BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Power Company	Docket No. 160021-EI
In re: Petition for approval of 2016-2018 storm hardening plan, by Florida Power & Light Company.	Docket No. 160061-EI
In re: 2016 depreciation and dismantlement study by Florida Power & Light Company.	Docket No. 160062-EI
In re: Petition for limited proceeding to modify and continue incentive mechanism, by Florida Power & Light Company. _______________________________/	Docket No. 160088-EI
	Filed: August 5, 2016

PREHEARING STATEMENT OF AARP

AARP, through its Qualified Representative, John B. Coffman, and pursuant to Order Nos. PSC-16-0125-PCO-EI issued March 25, 2016, PSC-16-0182-PCO-EI issued May 4, 2016, PSC-16-0211-PCO-EI issued May 27, 2016, PSC-16-0231-FOF-EI, issued June 10, 2016 and PSC-16-0300-PCO-EI issued July 27, 2016, Establishing Procedure in this docket, hereby submit its Prehearing Statement.

APPEARANCES on behalf of AARP:

John B. Coffman

Jack L. McRay

1. WITNESSES:

AARP intends to call the one witness, who will address the issues indicated:

NAME	ISSUES
Michael Brosch	25, 29, 30, 32, 36, 38, 83-86, 123-125, 128-130, 132, 133, 139, 156, 157, 160

2. EXHIBITS:

Through Michael Brosch, AARP intends to introduce the following exhibits, which can be identified on a composite basis:

MLB-1.1	Summary of Qualifications
MLB-1.2	Prior Testimony Listing
MLB-1.3	NRRI Future Test Years: Challenges Posed for State Utility Commissions; Briefing Paper No. 13-08, July 2013
MLB-1.4	Edison Electric Institute Rate Case Summary Q1, 2016
MLB-1.5	AUS Monthly Utility Reports, June 2016
MLB-1.6	Y Charts Financial Data – North American Utilities

3. STATEMENT OF BASIC POSITION

Florida Power & Light Company ("FPL" or "Company") has proposed a multi-year rate plan that is not supported by credible financial forecast data and that, if granted, would burden residential customers with cumulative rate increases of about $1.3 billion, or more than 23 percent over the Company's present base rate revenues.

The proposed base rate increase for the first year of FPL's plan in 2017 is seriously overstated and should be denied for many reasons, including the blatantly excessive proposed return on equity and equity thick capitalization ratios reflected therein, as well as many other depreciation and ratemaking positions taken by FPL that are contested issues raised by other parties in this docket.

Beyond 2017, FPL proposes additional “subsequent year” 2018 base rate increases that are similarly overstated by the same excessive capital cost and ratemaking positions taken by the Company for 2017, and that suffer from the dependence upon financial data that is highly speculative and cannot accurately predict FPL’s revenue requirement that far into the future. Even more outrageous is the Company’s proposed third layer of base rate increases in 2019, for which no need has been shown, that would charge customers on a piecemeal basis for completion of the Okeechobee generating facility as a “limited scope adjustment” to base rates, while ignoring any other changes to revenue, expense and investment levels that may occur in 2019.

AARP witness Brosch explains that the uncertainties inherent in attempting to accurately forecast electric sales volumes, capital market conditions, utility expense levels and rate base investments more than 24 months into the future, when coupled with the unavoidable management bias in developing such ratemaking forecasts, dictates that such speculative forecasts <u>not</u> be relied upon as support for large utility rate increases stretching into 2020 and beyond. The risks to customers raised by FPL’s proposed multi-year rate plan argue against its adoption, particularly when FPL can submit future base rate case applications at any time after 2017 when and if changes in the Company’s costs and revenues signal the need for any additional base rate relief. The Commission has previously rejected multi-year ratemaking proposals of FPL, for the same reasons described in AARP’s evidence, as recently as the Company’s last litigated Florida rate case.

The large revenue increases proposed by FPL in each year of the Company’s rate plan are seriously overstated because of the excessive return on equity and equity ratio embedded in FPL’s filing. The cost of capital in US financial markets has significantly declined since the Commission last awarded FPL a 10.0 percent ROE in Docket No. 080677, the Company’s 2009 test year rate case. Recognizing this trend, the ROE levels authorized by regulators for electric utilities across the country have significantly declined since 2009. Yet, FPL ignores these trends and inexplicably asserts an entitlement to an <u>increased</u> ROE of 11.0 percent that would be further expanded by a proposed 50 basis point adder for its “performance” relative to its peers. These proposals are unreasonable and should be rejected for all of the reasons stated in the testimony of witness Brosch.

FPL’s proposed rate increases are also greatly overstated by the Company’s capital structure manipulation, through which NextEra Energy’s least risky FPL monopoly utility subsidiary is saddled with an equity ratio of nearly 60 percent, at the same time the consolidated capitalization of NextEra Energy is only 42 percent. FPL has presented no evidence that the extremely high equity concentrated on its books by its NextEra parent, that greatly expands FPL utility revenue requirements, can be considered cost effective for ratepayers. The Commission should reject this FPL proposal and employ either an industry average equity ratio not exceeding 47 percent or the much lower consolidated equity ratio of NextEra Energy, in place of the equity thick capitalization that is maintained on FPL’s books.

Regardless of the Commission’s final determination of FPL revenue requirements, there should be no increase to the residential customer charges within the Company’s tariff. Important public policy reasons dictate no change to fixed monthly customer charges, including maintaining customers’ control over monthly bills, increasing the affordability of services to low-usage customers, encouragement of conservation habits and improved financial payback on energy efficiency investments that are made by FPL's residential customers.

The listing that follows is AARP's preliminary assessment of positions on the specific issues that are known at this time. AARP respectfully wishes to reserve the right to modify its stated positions or to take new positions on issues listed below, as more facts are elicited before and during hearings.

