

REDACTED

Exhibit B

050001-3I

REDACTED DOCUMENTS

DOCUMENT NUMBER-DATE

10696 NOV-3 8

FPSC-COMMISSION CLERK

2004 Hurricane Fuels Plan

May 27, 2004



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2004 Hurricane Fuels Plan

Goal:

Develop and implement a plan to manage fuel for the FPL Generation Fleet that supports reliable operation during tropical weather events that affect fuel supply.

FCR-00008



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Outline

1. Probabilities and Event Risk
2. Impacts of Events to FPL Fuel Supply
3. Hurricane Fuels Plan
4. Conclusions and Recommendations

FCR-00009



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2004 Hurricane Fuels Plan

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Historical Analysis of Tropical Events

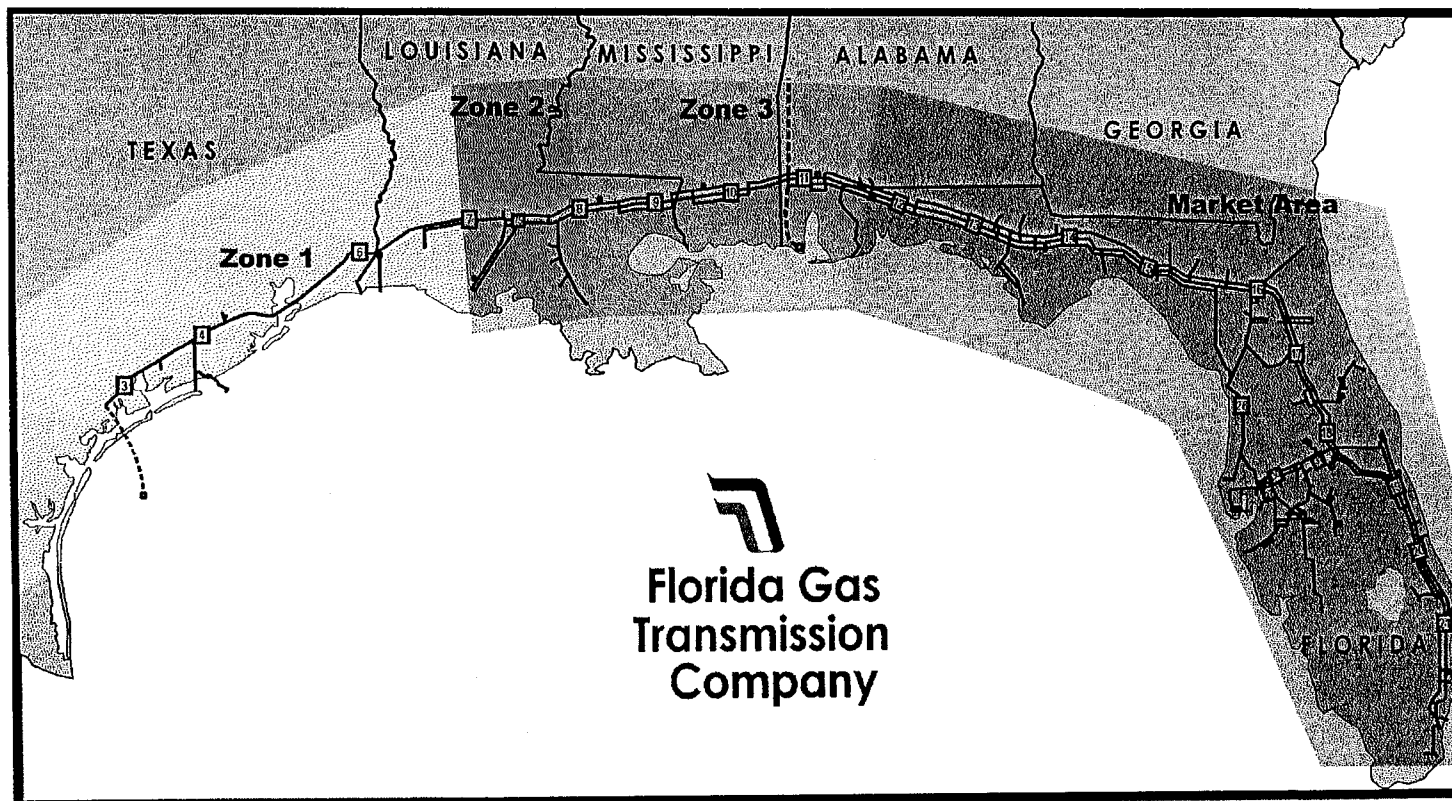
- **EMT examined US Hurricanes and Tropical Storms for the period from 1899-2003.**
- **Analysis focused on storms affecting natural gas production areas that feed the Florida Gas Transmission (FGT) and Gulfstream Natural Gas System (Gulfstream) pipelines.**
 - Texas, Louisiana, Alabama, and Mississippi coastlines
- **Monthly data was used to estimate annual strike probabilities.**
- **For intra-month event study, EMT reviewed the National Hurricane Center's (NHC) Hurricane Track charts and summaries for the period from 1991-2003.**



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Geography



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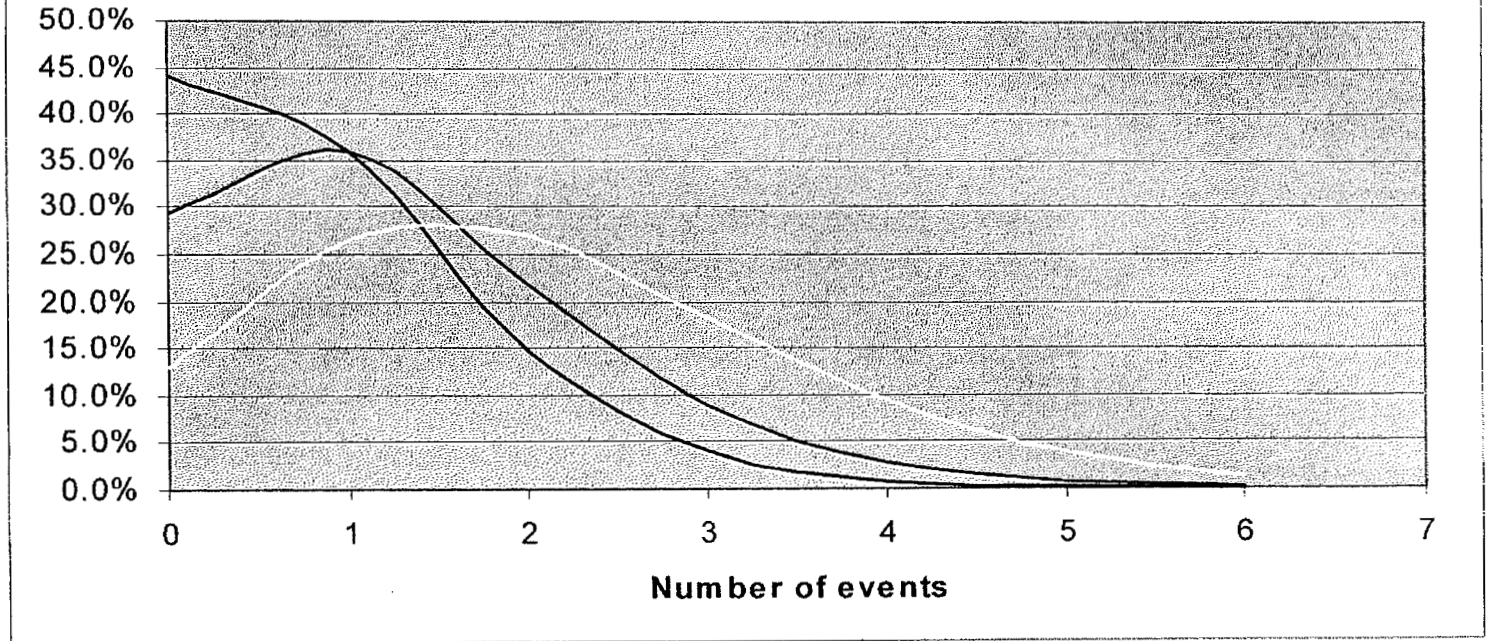
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Annual Strike Probabilities

Tropical Storms and Hurricanes Impacting
Texas, Louisiana, Alabama, and Mississippi
Probability Density Functions

O.K

— Hurricanes per year — Tropical storms per year — All tropical events per year



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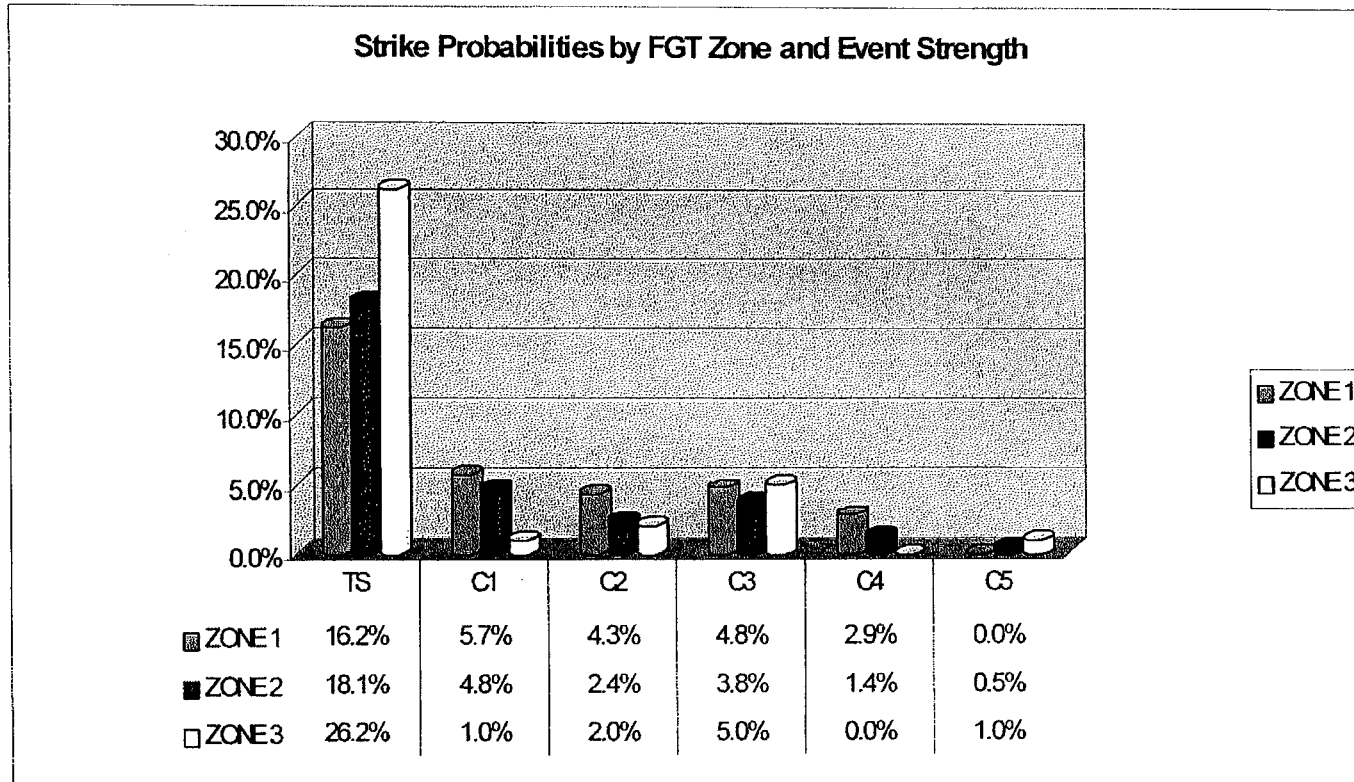


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Conditional Strike Probabilities by Zone and Strength

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O.V.



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Summary of Probability Results

- Based on historical weather, the most likely outcome for a given year is two tropical events. Expect this approximately 27% of the time.
- Expect 4 or fewer events approximately 95% of the time.
- The most likely event (given one does occur) is a tropical storm impacting FGT Zone 3 – Mississippi / Alabama coastline.
- The probability of our worst-case event (given one does occur), a hurricane of category 3 or higher impacting Zone 3, is approximately 6%.

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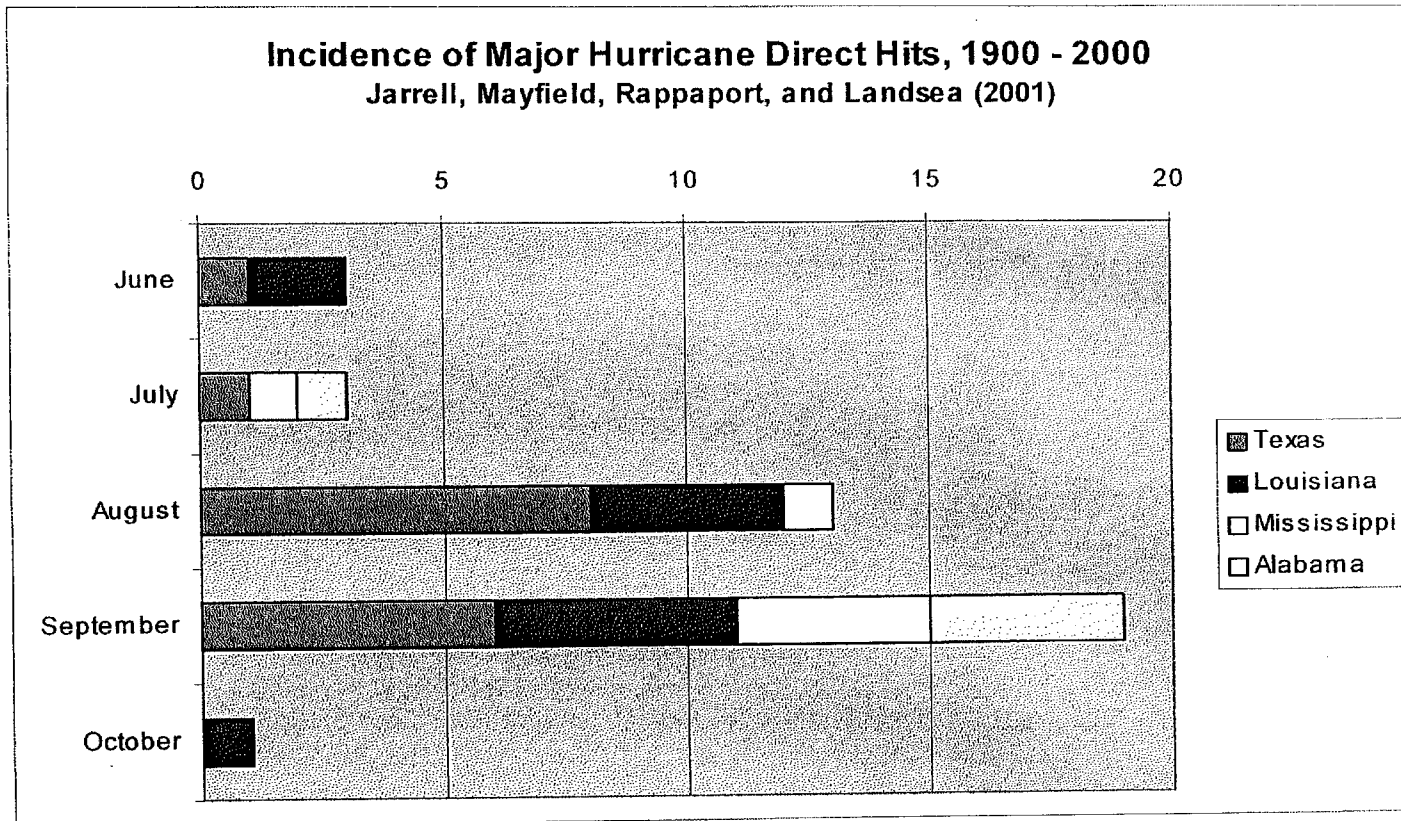
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2004 Hurricane Fuels Plan

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Summary of Probability Results



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2004 Hurricane Fuels Plan

Summary of Probability Results

- Based on historical analysis, the probability of one major hurricane (Category 3 or higher) impacting Zone 2 or Zone 3 in a given year is approximately 23%.
- The probability of two or more Category 3 or higher storms impacting Zone 2 or Zone 3 is approximately 5.3%. O.K.
- The period from July 1st to October 31st is 122 days. If we assume independence, then the probability of two events in a ten-day window is approximately 1.9%. This corresponds to a 1 in 52 year event.
- This is the hurricane plan worst-case scenario.

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/ **Hurricane Season Preparation**

- 2 • **By July 1st, EMT will be prepared for the hurricane season.**
- 3
 - Bay Gas Storage [REDACTED]
 - Fuel Oil inventories will be at their summer high levels.
 - EMT has evaluated additional gas and light oil storage options for 2004.
 - EMT has evaluated purchase power opportunities for 2004.

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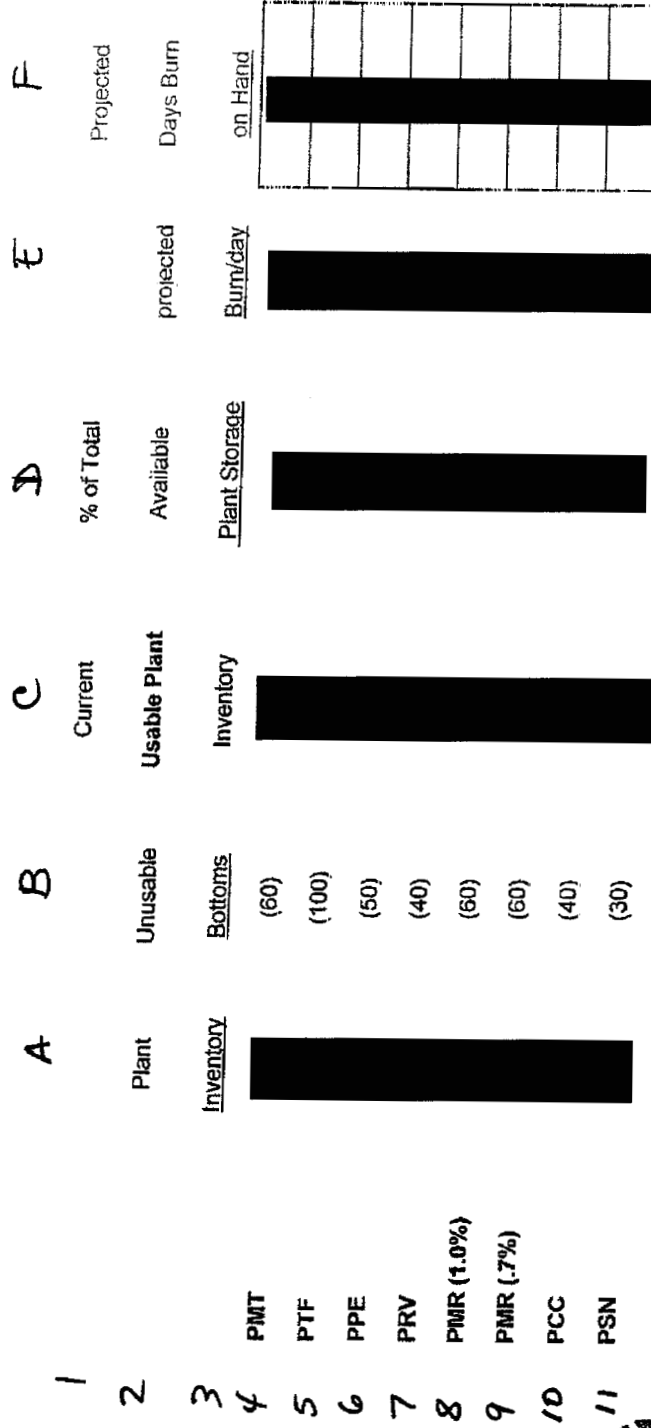


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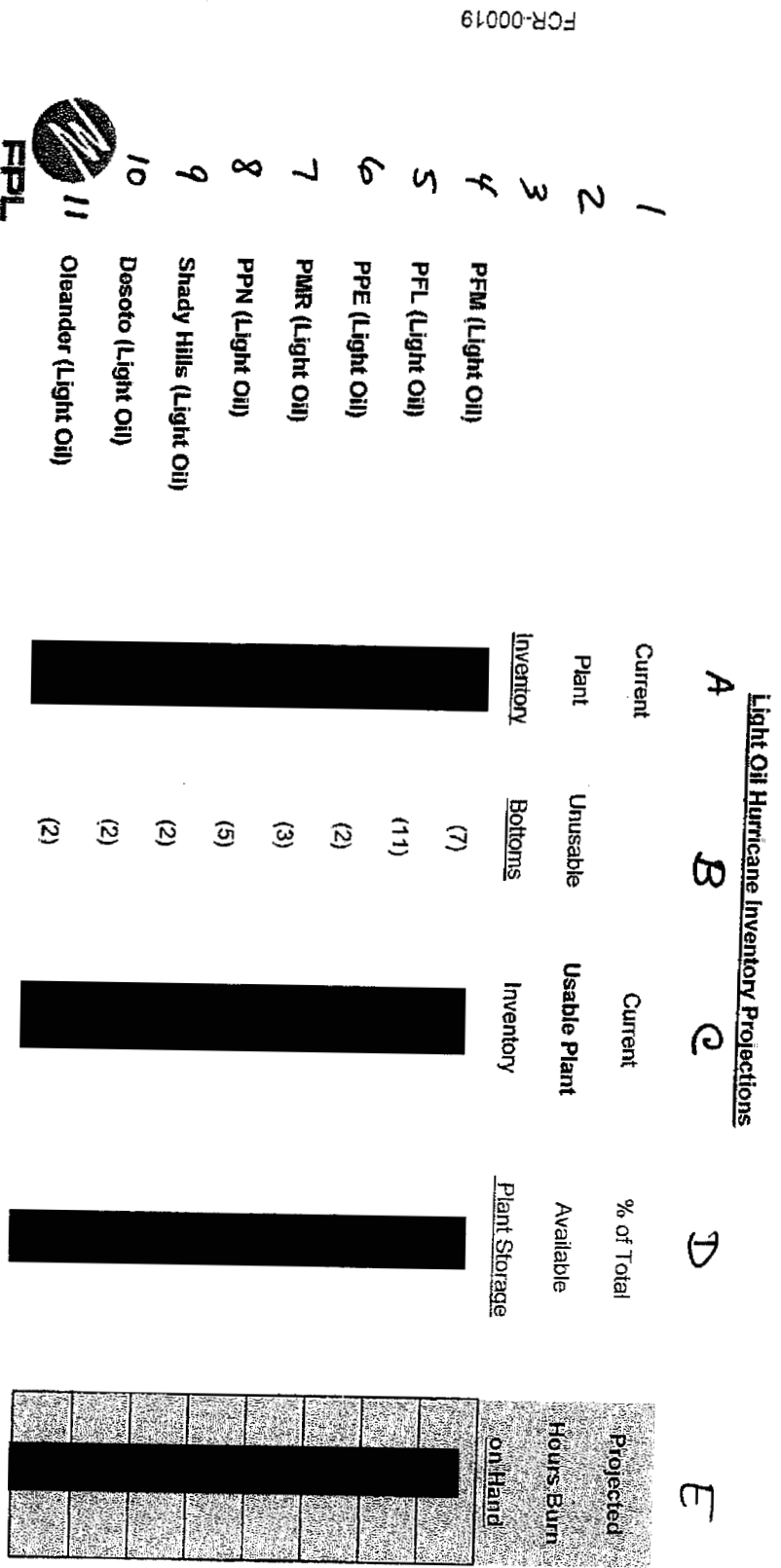
Hurricane Season Preparation

Fuel Oil Hurricane Inventory Projections



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Hurricane Season Preparation



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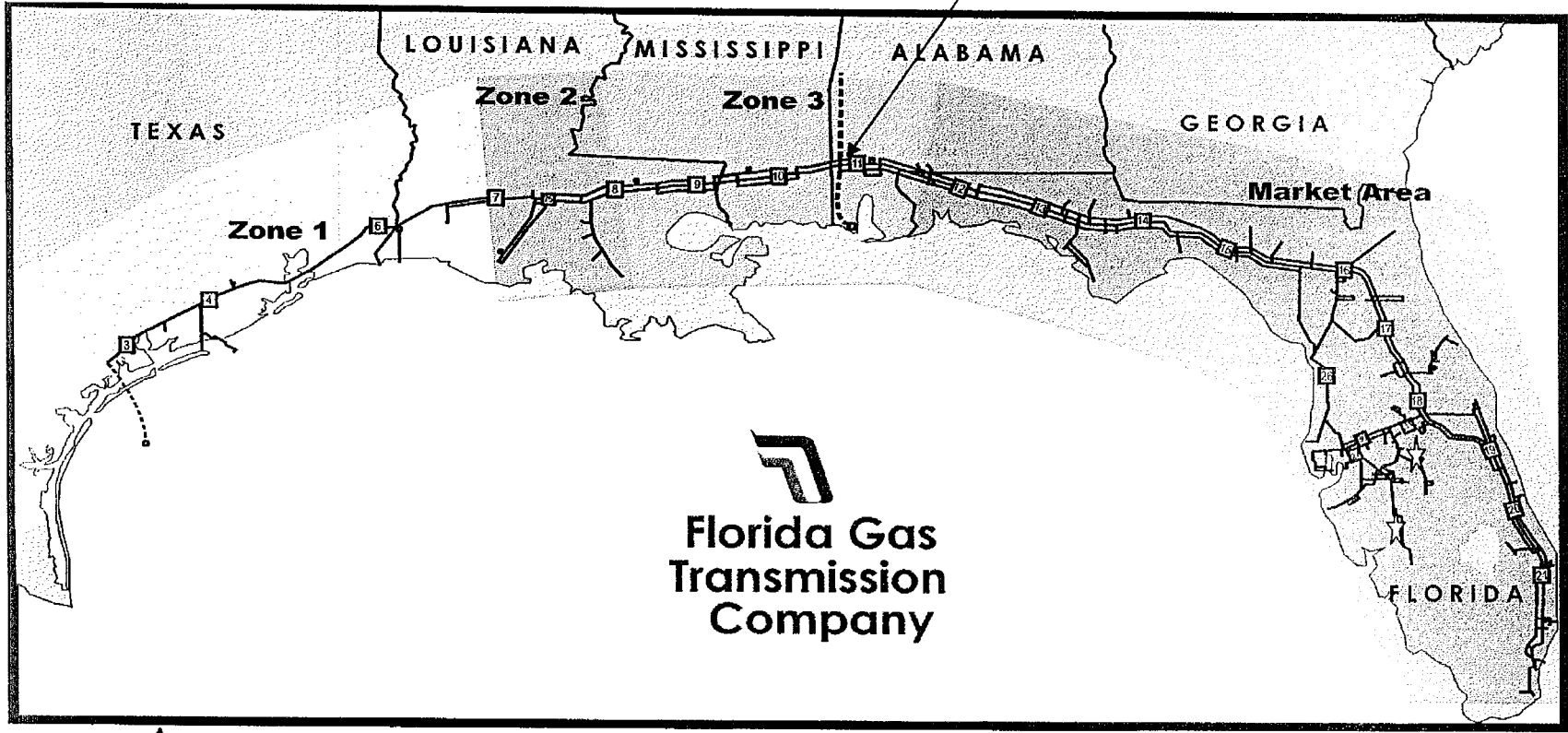
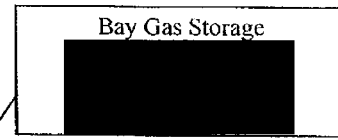
2004 Hurricane Fuels Plan

Natural Gas Supply

- **Availability of natural gas on the FGT and Gulfstream pipelines during tropical events is the critical factor in formulating the Hurricane Fuels Plan.**
- **Producing platforms and rigs are generally evacuated when wind speeds reach 40 mph.**
 - Deepwater rigs and platforms that can be operated remotely can continue operating in some instances.
- **EMT Gas Personnel did an extensive analysis of natural gas supply to determine availability during different types of tropical events.**

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FCR-00021



	A
5	FGT Design Capacity
6	Zone 1 467,100
7	Zone 2 682,900
8	Zone 3 970,000
	Total 2,120,000

	B	C	D
	FPL Firm Capacity	Onshore	Offshore
5	Zone 1 194,205		
6	Zone 2 267,466		
7	Zone 3 412,329		
8	Total 874,000		

☆	Gulfstream Interconnects
Hardee	300,000
Osceola	200,000

CONFIDENTIAL

Natural Gas Supply

PROJECTED FGT HURRICANE CUTS

ZONES	Total volume per contract	Onshore percentage (vol)	Offshore percentage (vol)	Tropical Storm Cuts percentage (vol)	Category 1-2 Storm Cuts percentage (vol)	Category 3-5 Storm Cuts percentage (vol)	Direct Storm Hit	Percentage of Total Volume Loss - Tropical Storm	Percentage of Total Volume Loss - Category 1-2	Percentage of Total Volume Loss - Category 3-5	Replacement Volumes in Zone 1	Replacement Volumes in Zone 2	Replacement Volumes in Zone 3	Platforms
ZONE 1	194,205													
ZONE 2	257,466													
ZONE 3	412,329													

A

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FCR-00022

Natural Gas Supply

A B C D E F G H I J K L

Estimated Probabilities of Cuts

	Onshore	Offshore	Baseload Vol	Estimated Probabilities of Cuts								
				Zone 1			Zone 2			Zone 3		
				TS	C 1-2	C 3-5	TS	C 1-2	C 3-5	TS	C 1-2	C 3-5
Zone 1												
1 Croastex												
2 JB												
3 Trunkline Manchester												
4 MOPS/Matagorda												
5 Centenna-Jefferson												
6 Tejas Smith												
7												
8												
9 TOTAL			194,205									
Zone 2												
10 ANR St Landry												
11 GS ST Landry												
12 LRC Kaplan												
13 NGPL Vermillion												
14 Columbia Gulf												
15 Pool												
16												
17 TOTAL			267,468									
Zone 3												
18 MB												
19 Sonat												
20 Transco St Helena												
21 Destin												
22 TN Carnes												
23 Stuard's Bluff												
24												
25 TOTAL			412,329									
26 GRAND TOTAL (Receipt)			874,000									

FCR-00023



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Natural Gas Supply

A B C D E F G H I

Estimated Cut Volumes

Zone 1			Zone 2			Zone 3		
TS	C 1-2	C 3-5	TS	C 1-2	C 3-5	TS	C 1-2	C 3-5

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Cuts
 Receipt after cuts 27
 Storage 28
 Receipt with storage 29
 Replacement 30
 Receipt with replacement 31

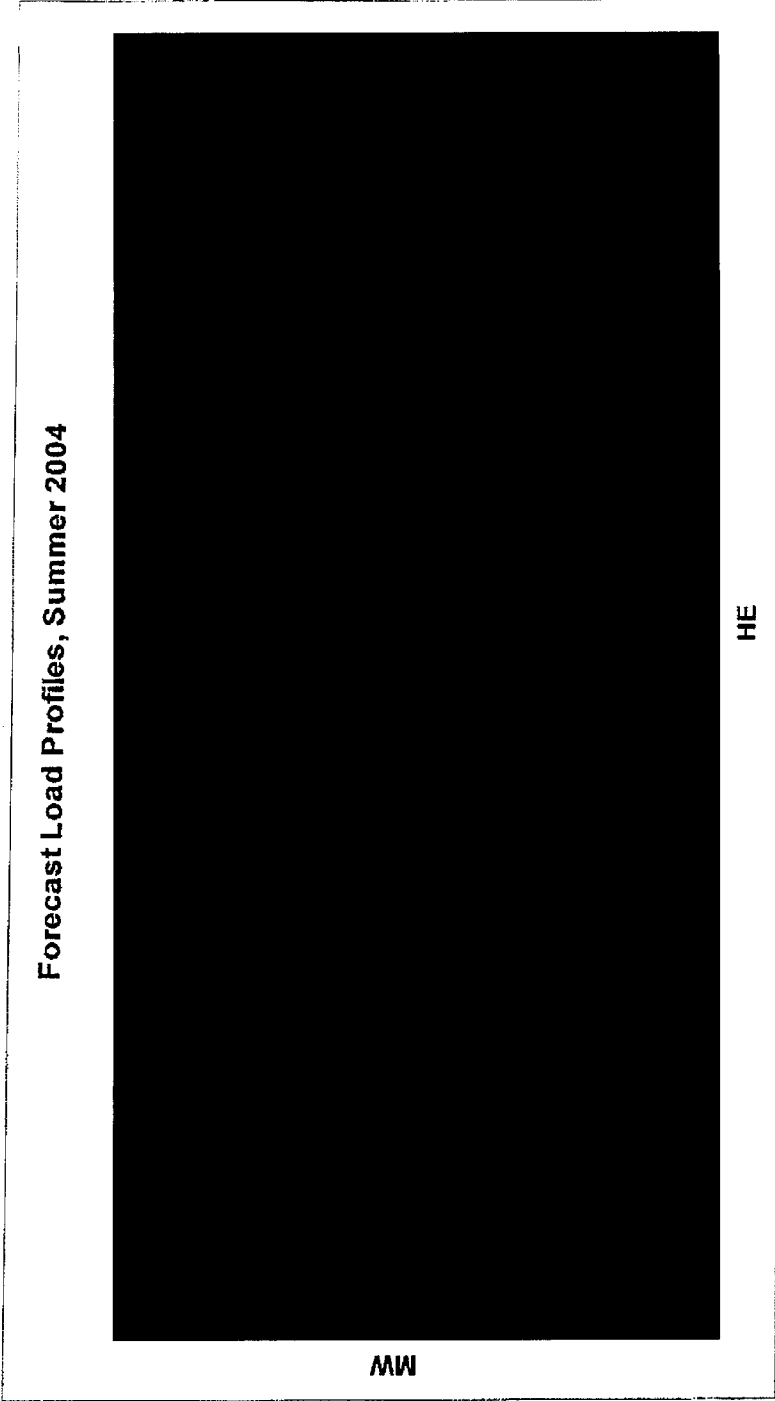
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Forecast Load Profiles

Forecast Load Profiles, Summer 2004

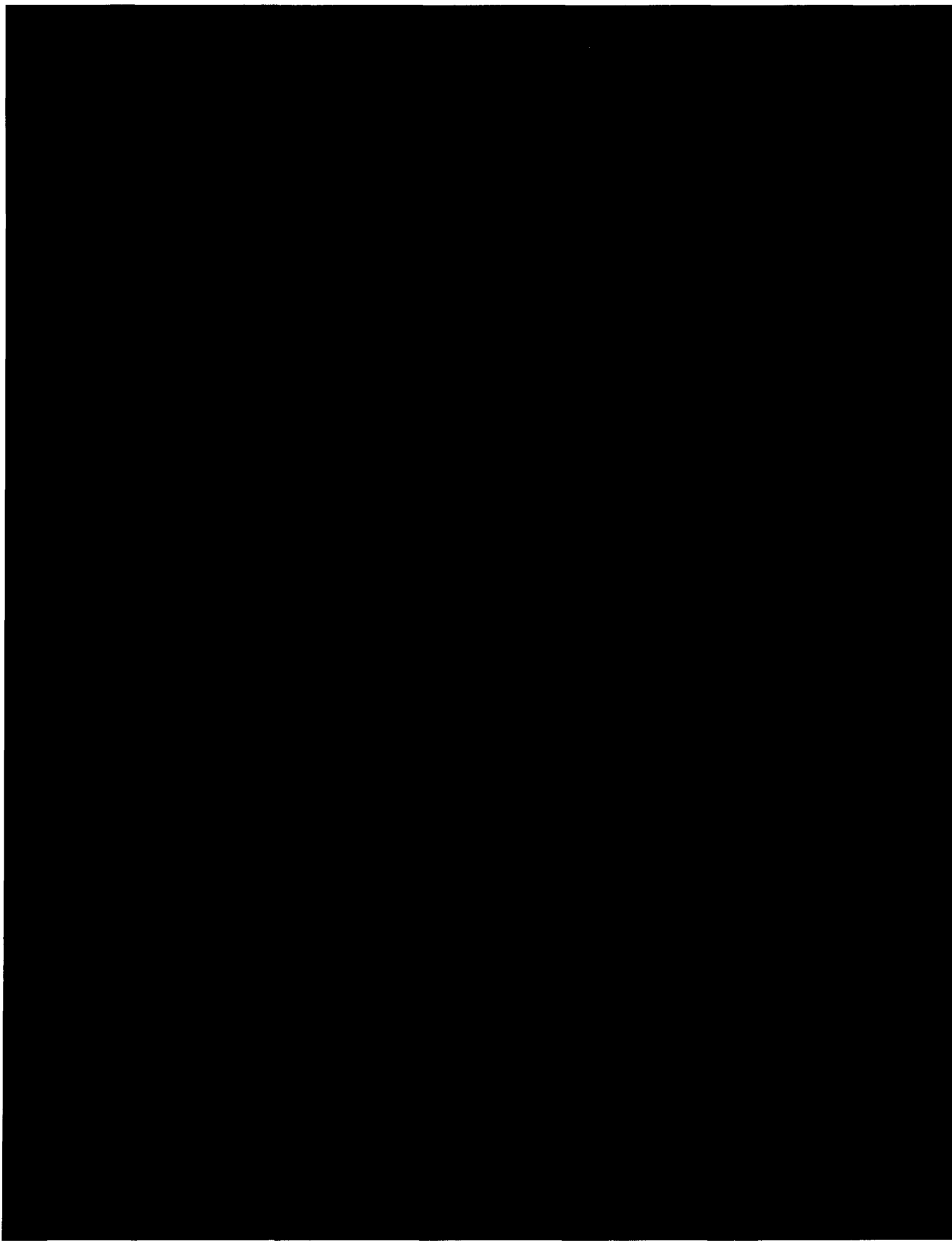


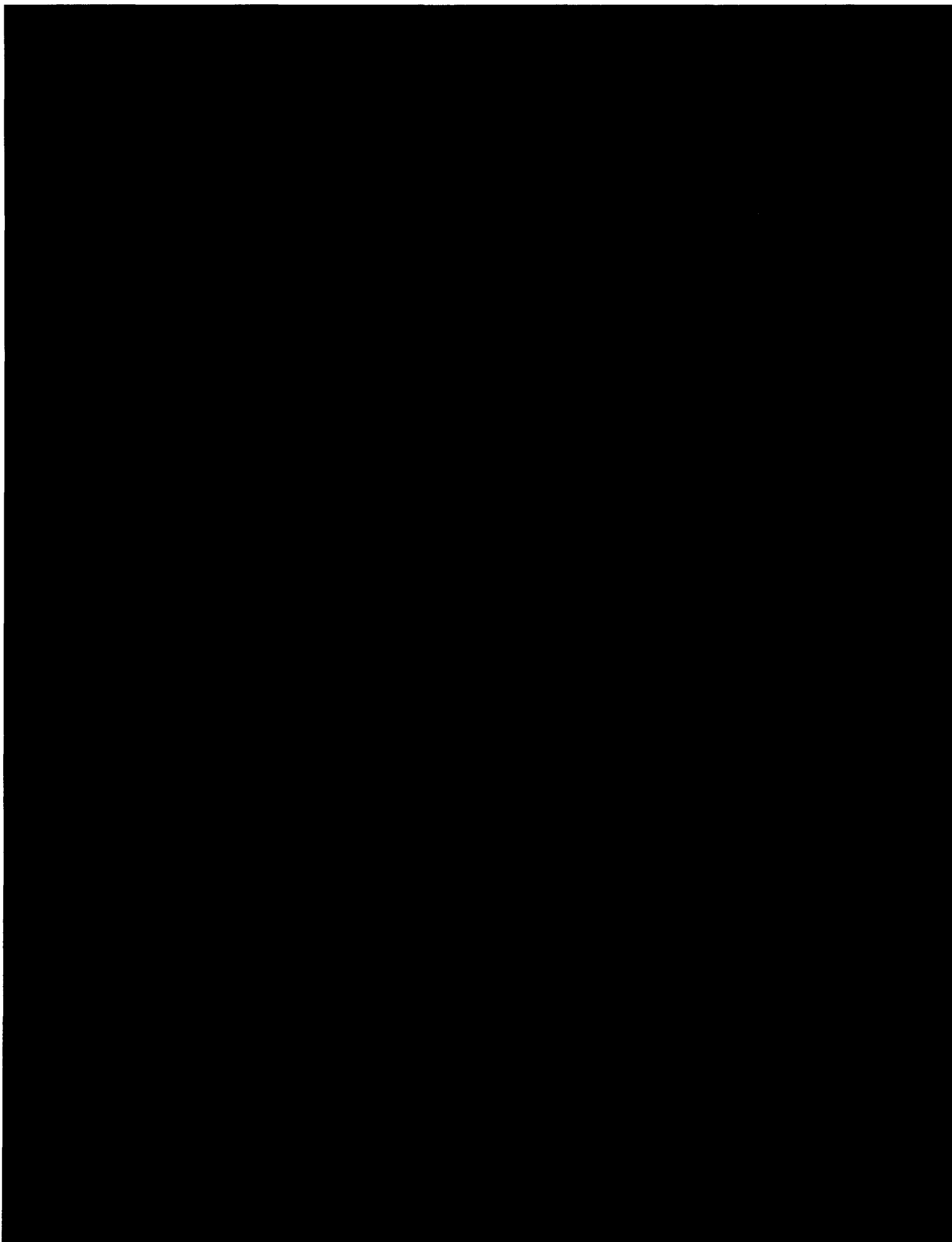
1 2 3 4 5 6 7 8 9 10 11



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1 **Conclusions**

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Question: [REDACTED]
Answer: [REDACTED]

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- [REDACTED]
- **The hypothetical dispatch plan does not include assumptions regarding unit availability/reliability on liquid operation or forced outage events, security concerns and ending inventory levels.**

FCR-00036



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1 **Conclusions (cont'd)**

- 2
- An additional volume of [REDACTED] mmBtu/day ([REDACTED] schedule) would allow for the unavailability of approximately 3-4 simple cycle CT's on liquid fuel.
 - This additional volume would also allow the flexibility to move liquid operation throughout the simple cycle CT fleet on a daily basis to better manage liquid inventory.
 - The additional gas volumes will allow for higher capacity factors on FPL's most efficient combined-cycle units, potentially lowering overall fuel costs.
 - Greater flexibility in managing heavy oil inventory.
 - South Florida concerns – FPL must have gas available to dispatch, if necessary, 12 gas-only peaking units at the Gas Turbine Power Park.
 - Oil inventories at the end of a ten-day event will be adequate to continue reliably meeting load and to build inventories back to pre-event levels, assuming normal weather.
 - In order to compensate for these realistic concerns, additional natural gas availability during hurricane season should be obtained.

FCR-00037



1
Recommendations

2 In order to provide greater natural gas supply reliability to cover a
3 potential shortfall for the upcoming hurricane season and diversify
4 our existing natural gas storage position, EMT plans to put in
5 place two supplemental summer 2004 deals that will provide the
6 needed incremental supply during times of supply disruptions.

7 To diversify our existing Bay Gas position which provides
8 [REDACTED] of withdrawal capability, EMT will put in place a
9 Gulfstream storage position and a [REDACTED]
10 baseload gas supply deal for [REDACTED]

11 The Gulfstream storage will provide delivery diversification.
12 [REDACTED]
13 [REDACTED], incremental supply when FGT is at full capacity and
14 assistance in daily system balancing. The [REDACTED] deal, which is
a baseload supply deal which contains contract language
modifications to provide a firmer deliverability, will provide a
reliable source of onshore gas during offshore supply disruptions.

FCR-00038



1 **Recommendations**
2 **Request for Approval for 2004 Hurricane Plan**

3 A

B

Summary of the supplemental deals as follows:

4 **Gulfstream (Park) Storage**

5 Maximum Park Quantity: [REDACTED]

6 Term: [REDACTED]

7 Rate: [REDACTED]

8 Total Cost: [REDACTED]

9 [REDACTED]

11 [REDACTED]
12 Quantity/Price: [REDACTED]

13 [REDACTED]
14 Term: [REDACTED]

15 Total Cost : [REDACTED]

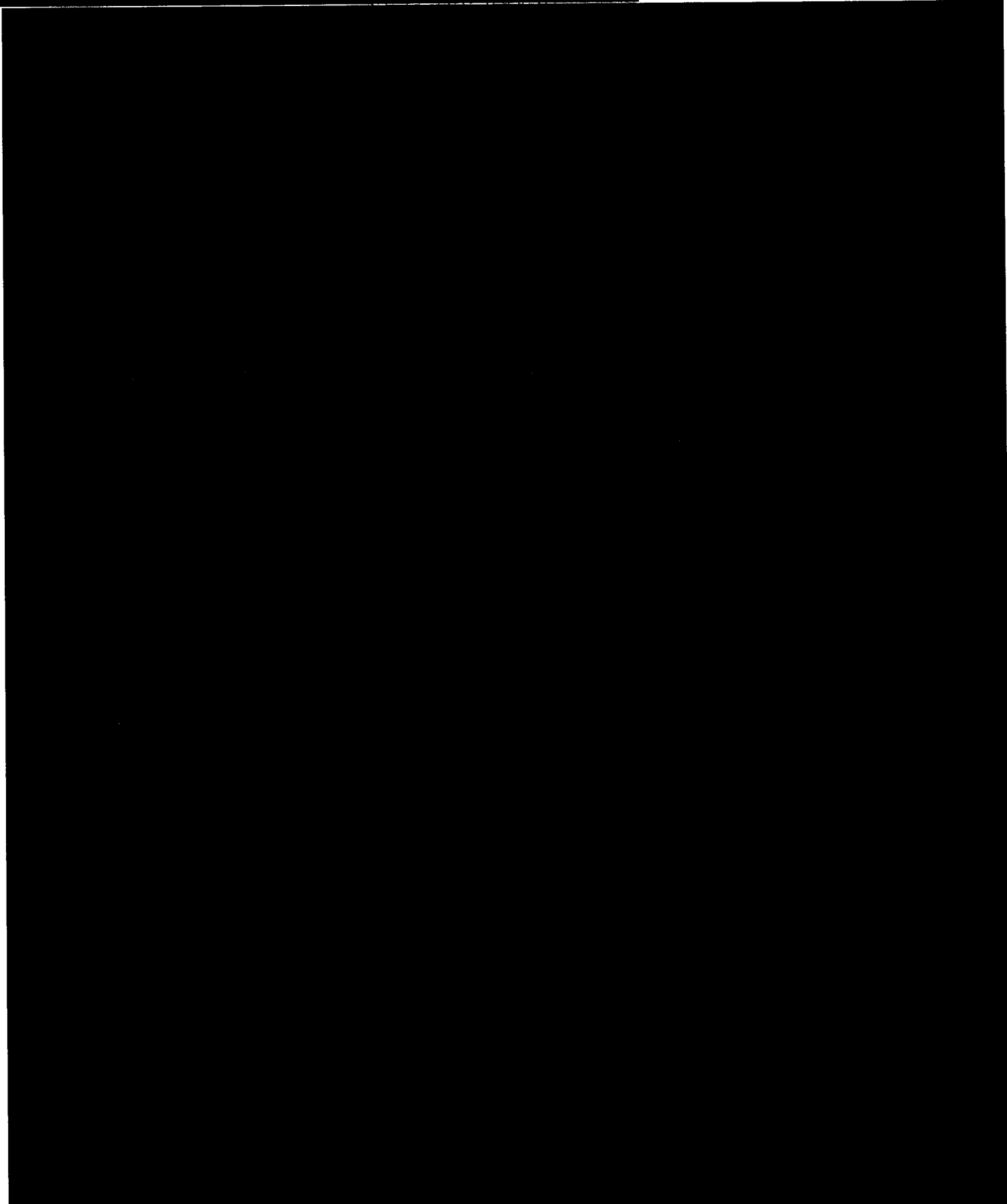
16 [REDACTED]
17 [REDACTED]



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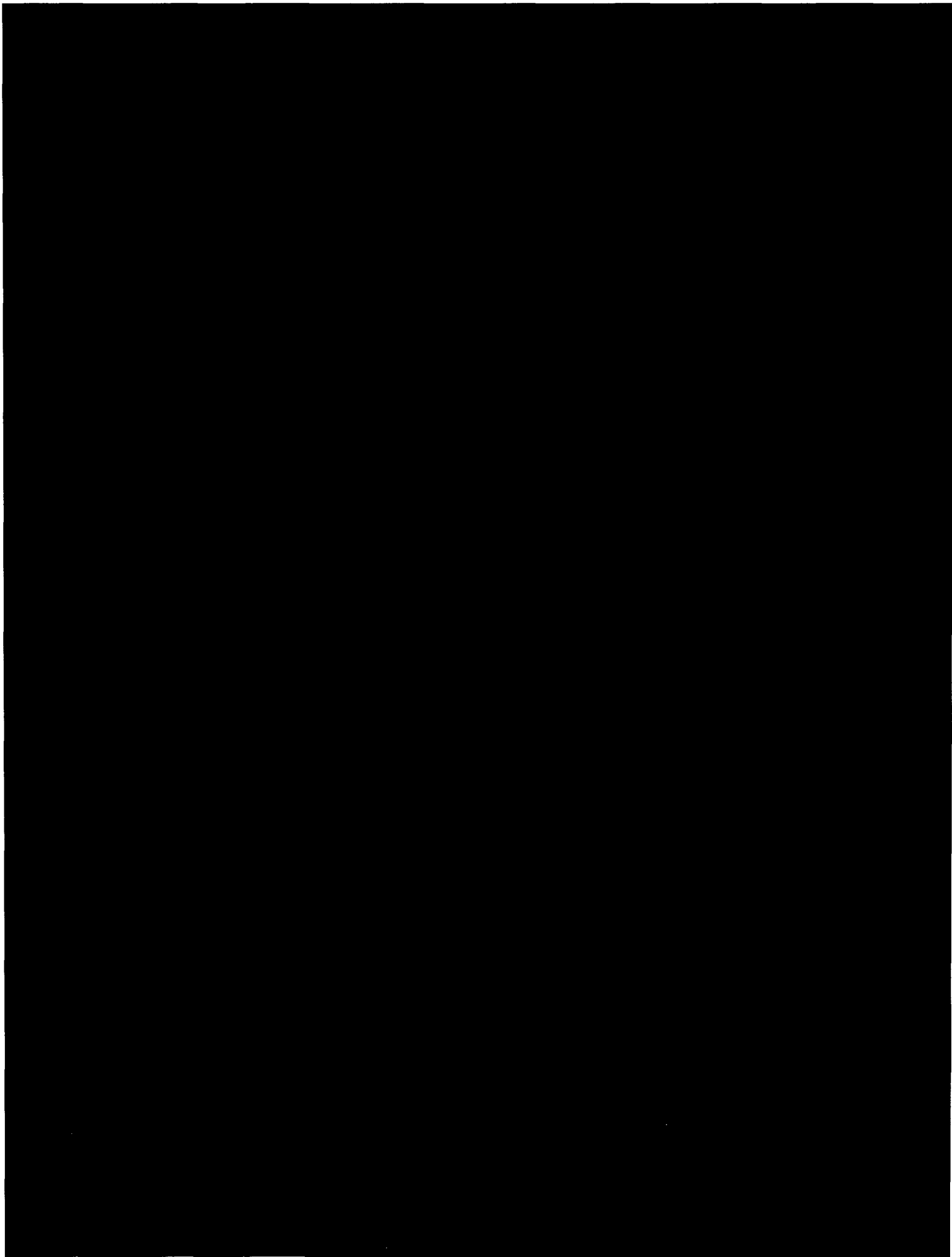
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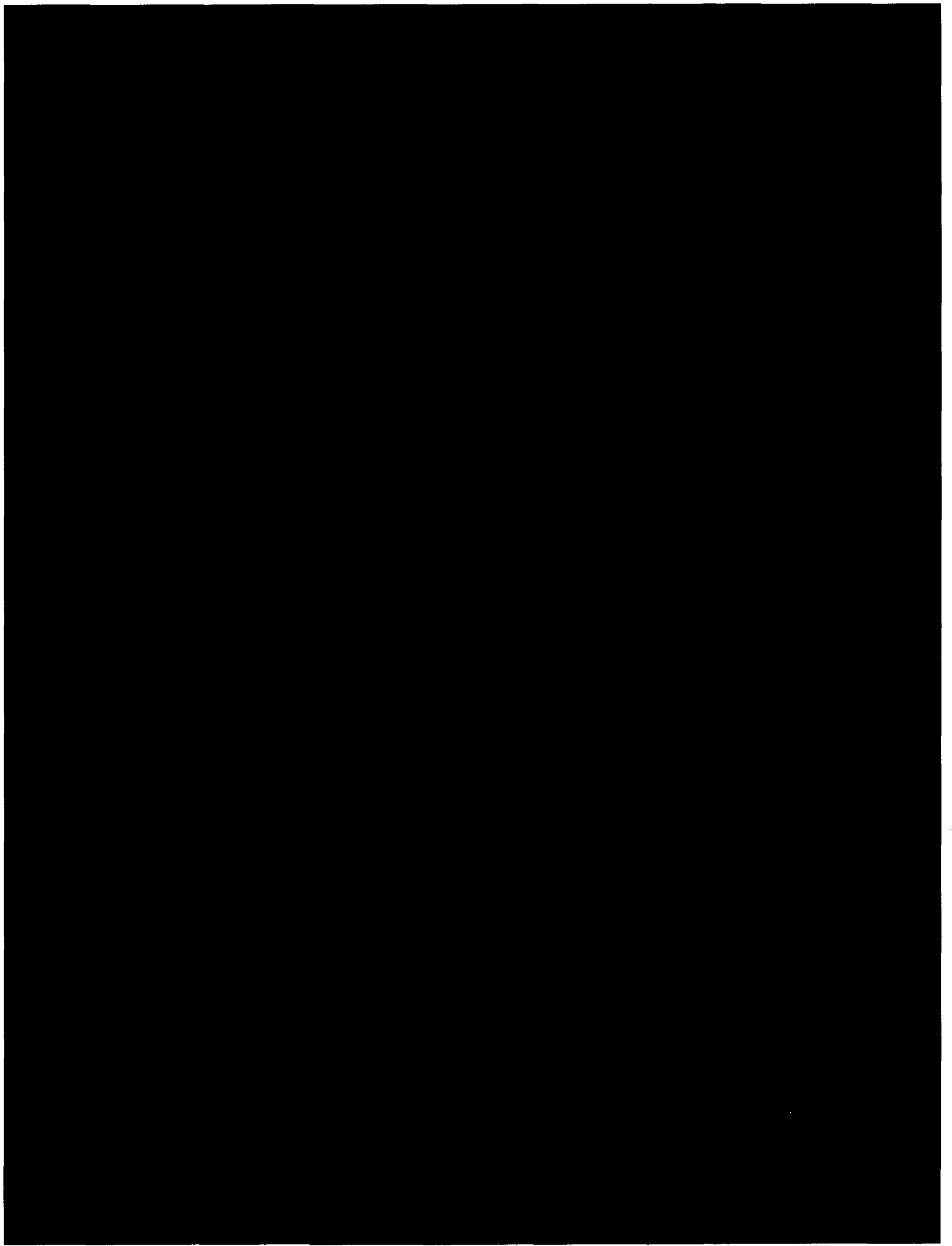
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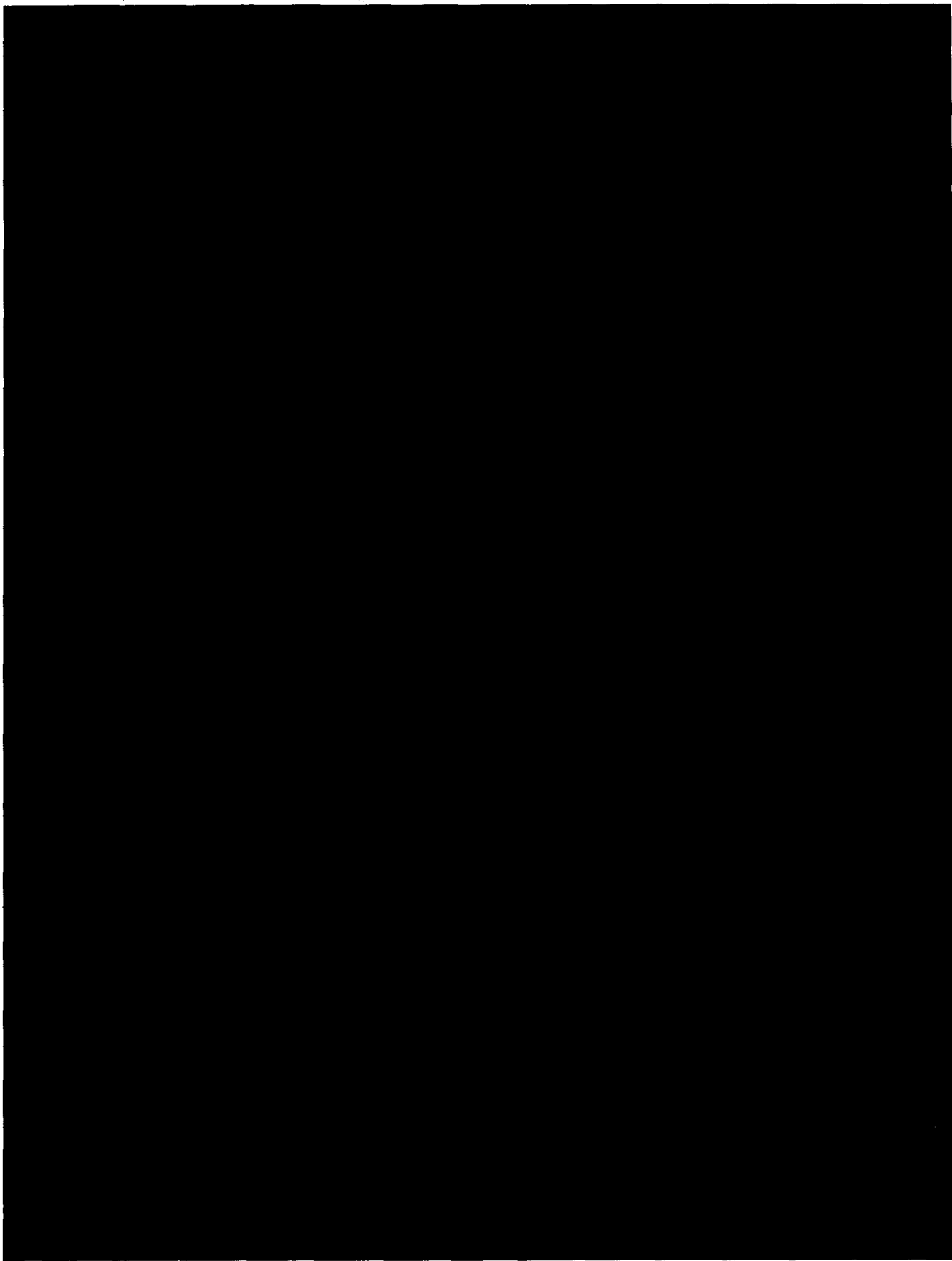


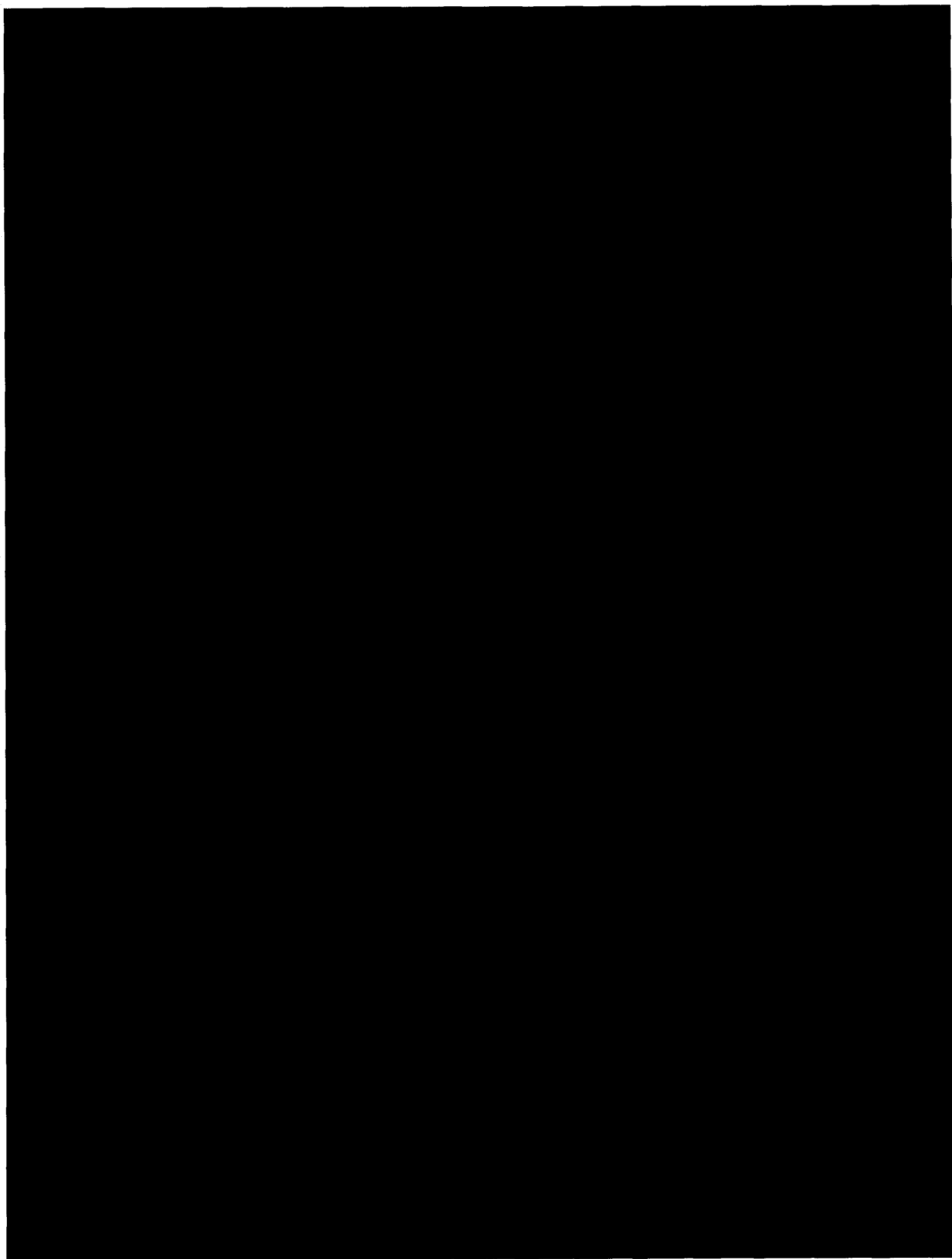
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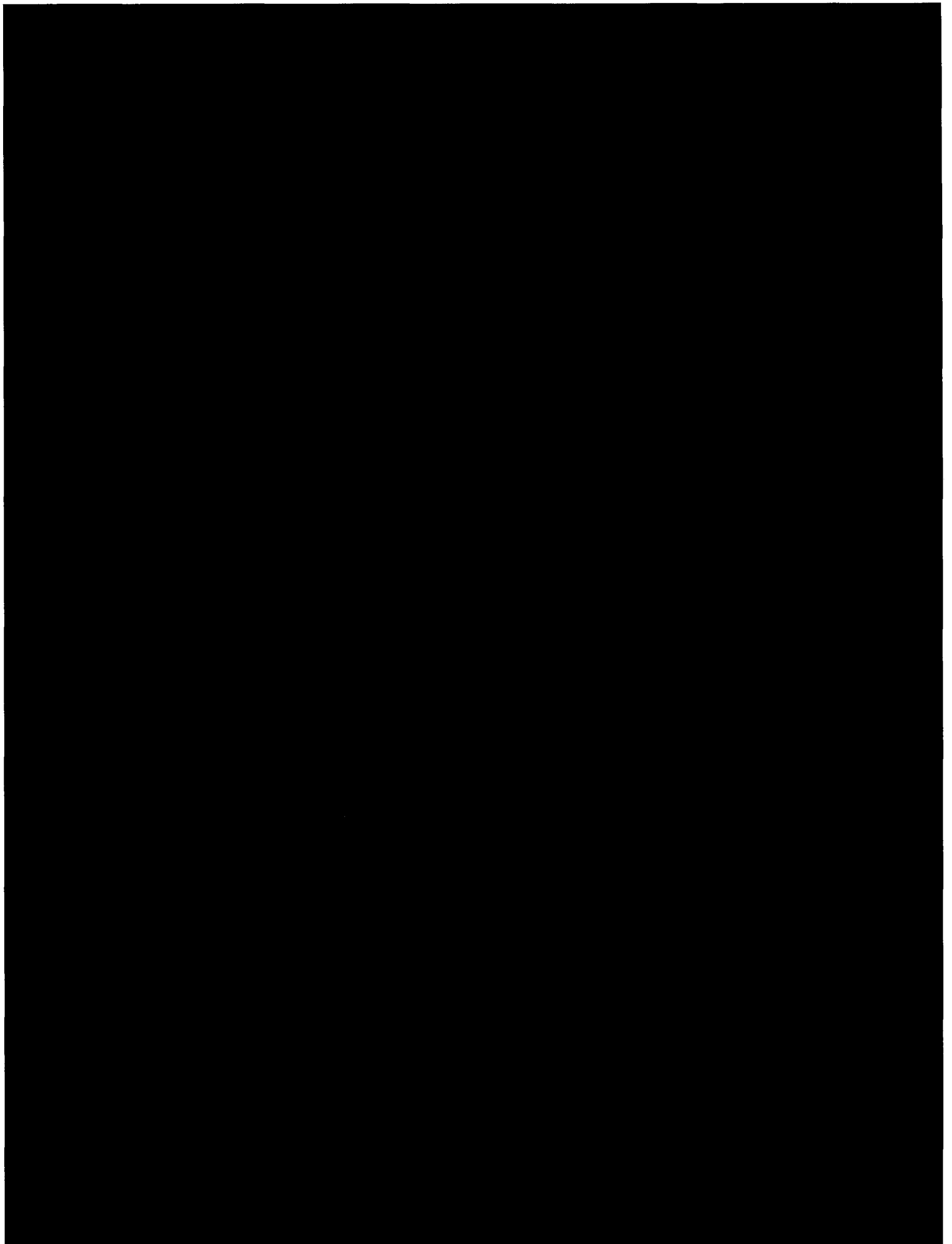
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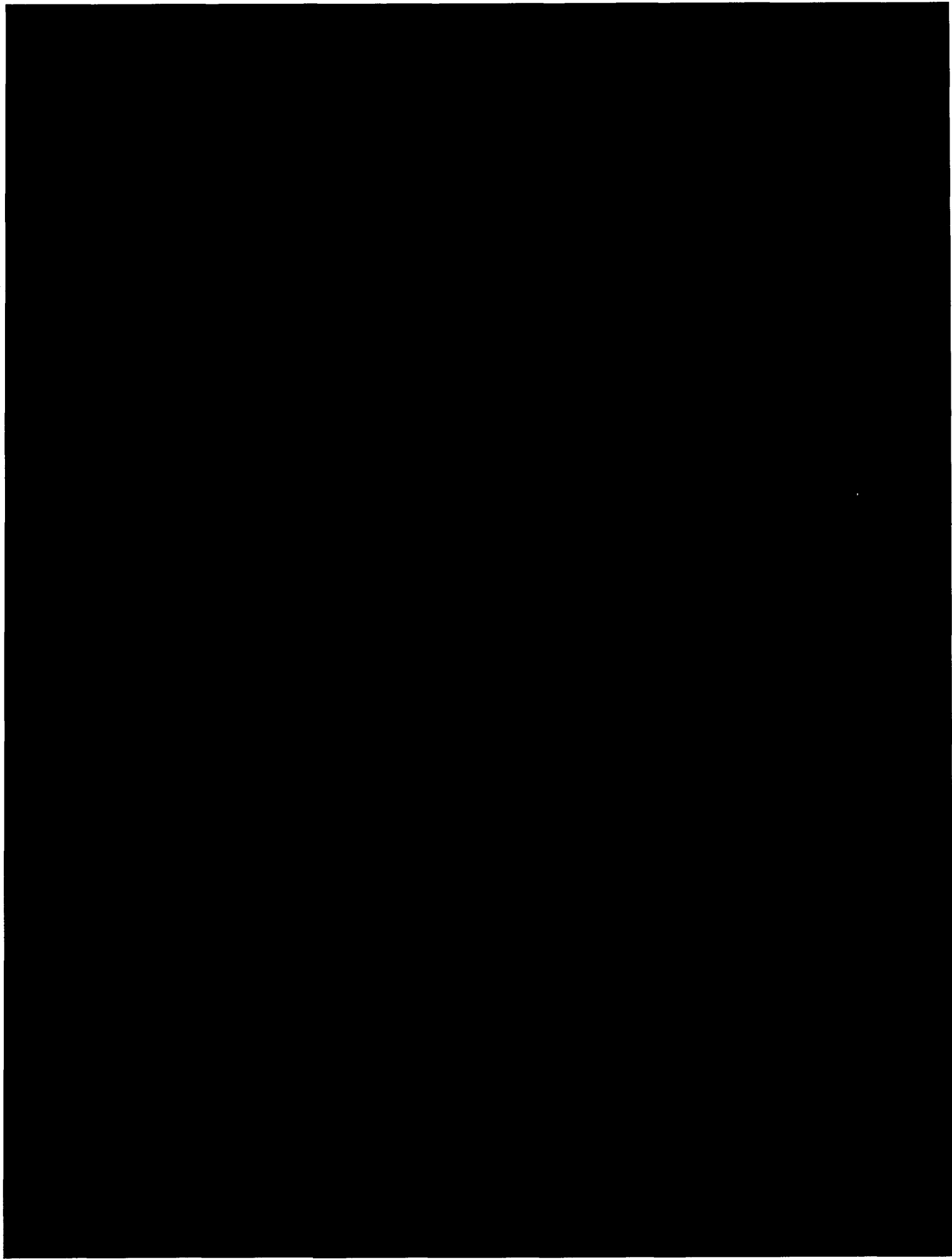


