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-VIA ELECTRONIC FILING-

Adam Teitzman, Commission Clerk
Division of the Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 20170235-EI – Florida Power & Light Company’s Petition for Authority to Charge FPL Rates to Former City of Vero Beach Customers and for Approval of FPL’s Accounting Treatment for City of Vero Beach Transaction

Dear Mr. Teitzman:

Enclosed for filing please find Florida Power & Light Company’s final acquisition journal entries that confirm the actual amounts of the City of Vero Beach transaction. This filing provides the necessary adjustments to the estimated amounts reflected on Exhibit KF-1.

If you should have any questions regarding this transmittal, please contact me at (561) 691-2512.

Sincerely,

s/ Kenneth M. Rubin
Kenneth M. Rubin
Florida Bar No. 349038

cc: Kathryn G. W. Cowdery, Esq.

Florida Power & Light Company
City of Vero Beach (COVB) Transaction
Final Journal Entries⁽¹⁾
\$ in Millions

Entry No.	FERC Account	Entry Description	Debit	Credit
1.	102	Electric Plant Purchased or Sold	\$ 180.8	
	154	Plant materials and operating supplies	\$ 2.6	
	182.3	Other regulatory assets - Dismantlement	\$ 0.5	
	930.2	Miscellaneous general expenses - Acquisition Costs	\$ 0.4	
	131	Cash		\$ 183.8
	253	Other Deferred Credits - Dismantlement of Substation		\$ 0.5

Purpose: To record the COVB Transaction and payment to COVB.

2.	101	Electric Plant in Service - Distribution ⁽²⁾	\$ 124.1	
	101	Electric Plant in Service - Transmission ⁽²⁾	\$ 32.2	
	101	Electric Plant in Service - General ⁽²⁾	\$ 9.7	
	107	Construction Work in Progress ⁽³⁾	\$ 1.2	
	114	Electric plant acquisition adjustments ⁽⁴⁾	\$ 110.6	
	102	Electric Plant Purchased or Sold		\$ 180.8
	108	Accumulated provision for depreciation of electric utility plant - Distribution		\$ 64.5
	108	Accumulated provision for depreciation of electric utility plant - Transmission		\$ 25.1
	108	Accumulated provision for depreciation of electric utility plant - General		\$ 7.4

Purpose: To clear account 102, Electric Plant Purchased, and record the acquired assets on FPL's books and records.

Notes:

(1) FPL determined accumulated deferred income tax opening balance sheet entry was not necessary since related accum deferred taxes net to zero.

(2) Plant will be depreciated using FPL's currently approved depreciation rates, which were approved by the Commission in Order No. PSC-2016-0560-AS-EI, Docket Nos. 20160021-EI and 20160062-EI.

(3) Construction Work in Progress amount was included in Transmission Plant in Service when the petition was filed.

(4) Amortized over a period of 30 years, which is approximately equivalent to the average remaining estimated useful life of the acquired distribution assets.

Florida Power & Light Company
City of Vero Beach (COVB) Transaction
Final Journal Entries
\$ in Millions

Entry No.	FERC Account	Entry Description	Debit	Credit
1.	182.3	Other regulatory asset - Unfavorable PPA Contract ⁽¹⁾	\$ 15.3	
	244	Derivative instrument liabilities ⁽¹⁾		\$ 15.3
<i>Purpose: To record estimated out-of-market value of PPA at time of acquisition.⁽²⁾</i>				
2.	555	Purchased power ⁽³⁾	\$ 21.4	
	131	Cash		\$ 21.4
<i>Purpose: Estimated total payment to OUC for purchased power.</i>				
3.	407.4	Regulatory credits - Unfavorable PPA Contract ⁽³⁾	\$ 15.3	
	244	Derivative instrument liabilities	\$ 15.3	
	182.3	Other regulatory asset - Unfavorable PPA Contract		\$ 15.3
	555	Purchased power ⁽³⁾		\$ 15.3
<i>Purpose: To record amortization of the regulatory asset and derivative liability for the unfavorable portion of the PPA contract.</i>				
4.	236	Taxes accrued (Income Taxes)	\$ 1.9	
	282	Accumulated deferred income taxes—Other property	\$ 3.6	
	409.1	Income taxes, utility operating income		\$ 1.9
	411.1	Provision for deferred income taxes—Credit, utility operating income		\$ 3.6

Purpose: To record income tax expense, accumulated deferred income taxes and tax payable associated with the PPA contract over the term of the PPA ending December 2020.

Notes:

⁽¹⁾ Represents the unfavorable portion of the power purchase agreement (PPA) negotiated between FPL and OUC as part of the COVB acquisition. Does not include subsequent changes in value (i.e., mark-to-market adjustments).

⁽²⁾ Since this PPA is considered a derivative contract, mark-to-market valuations will have to be performed during the term of the agreement. The debit and the credit accounts will be adjusted to coincide with any changes in the contract's market value.

⁽³⁾ The energy component of the PPA will be collected through FPL's fuel clause and the capacity component will be recovered through FPL's capacity clause over the term of the PPA ending December 2020.