

**BEFORE THE FLORIDA  
PUBLIC SERVICE COMMISSION**

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

**APRIL 1, 2004**

**IN RE: LEVELIZED FUEL COST RECOVERY  
AND CAPACITY COST RECOVERY**

**HEDGING ACTIVITY  
JANUARY 2003 THROUGH DECEMBER 2003**

**TESTIMONY & EXHIBITS OF:**

**G. J. YUPP**

DOCUMENT NUMBER-DATE

04172 APR-18

FPSC-COMMISSION CLERK

1  
2  
3  
4  
5  
  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**FLORIDA POWER & LIGHT COMPANY**

**TESTIMONY OF GERARD YUPP**

**DOCKET NO. 040001-EI**

**APRIL 1, 2004**

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

A. My name is Gerard Yupp. My business address is 700 Universe Boulevard, North Palm Beach, Florida, 33408.

**Q. By whom are you employed and what is your position?**

A. I am employed by Florida Power & Light Company (FPL) as Manager of Regulated Wholesale Power Trading in the Energy Marketing and Trading Division.

**Q. Have you testified in the prior Fuel and Purchased Power Cost Recovery docket?**

A. Yes.

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

A. The purpose of my testimony is to provide a review of FPL's 2003 hedging activity, including the detail required by Item 5 of the Resolution of Issues in Docket 011605-EI approved by the Florida

1 Public Service Commission per Order No. PSC-02-1484-FOF-EI,  
2 which states:

3 "5. Each investor-owned utility shall provide, as part of its  
4 final true-up filing in the fuel and purchased power cost  
5 recovery docket, the following information: (1) the volumes of  
6 each fuel the utility actually hedged using a fixed price  
7 contract or instrument; (2) the types of hedging instruments  
8 the utility used, and the volume and type of fuel associated  
9 with each type of instrument; (3) the average period of each  
10 hedge; and (4) the actual total cost (e.g. fees, commissions,  
11 options premiums, futures gains and losses, swaps  
12 settlements) associated with using each type of hedging  
13 instrument".

14

15 **Q. Are you sponsoring an exhibit for this proceeding?**

16 **A.** Yes. It consists of the following document:

17 GJY-1: 2003 Hedging Activity

18

19 **Q. Please describe FPL's hedging objectives.**

20 **A.** FPL's fuel procurement strategy aims to benefit FPL's customers by  
21 reducing fuel price volatility and, to the extent possible, mitigating  
22 fuel price increases, while maintaining the opportunity to take  
23 advantage of price decreases in the marketplace.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**Q. Please summarize FPL's 2003 hedging activity.**

A. Throughout the first half of 2003, FPL continued to develop a more robust hedging program by acquiring new systems and personnel to expand and enhance its hedging capabilities. Consistent with the hedging strategy that was described in FPL's presentation to the Staff and the parties on June 30, 2003, FPL implemented its expanded hedging program in the summer of 2003.

The results of FPL's 2003 hedging activity are presented in Exhibit GJY-1. FPL's 2003 hedging activities helped to reduce fuel price volatility and deliver greater price certainty for FPL's customers. FPL will continue to constantly monitor the fundamentals of the energy markets and as conditions change, FPL will make further adjustments to its hedging program to meet FPL's objective of reduced fuel price volatility. FPL also will continue to utilize the additional resources (systems and personnel) it acquired as a result of Order PSC-02-1484-FOF-EI issued on October 30, 2002, to meet its goals and the goals of its customers.

**Q. Does your Exhibit GJY-1 provide the detail on FPL's 2003 hedging activities required by Item 5 of the Resolution of Issues?**

1 A. Yes.

2

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

4 A. Yes, it does.

## **2003 Hedging Results**

**GJY-1**  
**Docket No. 040001-EI**  
**FPL Witness: Gerard Yupp**  
**Pages 1 – 39**  
**April 1, 2004**

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL NATURAL GAS PROCUREMENT</u>				<u>GAIN/(LOSS)</u>
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	
TOTAL YEAR 2003	FIXED PRICE TRANSACTIONS STORAGE OIL INVENTORY HEDGE PHYSICAL POWER OPTION PREMIUMS PHYSICAL POWER (EXERCISED OPTIONS) SWAPS SWING SWAPS OVER-THE-COUNTER OPTIONS BROKER FEES					
	AVERAGE PERIOD OF HEDGE (Days) - PHYSICAL					
	AVERAGE PERIOD OF HEDGE (Days) - FINANCIAL					

