

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery
Clause and Generating Performance Incentive
Factor

Docket No. 20170001-EI

Filed: October 2, 2017

**FLORIDA POWER & LIGHT COMPANY'S
PREHEARING STATEMENT**

Florida Power & Light Company ("FPL"), pursuant to Order Nos. PSC-17-0053-PCO-EI, and PSC-17-0134-PCO-EI, hereby submits its Prehearing Statement regarding the issues to be addressed at the hearing scheduled for October 25-27, 2017.

1) WITNESSES

WITNESS	SUBJECT MATTER	ISSUES
R. B. Deaton	FCR - Indiantown Transaction	2Q
R. B. Deaton	FCR and CCR - SJRPP Transaction	2R
R. B. Deaton	Fuel Adjustment True-up and Projections	6-11 and 18-22
R. B. Deaton	Nuclear Cost Recovery Amount	24A
R. B. Deaton	CCR - Indiantown Transaction	24B
R. B. Deaton	Indiantown Non-Fuel Base Revenue Requirements	24C
R. B. Deaton	Port Everglades Energy Center GBRA Refund	24D
R. B. Deaton	Capacity Cost Recovery True-Up and Projections	27-33
R. B. Deaton	2018 FCR/CCR Effective Date	34
R. B. Deaton	Tariff Approval	35
R. B. Deaton	Should this Docket be closed	36
G. J. Yupp	Hedging Activity Reports	2A

G. J. Yupp	Incentive Mechanism Gains	2B
G. J. Yupp	Incremental Optimization Costs	2C-2H
G. J. Yupp	Woodford Project Costs	2I
G. J. Yupp	Fuel Adjustment True-Up and Projections	8-11 and 18
M. Kiley	Fuel Adjustment True-Up and Projections	8-11 and 18
C. R. Rote	Revised 2017 GPIF Targets/Ranges	13A
C. R. Rote	2016 GPIF Reward	16
C. R. Rote	2018 GPIF Target/Ranges	17
W. F. Brannen	2017 and 2018 SOBRA Projects	2J and 2M
J. Enjamio	2017 and 2018 SOBRA Projects Cost Effectiveness	2J and 2M
L. Fuentes	2017 and 2018 SOBRA Projects Revenue Requirements	2K and 2N
T. C. Cohen	2017 and 2018 SOBRA Projects Base Rate Percentage	2L and 2O-2P

2) **EXHIBITS**

Witness	Subject Matter	Exhibits
R. B. Deaton	2016 FCR Final True Up Calculation	RBD-1
R. B. Deaton	2016 CCR Final True Up Calculation (Confidential)	RBD-2
R. B. Deaton	2017 FCR Actual/Estimated True Up Calculation	RBD-3
R. B. Deaton	2017 CCR Actual/Estimated True Up Calculation	RBD-4
R. B. Deaton	Appendix II 2018 FCR Projection (Jan-Feb)	RBD-5
R. B. Deaton	Appendix III 2018 FCR Projection (Mar-Dec)	RBD-6
R. B. Deaton	Appendix IV 2018 FCR Projection (Jan-Dec)	RBD-7
R. B. Deaton	Appendix V 2018 CCR Projection (Jan-Dec)	RBD-8
G. J. Yupp	Woodford Refund Calculations and Final True-up Summary	GJY-1

