Village of Biscayne Park

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Biscayne Park, FL 33161
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Agenda Item

Village Commission Meeting Date: August 2, 2016

Subject: Florida Power and Light's Proposed Rate Adjustment (Increase), 2017-2020
Prepared by: Commissioner Barbara Watts

Discussion and Proposal for Resolution:
Sponsored by: Commission

Background Analysis:

FPL has applied to the Florida Public Service Commission (PSC) to make phased in rate increase to its Residential Base Rate Plan to begin in 201 Docket # 160021). The numbers differ according to the source: According to FPL's literature the base rate for the first 1,000 kWh will increase from its current rate of 4.913 to 5.700 (1/1/2017) to 5.959 (1/1/2108) to 6.173 (6/1/2019). According to the PSC, the base rate proposed base rate increases are as follows: 2017: $8.56; 2018: $2.65; 2019: 2.08. This, in 2018 the residential owner will pay an additional $13.28 per month, thus, an additional $159.00 a year. According to the Miami Heralds account of FPL's request the base rate for the first 1,000 kilowatt hours will rise from $14.62 a month to $ 71.67 a month, an increase of $57.05 per month.

Using the calculator on FPL's website, my bill based on my July usage of 1176 kilowatt hours, would increase .50 a day, thus 15.02 per month ($180.24 annually). I imagine the increase will be much more for larger households.

FPL also has proposed a series of changes (most increases) for various services that are not included in the base plan rate, so one's annual expenditure on energy may be even greater than what is indicated here.

Why these proposed increases? Money, of course. According to the FPSC, FPL estimates that the rate changes will increase its coffers and the coffers of its shareholders in the following ways: Phase 1 (2017): $ 866 million; phase 2 (2018) and additional $262 mil; Phase 3: an additional $209 mil.; in the end, an increase of 1,337 BILLION DOLLARS.

This is excessive, I believe. So does the Office of Public Council, which has suggested a more modest rate increase (its numbers to be provided at the Commission meeting). During public hearings, many organizations and people voiced their objections to FPL's proposal. Among groups opposing the rate increase are Wal-Mart, AARP, the South Florida Hospital and Healthcare Association, and the Sierra Club.

I would like the Village of Biscayne Park to join the chorus of those protesting the rate hike, which will be a burden to many, especially those who are on fixed incomes and those in that rarely offer raises in salary.

I recommend that the Commission pass a resolution objecting to FPL's rate proposal and send it to the Florida Public Service Commission before the August 5 pre-trial hearing so that it will be included in the case documents.

Cost: Staff Time

Recommendation: Pass a resolution opposing FPL's request to adjust in rates as described in Docket 160021.

Back-up Information

FPL
https://www.fpl.com/news/2016/en_US/energy-news-0416-rates.pdf = FPL's Summary of Proposed Rate "Adjustments"
https://www.fpl.com/answers.html?cid=HT3: = Short summary of 2017-20 Base rate plan with calculator link to see how the "adjustment of base rate will affect your bill
https://www.fpl.com/answers.html?cid=HT3 = more info from FPL

Details: 2017 Projected Test Year and Legislative Tariffs:
https://www.fpl.com/answers/pdf/MFR-section1.pdf
https://www.fpl.com/answers/pdf/MFR-section2.pdf

Information from the Florida Public Service Commission:

http://www.psc.state.fl.us/ClerkOffice/DocketDetail?docket=160021

Details: 2017 Projected Test Year and Legislative Tariffs:
https://www.fpl.com/answers/pdf/MFR-section1.pdf
https://www.fpl.com/answers/pdf/MFR-section2.pdf =

expiration dates and codes from 1,025 restaurants

Two types of malware were found on company systems

Wendy's will offer free one-year credit monitoring

INFORMATION AT 1,025 OF THE 5,700 WENDY'S IN THE U.S. WERE STOLEN.

GENE J. PUSKAR AP

Eight Wendy's in Miami and two in Marathon have been breached by hackers since December of last year.

Associated Press

Hackers stole customers's credit and debit card information from nine South Florida Wendy's restaurants in a security breach that affected more than 1,000 of the chain's restaurants, the hamburger chain confirmed Thursday.

