



August 5, 2016

Via electronic filing and email

Carlotta Stauffer
Director, Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 160021

Dear Ms. Stauffer:

Enclosed for filing is Sierra Club's Prehearing Statement in the above referenced docket. Should you have any questions regarding this filing, please contact me.

Sincerely,

/s/

Diana A. Csank
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Enc.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida
Power & Light Company

Docket No. 160021

Filed: August 5, 2016

**SIERRA CLUB'S
PREHEARING STATEMENT**

Pursuant to the March 25, 2016, Order Establishing Procedure No. PSC-16-0125-PCO-EI, Sierra Club submits the following Prehearing Statement:

1. Witnesses

Sierra Club will present the standing witnesses listed below and additional standing witnesses, as needed, to establish that Sierra Club has associational standing and is entitled to participate in this proceeding on its Florida members' behalf.

<u>Witness</u>	<u>Subject matter</u>
Kris Cunningham	Standing
R. Stephen Mahoney	Standing
Sheila Calderon	Standing
Debbie Evans	Standing
Darryl Rutz	Standing
Jim Teas	Standing
Mark Walters	Standing
Nahaliel Kanfer	Standing
Huda Fashho	Standing

2. Prefiled Exhibits

Sierra Club is not presenting prefiled exhibits. Sierra Club reserves the right to present exhibits during cross-examination of the witnesses.

3. Statement of Basic Positions

Sierra Club meets the standing requirements to intervene in this docket for the reasons set out in its Intervention Petition of July 18, 2016. Sierra Club therefore has associational standing and is entitled to participate in the docket on its Florida members' behalf.

Beyond standing, the positions herein are preliminary, consistent with requirements in the Order Establishing Procedure No. PSC-16-0125-PCO-EI, Part VI, C. Specifically, as required by the order, Sierra Club has been diligently reviewing the discovery responses produced to date and conducting its own investigations to reach definitive positions. However, Sierra Club is still awaiting discovery responses and the results of its investigations to develop definitive positions on many issues. Therefore, Sierra Club is only able to offer preliminary positions or "no position at this time" on certain issues. Sierra Club also proposes additional issues under the "Contested Issues" section, and waives some issues by noting "no position" immediately under them, below.

Accordingly, Sierra Club's basic, preliminary positions are as follow—

The Commission's duty is to fix "just, reasonable, and compensatory rates." Section 366.041, F.S. It is also the Commission's duty to protect the public and the customers of Florida Power & Light Company (FPL) from rate increases that "are unjust, unreasonable, unjustly discriminatory, or in violation of law." Section 366.06, F.S. To fulfill its duties in this docket, the Commission should consider several statutory criteria, including:

- a) "the value of [FPL's proposed] service to the public," including Sierra Club's members;
- b) FPL's use of "alternative energy resources," "conservation," and "efficiency;" and
- c) FPL's "ability to improve its services and facilities." Id.

FPL's requested rate increase for the \$1.25 billion natural gas-burning, peaking generation projects is not responsive to the above criteria. The Commission should deny FPL's request because these projects are unjust, unreasonable, unjustly discriminatory, or in violation of law. In particular, FPL has not shown that the projects are even necessary for the provision of service to customers, much less reconcilable with the strategic imperative to mitigate Florida's over-reliance on out-of-state natural gas imports. FPL has no excuse; there are abundantly available alternative clean, low cost, low risk alternatives and FPL has not offered any evidence to the contrary. Indeed, FPL offered no alternatives analysis whatsoever, except for the narrow comparison of natural gas-burning options. The practical result is that FPL's projects and the associated requested rate frustrate the delivery of clean, low cost, low risk energy services to the public and FPL's customers.

4. Statement of 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?

POSITION: 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?

POSITION: No position at this time.

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

POSITION: No position.

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

POSITION: 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?

POSITION: No position.

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

POSITION: 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.?

POSITION: 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.?

POSITION: 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.?

POSITION: 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.?

POSITION: 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.?

POSITION: 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.?

POSITION: 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.?

POSITION: 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.?

POSITION: No position at this time.

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.?

POSITION: No position at this time.

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.?

POSITION: No position at this time.

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.?

POSITION: No position at this time.

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.?

POSITION: No position at this time.

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?

POSITION: 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?

POSITION: No position.

APPROVAL OF STORM HARDENING PLAN

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

POSITION: 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?

POSITION: 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?

POSITION: No position.

TEST PERIOD AND FORECASTING

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

POSITION: No position at this time.

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

POSITION: No position at this time.

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

POSITION: No position at this time.

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

POSITION: No position at this time.

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

POSITION: No position at this time.

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?

POSITION: No position at this time.

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?

POSITION: No position at this 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?

POSITION: No position at this time.

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?

POSITION: No position at this time.

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

POSITION: No position at this time.

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

POSITION: No position at this time.

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

POSITION: No position at this time.

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?

POSITION: No position at this time.

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?

POSITION: No position at this time.

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?

POSITION: No position at this time.