Note: Natural gas option premiums are not included in the Gain/(Loss) figures. Natural gas option premiums are noted separately.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL HEAVY FUEL OIL PROCUREMENT</u>				<u>GAIN/(LOSS)</u>
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>WITHDRAW VOLUME</u>	
TOTAL YEAR 2003	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					
	AVERAGE PERIOD OF HEDGE (Days) - PHYSICAL					
	AVERAGE PERIOD OF HEDGE (Days) - FINANCIAL					



**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>ELECTRICITY</u>			
		<u>PURCHASES</u>	<u>SALES</u>	<u>SAVINGS</u>	<u>GAINS</u>
TOTAL YEAR 2003	FIXED PRICE TRANSACTIONS				
	STORAGE				
	OIL INVENTORY HEDGE				
	PHYSICAL POWER OPTION PREMIUMS				
	PHYSICAL POWER (EXERCISED OPTIONS)				
	SWAPS				
	SWING SWAPS				
	OVER-THE-COUNTER OPTIONS				
	BROKER FEES				
	AVERAGE PERIOD OF HEDGE (Days) - PHYSICAL				
AVERAGE PERIOD OF HEDGE (Days) - FINANCIAL					

Note: Physical power option premium volumes represent the total available volume. Physical power option exercised volumes represent the actual volumes called upon.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL NATURAL GAS PROCUREMENT</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>GAIN/(LOSS)</u>
JAN-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Natural gas option premiums are not included in the Gain/(Loss) figures. Natural gas option premiums are noted separately.

**CONFIDENTIAL**

**FPL HEAVY FUEL OIL PROCUREMENT**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>WITHDRAW VOLUME</u>	<u>GAIN/(LOSS)</u>
JAN-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>ELECTRICITY</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>SAVINGS</u>	<u>GAINS</u>
JAN-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Physical power option premium volumes represent the total available volume. Physical power option exercised volumes represent the actual volumes called upon.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	FPL NATURAL GAS PROCUREMENT				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>GAIN/(LOSS)</u>
FEB-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Natural gas option premiums are not included in the Gain/(Loss) figures. Natural gas option premiums are noted separately.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL HEAVY FUEL OIL PROCUREMENT</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>WITHDRAW VOLUME</u>	<u>GAIN/(LOSS)</u>
FEB-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>ELECTRICITY</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>SAVINGS</u>	<u>GAINS</u>
FEB-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Physical power option premium volumes represent the total available volume. Physical power option exercised volumes represent the actual volumes called upon.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL NATURAL GAS PROCUREMENT</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>GAIN/(LOSS)</u>
MAR-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Natural gas option premiums are not included in the Gain/(Loss) figures. Natural gas option premiums are noted separately.



**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	FPL HEAVY FUEL OIL PROCUREMENT			<u>GAIN/(LOSS)</u>
		<u>PURCHASES</u>	<u>SALES</u>	<u>WITHDRAW VOLUME</u>	
MAR-03	FIXED PRICE TRANSACTIONS				
	STORAGE				
	OIL INVENTORY HEDGE				
	PHYSICAL POWER OPTION PREMIUMS				
	PHYSICAL POWER (EXERCISED OPTIONS)				
	SWAPS				
	SWING SWAPS				
	OVER-THE-COUNTER OPTIONS				
	BROKER FEES				

CONFIDENTIAL

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>ELECTRICITY</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>SAVINGS</u>	<u>GAINS</u>
MAR-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Physical power option premium volumes represent the total available volume. Physical power option exercised volumes represent the actual volumes called upon.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL NATURAL GAS PROCUREMENT</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>GAIN/(LOSS)</u>
APR-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Natural gas option premiums are not included in the Gain/(Loss) figures. Natural gas option premiums are noted separately.

