

Eric Fryson

From: John Hendricks [jwhendricks@sti2.com]
Sent: Thursday, September 13, 2012 4:43 PM
To: Filings@psc.state.fl.us
Cc: Brian P. Armstrong; Capt. Samuel T. Miller; Caroline Klancke; J. R. Kelly; John Moyle; John T. Butler; John T. LaVia; Joseph A. McGlothlin; Karen White; Keino Young; Ken Hoffman; Kenneth L. Wiseman; Maria J Moncada; Mark F. Sundback; Martha Brown; R. Wade Litchfield; Robert Scheffel Wright; Thomas Saporito; Vicki Gordon Kaufman; William C. Garner
Subject: Hendricks' Second Set of Data Requests to FPL (Nos. 11-13)
Attachments: JWH Data Request 2 to FPL.docx

Electronic Filing

a. Person responsible for this electronic filing:

John W. Hendricks
367 S Shore Dr
Sarasota, FL 34234
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941-685-0223

b. Docket No. 120015-EI

In re: Petition for rate increase by Florida Power & Light Company

c. Documents being filed on behalf of John W Hendricks

d. There are a total of 2 pages, plus 2 pages for the Certificate of Service.

e. The document attached for electronic filing is: HENDRICKS' SECOND SET OF DATA REQUESTS TO FPL (NOS. 11-13) WITH COS

Thank you for your attention to this request.

John W. Hendricks
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9/13/2012

DOCUMENT NUMBER-DATE
06175 SEP 13 2012
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by Florida Power & Light Company.

DOCKET NO. 120015-EI

DATED: September 13, 2012

HENDRICKS' SECOND SET OF DATA REQUESTS TO
FLORIDA POWER & LIGHT COMPANY (NOS. 11-13)

John W. Hendricks hereby submits the following data requests concerning the proposed Settlement Agreement to Florida Power & Light Company (FPL) and requests that they be answered separately, completely and within the five (5) day time period specified by the Commission's order.

DATA REQUESTS TO FPL FOR PROPOSED SETTLEMENT AGREEMENT

11. The Stipulation and Settlement document (S&S document) states on page 2, "FPL's authorized rate of return on common equity ("ROE") shall be a range of 9.70% to 11.70%, with a mid-point of 10.70%." This emphasis on "a range" that happens to have a mid-point differs markedly from the language of the "Executive Summary of the Rate Case" (pages 1, 4-5) in the FPL synopsis of the rate case provided to the public April 9, 2012, which clearly describes the requested rates as based on a specific ROE, not a range. Does the language in the S&S document mean that if business and financial conditions allow FPL to frequently earn, for example, an 11.6% ROE during the term of this agreement, the agreement will prevent base rates from being changed?
12. Page 7 of the S&S document indicates that a Generation Base Rate Adjustment ("GBRA") will be used for three power plant modernization projects (Canaveral, Riviera and Port Everglades). Are other major capital projects expected during the term of this agreement to which the GBRA could be applied? If so, please provide data on the currently estimated schedules and costs.
13. Page 8 of the S&S document states that, "Each GBRA will be calculated using a 10.70% ROE and the capital structure reflected in the Canaveral Step Increase MFRs accompanying the 2012 Rate Petition." The proposed rates, ROE and capital structure are based on calculations that include a revenue multiplier that "grosses up" equity returns to compensate for the current maximum Federal corporate income tax

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rate of 35% and Florida corporate income tax rate of 5%. Both presidential candidates and parties are proposing major reductions to the Federal corporate income tax and Gov. Scott has proposed eliminating the Florida corporate income tax. Please provide an explanation and data to describe how the GBRA proposed in the Settlement agreement would provide adjustments to compensate for these changes if one or both of these corporate tax cuts are adopted during the term of the agreement.

s/ John W. Hendricks

John W. Hendricks

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by Florida
Power & Light Company.

DOCKET NO. 120015-EI

DATED: September 13, 2012

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and one correct copy of HENDRICKS' FIRST SET OF DATA REQUESTS TO FLORIDA POWER & LIGHT COMPANY (NOS. 11-13) has been served by electronic and U. S. mail to John T. Butler, Florida Power & Light Company, 700 Universe Blvd., Juno Beach, FL 33408-0420, and that a true copy thereof has been furnished to the following by electronic and/or U. S. mail this 13th day of September, 2012:

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