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

ISSUE 1: Does the Commission possess the authority to grant FPL's proposal to continue utilizing the storm cost recovery mechanism that was part of the settlement agreements approved in Order Nos. PSC-11-0089-S-EI and PSC-13-0023-S-EI?

AARP: No Position

ISSUE 2: Does the Commission have the authority to approve FPL's requested limited scope adjustment for the new Okeechobee Energy Center in June of 2019?

AARP: No Position

ISSUE 3: Does the Commission possess the authority to adjust FPL's authorized return on equity based on FPL's performance?

AARP: No Position

ISSUE 4: Does the Commission have the authority to include non-electric transactions in an incentive mechanism?

AARP: No Position

ISSUE 5: Does the Commission have the authority to approve proposed depreciation rates to be effective January 1, 2017, based upon a depreciation study that uses year-end 2017 plant balances?

AARP: No Position

ISSUE 6: Are Commercial Industrial Load Control (CILC) and Commercial/Industrial Demand Reduction (CDR) credits subject to adjustment in this proceeding?

AARP: No Position

STORM HARDENING ISSUES

ISSUE 7: Does the Company's Storm Hardening Plan (Plan) comply with the National Electric Safety Code (ANSI C-2) (NESC) as required by Rule 25-6.0345, F.A.C.?

AARP: No Position

ISSUE 8: Does the Company's Plan address the extreme wind loading standards specified in Figure 250-2(d) of the 2012 edition of the NESC for new distribution facility construction as required by Rule 25-6.0342(3)(b)1, F.A.C.?

AARP: No Position

ISSUE 9: Does the Company's Plan address the extreme wind loading standards specified by Figure 250-2(d) of the 2012 edition of the NESC for major planned work on the distribution system, including expansion, rebuild, or relocation of existing facilities, assigned on or after the effective date of this rule distribution facility construction as required by Rule 25-6.0342(3)(b)2, F.A.C.?

AARP: No Position

ISSUE 10: Does the Company's Plan address the extreme wind loading standards specified by Figure 250-2(d) of the 2012 edition of the NESC for distribution facilities serving critical infrastructure facilities and along major thoroughfares taking into account political and geographical boundaries and other applicable operational considerations as required by Rule 25-6.0342(3)(b)3, F.A.C.?

AARP: No Position

ISSUE 11: Is the Company's Plan designed to mitigate damages to underground and supporting overhead transmission and distribution facilities due to flooding and storm surges as required by Rule 25-6.0342(3)(c), F.A.C.?

AARP: No Position

ISSUE 12: Does the Company's Plan address the extent to which the placement of new and replacement distribution facilities facilitate safe and efficient access for installation and maintenance as required by Rule 25-6.0342(3)(d), F.A.C.?

AARP: No Position

ISSUE 13: Does the Company's Plan provide a detailed description of its deployment strategy including a description of the facilities affected; including technical design specifications, construction standards, and construction methodologies employed as required by Rules 25-6.0341 and 25-6.0342(4)(a), F.A.C.?

AARP: No Position

ISSUE 14: Does the Company's Plan provide a detailed description of its deployment strategy as it relates to the communities and areas within the utility's service area where the electric infrastructure improvements, including facilities identified by the utility as critical infrastructure and along major thoroughfares are to be made as required by Rules 25-6.0342(3)(b)3 and 25-6.0342(4)(b), F.A.C.?

AARP: No Position

ISSUE 15: Does the Company's Plan provide a detailed description of its deployment strategy to the extent that the electric infrastructure improvements involve joint use facilities on which third-party attachments exist as required by Rule 25-6.0342(4)(c), F.A.C.?

AARP: No Position

ISSUE 16: Does the Company's Plan provide a reasonable estimate of the costs and benefits to the utility of making the electric infrastructure improvements, including the effect on reducing storm restoration costs and customer outages as required by Rule 25-6.0342(4)(d), F.A.C.?

AARP: No Position

ISSUE 17: Does the Company's plan provide an estimate of the costs and benefits to third-party attachers affected by the electric infrastructure improvements, including the effect on reducing storm restoration costs and customers outages realized by the third-party attachers as required by Rule 25-6.0342(4)(e), F.A.C.?

AARP: No Position

ISSUE 18: Does the Company's Plan include a written Attachment Standards and Procedures addressing safety, reliability, pole loading capacity, and engineering standards and procedure for attachments by others to the utility's electric transmission and distribution poles that meet or exceed the edition of the National Electrical Safety Code (ANSI C-2) that is applicable as required by Rule 25-6.0342(5), F.A.C.?

AARP: No Position

WOODEN POLE INSPECTION PROGRAM

ISSUE 19: Does the Company's eight-year wooden pole inspection program comply with Order No. PSC-06-0144-PAA-EI, issued on February 27, 2006, in Docket No. 060078-EI, and Order No. PSC-06-0778-PAA-EU, issued on September 18, 2006, in Docket No. 060531-EU?

AARP: No Position

10 POINT STORM PREPAREDNESS INITIATIVES

ISSUE 20: Does the Company's 10-point initiatives plan comply with Order No. PSC-06-0351-PAA-EI, issued on April 25, 2006; Order No. PSC-06-0781-PAA-EI, issued on September 19, 2006; and Order No. PSC-07-0468-FOF-EI, issued on May 30, 2007, in Docket No. 060198-EI?

AARP: No Position

APPROVAL OF STORM HARDENING PLAN

ISSUE 21: Should the Company's Storm Hardening Plan for the period 2016 through 2018 be approved?

AARP: No Position

COSTS FOR STORM HARDENING AND 10 POINT INITIATIVES

ISSUE 22: What adjustments, if any, should be made to rate base associated with the storm hardening Rule 25-6.0342, F.A.C., and 10 point initiatives requirements?

