

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery
Clause and Generating Performance Incentive
Factor

Docket No. 20180001-EI
Filed: October 2, 2018

FLORIDA POWER & LIGHT COMPANY’S PREHEARING STATEMENT

Florida Power & Light Company (“FPL”), pursuant to Order Nos. PSC-2018-0079-PCO-EI, and PSC-2018-0164-PCO-EI, hereby submits its Prehearing Statement regarding the issues to be addressed at the hearing scheduled for November 5-7, 2018.

1) WITNESSES

WITNESS	SUBJECT MATTER	ISSUES
R. B. Deaton	FCR - St. John’s River Power Park	2L
R. B. Deaton	Fuel Adjustment True-up and Projections	6-11 and 18-22
R. B. Deaton	Nuclear Cost Recovery Amount	24A
R. B. Deaton	CCR - St. John’s River Power Park	24B
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2) **EXHIBITS**

Witness	Exhibits	Description
R. B. Deaton	RBD-1	2017 FCR Final True Up Calculation
R. B. Deaton	RBD-2	2017 CCR Final True Up Calculation (Confidential)
R. B. Deaton	RBD-3	2018 FCR Actual/Estimated True Up Calculation
R. B. Deaton	RBD-4	2018 CCR Actual/Estimated True Up Calculation
R. B. Deaton	RBD-5	Appendix II 2019 FCR Projection (Jan-Feb)
R. B. Deaton	RBD-6	Appendix III 2019 FCR Projection (Mar-May)
R. B. Deaton	RBD-7	Appendix IV 2019 FCR Projection (Jun-Dec)
R. B. Deaton	RBD-8	Appendix V 2019 FCR Projection (Jan-Dec)
R. B. Deaton	RBD-9	Appendix VI 2019 CCR Projection (Jan-Dec) (Confidential)
G. J. Yupp	GJY-1	2017 Incentive Mechanism Results (Confidential)
G. J. Yupp	GJY-2	2017 Hedging Activity True-up
G. J. Yupp	GJY-3	Appendix I Fuel Cost Recovery

Witness	Exhibits	Description
C. R. Rote	CRR-1	Generating Performance Incentive Factor Performance Results for January 2017 through December 2017
C. R. Rote	CRR-2	Generating Performance Incentive Factor Performance Targets for January 2019 through December 2019
W. F. Brannen	WFB-1	List of FPL Universal PV Solar Energy Centers in Service
W. F. Brannen	WFB-2	Typical Solar Energy Center Block Diagram
W. F. Brannen	WFB-3	Renderings of 2019 Solar Energy Centers
W. F. Brannen	WFB-4	Specifications for 2019 Solar Energy Centers
W. F. Brannen	WFB-5	Property Delineations, Features and Land Use of 2019 Solar Energy Centers
W. F. Brannen	WFB-6	Construction Schedule for 2019 Solar Energy Centers
J. Enjamio	JE-1	Load Forecast
J. Enjamio	JE-2	FPL Fuel Price Forecast
J. Enjamio	JE-3	FPL Resource Plans
J. Enjamio	JE-4	CPVRR – Costs and (Benefits)
J. Enjamio	JE-5	Avoided Fossil Fuel
J. Enjamio	JE-6	Avoided Air Emissions
S. Castaneda	SKC-1	2019 SoBRA Revenue Requirement Calculation
T. Cohen	TCC-1	2019 SoBRA Factor Calculation
T. Cohen	TCC-2	Projected Retail Base Revenues
T. Cohen	TCC-3	Summary of Tariff Changes for March 1, 2019
T. Cohen	TCC-4	Typical Bill Projections

3) STATEMENT OF BASIC POSITION

FPL’s 2019 Fuel and Purchased Power Cost Recovery factors and Capacity Cost Recovery factors, including its prior period true-ups, are reasonable and should be approved.

