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Sent: Friday, September 14, 2012 11:59 AM
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Subject: Electronic Filing - Docket 120015-EI

Attachments: 120015.FRF-Answers2FPL'sDataRequests.09-14-2012.pdf

a. Person responsible for this electronic filing:

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b. 120015-EI

In Re: Petition for Increase in Rates by Florida Power & Light Company.

c. Document being filed on behalf of the Florida Retail Federation.

d. There are a total of 15 pages.

e. The document attached for electronic filing is The Florida Retail Federation's Responses to FPL's Data Requests Nos. 1-34 Regarding Proposed Partial Settlement.
 (see attached file: 120015.FRF-Answers2FPL'sDataRequests.09-14-12.pdf)

Thank you for your attention and assistance in this matter.

Rhonda Dulgar

Secretary to Jay LaVia & Schef Wright

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DOCUMENT NUMBER-DATE

06191 SEP 14 2012

FPSC-COMMISSION CLERK

9/14/2012



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September 14, 2012

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Re: FRF RESPONSES TO FPL'S DATA REQUESTS NOS. 1-34 REGARDING
PROPOSED PARTIAL SETTLEMENT

Pursuant to Commission Order No. PSC-0440-PCO-EI, the Florida Retail Federation ("FRF") hereby responds to the Data Requests propounded by FPL to the FRF on September 7, 2012.

GENERAL RESPONSE AND OBJECTIONS

A number of FPL's "data requests" pertain to the FRF's Offer of Settlement filed in Docket No. 120015-EI on August 17, 2012. As stated in Commission Order No. PSC-12-0440-PCO-EI, the session that the Commission intends to conduct on September 27, 2012 is not an evidentiary hearing, and in any event, that session is for the following specific purposes: "to take up the Motion to Approve the Settlement Agreement" and "to consider the Settlement Agreement" filed by FPL, the Florida Industrial Power Users Group, the South Florida Hospital and Healthcare Association, and the Federal Executive Agencies. Order No. PSC-12-0440-PCO-EI at 1. (The FRF refers to that Settlement Agreement hereinafter as the "Partial Settlement," in that only 4 of the 9 remaining parties to the docket have signed it.)

The FRF's Offer of Settlement is not the subject of the September 27 session. The Commission's Order makes no mention of the FRF's Offer of Settlement, and the FRF expressly stated that the Offer was not and is not a motion, so there is nothing for the Commission to act upon with respect to the FRF's Offer of Settlement. Accordingly, the FRF objects and will not respond to questions relating to its Offer of Settlement: that Offer was exactly that, and as the FRF has consistently stated to FPL and the other parties to the Partial Settlement, the FRF remains ready, willing, and able to participate in good-faith negotiations toward a mutually agreeable resolution of all issues in this docket. The data requests authorized by the Commission with respect to the Motion to Approve the Settlement do not afford FPL or any other party the opportunity to conduct discovery with respect to the FRF's Offer of Settlement.

DOCUMENT NUMBER-CASE

0619 | SEP 14 2012

FPSC-COMMISSION CLERK

RESPONSES AND SPECIFIC OBJECTIONS

1. FRF states that “FPL has enjoyed stable revenues and healthy returns” under settlement agreements that have been in place over the past seven years.

- a. Please explain in detail by what measure FRF considers FPL’s revenues to have been stable over the past seven years and what mechanism, if any in FRF’s Summary of Offer of Settlement would stabilize revenues.

FRF RESPONSE: To the extent that this inquiry appears to address the FRF’s Offer of Settlement, the FRF objects to it as irrelevant. Without waiving its objections, the FRF believes that while FPL’s total retail revenues have fluctuated significantly over the period 2005-2012, largely due to fuel cost fluctuations, FPL’s base revenues have been relatively stable over the past seven years, as reflected in FPL’s consistent pattern of earning returns greater than its “required rate of return” as reported by the Public Service Commission’s annual reports, Statistics of the Florida Electric Utility Industry, and as reflected in available FPL Earnings Surveillance Reports. For example, while FPL’s total revenues over the 2005-2011 period have ranged between approximately \$9.1 Billion in 2005 and approximately \$11.6 Billion in 2006, FPL’s Average per Book Rate of Return has been greater than FPL’s Required Rate of Return in every year since 2005, when the Average per Book Rate of Return was 8.53% vs. the Required Rate of Return of 7.54%, except 2009, when the Average per Book Rate was 7.20% vs. the Required Rate of 7.30%. Finally, in 2010, 2011, and 2012, FPL has consistently earned ROEs of 11.0%, at the top of its authorized range.

