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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 160021-EI
FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

IN RE: PETITION FOR RATE INCREASE BY
FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

DIRECT TESTIMONY & EXHIBITS OF:

TIFFANY C. COHEN

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

DIRECT TESTIMONY OF TIFFANY C. COHEN

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Tiffany C. Cohen, and my business address is Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. By whom are you employed, and what is your position?

A. I am employed by Florida Power & Light Company ("FPL" or the "Company") as the Senior Manager of Rate Development in the Rates & Tariffs Department.

Q. Please describe your duties and responsibilities in that position.

A. I am responsible for developing the appropriate rate design for all electric rates and charges. Additionally, I am responsible for proposing and administering the tariff language needed to implement those rates and charges.

Q. Please describe your educational background and professional experience.

A. I hold a Bachelor of Science Degree in Commerce and Business Administration, with a major in Accounting from the University of Alabama. I obtained a Master of Business Administration from the University of New Orleans. I am also a Certified Public Accountant. I joined FPL in 2008 as the Manager of the Nuclear Cost Recovery Clause. I assumed my current position in June 2013. I am a member of the Edison Electric Institute ("EEI") Rates and Regulatory Affairs Committee, and I have completed the EEI Advanced Rate Course. Prior to joining FPL, I was employed at Duke Energy

for five years, where I held a variety of positions in the Rates & Regulatory Division, including managing rate cases, Corporate Risk Management and Internal Audit departments. Prior to joining Duke Energy I was employed at KPMG, LLP.

Q. Are you sponsoring any exhibits in this case?

A. Yes. I am sponsoring the following exhibits:

- TCC-1 MFRs and Schedules Sponsored or Co-sponsored by Tiffany C. Cohen
- TCC-2 FPL Bill Comparisons - January 2016 to January 2020
- TCC-3 Florida Utility Bill Comparison
- TCC-4 Change in the Consumer Price Index versus FPL Bills
- TCC-5 Parity of Major Rate Classes
- TCC-6 Summary of Proposed Rates for Major Rate Schedules

Q. Are you sponsoring or co-sponsoring any Minimum Filing Requirements ("MFRs") and schedules in this case?

A. Yes. Exhibit TCC-1 lists the MFRs and schedules that I am sponsoring and co-sponsoring.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to support FPL's proposed base rates and service charges that will produce revenues sufficient to recover the Company's jurisdictional revenue requirements in the 2017 Test Year, the 2018 Subsequent Year and the limited scope adjustment in 2019 when the

Okeechobee Clean Energy Center ("Okeechobee Unit") is projected to go into service.

Q. Please summarize your testimony.

A. My testimony addresses the following general areas:

- Overview of base revenues and rate structures;
- Forecast of base revenues;
- Development of FPL's proposed target revenues by rate class;
- Development of the proposed service charges;
- Proposed changes to existing base rates;
- Other tariff changes; and
- Proposed rates for the 2019 Okeechobee Limited Scope Adjustment ("2019 Okeechobee LSA").

FPL's jurisdictional revenue requirements for the test year ending December 31, 2017, reflect the need for an increase in base revenues of $866 million in January 2017, a subsequent year adjustment in base revenues of $262 million in January 2018, and $209 million in June 2019 for the 2019 Okeechobee LSA.

As reflected in Exhibit TCC-2, page 1, the base component of the typical residential (1,000 kilowatt-hours) bill would increase from $57.00 in April 2016 to $65.56 in January 2017, then to $68.20 in January 2018 and to $70.28 in June 2019. This is an increase of $8.56 in January 2017, $2.64 in January 2018 and $2.08 in June 2019, for a total impact of $13.28 or 44 cents per day.

As discussed by FPL witness Ousdahl, these amounts do not reflect the proposed transfer of the West County Energy Center Unit 3 ("WCEC3") from clause recovery to base rate recovery, which is the approach under the current 2012 Rate Settlement. This transfer will not have any impact on customers' total bills. For illustrative purposes, WCEC3 is shown separately in Exhibit TCC-2.

Exhibit TCC-3, pages 1-2, shows that FPL's typical residential 1,000 kWh bill ("typical bill" or "typical residential bill") at proposed rates is expected to remain among the lowest in the state as compared to the other reporting Florida utilities' typical residential bills at current rates. As shown in Exhibit TCC-2, under FPL's rate proposal, the five-year compound annual growth rate ("CAGR") of the total bill increase from January 1, 2016, through the end of the four year rate proposal on December 31, 2020, is projected to be approximately 2.8 percent.

Exhibit TCC-3, page 5, shows that FPL's Commercial and Industrial ("CI") bills are also among the lowest in the state of Florida and significantly below the state average (as compared to the 38 electric utilities reported by the Florida Municipal Electric Association).

The CI rate classes will experience varying increases in January 2017 depending on the current rate of return for each class as compared to the

system average rate of return, i.e., parity index, for each respective class. FPL's filing proposes adjustments to rates and charges to more closely reflect the projected cost of service for the various rate classes, and thus address parity, while following the Florida Public Service Commission's ("FPSC" or "Commission") practice of limiting base rate increases to 1.5 times the system average increase in total rate class operating revenue as well as providing no rate decreases. MFR E-8 shows that the 2017 total increase for CI rate classes is between less than one percent and 12.3 percent. Exhibit TCC-2, pages 2 through 5, shows the proposed typical bill changes for 2017, 2018 and 2019 for four CI rate classes (General Service, General Service Demand and General Service Large Demand 1 and 2), which encompass over 95 percent of FPL's CI customers.

FPL has a proven track record of providing customers excellent value in their electric service. FPL's typical residential and CI bills have continually been among the lowest in Florida and well below the national average. As of December 2015, FPL's typical residential bill was about 20 percent below the state average and approximately 30 percent below the national average.

Since 2006, FPL's typical residential bill has actually ***decreased*** 14 percent, while the national average typical bill has increased by 29 percent. Also over the same period, CI typical bills have also ***decreased*** 16 percent to 23 percent. Exhibit TCC-4 demonstrates that from 2006 to 2020, FPL's projected typical

residential bill will have decreased by 1.4 percent, and the projected CI typical bills will have decreased between 3 percent and 9 percent, while the projected Consumer Price Index ("CPI") will have increased 33 percent. FPL's CI bills continually rank near the lowest in the state and, depending on the size of the customer, are between 20 and 41 percent below the national average. As shown in Exhibit TCC-4, current CI customer bills are also significantly ***lower*** than they were in 2006, in spite of the inflation-related increases in consumer costs as measured by CPI. This is a significant accomplishment – one that has provided tremendous value for our customers.

FPL's track record in providing excellent value to our customers is further illustrated by the impact on rates of FPL's achievements in controlling non-fuel operation and maintenance costs. FPL witness Reed estimates FPL's non-fuel operation and maintenance costs would have been $1.9 billion higher if FPL were just an average performer in this metric. The rate impact of that savings is approximately $17 a month for our customers (typical residential bill).

II. OVERVIEW OF BASE REVENUE AND RATE STRUCTURES

Q. What is meant by "base revenue"?

A. Base revenue represents FPL's total revenues from the sale of electricity and other operating revenues, such as service charges, excluding revenues

generated from adjustment clauses, the storm charge, gross receipts taxes, and franchise fees. This breakdown is reflected in MFR C-5.

Q. How is base revenue from the sale of electricity determined?

A. Base revenue from the sale of electricity is determined by applying the applicable base rate tariff charges, excluding the cost recovery adjustment clause factors and the storm charge, to the appropriate billing determinants. As described in Exhibit TCC-6, FPL has more than 40 retail rate schedules, each with its own set of tariff charges and billing determinants.

Q. What is meant by billing determinants?

A. Billing determinants are the parameters used for billing customers. The applicable billing determinants reflect the rate structure established for a given rate schedule. Customer, demand, and energy charges are each associated with their own set of billing determinants. The annual customer billing determinants are expressed in terms of the number of accounts billed by month in a year. Demand billing determinants are expressed in terms of the sum of the kilowatts ("kW") of customer monthly demand during a year, while energy billing determinants are expressed in terms of kilowatt-hours ("kWh"). Some rate schedules are limited to customer and energy billing determinants only. For example, customers in the small general service rate schedule ("GS-1") are charged a customer charge in addition to a cents-per-kWh energy charge. GS-1 customers represent the smallest of the CI customers, whose demands are 20 kW or less, and whose rate schedule does not include a demand charge. Larger CI customers, on the other hand, are

charged on the basis of their demand, i.e., the maximum electric usage in a given time period, and energy consumed. Thus, the rate structure for the general service demand rate schedules ("GSD-1"), includes a customer charge, a cents-per-kWh energy charge and a dollar-per-kW demand charge.

Q. What are the proposed rate structures for the major rate schedules?

A. Exhibit TCC-6 provides a narrative explanation of the proposed rate structures of FPL's major rate schedules.

III. FORECAST OF BASE REVENUE

Q. What were the major inputs used to produce the forecasts of retail base revenues from the sale of electricity for the 2017 Test Year?

A. The major inputs used were the customer and energy (MWh) sales forecasts by revenue class produced by FPL witness Morley, the existing tariff charges, and the cost of service data produced by FPL witness Deaton.

Q. What is the difference between revenue classes and rate schedules?

A. Revenue classes represent general categories of customers and are used for financial reporting purposes. There are six retail revenue classes: residential, commercial, industrial, street & highway lighting, railroads & railways, and other. The revenue classes are a combination of different rate schedules, with the exception of the railroads & railways revenue class. This is the only class that is specific to a particular rate schedule, i.e., the Metropolitan Transit Service ("MET") rate schedule. To provide the level of detail required in

MFR E-13, the forecasts of sales and customers by revenue class were converted into forecasts of sales and customers by rate schedule.

Q. What is the difference between rate classes and rate schedules?

A. Rate classes are groups of individual rate schedules with like billing attributes (e.g., customer type and load size) and rate design relationships, and are therefore treated for rate design purposes on a combined basis. As a result, one or more rate schedules may be combined into a single rate class. For example, general service, Rate Schedule GS-1, and general service time-of-use ("TOU"), Rate Schedule GST-1, are combined together into the GS(T)-1 rate class.

Q. Please describe the steps for developing the forecasts of base revenues.

A. First, the billing determinant forecast for customers, kWh sales, and kW demand is developed by rate schedule. Next, these billing determinants are applied to the currently applicable rates, adjusted to include WCEC3 rates as discussed below, to provide the base revenue forecast at present rates. The customer, demand, and energy rates are then adjusted as discussed in Section VI, Proposed Changes to Existing Base Rates, and applied to the forecasted billing determinants to provide the forecasted base revenue at proposed rates.

Q. How is the billing determinant forecast developed?

A. The customer and sales forecast is provided by FPL witness Morley for the appropriate time period. This forecast is developed on a revenue class basis by FPL witness Morley and must be allocated to the rate schedule level for use in the revenue forecast.

The allocation of customers and kWh sales by rate schedule is developed based on the historical relationship between the number of customers and sales by rate schedule, and customers and sales by revenue class. Historical percentages are applied to the forecast of customers and sales by revenue class. The result is an estimate of sales and customers by retail rate schedule for the appropriate time periods, which in this case are the 2017 Test Year and the 2018 Subsequent Year.

Finally, additional derivations are made to complete the estimate of customer and energy billing determinants by rate schedule. For example, the kWh sales for the residential rate schedule ("RS-1") are segmented to reflect the inverted rates described in Exhibit TCC-6. Likewise, for TOU rate schedules, total sales are segmented between on-peak and off-peak sales based on historical patterns. In addition, for demand-metered rate schedules, billing demands are developed based on the historical relationship between billing demand and billed sales by rate schedule.

Q. Are there any exceptions to the process as described?

A. Yes. If a rate class is closed or there is no projected customer growth, then the number of customers under the rate schedules within that rate class is based on their actual values during the last 12 months ending August 2015. These exceptions are limited to a small number of customers (less than 0.5 percent).

Q. Why does FPL's forecast of base revenue at present rates include revenue associated with WCEC3?

A. The 2010 Rate Settlement approved in Order No. PSC-11-0089-S-EI provided for recovery of WCEC3 costs through the Capacity Cost Recovery Clause until WCEC3 costs are included in base rates. The 2012 Rate Settlement approved in Order No. PSC-13-0023-S-EI continued recovery of WCEC3 costs through the Capacity Cost Recovery Clause. FPL is proposing to include WCEC3 costs in base rates in 2017 and beyond.

Q. How were the currently effective rates adjusted to include the WCEC3 factors?

A. The estimated 2017 and 2018 capacity clause factors for WCEC3 were added to the current effective rates. These adjustments are detailed in MFR E-14, Attachment 4.

Q. Do the proposed base rates also reflect recovery of WCEC3?

A. Yes. The jurisdictional revenue requirement for WCEC3 is included in the cost of service study. The proposed base rates are designed to recover the total jurisdictional revenue requirement, including WCEC3.

Q. Which MFRs provide detail on the retail base revenue forecast described above?

A. MFR A-3 lists the currently-approved base tariff charges adjusted to include WCEC3 factors. MFR E-15 provides a description of how the billing determinants were developed. MFR E-13c provides the results of applying the base tariff charges to the billing determinants, and MFR E-13d provides additional detail on the base revenue forecast for the lighting rate schedules.

