

FPL's Response to OPC's First Interrogatories Nos. 10, 12, 14, 23-24, 40-41, 61-64, 67-70, 75, 77-83, 85, 91-96, 99-101, 103, 108-109, 120-121, 123, 125.

(including first supplemental responses for Nos. 10, 12, 14, 40-41, 69-70, 83, 85, 99-100, 108-109, 118, and 120-121)

(including 40, 41, 69, 70, 83, 118, 120, 121)

(including second supplemental responses for Nos. 40, 41, 69, 70, 83, and 85)

(including second supplemental attachments for Nos. 40, 41, 69, 70, 83, and 85)

QUESTION:

In reference to Page 6 of the January 11, 2021 FPL Rate Case Test Year Notification Letter, please explain whether it is FPL's claim that a ROE award of less than 11.5% would not allow the Company to access the capital market on competitive terms through 2025? If yes, please provide an analysis and associated citations for support of the Company's answer.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Please provide the corporate credit and bond ratings assigned to NextEra Energy and/or Florida Power & Light Company since the year 2015 by S&P, Moody's, and Fitch.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

For the past five years (2016-2021), please provide the dates and amounts of: (1) cash dividend payments made by Florida Power & Light Company to NextEra Energy; and (2) cash equity infusions made by NextEra Energy into Florida Power & Light Company.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Regarding retirement of Steam Production Units, please respond to the following:

- a. List each steam production unit that the Company including Gulf has retired since 2000. Please include the fuel type (e.g. nuclear, coal, gas, oil) of the steam production unit.
- b. For each unit listed in response to part (a) please provide the original in service date and the retirement date.
- c. For each unit listed in response to part (a) is the building or structure which housed the boiler still standing?
- d. For each unit listed in response to part (a) provide the MW capacity (prior to retirement).
- e. Provide the street address and city and state of each unit listed in response to part (a).
- f. For each unit listed in response to part (a) provide the dollar amount retired from Plant in Service in the final retirement, the total final (terminal) Cost of Removal recorded for that unit at the time of, or since, final (terminal) retirement and the total final (terminal) Gross Salvage recorded for that unit at the time of, or since, final (terminal) retirement. If any requested information is not available by unit then provide it by plant.
- g. Provide the information requested in part (f) by year booked and by account (separately for each unit, or separately for each plant if the unit information is not available).

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

See also FPL's specific objection to OPC First Interrogatories No. 23.

QUESTION:

Regarding retirement of Other Production Units, please respond to the following:

- a. List each other production unit that the Company including Gulf has retired since 2000. Please include the fuel type (e.g. coal, gas, oil) of the other production unit. Please indicate the type of production unit (e.g. combustion turbine, combined cycle, cogeneration).
- b. For each unit listed in response to part (a) please provide the original in service date and the retirement date.
- c. For each unit listed in response to part (a) is the building or structure which housed the boiler still standing?
- d. For each unit listed in response to part (a) provide the MW capacity (prior to retirement).
- e. Provide the street address and city and state of each unit listed in response to part (a).
- f. For each unit listed in response to part (a) provide the dollar amount retired from plant in service in the final retirement, the total final (terminal) Cost of Removal recorded for that unit at the time of, or since, final (terminal) retirement and the total final (terminal) Gross Salvage recorded for that unit at the time of, or since, final (terminal) retirement. If any requested information is not available by unit then provide it by plant.
- g. Provide the information requested in part (f) by year booked and by account (separately for each unit, or separately for each plant if the unit information is not available).

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

See also FPL's specific objection to OPC First Interrogatories No. 24.

QUESTION:

Payroll. Please provide the following monthly labor data for any payroll dollars charged by, or allocated to, FPL for 2016, 2017, 2018, 2019, 2020, and 2021 to date, showing annual totals with the grand total equaling payroll for the year.

- a. Number of actual employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
- b. Number of authorized (budgeted) employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
- c. Regular payroll broken down between expensed, capitalized, amount charged to lobbying and other (includes all other, other than O&M, capital and lobbying).
- d. Overtime payroll broken down between expensed, capitalized, and other (includes all other, other than O&M and capital).
- e. Temporary payroll included in Part C and D broken down between expensed, capitalized and other; and
- f. Other payroll broken down between expensed, capitalized and other (specify).

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Payroll. Please provide the following monthly labor data for any payroll dollars charged by, or allocated to, Gulf Power for 2016, 2017, 2018, 2019, 2020, and 2021 to date, showing annual totals with the grand total equaling payroll for the year.

- a. Number of actual employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
- b. Number of authorized budgeted) employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
- c. Regular payroll broken down between expensed, capitalized, amount charged to lobbying and other (includes all other, other than O&M, capital and lobbying).
- d. Overtime payroll broken down between expensed, capitalized, and other (includes all other, other than O&M and capital).
- e. Temporary payroll included in Part C and D broken down between expensed, capitalized and other, and
- f. Other payroll broken down between expensed, capitalized and other (specify).

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Supplemental Employee Retirement Plan (SERP). Please provide the level of SERP expense, by account, included in FPL's cost of service for each of the years 2016 through 2020, projected year 2021, projected test years ending December 31, 2022 and December 31, 2023 and projected for 2024 and 2025.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Supplemental Employee Retirement Plan (SERP). Please provide the level of SERP expense, by account, included in Gulf Power's cost of service for each of the years 2016 through 2020 and projected year 2021.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Payroll. Please provide a description of FPL's and Gulf Power's current merit and cost of living wage rate increase policies including policies that are reasonably expected to be effective in the test year.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Payroll. Does FPL and/or Gulf Power anticipate reducing the number of employees, including any voluntary early retirement or other force reduction programs, during 2020 or in the next five years (2021-2025)? If yes, state the timing and number of affected employees for both FPL and Gulf Power. Also state the projected costs and savings of any such plans for each company.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Benefits. Please provide a description of each of FPL's employee benefit program(s) or plan(s) in effect currently as well as for those that will be in effect during projected year 2021, projected test years 2022-2023 and projected for 2024 and 2025, if different from the current program(s) or plan(s).

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Benefits. Please provide a description of each of Gulf Power's employee benefit program(s) or plan(s) in effect currently as well as for those that will be in effect during projected year 2021 if different from the current program(s) or plan(s).

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Benefits. For each benefit cost charged by, or allocated to FPL, please provide the annual level of each separate benefit cost broken down between expensed, capitalized and other for 2016, 2017, 2018, 2019, 2020 and 2021 to date along with a comparison of the benefit costs in projected year 2021, projected test years 2022 and 2023 and 2024 and 2025.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Benefits. For each benefit cost charged by, or allocated to Gulf Power, please provide the annual level of each separate benefit cost broken down between expensed, capitalized and other for 2016, 2017, 2018, 2019, 2020 and 2021 to date along with a comparison of the benefit costs in projected year 2021.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Contributions. For FPL, please identify the amounts included in cost of service in 2020, 2021 to date, projected year 2021, projected test years ending December 31, 2022 and December 31, 2023 and projected 2024 and 2025 for the following items:

- a. Membership dues in service, social and professional organizations (identify);
- b. Lobbying expenses;
- c. Charitable contributions;
- d. Investor relations expenses;
- e. Public relations expense, including an explanation of the nature and purpose of the activities;
- f. Advertising expenses broken down by each category FPL uses, such as product, marketing, corporate, institutional, informational, etc.; and
- g. Identify all payments made to the FPL Historical Museum and the amount charged in 2020, 2021 to date, and the amount included in the cost of service for the projected year 2021, projected test years December 31, 2022 and December 31, 2023 and projected for 2024 and 2025.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Uncollectables. For FPL, please provide the following annual jurisdictional data related to uncollectible accounts for 2016, 2017, 2018, 2019, 2020 and 2021 to date:

- a. bad debt expense;
- b. bad debt write-offs;
- c. collections of written-off accounts; and
- d. billed revenues.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Uncollectables. For Gulf Power, please provide the following annual jurisdictional data related to uncollectible accounts for 2016, 2017, 2018, 2019, 2020 and 2021 to date:

- a. bad debt expense;
- b. bad debt write-offs;
- c. collections of written-off accounts; and
- d. billed revenues.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Vegetation Maintenance. For FPL, please provide for each year 2016 through 2020 and 2021 to date the amounts budgeted and expended for vegetation maintenance by type of cost (i.e., cycle trimming, hazard tree removal, spraying, etc.) and the amounts included in the projected year 2021, projected test years December 31, 2022 and December 31, 2023, and projected years 2024 and 2025. If the cost for maintenance is charged to anything other than O&M, provide a breakdown of the annual cost in O&M, capitalized, charged to storms and other.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Vegetation Maintenance. For FPL, please provide for each year 2016 through 2020 and 2021 to date the number of planned and actual miles trimmed, the number of hazard trees removed and the miles projected for trimming and the number of removals projected for 2021, projected test years December 31, 2022 and December 31, 2023, and projected for 2024 and 2025. Also provide by year the actual total system miles subject to trimming.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Vegetation Maintenance. For Gulf Power, please provide for each year 2016 through 2020 and 2021 to date the amounts budgeted and expended for vegetation maintenance by type of cost (i.e., cycle trimming, hazard tree removal, spraying, etc.) and the amounts included in the projected year 2021. If the cost of maintenance is charged to anything other than O&M, provide a breakdown of the annual cost in O&M, capitalized, charged to storms and other.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Vegetation Maintenance. For Gulf Power, please provide for each year 2016 through 2020 and 2021 to date the number of planned and actual miles trimmed, the number of hazard trees removed and the miles projected for trimming and the number of removals projected for 2021. Also provide by year the actual total system miles subject to trimming.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Storm Costs. For FPL, please provide by year for 2016, 2017, 2018, 2019, 2020 and 2021 to date the costs recorded for storms to O&M and/or a reserve by account. Identify specifically any hurricane or major storm (i.e. storm with significant costs and provide the Company definition of a major storm), the date of the storm, the time period of restoration and the cost associated with the storm by account.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Storm Reserve. For Gulf Power, please provide for each year 2016 through 2020 and 2021 to date a summary beginning with the balance at January 1, 2016 and showing the various charges and credits (i.e. specify the type of charges and credits like securitization fees, storm costs, non-retail charges, etc.) to the storm reserve by year.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Injuries and Damages. Please state the amount of FPL's actual injuries and damages expense for each year 2016, 2017, 2018, 2019, 2020 and 2021 to date, and included in projected year 2021, projected test years December 31, 2022 and December 31, 2023 and projected years 2024 and 2025.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Injuries and Damages. Please state the amount of Gulf Power's actual injuries and damages expense for each year 2016, 2017, 2018, 2019, 2020 and 2021 to date, and included in projected year 2021

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Insurance Expense. Please itemize each component of FPL's insurance expense included in the projected year 2021, projected test years December 31, 2022 and December 31, 2023, and projected years 2024 and 2025, and provide comparative information for calendar years 2016, 2017, 2018, 2019, 2020 and 2021 to date. Indicate the accounts and amounts in which each item of insurance is recorded.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Insurance Expense. Please itemize each component of Gulf Power's insurance expense included in the projected year 2021 and provide comparative information for calendar years 2016, 2017, 2018, 2019, 2020 and 2021 to date. Indicate the accounts and amounts in which each item of insurance is recorded.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Directors and Officers Liability Insurance.

- a. Has FPL included any amounts in rate base for Directors and Officers liability insurance in 2020, projected year 2021, projected test years December 31, 2022 and December 31, 2023 and projected years 2024 and 2025? If so, please identify by amount and account.
- b. Has FPL included any amounts in operating expense for Directors and Officers liability insurance? If so, please identify by amount and account.
- c. Please identify the cost and coverage for each Directors and Officers liability insurance policy that was in effect during each year 2018, 2019 and 2020.
- d. Does FPL record any amounts for Directors and Officers liability insurance as prepaids? If not, explain fully why not. If so, please show the monthly amounts for January 1, 2019 through the present.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Directors and Officers Liability Insurance.

- a. Has Gulf Power included any amounts in rate base for Directors and Officers liability insurance in 2020 and projected year 2021? If so, please identify by amount and account.
- b. Has Gulf Power included any amounts in operating expense for Directors and Officers liability insurance? If so, please identify by amount and account.
- c. Please identify the cost and coverage for each Directors and Officers liability insurance policy that was in effect during each year 2018, 2019 and 2020.
- d. Does Gulf Power record any amounts for Directors and Officers liability insurance as prepaids? If not, explain fully why not. If so, please show the monthly amounts for January 1, 2019 through the present.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Rate Case Expense. For FPL, please provide the following:

- a. Identify the test year(s), filing date and rate effective date for FPL's last three rate cases.
- b. Please provide the level of rate case expense incurred for the last three rate cases broken down by payee or type of activity.
- c. Indicate which cases were settled and which were litigated. For the settled cases, also indicate at which stage they were settled (e.g., before rebuttal, after rebuttal, before hearings, after hearings, etc.).
- d. Show and describe FPL's proposed normalization period and expense request for rate case expense in the current proceeding.
- e. Has FPL included any unamortized rate case expense in rate base? If so, explain fully why and identify by amount and account.