- b. Please identify what FRF considers to be “healthy returns” for FPL and provide any and all analyses performed by FRF supporting the conclusion that FPL would be able to earn “healthy returns” under FRF’s Summary of Offer of Settlement.

FRF RESPONSE: To the extent that this request attempts to inquire about the FRF’s Offer of Settlement, the FRF objects to this request as irrelevant. Regarding what the FRF considers to be healthy returns as the question relates to the filed case and the Partial Settlement, the FRF states that, as supported by witnesses for the Citizens of the State of Florida, the SFHHA (Richard Baudino), and the FEA (Michael Gorman), the FRF believes that an ROE in the range of 8.5% to 9.25% would be a healthy return for FPL, in light of what the FRF, and the Consumer Parties’ witnesses, believe to be the minimal risks that FPL faces with respect to recovering its costs and with ready access to regulatory rate relief under extreme circumstances, e.g. storm recovery costs, which are provided for explicitly in the 2010 Settlement under which FPL is currently operating, and which were provided for promptly by Commission action following the 2004-2005 storm seasons.

2. FRF opposes the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement but has offered in its place an alternate proposal that includes, among other things, a 10% ROE (FRF Summary of Offer of Settlement). Does FRF contend that FPL could earn a 10.00% ROE in 2013 with no base rate increase? If so, please provide a detailed calculation in the form of MFRs A-1, B-1, C-1 and D-1a showing FRF's calculation of FPL's 2013 earnings with no base rate increase other than recovery of Canaveral Modernization Project revenue requirements as contemplated by Paragraph 5 of FRF's Summary of Offer of Settlement. Please reconcile such calculations to FPL's filed case showing any and all adjustments that would be necessary to reach FRF's 10% ROE proposal.

FRF RESPONSE/SPECIFIC OBJECTION: The FRF objects to this request because it is directed to the FRF's Offer of Settlement, which is not the subject of the September 27 non-evidentiary proceeding. The FRF further objects to FPL's request that the FRF prepare MFRs for FPL, on the grounds that the request is unduly burdensome and unauthorized. This docket was initiated by FPL and there is no basis for requiring any party to perform such burdensome work for another, whether through discovery, data requests, or any other means.

3. Does FRF contend that FPL could earn a 10.0% ROE in 2014 with no base rate increase and assuming that all of the \$894 million of depreciation reserve surplus has been amortized by the end of 2013 as contemplated by the 2010 rate settlement agreement? If so, please provide a calculation in the form of MFRs A-1, B-1, C-1 and D-1a showing FRF's calculation of FPL's 2014 earnings with no base rate increase other than recovery of Canaveral Modernization Project and Riviera Modernization Project revenue requirements as contemplated by Paragraph 5 of FRF's Summary of Offer of Settlement. Please reconcile such calculations to FPL's filed case showing any and all adjustments that would be necessary to reach FRF's 10% ROE proposal.

FRF RESPONSE/SPECIFIC OBJECTION: To the extent that this request attempts to address the FRF's Offer of Settlement, the FRF objects because that is not the subject of the September 27 non-evidentiary proceeding. The FRF further objects to FPL's request that the FRF prepare MFRs for FPL, on the grounds that the request is unduly burdensome and unauthorized. This docket was initiated by FPL for the 2013 test year, not a 2014 test year, and there is no basis for requiring any party to perform such burdensome work for another, whether through discovery, data requests, or any other means, particularly for a time period outside the scope of the case and the evidence therein.

