

Docket No. 160021-EI:

Florida Power & Light Company

Petition for increase in rates by Florida Power & Light Company

Witness: **Direct Testimony of ILIANA H. PIEDRA,**

Appearing on behalf of the staff of the Florida Public Service Commission

Date Filed: July 18, 2016

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **COMMISSION STAFF**

3                                   **DIRECT TESTIMONY OF ILIANA H. PIEDRA**

4                                   **DOCKET NO. 160021-EI**

5                                   **July 18, 2016**

6 **Q.     Please state your name and business address.**

7 **A.     My name is Iliana H. Piedra. My business address is 3625 N.W. 82nd Ave., Suite**  
8 **400, Miami, Florida, 33166.**

9 **Q.     By whom are you presently employed and in what capacity?**

10 **A.     I am employed by the Florida Public Service Commission (FPSC or Commission)**  
11 **as a Professional Accountant Specialist in the Office of Auditing and Performance**  
12 **Analysis.**

13 **Q.     Briefly review your educational and professional background.**

14 **A.     I received a Bachelor of Business Administration degree with a major in**  
15 **accounting from Florida International University in 1983. I am also a Certified Public**  
16 **Accountant licensed in the State of Florida. I have been employed by the FPSC since**  
17 **January 1985.**

18 **Q.     Please describe your current responsibilities.**

19 **A.     My responsibilities consist of planning and conducting utility audits of manual**  
20 **and automated accounting systems for historical and forecasted data.**

21 **Q.     Have you presented testimony before this Commission or any other**  
22 **regulatory agency?**

23 **A.     Yes. I filed testimony in City Gas Company of Florida's rate case, Docket No.**  
24 **940276-GU, the General Development Utilities, Inc. rate cases for the Silver Springs**  
25 **Shores Division in Marion County and the Port Labelle Division in Glades and Hendry**

1 Counties in Docket Nos. 920733-WS and 920734-WS, the Florida Power & Light  
2 Company's storm cost recovery case in Docket No. 041291-EI, the Embarq's storm cost  
3 recovery case in Docket No. 060644-TL, the K W Resort Utilities Corp. rate case in  
4 Docket No. 070293-SU, the Fuel and Purchased Power Cost Recovery Clause in Docket  
5 Nos. 120001-EI, 130001-EI and 140001-EI, and the Nuclear Cost Recovery Clause in  
6 Docket Nos. 130009-EI, 150009-EI and 160009-EI.

7 **Q. What is the purpose of your testimony today?**

8 **A.** The purpose of my testimony is to sponsor the staff audit report of Florida Power  
9 & Light Company which addresses the Utility's application for a rate increase. This audit  
10 report is filed with my testimony and is identified as Exhibit IHP-1.

11 **Q. Was this audit prepared by you or under your direction?**

12 **A.** Yes, it was prepared under my direction.

13 **Q. What audit period did you use in this audit?**

14 **A.** We audited the historical twelve months ended December 31, 2015. We did not  
15 audit any subsequent year.

16 **Q. Please describe the work you performed in this audit?**

17 **A.** The procedures that we performed in this audit are listed in the Objectives and  
18 Procedures section of the attached Exhibit IHP-1, pages 4 of 12 through 8 of 12.

19 **Q. Please review the audit findings in this audit report.**

20 **A.** The one finding in this audit is found in the attached Exhibit IHP-1, page 9 of 12.  
21 It is summarized below.

22 **Finding 1: Possible Non-Recurring Expense**

23 The Utility has included, in FERC Account 572 – Maintenance of Underground Lines,  
24 \$186,546 related to a cleanup of a dielectric fluid (oil) spill that occurred on June 12,  
25 2015. The Utility explained the oil spill was discovered by FPL in a section of steel pipe

1 housing an FPL subaqueous power cable traversing Biscayne Bay in Miami-Dade  
2 County. The Utility indicated other costs totaling \$221,296 were also recorded on their  
3 books related to this incident. The Utility was made aware of this finding and it is non-  
4 reoccurring. Audit staff did not determine the effect of this finding on the 2017 and 2018  
5 test years.

6 **Q. Does that conclude your testimony?**

7 **A. Yes.**

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

State of Florida



**Public Service Commission**

Office of Auditing and Performance Analysis  
Bureau of Auditing  
Miami District Office

**Auditor's Report**

Florida Power & Light Company  
Rate Case Audit

**Twelve Months Ended December 31, 2015**

Docket No. 160021-EI  
Audit Control No. 16-095-4-1

**June 13, 2016**

Handwritten signature of Iliana Piedra in black ink.

