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

QUESTION:

Please refer to Paragraph 7 of the Settlement Agreement for the following questions:

- a. Please explain in detail what is meant by the statements, "FPL will not collect the RAF until this change is implemented on the customer's bill. FPL will not backbill for uncollected RAFs."
- b. What is the expected time period (months) during which FPL will not be collecting RAFs?
- c. Please explain the purpose for the proposal that FPL not collect RAFs during the period identified in question 1.b.?
- d. If FPL does not expect it will be able to implement its proposed RAF billing change at the same time as its base rate changes in this proceeding, please explain why.
- e. How will the proposal of not collecting RAFs impact the payment of RAFs to the Commission as per the amount and timing required under Rule 26-6.0131, F.A.C.?

RESPONSE:

- a. As the proposed Settlement Agreement removes RAF from base rates and instead allows for collection through the Gross Receipts Tax line item on monthly customer bills, FPL needs to make a billing system modification. If that modification is not complete by January 1, 2022, FPL agreed that it would forego cash collection from customers until such time as the modification is complete. FPL also agreed not to backbill customers for any RAF it could not bill from January 1, 2022 until the modification is complete.
- b. FPL expects that the billing modification will be complete by January 1, 2022, such that the provisions described in the response to subpart (a) above will not be needed.
- c. That proposal was part of the settlement negotiations. See responses to subparts (a) and (b) above.
- d. As noted in response to subpart (b) above, FPL expects the modification to be complete by January 1, 2022.
- e. There will be no impact on the amount of RAF paid to the Commission.

QUESTION:

Please provide an example of a 1,000 kwh residential bill for June 2021 (as received by a customer), before the 2021 Settlement, and an example of the same residential bill which includes the 2021 Settlement considerations as indicated in Paragraph 7 of the 2021 Settlement.

RESPONSE:

Please refer to Attachment 1.

20210015.EI Staff Hearing Exhibits 01152

Florida Power & Light Company
Docket No. 20210015-EI
Staff's Sixth Data Request
Request No. 2
Attachment 1 of 1
Tab 1 of 1

Example of 1,000 kWh Residential Bill for June 2021

BILL DETAILS					
New Charges For: Jun 1, 2021 to Jun 30, 2021 (30 days)					
Rate: RS-1 RESIDENTIAL SERVICE					
Customer charge:					\$8.34
Non-fuel:	First 1000 kWh	1000	kWh at	\$0.067000	\$67.00
	Over 1000 kWh	0	kWh at	\$0.077620	\$0.00
Fuel:	First 1000 kWh	1000	kWh at	\$0.025100	\$25.10
	Over 1000 kWh	0	kWh at	\$0.035100	\$0.00
Electric service amount					\$100.44
Gross receipts tax					\$2.58
Total new charges					\$103.02
Total amount you owe					\$103.02

Example of 1,000 kWh Residential Bill for June 2021 (Settlement provision 7 added)

BILL DETAILS					
New Charges For: Jun 1, 2021 to Jun 30, 2021 (30 days)					
Rate: RS-1 RESIDENTIAL SERVICE					
Customer charge:					\$8.33
Non-fuel:	First 1000 kWh	1000	kWh at	\$0.066950	\$66.95
	Over 1000 kWh	0	kWh at	\$0.077560	\$0.00
Fuel:	First 1000 kWh	1000	kWh at	\$0.025080	\$25.08
	Over 1000 kWh	0	kWh at	\$0.035070	\$0.00
Electric service amount					\$100.36
Gross Receipts Tax and Regulatory Assessment Fee ⁽¹⁾					\$2.65
Total new charges ⁽²⁾					\$103.01
Total amount you owe					\$103.01

(1) As noted in the Proposed Settlement Agreement the line item shall be renamed "Gross Receipts Tax and Regulatory Assessment Fee" or an appropriate variation thereof.

(2) Totals are different due to rounding.

GRT and RAF Detail (unrounded)

Gross Receipts Tax Amount	\$2.57
Regulatory Assessment Fee	\$0.07
Total	\$2.65

QUESTION:

Which charge(s) appearing on a 1,000 kwh residential customer bill for June 2021 includes the recovery of RAF?

RESPONSE:

RAF is included in all base and clause charges. As shown on the customer bill, RAF is included in the Customer Charge, Non-fuel, and Fuel charges.