4. Does FRF contend that FPL could earn a 10.0% ROE in 2015 with no base rate increase? If so, please provide a calculation in the form of MFRs A-1, B-1, C-1 and D-1a showing FRF's calculation of FPL's 2015 earnings with no base rate increase other than

recovery of Canaveral Modernization Project and Riviera Modernization Project revenue requirements as contemplated by Paragraph 5 of FRF's Summary of Offer of Settlement. Please reconcile such calculations to FPL's filed case showing any and all adjustments that would be necessary to reach FRF's 10% ROE proposal.

FRF RESPONSE/SPECIFIC OBJECTION: To the extent that this request attempts to address the FRF's Offer of Settlement, the FRF objects because that is not the subject of the September 27 non-evidentiary proceeding. The FRF further objects to FPL's request that the FRF prepare MFRs for FPL, on the grounds that the request is unduly burdensome and unauthorized. This docket was initiated by FPL for the 2013 test year, not a 2015 test year, and there is no basis for requiring any party to perform such burdensome work for another, whether through discovery, data requests, or any other means, particularly for a time period outside the scope of the case and the evidence therein.

5. Does FRF's Summary of Offer of Settlement provide any form of recovery for the Everglades Modernization Project if it comes into service in June 2016 as projected?

FRF RESPONSE/SPECIFIC OBJECTION: This data request addresses the FRF's Offer of Settlement only, and accordingly, the FRF objects to it on the grounds that is irrelevant to the Partial Settlement, which is the subject of the Commission's non-evidentiary session to be held on September 27.

a. If not and FPL elected a four-year term for the agreement, does FRF contend that FPL would be able to a 10.0% ROE during 2016? If so, please provide a calculation in the form of MFRs A-1, B-1, C-1 and D-1a showing FRF's calculation of FPL's 2016 earnings with no base rate increase other than recovery of Canaveral Modernization Project and Riviera Modernization Project revenue requirements as contemplated by Paragraph 5 of FRF's Summary of Offer of Settlement and no recovery mechanism for the Everglades Modernization Project. Please reconcile such calculations to FPL's filed case showing any and all adjustments that would be necessary to reach FRF's 10% ROE proposal.

FRF RESPONSE/SPECIFIC OBJECTION: See the response and specific objection above. Additionally, as above, the FRF objects to FPL's request that the FRF prepare MFRs for FPL, on the grounds that the request is unduly burdensome and unauthorized. This docket was initiated by FPL for the 2013 test year, not a 2016 test year, and there is no basis for requiring any party to perform such burdensome work for another, whether through discovery, data requests, or any other means.

6. Does FRF agree that under the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement FPL takes on financial risks in the form of inflation and interest rates? If not, please explain why FRF does not agree.

FRF RESPONSE: The FRF agrees that, under the Partial Settlement, FPL takes on at least some risk relative to inflation of its base-rate-type costs and that interest rates may be greater than projected by FPL. On the other hand, FPL has significant control over its expenditures, subject to its duty to provide safe and reliable service, and FPL always has the opportunity to reduce costs, e.g., through not filling vacant positions and through aggressive expense management, such that, by the operation of normal “regulatory lag,” FPL has the upside potential to increase its earnings by reducing costs, even if there were some price/cost inflation. Further, interest rate risk cuts both ways: interest rates may be lower than projected by FPL, in which case, the difference would accrue solely to FPL in the form of greater earnings. The FRF believes that the risk of interest rate escalation for at least the near future is slight, because the Federal Reserve has made it clear that it intends to keep interest rates low for at least the near future, as indicated by reports that it will hold the federal funds rate near zero at least through mid-2015.

7. What is the basis for the equity ratio of 55% that is proposed in Paragraph 3 of FRF’s Summary of Offer of Settlement?

FRF RESPONSE/SPECIFIC OBJECTION: This data request addresses the FRF’s Offer of Settlement only, and accordingly, the FRF objects to it on the grounds that is irrelevant to the Partial Settlement, which is the subject of the Commission’s non-evidentiary session to be held on September 27. Further, this data request seeks to inquire as to the FRF’s settlement strategies and internal deliberations, which are subject to the attorney-client privilege and the work product doctrine, and which the FRF deems to be its confidential, proprietary business information.

8. Has FRF conducted any analysis to assess the impacts of its Summary of Offer of Settlement on FPL’s credit metrics? If so, please describe or provide a copy of that analysis.