FPL’s proposed 2019 Solar Project should be approved. The costs of the 2019 Solar Project are reasonable, and the Project is cost effective. The associated solar base rate adjustment (“SoBRA”) factor of 0.795% and revenue requirement of \$51,685,454 were calculated in accordance with the terms approved in Order No. PSC-16-0560-AS-EI, and should therefore be approved here. The revised tariffs for FPL reflecting the requested base rate percentage increase for the 2019 SoBRA projects also were calculated in accordance with the terms approved in Order No. PSC-16-0560-AS-EI and should be approved.

FPL's proposed generation base rate adjustment (GBRA) factor of 3.040% for the Okeechobee Clean Energy Center ("OCEC") were calculated in accordance with the terms approved in Order No. PSC-16-0560-AS-EI and should be approved.

4) STATEMENT OF ISSUES AND POSITIONS

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

ISSUE 2A: Should the Commission approve as prudent FPL's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in FPL's April 2018 and August 2018 hedging reports?

FPL: Yes. FPL's actions to mitigate the price volatility of natural gas, as reported in FPL's April 2018 hedging report, are reasonable and prudent. Pursuant to Paragraph 16 of FPL's settlement agreement approved in Order No. PSC-16-0560-AS-EI dated December 15, 2016, FPL's fuel hedging program is under a moratorium. Therefore, FPL had no hedging activity to report for 2018 in the August 2018 hedging report. (Yupp)

ISSUE 2B: What was the total gain under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL may recover for the period January 2017 through December 2017, and how should that gain to be shared between FPL and customers?

FPL: FPL's asset optimization activities in 2017 delivered total gains of \$43,861,831. Of these total gains, FPL is allowed to retain \$2,317,099. (Yupp)

ISSUE 2C: What is the appropriate amount of Incremental Optimization Costs under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2017 through December 2017?

FPL: The amount of Incremental Optimization Costs for Personnel, Software, and Hardware Costs that FPL should be allowed to recover through the fuel clause is \$703,923 for the period January 2017 through December 2017. (Yupp)

ISSUE 2D: What is the appropriate amount of Variable Power Plant O&M Attributable to Off-System Sales under FPL’s Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2017 through December 2017?

FPL: The amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M attributable to off-system sales for the period January 2017 through December 2017 is \$1,275,624. (Yupp)

ISSUE 2E: What is the appropriate amount of Variable Power Plant O&M Avoided due to Economy Purchases under FPL’s Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2017 through December 2017?

FPL: FPL has included a credit of \$403,935 as the amount of Incremental Optimization Costs under the Incentive Mechanism for variable power plant O&M avoided due to economy purchases for the period January 2017 through December 2017. The Commission should authorize FPL to flow this credit to customers through the fuel clause. (Yupp)

ISSUE 2F: What is the appropriate amount of actual/estimated Incremental Optimization Costs under FPL’s Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2018 through December 2018?

FPL: The amount of Incremental Optimization Costs for Personnel, Software, and Hardware Costs that FPL should be allowed to recover through the fuel clause is \$519,261 for the period January 2018 through December 2018. (Yupp)

ISSUE 2G: What is the appropriate amount of actual/estimated Variable Power Plant O&M Attributable to Off-System Sales under FPL’s Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2018 through December 2018?

FPL: The amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M attributable to off-system sales for the period January 2018 through December 2018 is \$1,375,890. (Yupp)

ISSUE 2H: What is the appropriate amount of actual/estimated Variable Power Plant O&M Avoided due to Economy Purchases under FPL’s Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2018 through December 2018?

FPL: FPL has included a credit of \$417,954 as the amount of Incremental Optimization Costs under the Incentive Mechanism for variable power plant O&M avoided due to economy purchases for the period January 2018 through December 2018. The Commission should authorize FPL to flow this credit to customers through the fuel clause. (Yupp)

ISSUE 2I: What is the appropriate amount of projected Incremental Optimization Costs under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2019 through December 2019?

FPL: The amount of Incremental Optimization Costs for Personnel, Software, and Hardware Costs that FPL should be allowed to recover through the fuel clause is \$509,164 for the period January 2019 through December 2019. (Yupp)

ISSUE 2J: What is the appropriate amount of projected Variable Power Plant O&M Attributable to Off-System Sales under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2019 through December 2019?

