

ORIGINAL

**BEFORE THE FLORIDA  
PUBLIC SERVICE COMMISSION**

**DOCKET NO. 040001-EI  
FLORIDA POWER & LIGHT COMPANY**

**FEBRUARY 23, 2004**

**IN RE: LEVELIZED FUEL COST RECOVERY  
AND CAPACITY COST RECOVERY  
FINAL TRUE-UP**

**JANUARY 2003 THROUGH DECEMBER 2003**

**TESTIMONY & EXHIBITS OF:**

**K. M. DUBIN**

AJS	1
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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **TESTIMONY OF KOREL M. DUBIN**

4 **DOCKET NO. 040001-EI**

5 **FEBRUARY 23, 2004**

6

7 **Q. Please state your name, business address, employer and position.**

8 A. My name is Korel M. Dubin, and my business address is 9250 West Flagler  
9 Street, Miami, Florida, 33174. I am employed by Florida Power & Light  
10 Company (FPL or the Company) as the Manager of Regulatory Issues in the  
11 Regulatory Affairs Department.

12

13 **Q. Have you previously testified in the predecessors to this docket?**

14 A. Yes, I have.

15

16 **Q. What is the purpose of your testimony in this proceeding?**

17 A. The purpose of my testimony is to present the schedules necessary to  
18 support the actual Fuel Cost Recovery Clause (FCR) and Capacity Cost  
19 Recovery Clause (CCR) Net True-Up amounts for the period January 2003  
20 through December 2003. The Net True-Up for the FCR is an over-recovery,  
21 including interest, of \$41,808,676. The Net True-Up for the CCR is an under-  
22 recovery, including interest, of \$7,050,083. I am requesting Commission  
23 approval to include this FCR true-up over-recovery of \$41,808,676 in the

1 calculation of the FCR factor for the period January 2005 through December  
2 2005. And, I am requesting Commission approval to include this CCR true-  
3 up under-recovery of \$7,050,083 in the calculation of the CCR factor for the  
4 period January 2005 through December 2005.

5  
6 **Q. Have you prepared or caused to be prepared under your direction,**  
7 **supervision or control an exhibit in this proceeding?**

8 A. Yes, I have. It consists of two appendices. Appendix I contains the FCR  
9 related schedules, and Appendix II contains the CCR related schedules.  
10 FCR Schedules A-1 through A-9 for the January 2003 through December  
11 2003 period have been filed monthly with the Commission and served on all  
12 parties. Those schedules are incorporated herein by reference.

13  
14 **Q. What is the source of the data that you will present through testimony**  
15 **or exhibits in this proceeding?**

16 A. Unless otherwise indicated, the data are taken from the books and records of  
17 FPL. The books and records are kept in the regular course of the Company's  
18 business in accordance with generally accepted accounting principles and  
19 practices, and provisions of the Uniform System of Accounts as prescribed by  
20 the Commission.

21  
22

1 **FUEL COST RECOVERY CLAUSE (FCR)**

2

3 **Q. Please explain the calculation of the Net True-up Amount.**

4 A. Appendix I, page 3, entitled "Summary of Net True-Up," shows the calculation  
5 of the Net True-Up for the period January 2003 through December 2003, an  
6 over-recovery of \$41,808,676. The calculation of the true-up amount for the  
7 period follows the procedures established by this Commission as set forth on  
8 Commission Schedule A-2 "Calculation of True-Up and Interest Provision."

9

10 The actual End-of-Period under-recovery for the period January 2003 through  
11 December 2003 of \$302,921,183 is shown on line 1. The estimated/actual  
12 End-of-Period under-recovery for the same period of \$344,729,859 is shown  
13 on line 2. This amount was included in the calculation of the FCR factor for  
14 the period January 2004 through December 2004. Line 1 less line 2 results  
15 in the Net True-Up for the period January 2003 through December 2003  
16 shown on line 3, an over-recovery of \$41,808,676.

17

18 **Q. Have you provided a schedule showing the variances between actuals  
19 and estimated/actuals?**

20 A. Yes. Appendix I, page 6 shows the actual fuel costs and revenues compared  
21 to the estimated/actuals for the period January 2003 through December  
22 2003.

23

1 Q. Describe the variance in fuel costs?

2 A. The final over-recovery of \$41,808,676 for the period January 2003 through  
3 December 2003 is due primarily to a \$25.7 million (0.7%) decrease in  
4 Jurisdictional Total Fuel Costs and Net Power Transactions (Appendix I, page  
5 6, line C6) and a \$16.1 million (0.5%) increase in Jurisdictional Fuel  
6 Revenues (Appendix I, page 6, line C3).

7

8 The \$25.7 million variance in Jurisdictional Fuel Costs and Net Power  
9 Transactions is due primarily to a \$71.5 million (2.3%) decrease in the Fuel  
10 Cost of System Net Generation, a \$4.7 million (36.2%) increase in Gains from  
11 Off-System Sales, and a \$2.9 million (2.0%) decrease in Energy Payments to  
12 Qualifying Facilities, offset by a \$6.2 million (7.9%) variance in the Fuel Cost  
13 of Power Sold, an \$18.8 million (7.4%) increase in Fuel Cost of Purchased  
14 Power, and a \$34.3 million (45.7%) increase in the Energy Cost of Economy  
15 Purchases.

16

17 As shown on the December 2003 A3 schedule, the \$71.5 million (2.3%)  
18 decrease in the Fuel Cost of System Net Generation is primarily due to \$114  
19 million (5.7%) lower than projected natural gas cost offset by \$39 million  
20 (4.5%) greater than projected heavy oil cost. The natural gas price averaged  
21 \$6.24 per MMbtu, \$0.28 per MMbtu (4.3%) lower than projected.  
22 Additionally, 4,376,819 fewer MMbtu's (1.4%) of natural gas were used  
23 during the period than projected. Heavy oil averaged \$4.46 per MMbtu,

1           \$0.04 per MMBtu (0.9%) higher than projected. Additionally, 7,133,992 more  
2           MMBtu's (3.6%) of heavy oil were used during the period than projected.