**CONFIDENTIAL**

**FPL HEAVY FUEL OIL PROCUREMENT**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>WITHDRAW VOLUME</u>	<u>GAIN/(LOSS)</u>
APR-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>ELECTRICITY</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>SAVINGS</u>	<u>GAINS</u>
APR-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Physical power option premium volumes represent the total available volume. Physical power option exercised volumes represent the actual volumes called upon.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL NATURAL GAS PROCUREMENT</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>GAIN/(LOSS)</u>
MAY-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Natural gas option premiums are not included in the Gain/(Loss) figures. Natural gas option premiums are noted separately.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL HEAVY FUEL OIL PROCUREMENT</u>			<u>GAIN/(LOSS)</u>
		<u>PURCHASES</u>	<u>SALES</u>	<u>WITHDRAW VOLUME</u>	
MAY-03	FIXED PRICE TRANSACTIONS				
	STORAGE				
	OIL INVENTORY HEDGE				
	PHYSICAL POWER OPTION PREMIUMS				
	PHYSICAL POWER (EXERCISED OPTIONS)				
	SWAPS				
	SWING SWAPS				
	OVER-THE-COUNTER OPTIONS				
	BROKER FEES				

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>ELECTRICITY</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>SAVINGS</u>	<u>GAINS</u>
MAY-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Physical power option premium volumes represent the total available volume. Physical power option exercised volumes represent the actual volumes called upon.



**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL NATURAL GAS PROCUREMENT</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>GAIN/(LOSS)</u>
JUN-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Natural gas option premiums are not included in the Gain/(Loss) figures. Natural gas option premiums are noted separately.

**CONFIDENTIAL**

**FPL HEAVY FUEL OIL PROCUREMENT**

PERIOD  
JUN-03

INSTRUMENT

PURCHASES

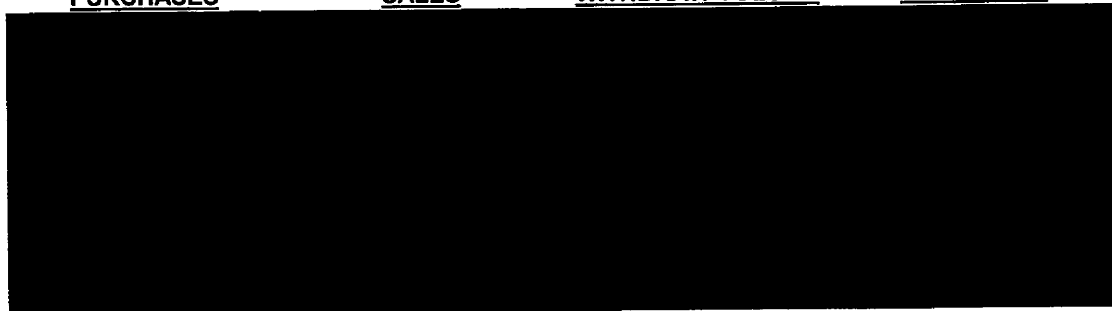
VOLUME

SALES

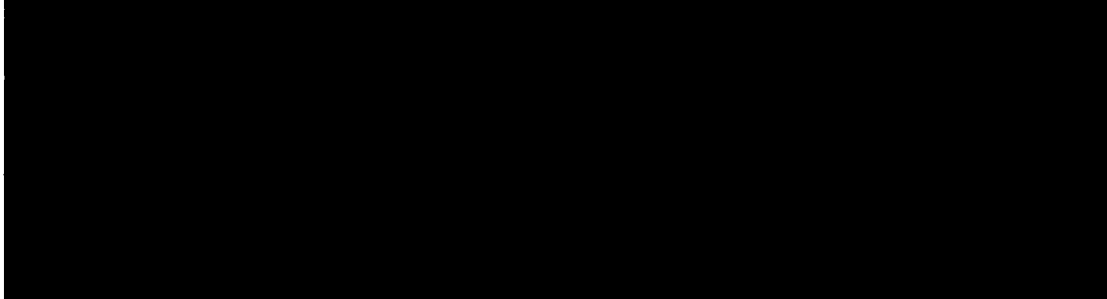
WITHDRAW VOLUME

GAIN/(LOSS)

FIXED PRICE TRANSACTIONS  
STORAGE  
OIL INVENTORY HEDGE  
PHYSICAL POWER OPTION PREMIUMS  
PHYSICAL POWER (EXERCISED OPTIONS)  
SWAPS  
SWING SWAPS  
OVER-THE-COUNTER OPTIONS  
BROKER FEES



**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>ELECTRICITY</u>			
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>SAVINGS</u>
JUN-03	FIXED PRICE TRANSACTIONS				
	STORAGE				
	OIL INVENTORY HEDGE				
	PHYSICAL POWER OPTION PREMIUMS				
	PHYSICAL POWER (EXERCISED OPTIONS)				
	SWAPS				
	SWING SWAPS				
	OVER-THE-COUNTER OPTIONS				
	BROKER FEES				