Beginning in last fall, hackers were able to obtain card numbers, names, expiration dates and codes on the card, at 1,025 of Wendy's U.S. restaurants — far more than originally thought. Some customers' cards were used to make fraudulent purchases at other stores.

Wendy's Co., urged customers to check their accounts for any fraudulent purchases.

The Dublin, Ohio, company first announced it was investigating a possible hack in January. In May, it said malware was found in fewer than 300 restaurants. About a month later, it said two types of malware were found and the number of restaurants affected was "considerably" more than 300.

Wendy's has 5,700 restaurants in the U.S.

Wendy's released a list of affected restaurants on its website Thursday and said it would offer free one-year credit monitoring to people who paid with a card at any of those locations.

Out of the Florida cities listed, Miami-Dade County had the most restaurants affected. Two restaurants in Monroe County, in Marathon, were also affected.

Here are the South Florida cities impacted:

MIAMI-DADE

All restaurants hacked on Jan. 13 and June 8.

- 8295 NW 27th Ave.
- 20975 S. Dixie Highway
- 18880 Dixie Highway
- 2000 NW 10th Ave.
- 645 NW 57th Ave.
- 6898 Bird Road
- 46 East 49th St. (hacked Jan. 13 and June 8)
- 2390 West 68th St. (hacked Dec 2 and June 8)

MONROE

- 5150 Overseas Highway, Marathon (hacked Dec. 2 and June 8)

Miami Herald writer Emily Cochrane contributed to this report.

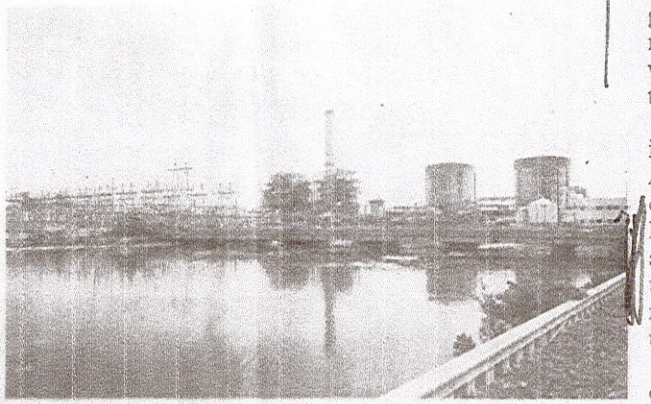
MIAMI Herald, July 8, 2016

FPL's plan to not charge customers $22 million in fees is approved

FPL has delayed construction plans for two new nuclear generators at Turkey Point

The $22 million in fees is money FPL is permitted to collect for planning and construction of nuclear plants

Because of the construction delay, the utility doesn't want to collect the fees in 2017



EMILY MICHOT emichot@miamiherald.com

The FPL nuclear energy plant at Turkey Point is seen in March. FPL announced in April that it was postponing construction on units 6 and 7 of its nuclear fleet

BY MARY ELLEN KLAS
Herald/Times Tallahassee Bureau

TALLAHASSEE

The Florida Public Service Commission on Wednesday unanimously approved a request from Florida Power & Light to take a one-year break from charging customers in advance for planning and construction of its proposed new nuclear power plant.

The decision is expected to save customers $22 million in nuclear cost recovery fees that regulators typically approve to allow the company FPL to charge for planning and construction of its proposed nuclear units at its Turkey Point site on Biscayne Bay. Since 2008, FPL has charged customers $282 million in advance for the construction, under the advanced nuclear cost recovery fee it helped to push through the Legislature in 2006.

The change translates to a savings of about 34 cents a month for customers that use 1,000 kilowatt hours, beginning on the January 2017 bill. Those savings, however, will be offset, if the commission approves a $1.33 billion, 25.7 percent increase in base rates beginning in 2017, as FPL has requested. The increase would be phased in over three years.

The rate increase hearing is scheduled to begin in August. If approved, the customer who uses 1,000 kilowatt hours a month will see the base rate portion of their bill rise by $14.62 a month to $71.67, according to FPL.