3

4   **Q.    What was the variance in retail (jurisdictional) Fuel Cost Recovery**  
5   **revenues?**

6   A.    As shown on Appendix I, page 6, line C3, actual jurisdictional Fuel Cost  
7    Recovery revenues, net of revenue taxes, were \$16.1 million (0.5%) higher  
8    than the estimated/actual projection. This increase was due to higher than  
9    projected jurisdictional sales, which were 648,039,165 kWh (0.7%) higher  
10   than the estimated/actual projection.

11

12   **Q.    How is Real Time Pricing (RTP) reflected in the calculation of the Net**  
13   **True-up Amount?**

14   A.    In the determination of Jurisdictional kWh sales, only kWh sales associated  
15    with RTP baseline load are included, consistent with projections (Appendix I,  
16    page 6, Line C3). In the determination of Jurisdictional Fuel Costs, revenues  
17    associated with RTP incremental kWh sales are included as 100% Retail  
18    (Appendix I, page 6, Line C4c) to offset incremental fuel used to generate  
19    these kWh sales.

20

21   **Q.    What is the appropriate final benchmark level for calendar year 2004 for**  
22   **gains on non-separated wholesale energy sales eligible for a**  
23   **shareholder incentive as set forth by Order No. PSC-00-1744-PAA-EI in**

1           **Docket No. 991779-EI?**

2    A.    For the year 2004, the three year average threshold consists of actual gains  
3           for 2001, 2002, and 2003 (see below) resulting in a three year average  
4           threshold of \$15,133,577:

5                   2001           \$17,846,596

6                   2002           \$9,726,487

7                   2003           \$17,827,648

8           Average threshold   \$15,133,577

9           Gains on sales in 2004 are to be measured against this three year average  
10           threshold.

11

12

13                                   **CAPACITY COST RECOVERY CLAUSE (CCR)**

14

15    **Q.    Please explain the calculation of the Net True-up Amount.**

16    A.    Appendix II, page 3, entitled "Summary of Net True-Up Amount" shows the  
17           calculation of the Net True-Up for the period January 2003 through December  
18           2003, an under-recovery of \$7,050,083, which I am requesting to be included  
19           in the calculation of the CCR factors for the January 2005 through December  
20           2005 period.

21

22           The actual End-of-Period over-recovery for the period January 2003 through  
23           December 2003 of \$8,998,342 (shown on line 1) less the estimated/actual

1 End-of-Period over-recovery for the same period of \$16,048,425, (shown on  
2 line 2) results in the Net True-Up under-recovery for the period January 2003  
3 through December 2003 (shown on line 3) of \$7,050,083.

4  
5 **Q. Have you provided a schedule showing the calculation of the End-of-**  
6 **Period true-up?**

7 A. Yes. Appendix II, pages 4 and 5, entitled "Calculation of Final True-up  
8 Amount," shows the calculation of the CCR End-of period true-up for the  
9 period January 2003 through December 2003. The End of-Period true-up  
10 shown on page 5, line 17 plus line 18 is an over-recovery of \$8,998,342.

11  
12 **Q. Is this true-up calculation consistent with the true-up methodology used**  
13 **for the other cost recovery clauses?**

14 A. Yes it is. The calculation of the true-up amount follows the procedures  
15 established by this Commission as set forth on Commission Schedule A-2  
16 "Calculation of True-Up and Interest Provision" for the Fuel Cost Recovery  
17 Clause.

18  
19 **Q. Have you provided a schedule showing the variances between actuals**  
20 **and estimated/actuals?**

21 A. Yes. Appendix II, page 6, entitled "Calculation of Final True-up Variances,"  
22 shows the actual capacity charges and applicable revenues compared to the  
23 estimated/actuals for the period January 2003 through December 2003.



1 **Q. What was the variance in net capacity charges?**

2 A. As shown on line 9, actual net capacity charges on a Total Company basis  
3 were approximately \$8.4 million (1.2%) higher than the estimated/actual  
4 projection. This variance was primarily due to \$7.5 million (4.3%) higher than  
5 projected Payments to Non-Cogenerators caused by higher than estimated  
6 payments for UPS. Additionally, Short Term Capacity Payments were \$1.2  
7 million (1.3%) higher than projected, Payments to Cogenerators were \$1.0  
8 million (0.3%) higher than projected, and Transmission Revenues from  
9 Capacity Sales were \$0.3 million (4.9%) lower than projected. These  
10 increases were somewhat offset by \$1.0 million (9.2%) lower than projected  
11 Incremental Power Plant Security Costs and \$0.6 million (6.6%) lower than  
12 projected expenses for Transmission of Electricity by Others.

13

14 **Q. What was the variance in Capacity Cost Recovery revenues?**

15 A. As shown on line 14, actual Capacity Cost Recovery revenues, net of  
16 revenue taxes, were \$1.3 million (0.2%) higher than the estimated/actual  
17 projection. This increase was due to higher than projected jurisdictional  
18 sales, which were 648,039,165 kWh (0.7%) higher than the estimated/actual  
19 projection.

20

21 **Q. Does this conclude your testimony?**

22 A. Yes, it does.

**APPENDIX I**  
**FUEL COST RECOVERY**  
**TRUE UP CALCULATION**

**KMD-1**  
**DOCKET NO. 040001-EI**  
**FPL WITNESS: K.M. DUBIN**  
**February 23, 2004**

**APPENDIX I**  
**FUEL COST RECOVERY**  
**TABLE OF CONTENTS**

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3	SUMMARY OF NET TRUE UP AMOUNT
4 - 5	CALCULATION OF FINAL TRUE UP AMOUNT
6	CALCULATION OF FINAL TRUE UP VARIANCES

**FLORIDA POWER & LIGHT COMPANY  
FUEL COST RECOVERY CLAUSE  
SUMMARY OF NET TRUE-UP FOR THE  
PERIOD JANUARY THROUGH DECEMBER 2003**

1	End of Period True-up for the period January through December 2003 (from page 4, lines D7 & D8)	\$ (302,921,183)
2	Less - Estimated/Actual True-up for the same period *	\$ (344,729,859)
3	Net Final True-up for the period January through December 2003	<u>\$ 41,808,676</u>