FPL: The amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M attributable to off-system sales for the period January 2019 through December 2019 is \$1,424,563. (Yupp)

ISSUE 2K: What is the appropriate amount of projected Variable Power Plant O&M Avoided due to Economy Purchases under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2019 through December 2019?

FPL: FPL has included a credit of \$357,809 as the amount of Incremental Optimization Costs under the Incentive Mechanism for variable power plant O&M avoided due to economy purchases projected for the period January 2019 through December 2019. The Commission should authorize FPL to flow this credit to customers through the fuel clause. (Yupp)

ISSUE 2L: Has FPL properly reflected in the fuel and purchased power cost recovery clause the effects of the St. John's River Power Park transaction approved by Order No. PSC-2017-0415-AS-EI?

FPL: Yes. FPL reflected the impacts of the St. John's River Power Park transaction pursuant to Order No. PSC-2017-0415-AS-EI. (Deaton)

ISSUE 2M: What is the appropriate revised SoBRA factor for the 2017 projects to reflect actual construction costs that are less than the projected costs used to develop the initial SoBRA factor?

FPL: The total costs of the 2017 SoBRA Project are not yet final. The Company anticipates that final costs will be known by the third quarter of 2019. FPL expects that final costs for the 2017 Project will be less than the estimate used to develop the revenue requirement and SoBRA Factor for the 2017 Project. If that occurs, a one-time true-up adjustment will be credited to customers through the Capacity Cost Recovery Clause in accordance with Section 10(g) of FPL's 2016 Stipulation and Settlement Agreement, approved in Order No. PSC-16-0560-AS-EI. FPL will provide the appropriate revised SoBRA factor once the final costs are known. (Brannen, Cohen, Castaneda)

ISSUE 2N: What is the appropriate revised SoBRA factor for the 2018 projects to reflect actual construction costs that are less than the projected costs used to develop the initial SoBRA factor?

FPL: The total costs of the 2018 SoBRA Project are not yet final. The Company anticipates that final costs will be known by the third quarter of 2019. FPL expects that final costs for the 2018 Project will be less than the estimate used to develop the revenue requirement and SoBRA Factor for the 2018 Project. If that occurs, a one-time true-up adjustment will be credited to customers through the Capacity Cost Recovery Clause in accordance with Section 10(g) of FPL's 2016 Stipulation and Settlement Agreement, approved in Order No. PSC-16-0560-AS-EI. FPL will provide the appropriate revised SoBRA factor once the final costs are known. (Brannen, Cohen, Castaneda)

ISSUE 2O: Should the Commission approve revised tariffs for FPL reflecting the revised SoBRA factors for the 2017 and 2018 projects determined to be appropriate in this proceeding, effective January 1, 2019?

FPL: FPL has not calculated revised SoBRA factors for the 2017 or 2018 projects. FPL will file the applicable tariffs for approval reflecting revised SoBRA factors when all costs are known (estimated to be third quarter 2019). (Cohen)

ISSUE 2P: Are the 2019 SoBRA projects (Miami-Dade, Interstate, Pioneer Trail, Sunshine Gateway) proposed by FPL cost effective?

FPL: Yes. The 2019 SoBRA projects are projected to result in \$40 million (CPVRR) of customer savings. (Enjamio, Brannen)

ISSUE 2Q: What are the revenue requirements associated with the 2019 SoBRA projects?

FPL: \$ 51,685,454. (Castaneda)

ISSUE 2R: What is the appropriate base rate percentage increase for the 2019 SoBRA projects to be effective when all 2019 projects are in service, currently projected to be March 1, 2019?

FPL: 0.795%. (Cohen)

ISSUE 2S: Should the Commission approve revised tariffs for FPL reflecting the base rate percentage increase for the 2019 SoBRA projects determined to be appropriate in this proceeding?

FPL: Yes. (Cohen)

ISSUE 2T: Should the Commission approve FPL's proposed generation base rate adjustment (GBRA) factor of 3.040 percent for the Okeechobee Clean Energy Center ("OCEC") expected to go in-service on June 1, 2019?

