

**BEFORE THE FLORIDA PUBLIC  
SERVICE COMMISSION**

In re: Petition for rate increase by Florida Power Company      Docket No. 160021-EI

In re: Petition for approval of 2016-2018 storm hardening plan, by Florida Power & Light Company.      Docket No. 160061-EI

In re: 2016 depreciation and dismantlement study by Florida Power & Light Company.      Docket No. 160062-EI

In re: Petition for limited proceeding to modify and continue incentive mechanism, by Florida Power & Light Company.      Docket No. 160088-EI

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Filed: October 13, 2016

**AARP’S OBJECTION TO NON-UNANIMOUS STIPULATION  
AND REQUEST TO EXTEND HEARING DATE ON SETTLEMENT**

Comes Now AARP, through its Qualified Representative, John B. Coffman, and hereby submits its Objection to the non-unanimous Stipulation and Settlement (“Stipulation”) jointly filed on October 6, 2016 by Florida Power & Light Company (“FPL” or the “Company”), Office of Public Counsel (“OPC”), the South Florida Hospital and Healthcare Association (“SFHHA”) and the Florida Retail Federation (“FRF”), collectively the “Settling Parties” to the Stipulation.

Upon initial review, AARP submits that the proposed Stipulation is contrary to the filed evidence in these dockets, is harmful to residential ratepayers of FPL, is not

consistent with the public interest, will not result in just and reasonable rates as required by Florida law, and thus should be rejected by the Commission. While the Settling Parties emphasize that their negotiations would reduce in the near-term rate increases from amounts initially sought by FPL, provisions included in the Stipulation would reduce depreciation accruals enabling FPL to earn an outrageous 11.6 percent return on equity, while accumulating ever larger balances owed by future customers. Forcing consumers to pay such excessive profit levels would place the Florida Commission far out of the mainstream, as compared to other public utility commission decisions throughout the United States.

The proposed Stipulation would allow electric rates to increase dramatically, even while the current evidentiary record supports a *reduction* of more than \$300 million in FPL's rate revenue for 2017. The Stipulation would not only deny consumers the immediate base rate relief that they deserve, it would result in a double digit cumulative percentage increases in residential base rates over the next three years, lock in improper additional piecemeal rate increases in unknown amounts for new solar generation with no showing of actual financial need, install no meaningful rate case moratorium, and would permit FPL to collect additional amounts over current rates by maintaining and expanding storm cost and other surcharges during the coming four years. The Stipulation, therefore, fails in its stated mission to maintain "stability and predictability" with regard to charges to FPL customers.

Moreover, the Stipulation would appear to also grant significant rate relief to larger customer groups, at the expense of household residential consumers, making a bad rate case proposal even worse for ordinary Florida citizens.

Instead of approving the proposed Stipulation, AARP recommends that the Commission rely upon the evidence before it, as presented and extensively explained in the recently concluded hearings, in order to arrive at an appropriate level of rate relief that is actually *needed* for only the test year 2017, rather than accepting the speculative and excessive financial relief that would be provided to FPL, at the expense of residential household consumers. The evidentiary record is already complete, and it is thus unnecessary to hold a new expedited hearing in an attempt to bolster a settlement that is not supported by that record.

On October 12, 2016, the Commission issued its “Fourth Order Revising Order Establishing Procedure and Setting Procedural Schedule for Commission Consideration of Settlement Agreement”, setting a brand-new series of procedural events, including notice of a “supplemental hearing” that would occur on an expedited basis—merely two weeks from today. The date for the hearing contained in this new procedural schedule does not comport with the due process that would be sufficient for AARP to address the significantly anti-consumer provisions just recently proposed in the non-unanimous Stipulation.

Moreover, the undersigned counsel has a direct conflict with the newly noticed hearing, as he is already committed to appear before the Minnesota Public Utilities Commission for an evidentiary hearing on October 25-28, 2016 in a Northern States Power (Xcel Energy) electric rate case<sup>1</sup>. For these reasons, good cause exists to grant

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<sup>1</sup> MPUC Docket No. E002/GR-15-826.

sufficient due process to objecting parties, by granting an extension of this supplemental hearing.

WHEREFORE, AARP respectfully requests that the Commission:

1. Reject the Joint Motion for Approval of Settlement Agreement, and proceed to issue a rate case decision based upon the current evidentiary record, and
2. Reschedule the hearing newly-set for consideration of the non-unanimous Stipulation, by extending that hearing date for another two weeks. Such an extension would allow non-signatory parties at least a minimum of a month's time to investigate and review the provisions of the settlement agreement, many of which are outside the current evidentiary record, and which would have a detrimental impact on residential ratepayers, if approved by the Commission.

Respectfully submitted,

/s/ John B. Coffman

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Qualified Representative for AARP

## **CERTIFICATE OF SERVICE**

I **HEREBY CERTIFY** that a true and accurate copy of the foregoing document has been furnished by electronic mail on this 13<sup>th</sup> day of October, 2016, to the following:

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