( ) Reflects Underrecovery

\* Approved in FPSC Order No. PSC-03-1461-FOF-EI dated December 22, 2003

CALCULATION OF ACTUAL TRUE-UP AMOUNT							
FLORIDA POWER & LIGHT COMPANY							
FOR THE PERIOD JANUARY THROUGH DECEMBER 2003							
LINE NO.		(1)	(2)	(3)	(4)	(5)	(6)
		JAN	FEB	MAR	APR	MAY	JUN
<b>A Fuel Costs &amp; Net Power Transactions</b>							
1	a Fuel Cost of System Net Generation	\$ 202,082,274	\$ 166,332,573	\$ 338,352,856	\$ 220,910,699	\$ 290,580,370	\$ 301,507,670
	b Incremental Hedging Costs	58,985	(72,347)	80,832	37,832	25,080	64,444
	c Nuclear Fuel Disposal Costs	2,045,325	1,810,224	1,585,058	1,830,109	1,438,413	1,705,778
	d Coal Cars Depreciation & Return	280,827	279,094	277,362	275,629	273,896	272,164
	e Gas Pipelines Depreciation & Return	179,661	178,205	169,743	168,435	170,561	169,139
	f DOE D&D Fund Payment	0	0	0	0	0	0
2	a Fuel Cost of Power Sold (Per A6)	(12,579,178)	(10,953,013)	(2,393,727)	(4,860,362)	(2,233,044)	(3,762,281)
	b Revenues from Off-System Sales	(4,563,079)	(2,636,240)	(647,973)	(1,097,584)	(463,000)	(637,885)
3	a Fuel Cost of Purchased Power (Per A7)	20,296,416	12,949,526	26,342,605	22,880,054	28,117,567	24,599,036
	b Energy Payments to Qualifying Facilities (Per A8)	11,897,821	12,098,222	10,942,372	8,250,698	12,980,622	12,252,734
	c Cypress Settlement Payments	0	0	0	0	255,797	0
	d Okaloosa Settlement Amortization including interest	818,207	816,772	814,626	812,971	812,626	809,227
4	Energy Cost of Economy Purchases (Per A9)	2,690,456	5,403,637	9,253,845	6,437,812	7,503,345	9,642,332
5	Total Fuel Costs & Net Power Transactions	\$ 223,187,714	\$ 186,206,654	\$ 384,777,599	\$ 255,646,393	\$ 339,462,234	\$ 346,622,358
<b>Adjustments to Fuel Cost</b>							
	a Sales to Fla Keys Elect Coop (FKEC) & City of Key West (CKW)	(2,649,558)	(2,656,228)	(2,619,112)	(4,890,322)	(3,333,364)	(3,919,200)
	b Reactive and Voltage Control / Energy Imbalance Fuel Revenues	(109,305)	(104,038)	(106,100)	(64,903)	(73,782)	(1,513)
	c Inventory Adjustments	(97,396)	(25,202)	(70,714)	(51,017)	67,936	(1,124,954)
	d Non Recoverable Oil/Tank Bottoms	0	60,265	0	0	0	0
7	Adjusted Total Fuel Costs & Net Power Transactions	\$ 220,331,455	\$ 183,481,452	\$ 381,981,674	\$ 250,640,752	\$ 336,123,023	\$ 341,576,691
<b>B kWh Sales</b>							
1	Jurisdictional kWh Sales (RTP @ CBL) (a)	7,569,038,419	7,463,818,224	7,510,229,964	7,396,486,620	7,999,797,862	9,047,332,704
2	Sale for Resale (excluding FKEC & CKW)	35,312,711	39,847,223	39,632,175	45,981,820	46,122,096	42,551,013
3	Sub-Total Sales (excluding FKEC & CKW)	7,604,351,130	7,503,665,447	7,549,862,139	7,442,468,440	8,045,919,958	9,089,883,717
6	Jurisdictional % of Total Sales (B1/B3)	99.53562%	99.46896%	99.47506%	99.38217%	99.42676%	99.53189%
<b>C True-up Calculation</b>							
1	Juris Fuel Revenues (Incl RTP @ CBL) Net of Revenue Taxes	\$ 202,273,176	\$ 200,127,330	\$ 201,471,500	\$ 228,902,315	\$ 251,666,698	\$ 284,778,187
2	Fuel Adjustment Revenues Not Applicable to Period						
a 1	Blank Line						
a 2	Prior Period True-up (Collected/Refunded) This Period	(587,316)	(587,316)	(587,316)	(587,316)	(587,316)	(587,316)
a 3	2002 Final True-up Refunded per Order PSC-03-0000-AS-EI	0	0	0	(8,051,908)	(8,051,908)	(8,051,908)
b	GPIF, Net of Revenue Taxes (b)	(578,218)	(578,218)	(578,218)	(578,218)	(578,218)	(578,218)
c	Oil Backout Revenues, Net of revenue taxes	(2)	(2)	(25)	(0)	(0)	(2)
3	Jurisdictional Fuel Revenues Applicable to Period	\$ 201,107,640	\$ 198,961,795	\$ 200,305,941	\$ 219,684,873	\$ 242,449,256	\$ 275,560,743
4	a Adjusted Total Fuel Costs & Net Power Transactions (Line A-7)	\$ 220,331,455	\$ 183,481,452	\$ 381,981,674	\$ 250,640,752	\$ 336,123,023	\$ 341,576,691
	b Nuclear Fuel Expense - 100% Retail (Acct. 518 111)	0	0	0	0	0	0
	c RTP Incremental Fuel -100% Retail	(43,241)	(46,853)	33,420	95,378	(28,433)	4,846
	d D&D Fund Payments -100% Retail	0	0	0	0	0	0
	e Adj Total Fuel Costs & Net Power Transactions - Excluding 100% Retail Items (C4a-C4b-C4c-C4d)	220,374,695	183,528,305	381,948,254	250,545,373	336,151,456	341,571,845
5	Jurisdictional Sales % of Total kWh Sales (Line B-6)	99.53562 %	99.46896 %	99.47506 %	99.38217 %	99.42676 %	99.53189 %
6	Jurisdictional Total Fuel Costs & Net Power Transactions (Line C4e x C5 x 1.00049(c)) +(Lines C4b,c,d)	\$ 219,415,561	\$ 182,596,295	\$ 380,162,847	\$ 249,214,815	\$ 334,359,838	\$ 340,144,346
7	True-up Provision for the Month - Over/(Under) Recovery (Line C3 - Line C6)	\$ (18,307,921)	\$ 16,365,500	\$ (179,856,906)	\$ (29,529,943)	\$ (91,910,582)	\$ (64,583,603)
8	Interest Provision for the Month (Line D10)	(94,270)	(93,296)	(172,231)	(266,978)	(322,706)	(361,539)
9	a True-up & Interest Provision Beg. of Period - Over/(Under) Recovery	(7,047,788)	(24,862,663)	(8,003,144)	(187,444,965)	(208,602,661)	(292,196,725)
	b Deferred True-up Beginning of Period - Over/(Under) Recovery	(72,467,176)	(72,467,176)	(72,467,176)	(72,467,176)	(72,467,176)	(72,467,176)
10	a Prior Period True-up Collected/(Refunded) This Period	587,316	587,316	587,316	587,316	587,316	587,316
	b 2002 Final True-up Collected/(Refunded) This Period	0	0	0	8,051,908	8,051,908	8,051,908
11	End of Period Net True-up Amount Over/(Under) Recovery (Lines C7 through C10)	\$ (97,329,839)	\$ (80,470,320)	\$ (259,912,141)	\$ (281,069,837)	\$ (364,663,901)	\$ (420,969,820)
<b>NOTES</b>							
(a) Real Time Pricing (RTP) sales are shown at the Customer Base Load (CBL) kWh. The incremental/incremental kWh sales are excluded.							
(b) The incremental/incremental RTP fuel revenues (net of revenue taxes) are included in jurisdictional fuel revenues.							
(c) Generation Performance Incentive Factor is (RT,049,411) x 98.4289% - See Order No. PSC-03-1764-POP-02.							
(d) Per Estimated Schedule B-2, filed November 4, 2002.							