Note: Physical power option premium volumes represent the total available volume. Physical power option exercised volumes represent the actual volumes called upon.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL NATURAL GAS PROCUREMENT</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>GAIN/(LOSS)</u>
JUL-03	FIXED PRICE TRANSACTIONS STORAGE OIL INVENTORY HEDGE PHYSICAL POWER OPTION PREMIUMS PHYSICAL POWER (EXERCISED OPTIONS) SWAPS SWING SWAPS OVER-THE-COUNTER OPTIONS BROKER FEES					

Note: Natural gas option premiums are not included in the Gain/(Loss) figures. Natural gas option premiums are noted separately.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL HEAVY FUEL OIL PROCUREMENT</u>			<u>GAIN/(LOSS)</u>
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	
JUL-03	FIXED PRICE TRANSACTIONS				
	STORAGE				
	OIL INVENTORY HEDGE				
	PHYSICAL POWER OPTION PREMIUMS				
	PHYSICAL POWER (EXERCISED OPTIONS)				
	SWAPS				
	SWING SWAPS				
	OVER-THE-COUNTER OPTIONS				
	BROKER FEES				

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>ELECTRICITY</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>SAVINGS</u>	<u>GAINS</u>
JUL-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Physical power option premium volumes represent the total available volume. Physical power option exercised volumes represent the actual volumes called upon.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL NATURAL GAS PROCUREMENT</u>				<u>GAIN/(LOSS)</u>
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	
AUG-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

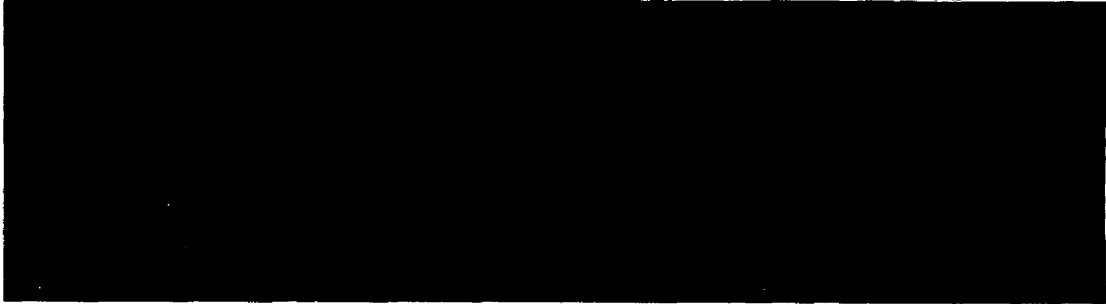
Note: Natural gas option premiums are not included in the Gain/(Loss) figures. Natural gas option premiums are noted separately.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	FPL HEAVY FUEL OIL PROCUREMENT			<u>GAIN/(LOSS)</u>
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	
AUG-03	FIXED PRICE TRANSACTIONS				
	STORAGE				
	OIL INVENTORY HEDGE				
	PHYSICAL POWER OPTION PREMIUMS				
	PHYSICAL POWER (EXERCISED OPTIONS)				
	SWAPS				
	SWING SWAPS				
	OVER-THE-COUNTER OPTIONS				
	BROKER FEES				



**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>ELECTRICITY</u>			
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>SAVINGS</u>
AUG-03	FIXED PRICE TRANSACTIONS STORAGE OIL INVENTORY HEDGE PHYSICAL POWER OPTION PREMIUMS PHYSICAL POWER (EXERCISED OPTIONS) SWAPS SWING SWAPS OVER-THE-COUNTER OPTIONS BROKER FEES				

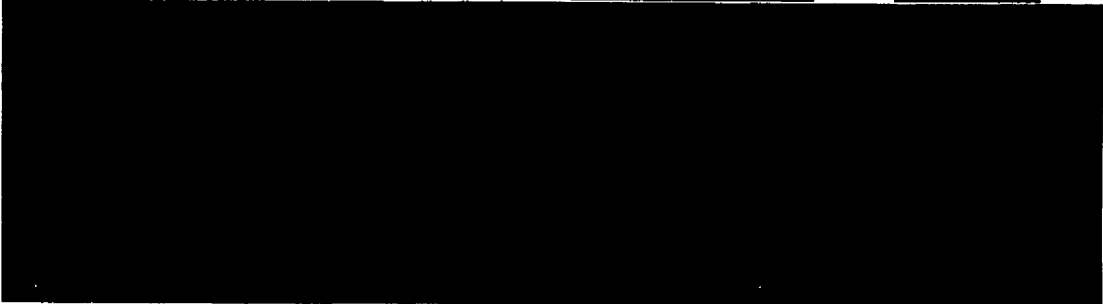
Note: Physical power option premium volumes represent the total available volume. Physical power option exercised volumes represent the actual volumes called upon.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL NATURAL GAS PROCUREMENT</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>GAIN/(LOSS)</u>
SEP-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Natural gas option premiums are not included in the Gain/(Loss) figures. Natural gas option premiums are noted separately.