Witness	Subject Matter	Exhibits
G. J. Yupp	2016 Incentive Mechanism Results (Confidential)	GJY-2
G. J. Yupp	2016 Hedging Activity True-up (Confidential)	GJY-3
G. J. Yupp	2017 Hedging Activity Supplemental Report (Confidential)	GJY-4
G. J. Yupp	Appendix I Fuel Cost Recovery	GJY-5
C. R. Rote	Generating Performance Incentive Factor Performance Results for January 2016 through December 2016	CRR-1
C. R. Rote	Generating Performance Incentive Factor Performance Targets for January 2018 through December 2018	CRR-2
C. R. Rote	Revised Generating Performance Incentive Factor Performance Targets for January 2017 through December 2017	CRR-3
W. F. Brannen	Typical Solar Facility Block Diagram	WFB-1
W. F. Brannen	List of FPL Universal Solar Energy Centers in Service	WFB-2
W. F. Brannen	Maps, Property Delineations, and Aerial Photos of Proposed Solar Energy Centers	WFB-3
W. F. Brannen	Renderings of Proposed Solar Energy Centers	WFB-4
W. F. Brannen	Specifications for Proposed Solar Energy Centers	WFB-5
W. F. Brannen	Construction Schedule for Proposed Solar Energy Centers	WFB-6
W. F. Brannen	Construction Cost Components for Proposed Solar Energy Centers	WFB-7
W. F. Brannen	Updated Construction Costs for Proposed Solar Energy Center	WFB-8
J. Enjamio	Solar Energy Center Assumptions	JE-1
J. Enjamio	Load Forecast	JE-2
J. Enjamio	FPL Fuel Price Forecast	JE-3
J. Enjamio	FPL Resource Plans	JE-4
J. Enjamio	CPVRR – Costs and Benefits	JE-5

Witness	Subject Matter	Exhibits
J. Enjamio	Avoided Fossil Fuel	JE-6
J. Enjamio	Avoided Air Emissions	JE-7
J. Enjamio	Updated Project Assumptions	JE-8
J. Enjamio	Updated CPVRR – Costs and Benefits	JE-9
L. Fuentes	SoBRA Revenue Requirement Calculation Effective date January 1, 2018	LF-1
L. Fuentes	SoBRA Revenue Requirement Calculation Effective date March 1, 2018	LF-2
T. C. Cohen	SoBRA Factor Calculation	TCC-1
T. C. Cohen	Projected Retail Base Revenues	TCC-2
T. C. Cohen	Summary of Tariff Changes for January 1, 2018	TCC-3
T. C. Cohen	Summary of Tariff Changes for March 1, 2018	TCC-4
T. C. Cohen	Typical Bill Estimates	TCC-5

3) **STATEMENT OF BASIC POSITION**

FPL’s 2018 Fuel and Purchased Power Cost Recovery factors and Capacity Cost Recovery factors, including its prior period true-ups, are reasonable and should be approved. The final true-up of \$126,520 related to Woodford completes the removal of all Woodford-related costs from the Fuel Clause. FPL’s asset optimization activities in 2016 delivered total gains of \$62,835,808. Of these total gains, FPL is allowed to retain \$10,101,485. FPL’s Incremental Optimization Costs are reasonable and should be approved for recovery. FPL’s hedging activities, as reported in the April 2017 and August 2017 hedging reports should be approved as compliant with its Commission-approved 2017 Risk Management Plan. FPL’s Generation Base Rate Adjustment (“GBRA”) refund true-up amount of \$5,155,198 for Port Everglades Energy Center (“PEEC”) should be approved. FPL’s solar generation that will be placed into service in 2017 and 2018 (the “2017 Solar Project” and “2018 Solar Project,”

respectively) are projected to save FPL customers approximately \$106 million on a cumulative present value of revenue requirements (“CPVRR”) basis and their costs are lower than the cap prescribed by FPL’s Base Rate Settlement Agreement. FPL’s proposed 2017 and 2018 Solar Projects are cost effective and should be approved. FPL’s solar base rate adjustment (“SoBRA”) factors of 0.937% and 0.919% and revenue requirements of \$60,523,000 and \$59,890,000 associated with the 2017 and 2018 Solar Projects, respectively, should be approved, and the revised tariffs for FPL reflecting the requested base rate percentage increases for the 2017 and 2018 SoBRA projects should be approved.

4) STATEMENT OF ISSUES AND POSITIONS

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

ISSUE 2A: Should the Commission approve as prudent FPL’s actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in FPL’s April 2017 and August 2017 hedging reports?