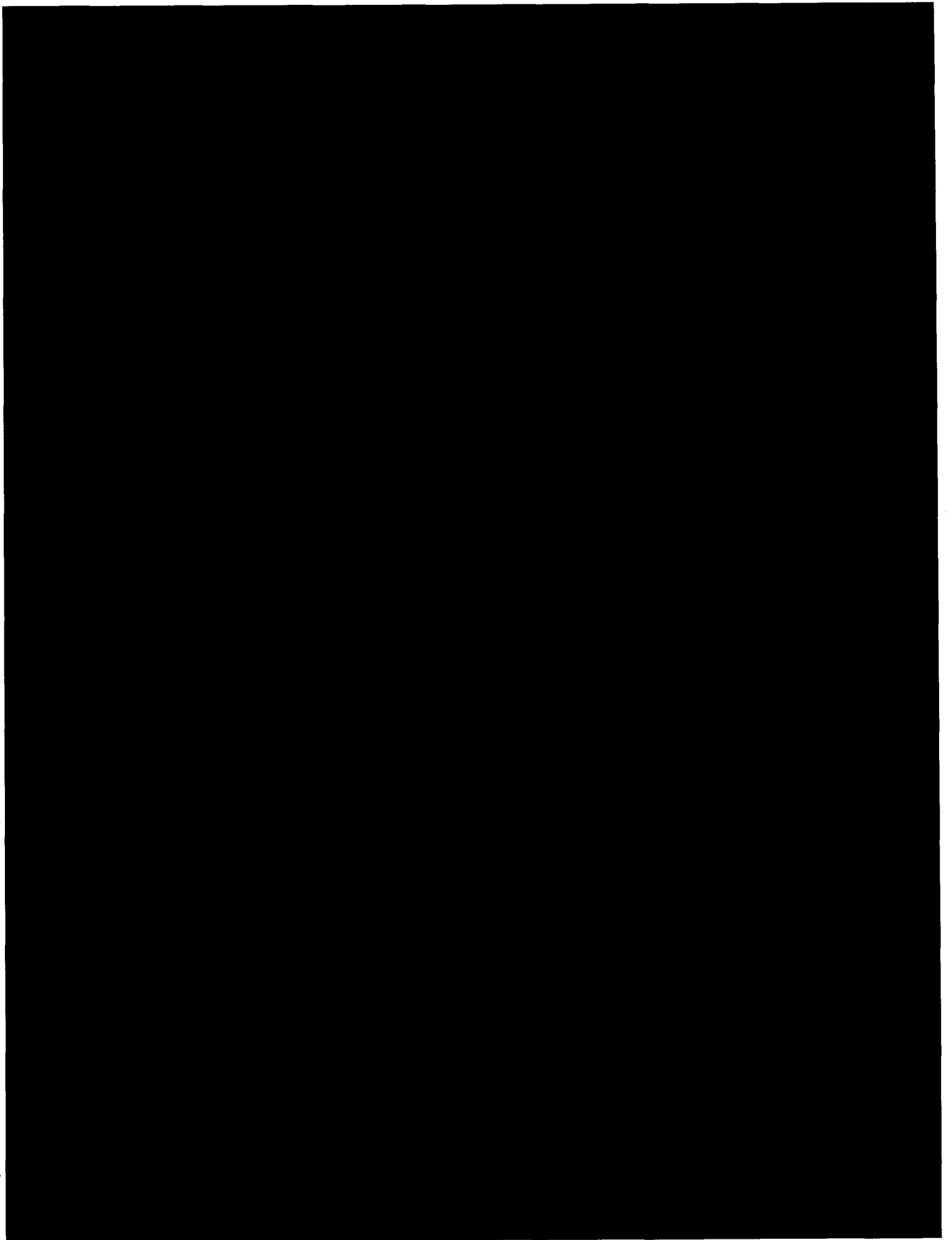


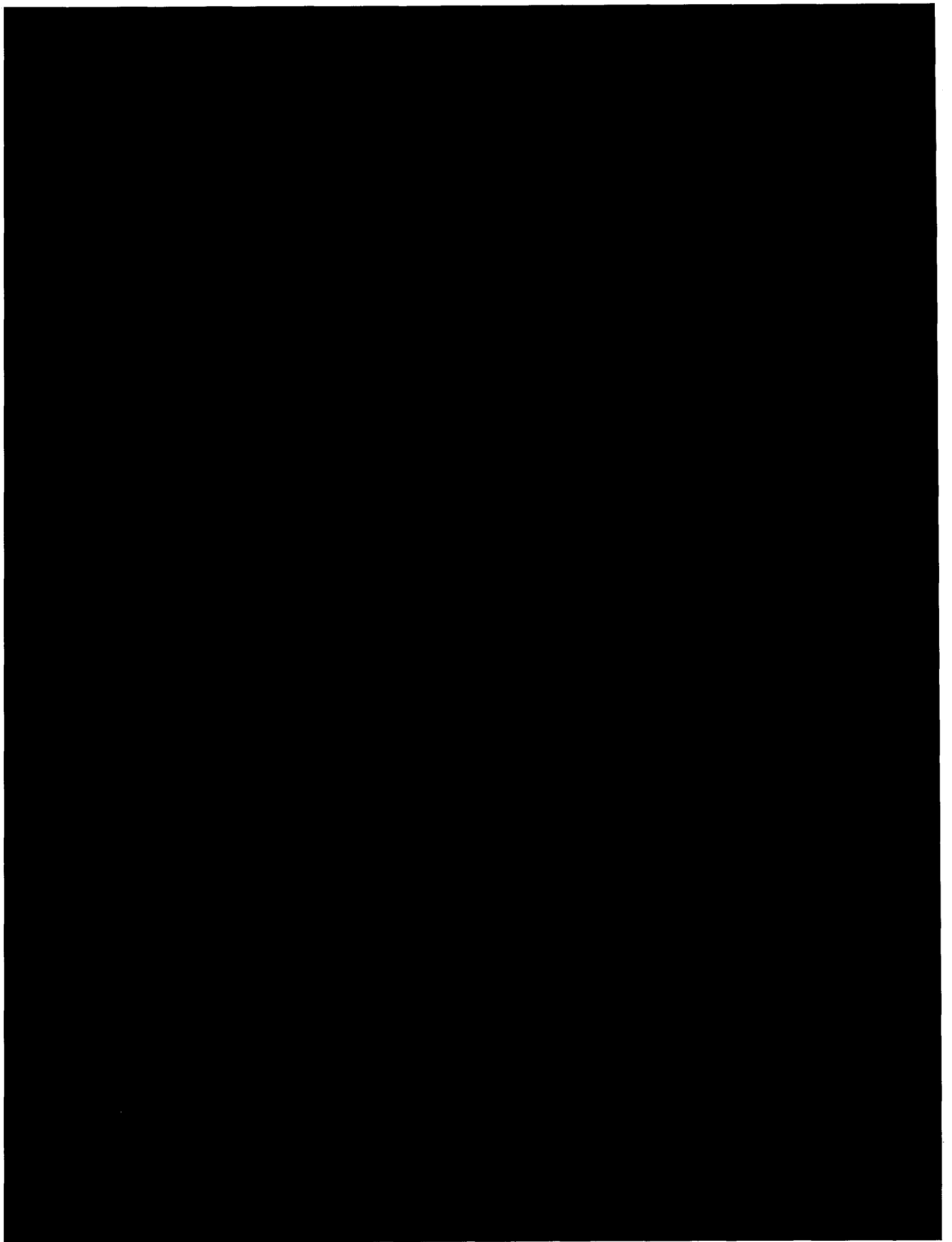


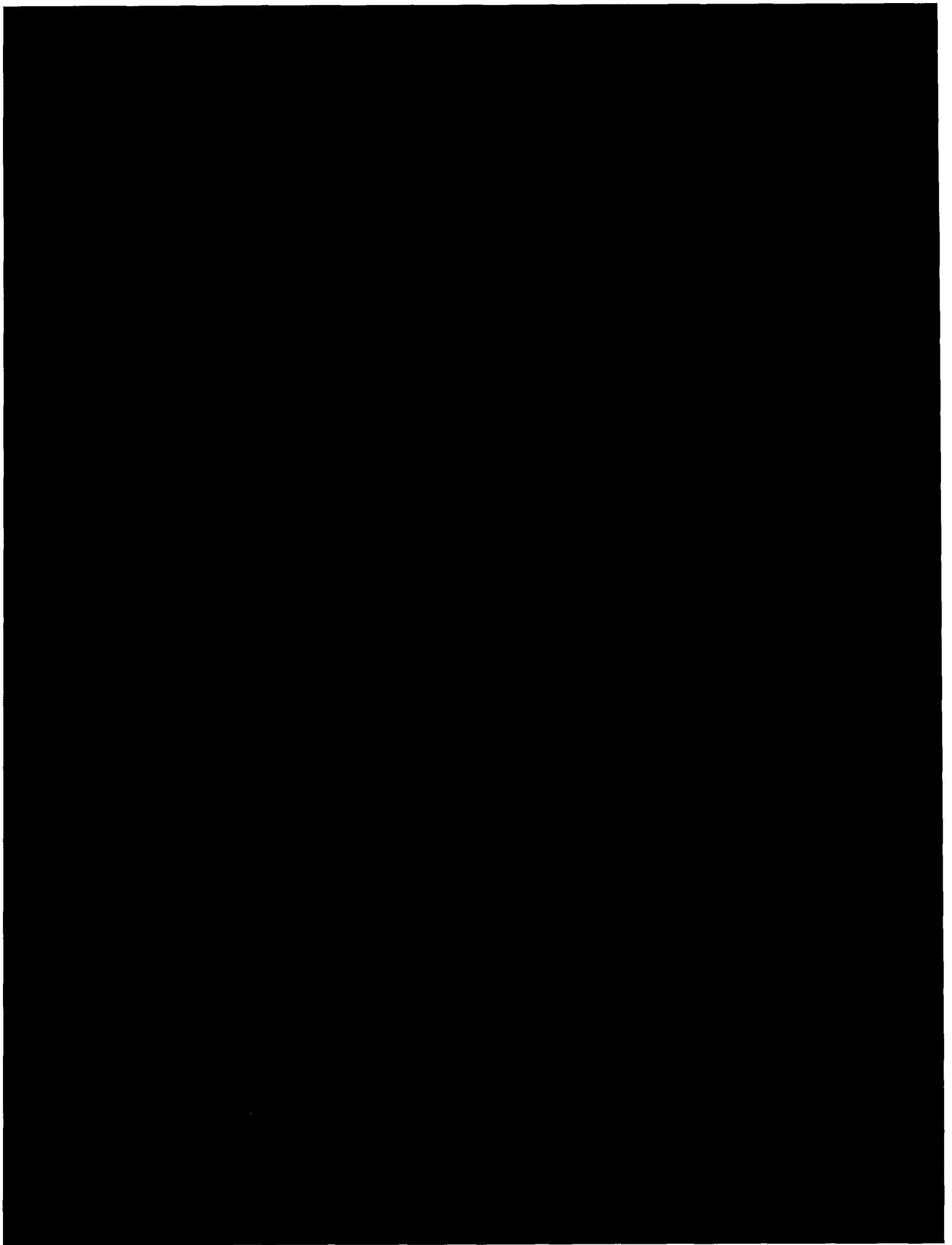


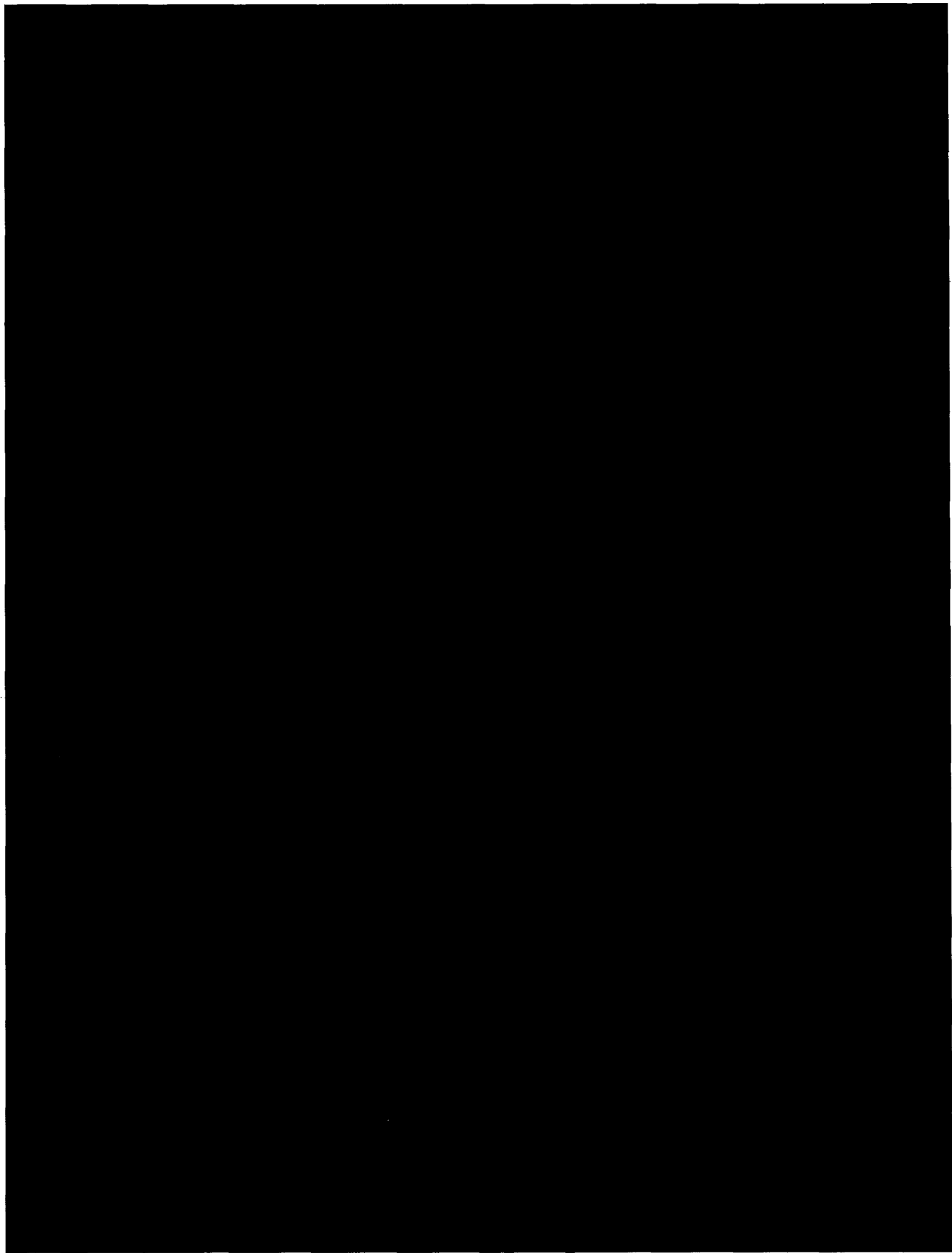


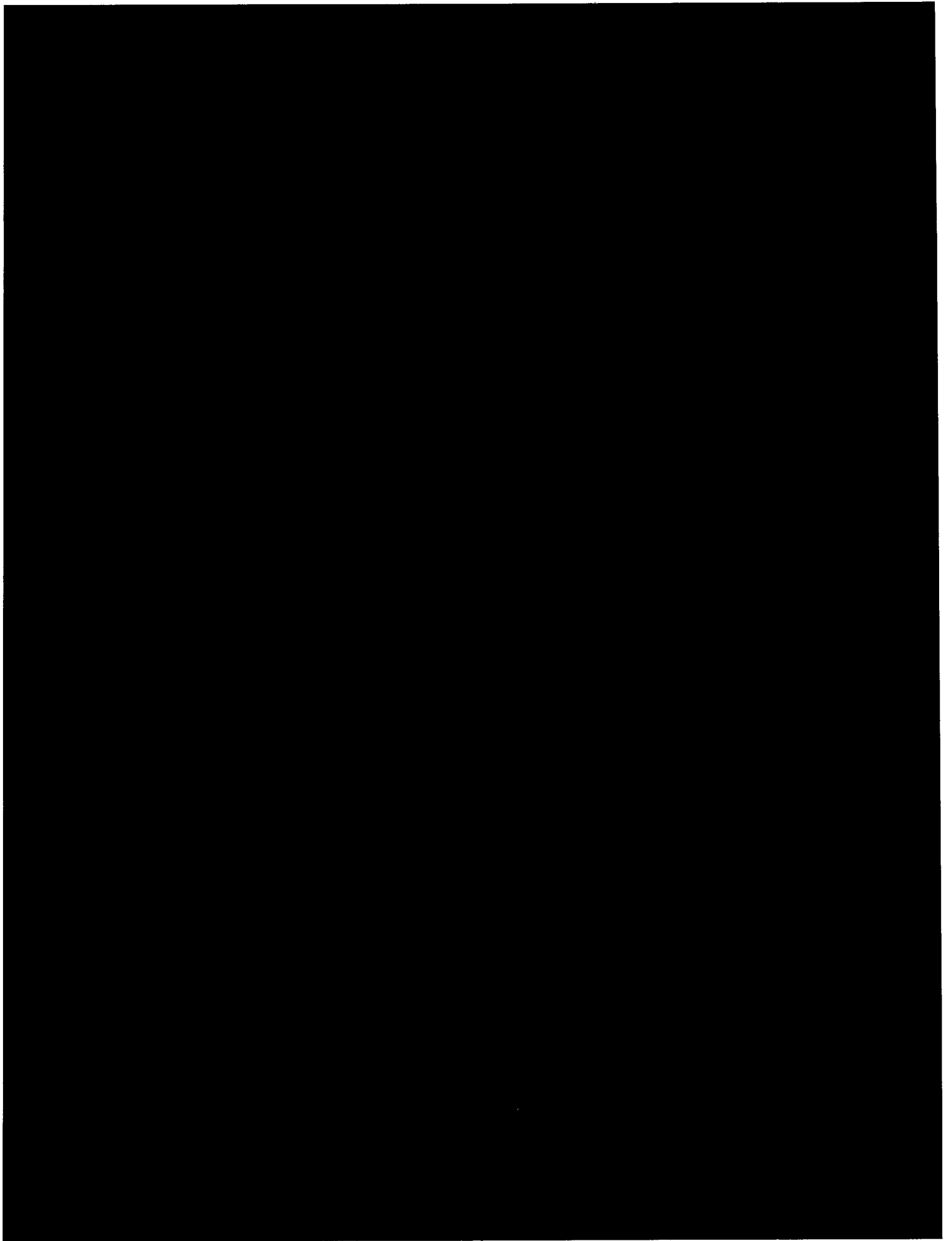


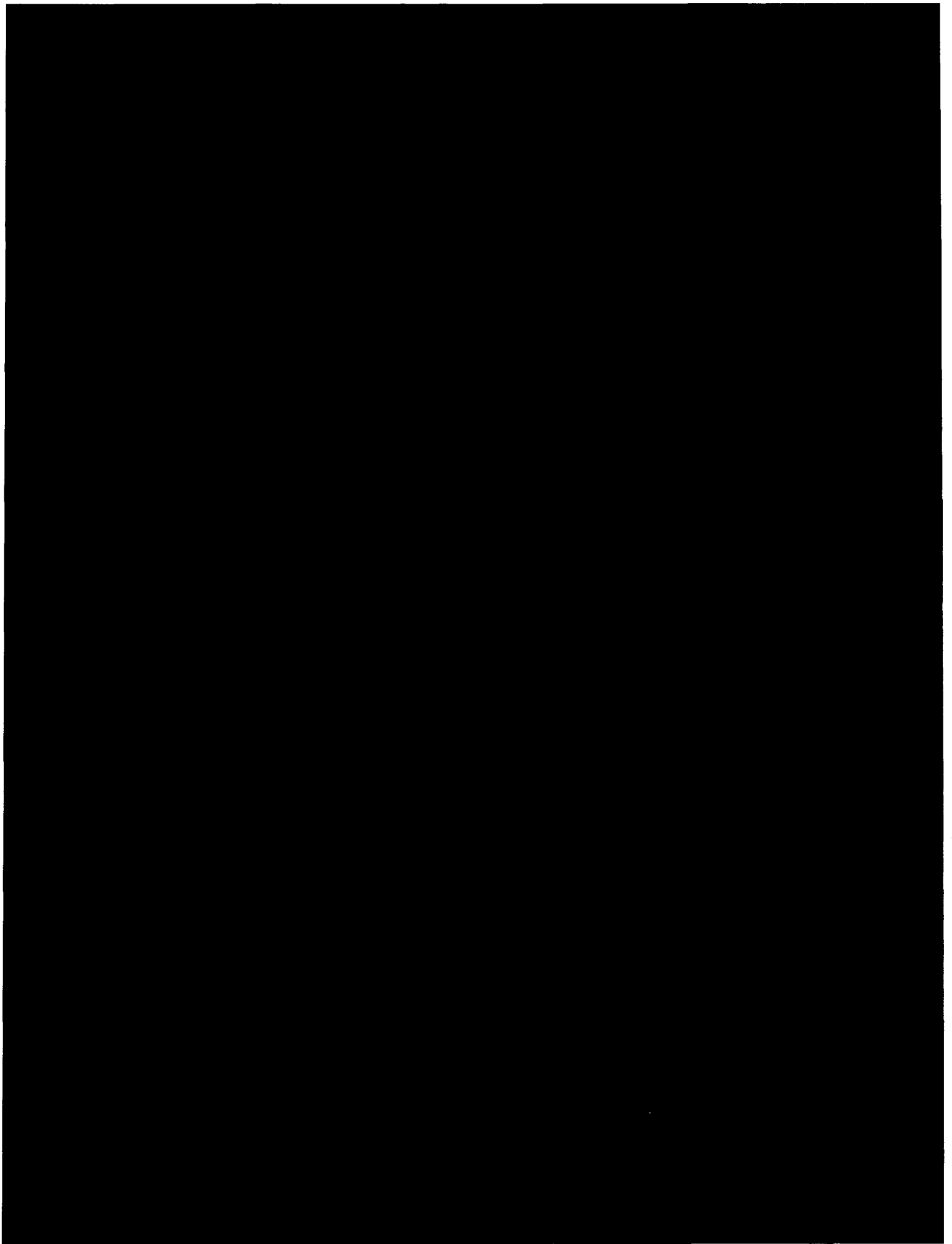


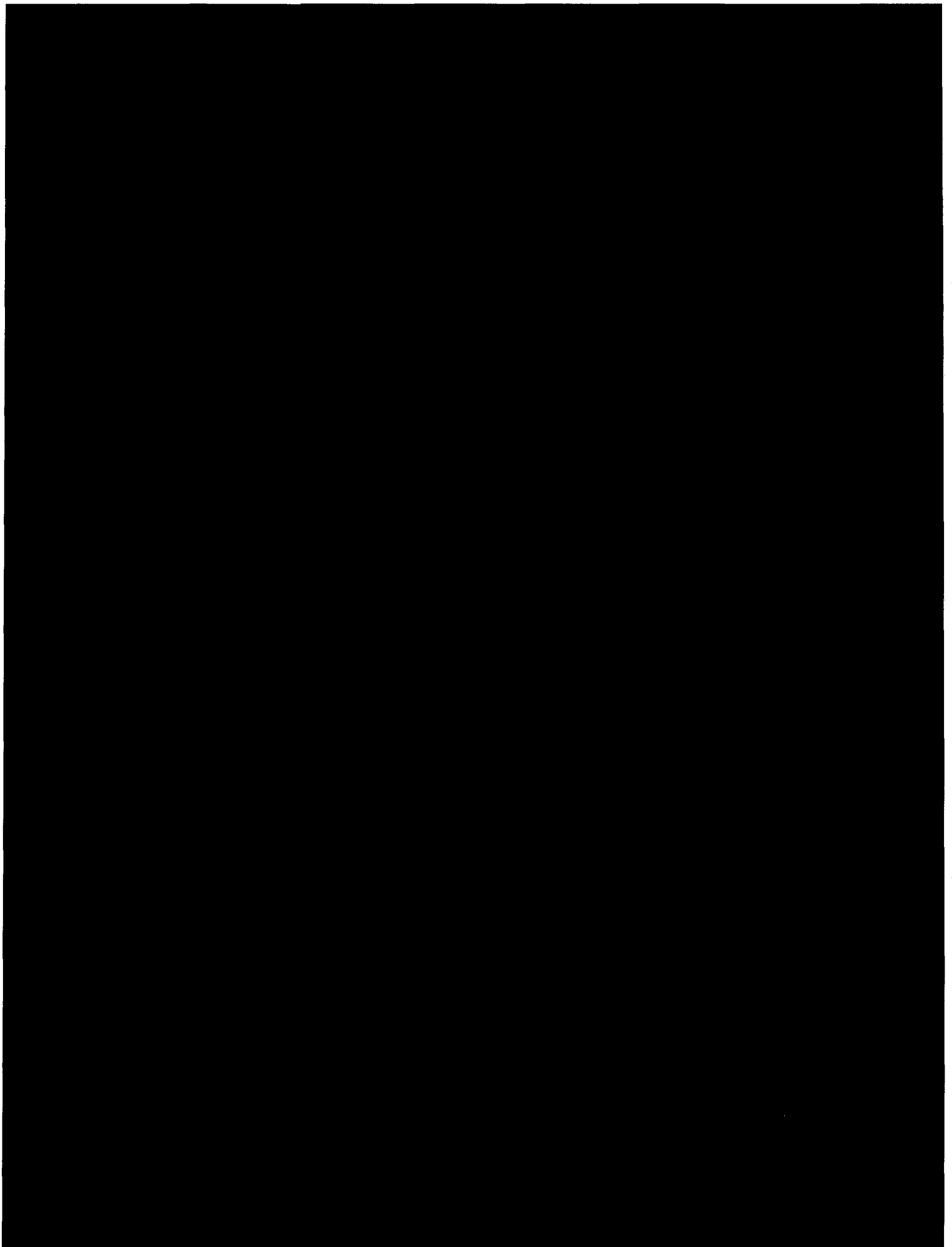


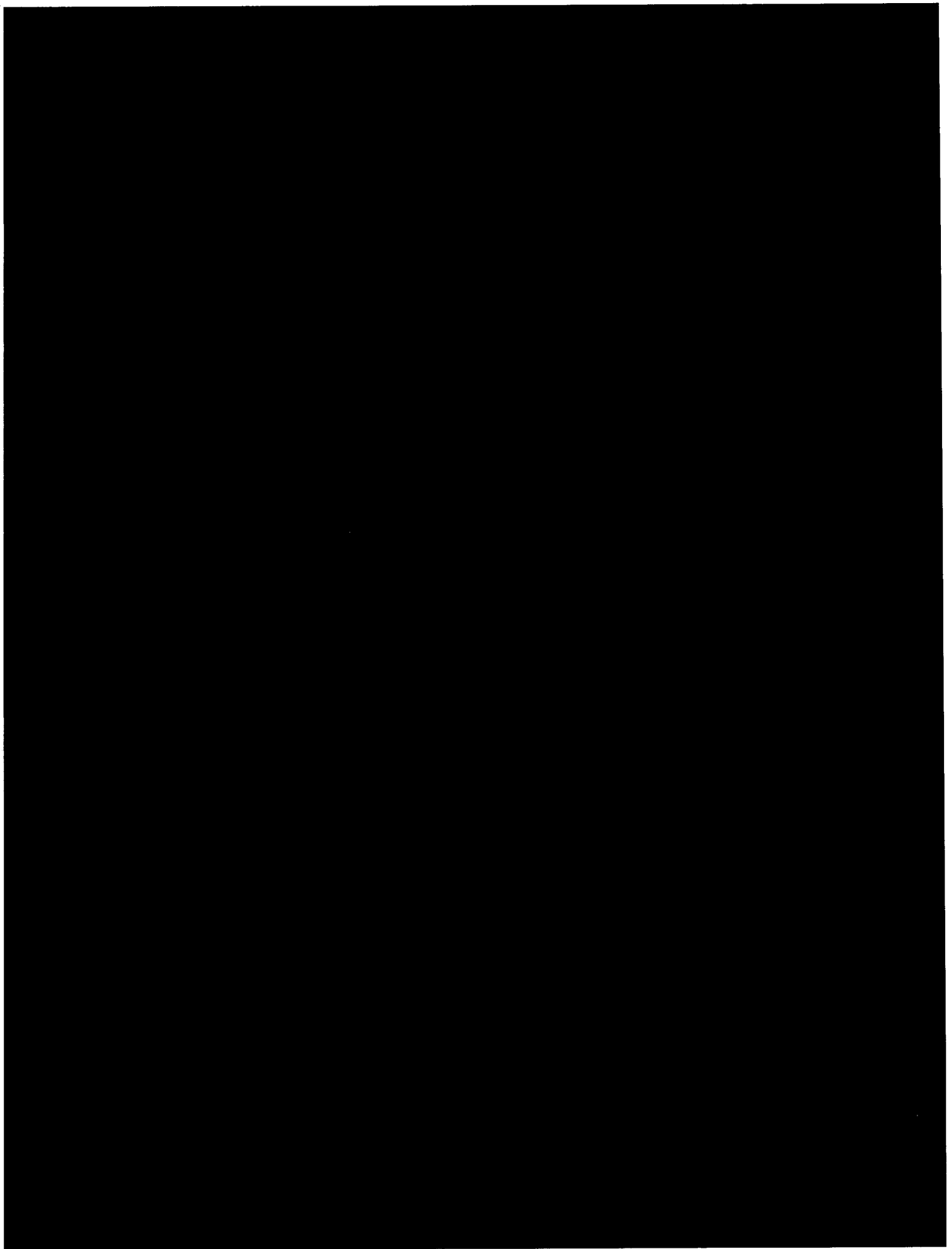


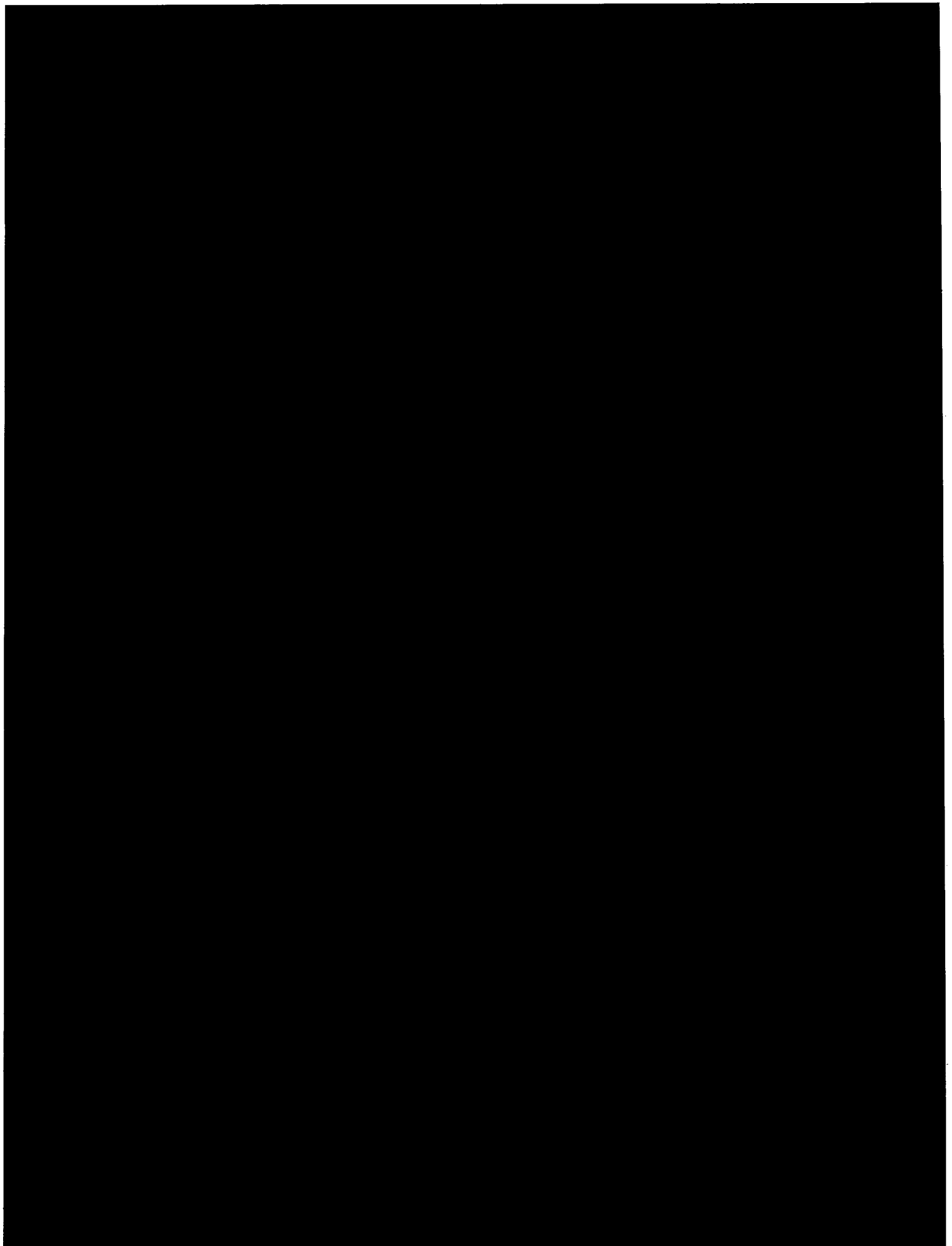


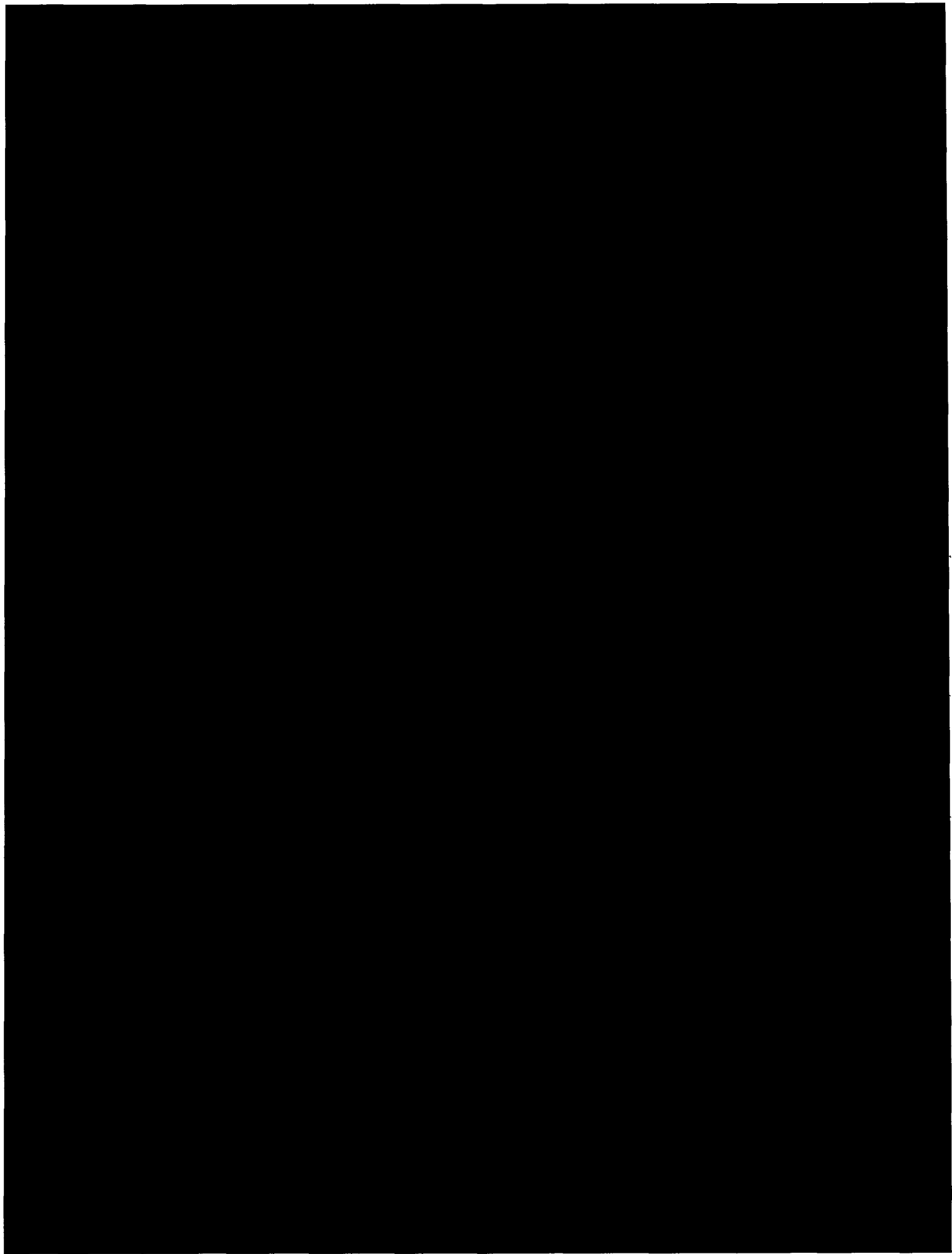


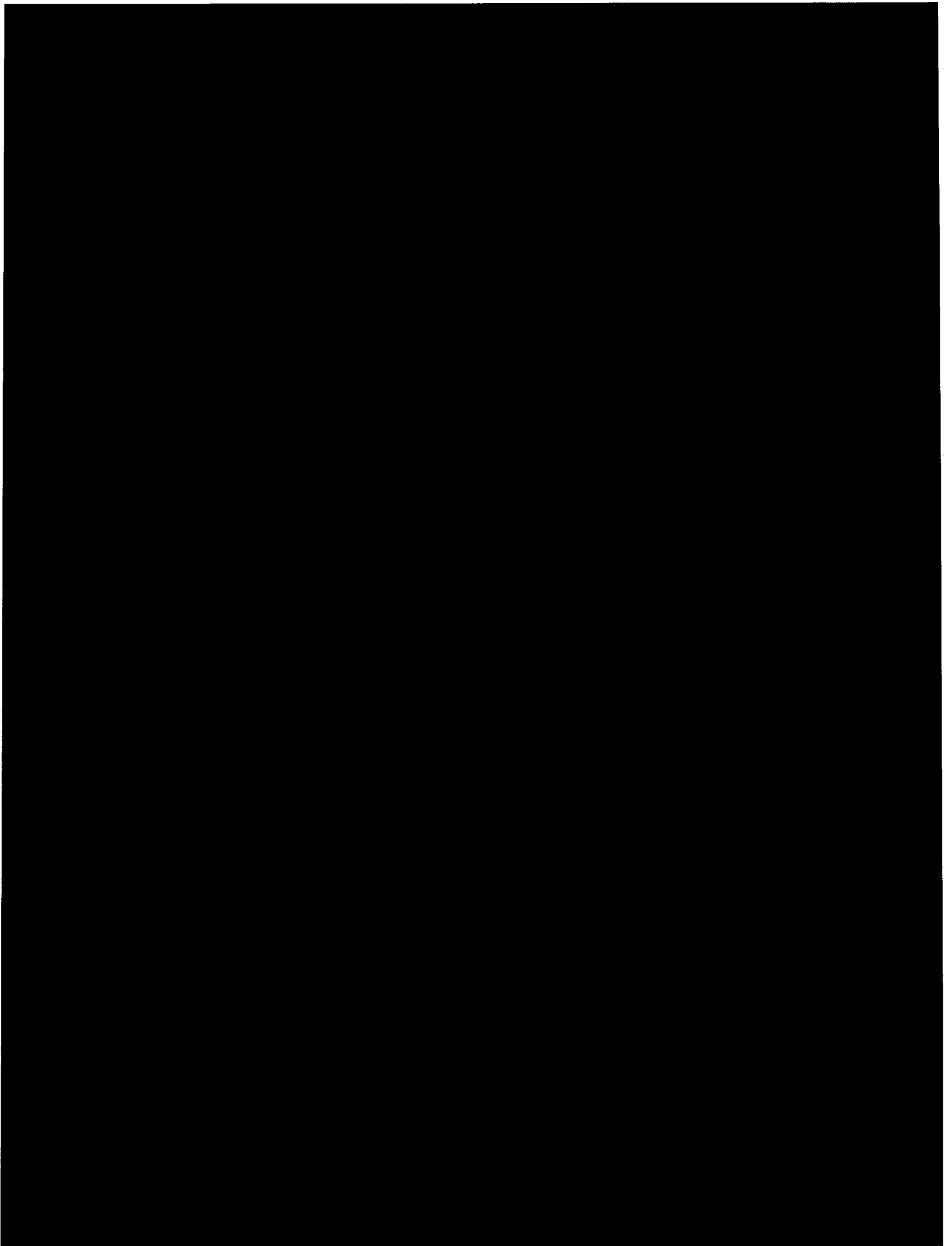


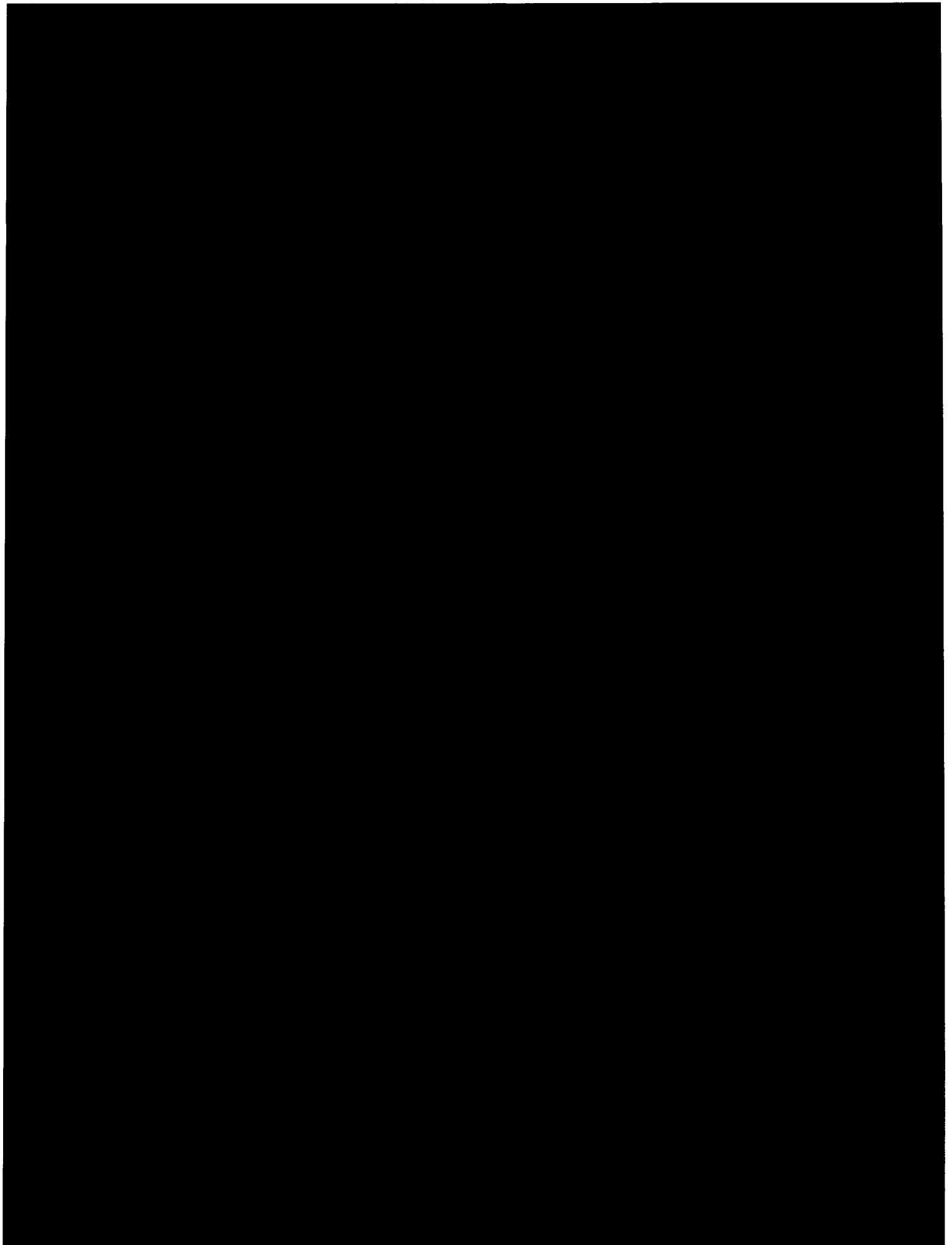


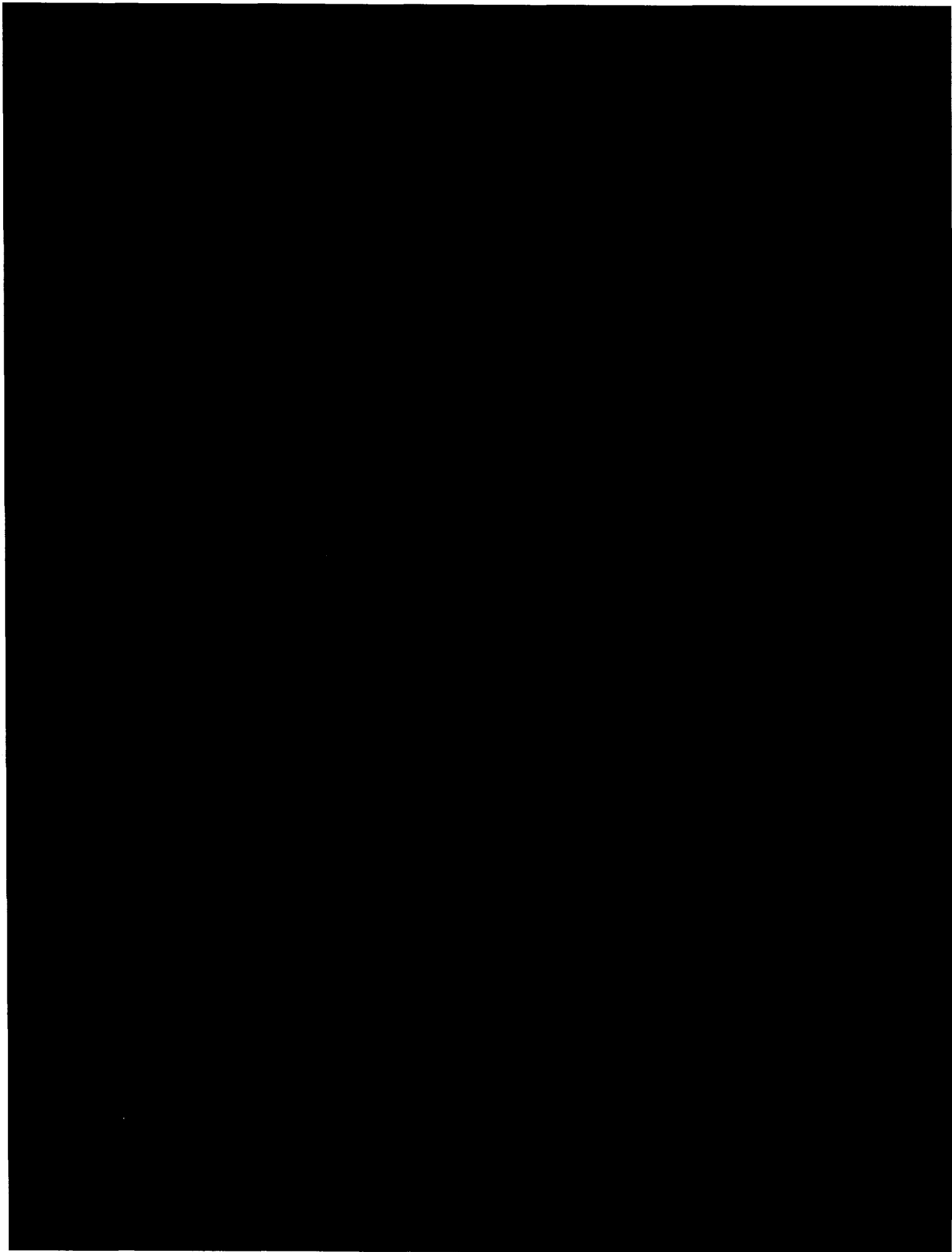


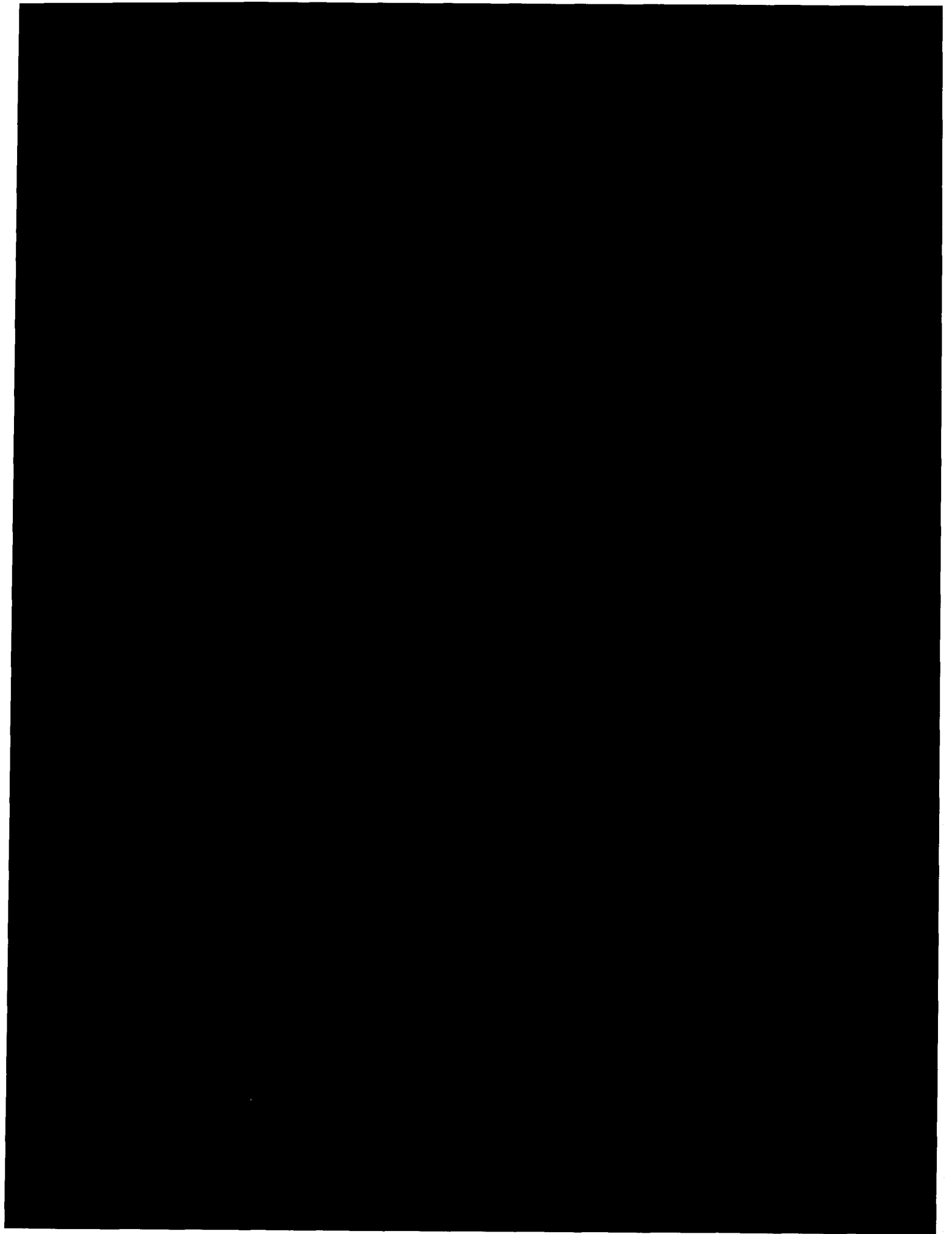


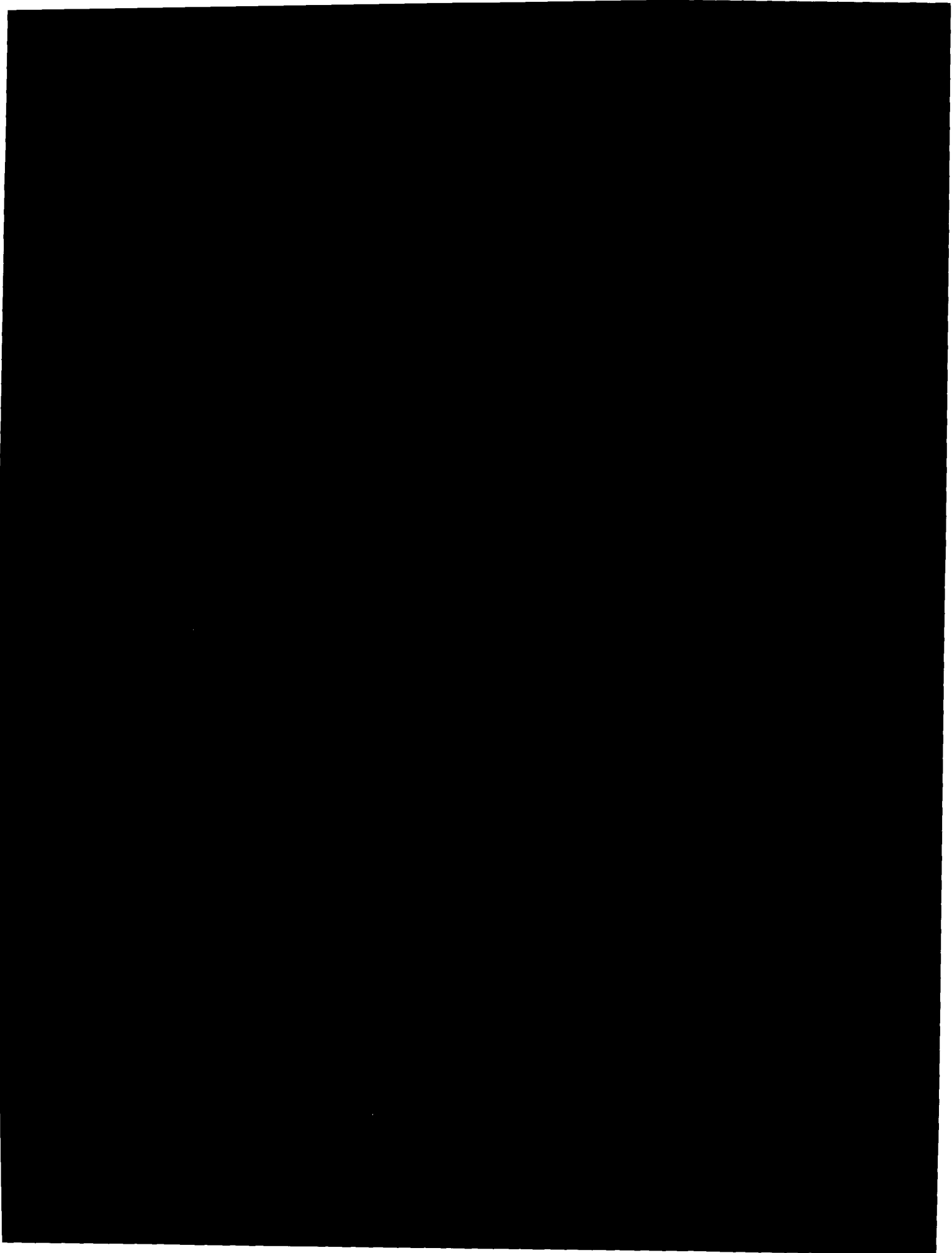






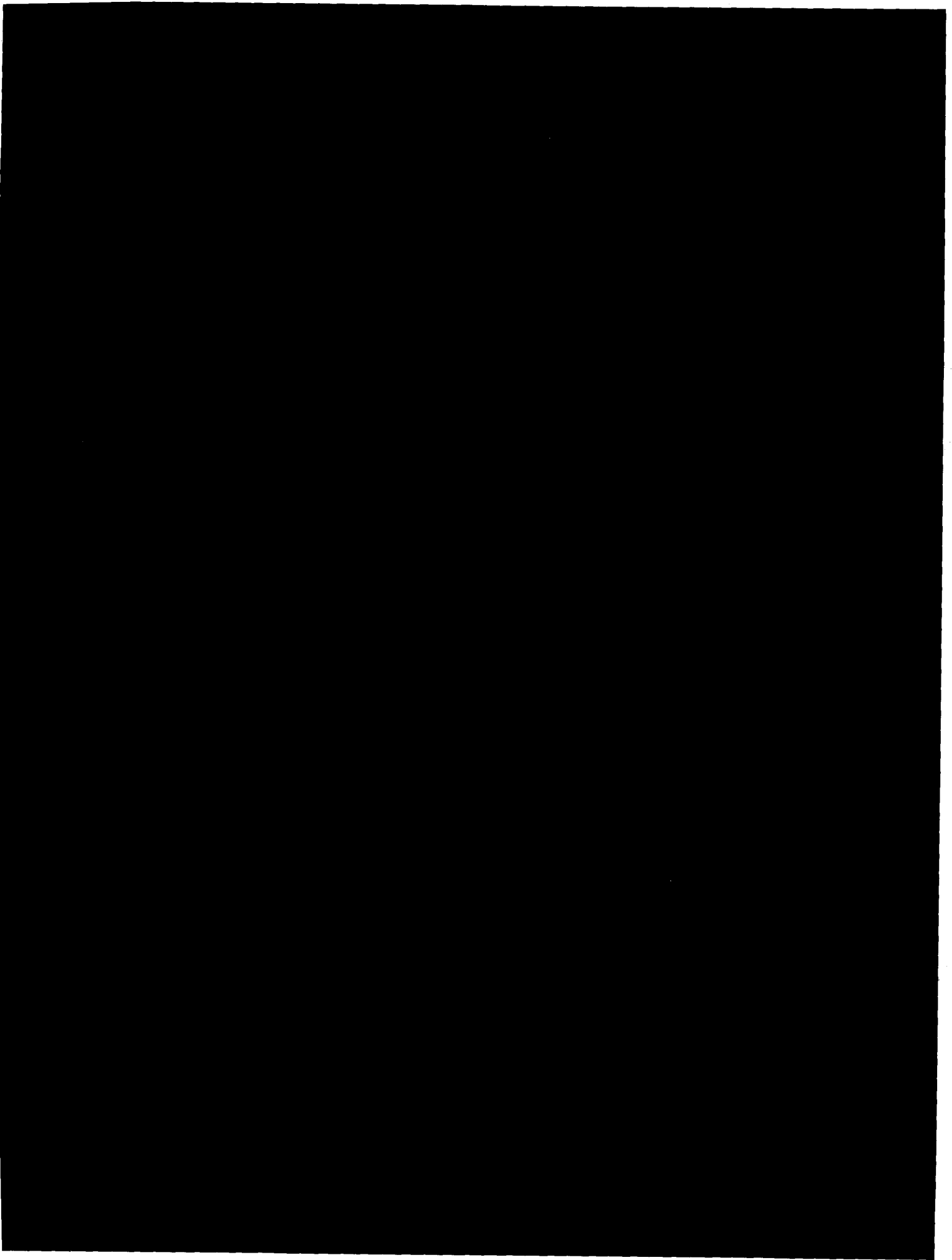


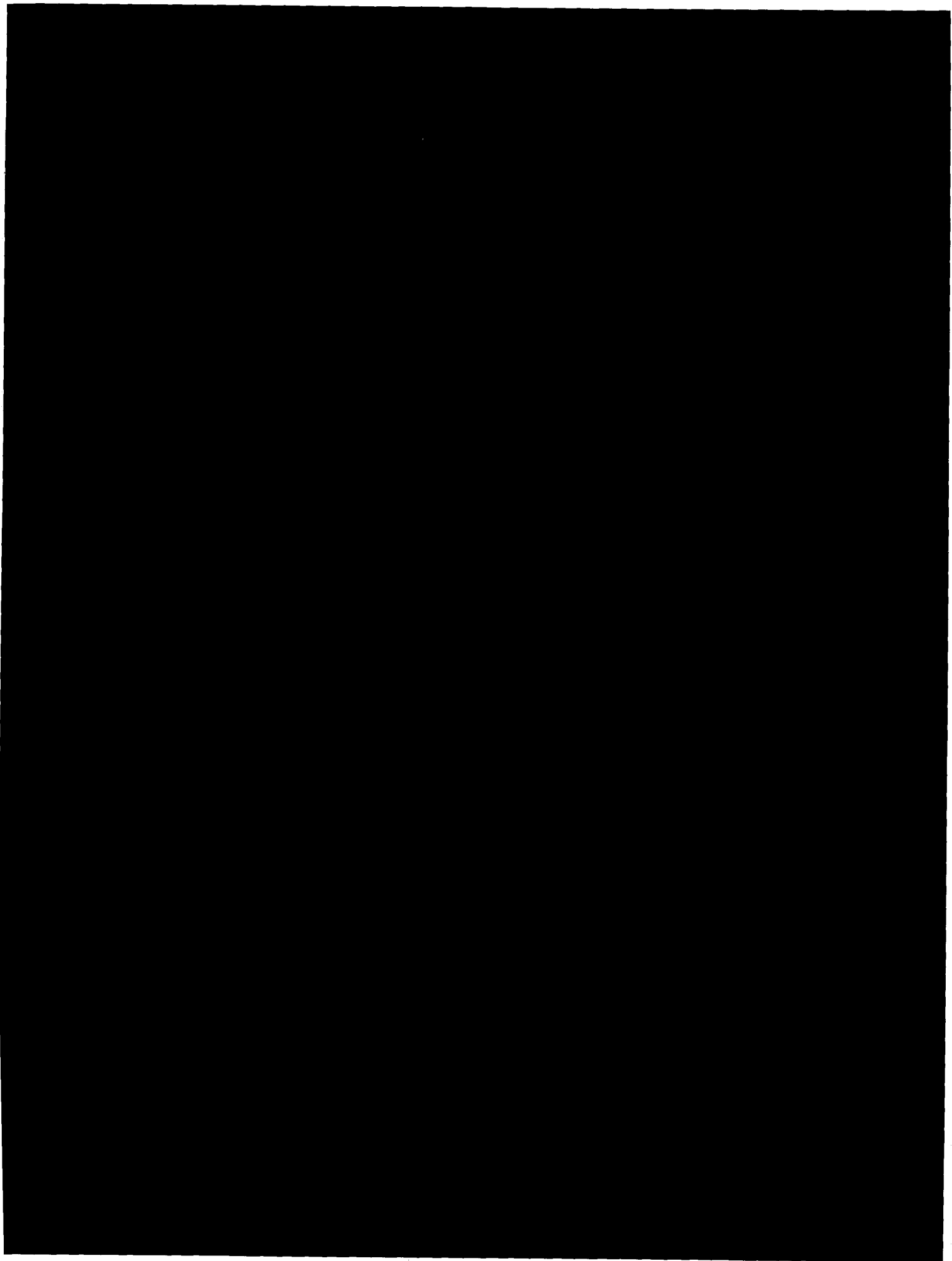




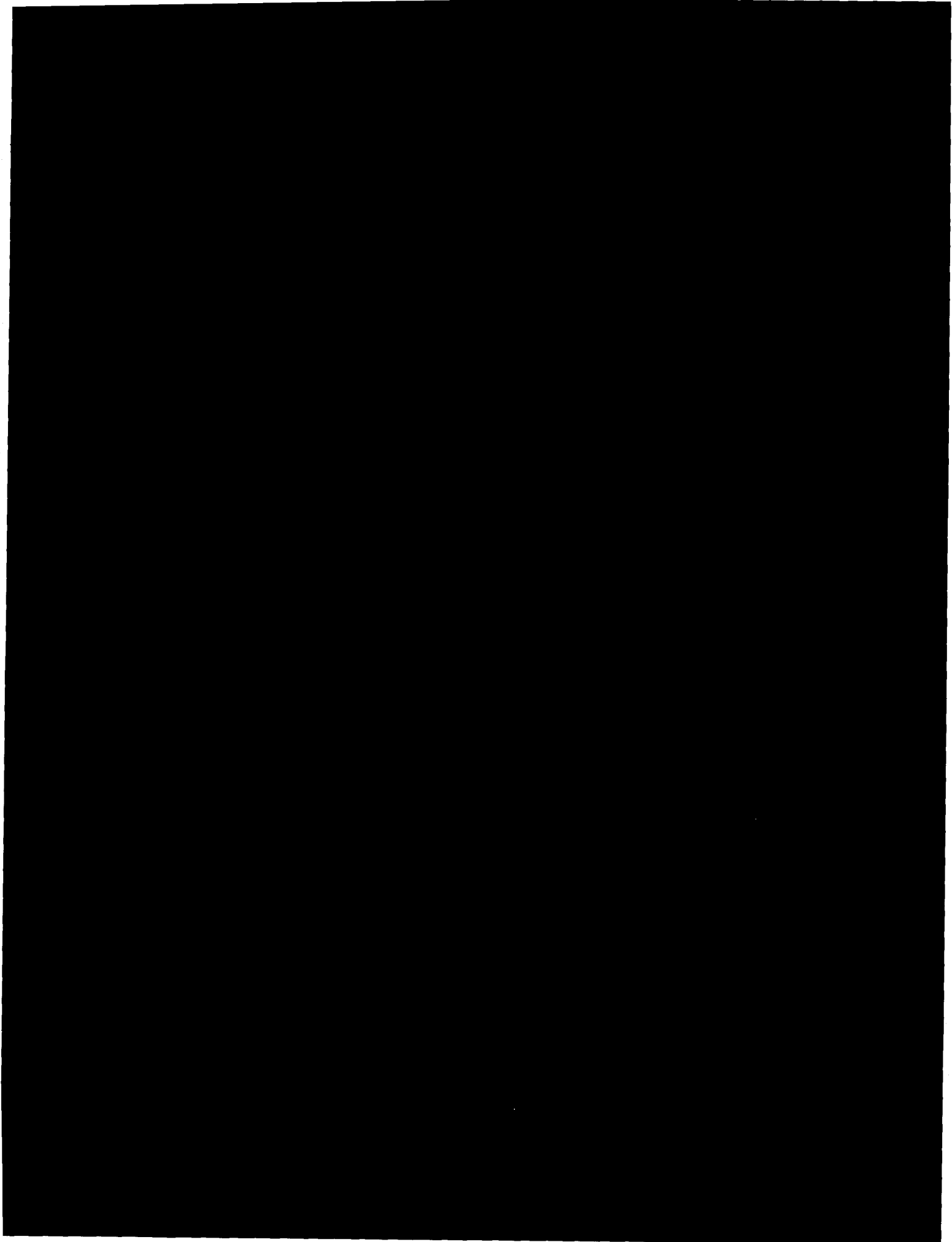
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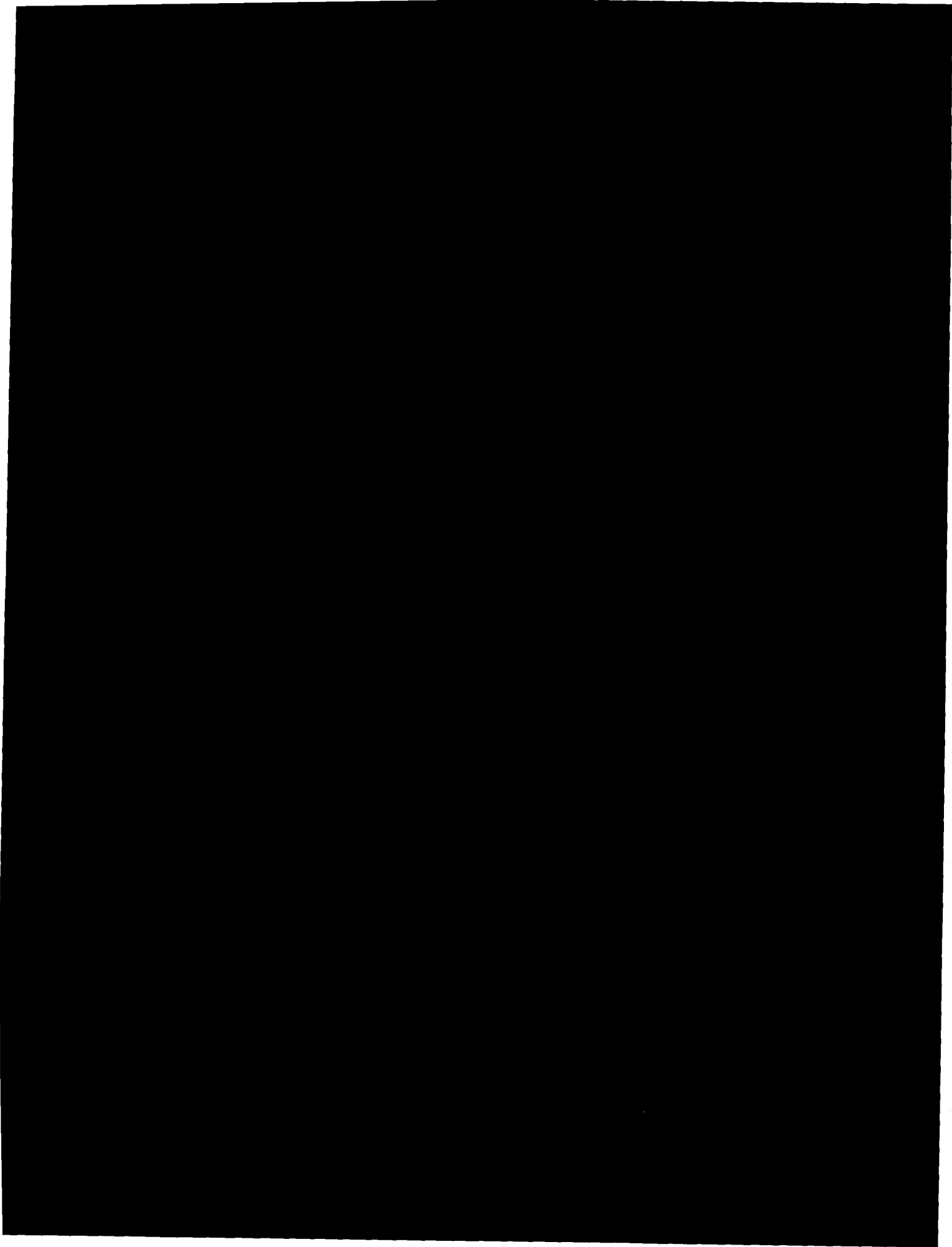
