

R. Wade Litchfield Senior Attorney Florida Authorized House Counsel Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 (561) 691-7135 (Facsimile)

Writer's Direct Dial: (561) 691-7101

May 11, 2004

VIA HAND DELIVERY

Ms. Blanca S. Bayó, Director Division of the Commission Clerk and Administrative Services Florida Public Service Commission Betty Easley Conference Center 2540 Shumard Oak Boulevard, Room 110 Tallahassee, FL 32399-0850

Re: In re: Petition to Determine Need for Turkey Point Unit 5 Power Plant by

Florida Power & Light Company - Docket No. 040206-EI Florida Power & Light Company's Prehearing Statement

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Power & Light Company ("FPL") are an original and fifteen (15) copies of FPL's Prehearing Statement.

Also included in this submittal is a computer diskette containing FPL's Prehearing Statement in Word format. Please contact me if you or your Staff have any questions regarding this filing.

Sincerely,

R. Wade Litchfield

RWL:ec Enclosures

cc: Parties of record w/enclosures

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

| In re: Florida Power & Light Company's |) | Docket No. 040206-EI |
|---|---|----------------------|
| Petition to Determine Need for |) | |
| Turkey Point Unit 5 Electrical Power Plant. |) | Filed: May 11, 2004 |
| |) | |

FLORIDA POWER & LIGHT COMPANY'S PREHEARING STATEMENT

Florida Power & Light Company ("FPL" or the "Company"), pursuant to Order No. PSC-04-0325-PCO-EI, files with the Florida Public Service Commission (the "PSC" or the "Commission"), its Prehearing Statement in connection with the proceeding initiated by FPL for an affirmative determination of need for its Turkey Point Unit 5 electrical power plant, and states:

(a) The names of all known witnesses that may be called by the party, and the subject matter of their testimony;

| Witness | Subject Matter |
|-------------------|---|
| William E. Avera | Description of the impact of purchased power contracts on FPL's financial position; explanation of the method used for quantifying that impact and for accounting for that impact in the economic evaluation of purchased power proposals received in response to the request for proposals (RFP) |
| Moray P. Dewhurst | Description and explanation of the need for minimum requirements related to financial viability and completion and performance security; explanation of why economic evaluation of purchased power proposals must include consideration of the cost of such proposals' impact on FPL's capital structure and explanation of the method used to account for the incremental cost of such impacts |
| Leonardo E. Green | Description of FPL's load forecasting process and the underlying methodologies and assumptions; presentation of the load forecasts used in FPL's 2003 RFP |

| David N. Hicks C. Martin Mennes | Description of the site and unit characteristics for Turkey Point Unit 5; description of FPL's experience with constructing and operating combined cycle units; explanation of the assumptions made for Turkey Point Unit 5 and why those assumptions are reasonable and achievable Overview of the FPL electric system; explanation of the growing imbalance between load and generation in the |
|----------------------------------|--|
| | southeast area of FPL's service territory; description of the transmission-related costs and losses assessments performed as part of the RFP |
| N. Dag Reppen | Description of the evaluation process and results of transmission system-related cost and losses studies for the various portfolios of capacity options to meet FPL's resource need; discussion of the results of the integration studies as they pertain to FPL's proposed Turkey Point Unit 5 |
| Rene Silva | Summary of FPL's Need Study and Appendices; introduction of the other FPL witnesses' testimony; summary of FPL's 2007 capacity need; summary of FPL's assessment of self-build alternatives to meet its 2007 capacity need and FPL's selection of Turkey Point Unit 5 as its next planned generating unit; discussion of FPL's RFP and RFP process; discussion of FPL's evaluation of proposals submitted in response to the RFP and the comparison of these proposals to Turkey Point Unit 5; decision that Turkey Point Unit 5 is the best, most cost-effective alternative to meet FPL's 2007 need; explanation of the adverse consequences to FPL and its customers if FPL's petition to determine need is not granted |
| Steven R. Sim | Explanation of FPL's resource planning process; identification of resource need for 2007 and how this need was determined; explanation of FPL's demand side management (DSM) efforts and explanation of why DSM cannot meet the 2007 resource need; explanation of the |