FPL: Yes. The 3.040% GBRA factor for OCEC was calculated in accordance with the terms approved in Order No. PSC-16-0560-AS-EI, and should be approved. (Cohen)

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2018 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: FPL's revised Incentive Mechanism approved by the Commission in Order No. PSC-16-0560-AS-EI does not rely upon the three-year average Shareholder Incentive Benchmark specified in Order No. PSC-00-1744-PAA-EI, so it is not applicable to FPL for calendar year 2018. (Deaton)

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2019 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: FPL's revised Incentive Mechanism approved by the Commission in Order No. PSC-16-0560-AS-EI does not rely upon the three-year average Shareholder Incentive Benchmark specified in Order No. PSC-00-1744-PAA-EI, so it is not applicable to FPL for calendar year 2019. (Deaton)

ISSUE 8: What are the appropriate final fuel adjustment true-up amounts for the period January 2017 through December 2017?

FPL: \$23,632,267 under-recovery. (Deaton)

ISSUE 9: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2018 through December 2018?

FPL: \$88,108,249 under-recovery. (Deaton)

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2019 to December 2019?

FPL: \$111,740,516 under-recovery. (Deaton)

ISSUE 11: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2019 through December 2019?

FPL: \$2,706,845,783 excluding prior period true-ups, revenue taxes, FPL's portion of Incentive Mechanism gains, and the GPIF reward. (Deaton)

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) ISSUES

Florida Power & Light Company

No company-specific GPIF issues for Florida Power and Light Company have been identified at this time. If such issues are identified, they shall be numbered 13A, 13B, 13C, and so forth, as appropriate.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 16: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2017 through December 2017 for each investor-owned electric utility subject to the GPIF?

FPL: \$5,857,941 reward. (Rote)

ISSUE 17: What should the GPIF targets/ranges be for the period January 2019 through December 2019 for each investor-owned electric utility subject to the GPIF?

FPL:

Plant / Unit	EAF			ANOHR		
	Target	Maximum		Target	Maximum	
	EAF (%)	EAF (%)	Savings (\$000's)	ANOHR BTU/KWH	ANOHR BTU/KWH	Savings (\$000's)
Cape Canaveral 3	77.7	80.7	1,375	6,644	6,771	2,283
Manatee 3	91.2	93.7	1,044	6,924	7,058	2,010
Ft. Myers 2	81.5	84.0	1,195	7,298	7,429	3,052
Martin 8	90.8	93.3	1,047	6,977	7,129	2,286
Riviera 5	86.7	89.2	1,270	6,661	6,754	1,856
St. Lucie 1	84.6	87.6	4,157	10,404	10,503	393
St. Lucie 2	93.6	96.6	3,848	10,268	10,358	344
Turkey Point 3	93.6	96.6	3,597	11,021	11,176	674
Turkey Point 4	81.3	84.3	3,263	10,954	11,126	612
West County 1	87.4	90.4	1,913	7,012	7,144	2,691
West County 2	84.5	87.0	1,186	6,946	7,085	2,626
West County 3	86.8	89.8	1,972	6,982	7,121	2,943

(Rote)

FUEL FACTOR CALCULATION ISSUES

ISSUE 18: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2019 through December 2019?

FPL: \$2,828,678,170 including prior period true-ups, revenue taxes, FPL's portion of Incentive Mechanism gains, and the GPIF reward. (Deaton)

ISSUE 19: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2019 through December 2019?

FPL: 1.00072. (Deaton)

ISSUE 20: What are the appropriate levelized fuel cost recovery factors for the period January 2019 through December 2019?