CONFIDENTIAL

<u>PERIOD</u>	<u>INSTRUMENT</u>	FPL HEAVY FUEL OIL PROCUREMENT				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>WITHDRAW VOLUME</u>	<u>GAIN/(LOSS)</u>
SEP-03	FIXED PRICE TRANSACTIONS STORAGE OIL INVENTORY HEDGE PHYSICAL POWER OPTION PREMIUMS PHYSICAL POWER (EXERCISED OPTIONS) SWAPS SWING SWAPS OVER-THE-COUNTER OPTIONS BROKER FEES					

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>ELECTRICITY</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>SAVINGS</u>	<u>GAINS</u>
SEP-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Physical power option premium volumes represent the total available volume. Physical power option exercised volumes represent the actual volumes called upon.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL NATURAL GAS PROCUREMENT</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>GAIN/(LOSS)</u>
OCT-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Natural gas option premiums are not included in the Gain/(Loss) figures. Natural gas option premiums are noted separately.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL HEAVY FUEL OIL PROCUREMENT</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>WITHDRAW VOLUME</u>	<u>GAIN/(LOSS)</u>
OCT-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>ELECTRICITY</u>			
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>SAVINGS</u>
OCT-03	FIXED PRICE TRANSACTIONS STORAGE OIL INVENTORY HEDGE PHYSICAL POWER OPTION PREMIUMS PHYSICAL POWER (EXERCISED OPTIONS) SWAPS SWING SWAPS OVER-THE-COUNTER OPTIONS BROKER FEES				

Note: Physical power option premium volumes represent the total available volume. Physical power option exercised volumes represent the actual volumes called upon.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL NATURAL GAS PROCUREMENT</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>GAIN/(LOSS)</u>
NOV-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Natural gas option premiums are not included in the Gain/(Loss) figures. Natural gas option premiums are noted separately.



CONFIDENTIAL

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL HEAVY FUEL OIL PROCUREMENT</u>			<u>GAIN/(LOSS)</u>
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	
NOV-03	FIXED PRICE TRANSACTIONS				
	STORAGE				
	OIL INVENTORY HEDGE				
	PHYSICAL POWER OPTION PREMIUMS				
	PHYSICAL POWER (EXERCISED OPTIONS)				
	SWAPS				
	SWING SWAPS				
	OVER-THE-COUNTER OPTIONS				
	BROKER FEES				

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>ELECTRICITY</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>SAVINGS</u>	<u>GAINS</u>
NOV-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Physical power option premium volumes represent the total available volume. Physical power option exercised volumes represent the actual volumes called upon.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>FPL NATURAL GAS PROCUREMENT</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>GAIN/(LOSS)</u>
DEC-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Natural gas option premiums are not included in the Gain/(Loss) figures. Natural gas option premiums are noted separately.

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	FPL HEAVY FUEL OIL PROCUREMENT				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>WITHDRAW VOLUME</u>	<u>GAIN/(LOSS)</u>
DEC-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

**CONFIDENTIAL**

<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>ELECTRICITY</u>				
		<u>PURCHASES</u>	<u>VOLUME</u>	<u>SALES</u>	<u>SAVINGS</u>	<u>GAINS</u>
DEC-03	FIXED PRICE TRANSACTIONS					
	STORAGE					
	OIL INVENTORY HEDGE					
	PHYSICAL POWER OPTION PREMIUMS					
	PHYSICAL POWER (EXERCISED OPTIONS)					
	SWAPS					
	SWING SWAPS					
	OVER-THE-COUNTER OPTIONS					
	BROKER FEES					

Note: Physical power option premium volumes represent the total available volume. Physical power option exercised volumes represent the actual volumes called upon.