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Public Service Commission

August 5, 2015

John T. Butler
Assistant General Counsel – Regulatory
700 Universe Boulevard
Juno Beach, Florida 33408
john.butler@fpl.com

STAFF'S FIRST DATA REQUEST

Re: Docket No. 150075-EI - Petition for approval of arrangement to mitigate impact of unfavorable Cedar Bay power purchase obligation, by Florida Power & Light Company.

Dear Mr. Butler:

By this letter, the Commission staff requests that Florida Power & Light Company (FPL) provide responses to the following data requests.

1. Please provide the proposed annual amortization amount journal entries broken down between the amounts to be recovered through base rates and the amounts to be recovered through the capacity clause. (See EXH 9 [Exhibit KO-1], Page 2 of 2)
2. Please provide the total amount that would be amortized to base rates for 2015 and 2016 by year broken down between the amounts for the amortization, ARO, interest expense, return on equity, and income tax.
3. Please provide a revised economic evaluation excluding the amounts that would be recovered through base rates assuming that 2017 is the test year for the next general base rate proceeding. (See EXH 5 [TLH-4])
4. Please provide the annual premiums for the existing \$20 million environmental liability insurance policy and the proposed \$40 million environmental liability insurance policy related to the Cedar Bay Transaction.
5. After the closure of the Cedar Bay facility, the Settlement Agreement provides for a limit on the amount recovered through the fuel clause related to the rail car lease payment. Will FPL attempt to recover the excess amount through base rates?
6. After the closure of the Cedar Bay facility, the Settlement Agreement provides for a limit on the amount recovered through base rates related to the ground lease payment. If the entire amount of the ground lease payment is included in base rates in the next general

base rate proceeding, how does FPL propose to credit the ratepayers for any amount that exceeds the recovery limit set in the Settlement Agreement?

7. Please provide a revision of line C "Operating Expenses" of EXH 5 (TLH-4) assuming that the recovery of the rail car lease and the ground lease payments are capped at 50 percent after the closure of the Cedar Bay facility.

Please refer to Item 3(c)(iii), page 5 of Exhibit 1 Stipulation and Settlement of the Joint Motion for Approval of Settlement Agreement filed on July 24, 2015, for the following questions.

8. Please clarify under what type of cost recovery mechanism FPL would seek recovery of environmental cleanup liability costs associated with FPL's ownership of the Facility and/or occupancy of the Facility site and FPL's accompanying assumption of the Facility ground lease.
9. In conformance with the proposed settlement, what are examples of scenarios in which FPL may seek cost recovery of environmental cleanup liabilities that are not ultimately covered by insurance (for example, the cost below the deductible amount, if any, set in the policy) or indemnification?

Please file all responses electronically no later than August 10, 2015 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) 413-6220 if you have any questions.

Sincerely,

/s/ John Villafrate

John Villafrate
Senior Attorney

JEV/as

cc: Office of Commission Clerk
Office of Public Counsel (Kelly, Rehwinkel, Truitt)
Florida Industrial Power Users Group (Moyle, Kaufman, Putnal)