RESPONSE:

Notwithstanding and without waiver of FPL's objections, including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that-the petition initiating the case has not yet been filed, FPL responds as follows:

For d. - e., please see the direct testimony and exhibits of FPL witness Liz Fuentes, and MFR C-10, to be filed on or about March 12, 2021 with FPL's Petition.

QUESTION:

Rate Case Expense. For Gulf, please provide the following:

- a. Identify the test year(s), filing date and rate effective date for Gulf Power's last three rate cases.
- b. Please provide the level of rate case expense incurred for the last three rate cases broken down by payee or type of activity.
- c. Indicate which cases were settled and which were litigated. For the settled cases, also indicate at which stage they were settled (e.g., before rebuttal, after rebuttal, before hearings, after hearings, etc.).
- d. Show and describe Gulf Power's proposed normalization period and expense request for rate case expense in the current proceeding.
- e. Has Gulf Power included any unamortized rate case expense in rate base? If so, explain fully why and identify by amount and account.

RESPONSE:

Notwithstanding and without waiver of FPL's objections, including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed, FPL responds as follows:

For d. - e., please see the direct testimony and exhibits of FPL witness Liz Fuentes, and MFR C-10, to be filed on or about March 12, 2021 with FPL's Petition.

QUESTION:

Pole Inspections. For FPL, please provide for each year 2016 through 2020 and 2021 to date the amounts budgeted and expended for pole inspections and the amounts included in projected year 2021, projected test years December 31, 2022 and December 31, 2023 and projected years 2024 and 2025. If the cost for inspections is charged to anything other than O&M, provide a breakdown of the annual cost in O&M, capitalized, charged to storms and other.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Pole Inspections. For Gulf Power, please provide for each year 2016 through 2020 and 2021 to date the amounts budgeted and expended for pole inspections and the amounts included in projected year 2021. If the cost for inspections is charged to anything other than O&M, provide a breakdown of the annual cost in O&M, capitalized, charged to storms and other.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

ADIT and net operating loss carry forwards. Does either FPL or Gulf Power have net operating loss carry-forwards as of December 31, 2020? If so, identify the amount and show the impact on ADIT for each company.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

ADIT and net operating loss carry forwards. Does FPL or Gulf Power anticipate having net operating loss carry-forwards in any year, 2021, 2022, 2023, 2024 or 2025? If so, identify, quantify and explain the impact of such NOL carryforwards on income tax expense and ADIT in each year for each company.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Tax credits. For FPL, please provide the following:

- a. Identify, quantify and explain all tax credits that FPL claimed in 2019.
- b. Identify, quantify and explain all tax credits that FPL expects to claim in 2020.
- c. Identify, quantify and explain all tax credits that FPL expects to claim in each year, 2021 through 2025.
- d. Explain fully and show in detail how FPL reflected tax credits identified in response to parts a, b and c, in its rate filing.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

Tax credits. For, Gulf Power, please provide the following:

- a. Identify, quantify and explain all tax credits that Gulf Power claimed in 2019.
- b. Identify, quantify and explain all tax credits that Gulf Power expects to claim in 2020.
- c. Identify, quantify and explain all tax credits that Gulf Power expects to claim in 2021.
- d. Explain fully and show in detail how Gulf Power reflected tax credits identified in response to parts a, b and c, in its rate filing.

RESPONSE:

Objections filed, including FPL's general objections and specifically including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed.

QUESTION:

FPL's January 11, 2021 Test Year Notification Pursuant to Rule 25-6.140, F.A.C., at page 2 refers to the merger between FPL and Gulf Power where it states: "The merger of the two companies was approved by the Federal Energy Regulatory Commission on October 15, 2020. FPL and Gulf Power currently are engaged in the process of integrating operations in a manner that maximizes the benefits for the unified company. Gulf Power formally merged into FPL in January 2021, with operational consolidation to be essentially complete by January 2022."

- a. Does FPL anticipate any measurable cost savings as a result of the merger with Gulf Power? Explain fully. If not, explain fully why not.
- b. If the answer to part "a" is "yes", please state whether the Company's projected test year ending December 31, 2022 will reflect the cost savings resulting from the merger with Gulf Power. If so, quantify by amount and account, the cost savings that will be reflected in the projected test year ending December 31, 2022. If not, explain fully why not.
- c. If the answer to part "a" is "yes", please state whether the Company's projected test year ending December 31, 2023 will reflect the cost savings resulting from the merger with Gulf Power. If so, quantify by amount and account, the cost savings that will be reflected in the projected test year ending December 31, 2023. If not, explain fully why not.
- d. If the answer to part "a" is "yes", please state whether the Company's projected years 2024 and 2025 will reflect the cost savings resulting from the merger with Gulf Power. If so, quantify by amount and account, the cost savings that will be reflected in the projected years 2024 and 2025. If not, explain fully why not.

RESPONSE:

Notwithstanding and without waiver of FPL's objections, including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed, FPL responds as follows:

Please see the direct testimonies and exhibits of FPL witnesses Scott Bores and Dr. Steven R. Sim to be filed on or about March 12, 2021 with FPL's Petition.

QUESTION:

FPL's January 11, 2021 Test Year Notification Pursuant to Rule 25-6.140, F.A.C., states at page 2: "FPL is building the North Florida Resiliency Connection ("NFRC"), a 176-mile transmission line that will strengthen Florida's transmission system as well as connect Gulf Power directly to FPL."

- a. When does FPL anticipate the NFRC will be placed into service?
- b. Will FPL's and/or Gulf Power's respective rate bases include costs associated with the NFRC in the projected year 2021? If so, identify by amount and account the level of NFRC included in each company's rate base
- c. Will FPL's and Gulf Power's combined rate base include costs associated with the NFRC in the projected test year ended December 31, 2022? If so, identify by amount and account the level of NFRC included in each company's rate base.
- d. Will FPL's and Gulf Power's combined rate base include costs associated with the NFRC in the projected test year ended December 31, 2023? If so, identify by amount and account the level of NFRC included in each company's rate base.
- e. Will FPL's and Gulf Power's combined rate base include costs associated with the NFRC in projected years 2024 and 2025? If so, identify by amount and account the level of NFRC included in each company's rate base.

RESPONSE:

Notwithstanding and without waiver of FPL's objections, including but not limited to the objection to premature and unauthorized pre-Petition discovery, and considering the fact that the petition initiating the case has not yet been filed, FPL responds as follows:

Please see the direct testimony and exhibits of FPL witnesses Michael Spoor to be filed on or about March 12, 2021 with FPL's Petition.

QUESTION:

In reference to Page 6 of the January 11, 2021 FPL Rate Case Test Year Notification Letter, please explain whether it is FPL's claim that a ROE award of less than 11.5% would not allow the Company to access the capital market on competitive terms through 2025? If yes, please provide an analysis and associated citations for support of the Company's answer.

RESPONSE:

The Company presents a recommended ROE based on the review and analysis of a cost of capital expert, informed by the Company's own judgment. Whether the Company could continue to access the capital markets on competitive terms at an ROE of 11.49% or 11.48% and so forth, is one of the issues in the case that will be debated, but ultimately is a question that would only be borne out through actual experience. Further, as noted by Witness Coyne, access to capital on reasonable terms is just one of three tests of a fair return. The return must also be commensurate with returns on investments in enterprises having comparable risks and be sufficient to ensure the financial soundness of FPL's electric utility operations.

QUESTION:

Please provide the corporate credit and bond ratings assigned to NextEra Energy and/or Florida Power & Light Company since the year 2015 by S&P, Moody's, and Fitch.

RESPONSE:

January 1, 2015 – December 23, 2019

	Moody's Rating	S&P Rating	Fitch Rating	Outlook
NextEra Energy, Inc.				
Corporate Rating	Baa1	A-	A-	Stable
Florida Power & Light				
Corporate Rating	A1	A-	A	Stable
First Mortgage Bonds	Aa2	A	AA-	Stable
Senior Unsecured Notes ⁽¹⁾	A1	A-	A+	Stable
Pollution Control, solid waste disposal and industrial development revenue bonds	VMIG-1 / P-1	A-2	F1	Stable
Commercial Paper	P-1	A-2	F1	Stable

1) Ratings were assigned in November 2017

On December 24, 2019, as part of an industry review, FPL was upgraded by S&P to A. This review was formally initiated on July 1, 2019 as part of S&P's revised Group Rating Methodology, which places affected entities "under criteria observation." On December 24, 2019, S&P completed its credit rating review with a one-notch upgrade of FPL's ratings, including its long-term issuer rating from A- to A. There were no rating or outlook changes for NextEra Energy as part of this review.

The following table displays the corporate credit and bond ratings assigned to NextEra Energy and FPL by S&P, Moody's and Fitch since December 24, 2019:

December 24, 2019 – Present

	Moody's Rating	S&P Rating	Fitch Rating	Outlook
NextEra Energy, Inc.				
Corporate Rating	Baa1	A-	A-	Stable
Florida Power & Light				
Corporate Rating	A1	A	A	Stable
First Mortgage Bonds	Aa2	A+	AA-	Stable
Senior Unsecured Notes	A1	A	A+	Stable
Pollution Control, solid waste disposal and industrial development revenue bonds	VMIG-1 / P-1	A-1	F1	Stable
Commercial Paper	P-1	A-1	F1	Stable

QUESTION:

For the past five years (2016-2021), please provide the dates and amounts of: (1) cash dividend payments made by Florida Power & Light Company to NextEra Energy; and (2) cash equity infusions made by NextEra Energy into Florida Power & Light Company.

RESPONSE:

Please see the following table, which provides by month for the years 2016-2021, the amount of: (1) cash dividend payments made by Florida Power & Light Company to NextEra Energy; and (2) cash equity infusions made by NextEra Energy into Florida Power & Light Company.

Date	Cash Dividend Payments from FPL to NEE	Capital Contributions from NEE to FPL	Net Dividend (Contribution)
March	900,000,000		
September	400,000,000		
November		600,000,000	
Total 2016	1,300,000,000	600,000,000	700,000,000
March	400,000,000		
September	400,000,000		
December	650,000,000		
Total 2017	1,450,000,000	-	1,450,000,000
March		850,000,000	
August		875,000,000	
December	500,000,000		
Total 2018	500,000,000	1,725,000,000	(1,225,000,000)
January		250,000,000	
June	1,400,000,000		
September	800,000,000		
Total 2019	2,200,000,000	250,000,000	1,950,000,000
January		1,200,000,000	
April		500,000,000	
May		200,000,000	
September	1,760,000,000		
December	370,000,000		
Total 2020	2,130,000,000	1,900,000,000	230,000,000
Feb-21		1,000,000,000	
Total 2021 YTD		1,000,000,000	(1,000,000,000)

QUESTION:

Payroll. Please provide the following monthly labor data for any payroll dollars charged by, or allocated to, FPL for 2016, 2017, 2018, 2019, 2020, and 2021 to date, showing annual totals with the grand total equaling payroll for the year.

- a. Number of actual employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
- b. Number of authorized (budgeted) employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
- c. Regular payroll broken down between expensed, capitalized, amount charged to lobbying and other (includes all other, other than O&M, capital and lobbying).
- d. Overtime payroll broken down between expensed, capitalized, and other (includes all other, other than O&M and capital).
- e. Temporary payroll included in Part C and D broken down between expensed, capitalized and other; and
- f. Other payroll broken down between expensed, capitalized and other (specify).

RESPONSE:

(a) and (b) – This information is not available in the format requested as FPL does not track payroll charged to affiliates by the classification of employees that provide those services, nor does FPL track the number of employees included in the Corporate Services Charges (“CSC”). The CSC is billed to affiliates based on cost pools and within the cost pools, individual employees are not reportable in summary format. In addition, FPL does not track, nor have access to, the number of affiliate employees that charge time to FPL.