CALCULATION OF ACTUAL TRUE-UP AMOUNT								
FLORIDA POWER & LIGHT COMPANY								
FOR THE PERIOD JANUARY THROUGH DECEMBER 2003								
LINE NO.	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL PERIOD	
<b>A Fuel Costs &amp; Net Power Transactions</b>								
1 a	Fuel Cost of System Net Generation	\$ 305,103,626	\$ 270,721,196	\$ 374,410,601	\$ 266,663,492	\$ 205,477,717	\$ 184,750,020	\$ 3,026,893,034
b	Incremental Hedging Costs	23,168	57,164	30,721	22,522	32,540	26,134	367,076
c	Nuclear Fuel Disposal Costs	1,990,096	2,048,395	2,044,636	1,592,645	1,946,203	1,830,992	21,867,814
d	Coal Cans Depreciation & Return	270,431	268,699	266,966	265,233	263,501	261,768	3,255,570
e	Gas Pipelines Depreciation & Return	167,718	166,296	164,874	163,452	162,031	160,609	2,020,823
f	DOE D&D Fund Payment	0	0	0	0	6,077,275	0	6,077,275
2 a	Fuel Cost of Power Sold (Per A6)	(2,894,541)	(3,528,375)	(3,455,577)	(1,963,701)	(6,052,220)	(17,155,546)	(71,831,565)
b	Revenues from Off-System Sales	(341,263)	(528,348)	(543,259)	(339,373)	(1,609,471)	(4,420,173)	(17,827,648)
3 a	Fuel Cost of Purchased Power (Per A7)	28,333,960	25,850,471	26,386,610	23,797,923	18,969,882	13,713,574	272,237,624
b	Energy Payments to Qualifying Facilities (Per A8)	13,492,687	13,448,483	13,179,596	9,259,954	10,341,868	12,627,352	140,772,409
c	Cypress Settlement Payment	0	0	0	0	0	0	255,797
d	Okeelanta Settlement Amortization including interest	806,355	806,478	805,922	805,109	803,694	803,148	9,715,135
4	Energy Cost of Economy Purchases (Per A9)	12,520,952	11,098,073	14,380,869	12,759,606	11,765,946	5,752,084	109,208,957
5	Total Fuel Costs & Net Power Transactions	\$ 359,473,130	\$ 320,408,472	\$ 327,671,959	\$ 313,026,862	\$ 248,178,965	\$ 198,349,961	\$ 3,503,012,301
<b>Adjustments to Fuel Cost</b>								
a	Sales to Fla Keys Elect Coop (FKEC) & City of Key West (CKW)	(3,934,201)	(4,155,922)	(3,808,697)	(3,644,128)	(3,604,089)	(2,771,474)	(41,986,294)
b	Reactive and Voltage Control / Energy Imbalance Fuel Revenues	5,786	8,575	10,393	(4,138)	(4,027)	(13,006)	(455,459)
c	Inventory Adjustments	77,271	259,042	45,730	(50,755)	(57,964)	(43,201)	(1,071,224)
d	Non Recoverable Oil/Tank Bottoms	0	0	0	0	0	0	60,265
7	Adjusted Total Fuel Costs & Net Power Transactions	\$ 355,621,985	\$ 316,520,167	\$ 323,919,384	\$ 309,327,842	\$ 244,512,884	\$ 195,522,280	\$ 3,459,559,589
<b>B kWh Sales</b>								
1	Jurisdictional kWh Sales (RTP @ CBL) (a)	9,332,603,999	9,223,379,666	9,347,439,851	8,815,192,242	8,092,460,610	7,703,539,787	99,501,319,958
2	Sale for Resale (excluding FKEC & CKW)	39,109,282	42,889,072	40,994,892	43,068,044	37,996,734	39,111,657	492,616,719
3	Sub-Total Sales (excluding FKEC & CKW)	9,371,713,281	9,266,268,738	9,388,434,743	8,858,260,286	8,130,457,344	7,742,651,444	99,993,936,677
6	Jurisdictional % of Total Sales (B1/B3)	99.58269%	99.53715%	99.56335%	99.51381%	99.53266%	99.49485%	99.50735%
<b>C True-up Calculation</b>								
1	Jurs Fuel Revenues (incl RTP @ CBL) Net of Revenue Taxes	\$ 293,881,101	\$ 330,616,662	\$ 340,593,218	\$ 321,452,663	\$ 294,979,143	\$ 280,548,357	\$ 3,231,290,350
<b>Fuel Adjustment Revenues Not Applicable to Period</b>								
a 1	Blank Line							0.00
a 2	Prior Period True-up (Collected)/Refunded This Period	(587,316)	(587,316)	(587,316)	(587,316)	(587,316)	(587,316)	(7,047,788)
a 3	2002 Final True-up Refunded per Order PSC-03-0000-AS-EI	(8,051,908)	(8,051,908)	(8,051,908)	(8,051,908)	(8,051,908)	(8,051,908)	(72,467,176)
b	GPIF, Net of Revenue Taxes (b)	(578,218)	(578,218)	(578,218)	(578,218)	(578,218)	(578,218)	(6,938,614)
c	Oil Backout Revenues, Net of revenue taxes	2	(1)	4	0	(2)	0	(28)
3	Jurisdictional Fuel Revenues Applicable to Period	\$ 284,663,661	\$ 321,399,219	\$ 331,375,780	\$ 312,235,221	\$ 285,761,700	\$ 271,330,915	\$ 3,144,836,744
4 a	Adjusted Total Fuel Costs & Net Power Transactions (Line A-7)	\$ 355,621,985	\$ 316,520,167	\$ 323,919,384	\$ 309,327,842	\$ 244,512,884	\$ 195,522,280	\$ 3,459,559,589
b	Nuclear Fuel Expense - 100% Retail (Acct. 518.111)	0	0	0	0	0	0	0
c	RTP Incremental Fuel - 100% Retail	37,384	(9,429)	29,218	90,664	(3,444)	20,537	180,048
d	D&D Fund Payments - 100% Retail	0	0	0	0	6,077,275	0	6,077,275
e	Adj Total Fuel Costs & Net Power Transactions - Excluding 100% Retail Items (C4a-C4b-C4c-C4d)	355,584,601	316,529,596	323,890,166	309,237,178	238,439,054	195,501,743	3,453,302,266
5	Jurisdictional Sales % of Total kWh Sales (Line B-6)	99.58269 %	99.53715 %	99.56335 %	99.51381 %	99.53266 %	99.49485 %	99.50735 %
6	Jurisdictional Total Fuel Costs & Net Power Transactions (Line C4e x C5 x 1.0049(c)) + (Lines C4b,c,d)	\$ 354,311,605	\$ 315,209,491	\$ 322,663,131	\$ 307,975,151	\$ 243,514,853	\$ 194,630,015	\$ 3,444,197,949
7	True-up Provision for the Month - Over/(Under) Recovery (Line C3 - Line C6)	\$ (69,647,944)	\$ 6,189,728	\$ 3,712,649	\$ 4,260,070	\$ 42,246,847	\$ 76,700,900	\$ (299,361,205)
8	Interest Provision for the Month (Line D10)	(385,649)	(417,576)	(405,679)	(390,854)	(352,832)	(296,367)	(3,559,977)
9 a	True-up & Interest Provision Beg. of Period - Over/(Under) Recovery	(348,302,644)	(409,897,012)	(395,485,635)	(378,539,442)	(366,031,003)	(315,497,764)	(7,047,788)
b	Deferred True-up Beginning of Period - Over/(Under) Recovery	(72,467,176)	(72,467,176)	(72,467,176)	(72,467,176)	(72,467,176)	(72,467,176)	(72,467,176)
10 a	Prior Period True-up Collected/(Refunded) This Period	587,316	587,316	587,316	587,316	587,316	587,316	7,047,788
b	2002 Final True-up Collected/(Refunded) This Period	8,051,908	8,051,908	8,051,908	8,051,908	8,051,908	8,051,908	72,467,176
11	End of Period Net True-up Amount Over/(Under) Recovery (Lines C7 through C10)	\$ (482,364,188)	\$ (467,952,812)	\$ (451,006,618)	\$ (438,498,179)	\$ (387,964,940)	\$ (302,921,183)	\$ (302,921,183)
<b>NOTES</b>								
(a) Real Time Pricing (RTP) rates are shown at the Customer Base Load (CBL) KW/E. The incremental/incremental kWh rates are excluded.								
(b) The incremental/incremental RTP fuel revenues (net of revenue taxes) are included in jurisdictional fuel revenues.								
(c) Generative Performance Incentive Payout is \$(51,049,431) ± 98.4286% - See Order No. PSC-02-1761-POP-EL.								
(d) For Estimated Schedule E-2, filed November 4, 2002.								