FRF RESPONSE/SPECIFIC OBJECTION: This data request addresses the FRF’s Offer of Settlement only, and accordingly, the FRF objects to it on the grounds that is irrelevant to the Partial Settlement, which is the subject of the Commission’s non-evidentiary session to be held on September 27. Further, this data request seeks to inquire as to the FRF’s settlement strategies and internal deliberations, which are subject to the attorney-client privilege and the work product doctrine, and which the FRF deems to be its confidential, proprietary business information.

9. Regarding Paragraph 7 of the Summary of Offer of Settlement, does FRF oppose the amortization of a portion of FPL’s fossil dismantlement reserve as proposed in Paragraph 10 of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement? If so, please explain in detail the basis for FRF’s opposition.

FRF RESPONSE/SPECIFIC OBJECTION: This data request addresses the FRF’s Offer

of Settlement, and accordingly, the FRF objects to it on the grounds that is irrelevant to the Partial Settlement, which is the subject of the Commission's non-evidentiary session to be held on September 27. Further, this data request seeks to inquire as to the FRF's settlement strategies and internal deliberations, which are subject to the attorney-client privilege and the work product doctrine, and which the FRF deems to be its confidential, proprietary business information.

Without waiving its objections, the FRF states that it does not have a definite position on the fossil dismantlement reserve issue, but notes that there is a reasonable concern that the proposal may not be appropriate in that it may involve using such reserve funds without any determination that those funds are in fact "surplus" funds, like the depreciation reserve surplus that is currently being amortized pursuant to the Commission's 2010 rate case order and the 2010 stipulation and settlement entered into by FPL and Consumer parties.

10. Indicate whether FRF opposes permitting FPL to defer filing depreciation and dismantlement studies during the term of the settlement agreement, as proposed in Paragraph 11 of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement and explains the basis for FRF's position.

FRF RESPONSE: The FRF opposes the Partial Settlement because the FRF believes, strongly, that the Partial Settlement is contrary to the public interest in that, among other defects, the Partial Settlement would provide FPL with revenues that are vastly greater than necessary for FPL to fulfill its duty (or its "goal," to use FPL's terminology) of providing safe and reliable service at the lowest possible cost. The FRF believes that FPL should file depreciation and dismantlement studies in accordance with the Commission's rules.

11. Regarding Paragraph 6 of the Response, please explain in detail why FRF opposes accelerated amortization of depreciation and dismantlement reserves up to a limit of \$400 million over four years as disadvantaging customers when it supported the amortization of up to \$776 million over three years under the 2010 settlement agreement.

FRF RESPONSE: This appears to be a reference to the Response filed by the Office of Public Counsel, on behalf of the Citizens of the State of Florida, opposing the motion to approve the Partial Settlement submitted by FPL, FIPUG, the SFHHA, and the FEA. The FRF's Response in Opposition to Joint Motion for Approval of Settlement does not have numbered paragraphs and does not mention the treatment of FPL's depreciation reserve surplus or fossil dismantlement reserve.

12. Does FRF oppose the incentive mechanism proposed in Paragraph 12 of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement? If so, please explain in detail the basis for FRF's opposition and demonstrate how customers would be harmed by the proposal.

FRF RESPONSE: The FRF opposes the Partial Settlement because the FRF believes, strongly, that the Partial Settlement is contrary to the public interest in that, among other defects, the Partial Settlement would provide FPL with revenues that are vastly greater than necessary for FPL to fulfill its duty (or its "goal," to use FPL's terminology) of providing safe and reliable service at the lowest possible cost. As the FRF has consistently stated, the FRF remains ready, willing, and able to participate in good-faith negotiations toward a mutually agreeable resolution of all issues in this docket, and an incentive mechanism such as that proposed in the Partial Settlement could be a potential point for negotiations toward such a resolution.

At present, the FRF does not have a definite position with respect to the proposed incentive mechanism, but the FRF does have a concern that it may provide for sharing of non-rate revenues that FPL should be seeking to maximize in any event, consistent with its duty (or "goal") of providing safe and reliable service at the lowest possible cost.