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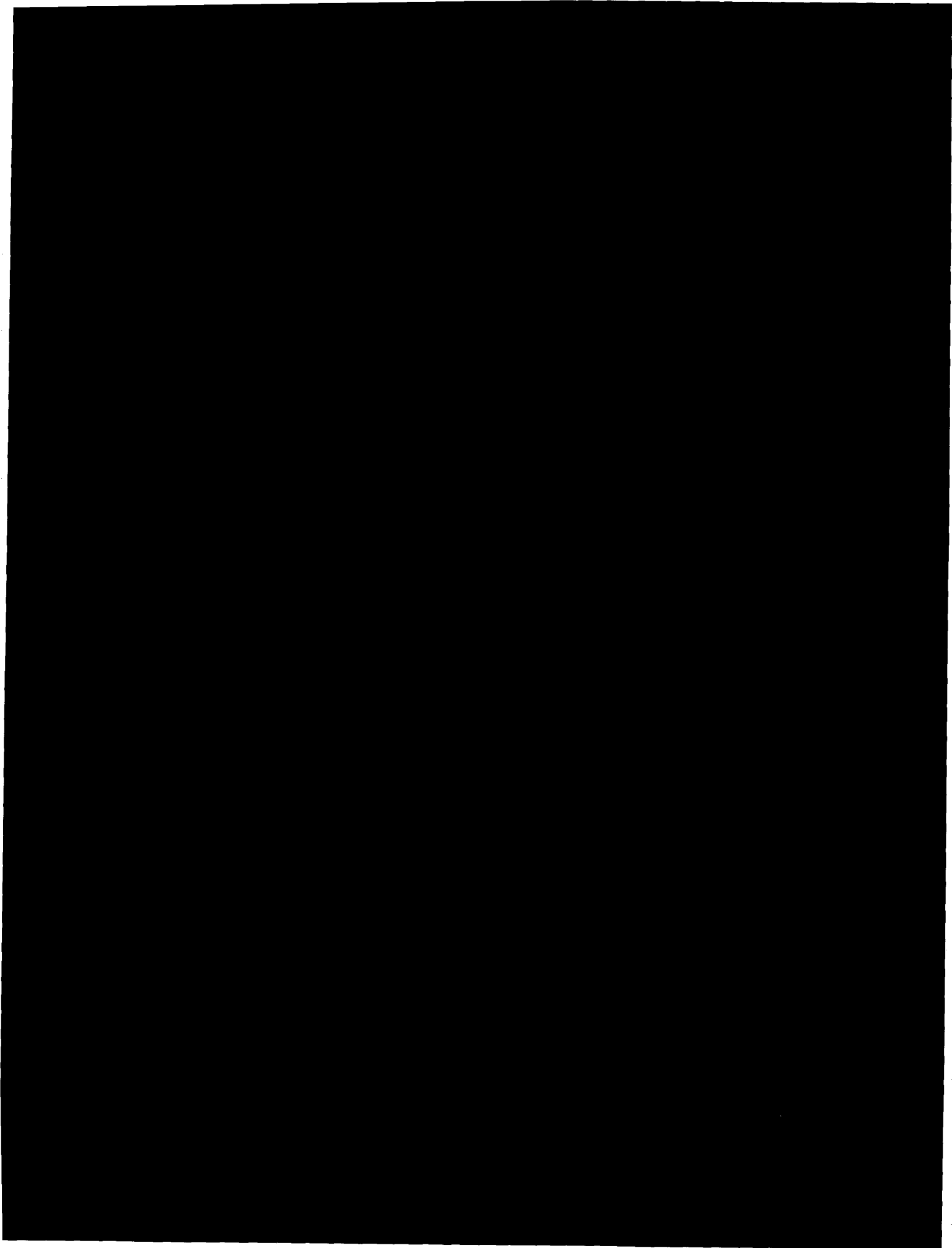


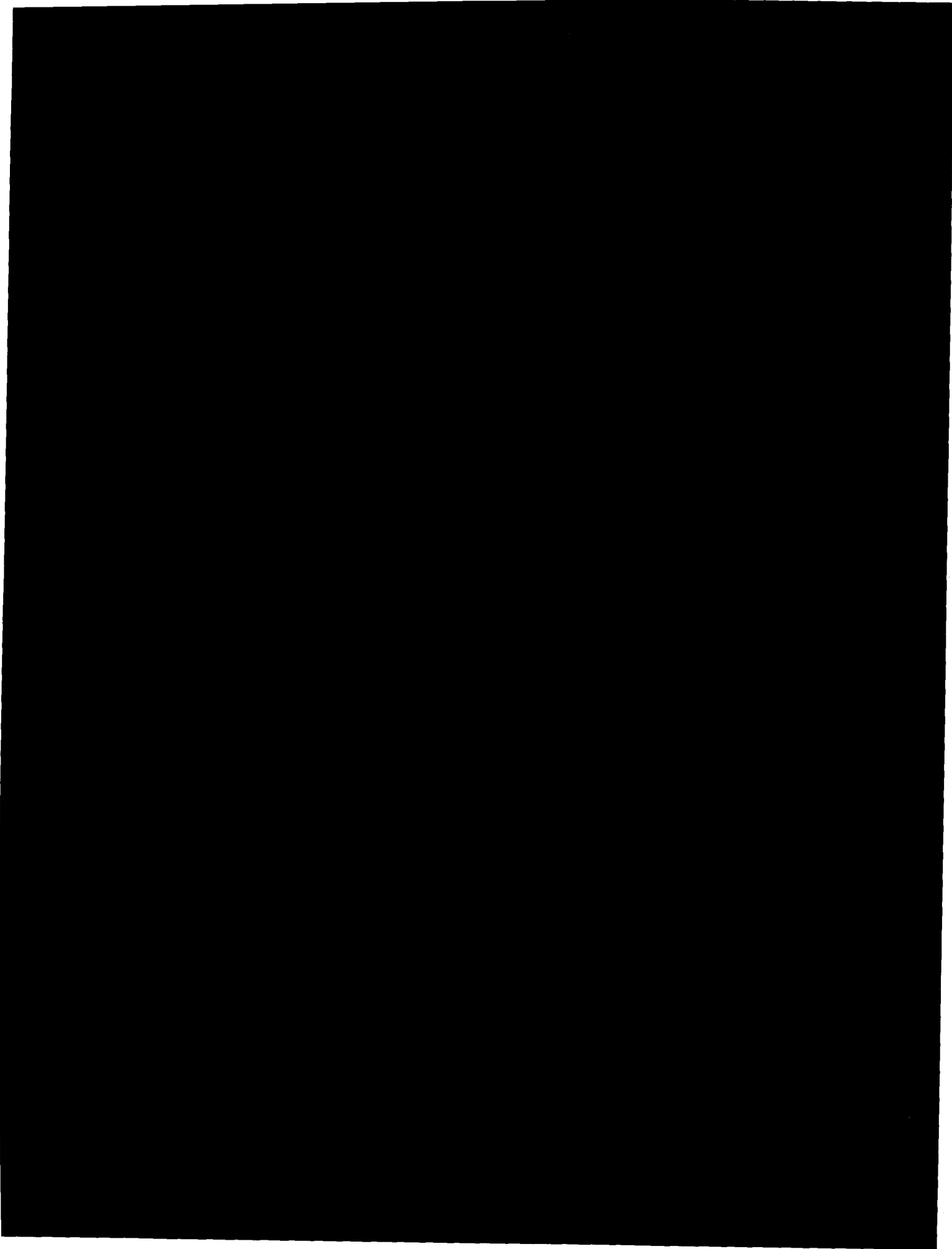


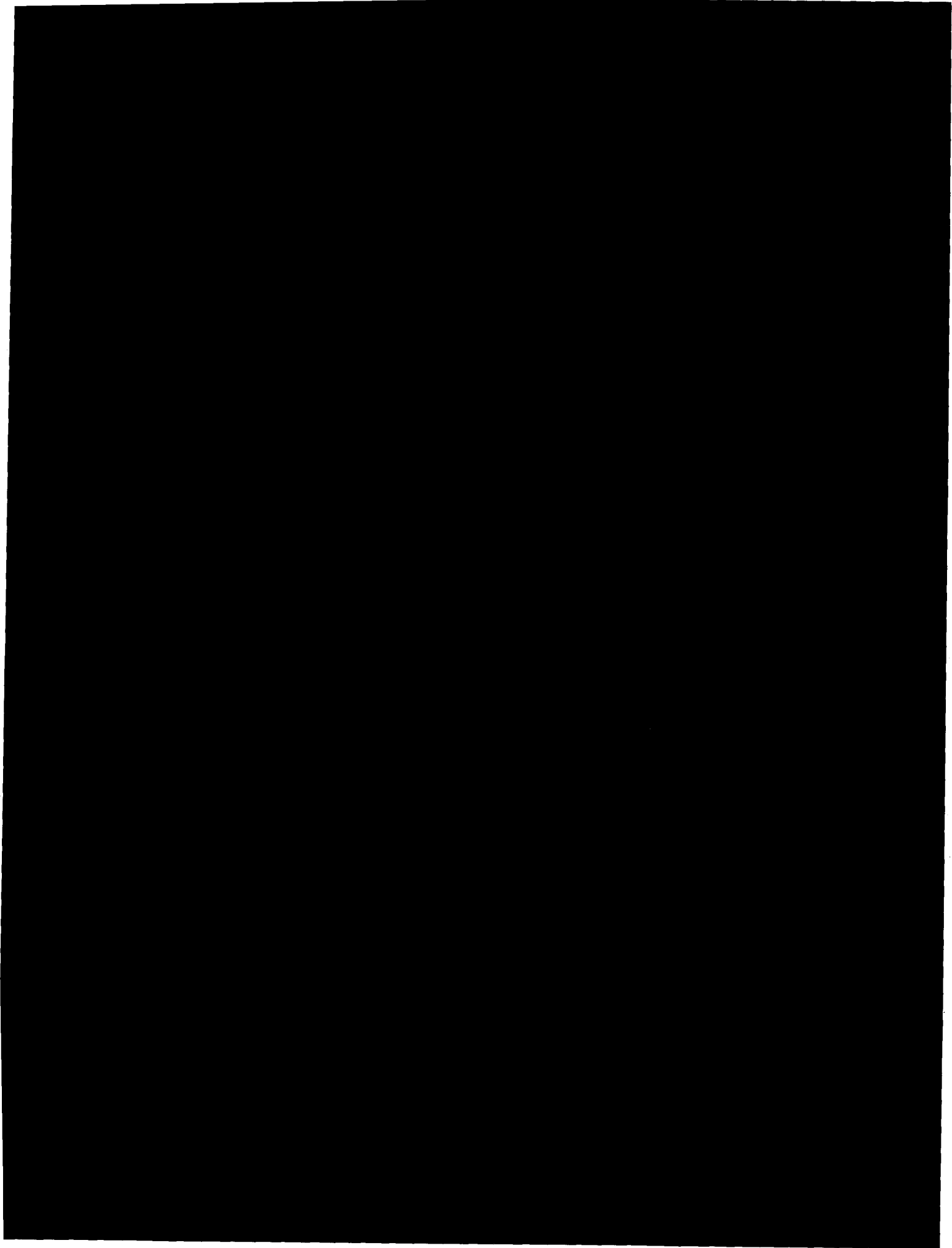
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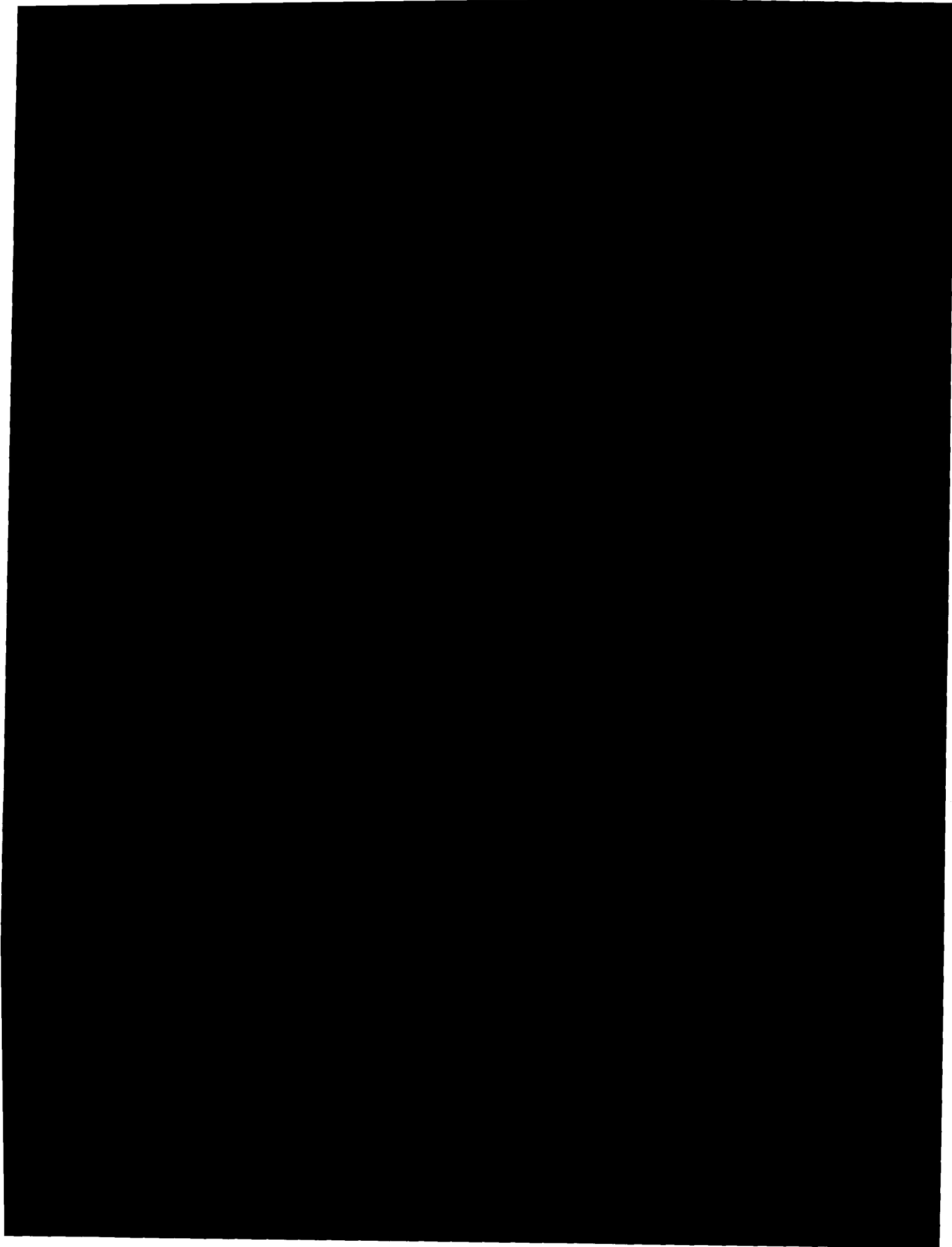


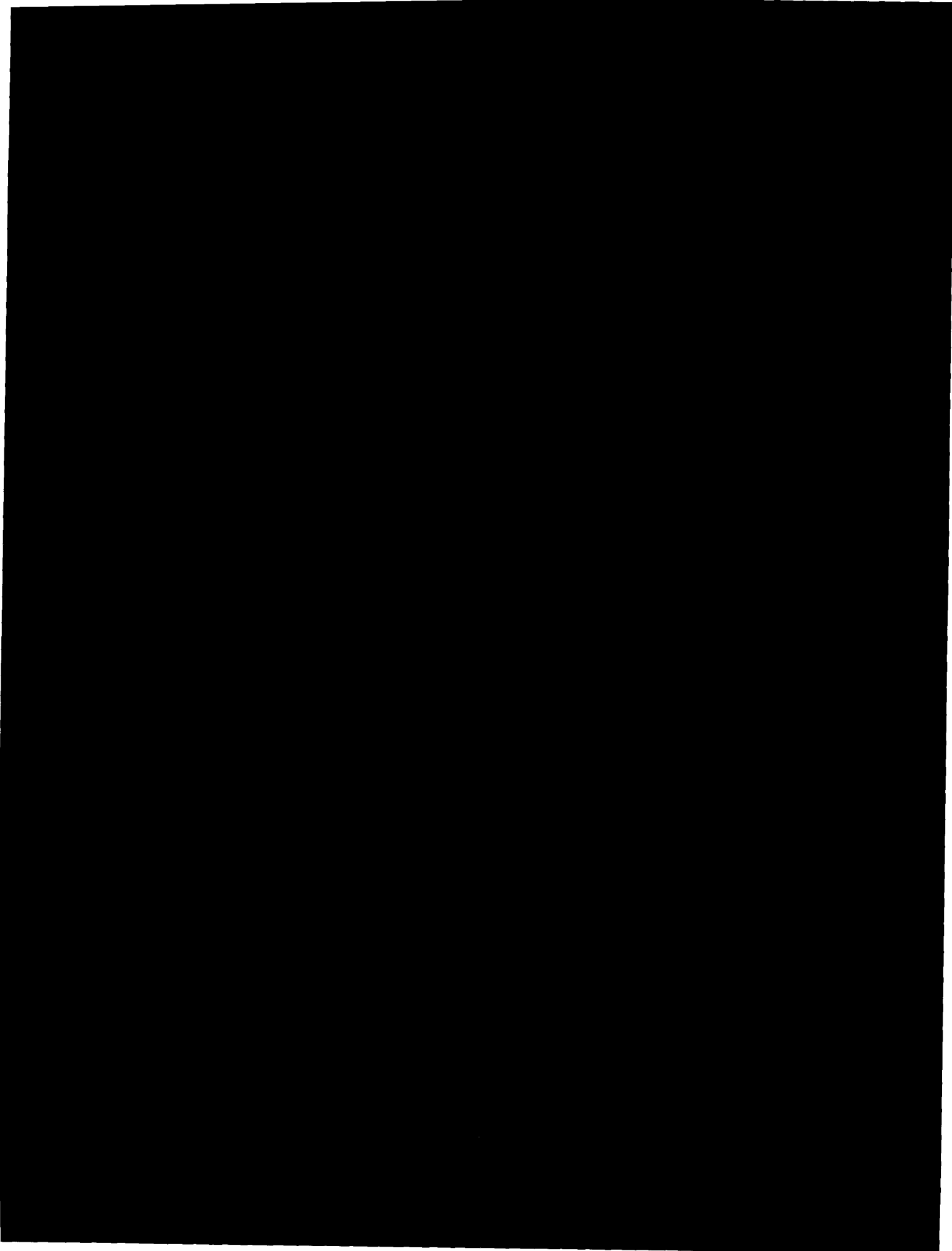


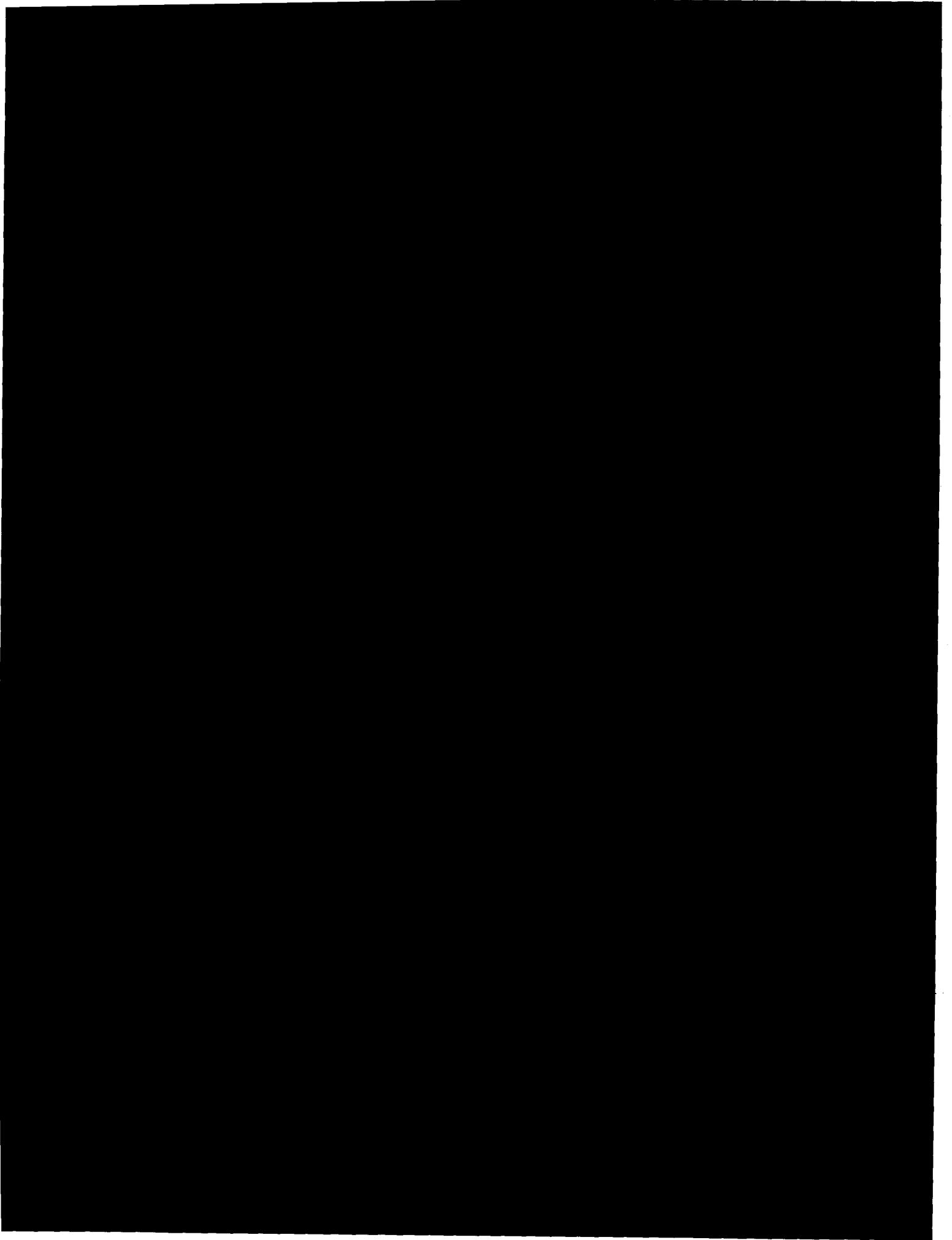


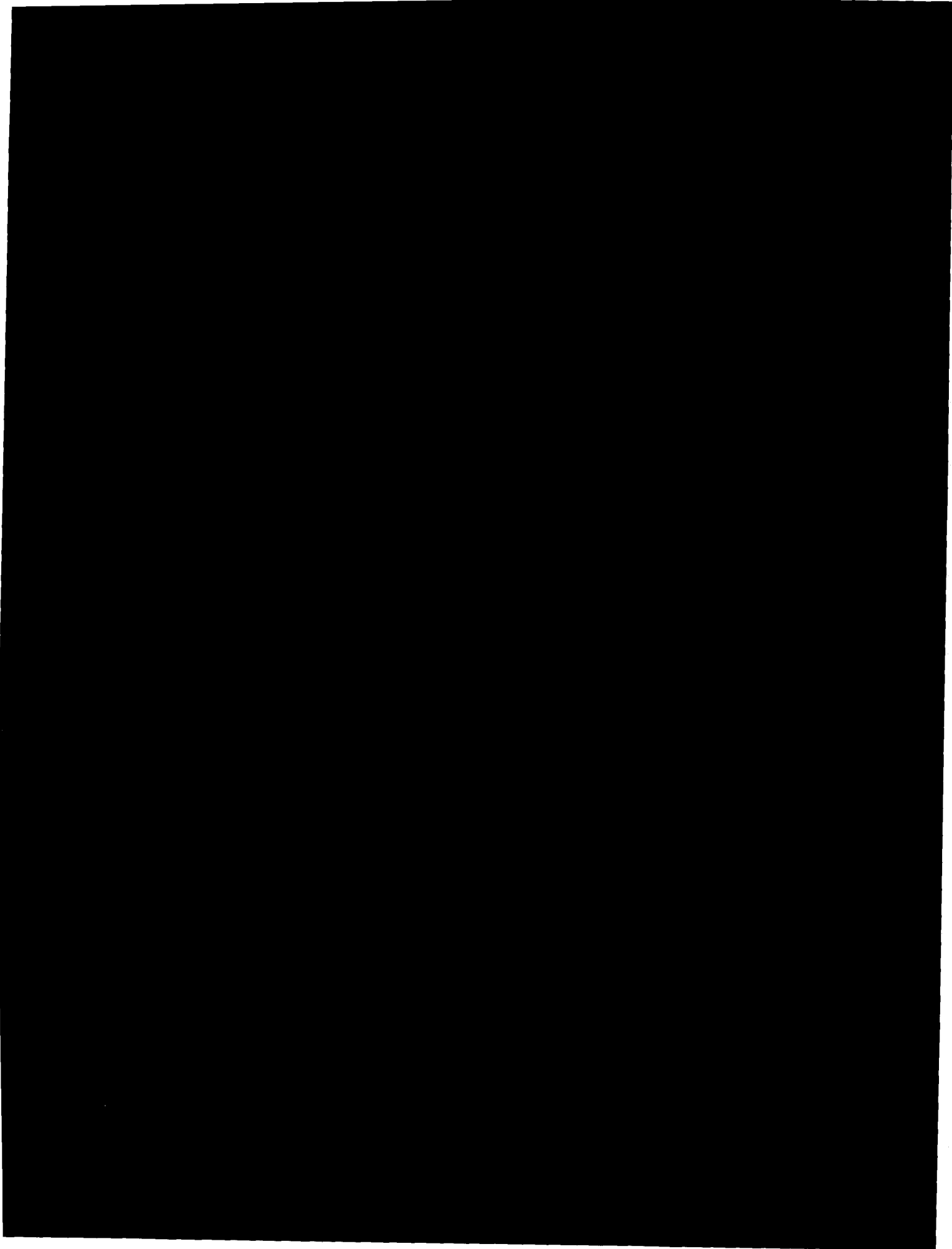


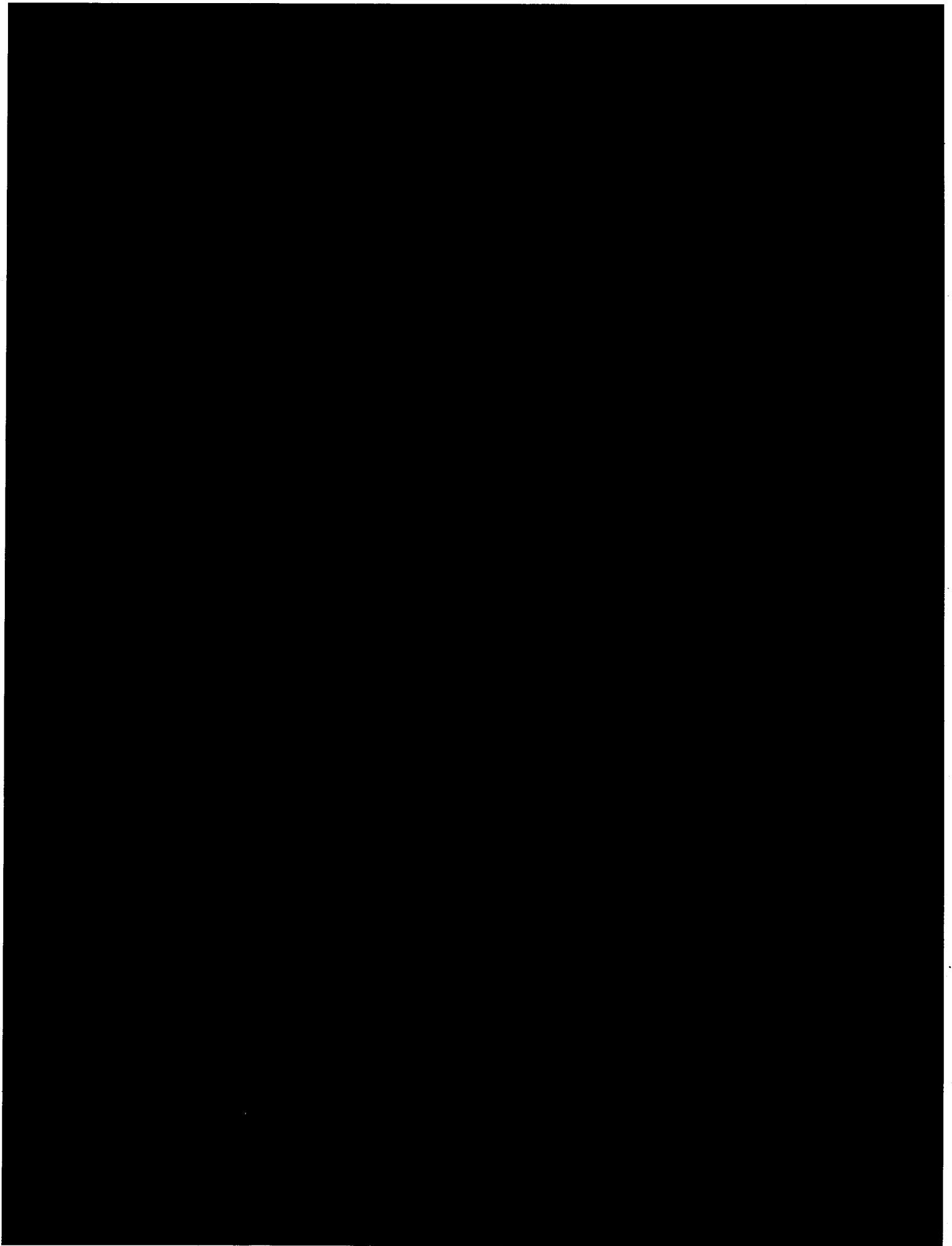


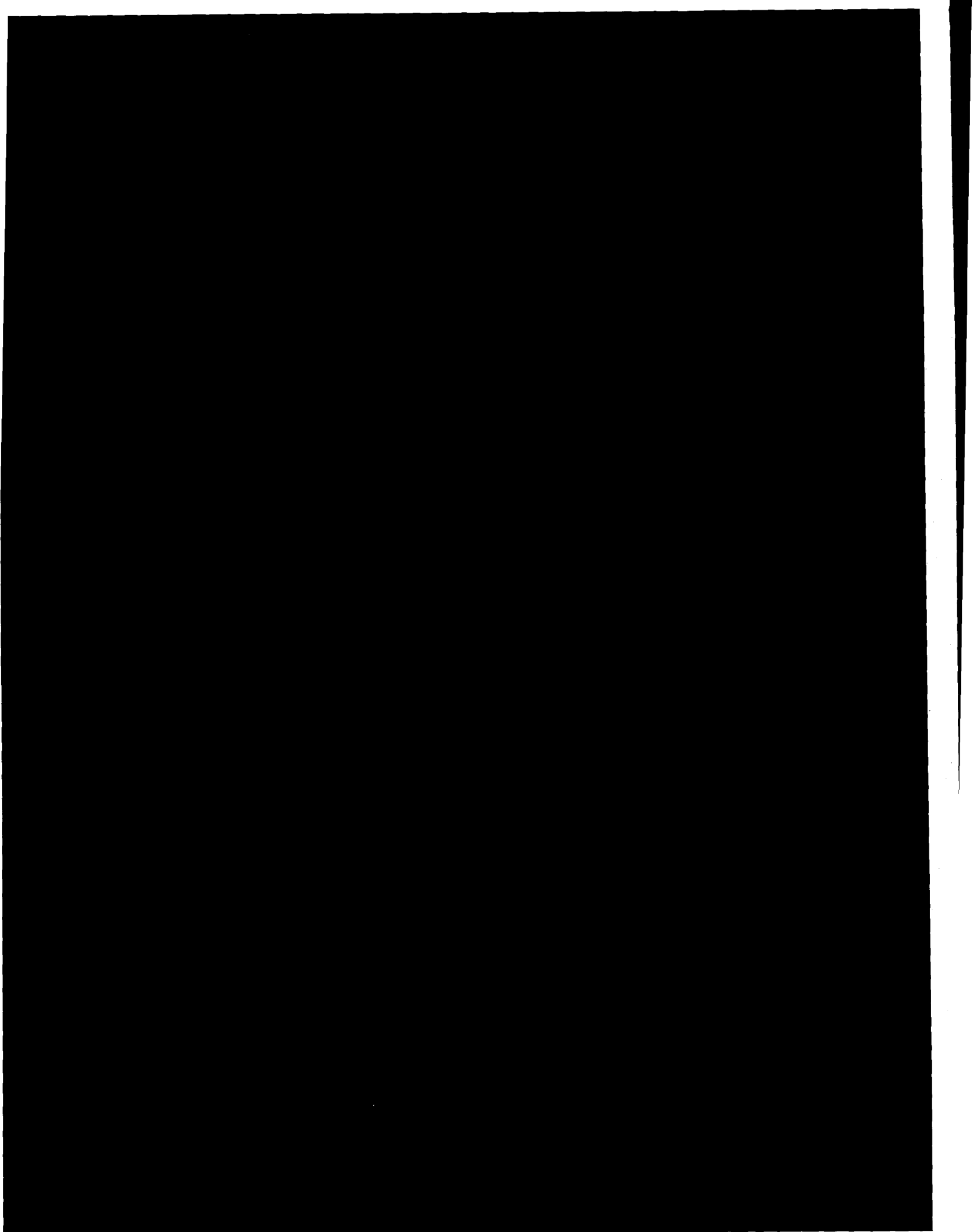


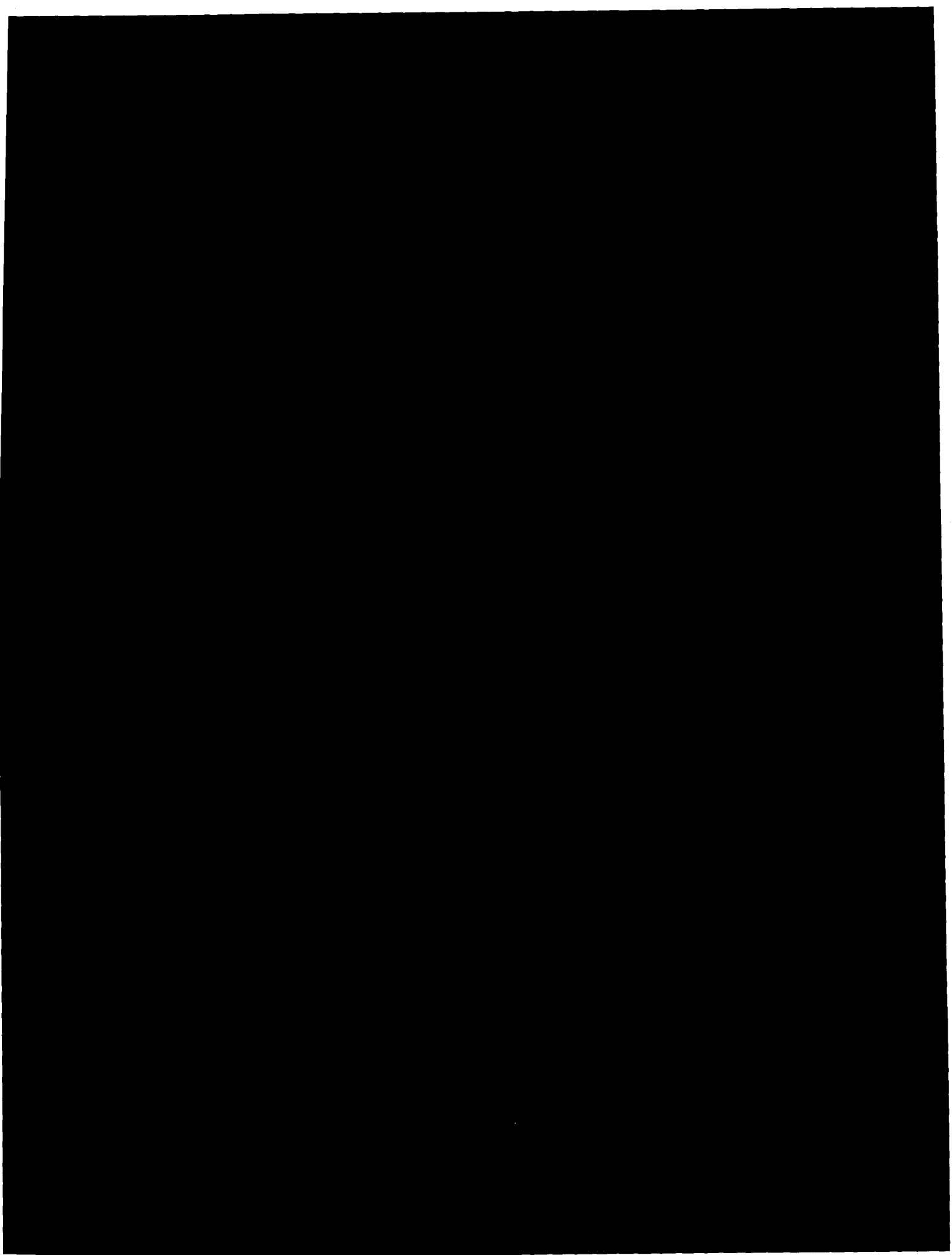


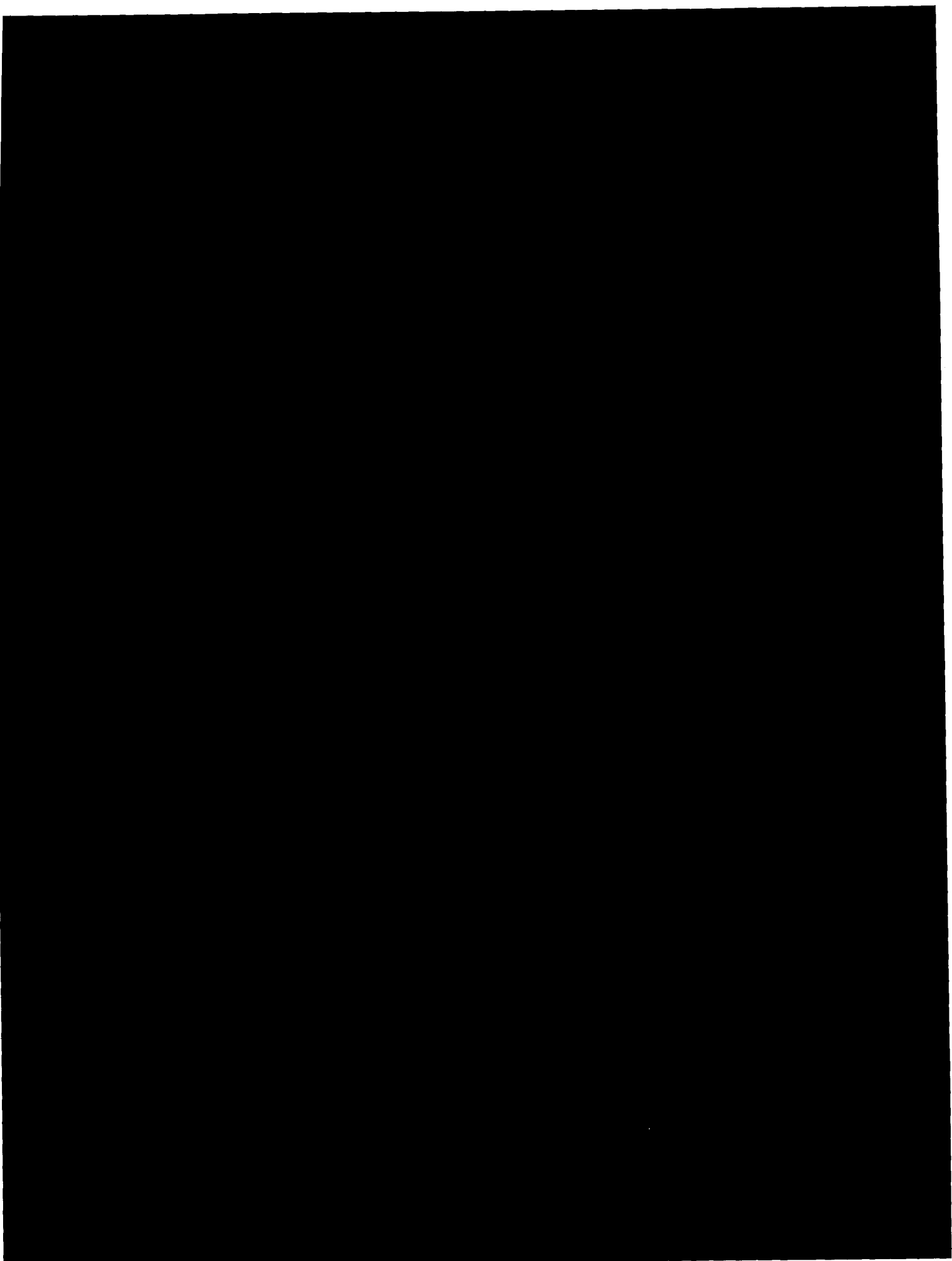


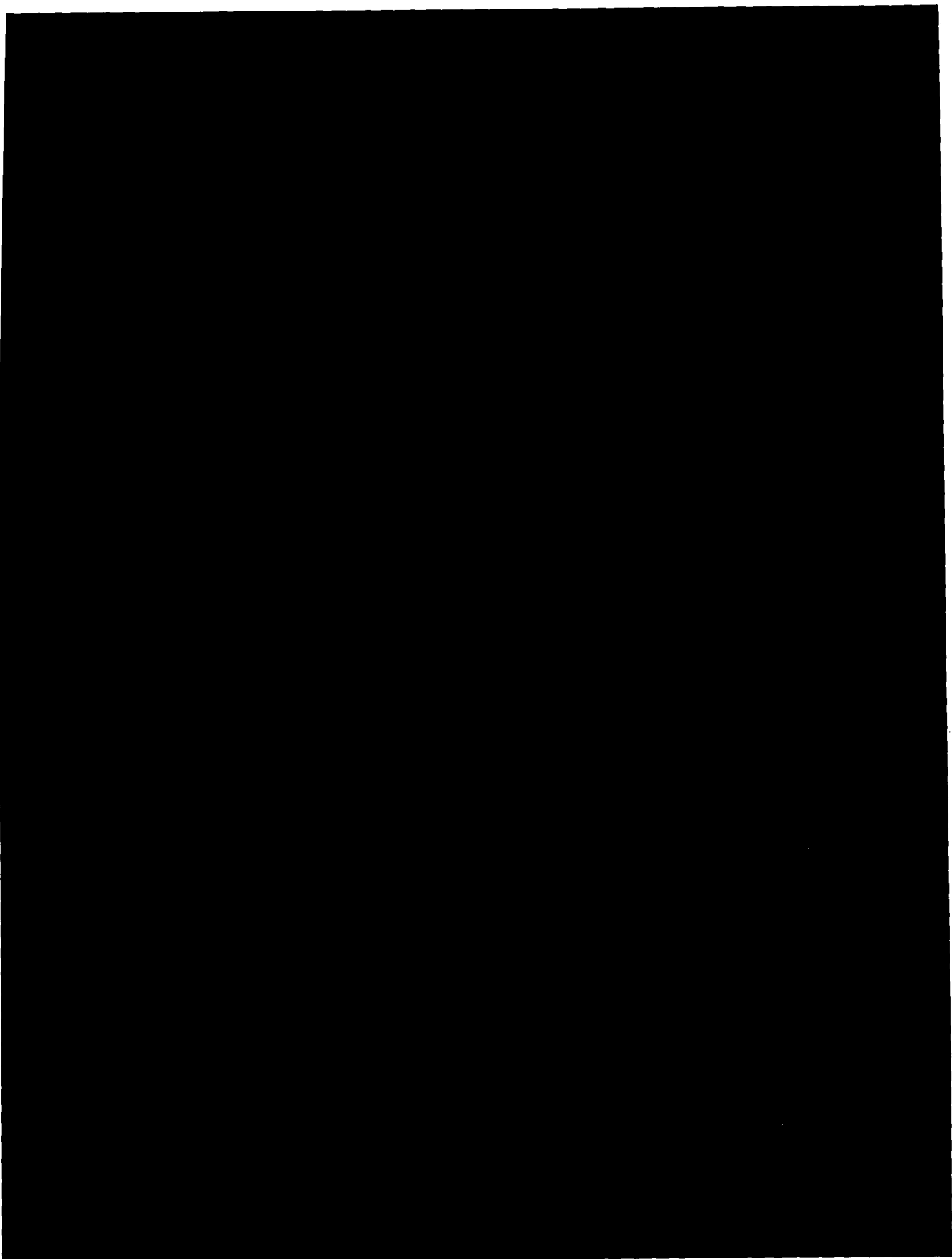






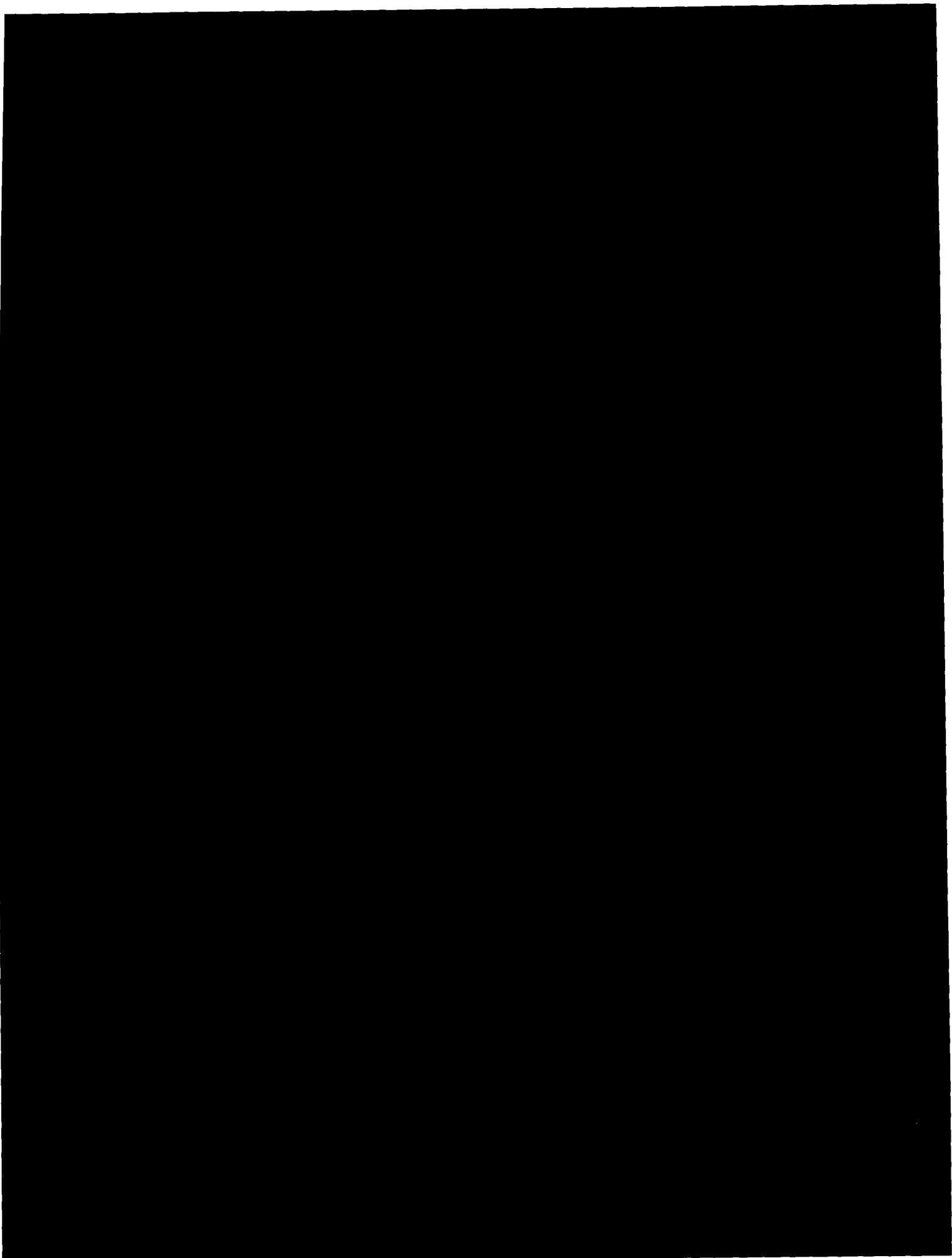




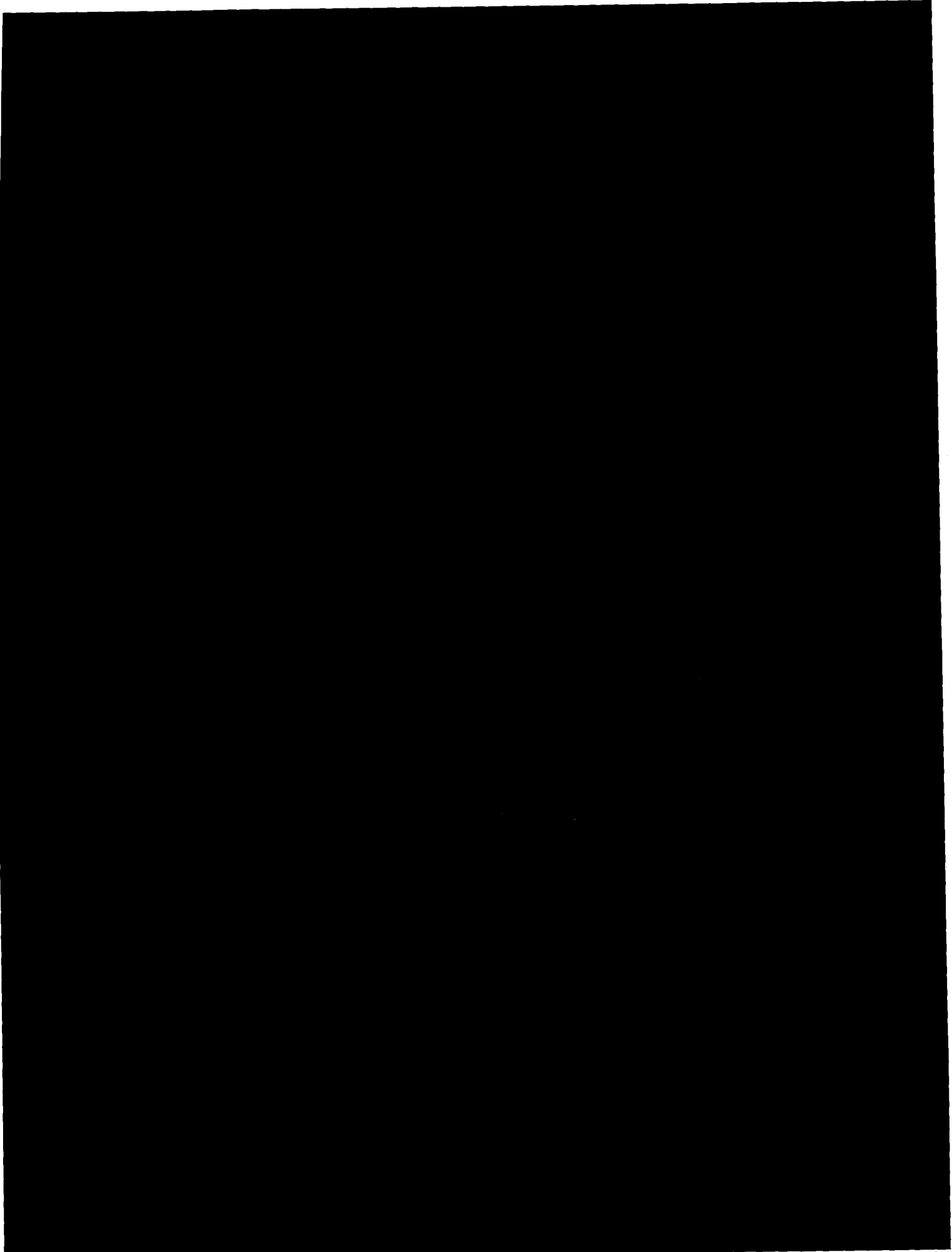


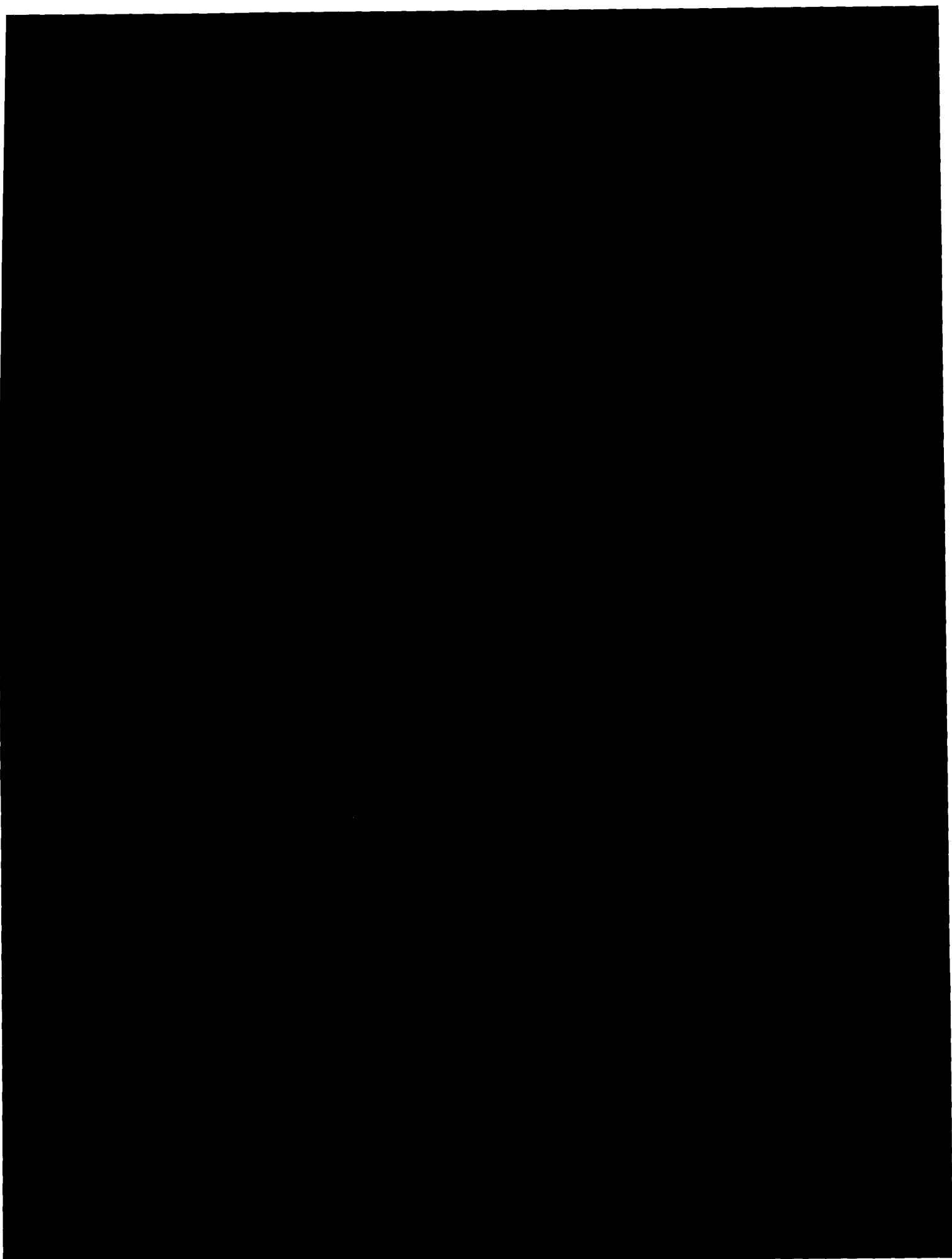
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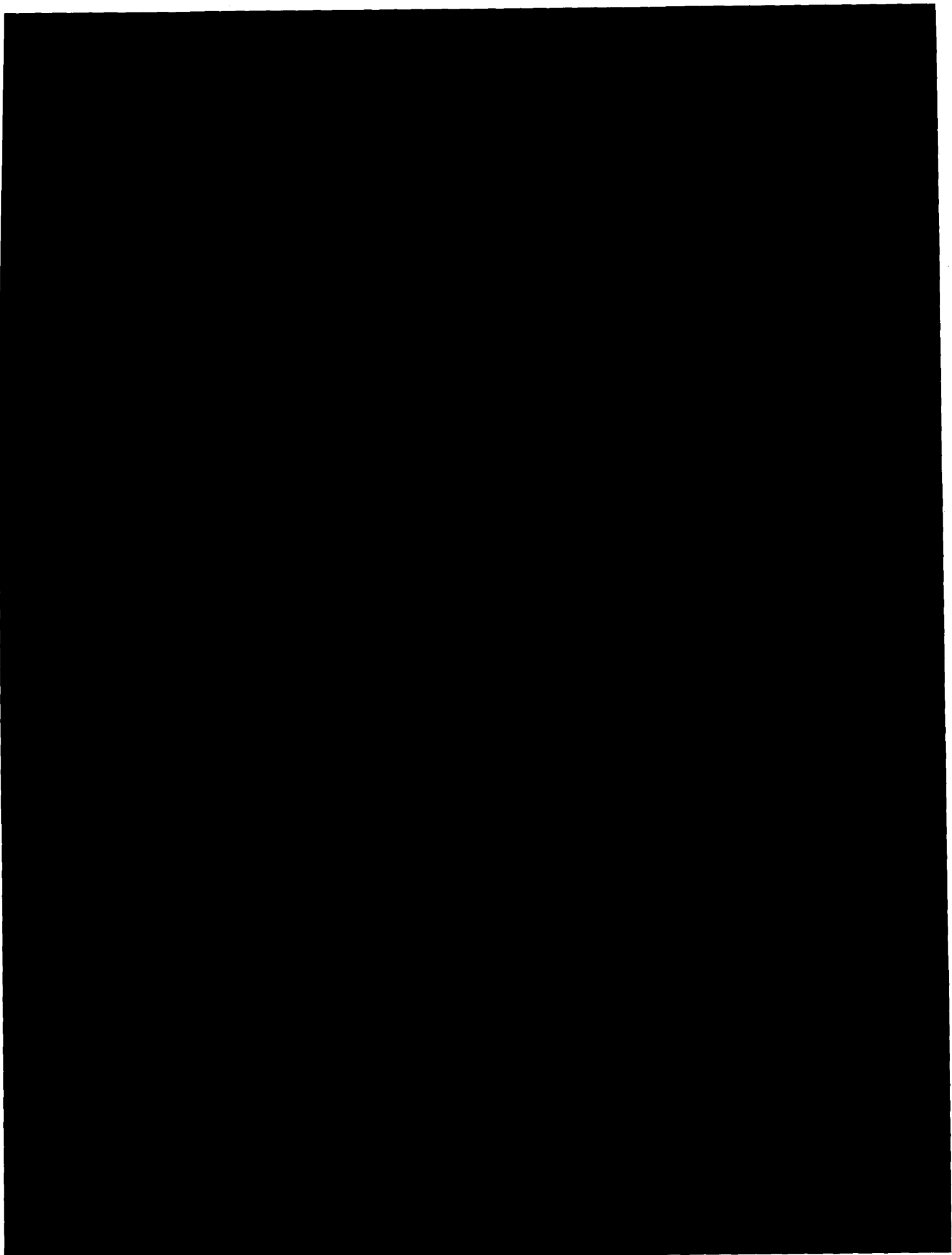
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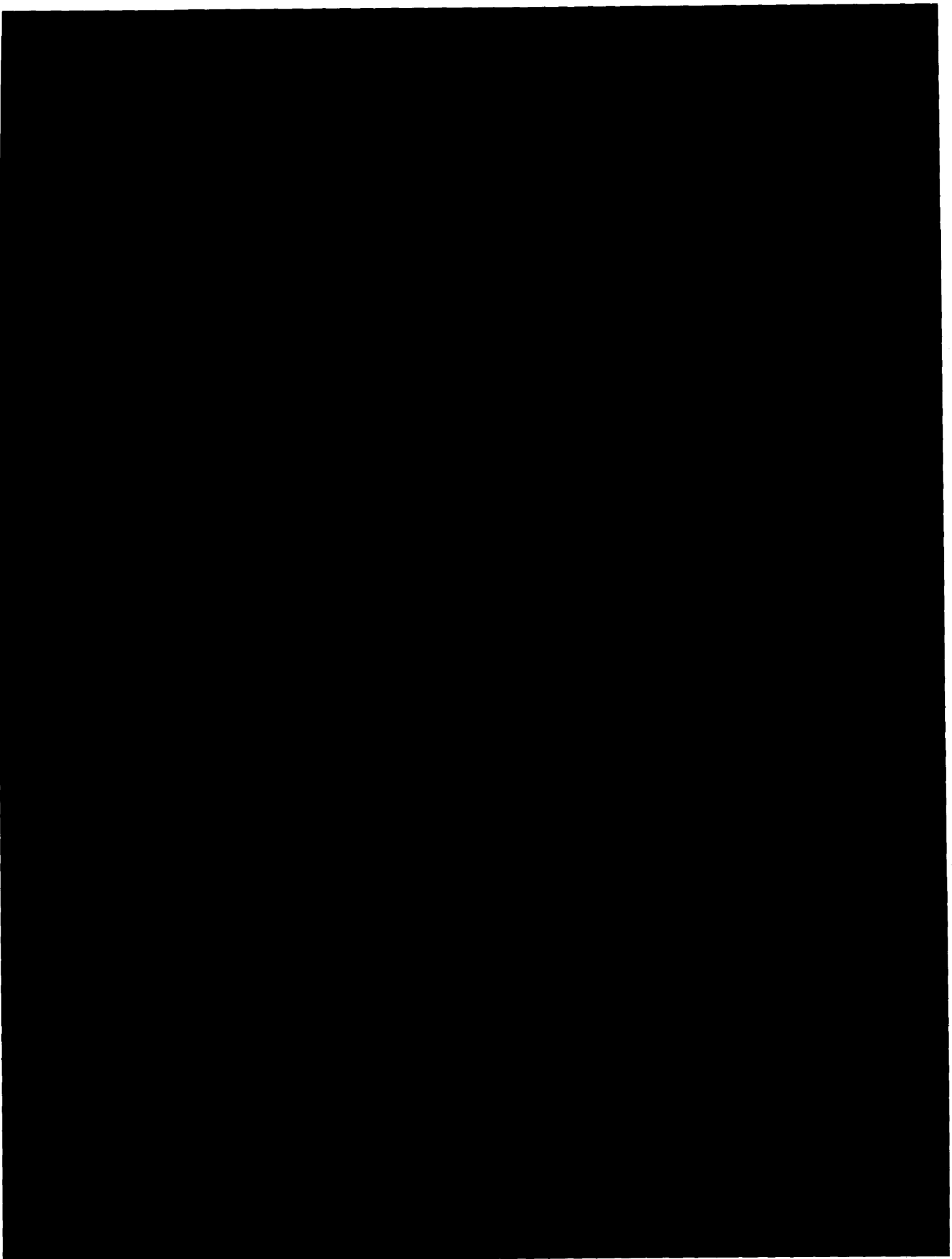