FLORIDA POWER & LIGHT COMPANY  
 FUEL COST RECOVERY CLAUSE  
 CALCULATION OF VARIANCE - ACTUAL vs ESTIMATED/ACTUAL  
 FOR THE PERIOD JANUARY THROUGH DECEMBER 2003

LINE NO.	(1) ACTUAL	(2) ESTIMATED / ACTUAL (a)	(3) VARIANCE		(4)
			AMOUNT	%	
<b>A Fuel Costs &amp; Net Power Transactions</b>					
1	a Fuel Cost of System Net Generation	\$ 3,026,893,034	\$ 3,098,365,746	\$ (71,472,712)	(2.3) %
	b Incremental Hedging Implementation Costs	367,076	385,994	(18,918)	(4.9) %
	c Nuclear Fuel Disposal Costs	21,867,814	21,908,055	(40,241)	(0.2) %
	d Coal Cars Depreciation & Return	3,255,570	3,255,570	0	0.0 %
	e Gas Pipelines Depreciation & Return	2,020,823	2,020,823	0	0.0 %
	f DOE D&D Fund Payment	6,077,275	6,475,000	(397,725)	(6.1) %
2	a Fuel Cost of Power Sold (Per A6)	(71,831,565)	(78,009,460)	6,177,895	(7.9) %
	b Revenues from Off-System Sales	(17,827,648)	(13,091,111)	(4,736,537)	36.2 %
3	a Fuel Cost of Purchased Power (Per A7)	272,237,624	253,413,971	18,823,653	7.4 %
	b Energy Payments to Qualifying Facilities (Per A8)	140,772,409	143,691,143	(2,918,734)	(2.0) %
	c Cypress Settlement Payment	255,797	255,797	0	0.0 %
	d Okeelanta Settlement Amortization including interest	9,715,135	9,708,785	6,350	0.1 %
4	Energy Cost of Economy Purchases (Per A9)	109,208,957	74,936,176	34,272,781	45.7 %
5	Total Fuel Costs & Net Power Transactions	\$ 3,503,012,301	\$ 3,523,316,489	\$ (20,304,188)	(0.6) %
<b>6 Adjustments to Fuel Cost</b>					
	a Sales to Fla Keys Elect Coop (FKEC) & City of Key West (CKW)	\$ (41,986,294)	\$ (37,389,545)	\$ (4,596,749)	12.3 %
	b Reactive and Voltage Control Fuel Revenue	(455,459)	(459,042)	3,583	(0.8) %
	c Inventory Adjustments	(1,071,224)	(1,301,346)	230,122	(17.7) %
	d Non Recoverable Oil/Tank Bottoms	60,265	60,265	0	0.0 %
7	Adjusted Total Fuel Costs & Net Power Transactions	\$ 3,459,559,589	\$ 3,484,226,823	\$ (24,667,232)	(0.7) %
<b>B</b>					
1	Jurisdictional kWh Sales	99,501,319,958	98,853,280,793	648,039,165	0.7 %
2	Sale for Resale	492,616,719	454,992,038	37,624,681	8.3 %
3	Total Sales (Excluding RTP Incremental)	99,993,936,677	99,308,272,831	685,663,846	0.7 %
4	Jurisdictional Sales % of Total kWh Sales (Line B-6)	N/A	N/A	N/A	N/A
<b>C True-up Calculation</b>					
1	Juris Fuel Revenues (Incl RTP @ CBL) Net of Revenue Taxes	\$ 3,231,290,350	3,215,151,449	\$ 16,138,901	0.5 %
<b>2 Fuel Adjustment Revenues Not Applicable to Period</b>					
a 1	Prior Period True-up (Collected)/Refunded This Period	(7,047,788)	(7,047,788)	0	0.0 %
a 2	2002 Final True-up Refunded per Order PSC-03-0381-PCO-EI	(72,467,176)	(72,467,176)	0	0.0 %
	b GPIF, Net of Revenue Taxes (b)	(6,938,614)	(6,938,614)	0	0.0 %
	c Oil Backout Revenues, Net of revenue taxes	(28)	(31)	3	(10.7) %
3	Jurisdictional Fuel Revenues Applicable to Period	\$ 3,144,836,744	\$ 3,128,697,839	\$ 16,138,905	0.5 %
4	a Adjusted Total Fuel Costs & Net Power Transactions (Line A-7)	\$ 3,459,559,589	\$ 3,484,226,823	(24,667,234)	(0.7) %
	b Nuclear Fuel Expense - 100% Retail	-	-	0	N/A
	c RTP Incremental Fuel -100% Retail	180,048	15,118	164,930	1090.9 %
	d D&D Fund Payments -100% Retail (Line A 1 e)	6,077,275	6,475,000	(397,725)	(6.1) %
	e Adj. Total Fuel Costs & Net Power Transactions - Excluding 100% Retail Items (D4a-D4b-D4c-D4d)	3,453,302,266	3,477,736,705	(24,434,439)	(0.7) %
5	Jurisdictional Sales % of Total kWh Sales	N/A	N/A	N/A	N/A
6	Jurisdictional Total Fuel Costs & Net Power Transactions	\$ 3,444,197,949	\$ 3,469,917,608	\$ (25,719,659)	(0.7) %
7	True-up Provision for the Period- Over/(Under) Recovery (Line C3 - Line C6)	\$ (299,361,205)	(341,219,769)	41,858,564	(12.3) %
8	Interest Provision for the Period	(3,559,977)	(3,510,090)	(49,888)	1.4 %
9	a True-up & Interest Provision Beg. of Period - Over/(Under) Recovery	(7,047,788)	(7,047,788)	0	0.0 %
	b Deferred True-up Beginning of Period - Over/(Under) Recovery	(72,467,176)	(72,467,176)	0	0.0 %
10	a Prior Period True-up Collected/(Refunded) This Period	7,047,788	7,047,788	0	0.0 %
	b 2002 Final True-up Collected/(Refunded) This Period	72,467,176	72,467,176	(0)	0.0 %
11	End of Period Net True-up Amount Over/(Under) Recovery (Lines C7 through C10)	\$ (302,921,183)	(344,729,859)	\$ 41,808,676	(12.1) %

**NOTES** (a) Per Estimated/Actual, Schedule E1b, filed August 12, 2003.  
 (b) Generation Performance Incentive Factor is ((\$7,049,431) x 98.4280%) - See Order No. PSC-02-1761-FOF-EI.

**APPENDIX II**  
**CAPACITY COST RECOVERY**  
**TRUE UP CALCULATION**

**KMD-2**  
**DOCKET NO. 040001-EI**  
**FPL WITNESS: K.M. DUBIN**  
**February 23, 2004**



**APPENDIX II**  
**CAPACITY COST RECOVERY**  
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<b>6</b>	<b>CALCULATION OF FINAL TRUE UP VARIANCES</b>

**FLORIDA POWER & LIGHT COMPANY  
CAPACITY COST RECOVERY CLAUSE  
SUMMARY OF NET TRUE-UP FOR THE  
PERIOD JANUARY THROUGH DECEMBER 2003**

1.	End of Period True-up for the period January through December 2003 (from page 5, lines 17 & 18)	\$ 8,998,342
2.	Less - Estimated/Actual True-up for the same period *	16,048,425
3.	Net True-up for the period January through December 2003	<u>\$ (7,050,083)</u>

