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Public Service Commission

April 25, 2016

STAFF'S FIRST DATA REQUEST via email

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Kenneth Hoffman
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Florida Power & Light Company
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Tallahassee, Florida 32301
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Re: Docket No. 160071-EI - Petition for approval of 2016 revisions to underground residential and commercial differential tariffs, by Florida Power & Light Company

Dear Mr. Butler, Mr. Goorland, and Mr. Hoffman:

By this letter, Commission staff requests the following information from Florida Power & Light Company (FPL). Staff notes that all references to 2014 or 2014 filing refer to Docket No. 140066-EI.

1. Please refer to paragraph 6 of the petition and thirty-sixth revised tariff sheet No. 6.100, new Section 10.3.2(a)(4) for the following questions:
 - a. When did FPL identify the need for the proposed tariff change?
 - b. What is FPL's estimated shortfall (please specify the time period)?

- c. The proposed underground residential distribution (URD) charges (Section 10.3.2, Contribution by Applicant) and calculations are based on standard model subdivision designs and actual construction costs may differ. Will FPL use overhead costs proposed in this filing (to calculate URD charges) or use actual work order job costs to estimate overhead costs for purposes of comparing revenues to costs pursuant to new Section 10.3.2(a)(4)?
 - d. Please confirm that the four years are based on Rule 25-6.064, Florida Administrative Code.
 - e. Please describe the circumstances that led FPL to propose the change and provide examples of when revenue did not fully offset the cost of overhead facilities for the applicant's development.
 - f. Please explain how FPL keeps track of revenue and cost during and until the four-year period ends, including whether this is on a per-lot or total development basis.
 - g. Under FPL's proposed change, assuming the developer of a subdivision or development is the applicant and it is the developer who sells the house, would a homeowner in the subdivision or development ever be required to pay the difference between the expected revenues and the estimated overhead cost? If yes, please explain.
2. Please provide a copy of the section "Cost Changes," updated from 2014 to the current filing.
3. Referring to thirty-second revised tariff sheet No. 6.130, please provide a detailed explanation for the price increases in Section 10.5.4 (a) and (b).
4. Please explain why the Non-storm and the Storm operational costs remain unchanged from 2014 to the current docket (Appendix 3, URD, page 2).
5. What overhead and underground activities are performed by in-house vs. contract employees? If this is a change from 2014 please describe what changed and provide the financial impact on the costs for the low and high density differentials.
6. Please explain the decrease in stores handling from 9.3% in 2014 to 5.44% of all material.
7. Please explain the increase in engineering overhead from 19.46% in 2014 to 26.9% applied to material and labor.

8. In the 2014 filing, Appendix 4, URD, "2014 OH Low Density Layout with 3.5 ton A/C," certain material and labor columns include CO (corporate overhead), while others do not. The version of that page in this docket does not differentiate between material and labor costs with and without corporate overhead. Please explain why and provide the current corporate overhead percentage.
9. Referring to Appendix 4, URD Summary Sheet for low density and high density subdivisions, please explain why the overhead labor costs for both high density and low density subdivisions increased at approximately double the rate of increase for underground labor costs compared to the 2014 filing.
10. Referring to Appendix 4, URD Summary Sheet, please explain why the overhead material costs increased for the low density subdivision but decreased for the high density subdivision when compared to the 2014 filing.
11. Referring to Appendix 4, URD Summary Sheet, please explain why the underground material costs decreased for both the low and high density subdivisions when compared to the 2014 filing.

Please file all responses electronically no later than Tuesday, May 10, 2016 via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6540 if you have any questions.

Thank you.

/s/Sue Ollila

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cc: Office of Commission Clerk