Notwithstanding the above, FPL is providing the number of employees that charged affiliates via the direct charge methodology for the years ended 2016 through 2020:

YEAR	Number of FPL Employees that Direct Charged Affiliates
2016	1,136
2017	1,033
2018	1,628
2019	1,881
2020	2,441

(c), (d), (e) and (f) – The classification of payroll charged to FPL’s affiliates, either directly or through allocation, is recorded on the affiliate books and records. FPL does not track how the costs are recorded on the affiliate books once they are charged out. In addition, we do not track for reporting purposes the classification of FPL payroll that is avoided or otherwise not recorded on FPL’s books due to affiliate services provided. Notwithstanding the above, FPL is providing, the breakdown of total company payroll directly charged or allocated to affiliates by payroll classification. This includes details by type of employee (bargaining, non-bargaining, exempt, non-exempt, regular payroll, overtime payroll, etc.). Below is a description of the data provided:

- Attachment 1 – includes payroll direct charged to affiliates, including the payroll in the Operations Support Charges, by month and in total for the years 2016 through 2020.
- Attachment 2 – includes payroll allocated to affiliates via the Corporate Services Charge by month and in total for the years 2016 through 2020.
- Attachment 3 – includes payroll charged to FPL by affiliates, by month and in total for the years 2016 through 2020.

Note, consistent with Securities Exchange Commission obligations, the information requested for 2021 to date (i.e., actuals for the first quarter of 2021) will be provided in a supplemental response once it has been publicly released, which is expected to be on or after April 23, 2021.

QUESTION:

Payroll. Please provide the following monthly labor data for any payroll dollars charged by, or allocated to, Gulf Power for 2016, 2017, 2018, 2019, 2020, and 2021 to date, showing annual totals with the grand total equaling payroll for the year.

- a. Number of actual employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
- b. Number of authorized (budgeted) employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
- c. Regular payroll broken down between expensed, capitalized, amount charged to lobbying and other (includes all other, other than O&M, capital and lobbying).
- d. Overtime payroll broken down between expensed, capitalized, and other (includes all other, other than O&M and capital).
- e. Temporary payroll included in Part C and D broken down between expensed, capitalized and other; and
- f. Other payroll broken down between expensed, capitalized and other (specify).

RESPONSE:

Including information received from Southern Company for 2016 through 2018, FPL responds as follows:

For 2016 through 2018, the amounts below reflect costs allocated from Southern Company Services, Gulf's shared service provider prior to its acquisition by NextEra Energy. The amounts below do not reflect costs allocated by Gulf's other former affiliates.

- a. Southern Company is not able to provide the format requested as it did not track payroll charged to affiliates by the classification of employees that provide those services. In addition, Southern Company does not track, nor have access to, the number of affiliate employees that charge time to Gulf.

Notwithstanding the above, Southern Company is providing the number of employees that direct charged affiliates for the years ended 2016, 2017 and 2018:

2016	2017	2018
362	356	901

- b. Southern Company is not able to provide the format requested as it did not budget payroll charged to affiliates by the classification of employees that provide those services. In addition, Southern Company does not track, nor have access to, the number of affiliate employees that were budgeted to charge time to Gulf.

c-f.

For 2016 payroll costs allocated to Gulf, Southern Company is unable to provide a breakdown between expensed, capitalized and other. As a result, 2016 amounts reflect all payroll costs Southern Company allocated to Gulf, including those not included in Gulf's cost of service.

	2016	2017			2018		
	Total Cost	O&M	Capital	Other	O&M	Capital	Other
Regular	\$15,033,790	\$10,919,991	\$1,854,241	\$562,201	\$10,244,850	\$1,911,189	\$3,078,293
Overtime	163,913	66,168	22,376	7,207	49,019	31,620	280,908
Temporary	132,343	139,955	2,716	1,131	150,560	9,426	12,373
Other	2,741,091	1,956,257	353,372	216,697	2,085,100	360,924	1,592,011
Total	\$18,071,136	\$13,082,373	\$2,232,705	\$787,236	\$12,529,531	\$2,313,160	\$4,963,585

For 2019 and 2020, after the acquisition by NextEra Energy, Inc, please see the responses below:

(a) and (b)

This information is not available in the format requested as Gulf does not track payroll charged to affiliates by the classification of employees that provide those services. In addition, Gulf does not track, nor have access to, the number of affiliate employees that charge time to Gulf.

Notwithstanding the above, Gulf is providing the number of employees that direct charged affiliates for the years ended 2019 and 2020:

YEAR	Number of Gulf Employees that Direct Charged Affiliates
2019	141
2020	183

(c), (d), (e) and (f)

The classification of payroll charged to Gulf's affiliates is recorded on the affiliate books and records. Gulf does not track how the costs are recorded on the affiliate books once they are charged out. In addition, Gulf does not track for reporting purposes the classification of Gulf payroll that is avoided or otherwise not recorded on Gulf's books

due to affiliate services provided. Notwithstanding the above, Gulf is providing the breakdown of total company payroll charged to or from affiliates by payroll classification. This includes details by type of employee (bargaining, non-bargaining, exempt, non-exempt, regular payroll, overtime payroll, etc.). Below is a description of the data provided as attachments to this response:

- Attachment 1 – includes payroll direct charged to affiliates by month and in total for the years 2019 and 2020.
- Attachment 2 – includes payroll direct charged to Gulf by affiliates, by month and in total for the years 2019 and 2020.
- Attachment 3 – includes payroll allocated to Gulf by FPL, via the Corporate Services Charge, by month and in total for the years 2019 and 2020.

Note, consistent with Securities Exchange Commission obligations, the information requested for 2021 to date (i.e., actuals for the first quarter of 2021) will be provided in a supplemental response once it has been publicly released, which is expected to be on or after April 23, 2021.

QUESTION:

Benefits. For each benefit cost charged by, or allocated to FPL, please provide the annual level of each separate benefit cost broken down between expensed, capitalized and other for 2016, 2017, 2018, 2019, 2020 and 2021 to date along with a comparison of the benefit costs in projected year 2021, projected test years 2022 and 2023 and 2024 and 2025.

RESPONSE:

FPL is interpreting the question to apply to benefits loaders on affiliate charges. Benefits applied to payroll charged to affiliates, either directly or through allocation, are not classified as expensed, capitalized, or other. Therefore, the breakdown of benefit allocations charged to others is not available in the requested format. Notwithstanding the above, FPL is providing the breakdown of benefits directly charged or allocated by benefit account classification. Below is a description of the data provided:

- Attachment 1 – includes overheads applied to direct charges by benefit account charged by FPL to affiliates for the years 2016 through 2020.
- Attachment 2 - includes overheads applied to direct charges by benefit account charged by FPL to affiliates for the projected year 2021, and by FPL and Gulf combined for the projected years 2022 through 2025.
- Attachment 3 – includes overheads allocated to affiliates by FPL via the Corporate Services Charge (“CSC”) for the years 2016 through 2020.
- Attachment 4 – includes the overheads allocated to affiliates by FPL via the CSC for the projected year 2021, and by FPL and Gulf combined for the projected years 2022 through 2025.
- Attachment 5 - includes benefit costs charged to FPL by affiliates for the years 2016 through 2020. FPL does not forecast incoming affiliate charges at the level of detail required to identify benefits, so this information is not available for 2021-2025.

Note, consistent with Securities Exchange Commission obligations, the information requested for 2021 to date (i.e., actuals for the first quarter of 2021) will be provided in a supplemental response once it has been publicly released, which is expected to be on or after April 23, 2021.

QUESTION:

Benefits. For each benefit cost charged by, or allocated to Gulf Power, please provide the annual level of each separate benefit cost broken down between expensed, capitalized and other for 2016, 2017, 2018, 2019, 2020 and 2021 to date along with a comparison of the benefit costs in projected year 2021.

RESPONSE:

For 2016 through 2018, based upon the information received from Southern Company, FPL responds as follows:

The amounts below reflect costs allocated from Southern Company Services, Gulf's shared service provider prior to its acquisition by NextEra Energy. The amounts below do not reflect costs allocated by Gulf's other former affiliates.

For 2016 costs allocated to Gulf, Southern Company is unable to provide a breakdown between expensed, capitalized and other. As a result, 2016 reflects total benefit costs Southern Company allocated to Gulf, including those not included in Gulf's cost of service.

Actuals	2016	2017	2018
O&M	\$ -	\$ 4,224,200	\$ 3,967,859
Capital	\$ -	\$ 578,668	\$ 894,616
Other	\$ -	\$ 400,086	\$ 1,446,787
Total	\$ 6,185,781	\$ 5,202,953	\$ 6,309,262

For 2019 and 2020, Gulf is interpreting the question to apply to benefits loaders on affiliate charges. Benefits applied to payroll charged to affiliates are not classified as expensed, capitalized, or other. Therefore, the breakdown of benefit allocations charged to others is not available in the requested format. Notwithstanding the above, Gulf is providing the breakdown of benefits directly charged by benefit account classification. Below is a description of the data provided:

- Attachment 1 – includes overheads applied to direct charged payroll, by benefit account, charged by Gulf to affiliates for the years 2019 and 2020.
- Attachment 2 – includes benefit costs related to payroll that is direct charged to Gulf by affiliates for the years 2019 and 2020.
- Attachment 3 – includes benefit overheads, by benefit account, applied to payroll allocated to Gulf by FPL via the Corporate Services Charge ("CSC") for the years 2019 and 2020.

Note, consistent with Securities Exchange Commission obligations, the information requested for 2021 to date (i.e., actuals for the first quarter of 2021) will be provided in a supplemental response once it has been publicly released, which is expected to be on or after April 23, 2021.

QUESTION:

Storm Costs. For FPL, please provide by year for 2016, 2017, 2018, 2019, 2020 and 2021 to date the costs recorded for storms to O&M and/or a reserve by account. Identify specifically any hurricane or major storm (i.e. storm with significant costs and provide the Company definition of a major storm), the date of the storm, the time period of restoration and the cost associated with the storm by account.

RESPONSE:

FPL does not classify/categorize a storm as “major” outside of what is defined by the National Hurricane Center. Therefore, for purposes of this response, FPL has provided the requested information for storms that meet the FPSC notification criteria in part (1)(d) of FPSC Rule 25-6.0143 F.A.C., Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4.

Below is a list of storms that met the FPSC notification criteria, month and year of when the storm hit FPL’s territory, and time period of restoration for each storm for 2016 through 2020:

Storm	Mo/Yr. of Storm	# Days of Restoration
Hurricane Hermine	Sep-16	1
Hurricane Matthew	Oct-16	4
Hurricane Irma	Sep-17	10
Hurricane Dorian	Sep-19	1
Hurricane Isaias	Aug-20	1
Tropical Storm Eta	Nov-20	2

For storm costs charged to FPL’s storm reserve by storm for 2016 through 2019, see Attachment No. 1 to this response. For storm costs charged to FPL’s storm reserve for 2020, please see <http://www.psc.state.fl.us/library/filings/2021/02202-2021/02202-2021.pdf>

For the amounts of storm costs charged to O&M expense for each storm for 2016 through 2020, see Attachment No. 2 to this response. Note, consistent with Securities Exchange Commission obligations, the information requested for 2021 to date (i.e., actuals for the first quarter of 2021) will be provided in a supplemental response once it has been publicly released, which is expected to be on or after April 23, 2021.

QUESTION:

Storm Reserve. For Gulf Power, please provide for each year 2016 through 2020 and 2021 to date a summary beginning with the balance at January 1, 2016 and showing the various charges and credits (i.e. specify the type of charges and credits like securitization fees, storm costs, non-retail charges, etc.) to the storm reserve by year.

RESPONSE:

Please see Attachment No.1 to this response.

Note, consistent with Securities Exchange Commission obligations, the information requested for 2021 to date (i.e., actuals for the first quarter of 2021) will be provided in a supplemental response once it has been publicly released, which is expected to be on or after April 23, 2021.

QUESTION:

Rate Case Expense. For FPL, please provide the following:

- a. Identify the test year(s), filing date and rate effective date for FPL's last three rate cases.
- b. Please provide the level of rate case expense incurred for the last three rate cases broken down by payee or type of activity.
- c. Indicate which cases were settled and which were litigated. For the settled cases, also indicate at which stage they were settled (e.g., before rebuttal, after rebuttal, before hearings, after hearings, etc.).
- d. Show and describe FPL's proposed normalization period and expense request for rate case expense in the current proceeding.
- e. Has FPL included any unamortized rate case expense in rate base? If so, explain fully why and identify by amount and account.

RESPONSE:

- a. Docket No. 160021-EI, Filing Date 03/15/2016, Test Year: 2017, Effective Date 01/01/2017
Docket No. 120015-EI, Filing Date 03/19/2012, Test Year 2013, Effective Date 01/01/2013
Docket No. 080677-EI, Filing Date 03/18/2009, Test Year 2010, Effective Date 01/01/2010
- b. Please refer to Attachment Nos. 1 through 3 to this response.
- c. In the 2016 case, parties reached a settlement after hearings, in the 2012 case, parties reached a settlement before hearings, and the 2009 case was settled after appeal of the FPSC's initial Order.
- d. FPL has requested a four-year amortization period for the current rate case expenses. Please see the direct testimony and exhibits of FPL witness Liz Fuentes, and MFR C-10.
- e. Yes. Please refer to the testimony of FPL witness Liz Fuentes which describes the treatment FPL has requested for its rate case expenses associated with this instant case. The unamortized amount of rate case expenses included in rate base in the 2022 Test Year and 2023 Subsequent Year are \$4,523,400 and \$3,231,000, respectively. The unamortized balance is recorded to FERC Account 186 - Miscellaneous Deferred Debit.