( ) Reflects Underrecovery

\* Approved in FPSC Order No. PSC-03-1461-FOF-EI dated December 22, 2003

CAPACITY COST RECOVERY CLAUSE CALCULATION OF FINAL TRUE-UP AMOUNT FOR THE PERIOD JANUARY THROUGH DECEMBER 2003							
LINE NO.	(1) JAN 2003	(2) FEB 2003	(3) MAR 2003	(4) APR 2003	(5) MAY 2003	(6) JUN 2003	
1.	Payments to Non-cogenerators (UPS & SJRPF)	\$15,596,426	\$15,990,408	\$14,684,403	\$15,133,064	\$14,649,614	\$15,005,398
2.	Short Term Capacity Payments	6,245,451	6,245,451	4,361,584	4,490,250	6,995,796	15,128,009
3.	Payments to Cogenerators (QFs)	27,481,162	28,207,963	28,961,670	29,873,286	34,695,552	28,990,956
4a.	SJRPF Suspension Accrual	586,656	586,656	586,656	586,656	586,656	586,656
4b.	Return on SJRPF Suspension Liability	(229,653)	(235,428)	(241,204)	(246,979)	(252,755)	(258,531)
5a.	Cypress Settlement (Capacity)	0	0	0	0	353,244	0
5b.	Okechanta Settlement (Capacity)	3,078,016	3,072,620	3,064,546	3,058,320	3,057,020	3,044,234
6.	Incremental Plant Security Costs-Order No. PSC-02-1761	113,771	832,709	1,151,391	787,976	769,376	709,694
7.	Transmission of Electricity by Others	708,540	726,582	967,321	1,113,810	744,916	497,782
8.	Transmission Revenues from Capacity Sales	(853,648)	(676,765)	(153,736)	(226,606)	(243,744)	(329,412)
9.	Total (Lines 1 through 8)	\$ 52,726,720	\$ 54,750,196	\$ 53,382,631	\$ 54,589,777	\$ 61,355,676	\$ 63,374,786
10.	Jurisdictional Separation Factor (a)	99.017429%	99.017429%	99.017429%	99.017429%	99.017429%	99.017429%
11.	Jurisdictional Capacity Charges	52,208,638	54,212,232	52,858,104	54,053,389	60,752,807	62,752,078
12.	Capacity related amounts included in Base Rates (EPSC Portion Only) (b)	(4,745,466)	(4,745,466)	(4,745,466)	(4,745,466)	(4,745,466)	(4,745,466)
13.	Jurisdictional Capacity Charges Authorized	\$ 47,463,172	\$ 49,466,766	\$ 48,112,638	\$ 49,307,923	\$ 56,007,341	\$ 58,006,612
14.	Capacity Cost Recovery Revenues (Net of Revenue Taxes)	\$ 45,289,301	\$ 44,889,661	\$ 44,494,357	\$ 44,357,710	\$ 47,550,317	\$ 52,878,607
15.	Prior Period True-up Provision	3,434,618	3,434,618	3,434,618	3,434,618	3,434,618	3,434,618
16.	Capacity Cost Recovery Revenues Applicable to Current Period (Net of Revenue Taxes)	\$ 48,723,919	\$ 48,324,279	\$ 47,928,975	\$ 47,792,328	\$ 50,984,935	\$ 56,313,225
17.	True-up Provision for Month - Over/(Under) Recovery (Line 16 - Line 13)	1,260,747	(1,142,487)	(183,663)	(1,515,596)	(5,022,407)	(1,693,387)
18.	Interest Provision for Month	56,326	51,960	46,008	40,687	34,539	25,582
19.	True-up & Interest Provision Beginning of Month - Over/(Under) Recovery	41,215,416	39,097,870	34,572,726	31,000,453	26,090,927	17,668,441
20.	Deferred True-up - Over/(Under) Recovery	12,676,723	12,676,723	12,676,723	12,676,723	12,676,723	12,676,723
21.	Prior Period True-up Provision - Collected/(Refunded) this Month	(3,434,618)	(3,434,618)	(3,434,618)	(3,434,618)	(3,434,618)	(3,434,618)
22.	End of Period True-up - Over/(Under) Recovery (Sum of Lines 17 through 21)	\$ 51,774,593	\$ 47,249,449	\$ 43,677,176	\$ 38,767,650	\$ 30,345,164	\$ 25,242,741
Notes:							
(a) Per E. M. Dublin's Testimony Appendix III Page 5, filed November 4, 2002.							
(b) Per EPSC Order No. PSC-04-1092-FOU-EL, Docket No. 040001-EL, as adjusted in August 1995, per E.L. Hoffman's Testimony Appendix IV, Docket No. 950001-EL, filed July 8, 1995.							
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CAPACITY COST RECOVERY CLAUSE								
CALCULATION OF FINAL TRUE-UP AMOUNT								
FOR THE PERIOD JANUARY THROUGH DECEMBER 2003								