Iliana Piedra  
Audit Manager

Handwritten signature of Joan Hudson in black ink, with a small "5" written above it.

Joan Hudson  
Audit Staff

Handwritten signature of Gabriela M. Leon in black ink.

Gabriela M. Leon  
Audit Staff

Handwritten signature of Debra Dobiac in black ink.

Debra Dobiac  
Audit Staff

Handwritten signature of Donna Brown in black ink.

Donna Brown  
Audit Staff

Handwritten signature of Marisa Glover in blue ink.

Marisa Glover  
Reviewer

## Table of Contents

Purpose.....	1
Objectives and Procedures.....	2
Audit Findings	
1: Possible Non-Recurring Expense .....	7
Exhibits	
1: Rate Base .....	8
2: Capital Structure .....	9
3: Net Operating Income.....	10

## Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report set forth by the Division of Accounting and Finance in its audit service request dated March 30, 2016. We have applied these procedures to the attached schedules prepared by Florida Power & Light Company in support of its filing for rate relief in Docket No. 160021-EI.

This audit was performed following General Standards and Fieldwork Standards found in the AICPA Statements on Standards for Attestation Engagements. The report is intended only for internal Commission use.

## Objectives and Procedures

### **General**

#### Definitions

FPL/Utility refers to Florida Power & Light Company, which is a wholly owned subsidiary of NextEra Energy, Inc.

FERC refers to the Federal Energy Regulatory Commission.

USOA refers to the FERC Uniform System of Accounts as adopted by Commission Rule 25-6.014 – Records and Reports in General, Florida Administrative Code. (F.A.C.)

#### Background

The Utility's last petition for rate relief was granted in Docket No. 120015-EI, in Order No. PSC-13-0023-S-EI. Historical Rate Base was last established as of December 31, 2011.

**Objectives:** The objectives in this proceeding were to determine whether the Utility's 2015 historic year end filing in Docket No. 160021-EI is consistent and in compliance with Section 366.06 – Rates, Procedures for Fixing and Changing, Florida Statutes (F.S.), and Commission Rule 25-6.043 – Investor Owned Electric Utility Minimum Filing Requirements, F.A.C.

**Procedures:** We performed the following specific objectives and procedures to satisfy the overall objective identified above.

### **Rate Base**

#### Utility Plant in Service

**Objectives:** The objectives were to verify the 13-month average plant balances for each plant account for the audit period. In addition, we were to verify the plant additions, retirements, and adjustments from the last rate case date through December 31, 2015.

**Procedures:** Audit staff obtained a schedule by plant and reserve accounts from January 1, 2012 through December 31, 2015. We traced this schedule to the trial balance and the MFRs. We judgmentally selected work orders added since the last rate case and traced additions, retirements, and adjustments, to supporting documentation. We recalculated a sample of 13-month average balances for UPIS included in the filing. No exceptions were noted.

#### Accumulated Depreciation

**Objectives:** The objectives were to determine whether accruals, retirements and adjustments to accumulated depreciation (AD) are properly recorded in compliance with the USOA, and that balances are properly stated based on Commission adjustments in the prior rate case in Order No. PSC-13-0023-S-EI, and to recalculate the 13-month average balance for AD as of December 31, 2015.

**Procedures:** We reconciled the Utility's books to the MFR for the historical test year. We reconciled the annual accumulated depreciation and amortization accruals to the Utility's books. We reconciled depreciation rates to Order No. PSC-10-0153-FOF-EI without exception. We also selected a sample of adjustments made by the Utility and traced to the source documents. We verified, based on a judgmental sample of selected AD accounts, that the AD is properly recorded for the period December 31, 2015, and the Utility properly restated and used the depreciation rates approved in the order cited above. We traced the AD adjustments to source documents and noted that they were consistent with the order cited above. We recalculated a sample of 13-month average balances for selected AD accounts included in the filing. No exceptions were noted.

### Construction Work in Progress

**Objectives:** The objectives were to determine the nature and purpose of utility projects recorded as construction work in progress (CWIP), and whether projects that are eligible to accrue allowance for funds used during construction (AFUDC) are excluded from rate base pursuant to Commission Rule 25-6.0141, F.A.C. – Allowance for Funds Used During Construction, CWIP balances are properly stated based on Commission adjustments in the prior rate case in Order No. PSC-13-0023-S-EI, and to recalculate the 13-month average balance for CWIP as of December 31, 2015.

