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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 160021-EI

PETITION FOR RATE INCREASE BY  
FLORIDA POWER & LIGHT COMPANY.

\_\_\_\_\_ /

DOCKET NO. 160061-EI

PETITION FOR APPROVAL OF  
2016-2018 STORM HARDENING PLAN  
BY FLORIDA POWER & LIGHT COMPANY

\_\_\_\_\_ /

DOCKET NO. 160062-EI

2016 DEPRECIATION AND  
DISMANTLEMENT STUDY BY, FLORIDA  
POWER & LIGHT COMPANY.

\_\_\_\_\_ /

DOCKET NO. 160088-EI

PETITION FOR LIMITED PROCEEDING  
TO MODIFY AND CONTINUE INCENTIVE  
MECHANISM, BY FLORIDA POWER &  
LIGHT COMPANY.

\_\_\_\_\_ /

VOLUME 15  
PAGES 1757 - 1803

PROCEEDINGS: HEARING

COMMISSIONERS  
PARTICIPATING:

CHAIRMAN JULIE I. BROWN  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER ART GRAHAM  
COMMISSIONER RONALD A. BRISÉ  
COMMISSIONER JIMMY PATRONIS

DATE:

~~Tuesday~~, August 24, 2016  
Wednesday (M)

TIME:

Commenced at 9:45 (M) p.m.  
Concluded at 10:20 p.m.

PLACE:

Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

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REPORTED BY: DEBRA KRICK  
Court Reporter  
(850) 894-0828

APPEARANCES: (As heretofore noted.)

PREMIER REPORTING  
114 W 5TH AVENUE  
TALLAHASSEE, FLORIDA  
(850) 894-0828

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## I N D E X

## WITNESSES

	PAGE NO.
KEITH FERGUSON:	
Examination by Mr. Butler	1762
Prefiled testimony inserted	1764
Examination by Ms. Brownless	1780
Further Examination by Mr. Butler	1781
Examination by Mr. Rehwinkel	1783
Examination by Mr. Moyle	1792
Examination by Mr. Wiseman	1794
Further Examination by Mr. Butler	1798

1	EXHIBITS		
2	NUMBER:		ID ADMTD
3			
4	107-112	Previously identified	1799
5			
6			
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1 P R O C E E D I N G S

2 (Transcript follows in sequence from Volume  
3 14.)

4 CHAIRMAN BROWN: All righty. I think we  
5 got -- five minutes have be exceeded.

6 Mr. Rehwinkel.

7 MR. REHWINKEL: Madam Chairman, are you back  
8 on the record?

9 CHAIRMAN BROWN: Yes, we are.

10 MR. REHWINKEL: While we are get situated, I  
11 wanted to bring something to the Commission's  
12 attention, and I've talked to Counsel for staff and  
13 FPL. When I was taking Mr. Barrett through the  
14 confidential exhibit, I had him make some notations  
15 and initial them. We are -- that's the document  
16 that actually needs to go into the record, and we  
17 are going to work that out and retrieve that.  
18 Understandably, Mr. Barrett has not stayed around,  
19 and I don't blame him.

20 CHAIRMAN BROWN: But he will be back.

21 MR. BUTLER: We've got people tracking it down  
22 as we speak.

23 CHAIRMAN BROWN: Okay. Thank you.

24 MR. BUTLER: I don't believe that Mr. Ferguson  
25 has been sworn?

1                   CHAIRMAN BROWN: Mr. Ferguson, welcome to the  
2                   Commission. Please stand and raise your right hand  
3                   for me.

4                   Whereupon,

5   KEITH FERGUSON  
6                   was called as a witness, having been first duly sworn to  
7                   speak the truth, the whole truth, and nothing but the  
8                   truth, was examined and testified as follows:

9   THE WITNESS: Yes.

10                   CHAIRMAN BROWN: Thank you. Please be seated.

11   EXAMINATION

12                   BY MR. BUTLER:

13                   Q       **Good evening, Mr. Ferguson.**

14                   A       Good evening.

15                   Q       **Would you please state your name and business  
16                   address for the record?**

17                   A       Yes, it's Keith Ferguson, 700 Universe Blvd,  
18                   Juno Beach, Florida, 33408.

19                   Q       **Thank you. By whom are you employed, and in  
20                   what capacity?**

21                   A       Florida Power & Light, and I am the Assistant  
22                   Controller.

23                   Q       **Have you prepared and caused to be filed 18  
24                   pages of prepared direct testimony in this proceeding?**

25                   A       Yes.

1           Q     On August 16, 2016, FPL filed an errata sheet  
2     for your direct testimony. Beyond those filed errata,  
3     do you have any further changes or revisions to your  
4     prepared testimony?

5           A     No.

6           Q     Okay. With those changes, and subject to the  
7     adjustments addressed in Exhibits KO-19 and KO-20, if I  
8     asked you the questions contained in your direct  
9     testimony, would your answers be the same today?

10          A     Yes.

11                 MR. BUTLER: Madam Chair, I would ask that Mr.  
12     Ferguson's prepared direct testimony be inserted  
13     into the record as though read.

14                 CHAIRMAN BROWN: We will insert Mr. Ferguson's  
15     prefiled testimony into the record as though read.

16                     (Prefiled direct testimony inserted into the  
17     record as though read.)

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**ERRATA SHEET**WITNESS: **KEITH FERGUSON – DIRECT TESTIMONY**

<b><u>PAGE #</u></b>	<b><u>LINE #</u></b>	<b><u>CHANGE</u></b>
11	15	Insert “and Commission practice” after “Rule 25-6.0436, F.A.C.”
12	9	Change “August” to “September”



1 **I. INTRODUCTION**

2

3 **Q. Please state your name and business address.**

4 A. My name is Keith Ferguson, and my business address is Florida Power &  
5 Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

6 **Q. By whom are you employed, and what is your position?**

7 A. I am employed by Florida Power & Light Company ("FPL" or the  
8 "Company") as Assistant Controller.

9 **Q. Please describe your duties and responsibilities in that position.**

10 A. I am responsible for financial accounting, as well as internal and external  
11 reporting for FPL's Corporate Accounting and Property Accounting functions.  
12 As a part of these responsibilities, I manage the asset recovery team  
13 responsible for analyzing and recording the depreciation, dismantlement, and  
14 nuclear decommissioning expenses for FPL and preparing its periodic studies  
15 related to these topics.

