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November 16, 2018

**STAFF'S FOURTH DATA REQUEST**

**-VIA ELECTRONIC FILING-**

Ms. Carlotta Stauffer, Commission Clerk  
Office of the General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: Docket No. 20180155-EI - Petition for approval of regulatory assets related to the retirements of Lauderdale Units 4 and 5 and Martin Units 1 and 2, by Florida Power & Light Company

Dear Ms. Stauffer:

Please find enclosed for filing a copy of Florida Power & Light Company's ("FPL") responses to Staff's Fourth Data Request in the above mentioned docket.

Thank you for your assistance. Please contact me should you or your staff have any questions regarding this filing.

Sincerely,

s/ William P. Cox

William P. Cox  
Senior Attorney  
Florida Bar No. 0093531

WPC/msw  
Enclosures

cc: Kurt M. Schrader, Office of the General Counsel  
Jennifer Crawford, Office of the General Counsel

**QUESTION:**

In staff's last two data requests, staff asked if the anticipated retirements for Martin Units 1 and 2 and Lauderdale Units 4 and 5 have changed. If FPL has updated anticipated retirement dates for the Martin and Lauderdale Units, please provide an updated estimate of the unamortized balances that FPL is seeking to include in the regulatory asset.

**RESPONSE:**

See Attachment No. 1 for the revised Capital Recovery Schedule based on FPL's currently estimated retirement date of December 31, 2018 for Martin Units 1 & 2 and Lauderdale Units 4 & 5.

Florida Power & Light Company  
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**Florida Power & Light Company  
 CAPITAL RECOVERY SCHEDULES**

Line No.	(1) Original Cost	(2) Book Reserve	(3) Total Unrecovered Cost
<b>1</b>	<b>CAPITAL RECOVERY ACCOUNTS - BASE</b>		
<b>2</b>			
<b>3</b>	<b>Steam Plant Retirements</b>		
<b>4</b>	<u>Martin Common</u>		
<b>5</b>	\$ 32,190,443	\$ 24,529,682	\$ 7,660,761
<b>6</b>	8,877,260	3,730,278	5,146,982
<b>7</b>	24,000,686	12,835,617	11,165,068
<b>8</b>	6,353,418	3,594,829	2,758,589
<b>9</b>	3,882,371	2,230,074	1,652,297
<b>10</b>	316.3 Misc Power Plt Equipmt - 3Yr	174,111	79,809
<b>11</b>	316.5 Misc Power Plt Equipmt - 5Yr	622,180	338,373
<b>12</b>	316.7 Misc Power Plt Equipmt - 7Yr	3,248,601	1,607,991
<b>13</b>	<i>Martin Common Total</i>	<u>79,349,070</u>	<u>48,946,651</u>
<b>14</b>			
<b>15</b>	<u>Martin Unit 1</u>		
<b>16</b>	16,091,575	11,269,234	4,822,340
<b>17</b>	142,880,396	91,809,358	51,071,038
<b>18</b>	88,282,863	46,166,111	42,116,753
<b>19</b>	20,627,180	15,370,722	5,256,458
<b>20</b>	2,671,966	1,811,723	860,243
<b>21</b>	<i>Martin Unit 1 Total</i>	<u>270,553,979</u>	<u>166,427,148</u>
<b>22</b>			
<b>23</b>	<u>Martin Unit 2</u>		
<b>24</b>	11,036,626	8,145,190	2,891,436
<b>25</b>	142,025,031	92,728,655	49,296,376
<b>26</b>	70,611,228	32,598,050	38,013,178
<b>27</b>	18,629,153	13,613,969	5,015,183
<b>28</b>	2,202,639	1,556,884	645,755
<b>29</b>	<i>Martin Unit 2 Total</i>	<u>244,504,677</u>	<u>95,861,929</u>
<b>30</b>	<b>Total for Martin Units 1 &amp; 2</b>	<u><b>594,407,726</b></u>	<u><b>364,016,547</b></u>
<b>31</b>			
<b>32</b>	<b>Other Production Plant Retirements</b>		
<b>33</b>	<u>Lauderdale Unit 4</u>		
<b>34</b>	4,917,714	3,649,180	1,268,534
<b>35</b>	704,378	539,187	165,191
<b>36</b>	133,829,691	34,060,141	99,769,550
<b>37</b>	343.2 Prime Movers - CSP	52,914,325	9,733,838
<b>38</b>	344 Generators	28,695,635	21,338,674
<b>39</b>	345 Accessory Electric Equipment	28,634,207	20,874,452
<b>40</b>	346 Misc. Power Plant Equipment	2,532,631	1,972,937
<b>41</b>	<i>Lauderdale Unit 4 Total</i>	<u>252,228,581</u>	<u>92,168,409</u>
<b>42</b>			
<b>43</b>	<u>Lauderdale Unit 5</u>		
<b>44</b>	3,106,706	2,168,838	937,868
<b>45</b>	721,517	544,981	176,536
<b>46</b>	120,458,600	54,065,683	66,392,917
<b>47</b>	343.2 Prime Movers - CSP	45,274,277	(237,113)
<b>48</b>	344 Generators	30,716,320	24,245,048
<b>49</b>	345 Accessory Electric Equipment	23,917,132	16,974,716
<b>50</b>	346 Misc. Power Plant Equipment	1,747,219	1,366,935
<b>51</b>	<i>Lauderdale Unit 5 Total</i>	<u>225,941,772</u>	<u>99,129,088</u>
<b>52</b>	<b>Total for Other Production</b>	<u><b>478,170,353</b></u>	<u><b>286,872,856</b></u>
<b>53</b>			
<b>54</b>	<b>Transmission Plant Retirements</b>		
<b>55</b>	<u>Martin Transmission</u>		
<b>56</b>	2,771,110	1,212,305	1,558,805
<b>57</b>	15,277,382	9,647,710	5,629,671
<b>58</b>	<i>Martin Transmission Total</i>	<u>18,048,491</u>	<u>10,860,015</u>
<b>59</b>			
<b>60</b>	<b>TOTAL CAPITAL RECOVERY ACCOUNTS - BASE</b>	<u><b>\$ 1,090,626,570</b></u>	<u><b>\$ 566,174,060</b></u>
			<u><b>\$ 524,452,510</b></u>