AARP: No Position

ISSUE 23: What adjustments, if any, should be made to operating expenses associated with the storm hardening Rule 25-6.0342, F.A.C., and 10 point initiatives requirements?

AARP: No Position

TEST PERIOD AND FORECASTING

ISSUE 24: Is FPL's projected test period of the 12 months ending December 31, 2017, appropriate?

AARP: No Position

ISSUE 25: Do the facts of this case support the use of a subsequent test year ending December 31, 2018 to adjust base rates?

AARP: No. The highly speculative nature of long term financial forecasts, coupled with the inherent bias of utility personnel to overstate costs and risks, while understating revenue growth and productivity gains, supports Commission rejection of FPL's proposed subsequent year 2018 rate increase proposal.

ISSUE 26: Has FPL proven any financial need for rate relief in any period subsequent to the projected test period ending December 31, 2017?

AARP: No. The highly speculative nature of long term financial forecasts, coupled with the inherent bias of utility personnel to overstate costs and risks, while understating revenue growth and productivity gains, supports Commission rejection of FPL's proposed subsequent year 2018 rate increase proposal.

ISSUE 27: Is FPL's projected subsequent test period of the 12 months ending December 31, 2018, appropriate?

AARP: No. The highly speculative nature of long term financial forecasts, coupled with the inherent bias of utility personnel to overstate costs and risks, while understating revenue growth and productivity gains, supports Commission rejection of FPL's proposed subsequent year 2018 rate increase proposal.

ISSUE 28: Are FPL's forecasts of Customers, KWH, and KW by Rate Schedule and Revenue Class, for the 2017 projected test year appropriate?

AARP: No position.

ISSUE 29: Are FPL's forecasts of Customers, KWH, and KW by Rate Schedule and Revenue Class, for the 2018 projected test year appropriate, if applicable?

AARP: No. The highly speculative nature of long term financial forecasts, coupled with the inherent bias of utility personnel to overstate costs and risks, while understating revenue growth and productivity gains, supports Commission rejection of FPL's proposed subsequent year 2018 rate increase proposal.

ISSUE 30: Are FPL's forecasts of Customers, KWH, and KW by Rate Schedule and Revenue Class, for the period June 2019 to May 2020, appropriate, if applicable?

AARP: No. The highly speculative nature of long term financial forecasts, coupled with the inherent bias of utility personnel to overstate costs and risks, while understating revenue growth and productivity gains, supports Commission rejection of FPL's proposed limited scope 2019 rate increase proposal. Additionally, FPL has not produced credible estimates of its overall financial position in 2019 and subsequent years to prove that rate relief would actually be needed in those years, given all the changes in sales/revenues, rate base investment levels, capital costs and changes in expenses at that time.

ISSUE 31: Are FPL's projected revenues from sales of electricity by rate class at present rates for the 2016 prior year and projected 2017 test year appropriate?

AARP: No position.

ISSUE 32: Are FPL's projected revenues from sales of electricity by rate class at present rates for the projected 2018 test year appropriate, if applicable?

AARP: No. The highly speculative nature of long term financial forecasts, coupled with the inherent bias of utility personnel to overstate costs and risks, while understating revenue growth and productivity gains, supports Commission rejection of FPL's proposed subsequent year 2018 rate increase proposal, including the sales projections that are included therein.

ISSUE 33: What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2017 test year budget?

AARP: No position.

ISSUE 34: What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2018 test year budget, if applicable?

AARP: No position.

ISSUE 35: Are FPL's estimated operating and tax expenses, for the projected 2017 test year, sufficiently accurate for purposes of establishing rates?

AARP: No position.

ISSUE 36: Are FPL's estimated operating and tax expenses, for the projected 2018 subsequent year, sufficiently accurate for purposes of establishing rates, if applicable?

AARP: No. The highly speculative nature of long term financial forecasts, coupled with the inherent bias of utility personnel to overstate costs and risks, while understating revenue growth and productivity gains, supports Commission rejection of FPL's proposed subsequent year 2018 rate increase proposal.

ISSUE 37: Are FPL's estimated Net Plant in Service and other rate base elements, for the projected 2017 test year, sufficiently accurate for purposes of establishing rates?

AARP: No position.

ISSUE 38: Are FPL's estimated Net Plant in Service and other rate base elements, for the projected 2018 subsequent year, sufficiently accurate for purpose of establishing rates, if applicable?

AARP: No. The highly speculative nature of long term financial forecasts, coupled with the inherent bias of utility personnel to overstate costs and risks, while understating revenue growth and productivity gains, supports Commission rejection of FPL's proposed subsequent year 2018 rate increase proposal.

Quality of Service

ISSUE 39: Is the quality of the electric service provided by FPL adequate taking into consideration: a) the efficiency, sufficiency and adequacy of FPL's facilities provided and the services rendered; b) the cost of providing such services; c) the value of such service to the public; d) the ability of the utility to improve such service and facilities; e) energy conservation and the efficient use of alternative energy resources; and f) any other factors the Commission deems relevant.

AARP: No position.

DEPRECIATION STUDY

ISSUE 40: What, if any, are the appropriate capital recovery schedules?

AARP: No position.

<u>ISSUE 41</u>: What is the appropriate depreciation study date?

AARP: No position.

<u>ISSUE 42</u>: If the appropriate depreciation study date is not December 31, 2017, what action should the Commission take?

AARP: No position.

<u>ISSUE 43</u>: Should accounts 343 and 364 be separated into subaccounts and different depreciation rates be set for the subaccounts using separate parameters? If so, how should the accumulated depreciation reserves be allocated and what parameters should be applied to each subaccount?

AARP: No position.