LINE NO.	(7) JUL 2003	(8) AUG 2003	(9) SEP 2003	(10) OCT 2003	(11) NOV 2003	(12) DEC 2003	(13) TOTAL	
1.	Payments to Non-cogenerators (UPS & SJRPP)	\$16,208,389	\$14,803,677	\$14,029,336	\$16,232,538	\$15,455,862	\$14,017,230	\$181,826,345
2.	Short Term Capacity Payments	15,063,510	14,822,310	8,447,380	3,758,876	3,873,799	6,156,400	95,588,816
3.	Payments to Cogenerators (QFs)	28,863,092	28,838,119	28,826,788	28,844,161	29,156,890	29,110,184	351,849,823
4a.	SJRPP Suspension Accrual	586,656	586,656	586,656	586,656	586,656	586,656	7,039,872
4b.	Return on SJRPP Suspension Liability	(264,306)	(270,082)	(275,857)	(281,633)	(287,409)	(293,184)	(3,137,021)
5a.	Cypress Settlement (Capacity)	0	0	0	0	0	0	353,244
5b.	Okeelanta Settlement (Capacity)	3,033,431	3,033,895	3,031,801	3,028,744	3,023,422	3,021,365	36,547,413
6.	Incremental Plant Security Costs-Order No. PSC-02-1761	868,722	1,285,560	1,227,623	738,069	222,684	605,027	9,312,602
7.	Transmission of Electricity by Others	476,575	512,334	454,678	531,831	489,636	606,800	7,830,805
8.	Transmission Revenues from Capacity Sales	(269,550)	(289,278)	(394,001)	(98,474)	(413,838)	(978,149)	(4,927,201)
9.	Total (Lines 1 through 8)	\$64,566,518	\$63,323,191	\$55,934,404	\$53,340,768	\$52,107,702	\$52,832,329	\$ 682,284,698
10.	Jurisdictional Separation Factor (s)	99.01742%	99.01742%	99.01742%	99.01742%	99.01742%	99.01742%	N/A
11.	Jurisdictional Capacity Charges	63,932,101	62,700,990	55,384,803	52,816,652	51,595,702	52,313,209	675,580,705
12.	Capacity related amounts included in Base Rates (FPSC Portion Only) (b)	(4,745,466)	(4,745,466)	(4,745,466)	(4,745,466)	(4,745,466)	(4,745,466)	(56,945,592)
13.	Jurisdictional Capacity Charges Authorized	\$59,186,635	\$57,955,524	\$50,639,337	\$48,071,186	\$46,850,236	\$47,567,743	\$ 618,635,113
14.	Capacity Cost Recovery Revenues (Net of Revenue Taxes)	\$54,379,742	\$53,846,880	\$54,260,963	\$51,682,946	\$47,641,729	\$44,779,506	\$ 586,051,718
15.	Prior Period True-up Provision	3,434,618	3,434,618	3,434,618	3,434,618	3,434,618	3,434,618	41,215,416
16.	Capacity Cost Recovery Revenues Applicable to Current Period (Net of Revenue Taxes)	\$57,814,360	\$57,281,498	\$57,695,581	\$55,117,564	\$51,076,347	\$48,214,124	\$ 627,267,134
17.	True-up Provision for Month - Over/(Under) Recovery (Line 16 - Line 13)	(1,372,275)	(674,026)	7,056,243	7,046,378	4,226,111	646,382	8,632,021
18.	Interest Provision for Month	19,509	16,178	16,053	19,172	20,523	19,784	366,321
19.	True-up & Interest Provision Beginning of Month - Over/(Under) Recovery	12,566,018	7,778,634	3,686,168	7,323,847	10,954,778	11,766,794	41,215,416
20.	Deferred True-up - Over/(Under) Recovery	12,676,723	12,676,723	12,676,723	12,676,723	12,676,723	12,676,723	12,676,723
21.	Prior Period True-up Provision - Collected/(Refunded) this Month	(3,434,618)	(3,434,618)	(3,434,618)	(3,434,618)	(3,434,618)	(3,434,618)	(41,215,416)
22.	End of Period True-up - Over/(Under) Recovery (Sum of Lines 17 through 21)	\$20,455,357	\$16,362,891	\$20,000,570	\$23,631,501	\$24,443,517	\$21,675,065	\$ 21,675,065
No Notes								
(a) For E. M. Dublin's Testimony Appendix III Page 5, filed November 4, 2002.								
(b) For FPSC Order No. PSC-04-1892-FOF-III, Docket No. 040001-EE, as adjusted in August 1995, per E.L. Hoffman's Testimony Appendix IV, Docket No. 030001-EE, filed July 3, 1995.								
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**FLORIDA POWER & LIGHT COMPANY  
CAPACITY COST RECOVERY CLAUSE  
CALCULATION OF FINAL TRUE-UP VARIANCES  
FOR THE PERIOD JANUARY THROUGH DECEMBER 2003**