IV. TARGET REVENUES BY RATE CLASS

Q. How are the target revenues by rate class shown on MFR E-8 determined?

A. In a rate case proceeding where an adjustment in rates is proposed, the cost of service study provides a guide for evaluating any proposed changes to the level of revenues by rate class. More specifically, the allocation of any revenue increase should be assessed in terms of its impact on the parity index for the respective rate class. FPL has set the target revenue by rate class to improve parity among the rate classes to the greatest extent possible, while following the Commission practice of limiting the increase of each rate class to 1.5 times the system average increase in revenue, including adjustment clauses, and not allowing any class to receive a decrease.

Q. What does FPL's cost of service study show regarding the system average Rate of Return ("ROR") and the parity indices by rate class?

A. As explained by FPL witness Deaton, FPL's cost of service study shows a retail jurisdictional average earned ROR of 4.97 percent for the 2017 Test Year and 4.65 percent for the 2018 Subsequent Year. This is consistent with the retail ROR reported in MFR A-1. The cost of service study indicates that the parity indices vary by rate class, with some class indices well above parity while others fall well below parity. When a rate class is under parity, its ROR is less than the overall FPL ROR. An important goal in setting rates is that all

rate classes should be as close to the FPL ROR as possible in order to minimize the cross-class subsidies.

Q. What impact would FPL's target revenues by rate class have on parity?

A. As shown in Exhibit TCC-5, under FPL's proposed target revenues by rate class, the parity of most rate classes is improved. MFR E-8 reflects that proposed rates result in 10 of the 17 rate classes being within 10.0 percent of parity in 2017 and 13 of the 17 within 10.0 percent of parity in 2018.

Q. How does FPL propose to achieve these target revenues by rate class?

A. FPL proposes to achieve these target revenues through changes to existing rates while incorporating proposed revisions to service charges. Each element of FPL's proposal is outlined below.

V. SERVICE CHARGES

Q. Is FPL proposing any changes to its service charges?

A. Yes. FPL has updated the cost basis of all of the Company's service charges as shown on MFR E-7. Deployment of smart meters has automated field activities, including meter reading, connect and disconnect services, which eliminates the need to send FPL personnel out to a customer's property. This has reduced the cost of several service charges. When FPL personnel are still required to visit the customer's property, such as with field collection, the service charges have increased to reflect the current cost. The proposed

service charges are shown on MFR E-13b. The proposed charges better align the rates for these services with their current cost structure.

Additionally, FPL is proposing to add a meter tampering penalty charge of $200 for residential and non-demand commercial customers (i.e., GS-1) and $1,000 for all other customers to be effective once the billing system has been modified to accommodate the charge. FPL expects the billing system to be ready on or about June 1, 2017. Currently, FPL's Tariff 6.061 states that "unauthorized connections to, or tampering with the Company's meter or meters, or meter seals, or indications or evidence thereof, subjects the Customer to immediate discontinuance of service, prosecution under the laws of Florida, adjustment of prior bills for services rendered, and reimbursement to the Company for all extra expenses incurred on this account." The addition of the meter tampering penalty is intended to be an additional deterrent for the theft of electricity.

Finally, FPL is proposing to update the temporary construction service rates to reflect the cost of performing this service.

Q. Has the revenue impact from adjusting service charges been taken into account in calculating the revenue increase that is necessary to meet the target revenue by rate class for the 2017 Test Year and the 2018 Subsequent Year?

A. Yes. As shown in MFR E-8, the change in service charge revenue is taken into account in calculating the revenue increase needed to meet the target revenue by rate class.

VI. PROPOSED CHANGES TO EXISTING BASE RATES

Q. Please explain FPL's objective for the proposed changes to existing base rates.

A. The objective of the proposed changes to existing base rates and charges is to achieve the target revenues by rate class previously discussed. The changes to existing rates are consistent with the objectives of providing rates that are cost-based, send appropriate price signals, and are understandable to customers.

Q. Please describe in general terms the methodology you used in developing the proposed changes to FPL's existing base rates.

A. Generally speaking, the inputs include the target revenues by rate class presented in MFR E-8 and the projected revenues and billing determinants by rate schedule presented in MFR E-13c and MFR E-13d. Other factors such as unit costs in MFR E-6b and rate stability are also considered when developing base rates. This methodology was applied to both of the increases proposed for the 2017 Test Year and 2018 Subsequent Year.

Q. What changes are being proposed to residential rates?

A. FPL proposes resetting the inverted energy rates to a one-cent differential between the first 1,000 kWh and all additional kWh. This is consistent with historical precedent from prior dockets including Docket Nos. 120015-EI and 080677-EI.

FPL also proposes a $2.00 increase to the RS-1 Customer Charge to recover a portion of fixed distribution costs currently being recovered through the variable energy charge.

Q. Why is FPL proposing this rate structure change?

A. Under traditional ratemaking principles, costs that do not vary with the amount of electricity used, i.e., fixed costs, are recovered through fixed charges; and costs that vary with the amount of electricity used, i.e., variable costs, generally are recovered through variable demand and energy charges. As discussed by FPL witness Deaton, over 80 percent of FPL's costs recovered through base rates are fixed costs, while only 26 percent of these fixed costs are recovered through a fixed charge. In order to more closely align recovery of fixed costs with fixed charges, FPL is proposing this modest customer charge increase.

Q. What changes is FPL proposing for CI customers?

A. In order to more closely align recovery of fixed costs with fixed charges, FPL is also proposing a $2.00 increase to the customer charge for the non-demand General Service rate class ("GS(T)"). Also, credits provided under the 2012 Rate Settlement for Commercial Industrial Load Control ("CILC") and

Commercial Demand Rider ("CDR") customers are reset to pre-settlement levels (adjusted for Generation Base Rate Adjustments) as shown in MFR E-14, Attachment 5.

Q. Which MFR outlines how the specific changes FPL is proposing to its existing rates were developed?

A. MFR E-14, Attachment 2, provides work papers outlining the derivation of the proposed changes to FPL's existing rates. In addition, Exhibit TCC-6 provides a narrative explanation of the proposed rate structures and rate design.

Q. How does FPL propose to recover its target revenue from the lighting rate classes?

A. The base energy charges for SL-1, SL-2, and OL-1 are based on the unit cost in MFR E-6b adjusted if necessary to achieve the target revenues of each rate class. Attachment 3 to MFR E-14, the Lighting Cost of Service, shows that the cost of installing and maintaining new poles and conductors exceeds the charges under the current tariff. Therefore, SL-1 and OL-1 pole and conductor charges were increased to reflect the replacement costs. Maintenance charges were also increased based on current cost.

Q. Which MFRs provide additional information on the proposed changes to existing rates that you have outlined?

A. MFR A-2 presents the impact of the proposed rate changes to the typical bills. MFR A-3 provides a summary of those proposed rate changes. The

applicable proposed tariff sheets are presented in MFR E-14, Attachment 1.

The revenue impact from the proposed changes to existing rates is shown in MFRs E-12, E-13a, E-13c and E-13d. The parity indices under proposed rates are shown in MFR E-8.

VII. OTHER TARIFF CHANGES

Q. Is FPL proposing any new tariffs?

A. Yes. FPL is proposing two new tariffs for Lighting: Metered Customer-Owned Street Lights (SL-1M) and Metered Traffic Signals (SL-2M). FPL proposes to close the existing unmetered Street Lights tariff option for customer-owned lights (SL-1) and also the Traffic Signal tariff (SL-2) to new customers effective January 1, 2017. FPL proposes to place all new accounts on the new metered SL-1M and SL-2M tariffs. FPL also proposes that all current SL-1 and SL-2 customers taking service as of December 31, 2016, will remain on the existing SL-1 and SL-2 tariffs, unless a customer voluntarily selects the applicable new rate.

Q. Why is FPL proposing new metered lighting tariffs?

A. FPL is proposing the metering of street lights and traffic lights to improve customer service and ensure accurate billing. Over time, street light and traffic light customers have replaced existing facilities with different facilities, and in many cases, these customers have added new equipment to their

facilities without notifying the Company of the changes to the electrical load. In other cases, traffic signal customers have moved to LED lights, thereby reducing load. As a result, the Company's billings have become less accurate for the provision of service. The use of meters for lighting and traffic signals will address this issue. More importantly, by installing communicating meters (i.e., AMI meters) the Company will receive an automatic notification of any outage, and the restoration of service can occur sooner than it otherwise would when notification is reported by a customer.

Q. Is FPL proposing any other tariff rate modifications?

A. Yes. FPL has proposed several modifications to the Company's lighting, transmission and distribution tariffs and surety bond tariff.

Q. Please explain the proposed modifications to FPL's lighting tariffs.

A. FPL currently offers a relamping option for Street Lighting (SL-1) and Outdoor Lighting (OL-1) customers who own their respective lights and poles. The relamping option is a service whereby FPL replaces burned-out lamps (light bulbs) for customer-owned lights with the customer remaining responsible for providing all other necessary maintenance and repairs (e.g., fixtures, wiring, photocell). This has proven to be an inefficient option and a source of recurring frustration and dissatisfaction to our customers. Non-working lights are typically reported to FPL for follow-up/repair; however, when the cause of the outage is not a burned-out lamp, FPL must then refer the problem back to the light's owner. The light's owner must then dispatch their own resources to investigate and make repairs. Not only does this

inefficient process unnecessarily waste resources and increase costs (i.e., unnecessary FPL service calls), but it also further delays the return of the light to service. Because the light's owner is already responsible for having resources available (either direct employees or contract crews) to make all necessary repairs other than relamping, the same resources are capable of relamping the lights as well. This results in faster restoration and lower overall costs (only one trip per light) and more satisfied customers.

Finally, there is very little demand for the relamping option from our customers. This is indicated by the fact that the number of customers choosing this option continues to decline each year, with less than one percent of the customer-owned street and outdoor lights in our system currently taking this service. For these reasons, FPL is proposing to close the relamp option for new customer-owned SL-1 and OL-1 lights. The remaining few street and outdoor lights receiving the relamping service will continue to receive that service.

There are three additional changes proposed to the Outdoor Lighting tariff: 1) a clarification that outdoor lights will only be installed in areas accessible by an FPL truck; 2) an addition of a willful damage clause, similar to that used for the street lighting tariff, requiring customers to pay for the fixture if it is damaged and replaced more than once; and 3) a requirement of an active "house account" in order to install an outdoor light.

FPL proposes to add language to the SL-1 tariff to clarify this rate only applies to pre-1992 parking lot lighting customers. After 1992, new parking lot customers were required to take service under the Outdoor Lighting (OL-1) rate schedule. Moving these customers from the SL-1 tariff to the OL-1 tariff could result in significant bill increases for certain customers (primarily municipalities). Additionally, FPL also proposes to eliminate the word "patrol" from the services provided in the SL-1 tariff. With the data and information provided by the newly installed automated streetlight smart nodes, physical patrols of the lights will no longer be necessary.

Q. Please explain the proposed modifications to FPL's transmission and distribution tariffs.

A. FPL proposes to remove the minimum 2,000 kW demand from transmission level customer tariffs such as GSLD(T)-3. Customers would still be required to take service at transmission voltage of 69 kV or higher but would not be required to contract up to 2,000 kW if their demand was less.

FPL also proposes to clarify its distribution level tariffs by standardizing the language in the Service section of the tariff to read "Single or three phase, 60 hertz and at any distribution voltage."

Q. Please explain the proposed modifications to FPL's Surety Bond tariff.

A. FPL is proposing additional language to its surety bond requirements to ensure payment for electric service under the surety bond in the event of bankruptcy or other insolvency.

VIII. PROPOSED RATES FOR 2019 OKEECHOBEE LSA

Q. How does FPL propose to recover the revenue requirements for the 2019 Okeechobee LSA?

A. FPL proposes to implement new rates to recover the annualized revenue requirements associated with the Okeechobee Unit concurrent with the in-service date of the unit, which is currently scheduled for June 1, 2019. FPL also proposes that the corresponding fuel savings associated with the Okeechobee Unit be reflected in the fuel factors effective upon the in-service date. Implementing the fuel factors reflecting those savings concurrent with the 2019 Okeechobee LSA better aligns costs with the fuel savings benefits.

The 2019 Okeechobee LSA will be implemented by adjusting base charges and non-clause recoverable credits (e.g., the transformation rider credits and the curtailable service credits) and commercial/industrial demand reduction rider credits by an equal percentage. The calculation of this percentage, as shown in Schedule E-14, is based on the ratio of jurisdictional annual revenue requirements and the forecasted retail base revenues from the sales of electricity during the first 12 months of operation. The 2019 Okeechobee

LSA Schedule A-1, which is sponsored by FPL witness Ousdahl, shows that the first 12 months of revenue requirements associated with the Okeechobee Unit is $209 million.

The ratio is applied to FPL's base charges and credits as reflected in Schedule A-3, which provides the summary of tariff changes by rate schedule. Typical bill calculations with the proposed 2019 Okeechobee LSA are also provided in Schedule A-2.

If the revenue requirements for the 2019 Okeechobee LSA are approved by the Commission, FPL will calculate and submit the 2019 Okeechobee LSA rates to the Commission for approval in the Capacity Clause projection filing for 2019.