Kenneth Hoffman
Vice President, Regulatory Relations
Florida Power & Light Company
215 S. Monroe Street, Suite 810
Tallahassee, FL 32301
(850)521-3919
Kenneth.Hoffman@fpl.com

March 4, 2011

- VIA HAND DELIVERY -

Mr. John Slemkewicz, Supervisor
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 080677-EI

Dear Mr. Slemkewicz:

As requested in your letter dated February 10, 2011, I am enclosing Florida Power & Light Company's ("FPL's") response to your request for actual rate case expenses incurred in Docket 080677-EI.

Should you have any questions or need further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kenneth Hoffman', is written over a horizontal line.

Kenneth A. Hoffman
Vice President, Regulatory Relations

DETAIL OF RATE CASE EXPENSES

Florida Public Service Commission
Florida Power & Light Company
Docket No. 080677-EI
Test Year: 2010
Page 1 of 2

Line No. (1)	Vendor Name (2)	Counsel, Consultant or Witness (3)	Fee (4)	Basis of Charge (5)	* Travel Expenses (6)	Other (7)	Total (8)	** Type of Services (9)	Specific Services Rendered (10)
1	Concentric Energy Advisors, Inc.	Witness	352,060	Hourly plus Expenses	10,561	305	\$ 362,926	O	Benchmarking Testimony
2	Radey, Thomas, Yon and Clark	Witness	163,424	Hourly plus Expenses	4,456	-	167,880	A & O	Regulatory Treatment Testimony
3	ABSG Consulting, Inc.	Witness	236,015	Fixed Fee	3,663	30	239,708	O	Storm Reserve Testimony
4	Minsky Consulting	Consultant	237,500	Monthly Fixed Fee	Included in Fee	Included in Fee	237,500	O	Human Resources Consulting
5	Gannett Fleming, Inc.	Witness	200,488	Hourly plus Expenses	10,983	106	211,577	A & O	Depreciation Study and Testimony
6	Financial Concepts and Applications, Inc.	Witness	194,648	Hourly plus Expenses	6,151	-	200,799	C	Return on Equity Testimony
7	The Brattle Group	Witness	183,388	Hourly plus Expenses	3,126	1,992	188,506	O	Forecasting Testimony
8	Towers Perrin	Witness	75,541	Hourly plus Expenses	Not itemized	Not itemized	<u>75,541</u>	O	Compensation Testimony
11	Total Outside Consultants						\$ 1,684,437		
12									
13	Radey, Thomas, Yon and Clark	Counsel	473,231	Hourly plus Expenses	6,776	397	480,404	L	Outside Legal Services
14	Rutledge, Eckenia and Pumell	Counsel	42,027	Hourly plus Expenses		1,792	<u>43,819</u>	L	Outside Legal Services
15	Total Outside Legal Services						\$ 524,084		
16									
17	All other Expenses						<u>2,494,409</u>		
18	Total (All)						<u>\$ 4,702,930</u>	(a)	

* Travel Expenses should include the amount of time billed while traveling.

** A = Accounting C = Cost of Capital E = Engineering L = Legal O = Other

Notes:

(a) According to the rate case order issued on March 17, 2010, FPL is only permitted to recover \$3,207,000, amortized over four years.

Florida Public Service Commission
Florida Power & Light Company
Docket No. 080677-EI
Test Year: 2010
Page 2 of 2

TOTAL RATE CASE EXPENSES AND COMPARISONS

COMPARISON OF CURRENT RATE CASE EXPENSES WITH PRIOR CASE

Line No.	Item	Current Case	Prior Case	% Variance	Reason for Changes (if 10% or greater)
1.	Outside Consultants	\$ 1,884,437	\$ 1,131,902	49%	The prior case settled prior to the first day of the technical hearing, whereas the technical hearing in the current case extended over 15 days. This was substantially more days of technical hearing than have been required for Florida electric rate cases historically, and substantially more technical hearing days than were required for the contemporaneous Progress Energy Florida rate case (Docket No. 090079-EI). Because outside consultants must be paid for their time in attending and participating in the technical hearing, the lengthy hearing had a major impact on FPL's expense for outside consultants in the current case.
2.	Outside Legal Services	524,084	939,766	-44%	Fewer outside lawyers were used
3.	Reimbursement of PSC Out-of-State Audit Travel Costs	-	-	N/A	N/A
4.	Paid Overtime	826,975	603,044	37%	The prior case settled prior to the first day of the technical hearing, whereas the technical hearing in the current case extended over 15 days. This was substantially more days of technical hearing than have been required for Florida electric rate cases historically, and substantially more technical hearing days than were required for the contemporaneous Progress Energy Florida rate case (Docket No. 090079-EI). Most of the increase in paid overtime for the current case related to FPL personnel who had to attend and participate in the lengthy technical hearing.
5.	Other Expenses	1,667,434	1,731,742	-4%	N/A
6.	Total Rate Case Expense	<u>\$ 4,702,930</u> (a)	<u>\$ 4,406,454</u> (b)		

SCHEDULE OF RATE CASE EXPENSE AMORTIZATION

Line No.	Rate Case	Total Expense	Rate Order Date	Amortization Period	Test Year Amortization
7.	Current Docket No. 080677-EI	3,207,000	March 17, 2010	4 years	801,750
8.	Prior Case Docket No. 050045-EI	N/A	N/A	N/A	N/A
9.	Prior Case Docket No. 001148-EI	N/A	N/A	N/A	N/A
10.	Total	<u>3,207,000</u> (a)			<u>801,750</u>

Line No.	Statistics	Current Case	Prior Case
11.	Rate Case Expenses Incurred as a Percent of Jurisdictional Rate Base (c)	0.03%	0.03%
12.	Rate Case Expenses Incurred as a Percent of Jurisdictional Revenues (d)	0.11%	0.12%
13.	Rate Case Expenses Incurred (per Access Line)	N/A - Does not apply to electric utility	
14.	Rate Case Expenses Incurred (per Average Customer) (e)	\$0.01 per 1,000 kWh (e)	N/A
15.	Rate Case Expenses Incurred per (ERC) etc.	N/A - Does not apply to electric utility	

Notes:

- (a) According to the rate case order issued on March 17, 2010, FPL is only permitted to recover \$3,207,000, amortized over four years.
(b) The prior rate case was settled with no separate recovery of rate case expenses.
(c) Jurisdictional Rate Base Source:
Current Case - Rate Case Order (Docket No. 080677-EI, Dated March 17, 2010)
Prior Case - Actual December 2006 Earnings Surveillance Report

- (d) Jurisdictional Revenues Source:
Current Case - Rate Case Order (Docket No. 080677-EI, Dated March 17, 2010)
Prior Case - Actual December 2006 Earnings Surveillance Report
(e) Approximate impact of allowed amortization of rate case expenses (\$801,750 per year) on a 1,000 kWh Typical Residential Bill.



February 7, 2014

Mr. Bart Fletcher, Supervisor
Surveillance Section
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. 120015-EI

Dear Mr. Fletcher:

Per your request, attached are FPL's final rate case expenses in the prescribed format.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Korel M. Dubin".

Korel M. Dubin
Director, Regulatory Affairs

Enclosures

DETAIL OF RATE CASE EXPENSES

Florida Public Service Commission
Florida Power & Light Company
Docket No. 120015-EI
Test Year: 2013
Page 1 of 2

Line No. (1)	Vendor Name (2)	Counsel, Consultant or Witness (3)	Fee (4)	Basis of Charge (5)	Travel Expenses (6)	Other (7)	Total (8)	* Type of Services (9)	Specific Services Rendered (10)
1	Bates White, LLC.	Witness	275,918	Hourly plus Expenses	4,943	-	\$ 280,861	O	Base Rate Impacts on the Residential and Commercial Customers Testimony
2	Booz & Company	Witness	118,978	Hourly plus Expenses	4,794	2,500	126,272	A	Corporate Services Testimony
3	Concentric Energy Advisors, Inc.	Witness	324,235	Hourly plus Expenses	4,129	450	328,814	O	Benchmarking Testimony
4	Financial Concepts and Applications, Inc.	Witness	168,947	Hourly plus Expenses	2,178	-	171,125	C	Return on Equity Testimony
5	J. A. Stall	Witness	28,500	Hourly plus Expenses	-	8	28,508	O	Overview of FPL's Nuclear Operations Testimony
6	KMD Consulting, LLC	Consultant	174,900	Hourly plus Expenses	505	-	175,405	A & O	Accounting and Regulatory Consulting
7	Mercer	Consultant	2,418	Hourly plus Expenses	-	-	2,418	O	Human Resources Consulting
8	Radey, Thomas, Yon and Clark	Witness	194,460	Hourly plus Expenses	2,630	324	197,414	A & O	Regulatory Treatment Testimony
11	William Feaster	Consultant	32,600	Hourly plus Expenses	580	-	33,180	O	Regulatory Consulting
12	Total Outside Consultants						\$ 1,343,997		
13									
14	Radey, Thomas, Yon and Clark	Counsel	477,086	Hourly plus Expenses	2,757	771	480,614	L	Outside Legal Services
15	Gunster Law Firm	Counsel	253,668	Hourly plus Expenses	2,744	880	257,292	L	Outside Legal Services
16	Squire, Sanders & Dempsey LLP	Counsel	167,569	Hourly plus Expenses		2,251	169,820	L	Outside Legal Services
17	Jackson Walker LLP	Counsel	108	Hourly plus Expenses		-	108	L	Outside Legal Services
18	Total Outside Legal Services						\$ 907,834		
19									
20	All other Expenses						1,673,169		
21	Total (All)						\$ 3,925,000		

* A = Accounting C = Cost of Capital E = Engineering L = Legal O = Other

Florida Public Service Commission
Florida Power & Light Company
Docket No. 120015-EI
Test Year: 2013
Page 2 of 2

TOTAL RATE CASE EXPENSES AND COMPARISONSCOMPARISON OF CURRENT RATE CASE EXPENSES WITH PRIOR CASE

Line No. (1)	Item (2)	Current Case (3)	Prior Case (4)	% Variance (5)	Reason for Changes (if 10% or greater) (6)
1.	Outside Consultants	\$ 1,343,997	\$ 1,684,437	-20%	Fewer hearing days and associated travel costs.
2.	Outside Legal Services	907,834	524,084	73%	* FPL relied more heavily on outside counsel in the current rate case for testimony drafting and witness preparation because some of the FPL in-house legal team was fully engaged in other dockets during this period. * Squire, Sanders & Dempsey LLP costs are largely for the 2012 rate case appeal that doesn't have a prior rate case counterpart.
3.	Reimbursement of PSC Out-of-State Audit Travel Costs	-	-	N/A	N/A
4.	Paid Overtime	65,409	826,975	-92%	Exempt employee overtime not paid.
5.	Other Expenses	1,607,760	1,667,434	-4%	N/A
6.	Total Rate Case Expense	<u>\$ 3,925,000</u>	<u>\$ 4,702,930 (a)</u>		

SCHEDULE OF RATE CASE EXPENSE AMORTIZATION

Line No.	Rate Case	Total Expense	Rate Order Date	Amortization Period	Test Year Amortization
7.	Current Docket No. 120015-EI	3,925,000	N/A	4 years	981,250
8.	Prior Case Docket No. 080677-EI	3,207,000 (a)	March 17, 2010	4 years	801,750
9.	Prior Case Docket No. 050045-EI	N/A	N/A	N/A	N/A
10.	Prior Case Docket No. 001148-EI	N/A	N/A	N/A	N/A
11.	Total	<u>7,132,000</u>			<u>1,783,000</u>

Line No.	Statistics	Current Case	Prior Case
12.	Rate Case Expenses Incurred as a Percent of Jurisdictional Rate Base (b)	0.02% (b)	0.03%
13.	Rate Case Expenses Incurred as a Percent of Jurisdictional Revenues (c)	0.08%	0.11%
14.	Rate Case Expenses Incurred (per Access Line)	N/A - Does not apply to electric utility	
15.	Rate Case Expenses Incurred (per Average Customer) (d)	\$0.01 per 1,000 kWh	\$0.01 per 1,000 kWh
16.	Rate Case Expenses Incurred per (ERC) etc.	N/A - Does not apply to electric utility	

Notes:

- (a) According to the rate case order issued on March 17, 2010, FPL is only permitted to recover \$3,207,000, amortized over four years.
(b) Jurisdictional Rate Base Source:
Current Case - Actual November 2013 Earnings Surveillance Report
Prior Case - Rate Case Order (Docket No. 080677-EI, Dated March 17, 2010)

- (c) Jurisdictional Revenues Source:
Current Case - Actual November 2013 Earnings Surveillance Report
Prior Case - Rate Case Order (Docket No. 080677-EI, Dated March 17, 2010)
(d) Approximate impact of allowed amortization of rate case expenses on a 1,000 kWh Typical Residential Bill



Korel M. Dubin Page 1 of 3
Director, Regulatory Affairs
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 691-2549
E-mail: kory.dubin@fpl.com

October 13, 2017

VIA HAND DELIVERY

Mr. Curt Mouring
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 160021-EI

Dear Mr. Mouring:

In response to your letter dated September 28, 2017, Florida Power & Light Company ("FPL") provides an update its estimated rate case expense associated with Docket No. 160021-EI. As you probably are aware, Order No. PSC-16-0560-AS-EI issued by the Commission in that docket is on appeal. Accordingly, the amounts set forth on the attached document are not final; rather, they reflect an updated estimate based on current information available to FPL.

