BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Power & Light 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: September 19, 2016

THE FLORIDA INDUSTRIAL POWER USERS GROUP'S POST-HEARING STATEMENT OF ISSUES AND POSITIONS AND POST-HEARING BRIEF

The Florida Industrial Power Users Group (FIPUG)[1], by and through its undersigned counsel, pursuant to the Prehearing Order and Rule 28-106.215, Florida Administrative Code, files its Post-Hearing Statement of Issues and Positions and Post-Hearing Brief.[2]

INTRODUCTION

Consistent with the Prehearing Order and Rule 28-106.215, Florida Administrative Code, FIPUG's post hearing filing is divided into three sections. Section I sets forth a summary of FIPUG's basic position and its position on key issues in the case. Section II contains FIPUG's post-hearing statement of issues and positions as required by the Prehearing Order. Section III

[1] FIPUG was granted intervenor status in Order No. PSC-16-0132-PCO-EI.

[2] Throughout this brief, Florida Power & Light Company is referred to as FPL or the Company. The Office of Public Counsel is referred to as Public Counsel or OPC. The Florida Retail Federation is referred to as FRF. The South Florida Hospital and Healthcare Association is referred to as SFHHA. The Federal Executive Agencies are called FEA. References to the transcript are designated Tr., followed by the page number.

contains FIPUG's proposed findings of fact, conclusions of law and memorandum addressing key issues in the case.

SECTION I: BASIC POSITION

The best defense is a good offense. That adage applies to FPL's current rate case. FPL, which has earned at the top its authorized return for years, is asking the Commission to award it more than $1.3 billion dollars over the next three years. This FPL "offense" should not detract from the fact that FPL simply does not need rate relief at this time. FPL's customers, as pointed out respectively by witnesses sponsored by the Office of Public Counsel and the South Florida Hospitals and Healthcare Systems, should receive a rate decrease.

Intervenor witnesses presented credible evidence that FPL's rate request is materially overstated and that a rate reduction is in order. FIPUG supports reducing rates, just as policymakers typically work hard to reduce taxes, and only authorize new taxes in exceptional and compelling circumstances. Taxes and rates are similar in that both are imposed by government to fund monopolies. Floridians paying electric rates or taxes have little choice but to make such payments. Thus, given the similarities between taxes and electric rates, a FPL rate increase, if any, should only be awarded after careful Commission scrutiny and the Commission's active involvement in trimming expenses; any rate increase the Commission awards FPL should be minimal.

As part of its decision making process, the Commission should work to ensure that FPL's rates and programs foster an environment where businesses can flourish and new jobs can be created. It is undisputed that large industrial customers, many of whom are members of FIPUG, the United States military and health care jobs associated with hospitals provide scores of high quality jobs. Keeping rates affordable for businesses helps them compete while providing good

jobs to Floridians. Keeping rates affordable for the military helps it fulfill its mission. Thus, FPL's rate increase, which will increase base rates by 83.4% for some of these entities, needs to be significantly altered to avoid burdening these key entities with such staggering rate increases.

The Commission has a number of specific tools at its disposal to accomplish this goal:

- Keep the CILC and CDR credits at current levels as negotiated during the 2012 rate case settlement;
- Use the minimum distribution system rate design methodology, an approach in other states, and recognized by the National Association of Regulatory Utility Commissioners (NARUC) and used by the Tampa Electric Company and Gulf Power Company;
- Keep the 12 CP and 1/13th rate design methodology;
- Apply the Commission's gradualism policy to any base rate increase irrespective of clause proceedings.

The Commission also has a number of general tools at its disposal to accomplish this goal:

- Do not grant FPL's 2018 rate request because doing so will result in "pancaked" rates and the 2018 rate increase uses speculative forecasts;
- Do not grant FPL's 2019 rate request for the Okeechobee power plant because this 2016 Commission should not act to bind future commissions and their ability to consider circumstances in close temporal proximity to rate increase requests;
- Authorize a rate reduction, no rate increase or a minimum rate increase for 2017;
- Authorize a return on equity in line with ROE decisions reached by other regulatory commissions during 2015 and 2016, namely, a rate of 10% or less; and
- Reform FPL's capital structure so that it is has a debt to equity ratio that is at or closer to 50% equity to 50% debt rather than an equity inflated corporate structure of 60% equity to 40% debt.

Return on Equity

Return on Equity (ROE) is akin to the profit that this Commission allows to earn. (Hevert Tr. 2199). Every 100 basis points, or 1% in return equates to $240 million. (Barrett Tr. 1518). FPL's current ROE is 10.5%. (Barrett Tr. 1517). Thus, a reduction from 10.5% to 10%%

would save ratepayers $120. A reduction of FPL's ROE is appropriate, and is supported by the record. (See expert testimony from Dr. Woolridge, a Penn State University economics professor, supporting a ROE of 8.75%. (Woolridge Tr. 3188, 3191.)).

Instead of acknowledging that a downward adjustment in ROE is appropriate given that changed market conditions have acted to reduce utility ROEs in recent years, FPL unabashedly asks this Commission to increase its ROE to 11.00%. FPL's ROE request is unreasonable and should be rejected, especially when considering today's market conditions and the recent ROE decisions of other regulatory bodies during the past two years.

Capital Structure

A capital structure of approximately 50% debt and 50% equity, as recommended by FIPUG witness Pollock, should be adopted or modified as suggested by separate witnesses sponsored by OPC, FEA or SFHHA. The equity heavy structure FPL has requested is unreasonable and unjustified. Because common equity costs considerably more than debt, the capital structure FPL proposes is unreasonably expensive and will simply increase what ratepayers will pay for FPL to earn the ROE the Commission allows. Further and significant evidence of the unreasonableness of the capital structure that FPL has requested is the fact that its parent company, NextEra Energy, Inc., has a capital structure with a much lower equity component, approximately 28% equity, than FPL proposes for itself.

Cost of Service

Cost of service issues are very important in a rate case. They determine how a revenue increase, if any, is distributed among the customer classes. Any rate increase approved must be distributed fairly and not violate the principles of gradualism this Commission has used in past rate case decisions. Important cost of service issues are summarized below.

Class Revenue Allocation

FPL's proposed class revenue allocation should not be adopted as proposed. It would allow base rates for one class, the CILC-T, which includes large industrial customers and military bases, to increase up to 83%. A base rate increase of this magnitude is untenable and threatening.

FPL's proposal fails to recognize the proper application of the Commission's principle of gradualism. If there is a base rate increase authorized in this proceeding, the principle of gradualism should be applied, which this Commission has interpreted to mean that no class should receive an increase greater than 1.5 times the system average percentage increase and no class should receive a rate decrease. Only base rates should be considered when this principle is applied, not clause recovery items, because clause recovery changes every year and is not the subject of this base rate case. Further, often clause proceedings involve efforts to recover "lumpy" items, such as improvements to nuclear cooling canals, hedging losses or gains, and matters related to coal-fired generating units (Scherer 4).

Cost of Service Study

FPL has made the following errors in its Cost of Service Study which should be corrected:

There is insufficient evidence supporting FPL's proposal the rejects the Commission's long-standing production demand cost allocation method (*i.e.,* 12CP+1/13th AD) in light of the fact that this method is currently being used in determining base rate and clause recoveries by Duke Energy Florida, Gulf Power Company, and Tampa Electric Company. FPL has used the 12CP+1/13th AD methodology since 1983.

None of the costs of FPL's distribution network (FERC Account Nos. 364-368) have been classified as customer-related costs and as a consequence, distribution costs are being seriously misallocated. The practical effect of FPL's proposal is that it allocates less than 1 pole, less than 20 feet of overhead conductors and less than 5 feet of underground conductors to serve each Residential and General Service Non-Demand customer, which is clearly contrary to actual FPL distribution operations. Consistent with accepted industry practice and the current practices of Gulf Power Company and Tampa Electric Company, FPL should use the Minimum Distribution System (MDS) method to classify these costs. The MDS approach would result, more appropriately, in classifying about 26% of the distribution network as a customer-related cost.

FPL serves customers directly from distribution substations, but it fails to recognize the lower costs of this service in its CCOSS. Accordingly, FPL should be ordered to file a cost-based Distribution Substation tariff within 90 days after a final order is issued in this

CILC and CDR Credits

The CILC and CDR Credits should remain in place without change.

Nonfirm customers, including large industrial users, other business interests, hospitals and military bases, provide a valuable service to FPL (as well as to other investor-owned utilities). In times of a capacity shortage, nonfirm customers may be instantaneously interrupted so that the electricity provided to firm customers remains available without interruption. This valuable service is provided not only to FPL, but to other utilities in the state that need capacity in times of emergency. Interruptible customers help FPL avoid demand for future plant because they are available to be shut off if capacity is needed. Thus, these customers receive an inferior level of

electric service, interruptible service, and are properly compensated for the operating flexibility this service provides FPL.