Line No.		(1)	(2)	(3)	(4)
		ACTUAL	ESTIMATED / ACTUAL (a)	VARIANCE AMOUNT	%
1	Payments to Non-cogenerators (UPS & SJRPP)	\$ 181,826,345	\$ 174,307,675	\$ 7,518,670	4.3 %
2	Short Term Capacity Payments	\$ 95,588,816	94,397,361	1,191,455	1.3 %
3	Payments to Cogenerators (QF's)	351,849,823	350,923,536	926,287	0.3 %
4a	SJRPP Suspension Accrual	7,039,872	7,039,872	0	0.0 %
4b	Return Requirements on SJRPP Suspension Liability	(3,137,021)	(3,137,021)	0	(0.0) %
5a	Cypress Settlement (Capacity)	353,244	353,244	0	0.0 %
5b	Okeelanta Settlement (Capacity)	36,547,413	36,523,524	23,889	0.1 %
6	Incremental Plant Security Costs-Order No. PSC-02-1761	9,312,602	10,258,750	(946,148)	(9.2) %
7	Transmission of Electricity by Others	7,830,805	8,382,284	(551,479)	(6.6) %
8	Transmission Revenues from Capacity Sales	(4,927,201)	(5,179,411)	252,210	(4.9) %
9	Total (Lines 1 through 8)	\$ 682,284,698	\$ 673,869,814	\$ 8,414,884	1.2 %
10	Jurisdictional Separation Factor	N/A	N/A	N/A	N/A
11	Jurisdictional Capacity Charges	\$ 675,580,705	\$ 667,248,505	\$ 8,332,200	1.2 %
12	Capacity related amounts included in Base Rates (FPSC Portion Only) (b)	\$ (56,945,592)	(56,945,592)	0	N/A
13	Jurisdictional Capacity Charges Authorized for Recovery through CCR Clause	\$ 618,635,113	\$ 610,302,913	\$ 8,332,200	1.4 %
14	Capacity Cost Recovery Revenues (Net of Revenue Taxes)	\$ 586,051,718	\$ 584,746,334	\$ 1,305,384	0.2 %
15	Prior Period True-up Provision	41,215,416	41,215,416	0	N/A
16	Capacity Cost Recovery Revenues Applicable to Current Period (Net of Revenue Taxes)	\$ 627,267,134	\$ 625,961,750	\$ 1,305,384	0.2 %
17	True-up Provision for Period - Over/(Under) Recovery (Line 16 - Line 13)	\$ 8,632,021	\$ 15,658,837	\$ (7,026,816)	N/A
18	Interest Provision for Period	366,321	389,587	(23,266)	N/A
19	True-up & Interest Provision Beginning of Period - Over/(Under) Recovery	41,215,416	41,215,416	(0)	N/A
20	Deferred True-up - Over/(Under) Recovery	12,676,723	12,676,723	0	N/A
21	Prior Period True-up Provision - Collected/(Refunded) this Period	(41,215,416)	(41,215,416)	0	N/A
22	End of Period True-up - Over/(Under) Recovery (Sum of Lines 17 through 21)	\$ 21,675,065	\$ 28,725,147	\$ (7,050,083)	(24.5) %
<b>Notes:</b>					
(a) Per K. M. Dubin's Testimony Appendix II, Page 4, Docket No. 030001-EI, filed August 12, 2003.					
(b) Per FPSC Order No. PSC-04-1092-FOF-EI, Docket No. 040001-EI, as adjusted in August 1993, per E.L. Hoffman's Testimony Appendix IV, Docket No. 030001-EI, filed July 8, 1993.					