**Procedures:** We obtained a list of projects included in CWIP, which were eligible for AFUDC according to the rule. We recalculated AFUDC for the work orders tested. We also obtained a list of projects included in CWIP that were not eligible for AFUDC and verified that the projects were not eligible according to the rule. We verified that the Utility is not requesting AFUDC-eligible CWIP in rate base. No exceptions were noted.

### Working Capital

**Objectives:** The objectives were to determine whether the working capital (WC) account balances are properly stated based on Commission adjustments in the prior rate case in Order No. PSC-13-0023-S-EI, and the provisions of Rule 25-6.0143, F.A.C. – Use of Accumulated Provision Accounts, and, to recalculate the 13-month average balance for WC as of December 31, 2015.

**Procedures:** We reviewed the accounts included in working capital for items that may earn interest. We reviewed the interest income and interest expense accounts, and verified that either the interest accrued on these accounts was also included or the account was removed from working capital. We determined which of these accounts were included in working capital, and then selected accounts with material balances. Audit staff judgmentally sampled these accounts, traced items to source documentation, verified to determine they were utility-related, and included appropriately in working capital. No exceptions were noted.

## **Net Operating Income**

### Operating Revenue

**Objectives:** The objectives were to verify that the revenues filed by the Utility for the historical test year agreed to the general ledger. We were also to determine that unbilled revenues were correctly calculated.

**Procedures:** We reconciled the monthly revenues in the MFRs to the Utility's books. We traced the unbilled revenue for the historical test year to the MFRs and the general ledger. We reviewed the unbilled calculation. No exceptions were noted

### Operation and Maintenance Expense

**Objectives:** The objectives were to determine whether 2015 operation and maintenance (O&M) expenses are properly recorded in compliance with the USOA, the O&M expenses are properly stated based on Commission adjustments in the prior rate case in Order No. PSC-13-0023-S-EI and were for ongoing utility operations.

**Procedures:** Audit staff prepared an analytical review of the Utility's expenses. We compared the expenses from 2011 through 2015 noting any large increases in accounts. We selected a judgmental sample based on the analytical review and tested according to the criteria listed above. Finding No. 1 discusses our recommendations.

Audit staff verified no advertising is being recovered through rate base. We judgmentally selected a sample of legal fees, other outside service expenses, sales expenses, customer service expenses, office supplies and expense, and miscellaneous general expenses. We verified the expense to invoices and in conjunction with the prepaid account and verified that the utility included refunds as a credit to the expense account. We traced the uncollectible provision and expense accounts to the Utility's ledger and the MFRs. We also reviewed the components of the provision balance and reconciled the provision to the expense account. No exceptions were noted.

### Depreciation Expense

**Objectives:** The objectives were to determine whether 2015 depreciation expense is properly recorded in compliance with the USOA and based on Commission adjustments in the prior rate case in Order No. PSC-13-0023-S-EI, and to determine that depreciation expense accruals are calculated using the depreciation rates established in Order No. PSC-10-0153-FOF-EI.

**Procedures:** We obtained depreciation schedules from the Company, reconciled them to the general ledger and the MFRs. We compared the rates used to the above Order. No exceptions were noted.

## Taxes Other than Income

**Objectives:** The objective was to determine whether 2015 taxes other than income (TOTI) is properly recorded in compliance with the USOA and based on Commission adjustments in the prior rate case in Order No. PSC-13-0023-S-EI.

**Procedures:** We verified, based on a judgmental sample of transactions for select TOTI accounts, that TOTI expenses are adequately supported by source documentation. We traced the TOTI adjustments to source documents and noted that they were consistent with the order cited above. No exceptions were noted.

## Income Taxes

**Objectives:** The objective was to reconcile the federal and state income taxes to the MFRs and the general ledger, and to determine whether deferred income tax expense and the deferred tax balances include proper bonus depreciation treatment of property additions.

**Procedures:** We traced the current and deferred federal and state income taxes from the filing to the Utility's books and to the Utility's Provision Report. The 2015 tax returns had not been filed at the time the report was written. We traced the tax depreciation balance from the filing to the Utility's Depreciation Summary Report, which is inclusive of bonus depreciation. We obtained a detailed report for the accumulated deferred income tax balances and determined that bonus depreciation was included. No exceptions were noted.