The CILC and the CDR credits should not be changed in this proceeding. These credits were part of the Settlement Agreement this Commission approved in 2012. The Commission has a history of supporting negotiated settlement agreements. The Commission should decline FPL's invitation to undo a key term of the 2012 Settlement, namely, altering the CILC and CDR credit levels. Making adjustments to one portion (the CILC and CDR credits) of a complex and interlinked 2012 settlement agreement between FPL and FIPUG, FEA and SFHHA, would be inconsistent with the Commission's policy of supporting and encouraging settlement agreements. As in the settlement of any case, this 2012 settlement involved many gives and takes and compromises on all sides. The Commission should not engage in piecemeal tinkering with the 2012 negotiated settlement agreement, particularly given FPL's acknowledgement that the appropriate docket in which to review and adjust demand side management measures is the demand side management goals docket that is conducted in accord with the Florida Energy Efficiency and Conservation Act (FEECA). FPL's proposed change to the CILC and CDR credits is unwarranted, and would disproportionately affect adversely large industrial users, military establishments, hospitals and other Florida businesses.

Specifically, FPL is proposing to reduce the incentive payments to CILC/CDR customers by $23 million or 37%. FPL has provided no study supporting a 37% reduction in the CILC/CDR incentive payments. The Commission has previously determined in FPL's 2015 Demand Side Management case that CILC/CDR credits were cost-effective at the current level of incentive payments. Accordingly, no further change can or should be made in this case.

Put simply, the rate case is neither the time nor the place to review and adjust the CILC and CDR credits. Given the significant negative effect such a change would have on large industrial businesses, including FIPUG members, the military, hospitals and other Florida businesses, the credits should remain in place unchanged.

Other Rate Design Matters

FPL's proposed GSLD/CILC rate design should be rejected because the Energy charges would recover substantially more than energy-related costs, thereby resulting in intra-class subsidies. Accordingly, consistent with cost-based ratemaking (i.e., setting rates that reflect cost subject to gradualism concerns), the Energy charges should not be increased by more than 50% of the corresponding increase in the Demand charges.

Subsequent Year (2018) Adjustment

The Commission should summarily reject FPL's request to impose an additional rate increase on customers in 2018 based on a 2018 projected test year. When considering base rates, many states rely on historical data and a historical test year. States that make use of a projected test year, like Florida, typically only attempt to look one year into the future. The ability to forecast accurately is diminished the further out in time for which one is trying to forecast. (Today's weather forecast is more reliable than a weather forecast for a day 10 days from today.). FPL is asking the Commission to look far beyond the horizon, into 2018, and raise consumers rates not only in 2017 based on a 2017 projected test year, but to also raise consumers rates again in 2018 based on speculative and untested projections for a 2018 projected test year. FPL's ambitious, overreaching request, namely seeking to increase rates not only in 2017, but again in 2018, a subsequent year adjustment, should be rejected. FPL's 2018 subsequent year rate increase based

on less than reliable projections is an unwarranted second consecutive year increase. Granting such a request will result in "pancaking" of rates, something that should be avoided.

Generation Based Rate Adjustment /Limited Scope Proceeding for Okeechobee Power Plant

The Okeechobee generation based rate adjustment via a limited proceeding should not be granted now for a multitude of reasons. A series of rate increases, commonly known as rate pancaking (since new rates are "stacked" one after another), would result if the Commission approves rates now for the Okeechobee power plant to take effect in 2019 and also approves new rates in 2018, as FPL requests. Pancaked rates should be avoided.

This Commission should not act now to bind the 2018 Commission and deprive the 2018 Commission from considering updated and possibly changed facts and circumstances that may very well have an impact on FPL's request. Other associated and relevant matters may be ripe for Commission consideration in 2019, and this Commission should not jump the gun by acting now in a limited proceeding to address something that will not be "used and useful" until the middle of 2019. The statutory limited proceeding, s. 366.076(1), Florida Statutes, arguably contemplates "real time" cases, not filing a limited proceeding in 2016 for a power plant that is projected to be used and placed into useful service (assuming there are no construction delays associated with building the Okeechobee power plant) midway through 2019. This point is underscored by the statutory provision which authorizes the scope of the limited proceeding to be expanded upon request. "The Commission shall determine the issues to be considered during such a proceeding and may grant or deny any request to expand the scope of the proceeding to include other matters." See 366.076(1) F.S. How will FIPUG or another party be able to use the statutory expansion provision if this Commission acts now and effectively forecloses such relief? The 2018 Commission very well may wish to entertain a base rate case, which examines all

relevant utility operations and expenses, rather than allowing FPL to focus only on rates associated with the Okeechobee power plant.

At this time, the Commission should defer to a subsequent commission the decision about the recovery of the Okeechobee power plant.

FPL Peaker Replacement

FPL is asking the Commission to permit it to recover more than 1 billion dollars in costs associated with replacing certain peaking power plants. FPL did not carry its burden of proof in this matter. FPL offered little persuasive evidence that the existing peakers need to be replaced, operationally or otherwise to meet firm load. The existing peakers have worked well for years, and are still useful. FPL did not demonstrate that it considered other technologies, such as battery storage, energy efficiency or demand side management options. FPL did not demonstrate that it considered staggering the installation of the peaking units or compression improvements. FPL did not demonstrate that natural gas will be available to operate peaking units in Broward County, as presently, due to the lack of available natural gas on high load factor days, the Broward County peaker units operate on fuel oil. In sum, FPL did not meet its burden of proof to demonstrate that the whole-sale replacement of its peaking power plants was prudent.

Property Held For Future Use

FPL failed to establish that ratepayers should continue to pay for unused property that has been held, in many instances, for decades without being used to benefit ratepayers. While many tools are available to FPL to acquire property when it needs property for operational purposes, such as option to purchase agreements and statutory "quick take" eminent domain procedures, FPL has purchased scores of properties that it has held for decades, earning a ratepayer funded return on these properties. FPL earns a return on many of these vacant land properties, and the properties are

not "used and useful" to ratepayers for decades in many cases. OPC witness Smith suggests that, consistent with FPL's 10 year planning horizon, the Commission place some limitations on how long FPL can earn a profit/return on property held for future use. The concept of "used and useful" should be applied and not disregarding when reviewing FPL's property held for future use. FIPUG suggests that the Commission review, and if necessary, reform how FPL handles property held for future use, since it appears in many cases, only FPL shareholders benefit from property held for future.

FPL's Request for an ROE Adder/Bonus

FPL is asking this Commission to award it $120 million dollars per year in rates as a bonus to recognize past performance and as an incentive to encourage future performance. FPL is asking this Commission to make policy in this regard without seeking direction from the Legislature or seeking input from others through the rulemaking process. FPL's proposal is something that no other regulatory jurisdiction in the country has opted to pursue. FPL's proposal is devoid of criterion or methods upon which this Commission would evaluate FPL's future performance. In sum, ratepayers would pay $120 million dollars per year, even if the envisioned "incentive award" did not work and FPL's performance significantly degraded. FPL has sought this ROE adder/bonus in past rate cases, and the Commission has not acted favorably upon the request, nor should it in this proceeding.

Further, FPL's ROE should not be increased by 50 basis points for "good" service and as a "before the fact" incentive bonus. What organization meets with employees early in a calendar year to discuss and award them a bonus before employees perform? None according to the record in this case. Yet FPL wants the Commission to do just that: Give them an upfront bonus/incentive to encourage positive future performance. If the positive future FPL

performance does not materialize[3], FPL still keeps the bonus/incentive money without adjustment.

As a monopoly provider, it is part of FPL's regulatory compact to provide the most efficient and economical service since it has no market competition. FPL should not be "rewarded" or further "incented" for doing what it is required to do. If indeed this is a policy worth pursuing, FPL should ask the Legislature to authorize the ROE adder/bonus or expressly provide the Commission with rulemaking authority to consider the ROE adder/bonus policy via rulemaking. The Commission should not provide FPL with any ROE adder/bonus in this case.

SECTION II: ISSUES AND POSITIONS

LEGAL ISSUES

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?

FIPUG: ***No.***

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?

FIPUG: ***No.***

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

FIPUG: ***No. See FIPUG's Memorandum***

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

FIPUG: ***No.***

[3] FPL's 50 basis point adder proposal is devoid of detail about how FPL's performance would be measured and reported. Thus, customers would have little notion of what or whether they are receiving fair value for the FPL requested $120 million dollar adder/incentive/bonus payment.

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?

