

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: July 21, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (Draper, Guffey) *EAD*
Office of the General Counsel (Brownless) *SKG GS*
mmj

RE: Docket No. 20170148-EI – Petition for determination under Rule 25-6.115, F.A.C., and approval of associated revised tariff sheet 6.300, by Florida Power & Light Company.

AGENDA: 08/03/17 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 08/23/17 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

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COMMISSION
CLERK

Case Background

On June 23, 2017, Florida Power & Light Company (FPL) filed a petition for approval for a determination under Rule 25-6.115(12), Florida Administrative Code (F.A.C.), that FPL may, under defined circumstances, exclude the applicants' underground conversion contribution in aid of construction (CIAC) amount as specified in Rule 25-6.115(8)(b), F.A.C.

Rule 25-6.115, F.A.C., and FPL's tariff provide the terms under which applicants are to pay a CIAC for the conversion of existing overhead distribution facilities to underground. FPL tariff sheet 6.300 provides the formula for the calculation of the CIAC. One component of the CIAC calculation is specified in paragraph (8)(b) of the rule and requires FPL to recover the value of the existing facilities (net book value of facilities minus their estimated salvage value) from the applicant. Paragraph (12) of the rule allows a utility to waive all or any portion of the cost for providing underground facilities. If the utility waives any charge, the utility is required to reduce

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net plant in service unless the Commission determines that there is a quantifiable benefit to the general body of ratepayers commensurate with the waived charge.

FPL requests that the Commission determine that there are quantifiable benefits to the general body of ratepayers from the exclusion of the existing non-storm hardened facilities cost from the CIAC calculation for underground conversions and seeks approval of its revised tariff sheet 6.300. The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should FPL's proposed revisions to Tariff Sheet No. 6.300 be suspended?

Recommendation: Yes. Staff recommends that the proposed revisions to Tariff Sheet No. 6.300 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed tariff revisions. (Draper, Guffey)

Staff Analysis: Staff recommends that the proposed revisions to Tariff Sheet No. 6.300 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed tariff revisions.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such a change, a reason, or written statement of a good cause for doing so within 60 days. Staff believes that the reason stated above is a good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission's decision on the proposed revisions to Tariff Sheet No. 6.300. (Brownless)

Staff Analysis: This docket should remain open pending the Commission's decision on the proposed revisions to Tariff Sheet No. 6.300.