## **Capital Structure**

**Objectives:** The objectives were to determine whether the non-utility assets supported by the Utility's capital structure were removed in the rate base/capital structure reconciliation, the cost rates used in the computation of the cost of capital are appropriate, the rate base adjustments were adjusted in the capital structure, and to reconcile the Utility book amounts to the MFRs and the general ledger.

**Procedures:** We obtained the rate base/capital structure reconciliation and determined that the non-utility adjustments removed in rate base were removed in the capital structure. We obtained a 13-month average trial balance from the Utility's general ledger and reconciled it to the cost of capital MFRs. Audit staff reconciled the cost of capital cost rates for the audit period to the debt documentation, Utility calculations, and prior Order No.13-0023-S-EI. We obtained a reconciliation of the rate base adjustments in the capital structure and traced it to the MFRs and the general ledger. No exceptions were noted.

## **Other**

### Affiliate Transactions

**Objectives:** The objective was to review intercompany charges to and from divisions, affiliated companies, and non-regulated operations to determine if an appropriate amount of costs were allocated pursuant to Rule 25-6.1351, F.A.C. We were also to determine the original amounts allocated, whether the methodology was reasonable, and to check for accuracy and consistent application.

**Procedures:** Audit staff reviewed the Utility's policies and procedures relating to the recording of affiliate transactions and the cost allocation manual for employees. During the review of rate base and net operating income, we examined items that were allocated and compared them to the Utility's policies and procedures. We obtained supporting documentation from several of the affiliates and reviewed the allocation methodology. We reviewed the calculation of the Corporate Service Charges, formally known as the affiliate management fee, and the drivers used. We traced the budget activity to the actual ledger amounts. We reviewed charges to FPL to determine if they were charged at the lower of cost or market or based on prior Commission orders. We obtained a list of space rented to affiliates by building, square footage, and cost per square foot and compared the rent charged to the Market Rent Valuation. We reviewed the Diversification Report and judgmentally selected a sample of officers of both FPL and its affiliates and reviewed the allocation percent of these officers based on their duties and consistency with the prior rate case. No exceptions were noted.

#### Federal Energy Regulatory Commission Audit

**Objectives:** The objective was to determine whether there were any exceptions and disclosures noted in the last FERC audit applicable to this current rate proceeding.

**Procedures:** Commission audit staff reviewed the last FERC audit of FPL and/or its affiliates entitled "Open Access Transmission Tariff" dated August 13, 2014. The Utility agreed with the findings and recommendations in that audit and implemented corrective actions. No further audit work was done.

#### Internal and External Audits

**Objectives:** The objective was to follow-up on exceptions and disclosures noted in any internal or external audits to determine if they were applicable to this case.

**Procedures:** We reviewed the internal audits in Docket No. 160001-EI. External audits were reviewed to determine if any adjustments materially affected the audit period. No further audit work was done.

#### Board of Director's Minutes

**Objectives:** The objective was to review Board of Director's Minutes for issues that could affect the Utility in the current rate case proceeding.

**Procedures:** We reviewed Florida Power & Light Company's Board Minutes in Docket No. 160001-EI. No issues that could affect the Utility in the current rate case proceeding was noted. No further audit work was done.

## Audit Findings

### **Finding 1: Possible Non-Recurring Expense**

**Audit Analysis:** The Utility has included, in FERC Account 572 – Maintenance of Underground Lines, \$186,546 related to a clean up of a dielectric fluid (oil) spill that occurred on June 12, 2015.

The Utility explained the oil spill was discovered by FPL in a section of steel pipe housing an FPL subaqueous power cable traversing Biscayne Bay in Miami-Dade County.

The Utility indicated other amounts recorded on their books related to this incident:

Description	Amount
US Coast Guard Penalty	\$ 1,500
Avirom Associates - survey needed for permitting	\$ 12,650
Aircoastal Helicopters - help locate the spill	\$ 2,850
UESI - Underwater Engineering Services - divers and welding services to conduct repairs and associated equipment and material	\$ 125,032
WA Chester - transmission line services - maintaining line pressure, overseeing underwater welding and executing final line restoration	\$ 79,264
Total	<u>\$ 221,296</u>
Sample item discussed above	\$ 186,546
Total all items	<u><u>\$ 407,842</u></u>

The Utility was made aware of this finding and it is non-reoccurring. The technical staff should determine what the effect this has on the current rate case.