FPL: Yes. FPL’s risk management plan currently involves only natural gas hedging. FPL’s actions to mitigate the price volatility of natural gas, as reported in FPL’s April 2017 and August 2017 hedging reports, are reasonable and prudent. (Yupp)

ISSUE 2B: What is the total gain in 2016 under the Incentive Mechanism approved in Order No. PSC-13-0023-S-EI, and how is that gain to be shared between FPL and customers?

FPL: FPL’s asset optimization activities in 2016 delivered total gains of \$62,835,808. Of these total gains, FPL is allowed to retain \$10,101,485. (Yupp)

ISSUE 2C: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2016 through December 2016?

FPL: The amount of Incremental Optimization Costs for Personnel, Software, and Hardware Costs that FPL should be allowed to recover through the fuel clause is \$484,305 for the period January 2016 through December 2016. (Yupp)

ISSUE 2D: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M costs incurred to generate output for

wholesale sales in excess of 514,000 megawatt-hours for the period January 2016 through December 2016?

FPL: The amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M costs incurred to generate output for wholesale sales in excess of 514,000 megawatt-hours for the period January 2016 through December 2016 is \$2,809,052. (Yupp)

ISSUE 2E: What is the appropriate amount of actual/estimated Incremental Optimization Costs under the Incentive Mechanism approved by Order No. PSC-16-0560-AS-EI that FPL may recover through the fuel clause for the period January 2017 through December 2017?

FPL: The amount of Incremental Optimization Costs for Personnel, Software, and Hardware Costs that FPL should be allowed to recover through the fuel clause is \$701,442 for the period January 2017 through December 2017. (Yupp)

ISSUE 2F: What is the appropriate amount of actual/estimated variable power plant O&M expenses under the revised Incentive Mechanism that FPL may recover through the fuel clause for the period January 2017 through December 2017?

FPL: The amount of Incremental Optimization Costs under the revised Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M costs associated with wholesale economy sales and purchases for the period January 2017 through December 2017 is \$432,296. (Yupp)

ISSUE 2G: What is the appropriate amount of projected Incremental Optimization Costs under the revised Incentive Mechanism FPL may recover through the fuel clause for the period January 2018 through December 2018?

FPL: The amount of Incremental Optimization Costs under the revised Incentive Mechanism that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2018 through December 2018 is \$484,870. (Yupp)

ISSUE 2H: What is the appropriate amount of projected variable power plant O&M expenses under the revised Incentive Mechanism FPL may recover through the fuel clause for the period January 2018 through December 2018?

FPL: The amount of Incremental Optimization Costs under the revised Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M costs associated with wholesale economy sales and purchases for the period January 2018 through December 2018 is \$496,340. (Yupp)

ISSUE 2I: Have all Woodford-related costs been removed from FPL’s requested true-up and projected fuel costs?

FPL: Yes. The final true-up of \$126,520 related to Woodford will be carried forward and refunded to customers in FPL’s 2018 FCR factors. This true-up completes the removal of all Woodford expenses from the Fuel Clause. (Yupp)

ISSUE 2J: Are the 2017 SOBRA projects proposed by FPL (Horizon, Wildflower, Indian River, and Coral Farms) cost effective?

FPL: Yes. The 2017 and 2018 SOBRA projects are projected to result in \$106 million (CPVRR) of customer savings. (Enjamio, Brannen)

ISSUE 2K: What are the revenue requirements associated with the 2017 SOBRA projects?

FPL: \$60,523,000. (Fuentes)

ISSUE 2L: What is the appropriate base rate percentage increase for the 2017 SOBRA projects to be effective when all 2017 projects are in service, currently projected to be January 1, 2018?

FPL: 0.937%. (Cohen)

ISSUE 2M: Are the 2018 SOBRA projects proposed by FPL (Hammock, Barefoot Bay, Blue Cypress, and Loggerhead) cost effective?

FPL: Yes. The 2017 and 2018 SOBRA projects are projected to result in \$106 million (CPVRR) of customer savings. (Enjamio, Brannen)

ISSUE 2N: What are the revenue requirements associated with the 2018 SOBRA projects?