The decision to stop charging customers the nuclear cost recovery fees follows the decision by FPL to delay nuclear construction. After eight years of planning, FPL announced in April it was postponing construction on units 6 and 7 of its nuclear fleet until at least 2020. It said, however, it would continue to pursue a federal license that would clear the way for construction. The company has yet to receive federal approval to build the plant.

The delay means two next-generation reactors initially projected to go online as early as 2018 and 2020 likely would not fire up for perhaps another decade.

DIVIDENDS

Period	Stk	rate	of record	payable
IRREGULAR				
BP Prudhoe Bay Roy	Q	.685	7-15	7-20
Sabine Royalty Tr	M	.1348	7-18	7-29
y- Pay date unannounced.				
z- Approx. amount per ADR or ADS.				
STOCK				
Emmis Communication	x	*	*	*
x- 1 for 4 reverse split, effective 7/8.				
Genco Shipping&Trade x	*	*	*	*
x- 1 for 10 reverse split, effective 7/8.				
INCREASED				
Enterprise Products	Q	.40	7-29	8-5
Genesis Energy LP	Q	.69	7-29	8-12
PNC Financial Svc	Q	.55	7-19	8-5
Paychex Inc	Q	.46	8-2	8-25
SPECIAL				
EMCORE Corp	*	1.50	7-18	7-29
REGULAR				
Ampco-Pittsburgh	Q	.09	7-18	7-29
Emcor Group Inc	Q	.08	7-18	7-29
P&F Industries	Q	.05	7-18	7-25
Tahoe Resources	M	.02	7-21	7-28
g-Payable in Canadian funds				

FPL

ENERGY NEWS

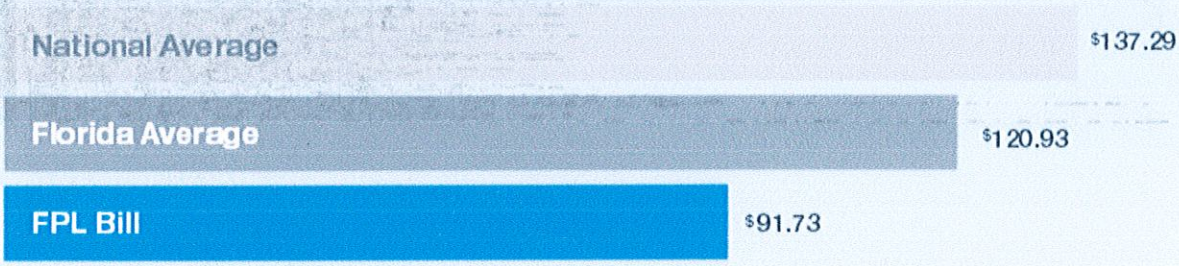
Rates Edition

FPL bills through 2020 will still be well

BELOW NATIONAL AVERAGE

Proposed rate changes will help keep your energy service reliable and bills low

Latest typical bill comparisons



Source: Typical 1,000-kWh residential customer bill amounts; FPL bill amount (PSC April 2016), Florida average (2015 annual average, data from PSC, FMEA, JEA) and national average (EEI July 2015)

We work hard every day to provide you with electric service that's cleaner and more reliable than ever before, at a price that's lower than it was a decade ago and among the lowest in the nation. The benefits we deliver to you are the direct results of smart, long-term investments we've made in advanced technologies and cost-saving efficiencies. In order to support continued investments in our infrastructure that will improve electric service reliability, reduce emissions, enhance generation fuel efficiency, and strengthen our electric system to make it more resilient in severe weather, we filed a comprehensive four-year rate plan with the Florida Public Service Commission for new base rates that would begin in 2017.

Our base rate plan for 2017-2020 includes three base rate adjustments phased in during the four-year period totaling about $13.28 a month, or about 44 cents a day. Combined with current projections for fuel and other costs, we estimate that the total typical 1,000-kWh residential customer bill will grow at about 2.8 percent per year, roughly the expected rate of inflation, from January 2016 through 2020. Even with this change, we estimate our typical residential bill in 2020 will still be lower than it was in 2006, and will remain among the lowest in the state and nation based on current bill comparisons.