Q. Is FPL proposing a true up mechanism for the 2019 Okeechobee LSA?

A. Yes. To the extent the actual capital expenditures are less than the projected costs used to develop the initial adjustment; FPL proposes that a one-time credit be made through the Capacity Clause. In order to determine the amount of this credit, a revised factor will be computed using the same data and methodology incorporated in the initial adjustment, with the exception that the actual capital expenditures will be used in lieu of the estimated capital expenditures the need determination was based on. On a going forward basis, base rates will be adjusted to reflect the revised factor. The difference between the cumulative base revenues since the implementation of the initial

adjustment and the cumulative base revenues that would have resulted if the revised adjustment had been in place during the same time period will be credited to customers through the Capacity Clause with interest at the 30-day commercial paper rate as specified in Rule 25-6.109.

In the event that actual capital expenditures for the 2019 Okeechobee LSA were higher than the projection on which the LSA was based, FPL would have the option to initiate a limited proceeding pursuant to Section 366.076, Florida Statutes, limited to the issue of whether FPL has met the requirements of Rule 25-22.082(15), F.A.C., that the higher costs were prudently incurred due to extraordinary circumstances. If the Commission finds that FPL had met those requirements, then FPL would be permitted to increase the LSA by the corresponding incremental revenue requirement due to such additional capital costs. Alternatively, if FPL did not pursue such a proceeding, FPL would be permitted to record any incremental costs for surveillance reporting and other regulatory purposes subject to Commission prudence review and potential disallowance.

Q. Is FPL's proposed method of recovering the revenue requirements for the 2019 Okeechobee LSA consistent with the methodology approved by the Commission for the recovery of the costs of the Riviera Beach Energy Center in 2014 and Port Everglades Energy Center in 2016?

A. Yes. As shown in Schedule E-14, FPL's proposal is consistent with the methodology for cost recovery utilized by FPL for the Generation Base Rate

Adjustments for the Riviera Beach Energy Center and Port Everglades Energy Center that were part of FPL's Commission-approved 2012 Rate Settlement. As discussed above, at the time of the Okeechobee Unit's in-service date, base charges, non-clause recoverable credits and CDR credits will be adjusted by an equal percentage and new fuel factors will be calculated to incorporate fuel savings. Additionally, a true-up mechanism is being proposed if capital expenditures are less than projected costs with FPL retaining the option of initiating a limited proceeding should capital expenditures exceed projected costs.

IX. CONCLUSION

Q. Please summarize your testimony.

A. FPL has submitted a proposed distribution of revenue requirements by each major customer class that is reasonable and moves all customer classes towards parity. These changes equate to a CAGR of approximately 2.8 percent on the typical residential bill through 2020, roughly in line with the annual rate of inflation. Even with FPL's proposed base rate increases, FPL's projected typical bills in 2020 will be ***lower*** than 2006, as compared to the CPI which is projected to increase 33 percent over the same time period. As discussed by FPL witness Morley, FPL's typical bill for electric service continues to be one of the best value propositions for our customers when compared to other basic necessities. FPL has a demonstrated record of low

bills coupled with superior service. For these reasons, FPL believes its rate proposals should be approved.

Q. If the requested base rate relief is granted, how will FPL's typical residential bill compare to other utilities in Florida?

A. As shown on Exhibit TCC-2, FPL's typical residential bill is $91.73 in April 2016, and is estimated to be $101.18 in January 2017, $104.45 in January 2018 and $107.29 in June 2019, which includes the impact of all expected changes to base rates and clauses for those periods. FPL's typical residential bill is currently among the lowest in the state and has been the lowest, on average, for the past seven years. With the full requested increase and other known changes, FPL's typical residential bill at proposed rates through 2020 is expected to remain among the lowest in the state as compared to the other Florida utilities' typical residential bills at current rates. This is shown on page 2 in Exhibit TCC-3.

Q. Does this conclude your direct testimony?

A. Yes.

Florida Power & Light Company

MFRs AND SCHEDULES SPONSORED OR CO-SPONSORED BY TIFFANY C. COHEN

MFR Sch		
SOLE SPONSOR:		
A-2	Test Subsequent Okeechobee Limited Scope	Full Revenue Requirements Bill Comparison - Typical Monthly Bills
A-3	Test Subsequent Okeechobee Limited Scope	Summary of Tariffs
E-5	Test Subsequent	Source and Amount of Revenues
E-7	Test Subsequent	Development of Service Charges
E-8	Test Subsequent	Company-Proposed Allocation of the Rate Increase by Rate Class
E-13a	Test Subsequent	Revenue from Sale of Electricity by Rate Schedule
E-13b	Test Subsequent	Revenue from Sale of Electricity by Rate Schedule - Service Charges
E-13c	Test Subsequent	Base Revenue by Rate Schedule - Calculations
E-13d	Test Subsequent	Revenue by Rate Schedule - Lighting Schedule Calculation
E-14	Test Subsequent Okeechobee Limited Scope	Proposed Tariff Sheets and Support for Charges
E-15	Test Subsequent	Projected Billing Determinants
CO-SPONSOR:		
E-1	Test Subsequent	Cost of Service Studies
E-9	Test Subsequent	Cost of Service - Load Data
E-12	Test Subsequent	Adjustment to Test Year Revenue
C-5	Test Subsequent	Operating Revenues Detail
F-5	Test Subsequent	Forecasting Models

Typical 1,000-kWh Residential Customer Bill Comparison

RS-1 Rate

The above bill projection for April 2016 includes the Generation Base Rate Adjustment (GBRA) for the Port Everglades generating unit and the Mid-Course Correction approved by the Commission. The projections for 2017 through 2020 include base rate increases proposed by FPL. West County 3 (WCEC3) is shown separately based on the proposed change in recovery from the Capacity Clause to base rates.

1,200-kWh Commercial Customer Bill Comparison (non-demand)

GS-1 Rate

The above bill projection for April 2016 includes the Generation Base Rate Adjustment (GBRA) for the Port Everglades generating unit and the Mid-Course Correction approved by the Commission. The projections for 2017 through 2020 include base rate increases proposed by FPL. West County 3 (WCEC3) is shown separately based on the proposed change in recovery from the Capacity Clause to base rates.

17,520-kWh Commercial Customer Bill Comparison

GSD-1 Rate 50 kW, 48% load factor

The above bill projection for April 2016 includes the Generation Base Rate Adjustment (GBRA) for the Port Everglades generating unit and the Mid-Course Correction approved by the Commission. The projections for 2017 through 2020 include base rate increases proposed by FPL. West County 3 (WCEC3) is shown separately based on the proposed change in recovery from the Capacity Clause to base rates.

219,000-kWh Commercial Customer Bill Comparison

GSLD-1 Rate 600 kW, 50% load factor

The above bill projection for April 2016 includes the Generation Base Rate Adjustment (GBRA) for the Port Everglades generating unit and the Mid-Course Correction approved by the Commission. The projections for 2017 through 2020 include base rate increases proposed by FPL. West County 3 (WCEC3) is shown separately based on the proposed change in recovery from the Capacity Clause to base rates.

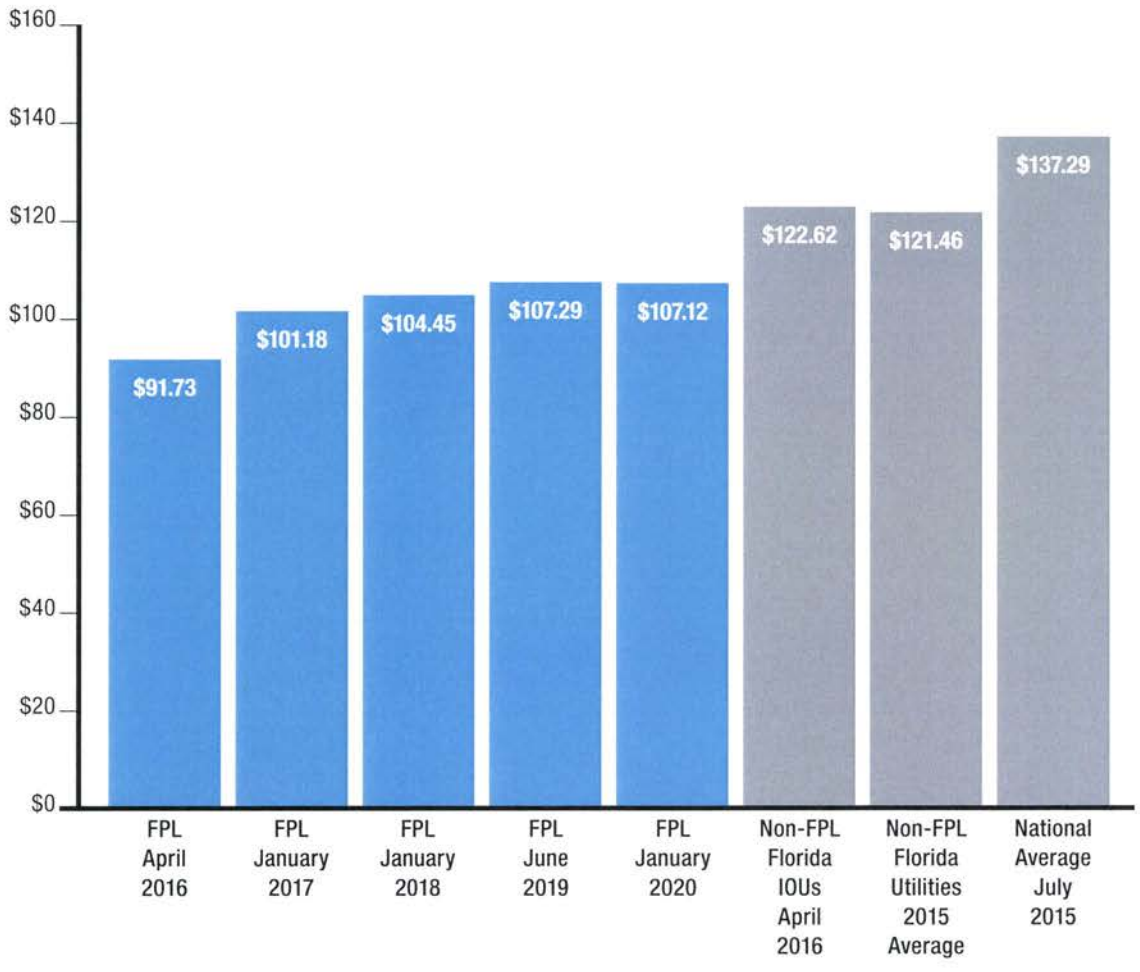
1,124,200-kWh Commercial Customer Bill Comparison

GSLD-2 Rate 2,800 kW, 55% load factor

The above bill projection for April 2016 includes the Generation Base Rate Adjustment (GBRA) for the Port Everglades generating unit and the Mid-Course Correction approved by the Commission. The projections for 2017 through 2020 include base rate increases proposed by FPL. West County 3 (WCEC3) is shown separately based on the proposed change in recovery from the Capacity Clause to base rates.

Florida IOU 1,000-kWh Typical Residential Bills

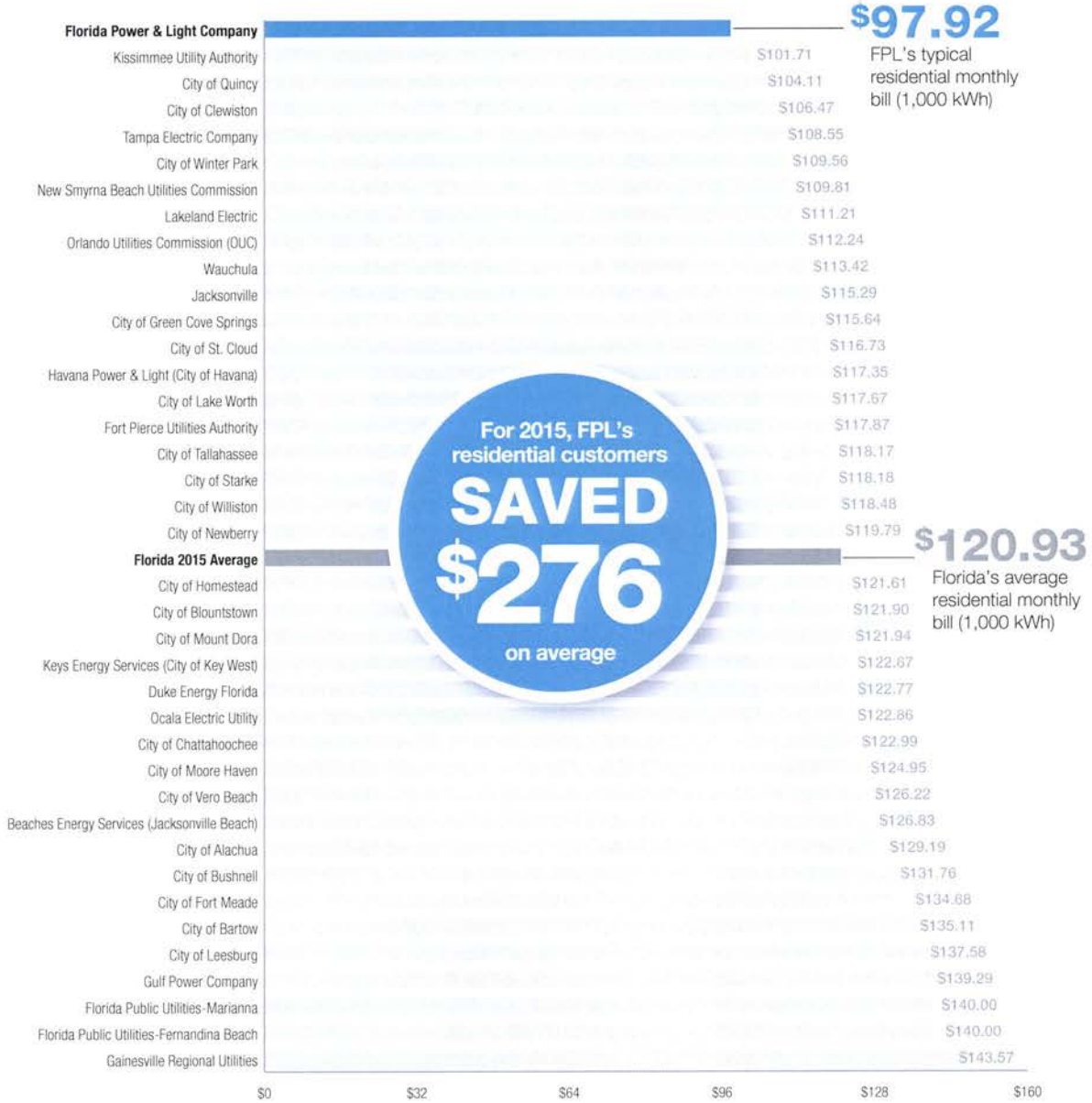
FPL April 2016 and January 2017-2020 Projected