16 **Q. Please describe your educational background and professional  
17 experience.**

18 A. I graduated from the University of Florida in 1999 with a Bachelor of Science  
19 Degree in Accounting and earned a Master of Accounting degree from the  
20 University of Florida in 2000. Beginning in 2000, I was employed by Arthur  
21 Andersen in their energy audit practice in Atlanta, Georgia. From 2002 to  
22 2005, I worked for Deloitte & Touche in their national energy practice. From  
23 2005 to 2011, I worked for Mirant Corporation, which was an independent  
24 power producer in Atlanta, Georgia. During my tenure there, I held various

1 accounting and management roles. Most recently and prior to joining FPL in  
2 September 2011, I was Mirant's Director of SEC Reporting and Accounting  
3 Research. I am a Certified Public Accountant ("CPA") licensed in the State of  
4 Georgia and a member of the American Institute of CPAs. I am also a  
5 member of the Society of Depreciation Professionals and have completed the  
6 Society's "Depreciation Fundamentals" training course.

7 **Q. Are you sponsoring any exhibits in this case?**

8 A. Yes. I am sponsoring the following exhibits:

- 9 • KF-1 MFRs Co-sponsored by Keith Ferguson
- 10 • KF-2 Proposed Depreciation Company Adjustments by Year for Base  
11 vs. Clause for 2017 and 2018
- 12 • KF-3 Summary of Capital Recovery Schedules for 2017 and 2018 –  
13 Base Rates vs. Clause Recoverable
- 14 • KF-4 2016 Dismantlement Study
- 15 • KF-5 Proposed Dismantlement Company Adjustments for Base vs.  
16 Clause
- 17 • KF-6 Proposed Company Adjustments for Change in Nuclear End of  
18 Life Accruals

19 **Q. Are you co-sponsoring any Minimum Filing Requirements ("MFRs") in  
20 this case?**

21 A. Yes. Exhibit KF-1 contains a listing of the MFRs I am co-sponsoring.  
22  
23

1 **Q. What is the purpose of your testimony?**

2 A. My testimony covers four topics that serve as inputs to the Company's  
3 calculation of revenue requirements in this proceeding:

- 4 • I provide an overview of the Company adjustment as a result of FPL's  
5 new depreciation study (the "2016 Depreciation Study"), which was  
6 conducted in accordance with the rules and requirements of the Florida  
7 Public Service Commission ("FPSC" or the "Commission"). The  
8 2016 Depreciation Study has been prepared by FPL witness Allis of  
9 Gannett Fleming and is supported in his direct testimony in this  
10 docket;
- 11 • I support the request for recovery of retired assets with unrecovered  
12 balances through capital recovery schedules;
- 13 • I present and provide an overview of FPL's dismantlement study  
14 conducted by Burns & McDonnell ("BMcD") in accordance with  
15 FPSC rules and the resulting dismantlement accrual (the "2016  
16 Dismantlement Study"); and
- 17 • Finally, I support the change in FPL's end of life materials and  
18 supplies ("EOL M&S") and nuclear fuel last core accruals as presented  
19 in FPL's most recent nuclear decommissioning study filed in  
20 December 2015.

21 **Q. Please summarize your testimony.**

22 A. FPL has invested significantly in its production plant, transmission and  
23 distribution assets since its last depreciation study in 2009. While some of

1           these investments have lengthened lives of the assets to which they relate,  
2           resulting in reduced depreciation rates, the overall impact has been an increase  
3           in expense for depreciation due primarily to increases in the depreciable value  
4           of assets with fixed lives. In addition, these investments have contributed to a  
5           modest increase in the dismantlement accrual.

6  
7           FPL has retired certain assets that are not yet fully depreciated. Consistent  
8           with Rule 25-6.0436, Florida Administrative Code (“F.A.C.”) and  
9           Commission practice, FPL is proposing capital recovery schedules that seek to  
10          recover the remaining investment for those specific assets over a four-year  
11          period.

12  
13          Finally, FPL has updated the calculation of its EOL M&S and nuclear fuel last  
14          core accruals based on information provided by FPL’s nuclear  
15          decommissioning study filed in December 2015. The changes in accruals are  
16          included as Company adjustments in FPL’s 2017 Test Year and 2018  
17          Subsequent Year.

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## II. 2016 DEPRECIATION STUDY

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**Q. Please summarize the impact of the 2016 Depreciation Study on FPL's 2017 Test Year and 2018 Subsequent Year.**

A. FPL has not filed a depreciation study since 2009. FPL has worked closely with its depreciation consultant, Gannett Fleming, to incorporate updated and refined technical data into the 2016 Depreciation Study. FPL witness Allis of Gannett Fleming presents the results of the 2016 Depreciation Study. It reflects reductions in many of the depreciation rates as a result of the updated and refined inputs, but overall the study shows an increase in depreciation rates that is largely a result of investment in infrastructure.

The total increase in depreciation expense for the 2017 Test Year as a result of the 2016 Depreciation Study is \$221 million, of which \$206 million is related to base rate assets. The \$187 million "Depreciation Study" driver referenced in FPL witness Barrett's Exhibit REB-8 is a retail revenue requirement amount reflecting the retail-only depreciation accrual and the impact of increased depreciation accruals on rate base in the 2017 Test Year. The \$206 million increase is primarily a result of the following:

- \$159 million increase as a result of investment in nuclear plant that must be depreciated over the finite remaining license period, resulting in a higher composite rate of 4.16% versus the current composite rate of 2.05% for that function.

- 1           • \$52 million increase related to combined cycle plant and driven by the  
2           following factors:
- 3                 ○ \$85 million increase related to an increase in the depreciation  
4                 rate for capital spare parts associated with the combined cycle  
5                 facilities. The depreciation rate for Account 343, Prime  
6                 Movers, approved by the Commission in Order No. PSC-10-  
7                 0153-FOF-EI did not sufficiently differentiate between the  
8                 inherent shorter life of capital spare parts and the balance of the  
9                 plants for which those parts are acquired, resulting in an  
10                understatement of depreciation expense for the spare parts. In  
11                particular, the depreciation rate prescribed for West County  
12                Energy Center did not differentiate at all for capital spare parts.  
13                In the absence of any other prescribed rate for capital spare  
14                parts, FPL has been applying that rate to all subsequent  
15                combined cycle plants as well. The 2016 Depreciation Study  
16                proposes a differentiated rate for capital spare parts that  
17                addresses this discrepancy.
- 18                ○ This is partially offset by a \$33 million decrease primarily  
19                related to the net effect of an increase in the life span of  
20                combined cycle plants from 30 years to 40 years and other  
21                factors.
- 22           • These increases were partially offset by a net decrease of \$5 million  
23           for all other functions.