13. How many of FRF's 8000 constituents has FRF consulted to determine whether they would support the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement?

FRF RESPONSE/SPECIFIC OBJECTION: The FRF objects to this request because it seeks information that is subject to the attorney-client privilege and that the FRF deems to be confidential, proprietary business information, i.e., the FRF's communications with its members on such sensitive matters as settlement negotiations.

14. To which of its constituents has FRF communicated the rate impacts, if any, of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement? Please provide a copy of all such communications.

FRF RESPONSE/SPECIFIC OBJECTION: The FRF objects to this request because it seeks information that the FRF deems to be confidential, proprietary business information, i.e., the FRF's communications with its members on such sensitive matters as settlement negotiations. In addition, the FRF objects to this request to the extent that it seeks to obtain information that is subject to the attorney-client privilege and the work product doctrine.

15. Has FRF done any analysis to assess the rate impacts of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement by rate class? Has FRF requested any such analysis from FPL? Did FPL offer such analyses to FRF?

FRF RESPONSE: The FRF has done limited analyses comparing the rate impacts of the Partial Settlement to the rates supported by FPL's MFRs, testimony, and exhibits that FPL filed in support of its rate increase request in this docket, and also compared to FPL's current rates. FPL can prepare such information on its own. With respect to the latter two questions, on August 9, the FRF requested a comparison spreadsheet from FPL, and FPL told the FRF's representatives that it would provide such a spreadsheet. However, the requested information has not been provided by FPL.

16. Please provide a detailed calculation of FPL's earnings in 2013 based on FRF's litigation position as reflected in the prehearing order (PSC-12-0428-PHO-EI) issued on August 17, 2012. Use FPL's filed case and make any and all adjustments that correspond to FRF's litigation positions.

FRF RESPONSE/SPECIFIC OBJECTION: The FRF objects to this purported data request because it is, on its face, an attempt to obtain information regarding the FRF's litigation positions in the rate case, and therefore an untimely, unauthorized attempt to conduct discovery regarding the FRF's litigation positions long after the discovery cutoff date established by the Commission's procedural orders in this docket.

17. How many of FRF's members receive service from FPL solely under the GS rate class?

FRF RESPONSE: The FRF objects to this data request in that it seeks information that would properly have been the subject of discovery in the general rate case proceedings. Without waiving its objections, the FRF states that it does not know the answer to this request specifically, but the FRF believes that perhaps 2,500 or more of the approximately 3,200 FRF members (a number of whom have multiple accounts) who are served by FPL take service under the GS tariff.

18. Please confirm that FRF took no position on the partial stipulation in Gulf's recent rate case and the reasons for FRF's taking no position on that partial stipulation.

FRF RESPONSE: The FRF objects to this data request in that it is irrelevant to the Partial Settlement filed in this docket, irrelevant to the Commission's proposed consideration of the Partial Settlement at the non-evidentiary session that is to be held on September 27, and in that it requests the FRF's confidential business information, i.e., regarding its internal deliberations regarding the partial stipulation of certain issues in the Gulf rate case. Without waiving its objections, the FRF states that the FRF took no position on the partial stipulation in the recent Gulf Power rate case, Docket No. 110138-EI. That partial stipulation addresses certain rate design issues and limited revenue issues, in which each side gave up part of its litigation position.

19. Please provide the basis for FRF's belief that GS customers will pay less in monthly rates in 2013 if the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement is not approved and the Commission enters a final order on the issues in the rate case?

FRF RESPONSE: The FRF objects to this request to the extent that it asks the FRF to predict the Commission's decision. Without waiving its objections, the FRF provides the following response. Naturally, the FRF believes that the Commission should decide all issues in this case as recommended by the Citizens and the FRF, and the FRF also believes, based on objective history as well as on the validity of its positions on the particular issues in this case, that any final order entered by the Commission will impose less base rate responsibility on FPL's retail customers than would the proposed Partial Settlement. In either case, i.e., whether the net result of the Commission's decision is to implement the recommendations of the Citizens' witnesses, or to set FPL's 2013 revenues somewhere between FPL's requested increase and the Citizens' recommended decrease, the rates paid by GS customers would inevitably be less than those in the Partial Settlement (which are very close to those supported by FPL in its MFRs), because the GS rates proposed and supported by FPL through its MFRs, testimony, and exhibits in this case are very close to current rates (see MFR Schedules E-13c, page 16 of 44, and E-14. Attachment 1, page 4 of 98), such that any reduction from FPL's rates proposed in its MFRs and testimony would almost certainly result in lower rates for GS customers than FPL's current GS rates.