Our proposed rate plan is designed to continue supporting investments that result in tangible benefits for you while providing longer-term cost certainty and service that is ranked among the most reliable in the nation. To calculate the changes to your bill, visit: » FPL.com/answers

Residential rates summary

Rate Code	Type of Charge	Current Rate April 1, 2016	Proposed Base Rates Jan. 1, 2017	Jan. 1, 2018	June 1, 2019
RS-1	Residential Service				
	Customer Charge/Minimum	$7.87	$10.00	$10.00	$10.30
	Base Energy Charge (¢ per kWh)				
	First 1,000 kWh	4.913	5.700	5.959	6.137
	All Additional kWh	6.038	6.700	6.959	7.167
RST-1	**Residential Service – Time of Use**				
	Customer Charge/Minimum	$12.36	$10.00	$10.00	$10.30
	with Lump-Sum Metering Payment	$7.87	No Longer Applies in 2017		
	Base Energy Charge (¢ per kWh)				
	On-Peak	9.154	10.169	10.616	10.934
	Off-Peak*	(4.072)	(4.523)	(4.722)	(4.863)
OL-1	**Outdoor Lighting**				
	Charges for FPL-Owned Units				
	Total Cost (Fixture, Maintenance and Energy Non-Fuel)				
	Sodium Vapor 6,300 lu 70 Watts	$7.71	$7.74	$7.74	$7.97
	Sodium Vapor 9,500 lu 100 Watts	$8.15	$8.19	$8.19	$8.44
	Sodium Vapor 16,000 lu 150 Watts	$8.89	$8.94	$8.94	$9.21
	Sodium Vapor 22,000 lu 200 Watts	$12.65	$12.71	$12.72	$13.09
	Sodium Vapor 50,000 lu 400 Watts	$15.33	$15.45	$15.46	$15.92
	Sodium Vapor 12,000 lu 150 Watts	$9.56	$8.94	$8.94	$9.21
	Mercury Vapor 6,000 lu 140 Watts	$7.26	$7.31	$7.31	$7.53
	Mercury Vapor 8,600 lu 175 Watts	$7.70	$7.76	$7.76	$8.00
	Mercury Vapor 21,500 lu 400 Watts	$13.18	$13.29	$13.30	$13.70
	Charges for Customer-Owned Units				
	Total Charge – Relamping and Energy				
	Sodium Vapor 6,300 lu 70 Watts	$2.66	$2.68	$2.68	$2.76
	Sodium Vapor 9,500 lu 100 Watts	$2.99	$3.02	$3.02	$3.11
	Sodium Vapor 16,000 lu 150 Watts	$3.55	$3.59	$3.59	$3.70
	Sodium Vapor 22,000 lu 200 Watts	$4.88	$4.93	$4.93	$5.08
	Sodium Vapor 50,000 lu 400 Watts	$7.06	$7.17	$7.17	$7.38
	Sodium Vapor 12,000 lu 150 Watts	$3.82	$3.86	$3.86	$3.98
	Mercury Vapor 6,000 lu 140 Watts	$3.38	$3.42	$3.42	$3.52
	Mercury Vapor 8,600 lu 175 Watts	$3.80	$3.85	$3.85	$3.97
	Mercury Vapor 21,500 lu 400 Watts	$6.79	$6.89	$6.89	$7.10
	Energy Only				
	Sodium Vapor 6,300 lu 70 Watts	$0.81	$0.83	$0.83	$0.85
	Sodium Vapor 9,500 lu 100 Watts	$1.14	$1.17	$1.17	$1.21
	Sodium Vapor 16,000 lu 150 Watts	$1.67	$1.71	$1.71	$1.76
	Sodium Vapor 22,000 lu 200 Watts	$2.45	$2.50	$2.50	$2.57
	Sodium Vapor 50,000 lu 400 Watts	$4.67	$4.78	$4.78	$4.92
	Sodium Vapor 12,000 lu 150 Watts	$1.67	$1.71	$1.71	$1.76
	Mercury Vapor 6,000 lu 140 Watts	$1.72	$1.76	$1.76	$1.81
	Mercury Vapor 8,600 lu 175 Watts	$2.14	$2.19	$2.19	$2.26
	Mercury Vapor 21,500 lu 400 Watts	$4.45	$4.55	$4.55	$4.69
	Non-Fuel Energy (¢ per kWh)	**2.780**	**2.845**	**2.845**	**2.930**
	Other Charges				
	Wood Pole	$9.69	$10.01	$10.10	$10.40
	Concrete/Steel Pole	$13.08	$13.51	$13.64	$14.05
	Fiberglass Pole	$15.38	$15.89	$16.04	$16.52
	Underground Conductors				
	Excluding Trenching, per Foot	$0.0780	$0.080	$1.080	$1.113
	Down-Guy, Anchor and Protector	$9.34	$9.51	$9.36	$9.64