FIPUG: ***No.***

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

FIPUG: ***No, unless pursuant to stipulation and agreement by the parties.***

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.?

FIPUG: ***No.***

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.?

FIPUG: ***No.***

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.?

FIPUG: ***No.***

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.?

FIPUG: ***No.***

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.?

FIPUG: ***No.***

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.?

FIPUG: ***No.***

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.?

FIPUG: ***No.***

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.?

FIPUG: ***No.***

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.?

FIPUG: ***No.***

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.?

FIPUG: ***No.***

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.?

FIPUG: ***No.***

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.?

FIPUG: ***No.***

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?

FIPUG: ***No.***

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?

FIPUG: ***No.***

APPROVAL OF STORM HARDENING PLAN

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

FIPUG: ***No.***

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?

FIPUG: ***Storm hardening investments are not required because of the amount of electric power and energy demanded. They are required because of the existence of each customer and FPL's obligation to provide a reliable connection to the grid. I recommend that approximately 26% of FPL's distribution network costs should be classified as customer-related.***

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?

FIPUG: ***Adopt position of OPC. ***

TEST PERIOD AND FORECASTING

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

FIPUG: ***Adopt position of OPC. ***

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

FIPUG: ***No. From a factual perspective, a subsequent year adjustment fails to properly balance the utility's needs with the needs of its customers, it relies on speculation rather than known and reasonably predictable revenues and costs to set base rates, and would unnecessarily bind a future commission by prematurely setting rates now for 2018. ***

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

FIPUG: ***No. Until the Commission rules on FPL's 2017 revenue requirement the need cannot be evaluated and the proposed 2018 increase may be unnecessary. ***

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

FIPUG: ***No. Setting rates for 2018 is highly speculative because (1) the proposed increase was based on a budget that was developed and approved in October 2015, which is 26 months prior to the effective date and (2) FPL's sales and revenue forecasts assume negative growth in 2017 and only 0.3% per growth over the period 2016-2018 (which are in stark contrast to the 1% per year growth that FPL has experienced since 2011 and the much higher growth rates in prior years). ***

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

FIPUG: ***No. ***

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?

FIPUG: ***No. See Discussion Regarding Issues 26 and 27, *supra*. ***

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?

FIPUG: ***No. See Discussion Regarding Issues 26 and 27, *supra*. ***

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?

FIPUG: ***No. ***

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?

FIPUG: ***No. See Discussion Regarding Issues 26 and 27, *supra*. ***

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

FIPUG: ***Adopt position of OPC. ***

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

FIPUG: ***Adopt position of OPC. ***

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

FIPUG: ***No.***

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?

FIPUG: ***No. They are based on speculative costs projected for 2018. See Discussion Regarding Issues 26 and 27, *supra*. ***

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?

FIPUG: ***No.***

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?

FIPUG: ***No. See Discussion Regarding Issues 26 and 27, *supra*. ***

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.

FIPUG: ***No. FPL employs 10-20 people to handle customer complaint telephone calls that are forwarded to them by Commission staff. Having such a large number of FPL employees (not even considering the personnel at four separate call centers who also handle FPL customer complaints) to handle customer complaints made directly to the Commission supports the inference and otherwise suggests that FPL's quality of service warrants improvement. ***

DEPRECIATION STUDY

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

FIPUG: ***Adopt the position of OPC. ***

ISSUE 41: What is the appropriate depreciation study date?

FIPUG: ***Adopt the positon of OPC. ***

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

FIPUG: ***Adopt the positon of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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

FIPUG: ***Adopt position of OPC. ***

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

FIPUG: ***Adopt position of OPC. ***

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

FIPUG: ***Adopt position of OPC. ***

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

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt the positions of OPC and SFHHA. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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

FIPUG: ***Adopt position of OPC. ***

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

FIPUG: ***No. FPL did not pursue in earnest alternatives and performed no studies to determine the need for these peaking units. See FIPUG's Memorandum***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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

FIPUG: ***CWIP should be removed from rate base because it is not used and useful, and it is not needed to preserve FPL's financial integrity. Further, pursuant to Rule 25-6.0141 F.A.C. it should be removed from rate base to prevent rate shock. ***

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

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***A/B – None. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

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

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***FPL should not be permitted to earn a profit on property held for future use if the property is not going to be used within 10 years. See FIPUG's Memorandum***

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?

FIPUG: ***Adopt position of OPC. ***

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

FIPUG: ***Adopt position of OPC. ***

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?

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

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***The Commission should find that FPL's cost of long-term debt in 2017 is not greater than 4.5489%.***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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

FIPUG: ***No. The proposed 50 basis point performance incentive should be rejected because it is unnecessary to reward FPL for providing the quality service that is expected and because it would force customers to pay twice (in the form of higher rates) for the many cost-reduction measures that have been implemented. See FIPUG's Memorandum***

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?

FIPUG: ***To recognize the much lower risk associated with a 60% equity ratio, FPL's ROE should be set no higher than 10%.***

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

FIPUG: ***To recognize the much lower risk associated with a 60% equity ratio, FPL's ROE should be set no higher than 10%. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Ratepayers should be charged no expenses related to FPL's use of corporate aircraft. FPL witness Ousdahl testified that FPL provided an amount ($100,000) to its parent for the use by FPL of corporate aircraft. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***FPL's customers should not be charged for Other Post Employment Benefits expense. Such expenses are not necessary to operate the company and if provided, should be borne by FPL's shareholders. ***

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?

FIPUG: ***FPL should be permitted to recover its salaries and expenses at the average rate of such adjustments for those in the utility sector. FPL's salaries and benefit level exceeds the national average. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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

B. For the 2017 projected test year?

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

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***No. This Commission should not act to bind the 2019 Commission; generation assets should be recovered in a base rate case, when other relevant matters, such as load and revenue growth, can also be examined in close temporal proximity to the Okeechobee power plant being placed in service. A 2016 limited proceeding for something that will "used and useful" in 2019 is unwarranted and not authorized by the limited proceeding law, section 366.076, F.S. ***

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?

FIPUG: ***No. This Commission should not act to bind the 2019 Commission; generation assets should be recovered in a base rate case, when other relevant matters, such as load and revenue growth, can also be examined in close temporal proximity to the Okeechobee power plant being placed in service. A 2016 limited proceeding for something that will "used and useful" in 2019 is unwarranted and not authorized by the limited proceeding law, section 366.076, F.S. ***

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

FIPUG: ***Adopt position of OPC. ***

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

FIPUG: ***Adopt position of OPC. ***

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

FIPUG: ***No. This Commission should not act to bind the 2019 Commission; generation assets should be recovered in a base rate case, when other relevant matters, such as load and revenue growth, can also be examined in close temporal proximity to the Okeechobee power plant being placed in service. A 2016 limited proceeding for something that will "used and useful" in 2019 is unwarranted and not authorized by the limited proceeding law, section 366.076, F.S. ***

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?

FIPUG: ***Adopt position of OPC. ***

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

FIPUG: ***No. This Commission should not act to bind the 2019 Commission; generation assets should be recovered in a base rate case, when other relevant matters, such as load and revenue growth, can also be examined in close temporal proximity to the Okeechobee power plant being placed in service. A 2016 limited proceeding for something that will "used and useful" in 2019 is unwarranted and not authorized by the limited proceeding law, section 366.076, F.S. ***

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

FIPUG: ***No. This Commission should not act to bind the 2019 Commission; generation assets should be recovered in a base rate case, when other relevant matters, such as load and revenue growth, can also be examined in close temporal proximity to the Okeechobee power plant being placed in service. A 2016 limited proceeding for something that will "used and useful" in 2019 is unwarranted and not authorized by the limited proceeding law, section 366.076, F.S. ***

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

FIPUG: ***No. This Commission should not act to bind the 2019 Commission; generation assets should be recovered in a base rate case, when other relevant matters, such as load and revenue growth, can also be examined in**

close temporal proximity to the Okeechobee power plant being placed in service. A 2016 limited proceeding for something that will "used and useful" in 2019 is unwarranted and not authorized by the limited proceeding law, section 366.076, F.S. *

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

FIPUG: ***No effective date is in order at this time. The Commission should not act to bind the 2019 Commission; generation assets should be recovered in a base rate case, when other relevant matters can also be examined in close temporal proximity to the Okeechobee unit being placed in service. A 2016 limited proceeding for something that will "used and useful" in 2019 is unwarranted and not authorized by the limited proceeding law, section 366.076, F.S. ***

ASSET OPTIMIZATION INCENTIVE MECHANISM

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

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of OPC. ***

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

FIPUG: ***The Commission should use the time tested and widely accepted 12CP+1/13th AD approach. FPL has used this methodology for decades and it has worked well for all customer classes. See rate design discussion. ***

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

FIPUG: ***12CP***

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

FIPUG: ***26% of FPL's distribution network costs should be classified as customer-related costs, which is also consistent with Gulf, TECO and many other electric utilities. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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

FIPUG: ***Rates should move approximately the same distance closer to cost except in limited circumstances when gradualism was applied. To give appropriate recognition to gradualism, no class should receive an increase greater than 1.5 times the system average increase. Further, clause revenues should be excluded from the application of gradualism because only the base rates are being changed in this proceeding. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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

FIPUG: ***Adopt position of OPC. ***

ISSUE 143: What are the appropriate temporary construction service charges?