| | selection of Turkey Point Unit 5 as the next planned generating unit; overview of the proposals received in response to its 2003 RFP; explanation of the evaluation of the proposals including the assignment of cost to transmission losses and the results of FPL's analyses |
|----------------|--|
| Alan S. Taylor | Description of the independent economic evaluation of FPL's power supply options, including the process and tools used to conduct the independent economic evaluation |
| Gerard J. Yupp | Description of fuel supply and transportation for Turkey Point Unit 5, and the long-term fuel supply forecast and transportation cost assumptions used by FPL in its RFP evaluation for project options and outside proposals |

(b) A description of all known exhibits that may be used by the party, whether they may be identified on a composite basis, and the witness sponsoring each;

| Exhibit | Description | Sponsoring Witness(es) |
|---------------------------|--------------------------------|--------------------------|
| Need Study for Electrical | Detailed analysis containing | Dewhurst, Green, Hicks, |
| Power Plant 2007 | (i) a description of the | Mennes, Silva, Sim, Yupp |
| | utility primarily affected; | Reppen |
| | (ii) a description of the | |
| | proposed power plant; (iii) a | |
| | discussion of FPL's need | |
| | for the proposed power | |
| | plant; (iv) a discussion of | |
| | FPL's process for | |
| | determining the best | |
| | available option; (v) a | |
| | discussion of non- | |
| | generating alternatives and | |
| | the effects of DSM efforts | |
| | on the timing and size of the | |
| | proposed plant; (vi) an | |
| | evaluation of the adverse | |
| | consequences that will | |
| | result if the proposed power | |
|] | plant is not added in the size | |
| | or time sought | |

| Need Study App. A. | Interconnection with Other Utilities | Mennes |
|---------------------|--|---------------|
| Need Study App. B. | Unit Capabilities | Silva |
| Need Study App. C. | Computer Models Used in Resource Planning | Green, Sim |
| Need Study App. D. | 2003 RFP | Silva |
| Need Study App. E. | Load Forecast | Green |
| Need Study App. F. | Fuel Forecast | Yupp |
| Need Study App. G. | Financial and Economic Assumptions | Dewhurst |
| Need Study App. H. | 2003 RFP Notices and News Release | Silva |
| Need Study App. I. | 2003 RFP Questions and Answers | Silva |
| Need Study App. J. | Next Planned Generating Unit | Hicks |
| Need Study App. K. | Transmission Integration Cost Estimates | Reppen |
| Need Study App. L. | Transmission Capacity Loss Estimates | Reppen |
| Need Study App. M. | Transmission Capacity and Energy Loss Cost Estimates | Sim |
| Need Study App. N. | Increased Operating Cost Estimates | Reppen |
| Need Study App. O. | Non-Economic Evaluation | Silva |
| Need Study App. P. | Approved DSM Programs | Sim |
| Need Study App. C-1 | Summary of Proposal Information | Sim |
| Need Study App. C-2 | EGEAS Runs for all Portfolios – TP CC 5 | Sim |
| Need Study App. C-3 | EGEAS Runs for all Portfolios – TP 4 CTs & Proposal 4 before Best and Final Offer | Sim |
| Need Study App. C-4 | EGEAS Runs for all Portfolios – TP 4 CTs & Proposal 4 after Best and Final Offer | Sim |
| Need Study App. C-5 | Net Equity Adjustment Calculations for Proposals including Mitigation Adjustment | Dewhurst, Sim |
| AST-1 | Resume of Alan S. Taylor | Taylor |
| AST-2 | Sedway Consulting's Independent Evaluation | Taylor |