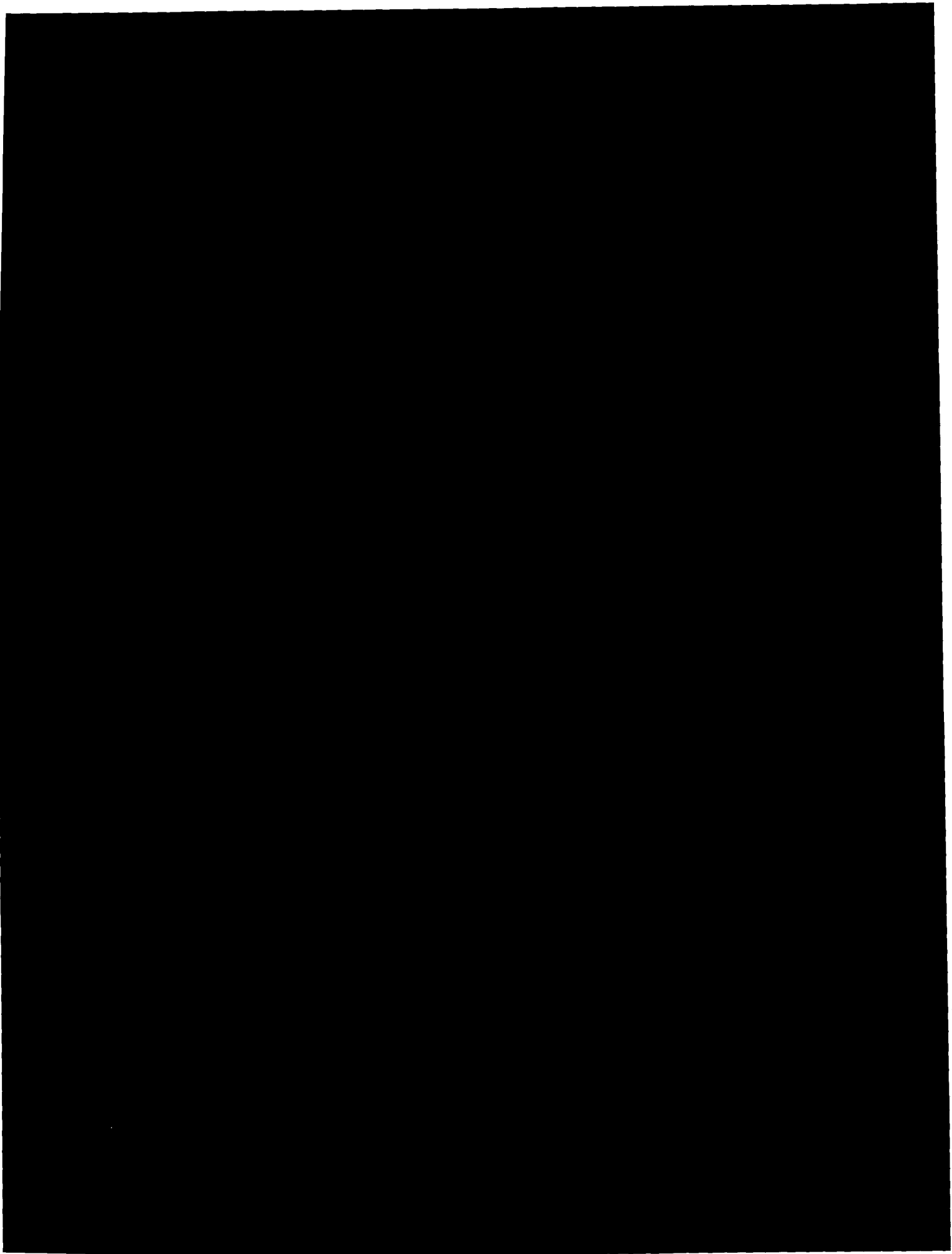
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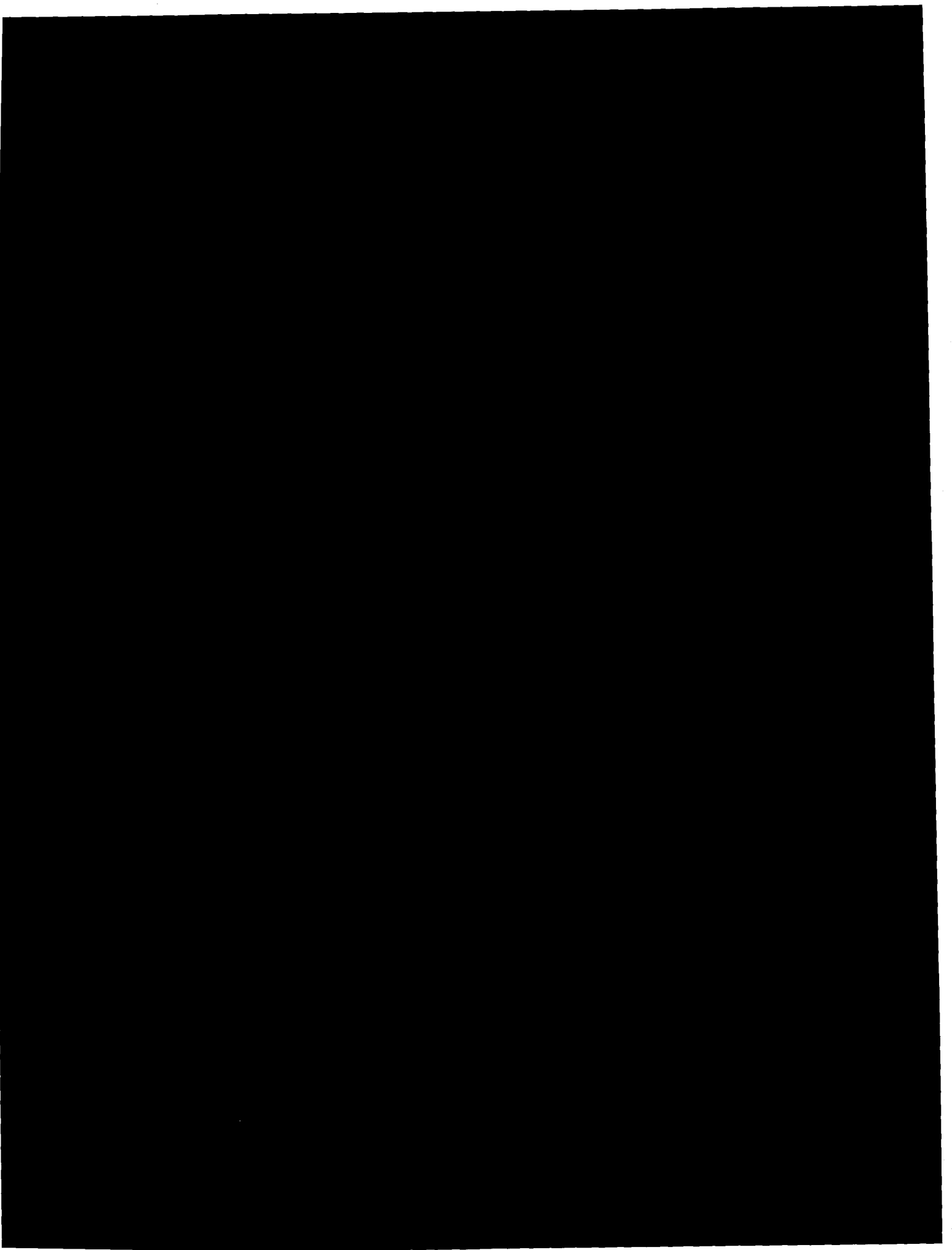






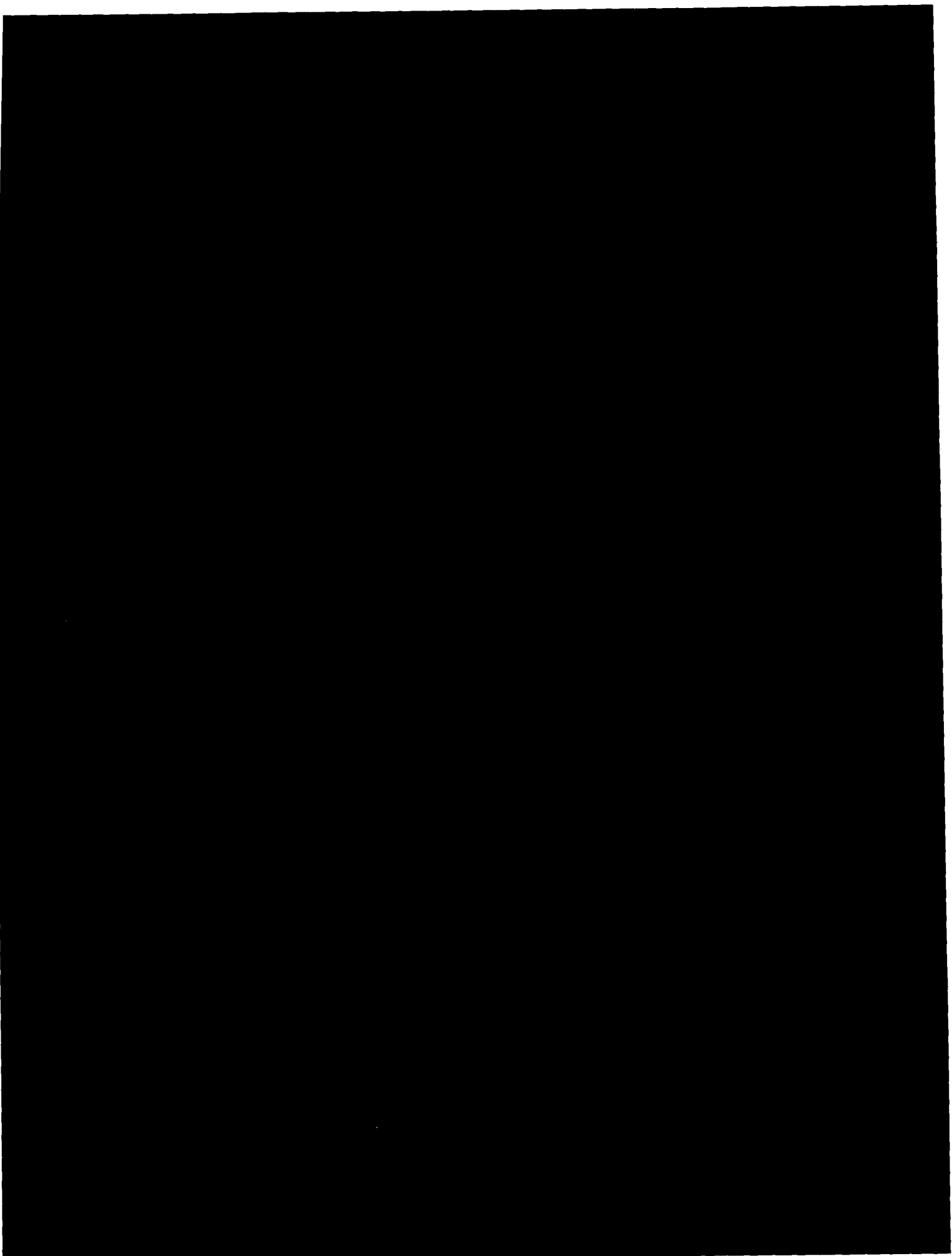


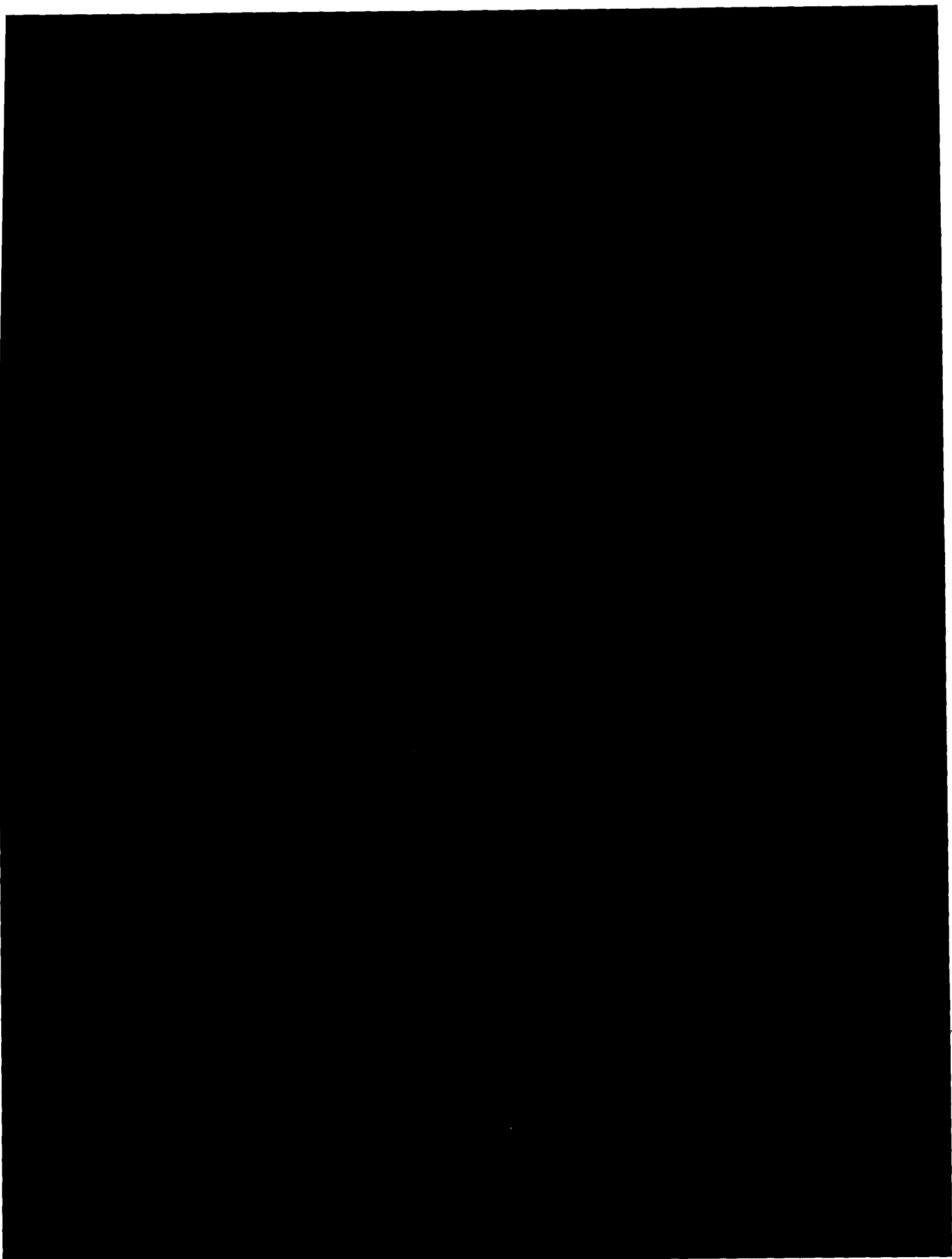


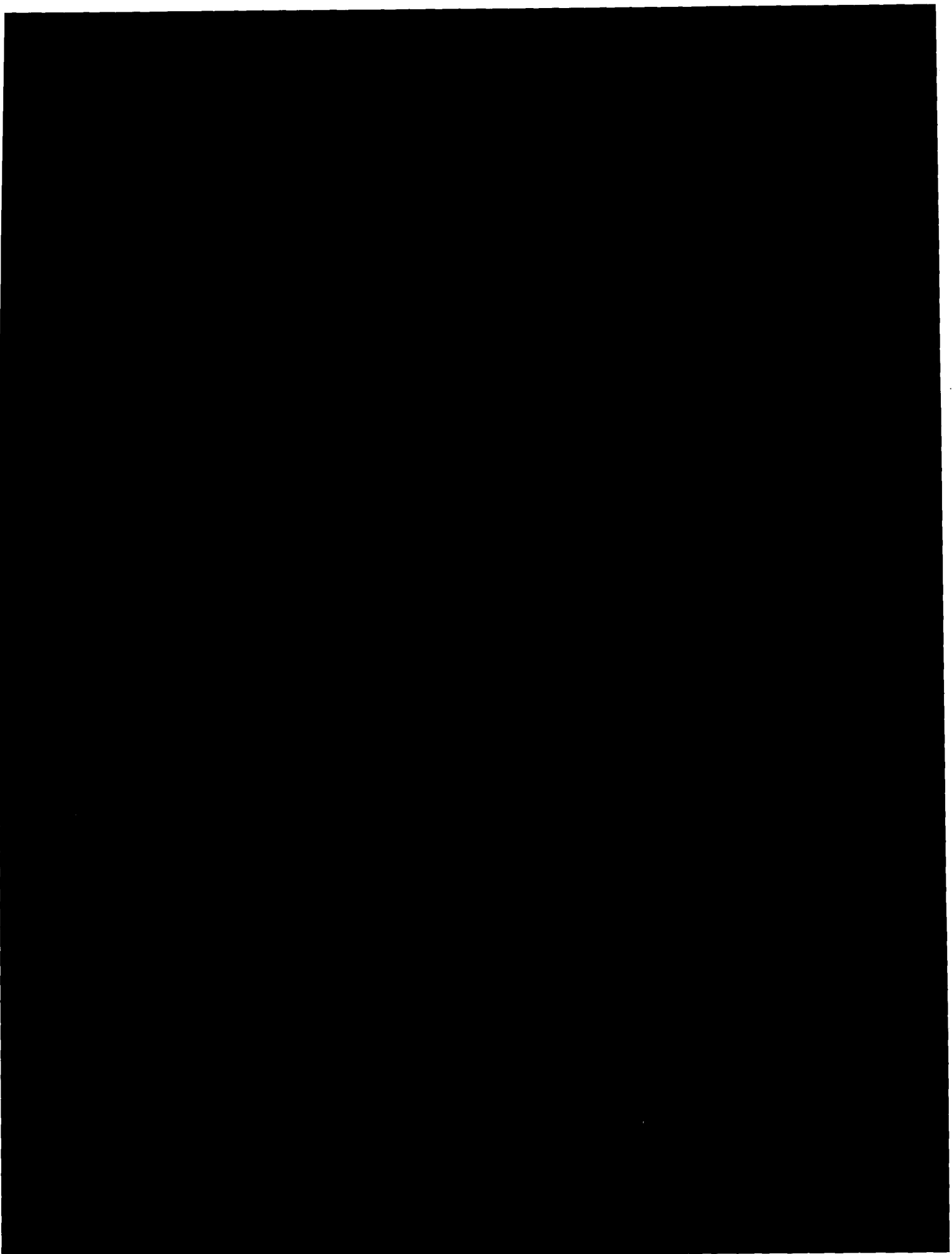


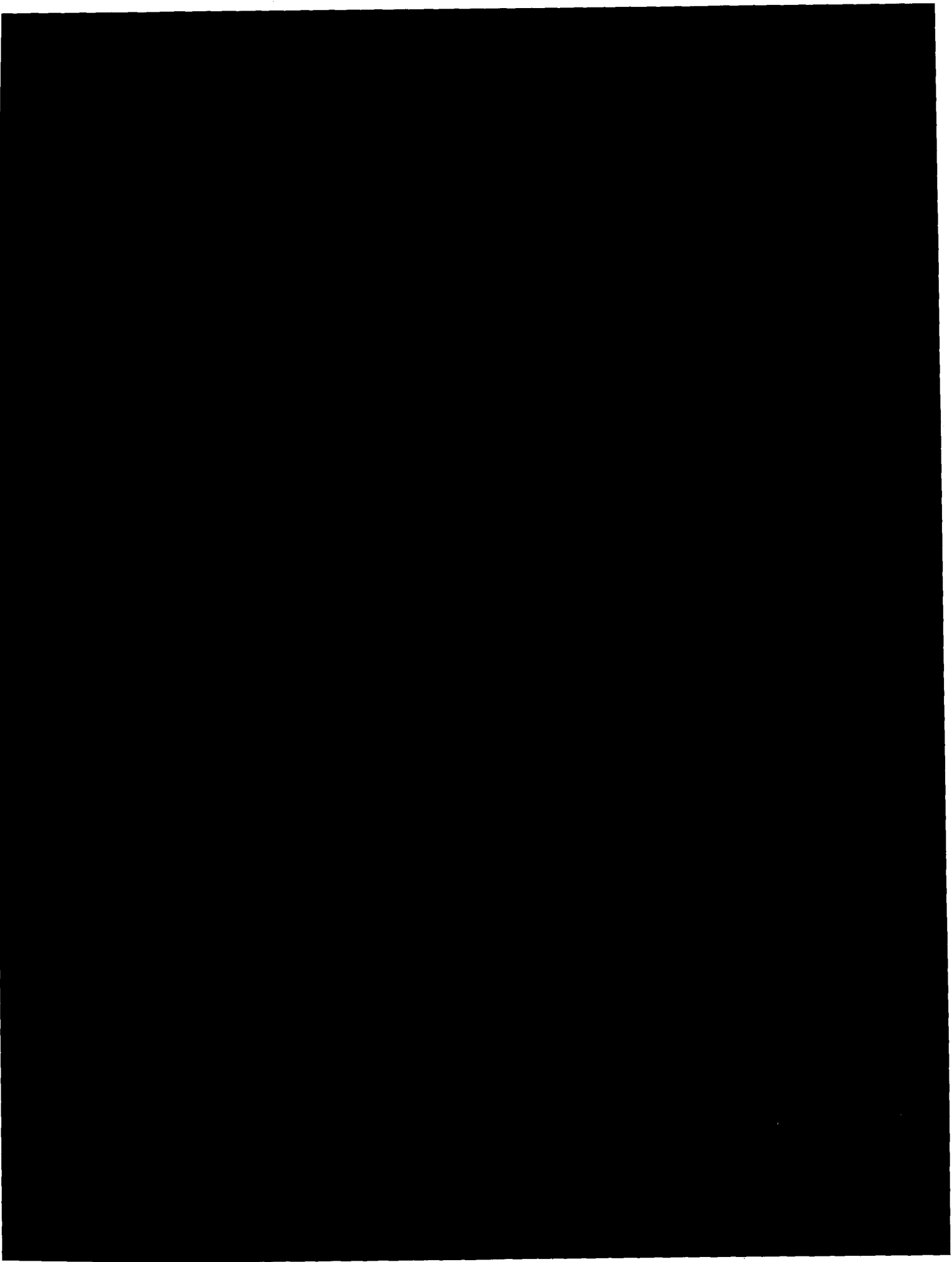
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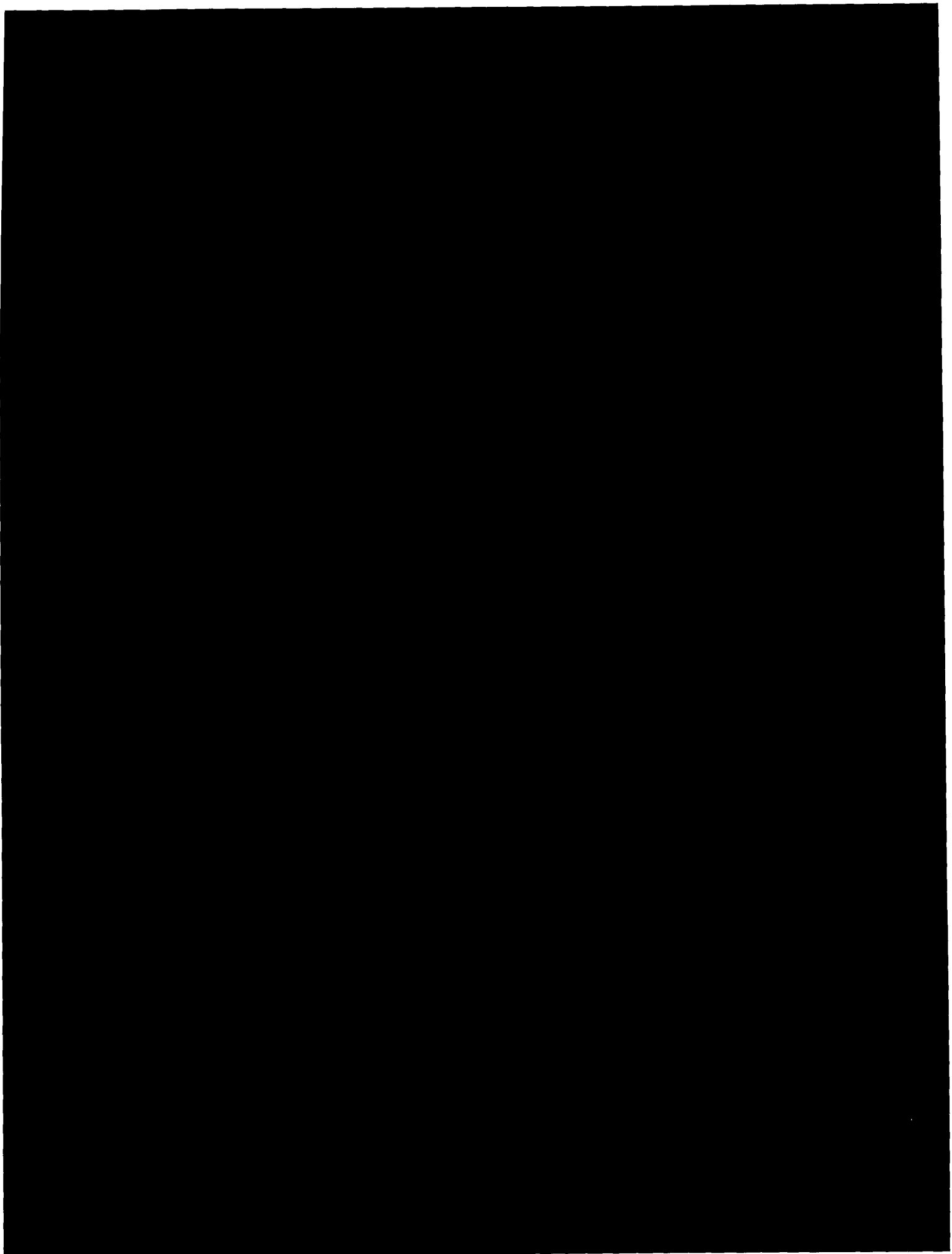
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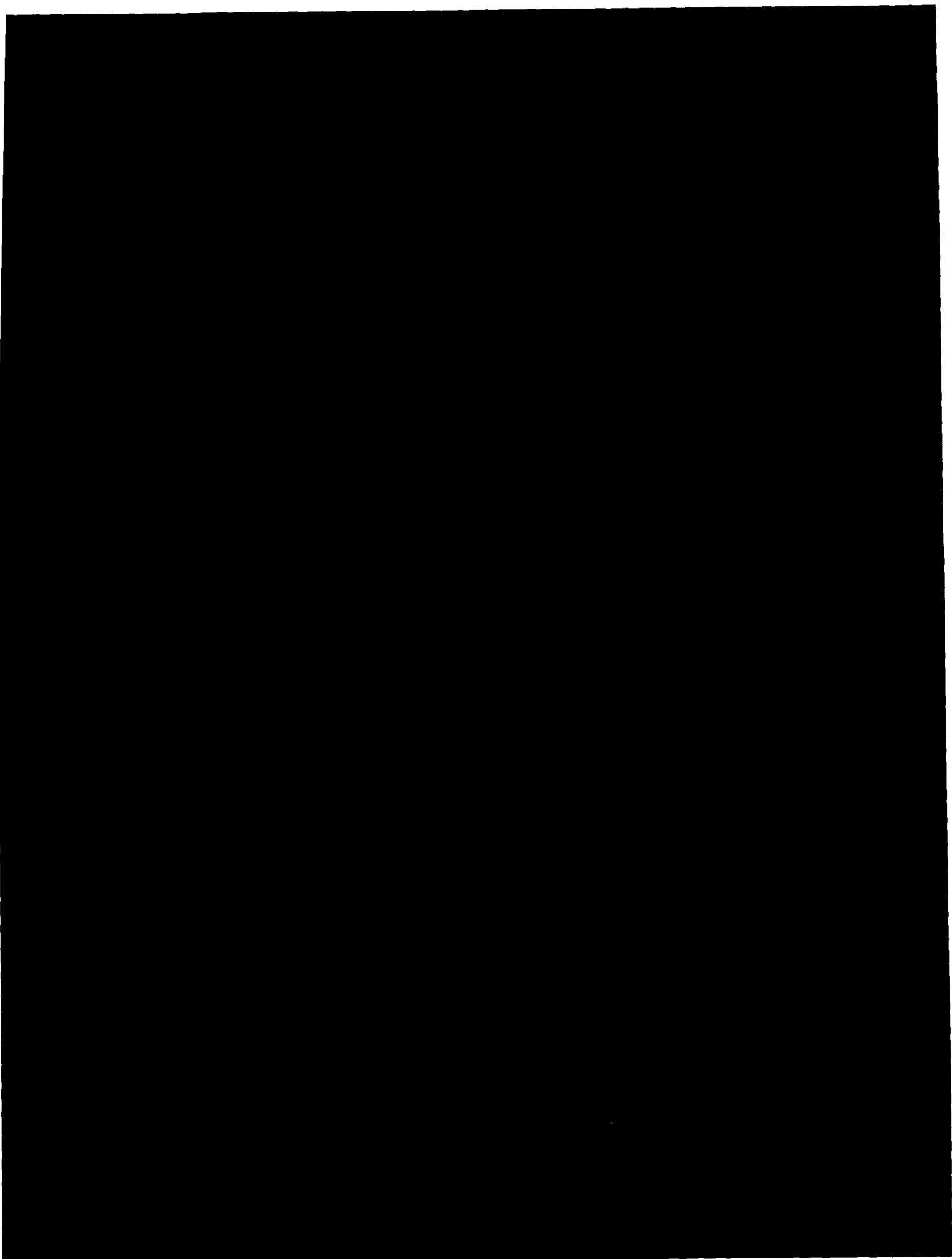






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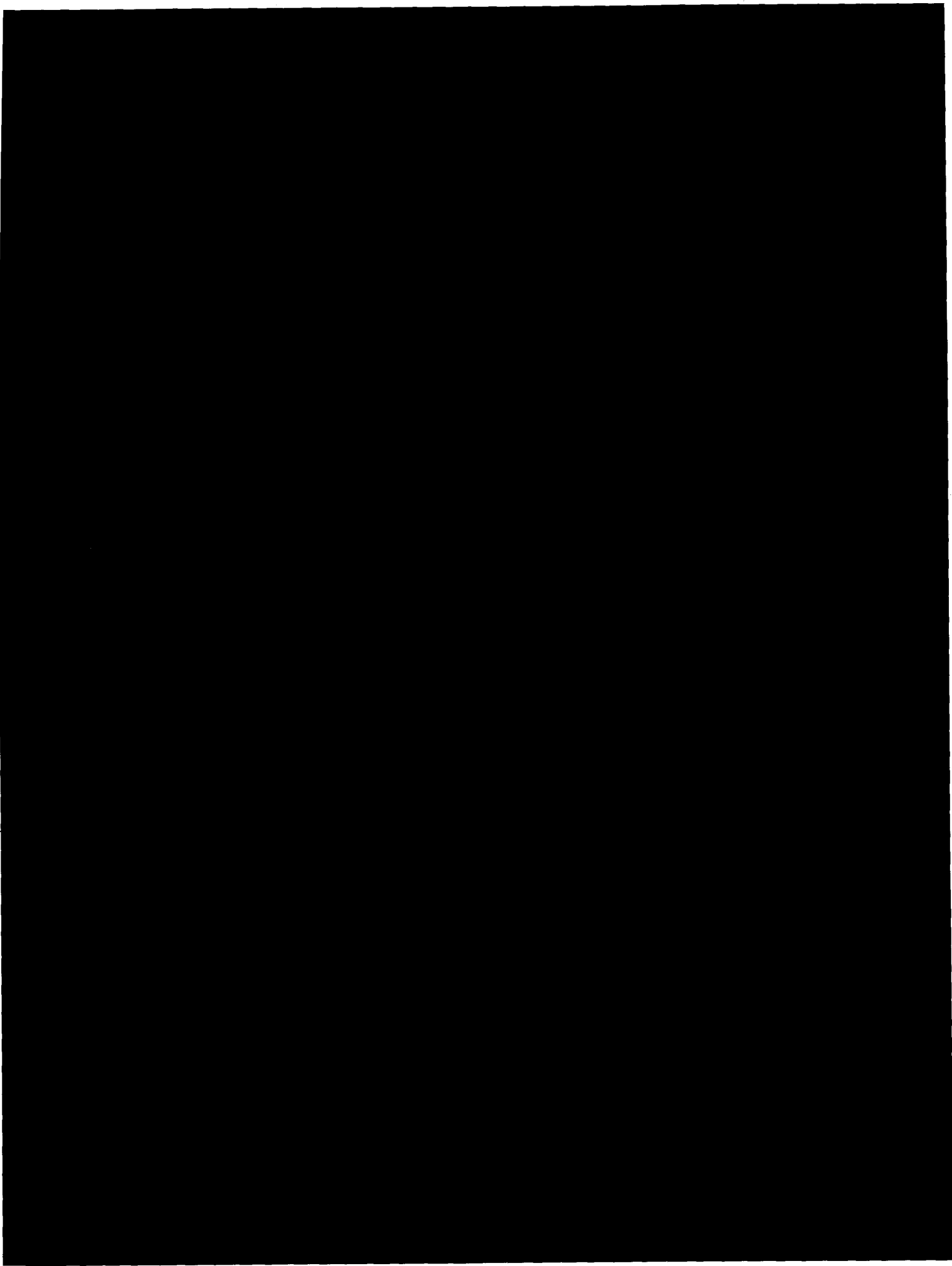
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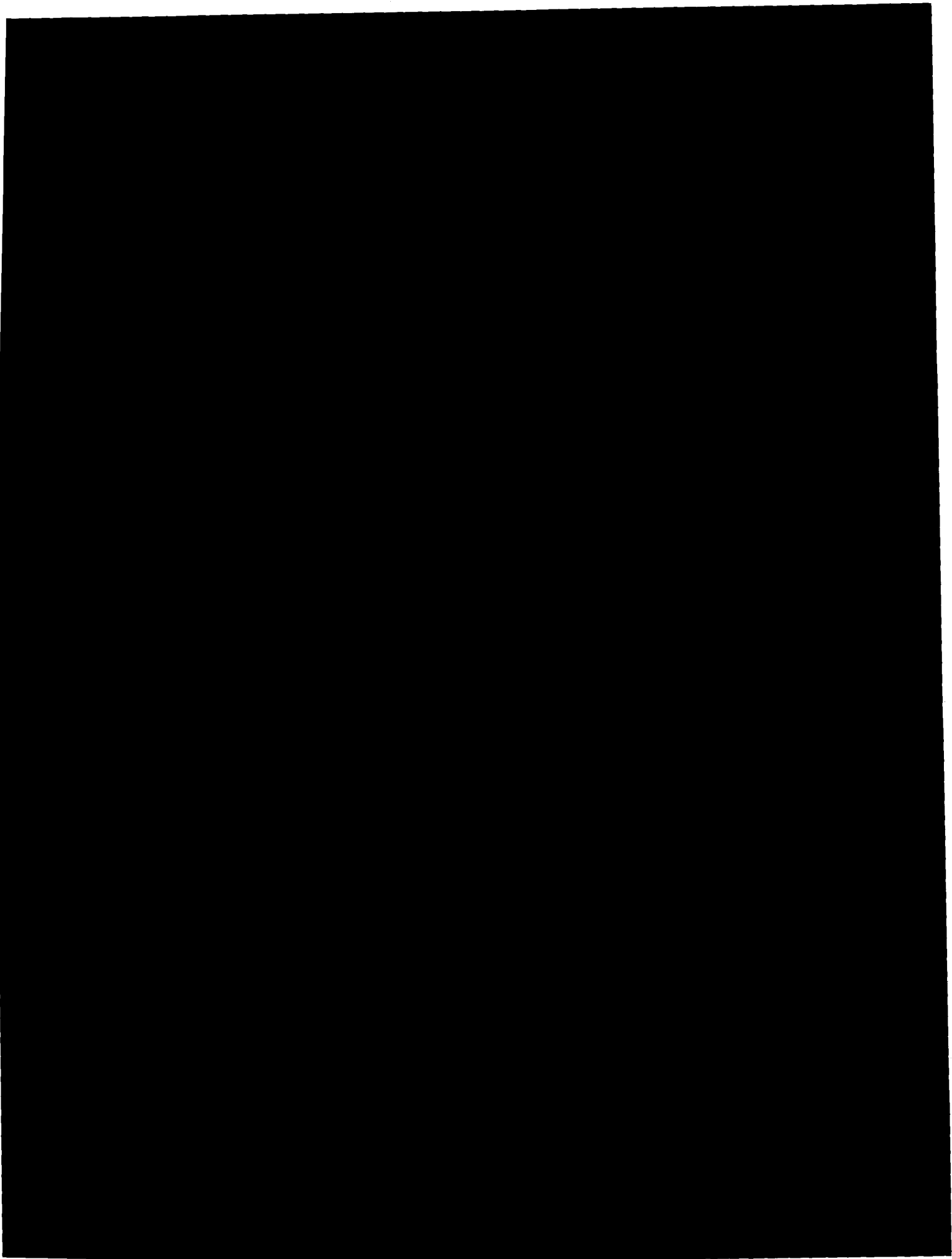


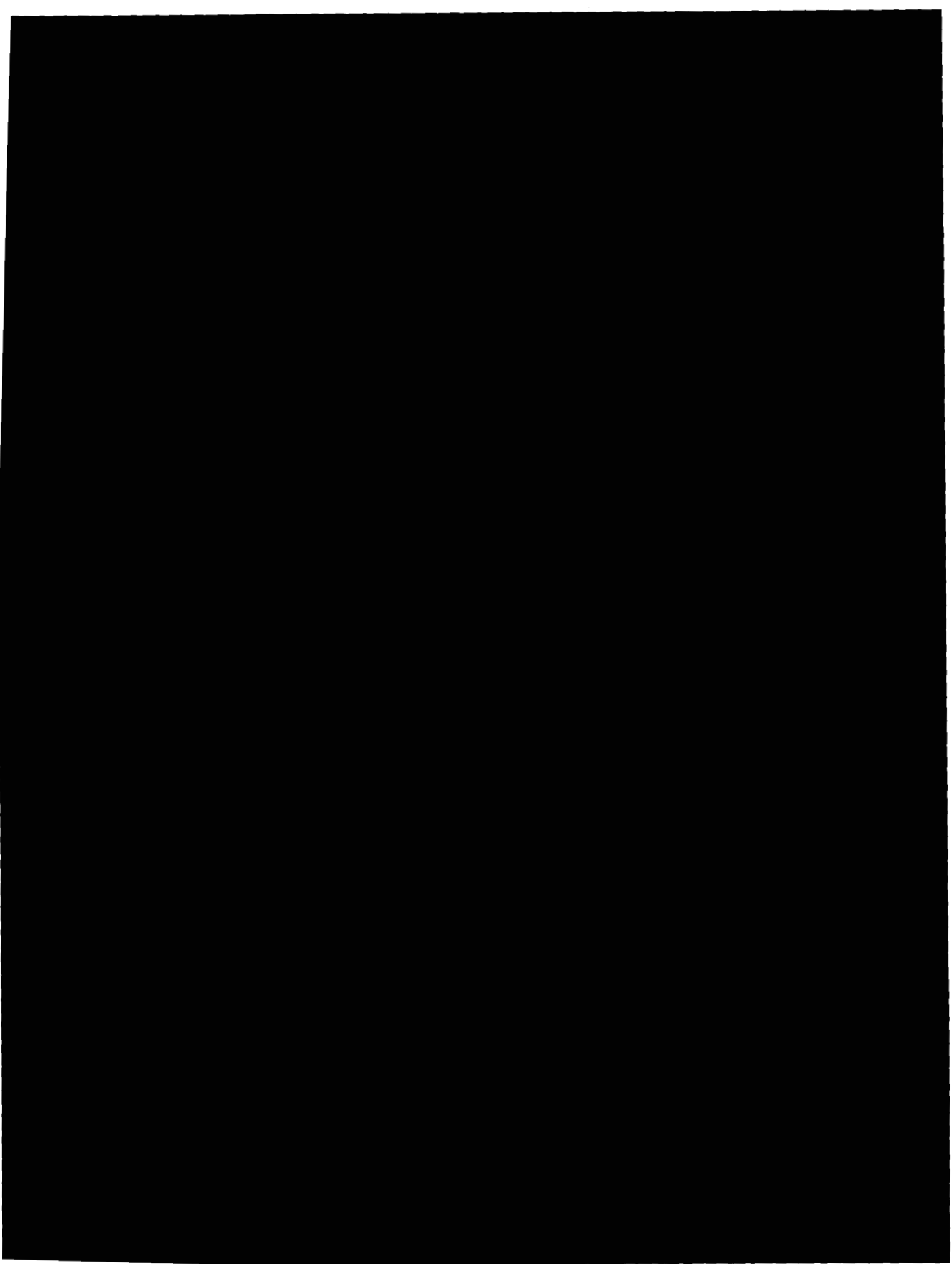
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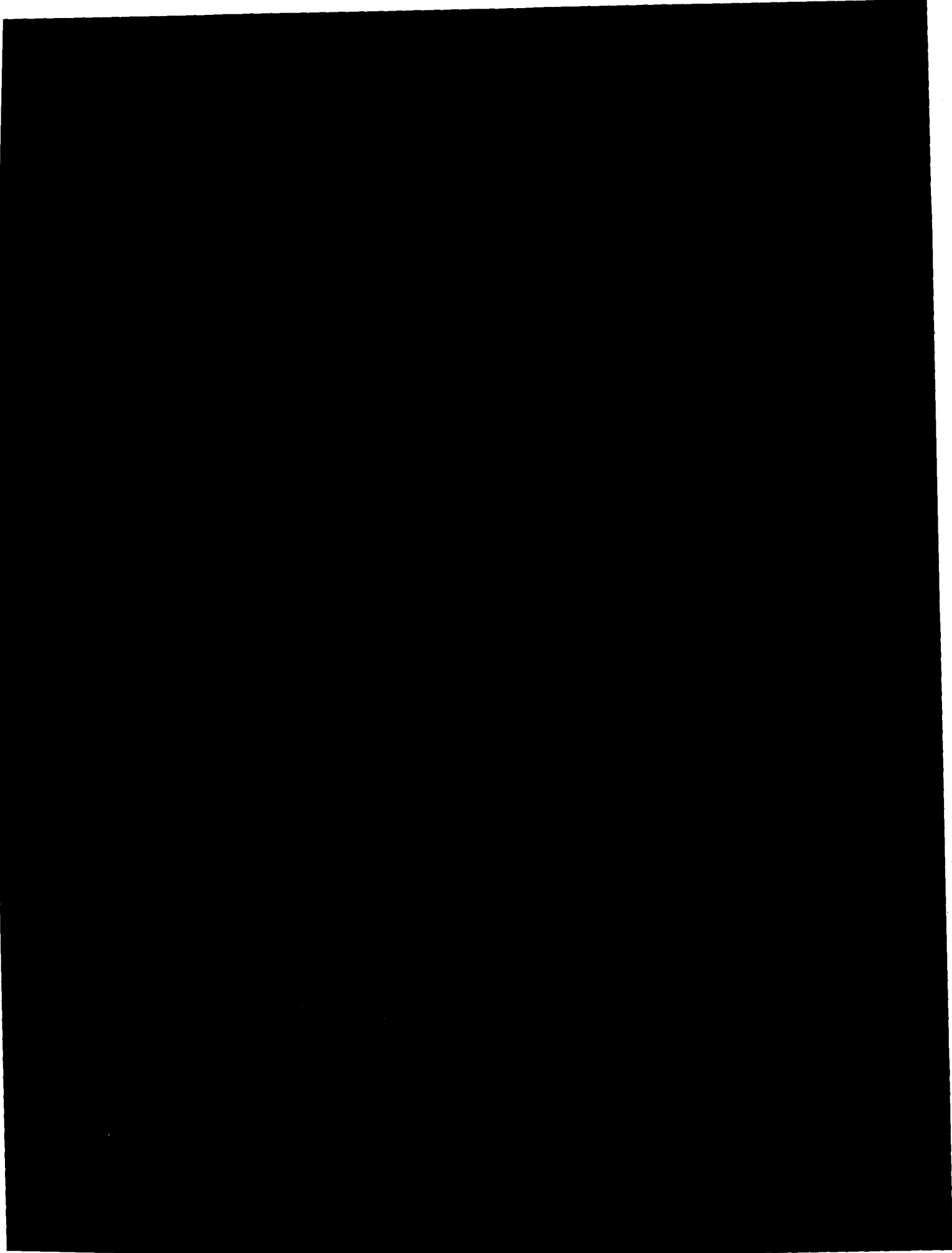
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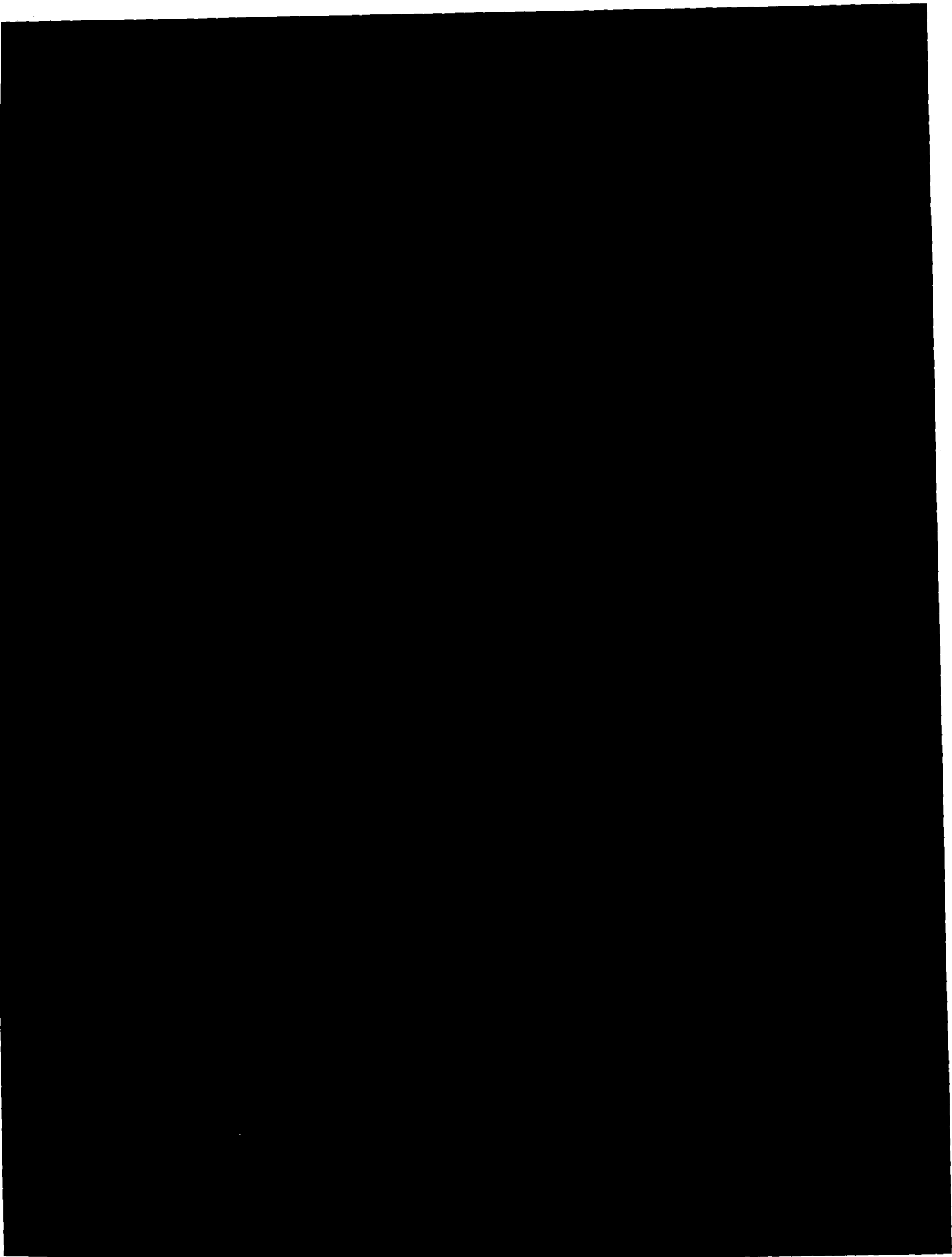
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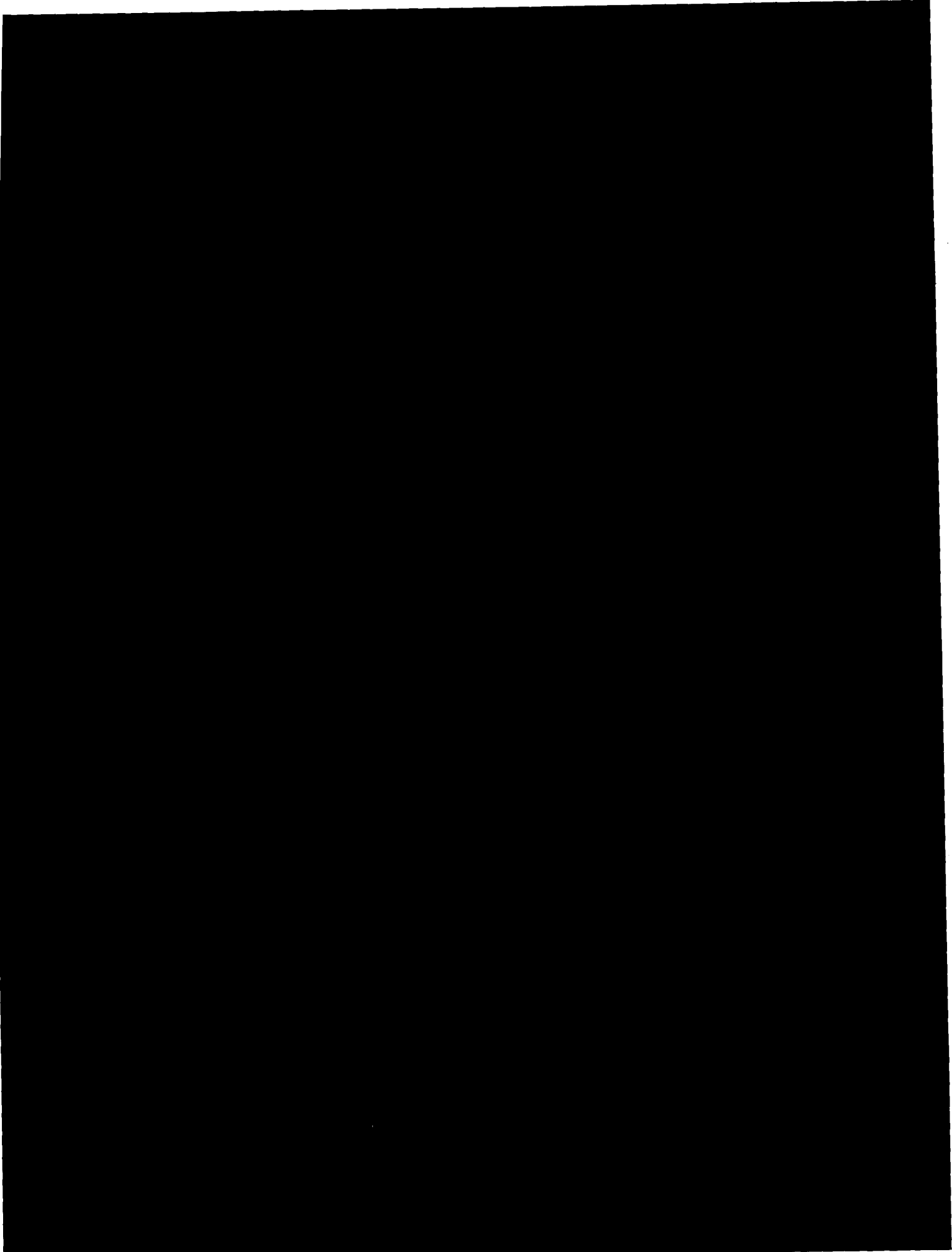