**Effect on the General Ledger:** Included for informational purposes.

**Effect on the Filing:** Included for informational purposes.

## Exhibits

### Exhibit 1: Rate Base

Schedule B-1

ADJUSTED RATE BASE

Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of the 13-month average adjusted rate base for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule B-2.

Type of Data Shown:

\_\_\_ Projected Test Year Ended \_\_\_/\_\_\_/\_\_\_  
\_\_\_ Prior Year Ended \_\_\_/\_\_\_/\_\_\_  
X Historical Test Year Ended 12/31/15

COMPANY: FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES

DOCKET NO. 160021-EI

Witness: Kim Ousdahl

(\$000)

Line No.	(1) DESCRIPTION	(2) PLANT IN SERVICE	(3) ACCUMULATED PROVISION FOR DEPRECIATION & AMORTIZATION	(4) NET PLANT IN SERVICE (2-3)	(5) CWIP	(6) PLANT HELD FOR FUTURE USE	(7) NUCLEAR FUEL	(8) NET UTILITY PLANT	(9) WORKING CAPITAL ALLOWANCE	(10) OTHER RATE BASE ITEMS	(11) TOTAL RATE BASE
1	UTILITY PER BOOK	40,029,145	13,675,789	26,353,356	2,521,614	238,825	715,668	29,829,664	(1,571,429)	0	28,258,235
2											
3	SEPARATION FACTOR	0,954,818	0,896,607	0,984,870	0,948,413	0,947,934	0,948,460	0,980,619	1,354,091	0	0,959,800
4											
5	JURIS UTILITY	38,220,537	12,265,909	25,954,628	2,391,531	226,390	678,973	29,251,522	(2,129,272)	0	27,122,250
6											
7	COMMISSION ADJUSTMENTS	(1,798,019)	(378,139)	(1,419,880)	(1,604,692)	(2,417)	0	(3,026,990)	2,971,169	0	(55,821)
8											
9	COMPANY ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0
10											
11	TOTAL ADJUSTMENTS	(1,798,019)	(378,139)	(1,419,880)	(1,604,692)	(2,417)	0	(3,026,990)	2,971,169	0	(55,821)
12											
13	JURIS ADJ UTILITY	36,422,518	11,887,770	24,534,748	785,838	223,973	678,973	26,224,532	841,897	0	27,066,429
14											
15											
16											
17											
18											
19	NOTE: TOTALS MAY NOT ADD DUE TO ROUNDING										
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30											

Supporting Schedules: B-2, B-3, B-6

Recap Schedules: A-1

## Exhibit 2: Capital Structure

Schedule D-1a

### COST OF CAPITAL - 13-MONTH AVERAGE

Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
DOCKET NO.: 160021-EI

EXPLANATION: Provide the Company's 13-Month Average  
Cost of Capital for the Test Year, the Prior  
Year, and the Historical Year.

Type of Data Shown:  
Projected Test Year Ended \_\_\_/\_\_\_/\_\_\_  
Prior Year Ended \_\_\_/\_\_\_/\_\_\_  
X Historical Test Year Ended 12/31/15

Witness: Kim Ousdahl, Moray P. Dewhurst

(\$000)

Line No.	(1) CLASS OF CAPITAL	(2) COMPANY TOTAL PER BOOKS	(3) SPECIFIC ADJUSTMENTS	(4) PRO RATA ADJUSTMENTS	(5) SYSTEM ADJUSTED	(6) JURISDICTIONAL FACTOR	(7) JURISDICTIONAL ADJUSTED	(8) RATIO	(9) COST RATE	(10) WEIGHTED COST RATE
1	LONG TERM DEBT	9,382,064	(324,131)	(842,246)	8,215,688	0.958528	7,874,969	29.09%	4.72%	1.37%
2	PREFERRED STOCK	0	0	0	0	0.000000	0	0.00%	0.00%	0.00%
3	CUSTOMER DEPOSITS	462,365	0	(42,993)	419,372	1.000000	419,372	1.55%	2.05%	0.03%
4	COMMON EQUITY	14,705,072	(65,839)	(1,361,219)	13,278,014	0.958528	12,727,351	47.02%	10.50%	4.94%
5	SHORT TERM DEBT	324,613	0	(30,184)	294,429	0.958528	282,218	1.04%	2.24%	0.02%
6	DEFERRED INCOME TAX	6,847,580	(221,965)	(616,078)	6,009,536	0.958528	5,760,310	21.28%	0.00%	0.00%
7	INVESTMENT TAX CREDITS	158,369	(155,830)	(236)	2,303	0.958528	2,208	0.01%	8.29%	0.00%
8	TOTAL	31,880,063	(767,765)	(2,892,955)	28,219,342		27,066,429	100.00%		6.37%
9										
10										
11										
12										
13										
14										
15										
16										
17	NOTE: TOTAL MAY NOT ADD DUE TO ROUNDING.									
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32										
33										