Lowest residential bill in Florida

FPL's typical residential 1,000-kWh customer bill is the lowest among reporting electric utilities

2015 Annual Average of Monthly Bills



Average of typical 1,000 kWh January through December 2015 monthly bill data compiled from the Florida Public Service Commission, Florida Municipal Electric Association, Reedy Creek Improvement District, Florida Electric Cooperatives Association and Jacksonville Electric Authority. Figures include state gross receipts tax of about 2.5 percent but excludes credits, local taxes or fees that may be applicable in some jurisdictions. Florida Average is the average of all bills depicted. Florida Public Utilities Company operates as one utility; however, they have separate bills for Marianna and Fernandina Beach.

Lowest residential bill in Florida

FPL's typical residential 1,000-kWh customer bill is the lowest among reporting electric utilities

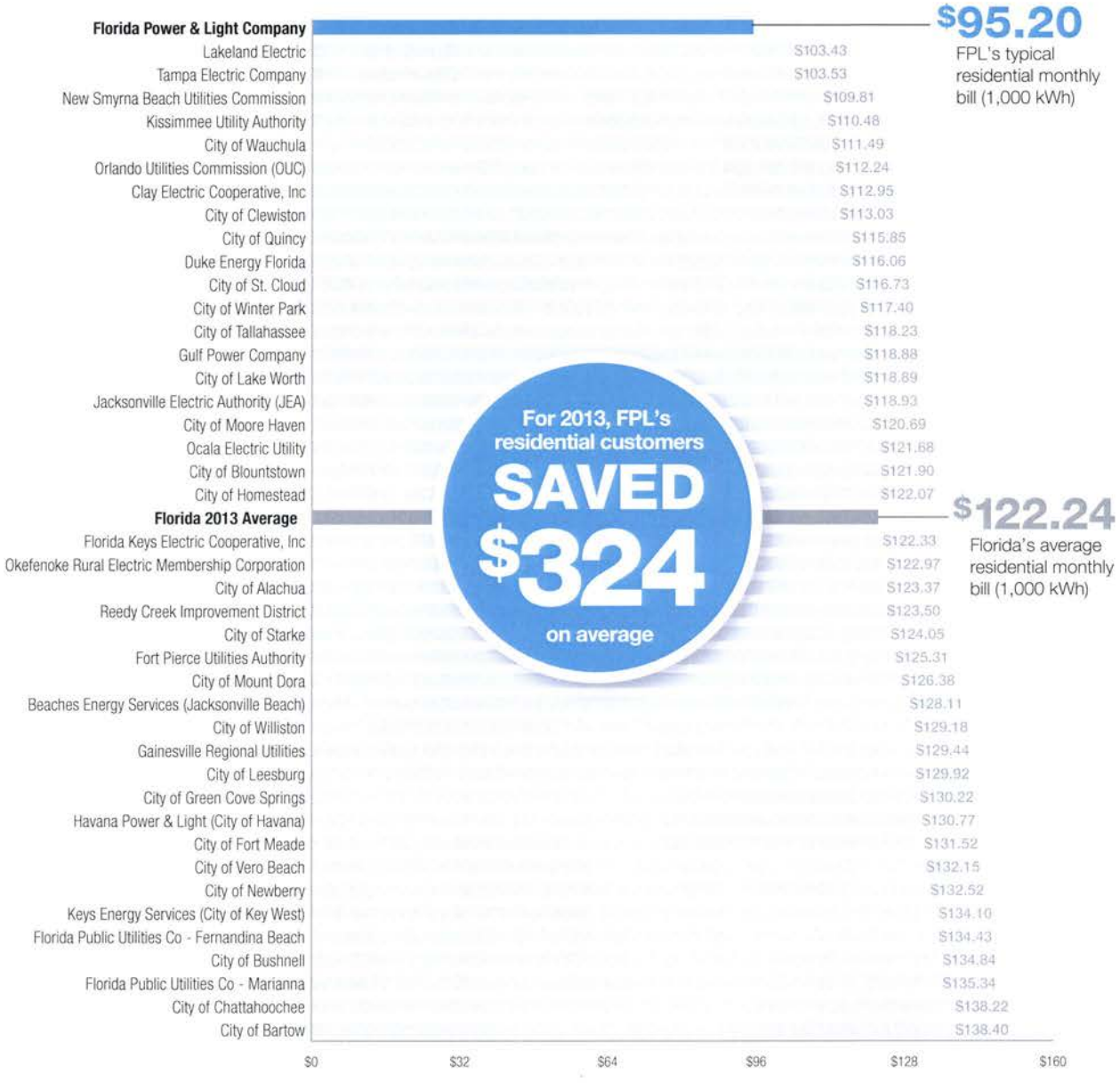
2014 Annual Average of Monthly Bills

Average of typical 1,000 kWh January through December 2014 monthly bill data compiled from the Florida Public Service Commission, Florida Municipal Electric Association, Reedy Creek Improvement District, Florida Electric Cooperatives Association and Jacksonville Electric Authority. Figures include state gross receipts tax of about 2.5 percent but excludes credits, local taxes or fees that may be applicable in some jurisdictions. Florida Average is the average of all bills depicted. Florida Public Utilities Company operates as one utility; however, they have separate bills for Marianna and Fernandina Beach.

Lowest residential bill in Florida

FPL's typical residential 1,000-kWh customer bill is the lowest among reporting electric utilities

2013 Annual Average of Monthly Bills



Average of typical 1,000 kWh January through December 2013 monthly bill data compiled from the Florida Public Service Commission, Florida Municipal Electric Association, Reedy Creek Improvement District, Florida Electric Cooperatives Association and Jacksonville Electric Authority. Figures include state gross receipts tax of about 2.5 percent. Florida Average is the average of all bills depicted. Florida Public Utilities Company operates as one utility; however, they have separate bills for Marianna and Fernandina Beach.

Typical Commercial and Industrial Bills – Florida Utility Comparison

2015 Average

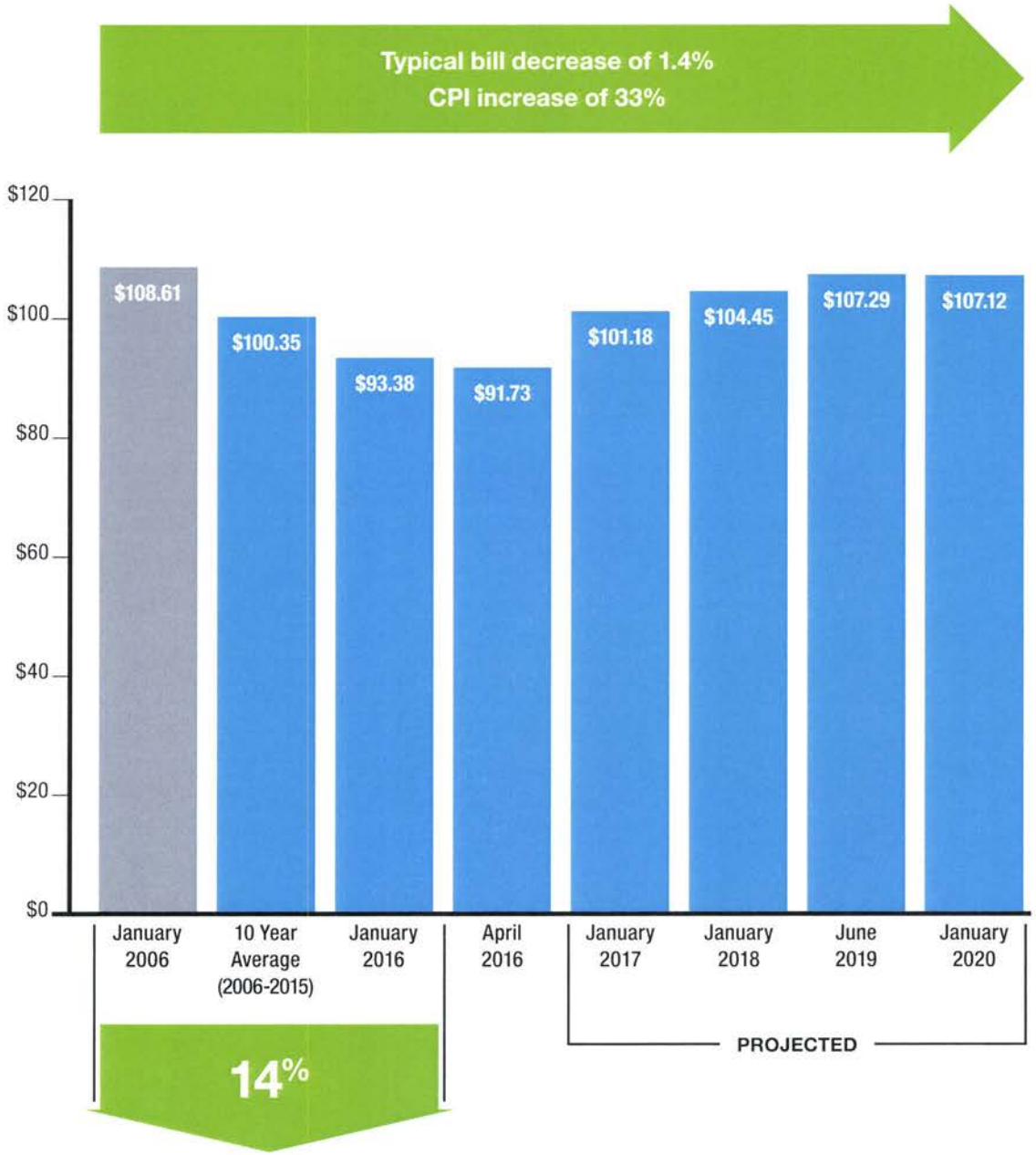
The Value FPL Provides to Customers

FMEA COMMERCIAL BILL COMPARISON	FPL	% LOWER FPL VS. FLORIDA AVERAGE	2015 FLORIDA AVERAGE	FPL RANK IN 2015 FMEA SURVEY
Non-Demand 750-kWh	$80.43	21%	$102.28	Lowest
Non-Demand 1,500-kWh	$153.21	19%	$189.98	Lowest
30 kW - 6,000-kWh	$675.00	12%	$762.89	9th Lowest
40 kW - 10,000-kWh	$1,002.86	16%	$1,196.60	5th Lowest
75 kW - 15,000-kWh	$1,657.53	14%	$1,921.87	4th Lowest
75 kW - 30,000-kWh	$2,478.93	24%	$3,258.30	2nd Lowest
150 kW - 30,000-kWh	$3,295.08	14%	$3,813.69	5th Lowest
150 kW - 60,000-kWh	$4,937.88	24%	$6,496.98	2nd Lowest
300 kW - 60,000-kWh	$6,570.18	13%	$7,552.12	6th Lowest
300 kW - 120,000-kWh	$9,855.77	24%	$12,907.70	2nd Lowest
500 kW - 100,000-kWh	$11,191.89	12%	$12,685.56	7th Lowest
500 kW - 200,000-kWh	$16,163.77	25%	$21,470.29	2nd Lowest

Bill comparisons as reported by Florida Municipal Electric Association (FMEA) and adjusted to include gross receipts tax. "Florida Average" is the calculated average of the reporting utility bills for 2015.