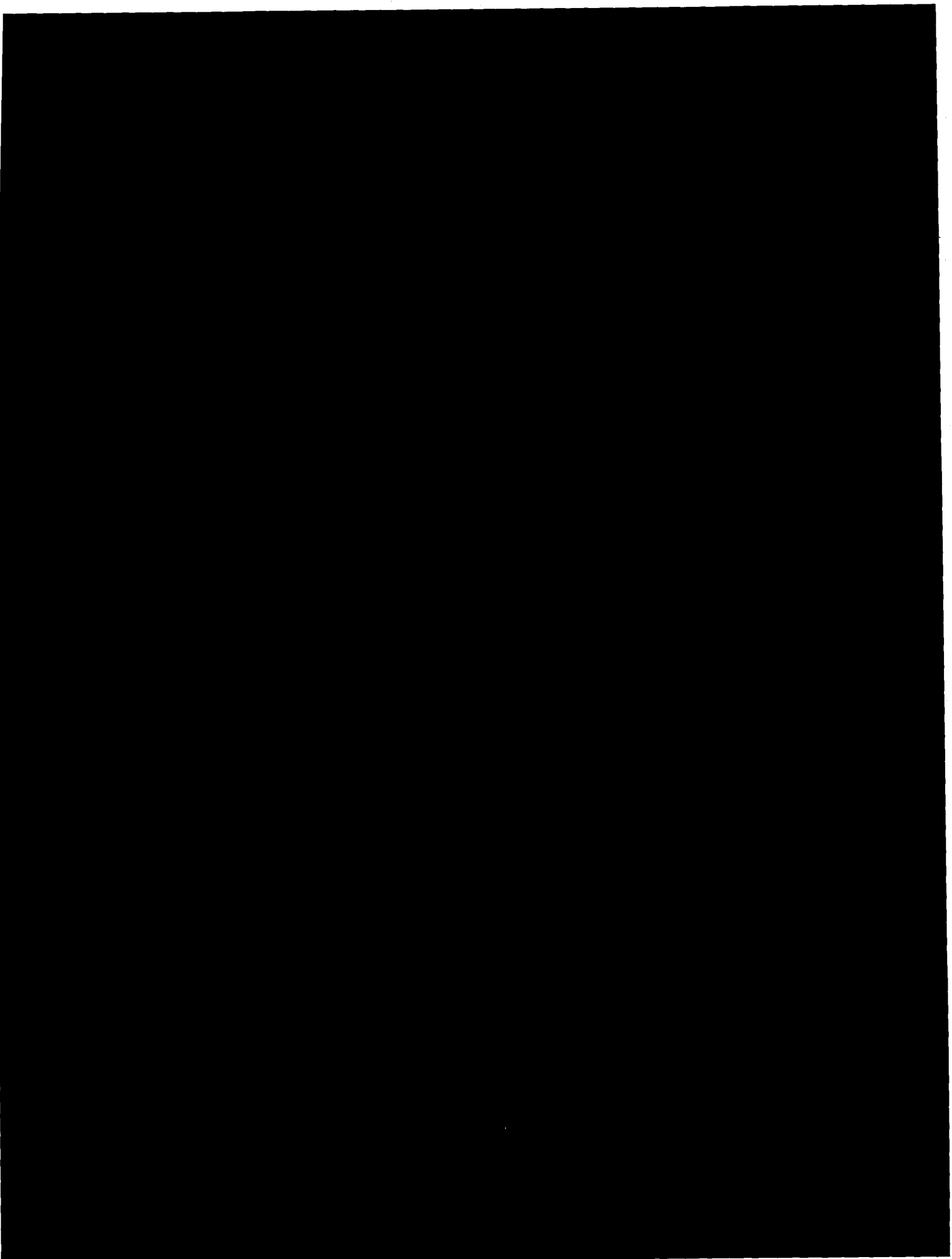


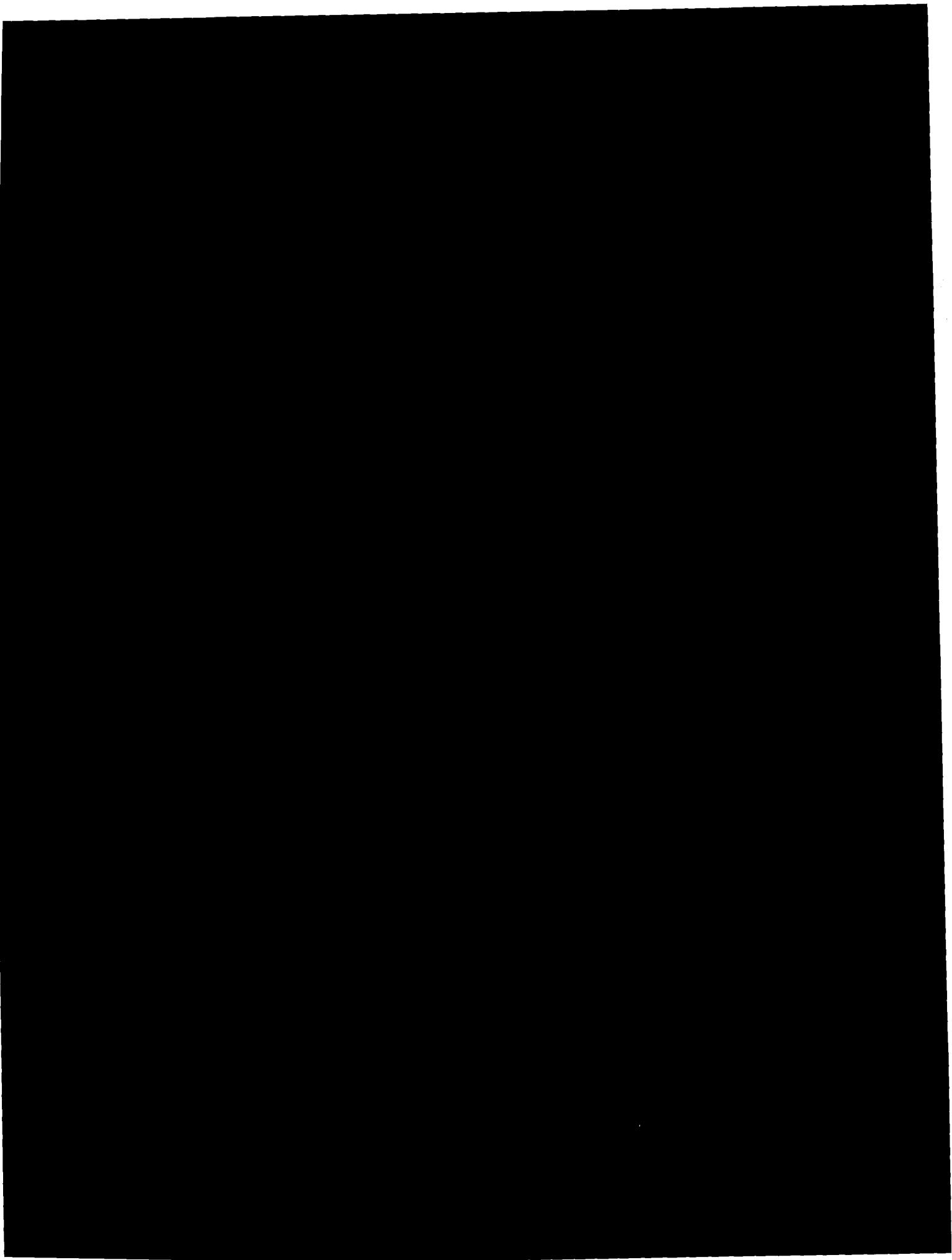


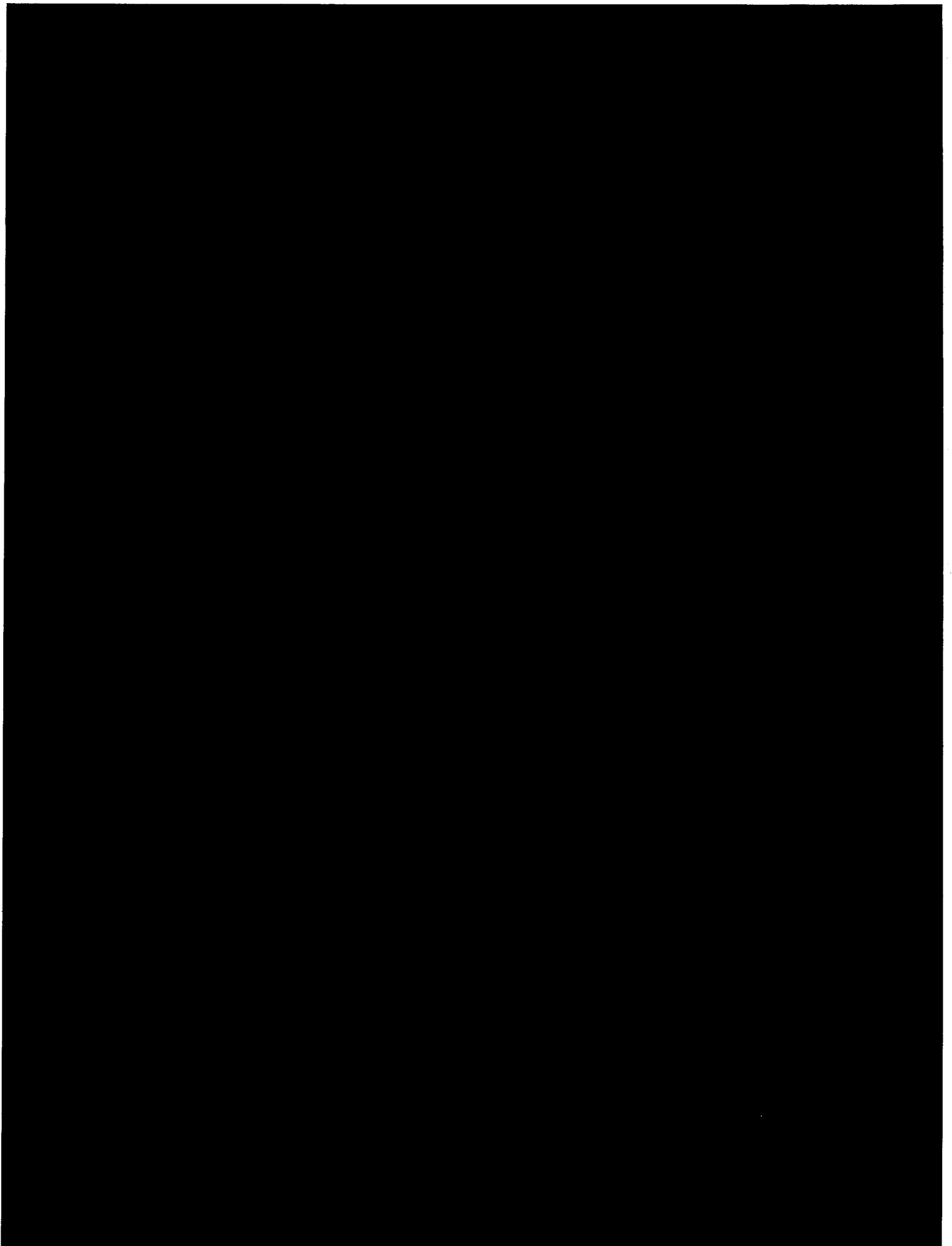


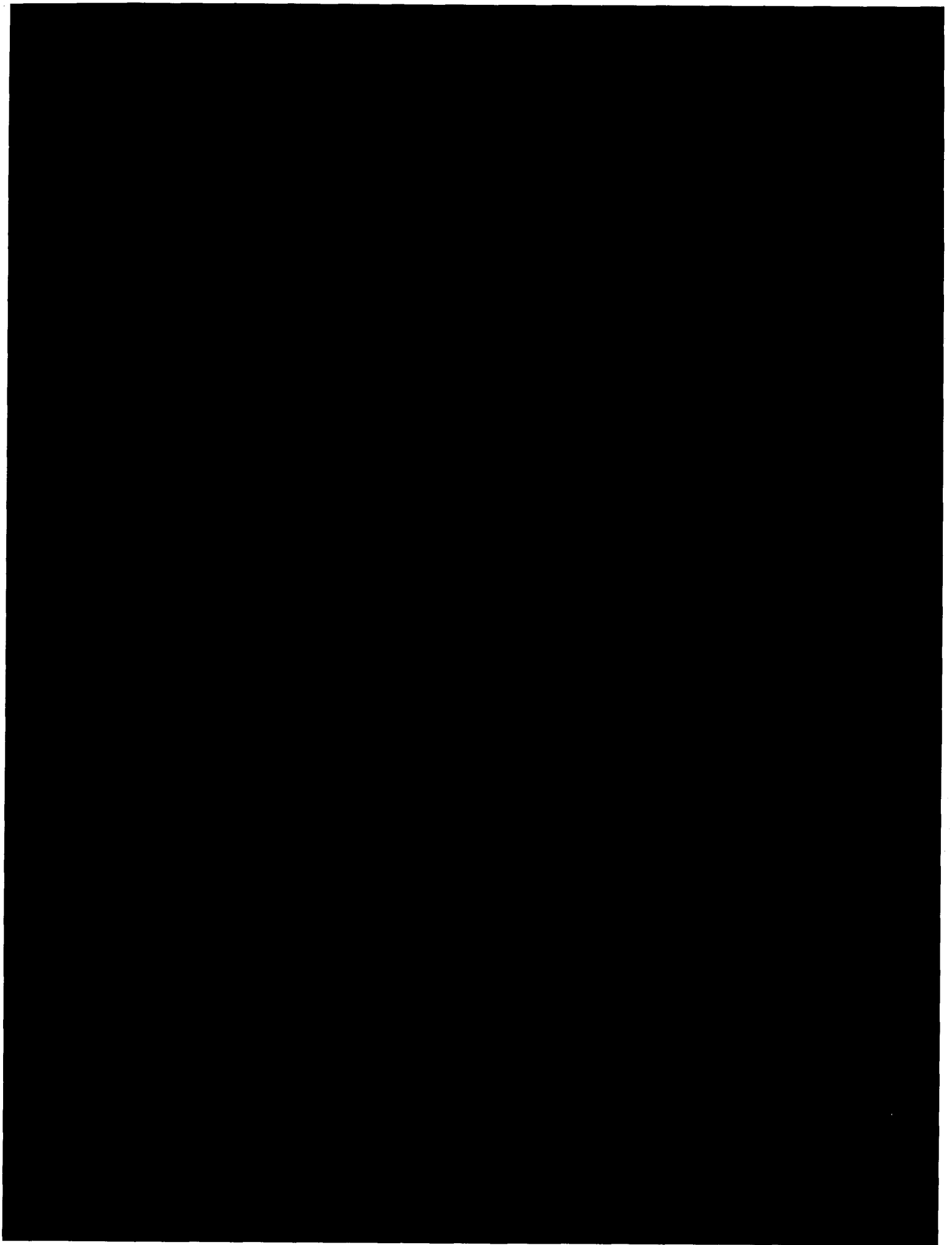


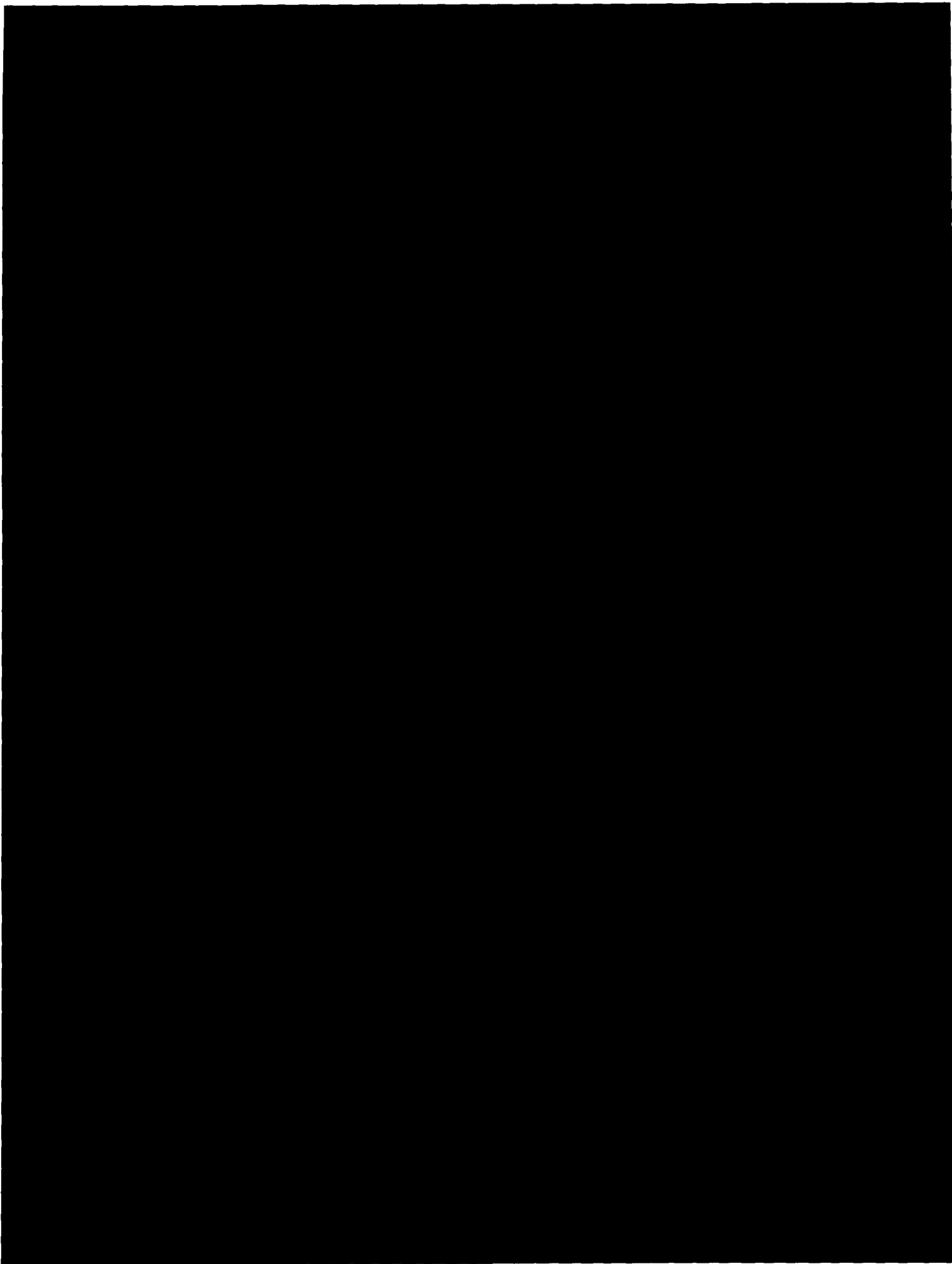
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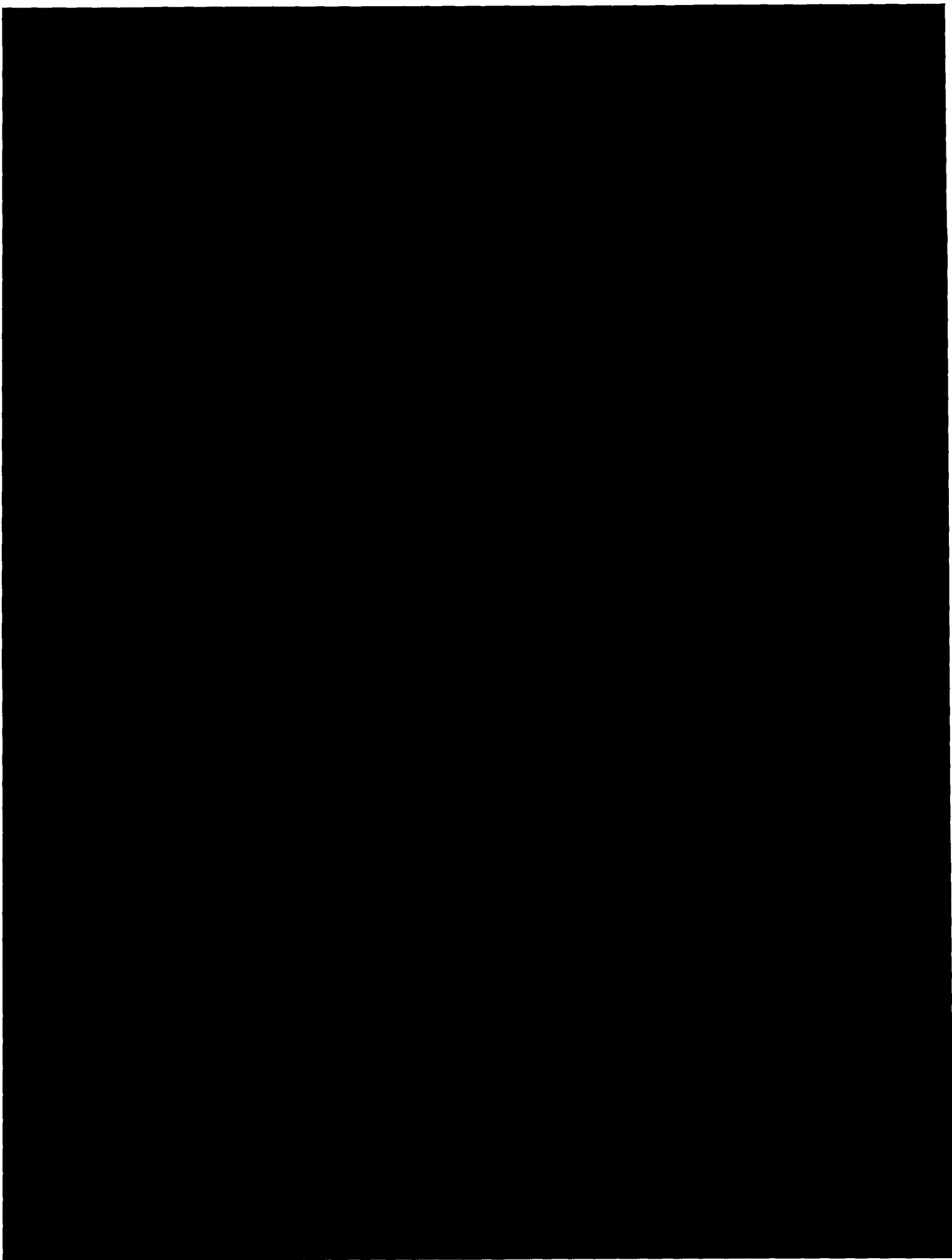