A. Effective January 1, 2017?

B. Effective January 1, 2018?

FIPUG: ***Adopt position of OPC. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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

FIPUG: ***The credit should remain at the current level of $8.20 as agreed to during settlement negotiations during the 2012 rate case settlement. This rate was implemented following the settlement of FPL's last rate case and was considered during the recent goals docket. ***

ISSUE 146: What are the appropriate customer charges?

A. Effective January 1, 2017?

B. Effective January 1, 2018?

FIPUG: ***Adopt position of SFHHA. ***

ISSUE 147: What are the appropriate demand charges?

A. Effective January 1, 2017?

FIPUG: ***The GSLD and CILC Energy charges should move closer to unit cost. However, the GSLD and CILC Energy charges are, for the most part, already above cost. The current GSLD and CILC standard Energy charges should not exceed 50% of the increase in the corresponding Demand charges. Any revenue shortfall resulting from this change should be recovered in the corresponding GSLD and CILC Demand Charges. ***

B. Effective January 1, 2018?

FIPUG: ***The GSLD and CILC Energy charges should move closer to unit cost. However, the GSLD and CILC Energy charges are, for the most part, already above cost. The current GSLD and CILC standard Energy charges should not exceed 50% of the increase in the corresponding Demand charges. Any revenue shortfall resulting from this change should be recovered in the corresponding GSLD and CILC Demand Charges. ***

ISSUE 148: What are the appropriate energy charges

A. Effective January 1, 2017?

FIPUG: ***The GSLD and CILC Energy charges should move closer to unit cost. However, the GSLD and CILC Energy charges are, for the most part, already above cost. The current GSLD and CILC standard Energy charges should not exceed 50% of the increase in the corresponding Demand charges. Any revenue shortfall resulting from this change should be recovered in the corresponding GSLD and CILC Demand Charges. ***

B. Effective January 1, 2018?

FIPUG: ***The GSLD and CILC Energy charges should move closer to unit cost. However, the GSLD and CILC Energy charges are, for the most part, already above cost. The current GSLD and CILC standard Energy charges should not exceed 50% of the increase in the corresponding Demand charges. Any revenue shortfall resulting from this change should be recovered in the corresponding GSLD and CILC Demand Charges. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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

A. Effective January 1, 2017?

FIPUG: ***There should be no change in the amount of the CILC credits for reasons set forth, *supra,* and in the brief. The Customer and Demand charges should be designed consistent with Issues 145 and 147. ***

B. Effective January 1, 2018?

FIPUG: ***There should be no change in the amount of the CILC credits for reasons set forth, *supra,* and in the brief. The Customer and Demand charges should be designed consistent with Issues 145 and 147. ***

ISSUE 151: What are the appropriate lighting rate charges

A. Effective January 1, 2017?

B. Effective January 1, 2018?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Yes. However, this Commission should not bind the 2019 Commission; generation assets should be recovered in a base rate case, when other relevant matters, such as load and revenue growth, can also be examined in close temporal proximity to the Okeechobee power plant being placed in service. A 2016 limited proceeding for something that will "used and useful" in 2019 is unwarranted and not authorized by the limited proceeding law, section 366.076, F.S. ***

ISSUE 157: **S**hould 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?

FIPUG: ***No. This Commission should not act to bind the 2019 Commission; generation assets should be recovered in a base rate case, when other relevant matters, such as load and revenue growth, can also be examined in close temporal proximity to the Okeechobee power plant being placed in service. A 2016 limited proceeding for something that will "used and useful" in 2019 is unwarranted and not authorized by the limited proceeding law, section 366.076, F.S. ***

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.

FIPUG: ***Adopt position of SFHHA. ***

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

FIPUG: ***Yes. FPL fails to recognize that it provides distribution service to customers that take service directly at an FPL-owned distribution substation. Distribution Substation service is less costly to provide than Primary Distribution service because the customer, not FPL, provides the necessary equipment to distribute electricity to and within the customer's facilities. The only difference between Transmission and Distribution Substation services is that FPL must provide the step-down transformer and related equipment to serve the latter. ***

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)?

FIPUG: ***No. This Commission should not act to bind the 2019 Commission; generation assets should be recovered in a base rate case, when other relevant matters, such as load and revenue growth, can also be examined in close temporal proximity to the Okeechobee power plant being placed in service. A 2016 limited proceeding for something that will "used and useful" in 2019 is unwarranted and not authorized by the limited proceeding law, section 366.076, F.S. ***

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

FIPUG: ***Any rates provided should go into effect on January 1, 2017. As FPL's request for new rates in 2018 and 2019 are unwarranted, unauthorized and unnecessary, no effective dates are needed for FPL's pancaked 2018 and 2019 rate hike requests. ***

OTHER ISSUES

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

FIPUG: ***Adopt position of SFHHA. ***

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?

FIPUG: ***Adopt position of SFHHA. ***

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

FIPUG: ***Any and all costs of Woodford as accounted for by FPL in its SAP accounting system at the work breakdown structure for Woodford should be returned to FPL's customers. This matter will be addressed in the fuel clause, as FIPUG understands it. ***

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?

FIPUG: ***Adopt the positon of OPC. ***

ISSUE 166: Should this docket be closed?

FIPUG: ***Yes. ***

SECTION III: FINDINGS OF FACT, CONCLUSIONS OF LAW AND MEMORANDUM STANDING

FIPUG is an organization comprised of member companies, including companies that purchase significant quantities of electricity from FPL. FIPUG members require a reliable, affordably-priced supply of electricity to power their operations. As FPL is seeking to increase rates in this proceeding, FIPUG members have a direct and significant interest in the outcome of this proceeding, a proceeding which was designed to consider and protect those interests. (Pollock Tr. 4282). FIPUG has demonstrated that it has standing as a party in this proceeding.

DISCUSSION OF SUBSEQUENT YEAR ADJUSTMENT FOR 2018 (ISSUES 26-27)

These issues relates to FPL's request that the Commission approve a subsequent test year adjustment increase in 2018 of $270 million dollars. The Commission should reject this request for a number of reasons as set forth below.

As a preliminary matter, the Commission should keep in mind that the "subsequent year adjustment" is simply a second rate increase. If approved, this adjustment would increase rates by another $270 million dollars effective January 2018. (Barrett Tr. 1494). This additional increase would also be in addition to the 2019 increase of more than $200 million dollars that would occur if the Commission approves FPL's limited scope/Generation Based Rate Adjustment (GBRA) request for the Okeechobee County combined cycle power plant. (Pollock Tr. 1494).

Objectionable Rate Pancaking

First, FPL's request for an additional increase is nothing more than the objectionable pancaking of two separate rate proceedings into one. (Pollock Tr. 4282). FPL has actually filed two separate rate increases as one. FPL's request is a thinly-disguised attempt to package a second proposed base rate increase of $223 million dollars filed with the first base rate increase of $826 million dollars as something other than what it is—a full scale 2018 base rate case and attendant rate increase. Furthermore, this 2018 request is not an "ask" to cover a specific item. It is a second rate filing in which FPL seeks to have increased rates put into effect to cover all manner of cost increases ranging from a $31 million dollar increase in the weighted average cost of capital, a $47 million dollar increase premised upon inflation and customer growth, and assorted infrastructure investments of more than $200 million dollars. See FPL's Prehearing Statement. FPL's requests are based on speculative costs projected for 2018 and include the host of adjustments that are seen as part of a full rate increase filing. (Pollock Tr. 4293).

Requests for back to back rate increases are inappropriate. Assuming its 2018 assumptions are accurate (which FIPUG disputes), FPL is really asking the Commission to guarantee that it will achieve the authorized return. Providing such a guarantee is contrary to accepted regulatory practice, which is to an *opportunity* to earn the authorized return. (Pollock Tr.4293).

Speculative Information

Second, the basis for FPL's subsequent year adjustment is flawed. FPL proposes to use data and information developed in October of 2015 to forecast rates in 2018, more than two years in the future. (Pollock Tr. 4294). While predictions of the future are always difficult, given the United Kingdom's recent exit from the European Union and the upcoming presidential

election it is difficult to predict what the economic situation in Florida and the United States will be in 2018.

