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FPL's response to Staff's second data request,  
Nos. 1-10.

**QUESTION:**

Please refer to Paragraph 2 of the proposed Settlement Agreement.

- a. Is it the intent of the Signatories that the projected 2022 and 2023 balances and amounts reflected in the MFRs referenced, as adjusted on Exhibit LF-12, shall be relied upon for all regulatory purposes during the Minimum Term of the proposed Settlement Agreement?
- b. Exhibit LF-12 supports a 2022 revenue requirement increase of approximately \$1.075 billion, and a 2023 revenue requirement increase of approximately \$605 million based on an ROE midpoint of 11.50 percent and inclusion of RAFs in base rates. Please provide a revised Exhibit LF-12 utilizing an ROE midpoint of 10.60 percent, and an explanation of difference between the recalculated revenue requirement increases and the revenue increases outlined in Paragraphs 4(a) and 4(b) of the proposed Settlement Agreement.

**RESPONSE:**

- a. No. Paragraph 2 of the proposed Settlement Agreement relates to projected Commission and Company adjustments, as revised by Exhibit LF-12, for the 2022 Test Year and 2023 Subsequent Year. Except as set forth in the Settlement Agreement, these adjustments are deemed approved for accounting and regulatory reporting purposes during the settlement term however, will be based on the actual balances and amounts reflected in FPL's books and records instead of the projected balances and amounts reflected on MFR's B-2, C-3, and D-1a.
- b. The base rate revenue increases for 2022 of \$692 million and 2023 of \$560 million reflected in Paragraphs 4(a) and 4(b), as well as the return on equity (ROE) identified in Paragraph 3, were each separately negotiated components agreed to by the parties as part of a comprehensive settlement agreement. The base rate revenue increase is not based on a formulaic or mathematical calculation that assumes a particular ROE. Rather, it is the result of the give-and-take that resulted in the collective terms that comprise the proposed Settlement Agreement. Therefore, FPL is unable to reconcile the revenue increases to a revised Exhibit LF-12 with an ROE of 10.6%.

QUESTION:

Please refer to Paragraph 7 of the proposed Settlement Agreement. When does FPL anticipate implementing the change in the RAF assessments on customer bills?

RESPONSE:

Assuming the Settlement Agreement is approved, FPL anticipates implementing the change in the RAF assessments on customer bills beginning January 1, 2022.

QUESTION:

Please refer to Paragraph 7 of the proposed Settlement Agreement. Please explain how removing the application of the Regulatory Assessment Fee (RAF) from base rates and including it along with the Florida Gross Receipts Tax will affect the application of the RAF associated with clause revenues. As in, if the proposed Settlement Agreement is approved, how will the RAF be applied to clause revenues on a going-forward basis?

RESPONSE:

RAF will be applied to both base rate and clause revenues and included in the Gross Receipts Tax and RAF line on FPL customer bills once it has been implemented in FPL's billing system. In addition, FPL will no longer include RAF in its clauses starting January 1, 2022 and include any over-recovery associated with RAF in its true-up filings.

QUESTION:

Please refer to Paragraph 8 of the proposed Settlement Agreement. If the proposed Settlement Agreement is approved, does Florida Power & Light Company (FPL or Company) intend to file unified projection (of 2022) testimonies for all its clause (projection) filings this year?

RESPONSE:

Yes, subject to and contingent upon the Commission's approval of FPL's request in this proceeding to unify rates, FPL has filed unified projections in the Storm Protection Plan Cost Recovery Clause and the Energy Conservation Cost Recovery Clause dockets and will file unified projections in the Environmental Cost Recovery Clause and the Fuel and Capacity Cost Recovery Clause dockets for 2022.

QUESTION:

Please refer to Paragraphs 12(i) and 12(j) of the proposed Settlement Agreement. The cost savings sharing incentive outline in Paragraph 12(i) references the “actual installed cost of a solar generation site.” Paragraph 12(j) references “actual capital costs for a solar generation project.”

- a. Please explain the difference between “actual installed cost” and “actual capital costs.”
- b. Please explain the difference between a “solar generation site” and a “solar generation project.”
- c. Could AFUDC accruals result in cost overruns as outlined in Paragraph 12(j)?
- d. Could a solar generation project with cost overruns, include individual solar generation site(s) which apply cost savings sharing under Paragraph 12(i)?

RESPONSE:

- a. There is no difference as stated in the Settlement Agreement, both actual installed cost and actual capital costs are intended to reflect the costs of developing and building the projects, including AFUDC if applicable. The \$1,250/kW<sub>AC</sub> recovery cost cap is reflective of these costs.
- b. A solar generation site is one individual facility of 74.5MW<sub>AC</sub>. A solar generation project may be one individual facility or a bundle of individual facilities as filed by FPL in the Fuel Docket initiating FPL’s request for approval of the SoBRA project.
- c. AFUDC is a cost of financing construction, and as described in response to part (a) above, is included within the actual installed cost. While FPL does not expect AFUDC to be the driver of a cost overrun, to the extent materials or construction costs come in higher than the preliminary projection, there will be a higher corresponding AFUDC cost.
- d. Yes. Because the cost savings sharing mechanism under Paragraph 12(i) is based on each individual solar site, there could theoretically be an instance where a solar generation project exceeds the \$1,250/kW<sub>AC</sub> cost cap, but individual solar generation sites qualify for the cost savings sharing mechanism.