1           These same drivers apply to the increase in depreciation expense for the 2018  
2           Subsequent Year of \$223 million, of which \$209 million relates to base rate  
3           assets. FPL witness Allis explains in more detail the underlying drivers for  
4           the changes in the depreciation rates that resulted in the changes in expense  
5           noted above.

6   **Q.   How has the Company reflected the results of the 2016 Depreciation**  
7   **Study in the 2017 Test Year and 2018 Subsequent Year?**

8   A.   The 2016 Depreciation Study reflects different rates than those approved by  
9           the Commission in FPL's 2009 depreciation study and used to prepare the  
10          forecast for the 2017 Test Year and 2018 Subsequent Year. Accordingly, FPL  
11          has made Company adjustments to the 2017 Test Year and 2018 Subsequent  
12          Year to reflect changes in depreciation expense and accumulated depreciation  
13          based on the resulting depreciation rates in the 2016 Depreciation Study. The  
14          reconciliation of total company depreciation expense included in FPL's 2017  
15          Test Year and 2018 Subsequent Year forecasts to the calculated expense based  
16          on the 2016 Depreciation Study are reflected on Exhibit KF-2.

17   **Q.   What is the basis for the plant and reserve balances used in FPL's 2016**  
18   **Depreciation Study?**

19   A.   The parameters utilized in the 2016 Depreciation Study are based in part on  
20          the statistical analyses of actual plant and reserve balance activity through  
21          December 31, 2014, which incorporates data through the most recent full year  
22          of historical data (i.e., retirements, net salvage, etc.) that was available at the  
23          time the study was prepared. The results of these parameter analyses are then

1 applied to estimated gross plant balances through the end of 2017, which  
2 includes actual balances as of September 30, 2015, to determine the  
3 appropriate depreciation rates. As FPL is using forecasted data for the 2017  
4 Test Year and 2018 Subsequent Year, FPL appropriately included new assets  
5 that are not yet in service, such as FPL's Port Everglades Energy Center  
6 ("Port Everglades"), three new 74.5 MW solar facilities, and the replacement  
7 of gas turbines with combustion turbines, all of which are scheduled to be in-  
8 service by the end of 2016.

9 **Q. Is all of the depreciation expense increase reflected in the Company**  
10 **adjustment associated with base rate investments?**

11 A. Yes. Because some of FPL's investments are recovered through its  
12 Environmental Cost Recovery Clause ("ECRC"), Energy Conservation Cost  
13 Recovery Clause ("ECCR") and Capacity Cost Recovery Clause ("CCRC"),  
14 the Company adjustment reflected in the 2017 Test Year and 2018 Subsequent  
15 Year excludes the amount of depreciation related to clause investment and  
16 includes only the depreciation for investments recovered through base rates.  
17 Exhibit KF-2 reflects the total depreciation expense increase and delineates  
18 between base rates and clause recovery. For the 2017 Test Year, the clause  
19 adjustment is \$15 million while the 2018 Subsequent Year is \$14 million.  
20 FPL will reflect the depreciation rate changes approved from this proceeding  
21 when it determines depreciation expense in the applicable clauses beginning  
22 in January 1, 2017, which is the date when the approved depreciation rates  
23 become effective.



1 **Q. Please describe the calculation of the depreciation expense reflected in the**  
2 **2019 Okeechobee Clean Energy Center (“Okeechobee Unit”) Limited**  
3 **Scope Adjustment (“2019 Okeechobee LSA”).**

4 A. FPL has used the proposed depreciation rates for PEEC in the 2016  
5 Depreciation Study as a proxy for the depreciation expense for the 2019  
6 Okeechobee LSA. Those rates are appropriate because PEEC is FPL’s  
7 newest, most comparable combined cycle plant; hence it is most  
8 representative of the design and operating characteristics for the new  
9 Okeechobee Unit.

10

11

### III. CAPITAL RECOVERY SCHEDULES

12

13 **Q. Please describe the Company adjustment associated with the capital**  
14 **recovery schedules for assets retired but not fully depreciated.**

15 A. As shown on Exhibit KF-3 and pursuant to Rule 25-6.0436, F.A.C., FPL has  
16 reflected its proposed capital recovery schedules, all of which would be  
17 recovered over a four year period. The first is to recognize the \$109 million  
18 remaining unrecovered investment for the Putnam combined cycle generating  
19 plant and related transmission assets retired in December 2014. Second, FPL  
20 is requesting recovery of the unrecovered gas turbine investments of \$41  
21 million. The gas turbines will be retired by the end of 2016 and replaced by  
22 combustion turbines as described in the testimony of FPL witness Kennedy.  
23 Third, FPL is requesting the recovery of \$16 million of unrecovered

1 investment for the Turkey Point steam generating plant that is expected to be  
2 retired in October 2016, as a result of converting Turkey Point Unit 1 into a  
3 synchronous condenser.

4 **Q. Are the capital recovery schedules delineated between base rates and**  
5 **clause recovery?**

6 A. Yes. Exhibit KF-3 illustrates the capital recovery schedule totals by year and  
7 by recovery mechanism. The proposed recovery amounts for clause assets are  
8 not included in this base rate request and instead will be reflected in FPL's  
9 2017 clause projection filing in August 2016.

10

11

#### IV. 2016 DISMANTLEMENT STUDY

12

13 **Q. Please provide an overview of the approach FPL utilized for the**  
14 **preparation of its 2016 Dismantlement Study.**

15 A. FPL engaged BMcD, a global engineering consulting firm that specializes in  
16 preparing dismantlement studies for electric utilities, to perform the 2016  
17 Dismantlement Study. BMcD has performed dismantlement studies in  
18 numerous jurisdictions, including the most recent studies filed with this  
19 Commission for Duke Energy Florida and Tampa Electric Company. BMcD  
20 conducted a detailed bottom-up review of the fossil and solar units in FPL's  
21 fleet (with the exception of Cedar Bay) in order to get a more precise view of  
22 current cost of dismantling those facilities.

23

1           Since the 2009 dismantlement study, the Company has retired and dismantled  
2           several generating units and modernized its plants at Cape Canaveral, Riviera  
3           Beach and Port Everglades. FPL felt it important to revisit our many-decades-  
4           old baseline study assumptions by bringing in experts who could study each  
5           plant and construct more specific estimates of current costs to dismantle. The  
6           result of this refreshed engineering analysis was used for calculating an  
7           annuity-based dismantlement accrual. The 2016 Dismantlement Study is  
8           included in Exhibit KF-4.