Dr. Morley, FPL's forecast witness, agreed that the closer one gets to the period one is attempting to predict, the more accurate the predictions will likely be. (Morley Tr. 1257). Conversely, the further one gets from the period one is attempting to predict, the less accurate the predictions will likely be. (Morley Tr. 1257).

Related to the speculative nature of FPL's projections, the proposed 2018 rates were not prepared by FPL with the same intense review FPL uses when preparing a budget for the plan year. (Barrett Tr. 1413). FPL witness Barrett described FPL's budgeting process in his testimony. The underlying budget assumptions used for 2017 and 2018 were all prepared during 2015. (Barrett Tr. 1409). The assumptions that FPL used were included in the Planning Process Guidelines. (Ex. 80). The budgeting results were reviewed in September 2015 and finally approved in late 2015. (Barrett Tr. 1409). The O&M budget is prepared annually for the next year and for two additional years, with the all years reflecting a monthly level of detail. (Barrett Tr. 1412).

Such a "budget" should not form the basis for rates in 2018 because use of projections calculated more than two years prior to the date rates are to take effect will result in rates that are based on variables which change over time. The farther out in time projections are, the less likely they are to be accurate, and 2018 is too far into the future to make sound base rate decisions. Finally, because FPL collects a majority of its revenues through cost recovery clauses and because it may file for a limited proceeding pursuant to section 364.076, Florida Statutes, if justified, a subsequent year increase is simply unnecessary.

Avoidance of a Future Rate Case Does Not Justify a 2018 Rate Increase

FPL contends that avoiding a rate case in 2018 is a sound policy reason to justify the Commission providing a 2018 rate case, in addition to considering FPL's request for a 2017 base rate increase. (Barrett Tr. 4576-4577). Such a position is wrong for several reasons. First, rate cases are not something to be avoided. As FPL witness Barrett acknowledged, "base rate cases are a necessary part of the [regulatory] process" which the Commission uses in its oversight of regulated companies. (Barrett Tr. 4614). FIPUG suggests that a rate case acts as a "check up" of the utility's well-being; it is the ultimate regulatory true up; it is not something to be avoided, but rather something which should be regularly done.

FPL's argument that customers will save rate case expense if a 2018 subsequent year adjustment is granted is unavailing. Rate case expense savings are miniscule compared to the $270 million dollars FPL wants the Commission to award it for 2018. (FPL's rate case expense in this case was approximately $4 million dollars, less than 2% of the sums FPL is seeking in rates from its customers for 2018). Surely if such savings were meaningful, they would be embraced by the intervenors. However, not a single intervenor supports the FPL 2018 subsequent year increase. The intervenors welcome the opportunity for a full review offered by a 2018 rate case.

Finally, this Commission, part of the Legislature, should not act to bind a subsequent Commission that may consider changed facts and circumstances presented in a rate case that would determine appropriate rates for 2018. One legislative body cannot act to bind a future legislature. See, *R.J. Reynolds Tobacco Company v. Townsend*, 160 So.3d 570, 575 (Fla. 1st DCA 2015) (Acknowledging the principle that one legislature cannot bind the hands of a future

legislature, citing *Scott v. Williams*, 107 So.3d 379, 389–90 (Fla.2013). Accordingly, this Commission should not attempt to set base rates for 2018.

DISCUSSION REGARDING PEAKING UNITS AND COMPRESSOR UPGRADES (ISSUE 57)

FPL asks this Commission to approve more than $1 billion dollars in costs associated with upgrading certain peaking power plants and changing combustion features with other peaking units. FPL offered little justification for these changes.

Tellingly, FPL abandoned its earlier claim, made in the environmental cost recovery clause, that these changes were required by environmental laws or regulations. (Barrett Tr. 1505). FPL conducted no need analysis to determine whether these new peaking units were needed. Instead, FPL just assumed that a need existed and presented no evidence that it considered a host of important facts and issues, like comments made by Jim Robo, the Chief Executive Officer of FPL's corporate parent, NextEra Energy, Inc., that peaking power plants may not be constructed after 2020 due to improvements in battery storage technology. (Ex. 639). FPL did not present persuasive evidence that it considered the lack of natural gas capacity to run the new proposed peaking power plants in Broward County during peak load events, or the impacts of running these new peaking units on fuel oil as compared to natural gas. FPL did not present evidence that it considered staggering the construction and installation schedule of these new peaking units. FPL did not present evidence that it considered replacing peaking units only at either the Ft. Lauderdale site or the Ft. Meyers site rather than replacing peakers at both sites simultaneously. FPL did not present evidence that third party experts were consulted and relied upon when FPL was deciding whether to move forward with its peaker replacement project. FPL presented no evidence that it considered improvements in energy efficiency or the availability to demand side management resources when considering its peaker replacement project. FPL did

not seek the Commission's review or approval of its decision to move forward with the significant capital expenditure, something that FPL has done previously. See, e.g., Docket No. 140001, FPL's Petition to Seek Approval of Acquisition of Gas Reserves.

Given the sparse facts FPL presented about the peakers and the plethora of unanswered questions about the multitude of matters that FPL did not consider or address when deciding to replace wholesale its peaking unit, FPL failed to carry its burden of proof that its decision to replace its peaking power plants and undertake compressor upgrades was prudent.

FIPUG further adopts as its own the arguments and legal authority set forth in the post hearing brief of the Sierra Club.

DISCUSSION OF ISSUE OF RECOVERY OF PROPERTY HELD FOR FUTURE USE (ISSUE 67)

FPL should not be permitted to earn a profit on property being held for future use that is not going to be used and useful within 10 years, except in exceptional circumstances. FPL has the burden of proving such exceptional circumstances, and it did not carry its burden in this regard. Furthermore, the suggestions of OPC witness Ralph Smith should be adopted and the Commission should accept the adjustments to property held for future use that he recommends.

FPL's effort to prematurely include property in rate base, whether it is property for future generation, transmission or distribution assets, should be closely scrutinized by the Commission. The inclusion of property into rate base surely benefits FPL shareholders much more than it will benefit FPL ratepayers, as FPL is permitted to earn a return, a profit, on numerous properties that will not be "used and useful" for decades. (Miranda 2755; Exhibit 640). Indeed, it is an attractive and lucrative real estate investment for FPL to have unimproved land, with no buildings to maintain, no rent to collect, no property insurance to pay, and no hurricane risk to mitigate (because there are no improvements) generate annual earnings on the invested capital.

FPL presented no evidence that it considered securing an option to purchase properties rather than purchasing the property in fee simple; FPL presented no evidence that it sought to acquire easements for transmission or distribution lineal facilities as compared to purchasing such lineal facilities in fee simple; FPL presented no evidence that it considered or even knew about using its statutory authorized "quick take" eminent domain power to secure needed property for its electric operations. (Miranda Tr. 2771). See, Chapter 74, Florida Statutes.

The Legislature has provided FPL with the power of eminent domain that it can use to acquire property needed for a future power plant site. *See,* section 361.01, Florida Statutes; *Clark v. Gulf Power Corporation*, 198 So. 2d 368, 371 (Fla. 1st DCA 1969). FPL neglected to advise the Commission in its pre-filed testimony that it possesses this meaningful tool to secure property for a future power plant site. Indeed, section 74.011, Florida Statutes, provides that a public utility may use a "quick take" statute to secure needed property promptly. FPL has made use of the "quick take" process previously. *See, Whitehead v. Florida Power and Light Company*, 318 So.2d 154 (Fla. 2nd DCA 1975) (FPL used "quick take" legislative statute to secure land for an electric transmission line). Given that the Florida Legislature has provided FPL with the ability to use the "quick take" eminent domain process to acquire property for generation facilities, transmission corridors and distribution operations, FPL's inefficient business practice of acquiring land and holding it for decades warrants review and reform. Use of option agreements, easements, or eminent domain are all viable tools compared to FPL's self-serving approach of buying certain properties, holding these properties for extended time periods, often decades, and earning a return on numerous properties that are not used and useful to FPL's customers.

Finally, as with predicting things like the future price for natural gas or whether the Dow Jones Industrial stock index will go up on down in the next six months, it is speculative to state that the future land value of properties FPL acquired for future use will undoubtedly increase over time. FPL witness Deason acknowledged during cross examination that property values for land held by FPL fluctuate over time and could increase or decrease. (Deason Tr. 5859). Thus, the notion that a utility such as FPL is always able to sell property held for future use and credit the ratepayers with gains realized by the sale of the property is speculative and not supported by competent substantial evidence. The properties in question may appreciate in value over time. Or they may not. However, it is certain that the shareholders of FPL/NextEra Energy will be able to earn a return on property held for future use, even if such property has been waiting to be used and useful for 30 or 40 years.