<u>ISSUE 44</u>: What are the appropriate depreciation parameters (e.g., service lives, remaining lives, net salvage percentages, and reserve percentages) and resulting depreciation rates for the accounts and subaccounts related to each production unit?

AARP: No position.

<u>ISSUE 45</u>: What are the appropriate depreciation parameters (e.g., service lives, remaining lives, and net salvage percentages) and resulting depreciation rates for each transmission, distribution, and general plant account, and subaccounts, if any?

AARP: No position.

<u>ISSUE 46</u>: Based on the application of the depreciation parameters and resulting depreciation rates that the Commission deems appropriate, and a comparison of the theoretical reserves to the book reserves, what are the resulting imbalances?

AARP: No position.

<u>ISSUE 47</u>: If the Commission accepts FPL's depreciation study for purposes of establishing its proposed depreciation rates and related expense, what adjustments, if any, are necessary?

AARP: No position.

<u>ISSUE 48</u>: What, if any, corrective reserve measures should be taken with respect to the imbalances identified in Issue 46?

AARP: No position.

<u>ISSUE 49</u>: What should be the implementation date for revised depreciation rates, capital recovery schedules, and amortization schedules?

AARP: No position.

<u>ISSUE 50</u>: Should FPL's currently approved annual dismantlement accrual be revised?

AARP: No position.

<u>ISSUE 51</u>: What, if any, corrective dismantlement reserve measures should be approved?

AARP: No position.

<u>ISSUE 52</u>: What is the appropriate annual accrual and reserve for dismantlement

A. For the 2017 projected test year?
AARP: No position.

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position.

<u>Rate Base</u>

<u>ISSUE 53</u>: Should the revenue requirement associated with West County Energy Center Unit 3 currently collected through the Capacity Cost Recovery Clause be included in base rates?

AARP: No position.

<u>ISSUE 54</u>: Has FPL appropriately accounted for the impact of the Cedar Bay settlement agreement

A. For the 2017 projected test year?
AARP: No position.

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position.

<u>ISSUE 55</u>: Has FPL made the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation and Working Capital

A. For the 2017 projected test year?
AARP: No position.

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position.

<u>ISSUE 56</u>: What is the appropriate amount of Plant in Service for FPL's Large Scale Solar Projects?

AARP: No position.

<u>ISSUE 57</u>: Is FPL's replacement of its peaking units reasonable and prudent?

AARP: No position.

<u>ISSUE 58</u>: If adjustments are made to FPL's proposed depreciation and dismantling expenses, what is the impact on rate base

A. For the 2017 projected test year?
AARP: No position.

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position.

ISSUE 59: What is the appropriate level of Plant in Service (Fallout Issue)

A. For the 2017 projected test year?
AARP: No position.

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position.

ISSUE 60: What is the appropriate level of Accumulated Depreciation (Fallout Issue)

A. For the 2017 projected test year?
AARP: No position.

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position.

ISSUE 61: Are FPL's proposed adjustments to move certain CWIP projects from base rates to the Environmental Cost Recovery Clause appropriate?
AARP: No position.

ISSUE 62: Are FPL's proposed adjustments to move certain CWIP projects from base rates to the Energy Conservation Cost Recovery Clause appropriate?
AARP: No position.

ISSUE 63: Is the company's proposed adjustment to remove Fukushima-related costs from the rate base and recover all Fukushima-related capital costs in the Capacity Cost Recovery Clause appropriate?
AARP: No position.

ISSUE 64: What is the appropriate level of Construction Work in Progress to be included in rate base?

A. For the 2017 projected test year?
AARP: No position.

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position.

ISSUE 65: Are FPL's proposed reserves for Nuclear End of Life Material and Supplies and Last Core Nuclear Fuel appropriate

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 66: What is the appropriate level of Nuclear Fuel (NFIP, Nuclear Fuel Assemblies in Reactor, Spent Nuclear Fuel less Accumulated Provision for Amortization of Nuclear Fuel Assemblies, End of Life Materials and Supplies, Nuclear Fuel Last Core)?

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 67: What is the appropriate level of Property Held for Future Use

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 68: What is the appropriate level of fossil fuel inventories

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 69: Should the unamortized balance of Rate Case Expense be included in Working Capital and, if so, what is the appropriate amount to include

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year
AARP: No position

ISSUE 70: What is the appropriate amount of injuries and damages (I&D) reserve to include in rate base?

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year
AARP: No position

ISSUE 71: What is the appropriate amount of deferred pension debit in working capital for FPL to include in rate base

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 72: Should the unbilled revenues be included in working capital?

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 73: What is the appropriate methodology for calculating FPL's Working Capital

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 74: If FPL's balance sheet approach methodology for calculating its Working Capital is adopted, what adjustments, if any, should be made to FPL's proposed Working Capital

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 75: Should FPL's requested change in methodology for recovering nuclear maintenance outage costs from accrue-in-advance to defer-and-amortize be approved? If so, are any adjustments necessary

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 76: What is the appropriate level of Working Capital (Fallout Issue)

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 77: What is the appropriate level of rate base

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

Cost of Capital

ISSUE 78: What is the appropriate amount of accumulated deferred taxes to include in the capital structure and should a proration adjustment to deferred taxes be included in capital structure

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 79: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 80: What is the appropriate amount and cost rate for short-term debt to include in the capital structure

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 81: What is the appropriate amount and cost rate for long-term debt to include in the capital structure

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 82: What is the appropriate amount and cost rate for customer deposits to include in the capital structure

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

<u>ISSUE 83</u>: What is the appropriate equity ratio to use in the capital structure for ratemaking purposes?