| | Report | |
|--------|-----------------------------|----------|
| DNH-1 | Typical 4x1 CC Unit | Hicks |
| | Process Diagram | |
| DNH-2 | FPL Operational Combined | Hicks |
| | Cycle Plants & FPL | |
| | Combined Cycle | |
| 4, | Construction Projects In | |
| * | Progress | |
| DNH-3 | Turkey Point Plant Vicinity | Hicks |
| | Map | |
| DNH-4 | Turkey Point Unit 5 | Hicks |
| | Proposed Power Block Area | |
| DNH-5 | Turkey Point Unit 5 Fact | Hicks |
| | Sheet | |
| DNH-6 | Overall Water Balance for | Hicks |
| | the Turkey Point Site | |
| DNH-7 | Turkey Point Unit 5 | Hicks |
| | Expected Construction | |
| | Schedule | |
| DNH-8 | Turkey Point Unit 5 | Hicks |
| | Construction Cost | |
| | Components | |
| LEG-1 | FPL 2003 Mix of Revenue | Green |
| | Classes | |
| LEG-2 | Net Energy for Load | Green |
| LEG-3 | Summer Peak | Green |
| LEG-4 | Winter Peak | Green |
| LEG-5 | Total Customers | Green |
| LEG-6 | Net Energy for Load Per | Green |
| | Customer | |
| LEG-7 | Summer Peak Per Customer | Green |
| LEG-8 | Winter Peak Per Customer | Green |
| LEG-9 | Comparison of Summer | Green |
| | Peak Forecasts | |
| LEG-10 | Comparison of Winter Peak | Green |
| | Forecasts | |
| LEG-11 | Comparison of Net Energy | Green |
| | for Load Forecasts | |
| LEG-12 | Comparison of Customer | Green |
| | Forecasts | |
| LEG-13 | 2003 Forecast Variances | Green . |
| MPD-1 | Standard and Poor's (S&P) | Dewhurst |
| | article: Research: Energy | |
| | Merchant Debt Prospects: | |
| | When "Worst-Case" | |

| | Scenarios Become the | |
|-------|--|--------|
| | "Base Case," February 2, 2004. | |
| NDR-1 | Summary of Requirements and Cost for Upgrades or New Construction | Reppen |
| NDR-2 | Transmission Loss Estimates | Reppen |
| NDR-3 | Increased Operating Cost Estimates in Southeast Florida | Reppen |
| RS-1 | A list of the four organizations that responded to FPL's RFP, and the number and type of proposals submitted by each | Silva |
| RS-2 | A list of proposals received by FPL in response to its RFP, and the capacity, technology and term of each proposal | Silva |
| RS-3 | Rankings of Portfolios Prior to Announcement of Finalist, including all costs | Silva |
| RS-4 | Summary of Unsatisfied Minimum Requirements for each of the proposed projects | Silva |
| RS-5 | Final Rankings After Best and Final Offer, including all costs | Silva |
| SRS-1 | Projection of FPL's 2007 Capacity Need | Sim |
| SRS-2 | FPL's Commission- Approved DSM Goals | Sim |
| SRS-3 | Summary of FPL Self-Build Options Considered | Sim |
| SRS-4 | Summary of Evaluation of FPL Construction Options to Meet 2007 Need: Top 5 Options | Sim |
| SRS-5 | List of Organizations Submitting Proposals | Sim |
| SRS-6 | Summary of Proposals | Sim |
| SRS-7 | Summary of Portfolios Evaluated | Sim |

| SRS-8 | FPL Rankings of Portfolios | Sim |
|--------|-----------------------------|-------|
| | - EGEAS Costs Only | |
| SRS-9 | FPL Rankings of Portfolios | Sim |
| | - EGEAS & Transmission- | |
| | Related Costs Only | |
| SRS-10 | Calculation of Peak Hour | Sim |
| | Loss Cost for the FPL 4 CT | |
| | & Proposal 4 Portfolio | |
| SRS-11 | Calculation of Annual | Sim |
| | Energy Loss Cost for the | |
| | FPL 4 CT & Proposal 4 | |
| | Portfolio | |
| SRS-12 | FPL Rankings of Portfolios | Sim |
| ļ. | Prior to Short List | |
| | Announcement -All Costs | |
| SRS-13 | FPL Final Rankings of | Sim |
| | Portfolios After Best and | |
| | Final Offer from Short List | + |
| | Proposer | |
| WEA-1 | Resume of William E. | Avera |
| | Avera | |

Additional Exhibits

FPL intends to use as a demonstrative exhibit at hearing a table titled Final Rankings of Portfolios. FPL Witness Steven R. Sim will sponsor this exhibit.