FPL: FPL proposes that the fuel factors be reduced as of the in-service dates of the 2019 SoBRA and the Okeechobee Clean Energy Center (OCEC) to reflect the projected jurisdictional fuel savings as of March 1, 2019 and June 1, 2019, respectively. FPL is proposing the following separate factors:

- (a) 2.735 cents/kWh for January 2019 through the day prior to the 2019 SoBRA in-service date (projected to be February 28, 2019);
- (b) 2.712 cents/kWh from the 2019 SoBRA in-service date (projected to be March 1, 2019) through the day prior to the OCEC in-service date (projected to be May 31, 2019).
- (c) 2.551 cents/kWh from the OCEC in-service date (projected to be June 1, 2019) through December 2019. (Deaton)

ISSUE 21: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

FPL: The appropriate fuel cost recovery line loss multipliers are provided in response to Issue No. 22. (Deaton)

ISSUE 22: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FPL:

ESTIMATED FOR THE PERIOD OF: JANUARY 2019 THROUGH FEBRUARY 2019

GROUPS	RATE SCHEDULE	JANUARY - FEBRUARY		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	2.735	1.00487	2.412
A	RS-1 all additional kWh	2.735	1.00487	3.412
A	GS-1, SL-2, GSCU-1, WIES-1	2.735	1.00487	2.748
A-1	SL-1, OL-1, PL-1 ⁽¹⁾	2.591	1.00487	2.604
B	GSD-1	2.735	1.00482	2.748
C	GSLD-1, CS-1	2.735	1.00412	2.746
D	GSLD-2, CS-2, OS-2, MET	2.735	0.99638	2.725
E	GSLD-3, CS-3	2.735	0.97324	2.662
A	GST-1 On-Peak	3.457	1.00487	3.474
	GST-1 Off-Peak	2.426	1.00487	2.438
A	RTR-1 On-Peak	-	-	0.726
	RTR-1 Off-Peak	-	-	(0.310)
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) On-Peak	3.457	1.00481	3.474
	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) Off-Peak	2.426	1.00481	2.438
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) On-Peak	3.457	1.00412	3.471
	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) Off-Peak	2.426	1.00412	2.436
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) On-Peak	3.457	0.99690	3.446
	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) Off-Peak	2.426	0.99690	2.418
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) On-Peak	3.457	0.97324	3.364
	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) Off-Peak	2.426	0.97324	2.361
F	CILC-1(D), ISST-1(D) On-Peak	3.457	0.99646	3.445
	CILC-1(D), ISST-1(D) Off-Peak	2.426	0.99646	2.417

⁽¹⁾ WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

ESTIMATED FOR THE PERIOD OF: JANUARY 2019 THROUGH FEBRUARY 2019

GROUPS	RATE SCHEDULE	JUNE - SEPTEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	4.611	1.00482	4.633
	GSD(T)-1 Off-Peak	2.494	1.00482	2.506
C	GSLD(T)-1 On-Peak	4.611	1.00412	4.630
	GSLD(T)-1 Off-Peak	2.494	1.00412	2.504
D	GSLD(T)-2 On-Peak	4.611	0.99690	4.597
	GSLD(T)-2 Off-Peak	2.494	0.99690	2.486

Note: On-Peak Period is defined as June through September, weekdays 3:00pm to 6:00pm
 Off Peak Period is defined as all other hours.

Note: All other months served under the otherwise applicable rate schedule.
 See Schedule E-1E, Page 1 of 2.

Note: Totals may not add due to rounding.

ESTIMATED FOR THE PERIOD OF: MARCH 2019 THROUGH MAY 2019

GROUPS	RATE SCHEDULE	MARCH - MAY		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	2.712	1.00487	2.389
A	RS-1 all additional kWh	2.712	1.00487	3.389
A	GS-1, SL-2, GSCU-1, WIES-1	2.712	1.00487	2.725
A-1	SL-1, OL-1, PL-1 ⁽¹⁾	2.569	1.00487	2.582
B	GSD-1	2.712	1.00482	2.725
C	GSLD-1, CS-1	2.712	1.00412	2.723
D	GSLD-2, CS-2, OS-2, MET	2.712	0.99638	2.702
E	GSLD-3, CS-3	2.712	0.97324	2.639
A	GST-1 On-Peak	3.428	1.00487	3.445
	GST-1 Off-Peak	2.406	1.00487	2.418
A	RTR-1 On-Peak	-	-	0.720
	RTR-1 Off-Peak	-	-	(0.307)
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) On-Peak	3.428	1.00481	3.445
	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) Off-Peak	2.406	1.00481	2.418
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) On-Peak	3.428	1.00412	3.442
	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) Off-Peak	2.406	1.00412	2.416
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) On-Peak	3.428	0.99690	3.417
	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) Off-Peak	2.406	0.99690	2.399
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) On-Peak	3.428	0.97324	3.336
	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) Off-Peak	2.406	0.97324	2.342
F	CILC-1(D), ISST-1(D) On-Peak	3.428	0.99646	3.416
	CILC-1(D), ISST-1(D) Off-Peak	2.406	0.99646	2.397