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.

POSITION: No, the \$1.25 billion natural gas-burning, peaking generation projects is not responsive to the above criteria. FPL has not shown that these projects will yield services that are of value to the public/customers. Specifically, FPL failed to show that the projects are even necessary for the provision of service to customers, much less reconcilable with the strategic imperative to mitigate Florida's over-reliance on out-of-state natural gas imports. FPL has no excuse; there are abundantly available alternative clean, low cost, low risk alternatives and FPL has not offered any evidence to the contrary. Indeed, FPL offered no alternatives analysis whatsoever, except for the narrow comparison of natural gas-burning options. The practical result is that FPL's projects and the associated requested rate frustrate the delivery of clean, low cost, low risk energy services to the public and FPL's customers.

DEPRECIATION STUDY

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

POSITION: No position.

ISSUE 41: What is the appropriate depreciation study date?

POSITION: No position.

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

POSITION: No position.

ISSUE 43: 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?

POSITION: No position.

ISSUE 44: 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?

POSITION: No position.

ISSUE 45: 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?

POSITION: No position.

ISSUE 46: 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?

POSITION: No position.

ISSUE 47: 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?

POSITION: No position.

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

POSITION: No position.

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

POSITION: No position.

ISSUE 50: Should FPL's currently approved annual dismantlement accrual be revised?

POSITION: No position.

ISSUE 51: What, if any, corrective dismantlement reserve measures should be approved?

POSITION: No position.

ISSUE 52: What is the appropriate annual accrual and reserve for dismantlement

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

RATE BASE

ISSUE 53: 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?

POSITION: No position at this time.

ISSUE 54: Has FPL appropriately accounted for the impact of the Cedar Bay settlement agreement

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

ISSUE 55: 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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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

POSITION: No position at this time.

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

No, the \$800 million expenditures on natural-gas burning peaker replacement projects are unjust, unreasonable, unjustly discriminatory, or in violation of law. FPL failed to get the prerequisite need determination from the Commission for these projects. FPL also failed to show that these projects will yield services that are of value to the public/customers. Specifically, FPL failed to show that the projects are even necessary for the provision of service to customers, much less reconcilable with the strategic imperative to mitigate Florida's over-reliance on out-of-state natural gas imports. FPL has no excuse; there are abundantly available alternative clean, low cost, low risk alternatives and FPL has not offered any evidence to the contrary. Indeed, FPL offered no alternatives analysis whatsoever, except for the narrow comparison of natural gas-burning options. The practical result is that FPL's projects and the associated requested rate frustrate the delivery of clean, low cost, low risk energy services to the public and FPL's customers.

ISSUE 58: 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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

ISSUE 61: Are FPL's proposed adjustments to move certain CWIP projects from base rates to the Environmental Cost Recovery Clause appropriate?

POSITION: No position at this time.

ISSUE 62: Are FPL's proposed adjustments to move certain CWIP projects from base rates to the Energy Conservation Cost Recovery Clause appropriate?

POSITION: No position at this time.

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?

POSITION: 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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: 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)

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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?

B. If applicable, for the 2018 subsequent projected test year

POSITION: No position.

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

POSITION: No position at this time.

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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

ISSUE 77: What is the appropriate level of rate base

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: 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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: 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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: 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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: 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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

ISSUE 83: What is the appropriate equity ratio to use in the capital structure for ratemaking purposes

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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

POSITION: No position at this time.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

NET OPERATING INCOME

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

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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

- A. For the 2017 projected test year?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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?
- B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: 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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

ISSUE 106: What is the appropriate amount of Pension Expense

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

ISSUE 110: 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?

POSITION: No position.

ISSUE 111: 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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

ISSUE 116: What is the appropriate level of Income Taxes

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

ISSUE 119: 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?

POSITION: No position.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

REVENUE REQUIREMENTS

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: 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?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position at this time.

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

A. For the 2017 projected test year?

B. If applicable, for the 2018 subsequent projected test year?

POSITION: No position.

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?

POSITION: No position at this time.

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?

POSITION: No position at this time.

ISSUE 126: What are the appropriate depreciation rates for the Okeechobee Energy Center?

POSITION: No position at this time.

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

POSITION: No position at this time.

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

POSITION: No position at this time.

ISSUE 129: 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?

POSITION: No position at this time.

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

POSITION: No position at this time.

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

POSITION: No position at this time.

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

POSITION: No position at this time.

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

POSITION: No position at this time.

ASSET OPTIMIZATION INCENTIVE MECHANISM

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

POSITION: No position at this time.

COST OF SERVICE AND RATE DESIGN ISSUES

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

POSITION: No position at this time.

ISSUE 136: What is the appropriate methodology to allocate production costs to the rate classes?

POSITION: No position at this time.

ISSUE 137: What is the appropriate methodology to allocate transmission costs to the rate classes?

POSITION: No position at this time.

ISSUE 138: What is the appropriate methodology to allocate distribution costs to the rate classes?

POSITION: No position at this time.