FPL also intends to use at hearing a demonstrative exhibit that will consist of information included in the Peter Rigby article titled *Energy Merchant Debt Prospects: When "Worst-Case" Scenarios Become the "Base Case"* that is Document No. MPD-1, attached as an exhibit to the pre-filed testimony of FPL Witness Moray P. Dewhurst. FPL Witness Moray P. Dewhurst will sponsor this exhibit.

In addition to the above pre-filed exhibits and the demonstrative exhibits referenced above, FPL reserves the right to utilize any exhibit introduced by any other party. FPL additionally reserves the right to introduce any additional exhibit necessary for rebuttal, cross-examination or impeachment at the final hearing.

FPL's Notice of Intent to use Confidential Information at Hearing

Pursuant to the Order Establishing Procedure, FPL hereby notifies all parties that it intends to use at the hearing in this docket confidential Appendices C-1 through C-5 to FPL's Need Study filed in these proceedings. These documents have been listed as Document No. 03273-04, as revised by Document No. 04289-04, in these proceedings. On April 28, 2004, the Commission granted confidential classification of these documents by Order No. PSC-04-0434-CFO-EI. Because the confidential nature of the information contained in these documents has

been approved by the Commission and a procedure is already in place to preserve the confidentiality of these documents as required by statute and the Order Establishing Procedure, an additional procedure for the preservation of confidentiality is not needed.

FPL reserves the right to file additional notices of intent to use confidential information at hearing pursuant to Order No. PSC-04-0325-PCO-EI, if FPL later identifies additional confidential information it intends to use at hearing.

(c) A statement of basic position in the proceeding;

FPL seeks a determination of need for Turkey Point Unit 5. FPL needs Turkey Point Unit 5 to maintain electric system reliability and integrity and to continue to provide adequate electricity to its customers at a reasonable cost. Without the timely addition of Turkey Point Unit 5, FPL will fail to meet its required 20 percent reserve margin in 2007.

Turkey Point Unit 5 is also needed to help address the issues associated with the Southeast Florida imbalance of load and generation on FPL's system, such as reducing demand and energy losses and costs associated with operating more expensive Southeast Florida combustion turbines. As discussed in FPL's 2003 Ten Year Site Plan and as highlighted in its 2003 Request for Proposals ("RFP"), there is a growing imbalance between the amount of generating capacity located in the southeast area of FPL's service territory and the electrical load for this region. The electrical load for this region has traditionally been the largest portion of FPL's entire system load, and it continues to grow. There are no scheduled generation additions in the area or transmission upgrades that would increase the capability to import more power into this area.

FPL decided to proceed with licensing of Turkey Point Unit 5 only after conducting an internal review of supply-side and demand-side alternatives and after engaging in an extensive capacity solicitation process in accordance with Rule 25-22.082, Florida Administrative Code (the "Bid Rule"). During its internal review of supply-side alternatives, FPL quantified and evaluated each alternative's impact on FPL's system production costs, as well as transmission-related costs. Ultimately, FPL selected Turkey Point Unit 5 as the best, most cost-effective alternative.

Turkey Point Unit 5 will be a highly efficient and highly reliable, state-of-the-art unit. The location of the new Unit 5 at the existing Turkey Point complex and the selection of the combined cycle technology will maximize the beneficial use of the site while minimizing environmental, land use and cost impacts typically associated with development of a nominal 1,144 MW power plant.