**Notes:**

Estimated retirement date for Lauderdale Units 4 & 5 -December 31, 2018  
 Estimated retirement date for Martin Units 1 & 2 - December 31, 2018

Summary of Capital Recovery Schedules for Martin Units 1 & 2 and Lauderdale Units 4 & 5  
Attachment KF-1, Page 2 of 2

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**Florida Power & Light Company  
CAPITAL RECOVERY SCHEDULES**

Line No.	(1) Original Cost	-	(2) Book Reserve	=	(3) Total Unrecovered Cost
<b>1</b>	<b>CAPITAL RECOVERY ACCOUNTS - CLAUSE</b>				
<b>2</b>					
<b>3</b>	<b>Steam Plant Retirements</b>				
<b>4</b>	<i><u>Martin Common</u></i>				
<b>5</b>	311 Structures & Improvements	\$ 1,939,124	\$ 665,707		\$ 1,273,417
<b>6</b>	312 Boiler Plant Equipment	644,236	146,137		498,099
<b>7</b>	314 Turbogenerator Units	287,258	72,042		215,216
<b>8</b>	315 Accessory Electric Equipment	34,755	8,603		26,152
<b>9</b>	316 Miscellaneous Equipment	23,107	16,095		7,012
<b>10</b>	316.5 Misc Power Plt Equipt - 5Yr	58,207	72,344		(14,137)
<b>11</b>	316.7 Misc Power Plt Equipt - 7Yr	66,897	42,775		24,121
<b>12</b>	<i>Martin Common Total</i>	<u>3,053,583</u>	<u>1,023,703</u>		<u>2,029,880</u>
<b>13</b>					
<b>14</b>	<i><u>Martin Unit 1</u></i>				
<b>15</b>	311 Structures & Improvements	298,228	138,292		159,936
<b>16</b>	312 Boiler Plant Equipment	67,304,577	13,036,990		54,267,588
<b>17</b>	314 Turbogenerator Units	7,499,710	1,706,801		5,792,908
<b>18</b>	315 Accessory Electric Equipment	4,322,420	552,284		3,770,136
<b>19</b>	316 Miscellaneous Equipment	1,012,007	129,014		882,994
<b>20</b>	<i>Martin Unit 1 Total</i>	<u>80,436,942</u>	<u>15,563,381</u>		<u>64,873,561</u>
<b>21</b>					
<b>22</b>	<i><u>Martin Unit 2</u></i>				
<b>23</b>	311 Structures & Improvements	121,924	32,328		89,596
<b>24</b>	312 Boiler Plant Equipment	69,370,887	12,755,765		56,615,122
<b>25</b>	314 Turbogenerator Units	7,477,120	2,022,579		5,454,541
<b>26</b>	315 Accessory Electric Equipment	4,449,270	472,504		3,976,765
<b>27</b>	316 Miscellaneous Equipment	1,039,547	110,058		929,489
<b>28</b>	<i>Martin Unit 2 Total</i>	<u>82,458,747</u>	<u>15,393,234</u>		<u>67,065,513</u>
<b>29</b>	<b>Total for Martin Units 1 &amp; 2</b>	<u><u>165,949,272</u></u>	<u><u>31,980,318</u></u>		<u><u>133,968,954</u></u>
<b>30</b>					
<b>31</b>	<i><u>Lauderdale Unit 4</u></i>				
<b>32</b>	343 Prime Movers - General	438,897	335,763		103,135
<b>33</b>	<i>Lauderdale Unit 4 Total</i>	<u>438,897</u>	<u>335,763</u>		<u>103,135</u>
<b>34</b>					
<b>35</b>	<i><u>Lauderdale Unit 5</u></i>				
<b>36</b>	343 Prime Movers - General	556,425	495,675		60,750
<b>37</b>	<i>Lauderdale Unit 4 Total</i>	<u>556,425</u>	<u>495,675</u>		<u>60,750</u>
<b>38</b>	<b>Total for Lauderdale Units 4 &amp; 5</b>	<u><u>995,322</u></u>	<u><u>831,438</u></u>		<u><u>163,885</u></u>
<b>39</b>					
<b>40</b>					
<b>41</b>	<b>TOTAL CAPITAL RECOVERY ACCOUNTS - CLAUSE</b>				
	<u>166,944,594</u>		<u>32,811,756</u>		<u>134,132,839</u>
<b>42</b>	<b>CAPITAL RECOVERY ACCOUNTS - BASE</b>				
	<u>1,090,626,570</u>		<u>566,174,060</u>		<u>524,452,510</u>
<b>43</b>	<b>CAPITAL RECOVERY ACCOUNTS - TOTAL</b>				
	<u><u>\$ 1,257,571,164</u></u>		<u><u>\$ 598,985,816</u></u>		<u><u>\$ 658,585,349</u></u>