A. For the 2017 projected test year?
AARP: The approved common equity ratio used for ratemaking, on a financial basis excluding deferred taxes, deferred ITC and customer deposits, should not exceed an industry average 47 percent and could employ the much lower actual consolidated equity ratio of NextEra Energy, Inc.

B. If applicable, for the 2018 subsequent projected test year?
AARP: The approved common equity ratio used for ratemaking, on a financial basis excluding deferred taxes, deferred ITC and customer deposits, should not exceed an industry average 47 percent and could employ the much lower actual consolidated equity ratio of NextEra Energy, Inc.

<u>ISSUE 84</u>: Should FPL's request for a 50 basis point performance adder to the authorized return on equity be approved?

AARP: No. FPL shareholders have already been richly rewarded for past performance without adding another layer of prospective rewards for investors. Prospective rewards should be awarded only for prospective performance and the Company has not quantified any specific and unique benefits that FPL will achieve incrementally in each future year to justify charging ratepayers the $119 million per year that this "adder" would contribute to the revenue requirement.

The large base rate increases being proposed by FPL imply that future cost control performance is not forecasted to be sufficient to justify bonus ROE awards at this time. Additionally, incentive compensation for employees is included in FPL's asserted revenue requirement, causing any ROE adder for shareholders to be excessive and redundant to such employee incentive compensation.

<u>ISSUE 85:</u> What is the appropriate authorized return on equity (ROE) to use in establishing FPL's revenue requirement

A. For the 2017 projected test year?
AARP: The ROE awarded should be significantly lower than the 10.0 percent last approved by the Commission for FPL in a litigated rate case, using a 2009 test year. Market interest rates have declined materially since 2009. Regulators in other states have recognized these declines by reducing the average level of authorized ROE in rate orders across the Country.

B. If applicable, for the 2018 subsequent projected test year?
AARP: AARP does not support multi-year ratemaking for FPL. However, any ROE awarded for 2018 should be significantly lower than the 10.0 percent last approved by the Commission for FPL in a litigated rate case, using a 2009 test year. Market interest rates have declined materially since 2009. Regulators in other states have recognized these declines by reducing the average level of authorized ROE in rate orders across the Country

<u>ISSUE 86</u>: What is the appropriate weighted average cost of capital to use in establishing FPL's revenue requirement?

A. For the 2017 projected test year?
AARP: The overall cost of capital is derivative from ROE, capital structure, cost of debt and the other elements of regulatory capitalization. See AARP positions above with respect to ROE and equity ratio.

B. If applicable, for the 2018 subsequent projected test year?
AARP: AARP does not support multi-year ratemaking for FPL. However, the overall cost of capital is derivative from ROE, capital structure, cost of debt and the other elements of regulatory capitalization. See AARP positions above with respect to ROE and equity ratio.

Net Operating Income

ISSUE 87: What are the appropriate projected amounts of other operating revenues

A. For the 2017 projected test year?
AARP: No position.

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 88: What is the appropriate level of Total Operating Revenues

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 89: Has FPL made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 90: Has FPL made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 91: Has FPL made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 92: Has FPL made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 93: Has FPL made the appropriate adjustments to remove all non-utility activities from operating revenues and operating expenses

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 94: What is the appropriate percentage value (or other assignment value or methodology basis) to allocate FPL shared corporate services costs and/or expenses to its affiliates

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 95: What is the appropriate amount of FPL shared corporate services costs and/or expenses (including executive compensation and benefits) to be allocated to affiliates

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 96: Should any adjustments be made to FPL's operating revenues or operating expenses for the effects of transactions with affiliated companies

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 97: What is the appropriate amount of FPL's vegetation management expense

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 98: What is the appropriate level of generation overhaul expense

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 99: What is the appropriate amount of FPL's production plant O&M expense

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 100: What is the appropriate amount of FPL's transmission O&M expense

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 101: What is the appropriate amount of FPL's distribution O&M expense

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 102: Should the Commission approve FPL's proposal to continue the interim storm cost recovery mechanism that was part of the settlement agreements approved in Order Nos. PSC-11-0089-S-EI and PSC-13-0023-S-EI?
AARP: No position

ISSUE 103: What is the appropriate annual storm damage accrual and storm damage reserve

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 104: What is the appropriate amount of Other Post-Employment Benefits expense

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 105: What is the appropriate amount of FPL's requested level of Salaries and Employee Benefits

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 106: What is the appropriate amount of Pension Expense

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 107: What is the appropriate amount and amortization period for Rate Case Expense

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 108: What is the appropriate amount of uncollectible expense and bad debt rate

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

<u>ISSUE 109</u>: Has FPL included the appropriate amount of costs and savings associated with the AMI smart meters

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

<u>ISSUE 110</u>: If the proposed change in accounting to defer and amortize the nuclear maintenance reserve is approved, is the company's proposed adjustment to nuclear maintenance expense appropriate?

<u>ISSUE 111</u>: What are the appropriate expense accruals for: (1) end of life materials and supplies and 2) last core nuclear fuel

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

<u>ISSUE 112</u>: What are the appropriate projected amounts of injuries and damages (I&D) expense accruals

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

<u>ISSUE 113</u>: What is the appropriate level of O&M Expense (Fallout Issue)

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

<u>ISSUE 114:</u> What is the appropriate amount of depreciation, amortization, and fossil dismantlement expense (Fallout Issue)

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

<u>ISSUE 115</u>: What is the appropriate level of Taxes Other Than Income (Fallout Issue)

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

<u>ISSUE 116</u>: What is the appropriate level of Income Taxes

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

<u>ISSUE 117</u>: What is the appropriate level of (Gain)/Loss on Disposal of utility property

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

<u>ISSUE 118</u>: What is the appropriate level of Total Operating Expenses? (Fallout Issue)

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

<u>ISSUE 119</u>: Is the company's proposed net operating income adjustment to remove Fukushima-related O&M expenses from base rates and recover all Fukushima-related expenses in the capacity cost recovery clause appropriate?
AARP: No position

<u>ISSUE 120</u>: What is the appropriate level of Net Operating Income (Fallout Issue)

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

<u>Revenue Requirements</u>

<u>ISSUE 121</u>: Is the Section 199 Manufacturer's deduction properly reflected in the revenue expansion factor?