Supporting Schedules: D-1b, D-3, D-4a, D-5, D-6

Recap Schedules: A-1

### Exhibit 3: Net Operating Income

Schedule C-1

#### ADJUSTED JURISDICTIONAL NET OPERATING INCOME

Page 1 of

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

\_\_\_ Projected Test Year Ended: \_\_\_/\_\_\_/\_\_\_

\_\_\_ Prior Year Ended: \_\_\_/\_\_\_/\_\_\_

X Historical Test Year Ended: 12/31/15

Witness: Kim Ousdahl

COMPANY: FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES

(\$000)

DOCKET NO.: 180021-EI

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Line No.	DESCRIPTION	TOTAL COMPANY PER BOOKS	NON-ELECTRIC UTILITY	TOTAL ELECTRIC (2) - (3)	JURISDICTIONAL FACTOR	JURISDICTIONAL AMOUNT (4) X (5)	JURISDICTIONAL COMMISSION ADJUSTMENTS (SCHEDULE C-2)	JURISDICTIONAL ADJUSTED PER COMMISSION (6) + (7)	JURISDICTIONAL COMPANY ADJUSTMENTS	JURISDICTIONAL ADJUSTED AMOUNT (8) + (9)
1	REVENUE FROM SALES	11,296,188	0	11,296,188	0.962917	10,877,290	(5,221,372)	5,655,917	0	5,655,917
2										
3	OTHER OPERATING REVENUES	277,228	0	277,228	0.822683	228,071	(35,309)	192,762	0	192,762
4										
5	TOTAL OPERATING REVENUES	11,573,415	0	11,573,415	0.959558	11,105,360	(5,256,681)	5,848,679	0	5,848,679
6										
7	OTHER O&M	1,611,291	0	1,611,291	0.963604	1,552,647	(213,147)	1,339,499	0	1,339,499
8										
9	FUEL & INTERCHANGE	3,268,605	0	3,268,605	0.944924	3,088,584	(3,064,410)	24,175	0	24,175
10										
11	PURCHASED POWER	688,733	0	688,733	0.945835	651,428	(651,428)	0	0	0
12										
13	DEFERRED COSTS	249,916	0	249,916	0.992385	248,013	(243,247)	4,766	0	4,766
14										
15	DEPRECIATION & AMORTIZATION	1,530,045	0	1,530,045	0.964933	1,476,391	(182,346)	1,294,045	0	1,294,045
16										
17	TAXES OTHER THAN INCOME TAXES	1,210,132	0	1,210,132	0.985413	1,192,480	(726,747)	465,733	0	465,733
18										
19	INCOME TAXES	965,897	0	965,897	0.960927	928,156	(52,698)	875,459	0	875,459
20										
21	(GAIN)/LOSS ON DISPOSAL OF PLANT	(5,972)	0	(5,972)	0.997984	(5,960)	229	(5,730)	0	(5,730)
22										
23	TOTAL OPERATING EXPENSES	9,518,649	0	9,518,649	0.959352	9,131,739	(5,133,793)	3,997,946	0	3,997,946
24										
25	NET OPERATING INCOME	2,054,766	0	2,054,766	0.960509	1,973,621	(122,888)	1,850,733	0	1,850,733
26										
27	TOTALS MAY NOT ADD DUE TO ROUNDING.									
28										
29										
30										
31										
32										
33										

Supporting Schedules: C-2, C-3, C-4

Recap Schedules:

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 160021-EI

DATED: July 18, 2016

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the testimony of Iliana H. Piedra on behalf of the staff of the Florida Public Service Commission was electronically filed with the Office of Commission Clerk, Florida Public Service Commission, and copies were furnished to the following, by electronic mail, on this 18<sup>th</sup> day of July, 2016.