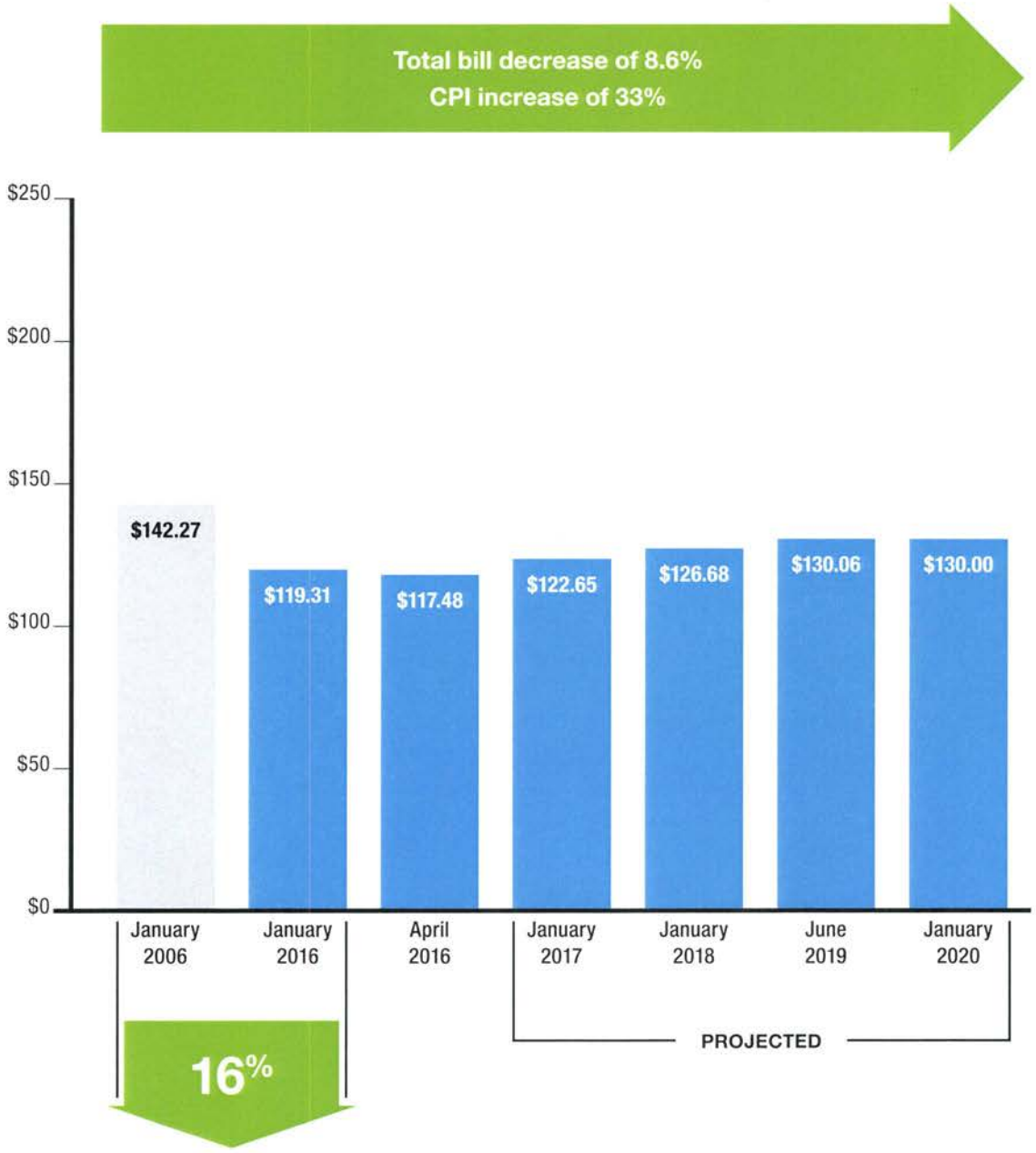
Change in CPI versus Typical Residential 1,000-kWh Bill

January 2006 - January 2020



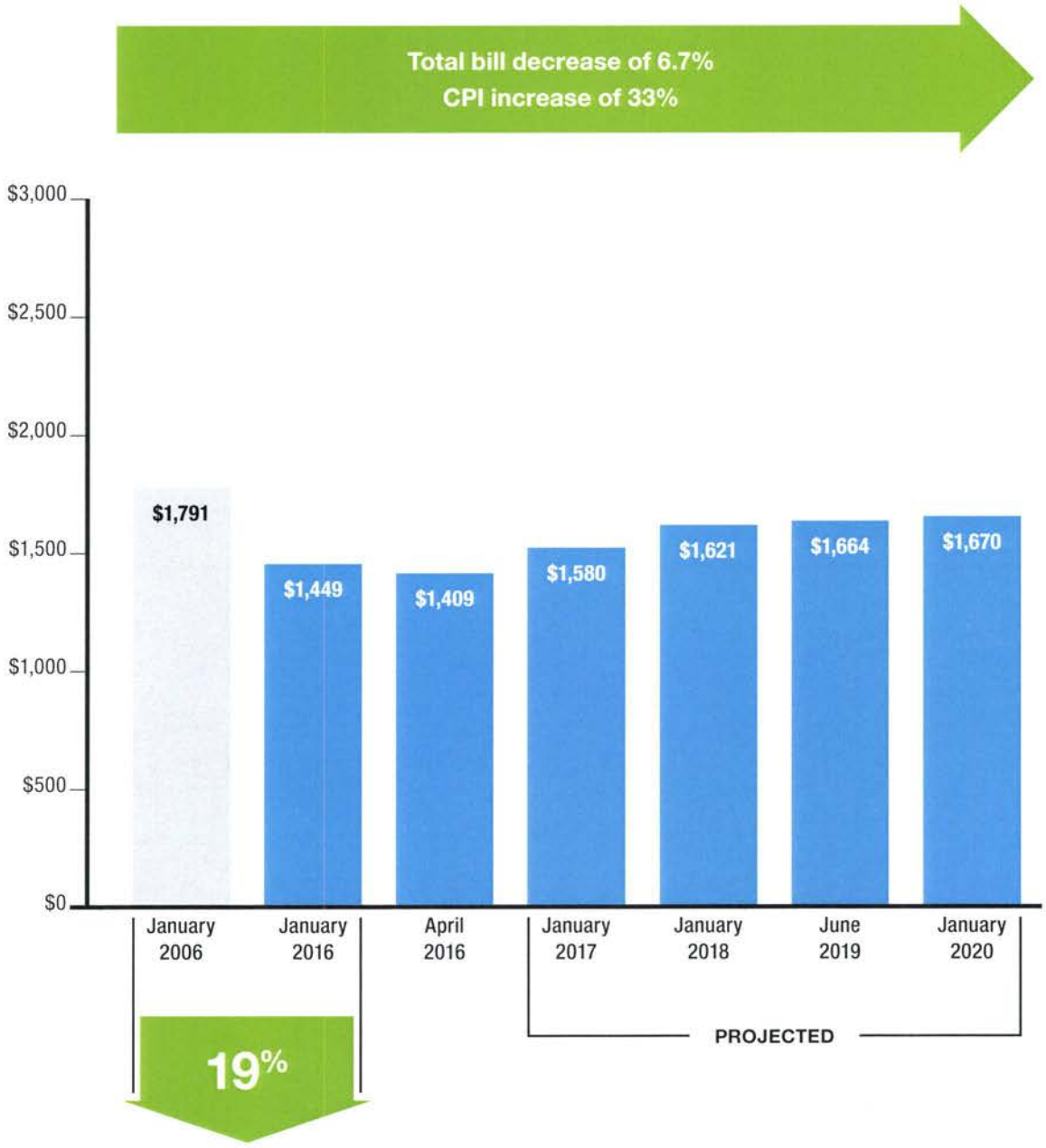
Change in CPI versus 1,200-kWh GS-1 (non-demand) Commercial Customer Bill

January 2006 - January 2020



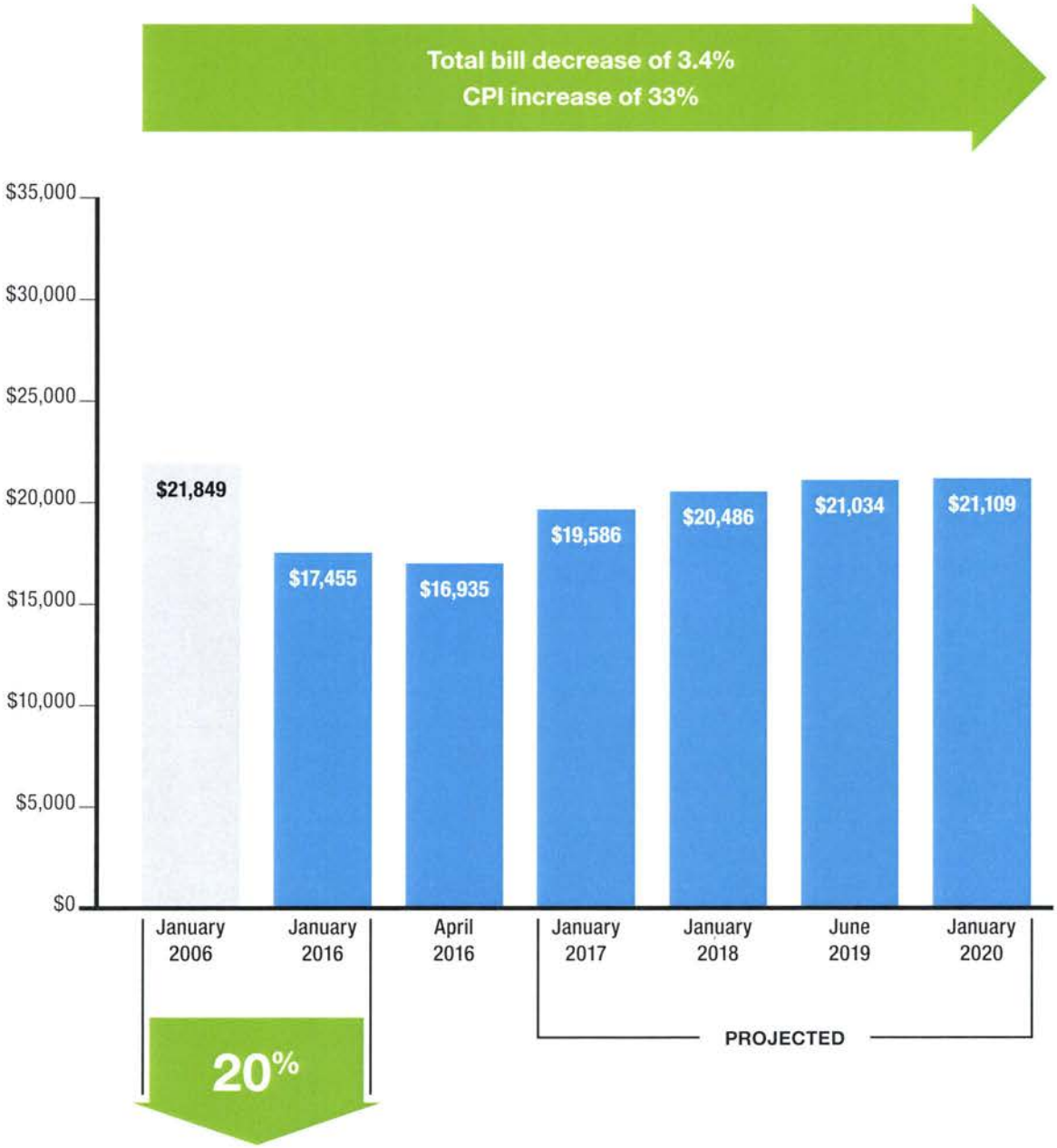
Change in CPI versus 17,520-kWh GSD-1 Commercial Customer Bill