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 122: What are the appropriate revenue expansion factor and the appropriate net operating income multiplier, including the appropriate elements and rates for FPL

A. For the 2017 projected test year?
AARP: No position

B. If applicable, for the 2018 subsequent projected test year?
AARP: No position

ISSUE 123: What is the appropriate annual operating revenue increase or decrease (Fallout Issue)

A. For the 2017 projected test year?
AARP: This is derivative from all findings above.

B. If applicable, for the 2018 subsequent projected test year?
AARP: AARP does not support multi-year ratemaking for FPL. However, any revenue requirement for 2018 would be derivative from all findings above, if authorized by the Commission.

OKEECHOBEE LIMITED SCOPE Adjustment

ISSUE 124: Should the Commission approve or deny a limited scope adjustment for the new Okeechobee Energy Center? And if approved, what conditions/adjustments, if any should be included?

AARP: No piecemeal rate relief for Okeechobee Energy Center should be approved. The Commission has previously found that generating unit investments can be reasonably considered within traditional rate case filings, where costs and revenues can be reviewed "as a whole" rather than on a piecemeal basis, to determine whether rate relief is actually needed at the time of completion of such new investments.

ISSUE 125: Has FPL proven any financial need for single-issue rate relief in 2019, based upon only the additional costs associated with the Okeechobee generating unit, and with no offset for anticipated load and revenue growth forecasted to occur in 2019?

AARP: No. There has been no showing by FPL that the Company's overall cost of service in 2019 will exceed its approved base rate revenue levels at that time, or that additional revenues would be needed in amounts equal to the piecemeal revenue requirement of only the new Okeechobee generation in isolation. The Company has not forecasted or accounted for any changes in its overall revenues and costs after 2018, other than accounting for the direct costs attributable solely to the Okeechobee generation. It is unknown whether revenue growth or changes in capital costs, O&M and rate base will occur after 2019 in amounts that would partially or completely offset any incremental costs of Okeechobee generation.

<u>ISSUE 126</u>: What are the appropriate depreciation rates for the Okeechobee Energy Center?

AARP: No position

<u>ISSUE 127</u>: What is the appropriate treatment for deferred income taxes associated with the Okeechobee Energy Center?

AARP: No position

<u>ISSUE 128</u>: Is FPL's requested rate base of $1,063,315,000 for the new Okeechobee Energy Center appropriate?

AARP: No. No piecemeal rate relief for Okeechobee Energy Center should be approved. The Commission has previously found that generating unit investments can be reasonably considered within traditional rate case filings, where costs and revenues can be reviewed "as a whole" rather than on a piecemeal basis, to determine whether rate relief is actually needed at the time of completion of such new investments.

There has been no showing by FPL that the Company's overall cost of service in 2019 will exceed its approved base rate revenue levels at that time, or that additional revenues would be needed in amounts equal to the piecemeal revenue requirement of only the new Okeechobee generation in isolation. The Company has not forecasted or accounted for any changes in its overall revenues and costs after 2018, other than accounting for the direct costs attributable solely to the Okeechobee generation. It is unknown whether revenue growth or changes in capital costs, O&M and rate base will occur after 2019 in amounts that would partially or completely offset any incremental costs of Okeechobee generation.

<u>ISSUE 129</u>: What is the appropriate weighted average cost of capital, including the proper components, amounts and cost rates associated with the capital structure, to calculate the limited scope adjustment for the new Okeechobee Energy Center?

AARP: No piecemeal rate relief for Okeechobee Energy Center should be approved. The Commission has previously found that generating unit investments can be reasonably considered within traditional rate case filings, where costs and revenues can be reviewed "as a whole" rather than on a piecemeal basis, to determine whether rate relief is actually needed at the time of completion of such new investments.

There has been no showing by FPL that the Company's overall cost of service in 2019 will exceed its approved base rate revenue levels at that time, or that additional revenues would be needed in amounts equal to the piecemeal revenue requirement of only the new Okeechobee generation in isolation. The Company has not forecasted or accounted for any changes in its overall revenues and costs after 2018, other than accounting for the direct costs attributable solely to the Okeechobee generation. It is unknown whether revenue growth or changes in capital costs, O&M and rate base will occur after 2019 in amounts that would partially or completely offset any incremental costs of Okeechobee generation.

<u>ISSUE 130</u>: Is FPL's requested net operating loss of $33.868 million for the new Okeechobee Energy Center appropriate?

AARP: No piecemeal rate relief for Okeechobee Energy Center should be approved. The Commission has previously found that generating unit investments can be reasonably considered within traditional rate case filings, where costs and revenues can be reviewed "as a whole" rather than on a piecemeal basis, to determine whether rate relief is actually needed at the time of completion of such new investments.

There has been no showing by FPL that the Company's overall cost of service in 2019 will exceed its approved base rate revenue levels at that time, or that additional revenues would be needed in amounts equal to the piecemeal revenue requirement of only the new Okeechobee generation in isolation. The Company has not forecasted or accounted for any changes in its overall revenues and costs after 2018, other than accounting for the direct costs attributable solely to the Okeechobee generation. It is unknown whether revenue growth or changes in capital costs, O&M and rate base will occur after 2019 in amounts that would partially or completely offset any incremental costs of Okeechobee generation.

ISSUE 131: What is the appropriate Net Operating Income Multiplier for the new Okeechobee Energy Center? (Fallout)

AARP: No Position.