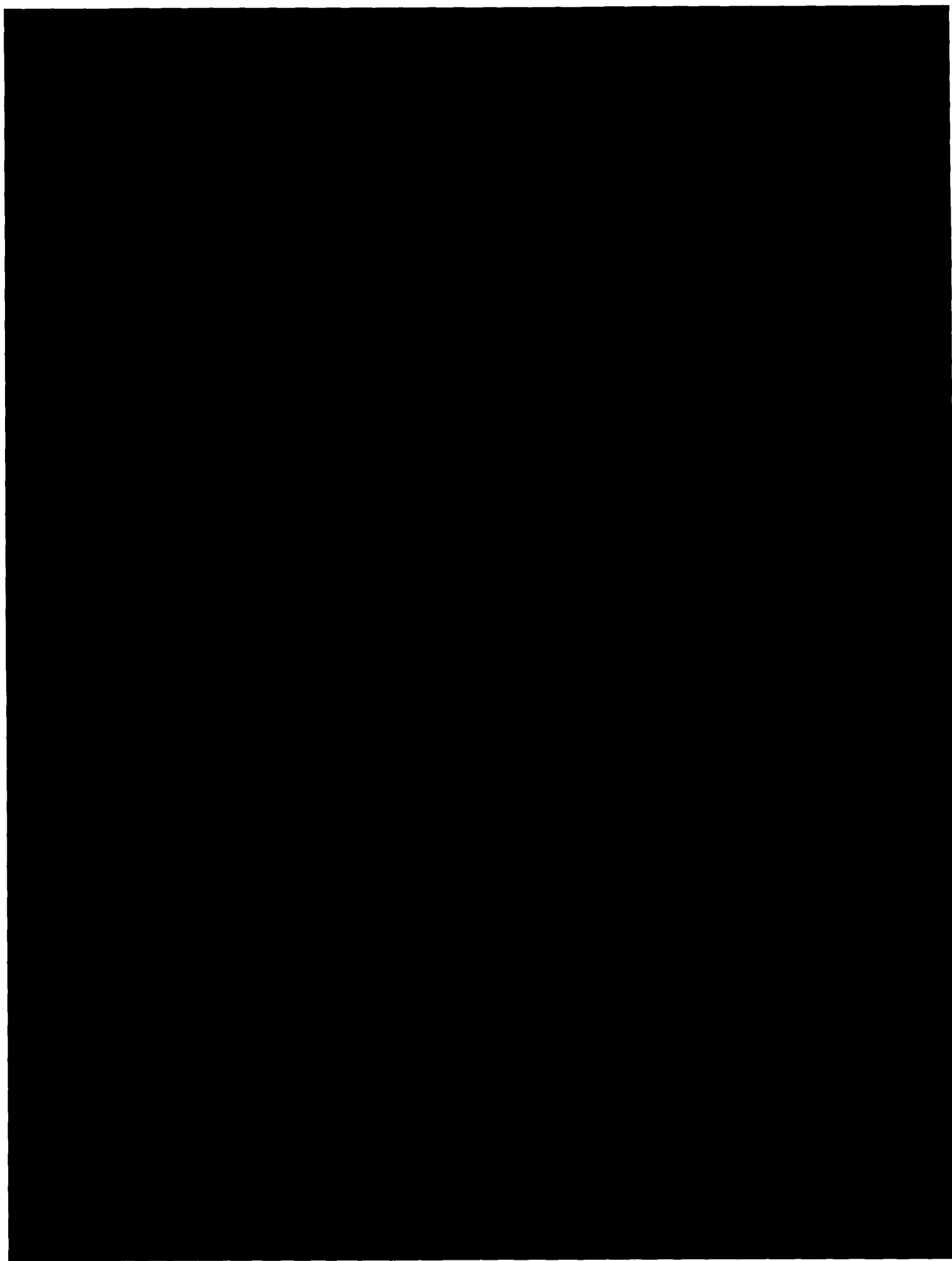


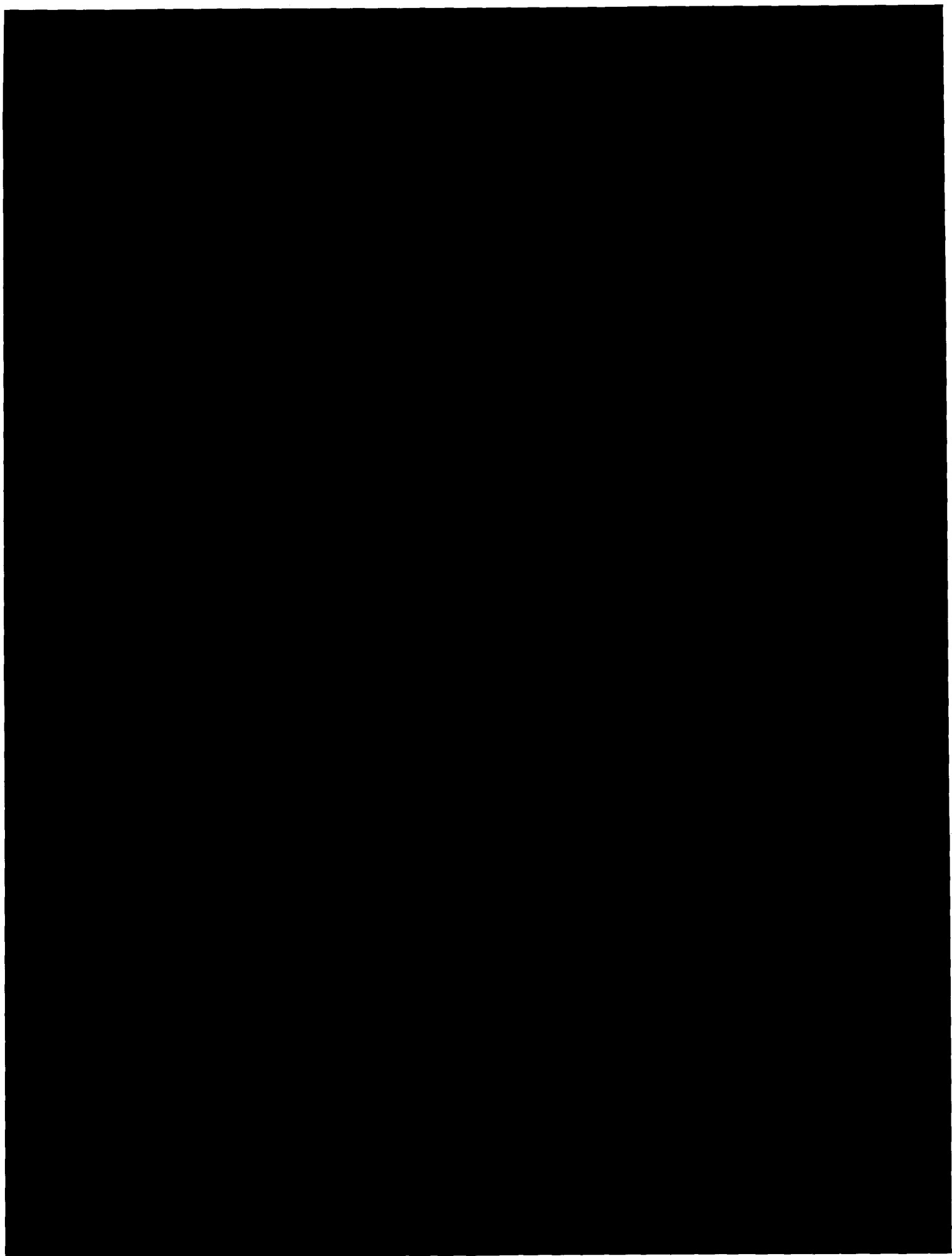


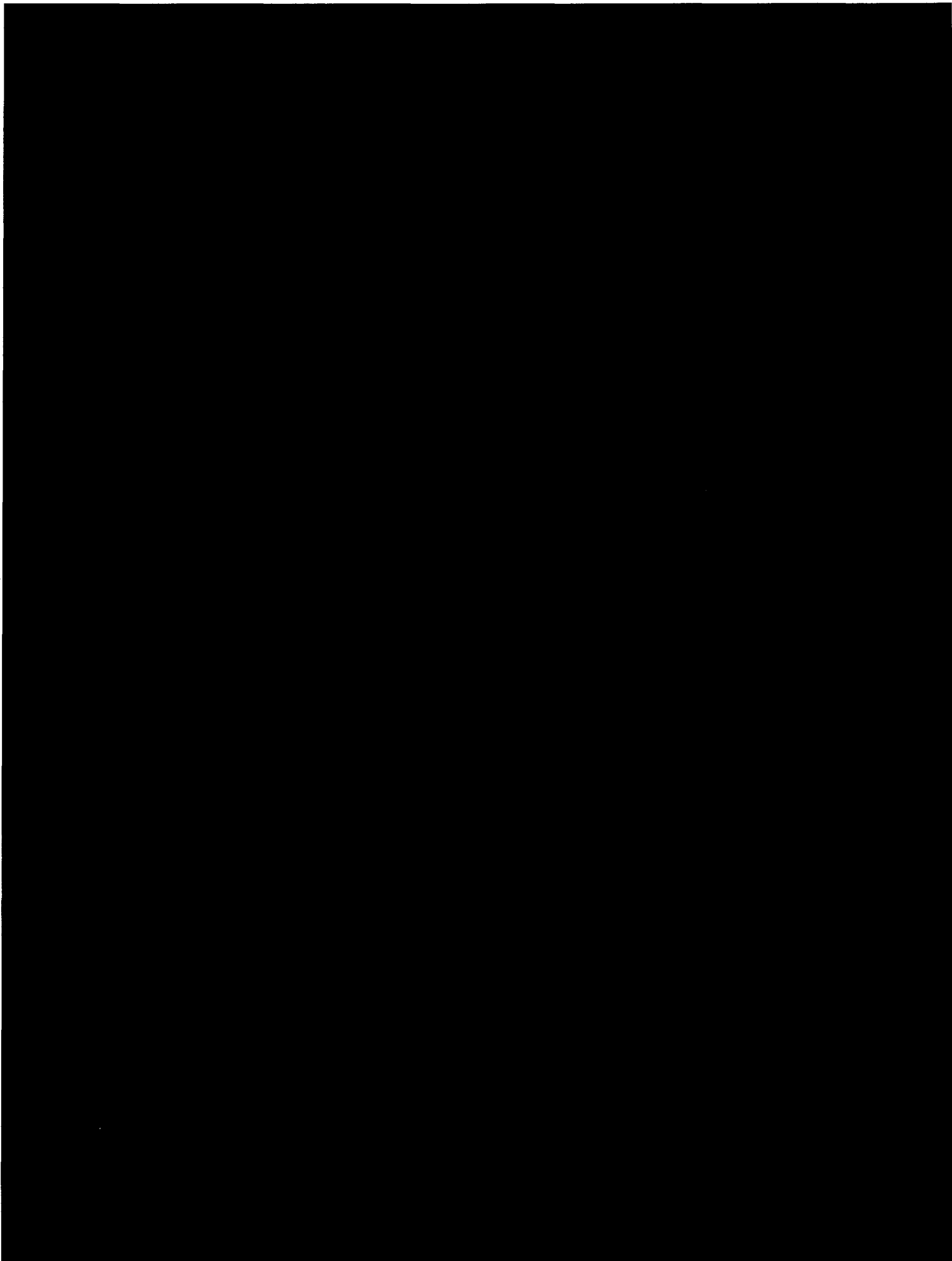


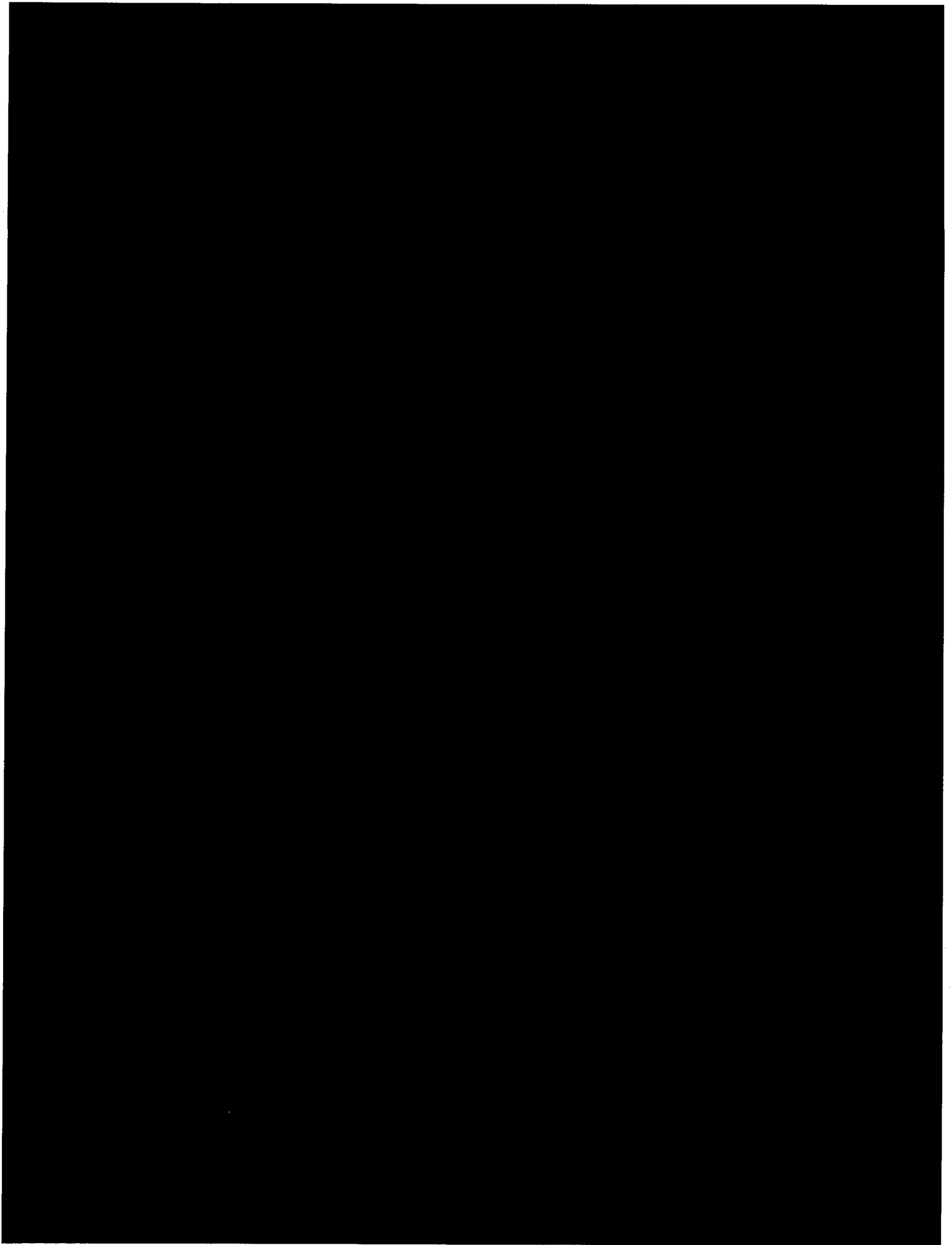


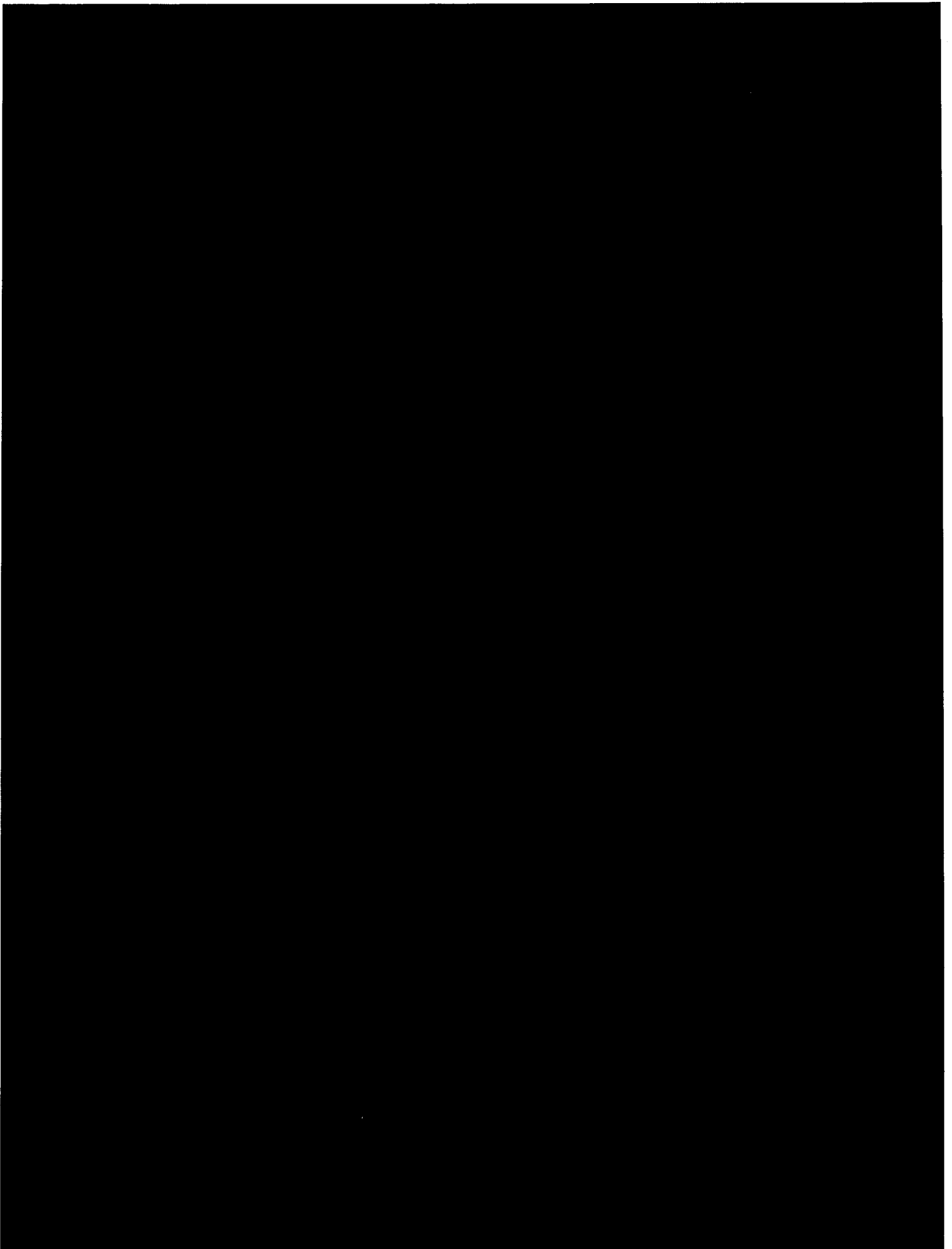


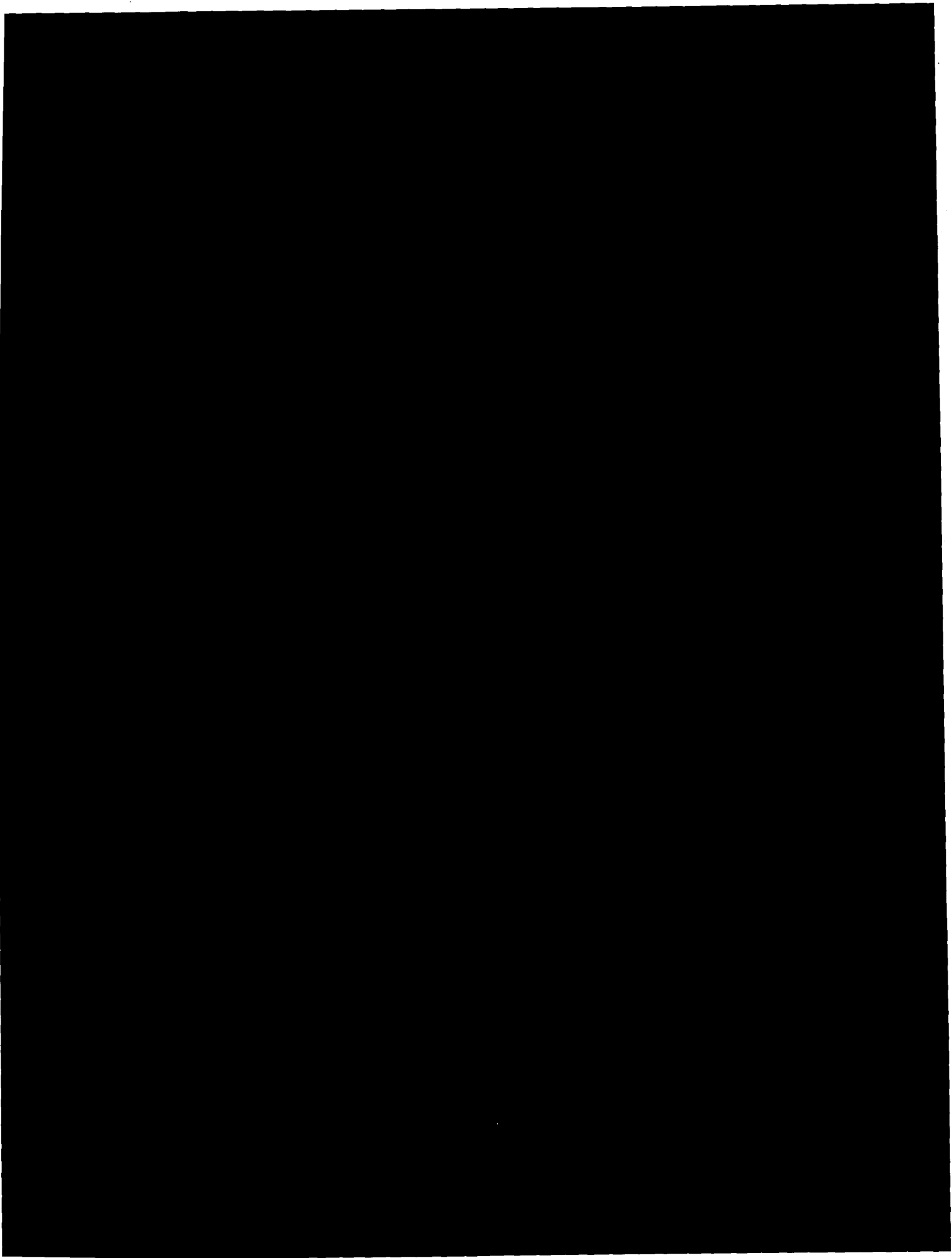


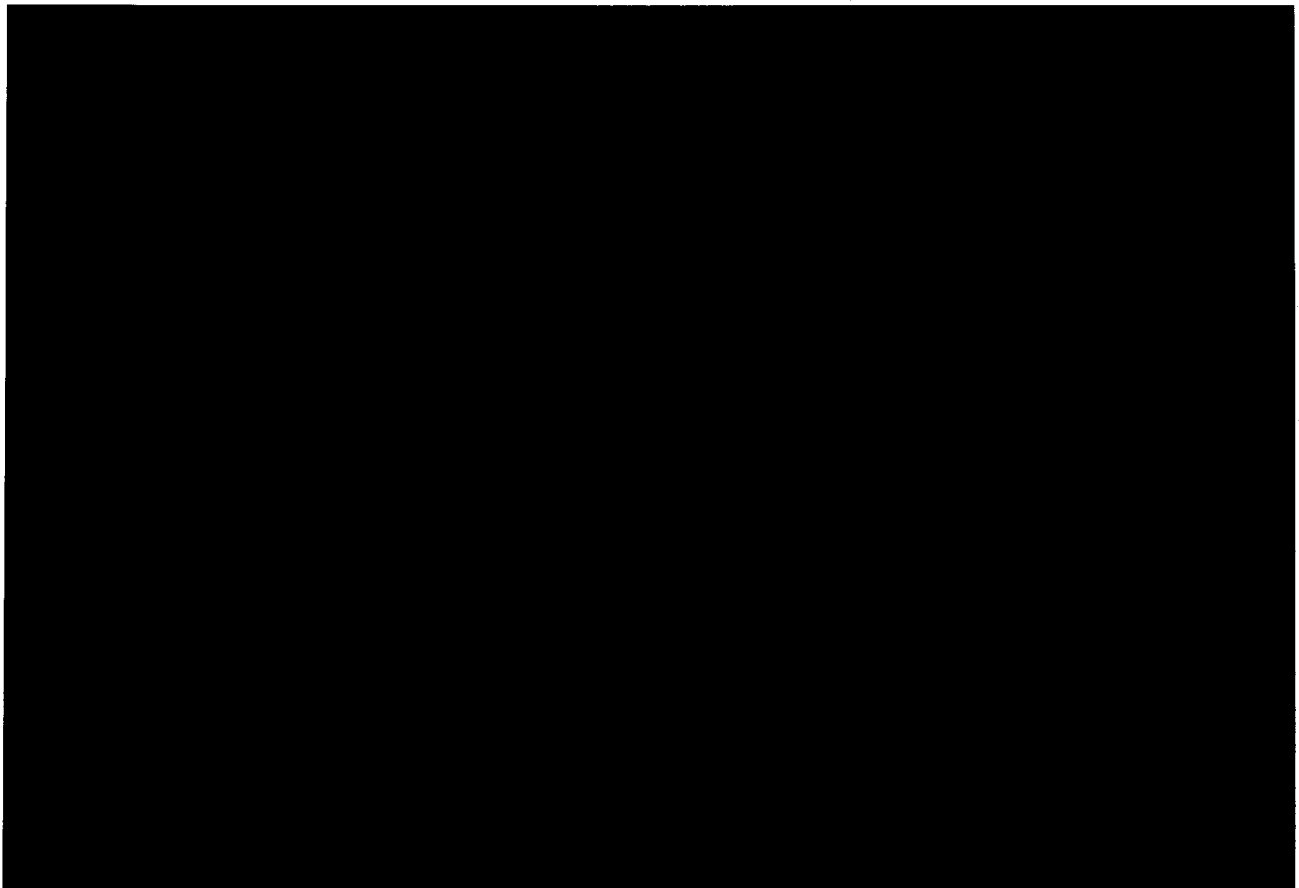


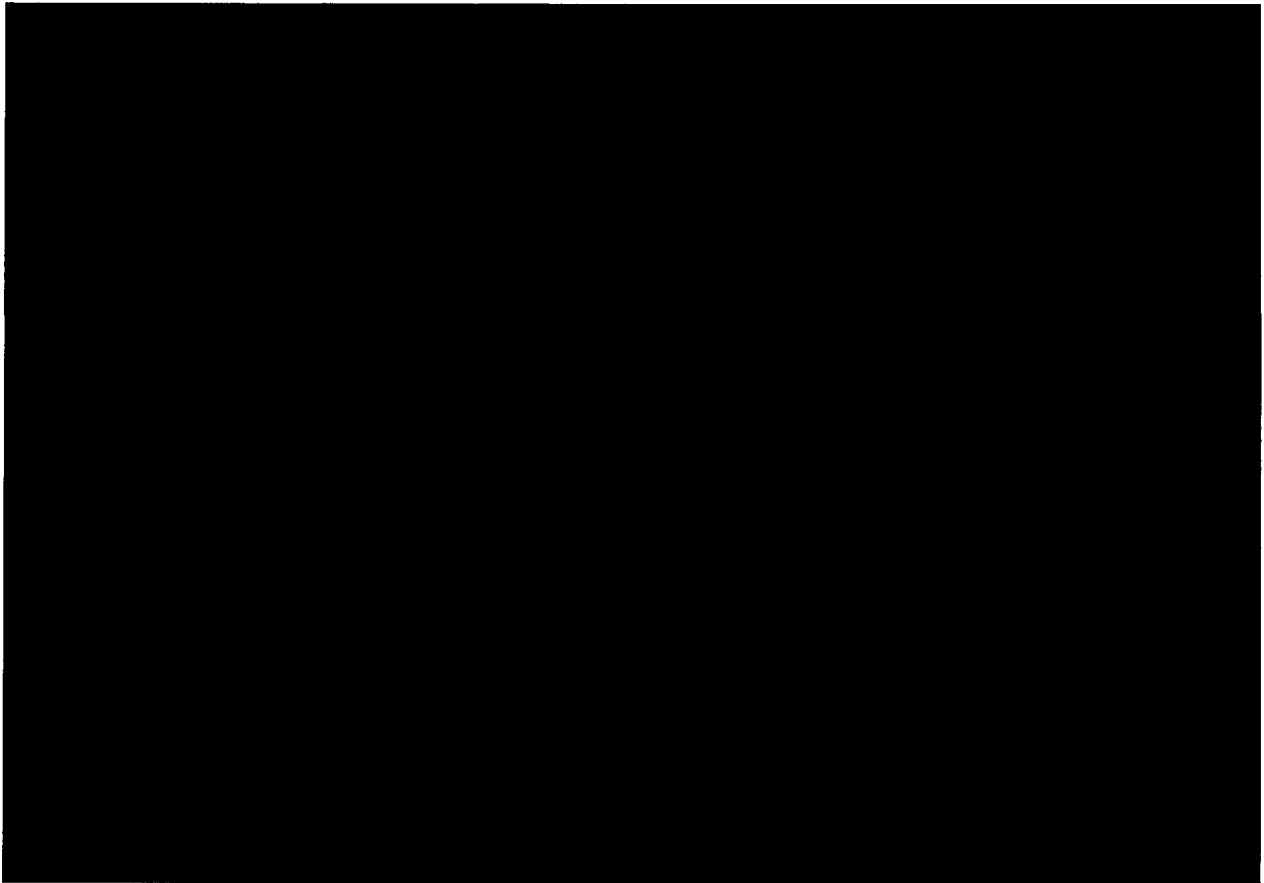




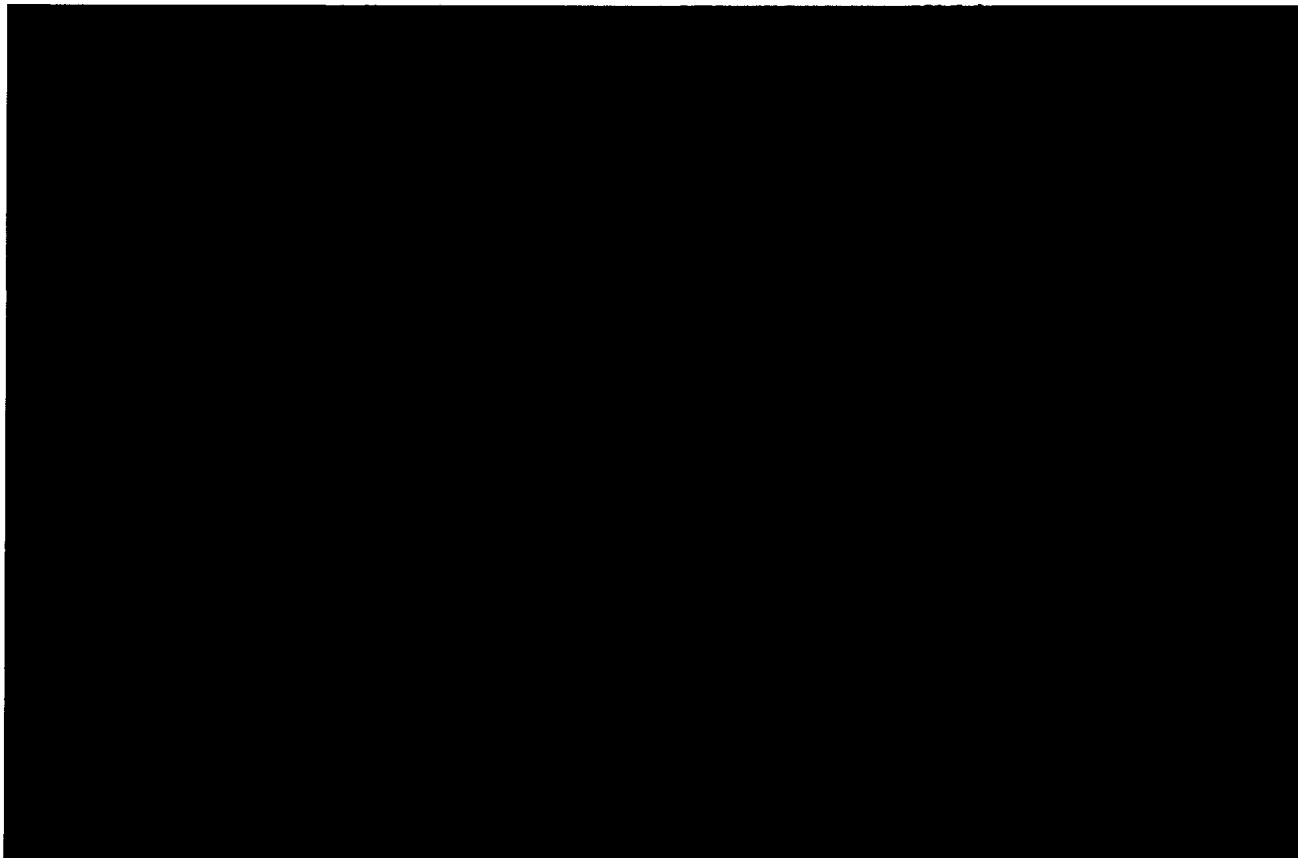


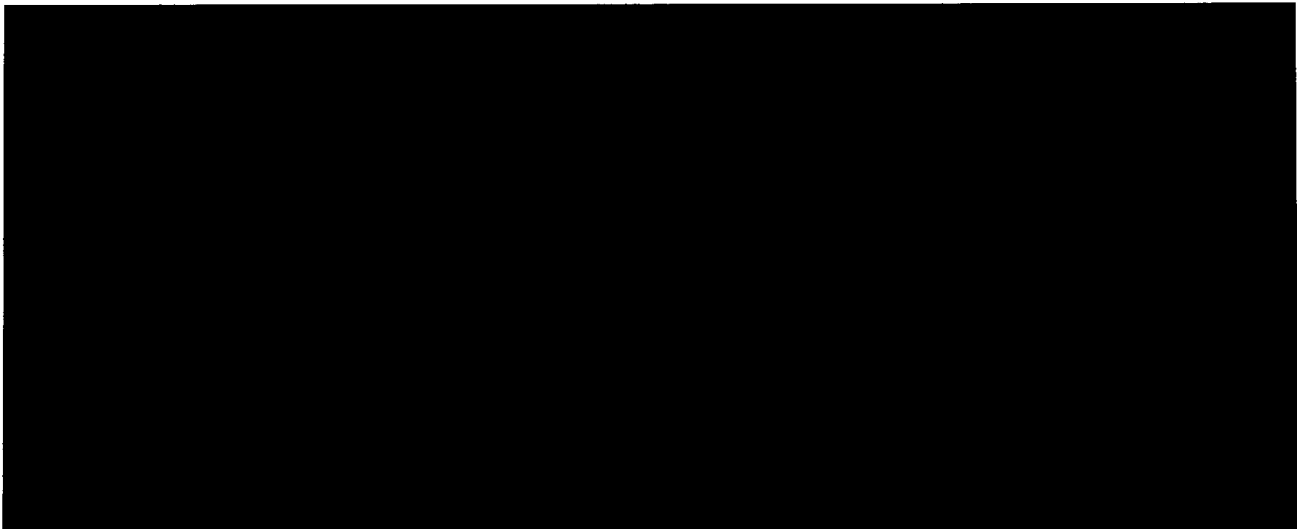




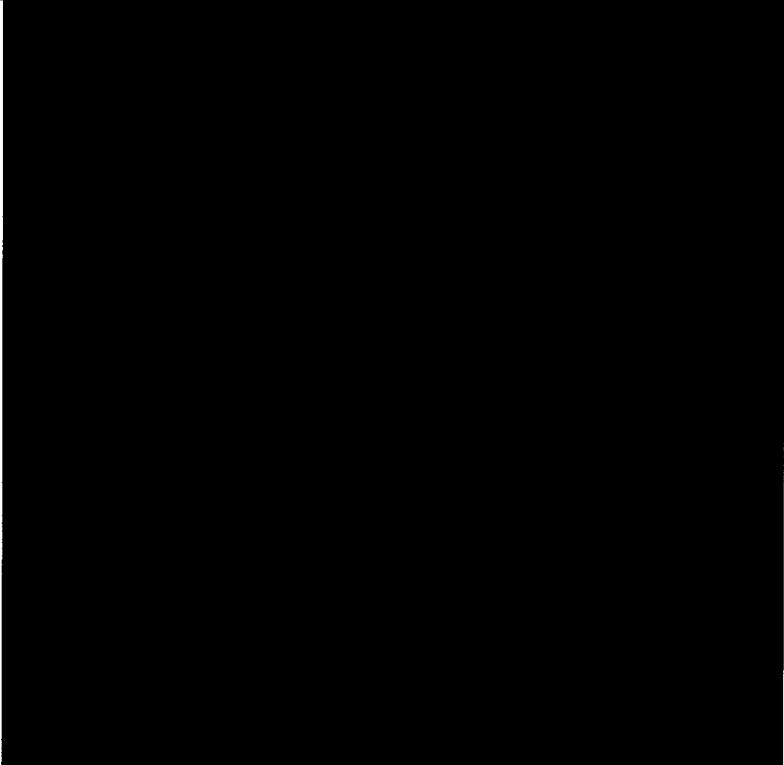


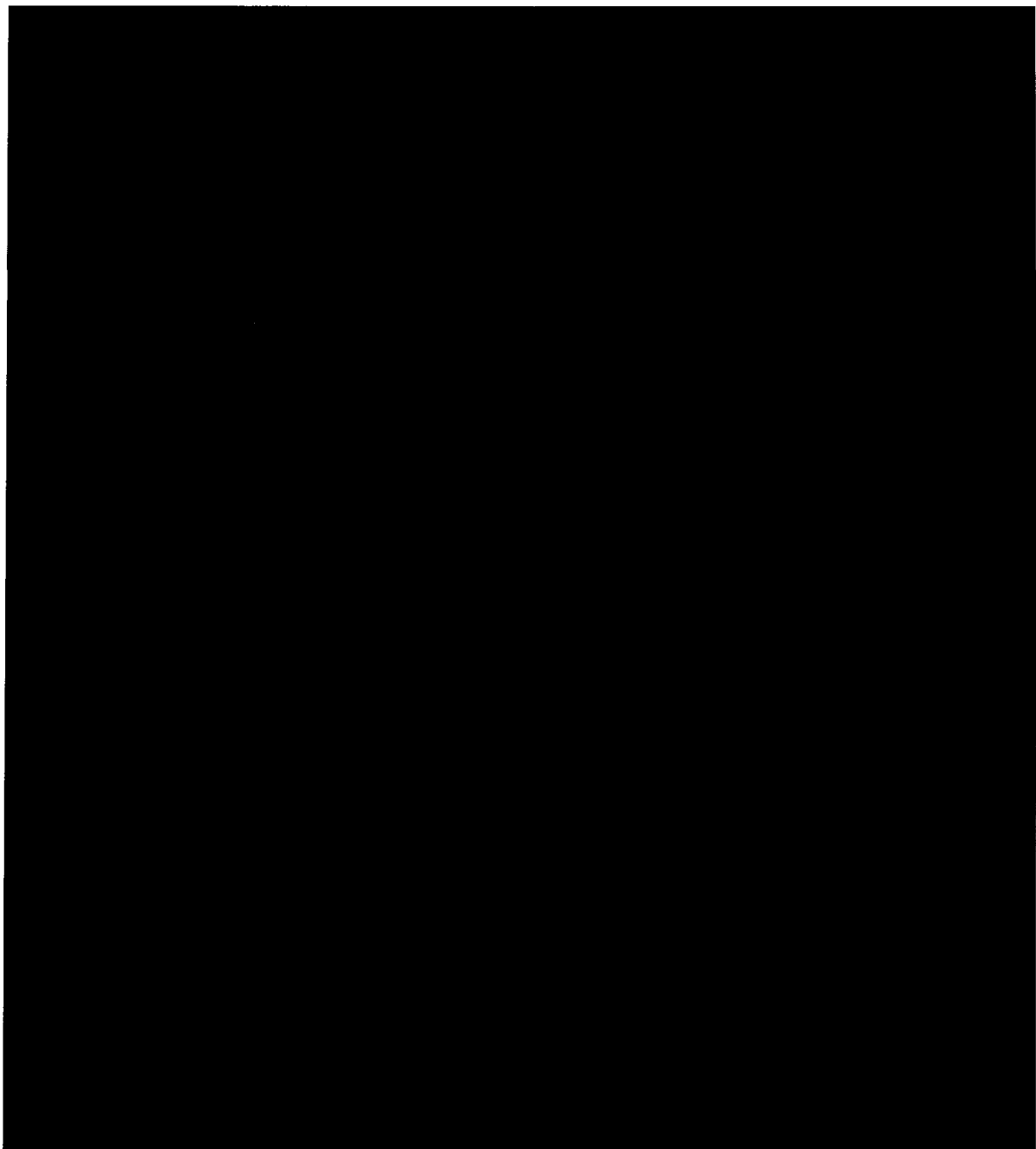


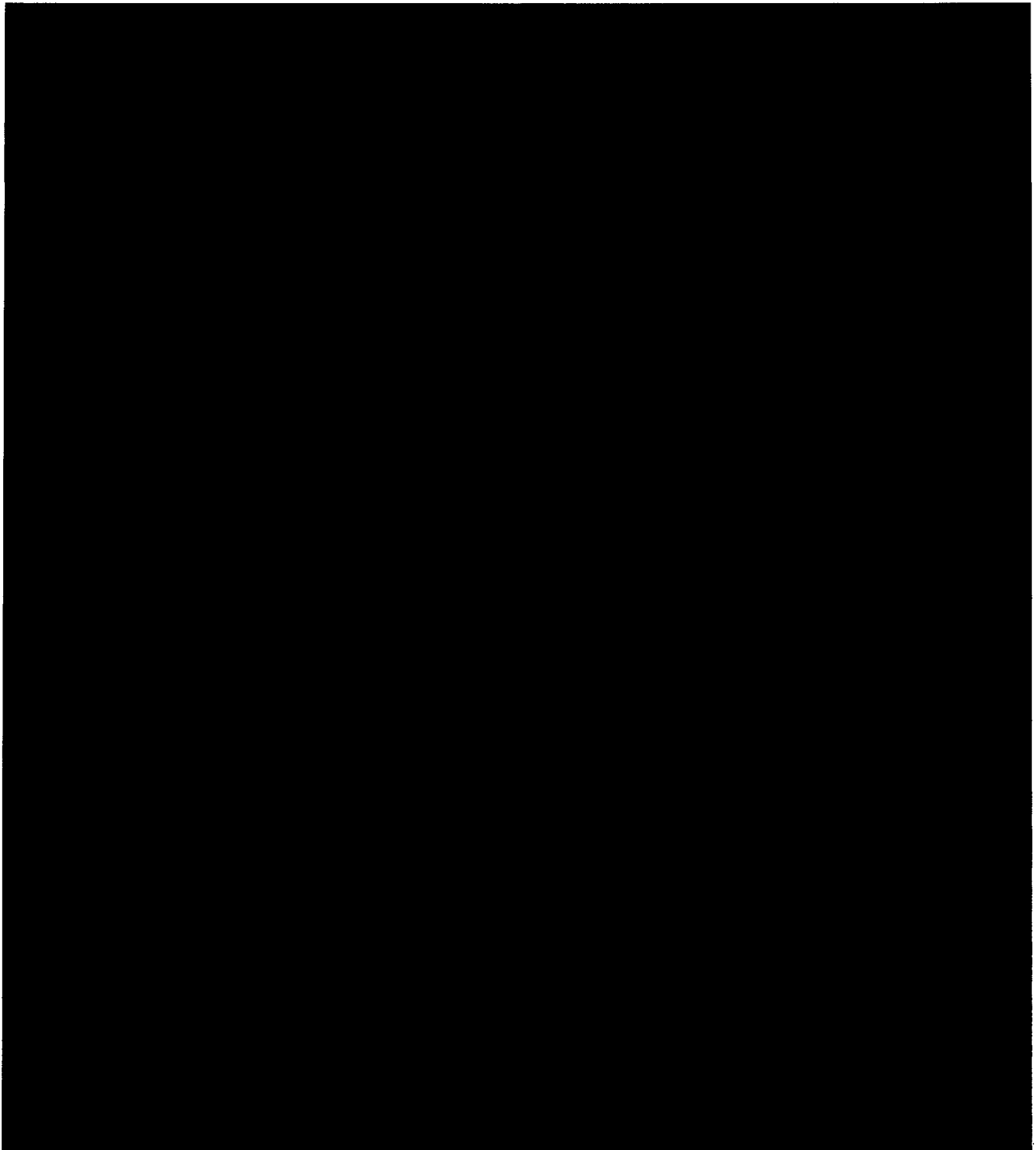


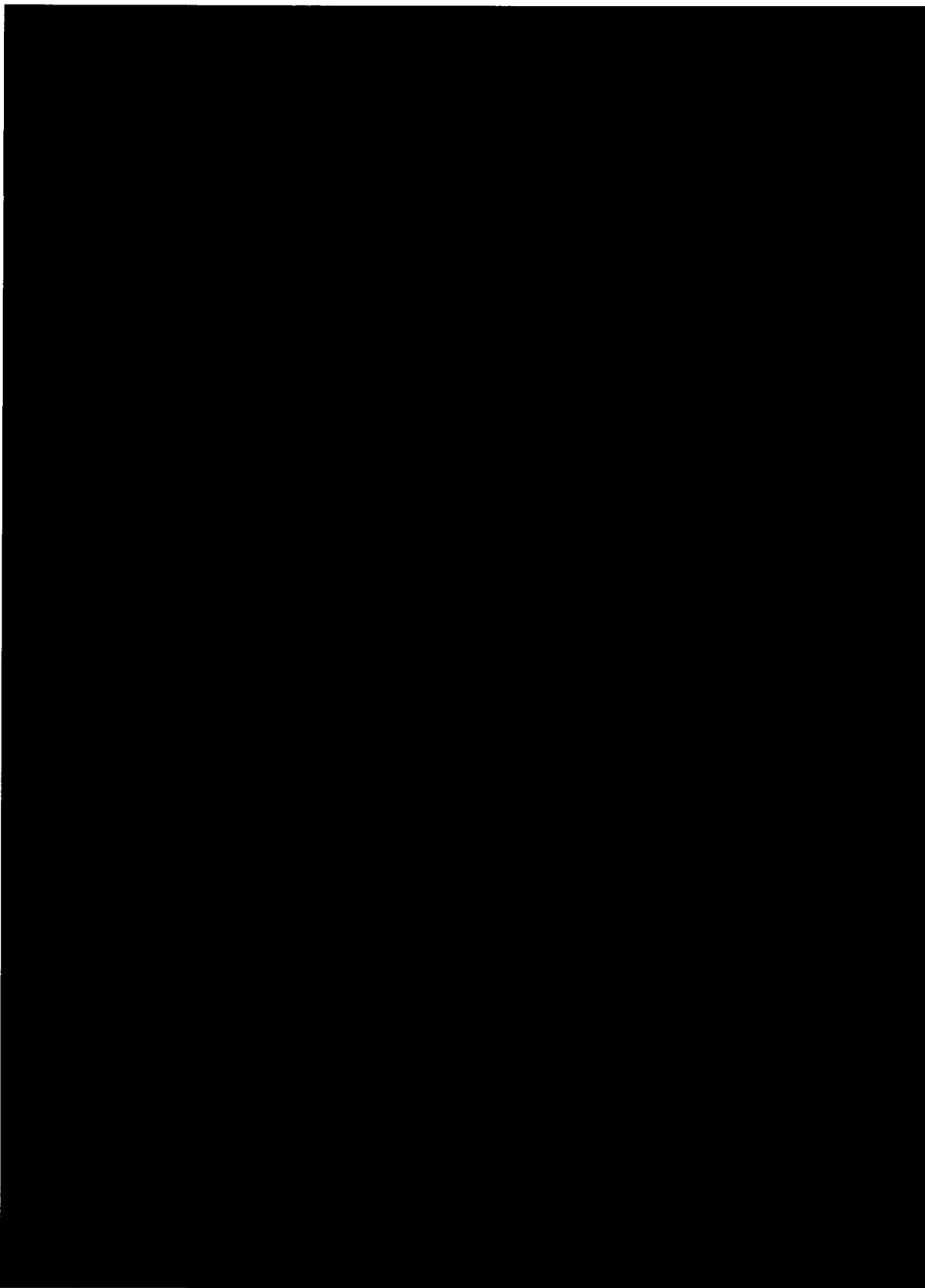


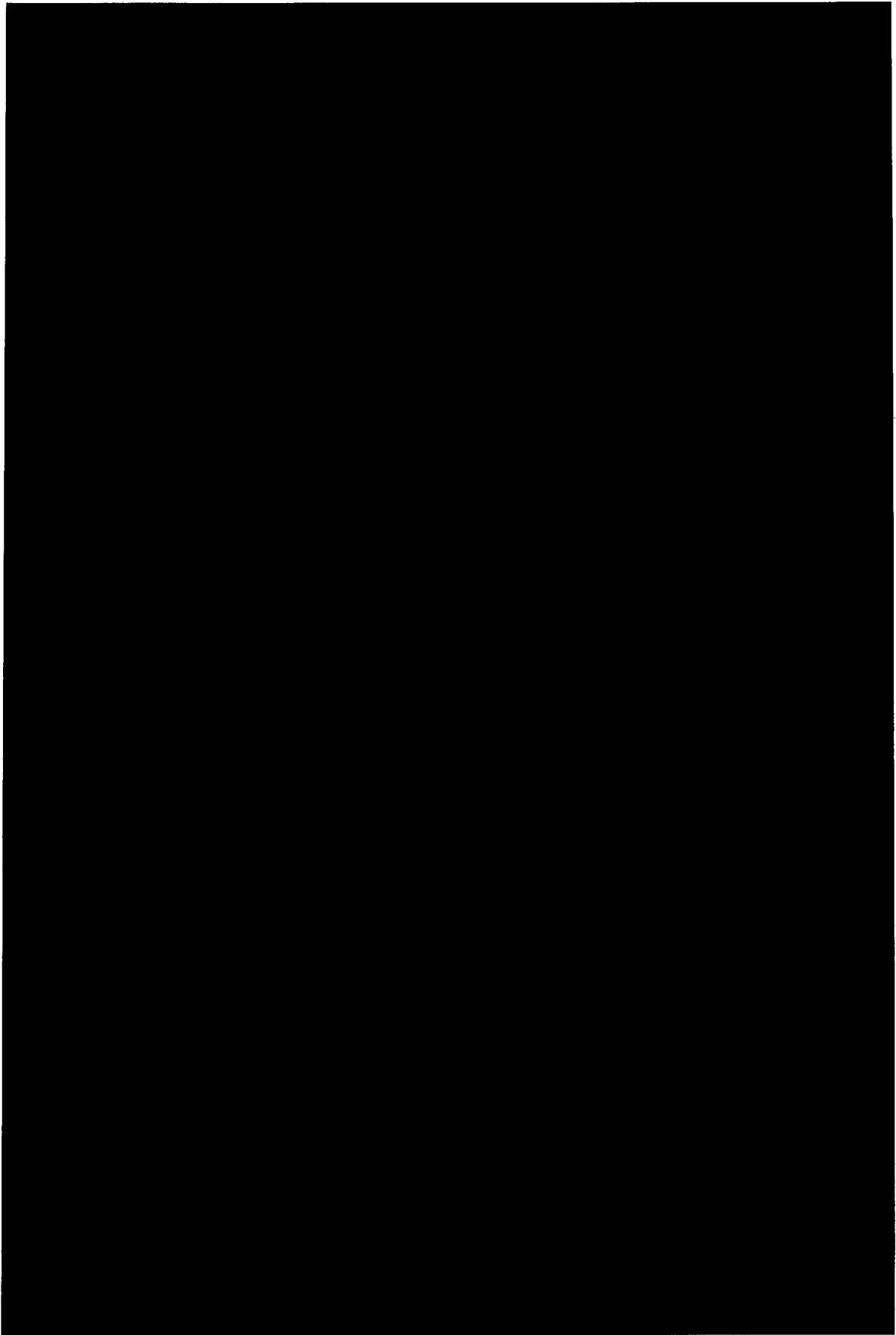


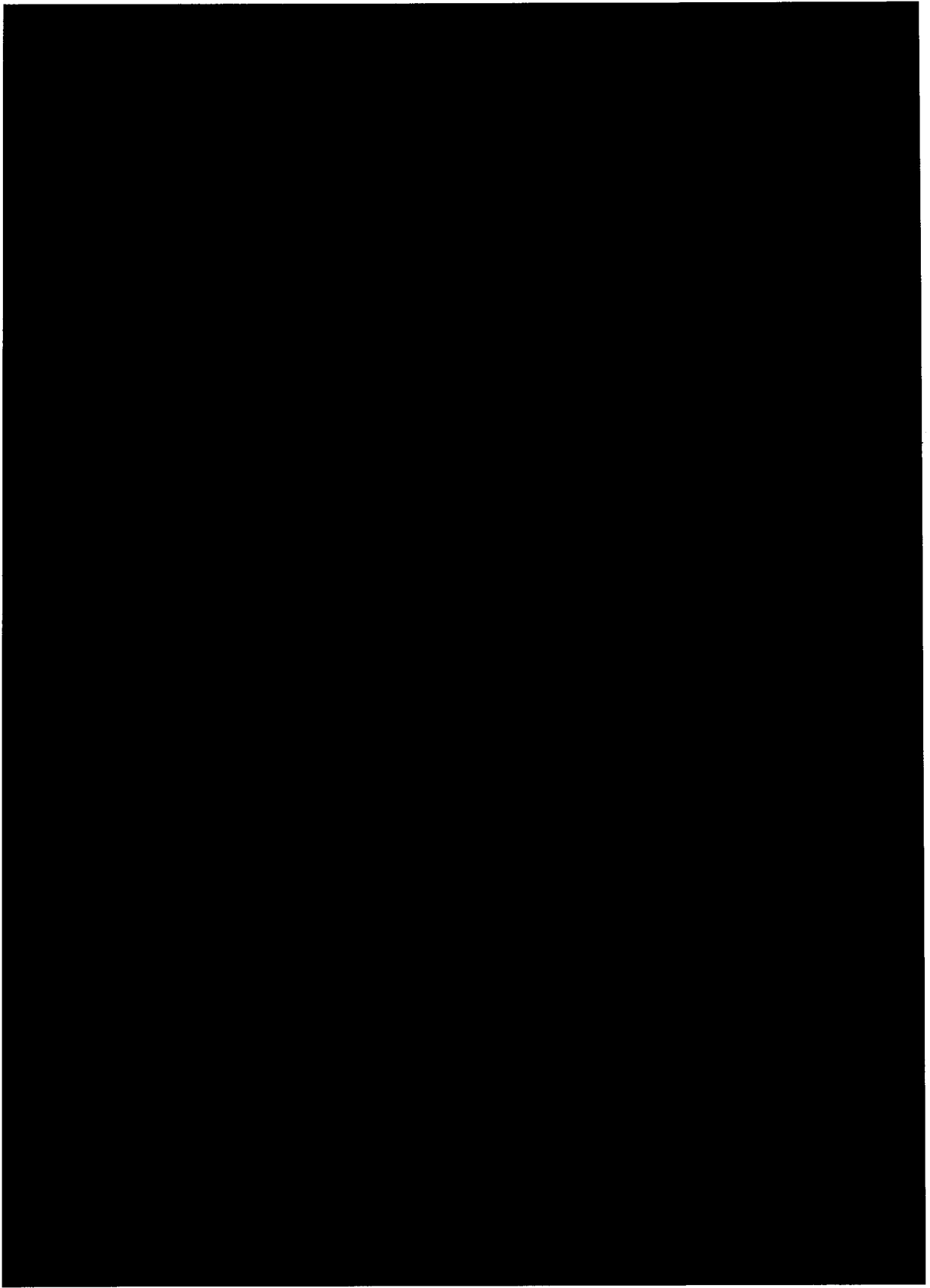


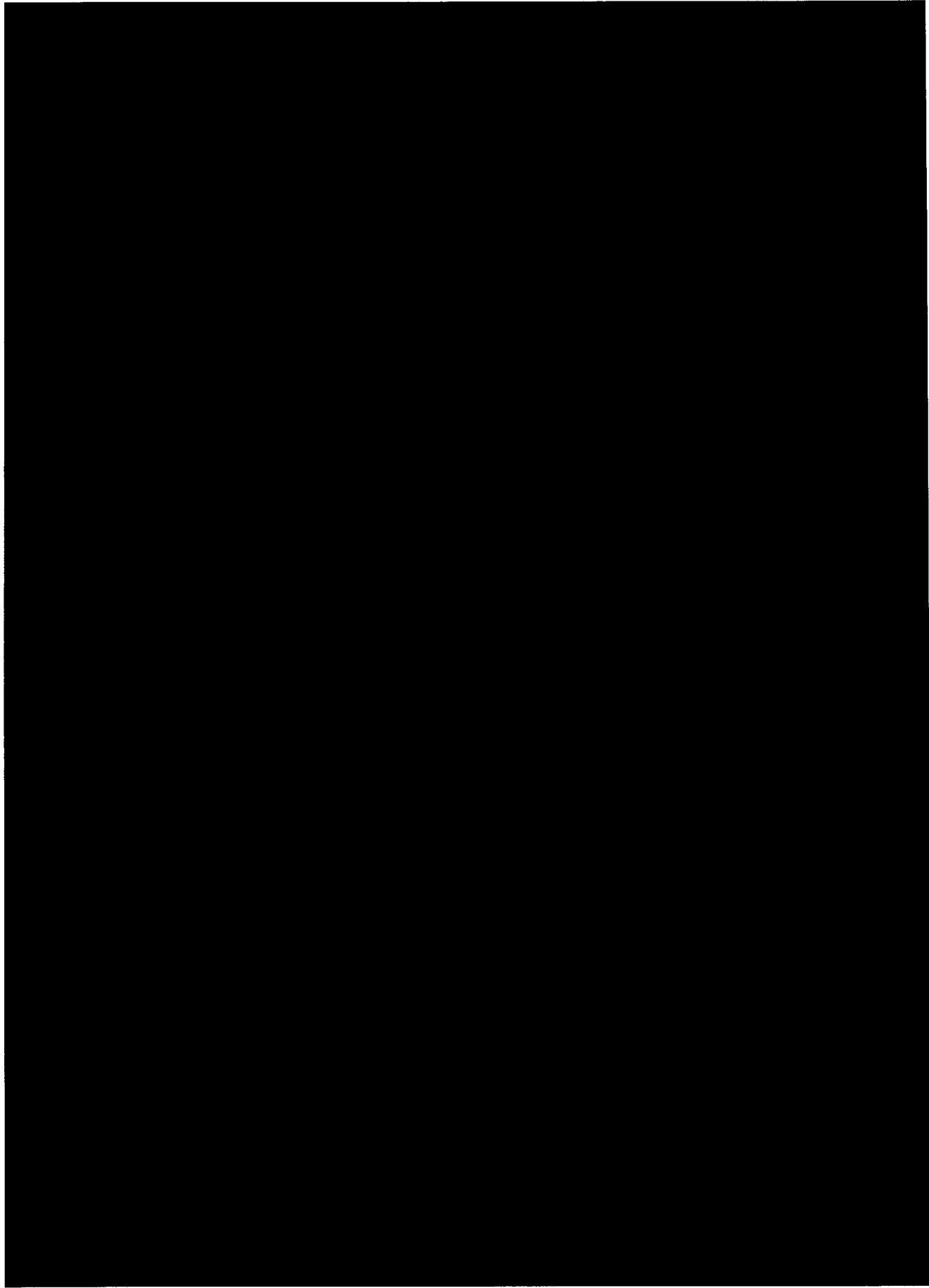




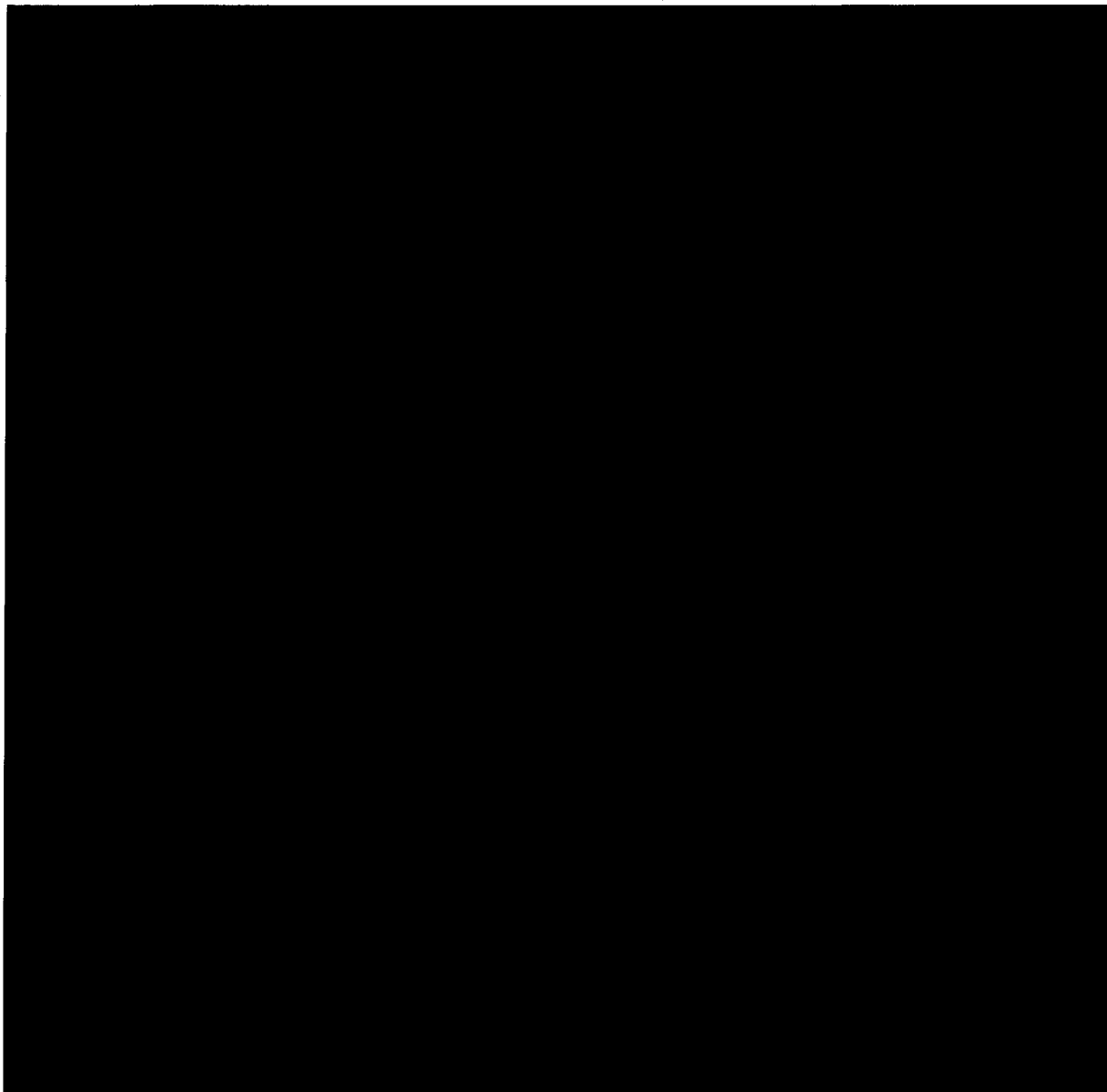


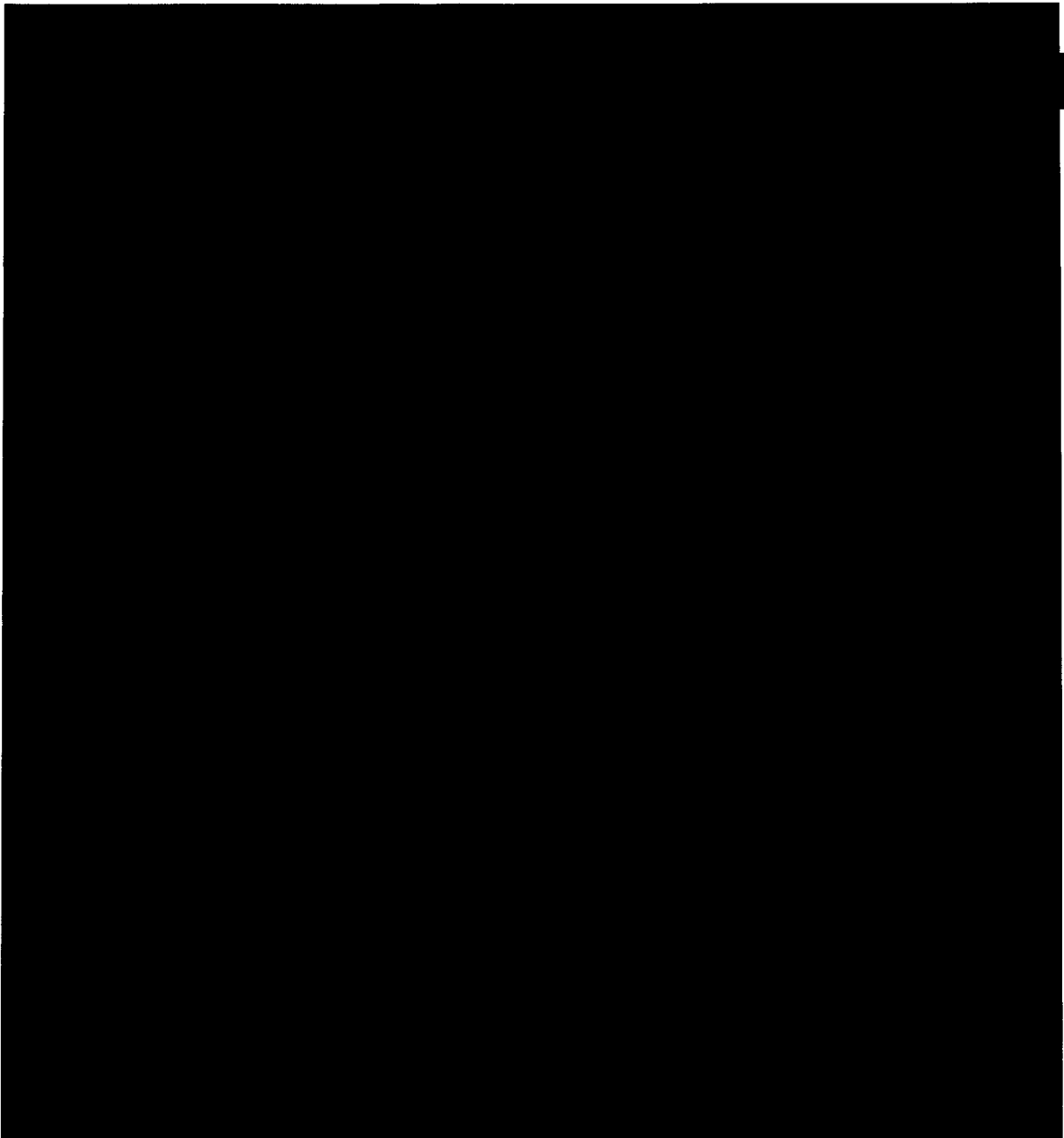


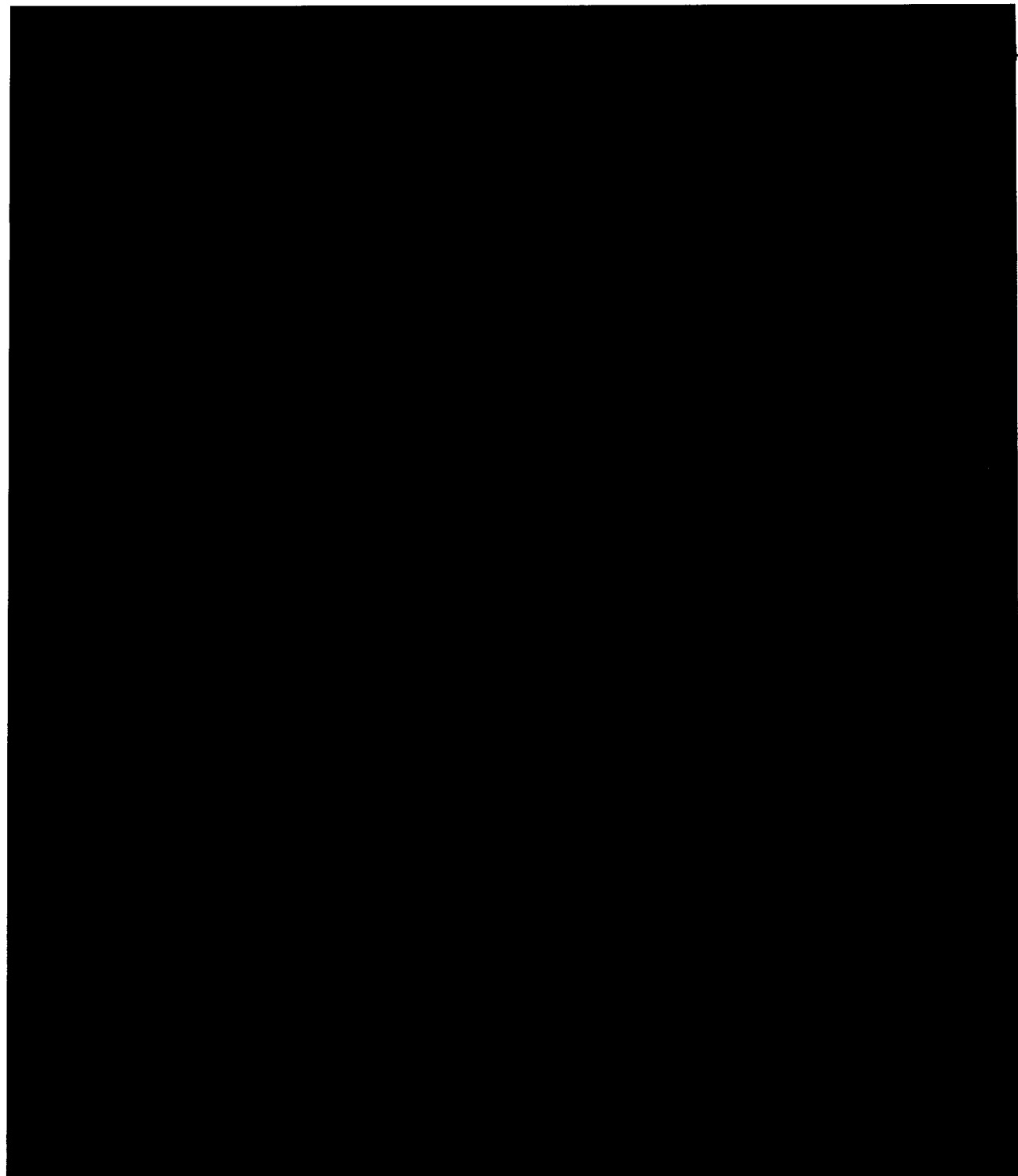


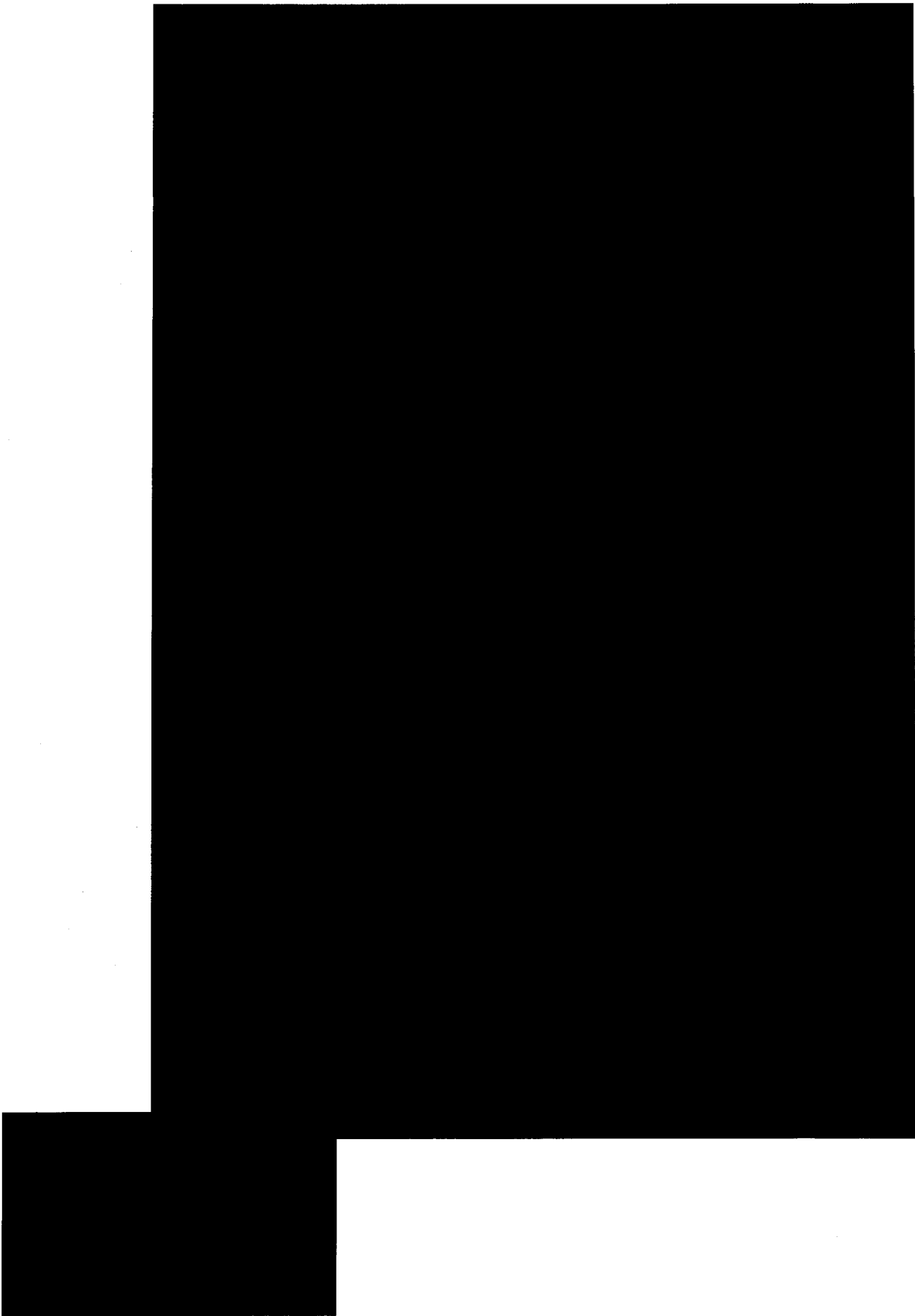


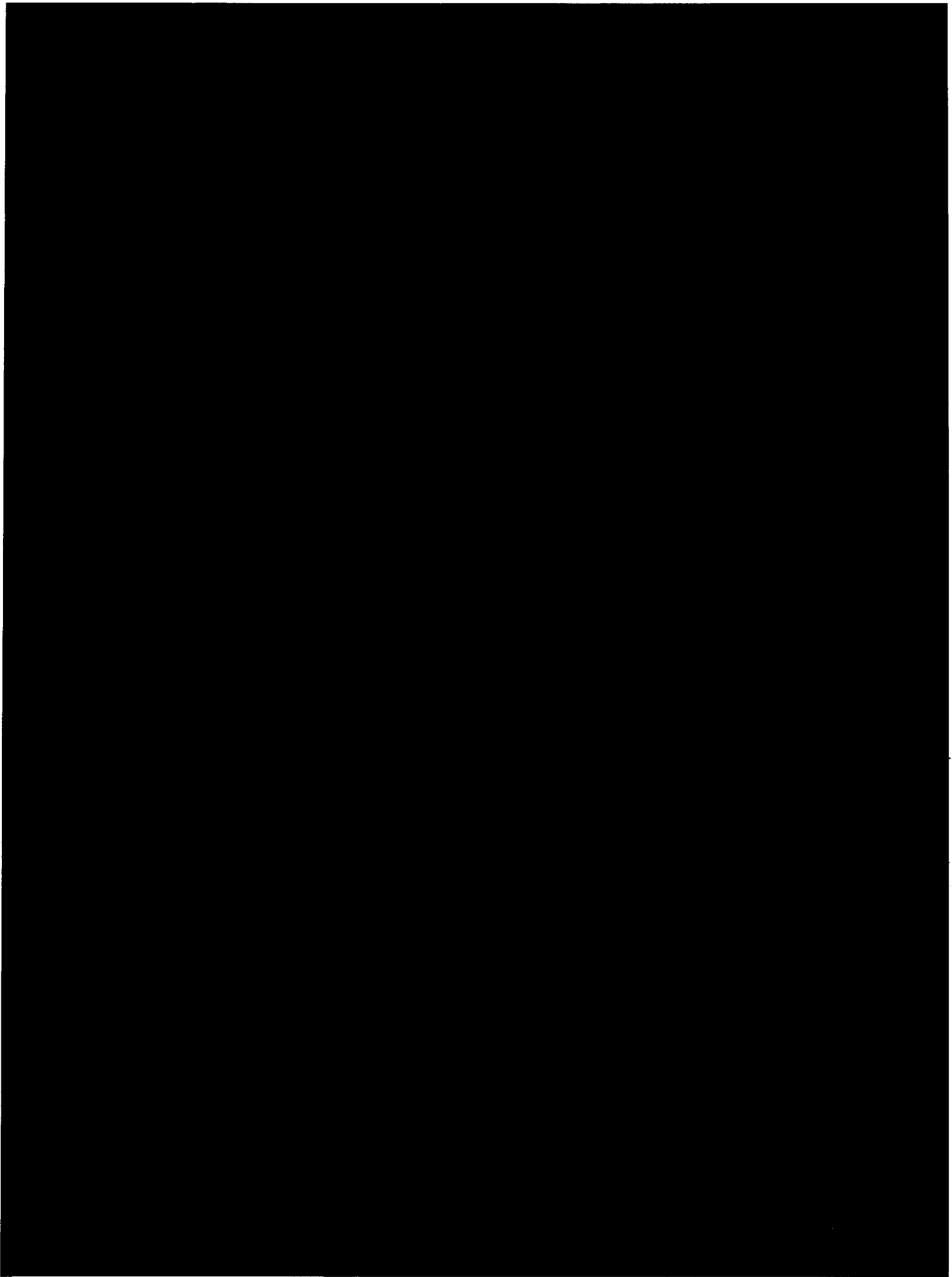


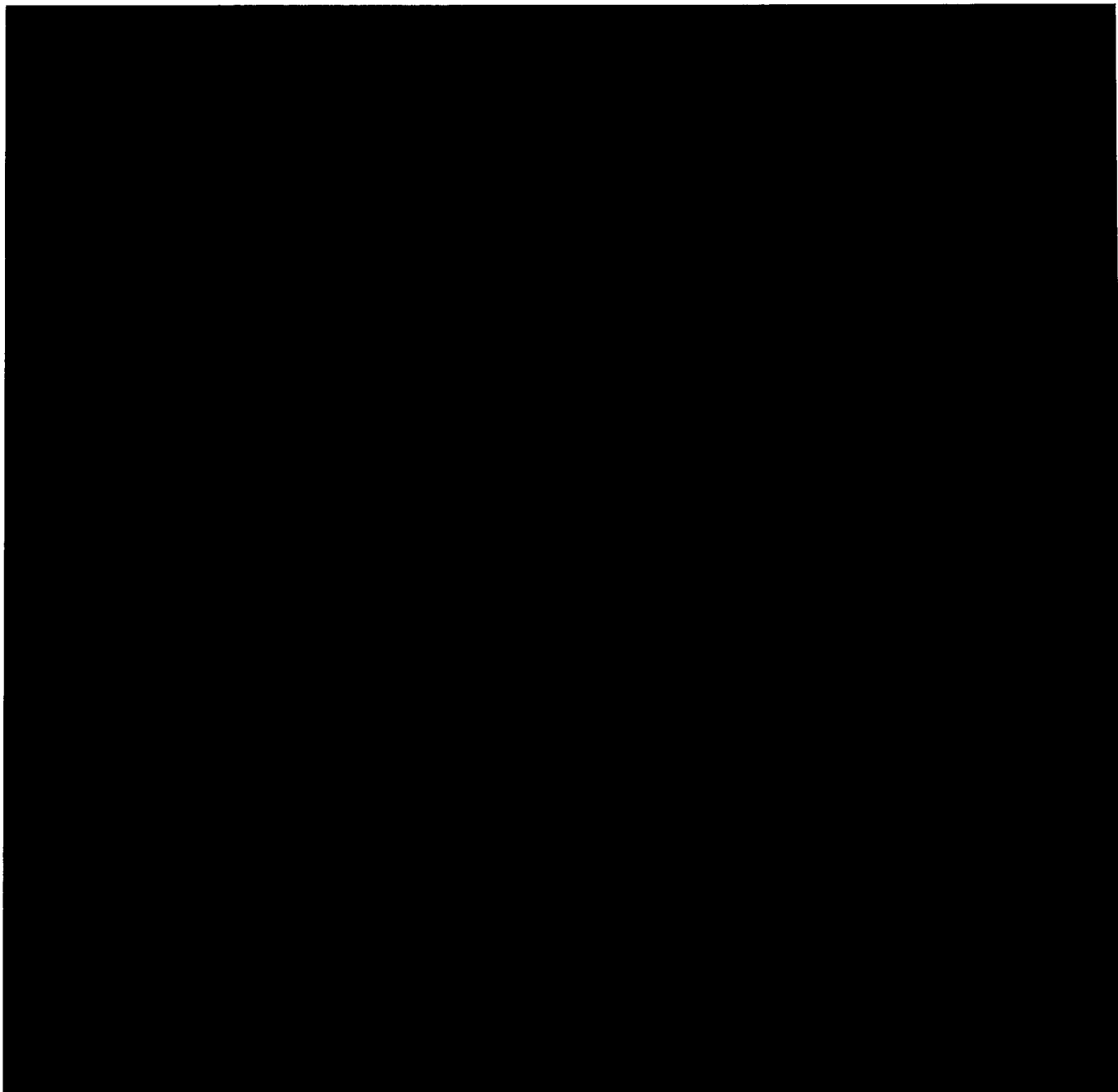


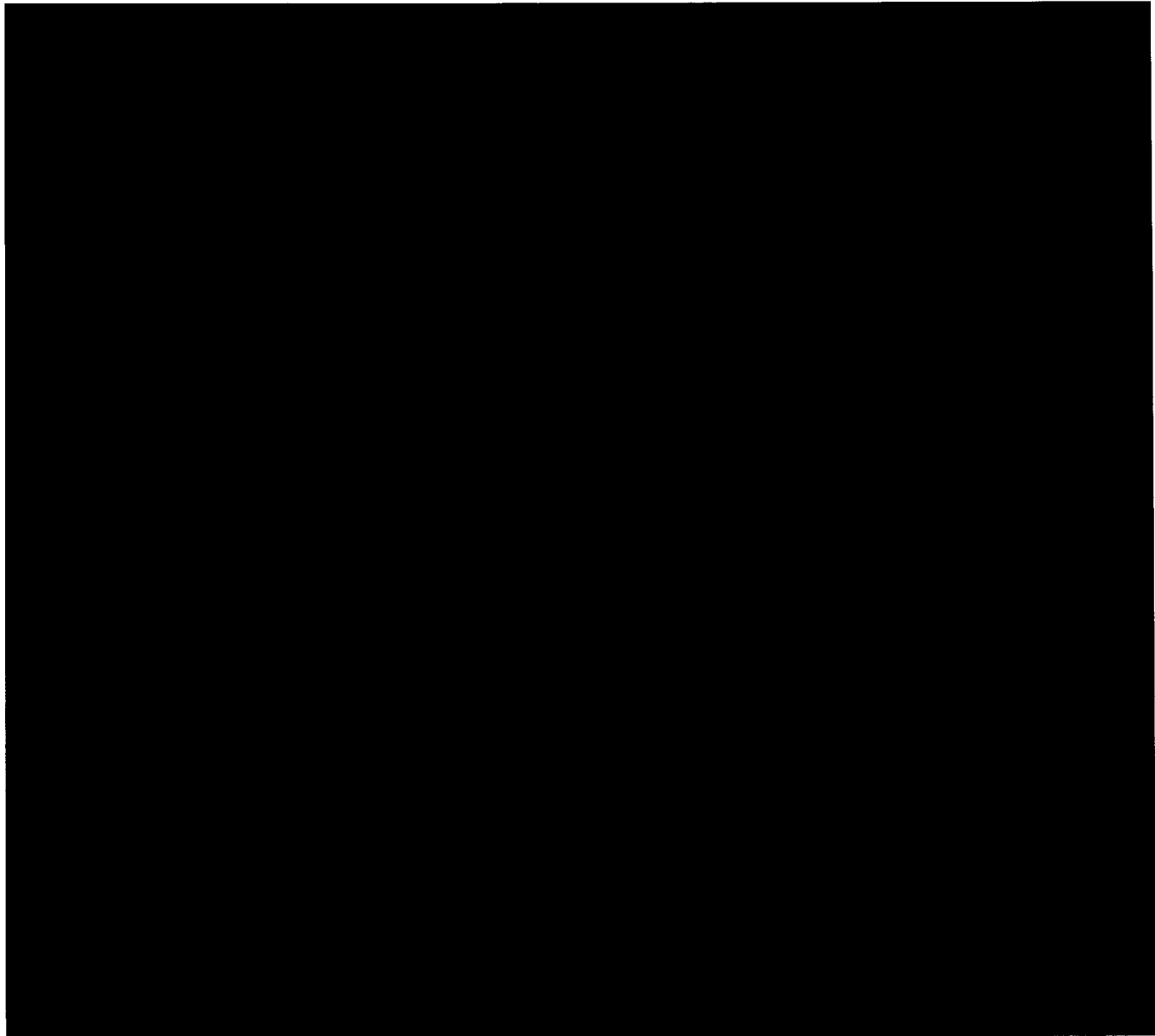