January 2006 - January 2020



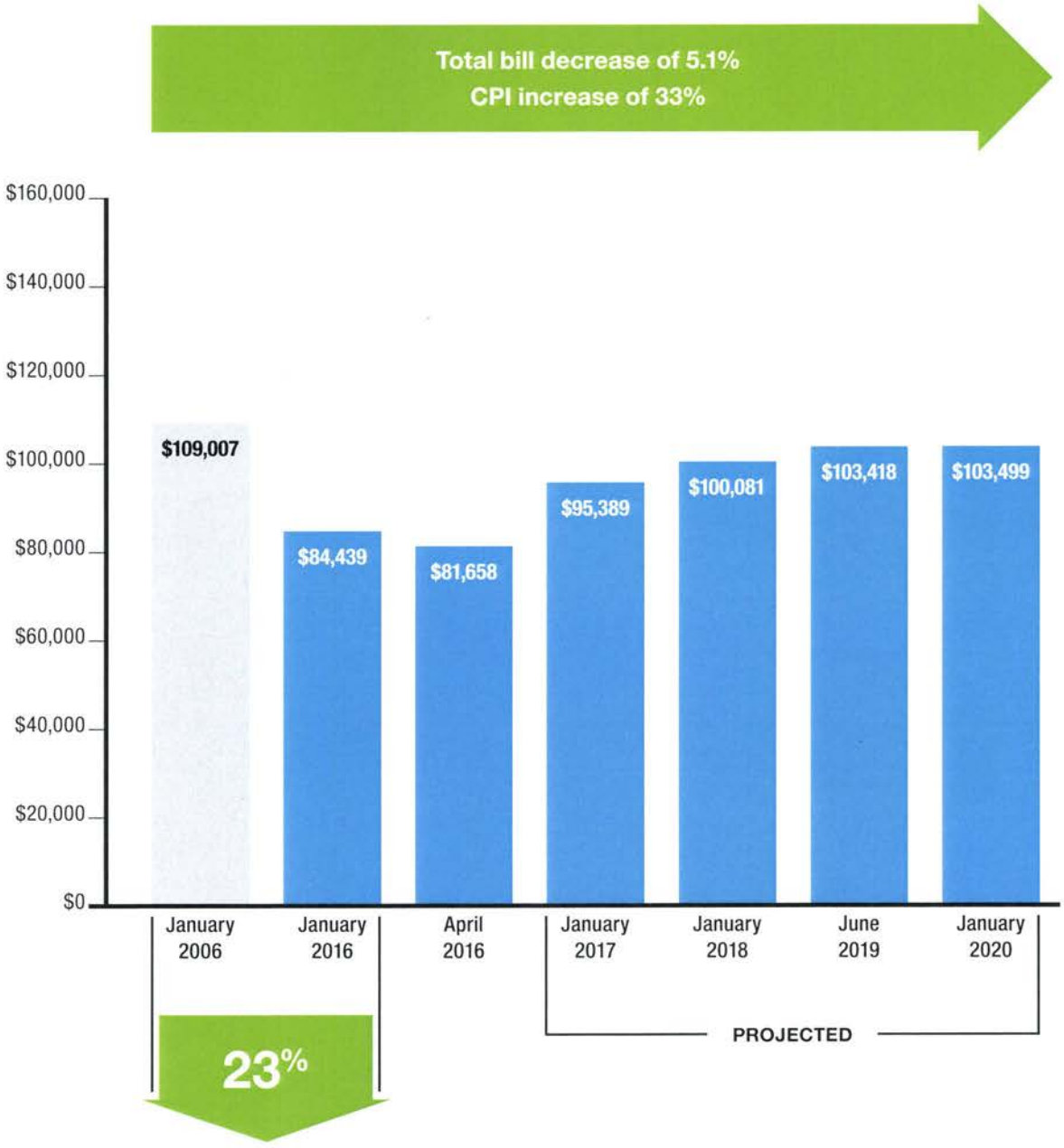
Change in CPI versus 219,000-kWh GSLD-1 Commercial Customer Bill

January 2006 - January 2020



Change in CPI versus 1,124,200-kWh GSLD-2 Commercial Customer Bill

January 2006 - January 2020



Parity of Major Rate Classes

Current and Proposed

GSLD(T) includes GSLDT-1, GSLDT-2 and GSLDT-3
Lighting includes OL-1, OS-2, SL-1, SL-2

SUMMARY OF PROPOSED RATES FOR MAJOR RATE SCHEDULES

RATE SCHEDULE	DESCRIPTION
RS-1	Residential Service
RTR-1	Residential Service – Time of Use Rider
GS-1	General Service – Non Demand (0-20 kW)
GSCU	General Service Constant Usage
GSD-1	General Service Demand (21-499 kW)
GSLD-1	General Service Large Demand (500-1,999 kW)
GSLD-2	General Service Large Demand (2,000 kW+)
GSLD-3	General Service Large Demand – Transmission (69 kV)
GST-1	General Service – Non Demand – Time of Use (0-20kW)
GSDT-1	General Service Demand – Time of Use (21-499 kW)
GSLDT-1	General Service Large Demand – Time of Use (500-1,999 kW)
GSLDT-2	General Service Large Demand – Time of Use (2,000 kW+)
GSLDT-3	General Service Large Demand – Time of Use (69 kV)
CS-1	Curtailable Service (500-1999 kW)
CS-2	Curtailable Service (2,000 kW +)
CS-3	Curtailable Service – Transmission (69 kV)
CST-1	Curtailable Service – Time of Use (500-1,999 kW)
CST-2	Curtailable Service – Time of Use (2,000 kW +)
CST-3	Curtailable Service – Time of Use (69 kV)

HLFT	High Load Factor-Time of Use
SDTR	Seasonal Demand-Time of Use Rider
CILC-1	Commercial/Industrial Load Control Program
CDR	Commercial/Industrial Demand Reduction Rider
SST-1	Standby and Supplemental Service
ISST-1	Interruptible Standby and Supplemental Service
MET	Metropolitan Transit Service
OS-2	Sports Field Service
SL-1	Street Lighting
SL-1M	Metered Street Lighting
OL-1	Outdoor Lighting
PL-1	Premium Lighting
SL-2	Traffic Signal Service
SL-2M	Metered Traffic Signal Service

Major Rate Schedules Available to Residential and Non-Demand Metered Commercial/Industrial ("CI") Customers

Residential Service

Standard residential service is provided under the Residential Service ("RS-1") rate schedule. RS-1 has a customer charge and an inverted or increasing energy charge for usage above 1,000 kWh. A proposed customer charge of $10.00 is derived from the higher of the current customer charge or the customer unit cost in MFR E-6b, plus a $2.00 increase to recover a portion of fixed distribution costs currently being recovered through the variable energy charge, and then rounded to the nearest dollar. For the 2019 Okeechobee Limited Scope Adjustment ("Okeechobee LSA"), FPL proposes a customer charge of $10.30 to account for the LSA increase percentage.

The RS-1 rate has an inversion point of 1,000 kWh that was established in January 2006 in Docket No. 050045-EI in order to encourage conservation. The energy charge for usage above 1,000 kilowatt-hours is set at one cent per kWh higher than the charge for usage below 1,000 kWh. The under-1,000 kWh charge is adjusted to achieve the rate class target revenues.

Florida Power & Light ("FPL" or "Company") proposes an energy charge of 5.7 cents/kWh for the first 1,000 kWh and an energy charge of 6.7 cents/kWh for all additional kWh to be effective January 1, 2017, an energy charge of 5.959 cents/kWh for the first 1,000 kWh and an energy charge of 6.959 cents/kWh for all additional

kWh to be effective January 1, 2018, and an energy charge of 6.137 cents/kWh for the first 1,000 kWh and 7.167 cents/kWh for all additional kWh to be effective June 1, 2019, for the 2019 Okeechobee LSA.

Residential Time-of-Use Service

FPL offers optional Time of Use ("TOU") service to residential customers under the Residential Service TOU ("RTR-1") rate schedule. A full description of FPL's TOU rate structure is provided under the demand metered Commercial Industrial ("CI") customer section.

Under the RTR-1 rider, a customer's energy charge is based on the standard energy charges under RS-1 with additional energy and fuel adders for on-peak usage and credits for off-peak usage. The additional adders and credits are calculated to be revenue neutral with the levelized residential rate at the class average on-peak usage. A customer taking service under the RTR-1 rider will benefit from the rider if on-peak usage is less than the residential class average.

FPL proposes a customer charge of $10.00 for the RTR-1 for January 1, 2017, and January 1, 2018, and $10.30 for the 2019 Okeechobee LSA, the same cost as the RS-1 rate. All TOU customer charges are set the same as the corresponding non-TOU customer charges. The proposed energy adder is 10.169 cents/kWh during on-peak periods and the proposed credit is 4.523 cents/kWh during off-peak periods to be

effective January 1, 2017. The proposed energy adder is 10.616 cents/kWh during on-peak periods and the proposed credit is 4.722 cents/kWh during off-peak periods to be effective January 1, 2018. The proposed energy adder is 10.934 cents/kWh during on-peak periods and the proposed credit is 4.863 cents/kWh during off-peak periods to be effective June 1, 2019 for the Okeechobee LSA.

General Service

Standard service to non-demand metered CI customers is provided under the General Service ("GS-1") rate schedule. GS-1 includes an energy charge and a customer charge. The 2017 proposed customer charge of $11.00 is derived from the higher of the current customer charge or customer unit costs provided in MFR E-6b, plus a $2.00 increase to the customer charge to recover a portion of fixed distribution costs currently being recovered through the variable energy charge and then rounded to the nearest dollar. The proposed $5.00 discount for unmetered service is based on the meter-related expenses included in the customer unit costs. An energy charge of 5.610 cents/kWh, effective January 1, 2017, is proposed to achieve the rate class' target revenues. The 2018 proposed customer charge is $12.00. An energy charge of 5.791 cents/kWh is proposed to be effective January 1, 2018, for the 2018 Subsequent Year. The 2019 customer charge of $12.36 and energy charge of 5.964 cents/kWh is proposed to be effective June 1, 2019, for the 2019 Okeechobee LSA.

General Service TOU

FPL offers non-demand metered CI customers optional TOU pricing under the General Service TOU ("GST-1") rate schedule. FPL is proposing a customer charge of $11.00 for GST-1 for 2017, $12.00 for 2018 and $12.36 for the 2019 Okeechobee LSA, the same as GS-1. The on-peak and off-peak energy charges are set by applying a percentage increase for the rate class to present on-peak and off-peak energy rates. The on-peak energy charge is adjusted in order to provide revenue neutrality with the GS-1 energy rate at the class average on-peak usage. The proposed energy charges are 10.354 cents/kWh for on-peak usage and 3.549 cents/kWh for off-peak usage effective January 1, 2017, energy charges of 10.692 cents/kWh for on-peak usage and 3.662 cents/kWh for off-peak usage are proposed to be effective January 1, 2018, for the 2018 Subsequent Year. Energy charges of 11.012 cents/kWh for on-peak usage and 3.772 cents/kWh for off-peak usage are proposed to be effective June 1, 2019, for the 2019 Okeechobee LSA.

Constant Usage Service

Service to CI customers with a constant usage is provided under the General Service Constant Use ("GSCU") rate schedule. This rate schedule includes a customer charge and an energy charge. A proposed customer charge of $14.00 for 2017 and 2018 is derived from the higher of the current customer charge or customer unit cost in MFR E-6b rounded to the nearest dollar. A proposed customer charge of $14.42 for 2019 is based on the Okeechobee LSA increase percentage. The energy charge is adjusted to

achieve the target revenues for the rate class. The proposed energy charge is 3.404 cents/kWh effective January 1, 2017, 3.402 cents/kWh effective January 1, 2018, for the 2018 Subsequent Year and 3.504 cents/kWh effective June 1, 2019, for the 2019 Okeechobee LSA.

Major Rate Schedules Available to Demand Metered CI Customers

Standard General Service Demand Rate Offerings

The standard rate schedules available for general service demand metered customers are the General Service Demand ("GSD-1") rate schedule, and three General Service Large Demand rate schedules ("GSLD-1"), ("GSLD-2"), and ('GSLD-3"). The structures for these rate schedules include demand, energy, and customer charges. There are separate rate schedules for customers with demands between 21 and 499 kW (GSD), 500 kW and 1,999 kW (GSLD-1), 2,000 kW and above (GSLD-2), and for customers at or above 69 kV served directly from the transmission system (GSLD-3).

The customer charge for each rate is set based on the higher of the current customer charge or the class customer unit cost rounded to the nearest $25 increment. Current demand and energy charges for these rate schedules are increased by the same rate class percentage maintaining demand and energy rate relationships established in previous rate proceedings. Energy rates are adjusted to achieve revenue neutrality

within the class, taking into consideration the revenues from the corresponding optional TOU, High Load Factor TOU ("HLFT"), Seasonal Demand TOU rider ("SDTR"), and Curtailable Service ("CS") and CS TOU ("CST") rates.

Optional Services

General Service Demand TOU Service

Optional TOU service is available for the demand metered CI customers under the General Service Demand / Large Demand TOU rate schedules ("GSDT-1"), ("GSLDT-1"), ("GSLDT-2"), and ("GSLDT–3"). The current TOU options for these customers generally reflect the otherwise applicable standard rate schedule structure, with the addition of providing time-differentiated energy charges. Separate energy charges are applicable to the on-peak and off-peak periods. In addition, the demand charges are applicable only during the on-peak period. All of FPL's General Service Demand / Large Demand TOU, HLFT, and CST, as well as the RST-1/RTR-1 and the GST-1 rate schedules share the same on-peak and off-peak rating periods, as shown below.

TOU Rating Periods

On-Peak: November 1 through March 31: Mondays through Fridays during the hours from 6 a.m. to 10 a.m. and 6 p.m. to 10 p.m. excluding Thanksgiving Day, Christmas Day, and New Year's Day. April 1 through October 31: Mondays through

Fridays during the hours from 12 noon to 9 p.m., excluding Memorial Day, Independence Day, and Labor Day.

Off-Peak: All other hours.

Energy charges for the TOU rates are designed to be revenue neutral to the standard energy rate. As with the standard rates, current TOU demand and energy charges are increased by the same rate class percent increase. The on-peak energy charge is adjusted to be revenue neutral with the standard rate at the class average on-peak usage.

Curtailable Service

Curtailable Service available under rate schedules ("CS-1"), ("CS-2"), and ("CS-3") provides a credit for each kW demand of curtailable load. The curtailable demand and energy rates mirror the rate structures of the otherwise applicable GSLD rate schedule. The customer charge is set at the applicable GSLD rate schedule plus $25 to cover the additional administrative costs associated with these customers. No changes are proposed for the curtailable credit.

Curtailable TOU Service

CST service available under rate schedules ("CST-1"), ("CST-2"), and ("CST-3") provides a credit for each kW of curtailable load. The curtailable demand and energy rates mirror the rate structures of the otherwise applicable GSLDT rate schedule. The customer charge is set at the applicable GSLDT rate schedule plus $25 to cover the

additional administrative costs associated with these customers. No changes are proposed for the curtailable credit.