FPL's approach to acquiring property for future needs is hardly efficient. FPL uses a ten year time period for planning purposes, a timeframe that is not arbitrary. (Deason Tr. 5852). As suggested by OPC's expert witness, the Commission should not continue with a business as usual approach, but impose some limitations, like a ten year limit on recovery of property held for future use, a requirement that the property be used and useful or other appropriate restriction on FPL's ability to continue to earn a return on properties that may or may not even be used in the future, and that have been on FPL's books for decades.

DISCUSSION OF FPL'S REQUEST FOR 50 BASIS POINT ADDER/BONUS (ISSUE 84)

Commission Authority

FPL seeks to have an additional $120 million per year added to the ratepayers' collective bills in the form of a ROE supplement. (Dewhurst Tr. 2508). This request for an additional 50 basis points, or a ½ percentage point, is termed the "ROE adder/bonus" and will be referred to as

such in FIPUG's brief opposing FPL's request. The Commission should deny this request on numerous grounds.

As an administrative agency and creature of the Legislature, the Commission has only those powers which the Legislature has delegated to it. *City of Cape Coral v. GAC Utilities, Inc. of Florida,* 281 So.2d 493, 496 (Fla. 1973) ("the Commission's powers, duties and authority are those and only those that are conferred expressly or impliedly by statute of the State. . . . Any reasonable doubt as to the lawful existence of a particular power that is being exercised by the Commission must be resolved against the exercise thereof." (Citations omitted).

Further, section 366.06(1), Florida Statutes, provides that the PSC has the authority to determine and fix fair, just, and reasonable rates for public utilities, and section 366.02(2), Florida Statutes, defines an electric utility as owning, maintaining, or operating an electric generation, transmission, or distribution system. Therefore, under the plain meaning of these two statutes, cost recovery is permissible only for costs arising from the "generation, transmission, or distribution" of electricity. See, *Citizens of the State of Florida v. Graham,* 191 So.3d 897, 901 (Fla. 2016). Here, FPL asks the Commission to award it $120 million dollars that is not linked to costs arising from the "generation, transmission, or distribution" of electricity. FPL admits that its ROE adder/bonus request is not cost based. (Dewhurst Tr. 2518). Thus, in accord with the Court's finding in *Citizens v. Graham* case, the Commission does not have jurisdiction to provide FPL its requested ROE adder/bonus.

Further, it is the Legislature that prescribes policy and the Commission that implements it. FPL witness Dewhurst acknowledged that FPL is asking the Commission to make a policy decision in this case regarding the ROE adder/bonus. (Dewhurst Tr. 2507-2508; Ex. 695). However, a reading of the Commission's authorizing statute does not reveal that the Legislature

has granted the Commission such authority. Nowhere in Chapter 366, Florida Statutes, is the Commission given authority to award an ROE adder/bonus as a "reward" to a monopoly utility. Public policy decisions of this nature are best considered in the legislative arena so that others interested in this idea can be heard unconstrained by legal standing limitations.

State agencies must follow rulemaking requirements when enacting policies of general applicability. See s. 120.54(1)(a) and s. 120.52(16), Florida Statutes. FPL's has previously asked for the Commission to award a ROE adder/bonus, but the Commission has not done so. Nevertheless, this issue is not new, and no evidence suggests that the Commission has not had sufficient time to acquire the knowledge and experience reasonably necessary to address the ROE adder/bonus issue by rulemaking. Further, in 1999, the Legislature amended section 120.52(8), Florida Statutes, which addresses the invalid exercise of delegated legislative authority, to clarify Legislative policy in light of a recent court decision.[4] In its amendment, the Legislature instructed agencies that the powers and functions of an agency "extend no further than implementing or interpreting specific powers and duties conferred by the same statute." Similarly, an agency may not go beyond its statutory authority to promulgate and enforce policy without clear direction from the Legislature.[5]

The issue of whether to implement an ROE rider is best addressed by the Legislature, either by expressly providing the Commission with rulemaking authority to implement an ROE adder or by creating a legislative policy, a statute, that embraces such a policy. As FPL's expert witness Hevert acknowledged, other states, like Virginia, have authorized an ROE adder

[4] *St. Johns River Water Management District v. Consolidate-Tomaka Land Co.*, 717 So.2d 72 (Fla. 1st DCA 1998).

[5] Agencies are reversed when they go beyond their authority. *See*, *Smith v. Florida Department of Corrections*, 920 So.2d 638 (Fla. 1st DCA 2005) (inmate copying rule invalid where it was not supported by specific grant of legislative authority).

legislatively to promote certain polices, like renewable energy. (Hevert Tr. 2207). Like Virginia, the Florida Legislature should grapple with the specific policy to incent with an ROE adder/bonus, if the Legislature finds such a mechanism is appropriate.

Even accepting FPL's contentions and facts in support of the ROE adder for argument's sake, it is less than clear whether the policy to be advanced is aimed toward efficient utility operations/management or a reward for past utility performance. Rather than attempting to resolve that policy-laden question in this rate case, it is more appropriate for the Legislature to consider the ROE adder/bonus issue and provide express direction.

Rulemaking

Even assuming that the Commission has authority to award an ROE adder, before such an adder could be considered, it would have to be adopted as a rule. Section 120.52(16), Florida Statutes, defines a rule as "each agency statement of general applicability that implements, interprets, or prescribes law or policy. . . ." Section 120.54(1)(a), Florida Statutes, emphasis supplied, provides that:

> *Rulemaking is not a matter of agency discretion*. Each agency statement defined as a rule by s. 120.52 shall be adopted by the rulemaking procedure provided by this section as soon as feasible and practicable.

Thus, pursuant to the Legislature's direction, an agency's statement of general applicability must be adopted pursuant to rule, if it is within the agency's authority to do so.[6] Assuming *arguendo* that the Commission has the legislative authority to approve an ROE adder/bonus, the Commission surely is not constrained to restrict an adder/bonus policy only to FPL. FPL witness

[6] *See*, section 120.52(8), Florida Statutes ("Statutory language granting rulemaking authority or generally describing the powers and functions of an agency shall be construed to extend no further than implementing or interpreting the specific powers and duties conferred by the enabling statute.").

Dewhurst, while disclaiming FPL was seeking an ROE adder/bonus for other utilities, expressed his view that the ROE adder/bonus policy of linking ROE to customer value delivery is a good policy and has general applicability. (Dewhurst Tr. 2508). The Commission would not be inclined (or legally authorized) to limit a new policy to only one regulated utility. Thus, the policy FPL is asking the Commission to adopt would be of general applicability and not limited just to FPL. Therefore, the requested ROE adder/bonus would be a policy of general applicability. This may be accomplished only through rulemaking, *if* the Commission has legislative authority to do so. *See*, section 120.54, Florida Statutes. The Commission, should it decide to pursue an ROE adder/bonus, should do so through the more appropriate vehicle of rulemaking. This would allow other utilities and other interested parties who may not have intervened in the FPL rate case to be heard and participate in the rulemaking process. Such a forum often produces new ideas or raises questions that are better handled in the context of rulemaking. Implementing a policy of general applicability in this rate case, the ROE adder, is not appropriate legally or as a matter of policy. The Commission has not engaged in rulemaking here and may not approve FPL's proposal.

The Proposal

Putting aside the legal infirmities described above, FPL has failed to show entitlement to the ROE adder/bonus. FPL seeks $120 million of additional revenue requirements due to the ROE adder. (Dewhurst Tr. 2508). FPL is a protected monopoly. Its customers have no ability to take service from another utility, but rather *must* take such service from FPL. Thus, FPL is protected from competition and enjoys many advantages over competitive enterprises, including no competition, cost recovery clauses, and the ability to seek a change in rates when needed to earn a fair return. FPL, like other monopolies, has a duty to perform in exchange for cost

recovery plus an opportunity to earn a return or profit commensurate with profits earned from ventures with similar risks. FPL should use its best efforts to provide the best quality of service it can at the lowest prices. FPL is already being fairly compensated for any results attributable to management.

FPL expert witness Deason had occasion to consider the issue of a reward for corporate performance in a Tampa Electric Company rate case he sat on as a Commissioner.[7] In that case, the reward was denied and the Commission said: "We are reluctant, unless the conditions seem to be fairly extreme one way or the other to grant a reward or impose a penalty."[8] No extreme circumstances have been demonstrated in this case. What has been proven is that FPL has done some things well and some other things not so well. For example, FPL's Turkey Point cooling canals are leaking hypersaline water onto adjacent properties, it has operated its nuclear generating fleet at inferior capacity factors, and has stumbling while seeking approval of a transmission corridor in south Florida associated with its Turkey Point facility.