20. What is the FRF decision-making entity (e.g., Board of Directors, Executive Committee or Energy Committee) that made the decision not to participate in the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement?

FRF RESPONSE/SPECIFIC OBJECTION: The FRF objects to this request in that it is irrelevant to the Partial Settlement that the Commission has indicated it will consider at the non-evidentiary session on September 27, and in that it seeks the FRF's confidential, proprietary business information.

21. What FRF members are represented on the decision-making entity identified in response to Interrogatory No. 20 above, and how did each such member vote in the decision not to participate in the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement?

FRF RESPONSE/SPECIFIC OBJECTION: The FRF objects to this request in that it is irrelevant to the Partial Settlement that the Commission has indicated it will consider at the non-evidentiary session on September 27, and in that it seeks the FRF's confidential, proprietary business information.

22. Please explain why FRF made a public pronouncement in January 2012 that it would not enter into any rate case settlement negotiations with FPL until the conclusion of the final hearings in this proceeding?

FRF RESPONSE: As the FRF's representatives have stated to FPL's representatives, the FRF is without knowledge as to the source of the assertion embedded in this data request. On information and belief, the FRF believes that FPL may have misconstrued a statement that the FRF is not averse to hearings and having the Commission decide rate cases. Moreover, the FRF has amply demonstrated, through its participation in settlements with FPL in 2002 (see PSC Order No. PSC- 02-0501-AS-EI) and 2005 (see PSC Order No. PSC-05-0902-S-EI), its willingness to negotiate and participate in rate case settlements before hearings have commenced, as well as its willingness to negotiate and participate in settlements providing certain, identifiable rate relief associated with definite investments and expenditures without proceedings even having been initiated, specifically the step increase for West County Energy Center 3 that was provided for FPL pursuant to the stipulation and settlement approved by PSC Order No. PSC-11-0089-S-EI in Docket No. 080677-EI.

23. Please confirm that the FRF did not seek to intervene in the need determination proceedings for the Canaveral, Riviera and Port Everglades plants in opposition to any of these projects or the estimated costs for such projects?

FRF RESPONSE: The FRF objects to this request in that it is irrelevant to the Partial Settlement that the Commission has indicated it will consider at the non-evidentiary session on September 27, and in that it seeks the FRF's confidential, proprietary business information.

Without waiving its objections, the FRF states that it did not seek to intervene in any of the subject need determination proceedings. However, the fact that the FRF did not participate in the subject need determinations does not mean that the FRF acquiesces in the proposition, advanced by FPL, that FPL should somehow automatically be allowed to increase its rates when such plants come on line. The FRF has consistently taken the position that FPL is entitled to recover its reasonable and prudent costs, including a reasonable return on its prudent, used and useful investments, and where those investments include used and useful power plants, FPL is surely entitled to have its rates set with full consideration of such power plants; however, this does not mean that FPL needs a rate increase just because a new plant comes on line. Under Chapter 366, Florida Statutes, the appropriate mechanism for FPL (or any public utility) to seek recovery of the costs of new power plants is to initiate a general rate case contemporaneous with the new plant's achieving commercial service status such that it is used and useful in providing public service. This could be at some time after the plant achieves commercial status or for a projected test year in which the plant would be used and useful.

Additionally, it should be noted that between 1985 and 2005, FPL constructed approximately 8,500 megawatts of generating capacity, representing approximately one-

third of FPL's generating fleet, not only without increasing its base rates, but without any step increases at all, and further with FPL's agreement to permanent base rate reductions of \$600 million per year, as implemented through the settlements that FPL and Consumer Parties entered into in 1999 and 2002. These facts are ample proof of the FRF's point.