R. Wade Litchfield/John T. Butler  
Florida Power & Light Company  
700 Universe Blvd.  
Juno Beach, FL 33408-0420  
[wade.litchfield@fpl.com](mailto:wade.litchfield@fpl.com)  
[john.butler@fpl.com](mailto:john.butler@fpl.com)

Kenneth A. Hoffman  
Florida Power & Light Company  
215 South Monroe Street, Suite 810  
Tallahassee, Florida 32301  
[ken.hoffman@fpl.com](mailto:ken.hoffman@fpl.com)

J.R. Kelly/Patricia Christensen/  
Charles J. Rehwinkel/Erik Saylor/  
Stephanie Morse  
Office of Public Counsel  
111 W. Madison Street, Room 812  
Tallahassee, Florida 32311  
[kelly.jr@leg.state.fl.us](mailto:kelly.jr@leg.state.fl.us)  
[christensen.patty@leg.state.fl.us](mailto:christensen.patty@leg.state.fl.us)  
[rehwinkel.charles@leg.state.fl.us](mailto:rehwinkel.charles@leg.state.fl.us)  
[saylor.eric@leg.state.fl.us](mailto:saylor.eric@leg.state.fl.us)  
[morse.stephanie@leg.state.fl.us](mailto:morse.stephanie@leg.state.fl.us)

Jon C. Moyle, Jr./Karen A. Putnal  
Moyle Law Firm, P.A.  
118 North Gadsden Street  
Tallahassee, Florida 32301  
[jmoyle@moylelaw.com](mailto:jmoyle@moylelaw.com)  
[kputnal@moylelaw.com](mailto:kputnal@moylelaw.com)

Stephanie U. Roberts  
Walmart Stores East, LP  
Spilman Thomas & Battle, PLLC  
110 Oakwood Drive, Suite 500  
Winston-Salem, North Carolina 27103  
[sroberts@spilmanlaw.com](mailto:sroberts@spilmanlaw.com)

Derrick Price Williamson  
Walmart Stores East, LP  
Spilman Thomas & Battle, PLLC  
1100 Bent Creek Boulevard, Suite 101  
Mechanicsburg, Pennsylvania 17050  
[dwilliamson@spilmanlaw.com](mailto:dwilliamson@spilmanlaw.com)

DOCKET NO. 160021-EI  
CERTIFICATE OF SERVICE  
PAGE 2

Thomas A. Jernigan  
Federal Executive Agencies  
AFCEC/JA-ULFSC  
139 Barnes Drive, Suite 1  
Tyndall Air Force Base, FL 32403  
[Thomas.Jernigan.3@us.af.mil](mailto:Thomas.Jernigan.3@us.af.mil)

Kenneth L. Wiseman/Mark F. Sundback/  
William M. Rappolt  
Andrews Kurth LLP  
1350 I Street NW, Suite 1100  
Washington, D.C. 20005  
[kwiseman@andrewskurth.com](mailto:kwiseman@andrewskurth.com)  
[msundback@andrewskurth.com](mailto:msundback@andrewskurth.com)  
[wrappolt@andrewskurth.com](mailto:wrappolt@andrewskurth.com)

John B. Coffman  
John B. Coffman, LLC  
871 Tuxedo Blvd.  
St. Louis, MO 63119-2044  
[john@johncoffman.net](mailto:john@johncoffman.net)

Jack McRay, Advocacy Manager  
AARP Florida  
200 West College Avenue, # 304  
Tallahassee, Florida 32301  
[jmcray@aarp.org](mailto:jmcray@aarp.org)

Robert Scheffel Wright/John T. LaVia, III  
Gardner, Bist, Bowden, Bush, Dee, LaVia &  
Wright, P.A.  
1300 Thomaswood Drive  
Tallahassee, Florida 32308  
(850) 222-4082  
[schef@gbwlegal.com](mailto:schef@gbwlegal.com)  
[jlavia@gbwlegal.com](mailto:jlavia@gbwlegal.com)

*/s/ Suzanne S. Brownless*

---

SUZANNE S. BROWNLESS

Senior Attorney, Office of the General Counsel

FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850  
(850) 413-6199  
[sbrownle@psc.state.fl.us](mailto:sbrownle@psc.state.fl.us)