High Load Factor TOU

HLFT is designed for the higher load factor customers while also providing a time-differentiated price signal. There are three separate HLFT categories; HLFT-1 is applicable to customers with demands between 21-499 kW, HLFT-2 is applicable to customers with demands between 500-1,999 kW, and HLFT-3 is applicable to customers with demands 2,000 kW and above. Each rate schedule includes a customer charge, an on-peak firm demand charge, a maximum demand charge applicable to highest demand in the month, regardless of time of day, an on-peak energy charge, and an off-peak energy charge.

HLFT demand and energy rates are increased using the same methodology applied to standard and TOU demand and energy charges. Additionally, the HLFT on-peak energy charge is adjusted to achieve revenue neutrality with the applicable standard rate based on a 70 percent load factor.

Seasonal Demand TOU Rider

SDTR is available for customers who have the ability to shift demand and reduce their energy usage during a narrow on-peak window during the months of June through September. In addition to traditional time differentiated energy rates during

the non-summer months that provide incentives for customers to use less energy during on-peak periods, the STDR rate sends stronger price signals during the summer months.

The on-peak period under the SDTR is limited from 3 p.m. to 6 p.m. weekdays (excluding holidays) in June through September (Summer). Customers can elect to receive service under either a non-time differentiated (Option A) or time differentiated (Option B) rate during the non-seasonal period of January through May and October through December. For customers who elect a time differentiated rate during the non-seasonal period, the standard TOU rating periods would apply, as reflected above. There are three separate SDTR categories; SDTR-1 is applicable to customers with demands between 21-499 kW, SDTR-2 is applicable to customers with demands between 500-1,999 kW, and SDTR-3 is applicable to customers with demands 2,000 kW and above.

The SDTR rates include a customer charge, a seasonal demand charge, a non-seasonal demand charge, seasonal energy charge, and a non-seasonal energy charge. Each charge is a function of the parent rate schedule charges, with the summer charges adjusted based on the class summer usage as compared to the non-summer usage.

The proposed rates for the major rate schedules discussed above are outlined below.

GSD-1, GSLD-1, GSLD-2, and GSLD-3

	GSD-1	GSLD-1	GSLD-2	GSLD-3
Customer (1/1/17)	$25.00	$75.00	$250.00	$3,075.00
Customer (1/1/18)	$25.00	$75.00	$275.00	$3,125.00
Customer (6/1/19)	$25.75	$77.25	$283.23	$3,218.56
Demand (1/1/17)	$10.40	$12.60	$13.20	$10.40
Demand (1/1/18)	$10.70	$13.40	$14.10	$10.40
Demand (6/1/19)	$11.02	$13.80	$14.52	$10.71
Energy (1/1/17)	2.311¢	1.834¢	1.665¢	1.169¢
Energy (1/1/18)	2.387¢	1.954¢	1.777¢	1.195¢
Energy (6/1/19)	2.458¢	2.013¢	1.830¢	1.231¢

GSDT-1, GSLDT-1, GSLDT-2, and GSLDT-3

	GSDT-1	GSLDT-1	GSLDT-2	GSLDT-3
Customer (1/1/17)	$25.00	$75.00	$250.00	$3,075.00
Customer (1/1/18)	$25.00	$75.00	$275.00	$3,125.00
Customer (6/1/19)	$25.75	$77.25	$283.23	$3,218.56
Demand (1/1/17)	$10.40	$12.60	$13.20	$10.40
Demand (1/1/18)	$10.70	$13.40	$14.10	$10.40
Demand (6/1/19)	$11.02	$13.80	$14.52	$10.71
On-Peak Energy (1/1/17)	4.712¢	3.025¢	2.615¢	1.286¢
Off-Peak Energy (1/1/17)	1.248¢	1.314¢	1.291¢	1.127¢
On-Peak Energy (1/1/18)	4.869¢	3.222¢	2.785¢	1.354¢
Off-Peak Energy (1/1/18)	1.288¢	1.400¢	1.380¢	1.138¢
On-Peak Energy (6/1/19)	5.015¢	3.318¢	2.868¢	1.395¢
Off-Peak Energy (6/1/19)	1.327¢	1.442¢	1.421¢	1.172¢

CS-1, CS-2, and CS-3

	CS-1	CS-2	CS-3
Customer (1/1/17)	$100.00	$275.00	$3,100.00
Customer (1/1/18)	$100.00	$300.00	$3,150.00
Customer (6/1/19)	$102.99	$308.98	$3,244.31
Demand (1/1/17)	$12.60	$13.20	$10.40
Demand (1/1/18)	$13.40	$14.10	$10.40
Demand (6/1/19)	$13.80	$14.52	$10.71
Energy (1/1/17)	1.834¢	1.665¢	1.169¢
Energy (1/1/18)	1.954¢	1.777¢	1.195¢
Energy (6/1/19)	2.013¢	1.830¢	1.231¢

CST-1, CST-2, and CST-3

	CST-1	CST-2	CST-3
Customer (1/1/17)	$100.00	$275.00	$3,100.00
Customer (1/1/18)	$100.00	$300.00	$3,150.00
Customer (6/1/19)	$102.99	$308.98	$3,244.31
Demand (1/1/17)	$12.60	$13.20	$10.40
Demand (1/1/18)	$13.40	$14.10	$10.40
Demand (6/1/19)	$13.80	$14.52	$10.71
On-Peak Energy (1/1/17)	3.025¢	2.615¢	1.286¢
Off-Peak Energy (1/1/17)	1.314¢	1.291¢	1.127¢
On-Peak Energy (1/1/18)	3.222¢	2.785¢	1.354¢
Off-Peak Energy (1/1/18)	1.400¢	1.380¢	1.138¢
On-Peak Energy (6/1/19)	3.318¢	2.868¢	1.395¢
Off-Peak Energy (6/1/19)	1.442¢	1.421¢	1.172¢

HLFT-1, HLFT-2, and HLFT-3

	HLFT-1	HLFT-2	HLFT-3
Customer (1/1/17)	$25.00	$75.00	$250.00
Customer (1/1/18)	$25.00	$75.00	$275.00
Customer (6/1/19)	$25.75	$77.25	$283.23
On-Peak Demand (1/1/17)	$12.30	$13.40	$13.50
On-Peak Demand (1/1/18)	$12.60	$14.20	$14.40
On-Peak Demand (6/1/19)	$12.98	$14.63	$14.83
Demand (Max) (1/1/17)	$2.60	$2.80	$2.90
Demand (Max) (1/1/18)	$2.60	$3.00	$3.10
Demand (Max) (6/1/19)	$2.68	$3.09	$3.19
On-Peak Energy (1/1/17)	1.940¢	1.174¢	1.040¢
Off-Peak Energy (1/1/17)	1.248¢	1.123¢	1.040¢
On-Peak Energy (1/1/18)	2.098¢	1.270¢	1.113¢
Off-Peak Energy (1/1/18)	1.288¢	1.197¢	1.113¢
On-Peak Energy (6/1/19)	2.161¢	1.308¢	1.146¢
Off-Peak Energy (6/1/19)	1.327¢	1.233¢	1.146¢

SDTR-1, SDTR-2, and SDTR-3 Option A

	SDTR-1	SDTR-2	SDTR-3
Customer (1/1/17)	$25.00	$75.00	$250.00
Customer (1/1/18)	$25.00	$75.00	$275.00
Customer (6/1/19)	$25.75	$77.25	$283.23
Seasonal On-Peak Demand (1/1/17)	$11.50	$13.00	$13.30
Seasonal On-Peak Demand (1/1/18)	$11.80	$13.80	$14.20
Seasonal On-Peak Demand (6/1/19)	$12.15	$14.21	$14.63
Non-Seasonal Demand (1/1/17)	$10.00	$12.40	$13.20
Non-Seasonal Demand (1/1/18)	$10.30	$13.20	$14.10
Non-Seasonal Demand (6/1/19)	$10.61	$13.60	$14.52
Seasonal On Peak Energy (1/1/17)	9.189¢	6.614¢	5.359¢
Seasonal Off-Peak Energy (1/1/17)	1.657¢	1.314¢	1.291¢
Non-Seasonal Energy (1/1/17)	2.311¢	1.834¢	1.665¢
Seasonal On Peak Energy (1/1/18)	9.487¢	7.048¢	5.683¢
Seasonal Off-Peak Energy (1/1/18)	1.712¢	1.400¢	1.380¢
Non-Seasonal Energy (1/1/18)	2.387¢	1.954¢	1.777¢
Seasonal On Peak Energy (6/1/19)	9.771¢	7.259¢	5.853¢
Seasonal Off-Peak Energy (6/1/19)	1.763¢	1.442¢	1.421¢
Non-Seasonal Energy (6/1/19)	2.458¢	2.013¢	1.830¢

SDTR-1, SDTR-2, and SDTR-3 Option B

	SDTR-1	SDTR-2	SDTR-3
Customer (1/1/17)	$25.00	$75.00	$250.00
Customer (1/1/18)	$25.00	$75.00	$275.00
Customer (6/1/19)	$25.75	$77.25	$283.23
Seasonal On-Peak Demand (1/1/17)	$11.50	$13.00	$13.30
Seasonal On-Peak Demand (1/1/18)	$11.80	$13.80	$14.20
Seasonal On-Peak Demand (6/1/19)	$12.15	$14.21	$14.63
Non-Seasonal Demand (1/1/17)	$10.00	$12.40	$13.20
Non-Seasonal Demand (1/1/18)	$10.30	$13.20	$14.10
Non-Seasonal Demand (6/1/19)	$10.61	$13.60	$14.52
Seasonal On-Peak Energy (1/1/17)	9.189¢	6.614¢	5.359¢
Seasonal Off-Peak Energy (1/1/17)	1.657¢	1.314¢	1.291¢
Non-Seasonal On-Peak Energy (1/1/17)	5.249¢	3.951¢	3.667¢
Non-Seasonal Off-Peak Energy (1/1/17)	1.657¢	1.314¢	1.291¢

Seasonal On-Peak Energy (1/1/18)	9.487¢	7.048¢	5.683¢
Seasonal Off-Peak Energy (1/1/18)	1.712¢	1.400¢	1.380¢
Non-Seasonal On-Peak Energy (1/1/18)	5.422¢	4.204¢	3.897¢
Non-Seasonal Off-Peak Energy (1/1/18)	1.712¢	1.400¢	1.380¢
Seasonal On-Peak Energy (6/1/19)	9.771¢	7.259¢	5.853¢
Seasonal Off-Peak Energy (6/1/19)	1.763¢	1.442¢	1.421¢
Non-Seasonal On-Peak Energy (6/1/19)	5.584¢	4.330¢	4.014¢
Non-Seasonal Off-Peak Energy (6/1/19)	1.763¢	1.442¢	1.421¢

Optional Interruptible Rate Schedules

Commercial/Industrial Load Control Service (Closed)

Commercial/Industrial Load Control ("CILC-1") rates are designed to provide applicable customers with lower rates in exchange for allowing the Company to interrupt the customers' load during periods of capacity constraint. This rate schedule has been closed to new customers since 1996. There are three separate CILC-1 categories: ("CILC-1G") is applicable to customers with demands between 200-499 kW, ("CILC-1D") is applicable to customers with demands of 500 kW and above, and ("CILC-1T") is applicable to customers served directly from the transmission system. The CILC-1 rate schedule includes a customer charge, an on-peak firm demand charge, an on-peak interruptible demand charge, an on-peak energy charge, and an off-peak energy charge. In addition, customers served from the distribution system are also charged a maximum demand based on their highest demand, regardless of time of day, over the last 24 months.

The proposed 2017 customer charges of $125.00, $275.00, $3,200.00 and 2018 customer charges of $150.00, $300.00, and $3,275.00 for CILC-1G, CILC-1D, and CILC-1T respectively are based on the higher of the current customer charge or the class customer unit cost rounded to the nearest $25 increment. The proposed 2019 customer charges of $154.49, 308.98 and $3,373.05 for CILC-1G, CILC-1D, and CILC-1T respectively are based on the Okeechobee LSA increase percentage. Proposed demand and energy charges were calculated by applying the rate class

increase percentage to current rates. The proposed 2017 load control on-peak kW charges are $3.30, $4.00, $4.40 and 2018 load control on-peak kW charges are $3.40, $4.30 and $4.50 respectively for CILC-1G, CILC-1D, and CILC-1T. The proposed 2017 firm on-peak kW charges are $12.00, $14.20, $16.40, and proposed 2018 firm on-peak kW charges are$12.40, $15.30 and $16.90 respectively for CILC-1G, CILC-1D, and CILC-1T. The 2017 maximum kW charges are $4.90 and $5.50, and 2018 maximum kW charges are $5.10 and $5.90 for CILC-1G and CILC-1D respectively. On-peak energy charges are adjusted to achieve the rate class target revenues.