* Except for customer charge, all rates and charges under Rate Schedule RS-1 shall apply to RTR-1. RTR-1 Base Energy and Fuel Charges and Credits applicable to on- and off-peak usage are in addition to the RS-1 charges.

Smart investments paying off for you

FPL's investments to strengthen our infrastructure and modernize the way we produce power are paying off for you. Our service reliability is 44 percent better than the national average and the best among Florida's investor-owned utilities. We're continuing this forward-looking approach to improve your service and provide you with outstanding value.

See how: » **FPL.com/reliability**

How your electric rates are set

Unlike the prices of many essential items you use every day that can change at any time, what you pay for electricity is closely regulated, with price changes requiring approval from an independent regulator – the Florida Public Service Commission (PSC). The PSC is tasked with ensuring fair rates for customers and an opportunity to earn a fair return for utilities. In fact, the PSC sets all of our rates and charges for electric service. Our current base rate agreement will expire at the end of 2016. When a rate agreement expires or changes are sought, utilities can file a request with the PSC. The review process that follows, known as a rate case, mirrors legal proceedings with testimony and hearings.

Summary of service charges

Type of Service Charge	Current Charge	Proposed 2017 Charge	Proposed 2018 Charge
Initial Service Connect New premise	$14.88	$25	$25
Service Connect Existing premise	$14.88	$12	$12
Reconnection of Service Non-payment	$17.66	$13	$13
Late payment For payments received after the due date	Greater of $5 or 1.5% applied to any past due unpaid balance	No change	No change
Return payment Charge for a check returned by the bank	$25 if $50 or less $30 if $50.01 – $300 $40 if $300.01 – $800 5% if greater than $800	No change	No change
Field Collections For payment collection on delinquent account	$5.11	$49	$48
Meter Tampering Charge for tampering with meter	NA	$200 Residential & Non-Demand Commercial / $1,000 Commercial	$200 Residential & Non-Demand Commercial / $1,000 Commercial

Rate review information

A summary of the rate request and copies of supporting documents submitted to the Florida Public Service Commission are available for review at: **FPL.com/answers**

Look for the link to the "Florida Public Service Commission" website, as well as a link to the "Minimum Filing Requirements" under the "Base rate plan details." You may also visit the following locations:

FPL Miami Office
9250 W. Flagler St.
Miami, FL 33174

FPL Juno Beach Office
700 Universe Blvd.
Juno Beach, FL 33408

Fort Myers Regional Library
2450 First St.
Fort Myers, FL 33901

Selby Public Library
1331 First St.
Sarasota, FL 34236

Palm Beach County Library
3650 Summit Blvd.
West Palm Beach, FL 33406

Central Brevard Public Library
308 Forrest Ave.
Cocoa, FL 32922

Daytona Beach Regional Library
105 E. Magnolia Ave.
Daytona Beach, FL 32114

Miami-Dade County Main Public Library
101 W. Flagler St.
Miami, FL 33130

North Dade Regional Library
2455 NW 183 St.
Miami Gardens, FL 33056

Broward County Main Library
100 S. Andrews Ave.
Fort Lauderdale, FL 33301

South Regional/ Broward College Library
7300 Pines Blvd.
Pembroke Pines, FL 33024

More ways to manage your bill

FPL has many convenient and secure ways to manage your bill – and we're always looking to provide you with more options. From receiving your bill by email to paying it online or in person, we're expanding your choices to help save you time and give you peace of mind. See billing and payment options: » **FPL.com/billoptions**

Additional information

Customer comments regarding FPL's quality of service may be made to the Commission's Office of Consumer Assistance and Outreach at 800-342-3552. Comments may also be submitted to the following address: Commission Clerk, Office of Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850. Such comments should refer to Docket No. 160021-EI.

