BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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| In re: Petition for approval of arrangement to mitigate unfavorable impact of St. Johns River Power Park, by Florida Power & Light Company. | DOCKET NO. 20170123-EI  ORDER NO. PSC-2017-0415-AS-EI  ISSUED: October 24, 2017 |

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman

RONALD A. BRISÉ

DONALD J. POLMANN

FINAL ORDER APPROVING SETTLEMENT AGREEMENT BETWEEN FLORIDA POWER & LIGHT COMPANY AND THE OFFICE OF PUBLIC COUNSEL

APPEARANCES:

JOHN T. BUTLER, KENNETH M. RUBIN and R. WADE LITCHFIELD, ESQUIRES, 700 Universe Boulevard, Juno Beach, Florida 33408

On behalf of Florida Power & Light Company (FPL).

STEPHANIE A. MORSE, CHARLES J. REHWINKEL, and J.R. KELLY, ESQUIRES, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400

On behalf of Office of Public Counsel (OPC).

DANIJELA JANJIC, MARGO DUVAL and KYESHA MAPP, ESQUIRES, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Advisor to the Florida Public Service Commission.

Keith hetrick, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Florida Public Service Commission General Counsel.

BY THE COMMISSION:

On May 22, 2017, Florida Power & Light Company (FPL) filed its Petition for approval of its arrangement to mitigate unfavorable impacts stemming from its partial ownership of the St. Johns River Power Park (SJRPP). Specifically, FPL sought approval for: (1) early shutdown of the SJRPP; (2) early termination of the associated Joint Operating Agreement (JOA) with its co-owner JEA (the SJRPP Transaction); and (3) elements of the proposed accounting treatment for the SJRPP Transaction (the SJRPP Transaction Accounting). An administrative hearing was scheduled for September 25, 2017.

On September 21, 2017, FPL and the Office of Public Counsel (OPC) filed a joint motion for approval of their Stipulation and Settlement (Agreement), which is attached. We addressed the Agreement and other matters at the hearing, after which we voted to approve the Agreement. We have jurisdiction pursuant to Section 366.06, Florida Statutes (F.S.).

The Agreement provides that FPL’s proposal for early shutdown of the SJRPP and early termination of the associated JOA with its co-owner JEA should be approved as prudent. Further, except as specifically set forth in the Agreement, FPL’s proposed accounting for the SJRPP Transaction as set forth in FPL’s petition should be approved. FPL had originally proposed commencing amortization of the base rate portion ($143,155,659) of the Early Retirement Asset and Asset Transfer Regulatory Asset at the time that FPL’s base rates are next reset in a general rate case and continuing thereafter for ten years. Instead the Agreement sets out the following amortization and recovery of the base-rate portion of those regulatory assets:

1. the amortization will commence on July 1, 2018;
2. the amortization will continue over a 15-year period thereafter;
3. FPL will continue to reflect the annual amortization expense as a base rate expense for earnings surveillance purposes throughout the term of its current base rate settlement agreement and thereafter until the amortization is concluded; and
4. the annual amortization expense and the remaining unamortized balance of the two regulatory assets will be recovered in FPL's next general base rate case.

Based upon the Petition, our review of the Agreement, the evidence on the record, and for the reasons stated above, we find that the Agreement is reasonable. The Agreement helps facilitate an orderly and timely shutdown of SJRPP and, in turn, will allow customers to receive the full benefit of customer savings (projected to be $183 million Cumulative Present Value Revenue Requirements (CPVRR)) and will allow Florida customers to receive the full benefit of the improved emissions profile resulting from early shutdown. Thus, we find the Agreement is in the public interest and it shall be approved. The Agreement resolves all the issues in this docket.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the attached Stipulation and Settlement Agreement is approved. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 24th day of October, 2017.

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|  | /s/ Carlotta S. Stauffer |
|  | CARLOTTA S. STAUFFER  Commission Clerk |

Florida Public Service Commission

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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

