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LARRY CRETUL  
Speaker of the  
House of Representatives



July 21, 2009

Ms. Ann Cole, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

RECEIVED-FPSC  
09 JUL 21 PM 4:14  
COMMISSION  
CLERK

Re: Docket Nos. 080677-EI & 090130-EI

Dear Ms. Cole:

I am enclosing for filing and distribution, the original and 15 copies of Citizens' Motion for Leave to Supplement Testimony. The Supplemental Direct Testimony and Supplemental Schedule DJL-6 are attached to the motion.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

Sincerely,

*Joe A. McGlothlin*  
Joseph A. McGlothlin  
Associate Public Counsel

COM \_\_\_\_\_  
ECR \_\_\_\_\_  
GCL 2 \_\_\_\_\_  
OPC \_\_\_\_\_  
RCP 2 \_\_\_\_\_  
SSC 2 \_\_\_\_\_  
SGA 2 \_\_\_\_\_  
ADM \_\_\_\_\_  
CLK \_\_\_\_\_

JAM:bsr

DOCUMENT NUMBER-DATE  
07398 JUL 21 09  
FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for rate increase by  
Florida Power & Light Company

DOCKET NO.: 080677-EI  
FILED: July 21, 2009

In re: 2009 depreciation study by Florida  
Power & Light Company.

DOCKET No. 090130-EI  
FILED: July 21, 2009

**CITIZENS' MOTION FOR LEAVE TO SUPPLEMENT TESTIMONY**

The Citizens of the State of Florida, through the Office of Public Counsel (OPC), request leave to supplement the prefiled testimony and Exhibit DJL-6 of OPC witness Daniel J. Lawton, and in support state:

1. On July 16, 2009, OPC timely filed testimony and exhibits of five witnesses, including the testimony and exhibits of Daniel J. Lawton. In his prefiled testimony and exhibits, Mr. Lawton discusses, *inter alia*, the impact of OPC's recommended amortization of a portion of Florida Power & Light Company's (FPL) depreciation reserve excess on the financial integrity of FPL, as measured by certain financial indicators.
2. At the time Mr. Lawton prepared his prefiled testimony and exhibits, OPC had not finalized all of its proposed adjustments to the annual 2010 revenues for which FPL has requested approval in its petition. Mr. Lawton has prepared a one-page supplement to Exhibit No. \_\_ (DJL-6, page 1 of 2) to reflect all of those adjustments in his assessment. The purpose of his limited supplemental testimony is simply to refer to the supplemental exhibit.

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FPSC-COMMISSION CLERK

3. OPC submits that no party will be prejudiced by the granting of this motion. Mr. Lawton's testimony addressing policy considerations was filed on July 16, 2009. Further, all of OPC's positions regarding OPC's proposed adjustments to FPL's requested revenue determination were filed with supporting testimony on July 16, 2009. The information necessary to calculate the impact of OPC's full recommendation on FPL's financial condition is therefore available to the Commission. As Mr. Lawton makes clear in his limited supplemental testimony, no changes to his original testimony are occasioned by the filing of the supplemental schedule of Exhibit No. \_\_\_(DJL-6). Granting this motion will provide relevant information to the parties and the Commission with maximum advance notice.
  
4. OPC has contacted parties with respect to their positions on the motion. OPC is authorized to represent that the Florida Retail Federation and the City of South Daytona support the granting of the motion. The Attorney General of the State of Florida, the Florida Industrial Power Users Group, the South Florida Hospital and Healthcare Association, Mr. Thomas Saporito, I.B.E.W. System Council U-4, and Florida Power & Light Company do not oppose the granting of the motion.

WHEREFORE, OPC requests the Commission to issue an order granting leave to file the attached Supplemental Testimony and Exhibit of Daniel J. Lawton.

  
Joseph A. McGlothlin  
Associate Public Counsel

Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street  
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(850) 488-9330

Attorney for the Citizens  
of the State of Florida

CERTIFICATE OF SERVICE  
DOCKET NO. 080677-EI & 090130-EI

I HEREBY CERTIFY that a copy of the foregoing CITIZENS' MOTION FOR LEAVE TO SUPPLEMENT TESTIMONY has been furnished by U.S. Mail on the 21st day of July, 2009.