Those requiring special accommodations at the hearings should call the Office of Commission Clerk at 850-413-6770 at least 48 hours before the hearing. Any person who is hearing- or speech-impaired should contact the PSC by using the Florida Relay Service, available at 800-955-8771 (TDD).

Quality of service hearings – dates and locations

During a rate proceeding, public hearings are held to give customers an opportunity to speak before the Florida Public Service Commission on the quality of service they receive from FPL. Customers are urged to arrive at the start time, since hearings may be adjourned early if no witnesses are present to testify.

June 2 Fort Myers - 5 p.m.
School Board of Lee County, Board Room, Lee County Education Center
2855 Colonial Blvd., Fort Myers, FL 33966

June 3 Sarasota - 9:30 a.m.
City Commission Chambers, City Hall 1565 First St., Sarasota, FL 34236

June 15 West Palm Beach - 6 p.m.
Solid Waste Authority of Palm Beach County 7501 N. Jog Rd.,
West Palm Beach, FL 33412

June 16 Melbourne - 9:30 a.m.
Brevard County Government Center Commission Room, Building C, 1st floor
2725 Judge Fran Jamieson Way, Melbourne, FL 32940

June 16 Daytona Beach - 6 p.m.
Museum of Arts and Sciences 352 S. Nova Road, Daytona Beach, FL 32114

June 27 Miami - 6 p.m.
Miami-Dade County Auditorium 2901 W. Flagler St., Miami, FL 33135

June 28 Fort Lauderdale - 9:30 a.m.
County Commission Chambers, Broward County Governmental Center
115 S. Andrews Ave., Fort Lauderdale, FL 33301

June 28 Pembroke Pines - 5 p.m.
South Regional/Broward College Library 7300 Pines Blvd.,
Pembroke Pines, FL 33024

June 29 Miami Gardens - 9:30 a.m.
Florida Memorial University, Lou Rawls Auditorium 15800 NW 42nd Ave.,
Miami Gardens, FL 33054

Timeline of activities

The following dates have been established to govern the key activities of our request to the PSC:

Prehearing conference	Aug. 12, 2016	**Special agenda – revenue requirements**	Oct. 27, 2016
Hearings	Aug. 22 to Sept. 2, 2016	**Special agenda – rates**	Nov. 29, 2016

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FPL Energy News is published by
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Investing in Florida's Futu

FPL's 2017-2020 Base Rate Plan

Log In wattsb

hile energy use varies by customer, we estimate that the typical, 1,000
ase rate (/rates/pdf/residential-explanation.pdf) increase of about 44 ce
More than half of FPL's customers use less than 1,000-kWh of electrici

Remember my User ID
Start Over
Forgot Email/User ID or Password | Register

Estimated total base rate increase to be phased in 2017-2020:

$0.50 PER DAY

$ **15.02** PER MONTH

FPL's proposal includes three base rate adjustments that would be phased in during the four-year period (2017-2020). However, even with the total proposed base rate increase, FPL expects that its typical bill in 2020 will still be lower than it was in 2006.

