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Public Service Commission

August 16, 2021

Ms. Maria Moncada
700 University Boulevard
Juno Beach, Florida 33408-0420
Maria.moncada@fpl.com

STAFF'S SECOND DATA REQUEST
via email

Re: Docket No. 20210015-EI – Petition for rate increase by Florida Power & Light Company

Dear Ms. Moncada:

By this letter, the Commission staff requests that Florida Power & Light Company provide responses to the following data requests:

1. Please refer to Paragraph 2 of the proposed Settlement Agreement.
    a. Is it the intent of the Signatories that the projected 2022 and 2023 balances and amounts reflected in the MFRs referenced, as adjusted on Exhibit LF-12, shall be relied upon for all regulatory purposes during the Minimum Term of the proposed Settlement Agreement?
    b. Exhibit LF-12 supports a 2022 revenue requirement increase of approximately $1.075 billion, and a 2023 revenue requirement increase of approximately $605 million based on an ROE midpoint of 11.50 percent and inclusion of RAFs in base rates. Please provide a revised Exhibit LF-12 utilizing an ROE midpoint of 10.60 percent, and an explanation of difference between the recalculated revenue requirement increases and the revenue increases outlined in Paragraphs 4(a) and 4(b) of the proposed Settlement Agreement.

2. Please refer to Paragraph 7 of the proposed Settlement Agreement. When does FPL anticipate implementing the change in the RAF assessments on customer bills?

3. Please refer to Paragraph 7 of the proposed Settlement Agreement. Please explain how removing the application of the Regulatory Assessment Fee (RAF) from base rates and including it along with the Florida Gross Receipts Tax will affect the application of the

RAF associated with clause revenues. As in, if the proposed Settlement Agreement is approved, how will the RAF be applied to clause revenues on a going-forward basis?

4. Please refer to Paragraph 8 of the proposed Settlement Agreement. If the proposed Settlement Agreement is approved, does Florida Power & Light Company (FPL or Company) intend to file unified projection (of 2022) testimonies for all its clause (projection) filings this year?

5. Please refer to Paragraphs 12(i) and 12(j) of the proposed Settlement Agreement. The cost savings sharing incentive outline in Paragraph 12(i) references the "actual installed cost of a solar generation site." Paragraph 12(j) references "actual capital costs for a solar generation project."
    a. Please explain the difference between "actual installed cost" and "actual capital costs."
    b. Please explain the difference between a "solar generation site" and a "solar generation project."
    c. Could AFUDC accruals result in cost overruns as outlined in Paragraph 12(j)?
    d. Could a solar generation project with cost overruns, include individual solar generation site(s) which apply cost savings sharing under Paragraph 12(i)?

6. Please refer to both page 23, Paragraph 18, and Exhibit E of the proposed Settlement Agreement. Does the proposed accrual for "Solar," appearing on line 14, contain dismantlement cost recovery amounts/accruals associated with any yet-to-be-constructed solar facilities? If so, please discuss how/to what distinct plant accounts the Company intends to record these accruals during the period between the implementation of proposed Settlement Agreement-related (new) base rates (proposed to begin with the January 2022 billing cycle) and any specific plant's in-service date.

7. Please refer to Paragraph 21, romanette (i) of the proposed Settlement Agreement. Please further discuss what potential fuel types and associated transactions are being contemplated in this section of the proposed Settlement Agreement.

8. Please refer to Paragraph 21, romanette (iv) of the proposed Settlement Agreement. As indicated, the variable power Operation & Maintenance rate shall be $0.48/MWh as it relates to the proposed (newly-modified) Asset Optimization Program. Please further define what megawatt hours are being referred to, i.e., total sales, only sales/opportunities related to the Asset Optimization Program, etc.

9. Please refer to Paragraph 27 of the proposed Settlement Agreement. As stated, "[t]he Parties understand and intend that FPL will not enter into any new financial natural gas hedging contracts after the date on which this Agreement is executed, except as may be

necessary for FPL to remain in compliance to the minimum extent practicable with the requirements of its currently approved Risk Management Plan."

a. Does FPL (to include Gulf) have a currently approved and in effect Risk Management Plan (RMP)? If so, please identify the RMP's vintage and any Florida Public Service Commission order number approving such plan.
b. Please explain what potential actions or scenarios the language "except as may be necessary for FPL to remain in compliance to the minimum extent practicable with the requirements of its currently approved Risk Management Plan" is specifically meant to capture or address.
c. Does this section of the proposed Settlement Agreement apply to the (price) hedging of fuels other than natural gas? Please explain any response.

10. Please refer to Exhibit E of the proposed Settlement Agreement. Please provide the underlying data/schedules showing the derivations/calculations of the plant-specific "revised" annual accruals shown on this Exhibit.

Please file all responses electronically no later than Monday, August 23, 2021, from the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6218 if you have any questions.

Sincerely,

/s/ Suzanne S. Brownless

Suzanne S. Brownless
Special Counsel

SBr/csc

cc: Office of Commission Clerk
All parties of record