FPL also engaged in an extensive capacity solicitation process through its RFP in compliance with the Bid Rule. Proposals received in response to its RFP were used to develop candidate portfolios in configurations that satisfied the 2007 need. FPL's and the independent evaluator's extensive economic evaluations of these proposals included quantifying and considering generation-related costs, transmission-related costs (including transmission interconnection and integration costs, energy and capacity losses and increased operational

costs), as well as the impact of each portfolio on FPL's capital structure minus mitigating factors offered by purchased power options. FPL calculated each option's transmission-related costs by calculating the revenue requirements associated with transmission interconnection and integration for each option as well as each option's impact on FPL's transmission losses and costs of operating less efficient gas turbines in Southeast Florida.

The impact of purchased power portfolios on FPL's capital structure was recognized by an equity adjustment according to the methodology contained in the RFP. Because rating agencies treat a portion of a purchasing utility's firm capacity payment as an off-balance sheet obligation, the equity adjustment represents a real cost associated with purchasing power that must be recognized in assessing purchased power options. Purchased power options provide some mitigation, through completion and performance security, to potential costs the purchasing utility might otherwise incur through a self-build alternative. This mitigating value was estimated and factored into the evaluation. The value of the mitigation is applied in the equity adjustment calculation to offset the cost of portfolios containing purchased power options. The sum of each portfolio's generation costs, transmission costs, and cost impact on capital structure minus the mitigating factors represented the total system costs to FPL customers for the portfolio.

FPL's final cost comparisons from its RFP evaluation demonstrated a clear and substantial separation in cost between Turkey Point Unit 5 and all other alternatives. Including the results of the net equity adjustment analysis, the total economic benefit of Turkey Point Unit 5 relative to the next best alternative is \$271 million (CPVRR).

FPL concluded from its evaluation that Turkey Point Unit 5 is the best and most cost-effective alternative to satisfy FPL's 2007 capacity need. An independent evaluation confirmed FPL's conclusion.

FPL attempted to avoid or defer constructing the unit by considering and pursuing demand-side options reasonably available to it, but concluded that it could not avoid or defer its need to construct Turkey Point Unit 5. For all of these reasons, as more fully developed in FPL's Need Study and direct testimony, FPL respectfully requests that the Commission grant a favorable determination of need for Turkey Point Unit 5.

(d) A statement of each question of fact the party considers at issue, the party's position on each such issue, and which of the party's witnesses will address the issue:

<u>ISSUE 1</u>: Has Florida Power & Light Company met the requirements of Rule 25-22.082, Florida Administrative Code, "Selection of Generating Capacity"?

<u>FPL</u>: Yes. FPL complied with all aspects of the "Bid Rule." In a September 2003 preliminary RFP objections proceeding initiated by PACE, the Commission concluded that PACE's objections to FPL's RFP did not demonstrate that FPL's RFP violated the Bid Rule. The uncontested evidence filed by FPL in this docket shows FPL complied with the Bid Rule. (Silva, Sim, Dewhurst, Mennes)

<u>ISSUE 2</u>: Is there a need for the proposed Turkey Point Unit 5, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?

<u>FPL</u>: Yes. Absent the timely addition of Turkey Point Unit 5, FPL's summer reserve margins will fall to 14:7 percent in the summer of 2007, well below the Commission-approved 20 percent reserve margin planning criterion. Further, the addition of Turkey Point Unit 5 will enhance FPL's operating flexibility and system reliability in Southeast Florida by reducing the growing imbalance between generation and load in this region. (Green, Mennes, Reppen, Silva, Sim, Yupp)

<u>ISSUE 3</u>: Is there a need for the proposed Turkey Point Unit 5, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519, Florida Statutes?

<u>FPL</u>: Yes. Turkey Point Unit 5 will be a highly efficient and reliable, state-of-the-art unit producing low-cost electricity for FPL's customers. It is the lowest cost option available to meet the 2007 needs of FPL's customers. (Green, Hicks, Mennes, Reppen, Silva, Sim, Taylor, Yupp)

<u>ISSUE 4</u>: Are there any conservation measures taken by or reasonably available to Florida Power & Light Company which might mitigate the need for the proposed Turkey Point Unit 5?

