employed in a traditional rate case; and

WHEREAS, currently approximately 52% of the rates paid by FPL customers are paid pursuant to these cost recovery mechanisms instead of through base rates; and

WHEREAS, in 2009 the Florida Public Service Commission ("PSC") awarded FPL only 7% of its requested base rate relief, yet FPL continued in 2010 and 2011 to report substantial earnings growth, including an increase of 14% in 2010 and 13% in 2011; and

WHEREAS, October 4, 2010, the PSC Staff recommended that the PSC order FPL to hold \$400 million for possible refund to customers and that the PSC investigate over earning by the company, however the customers never received a refund; and

WHEREAS, the proposed rate increases will adversely affect the residents of the Village and further strain limited resources.

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF THE VILLAGE OF PINECREST, FLORIDA:

Section 1. The foregoing "WHEREAS" clauses are hereby ratified as true and correct and are incorporated herein by this reference.

Section 2. The Village hereby objects to and opposes the Public Service Commission ("PSC") approving FPL's request for a base rate increase.

Section 3. The Mayor is authorized on behalf of the Village to file this Resolution with the PSC and present this Resolution opposing the rate increase at any public meeting, conference or hearing, including those scheduled for the purpose of discussing or considering any matters under consideration in PSC docket number 120015-EL

**Section 4.** The Village Clerk is hereby directed to distribute a copy of this resolution via mail to the PSC Clerk, Attention: Docket 120015-EI, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, and via electronic mail to the Commission at [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us).

**Section 5.** If any section, subsection, sentence, clause, phrase, or portion of this Resolution, or application hereof, is for any reason held invalid or unconstitutional by any Court, such portion or application shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions or application hereof.

**Section 6.** All Resolutions made in conflict with this Resolution are hereby repealed.

**Section 7.** This Resolution shall be effective immediately upon its adoption.

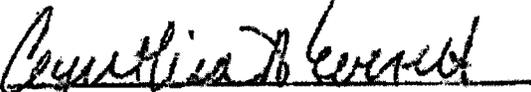
PASSED AND ADOPTED this 10th day of April, 2012.

  
Cindy Lerner, Mayor

Attest:

  
\_\_\_\_\_  
Guido M. Inguanzo, Jr., CMC  
Village Clerk

Approved as to Form and Legal Sufficiency

  
\_\_\_\_\_  
Cynthia A. Everett  
Village Attorney

Consent Agency





**FPL.**

May 30, 2012

Honorable Cindy Lerner  
Mayor, Village of Pinecrest  
12645 Pinecrest Parkway  
Pinecrest, FL 33156

Dear Mayor Lerner:

As I informed you and the other members of the Village Council at your March 20 meeting and again at your April 10 meeting, the Village of Pinecrest's Resolution 2012-20 regarding FPL's 2013 base rate request is extremely misleading. FPL is proud to serve the people of Pinecrest, and in fact, some of my fellow FPL employees call the Village home. On behalf of my company, our employees and our customers, I am writing to express disappointment and concern with the Village Council's passage of Resolution 2012-20.

Regarding the resolution, perhaps most disingenuous is the omission of indisputably relevant information. For example, one clause reads:

*WHEREAS, October 4, 2010, the [Public Service Commission] Staff recommended that the PSC order FPL to hold \$400 million for possible refund to customers and that the PSC investigate over earning by the company, however the customers never received a refund;*

Nowhere in Resolution 2012-20 does the Village disclose the fact that the PSC Staff recommendation referenced above was later rejected by a unanimous vote of the Commission. The resolution also fails to mention that the recommendation was based on the Staff members' belief, at the time, that there existed a possibility for an over-earnings situation to occur under certain circumstances. This speculation was later disproved as FPL's earnings never exceeded the level approved by the PSC, although the Village's resolution clearly intends to convey the contrary.

Mayor Lerner, at this time, I will refrain from reiterating our other concerns with Resolution 2012-20. However, with the Village Council scheduled to consider whether to expend further taxpayer money on legal intervention in the Public Service Commission's process, I respectfully request that FPL be afforded the opportunity to provide the Council members and all residents – our customers – with accurate information about the company's base rate request. At a minimum, we would request that the attached fact sheet be posted prominently and accessibly on the homepage of the Village's website.

Please do not hesitate to contact me should you wish to learn more about the facts. Thank you.

Sincerely,

Ramon Ferrer  
External Affairs Manager  
Enclosures (1)

Cc: Honorable Vice-Mayor Nancy L. Harter  
Councilmember Joseph M. Corradino  
Councilmember Jeff Cutler  
Councilmember Bob Ross

Florida Power & Light Company

700 Universe Boulevard, Juno Beach, FL 33408

APPENDIX C