ISSUE 139: 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?

POSITION: No position at this time.

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

POSITION: No position at this time.

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

A. Effective January 1, 2017?

B. Effective January 1, 2018?

POSITION: No position at this time.

ISSUE 142: Is FPL's proposed new meter tampering penalty charge, effective on January 1, 2017, appropriate?

POSITION: No position at this time.

ISSUE 143: What are the appropriate temporary construction service charges

A. Effective January 1, 2017?

B. Effective January 1, 2018?

POSITION: No position at this time.

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?

B. Effective January 1, 2018?

POSITION: No position at this time.

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

POSITION: No position at this time.

ISSUE 146: What are the appropriate customer charges

A. Effective January 1, 2017?

B. Effective January 1, 2018?

POSITION: No position at this time.

ISSUE 147: What are the appropriate demand charges

- A. Effective January 1, 2017?
- B. Effective January 1, 2018?

POSITION: No position at this time.

ISSUE 148: What are the appropriate energy charges

- A. Effective January 1, 2017?
- B. Effective January 1, 2018?

POSITION: No position at this time.

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

- A. Effective January 1, 2017?
- B. Effective January 1, 2018?

POSITION: No position at this time.

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

- A. Effective January 1, 2017?
- B. Effective January 1, 2018?

POSITION: No position at this time.

ISSUE 151: What are the appropriate lighting rate charges

- A. Effective January 1, 2017?
- B. Effective January 1, 2018?

POSITION: No position at this time.

ISSUE 152: 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?

POSITION: No position.

ISSUE 153: Is FPL's proposal to close the current Traffic Signal (SL-2) rate schedule to new customers appropriate?

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

- A. Effective January 1, 2017?
- B. Effective January 1, 2018?

POSITION: No position.

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

- A. Effective January 1, 2017?
- B. Effective January 1, 2018?

POSITION: No position.

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

POSITION: No position at this time.

ISSUE 157: 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?

POSITION: No position at this time.

ISSUE 158: 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;
- 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;
- 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;

- d. Remove the minimum 2,000 Kw demand from transmission-level tariffs;
- 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
- 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.

POSITION: No position.

ISSUE 159: Should the Commission require FPL to develop a tariff for a distribution substation level of service for qualifying customers?

POSITION: No position at this time.

ISSUE 160: 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)?

POSITION: No position at this time.

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

POSITION: No position at this time.

OTHER ISSUES

ISSUE 162: Should the Commission approve FPL's proposal to transfer the Martin-Riviera pipeline lateral to Florida Southeast Connection?

POSITION: No position at this time.

ISSUE 163: 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?

POSITION: No position at this time.

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

POSITION: No position at this time.

ISSUE 165: What requirements, if any, should the Commission impose on FPL as a result of its affiliation with Sabal Trail Transmission, LLC (Sabal Trail)?

POSITION: No position at this time.

ISSUE 166: Should this docket be closed?

POSITION: No position at this time.

CONTESTED ISSUES

OPC ISSUE: Does the Commission have the authority to approve rate base adjustments based upon a test year subsequent to the period ending December 31, 2017?

POSITION: No position at this time.

FIPUG ISSUE: Has FPL appropriately managed the cooling canal system at its Turkey Point Power Plant?

POSITION: No position at this time.

SFHHA ISSUE: Should a mechanism be established to capture for the benefit of ratepayers savings, if any, that result from any mergers, acquisitions or reorganizations by NextEra Energy?

POSITION: No position at this time.

SFHHA ISSUE: What requirements, if any, should the Commission impose on FPL as a result of its affiliation with Sabal Trail Transmission, LLC (Sabal Trail)?

POSITION: No position at this time.

NEW ISSUE: Has FPL shown that the \$1.25 billion natural gas-burning, peaking generation projects are necessary to serve customers?

POSITION: No.

NEW ISSUE: Has FPL shown that it is investing in optimal amounts of clean, low cost, low risk resources including solar power, wind power, energy efficiency, batteries, and storage?

POSITION: No.

NEW ISSUE: Has FPL shown that its expenditures help mitigate the Commission's strategic concerns regarding over-reliance on out-of-state natural gas imports.

POSITION: No.

5. Stipulated Issues

Sierra Club has not stipulated to any issues at this time.

6. Pending Motions or Other Matters

Sierra Club has no pending motions or other matters as this time.

7. Pending Requests or Claims for Confidentiality

Sierra Club has no pending confidentiality requests or claims.

8. Objections to Witness' Qualifications as an Expert

None at this time.

9. Compliance with Order Establishing Order, PSC-16-0125-PCO-EI

Sierra Club has complied with all applicable requirements of the Order Establishing Procedure in this docket.

10. Sequestration of Witnesses

Sierra Club is not requesting the sequestration of any witnesses.

RESPECTFULLY SUBMITTED this 5th day of August, 2016.

/s/
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy and correct copy of the foregoing was served electronically on this 5th day of August, 2016 on:

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This 5th day of August, 2016.