Please contact me if there are any questions regarding this letter.

Sincerely,

A handwritten signature in cursive script that reads 'Korel M. Dubin'.

Korel M. Dubin

Enclosure

DETAIL OF RATE CASE EXPENSES ESTIMATED ACTUAL

Florida Public Service Commission
 Florida Power & Light Company
 Docket No. 160021-EI
 Test Year: 2017
 Page 1 of 2

Line No. (1)	Vendor Name (2)	Counsel, Consultant or Witness (3)	Fee (4)	Basis of Charge (5)	* Travel Expenses (6)	Other (7)	Total Estimated Actual (a) (8)	** Type of Services (9)	Specific Services Rendered (10)
1	Concentric Energy Advisors. Inc.	Witness	221,771	Hourly plus Expenses	5,467	305	227,543	O	Benchmarking Testimony
2	Sussex Economic Advisors, LLC	Witness	277,307	Hourly plus Expenses	14,435		291,742	C	Return on Equity Testimony
3	Gannett Fleming Inc.	Witness	312,098	Hourly plus Expenses	12,593		324,691	A & O	Depreciation Study and Testimony
4	Burns & McDonnell Engineering	Witness	299,898	Hourly plus Expenses	1,271		301,169	A & O	Dismantlement Study
5	Radey Law Firm	Witness	77,839	Hourly plus Expenses			77,839	A & O	Regulatory Treatment Testimony
6	William Feaster	Consultant	47,976	Hourly plus Expenses	870		48,846	O	Regulatory Consulting
7	Total Outside Consultants						\$ 1,271,830		
8									
9	Radey Law Firm	Counsel	352,915	Hourly plus Expenses	2,906		355,821	L	Outside Legal Services
10	Gunster Law Firm	Counsel	363,187	Hourly plus Expenses	10,000		348,654	L	Outside Legal Services
11	Boies, Schiller & Flexner, LLP	Counsel	300,000	Hourly plus Expenses	10,000		175,000	L	Outside Legal Services
12	Squire Sanders & Dempsey, LLP	Counsel	5,287	Hourly plus Expenses		42	5,329	L	Outside Legal Services
13	Total Outside Legal Services						\$ 884,804		
14									
15	All other Expenses						1,278,366		
16	Total (All)						\$ 3,435,000		

* Travel Expenses should include the amount of time billed while traveling.

** A = Accounting C = Cost of Capital E = Engineering L = Legal O = Other

Notes:

(a) This is a forecast based on actual expenses as of August 31, 2017 because the docket is still under appeal.

TOTAL RATE CASE EXPENSE ESTIMATED ACTUAL AND COMPARISONS

Florida Public Service Commission
Florida Power & Light Company
Docket No. 160021-EI
Test Year: 2017
Page 2 of 2

COMPARISON OF CURRENT RATE CASE EXPENSE ESTIMATED ACTUAL WITH PRIOR CASE

Line No. (1)	Item (2)	Current Case (3)	Prior Case (4)	% Variance (5)	Reason for Changes (if 10% or greater) (6)
1	Outside Consultants	\$ 1,271,830	\$ 1,343,997	-5%	N/A
2	Outside Legal Services	884,804	907,834	-3%	N/A
3	Reimbursement of PSC Out-of-State Audit Travel Costs	N/A	N/A	N/A	N/A
4	Paid Overtime	26,978	65,409	-59%	Less administrative overtime required with Docket No. 160021-EI due to : 1) 9.5 hearing days for Docket No. 160021-EI vs. 12 hearing days for Docket No. 120015-EI, and 2) greater reliance on electronic filings with Docket No. 160021-EI.
5	Other Expenses	1,251,388	1,607,760	-22%	Less travel expense, meeting room rental, equipment rental, security costs, printing costs, etc. required with Docket No. 160021-EI due to : 1) 9.5 hearing days for Docket No. 160021-EI vs. 12 hearing days for Docket No. 120015-EI, and 2) greater reliance on electronic filings with Docket No. 160021-EI.
6	Total Rate Case Expense	<u>\$ 3,435,000</u> (a)	<u>\$ 3,925,000</u>		

SCHEDULE OF RATE CASE EXPENSE AMORTIZATION

Line No.	Rate Case (7)	Total Expense (8)	Rate Oder Date (9)	Amortization Period (10)	Test Year Amortization (11)
7	Current Docket No. 160021-EI (Estimated Actual)	3,435,000	December 15, 2016	4 years	858,750
8	Prior Case Docket No. 120015-EI	3,925,000	January 14, 2013	4 years	981,250
9	Prior Case Docket No. 080677-EI	3,207,000	March 17, 2010	4 years	801,750
10	Total	10,567,000			2,641,750

Line No.	Statistics (12)	Current Case (13)	Prior Case (14)
11	Rate Case Expenses Incurred as a Percent of Jurisdictional Rate Base (b)	0.01%	0.02%
12	Rate Case Expenses Incurred as a Percent of Jurisdictional Revenues (c)	0.05%	0.08%
13	Rate Case Expenses Incurred (per Access Line)	N/A - Does not apply to electric utility	
14	Rate Case Expenses Incurred (per Average Customer) (d)	\$0.01 per 1,000 kWh	\$0.01 per 1,000 kWh
15	Rate Case Expenses Incurred per (ERC) etc.	N/A - Does not apply to electric utility	

Notes:

- (a) This is a forecast based on actual expenses as of August 31, 2017 because the docket is still under appeal.
(b) Jurisdictional Rate Base Source:
Current Case - Actual July 2017 Earnings Surveillance Report
Prior Case - Actual November 2013 Earnings Surveillance Report

- (c) Jurisdictional Revenues Source:
Current Case - Actual July 2017 Earnings Surveillance Report
Prior Case - Actual November 2013 Earnings Surveillance Report
(d) Approximate impact of allowed amortization of rate case expenses on a 1,000 kWh Typical Residential Bill.

QUESTION:

Rate Case Expense. For Gulf, please provide the following:

- a. Identify the test year(s), filing date and rate effective date for Gulf Power's last three rate cases.
- b. Please provide the level of rate case expense incurred for the last three rate cases broken down by payee or type of activity.
- c. Indicate which cases were settled and which were litigated. For the settled cases, also indicate at which stage they were settled (e.g., before rebuttal, after rebuttal, before hearings, after hearings, etc.).
- d. Show and describe Gulf Power's proposed normalization period and expense request for rate case expense in the current proceeding.
- e. Has Gulf Power included any unamortized rate case expense in rate base? If so, explain fully why and identify by amount and account.

RESPONSE:

- a. Docket No. 20160186-EI, Test Year 2017, Filing Date 10/12/2016, Effective date 07/01/2017
Docket No. 20130140-EI, Test Year 2014, Filing Date 07/12/2013, Effective date 07/22/2013
Docket No. 20110138-EI, Test Year 2012, Filing Date 07/08/2011, Effective date 04/11/12
- b. Please refer to Attachment Nos. 1 and 2 to this response.
- c. In the 2016 case, parties reached a settlement after hearings, in the 2013 case, parties reached a settlement before hearings, and the 2011 case was partially settled after hearings, while the remaining issues were fully litigated.
- d. Please see FPL's supplemental response to OPC's First Set of Interrogatories, Question No. 99 for the requested rate case expense recovery in this proceeding.
- e. Please see FPL's supplemental response to OPC's First Set of Interrogatories, Question No. 99 for the amount of unamortized rate case expenses included in rate base in the 2022 Test Year and 2023 Subsequent Year.

Robert L. McGee, Jr.
Regulatory & Pricing Manager

One Energy Place
Pensacola, Florida 32520-0780

Tel 850 444 6530
Fax 850 444 6026
RLMCGEE@southernco.com

Florida Power & Light Company
Docket No. 20210015-EI
OPC's First Set of Interrogatories
Interrogatory No. 100 - Supplemental
Attachment 1 of 2
Page 1 of 5



February 7, 2014

Mr. Bart Fletcher
Surveillance Section
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0850

Re: Rate Case Expense

Dear Mr. Fletcher:

In response to your request for information regarding rate case expense in Docket 130140-EI, enclosed are the completed forms supplied by your staff.

Sincerely,

A handwritten signature in black ink, reading 'Robert L. McGee, Jr.' The signature is written in a cursive, flowing style.

Robert L. McGee, Jr
Regulatory and Pricing Manager

md

Enclosures

cc: Beggs & Lane
Jeffrey A. Stone, Esq.

INSTRUCTIONS
DETAIL OF RATE CASE EXPENSE

<u>Column No.</u>	<u>Item</u>	<u>Explanation</u>
(2)	Vendor Name:	Is the firm or organization providing the service such as an accounting partnership or law firm.
(3)	Counsel, Consultant, or Witness:	Is the name(s) of the individual(s) of the firm actually providing service.
(4)	Fee:	Total charges for professional service; actual not projected.
(5)	Basis of Charge:	The hourly amount or other basis of charges.
(6)	Travel Expenses:	Charges for travel, per diem, hours, spent in travel and other expenses related to travel; actual not projected.
(7)	Other:	Other charges such as reproduction materials and other incidental charges; actual not projected.
(8)	Total:	Is the total amount paid to each vendor; the sum of columns (4), (6), and (7).
(9)	Type of Service:	Is for a single letter code(s) denoting the type of service as: A - Accounting; C - Cost of Capital; E - Engineering; L - Legal; and O - Other.
(10)	Specific Services Rendered:	Is a short, but complete, description of the services rendered such as preparation of MFR Schedules _____, Testimony on _____.

DETAIL OF RATE CASE EXPENSES

Florida Public Service Commission
Company Gulf Power Company
Docket No. 130140-EI
Test Year 2014

Line No.	Vendor Name	Counsel, Consultant or Witness	Fee ¹	Basis of Charge	*Travel Expenses ¹	Other ¹	Total	**Type of Services	Specific Services Rendered
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Outside Consultant/Witness	Christensen & Associates		Contract			\$228,583	O	Cost of Service, Rate Design
2	Witness	Financial Strategy Associates		Contract			\$63,050	C	Cost of Capital
3	Outside Consultant	The Brattle Group		Contract			\$76,320	O	Other
4	Outside Consultant/Witness	Radey, Thomas, Yon, & Clark, P.A.		Contract			\$239,311	O	Other
5	Outside Consultant	Dr. Peggy Frailey		Contract			\$22,315	O	Other
6	Outside Consultant/Witness	Towers Watson		Contract			\$76,834	O	Other
7	Outside Consultant	AON Hewitt		Contract			\$57,577	A	Accounting
8	Witness	American Appraisal		Contract			\$65,939	A	Accounting
9	Outside Consultant/Witness	Egecat Inc		Contract			\$49,924	A	Accounting
10	Outside Consultant	Generation Consulting Services		Contract			\$625	E	Engineering
11	Witness	Regulation UnFettered		Contract			\$50,778	C	Cost of Capital
Total Outside Consultants							<u>\$931,255</u>		
12	Outside Legal Counsel	Beggs & Lane, Gunster, Yoakley & Stewart, Richard Melson		Contract			\$2,340,160	L	Legal Services
Total Outside Legal Services							<u>\$2,340,160</u>		
Total (All)							<u><u>\$3,271,415</u></u>		

* Travel Expenses should include the amount of time billed while traveling.

** A = Accounting, C = Cost of Capital, E = Engineering, L = Legal, O= Other

¹ - Expenses are not tracked at this level of detail.