**Notes:**

Estimated retirement date for Lauderdale Units 4 & 5 -December 31, 2018  
Estimated retirement date for Martin Units 1 & 2 - December 31, 2018

QUESTION:

In Docket No. 20170123-EI, FPL agreed to commence amortization of the costs associated with the St. Johns River Power Park (SJRPP) during the term of its current settlement agreement. Please identify within the Settlement Agreement, the language that permits FPL to defer amortizing the regulatory assets associated with the early retirement of Martin Units 1 and 2 and Lauderdale Units 4 and 5.

RESPONSE:

The question correctly notes that in Docket No. 20170123-EI, FPL agreed to commence amortization of the costs associated with the St. Johns River Power Park (SJRPP) during the term of its current Settlement Agreement. The Agreement does not prohibit FPL from deferring the amortization of the regulatory assets associated with the early retirement of Martin Units 1 and 2 and Lauderdale Units 4 and 5. As noted on pages 5 and 6 of FPL's Petition, FPL's proposed creation of a regulatory asset associated with these generation units is consistent with the Commission's approval of Gulf Power's request to create a regulatory asset and defer amortization of Plant Smith Units 1 and 2. See Order No. PSC-2016-0361-PAA-EI (the "Plant Smith Order"). The base rate settlement agreement approved for Gulf Power in Order No. PSC-17-0178-S-EI and discussed in the Plant Smith Order as well as the settlement agreement approved in FPL's most recent rate case contain almost identical depreciation and amortization provisions pertinent to this issue. Under both agreements, depreciation and amortization rates remain in effect until reset in a future rate proceeding; therefore, the agreements prohibit a request for a new amortization rate prior to termination. In the Plant Smith Order, the Commission considered these specific depreciation and amortization settlement agreement provisions in determining that the creation of a regulatory asset did not involve deferral of costs that otherwise would be recovered (in part) during the term of the Gulf Settlement Agreement and that it was appropriate to defer recovery until an amortization rate could be established. The same conclusions on the part of the Commission should apply to FPL under its current Commission-approved settlement agreement.

Further, the proposed retirements of the Lauderdale and Martin units are accompanied by replacement generation that will be constructed and, in the case of the Martin replacement, operating during the time period governed by the Settlement Agreement. These replacement units/upgrades to existing units will result in cost savings for FPL's customers, and FPL will not be recovering the replacement costs during the Settlement Agreement time period.

FPL's agreement in Docket No. 20170123-EI to amortization of the costs of the SJRPP assets (in part) during the term of the current Settlement Agreement is distinguishable from the instant case and was the result of a multi-faceted, comprehensive settlement based on the specific facts of the SJRPP shutdown, which involved termination of a power purchase agreement and a joint operating agreement among other matters. See Order No. PSC-2017-0415-AS-EI.

**QUESTION:**

For all accounts shown on Attachment KF-1 of FPL's petition, please list the 2017 actual depreciation expense. Please separate between Capital Recovery Accounts - Base and Capital Recovery Accounts - Clause.