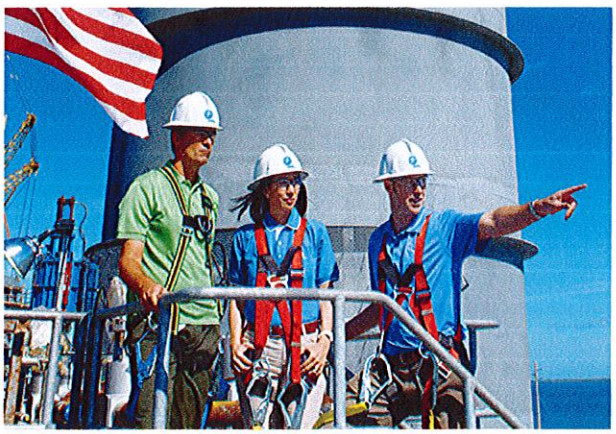
PER DAY	$0.31	$0.11	$0.08	NO ADJUSTMENTS
PER MONTH	$9.47	$3.10	$2.45	NO ADJUSTMENTS

View: Base Rate Changes by Year

The increase would be phased in over four years to support investments that will further improve your service reliability, help us restore power faster, and make our system even more efficient. We expect the typical customer bill to remain lower than 2006 levels from 2017 through 2020, even with the proposed rate adjustment.

More Details

Base rate impact estimates are based on FPL's base rate proposal filed with the Florida Public Service Commission (Docket No. 160021-EI). All rates are subject to change, and all numbers provided are estimates until new base rates are determined by the PSC. New base rates would be phased in January 2017, January 2018 and mid-2019. Calculations include the state's standard gross receipts tax but do not include any local taxes or fees that vary by community.



Base rate plan details

Our four-year proposal will support continued investments that benefit customers while keeping bills lower than they were in 2006 through at least 2020. Based on current projections for fuel and other costs, we estimate that the total typical customer bill will grow at roughly the rate of inflation from now

through 2020.

Florida Public Service Commission website (http://www.psc.state.fl.us/ClerkOffice/DocketFiling?docket=160021)

Minimum Filing Requirements (MFRs) and Schedules: Section 1 (/answers/pdf/MFR-section1.pdf) Section 2 (/answers/pdf/MFR-section2.pdf) Section 3 (/answers/pdf/MFR-section3.pdf)

News Release (http://newsroom.fpl.com/2016-03-15-FPL-files-details-of-proposed-2017-2020-base-rate-plan-with-PSC)

Fact Sheets: Residential (/answers/pdf/residential-factsheet.pdf) Business (/answers/pdf/business-factsheet.pdf) Large Business (/answers/pdf/large-business-factsheet.pdf)

Energy News - Technical Hearing (https://www.fpl.com/news/energy-news.html)

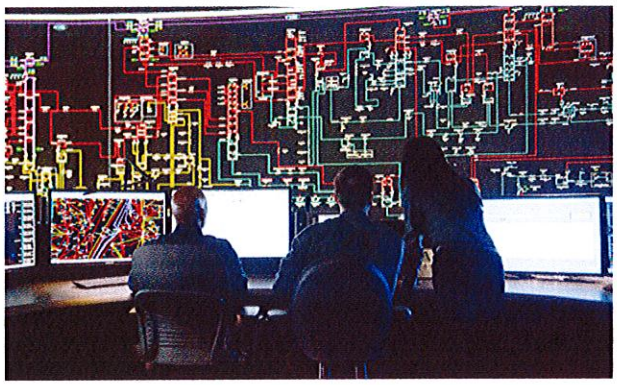
Energy Notes - Technical Hearing (https://www.fpl.com/news/energy-notes.html)

Focusing on Florida's clean energy future

At FPL, we've been committed to reducing our dependence on foreign oil, increasing our use of solar energy and U.S.-produced natural gas, and making investments in smart technology. All to deliver cleaner, more reliable energy to

you, while keeping bills among the lowest in the nation.

Learn more > (https://www.fpl.com/value/affordable-reliable-clean.html?cid=AL2016S4)



Delivering reliable service

At FPL, we're committed to building a stronger and smarter electric grid to provide you with electricity you can count on in good weather and bad. Our reliability experts work hard to deliver cleaner, more reliable energy while keeping bills low. We are constantly working to improve our service by investing in stronger utility poles, better equipment and advanced smart grid technology to make our grid stronger, smarter and more resilient, particularly when it concerns Florida's severe weather.

Learn more > (https://www.fpl.com/efficiency-experts/reliability.html?cid=AL2016S1)

Working more efficiently

At FPL, we have more than 1,000 employees trained as efficiency experts who use Lean Six Sigma process