⁽¹⁾ WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

ESTIMATED FOR THE PERIOD OF: MARCH 2019 THROUGH MAY 2019

GROUPS	RATE SCHEDULE	JUNE - SEPTEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	4.572	1.00482	4.594
	GSD(T)-1 Off-Peak	2.473	1.00482	2.485
C	GSLD(T)-1 On-Peak	4.572	1.00412	4.591
	GSLD(T)-1 Off-Peak	2.473	1.00412	2.483
D	GSLD(T)-2 On-Peak	4.572	0.99690	4.558
	GSLD(T)-2 Off-Peak	2.473	0.99690	2.465

Note: On-Peak Period is defined as June through September, weekdays 3:00pm to 6:00pm
 Off Peak Period is defined as all other hours.

Note: All other months served under the otherwise applicable rate schedule.
 See Schedule E-1E, Page 1 of 2.

Note: Totals may not add due to rounding.

ESTIMATED FOR THE PERIOD OF: JUNE 2019 THROUGH DECEMBER 2019

GROUPS	RATE SCHEDULE	JUNE - DECEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	2.551	1.00487	2.227
A	RS-1 all additional kWh	2.551	1.00487	3.227
A	GS-1, SL-2, GSCU-1, WIES-1	2.551	1.00487	2.563
A-1	SL-1, OL-1, PL-1 ⁽¹⁾	2.417	1.00487	2.428
B	GSD-1	2.551	1.00482	2.563
C	GSLD-1, CS-1	2.551	1.00412	2.562
D	GSLD-2, CS-2, OS-2, MET	2.551	0.99638	2.542
E	GSLD-3, CS-3	2.551	0.97324	2.483
A	GST-1 On-Peak	3.224	1.00487	3.240
	GST-1 Off-Peak	2.263	1.00487	2.274
A	RTR-1 On-Peak	-	-	0.677
	RTR-1 Off-Peak	-	-	(0.289)
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) On-Peak	3.224	1.00481	3.240
	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) Off-Peak	2.263	1.00481	2.274
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) On-Peak	3.224	1.00412	3.237
	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) Off-Peak	2.263	1.00412	2.272
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) On-Peak	3.224	0.99690	3.214
	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) Off-Peak	2.263	0.99690	2.256
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) On-Peak	3.224	0.97324	3.138
	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) Off-Peak	2.263	0.97324	2.202
F	CILC-1(D), ISST-1(D) On-Peak	3.224	0.99646	3.213
	CILC-1(D), ISST-1(D) Off-Peak	2.263	0.99646	2.255

⁽¹⁾ WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

ESTIMATED FOR THE PERIOD OF: JUNE 2019 THROUGH DECEMBER 2019

GROUPS	RATE SCHEDULE	JUNE - SEPTEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	4.301	1.00482	4.322
	GSD(T)-1 Off-Peak	2.327	1.00482	2.338
C	GSLD(T)-1 On-Peak	4.301	1.00412	4.319
	GSLD(T)-1 Off-Peak	2.327	1.00412	2.337
D	GSLD(T)-2 On-Peak	4.301	0.99690	4.288
	GSLD(T)-2 Off-Peak	2.327	0.99690	2.320

Note: On-Peak Period is defined as June through September, weekdays 3:00pm to 6:00pm
Off Peak Period is defined as all other hours.

Note: All other months served under the otherwise applicable rate schedule.
See Schedule E-1E, Page 1 of 2.

Note: Totals may not add due to rounding.

(Deaton)

CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 24A: What amount has FPL included in the capacity cost recovery clause for nuclear cost recovery?