<u>FPL</u>: No. In assessing its 2007 need, FPL has assumed implementation of all reasonably achievable, cost-effective conservation and load management measures previously determined by the Commission to be available to FPL. (Sim)

<u>ISSUE 5</u>: Is the proposed Turkey Point Unit 5 the most cost-effective alternative available, as this criterion is used in Section 403.519, Florida Statutes?

<u>FPL</u>: Yes. In evaluating its next planned generating unit, FPL quantified and evaluated each alternative's impact on FPL's system production costs and transmission-related costs. Ultimately, FPL selected the Turkey Point combined cycle option as the best, most cost-effective alternative and identified it as its next planned generating unit.

FPL also engaged in an extensive capacity solicitation process through its RFP in compliance with the Bid Rule. Proposals received in response to its RFP were used to develop candidate portfolios in configurations that satisfied the 2007 need. FPL's and the independent evaluator's extensive economic evaluations of these proposals included quantifying and considering generation-related costs, transmission-related costs (including transmission interconnection and integration costs, energy and capacity losses and increased operational costs), as well as the impact of each portfolio on FPL's capital structure minus mitigating factors offered by purchased power options. FPL calculated each option's transmission-related costs by calculating the revenue requirements associated with transmission interconnection and

integration for each option as well as each option's impact on FPL's transmission losses and costs of operating less efficient gas turbines in Southeast Florida.

The impact of purchased power portfolios on FPL's capital structure was recognized by an equity adjustment according to the methodology contained in the RFP. Because rating agencies treat a portion of a purchasing utility's firm capacity payment as an off-balance sheet obligation, the equity adjustment represents a real cost associated with purchasing power that must be recognized in assessing purchased power options. Purchased power options provide some mitigation, through completion and performance security, to potential costs the purchasing utility might otherwise incur through a self-build alternative. This mitigating value was estimated and factored into the evaluation. The value of the mitigation is applied in the equity adjustment calculation to offset the cost of portfolios containing purchased power options. The sum of each portfolio's generation costs, transmission costs, and cost impact on capital structure minus the mitigating factors represented the total system costs to FPL customers for the portfolio.

Final cost comparisons from the RFP evaluation demonstrated that Turkey Point Unit 5 offered a \$271 million (cumulative present value revenue requirements, CPVRR) advantage compared to the next most competitive proposal. FPL's analyses also show that the portfolio including the 252 MW bid by Calpine was \$302 million CPVRR more expensive than Turkey Point Unit 5. An independent evaluation confirmed FPL's conclusions. Turkey Point Unit 5 is FPL's best, most cost-effective alternative for meeting the 2007 needs of FPL's customers. (Avera, Dewhurst, Green, Hicks, Mennes, Reppen, Silva, Sim, Taylor, Yupp)

<u>ISSUE 6</u>: Based on the resolution of the foregoing issues, should the Commission grant Florida Power & Light Company's petition to determine the need for the proposed Turkey Point Unit 5?

<u>FPL</u>: Yes. For the foregoing reasons, and as more fully developed in FPL's Need Study and direct testimony, FPL's petition to determine the need for the proposed Turkey Point Unit 5 should be granted. (Avera, Dewhurst, Green, Hicks, Mennes, Reppen, Silva, Sim, Taylor, Yupp)

ISSUE 8: Should this docket be closed?

<u>FPL</u>: Yes, following the issuance of an affirmative determination of need for Turkey Point Unit 5.

(e) A statement of each question of law the party considers at issue and the party's position on each such issue;

FPL considers Issue Nos. 1, 2, 3, 4, 5 and 6 above to represent the mixed questions of law and fact at issue in this proceeding. FPL's positions on these issues are stated above.

