



John T. Butler
Assistant General Counsel-Regulatory
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 304-5639
(561) 691-7135 (Facsimile)
John.Butler@fpl.com

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VIA ELECTRONIC FILING

Ms. Carlotta Stauffer, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 170097-EI – FPL’s Petition for Approval of a New Depreciation Class and Rate for Energy Storage Equipment

Dear Ms. Stauffer:

Enclosed is Florida Power and Light Company’s Supplemental Response to Staff’s First Data Request, No. 5.

Please do not hesitate to contact my office at 561-304-5639 if you or your staff have any questions.

Sincerely,

s/ John T. Butler

John T. Butler

Enclosures

QUESTION:

Is FPL currently recording any plant depreciation associated with its Battery Storage Pilot?
a. If the response to Request No. 5 is affirmative, is the company requesting any plant in service and accumulated depreciation transfers be performed as part of this docket?
b. If the response to Request No. 5(a.) is affirmative, please specify: amounts to be transferred; accounts in which the property/balances are currently being depreciated; and accounts to which the property/balances are being transferred to.

RESPONSE:

FPL is supplementing its June 19, 2017 response to this data request by providing the expanded and revised narrative response below.

No, as of the date of this response, FPL has not installed any assets associated with the Battery Storage Pilot. That being said, FPL did install \$9.5 million and \$1.4 million in energy storage assets in 2016 and 2017, respectively, that are currently recorded in Account 362 – Station Equipment. These assets (Account 362 – Station Equipment) are currently being depreciated at an annual rate of 1.9% per the depreciation rates approved in FPL's 2016 rate case settlement (Order No. PSC-16-0560-AS-EI, Docket No. 160021-EI) beginning on January 1, 2017, but were depreciated at 2.6% in 2016 based on the depreciation rate authorized at that time. The assets installed consist of the following:

- (1) \$6 million in batteries for Southwest Generation peaking and frequency response [the batteries support 90% Generation and 10% Distribution].
- (2) \$3.4 million in batteries for electrical backup (Distribution) and peak shaving for facilities located in Florida Bay Everglades National Park (Generation) [the batteries support 50% Generation and 50% Distribution].
- (3) \$1 million in batteries for reliable energy back up at the Miami Open Tennis Stadium [the batteries support 100% Distribution].
- (4) \$0.5 million in batteries for Community Energy Storage (CES) for reliable energy back up (Distribution) and peak shaving for facilities located in the community (Generation) [the batteries support 50% Generation and 50% Distribution].

Based on the allocations shown by project above, FPL proposes to transfer \$7.4 million gross plant in service and the related \$(0.1) million in accumulated depreciation of those energy storage assets to FERC Account 348 Energy Storage Equipment – Production, and \$3.5 million gross plant in service and related \$(0.03) million in accumulated depreciation of those energy storage assets to FERC Account 363 Energy Storage Equipment – Distribution, upon receiving Commission approval to establish these FERC accounts, approval of the proposed average useful service life and net salvage values, and approval to transfer these balances. See Attachment No. 1 to this response for further details.

Battery Storage Assets - Current Balances

As of 04-2017	a	b	c = (a - b)	d	e = (a * d)	f = (b * d)	g = (e - f)	h	i = (a * h)	j = (b * h)	k = (i - j)
Distribution (362) - Battery Assets				Generation (348) - Proposed Transfer				Distribution (363) - Proposed Transfer			
Row Labels	Gross Plant	Accum Reserve	NBV 04-2017	%	Plant	Reserve	NBV	%	Plant	Reserve	NBV
Community Storage (CES) facilities	500,253.93	3,326.12	496,927.81	50%	250,126.97	1,663.06	248,463.91	50%	250,126.97	1,663.06	248,463.91
Florida Bay Everglades National Park	3,435,123.28	25,477.16	3,409,646.12	50%	1,717,561.64	12,738.58	1,704,823.06	50%	1,717,561.64	12,738.58	1,704,823.06
* Miami Open Tennis Stadium	963,597.55	3,814.24	959,783.31	0%	-	-	-	100%	963,597.55	3,814.24	959,783.31
South West	6,080,404.38	97,793.17	5,982,611.21	90%	5,472,363.94	88,013.85	5,384,350.09	10%	608,040.44	9,779.32	598,261.12
Grand Total	10,979,379.14	130,410.69	10,848,968.45		7,440,052.55	102,415.49	7,337,637.05		3,539,326.59	27,995.20	3,511,331.39
<p>Note: Proposed transfer allocation(s) based on batteries' intended use. Per FPL's response to Staff's First Set of interrogatories No. 11, the allocation will not be revised unless the actual usage differs from the planned usage by more than 25%.</p>											

* Microgrid allocation was used for the Miami Open Tennis Stadium