9   **Q.   Please describe the process by which the 2016 Dismantlement Study was**  
10 **prepared.**

11 A.   BMcD visited each of FPL's existing fossil and solar generating facilities  
12       during May 2015. BMcD also engaged Brandenburg, a demolition sub-  
13       contractor, to assist them during each site visit and provide information on the  
14       demolition activities. The site visits included a tour of the facility with plant  
15       personnel to review the equipment installed. BMcD obtained and reviewed  
16       plant specific engineering drawings. Based on this information and their  
17       professional experience, BMcD developed labor and materials and equipment  
18       costs for each major dismantlement activity. BMcD estimated the salvage  
19       value of the materials that would be left at each site after completion of the  
20       dismantlement activities. The resulting dismantlement cost estimates  
21       developed by BMcD represent "the costs for the ultimate physical removal  
22       and disposal of plant and site restoration, minus any attendant gross salvage

1 amount, upon final retirement of the site or unit from service” in accordance  
2 with Rule 25-6.04364, Electric Utilities Dismantlement Studies, F.A.C.

3

4 In addition to the existing sites, BMcD also developed estimates for FPL’s  
5 new facilities that will commence commercial operations during 2016 through  
6 2019. This is consistent with the approach that FPL employed in its 2009  
7 dismantlement study.

8 **Q. Please describe the additions, retirements and dismantlement activities of**  
9 **FPL’s facilities since the last dismantlement study was filed.**

10 A. There have been several significant activities since the last study:

- 11 • Three new plants have been, or will be, added to FPL’s fossil fleet by  
12 the end of 2016: Cape Canaveral, Riviera Beach and Port Everglades,  
13 all of which are modernization projects;
- 14 • FPL has retired and dismantled three facilities (Cutler, Putnam, and  
15 Sanford Unit 3) and has partially dismantled, or will partially  
16 dismantle, two others (Turkey Point Units 1 & 2) to convert to  
17 synchronous condensers;
- 18 • FPL is adding seven new, more efficient combustion turbines: five at  
19 the Lauderdale site and two at the Ft. Myers site, scheduled for  
20 commercial operation in 2016 to replace 44 retired gas turbines at  
21 Lauderdale, Ft. Myers and Port Everglades;
- 22 • FPL acquired Cedar Bay in September 2015, plans to retire this plant  
23 at the end of 2016, and expects to begin dismantling the plant in early

1           2017. This plant was not included in the study prepared by BMcD as  
2           the Company had recently estimated the dismantlement cost in Docket  
3           No. 150075-EI and FPL has reflected this estimate in the 2016  
4           Dismantlement Study;

- 5           • FPL is constructing three planned solar additions (Babcock Ranch  
6           Solar Energy Center, Citrus Solar Energy Center and Manatee Solar  
7           Energy Center) scheduled for commercial operation in 2016; and
- 8           • Finally, FPL's Okeechobee Unit is projected to begin commercial  
9           operations in mid-2019.

10   **Q.   Please describe the results of the 2016 Dismantlement Study.**

11   A.   The 2016 Dismantlement Study calculates a current total cost of  
12       dismantlement of \$477 million, with a resulting accrual of \$27.6 million, of  
13       which \$26.8 million relates to base rate assets. This is an increase of  
14       approximately \$9.1 million (\$8.8 million for the base rate portion), over the  
15       current accrual included in FPL's 2017 Test Year and 2018 Subsequent Year.  
16       The increase is primarily due to a \$5.2 million increase related to plants that  
17       have been newly constructed, purchased or repowered since the 2009  
18       dismantlement study was prepared, with the remainder resulting from  
19       dismantlement reserve amortization authorized under FPL's 2012 Rate  
20       Settlement (approved by the Commission in Order No. PSC-13-0023-S-EI,  
21       Docket No. 120015-EI) and other cost changes partially offset by unit  
22       retirements.

1 **Q. Has FPL taken steps to reduce the impact of utilizing the dismantlement**  
2 **reserve amortization authorized in the 2012 Rate Settlement?**

3 A. Yes. In order to reduce the incremental base rate impact of amortizing the  
4 \$146 million of dismantlement reserve enabled by the 2012 Rate Settlement,  
5 FPL optimized assignment of reserve amortization across the plant portfolio.

6 **Q. Please explain how FPL optimized the dismantlement reserve**  
7 **amortization.**

8 A. The dismantlement study is fundamentally an aggregation of the forecasted  
9 cost of dismantling FPL's fossil and solar units. The resulting accrual is a  
10 function of the present value of estimated future cost to dismantle each of  
11 those units as compared to its forecasted reserve as of December 31, 2016. At  
12 any point in time, the reserve position of any particular unit will vary. Some  
13 units will have excess reserves and others will be in a deficit position.

14  
15 FPL first allocated its forecasted dismantlement reserve amortization to the  
16 units with excess reserve balances as identified in the current study and, in  
17 doing so, brought the reserve to its appropriate level. This included units that  
18 have been retired and dismantled since the 2009 dismantlement study. Next,  
19 FPL allocated the remaining dismantlement reserve amortization to the units  
20 with the longest remaining lives. In doing so, FPL minimized the calculated  
21 incremental dismantlement accrual.

22

1 **Q. What is the FPSC practice with regard to updating escalation rates**  
2 **embedded in dismantlement studies?**

3 A. The May 2015 Global Insight escalation rates were used in developing the  
4 2016 Dismantlement Study. In prior studies, the Commission practice has  
5 been to require the rates be updated to incorporate the most current available  
6 escalation rates available prior to the issuance of the final order. Consistent  
7 with this practice, FPL is prepared to update the escalation rates before  
8 hearing to reflect the most current Global Insight forecast then available and  
9 recalculate the proposed dismantlement accrual based on those updated rates.

10 **Q. Is FPL proposing a Company adjustment to reflect the impact of the**  
11 **accruals from the 2016 Dismantlement Study on its 2017 Test Year and**  
12 **2018 Subsequent Year?**

13 A. Yes. As with depreciation, FPL utilized the current FPSC approved  
14 dismantlement accruals from its 2009 dismantlement study to prepare its 2017  
15 Test Year and 2018 Subsequent Year forecasts and is proposing a Company  
16 adjustment to reflect the updated accrual contained in the 2016 Dismantlement  
17 Study. Similar to the depreciation study results, the Company adjustment for  
18 the change in dismantlement accrual must be bifurcated between base and  
19 clause recovery because our existing solar plants, Martin, DeSoto and Space  
20 Coast, are recovered through FPL's ECRC. Exhibit KF-5 provides an  
21 overview of the split between base and clause recovery for the Company  
22 adjustment.