FPL: \$59,890,000. (Fuentes)

ISSUE 2O: What is the appropriate base rate percentage increase for the 2018 SOBRA projects to be effective when all 2018 projects are in service, currently projected to be March 1, 2018?

FPL: 0.919%. (Cohen)

ISSUE 2P: Should the Commission approve revised tariffs for FPL reflecting the base rate percentage increases for the 2017 and 2018 SoBRA projects determined to be appropriate in this proceeding?

FPL: Yes. (Cohen)

ISSUE 2Q: Has FPL properly reflected in the fuel and purchased power cost recovery clause the effects of the Indiantown Cogeneration L.P. (Indiantown) facility transaction approved by the Commission in Docket No. 160154-EI?

FPL: Yes. (Deaton)

ISSUE 2R: How should the effects on the 2018 Fuel and Capacity Clause factors of the St. Johns River Power Park Transaction (SJRPP), approved by the Commission September 25, 2017, be addressed?

FPL: At the time that FPL made its 2018 Fuel and Capacity Clause projection filing, the Commission was not expected to make a decision on the SJRPP Transaction until after the hearing in this docket, so FPL did not reflect the impacts of that transaction in the calculation of its 2018 Fuel or Capacity Clause factors. However, on September 25, 2017 the Commission approved FPL's and OPC's stipulation and settlement resolving all issues concerning the SJRPP Transaction. The net impact of the SJRPP Transaction will be a reduction in customer bills for 2018. At this point, FPL cannot prepare and file an updated filing reflecting the SJRPP Transaction in time for parties to have a reasonable opportunity to review it before the hearing scheduled in this docket on October 25-27, 2017. Therefore, FPL proposes to file a mid-course correction limited to the impacts of the SJRPP Transaction by no later than November 17, 2017, to allow ample time for Staff and parties to review and conduct discovery, if any, before the mid-course correction is brought to the Commission for decision at the February 6, 2018 agenda conference, with the intent that the revised Fuel and Capacity factors go into effect on March 1, 2018. (Deaton)

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2017 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: FPL's revised Incentive Mechanism approved by the Commission in Order No. PSC-16-0560-AS-EI does not rely upon the three-year average Shareholder Incentive Benchmark specified in Order No. PSC-00-1744-PAA-EI, so it is not applicable to FPL for calendar year 2017. (Deaton)

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2018 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: FPL's revised Incentive Mechanism approved by the Commission in Order No. PSC-16-0560-AS-EI does not rely upon the three-year average Shareholder Incentive Benchmark specified in Order No. PSC-00-1744-PAA-EI, so it is not applicable to FPL for calendar year 2018. (Deaton)

ISSUE 8: What are the appropriate final fuel adjustment true-up amounts for the period January 2016 through December 2016?

FPL: \$28,780,519 under-recovery. (Deaton)

ISSUE 9: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2017 through December 2017?

FPL: \$45,572,897 over-recovery. (Deaton)

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2018 to December 2018?

FPL: \$16,792,378 over-recovery. (Deaton)

ISSUE 11: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2018 through December 2018?

FPL: Jurisdictionalized, \$2,870,532,871 excluding prior period true-ups, revenue taxes, FPL's portion of Incentive Mechanism gains, and the GPIF reward. (Deaton)

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) ISSUES

Florida Power & Light Company

ISSUE 13A: What are the appropriate adjustments to FPL's 2017 GPIF targets/ranges to reflect the effects of the Indiantown transaction approved by the Commission in Docket No. 160154-EI?

FPL: The revised 2017 GPIF targets and ranges including the appropriate adjustments to reflect the effects of the Indiantown transaction are as follows:

	EAF Target	ANOHR Target
<u>Plant / Unit</u>	<u>(%)</u>	<u>BTU/KWH</u>
Cape Canaveral 3	79.4	6,661
Manatee 3	70.9	6,962
Ft. Myers 2	92.4	7,301
Martin 8	72.9	6,977
St. Lucie 1	93.6	10,401
St. Lucie 2	83.7	10,278
Turkey Point 3	85.1	11,106
Turkey Point 4	85.4	11,019
Turkey Point 5	78.3	7,136
West County 1	89.5	6,951
West County 2	93.0	6,911
West County 3	76.1	6,980

(Rote)

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 16: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2016 through December 2016 for each investor-owned electric utility subject to the GPIF?