Implementation

If the Commission were to award FPL the adder/bonus it seeks, which FIPUG argues it should not, FPL has offered little detail about how it would be implemented. FPL does not suggest that the Commission would evaluate whether the adder/bonus is working effectively, does not offer any metrics that would be used to review the program, does not provide a mechanism for the program to be discontinued if it not cost effective, and does not suggest a point of entry for intervenors to question the policy. Instead, FPL merely asks to be awarded $120 million dollars in the form of a 50 basis point adder/bonus, which presumably would

[7] *In Re: Application for rate increase by Tampa Electric Company*, Docket No. 920324-EI, Order No. PSC-93-0165-FOF-EI.
[8] *Id*. at 93.

continue unless and until the Commission revisits the issue. Thus, the basis for the ROE adder is decoupled from the basis for its continuation. Such a truncated approach should not be adopted. The proposed implementation process deprives the parties of the ability to determine if the award (if granted) should be continued from year to year. Adopting the ROE adder at this time to impose an additional $120 million in base rates on consumers sends the wrong message.

DISCUSSION ON RETURN ON EQUITY (ISSUE 85)

FPL seeks a ROE of 11.0%, which is a 50 basis point increase over its current authorized ROE midpoint of 10.5%. (Hevert Tr. 2127). Since FPL's last rate case, the cost of debt and equity has decreased, suggesting that FPL's ROE should be adjusted downward, not upward. (Baudino Tr. 3064, 3069-70; Ex. 252, historical bond yields). The average ROE award during 2015 and 2016 by other state regulatory commissions has been under 10%. (Ex. 656, chart showing 2015 and 2016 ROE awards). In fact, the average ROE awarded by other state commissions during 2015 and 2016 is 9.70%. (Hevert Tr. 2214; Ex. 656). The average high ROE award has been 9.95% and the average low ROE award has been 9.64%. (Hevert Tr. 2211-2215; Ex. 656). This Commission should not be an outlier, but follow suit and award an ROE no greater than 10%.

FPL's request for an ROE of 11.00% should be rejected for the following reasons:

1. FPL, with a currently approved ROE of 10.5%, is a financially healthy company. Its parent has repeatedly increased dividend payments to shareholders and has experienced a marked increase in stock price since FPL's last rate case;

2. An 11.00% ROE is not consistent with current market conditions and the ROE decisions this Commission has made for other Florida utilities;

3. As an investor, FPL is satisfied with a return on its pension fund investments of 7.75% significantly below its requested ROE of 11.00%;

4. Close review of the reasons FPL cites in support of its 11.00% ROE request, namely, the need to access capital markets, the ability to incur lower interest rate costs on debt

that will save ratepayers money, and possible negative reaction by the Wall Street investment community to a rate case/ROE decision, reveals the weakness of FPL's position.

5. During 2015 and 2016, the average ROE awarded by regulatory commissions nationally has been less than 10%; this Commission should likewise recognize today's market conditions and similarly award FPL an ROE of less than 10%.

Each of these reasons, any one of which is sufficient to support a Commission decision to reduce or leave unchanged FPL's current ROE, are detailed further below.

FPL, with a currently approved ROE of 10.5%, is a financially healthy company. Its parent has repeatedly increased dividend payments to shareholders and has experienced a marked increase in stock price since the last FPL rate case

The financial health of FPL is currently sound at its approved midpoint ROE of 10.5%. Since FPL's last rate case, FPL's parent company, NextEra, of which FPL is a key subsidiary company, has increased dividend payments to shareholders and seen the value of its stock appreciate considerably. (Baudino Tr. 3073). While FPL witnesses speculated how the markets *may* view this Commission's rate case decision, particularly its ROE decision, FIPUG notes that the markets did not substantially punish FPL for the results of the 2008 rate case where FPL was awarded only a small portion of its requested increase.

With its current ROE midpoint of 10.5%, FPL is financially sound and can readily access capital markets. The Commission is legislatively charged with striking the appropriate balance between the interests and needs of FPL and the interests and needs of FPL's ratepayers. There is no statutory requirement to consider the interests and needs of Wall Street, and the Commission should resist the temptation to do so.

There was no credible persuasive evidence to suggest that FPL will have difficulty accessing capital markets if FPL's ROE is lowered slightly to be in line with the ROE decisions other Commissions have made during the 2015 and 2016 calendar year. The average ROE

awarded by state commissions during the 2015 and 2016 timeframe is less than 10%. The Commission should award an ROE that is at or in close proximity to this 2015-2016 national ROE average of 9.70%.

There was much conjecture and speculation about what markets may look like at some future point in time. Markets are dynamic and no witness can testify with certainty as to future market conditions. Thus, the Commission must make its ROE decision in reliance on market conditions as they currently exist. Current market conditions were reflected in testimony and exhibits introduced in this case. If market conditions change materially, the Company or the intervenors can ask this Commission to make an adjustment based on those changed market conditions. Based on the evidence of market conditions as they existed at the time of this hearing, the overwhelming evidence points to establishing an ROE less than 10.0%.

The intervenor witnesses provided expert opinions that an appropriate ROE, given the current economic climate, should be characterized as beginning with a single digit, with most suggesting midpoints beginning with the number **nine**. While this would be a slight reduction from FPL's current midpoint of 10.5%, no witness contended that interest rates, a key factor in establishing an appropriate ROE, have increased since the last rate case. In fact, interest rates had decreased since the last rate case, and FPL's parent is working to secure capital in negative interest rate markets of Japan and Germany. (Baudino Tr. 3068; Ex. 255). The decrease in interest rates is significant to the ROE question. Given the decrease in interest rates, a key metric in setting the midpoint of an approved ROE, the Commission should reduce, not increase, FPL's current ROE.

As an investor, FPL is satisfied with a return on its pension fund investments of 7.5%, significantly below its requested ROE of 11.00%

FPL's view of an adequate return on capital differs depending on the context in which the question is asked. When asked the question in the context of this rate case, FPL, which receives its equity capital from its parent company, says that a return of 11.00% percent is needed. FPL provides this answer even though it regularly recovers the majority of its expenses through clauses, faces no real competition for its customers, and has a capital structure weighted heavily with equity, thus reducing risk, compared to other utilities.

FPL, through its relationship with its corporate parent, NextEra Energy, Inc., provides a pension plan for qualifying employees. (Osdahl Tr. 1717). FPL and its corporate parent strive to earn a return on pension assets of 7.5%. (Ousdahl Tr. 1720). The pension is forecast to have a $60 million dollar credit in 2017. (Osdahl, 1717). This goal of earning an average return of 7.5% is markedly different than the 11.0% return on equity FPL seeks from this Commission.

The comparison between the two measures of FPL's expected returns is illuminating, and makes clear the meaning of the saying "Where you stand depends on where you sit." Stated differently, the difference between the two figures – the projected pension return of 7.5% and FPL's ROE request of 11.0% – 3.5% or 350 basis points, represents a convenient situational adjustment to FPL's view of returns investors expect. FIPUG would suggest that FPL's expected return for its pension fund assets is more in line with the average investor's expected returns, argues for an ROE closer to the figure suggested by the Intervenor experts than the Company's expert, Dr. Hevert, and highlights the inflated nature of a 11.00% ROE request.

Close review of the reasons FPL cites in support of its 11.00% ROE request, namely, the need to access capital markets, the ability to incur lower interest rate costs on debt that will save ratepayers money, and possible negative reaction by the Wall Street investment community to a rate case/ROE decision, reveals the weakness of FPL's overall argument

FPL's arguments supporting its 11.00% ROE request are largely unfounded. FPL's ROE witness Hevert's analysis inflated the investor required return for FPL and is unsupported by an objective evaluation of current financial markets. (Baudino Tr. 3061.) FPL provided no credible evidence that FPL has been or has any real prospect of being denied access to the capital markets. The rating agencies' current view of FPL places it on solid financial ground with no indication that it cannot reasonable access capital markets.

There is no credible evidence to suggest that rating agencies and Wall Street will react negatively if this Commission lowers FPL's ROE to be consistent with today's market conditions and decisions of other regulatory commissions during the 2015-2016 time frame. With interest rates lower now compared to when this Commission last set FPL's ROE, those on Wall Street who follow utility companies will hardly be surprised if FPL's ROE is decreased incrementally. To the contrary, it will likely be a surprise to many, including those on Wall Street, if this Commission awards FPL an ROE of 11.00% given the recent ROE decision by other state regulatory bodies. In sum, for the reasons set forth above, the Commission should award FPL an ROE midpoint of 10% or less.