QUESTION:

If the Gross Receipts Tax amount is not currently shown as a separate line item on a 1,000 kwh bill as described in Question 2, please verify this amount as it would appear on a typical residential bill (June 2020).

RESPONSE:

Gross Receipts Tax is shown as a separate line item on the customer bill. In accordance with the Proposed Settlement Agreement, the line item would be renamed "Gross Receipts Tax and Regulatory Assessment Fee" or an appropriate variation thereof.

QUESTION:

Using the same customer bill example as above, what is the present amount of Gross Receipts Tax charge on a 1,000 kWh residential bill, June 2021?

RESPONSE:

Please see response to Staff's Sixth Data Request No. 2.

QUESTION:

Using the same customer bill example as above, what is the present amount of the Regulatory Assessment fee charge on a 1,000 kWh residential bill, June 2021?

RESPONSE:

Please see response to Staff's Sixth Data Request No. 2.

QUESTION:

Please explain why the Settlement provides for FPL to remove the RAF from base rates, and include it as a line item on the customer's bill with the Gross Receipts Tax, as this change was not included in FPL's petition.

RESPONSE:

As stated in FPL's response to Staff's Fifth Data Request No. 14, the removal of the Regulatory Assessment Fee (RAF) was a negotiated term of the Proposed Settlement Agreement agreed to by the signatory parties. Removal of the RAF from both base and clause rates is consistent with the treatment of the Florida Gross Receipts Tax where the customer's bill is subject to the tax instead of the tax embedded in every single individual factor.

QUESTION:

Will the shift of the RAF from the base charge to a Gross Receipts Tax line item on a customer's bill give customers an inaccurate impression of the impact of the RAF on their bill? Please explain.

RESPONSE:

No. The removal of the RAF from both base and clause rates is consistent with the treatment of the Florida Gross Receipts Tax where the customer's bill is subject to the tax instead of the tax embedded in every single individual factor and rate. FPL does not believe the shift of RAF from a base charge to the Gross Receipts Tax and Regulatory Assessment Fees line item on the customer's bill will give customers an inaccurate impression of the RAF impact.

QUESTION:

What impact would removing RAF from base rates have on the FPL FERC accounts in the test years (revenues and expenses)?

RESPONSE:

If the proposed Settlement Agreement is approved, FPL would continue to record RAF in the same FERC accounts for revenues and expenses that it utilizes today. Since RAF will be billed separate and apart from base rates, it will be excluded for base rate regulatory reporting (i.e. earnings surveillance reporting) and ratemaking purposes. Please see below for a listing of RAF related revenues and expense FERC accounts:

Revenues

- 440 – Residential Sales
- 442 – Commercial and industrial sales
- 444 – Public street and highway lighting
- 445 – Other sales to public authorities
- 446 – Sales to railroads and railways

Expenses

- 928 – Regulatory Commission Expenses

QUESTION:

Please refer to FPL's 2021 Settlement Agreement, Exhibit D, page 1 of 8, and FPL witness Ferguson's Direct Testimony, Exhibit KF-4. Please provide the customer rates that reflect a ten year recovery period and twenty year recovery period for the regulatory asset recovery schedules.

RESPONSE:

The change from the ten year recovery period to the twenty year recovery period in the typical residential 1,000 kWh bill based on an annual average change in amortization expense over the settlement term of approximately \$68.3 million is \$0.64. Note, this amount has not been grossed up for bad debt and does not include any change associated with the return on the unrecovered capital recovery schedule.

DECLARATION

I, Christopher Chapel, co-sponsored the answer to Data Request No. 1 from Staff's Sixth 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.



Christopher Chapel

Date: 8.23.21

DECLARATION

I, Tiffany C. Cohen, sponsored the answers to Data Request Nos. 2-8 and co-sponsored the answers to Data Request Nos. 1 and 10 from Staff's Sixth 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

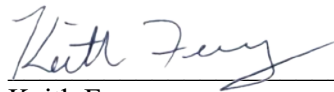
Tiffany C. Cohen

Date: 8/23/2021

DECLARATION

I, Keith Ferguson, co-sponsored the answer to Data Request No. 10 from Staff's Sixth 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.

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

Keith Ferguson

Date: August 23, 2021

DECLARATION

I, Liz Fuentes, sponsored the answer to Data Request No. 9 from Staff's Sixth 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