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**FPL's response to staff's third set of
interrogatories No. 10**

QUESTION:

On the SPPCRC capital expenditure schedules found at pages 8 through 14 of Exhibit RBD-1, retirement expenditures are recognized in line 1(c). Please explain for each non-zero occurrence:

- a. The SPP retirement activity that was undertaken;
- b. Whether the retired asset was a rate base asset; and
- c. Why the retirement is recognized on the SPPCRC schedule.

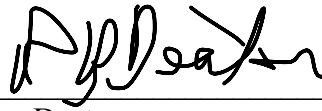
RESPONSE:

- a. The small amount of plant retirements reflected on line 1c on pages 8 through 14 of Exhibit RBD-1 (2021 Final True-Up Filing) were generated as a result of assets systematically selected for retirement through the application of the survivor curve process in FPL's PowerPlan fixed asset subledger system. Survivor curves take into account that assets included in each plant account, especially transmission and distribution plant, have different service lives and frequency of historical retirements. The current survivor curves applied in FPL's PowerPlan system were approved as part of the Commission's approval of FPL's depreciation rates in the most recent base rate proceeding in Order No. PSC-2021-0446-S-EI, and are applied across all of FPL's plant accounts which includes both base and cost recovery clause assets. Therefore, plant retirements within a particular plant account may be recorded for FPL's base rate and cost recovery clause assets as a result of this process.
- b. As explained in the response to part a, FPL does not track retirements for mass property at the asset level. Instead, assets are systematically selected for retirement based on the application of the survivor curve process. However, it is very likely the retirements reflected on pages 8 through 14 of Exhibit RBD-1 in FPL's 2021 Final True-Up Filing are related to a base rate asset since FPL implemented the SPPCRC beginning in 2021. In addition, as indicated in FPL's response to OPC's First Set of Interrogatories No. 48, FPL does not currently include retirements in its SPPCRC resulting from its SPP programs. However, since FPL's PowerPlan system identifies and records retirements as part of the survivor curve process, FPL must reclass any retirements recorded in its SPPCRC from SPPCRC to base rates. Therefore, the small amounts of retirements reflected in FPL's 2021 Final True-Up Filing were or will be reclassified from SPPCRC to base rates on FPL's books and records. Some of the reclasses are reflected in the 2021 Final True-Up Filing and the remaining reclasses will be reflected in the 2022 Final True-Up Filing.
- c. See responses to parts a and b above.

DECLARATION

I, Renae Deaton, co-sponsored the answer to Interrogatory No. 10 from **Staff's Third Set of Interrogatories (Nos. 10)** to Florida Power & Light Company in Docket No. 20220010-EI, and the response is true and correct based on my personal knowledge.

Under penalties 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 black ink, appearing to read 'R Deaton', is written over a horizontal line.

Renae Deaton,

Date: _____

DECLARATION

I, Liz Fuentes, co-sponsored the answer to Interrogatory No. 10 from **Staff's Third Set of Interrogatories (No. 10) to Florida Power & Light Company** in Docket No. 20220010-EI, and the response is true and correct based on my personal knowledge.

Under penalties 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: 8/17/2022