



# Public Service Commission

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COMMISSION  
CLERK

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

**DATE:** July 29, 2011

**TO:** Art Graham, Chairman  
 Lisa Polak Edgar, Commissioner  
 Ronald A. Brisé, Commissioner  
 Eduardo E. Balbis, Commissioner  
 Julie I. Brown, Commissioner

**FROM:** Marshall Willis, Director, Division of Economic Regulation 

**RE:** Docket No. 060038-EI (Petition for Issuance of a Storm Recovery Financing Order by FPL) Response to Request by FPL for a Storm Charge True-Up Adjustment

Pursuant to Order Nos. PSC-06-0464-FOF-EI issued May 30, 2006 and PSC-06-0626-FOF-EI issued July 21, 2006, collectively known as the Financing Order, Florida Power and Light Company (FPL) as Servicer of the Senior Secured Bonds, Series A (Storm Recovery Bonds) has filed a request for an adjustment to the storm recovery bond repayment charges (storm recovery charges) and the storm recovery bond tax charges (tax charges). This adjustment is intended to satisfy the requirements of Section 366.8260(2)(b), Florida Statutes, (Statute) and the Financing Order by ensuring that the storm recovery charges will recover amounts sufficient to provide for timely payments of debt service and other required amounts in connection with the Storm Recovery Bonds. The proposed adjustment to the tax charges will ensure recovery of the associated tax liability for the related storm recovery charges.

Paragraph 78 of the Financing Order states: "After issuance of storm-recovery bonds, FPL will submit not less often than every six months a petition or a letter for our staff's review, as described in Section 366.8260(2)(b)4., Florida Statutes, and in the form attached as an exhibit to the Servicing Agreement (a 'True-Up Adjustment Letter')." The Storm Recovery Bonds were issued on May 22, 2007. FPL filed its twelfth True-Up Adjustment Letter on July 1, 2011.

Paragraph 78 of the Financing Order describes how such True-Up Adjustment Letters are to be handled:

Consistent with Section 366.8260(2)(b)4., Florida Statutes, our staff, upon the filing of a True-Up Adjustment Letter made pursuant to this Order, will either administratively approve the requested true-up calculation in writing or inform FPL of any mathematical errors in its calculation as expeditiously as possible but no later than 60 days following FPL's true-up filing. . . . If no action is taken within 60 days of the true-up filing, the true-up calculation shall be deemed correct. Upon administrative approval or the passage of 60 days without

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notification of a mathematical error, no further action of this Commission will be required prior to the implementation of the true-up.

FPL's True-Up Adjustment Letter and its accompanying 25 pages of supporting schedules were reviewed by staff and no mathematical errors were found.

Attached is FPL's Twelfth Revised Sheet No. 8.040 in legislative format. Attachment No. 1 shows the revised storm recovery charges, tax charges, and total storm recovery charges for all rate classes. The sum of the storm bond repayment charge and storm bond tax charge for the residential class will decrease from \$1.18 to \$1.09 per 1000 kWh. For the residential customer using 1000 kWh, the residential bill will decrease from \$96.64 to \$96.54 (including gross receipts tax).

The decrease in the total average retail storm charge per kWh is attributable to a greater percentage increase in the forecast of kWh sales for the upcoming period relative to the percentage increase in the amount needed to be billed and collected under the revised charge. This results in a slight decrease in the total average retail storm charge rate per kWh. In 2010, FPL began trueing-up the storm charge every quarter as opposed to semi-annually to decrease the variability of the storm charge. As Attachment No. 2 shows, the storm charge has been volatile over past remittance periods. In order to smooth out the charges for customers, FPL is filing requests for storm charge true-up adjustments on a quarterly basis. Filing quarterly adjustments to the storm charge is consistent with the provisions of the Statute and the Financing Order.

Per FPL's request in its True-Up Adjustment Letter, and in accordance with the Financing Order, the proposed adjustments to the storm recovery charges and the tax charges will be effective on September 1, 2011. Staff is preparing the required approval letter for the new tariff sheets.

MW/MS:dr

Attachments

cc: Charles Hill  
Cheryl Bulecza-Banks  
Ann Cole  
Curt Kiser  
Andrew Maurey  
Mark Cicchetti  
J.R. Kelly, Office of Public Counsel  
Ken Hoffman, Florida Power and Light Company

FLORIDA POWER & LIGHT COMPANY

~~Eleventh-Twelfth Revised Sheet No. 8.040~~  
 Cancels ~~Tenth-Eleventh Revised Sheet No. 8.040~~

**STORM CHARGE**

The following charges are applied to the Monthly Rate of each rate schedule as indicated and are calculated in accordance with the formula approved by the Public Service Commission.

<u>Cents/kWh</u>			
<u>Rate Schedule</u>	<u>STORM BOND REPAYMENT CHARGE</u>	<u>STORM BOND TAX CHARGE</u>	<u>TOTAL STORM CHARGE</u>
RS-1, RST-1, RSDPR-1	0.090078	0.028031	0.118109
GS-1, GST-1, WIES-1	0.077067	0.028031	0.105098
GSD-1, GSDT-1, HLFT-1, SDTR (21-499 KW)	0.050044	0.023026	0.073070
GSLD-1, GSLDT-1, HLFT-2, SDTR (500-1,999 KW)	0.047041	0.023026	0.070067
CS-1, CST-1	0.066052	0.023026	0.089078
GSLD-2, GSLDT-2, HLFT-3, SDTR (2000+ KW)	0.027032	0.014012	0.041044
CS-2, CST-2	0.070061	0.023026	0.093087
GSLD-3, GSLDT-3, CS-3, CST-3	0.007006	0.000	0.007006
OS-2	0.321280	0.112125	0.433405
MET	0.056049	0.023026	0.079075
CILC-1(G)	0.047041	0.023026	0.070067
CILC-1(D)	0.035031	0.014012	0.049043
CILC-1(T)	0.007006	0.000	0.007006
SL-1, PL-1	0.560488	0.194213	0.754701
OL-1	0.572499	0.194213	0.766712
SL-2, GSCU-1	0.028033	0.014012	0.042045
SST-1(T), ISST-1(T)	0.007006	0.000	0.007006
SST-1(D1), SST-1(D2) SST-1(D3), ISST-1(D)	0.117102	0.029043	0.146145

(Continued on Sheet No. 8.041)

Issued by: S. E. Romig, Director, Rates and Tariffs  
 Effective: ~~June 1, 2011~~