ISSUE 132: Is FPL's requested limited scope adjustment of $209 million for the new Okeechobee Energy Center appropriate?

AARP: No piecemeal rate relief for Okeechobee Energy Center should be approved. The Commission has previously found that generating unit investments can be reasonably considered within traditional rate case filings, where costs and revenues can be reviewed "as a whole" rather than on a piecemeal basis, to determine whether rate relief is actually needed at the time of completion of such new investments.

There has been no showing by FPL that the Company's overall cost of service in 2019 will exceed its approved base rate revenue levels at that time, or that additional revenues would be needed in amounts equal to the piecemeal revenue requirement of only the new Okeechobee generation in isolation. The Company has not forecasted or accounted for any changes in its overall revenues and costs after 2018, other than accounting for the direct costs attributable solely to the Okeechobee generation. It is unknown whether revenue growth or changes in capital costs, O&M and rate base will occur after 2019 in amounts that would partially or completely offset any incremental costs of Okeechobee generation.

ISSUE 133: What is the appropriate effective date for implementing FPL's limited scope adjustment for the new Okeechobee Energy Center?

AARP: No piecemeal rate relief for Okeechobee Energy Center should be approved. The Commission has previously found that generating unit investments can be reasonably considered within traditional rate case filings, where costs and revenues can be reviewed "as a whole" rather than on a piecemeal basis, to determine whether rate relief is actually needed at the time of completion of such new investments.

There has been no showing by FPL that the Company's overall cost of service in 2019 will exceed its approved base rate revenue levels at that time, or that additional revenues would be needed in amounts equal to the piecemeal revenue requirement of only the new Okeechobee generation in isolation. The Company has not forecasted or accounted for any changes in its overall revenues and costs after 2018, other than accounting for the direct costs attributable solely to the Okeechobee generation. It is unknown whether revenue growth or changes in capital costs, O&M and rate base will occur after 2019 in amounts that would partially or completely offset any incremental costs of Okeechobee generation.

<u>Asset Optimization INCENTIVE MECHANISM</u>

<u>ISSUE 134</u>: Should the asset optimization incentive mechanism as proposed by FPL be approved?

AARP: No Position.

<u>Cost of Service and Rate Design Issues</u>

<u>ISSUE 135</u>: Is FPL's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?

AARP: No Position

<u>ISSUE 136</u>: What is the appropriate methodology to allocate production costs to the rate classes?

AARP: AARP supports FPL's position on this issue.

<u>ISSUE 137</u>: What is the appropriate methodology to allocate transmission costs to the rate classes?

AARP: AARP supports FPL's position on this issue.

<u>ISSUE 138</u>: What is the appropriate methodology to allocate distribution costs to the rate classes?

AARP: AARP supports FPL's position on this issue.

<u>ISSUE 139</u>: Is FPL's proposal to recover a portion of fixed distribution costs through the customer charge instead of energy charge appropriate for residential and general service non-demand rate classes?

AARP: Yes. However, the residential customer charge should not be increased in order to expand the portion of fixed distribution costs recovered therein. Important public policy reasons dictate no change to fixed monthly customer charges, including maintaining customers' control over monthly bills, increasing the affordability of services to low-usage customers, encouragement of conservation habits and improved financial payback on energy efficiency investments that are made by FPL's residential customers.

<u>ISSUE 140</u>: How should the change in revenue requirement be allocated to the customer classes?

AARP: AARP supports FPL's position on this issue.

<u>ISSUE 141:</u> What are the appropriate service charges (initial connection, reconnect for nonpayment, connection of existing account, field collection)

A. Effective January 1, 2017?

AARP: No Position.

B. Effective January 1, 2018?
AARP: No Position.

ISSUE 142: Is FPL's proposed new meter tampering penalty charge, effective on January 1, 2017, appropriate?
AARP: No Position.

ISSUE 143: What are the appropriate temporary construction service charges

A. Effective January 1, 2017?
AARP: No Position.

B. Effective January 1, 2018?
AARP: No Position.

ISSUE 144: What is the appropriate monthly kilowatt credit for customers who own their own transformers pursuant to the Transformation Rider

A. Effective January 1, 2017?
AARP: No Position.

B. Effective January 1, 2018?
AARP: No Position.

ISSUE 145: What is the appropriate monthly credit for Commercial/Industrial Demand Reduction (CDR) Rider customers effective January 1, 2017?

ISSUE 146: What are the appropriate customer charges

A. Effective January 1, 2017?
AARP: No Position.

B. Effective January 1, 2018?
AARP: No Position

ISSUE 147: What are the appropriate demand charges

A. Effective January 1, 2017?
AARP: No Position

B. Effective January 1, 2018?
AARP: No Position

<u>ISSUE 148</u>: What are the appropriate energy charges

A. Effective January 1, 2017?
AARP: No Position

B. Effective January 1, 2018?
AARP: No Position

<u>ISSUE 149</u>: What are the appropriate charges for the Standby and Supplemental Services (SST-1, ISST-1) rate schedules

A. Effective January 1, 2017?
AARP: No Position

B. Effective January 1, 2018?
AARP: No Position

<u>ISSUE 150</u>: What are the appropriate charges for the Commercial Industrial Load Control (CILC) rate schedule

A. Effective January 1, 2017?
AARP: No Position

B. Effective January 1, 2018?
AARP: No Position

<u>ISSUE 151</u>: What are the appropriate lighting rate charges

A. Effective January 1, 2017?
AARP: No Position

B. Effective January 1, 2018?
AARP: No Position

<u>ISSUE 152</u>: Is FPL's proposal to close the customer-owned street lighting service option of the Street Lighting (SL-1) rate schedule to new customers appropriate?
AARP: No Position