**RESPONSE:**

See Attachment No. 1 to this response.

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	UNIT	utility_account	Sum of 2017 Depr Expense
BASE	FtLauderdale Comm	34300 - Prime Movers - General	38,362.70
	<b>FtLauderdale Common Total</b>		<b>38,362.70</b>
	FtLauderdale U4	34100 - Structures & Improvements	102,753.17
		34200 - Fuel Holders, Prod & Access	12,537.84
		34300 - Prime Movers - General	5,525,712.69
		34320 - Prime Movers - CSP	3,729,843.20
		34400 - Generators	579,823.70
		34500 - Accessory Electric Equipt	695,726.50
		34600 - Misc Power Plant Equipt	48,442.84
	<b>FtLauderdale U4 Total</b>		<b>10,694,839.94</b>
	FtLauderdale U5	34100 - Structures & Improvements	79,221.12
		34200 - Fuel Holders, Prod & Access	16,450.56
		34300 - Prime Movers - General	5,978,110.69
		34320 - Prime Movers - CSP	3,355,870.38
		34400 - Generators	621,967.71
		34500 - Accessory Electric Equipt	617,274.72
		34600 - Misc Power Plant Equipt	36,238.88
	<b>FtLauderdale U5 Total</b>		<b>10,705,134.06</b>
<b>BASE Total</b>			<b>21,438,336.70</b>
CLAUSE	FtLauderdale U4	34300 - Prime Movers - General	19,579.90
	FtLauderdale U5	34300 - Prime Movers - General	25,037.82
<b>CLAUSE Total</b>			<b>44,617.72</b>
<b>Lauderdale Grand Total Base+Clause</b>			<b>21,482,954.42</b>

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	UNIT	utility_account	Sum of 2017 Depr Expense
Base	Martin Comm	31100 - Structure & Improvements	802,861.49
		31200 - Boiler Plant Equipment	434,196.79
		31400 - Turbogenerator Units	845,714.44
		31500 - Accessory Electric Equipt	225,403.64
		31600 - Misc Power Plant Equipt	147,141.84
		31630 - Misc Power Plt Equipt - 3Yr	45,838.54
		31650 - Misc Power Plt Equipt - 5Yr	144,790.23
		31670 - Misc Power Plt Equipt - 7Yr	391,537.95
<b>Martin Common Total</b>			<b>3,037,484.91</b>
Martin U1		31100 - Structure & Improvements	430,268.83
		31200 - Boiler Plant Equipment	6,444,534.60
		31400 - Turbogenerator Units	2,954,571.12
		31500 - Accessory Electric Equipt	613,825.42
		31600 - Misc Power Plant Equipt	101,407.47
<b>Martin U1 Total</b>			<b>10,544,607.44</b>
Martin U2		31100 - Structure & Improvements	262,951.43
		31200 - Boiler Plant Equipment	6,536,809.60
		31400 - Turbogenerator Units	3,370,014.91
		31500 - Accessory Electric Equipt	649,536.17
		31600 - Misc Power Plant Equipt	94,933.80
<b>Martin U2 Total</b>			<b>10,914,245.91</b>
<b>BASE Total</b>			<b>24,496,338.26</b>

	UNIT	utility_account	Sum of 2017 Depr Expense
Clause	Martin Comm	31100 - Structure & Improvements	47,122.60
		31200 - Boiler Plant Equipment	28,668.48
		31400 - Turbogenerator Units	9,996.60
		31500 - Accessory Electric Equipt	1,240.80
		31600 - Misc Power Plant Equipt	875.76
		31650 - Misc Power Plt Equipt - 5Yr	11,641.32
		31670 - Misc Power Plt Equipt - 7Yr	9,556.68
		<b>Martin Comm Total</b>	
Martin U1		31100 - Structure & Improvements	7,992.48
		31200 - Boiler Plant Equipment	3,059,009.30
		31400 - Turbogenerator Units	251,240.28
		31500 - Accessory Electric Equipt	134,859.48
		31600 - Misc Power Plant Equipt	38,540.34
<b>Martin U1 Total</b>			<b>3,491,641.88</b>
Martin U2		31100 - Structure & Improvements	2,914.08
		31200 - Boiler Plant Equipment	3,229,240.46
		31400 - Turbogenerator Units	358,154.04
		31500 - Accessory Electric Equipt	158,393.83
		31600 - Misc Power Plant Equipt	45,740.84
<b>Martin U2 Total</b>			<b>3,794,443.25</b>
<b>Clause Total</b>			<b>7,395,187.37</b>
<b>Martin Grand Total - Base + Clause</b>			<b>31,891,525.63</b>