INSTRUCTIONS
TOTAL RATE CASE EXPENSES AND COMPARISONS

<u>Line No.</u>	<u>Item</u>	<u>Explanation</u>
1	Outside Consultants:	Total for all outside consultants, column 8 of Detail of Rate Case Expenses, <u>Other Than for Legal Services</u> .
2	Legal Services:	Total for all outside legal services from Column 8 of Detail of Rate Case Expenses.
3	Reimbursement of PSC out-of-state Audit Travel Costs:	Total amount (actual not projected) paid to the PSC to cover the expenses of PSC auditors for work performed at locations outside the State of Florida.
4	Paid Overtime:	Amounts paid to employees for overtime incurred as a result of rate case work.
5	Other Expenses:	Amounts incurred for other expenses directly related to rate case filings such as binding, reproduction, and employee travel.
6	Total Rate Case Expense:	Total of lines 1-5.
7-9	Current Docket No.: Prior Docket No.:	Total amount (line 6 for current case) of rate case expenses for the most recent three cases. The rate order date is the date of the final order, amortization period is the interval between the date amortization begins and the date it is completed and test year amortization is the amount, if any, included in test year expenses for the most recent case.
10	Total:	Total of amounts on lines 7-9.
11-15	Rate Case Expense Incurred:	Rate case expense incurred for the most recent case (line 6 above) divided by jurisdictional rate base, revenues, and by the applicable customer parameter; Access lines - Telephone; Average Customer - Electric & Gas; Equivalent Residential Connection - Water and Sewer.

TOTAL RATE CASE EXPENSES AND COMPARISONS**Florida Public Service Commission**

Company Gulf Power Company
Docket No. 130140-EI
Test Year 2014

COMPARISON OF CURRENT RATE CASE EXPENSES WITH PRIOR CASE

Line No.	Item	Current Case ¹	Prior Case	Reason for Changes (if 10% or greater)
1	Outside Consultants	\$931,255	\$1,146,283	Settlement agreement for current case reduced the need for consulting
2	Outside Legal Services	\$2,340,160	\$2,853,584	Settlement agreement for current case reduced the need for legal counsel
3	Reimbursement of PSC Out-of-State Audit Travel Costs			
4	Paid Overtime ²			
5	Other Expenses	\$822,539	\$503,639	Contract labor was used in the current case to backfill positions
6	Total Rate Case Expense	<u>\$4,093,954</u>	<u>\$4,503,506</u>	

SCHEDULE OF RATE CASE EXPENSE AMORTIZATION

Line No.	Rate Case	Total Expense ³	Rate Order Date	Amortization Period	Test Year Amortization
7	Current Docket No. 130140-EI	\$4,093,954	12/19/2013	2014 - TBD	TBD ⁴
8	Prior Case Docket No. 110138-EI	\$2,800,000	4/3/2012	2012 - 2015	\$700,000
9	Prior Case Docket No. 010949-EI	\$1,263,000	6/10/2002	2002 - 2006	\$0
10	Total	<u>\$8,156,954</u>			<u>TBD</u>

Line No.	Statistics	Current Case	Prior Case
11	Rate Case Expense Incurred as a Percentage of Jurisdictional Rate Base	0.22%	0.26%
12	Rate Case Expense Incurred as a Percentage of Jurisdictional Revenues ⁵	0.70%	0.89%
13	Rate Case Expense Incurred per (Access Line)	N/A	N/A
14	Rate Case Expense Incurred per (Average Customer)	\$9.23	\$10.37
	Rate Case Expense Incurred per (ERC) etc.	N/A	N/A

¹ - Current Case expenses reflect those incurred to date.

² - Expenses are not tracked at this level of detail.

³ - Reflects the total expenses approved for recovery in each case. Total Expenses shown for Docket No. 130140-EI represent those incurred to date.

⁴ - Approved amortization terms are described in DN 07112-13.

⁵ - Jurisdictional Base Revenues were used.



Rhonda J. Alexander
Manager
Regulatory, Forecasting & Pricing

Florida Power & Light Company
Docket No. 20210015-EI
OPC's First Set of Interrogatories
Interrogatory No. 100 - Supplemental
Attachment 2 of 2
Page 1 of 5
One Energy Plan
Pensacola, FL 32520-0780
850 444 6743 tel
850 444 6026 fax
rjalexad@southernco.com

October 13, 2017

Mr. Curt Mouring
Surveillance Section
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0850

Re: Rate Case Expense

Dear Mr. Mouring:

In response to your request for information regarding rate case expense in Docket No. 20160186-EI, attached are the completed forms supplied by your staff.

Sincerely,

A handwritten signature in blue ink that reads "C. Share Bayetta for".

Rhonda J. Alexander
Regulatory, Forecasting and Pricing Manager

md

Attachments

cc: Gulf Power Company
Jeffrey A. Stone, Esq., General Counsel
Beggs & Lane
Russell Badders, Esq.

INSTRUCTIONS
DETAIL OF RATE CASE EXPENSE

<u>Column No.</u>	<u>Item</u>	<u>Explanation</u>
(2)	Vendor Name:	Is the firm or organization providing the service such as an accounting partnership or law firm.
(3)	Counsel, Consultant, or Witness:	Is the name(s) of the individual(s) of the firm actually providing service.
(4)	Fee:	Total charges for professional service; actual not projected.
(5)	Basis of Charge:	The hourly amount or other basis of charges.
(6)	Travel Expenses:	Charges for travel, per diem, hours, spent in travel and other expenses related to travel; actual not projected.
(7)	Other:	Other charges such as reproduction materials and other incidental charges; actual not projected.
(8)	Total:	Is the total amount paid to each vendor; the sum of columns (4), (6), and (7).
(9)	Type of Service:	Is for a single letter code(s) denoting the type of service as: A - Accounting; C - Cost of Capital; E - Engineering; L - Legal; and O - Other.
(10)	Specific Services Rendered:	Is a short, but complete, description of the services rendered such as preparation of MFR Schedules _____, Testimony on _____.

DETAIL OF RATE CASE EXPENSES

Florida Public Service Commission

Company Gulf Power Company
Docket No. 20160186-EI and 20160170-EI
Test Year 2017

Line No. (1)	Vendor Name (2)	Counsel, Consultant or Witness (3)	Fee ¹ (4)	Basis of Charge (5)	*Travel Expenses ¹ (6)	Other ¹ (7)	Total (8)	**Type of Services (9)	Specific Services Rendered (10)
1	Christensen Associates Energy Consulting	Outside Consultant/Witness		Contract			\$271,453	O	Cost of Service, Rate Design
2	James H. Vander Weide	Witness		Contract			\$55,270	C	Cost of Capital
3	TAHOEconomics, LLC	Outside Consultant		Contract			\$10,154	O	Rate Design
4	Radey Attorneys & Counselors at Law	Outside Consultant/Witness		Contract			\$387,449	O	Other
5	The Hawthorn Group	Outside Consultant		Contract			\$85,028	O	Other
6	Willis Towers Watson	Outside Consultant		Contract			\$45,931	O	Other
7	Daniel S. Merilatt	Outside Consultant		Contract			\$15,731	O	Rate Design
8	Eqecat Inc	Outside Consultant/Witness		Contract			\$63,729	A	Storm Study
9	Alliance Consulting Group	Witness		Contract			\$110,137	A	Depreciation Study
Total Outside Consultants							\$1,044,882		
10	Beggs & Lane, Gunster, Richard Melson	Outside Legal Counsel		Contract			\$3,395,589	L	Legal Services
Total Outside Legal Services							\$3,395,589		
Total (All)							\$4,440,471		

* Travel Expenses should include the amount of time billed while traveling.
** A = Accounting, C = Cost of Capital, E = Engineering, L = Legal, O= Other
¹ - Expenses are not tracked at this level of detail.

INSTRUCTIONS
TOTAL RATE CASE EXPENSES AND COMPARISONS

<u>Line No.</u>	<u>Item</u>	<u>Explanation</u>
1	Outside Consultants:	Total for all outside consultants, column 8 of Detail of Rate Case Expenses, <u>Other Than for Legal Services</u> .
2	Legal Services:	Total for all outside legal services from Column 8 of Detail of Rate Case Expenses.
3	Reimbursement of PSC out-of-state Audit Travel Costs:	Total amount (actual not projected) paid to the PSC to cover the expenses of PSC auditors for work performed at locations outside the State of Florida.
4	Paid Overtime:	Amounts paid to employees for overtime incurred as a result of rate case work.
5	Other Expenses:	Amounts incurred for other expenses directly related to rate case filings such as binding, reproduction, and employee travel.
6	Total Rate Case Expense:	Total of lines 1-5.
7-9	Current Docket No.: Prior Docket No.:	Total amount (line 6 for current case) of rate case expenses for the most recent three cases. The rate order date is the date of the final order, amortization period is the interval between the date amortization begins and the date it is completed and test year amortization is the amount, if any, included in test year expenses for the most recent case.
10	Total:	Total of amounts on lines 7-9.
11-15	Rate Case Expense Incurred:	Rate case expense incurred for the most recent case (line 6 above) divided by jurisdictional rate base, revenues, and by the applicable customer parameter; Access lines - Telephone; Average Customer - Electric & Gas; Equivalent Residential Connection - Water and Sewer.

TOTAL RATE CASE EXPENSES AND COMPARISONS

Florida Public Service Commission

Company Gulf Power Company
Docket No. 20160186-EI and 20160170-EI
Test Year 2017

COMPARISON OF CURRENT RATE CASE EXPENSES WITH PRIOR CASE

Line No.	Item	Current Case	Prior Case	Reason for Changes (if 10% or greater)
1	Outside Consultants	\$1,044,882	\$931,255	Increase from prior case is primarily due to consulting services being needed for a longer period of time due to a settlement not being reached until the first day of hearing. In the prior case, a settlement was reached one month before the scheduled hearing. In addition, the complexity of issues raised in this case were far greater as evidenced by Gulf having received and responding to nearly twice as many discovery items.
2	Outside Legal Services	\$3,395,589	\$2,340,160	Increase from prior case is primarily due to the need for additional legal resources and legal counsel being required for a longer period of time due to a settlement not being reached until the first day of hearing. In the prior case, a settlement was reached one month before the scheduled hearing. In addition, the complexity of issues raised in this case were far greater as evidenced by Gulf having received and responding to nearly twice as many discovery items.
3	Reimbursement of PSC Out-of-State Audit Travel Costs			
4	Paid Overtime ¹			
5	Other Expenses	\$1,326,673	\$822,539	Increase from prior case is primarily due to the need for additional rate case support from service company employees and support being required for a longer period of time due to a settlement not being reached until the first day of hearing. In the prior case, a settlement was reached one month before the scheduled hearing. In addition, the complexity of issues raised in this case were far greater as evidenced by Gulf having received and responding to nearly twice as many discovery items.
6	Total Rate Case Expense	\$5,767,144	\$4,093,954	

SCHEDULE OF RATE CASE EXPENSE AMORTIZATION

Line No.	Rate Case	Total Expense ²	Rate Order Date	Amortization Period	Test Year Amortization
7	Current Docket Nos. 20160186-EI & 20160170-EI	\$5,767,144	5/16/2017	TBD ³	\$1,673,000
8	Prior Case Docket No. 20130140-EI	\$4,093,954	12/19/2013	2014 - 2016	\$0
9	Prior Case Docket No. 20110138-EI	\$2,800,000	4/3/2012	2012 - 2015	\$0
10	Total	\$12,661,098			\$1,673,000

Line No.	Statistics	Current Case	Prior Case
11	Rate Case Expense Incurred as a Percentage of Jurisdictional Rate Base	0.24%	0.22%
12	Rate Case Expense Incurred as a Percentage of Jurisdictional Revenues ⁴	0.88%	0.70%
13	Rate Case Expense Incurred per (Access Line)	N/A	N/A
14	Rate Case Expense Incurred per (Average Customer)	\$12.57	\$9.23
15	Rate Case Expense Incurred per (ERC) etc.	N/A	N/A

¹ - Expenses are not tracked at this level of detail.
² - Reflects the total expenses approved for recovery in each case.
³ - Approved amortization terms are described in Order No. PSC-17-0178-S-EI.
⁴ - Jurisdictional Base Revenues were used.

QUESTION:

ADIT and net operating loss carry forwards. Does either FPL or Gulf Power have net operating loss carry-forwards as of December 31, 2020? If so, identify the amount and show the impact on ADIT for each company.

RESPONSE:

Yes. As of December 31, 2020, Gulf Power has a state net operating loss carry-forward pre-tax balance of \$24,966,972. The impact to ADIT is a debit of \$1,075,917. FPL does not have a net operating loss carry-forward balance as of December 31, 2020.

QUESTION:

ADIT and net operating loss carry forwards. Does FPL or Gulf Power anticipate having net operating loss carry-forwards in any year, 2021, 2022, 2023, 2024 or 2025? If so, identify, quantify and explain the impact of such NOL carryforwards on income tax expense and ADIT in each year for each company.

