



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 11, 2021
TO: All Parties of Record & Interested Persons
FROM: Suzanne Brownless, Special Counsel, Office of the General Counsel *SB*
RE: Docket No. 20210015-EI – In re: Petition for rate increase by Florida Power & Light Company.

Please note that an informal remote meeting between Commission staff and interested persons to the above-captioned docket has been scheduled for the following time and place:

Monday, May 17, 2021 at 1:30 p.m.

The purpose of the meeting is to identify issues in this docket. A preliminary issue list is attached. Participation will be telephonic only. Participation is not required; however, all interested persons are encouraged to participate.

Persons may participate telephonically in this meeting by dialing 1-888-585-9008, Conference Room No. 373-704-593#. If you have any questions about the meeting, please call Suzanne Brownless at (850) 413-6218.

If settlement of the case or a named storm or other disaster requires cancellation of the meeting, Commission staff will attempt to give timely direct notice to the parties. Notice of cancellation will also be provided on the Commission's website (<http://www.psc.state.fl.us/>) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at 850-413-6199.

cc: Commission Clerk

**FPL/GULF RATE CASE
DOCKET NO. 20210015-EI
PRELIMINARY ISSUE LIST
May 11, 2021**

TEST PERIOD AND FORECASTING

- ISSUE 1:** Is FPL's projected test period of the 12 months ending December 31, 2022, appropriate?
- ISSUE 2:** Is FPL's projected test period of the 12 months ending December 31, 2023, appropriate?
- ISSUE 3:** Are FPL's forecasts of Customers, KWH, and KW by Rate Schedule and Revenue Class, for the 2022 projected test year appropriate?
- ISSUE 4:** Are FPL's forecasts of Customers, KWH, and KW by Rate Schedule and Revenue Class, for the 2023 projected test year appropriate, if applicable?
- ISSUE 5:** Are FPL's projected revenues from sales of electricity by rate class at present rates for the 2021 prior year and projected 2022 test year appropriate?
- ISSUE 6:** Are FPL's projected revenues from sales of electricity by rate class at present rates for the projected 2023 test year appropriate, if applicable?
- ISSUE 7:** What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2022 test year budget?
- ISSUE 8:** What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2023 test year budget, if applicable?

QUALITY OF SERVICE

- ISSUE 9:** 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.

DEPRECIATION AND DISMANTLEMENT STUDIES

- ISSUE 10:** What, if any, are the appropriate capital recovery schedules?

- ISSUE 11:** Based on FPL’s 2021 Depreciation Study, 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?
- ISSUE 12:** Based on FPL’s 2021 Depreciation Study, what are the appropriate depreciation parameters (e.g., service lives, remaining lives, net salvage percentages, and reserve percentages) and resulting depreciation rates for each transmission, distribution, and general plant account, and subaccounts, if any?
- ISSUE 13:** If the Commission approves FPL’s proposed Reserve Surplus Amortization Mechanism (Issue 110), what are the appropriate depreciation parameters (e.g., service lives, remaining lives, net salvage percentages, and reserve percentages) and depreciation rates?
- ISSUE 14:** 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?
- ISSUE 15:** What, if any, corrective reserve measures should be taken with respect to the imbalances identified in Issue 14?
- ISSUE 16:** What should be the implementation date for revised depreciation rates, capital recovery schedules, and amortization schedules?
- ISSUE 17:** Should FPL’s currently approved annual dismantlement accrual be revised?
- ISSUE 18:** What, if any, corrective dismantlement reserve measures should be approved?
- ISSUE 19:** What is the appropriate annual accrual and reserve for dismantlement
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

RATE BASE

- ISSUE 20:** Has FPL made the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation and Working Capital
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 21:** What is the appropriate amount of Plant in Service for the Dania Beach Clean Energy Center Unit 7
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