QUESTION:

Please refer to both page 23, Paragraph 18, and Exhibit E of the proposed Settlement Agreement. Does the proposed accrual for “Solar,” appearing on line 14, contain dismantlement cost recovery amounts/accruals associated with any yet-to-be-constructed solar facilities? If so, please discuss how/to what distinct plant accounts the Company intends to record these accruals during the period between the implementation of proposed Settlement Agreement-related (new) base rates (proposed to begin with the January 2022 billing cycle) and any specific plant’s in-service date.

RESPONSE:

Yes, the proposed accrual for “Solar,” appearing on line 14, contains dismantlement cost recovery amounts/accruals associated with any yet-to-be-constructed solar facilities.

The accounting practice for these solar sites will be the same as any of the site-specific dismantlement accruals already on FPL’s books. All of FPL’s dismantlement accruals are recorded in FERC Account 108 and the site-specific detail is maintained in FPL’s PowerPlan fixed asset system. In PowerPlan, the yet-to-be-constructed solar sites will be either identified by their name, if known, or using a generic name (e.g., Solar Site 1 – 2023) until such time that the specific site name is known. At such point, the generic name will be changed to the actual site name.

QUESTION:

Please refer to Paragraph 21, romanette (i) of the proposed Settlement Agreement. Please further discuss what potential fuel types and associated transactions are being contemplated in this section of the proposed Settlement Agreement.

RESPONSE:

FPL plans to expand optimization to include all fuel sources from the combined FPL and Gulf systems, including natural gas, capacity, manufactured gas, mixed gas, renewable natural gas, hydrogen gas, and other fuel sources.



QUESTION:

Please refer to Paragraph 21, romanette (iv) of the proposed Settlement Agreement. As indicated, the variable power Operation & Maintenance rate shall be \$0.48/MWh as it relates to the proposed (newly-modified) Asset Optimization Program. Please further define what megawatt hours are being referred to, i.e., total sales, only sales/opportunities related to the Asset Optimization Program, etc.

RESPONSE:

As part of the Incentive Mechanism approved by the Commission in Order No. PSC-16-0560-AS-EI, FPL nets the volume, in megawatt hours (MWh), of economy sales and purchases executed in order to determine the overall impact of variable power plant O&M. The MWh referred to in the proposed (newly-modified) Incentive Mechanism are calculated in the same way as outlined in Order No. PSC-16-0560-AS-EI. If FPL executes more economy sales than economy purchases, FPL recovers the net amount of variable power plant O&M incurred in that year. Conversely, if economy purchases exceed economy sales, FPL's customers receive a credit for the net variable power plant O&M that has been saved in that year. The monthly values are included on the A6 and A9 schedules filed in the Fuel and Purchased Power Cost Recovery Clause ("Fuel Clause") docket each month. Variable O&M values are also summarized on the annual Incentive Mechanism results schedule included each year as part of the Final True-up filing in the Fuel Clause.

QUESTION:

Please refer to Paragraph 27 of the proposed Settlement Agreement. As stated, “[t]he Parties understand and intend that FPL will not enter into any new financial natural gas hedging contracts after the date on which this Agreement is executed, except as may be necessary for FPL to remain in compliance to the minimum extent practicable with the requirements of its currently approved Risk Management Plan.”

- a. Does FPL (to include Gulf) have a currently approved and in effect Risk Management Plan (RMP)? If so, please identify the RMP’s vintage and any Florida Public Service Commission order number approving such plan.
- b. Please explain what potential actions or scenarios the language “except as may be necessary for FPL to remain in compliance to the minimum extent practicable with the requirements of its currently approved Risk Management Plan” is specifically meant to capture or address.
- c. Does this section of the proposed Settlement Agreement apply to the (price) hedging of fuels other than natural gas? Please explain any response.

RESPONSE:

- a. FPL’s most recent Risk Management Plan (RMP) was included as part of the 2021 Actual Estimated Filing filed with the Commission in the Fuel and Purchased Power Cost Recovery Clause (Fuel Clause) docket. The plan has not yet been approved by the Commission. Pursuant to the Settlement Agreement, FPL would agree to terminate 100% of the hedging activities included in the RMP and make filings to implement such termination in Docket No. 20210001-EI and subsequent Fuel Clause proceedings.
- b. The language is meant to ensure FPL is allowed to comply with activities and provisions included in its RMPs filed in fuel cost recovery dockets, and subsequently approved by the Commission. As discussed in subpart (a) above, pursuant to the Settlement Agreement, FPL would agree to the termination of 100% of the hedging activities included in the RMP and make filings to implement such termination in Docket No. 20210001-EI and subsequent Fuel Clause proceedings.
- c. No. FPL’s RMP filed with the Commission in the Fuel Clause only includes natural gas hedging. No other fuel types are included in the hedging program.