24. Please state whether FRF agrees that with respect to its thousands of small business members who receive service under the GS rates, the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement contains no increase in monthly rates for GS customers in 2013.

FRF RESPONSE: The FRF does not agree with this statement. The FRF understands that GS customers would not see increases in their monthly base rates in January 2013, but under the Partial Settlement, GS customers would see increases in their monthly base rates: (a) in June 2013, when the Cape Canaveral Project comes on line; (b) in June or July 2014, when the Riviera Project comes on line; and (c) in June or July 2016, when the Port Everglades Project comes on line. Additionally, GS customers would be subject to the 20% increase in FPL's late fee that the parties to the Partial Settlement agreed to (Partial Settlement at 3). Moreover, the GS rates proposed by FPL and supported by FPL's MFRs, testimony, and exhibits in this case are, similarly, virtually unchanged from current GS rates. (See MFR Schedules E-13c, page 16 of 44, and E-14. Attachment 1, page 4 of 98.) And finally, in light of the fact that FPL has proposed, in its MFRs, testimony, and exhibits, to leave GS rates and class revenue responsibility virtually unchanged from current levels, and relying on the competent, substantial evidence provided by witnesses for the Citizens, the SFHHA, and the FEA that would result in significantly lower total revenue requirements than those proposed in FPL's MFRs, it appears likely that the GS rates that would result from a litigated outcome would be less than those in the Partial Settlement.

25. Please describe how FRF expects that GS customers will fare better with rejection of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement and a litigated outcome in this proceeding.

FRF RESPONSE: Please see the FRF's response to Data Request No. 24 above.

26. Please provide copies of all work papers and analyses done by FRF or FRF Witness Chriss that compare the current electric bills for all Walmart stores in Florida and reflect how the accounts served by FPL compare to those for all other accounts on a "base cents per kWh" and "total cents per kWh" basis.

FRF RESPONSE/SPECIFIC OBJECTION: The FRF objects to this request in that it seeks discovery from a non-party, i.e., Wal-Mart, and in that it is irrelevant to the Partial Settlement negotiated by FPL, FIPUG, the SFHHA, and the FEA. Again, the non-evidentiary session that the Commission has indicated it will hold on September 27 is to

consider the Partial Settlement. The FRF further objects because this request is another untimely attempt by FPL to conduct discovery relating to the FRF's evaluation of FPL's general rate case and to Mr. Chriss's testimony in the rate case. As noted above, the discovery cutoff date established by the Commission's procedural orders has long since passed.

27. Please provide copies of all work papers and analyses done by FRF or FRF Witness Chriss that compare the projected electric bills for all Walmart stores served by FPL at FPL's current rates and charges and under FPL's requested rate relief. Provide this comparison for each and every Walmart account on a "base cents per kWh" and "total cents per kWh" basis.

FRF RESPONSE/SPECIFIC OBJECTION: The FRF objects to this request in that it seeks discovery from a non-party, i.e., Wal-Mart, and in that it is irrelevant to the Partial Settlement negotiated by FPL, FIPUG, the SFHHA, and the FEA. Again, the non-evidentiary session that the Commission has indicated it will hold on September 27 is to consider the Partial Settlement. The FRF further objects because this request is another untimely attempt by FPL to conduct discovery relating to the FRF's evaluation of FPL's general rate case and to Mr. Chriss's testimony in the rate case. As noted above, the discovery cutoff date established by the Commission's procedural orders has long since passed.

28. Please provide copies of all analyses performed by FRF or FRF Witness Chriss and any or all other FRF members or representatives that assesses or attempts to assess the impact of FPL's requested base rate increase on FRF member costs or operations.

FRF RESPONSE/SPECIFIC OBJECTION: The FRF objects to this data request in that it is irrelevant to the Partial Settlement. This request might have been appropriate as a document production request during discovery regarding the subjects of Docket No. 120015-EI, which are FPL's requested base rate increases for January 2013 and June 2013, but it is not relevant to the Partial Settlement.

29. Please provide copies of all analyses performed by FRF or FRF Witness Chriss and any or all other FRF members or representatives that assesses or attempts to assess or any documents that describe the impact of the FRF Summary of Offer of Settlement on FRF member costs or operations.