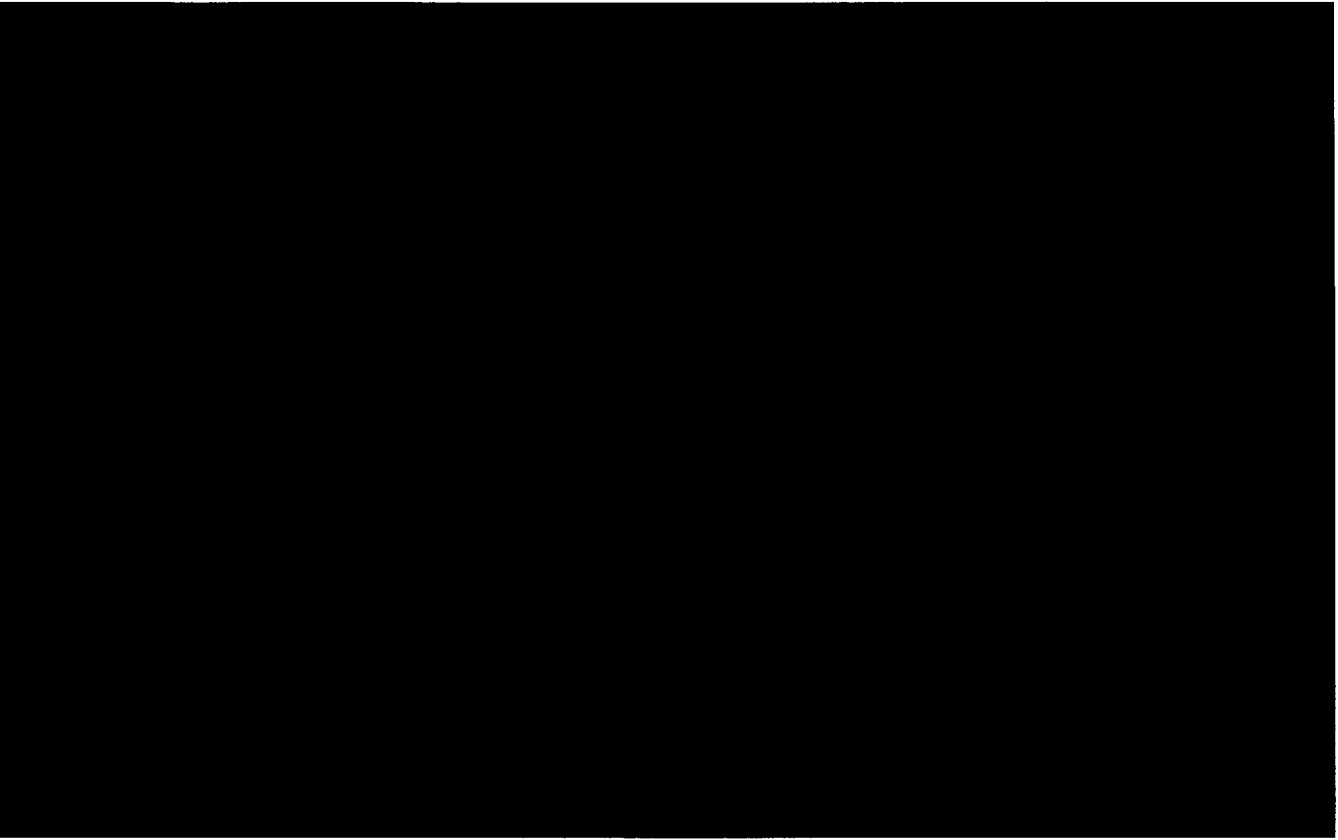


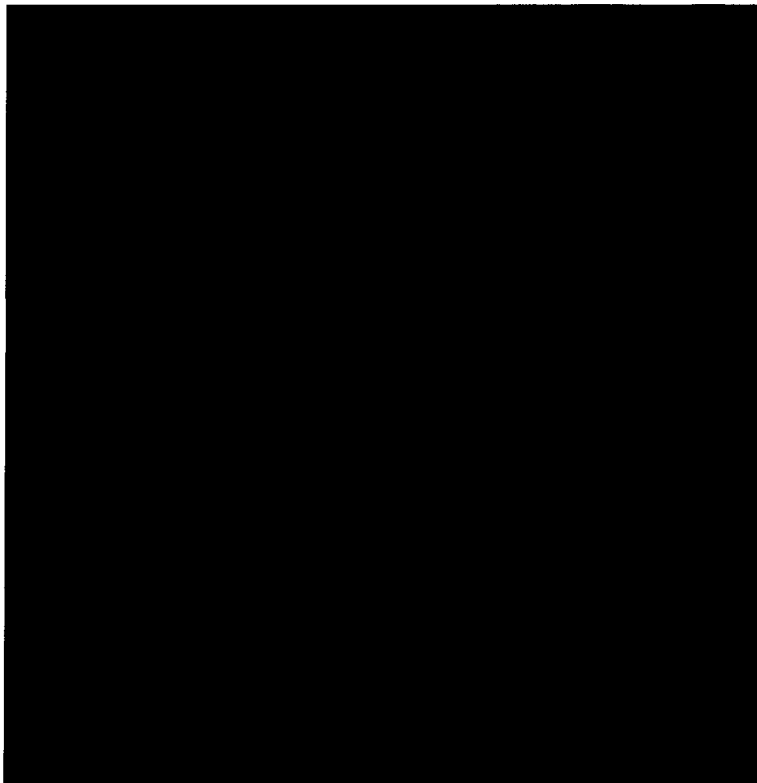


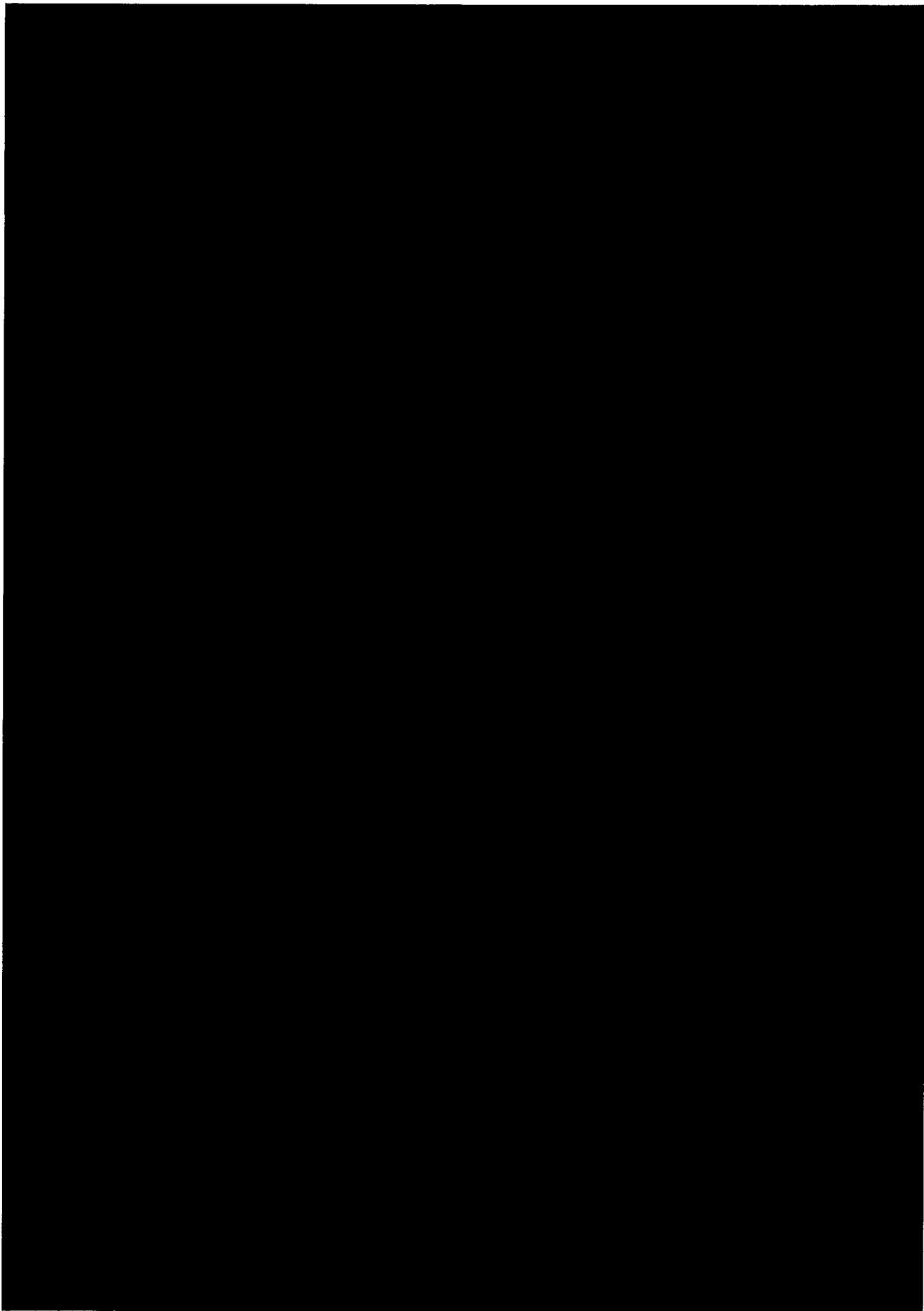


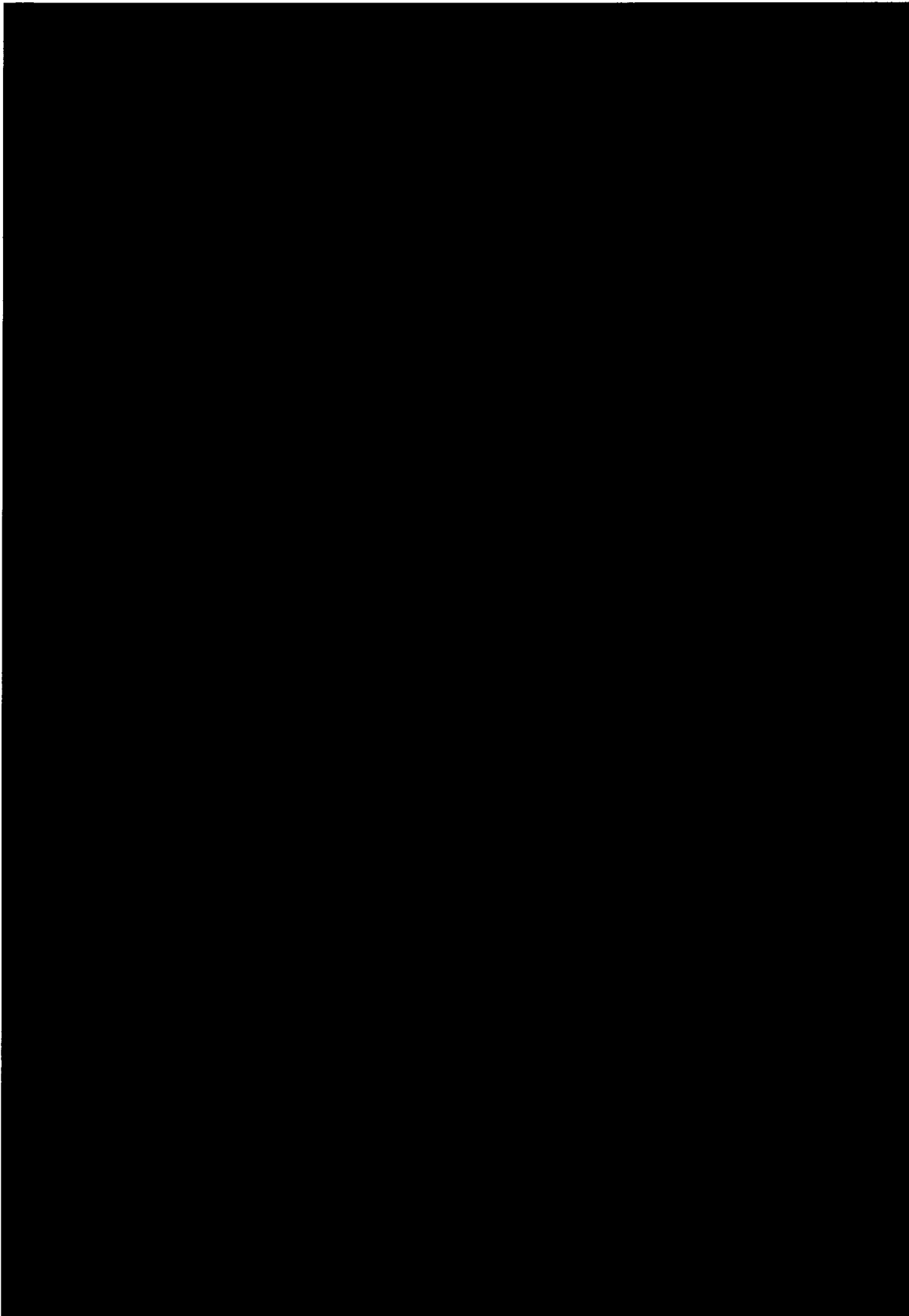


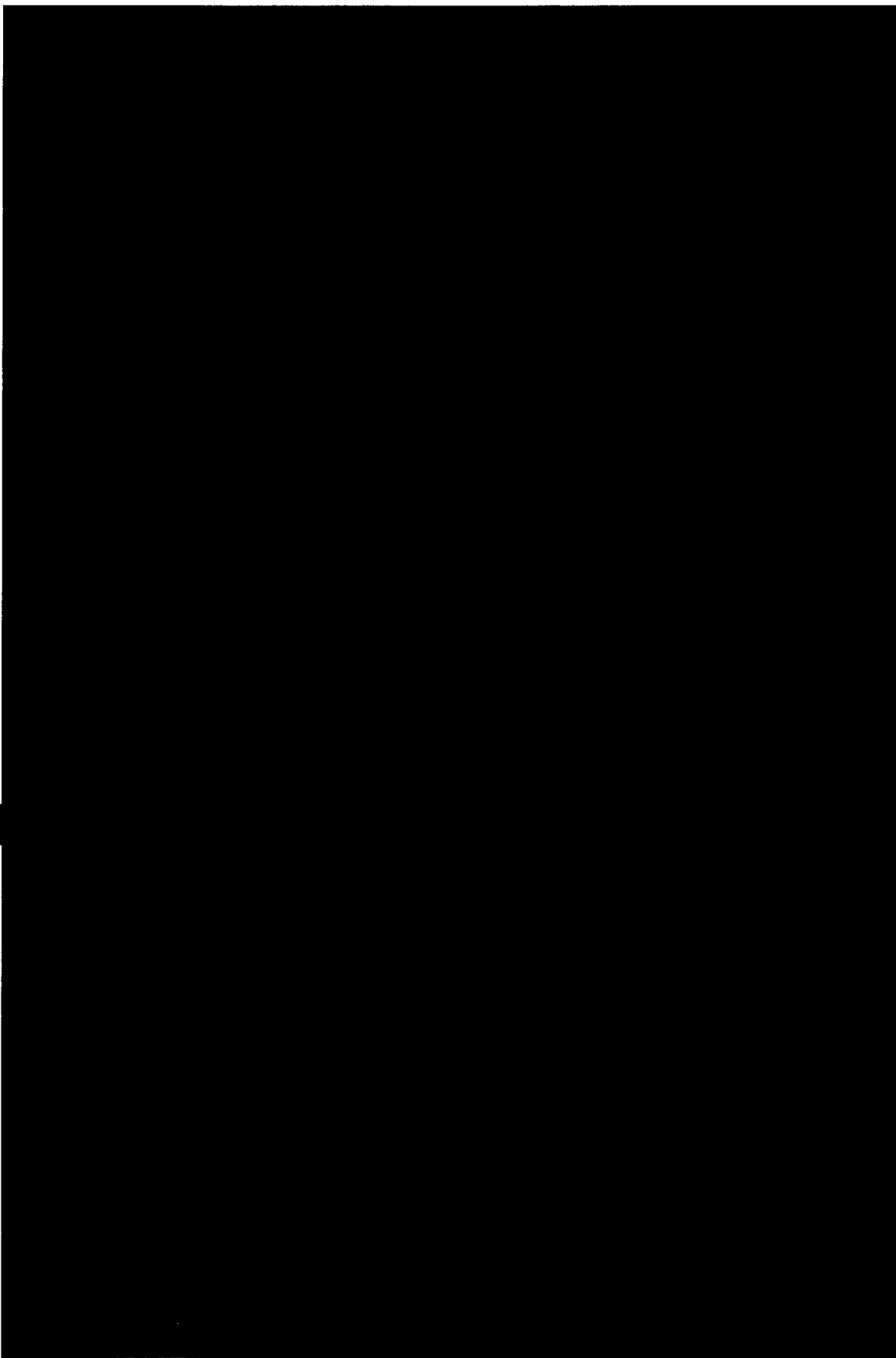


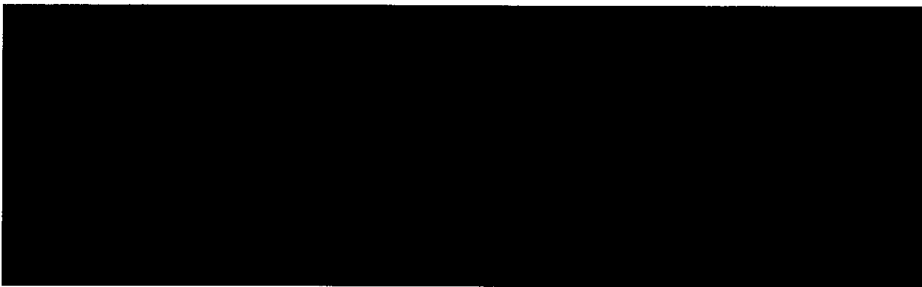


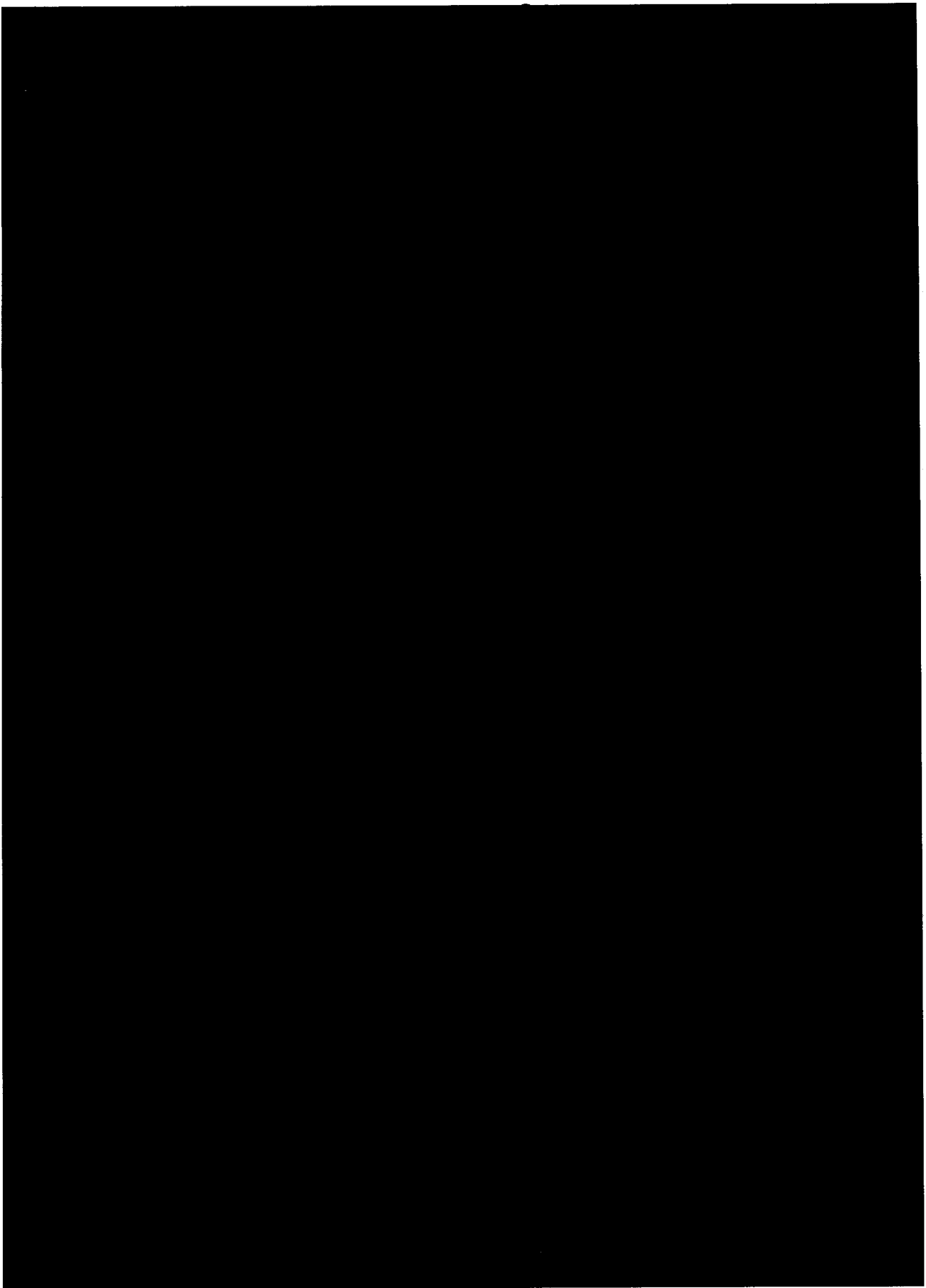


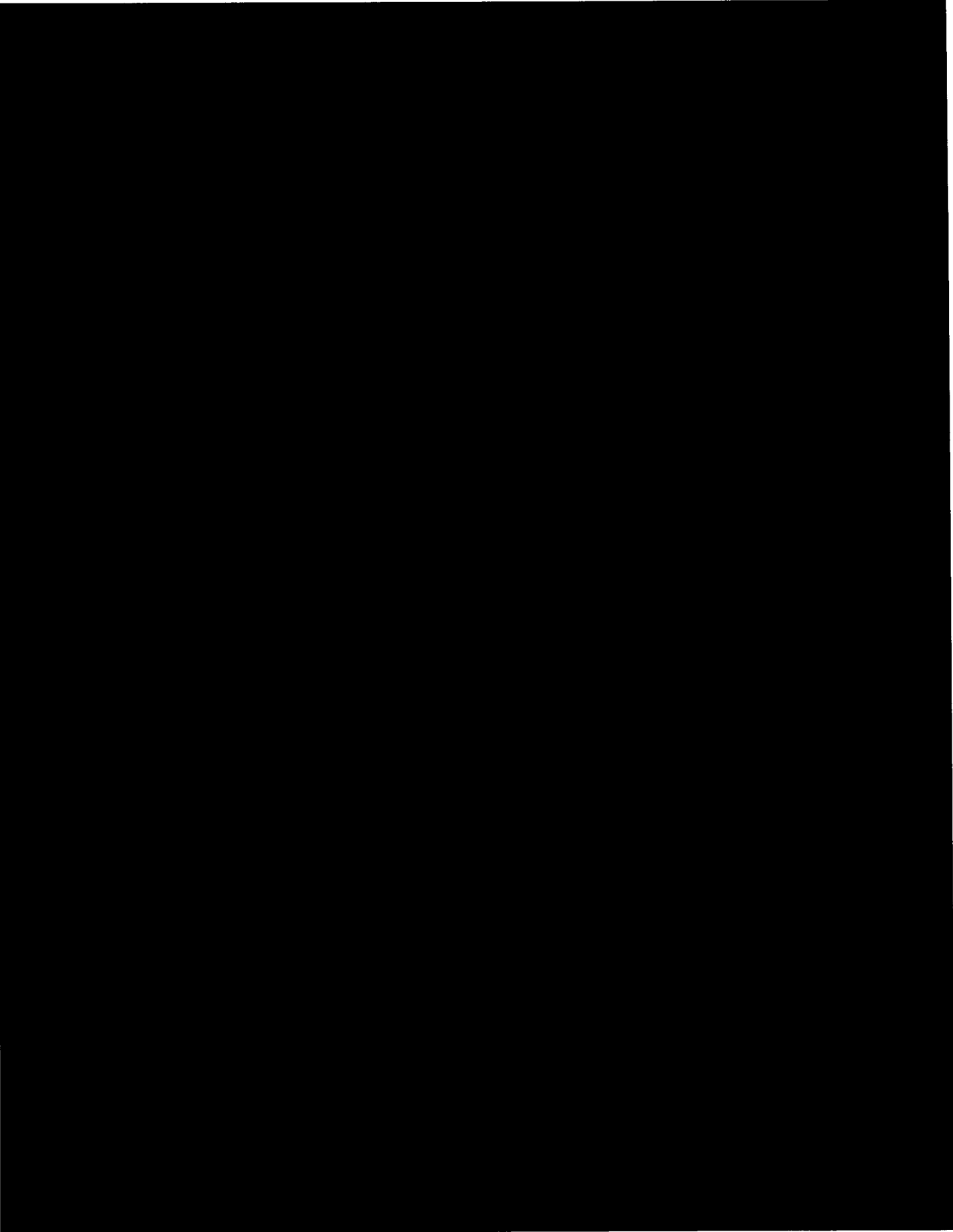


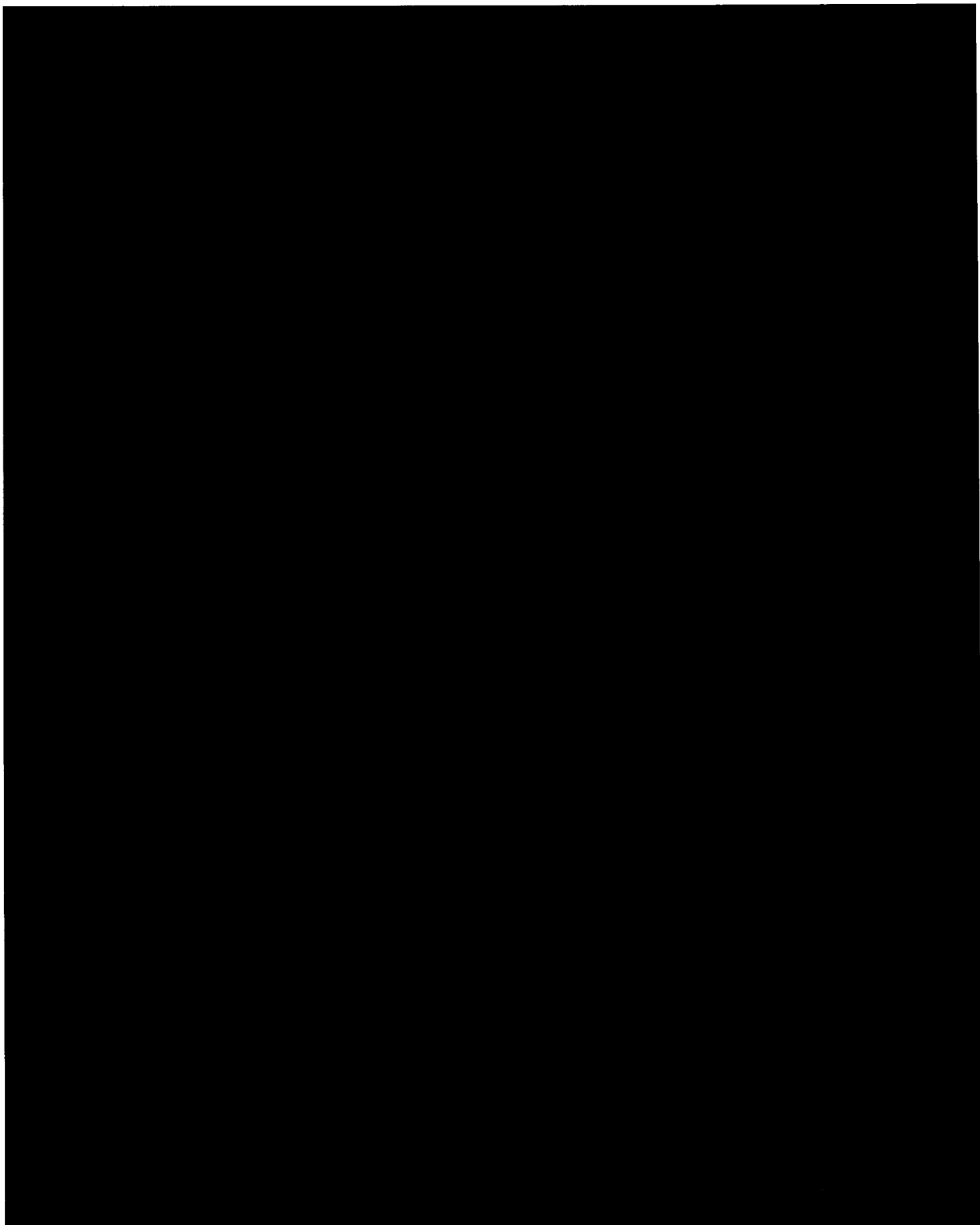


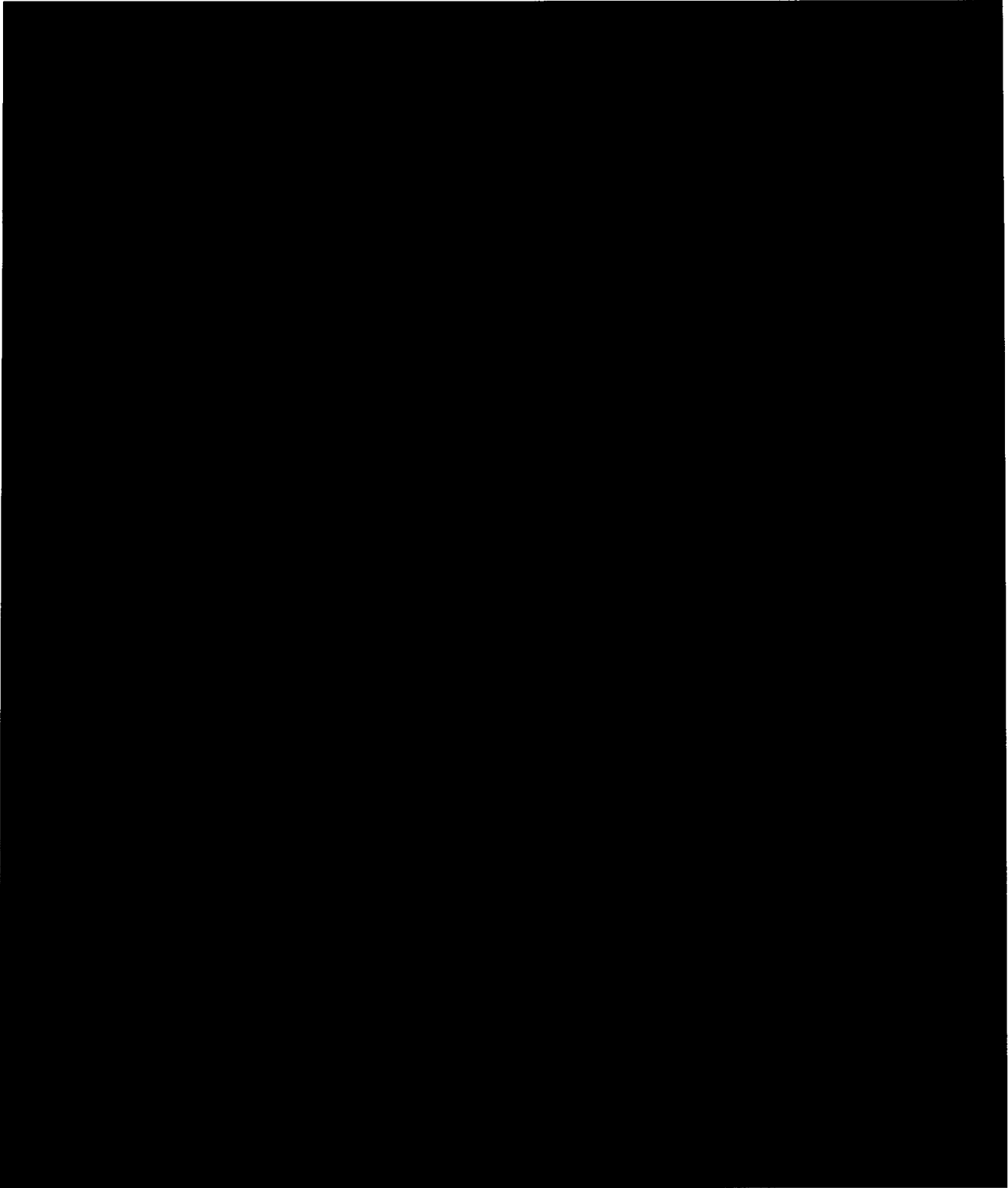


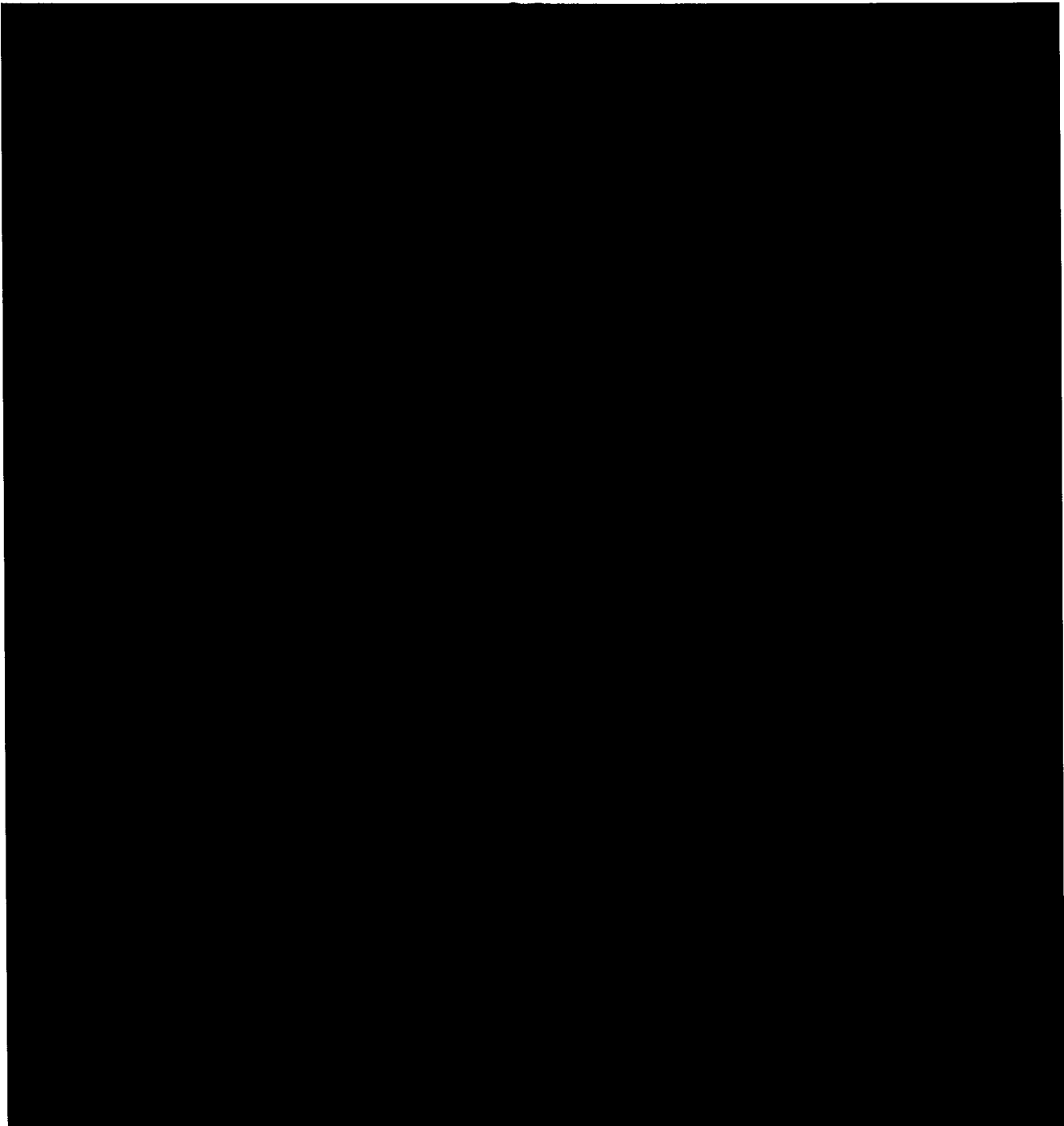


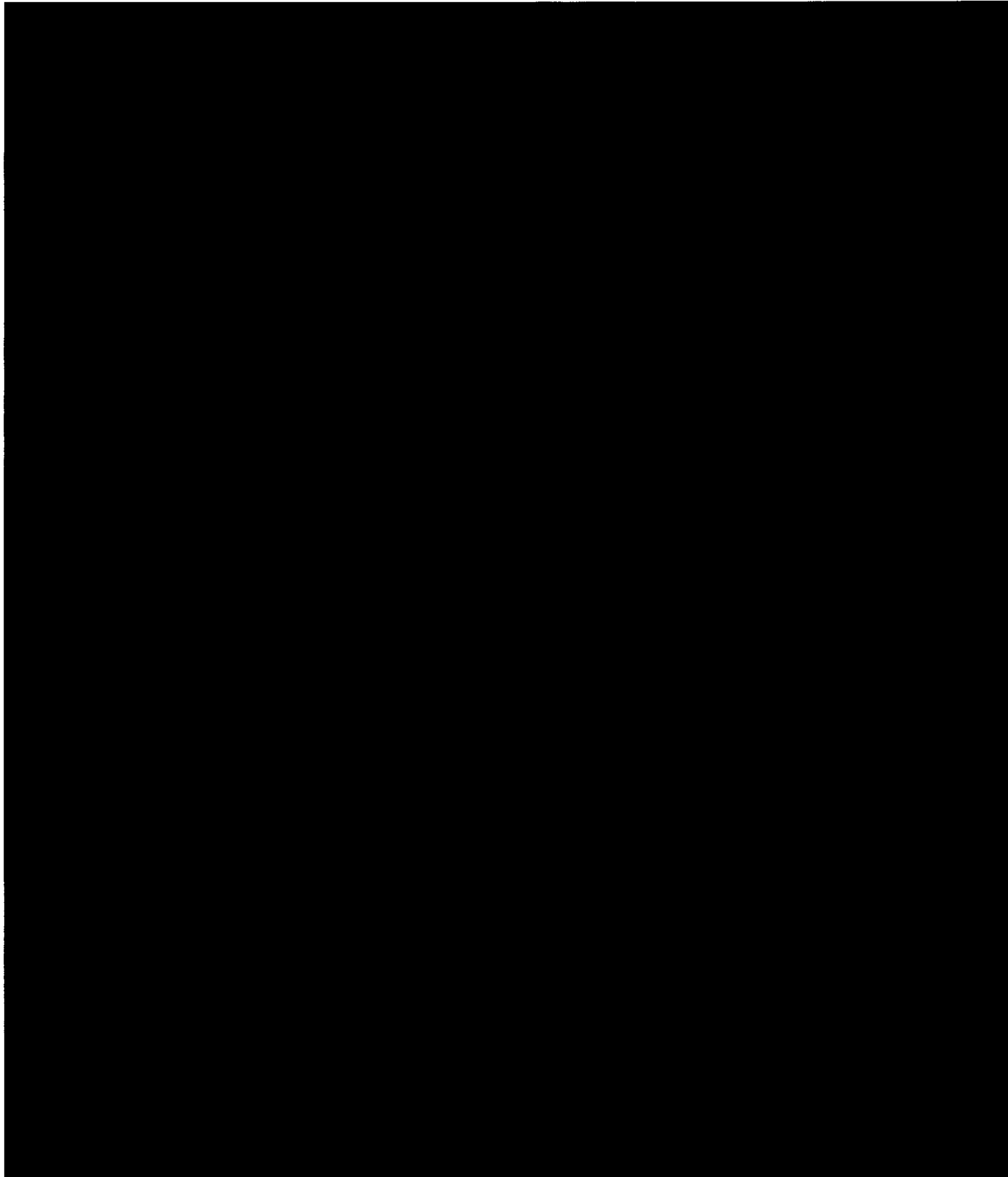


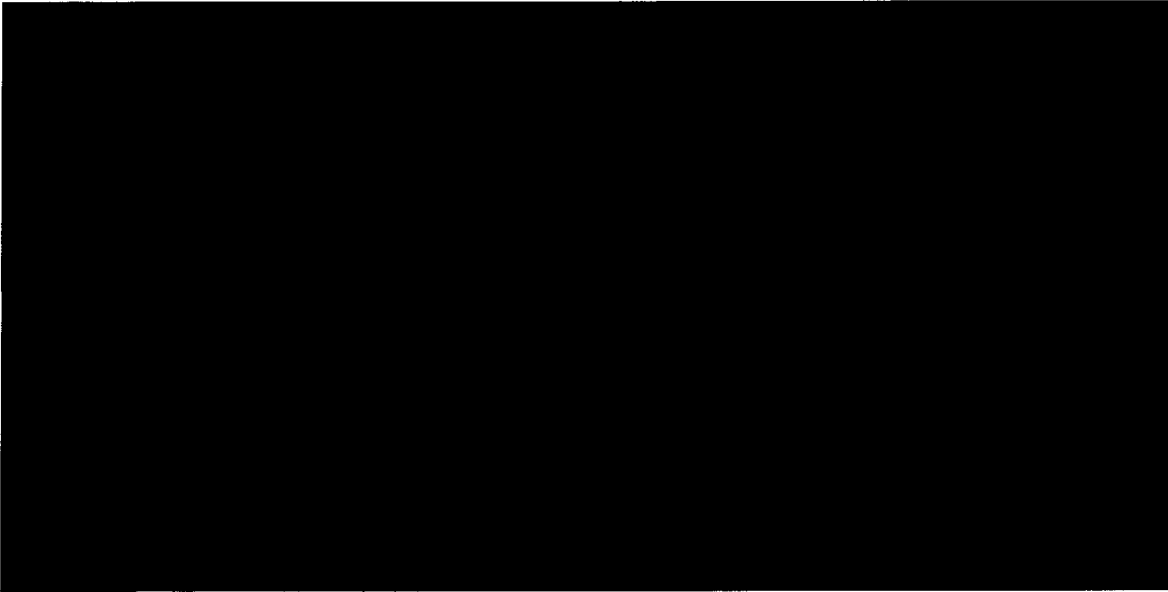


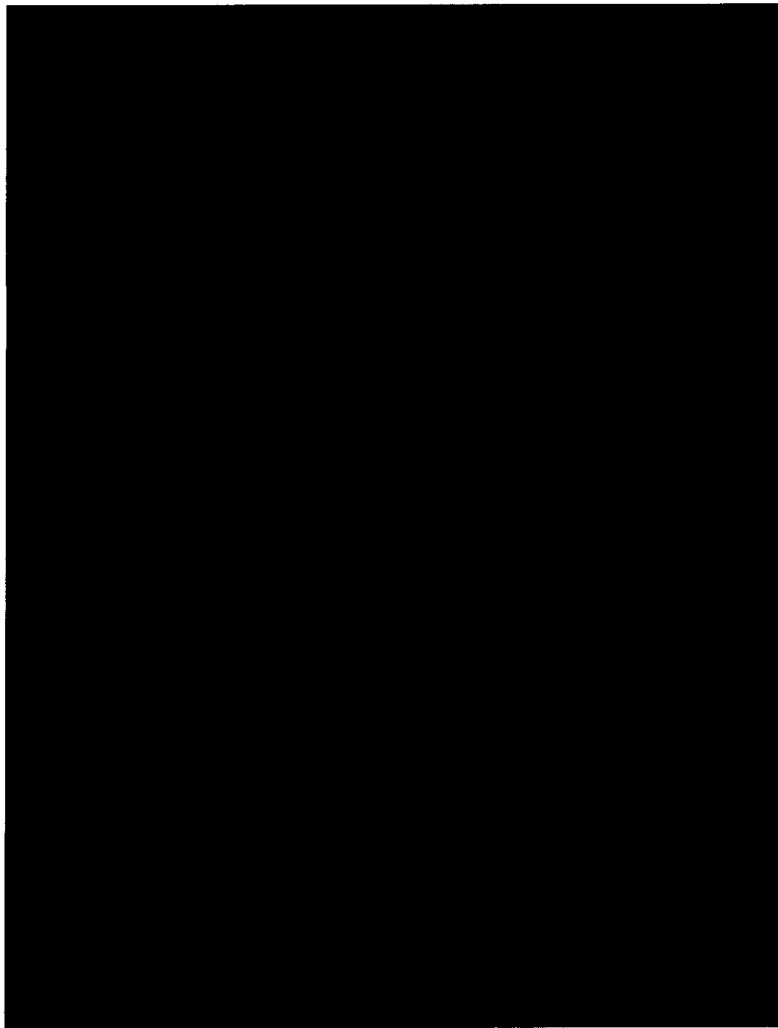


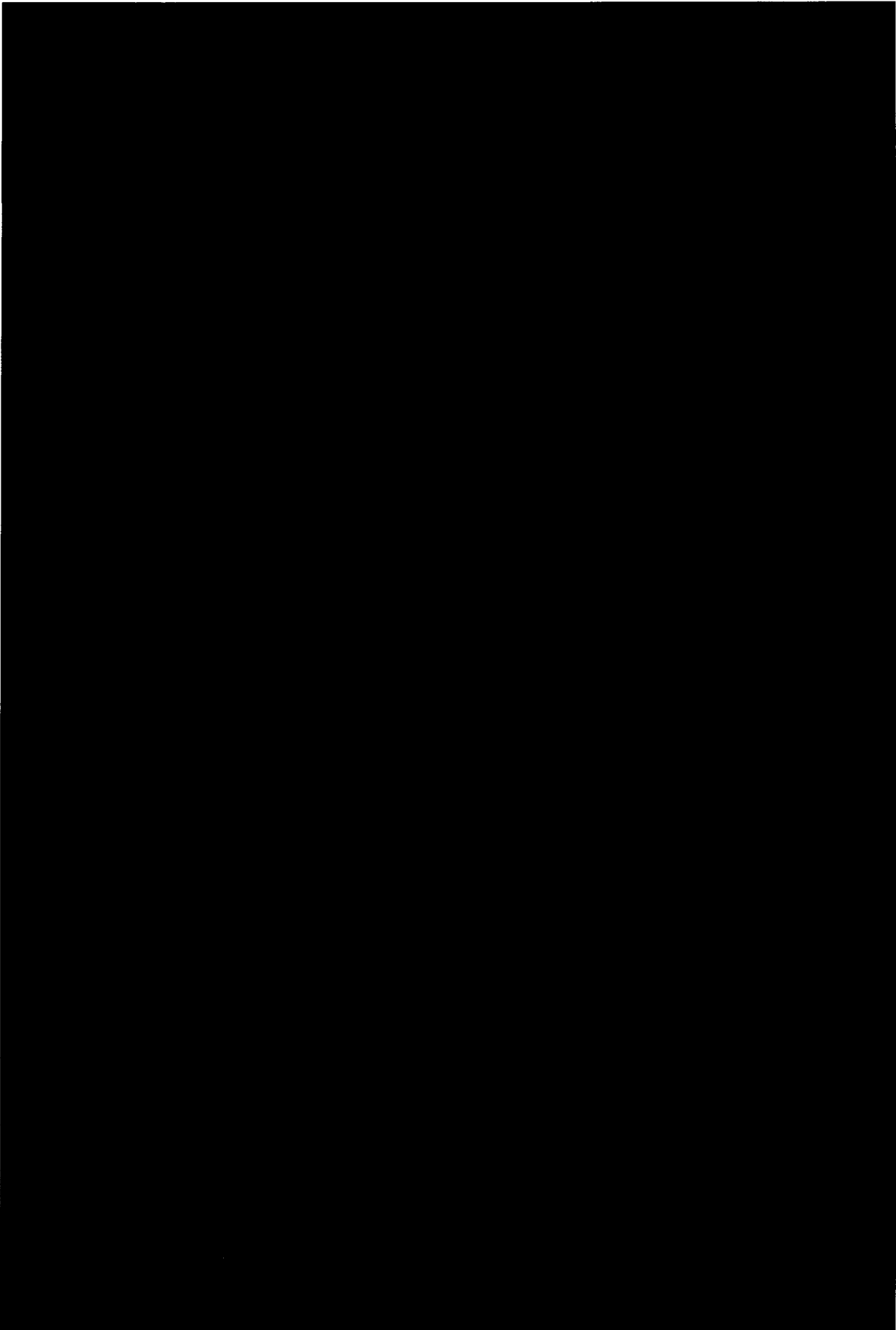


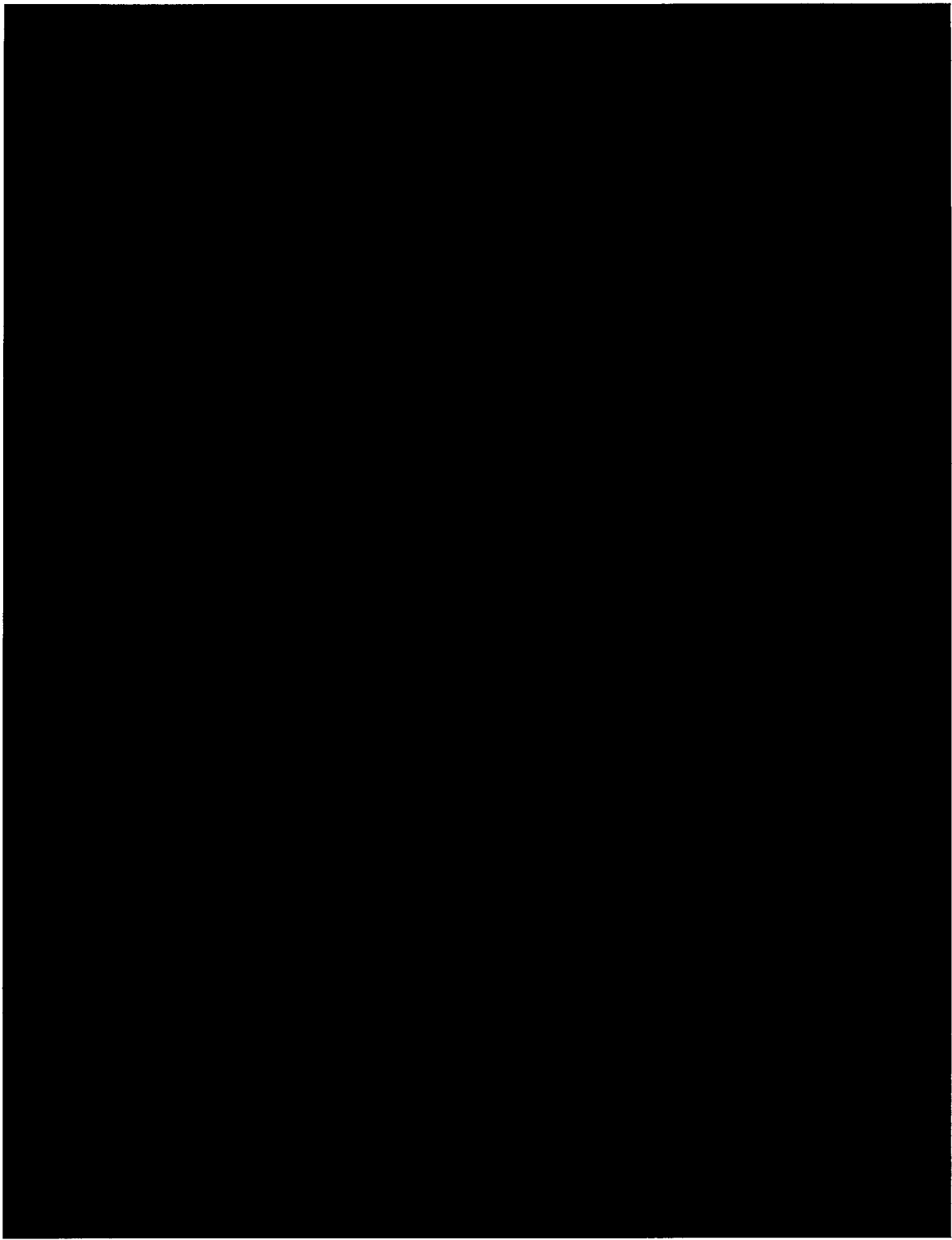


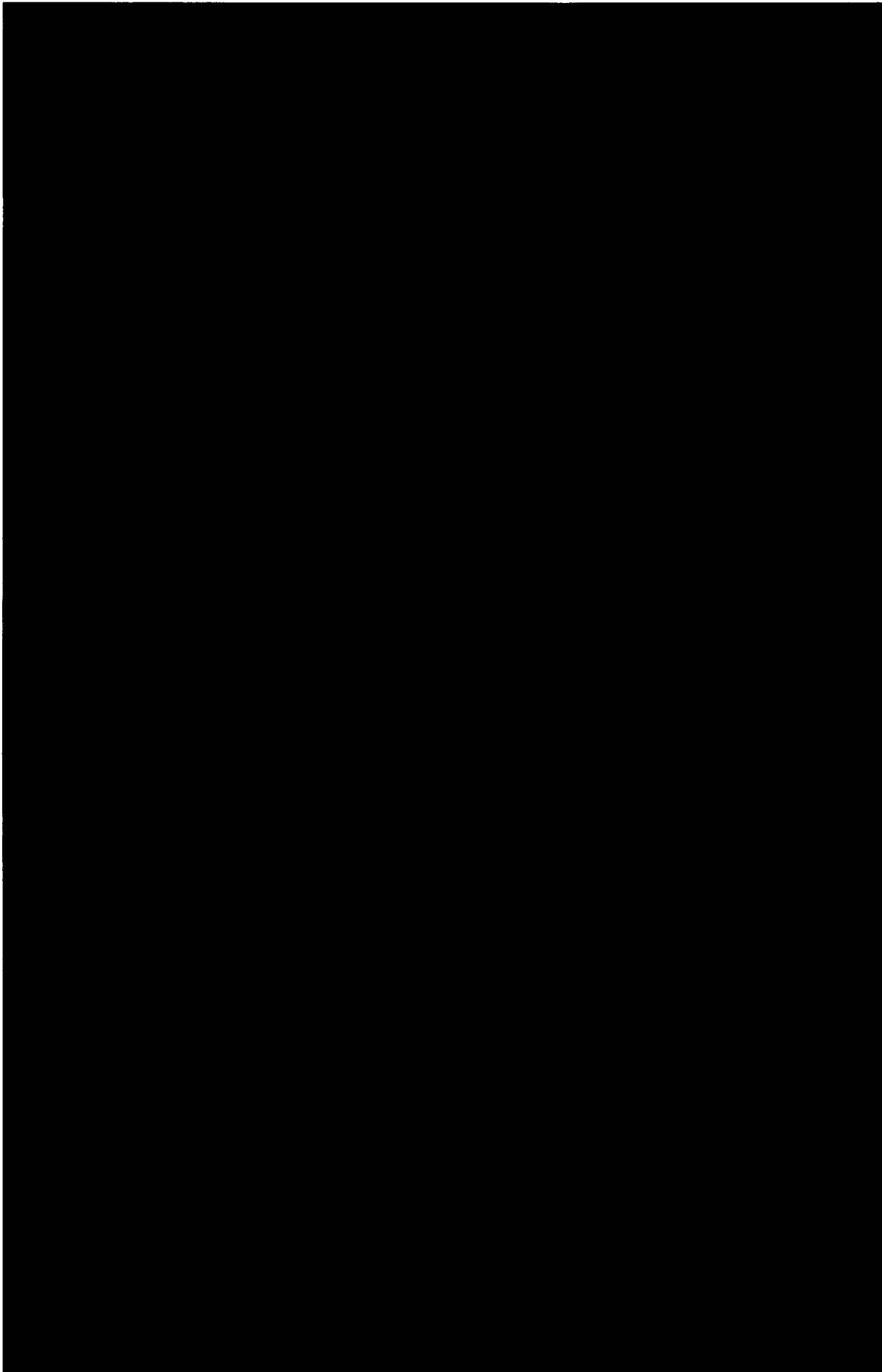


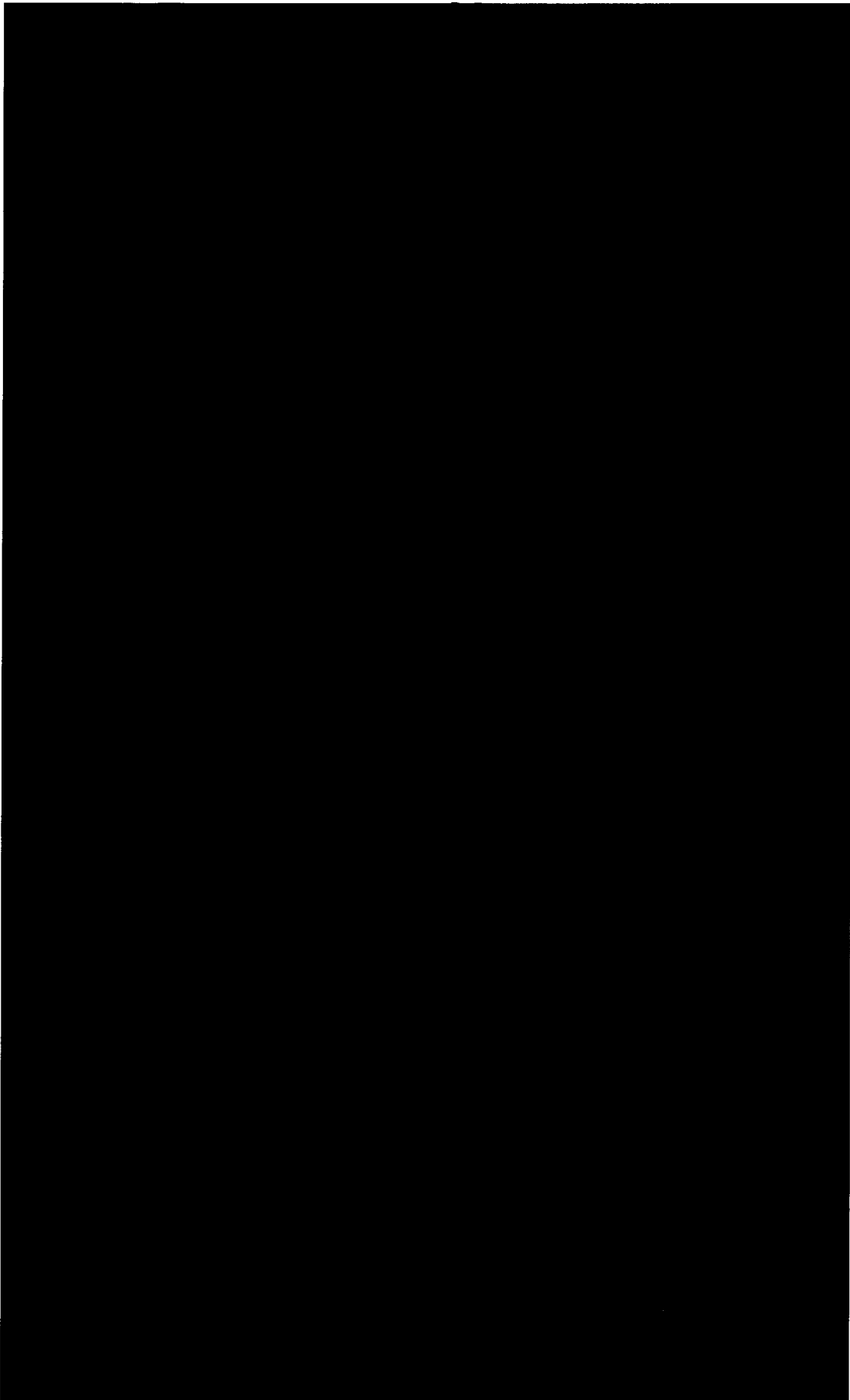


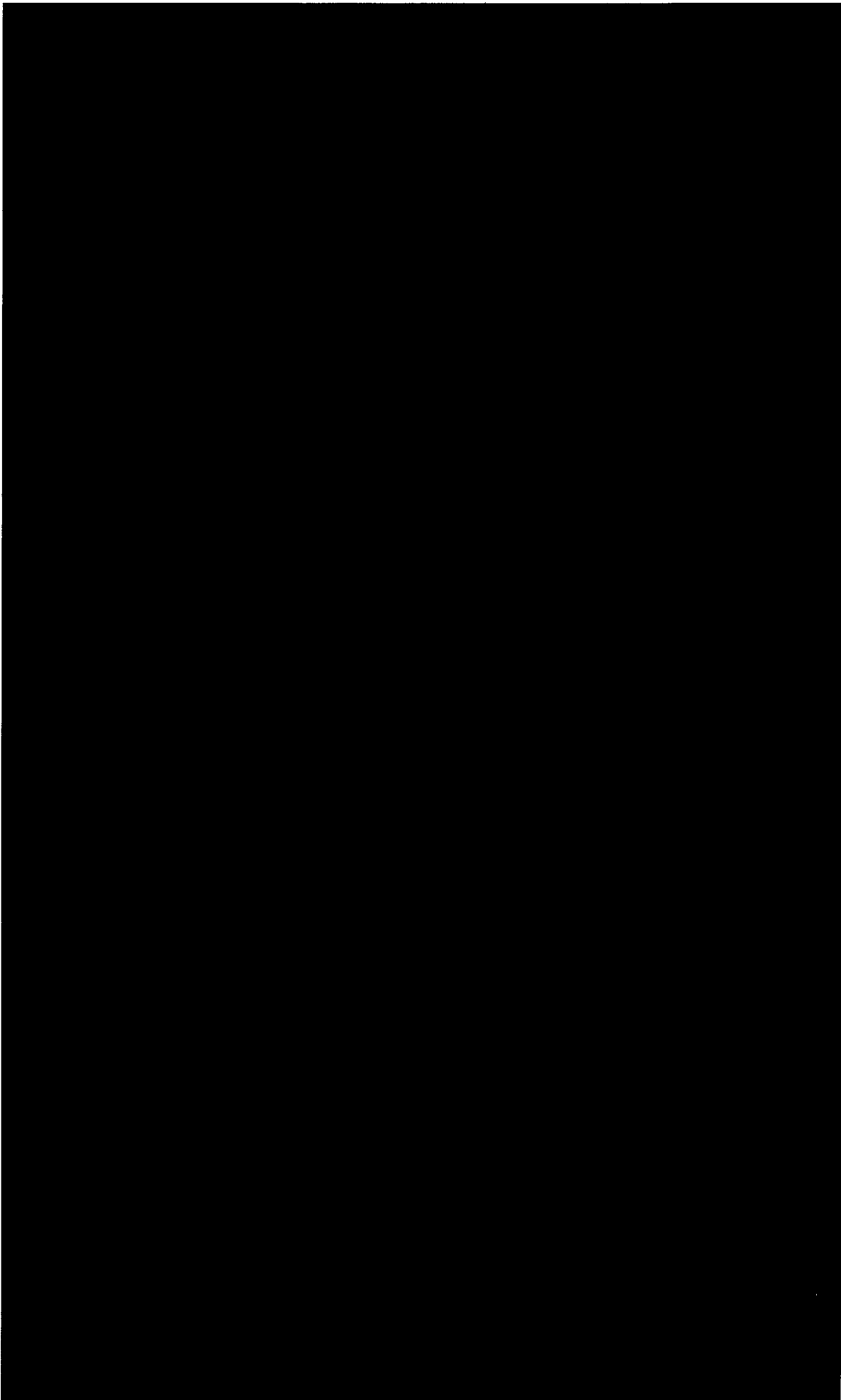






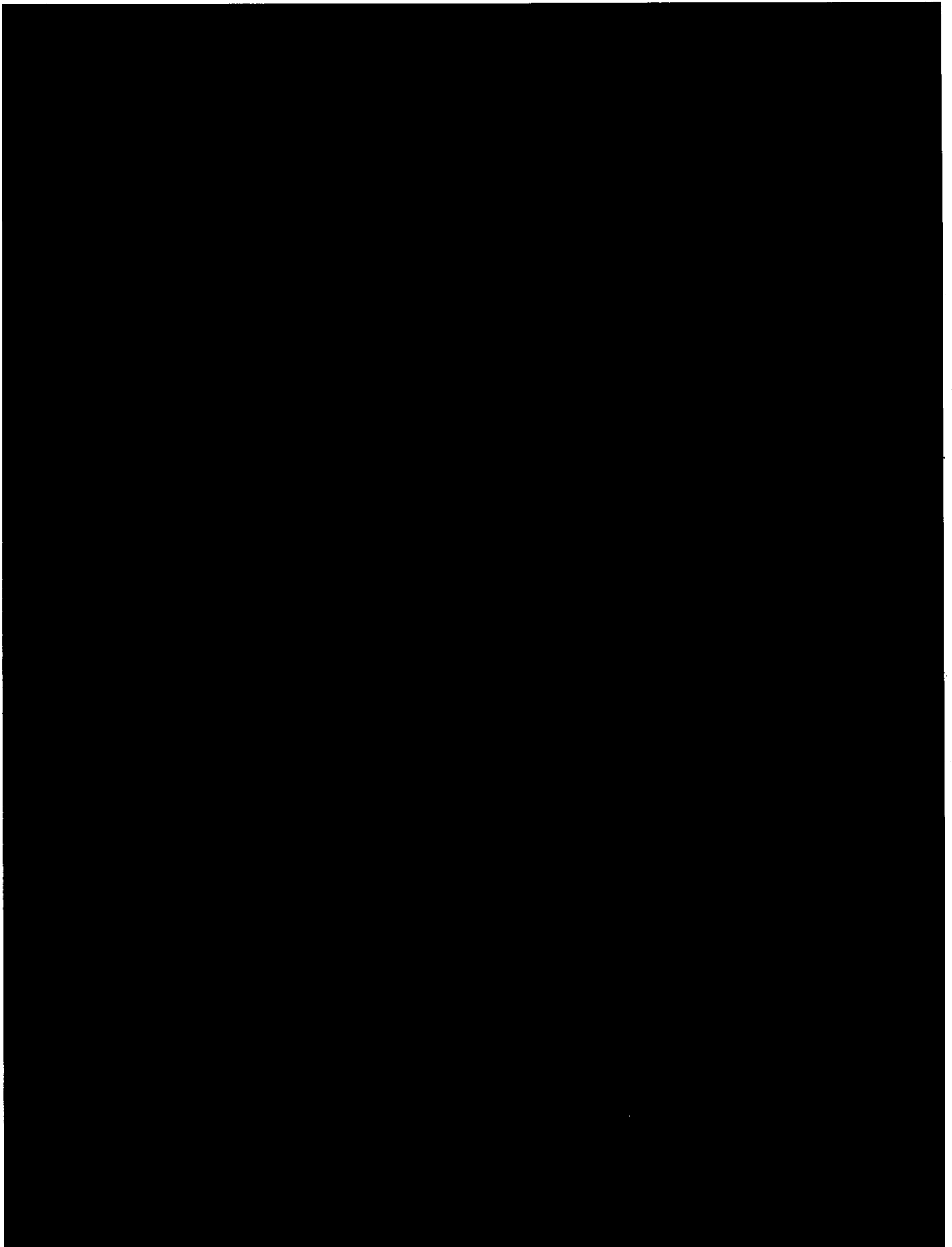


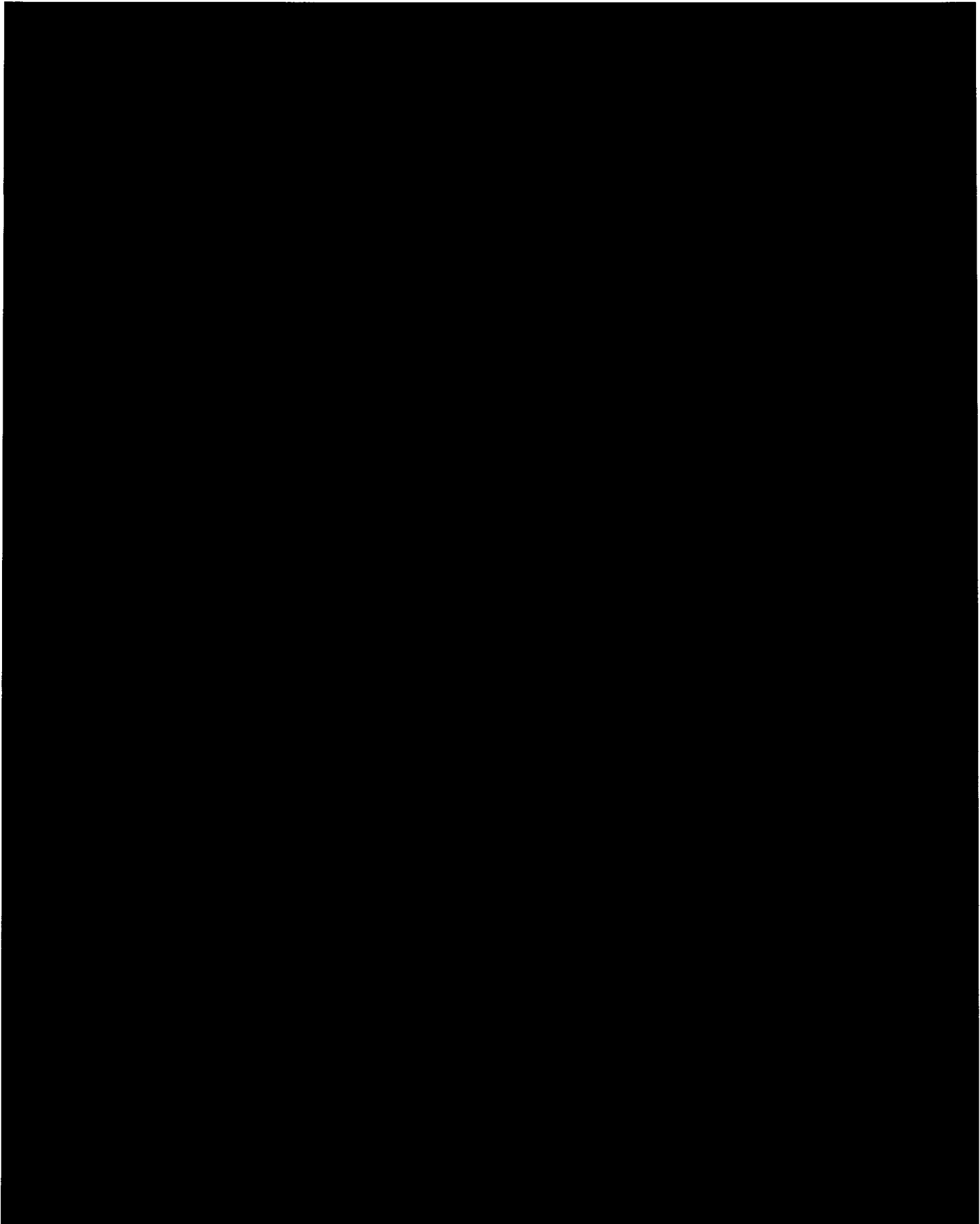


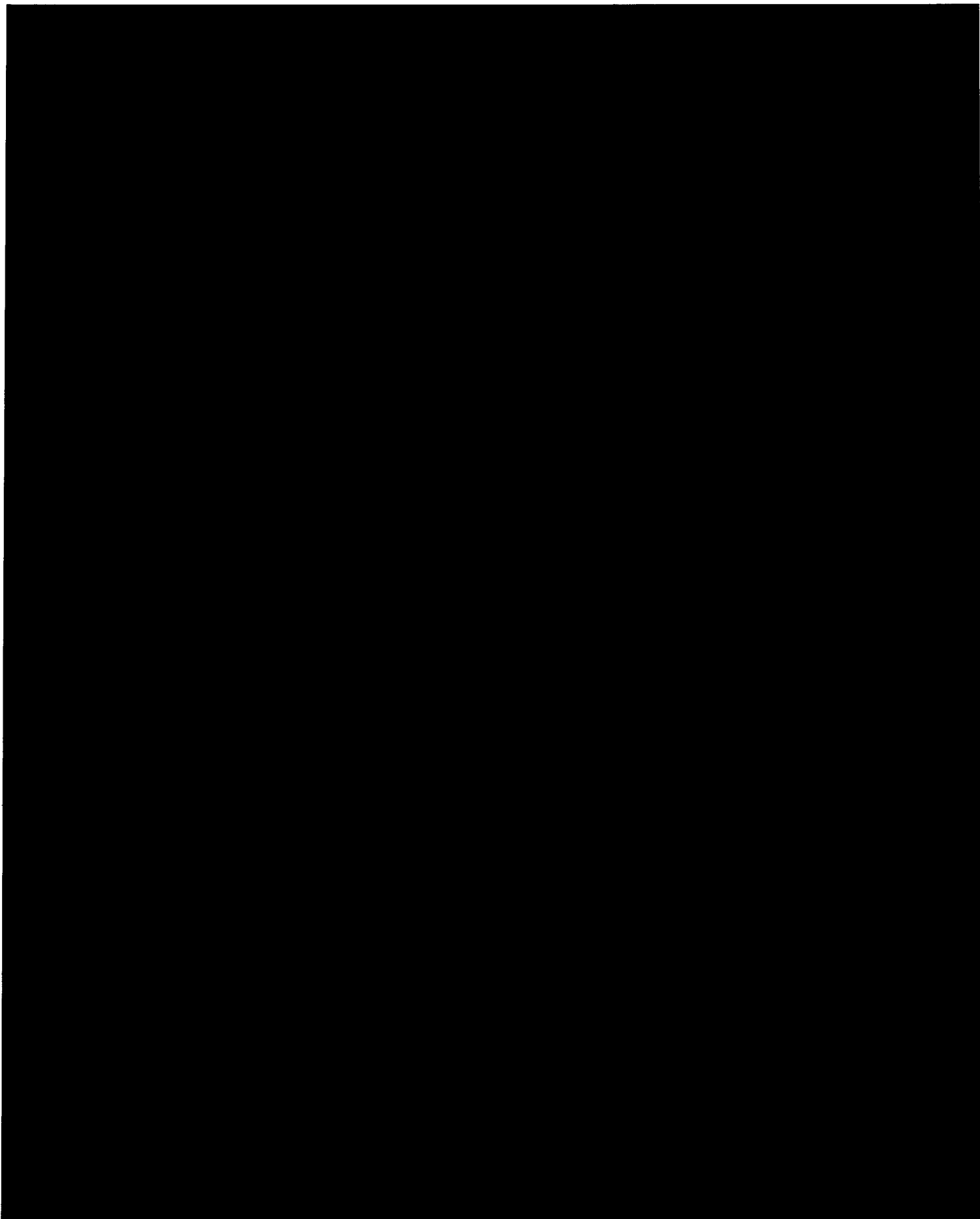


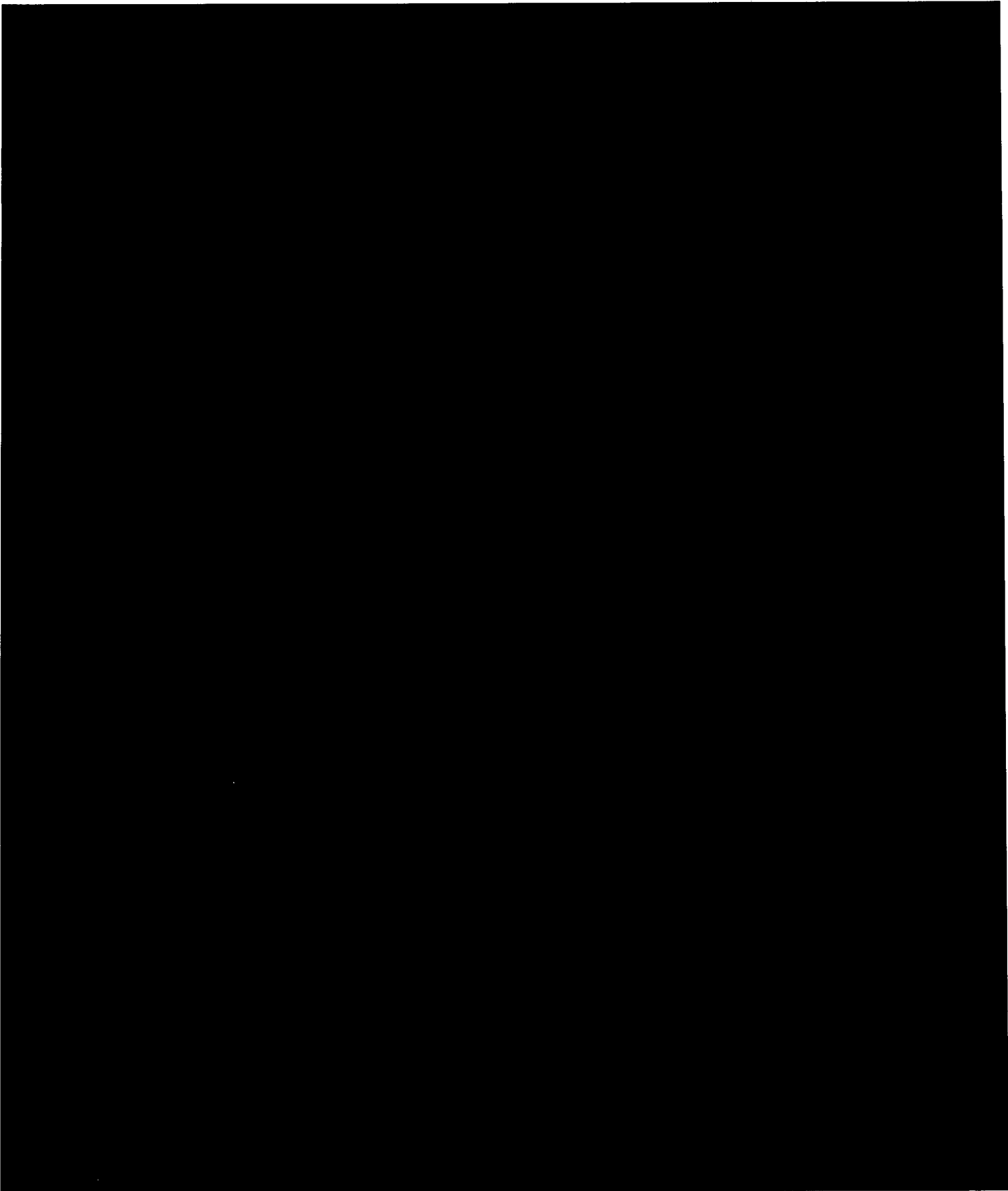


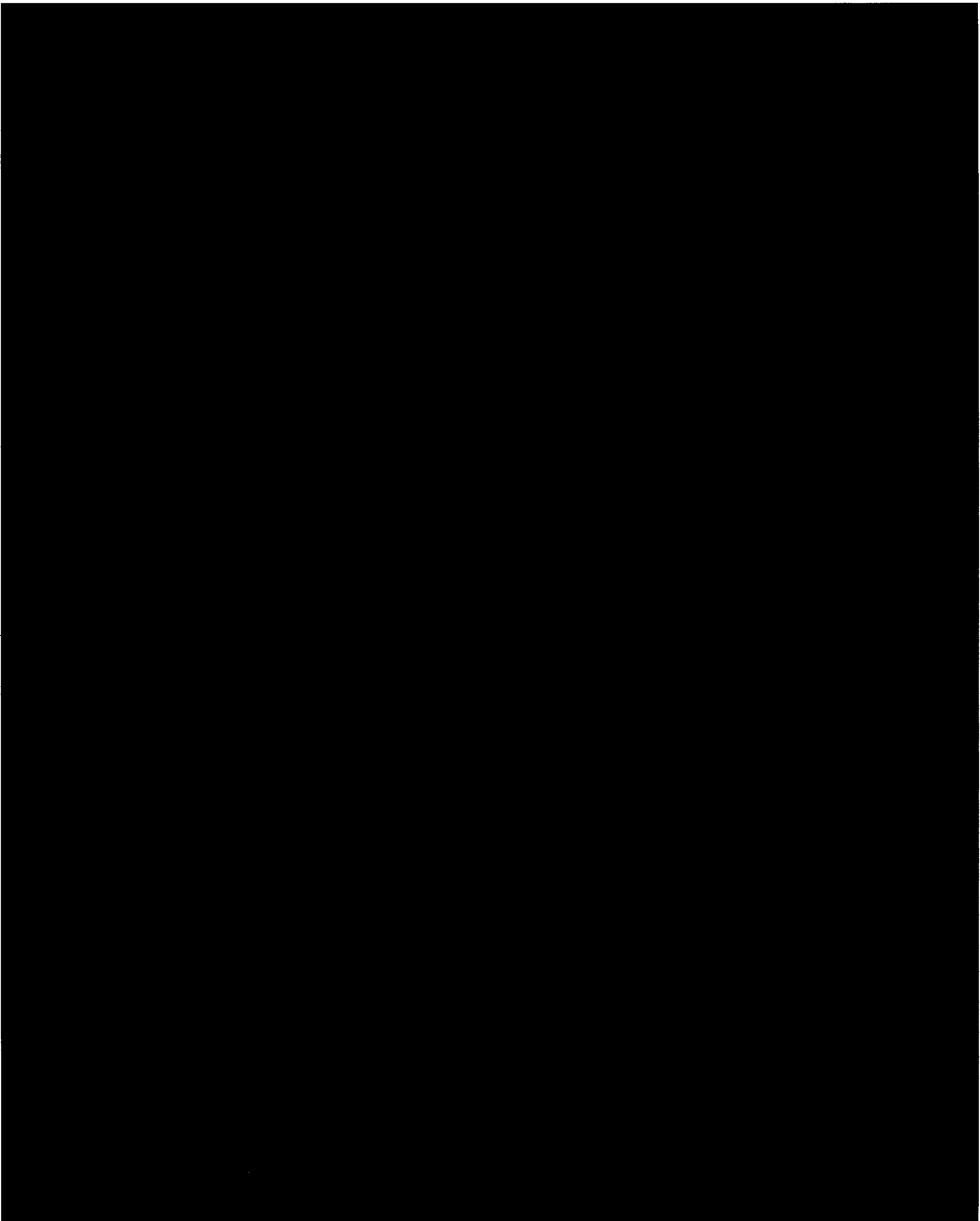




