

STATE OF FLORIDA

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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 THIRD 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 10 of the Settlement Agreement and FPL Witness Barrett's Direct Testimony, page 57, lines 10-13, regarding storm surcharges.
 - a. If the Settlement is approved by the Commission, will the current Gulf surcharge for Hurricane Sally cease when all approved deferred storm costs have been recovered, exclusive of any storm reserve replenishment?
 - b. What will be the approximate end date for the Hurricane Sally surcharge if the Settlement is approved? (tariff sheet No. 8.030.5)
 - c. What will be the approximate end date for the Hurricane Michael surcharge if the Settlement is approved? (tariff sheet No. 8.030.4)
2. Please refer to Exhibit D, page 2 of 8, of the Settlement. Please identify which clause and the corresponding amortization amount for each of the regulatory assets included in this exhibit.
3. Paragraph 16(a) of FPL's 2021 Settlement Agreement (SA) states:

FPL projected that it would have \$346 million [theoretical reserve which was approved previously to be used in the RSAM] remaining at the end of 2021.

Paragraph 16(b) of the SA states:

The Parties agree that FPL is authorized to apply the alternative depreciation parameters and resulting rates as set forth in Exhibit KF-3(B). [...] the parties agree that FPL's theoretical depreciation reserve surplus for purposes of this Agreement shall be \$1.45 billion, which is inclusive of the projected \$346 million balance remaining, (the "Reserve Amount") on January 1, 2022."

Exhibit KF-3(B), page 47, indicates that the theoretical reserve surplus, as of 12/31/2021, is \$1.48 billion for the scenario of "Consolidated With RSAM."

If the Commission approves the SA and authorizes the RSAM depreciation rates with the associated theoretical reserve shown in KF-3(B), please confirm that FPL will have \$30.2 million theoretical reserve surplus, as indicated in Table 1 below, which will not be used for the purpose of the SA. Please also explain whether FPL intends to "correct" this reserve imbalance.

KF-3(B), p. 47	SA 16(b)	SA 16(a)	Portion of the	Net of the
RSAM Scenario	"Reserve Amount"	Previously approved	"Reserve Amount"	Reserve Surplus
Theoretical Reserve Imbalance	"Reserve Amount"	Reserve Remaining	Due to the current case	Identified in KF-(B)
(1)	(2)	(3)	(4) = (2) - (3)	(5) = (1) - (4)
1,480,203,041	1,450,000,000	346,000,000	1,104,000,000	30,203,041

4. Please refer to paragraph 17 of the SA for the questions below:
 - a. Please explain what is meant by "depreciation adjustments," and specify what are included in the "adjustments."
 - b. Please provide a list, in both PDF and MS Excel formats, of the SA Parties agreed upon depreciation parameters (service lives, remaining lives, net salvage percentages and reserve percentages) and depreciation rates for each and every depreciable account and subaccount.

5. Please refer to the SA, Exhibit E "Dismantlement Accruals Using RSAM Lives Effective January 1, 2022." Lines 29 and 30 show the "Revised Annual Accrual" associated with Scherer – Unit 3 (Coal Combustion Residuals) and Scherer – Unit 4 (Coal Combustion Residuals). Given that these two items are not affected by the RSAM lives which address the life spans of nuclear, combined cycle and solar plants, please explain why the revised annual accrual for these two plant items are also reduced as compared with FPL's proposed annual accrual amounts appearing in Exhibit JTK-1 (Corrected), page 23 of 171, and Corrected Exhibit KF-5, page 1 of 3.

Staff's Third Data Request

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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