23

1 V. END OF LIFE ACCRUALS FOR NUCLEAR FUEL LAST CORE AND  
2 MATERIALS AND SUPPLIES  
3

4 Q. Does the nuclear decommissioning study that FPL filed in Docket No.  
5 150265-EI propose revisions to the end of life accruals for FPL's nuclear  
6 plants?

7 A. Yes.

8 Q. Please describe those revised accruals.

9 A. In accordance with Rule 25-6.04365, Nuclear Decommissioning, F.A.C., FPL  
10 filed its nuclear decommissioning study on December 14, 2015. Using the  
11 same end of life assumptions utilized in that study, the nuclear  
12 decommissioning study also updated FPL's estimates related to EOL M&S  
13 and nuclear fuel last core accruals. The revised annual accruals represent an  
14 increase of \$564,960 for the EOL M&S and a decrease of \$680,787 for the  
15 nuclear fuel last core as a result of changes in the projected inventory balances  
16 at the time of decommissioning.,

17 Q. Is FPL proposing a Company adjustment to reflect these revised annual  
18 accruals?

19 A. Yes. These two accrual changes are included as Company adjustments for the  
20 2017 Test Year and 2018 Subsequent Year, as shown in Exhibit KF-6.

21 Q. Does this conclude your direct testimony?

22 A. Yes.



1 BY MR. BUTLER:

2 Q Mr. Ferguson, do you have exhibits that were  
3 identified as KF-1 through KF-6 attached to your direct  
4 testimony?

5 A Yes.

6 Q And were these prepared under your direction  
7 and supervision?

8 A Yes.

9 MR. BUTLER: I would note that they have been  
10 identified as Exhibits 107 through 112.

11 CHAIRMAN BROWN: As noted, thank you.

12 Staff.

13 MS. BROWNLESS: Yes, ma'am.

14 EXAMINATION

15 BY MS. BROWNLESS:

16 Q Mr. Ferguson, have you had an opportunity to  
17 look at the items listed on Exhibit 579, under your  
18 name?

19 A Yes, I have.

20 Q And are they true and correct to the best of  
21 your knowledge and belief?

22 A Yes.

23 Q Okay. And did you prepare these exhibits, or  
24 were they prepared under your control?

25 A Yes.

1           Q     Would your answers be the same today if you  
2     were asked these same questions?

3           A     Yes.

4           Q     Are any portions of your listed exhibits  
5     confidential?

6           A     No, I don't believe so.

7                     MS. BROWNLESS: Thank you.

8                     CHAIRMAN BROWN: Okay, Mr. Butler.

9                     MR. BUTLER: Thank you.

10                                     FURTHER EXAMINATION

11     BY MR. BUTLER:

12           Q     Mr. Ferguson, would you please summarize your  
13     testimony --

14           A     Sure.

15                     Good evening, Commissioners. Thank you for  
16     the opportunity to speak with you today. The purpose of  
17     my direct testimony is to support certain inputs of the  
18     company's calculation of revenue requirements in this  
19     proceeding.

20                     First, I provide an overview of the company  
21     adjustment of \$221 million and \$223 million in the 2017  
22     test year and 2018 subsequent year, respectively, as a  
23     result of reflecting the depreciation rates from FPL's  
24     2016 depreciation study, which has been prepared by FPL  
25     Witness Allis, and is supported by his direct testimony

1 in this docket.

2           These company adjustments reflect significant  
3 investments in production, transmission and distribution  
4 assets since the last depreciation study was filed in  
5 2009.

6           Second, I support the request for recovery of  
7 retired assets with unrecovered balances through capital  
8 recovery schedules in accordance with Commission rules  
9 over a four-year period consistent with Commission  
10 practice.

11           Third, I provide an overview of FPL's  
12 dismantlement study conducted by Burns and McDonnell, a  
13 Global Engineering firm that specializes in preparing  
14 dismantlement studies for electric utilities, including  
15 the most recent studies for Duke Energy, Florida and  
16 Tampa Electric Company. Burns and McDonnell conducted  
17 the detailed bottom-up review of the fossil and solar  
18 units in FPL's fleet in order to get a more precise view  
19 of current costs of dismantling those facilities in  
20 accordance with Commission rules.

21           I also support the calculation of the  
22 dismantlement accrual based on the inputs from the Burns  
23 and McDonnell study, and other drivers, including the  
24 impact of the dismantlement reserve amortization  
25 authorized in FPL's 2012 rate settlement.

1                   Finally, I support the change in FPL's  
2    end-of-life materials and supplies and nuclear fuel last  
3    core accruals as presented in FPL's most recent nuclear  
4    decommissioning study filed in December of 2015. In all  
5    of the requests and adjustments I support, the company  
6    has followed Commission practice and precedent for the  
7    proper rate-making of these items.

8                   In addition, in the case of both the 2016  
9    depreciation and dismantlement studies, FPL has relied  
10   on outside experts while leveraging its team of internal  
11   resources from our operations groups to validate inputs  
12   and assumptions related to the operation and ultimate  
13   dismantlement of our significant fleet of assets. In  
14   doing so, it properly reflected the best information  
15   available as inputs into these analyses.

16                   That concludes my summary.

17                   **Q    Thank you.**

18                   MR. BUTLER: And I tender Mr. Ferguson for  
19    cross-examination.

20                   CHAIRMAN BROWN: Thank you. And welcome,  
21    Mr. Ferguson.

22                   Mr. Rehwinkle. Good evening.

23                   MR. REHWINKEL: Good evening again.

24                   Thank you, Madam Chairman.

25                   EXAMINATION

1 BY MR. REHWINKEL:

2 Q Hello, Mr. Ferguson.

3 A Hello.

4 Q Charles Rehwinkle with the Office of Public  
5 Counsel. I just have a few questions for you.

6 You made some changes to your direct testimony  
7 through errata, is that correct?

8 A That's correct.

9 Q Could I ask you to turn to page 11 and line  
10 15, please?

11 A I am there.

12 Q And I believe one of the changes you made was  
13 to that location, is that correct?

14 A That's correct.

15 Q So you added "and Commission practice" after  
16 the FAC, or Florida Administrative Code reference there,  
17 correct?