FPL: \$9,656,036 reward. (Rote)

ISSUE 17: What should the GPIF targets/ranges be for the period January 2018 through December 2018 for each investor-owned electric utility subject to the GPIF?

FPL:

	EAF Target	ANOHR Target
<u>Plant / Unit</u>	<u>(%)</u>	<u>BTU/KWH</u>
Cape Canaveral 3	86.4	6,637
Manatee 3	92.9	6,939
Ft. Myers 2	85.9	7,240
Martin 8	80.5	7,006
Riviera 5	85.4	6,601
St. Lucie 1	85.0	10,441
St. Lucie 2	85.1	10,303
Turkey Point 3	82.1	11,044
Turkey Point 4	93.6	10,970
West County 1	79.1	6,974
West County 2	89.3	6,885
West County 3	80.4	6,974

(Rote)

FUEL FACTOR CALCULATION ISSUES

ISSUE 18: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2018 through December 2018?

FPL: \$2,874,984,279 including prior period true-ups, revenue taxes, FPL's portion of Incentive Mechanism gains, and the GPIF reward. (Deaton)

ISSUE 19: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2018 through December 2018?

FPL: 1.00072. (Deaton)

ISSUE 20: What are the appropriate levelized fuel cost recovery factors for the period January 2018 through December 2018?

FPL: FPL is proposing the following separate factors for January 2018 through February 2018 that include the fuel savings associated with the 2017 Solar Project that is projected to go in-service by January 1, 2018, and for March 2018 through December 2018 that include the fuel savings associated with the 2018 Solar Project that is projected to go in-service on March 1, 2018:

(a) 2.650 cents/kWh for January 2018 through the day prior to the 2018 SoBRA in-service date (projected to be February 28, 2018);

(b) 2.630 cents/kWh from the 2018 SoBRA in-service date (projected to be March 1, 2018) through December 2018. (Deaton)

ISSUE 21: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

FPL: The appropriate fuel cost recovery line loss multipliers are provided in response to Issue No. 22. (Deaton)

ISSUE 22: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FPL:

GROUPS	RATE SCHEDULE	JANUARY - FEBRUARY		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	2.650	1.00206	2.317
A	RS-1 all additional kWh	2.650	1.00206	3.317
A	GS-1, SL-2, GSCU-1, WIES-1	2.650	1.00206	2.655
A-1	SL-1, OL-1, PL-1 ⁽¹⁾	2.553	1.00206	2.558
B	GSD-1	2.650	1.00202	2.655
C	GSLD-1, CS-1	2.650	1.00150	2.654
D	GSLD-2, CS-2, OS-2, MET	2.650	0.99635	2.640
E	GSLD-3, CS-3	2.650	0.97646	2.588
A	GST-1 On-Peak	3.156	1.00206	3.163
	GST-1 Off-Peak	2.438	1.00206	2.443
A	RTR-1 On-Peak	-	-	0.508
	RTR-1 Off-Peak	-	-	(0.212)
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) On-Peak	3.156	1.00202	3.162
	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) Off-Peak	2.438	1.00202	2.443
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) On-Peak	3.156	1.00150	3.161
	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) Off-Peak	2.438	1.00150	2.442
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) On-Peak	3.156	0.99672	3.146
	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) Off-Peak	2.438	0.99672	2.430
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) On-Peak	3.156	0.97646	3.082
	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) Off-Peak	2.438	0.97646	2.381
F	CILC-1(D), ISST-1(D) On-Peak	3.156	0.99627	3.144
	CILC-1(D), ISST-1(D) Off-Peak	2.438	0.99627	2.429