FPL: \$0. (Deaton)

ISSUE 24B: Has FPL properly reflected in the capacity cost recovery clause the effects of the St. John's River Power Park transaction approved by Order No. PSC-2017-0415-AS-EI?

FPL: Yes. FPL reflected the impacts of the St. John's River Power Park transaction pursuant to Order No. PSC-2017-0415-AS-EI. (Deaton)

ISSUE 24C: What are the appropriate Indiantown non-fuel base revenue requirements to be recovered through the Capacity Clause pursuant to the Commission's approval of the Indiantown transaction in Docket No. 160154-EI for 2018 and 2019?

FPL: The appropriate Indiantown non-fuel base revenue requirements are \$3,304,628 for 2019. (Deaton)

ISSUE 24D: What is the appropriate true-up adjustment amount associated with the 2017 SOBRA projects approved by Order No. PSC-2018-0028-FOF-EI to be refunded through the capacity clause in 2019?

FPL: The total costs of the 2017 SoBRA Project are not yet final. The Company anticipates that final costs will be known by the third quarter of 2019. FPL expects that final costs for the 2017 Project will be less than the estimate used to develop the revenue requirement and SoBRA Factor for the 2017 Project. If that occurs, a one-time true-up adjustment will be credited to customers through the Capacity Cost Recovery Clause in accordance with Section 10(g) of FPL's 2016 Stipulation and Settlement Agreement, approved in Order No. PSC-16-0560-AS-EI. FPL will provide the appropriate revised SoBRA factor once the final costs are known. (Brannen, Castaneda, Cohen)

ISSUE 24E: What is the appropriate true-up amount associated with the 2018 SOBRA projects approved by Order No. PSC-2018-0028-FOF-EI to be refunded through the capacity clause in 2019?

FPL: The total costs of the 2018 SoBRA Project are not yet final. The Company anticipates that final costs will be known by the third quarter of 2019. FPL expects that final costs for the 2018 Project will be less than the estimate used to develop the revenue requirement and SoBRA Factor for the 2018 Project. If that occurs, a one-time true-up adjustment will be credited to customers through the Capacity Cost Recovery Clause in accordance with Section 10(g) of FPL's 2016 Stipulation and Settlement Agreement, approved in Order No. PSC-16-0560-AS-EI. FPL will provide the appropriate revised SoBRA factor once the final costs are known. (Brannen, Castaneda, Cohen)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate final capacity cost recovery true-up amounts for the period January 2017 through December 2017?

FPL: \$2,212,807 under-recovery. (Deaton)

ISSUE 28: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2018 through December 2018?

FPL: \$6,415,909 over-recovery. (Deaton)

ISSUE 29: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2019 through December 2019?

FPL: \$4,203,102 over-recovery. (Deaton)

ISSUE 30: What are the appropriate projected total capacity cost recovery amounts for the period January 2019 through December 2019?

FPL: \$260,414,750 for the period January 2019 through December 2019, excluding prior period true-ups, revenue taxes, and the Indiantown non-fuel base revenue requirement. (Deaton)

ISSUE 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2019 through December 2019?

FPL: The projected net purchased power capacity cost recovery amount to be recovered over the period January 2019 through December 2019 is \$259,700,749, including prior period true-ups, revenue taxes, and the Indiantown non-fuel based revenue requirement. (Deaton)

ISSUE 32: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2019 through December 2019?

FPL: The appropriate jurisdictional separation factors are:

<u>DEMAND</u>	<u>Separation Factors</u>
TRANSMISSION	0.892071
SYSTEM AVERAGE PRODUCTION DEMAND (Base and Solar)	0.957589
CONTRACT ADJUSTED DEMAND - INTERMEDIATE	0.942474
CONTRACT ADJUSTED DEMAND - PEAKING	0.953443
<u>ENERGY</u>	
SYSTEM AVERAGE PRODUCTION DEMAND (Base and Solar)	0.959309
CONTRACT ADJUSTED DEMAND - INTERMEDIATE	0.944167
CONTRACT ADJUSTED DEMAND - PEAKING	0.955155
<u>GENERAL PLANT</u>	0.969214
<u>DISTRIBUTION</u>	1.00000

(Deaton)

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2019 through December 2019?