18 A That's correct.

19 Q And is it true that that reference to  
20 Commission practice related solely to the capital  
21 recovery schedules that you reference in your testimony  
22 here?

23 A Yes, that's correct.

24 Q Okay. And what did you there was basically to  
25 make that consistent with your testimony on page six,

1 line nine, where you have the same reference following  
2 the rule citation, where you have the phrase "Commission  
3 practice"?

4 A That's correct.

5 Q Okay. And that -- those lines seven through  
6 11 of page six, again, relate to capital recovery  
7 schedules, right?

8 A That's correct.

9 Q Okay. Now, you are the person in the company  
10 most directly responsible for asset recovery?

11 A Yes, that's correct.

12 Q And that's why the letter from Gannett  
13 Fleming, signed by Mr. Allis and Mr. Clark, was directed  
14 to you; is that right?

15 A That's correct.

16 Q Okay. And are you generally familiar with the  
17 Commission's depreciation rule?

18 A Yes, I am familiar with it.

19 Q Part of your testimony, or your role in this  
20 case, is to support the inputs from the depreciation  
21 study, and to assure the Commission that they were done  
22 in accordance with the Commission rule? On  
23 depreciation?

24 A Yes, that's correct. I sponsor the company  
25 adjustment calculation.

1 Q Okay. Now, are you familiar with the  
2 provision in the Commission rule that requires the  
3 company to perform a comparison of the accumulated book  
4 reserve to the prospective theoretical reserve based on  
5 proposed rates and components for each category of  
6 depreciable plant to which depreciation rates are to be  
7 applied?

8 A Yes, I am correct -- I am familiar with that.  
9 Sorry.

10 Q And that would be, would you accept subject to  
11 check, Rule 25-6.0436(5)(d)?

12 A Yes, that's correct.

13 Q Okay. And would it be your testimony here in  
14 support of the 2016 depreciation study, that the study  
15 was performed in conformance with that provision of that  
16 rule?

17 A Yes.

18 Q Okay. Now, if you know, can I ask you is --  
19 when FPL and its contractor performed this comparison of  
20 book reserve to theoretical reserve, you identified a  
21 theoretical reserve imbalance they did?

22 A Yes, I believe we identified -- or Gannett  
23 Fleming identified a very small imbalance.

24 Q Okay. In the study that was originally filed,  
25 that imbalance was a negative \$99 million, is that

1 right?

2 A That sounds about correct.

3 Q Okay. And then in the second notice of  
4 identified adjustments that was filed, the company --  
5 let me step back.

6 The 2016 study that was originally filed was  
7 based on plant balances that were projected to exist on  
8 12/31/2017, is that right?

9 A Yes, that's correct.

10 Q And in the second notice of identified  
11 adjustments, the depreciation expense results of the  
12 study were shown based on plant balances as of  
13 12/31/2016, is that correct?

14 A Yes, that is correct.

15 Q Okay. And as a result of those revisions, the  
16 company, on page 62 of 91 of the second notice of  
17 identified adjustments, presents a theoretical reserve  
18 imbalance of \$80.4 million, is that correct?

19 A Yes, \$80.4 million positive --

20 Q Okay.

21 A -- reserve imbalance.

22 Q In any event, the imbalance that was  
23 identified pursuant to the Commission's rule was  
24 considered relatively small compared to overall plant  
25 balances and depreciation reserve, is that correct?



1           A     Yes, I believe it was about one percent of our  
2 total -- total reserve balance.

3           **Q     Okay. Now, you are not presenting to the**  
4 **Commission any further changes or results of the**  
5 **depreciation study that was performed by Gannett Fleming**  
6 **beyond of what is contained in the second notice of**  
7 **identified adjustments, is that correct?**

8           A     Yes. I think it's important I kind of  
9 describe what the second notice of identified  
10 adjustments was. We performed a depreciation study, and  
11 we used year-end 2017 balances. And the primary reason  
12 why we did that is because we had -- well there's two  
13 reasons. One is, we had a multiple test year kind of  
14 situation in this case where we had 2017 and 2018, and  
15 we wanted to kind of fit in the depreciation in order to  
16 develop rates for which those investments that are in  
17 place would be effective for. And so we did that.

18                     The second reason why is, in 2017, we had  
19 significant investments going into service. I think you  
20 have heard a lot of discussion about these GE7FA.05  
21 parts. We had about \$250 million of those going into  
22 service in 2017. Those assets had a significantly  
23 longer life than the predecessor parts, and so we wanted  
24 to be able to reflect the impact of those longer lives  
25 for customers.

1           So when -- we did receive some discovery from  
2 parties asking, you know, about why we used the 2017  
3 balances. We explained that. And we, at the time,  
4 thought there might be some consideration to use 2016  
5 balances instead, should the Commission decide to use  
6 that instead. And so we filed this notice of identified  
7 adjustments, which provide the calculations based on the  
8 2016 balances. Although, there was zero changes in  
9 lives, no changes in cost of removal, and no changes in  
10 net -- in salvage associated with that. So it's  
11 effectively the same information, just calculated based  
12 on a different balance.

13           **Q     So, Mr. Ferguson, in following up to that**  
14 **explanation, it's true, isn't it, that you are one of**  
15 **the sponsors of MFR Schedule B-2, is that correct?**

16           A     That's correct.

17           **Q     And I would assume you have a copy of that**  
18 **with you?**

19           A     I do.

20           **Q     Can I ask you to turn to page three of eight**  
21 **of that MFR schedule?**

22           A     Sure. Let me get there.

23           **Q     And direct you to line nine, column three.**

24           A     Yes, I am there.

25           **Q     And this shows an adjustment of a negative**

1     **\$102,691,000, is that right?**

2           A     That's correct.

3           Q     **And I think, if I get you to turn to page**  
4     **seven of 8 of MFR B-2, on line 28, that's where note 43**  
5     **is, which explains that \$102 million number -- which is,**  
6     **by the way, an unadjusted number that's not**  
7     **jurisdictionalized, is that right?**

8           A     Yes, not jurisdictionalized, but it represents  
9     the 13-month average.

10          Q     **Okay. So could you read, for the record, note**  
11     **43?**

12          A     "Depreciation study: to increase accumulated  
13     depreciation and amortization to reflect increased base  
14     depreciation expense resulting from FPL's 2016  
15     depreciation study."