FRF RESPONSE/SPECIFIC OBJECTION: This data request addresses the FRF's Offer of Settlement only, and accordingly, the FRF objects to it on the grounds that is irrelevant to the Partial Settlement, which is the subject of the Commission's non-evidentiary session to be held on September 27. The FRF further objects to this request in that it seeks information protected by the attorney-client privilege and the work product doctrine.

30. Please provide copies of all documents that show the impact of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement on any or all of FRF's members.

FRF RESPONSE: The FRF objects to this request in that it seeks information protected by the attorney-client privilege and the work product doctrine. As stated in response to Data Request No. 15 above, the FRF has done limited analyses comparing the rate impacts of the Partial Settlement to the rates supported by FPL's MFRs, testimony, and exhibits that FPL filed in support of its rate increase request in this docket, and also compared to FPL's current rates. FPL can prepare such information on its own.

31. Please provide copies of all documents that show the impact of the FRF Summary of Offer of Settlement on any or all of FRF's members.

FRF RESPONSE/SPECIFIC OBJECTION: This data request addresses the FRF's Offer of Settlement only, and accordingly, the FRF objects to it on the grounds that is irrelevant to the Partial Settlement, which is the subject of the Commission's non-evidentiary session to be held on September 27. Further, the FRF objects to this request to the extent that it seeks information that is protected from disclosure by the attorney-client privilege and the work product doctrine.

32. Please provide copies of Walmart's rate or bill comparisons among electric providers.

FRF RESPONSE/SPECIFIC OBJECTION: The FRF objects to this request in that it seeks discovery from a non-party, i.e., Wal-Mart, and in that it is irrelevant to the Partial Settlement negotiated by FPL, FIPUG, the SFHHA, and the FEA. Again, the non-evidentiary session that the Commission has indicated it will hold on September 27 is to consider the Partial Settlement. The FRF further objects because this request appears to be another untimely attempt by FPL to conduct discovery relating to the FRF's evaluation of FPL's general rate case and to Mr. Chriss's testimony in the rate case. As noted above, the discovery cutoff date established by the Commission's procedural orders has long since passed.

33. Please provide copies of any communications to FRF members notifying them of the FPL/FIPUG/SFHHA/FEA Proposed Settlement Agreement. FRF may redact any comments within such communications which FRF asserts are privileged communications with a note explaining basis for privilege.

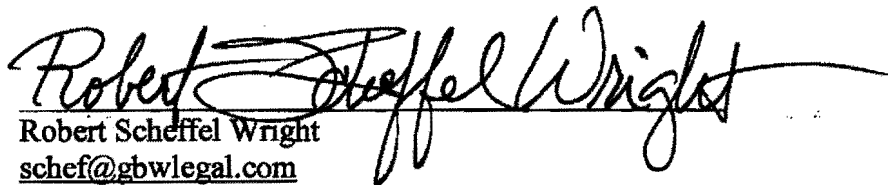
FRF RESPONSE/SPECIFIC OBJECTION: The FRF objects to this data request. All such communications are privileged under both the attorney-client privilege and the

attorney work product doctrine. Moreover, the FRF deems the requested information – i.e., the FRF’s communications with its members regarding sensitive settlement negotiations – to be confidential, proprietary business information.

34. Please provide copies of any communications to FRF members notifying them of the FRF Summary of Offer of Settlement. FRF may redact any comments within such communications which FRF asserts are privileged communications with a note explaining the basis for privilege.

FRF RESPONSE/SPECIFIC OBJECTION: This data request addresses the FRF’s Offer of Settlement only, and accordingly, the FRF objects to it on the grounds that is irrelevant to the Partial Settlement, which is the subject of the Commission’s non-evidentiary session to be held on September 27. Moreover, the FRF deems the requested information – i.e., the FRF’s communications with its members regarding sensitive settlement negotiations – to be confidential, proprietary business information. Finally, the FRF objects to this data request because all such communications are privileged under both the attorney-client privilege and the attorney work product doctrine.

Respectfully submitted this 14th day of September, 2012.



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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail this 14th day of September 2012, to the following:

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