RESPONSE:

Yes. For the requested years, FPL and Gulf Power are forecasting net operating loss (NOL) carry-forward balances. The impact of this activity is a reduction to the deferred tax asset and recognition of the tax expense for the period as deferred tax expense. The forecasted NOL carry-forward activity is summarized below:

Company	Year	<i>NOL Pre-Tax Timing Difference</i>			<i>NOL ADIT</i>			<i>Activity</i>
		Beginning Balance	Activity	Ending Balance	Beginning Balance	Activity	Ending Balance	Deferred Tax Expense
Gulf Power	2021	316,835,000	(93,414,295)	223,420,705	13,756,428	(4,055,771)	9,700,657	4,055,771
FPL	2022	223,420,705	(204,832,378)	18,588,327	9,700,657	(8,899,243)	801,414	8,899,243
FPL	2023	18,588,327	(4,130,199)	14,458,128	801,414	(178,675)	622,739	178,675
FPL	2024	14,458,128	(1,933,460)	12,524,668	622,739	(83,543)	539,196	83,543
FPL	2025	12,524,668	(2,585,578)	9,939,090	539,196	(111,721)	427,475	111,721

QUESTION:

Bonus Tax Depreciation. For FPL, please respond to the following:

- a. Please provide a detailed listing by plant account of all plant and equipment added in 2018, 2019 and 2020 and budgeted to be added in each year: 2021, 2022, 2023, 2024 and 2025. Provide the listing in Excel.
- b. Please identify, in the listing provided in response to part "a", all plant and equipment having a MACRS recovery period of 20 years or less, and provide the MACRS recovery period for such property.
- c. Did the Company claim all available 2018 bonus tax depreciation? If not, explain fully why not.
- d. Did the Company claim all available 2019 bonus tax depreciation? If not, explain fully why not.
- e. Will the Company claim all available 2020 bonus tax depreciation? If not, explain fully why not.
- f. Does the Company agree that the impact of utilizing the bonus tax depreciation is to increase in the balance of Accumulated Deferred Income Taxes that is reflected as zero cost capital in the capital structure? If not, explain fully why not.
- g. Please provide calculations showing the impact of 2018, 2019 and 2020 bonus tax depreciation and include complete supporting calculations and Excel files with all formulas and calculations intact.

RESPONSE:

FPL interprets this request as it relates to the additions used in computing bonus tax depreciation. For 2018 through 2020, plant added for book purposes is available at the plant account level while tax additions are only available at the tax class level. For forecasted plant additions for 2021 through 2025, book additions are captured at the function level and assigned to tax classes.

- a. Please see the following Attachments in Excel with additions used in tax depreciation calculations for each respective year:
 1. Attachment No. 1 - 2018 – 2025 Book Additions Summary
 2. Attachment No. 2 - 2018 Actuals
 3. Attachment No. 3 - 2019 Actuals
 4. Attachment No. 4 - 2020 Actuals
 5. Attachment No. 5 – Forecasted 2021 – 2025

- b. MACRS recovery period and rates are provided for all book additions as part of the response in part a. See Attachment Nos. 2 through 5.
- c. Yes. FPL claimed all available bonus tax depreciation for tax year 2018.
- d. Yes. FPL claimed all available bonus tax depreciation for tax year 2019.
- e. FPL does not have any qualified property subject to bonus tax depreciation available for tax year 2020.
- f. Yes. FPL agrees that the impact of utilizing the bonus tax depreciation is an increase in the balance of Accumulated Deferred Income Taxes that is reflected as zero cost capital in the capital structure.
- g. Bonus tax depreciation for 2018 and 2019 was calculated in PowerTax, therefore, calculations in Excel are unavailable. However, FPL has provided detailed bonus tax depreciation information for each requested period in Attachment Nos. 6 and 7. As stated in the response to part e, FPL did not take bonus tax depreciation for 2020.

QUESTION:

Tax credits. For FPL, please provide the following:

- a. Identify, quantify and explain all tax credits that FPL claimed in 2019.
- b. Identify, quantify and explain all tax credits that FPL expects to claim in 2020.
- c. Identify, quantify and explain all tax credits that FPL expects to claim in each year, 2021 through 2025.
- d. Explain fully and show in detail how FPL reflected tax credits identified in response to parts a, b and c, in its rate filing.

RESPONSE:

a-d. See Attachment No. 1 for FPL's tax credits claimed or expected to be claimed for 2019 through 2025 and their impact on the rate filing. Please see below for an explanation of each tax credit claimed or expected to be claimed for the requested periods. Note, FERC Account 236 is included in rate base, FERC Accounts 190 and 255 are included in capital structure, and FERC Accounts 409.1, 411.1, and 411.4 are included in net operating income.

- Investment Tax Credit ("ITC"):
Investment tax credit determined under IRC §48 for eligible property placed in service during the taxable year. The amount of the investment tax credit is 30 percent of the amounts paid or incurred during the taxable year for qualified solar energy property. The depreciable basis of the property for which the energy tax credit is claimed is reduced by 50 percent of the credit. The ITC has been reflected as a deferred tax asset (FERC Account 190) with a reduction of deferred tax expense (FERC Account 411.1) in the year generated. Once the credit can be applied against the current year's tax liability (FERC Account 236), the deferred tax asset (FERC Account 190) and deferred tax expense (FERC Account 411.1) is reversed, and the credit is reflected as a reduction to current tax expense (FERC Account 409.1) and current taxes payable (FERC Account 236). Additionally, upon generation of the credit, the tax benefit is deferred (FERC Account 411.4) with an offset recorded to unamortized ITC (FERC Account 255). The unamortized ITC (FERC Account 255) is then amortized to reduce income tax expense (FERC Account 411.4) over the life of the property giving rise to the ITC. In addition, the impact of the basis adjustment has been reflected in FPL's calculation of tax depreciation.

- Research Activities Credit:

Credit for increasing research activities as determined under IRC §41(a)(3) which states that the credit is equal to the sum of “20 percent of the amounts paid or incurred by the taxpayer in carrying on any trade or business of the taxpayer during the taxable year (including as contributions) to an energy research consortium for energy research” and credit under IRC §41(c)(4)(A), equal to 14 percent of qualified research expenses. Additionally, taxpayers may generally deduct research and experimentation costs under §174(a)(1). However, §280C(c)(1) requires taxpayers who claim the §41 credit to reduce the deduction for research expenses allowable under §174(a)(1) by an amount equal to the credit determined under §41. To avoid reducing the deduction for research expenses as required under §280C(c)(1), FPL has elected the reduced research credit by 21% provided under §280C(c)(3). The credit is reflected as a deferred tax asset (FERC Account 190) with a reduction to deferred tax expense (FERC Account 411.1) in the year generated. Once the credit can be applied against the current year’s tax liability (FERC Account 236), the deferred tax asset (FERC Account 190) and deferred tax expense (FERC Account 411.1) is reversed, and the credit is reflected as a reduction to current tax expense (FERC Account 409.1) and current taxes payable (FERC Account 236).

- Electric Vehicle Charging Station Credit:

Tax credit determined under IRC §30C for qualified alternative fuel vehicle refueling property (QAFVR) placed in service before December 31, 2021. The amount of the credit is 30 percent of the cost of the QAFVR property and is limited to \$30 thousand per location. The depreciable basis of the property for which the tax credit is claimed is reduced by the amount of the credit. The credit is reflected as a deferred tax asset (FERC Account 190) with a reduction to deferred tax expense (FERC Account 411.1) in the year generated. Once the credit can be applied against the current year’s tax liability (FERC Account 236), the deferred tax asset (FERC Account 190) and deferred tax expense (FERC Account 411.1) is reversed, and the credit is reflected as a reduction to current tax expense (FERC Account 409.1) and current taxes payable (FERC Account 236).

- Florida Research and Development Credit:

Tax credit against Florida corporate income/franchise tax as provided in section 220.196, F.S., to a business enterprise that claims a valid research credit against federal corporate income tax for qualified research expenses as provided in §41 of the Internal Revenue Code. The amount of the credit is determined by an allocation made by the Department of Revenue. The credit is reflected as a deferred tax asset (FERC Account 190) with a reduction to deferred tax expense (FERC Account 411.1) in the year generated. Once the credit can be applied against the current year’s tax liability (FERC Account 236), the deferred tax asset (FERC Account 190) and deferred tax expense (FERC Account 411.1) is reversed, and the credit is reflected as a reduction to current tax expense (FERC Account 409.1) and current taxes payable (FERC Account 236).

QUESTION:

Tax credits. For, Gulf Power, please provide the following:

- a. Identify, quantify and explain all tax credits that Gulf Power claimed in 2019.
- b. Identify, quantify and explain all tax credits that Gulf Power expects to claim in 2020.
- c. Identify, quantify and explain all tax credits that Gulf Power expects to claim in 2021.
- d. Explain fully and show in detail how Gulf Power reflected tax credits identified in response to parts a, b and c, in its rate filing.

RESPONSE:

a-d. See Attachment No. 1 for Gulf Power's tax credits claimed or expected to be claimed for 2019 through 2021. Please see below for an explanation of each tax credit claimed or expected to be claimed for the requested periods. Note, FERC Account 236 is included in rate base, FERC Accounts 190 and 255 are included in capital structure, and FERC Accounts 409.1, 411.1, and 411.4 are included in net operating income.

- Investment Tax Credit ("ITC"):
Investment tax credit determined under IRC §48 for eligible property placed in service during the taxable year. The amount of the investment tax credit is 30 percent of the amounts paid or incurred during the taxable year for qualified solar energy property. The depreciable basis of the property for which the energy tax credit is claimed is reduced by 50 percent of the credit. The ITC has been reflected as a deferred tax asset (FERC Account 190) with a reduction of deferred tax expense (FERC Account 411.1) in the year generated. Once the credit can be applied against the current year's tax liability (FERC Account 236), the deferred tax asset (FERC Account 190) and deferred tax expense (FERC Account 411.1) is reversed, and the credit is reflected as a reduction to current tax expense (FERC Account 409.1) and current taxes payable (FERC Account 236). Additionally, upon generation of the credit, the tax benefit is deferred (FERC Account 411.4) with an offset recorded to unamortized ITC (FERC Account 255). The unamortized ITC (FERC Account 255) is then amortized to reduce income tax expense (FERC Account 411.4) over the life of the property giving rise to the ITC. In addition, the impact of the basis adjustment has been reflected in Gulf Power's calculation of tax depreciation.

- Florida Research and Development Credit:
Tax credit against Florida corporate income/franchise tax as provided in section 220.196, F.S., to a business enterprise that claims a valid research credit against federal corporate income tax for qualified research expenses as provided in §41 of the Internal Revenue Code. The amount of the credit is determined by an allocation made by the Department of Revenue. The credit is reflected as a deferred tax asset (FERC Account 190) with a reduction to deferred tax expense (FERC Account 411.1) in the year generated. Once the credit can be applied against the current year's tax liability (FERC Account 236), the deferred tax asset (FERC Account 190) and deferred tax expense (FERC Account 411.1) is reversed, and the credit is reflected as a reduction to current tax expense (FERC Account 409.1) and current taxes payable (FERC Account 236).

QUESTION:

Payroll. Please provide the following monthly labor data for any payroll dollars charged by, or allocated to, FPL for 2016, 2017, 2018, 2019, 2020, and 2021 to date, showing annual totals with the grand total equaling payroll for the year.

- a. Number of actual employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
- b. Number of authorized (budgeted) employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
- c. Regular payroll broken down between expensed, capitalized, amount charged to lobbying and other (includes all other, other than O&M, capital and lobbying).
- d. Overtime payroll broken down between expensed, capitalized, and other (includes all other, other than O&M and capital).
- e. Temporary payroll included in Part C and D broken down between expensed, capitalized and other; and
- f. Other payroll broken down between expensed, capitalized and other (specify).

RESPONSE:

FPL's supplemental response served on April 6, 2021 indicated it would file a second supplemental response once it had publicly released information for 2021 actuals, which occurred on April 23, 2021. See below and Attachments No. 1 through 3 to this response which have been updated to include information requested for the period of January through March 2021.

(a) and (b) – This information is not available in the format requested as FPL does not track payroll charged to affiliates by the classification of employees that provide those services, nor does FPL track the number of employees included in the Corporate Services Charges (“CSC”). The CSC is billed to affiliates based on cost pools and within the cost pools, individual employees are not reportable in summary format. In addition, FPL does not track, nor have access to, the number of affiliate employees that charge time to FPL.

Notwithstanding the above, FPL is providing the number of employees that charged affiliates via the direct charge methodology for the years ended 2016 through 2020, and 2021 YTD through 3/31/2021:

QUESTION:

Payroll. Please provide the following monthly labor data for any payroll dollars charged by, or allocated to, Gulf Power for 2016, 2017, 2018, 2019, 2020, and 2021 to date, showing annual totals with the grand total equaling payroll for the year.