16          Q     **Okay. So the notice that's identified**  
17     **adjustments, the restating the depreciation expense**  
18     **results based on 12/31/2016 plant balances, does that**  
19     **affect the number that you have on page three of MFR**  
20     **B-2?**

21          A     The answer is yes, if you use the 2016  
22     balances, it would.

23          Q     **Okay. And what direction would it affect it?**

24          A     It would go down.

25          Q     **Okay. So would this negative number be less**

1 negative?

2 A Less negative, yes.

3 Q Okay. But in any event, the impact of the  
4 depreciation reserve on MFR B-2 would be bounded by the  
5 notice of -- the results of the notice of -- the second  
6 notice of identified adjustments, is that correct?

7 A Can you clarify what you mean by bounded by?  
8 I am sorry.

9 Q Well, the expenses that are shown in the  
10 notice -- the second notice of identified adjustments  
11 are, they would yield a certain impact on the  
12 accumulated depreciation, or depreciation reserve; is  
13 that right?

14 A Yes, if you use those amounts, it will be.

15 Q Okay. So if the Commission were to use those  
16 amounts, i.e., in the second notice of identified  
17 adjustments, it would be really more of a computational  
18 impact on MFR B-2, is that correct?

19 A Yes. The -- what we filed in the notice of  
20 identified adjustments is merely a calculation.

21 Q Okay. So the -- kind of the range of results  
22 that could occur from the application of the  
23 depreciation expenses that result from the 2016 study  
24 that you filed would be bounded -- and to go back to my  
25 prior question -- by either the expenses that yield the

1 negative \$99 million reserve imbalance, or the ones that  
2 yield the positive \$80.4 million reserve imbalance, is  
3 that correct?

4 A Yes, that's correct.

5 MR. REHWINKEL: I have no further questions.  
6 Thank you, Mr. Ferguson.

7 CHAIRMAN BROWN: Thank you, Mr. Rehwinkle.  
8 Mr. Moyle.

9 MR. MOYLE: Thank you, Madam Chair.

10 EXAMINATION

11 BY MR. MOYLE:

12 Q Sir, I would direct your attention to page  
13 five, if I could, of your testimony.

14 A I am there.

15 Q Okay. So the 2016 depreciation study, you  
16 reference this on lines seven to 10. The depreciation  
17 study has been prepared by Witness Allis -- is that how  
18 you say it?

19 A Allis, yes. That's correct.

20 Q And he is with Gannett and Fleming?

21 A Gannett Fleming, yes.

22 Q Okay. And he is a witness in your direct  
23 case, correct?

24 A Yes, I believe he is the next witness.

25 Q Okay. And he will explain his study?

1           A     Yes, he will, hopefully not tonight, but he  
2 will. Otherwise, we will all go to sleep. No offense  
3 to him, by the way.

4           Q     All right. So further down, there is a  
5 dismantlement study, and that was conducted by Burns and  
6 McDonnell, correct?

7           A     That's correct.

8           Q     Okay. And there is nobody here in your direct  
9 case in chief from Burns and McDonnell to explain the  
10 dismantlement study, correct?

11          A     No, not in the direct case, but --

12          Q     Okay.

13          A     -- the witness is available in the rebuttal.

14          Q     The -- were you involved in the Cedar Bay case  
15 at all?

16          A     No, I wasn't directly involved.

17          Q     Okay. I know you do salvage values, but do  
18 you have an understanding, in the business of  
19 demolishing and knocking down plants, whether it can be  
20 done for little or no cost because of the salvage value  
21 of the metals that come out of plants?

22          A     I am aware that salvage is a component of it,  
23 but I have never -- I don't think our company has ever  
24 experienced a situation where there has been little or  
25 no cost associated with the dismantlement.

1           Q       Okay.  And you had the dismantlement study, it  
2       was originally filed with some errors in it; is that  
3       right?

4           A       Yes.  We had a few errors that we identified  
5       and we corrected -- that the company identified and  
6       corrected.

7                     MR. MOYLE:  That's all I have.  Thank you.

8                     CHAIRMAN BROWN:  Thank you, Mr. Moyle.

9                     Mr. Wiseman.

10                    MR. WISEMAN:  Thank you, Madam Chair.  Just a  
11       few questions.

12   EXAMINATION

13       BY MR. WISEMAN:

14           Q       **Good evening, Mr. Ferguson.**

15           A       Good evening.

16           Q       **Could you refer to your Exhibit KF-3, please?**

17           A       Sure.  Give me a second.

18           Q       **Sure.**

19           A       Okay.  I am there.

20           Q       **All right.  I just want to ask some clarifying**  
21       **questions to make sure I understand the data here.**

22                     So in the left -- on the left side of the page  
23       there, a number of generating plants or units that are  
24       listed, correct?

25           A       Yes.  That's correct.

1           **Q**     And these are units that have been retired in  
2     the last three, four years approximately; is that right?

3           **A**     These are units that are either retired or  
4     going to be retired in the current year.

5           **Q**     Okay. And do you know how long ago the first  
6     of these units was retired?

7           **A**     Turkey Point Unit 1, is that what you are  
8     referring to?

9           **Q**     If that's the earliest retirement.

10          **A**     So are you wanting me to go chronologically,  
11     or --

12          **Q**     I am sorry, chronologically.

13          **A**     Okay. I believe Putnam was retired in  
14     December of 2014. The Turkey Point Unit 1, I believe,  
15     is being retired this year, as well as the gas turbines  
16     are being retired this year.

17          **Q**     Okay. And then if we go over to column four,  
18     it says -- it's titled Title I Recovered Cost, do you  
19     see that?

20          **A**     Yes.

21          **Q**     Okay. Does that represent the undepreciated  
22     book value at the time the plant either was retired or  
23     will be retired?

24          **A**     Yes. It represents the net book value of  
25     those plants.



1 Q Okay. The remaining net book value?

2 A That's correct.

3 Q Okay. And then if we go to -- so if we go to  
4 page three, to shortcut this, the total remaining net  
5 book value of those plants that are listed would have a  
6 value of \$166.3 million, correct?

7 A Yes, on a total company basis, 166 million.

8 Q Okay. And you are proposing, rather, a  
9 four-year amortization period for each of those  
10 facilities, correct?

11 A Yes. That's been consistent with what we  
12 proposed in the last four base rate proceedings,  
13 including this one.

14 Q Okay. And that four-year amortization period  
15 would produce an annual accrual amount of \$41.5 million  
16 per year for each of a four-year period, right?

17 A Yes. That's correct.

18 Q Okay. And just if you know, so each of these  
19 plants that either already has been retired, or will be  
20 retired, is being replaced by units with lower heat  
21 rates; is that right?