⁽¹⁾WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

GROUPS	RATE SCHEDULE	JUNE - SEPTEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	3.790	1.00202	3.798
	GSD(T)-1 Off-Peak	2.507	1.00202	2.512
C	GSLD(T)-1 On-Peak	3.790	1.00150	3.796
	GSLD(T)-1 Off-Peak	2.507	1.00150	2.511
D	GSLD(T)-2 On-Peak	3.790	0.99672	3.778
	GSLD(T)-2 Off-Peak	2.507	0.99672	2.499

Note: On-Peak Period is defined as June through September, weekdays 3:00pm to 6:00pm
Off Peak Period is defined as all other hours.

Note: All other months served under the otherwise applicable rate schedule.
See Schedule E-1E, Page 1 of 2.

Note: Totals may not add due to rounding.

GROUPS	RATE SCHEDULE	MARCH - DECEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	2.630	1.00206	2.297
A	RS-1 all additional kWh	2.630	1.00206	3.297
A	GS-1, SL-2, GSCU-1, WIES-1	2.630	1.00206	2.635
A-1	SL-1, OL-1, PL-1 ⁽¹⁾	2.534	1.00206	2.539
B	GSD-1	2.630	1.00202	2.635
C	GSLD-1, CS-1	2.630	1.00150	2.634
D	GSLD-2, CS-2, OS-2, MET	2.630	0.99635	2.620
E	GSLD-3, CS-3	2.630	0.97646	2.568
A	GST-1 On-Peak	3.132	1.00206	3.138
	GST-1 Off-Peak	2.420	1.00206	2.425
A	RTR-1 On-Peak	-	-	0.503
	RTR-1 Off-Peak	-	-	(0.210)
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) On-Peak	3.132	1.00202	3.138
	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) Off-Peak	2.420	1.00202	2.425
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) On-Peak	3.132	1.00150	3.137
	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) Off-Peak	2.420	1.00150	2.424
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) On-Peak	3.132	0.99672	3.122
	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) Off-Peak	2.420	0.99672	2.412
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) On-Peak	3.132	0.97646	3.058
	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) Off-Peak	2.420	0.97646	2.363
F	CILC-1(D), ISST-1(D) On-Peak	3.132	0.99627	3.120
	CILC-1(D), ISST-1(D) Off-Peak	2.420	0.99627	2.411

⁽¹⁾WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

GROUPS	RATE SCHEDULE	JUNE - SEPTEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	3.761	1.00202	3.769
	GSD(T)-1 Off-Peak	2.488	1.00202	2.493
C	GSLD(T)-1 On-Peak	3.761	1.00150	3.767
	GSLD(T)-1 Off-Peak	2.488	1.00150	2.492
D	GSLD(T)-2 On-Peak	3.761	0.99672	3.749
	GSLD(T)-2 Off-Peak	2.488	0.99672	2.480

Note: On-Peak Period is defined as June through September, weekdays 3:00pm to 6:00pm
Off Peak Period is defined as all other hours.

Note: All other months served under the otherwise applicable rate schedule.
See Schedule E-1E, Page 1 of 2.

Note: Totals may not add due to rounding.

(Deaton)

CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 24A: Has FPL included in the capacity cost recovery clause the nuclear cost recovery amount ordered by the Commission in Docket No. 170009-EI?

FPL: Yes. The proper amount is \$7,305,202 over-recovery. (Deaton)

ISSUE 24B: Has FPL properly reflected in the capacity cost recovery clause the effects of the Indiantown transaction approved by the Commission in Docket No. 160154-EI?

FPL: Yes. (Deaton)

ISSUE 24C: What are the appropriate Indiantown non-fuel base revenue requirements to be recovered through the Capacity Clause pursuant to the Commission's approval of the Indiantown transaction in Docket No. 160154-EI for 2017 and 2018?

