DATE: January 13, 2014
TO: Art Graham, Chairman
Lisa Polak Edgar, Commissioner
Ronald A. Brisé, Commissioner
Eduardo E. Balbis, Commissioner
Julie I. Brown, Commissioner
FROM: Marshall W. Willis, Director, Division of Accounting & Finance
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 twenty-fourth True-Up Adjustment Letter on January 2, 2014.

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
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 21 pages of supporting
schedules were reviewed by staff and no mathematical errors were found.

Attached is FPL’s Twenty-fourth 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 increase from $0.84 to $1.36 per 1,000 kWh. For
the residential customer using 1,000 kWh, the residential bill will increase from $99.95 to
$100.48 (including gross receipts tax).

FPL’s explanation for the variance between the prior period true-up and current period
true-up is as follows:

(1) The prior period true-up amount represents what was actually billed and collected
for the months of August 2013 through October 2013 (3 months) versus the
current period true-up amount, for which FPL has not yet billed or collected any
amounts for the next remittance period (August 1, 2014).

(2) The prior period true-up represents what was expected to be billed and collected
under the revised rate for January 2014 (1 month), while the current period true-up
amount represents what is expected to be billed and collected under the revised
rate for March 2014 through July 2014 (5 months).

(3) The prior period true-up amount only includes the administration fee versus the
current period true-up amount, which includes the administration fee plus other
on-going costs (i.e., annual rating agency; surveillance fees, audit fee, and
investment advisor fee).

(4) The current period true-up amount represents what is expected to be billed and
collected for February 2014 (1 month), and collected in March 2014 for amounts
billed in February 2014. The prior period true-up amount represents what was
expected to be billed and collected for November 2013 and December 2013 (2
months), and collected in January 2014 for amounts billed in December 2013.
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 March 3, 2014. Staff is preparing the required approval letter for the new tariff sheets.

MW/DRB:dr

cc: Braulio Baez
    Lisa S. Harvey
    Cheryl Bulecza-Banks
    Clarence Prestwood
    Mark Cicchetti
    ✓ Carlotta Stauffer
    Curt Kiser
    J.R. Kelly, Office of Public Counsel
    Ken Hoffman, Florida Power and Light Company
## 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.

<table>
<thead>
<tr>
<th>Customer kWh</th>
<th>STORM BOND REPAYMENT CHARGE</th>
<th>STORM BOND TAX CHARGE</th>
<th>TOTAL STORM CHARGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RS-1, RTR-1</td>
<td>0.004-0.068</td>
<td>0.004-0.018</td>
<td>0.004-0.086</td>
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<tr>
<td>GS-1, GST-1</td>
<td>0.029-0.161</td>
<td>0.017-0.046</td>
<td>0.046-0.211</td>
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<tr>
<td>GSD-1, GSDT-1, HLFT-1, SDTR. (21-999 kW)</td>
<td>0.023-0.153</td>
<td>0.017-0.032</td>
<td>0.040-0.185</td>
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<td>GSDL-1, GSDLT-1, CS-1, CST-1, HLFT-2, SDTR. (2001-9999 kW)</td>
<td>0.024</td>
<td>0.008</td>
<td>0.032</td>
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<tr>
<td>GSDL-2, GSDLT-2, CS-2, CST-2, HLFT-3, SDTR. (2000-9999 kW)</td>
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<tr>
<td>GSDL-3, GSDLT-3, CS-3, CST-3</td>
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<td>0.000</td>
<td>0.004-0.037</td>
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<tr>
<td>OS-2</td>
<td>0.500-0.345</td>
<td>0.016-0.166</td>
<td>0.516</td>
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<tr>
<td>MET</td>
<td>0.014-0.061</td>
<td>0.001-0.012</td>
<td>0.004-0.023</td>
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<td>CILC-1(G)</td>
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<td>0.015-0.023</td>
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<td>SL-1, PL-1</td>
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<td>0.240</td>
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<td>OL-1</td>
<td>0.021-0.057</td>
<td>0.170-0.146</td>
<td>0.202</td>
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<tr>
<td>SL-2, GSCU-1</td>
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<td>0.008-0.012</td>
<td>0.035-0.052</td>
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<td>SST-1(D2), SST-1(D3), SST-1(D4)</td>
<td>0.024-0.114</td>
<td>0.007-0.026</td>
<td>0.131-0.140</td>
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(Continued on Sheet No. 8.041)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: January 1, 2014

Attachment No. 1
Art Graham, Chairman
January 13, 2014
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Attachment No. 2

Storm Charge True-up Adjustment

Date

Amount

$3.00

$2.50

$2.00

$1.50

$1.00

$0.50

$0.00