**QUESTION:**

Please refer to Exhibit E of the proposed Settlement Agreement. Please provide the underlying data/schedules showing the derivations/calculations of the plant-specific “revised” annual accruals shown on this Exhibit.

**RESPONSE:**

Please refer to FPL’s response and its three attachments provided in response to Staff’s Fifteenth Set of Interrogatories, No. 200. Please note that the Scherer Unit 4 coal ash accrual was reflected in clause on Exhibit E of the proposed Settlement Agreement since this is where it will reside beginning January 1, 2022.

**DECLARATION**

I, Scott R. Bores, co-sponsored the answers to Data Request Nos. 1 and 5 from Staff's Second Data Request to Florida Power & Light Company in Docket No. 20210015-EI, and the responses are true and correct based on my personal knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.

A handwritten signature in black ink, appearing to be 'S. Bores', written over a horizontal line.

\_\_\_\_\_  
Scott R. Bores


Date: \_\_\_\_\_

8/23/2021

**DECLARATION**

I, Christopher Chapel, co-sponsored the answer to Data Request No. 2 from Staff's Second Data Request to Florida Power & Light Company in Docket No. 20210015-EI, and the responses are true and correct based on my personal knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory answer identified above, and that the facts stated therein are true.



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Christopher Chapel

Date: 8.23.21

**DECLARATION**

I, Tiffany C. Cohen, co-sponsored the answers to Data Request Nos. 2, 3 and 4 from Staff's Second Data Request to Florida Power & Light Company in Docket No. 20210015-EI, and the responses are true and correct based on my personal knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.

*Tiffany Cohen*

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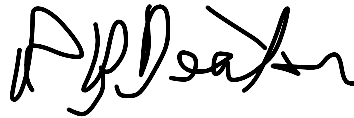
Tiffany C. Cohen

Date: 8/23/2021

**DECLARATION**

I, Renae B. Deaton, co-sponsored the answers to Data Request Nos. 3 and 4 from Staff's Second Data Request to Florida Power & Light Company in Docket No. 20210015-EI, and the responses are true and correct based on my personal knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



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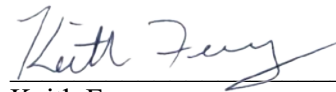
Renae B. Deaton

Date: 8/22/21

**DECLARATION**

I, Keith Ferguson, sponsored the answers to Data Request Nos. 6 and 10 from Staff's Second Data Request to Florida Power & Light Company in Docket No. 20210015-EI, and the responses are true and correct based on my personal knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.

A handwritten signature in cursive script, appearing to read "Keith Ferguson", is written over a horizontal line.

Keith Ferguson

Date: August 23, 2021



**DECLARATION**

I, Liz Fuentes, co-sponsored the answer to Data Request No. 1 from Staff's Second Data Request to Florida Power & Light Company in Docket No. 20210015-EI, and the responses are true and correct based on my personal knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory answer identified above, and that the facts stated therein are true.


  
\_\_\_\_\_  
Liz Fuentes

Date: 8/23/2021

**DECLARATION**

I, Matthew Valle, co-sponsored the answer to Data Request No. 5 from Staff's Second Data Request to Florida Power & Light Company in Docket No. 20210015-EI, and the responses are true and correct based on my personal knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory answer identified above, and that the facts stated therein are true.

  
\_\_\_\_\_  
Matthew Valle  
Date: 8/23/21



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August 25, 2021

**VIA ELECTRONIC FILING**

Mr. Adam Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

**Re: Docket No. 20210015-EI**

Dear Mr. Teitzman:

I enclose for filing in the above referenced docket the declaration of Sam Forrest, which supports certain answers provided in Florida Power & Light Company's responses to the Staff of the Florida Public Service Commission's Second Data Request (Nos. 1-10) filed on August 23, 2021.

Please contact me if you or your Staff has any questions regarding this filing.

Sincerely,

/s/ Maria Jose Moncada

Maria Jose Moncada  
Senior Attorney  
Fla. Bar No. 0773301

Enclosure

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail this 25th day of August 2021 to the following parties:

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By: /s/ Maria Jose Moncada  
Maria Jose Moncada  
Fla. Bar No. 0773301

**DECLARATION**

I, Sam Forrest, sponsored the answers to Data Request Nos. 7-9 from Staff's Second Data Request to Florida Power & Light Company in Docket No. 20210015-EI, and the responses are true and correct based on my personal knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



\_\_\_\_\_  
Sam Forrest

Date: 8/23/2021