

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: January 25, 2022

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Judy G. Harlow, Director, Division of Economics *JGH*

RE: Docket No. 20220000-OT: Undocketed Filings for 2022
Docket No. 20210015-EI: Petition for Rate Increase by Florida Power & Light Company

Please place the attached letter from Florida Power & Light Company regarding the status of Manatee Units 1 and 2 in the subject docket files.

Thank you,
Judy Harlow

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COMMISSION
CLERK



January 19, 2022

Ms. Judy Harlow
Director, Division of Economics
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Florida Power & Light Company to delay retirement of Manatee Units 1 and 2

Dear Ms. Harlow,

Florida Power & Light Company ("FPL") advised the Commission of its intent to retire Manatee Units 1 and 2 in January 2022 in its retail rate case last year (Docket No. 20210015-EI). Subsequent to the filing of FPL's retail rate case, FPL reevaluated its forecasted winter peak load due to recent extreme winter weather events. FPL referenced this upcoming evaluation in its Notice of Identified Adjustments filing made on May 7, 2021 in the rate case docket. FPL recently completed this evaluation and has determined that it will not be able to meet its resource needs to serve all customers in an extreme winter weather event without making changes to its current resource plan. As a result, FPL intends to retain Manatee Units 1 and 2 for the foreseeable future (through at least 2030) in standby status for use only in extreme cold winter conditions.

As a result of and in accordance with FPL's decision to delay the retirement of Manatee Units 1 and 2, FPL will continue to reflect Manatee Units 1 and 2 in plant-in-service and record depreciation expense on its books and records. In order to ensure consistency with the ratemaking impacts of FPL's Settlement Agreement in Docket No. 20210015-EI, which reflects the recovery of the forecasted remaining net book value of Manatee Units 1 and 2 as a capital recovery regulatory asset over a 20-year period, FPL will apply a 1.7% depreciation rate to the Manatee Units 1 and 2 plant-in-service balances which approximates a 20-year recovery period effective February 1, 2022. The 1.7% depreciation rate was determined by dividing the forecasted annual capital recovery regulatory asset amortization for Manatee Units 1 and 2 of \$11.6 million by the total amount of forecasted plant-in-service for Manatee Units 1 and 2 of \$693.3 million, which are both reflected on page 3 of 8 on Exhibit D of the Settlement Agreement.

If you have any questions, please do not hesitate to contact me at (561) 694-3428.

Regards,

A handwritten signature in black ink that reads "Keith Ferguson".

Keith Ferguson
Vice President, Accounting and Controller