- ISSUE 22:** What is the appropriate amount of Plant in Service for the SolarTogether Centers
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 23:** What is the appropriate amount of Plant in Service for FPL’s Battery Storage Pilot projects associated with Paragraph 18 of the 2017 Settlement Agreement approved by Order No. PSC-2016-0560-AS-EI?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 24:** Is the North Florida Resiliency Connection reasonable and prudent?
- ISSUE 25:** Are FPL’s 2020 through 2023 solar generation additions reasonable and prudent?
- ISSUE 26:** Are FPL’s 938 MW Northwest combustion turbine additions in 2022 reasonable and prudent?
- ISSUE 27:** Are FPL’s combined cycle generation upgrade projects reasonable and prudent?
- ISSUE 28:** Are FPL’s proposed 469 MW of battery storage projects reasonable and prudent?
- ISSUE 29:** Should the Commission approve FPL’s proposed hydrogen storage project?
- ISSUE 30:** Is FPL’s proposed early retirement of the coal assets at Plant Crist on October 15, 2020, as compared to (Original Retirement Date), reasonable and prudent?
- ISSUE 31:** Is FPL’s proposed early retirement of the Plant Scherer Unit 4 on January 1, 2022, as compared to (Original Retirement Date), reasonable and prudent?
- ISSUE 32:** What is the appropriate level of Plant in Service (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 33:** What is the appropriate level of Accumulated Depreciation (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 34:** Are FPL’s proposed adjustments to move certain CWIP projects from base rates to the Environmental Cost Recovery Clause appropriate?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

- ISSUE 35:** Are FPL's proposed adjustments to move certain CWIP projects from base rates to the Energy Conservation Cost Recovery Clause appropriate?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 36:** What is the appropriate level of Construction Work in Progress to be included in rate base
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 37:** Are FPL's proposed reserves for Nuclear End of Life Material and Supplies and Last Core Nuclear Fuel appropriate
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 38:** 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 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 39:** What is the appropriate level of Property Held for Future Use
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 40:** What is the appropriate level of fossil fuel inventories
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 41:** 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 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 42:** What is the appropriate amount of deferred pension debit in working capital for FPL to include in rate base
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 43:** Should the unbilled revenues be included in working capital
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 44:** What is the appropriate methodology for calculating FPL's Working Capital
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 45: What is the appropriate level of Working Capital (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 46: What is the appropriate level of rate base (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year

COST OF CAPITAL

ISSUE 47: 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 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 48: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 49: What is the appropriate amount and cost rate for short-term debt to include in the capital structure
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 50: What is the appropriate amount and cost rate for long-term debt to include in the capital structure
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 51: What is the appropriate amount and cost rate for customer deposits to include in the capital structure
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 52: What is the appropriate equity ratio to use in the capital structure for ratemaking purposes
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 53: What is the appropriate authorized return on equity (ROE) to use in establishing FPL's revenue requirement
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 54: Should FPL's request for a 50 basis point performance adder to the authorized return on equity be approved?

- ISSUE 55:** What is the appropriate weighted average cost of capital to use in establishing FPL's revenue requirement? (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

NET OPERATING INCOME

- ISSUE 56:** What are the appropriate projected amounts of Other Operating Revenues
A. For the 2022 projected test year
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 57:** Has FPL appropriately accounted for SolarTogether Program subscription charges?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 58:** What is the appropriate level of Total Operating Revenues
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 59:** Has FPL made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 60:** 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 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 61:** 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 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 62:** 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 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 63:** Has FPL made the appropriate adjustments to remove all storm hardening revenues and expenses recoverable through the Storm Protection Plan Cost Recovery Clause
A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

ISSUE 64: Has FPL made the appropriate adjustments to remove all non-utility activities from operating revenues and operating expenses

A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

ISSUE 65: 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 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

ISSUE 66: 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 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

ISSUE 67: Should any adjustments be made to FPL's operating revenues or operating expenses for the effects of transactions with affiliated companies

A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

ISSUE 68: What is the appropriate level of generation overhaul expense

A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

ISSUE 69: What is the appropriate amount of FPL's production plant O&M expense

A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

ISSUE 70: What is the appropriate amount of FPL's transmission O&M expense

A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year

ISSUE 71: What is the appropriate amount of FPL's distribution O&M expense

A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year

ISSUE 72: What is the appropriate annual storm damage accrual and storm damage reserve

A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year

ISSUE 73: What is the appropriate amount of Other Post Employment Benefits expense