- a. Number of actual employees broken down between type (e.g. salaried, hourly, union, nonunion, temporary, etc.).
- b. Number of authorized budgeted) employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
- c. Regular payroll broken down between expensed, capitalized, amount charged to lobbying and other (includes all other, other than O&M, capital and lobbying).
- d. Overtime payroll broken down between expensed, capitalized, and other (includes all other, other than O&M and capital).
- e. Temporary payroll included in Part C and D broken down between expensed, capitalized and other, and
- f. Other payroll broken down between expensed, capitalized and other (specify).

RESPONSE:

FPL's supplemental response served on April 6, 2021 indicated it would file a second supplemental response once it had publicly released information for 2021 actuals, which occurred on April 23, 2021. See below and Attachments No. 1 through 3 to this response which have been updated to include information requested for the period of January through March 2021.

Including information received from Southern Company for 2016 through 2018, FPL responds as follows:

For 2016 through 2018, the amounts below reflect costs allocated from Southern Company Services, Gulf's shared service provider prior to its acquisition by NextEra Energy. The amounts below do not reflect costs allocated by Gulf's other former affiliates.

- a. Southern Company is not able to provide the format requested as it did not track payroll charged to affiliates by the classification of employees that provide those services. In addition, Southern Company does not track, nor have access to, the number of affiliate employees that charge time to Gulf.

Notwithstanding the above, Southern Company is providing the number of employees that direct charged affiliates for the years ended 2016, 2017 and 2018:

2016	2017	2018
362	356	901

- b. Southern Company is not able to provide the format requested as it did not budget payroll charged to affiliates by the classification of employees that provide those services. In addition, Southern Company does not track, nor have access to, the number of affiliate employees that were budgeted to charge time to Gulf.

c-f.

For 2016 payroll costs allocated to Gulf, Southern Company is unable to provide a breakdown between expensed, capitalized and other. As a result, 2016 amounts reflect all payroll costs Southern Company allocated to Gulf, including those not included in Gulf's cost of service.

	2016	2017			2018		
	Total Cost	O&M	Capital	Other	O&M	Capital	Other
Regular	\$15,033,790	\$10,919,991	\$1,854,241	\$562,201	\$10,244,850	\$1,911,189	\$3,078,293
Overtime	163,913	66,168	22,376	7,207	49,019	31,620	280,908
Temporary	132,343	139,955	2,716	1,131	150,560	9,426	12,373
Other	2,741,091	1,956,257	353,372	216,697	2,085,100	360,924	1,592,011
Total	\$18,071,136	\$13,082,373	\$2,232,705	\$787,236	\$12,529,531	\$2,313,160	\$4,963,585

For 2019, 2020 and YTD through 3/31/2021, after the acquisition by NextEra Energy, Inc, please see the responses below:

- (a) and (b) – This information is not available in the format requested as Gulf does not track payroll charged to affiliates by the classification of employees that provide those services. In addition, Gulf does not track, nor have access to, the number of affiliate employees that charge time to Gulf.

Notwithstanding the above, Gulf is providing the number of employees that direct charged affiliates for the years ended 2019, 2020 and YTD through 3/31/2021:

YEAR	Number of Gulf Employees that Direct Charged Affiliates
2019	141
2020	183
2021 (YTD through 3/31/2021)	19

(c), (d), (e) and (f) – The classification of payroll charged to Gulf's affiliates is recorded on the affiliate books and records. Gulf does not track how the costs are recorded on the affiliate books once they are charged out. In addition, Gulf does not track for reporting purposes the classification of Gulf payroll that is avoided or otherwise not recorded on Gulf's books due to affiliate services provided. Notwithstanding the above, Gulf is providing the breakdown of total company payroll charged to or from affiliates by payroll classification. This includes details by type of employee (bargaining, non-bargaining, exempt, non-exempt, regular payroll, overtime payroll, etc.). Below is a description of the data provided as attachments to this response:

- Attachment 1 – includes payroll direct charged to affiliates by month and in total for the years 2019 and 2020, and YTD through 3/31/2021.
- Attachment 2 – includes payroll direct charged to Gulf by affiliates, by month and in total for the years 2019 and 2020, and YTD through 3/31/2021.
- Attachment 3 – includes payroll allocated to Gulf by FPL, via the Corporate Services Charge, by month and in total for the years 2019 and 2020, and YTD through 3/31/2021.

QUESTION:

Benefits. For each benefit cost charged by, or allocated to FPL, please provide the annual level of each separate benefit cost broken down between expensed, capitalized and other for 2016, 2017, 2018, 2019, 2020 and 2021 to date along with a comparison of the benefit costs in projected year 2021, projected test years 2022 and 2023 and 2024 and 2025.

RESPONSE:

FPL's supplemental response served on April 6, 2021 indicated it would file a second supplemental response once it had publicly released information for 2021 actuals, which occurred on April 23, 2021. See Attachment Nos. 1, 3 and 5 to this response which have been updated to include information requested for the period of January through March 2021.

FPL is interpreting the question to apply to benefits loaders on affiliate charges. Benefits applied to payroll charged to affiliates, either directly or through allocation, are not classified as expensed, capitalized, or other. Therefore, the breakdown of benefit allocations charged to others is not available in the requested format. Notwithstanding the above, FPL is providing the breakdown of benefits directly charged or allocated by benefit account classification. Below is a description of the data provided:

- Attachment 1 – includes overheads applied to direct charges by benefit account charged by FPL to affiliates for the years 2016 through 2020, and YTD through 3/31/2021.
- Attachment 2 - includes overheads applied to direct charges by benefit account charged by FPL to affiliates for the projected year 2021, and by FPL and Gulf combined for the projected years 2022 through 2025.
- Attachment 3 – includes overheads allocated to affiliates by FPL via the Corporate Services Charge (“CSC”) for the years 2016 through 2020, and YTD through 3/31/2021.
- Attachment 4 – includes the overheads allocated to affiliates by FPL via the CSC for the projected year 2021, and by FPL and Gulf combined for the projected years 2022 through 2025.
- Attachment 5 - includes benefit costs charged to FPL by affiliates for the years 2016 through 2020, and YTD through 3/31/2021. FPL does not forecast incoming affiliate charges at the level of detail required to identify benefits, so this information is not available for 2021-2025.

QUESTION:

Benefits. For each benefit cost charged by, or allocated to Gulf Power, please provide the annual level of each separate benefit cost broken down between expensed, capitalized and other for 2016, 2017, 2018, 2019, 2020 and 2021 to date along with a comparison of the benefit costs in projected year 2021.

RESPONSE:

FPL's supplemental response served on April 6, 2021 indicated it would file a second supplemental response once it had publicly released information for 2021 actuals, which occurred on April 23, 2021. See Attachments No. 1 through 3 to this response which have been updated to include information requested for the period of January through March 2021.

For 2016 through 2018, based upon the information received from Southern Company, FPL responds as follows:

The amounts below reflect costs allocated from Southern Company Services, Gulf's shared service provider prior to its acquisition by NextEra Energy. The amounts below do not reflect costs allocated by Gulf's other former affiliates.

For 2016 costs allocated to Gulf, Southern Company is unable to provide a breakdown between expensed, capitalized and other. As a result, 2016 reflects total benefit costs Southern Company allocated to Gulf, including those not included in Gulf's cost of service.

Actuals	2016	2017	2018
O&M	\$ -	\$ 4,224,200	\$ 3,967,859
Capital	\$ -	\$ 578,668	\$ 894,616
Other	\$ -	\$ 400,086	\$ 1,446,787
Total	\$ 6,185,781	\$ 5,202,953	\$ 6,309,262

For 2019, 2020 and YTD through 3/31/2021, Gulf is interpreting the question to apply to benefits loaders on affiliate charges. Benefits applied to payroll charged to affiliates are not classified as expensed, capitalized, or other. Therefore, the breakdown of benefit allocations charged to others is not available in the requested format. Notwithstanding the above, Gulf is providing the breakdown of benefits directly charged by benefit account classification. Below is a description of the data provided:

- Attachment 1 – includes overheads applied to direct charged payroll, by benefit account, charged by Gulf to affiliates for the years 2019, 2020 and YTD through 3/31/2021.
- Attachment 2 – includes benefit costs related to payroll that is direct charged to Gulf by affiliates for the years 2019, 2020 and YTD through 2021.
- Attachment 3 – includes benefit overheads, by benefit account, applied to payroll allocated to Gulf by FPL via the Corporate Services Charge (“CSC”) for the years 2019, 2020 and YTD through 3/31/2021.

QUESTION:

Storm Costs. For FPL, please provide by year for 2016, 2017, 2018, 2019, 2020 and 2021 to date the costs recorded for storms to O&M and/or a reserve by account. Identify specifically any hurricane or major storm (i.e. storm with significant costs and provide the Company definition of a major storm), the date of the storm, the time period of restoration and the cost associated with the storm by account.

RESPONSE:

FPL's supplemental response served on April 6, 2021 indicated it would file a second supplemental response once it had publicly released information for 2021 actuals, which occurred on April 23, 2021.

FPL does not classify/categorize a storm as "major" outside of what is defined by the National Hurricane Center. Therefore, for purposes of this response, FPL has provided the requested information for storms that meet the FPSC notification criteria in part (1)(d) of FPSC Rule 25-6.0143 F.A.C., Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4.

Below is a list of storms that met the FPSC notification criteria, month and year of when the storm hit FPL's service area, and time period of restoration for each storm for 2016 through March 31, 2021:

Storm	Mo/Yr. of Storm	# Days of Restoration
Hurricane Hermine	Sep-16	1
Hurricane Matthew	Oct-16	4
Hurricane Irma	Sep-17	10
Hurricane Dorian	Sep-19	1
Hurricane Isaias	Aug-20	1
Tropical Storm Eta	Nov-20	2

See Attachment No. 1 to this response for storm costs charged to FPL's storm reserve by storm for 2016 through 2019. For storm costs charged to FPL's storm reserve for 2020, please see <http://www.psc.state.fl.us/library/filings/2021/02202-2021/02202-2021.pdf>. For information for the period of January through March 2021, please see below:

	Account 228.1 Retail	Account 228.101 FAS 115	
	Storm Reserve	Mark-to-Market	Total
Beg Bal - 1/1/2021	\$ (114,548,356)	\$ (604,367)	\$ (115,152,723)
Storm Fund Earnings	(342,355)		(342,355)
Mark-to-Market Adj - FAS 115		264,157	264,157
Other	(522)		(522)
End Bal - 3/31/2021	\$ (114,891,233)	\$ (340,209)	\$ (115,231,442)

For the amounts of storm costs charged to O&M expense for each storm, see Attachment No. 2 to this response, which has been updated to include information requested for the period of January through March 2021.

QUESTION:

Storm Reserve. For Gulf Power, please provide for each year 2016 through 2020 and 2021 to date a summary beginning with the balance at January 1, 2016 and showing the various charges and credits (i.e. specify the type of charges and credits like securitization fees, storm costs, non-retail charges, etc.) to the storm reserve by year.

RESPONSE:

FPL's supplemental response served on April 6, 2021 indicated it would file a second supplemental response once it had publicly released information for 2021 actuals, which occurred on April 23, 2021.

See Attachment No. 1 to this response which has been updated to include information requested for the period of January through March 2021.

YEAR	Number of FPL Employees that Direct Charged Affiliates
2016	1,136
2017	1,033
2018	1,628
2019	1,881
2020	2,441
2021 (YTD through 3/31/2021)	1,553

(c), (d), (e) and (f) – The classification of payroll charged to FPL’s affiliates, either directly or through allocation, is recorded on the affiliate books and records. FPL does not track how the costs are recorded on the affiliate books once they are charged out. In addition, we do not track for reporting purposes the classification of FPL payroll that is avoided or otherwise not recorded on FPL’s books due to affiliate services provided. Notwithstanding the above, FPL is providing, the breakdown of total company payroll directly charged or allocated to affiliates by payroll classification. This includes details by type of employee (bargaining, non-bargaining, exempt, non-exempt, regular payroll, overtime payroll, etc.). Below is a description of the data provided:

- Attachment 1 – includes payroll direct charged to affiliates, including the payroll in the Operations Support Charges, by month and in total for the years 2016 through 2020, and 2021 YTD through 3/31/2021.
- Attachment 2 – includes payroll allocated to affiliates via the Corporate Services Charge by month and in total for the years 2016 through 2020, and 2021 YTD through 3/31/2021.
- Attachment 3 – includes payroll charged to FPL by affiliates, by month and in total for the years 2016 through 2020, and 2021 YTD through 3/31/2021.