22 A The answer is it depends. So the gas turbines  
23 have been talked about, I think, in a lot of detail  
24 here. So those are obviously being replaced with the  
25 combustion turbine peaking units. Putnam is -- was

1 retired for economic purposes -- economic reasons, and,  
2 you know, I believe it's not currently being replaced at  
3 its site right now. And Turkey Point Unit 1 is being  
4 converted into a synchronous condenser, which is  
5 effectively a transmission asset, so it maintains  
6 voltage support for the grid.

7 MR. WISEMAN: Thank you. Those are all my  
8 questions.

9 CHAIRMAN BROWN: Thank you, Mr. Wiseman.  
10 Retail Federation.

11 MR. WRIGHT: I have no questions, Madam Chair.

12 CHAIRMAN BROWN: Thank you, Mr. Wright.

13 MR. WRIGHT: You're welcome.

14 CHAIRMAN BROWN: FEA?

15 MR. JERNIGAN: No questions.

16 CHAIRMAN BROWN: Thank you, Mr. Jernigan.  
17 Sierra Club?

18 MS. CSANK: No questions.

19 CHAIRMAN BROWN: Thank you, Ms. Csank.  
20 Wal-Mart?

21 MS. ROBERTS: No questions.

22 CHAIRMAN BROWN: Thank you very much.  
23 And --

24 MR. COFFMAN: No questions.

25 CHAIRMAN BROWN: -- AARP.

1 The Larsons?

2 COMMISSIONER SKOP: No questions, Madam Chair.

3 CHAIRMAN BROWN: Thank you.

4 Staff?

5 MS. BROWNLESS: No, ma'am. Thank you.

6 CHAIRMAN BROWN: Commissioners, come on. Come  
7 on, Commissioners.

8 Redirect?

9 MR. BUTLER: Just one question.

10 FURTHER EXAMINATION

11 BY MR. BUTLER:

12 **Q Mr. Ferguson, when was the corrected**  
13 **dismantlement study, or the corrections to the**  
14 **dismantlement study filed?**

15 A I believe on May 3rd.

16 **Q Was that part of one of the notices of**  
17 **identified adjustment?**

18 A Yes, I believe it was part of the first notice  
19 of identified adjustments.

20 MR. BUTLER: Thank you. That's all the  
21 redirect that I have.

22 CHAIRMAN BROWN: Thank you.

23 This witness has a few exhibits.

24 MR. BUTLER: He does.

25 CHAIRMAN BROWN: FPL 107 through 112.

1 MR. BUTLER: Yes. We would move those into  
2 the record.

3 CHAIRMAN BROWN: Any objections? Mr. Moyle.

4 MR. MOYLE: We would object to the  
5 dismantlement study.

6 CHAIRMAN BROWN: On the grounds of?

7 MR. MOYLE: Hearsay -- hearsay objections  
8 KF-4.

9 CHAIRMAN BROWN: Okay. Noted.

10 Any other objections?

11 All right, we will move in exhibits 107  
12 through 112 into the record.

13 (Whereupon, Exhibit Nos. 107 - 112 were  
14 received into the record.)

15 CHAIRMAN BROWN: Would you like this witness  
16 excused for the evening?

17 MR. BUTLER: That would be great. Thank you.

18 CHAIRMAN BROWN: Have a good night.

19 THE WITNESS: Thank you. You too.

20 CHAIRMAN BROWN: See you next week.

21 THE WITNESS: Yes.

22 (Witness excused.)

23 CHAIRMAN BROWN: Okay. So it's 10:15,  
24 everybody is tired, and probably a little hungry  
25 and edgy, and some of these folks are delirious

1 back here. I said that we would start at 9:00, but  
2 I want to give the opportunity for the parties to,  
3 given the fact that it's so late in the hour, to  
4 prepare a little extra. Would -- is it your  
5 preference for 9:30? Okay. So we will -- we will  
6 take a break now, and we will reconvene at 9:30  
7 tomorrow morning.

8 MR. WISEMAN: Madam Chair, could I ask a  
9 question, please?

10 CHAIRMAN BROWN: Okay.

11 MR. WISEMAN: I'm wondering if you have an  
12 idea, on scheduling tomorrow, how many witnesses  
13 you are going to try to get through. And all I am  
14 thinking about really is making -- calling our  
15 witnesses to have them make proper travel  
16 arrangements.

17 CHAIRMAN BROWN: Absolutely. I like the  
18 number five.

19 MR. WISEMAN: Okay.

20 CHAIRMAN BROWN: Five sounds good to me. So I  
21 am hoping that Friday we can get to Cohen and  
22 Deaton, and then start the next week on the  
23 intervenors. So that's kind of my goal.

24 MR. WISEMAN: Is your thought that we would --  
25 if we finish Cohen and Deaton on Friday, regardless

1 of what time we finish that --

2 CHAIRMAN BROWN: We will adjourn.

3 MR. WISEMAN: I'm sorry?

4 CHAIRMAN BROWN: Not adjourn. We will break.

5 MR. WISEMAN: Okay. Thank you.

6 CHAIRMAN BROWN: Until the next week.

7 MR. WISEMAN: That's very helpful. I think  
8 maybe I can do this off the record with FPL and  
9 tell them what -- as I had indicated, our witnesses  
10 are challenged getting here the following week, but  
11 we figured it out.

12 CHAIRMAN BROWN: Good. Work with all the  
13 parties.

14 Any other comments, questions, Mr. Rehwinkle?  
15 Anyone? FPL.

16 MR. BUTLER: Yes, I am sorry, Madam Chair,  
17 just wanted to remind the parties that we will  
18 expect, you know, other than on an exceptions  
19 basis, complete copies of exhibits that are used as  
20 cross-examination -- or documents used as  
21 cross-examination exhibits.

22 CHAIRMAN BROWN: All right. Parties, please  
23 be advised of FPL's request for full and complete  
24 copies of all exhibits.

25 MR. BUTLER: Thank you.

1                   CHAIRMAN BROWN: Any other comments or  
2                   questions? See you at 9:30. Have a good night and  
3                   rest.

4                   MR. BUTLER: Thank you. You, too.

5                   (Transcript continues in sequence in Volume  
6                   16.)

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## CERTIFICATE OF REPORTER

STATE OF FLORIDA     )  
COUNTY OF LEON        )

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 25th day of August, 2016.



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DEBRA R. KRICK  
NOTARY PUBLIC  
COMMISSION #GG015952  
EXPIRES JULY 27, 2020