A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year

- ISSUE 74:** What is the appropriate amount of Salaries and Employee Benefits expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year
- ISSUE 75:** What is the appropriate amount of Pension Expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year
- ISSUE 76:** Should an adjustment be made to the amount of the Directors and Officers Liability Insurance expense that FPL included in the 2022 and, if applicable, 2023 projected test year(s)?
- ISSUE 77:** What is the appropriate amount and amortization period for Rate Case Expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year
- ISSUE 78:** 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?
- ISSUE 79:** What are the appropriate expense accruals for: (1) end of life materials and supplies and 2) last core nuclear fuel
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year
- ISSUE 80:** What is the appropriate level of O&M Expense (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year
- ISSUE 81:** What is the appropriate amount of depreciation, amortization, and fossil dismantlement expense (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year
- ISSUE 82:** What is the appropriate level of Taxes Other Than Income (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year
- ISSUE 83:** What is the appropriate level of Income Taxes
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year
- ISSUE 84:** What is the appropriate level of (Gain)/Loss on Disposal of utility property
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year
- ISSUE 85:** What is the appropriate level of Total Operating Expenses? (Fallout Issue)

- A. For the 2022 projected test year?
- B. If applicable, for the 2023 subsequent projected test year

ISSUE 86: What is the appropriate level of Net Operating Income (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

REVENUE REQUIREMENTS

ISSUE 87: 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 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 88: What is the appropriate annual operating revenue increase or decrease (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

COST OF SERVICE AND RATE DESIGN ISSUES

ISSUE 89: Should FPL's proposal for a consolidated cost of service and unified tariffs and rates for FPL and the former Gulf Power Company's customers be approved?

ISSUE 90: Should the proposed transition rider charges and transition rider credits for the years 2022 through 2026 be approved?

ISSUE 91: Is FPL's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 92: What is the appropriate methodology to allocate production, transmission, and distribution costs to the rate classes?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 93: How should the change in revenue requirement be allocated to the customer classes?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 94: What are the appropriate service charges (initial connection, reconnect for nonpayment, connection of existing account, field collection)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

- ISSUE 95:** Should FPL's proposed revisions to the underground electric distribution tariffs for residential subdivisions and commercial customers be approved?
- ISSUE 96:** Should FPL's proposal to eliminate the Governmental Adjustment Factor (GAF) waiver (Tariff Sheet No. 6.300) be approved?
- ISSUE 97:** Should FPL's proposed new Economic Development Rider (Original Tariff Sheet Nos. 8.802 – 8.802-1) be approved?
- ISSUE 98:** Should FPL's proposal to increase the cap from 300 to 1,000 megawatts and from 50 to 75 contracts for the Commercial/Industrial Service Rider (CISR) be approved?
- ISSUE 99:** Should FPL's proposal to cancel Gulf's Community Solar (CS) rider be approved?
- ISSUE 100:** What is the appropriate monthly credit for Commercial/Industrial Demand Reduction (CDR) Rider customers effective January 1, 2022?
- ISSUE 101:** Should FPL's proposal to add a maximum demand charge to the commercial/industrial time-of-use rate schedules be approved?
- ISSUE 102:** What are the appropriate base charges (formerly customer charges)(Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 103:** What are the appropriate demand charges (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 104:** What are the appropriate energy charges (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 105:** What are the appropriate charges for the Standby and Supplemental Services (SST-1, ISST-1) rate schedules (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 106:** What are the appropriate charges for the Commercial Industrial Load Control (CILC) rate schedule (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?
- ISSUE 107:** What are the appropriate lighting rate charges (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 108: Should the Commission give staff administrative authority to approve tariffs reflecting Commission approved rates and charges?

ISSUE 109: What are the effective dates of FPL's proposed rates and charges?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

OTHER ISSUES

ISSUE 110: Should the Commission approve FPL's requested Reserve Surplus Amortization Mechanism?

ISSUE 111: Should the Commission approve FPL's requested asset optimization incentive mechanism?

ISSUE 112: Should the Commission approve FPL's requested Solar Base Rate Adjustment mechanisms in 2024 and 2025 for a total of 1,788 MW?

ISSUE 113: Should the Commission approve FPL's requested Storm Cost Recovery mechanism?

ISSUE 114: 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?

ISSUE 115: Should this docket be closed?