DISCUSSION OF 12/CP AND 1/13TH (ISSUE 136)

FPL has chosen to use the 12CP-1/13th AD method to allocate production (generating plant) related costs for decades. Indeed, FPL has used the 12/CP-13th AD production allocation approach since 1983. (Deaton Tr. 5388). This method allocates approximately 92% of the costs of production to individual rate schedules based on each rate schedule's contribution to the 12 monthly coincident peaks. The coincident peaks are the maximum load that FPL serves in an

hour in each of the 12 months of the year. The 12CP-1/13th AD method looks at the highest demand in each month and then assigns responsibility based on each class' contribution to demand in each of the 12 months. All of Florida's investor owned utilities are presently using the 12/CP-13th AD approach, and this method should not be changed at this time. (Pollock Tr. 4328) FPL's proposed change from the 12CP-1/13th AD approach is not supported by any study or analysis. (Pollock Tr. 4287) The 12CP-1/13th AD approach should not be changed.

DISCUSSION OF MINIMUM DISTRIBUTION SYSTEM (ISSUE 138)

The minimum distribution system (MDS) is a cost allocation approach recognized by NARUC and used in a number of states throughout the country. (Pollock Tr. 4287). The MDS approach more accurately recognizes that the installation of minimum size conductors and transformers is required to serve customers, irrespective of their level of demand, that the costs of those installations are easily tracked, and are appropriately recovered through a customer component since the amount of the costs does not vary based on differences in the level of peak demand. (Baron Tr. 4177).

This Commission has previously approved rates based on the MDS cost of service analysis. (Baron Tr. 4177). Further, FPL failed to classify any of its distribution network as a customer-related cost, though Gulf and TECO both appropriately classify about 26% of their distribution network costs as customer related. (Pollock Tr. 4287). The distribution network provides a connection to the electric grid, and it includes facilities that also provide the voltage support needed before power or energy can be delivered to and consumed by the customer. These necessary prerequisites of the distribution network, namely grid connection and voltage support, are clearly related to the existence of the customer and warrant being treated as a customer related cost. (Pollock Tr. 4387-4288).

Both Tampa Electric Company (TECO) and Gulf Power Company (Gulf) use the MDS approach. (Baron Tr. 4177). FPL is unaware of any problems or issues that either Gulf or TECO have experience implementing the MDS system. (Deaton 5423, 5428). FPL's approach (100% demand) leads to absurd and unrealistic results because it assumes that 5 residential customers can be served from a single distribution pole. FIPUG, FEA, and SFHHA all support FPL using the MDS system. Given the reasons above, the Commission should have FPL use the MDS system to fairly allocate distribution costs among rate classes.

DISCUSSION OF RATE INCREASE ALLOCATION (ISSUE 40)

Issue 140 deals with how a rate increase (if granted) should be allocated among the customer classes. The allocation of any change in base revenues should reflect the cost of providing service to the classes while also applying the principle of gradualism to prevent any class from receiving an overly large increase. (Tr. 1400). FPL's proposed allocation should be rejected because it fails to comport with these principles. It allows rates for one class to decrease while subjecting other classes to increases of up to 83.4%, thus ignoring principles of gradualism.

FPL's proposed allocation for 2017 and 2018 is shown on Exhibit 561. Across the board, FPL proposes a 23.5% base increase, not considering the proposed Okeechobee generating plant increase in 2019. However, the SL-2 class would get a *3.6% decrease*, while the CILC-1T class would receive an *83.4% increase*. An 83.4% increase for the CILC-1T is shocking, violates principles of gradualism, and should be rejected. Such an increase would unfairly impact customers who take service under the CILC-1T, most of whom are large business users of electricity or the military and employ scores of people. Such action would likely thwart the development of new jobs in Florida.

FPL's allocation proposal violates the Commission's principle of gradualism. Some classes are allocated an amount higher than necessary to move them toward cost (CILC-1D and CILC-1T) while others are moved away from cost (residential, SL-2) (Ex. 561). In addition, by reducing the SL-2 rates, FPL violates the gradualism maxim that no class should receive a decrease. As is evident from the wide disparity between the cumulative proposed base rate increases (from negative 3.6% to 83.4), FPL has given virtually no recognition to the principle of gradualism. (Ex. 561; MRF Schedule E-13a).

The major area of dispute between the parties regarding cost allocation and application of gradualism principles is whether application of the gradualism policy, namely giving no class an increase of more than 1.5 times the system average, is applicable to base rates or to base rates and clause adjustment charges. FPL argues that application of the 1.5 limitation is applicable to base rates and adjustment charges, and further argues that this is the approach that the Commission has followed consistently; however, FPL is simply incorrect.

In a Tampa Electric Company rate case, the Commission applied the 1.5 times system average policy to base rate revenues *only*. (Pollock Tr. 4358; Order No. PSC-09-0283-FOF-EI). Thus, the Commission's application of the 1.5 system average has rightly been applied to only base revenues and should be so applied in this case.

Beyond that, it makes sense to apply the gradualism principles to base rates *only* for a number of reasons. First, cost recovery clauses should not be included in the application of gradualism principles because recovery clauses change on an annual basis whereas base rates typically remain in place for a much longer period of time. No changes to the fuel clause will be implemented in this base rate case. The increase that FPL seeks in this case has nothing to do with increases or decreases in adjustment factors. The fuel factor changes once a year after the

Commission's November fuel adjustment hearing, and sometimes, the fuel factor changes more than once a year, if a utility comes in for a mid-course correction.

Fuel prices, especially for natural gas, are can be volatile. Fuel prices may experience great fluctuation in one year and then dramatically change again in the next year, thus, dramatically affecting the fuel cost recovery factor. Given that the cost recovery clauses are separate ratemaking mechanisms and can have positive or negative impacts on customers depending on the circumstances, any projected short-term changes resulting from clause recoveries should not be considered in setting base rates. Any increase or decrease in natural gas prices will not affect how base rates in this case are determined. Thus, it would be inappropriate to include and rely on projections of clause revenues for just one year (the test year) in setting base rates. The Commission should apply its gradualism policy solely to base rates.

/s/ Jon C. Moyle
Jon C. Moyle
Karen A. Putnal
Moyle Law Firm, P.A.
118 North Gadsden Street
Tallahassee, FL 32399-1400
Telephone: (850) 681-3828
Facsimile: (850) 681-8778
jmoyle@moylelaw.com
kputnal@moylelaw.com

Attorney for the Florida Industrial Power Users Group

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail this 19th day of September, 2016, to the following:

Suzanne Brownless
Florida Public Service Commission
2540 Shumard Oak Blvd., Room 110
Tallahassee, FL 32399-0850
sbrownle@psc.state.fl.us

R. Wade Litchfield
John T. Butler
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
wade.litchfield@fpl.com
john.butler@fpl.com

Ken Hoffman
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, Florida 32399-1400
Ken.hoffman@fpl.com

Erik L. Sayler
J.R. Kelly, Esq.
Charles J. Rehwinkel
Office of Public Counsel
111 West Madison Street, room 812
Tallahassee, FL 32301
kelly.jr@leg.state.fl.us
rehwinkel.charles@leg.state.fl.us
sayler.erik@leg.state.fl.us

Derrick Price Williamson
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
dwilliamson@spilmanlaw.com

Stephanie U. Roberts
Spilman Thomas & Battle, PLLC
110 Oakwood Drive, Suite 500
Winston-Salem, NC 27103
sroberts@spilmanlaw.com

Kenneth Wiseman
Mark Sundback
William M. Rappolt
Andrews Kurth LLP
1350 I Street NW, Suite 1100
Washington, D.C. 20005
kwiseman@andrewskurth.com
msundback@andrewskurth.com
wrappolt@andrewskurth.com

Federal Executive Agencies
Thomas A. Jernigan
AFCEC/JA-ULFSC
139 Barnes Drive, Suite 1
Tyndall Air Force Base, FL 32403
Thomas.Jernigan.3@us.af.mil

John B. Coffman
871 Tuxedo Blvd.
St. Louis, MO 63119-2044
jonh@johncoffman.net

Robert Scheffel Wright
John T. LaVia
Garderner, Bist, Bowden, Bush, Dee, LaVia & Wright, PA
1300 Thomaswood Drive
Tallahassee, FL 32308
schef@gbwlegal.com
jlavia@gbwlegal.com

Diana Csank
Sierra Club
50 F St. NW, 8th Floor
Washington, DC 20001
Diana.csank@sierraclub.org

Jack McRay
AARP Florida
200 W. College Ave., #304
Tallahassee, FL 32301
jmcray@aarp.org

Nathan A Skop
420 NW 50th Blvd.
Gainesville, FL 32607
N_skop@hotmail.com

/s/ Jon C. Moyle
Jon C. Moyle, Jr