FPL: The appropriate Indiantown non-fuel base revenue requirements are \$13,626,163 for 2017 and \$4,022,504 for 2018. (Deaton)

ISSUE 24D: Is \$5,155,918 the appropriate refund amount associated with the Port Everglades Energy Center (PEEC) GBRA true-up?

FPL: Yes. (Deaton)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate final capacity cost recovery true-up amounts for the period January 2016 through December 2016?

FPL: \$7,586,581 over-recovery. (Deaton)

ISSUE 28: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2017 through December 2017?

FPL: \$6,649,359 under-recovery. (Deaton)

ISSUE 29: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2018 through December 2018?

FPL: \$937,222 over-recovery. (Deaton)

ISSUE 30: What are the appropriate projected total capacity cost recovery amounts for the period January 2018 through December 2018?

FPL: Jurisdictionalized, \$289,174,210 for the period January 2018 through December 2018, excluding prior period true-ups, revenue taxes, the nuclear cost recovery amount, the PEEC GBRA True-up and the Indiantown non-fuel base revenue requirement. (Deaton)

ISSUE 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2018 through December 2018?

FPL: The projected net purchased power capacity cost recovery amount to be recovered over the period January 2018 through December 2018 is \$279,996,930, including prior period true-ups, revenue taxes, the nuclear cost recovery amount, the PEEC GBRA True-up and the Indiantown non-fuel based revenue requirement. (Deaton)

ISSUE 32: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2018 through December 2018?

FPL: The appropriate jurisdictional separation factors are:

<u>Demand</u>	<u>Separation Factors</u>
TRANSMISSION	0.887974
SYSTEM AVERAGE PRODUCTION DEMAND (Base and Solar)	0.956652
CONTRACT ADJUSTED DEMAND - INTERMEDIATE	0.941431
CONTRACT ADJUSTED DEMAND - PEAKING	0.947386
DISTRIBUTION	1.000000

(Deaton)

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2018 through December 2018?

FPL: The January 2018 through December 2018 capacity cost recovery factors including Indiantown factors are as follows:

RATE SCHEDULE	Total Jan 2018 - Dec 2018 Capacity Recovery Factor			
	(\$KW)	(\$/kw h)	RDC (\$/KW) ⁽¹⁾	SDD (\$/KW) ⁽²⁾
RS1/RTR1	-	0.00281	-	-
GS1/GST1	-	0.00263	-	-
GSD1/GSDT1/HLFT1	0.84	-	-	-
OS2	-	0.00117	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	0.99	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.93	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.96	-	-	-
SST1T	-	-	\$0.13	\$0.06
SST1D1/SST1D2/SST1D3	-	-	\$0.13	\$0.06
CILC D/CILC G	1.07	-	-	-
CILC T	1.03	-	-	-
MET	1.05	-	-	-
OL1/SL1/SL1M/PL1	-	0.00022	-	-
SL2/SL2M/GSCU1	-	0.00183	-	-

(Deaton)

EFFECTIVE DATE

ISSUE 34: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

FPL: The factors shall be effective for meter readings that occur on or after January 1, 2018 through December 31, 2018. These charges shall continue in effect until modified by subsequent order of this Commission. (Deaton)

TARIFF APPROVAL

ISSUE 35: Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding?

FPL: Yes. The Commission should approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision. (Deaton)

ISSUE 36: Should this Docket be closed?

FPL: Yes. The docket should be closed after issuance of the final order approving expenditures and true-up amounts for fuel adjustment factors; GPIF targets, ranges and rewards; and projected expenditures and true-up amounts for capacity cost recovery factors. (Deaton)

5) STIPULATED ISSUES

FPL: None at this time.

6) PENDING MOTIONS

FPL: None at this time.

7) PENDING REQUESTS FOR CONFIDENTIALITY

1. Florida Power & Light Company's request for confidential classification of information provided in response to staff's 6th set of interrogatories (No. 60), dated August 16, 2017. [DN 07097-2017]
2. Florida Power & Light Company's request for confidential classification of certain information contained in the fuel hedging activity report (Exh GJY-4), dated August 18, 2017. [DN 07156-2017]
3. Florida Power & Light Company's request for confidential classification of certain information contained in capacity payments to non-cogenerator identified in Schedule E12 of Appendix V to the direct testimony Renae B. Deaton, dated August 24, 2017. [DN 07290-2017]

8) OBJECTIONS TO WITNESS QUALIFICATIONS AS AN EXPERT

FPL: None at this time.

9) STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

There are no requirements of the Order Establishing Procedure with which FPL cannot comply.

Respectfully submitted this 2nd day of October 2017.

R. Wade Litchfield, Esq.
Vice President and General Counsel
John T. Butler, Esq.
Assistant General Counsel – Regulatory
Maria J. Moncada
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Telephone: (561) 304-5639
Facsimile: (561) 691-7135

By: s/ Maria J. Moncada
Maria J. Moncada
Florida Bar No. 0773301

CERTIFICATE OF SERVICE
Docket No. 20170001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished

by electronic service on this 2nd day of October 2017 to the following:

Suzanne Brownless, Esq.
Danijela Janjic, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
sbrownle@psc.state.fl.us
djanjic@psc.state.fl.us

Andrew Maurey
Michael Barrett
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
amaurey@psc.state.fl.us
mbarrett@psc.state.fl.us

Beth Keating, Esq.
Gunster Law Firm
Attorneys for Florida Public Utilities Corp.
215 South Monroe St., Suite 601
Tallahassee, Florida 32301-1804
bkeating@gunster.com

Dianne M. Triplett, Esq.
Attorneys for Duke Energy Florida
299 First Avenue North
St. Petersburg, Florida 33701
dianne.triplett@duke-energy.com

James D. Beasley, Esq.
J. Jeffrey Wahlen, Esq.
Ausley & McMullen
Attorneys for Tampa Electric Company
P.O. Box 391
Tallahassee, Florida 32302
jbeasley@ausley.com
jwahlen@ausley.com

Russell A. Badders, Esq.
Steven R. Griffin, Esq.
Beggs & Lane
Attorneys for Gulf Power Company
P.O. Box 12950
Pensacola, Florida 32591-2950
rab@beggslane.com
srg@beggslane.com

Robert Scheffel Wright, Esq.
John T. LaVia, III, Esq.
Gardner, Bist, Wiener, et al
Attorneys for Florida Retail Federation
1300 Thomaswood Drive
Tallahassee, Florida 32308
schef@gbwlegal.com
jlavia@gbwlegal.com

James W. Brew, Esq.
Laura A. Wynn, Esq.
Attorneys for PCS Phosphate - White Springs
Stone Mattheis Xenopoulos & Brew, PC
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, DC 20007-5201
jbrew@smxblaw.com
law@smxblaw.com

Jeffrey A. Stone
Rhonda J. Alexander
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0780
jas@southernco.com
rjalexad@southernco.com

Matthew R. Bernier, Esq.
Duke Energy Florida
106 East College Avenue, Suite 800
Tallahassee, Florida 32301
matthew.bernier@duke-energy.com

J. R. Kelly, Esq.
Patricia Christensen, Esq.
Charles Rehwinkel, Esq.
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399
kelly.jr@leg.state.fl.us
christensen.patty@leg.state.fl.us
rehwinkel.charles@leg.state.fl.us

Mike Cassel
Director, Regulatory and Governmental
Affairs
Florida Public Utilities Company
911 South 8th Street
Fernandina Beach, Florida 32034
mcassel@fpuc.com

Paula K. Brown, Manager
Tampa Electric Company
Regulatory Coordinator
Post Office Box 111
Tampa, Florida 33601-0111
regdept@tecoenergy.com

Jon C. Moyle, Esq.
Moyle Law Firm, P.A.
Attorneys for Florida Industrial Power
Users Group
118 N. Gadsden St.
Tallahassee, Florida 32301
jmoyle@moylelaw.com

By: s/ Maria J. Moncada
Maria J. Moncada
Florida Bar No. 0773301