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Joseph A. McGlothlin  
Associate Public Counsel

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

<b>In Re: Petition for increase in rates by Florida Light &amp; Power Company.</b>	§ § §	<b>Docket No. 080677-EI</b>
<b>In Re: 2009 Depreciation and Dismantlement Study by Florida Power &amp; Light Company.</b>	§ § §	<b>Docket No. 090130-EI</b> <b>Filed: July 21, 2009</b>

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**SUPPLEMENTAL DIRECT TESTIMONY**  
**OF**  
**DANIEL J. LAWTON**  
**ON BEHALF OF THE FLORIDA OFFICE OF**  
**PUBLIC COUNSEL**

DOCUMENT NUMBER-DATE

07398 JUL 21 08

FPSC-COMMISSION CLERK

1 **SUPPLEMENTAL DIRECT TESTIMONY**

2 **OF**

3 **DANIEL J. LAWTON**

4 **On Behalf of the Public Counsel**

5 **Before the Florida Public Service Commission**

6 **Dockets Nos. 080677-EI and 090130-EI**

7

8 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

9 A. My name is Daniel J. Lawton and my business address is 701 Brazos, Suite 500,  
10 Austin, Texas, 78701.

11 **Q. ARE YOU THE SAME DANIEL J. LAWTON WITH PREVIOUSLY FILED**  
12 **DIRECT TESTIMONY IN THIS DOCKET ON JULY 16, 2009?**

13 A. Yes.

14

15 **Q. WHAT IS THE PURPOSE OF THIS SUPPLEMENTAL DIRECT**  
16 **TESTIMONY?**

17 A. The purpose of this Supplemental Direct Testimony is to update my Schedule (DJI-  
18 6) page 1 of 2 from my direct testimony to reflect the entirety of OPC's rate proposals  
19 in this proceeding. When I prepared my first exhibit, OPC was in the process of  
20 formulating the various adjustments that were reflected in testimony and exhibits that



1 OPC filed on July 16, 2009. In the time frame for completing testimony and filing by  
2 that deadline, I did not have an opportunity to provide this information. None of my  
3 pre-filed direct testimony changes as a result of this supplement, rather this added  
4 Schedule is provided only as a supplement to provide the Commission added  
5 information and insight in evaluating the recommendations in this case.

6 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

7 **A. Yes.**

**FPL FINANCIAL METRICS PER RATE REQUEST  
AND ADJUSTED FOR EXCESS DEPRECIATION RESERVE**

LINE NO	DESCRIPTION	FPL REQUESTED AMOUNT	MFR SOURCES	ADJUSTED PER OPC S. BROWN EX. (SLB-26)	SOURCES
1	RATE BASE	\$17,063,586	B-1	\$17,046,963	SLB-26, LN 28
2	RATE OF RETURN	8.00%	D-1A	6.14%	SLB-26 LN30
3	REQUESTED RETURN	\$1,364,748	1*3	\$1,046,513	LN. 1*LN. 3
4	CURRENT INCOME	\$725,883	C-1		
5	CLAIMED DEFICIENCY	\$638,865	3-4		
6	TAX EXPANSION FACTOR	1.63342	C-44		
7	REQUESTED INCREASE	\$1,043,535	5*6		
9	DEPRECIATION& AMORTIZATION	\$1,075,373	E-1	\$513,606	SLB-26, LN12
10	INCOME TAXES	\$644,545	E-1	\$447,069	SLB-26 LN18-(.63093*LN 31)
11	CASH FLOW BEFORE FIT	\$3,084,666	SUM LINES 3,9,10	\$2,007,188	SUM LINES 3,9,10
12	CASH FLOW W/O FIT	\$2,440,121	SUM LINES 3,9	\$1,560,119	SUM LINES 3,9
13					
14	INTEREST	\$362,457	C-23	\$362,457	
15	DEBT	\$5,377,787	D-1A	\$5,377,787	
16	ADJUSTED DEBT	\$6,327,047	EX. AP-7	\$6,327,047	<b>S&amp;P GUIDELINES</b>
17	PRE-TAX METRICS				<b>MEDIUM A RATING</b>
18	CFO (EBITA) INTEREST X	8.51	LN11/LN14	5.54	<b>3.0-4.5</b>
19	CFO (EBITA) DEBT	57.36%	LN11/LN15	37.32%	<b>25%-45%</b>
20	CFO (EBITA) ADJUSTED DEBT	48.75%	LN11/LN16	31.72%	<b>25%-45%</b>
21	DEBT PERCENTAGE	43.10%	EX AP-7	41.80%	<b>35%-50%</b>
22					<b>S&amp;P GUIDELINES</b>
23	AFTER TAX METRICS				<b>MEDIUM A RATING</b>
24	CFO (EBITA) INTEREST X	6.73	LN12/LN14	4.30	<b>3.0-4.5</b>
25	CFO (EBITA) DEBT	45.37%	LN12/LN15	29.01%	<b>25%-45%</b>
26	CFO (EBITA) ADJUSTED DEBT	38.57%	LN12/LN16	24.66%	<b>25%-45%</b>
27	DEBT PERCENTAGE	43.10%	EX AP-7	41.80%	<b>35%-50%</b>