<u>ISSUE 153</u>: Is FPL's proposal to close the current Traffic Signal (SL-2) rate schedule to new customers appropriate?
AARP: No Position

<u>ISSUE 154</u>: Is FPL's proposed new metered Street Lighting (SL-1M) rate schedule appropriate and what are the appropriate charges

A. Effective January 1, 2017?
AARP: No Position

B. Effective January 1, 2018?
AARP: No Position

<u>ISSUE 155</u>: Is FPL's proposed new metered Traffic Signal (SL-2M) rate schedule appropriate and what are the appropriate charges

A. Effective January 1, 2017?
AARP: No Position

B. Effective January 1, 2018?
AARP: No Position

<u>ISSUE 156</u>: Is FPL's proposed allocation and rate design for the new Okeechobee Energy Center limited scope adjustment, currently scheduled for June 1, 2019, reasonable?

AARP: No piecemeal rate relief for Okeechobee Energy Center should be approved. The Commission has previously found that generating unit investments can be reasonably considered within traditional rate case filings, where costs and revenues can be reviewed "as a whole" rather than on a piecemeal basis, to determine whether rate relief is actually needed at the time of completion of such new investments.

There has been no showing by FPL that the Company's overall cost of service in 2019 will exceed its approved base rate revenue levels at that time, or that additional revenues would be needed in amounts equal to the piecemeal revenue requirement of only the new Okeechobee generation in isolation. The Company has not forecasted or accounted for any changes in its overall revenues and costs after 2018, other than accounting for the direct costs attributable solely to the Okeechobee generation. It is unknown whether revenue growth or changes in capital costs, O&M and rate base will occur after 2019 in amounts that would partially or completely offset any incremental costs of Okeechobee generation.

<u>ISSUE 157</u>: Should FPL's proposal to file updated base rates in the 2018 Capacity Clause proceeding to recover the Okeechobee Energy Center limited scope adjustment be approved?

AARP: No piecemeal rate relief for Okeechobee Energy Center should be approved. The Commission has previously found that generating unit investments can be reasonably considered within traditional rate case filings, where costs and revenues can be reviewed "as a whole" rather than on a piecemeal basis, to determine whether rate relief is actually needed at the time of completion of such new investments.

There has been no showing by FPL that the Company's overall cost of service in 2019 will exceed its approved base rate revenue levels at that time, or that additional revenues would be needed in amounts equal to the piecemeal revenue requirement of only the new Okeechobee generation in isolation. The Company has not forecasted or accounted for any changes in its overall revenues and costs after 2018, other than accounting for the direct costs attributable solely to the Okeechobee generation. It is unknown whether revenue growth or changes in capital costs, O&M and rate base will occur after 2019 in amounts that would partially or completely offset any incremental costs of Okeechobee generation.

<u>ISSUE 158</u>: Should the Commission approve the following modifications to tariff terms and conditions that have been proposed by FPL:

a. Close relamping option for customer-owned lights for Street Lighting (SL-1) and Outdoor Lighting (OL-1) customers;
AARP: No Position.

b. Add a willful damage clause, require an active house account and clarify where outdoor lights can be installed for the Outdoor Lighting (OL-1) tariff;
AARP: No Position.

c. Clarify the tariff application to pre-1992 parking lot customers and eliminate the word "patrol" from the services provided on the Street Lighting (SL-1) tariff;
AARP: No Position

d. Remove the minimum 2,000 Kw demand from transmission–level tariffs;
AARP: No Position

e. Standardize the language in the Service section of the distribution level tariffs to include three phase service and clarify that standard service is distribution level; and
AARP: No Position

f. Add language to provide that surety bonds must remain in effect to ensure payments for electric service in the event of bankruptcy or other insolvency.
AARP: No Position

<u>ISSUE 159</u>: Should the Commission require FPL to develop a tariff for a distribution substation level of service for qualifying customers?
AARP: No Position

<u>ISSUE 160</u>: Should the Commission give staff administrative authority to approve tariffs reflecting Commission approved rates and charges effective January 1, 2017, January 1, 2018, and tariffs reflecting the commercial operation of the new Okeechobee Energy Center (June 1, 2019)?

AARP: AARP does not support a multi-year approach to rate changes in this case. Also see AARP's position above regarding no piecemeal rate relief for Okeechobee Energy Center.

<u>ISSUE 161</u>: What are the effective dates of FPL's proposed rates and charges?

AARP: January 1, 2017 only. No subsequent year or limited scope adjustments are appropriate.

<u>Other Issues</u>

<u>ISSUE 162</u>: Should the Commission approve FPL's proposal to transfer the Martin-Riviera pipeline lateral to Florida Southeast Connection (FSC)?

AARP: No Position

ISSUE 163: What requirements, if any, should the Commission impose on FPL if it approves FPL's proposed transfer of the Martin-Riviera pipeline lateral to Florida Southeast Connection?

AARP: No Position

ISSUE 164: Did FPL's Third Notice of Identified Adjustments remove the appropriate amount associated with the Woodford project and other gas reserve costs?

AARP: No Position

ISSUE 165: Should FPL be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case?

AARP: No Position.

ISSUE 166: Should this docket be closed?

AARP: No Position.

Wherefore, AARP submits this Prehearing Statement. Consistent with the Commission's requirement for a showing of good cause, AARP reserves the right to develop a new position or to otherwise modify its positions herein, based upon the development of evidence at the hearing, including any issues that arise in the first instance at the hearing or based upon any new evidence that is presented for the first time at the hearing.

Respectfully Submitted,

/s/ John B. Coffman

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Qualified Representative for AARP

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and accurate copy of the foregoing document has been furnished by electronic mail on this 5th day of August, 2016, to the following:

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