FPL: The January 2019 through December 2019 capacity cost recovery factors including Indiantown factors are as follows:

RATE SCHEDULE	Total Jan 2019 - Dec 2019 Capacity Recovery Factor			
	Capacity Recovery Factor (\$/KW)	Capacity Recovery Factor (\$/kwh)	RDC (\$/KW)	SDD (\$/KW)
RS1/RTR1	-	0.00258	-	-
GS1/GST1	-	0.00254	-	-
GSD1/GSDT1/HLFT1	0.83	-	-	-
OS2	-	0.00104	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	0.95	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.90	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.88	-	-	-
SST1T	-	-	0.11	0.05
SST1D1/SST1D2/SST1D3	-	-	0.11	0.05
CILC D/CILC G	0.97	-	-	-
CILC T	0.93	-	-	-
MET	0.83	-	-	-
OL1/SL1/SL1M/PL1	-	0.00019	-	-
SL2/SL2M/GSCU1	-	0.00172	-	-

(Deaton)

EFFECTIVE DATE

ISSUE 34: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

FPL: The factors shall be effective for meter readings commencing January 1, 2019. These charges shall continue in effect until modified by subsequent order of this Commission. (Deaton)

TARIFF APPROVAL

ISSUE 35: Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding?

FPL: Yes. The Commission should approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision. (Deaton)

ISSUE 36: Should this Docket be closed?

FPL: Yes. The docket should be closed after issuance of the final order approving expenditures and true-up amounts for fuel adjustment factors; GPIF targets, ranges and rewards; and projected expenditures and true-up amounts for capacity cost recovery factors. (Deaton)

5) CONTESTED ISSUES

FIPUG

ISSUE A: Are FPL's proposed solar projects prudent?

FPL: FPL objects to the inclusion of this issue as inappropriate and outside the scope of this proceeding. Through its decision in Order No. PSC-16-0560-AS-EI, which approved FPL's 2016 Rate Settlement Agreement, the Commission concluded that FPL's solar projects are in the public interest and eligible for a solar base rate adjustment ("SoBRA") so long as the costs are reasonable and do not exceed \$1,750 per kWac and the projects are cost-effective. The cost-effectiveness of FPL's 2019 Project already is identified as an issue for Commission determination in this docket. Inquiries into the prudence and need for SoBRA-eligible projects is not contemplated or appropriate under the Rate Settlement Agreement. If the Commission concludes that this issue should be included, FPL will provide a position following the scheduled Prehearing Conference.

ISSUE B: Are FPL's proposed solar projects needed?

FPL: FPL objects to the inclusion of this issue as inappropriate and outside the scope of this proceeding. Through its decision in Order No. PSC-16-0560-AS-EI, which approved FPL's 2016 Rate Settlement Agreement, the Commission concluded that FPL's solar projects are in the public interest and eligible for a solar base rate adjustment ("SoBRA") so long as the costs are reasonable and do not exceed \$1,750 per kWac and the projects are cost-effective. The cost-effectiveness of FPL's 2019 Project already is identified as an issue for Commission determination in this docket. Inquiries into the prudence and need for SoBRA-eligible projects is not contemplated or appropriate under the Rate Settlement

Agreement. If the Commission concludes that this issue should be included, FPL will provide a position following the scheduled Prehearing Conference

6) STIPULATED ISSUES

FPL: None at this time.

7) PENDING MOTIONS

FPL: None at this time.

8) PENDING REQUESTS FOR CONFIDENTIALITY

FPL has no pending requests at this time.

9) OBJECTIONS TO WITNESS QUALIFICATIONS AS AN EXPERT

FPL: None at this time.

10) STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

There are no requirements of the Order Establishing Procedure with which FPL cannot comply.

Respectfully submitted this 2nd day of October 2018.

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By: s/ Maria J. Moncada

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CERTIFICATE OF SERVICE
Docket No. 20180001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished

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