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August 19, 2015

-VIA ELECTRONIC DELIVERY –

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

Re: Docket No. 150075-EI

Dear Ms. Stauffer:

Enclosed for filing on behalf of Florida Power & Light Company are its responses to the Commission Staff's Fourth and Fifth Data Requests, dated August 13, 2015.

Please contact me at 561-304-5639 if you or your Staff have any questions regarding this filing.

Sincerely,

/s/ John T. Butler

John T. Butler

Enclosures
cc: Counsel for Parties of Record (w/encl.)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic delivery on the 19th day of August 2015, to the following:

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By: */s/ John T. Butler*
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Q.

For the purposes of the following request, please refer to FPL's Responses to Staff's Second Data Request, No. 1, and FPL's 2012 Settlement Agreement, Exhibit 1, Section 10 (pages 10-12).

a. Section 10, subsection (b) of the 2012 Settlement Agreement details certain conditions guiding the Depreciation Reserve Surplus that the Company must amortize, one of which is: ". . . (i) the amount of Total Depreciation Reserve Surplus that FPL may amortize during the term shall not be less than $191 million (or the actual amount of Total Depreciation Reserve Surplus remaining at the end of 2012)". FPL's Response to Staff's Second Data Request, No. 1, Question 1(a.), shows the amount of depreciation reserve surplus at 12/31/2012 to be approximately $224 million. Is staff correct to assume that the approximate $224 million figure supersedes the $191 million figure as the amount of Depreciation Reserve Surplus the Company must amortize?

b. If the response to (a.) is affirmative, will the Company amortize the remaining Total Depreciation Reserve Surplus balance of approximately $68.6 million, as identified in FPL's Response to Staff's Second Data Request, No. 1, Question 1(c.), on or before the last billing cycle of December 2016?

c. If the response to (b.) is affirmative, and assuming the 2015 Settlement is approved, is staff correct to assume the $30 million of reductions to the original $400 million Reserve Amount will be made from the dismantlement portion of the Reserve Amount, as shown in FPL's Response to Staff's Second Data Request, No. 1, Questions 1(d.) and 1(e.)?

d. If the response to (c.) is affirmative, does that make the new/revised dismantlement portion of the Reserve Amount that FPL is authorized to amortize during the settlement term equal to $146,014,234 (not withstanding bottom-of-the-range ROE provision in section 3(b) of the 2015 Settlement Agreement)?

e. If the responses to (b.) and (d.) are affirmative, is the (new) total discretionary (meaning the Company may or may not, at its own discretion, amortize during the 2012 Settlement's term) Reserve Surplus balance equal to $146,014,234 (not withstanding bottom-of-the-range ROE provision in section 3(b) of the 2015 Settlement Agreement)?

A.

a. Yes, that is correct. The $224 million of Depreciation Reserve Surplus remaining at 12/31/2012 supersedes the amount of $191 million that was estimated and referenced in the 2012 Settlement Agreement. Please note that the settlement also goes on to provide restrictions and requirements in Sections 10(b)(ii) and (iii) concerning amortization of the Reserve Amount that are intended to ensure that FPL's earnings stay within the approved 9.5%-11.5% ROE range.

b. Yes, FPL plans to utilize all the Depreciation Reserve Surplus by the end of 2016.

c. Yes, that is correct. Under the 2012 Settlement Agreement, FPL must first utilize all the Depreciation Reserve Surplus and then it can utilize the dismantlement portion of the Reserve Amount, which is $176 million of the total $400 million Reserve Amount. As such, the $30 million would relate to the dismantlement portion.

d. Yes, that is correct. If FPL were to otherwise earn below the bottom-end of the allowed ROE range, the additional $30 million would be utilized as needed to allow FPL to earn at the bottom of the allowed range consistent with the requirement of Paragraph 10(b)(ii) of the 2012 Settlement Agreement.

e. No. Notwithstanding the bottom-of-the-range ROE provision in the 2015 Settlement Agreement, FPL's total discretionary Reserve Surplus amortization available for use as of June 30, 2015 is $214.6 million ($68.6 million of Depreciation Reserve Surplus plus $146 million of dismantlement amortization).

Q.

Section 3(c) of the settlement agreement allows a party to petition the Commission, no later than July 1, 2019, to extend the insurance coverage and that "the Commission shall enter a final order in any such proceeding by December 31, 2019."

Do the signatories agree that such language would bind the Commission to issue a final order?

A.

No. The Signatories recognize that they cannot via the Settlement Agreement bind the Commission to issue a final order that the Commission is not otherwise required to issue. The Signatories' intent in Section 3(c)(ii) is to establish a timetable for any proceeding that would be conducted to determine whether the term of environmental liability insurance coverage should be extended, so that FPL would have enough time to procure a renewal or replacement insurance policy, without any gap in coverage, in the event the Commission decided that the coverage term should be extended.

FPL typically commences its insurance policy renewal/replacement efforts two to five months prior to the expiration of the existing policy due to the lead time needed to ensure market availability and gather the information required by brokers and insurers. For purposes of the subject environmental liability insurance, FPL would need to provide potential brokers or insurers updated information regarding the environmental condition of the Cedar Bay site. FPL assumes that the then-existing environmental liability insurance coverage would expire by January 31, 2020. The one-month period between the December 31, 2019 order and the January 31, 2020 expiration date reflects the bare minimum amount of time reasonably required to procure the renewal or replacement policy.

As with many types of insurance, it is important to avoid gaps in coverage if possible. A coverage gap could significantly impact the price or the terms and conditions of the policy. Moreover, a gap would place FPL and its customers at risk of falling into a period of no insurance. Thus, FPL would have no coverage for any claims that arise during the gap period.

Q.

If the Commission failed to issue a final order until after December 31, 2019, what do the signatories believe would be the effect of that final order on the signatories? How would a final order filed after December 31, 2019, or no final order issued at all, affect enforcement of the settlement agreement by all signatories?

A.

As explained in the response to Question 1 above, the timetable provision in Section 3(c)(ii) is included in the Settlement Agreement to benefit customers by ensuring there would be enough time to procure renewal or replacement coverage on favorable terms and without coverage gaps. As discussed in that response, the effect of issuing a final order after December 31, 2019 would be that FPL might not have sufficient time to procure a renewal or replacement insurance policy on favorable terms and/or that a gap in coverage might be created. Either or both of those outcomes would be to the disadvantage of customers. FPL does not believe Chapter 120, Florida Statutes, contemplates that "no final order [would be] issued at all" in a proceeding initiated to seek an extension of the term for environmental liability insurance coverage. Pursuant to Chapter 120, Florida Statutes, a final order must be rendered reflecting whatever disposition of the proceeding the Commission determines is appropriate.

FPL does not believe that the other terms of the Settlement Agreement would become unenforceable if a final order were entered after December 31, 2019 or no final order were entered at all.

Q.

If the Commission modifies or rejects Section 3(c) what effect would that action have on the settlement agreement?

A.

Paragraph 6 of the Settlement Agreement provides that the provisions of the Settlement Agreement are contingent on approval of the Agreement in its entirety. Thus, in order for the Settlement Agreement to be binding upon the Signatories, they would have to mutually agree to any modification of its terms.