(f) A statement of each policy question the party considers at issue, the party's position on each such issue, and which of the party's witnesses will address the issue;

<u>ISSUE 7</u>: If an affirmative determination of need is granted, should Florida Power & Light Company be required to annually report the budgeted and actual cost compared to the \$580.3 million estimated total in-service cost of Turkey Point Unit 5?

FPL: Yes. Although the Bid Rule does not require that a utility annually report budgeted and actual costs associated with a proposed power plant, FPL is amenable to providing such information on an annual basis. Some costs may be higher than estimated and other costs may be lower, but FPL agrees that providing this information on an annual basis will allow Commission Staff to monitor FPL's progress towards achieving its estimated total cost of \$580.3 million. The categories to be reported are: Major Equipment/EPC, Permitting, Transmission Interconnection and Integration, FGT Infrastructure Upgrades, Operations and Start-Up, Project Management, Owners Costs, and AFUDC. In providing this information by category FPL wants to clarify that the capital cost used in the evaluation that resulted in selecting Turkey Point Unit 5 as the most cost-effective resource option to meet FPL's 2007 need is the total estimated cost of \$580.3 million and that any underruns in one category will be used to off-set any overruns in another category. Per the Bid Rule, FPL would need to demonstrate that costs in addition to the \$580.3 million were prudently incurred and due to extraordinary circumstances for such additional costs to be recoverable. If, on the other hand, the actual total cost is less than \$580.3 million, customers will receive the benefit of such cost underruns. (Hicks)

(g) A statement of issues that have been stipulated by the parties;

FPL believes that Issue Nos. 4 and 7 above may be stipulated. However, at this time, no such stipulation has been entered into.

(h) A statement of all pending motions or other matters the party seeks action upon;

FPL's Motion for Protective Order Regarding Calpine's First Request for Production of Documents (Nos. 1-71), dated May 6, 2004.

FPL's Motion to Compel Answers to Interrogatories and Production of Documents by Calpine Energy Services, L.P., dated May 6, 2004.

FPL's Request for Oral Argument Regarding its Motion for Protective Order and Motion to Compel, dated May 6, 2004.

(i) A statement identifying the parties' pending requests or claims for confidentiality;

FPL's Request for Confidential Classification for Certain Information Provided in Connection with FPL's Response to Staff's First Set of Interrogatories, dated May 7, 2004.

(j) A statement as to any requirement set forth in the Order Establishing Procedure that cannot be complied with, and the reasons therefore;

At this time, FPL is not aware of any requirements in the Order Establishing Procedure with which it cannot comply.

(k) Any objections to a witness's qualifications as an expert

At this time, FPL has no objections to a witness's qualifications as an expert.

Respectfully submitted this 11th day of May, 2004.

R. Wade Litchfield Natalie F. Smith Florida Power & Light Company 700 Universe Boulevard Juno Beach, Florida 33408 Telephone: 561-691-7100 Charles A. Guyton Steel Hector & Davis LLP Suite 601, 215 S. Monroe St. Tallahassee, Florida 32301

By: / / / Nacel

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Prehearing Statement has been furnished by hand delivery (*) and by United States Mail this 11th day of May, 2004, to the following:

Jennifer Brubaker, Esq.* Senior Attorney Florida Public Service Commission Gerald L. Gunter Building 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850 Black & Veatch Corporation (KS) Myron Rollins 11401 Lamar Avenue Overland Park, KS 66211

Department of Community Affairs Paul Darst Strategic Planning 2555 Shumard Oak Blvd. Tallahassee, FL 32399-2100 Department of Environmental Protection (Siting) Buck Oven Siting Coordination Office 2600 Blairstone Road, MS 48 Tallahassee, FL 32301

Jon C. Moyle, Jr., Esq. Cathy M. Sellers, Esq. Moyle Flanigan Katz Raymond & Sheehan, P.A. The Perkins House 118 North Gadsden Street Tallahassee, FL 32301 Bruce May, Esquire Holland & Knight LLP P. O. Drawer 810 Tallahassee, FL 32302-0810