The proposed energy rates are outlined below:

CILC-1G, CILC-1D, and CILC-1T

	CILC-1G	CILC-1D	CILC-1T
On-Peak Energy (1/1/17)	1.828¢	1.272¢	1.307¢
Off-Peak Energy (1/1/17)	1.828¢	1.272¢	1.307¢
On-Peak Energy (1/1/18)	1.899¢	1.381¢	1.351¢
Off-Peak Energy (1/1/18)	1.899¢	1.381¢	1.351¢
On-Peak Energy (6/1/19)	1.956¢	1.422¢	1.391¢
Off-Peak Energy (6/1/19)	1.956¢	1.422¢	1.391¢

CI Demand Reduction

The CI Demand Reduction Rider ("CDR") is the replacement for CILC-1 and provides customers with a credit in exchange for allowing the Company to interrupt the customers' load during periods of capacity constraint. The level of the credit is set in the Demand Side Management docket. The CDR also includes an administrative adder to recover the additional administrative and system costs

associated with this program. The proposed CDR administrative adders are based on the customer unit costs reported in MFR E-6b.

Standby and Supplemental Service Rate Schedules

Firm Standby and Supplemental Service

Standby and Supplemental Service ("SST") is applicable to customers whose electric service requirements are supplied or supplemented from the customer's generation equipment at the point of service. Standby Service is electric energy or capacity supplied by the Company to replace energy or capacity ordinarily generated by the customer's own generation equipment during periods of either scheduled (maintenance) or unscheduled (backup) outages of all or a portion of the customer's generation. Supplemental service is electric energy or capacity supplied by the Company in addition to that which is normally provided by the customer's own generation equipment. A customer is required to take service under SST if the customer's total generation capacity is more than 20 percent of the customer's total electrical load and the customer's generator(s) is (are) not for emergency purposes only.

The terms and conditions under FPL's SST tariff established in Order No. 17159 in Docket No. 850673-EU ("Standby Order") outlined the rate structure appropriate for standby service, including the use of daily demand charges and reservation demand charges. As a result, FPL's SST tariff incorporates a daily demand charge based on

the daily maximum on-peak demand and a reservation demand charge. SST customers are charged the greater of the sum of the daily demand charges or the reservation demand charge times the maximum on-peak standby demand actually registered during the month, plus the reservation demand charge times the difference between the contract standby demand and the maximum on-peak standby demand actually registered during the month. Supplemental Service charges are applicable for the total power supplied by the Company minus the Standby Service supplied by the Company during the same metering period. Supplemental Service charges are calculated by applying the applicable standard rate schedule excluding the customer charge.

FPL has four separate SST rate schedules: ("SST-1(D1)") serves customers with demands below 500 kW; ("SST-1(D2)") is applicable to customers with demands between 500 kW and 1,999 kW; ("SST-1(D3)") applies to customers with demands of 2,000 kW and above; and ("SST-1(T)") applies to customers served directly from the transmission system.

Consistent with the Standby Order, the reservation demand charge is based on an assumed 10 percent outage rate and the production and transmission demand revenue requirements divided by the 12 Coincident Peaks (CP) adjusted for losses. The daily demand charge is based on the production and transmission demand revenue requirements divided by the 12 CP adjusted for losses and divided by the number of

on-peak days in an average month. The maximum demand charges for the SST distribution rates are based on the rate class' demand distribution revenue requirements adjusted to achieve the target revenues by rate class. The energy charge is based on the average unit energy costs adjusted for losses. The customer charge is based on the higher of the current customer charge or the class customer unit cost rounded to the nearest $25 increment.

Interruptible Standby and Supplemental Service

Interruptible Standby and Supplemental Service is available under the ISST-1 rate schedule. FPL did not forecast any customers under ISST-1 for the Test Year. However, in the interests of maintaining these rates for future customers, FPL proposes firm and interruptible customer, demand, and energy charges under ISST-1 based on the applicable distribution or transmission level SST rate schedules, with the interruptible reservation charges based on the transmission revenue requirement.

The proposed rates for the SST and ISST rate schedules discussed above are outlined below:

SST-1(D1), SST-1(D2), SST-1(D3), SST-1(T)

	SST-1(D1)	SST-1(D2)	SST-1(D3)	SST-1(T)
Customer (1/1/17)	$125.00	$125.00	$425.00	$2,975.00
Customer (1/1/18)	$125.00	$125.00	$450.00	$2,975.00
Customer (6/1/19)	$128.74	$128.74	$463.47	$3,064.07
Distribution Demand (1/1/17)	$3.76	$3.76	$3.76	NA
Distribution Demand (1/1/18)	$4.19	$4.19	$4.19	NA
Distribution Demand (6/1/19)	$4.32	$4.32	$4.32	NA
Reservation Demand (1/1/17)	$1.39	$1.39	$1.39	$1.14
Reservation Demand (1/1/18)	$1.40	$1.40	$1.40	$1.14
Reservation Demand (6/1/19)	$1.44	$1.44	$1.44	$1.17
Daily Demand (1/1/17)	$0.66	$0.66	$0.66	$0.34
Daily Demand (1/1/18)	$0.67	$0.67	$0.67	$0.34
Daily Demand (6/1/19)	$0.69	$0.69	$0.69	$0.35
On-Peak Energy (1/1/17)	1.19¢	1.19¢	1.19¢	1.108¢
Off-Peak Energy (1/1/17)	1.19¢	1.19¢	1.19¢	1.108¢
On-Peak Energy (1/1/18)	1.199¢	1.199¢	1.199¢	1.106¢
Off-Peak Energy (1/1/18)	1.199¢	1.199¢	1.199¢	1.106¢
On-Peak Energy (6/1/19)	1.235¢	1.235¢	1.235¢	1.139¢
Off-Peak Energy (6/1/19)	1.235¢	1.235¢	1.235¢	1.139¢

ISST-1(D), ISST-1(T)

	ISST-1(D)	ISST-1(T)
Customer (1/1/17)	$425.00	$2,975.00
Customer (1/1/18)	$450.00	$2,975.00
Customer (6/1/19)	$463.47	$3,064.07
Distribution Demand (1/1/17)	$3.76	NA
Distribution Demand (1/1/18)	$4.19	NA
Distribution Demand (6/1/19)	$4.32	NA
Reservation Demand (Interruptible) (1/1/17)	$0.24	$0.24
Reservation Demand (Interruptible) (1/1/18)	$0.26	$0.26
Reservation Demand (Interruptible) (6/1/19)	$0.27	$0.27
Reservation Demand (Firm) (1/1/17)	$1.39	$1.14
Reservation Demand (Firm) (1/1/18)	$1.40	$1.14

Reservation Demand (Firm) (6/1/19)	$1.44	$1.17
Daily Demand (Firm) (1/1/17)	$0.66	$0.34
Daily Demand (Firm) (1/1/18)	$0.67	$0.34
Daily Demand (Firm) (6/1/19)	$0.69	$0.35
Daily Demand (Interruptible) (1/1/17)	$0.11	$0.11
Daily Demand (Interruptible) (1/1/18)	$0.12	$0.12
Daily Demand (Interruptible) (6/1/19)	$0.12	$0.12
On-Peak Energy (1/1/17)	1.190¢	1.108¢
Off-Peak Energy (1/1/17)	1.190¢	1.108¢
On-Peak Energy (1/1/18)	1.199¢	1.106¢
Off-Peak Energy (1/1/18)	1.199¢	1.106¢
On-Peak Energy (6/1/19)	1.235¢	1.139¢
Off-Peak Energy (6/1/19)	1.235¢	1.139¢

Rate Schedules Available to Other Customer Classes

Metropolitan Transit Service

Service to the Miami-Dade County Electric Transit System is provided under the Metropolitan Transit Service ("MET") rate schedule. The rate structure for MET includes customer, energy and demand charges.

The proposed 2017 and 2018 customer charges of $725.00, $775.00 respectively are based on the higher of the current customer charge or the class customer unit cost rounded to the nearest $25 increment. The proposed 2019 customer charge of $798.20 is based on the increase percentage attributable to the Okeechobee LSA. The 2017 and 2018 demand charges of $13.90, $14.30 respectively were increased by the rate class percent increase from the current demand charge. The proposed 2019 demand charge of $14.73 is based on the increase percentage attributable to the Okeechobee LSA. An energy charge of 1.875 cents/kWh, effective January 1 2017, is proposed to achieve the rate class' target revenues. An energy charge of 1.932 cents/kWh, is proposed to be effective January 1, 2018, for the 2018 Subsequent Year. An energy charge of 1.990 cents/kWh, is proposed to be effective June 1, 2019, for the 2019 Okeechobee LSA.

Lighting Services

Lighting Services are available under the Street Lighting ("SL-1") Outdoor Lighting ("OL-1"), Premium Lighting ("PL-1"), and Traffic Signal ("SL-2") rate schedules.

FPL is proposing in this case to add two new metered lighting schedules – Metered Street Lighting ("SL-1M") and Metered Traffic Signals ("SL-2M"). Additionally, Sports Field Service ("OS-2") is a closed rate schedule available to existing customers. Each is described below.

Sports Field Service (Closed)

The OS-2 rate schedule has been closed to new customers since 1982. The rate schedule includes a customer and an energy charge. The proposed customer charge for 2017 and 2018 of $150.00 are based on the higher of the current customer charge or the class customer unit cost rounded to the nearest $25 increment. The proposed customer charge of $154.49 for 2019 is based on the increase percentage for the Okeechobee LSA. An energy charge of 7.895 cents/kWh, effective January 1 2017, is proposed to achieve the rate class' target revenues. An energy charge of 8.409 cents/kWh is proposed to be effective January 1, 2018, for the 2018 Subsequent Year. An energy charge of 8.661 cents/kWh is proposed to be effective June 1, 2019, for the 2019 Okeechobee LSA.

Street, Outdoor, and Premium Lighting Service

SL-1 and OL-1 customers who do not own their own lighting facilities are assessed a bundled monthly charge which includes fixture, maintenance, and non-fuel energy components. These monthly charges vary by wattage level, type of fixture and level of service provided. The charges for all other SL-1 and OL-1 customers are based on

the cost of Company-owned fixtures. SL-1 and OL-1 customers are also charged a flat monthly fee for any poles, down-guys or conductors dedicated to lighting service. For both SL-1 and OL-1, non-fuel energy charges are based on the unit costs reported in MFR E-6b adjusted if necessary to achieve the target revenues of each rate class. For both SL-1 and OL-1, the Pole and Conductor charges were increased in order to more accurately reflect the replacement cost of these facilities. Maintenance charges have been revised based on current costs.

FPL is proposing a new metered SL-1M metered rate for Street Lights which contains a customer charge of $14.00 for 2017 and $15.00 for the 2018 Subsequent Year respectively, and in addition an energy charge of 3.515 cents/kWh to be effective January 1, 2017 and 3.678 cents/kWh for 2018. Customer charges for 2017 and 2018 will be calculated by adding metering unit costs from the GSD(T)-1 rate class to the SL-1M schedule's proportionate share of its customer unit costs from the MFR E-6b. GSD(T)-1 metering unit costs are being used as a proxy for meter costs as similar meters will be installed for new SL-1M. Energy charges will be based on rate class energy charges less customer unit costs to be collected through the new customer charges. MFR E-14, Attachment 3 shows the calculation of billing determinants and MFR E-14, Attachment 2 shows proposed rate structures for SL-1M. The proposed customer charge of $15.45 for 2019 is based on the Okeechobee LSA increase percentage. The SL-1M proposed energy charge for the 2019 Okeechobee LSA is 3.788 cents/kWh.

Where FPL installs special decorative lighting facilities at the customer's request, service is provided under the PL-1 schedule. Under PL-1, customers are charged based on the actual project costs incurred in installing lighting facilities. Customers are required to pay for facilities in a lump-sum in advance of construction. A Present Value Revenue Requirements (PVRR) multiplier is applied to the total work order cost of the project to determine the lump-sum amount. The 10- and 20-year payment options were discontinued as of March 1, 2010. The termination factors for existing customers under the 10- and 20-year payment option have been updated for current economic assumptions.

For PL-1, the Present Value Revenue Requirement (PVRR) multiplier has been updated to 1.20808 for 2017 and 1.21003 for 2018. The non-fuel energy charge is based on the unit costs reported in MFR E-6b for SL-1. Rate schedules SL-1, OL-1, and PL-1 provides a credit equal to the fuel charge associated with the fixtures that are turned off during sea turtle nesting season.

Traffic Signal Service

The SL-2 proposed energy charge is 4.637 cents/kWh to be effective January 1, 2017. The SL-2 proposed energy charge for the 2018 Subsequent Year is 4.627 cents/kWh. The SL-2 proposed energy charge to be effective June 1, 2019, for the 2019 Okeechobee LSA is 4.766 cents/kWh.

FPL is proposing a new metered SL-2M metered rate for Traffic Signals which includes a customer charge of $14.00 for 2017 and $15.00 for the 2018 Subsequent Year in addition to the energy charge of 4.520 cents/kWh to be effective January 1, 2017, and 4.515 cents/kWh to be effective January 2018. The proposed customer charge of $15.45 for the 2019 includes the increase percentage for the Okeechobee LSA. SL-2M rates are calculated using the same methodology as SL-1M rates. The SL-2M proposed energy charge to be effective January 1, 2018, for the 2018 Subsequent Year is 4.515 cents/kWh. The SL-2M proposed energy charge to be effective June 1, 2019, for the 2019 Okeechobee LSA is 4.650 cents/kWh.