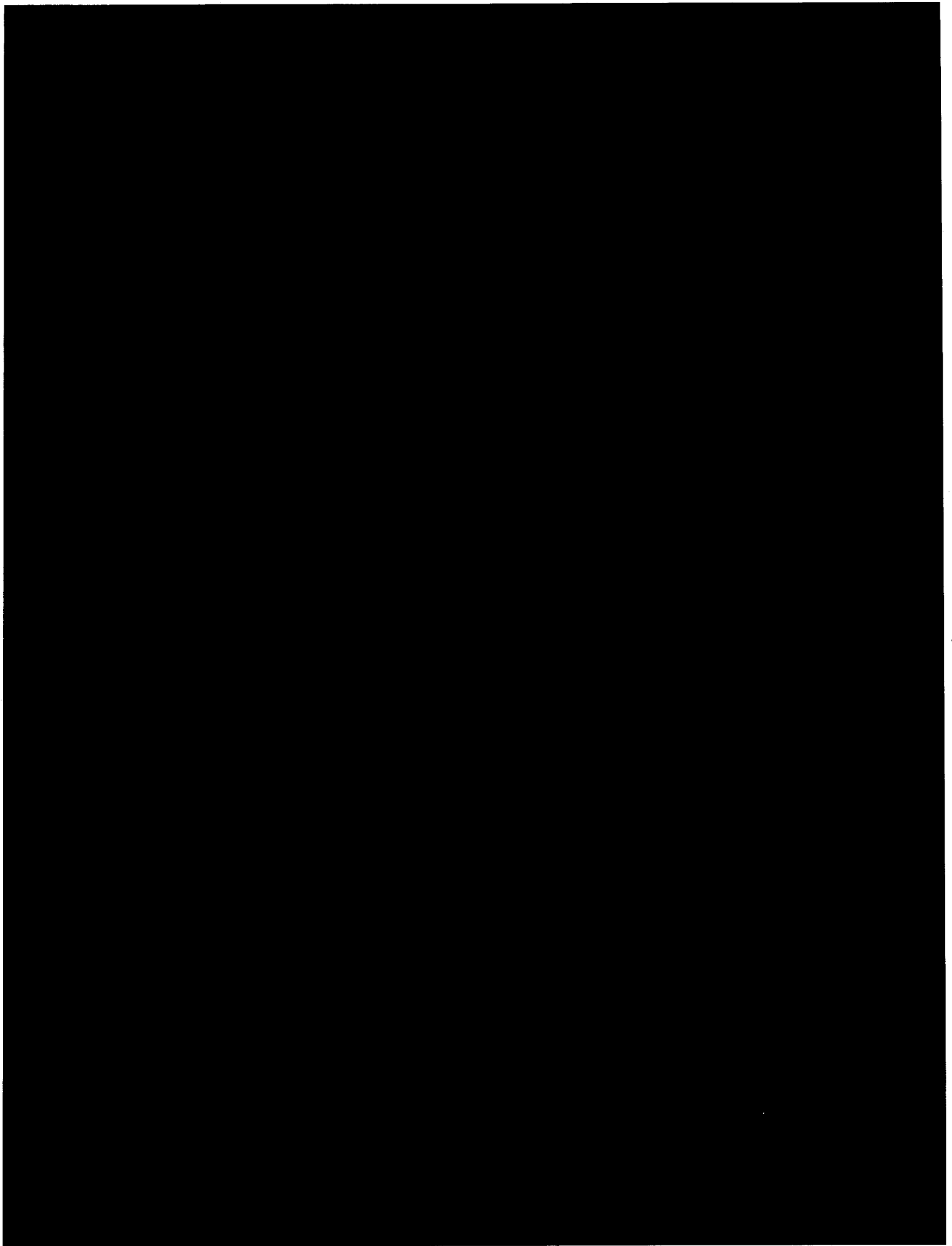


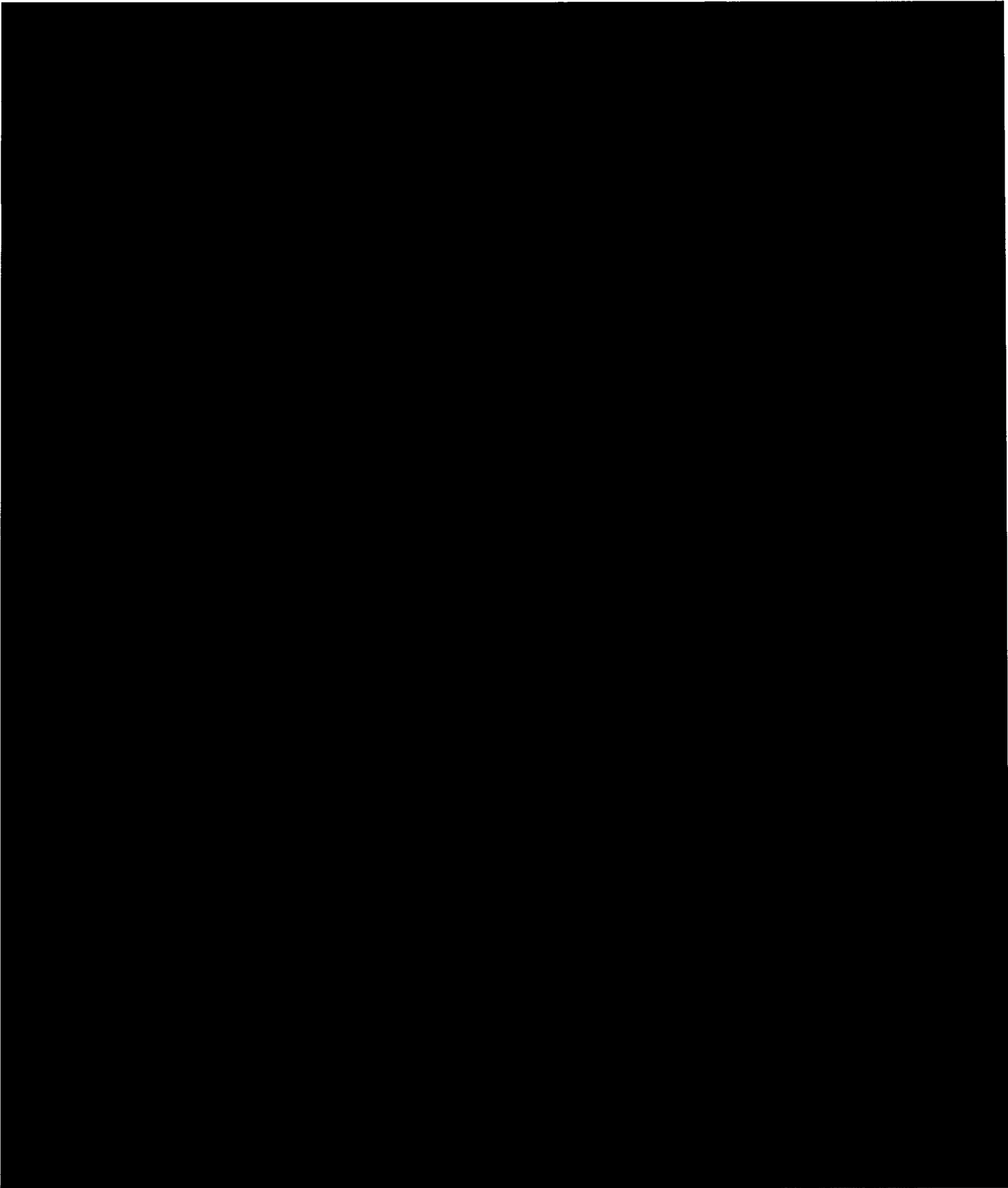


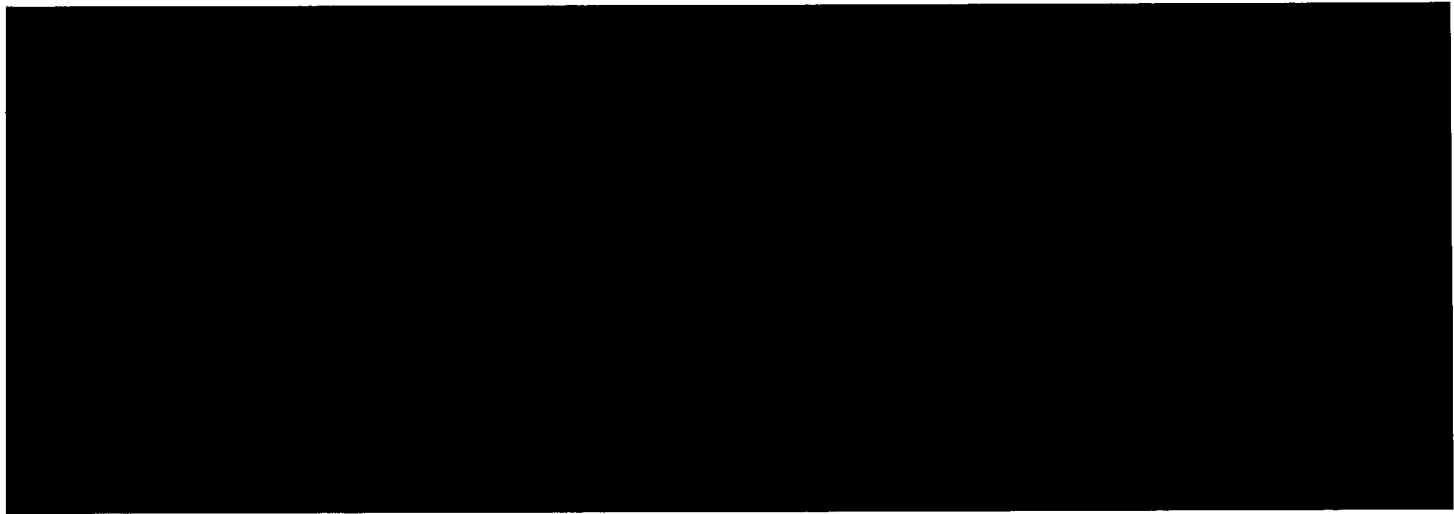


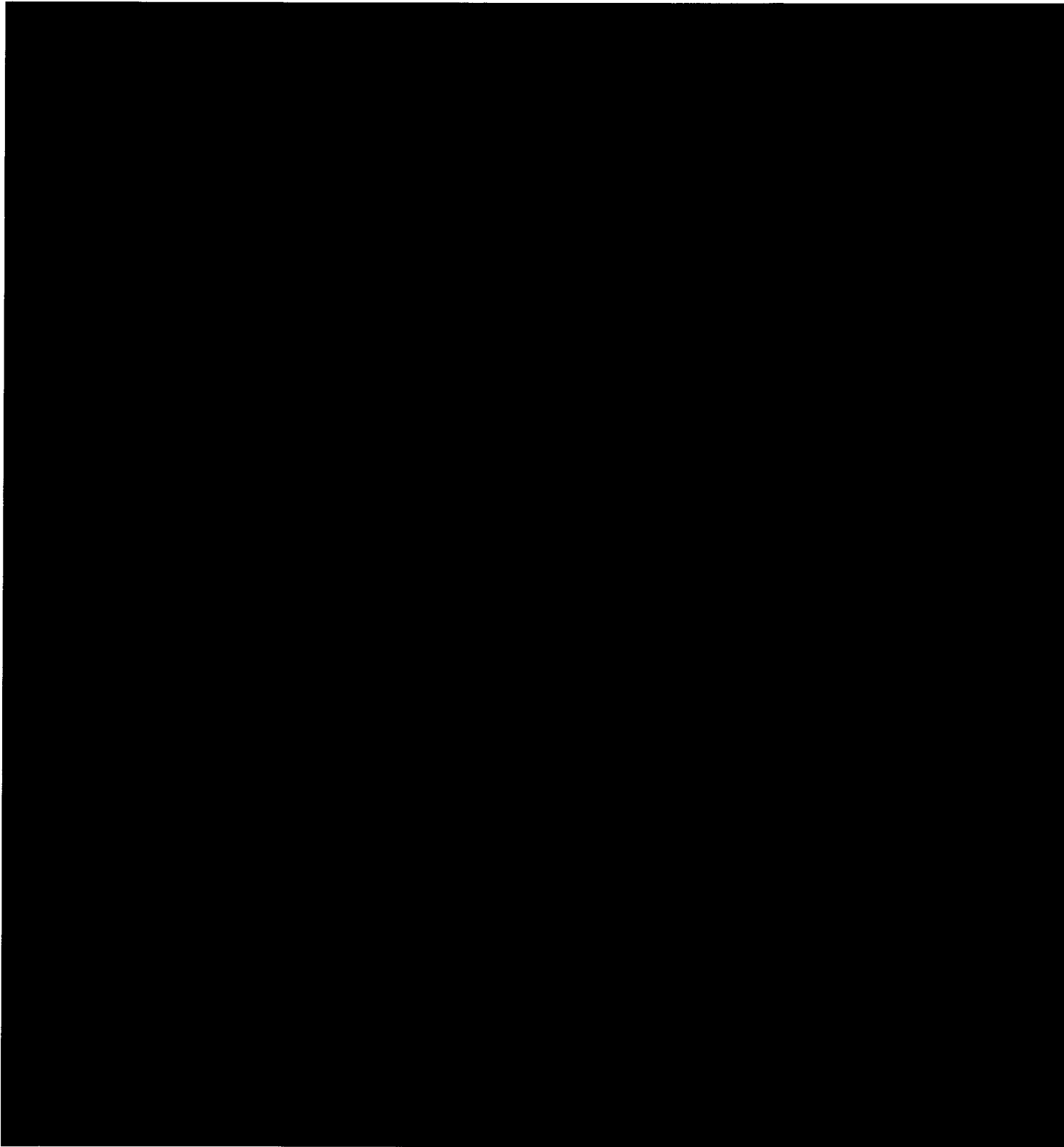


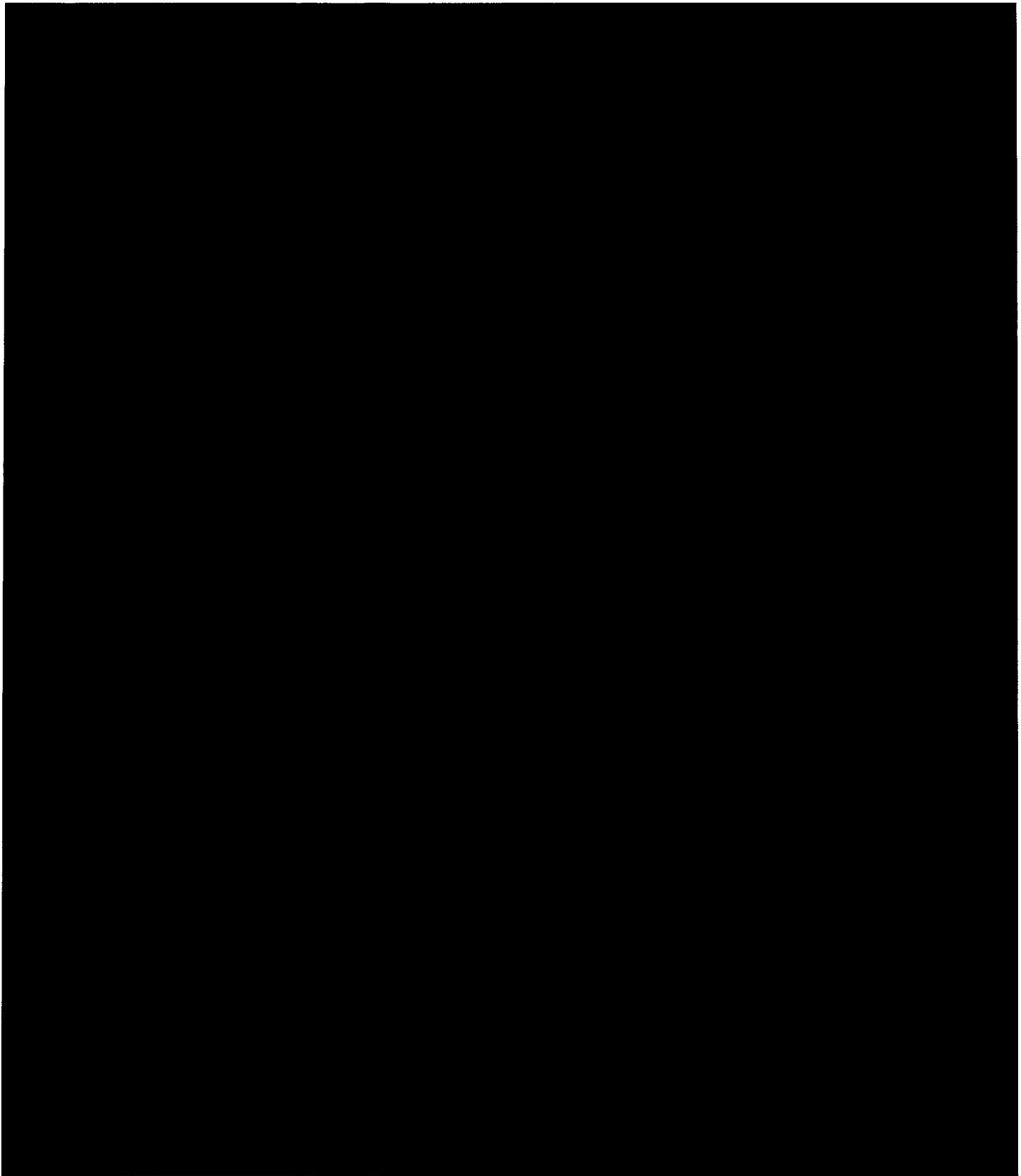
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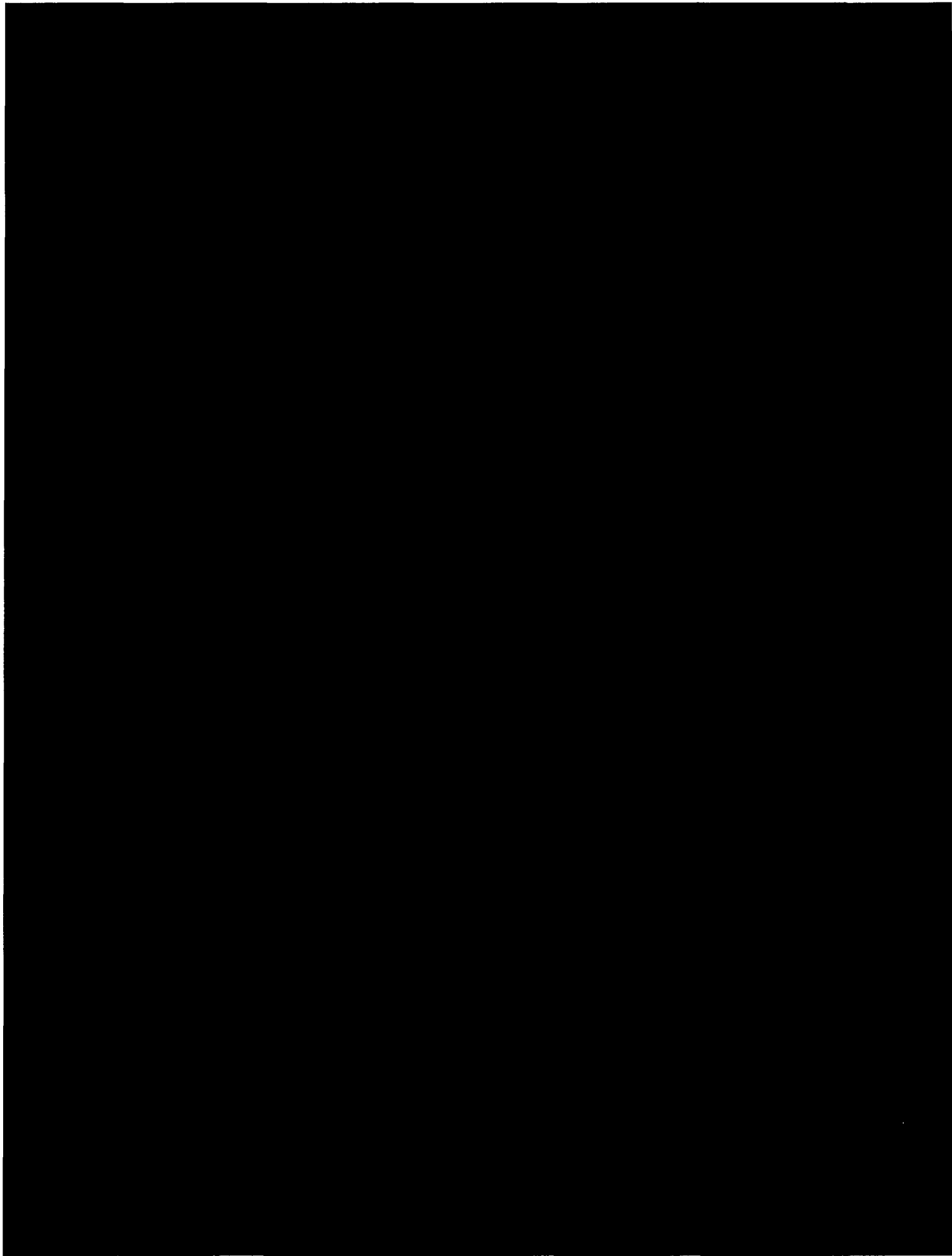


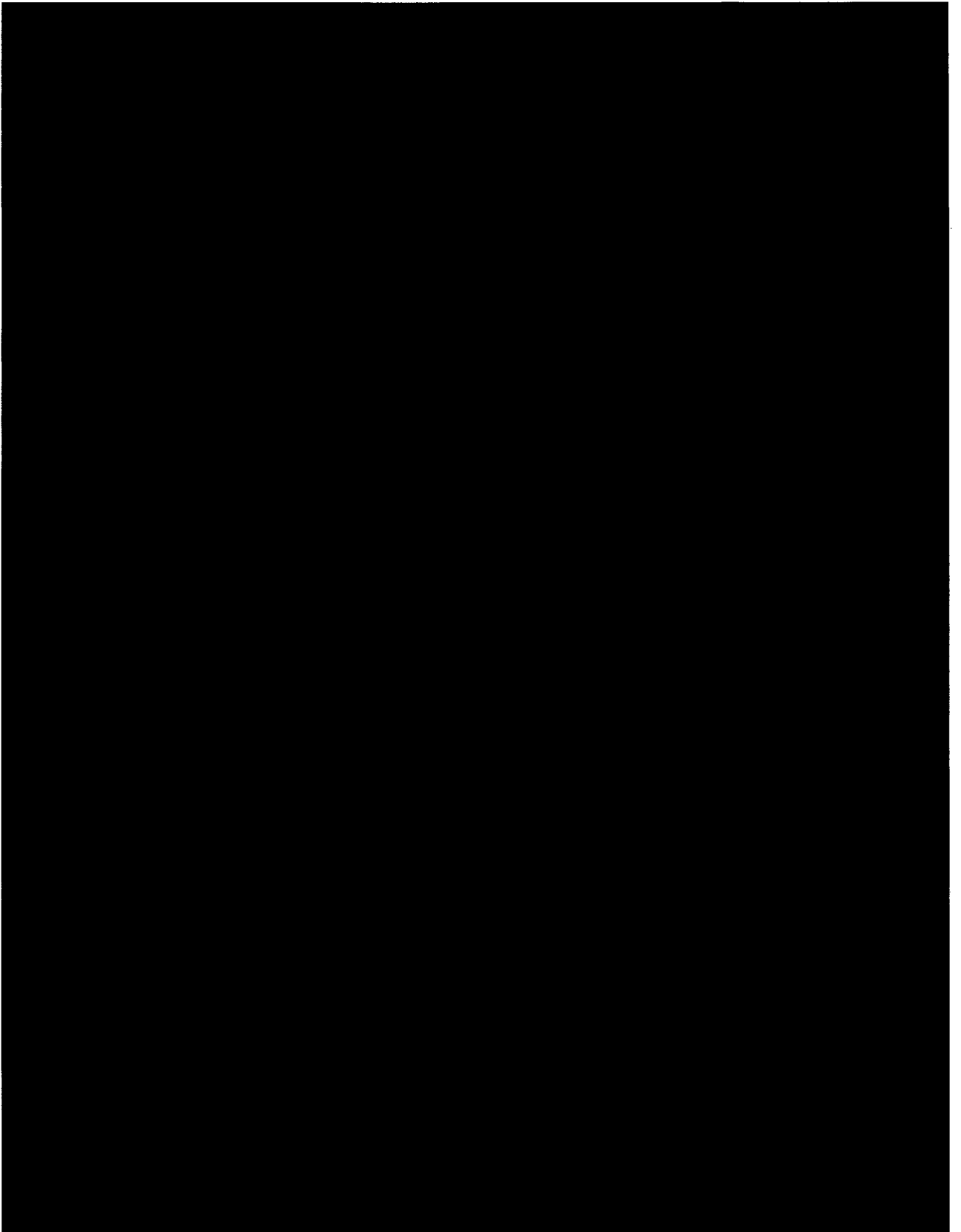


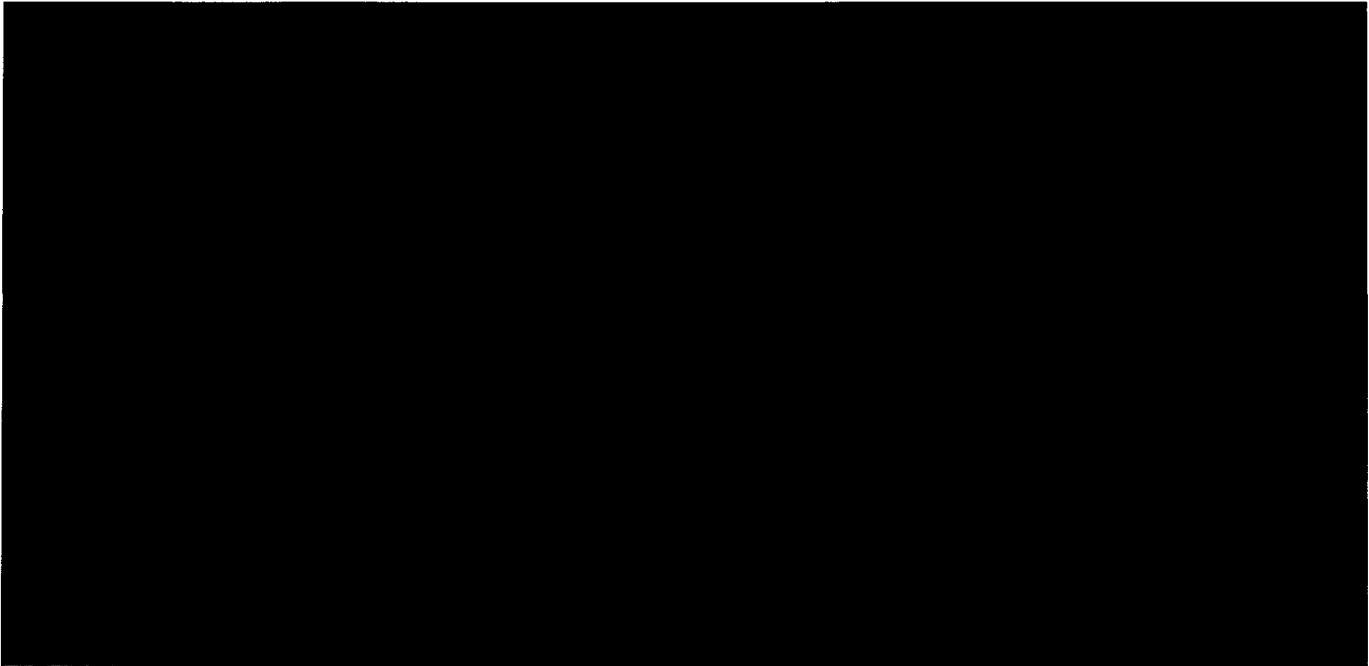


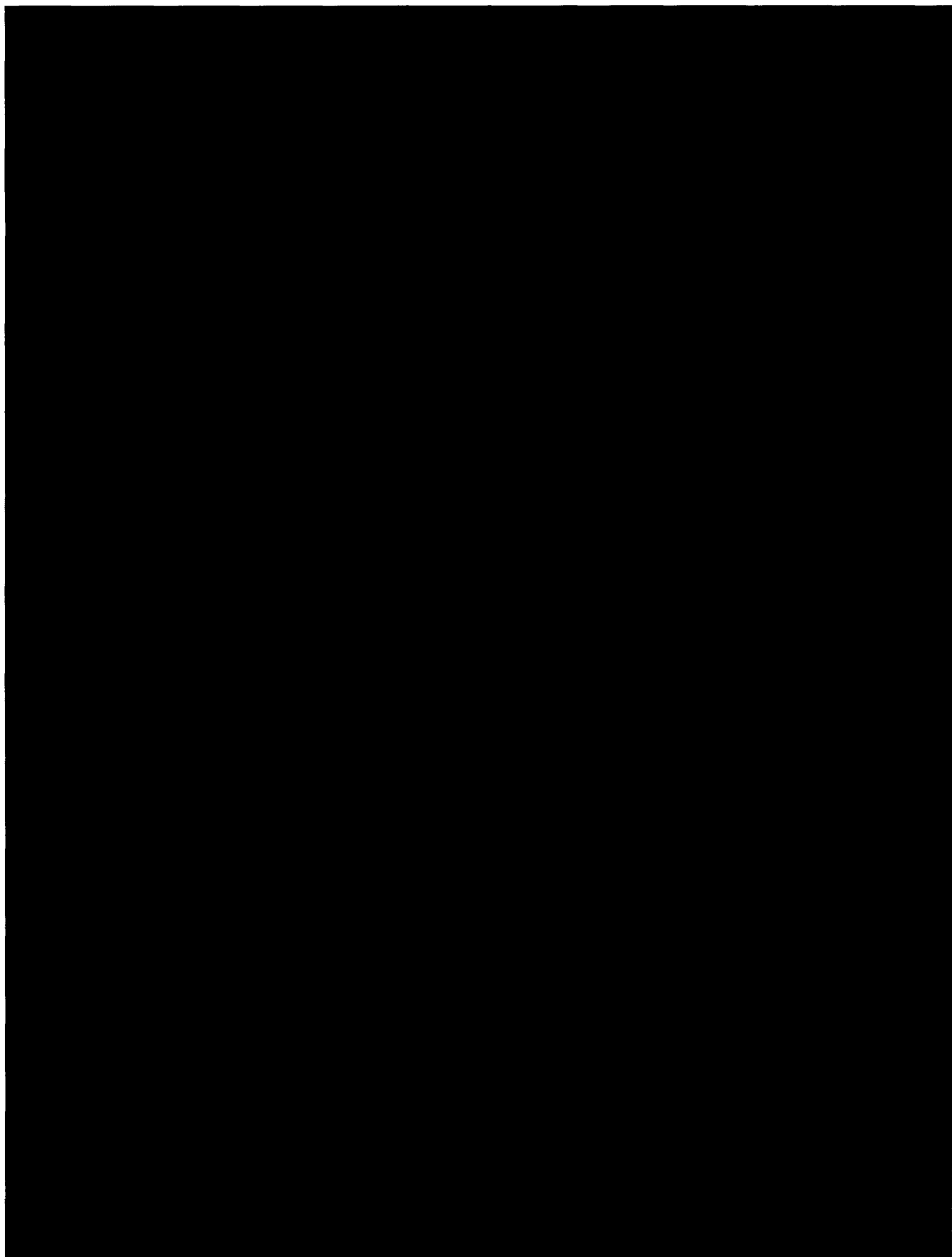


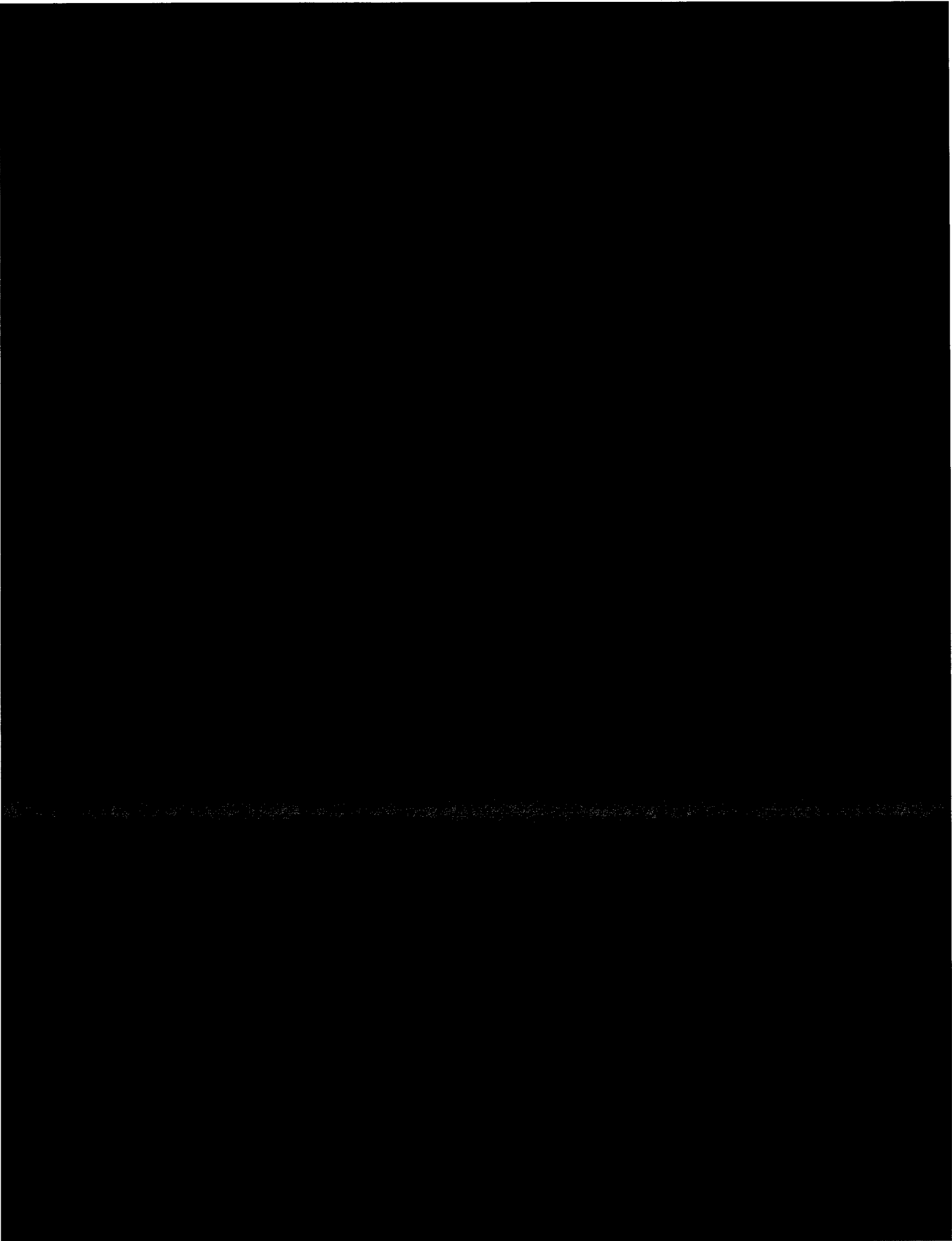


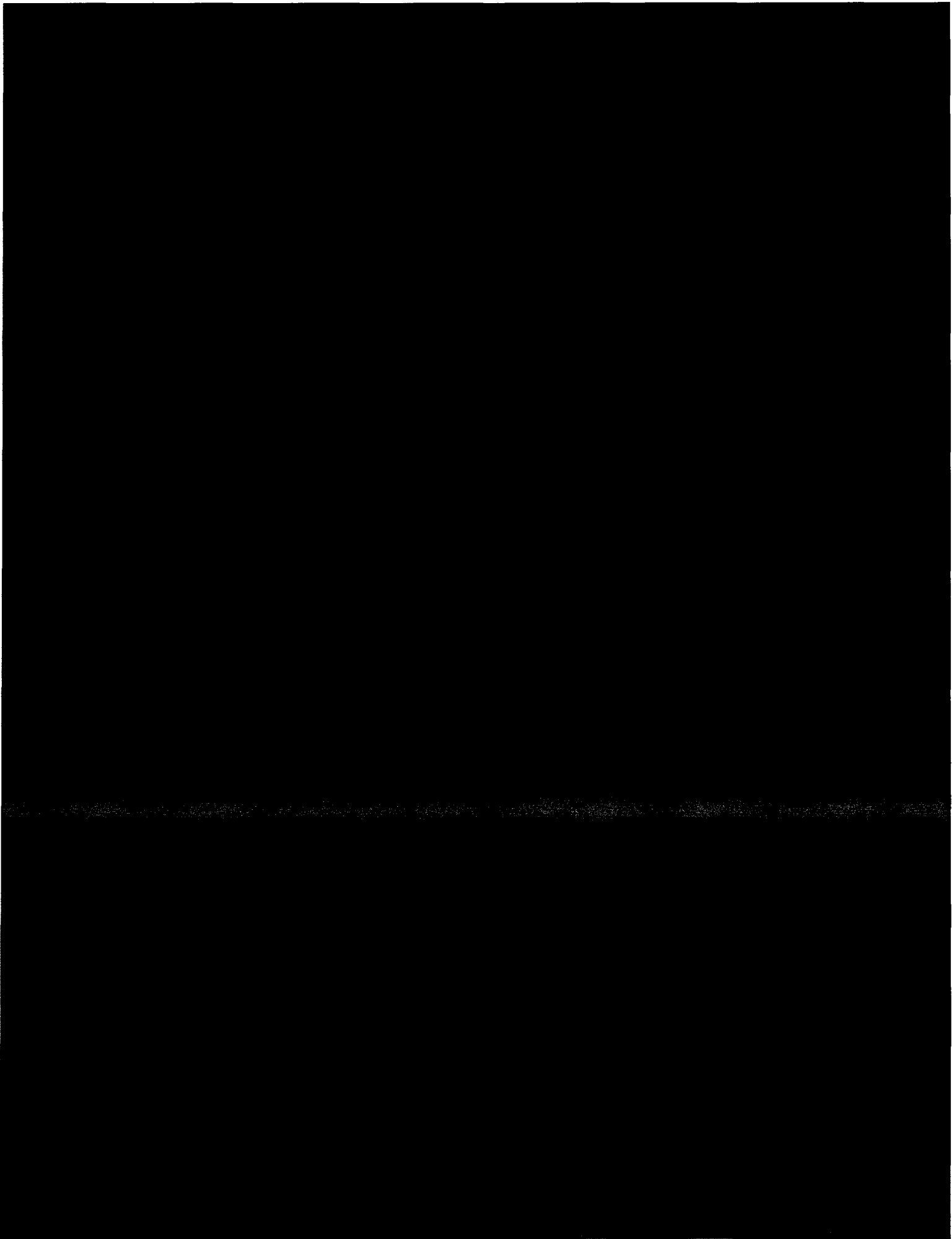


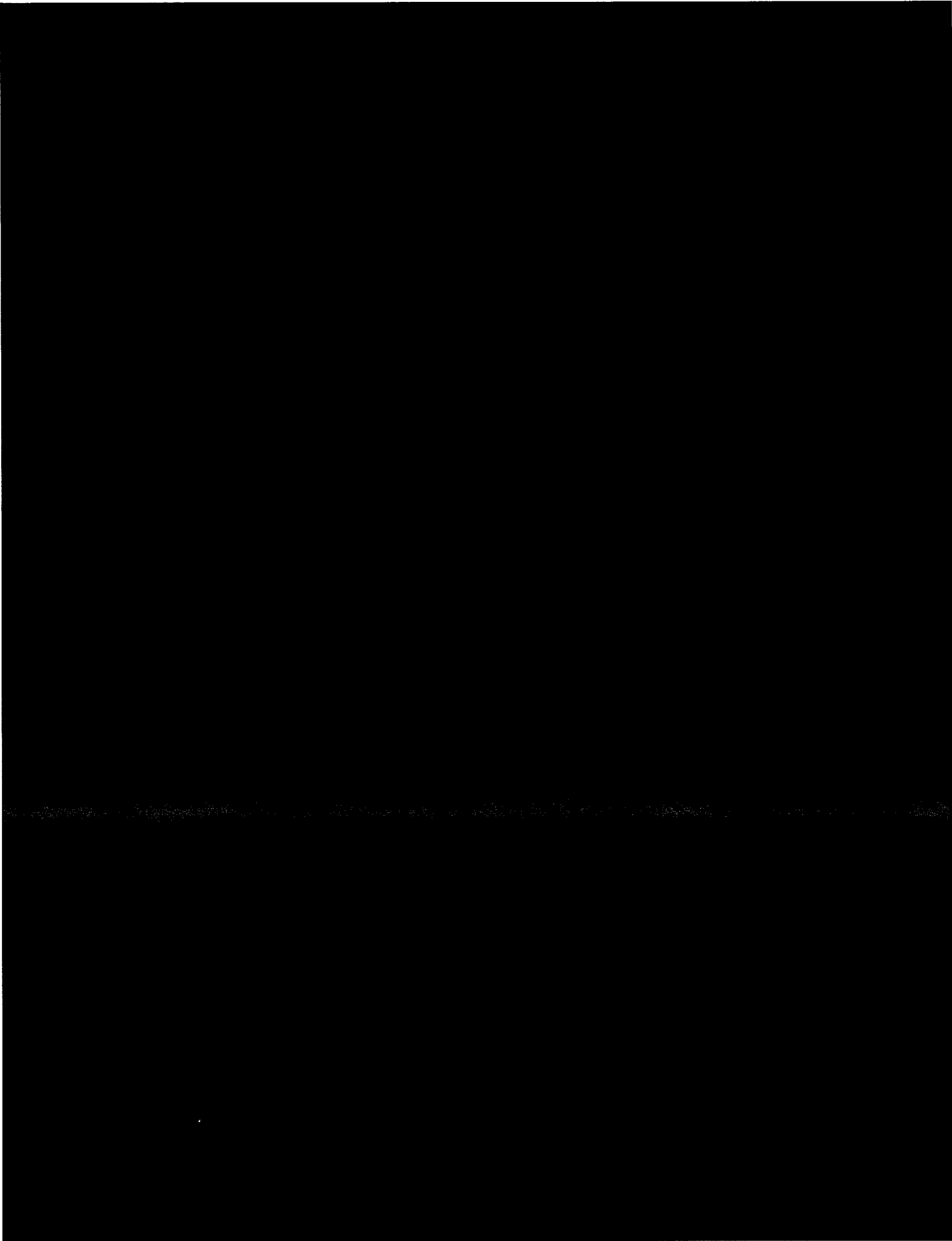




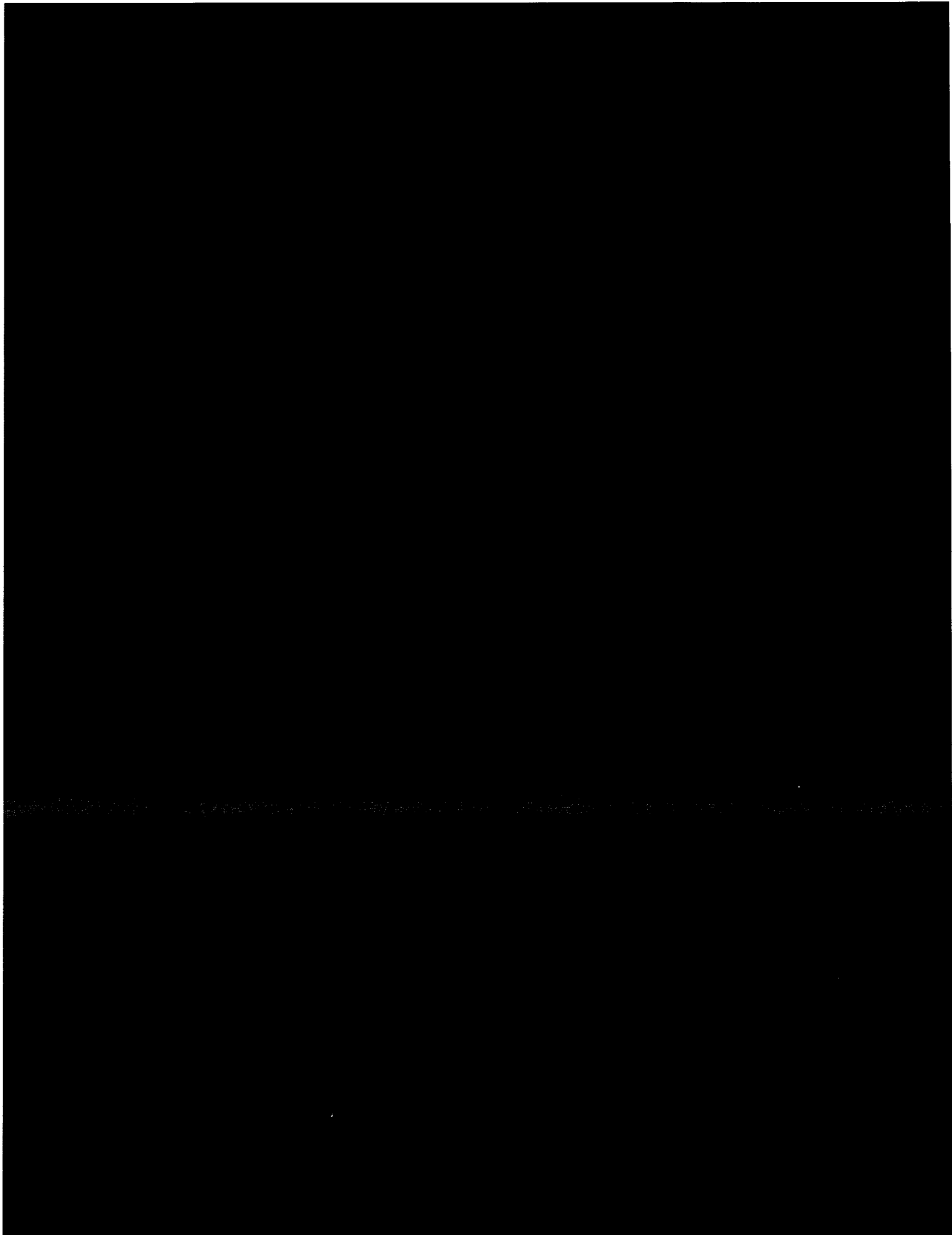


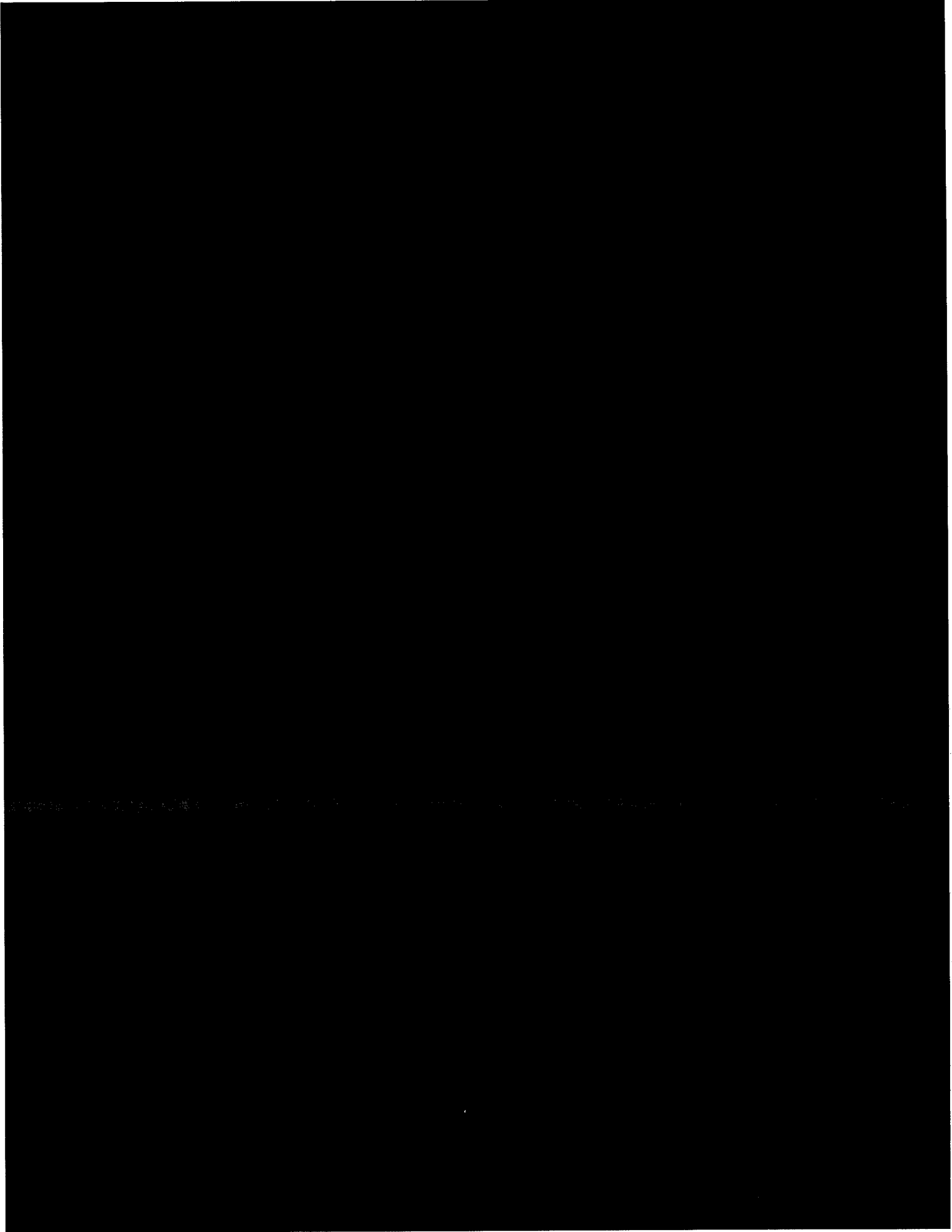


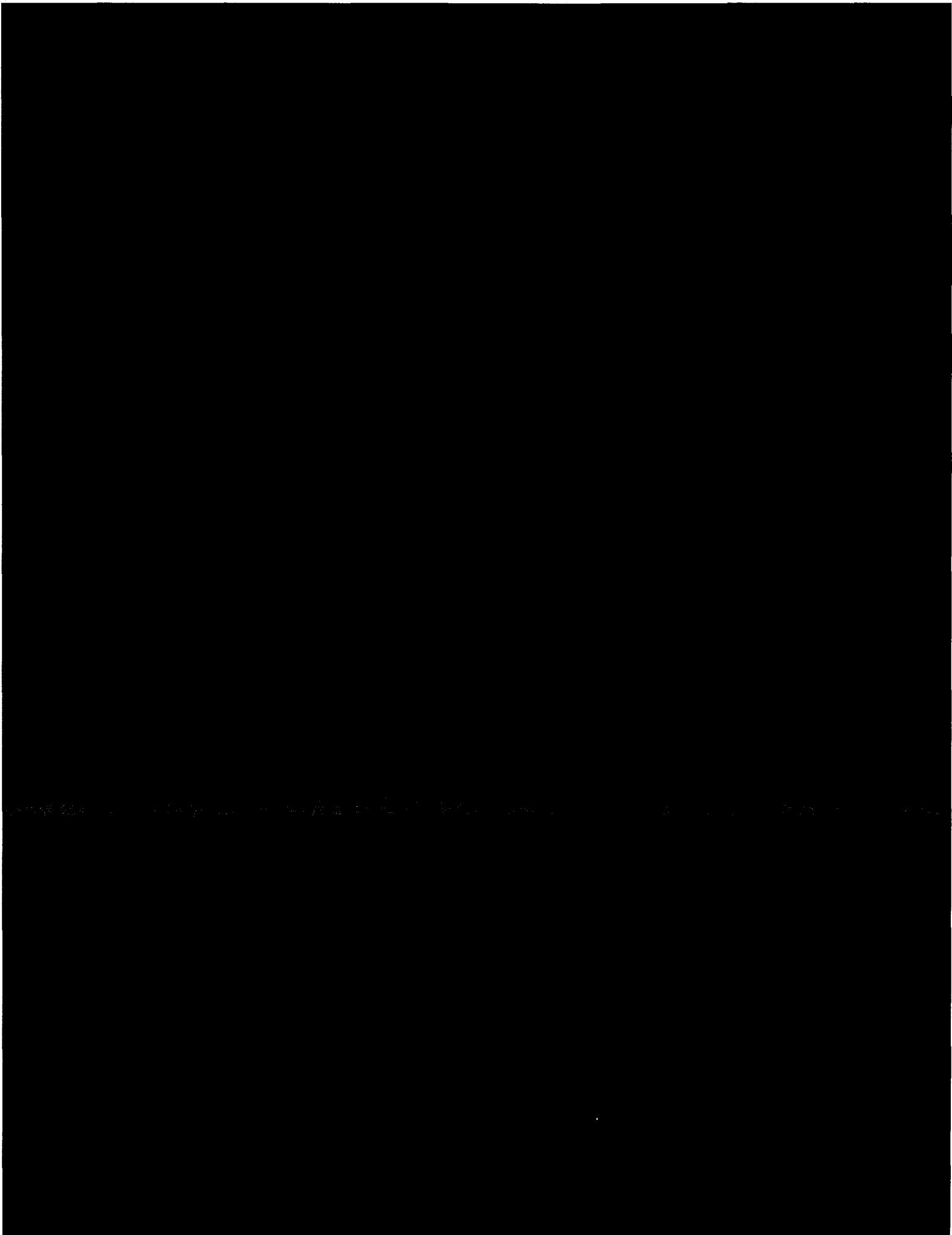


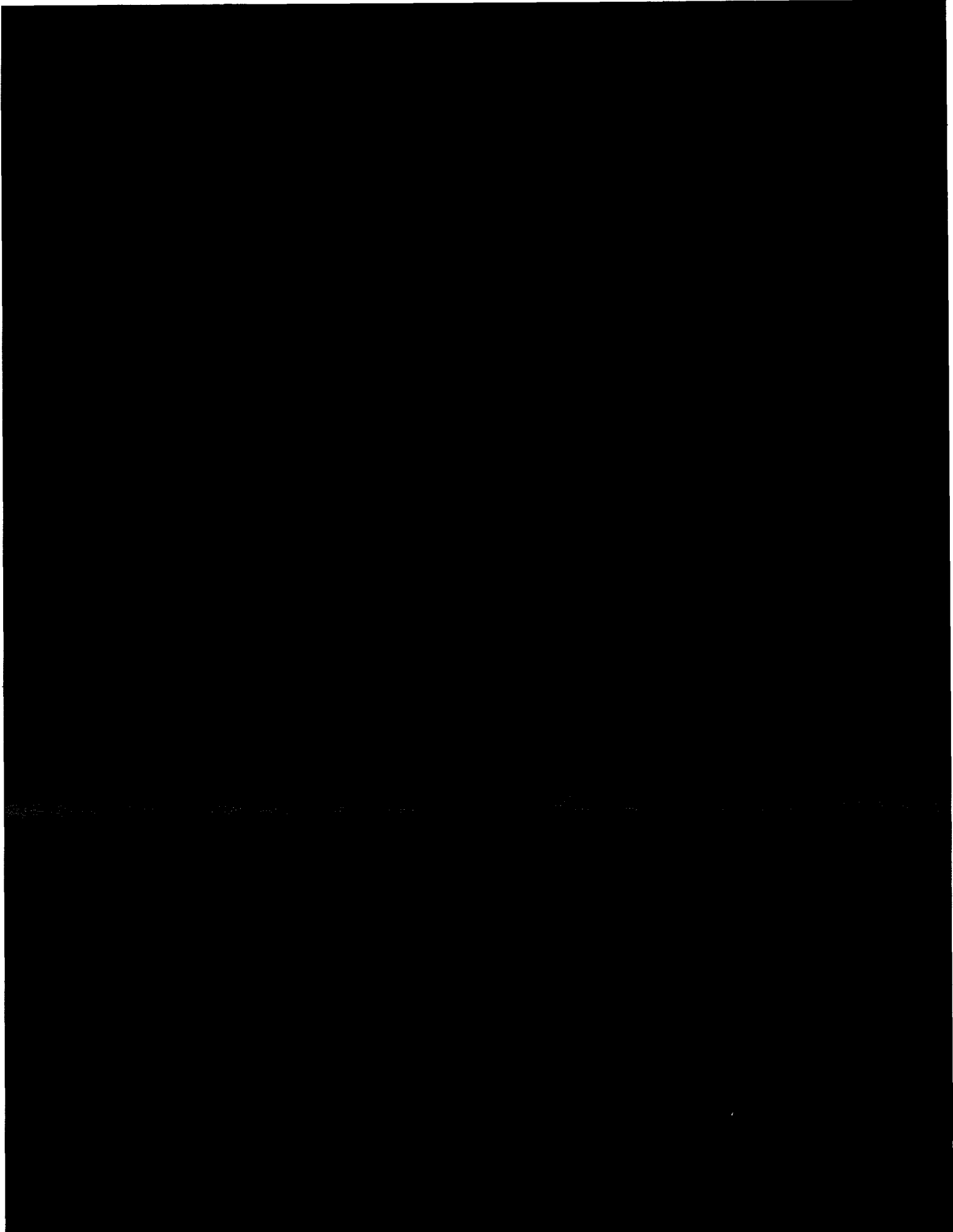


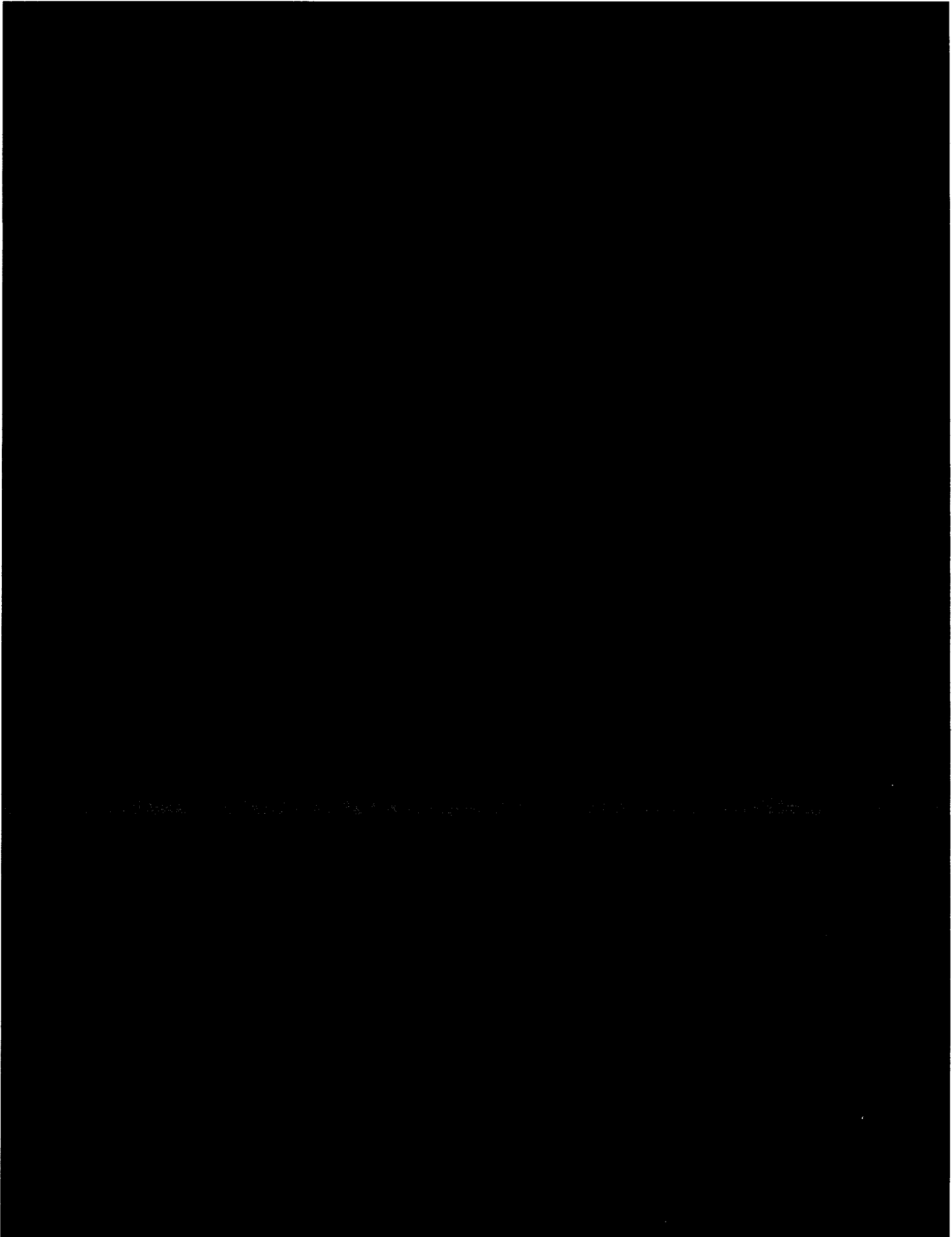
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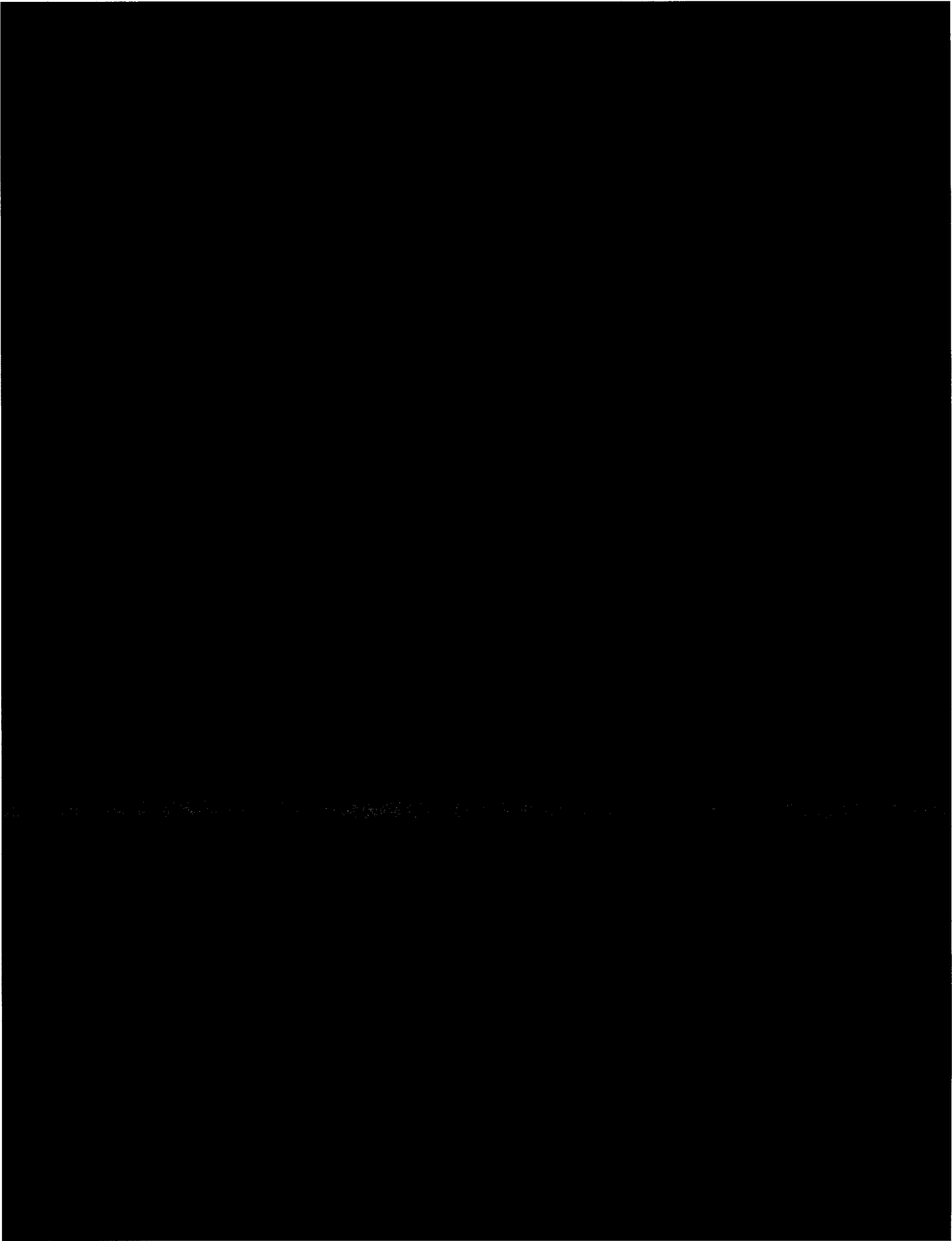




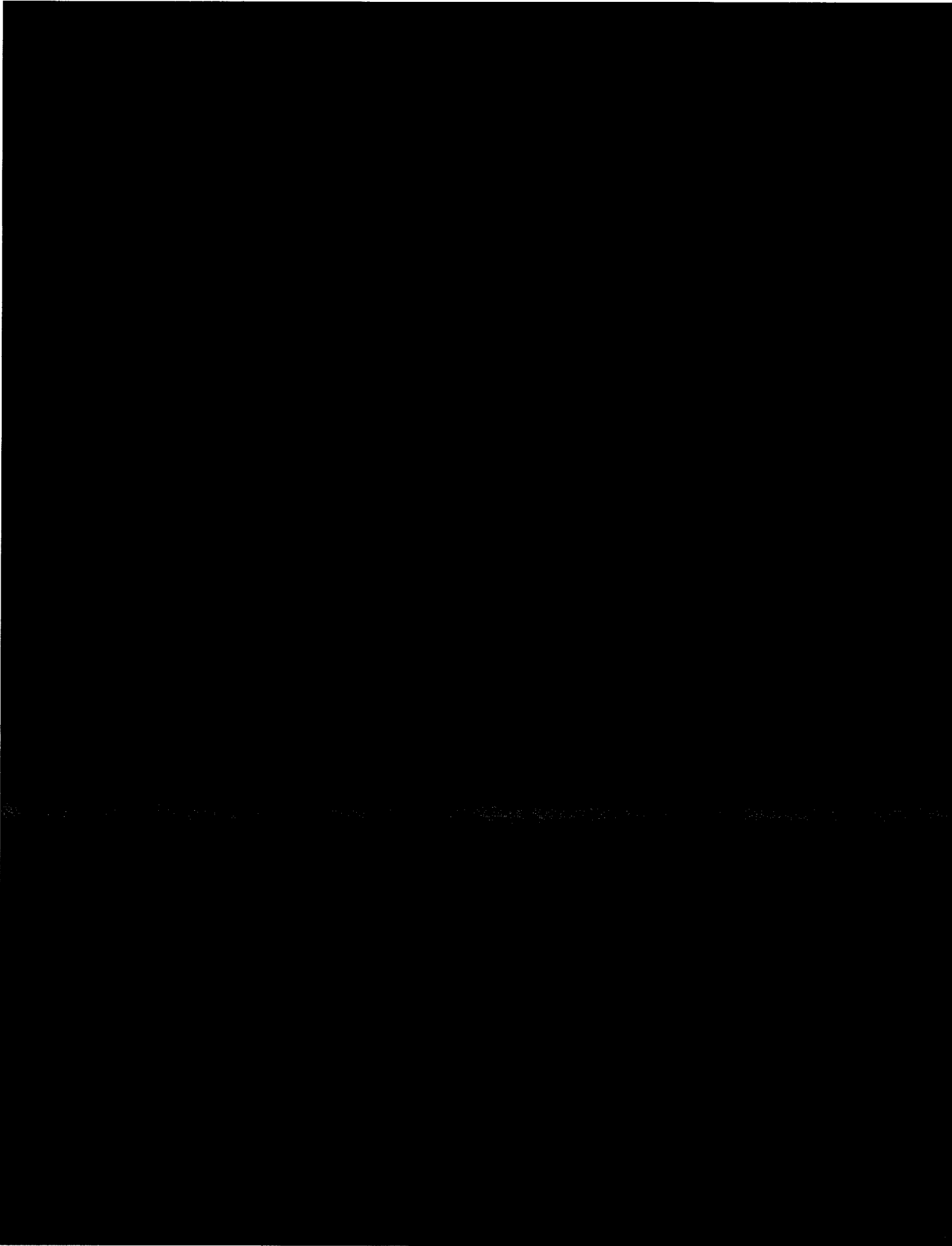




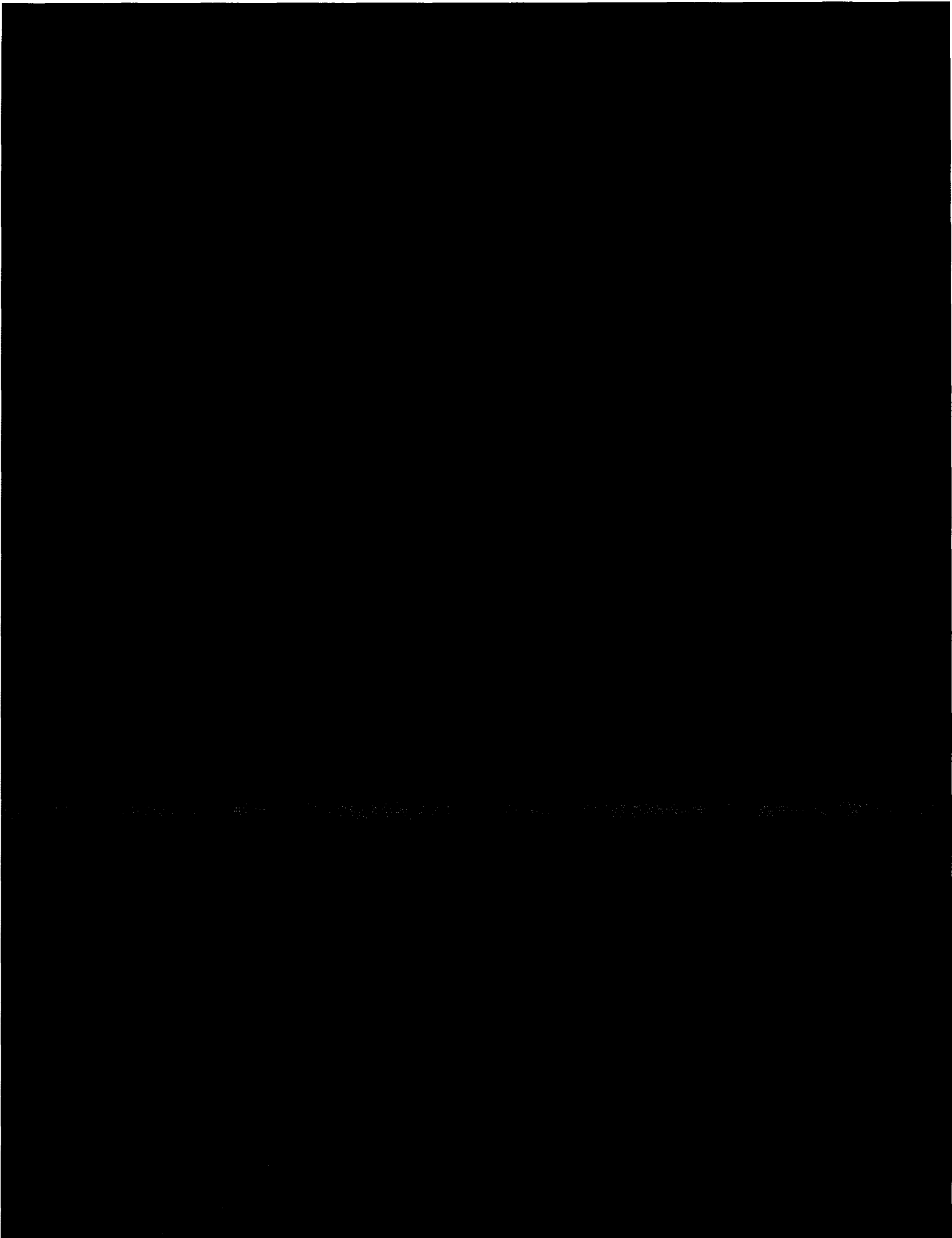
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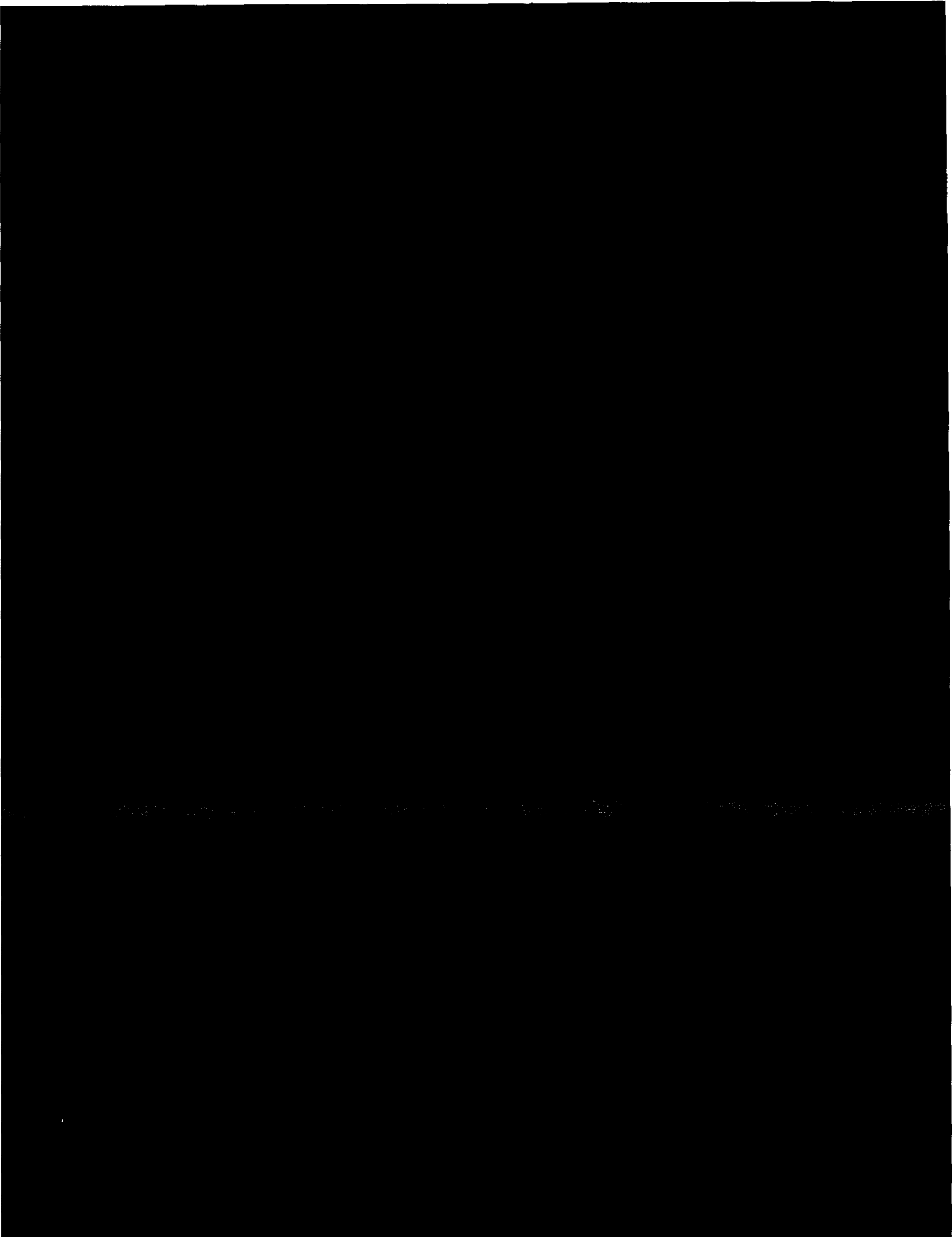


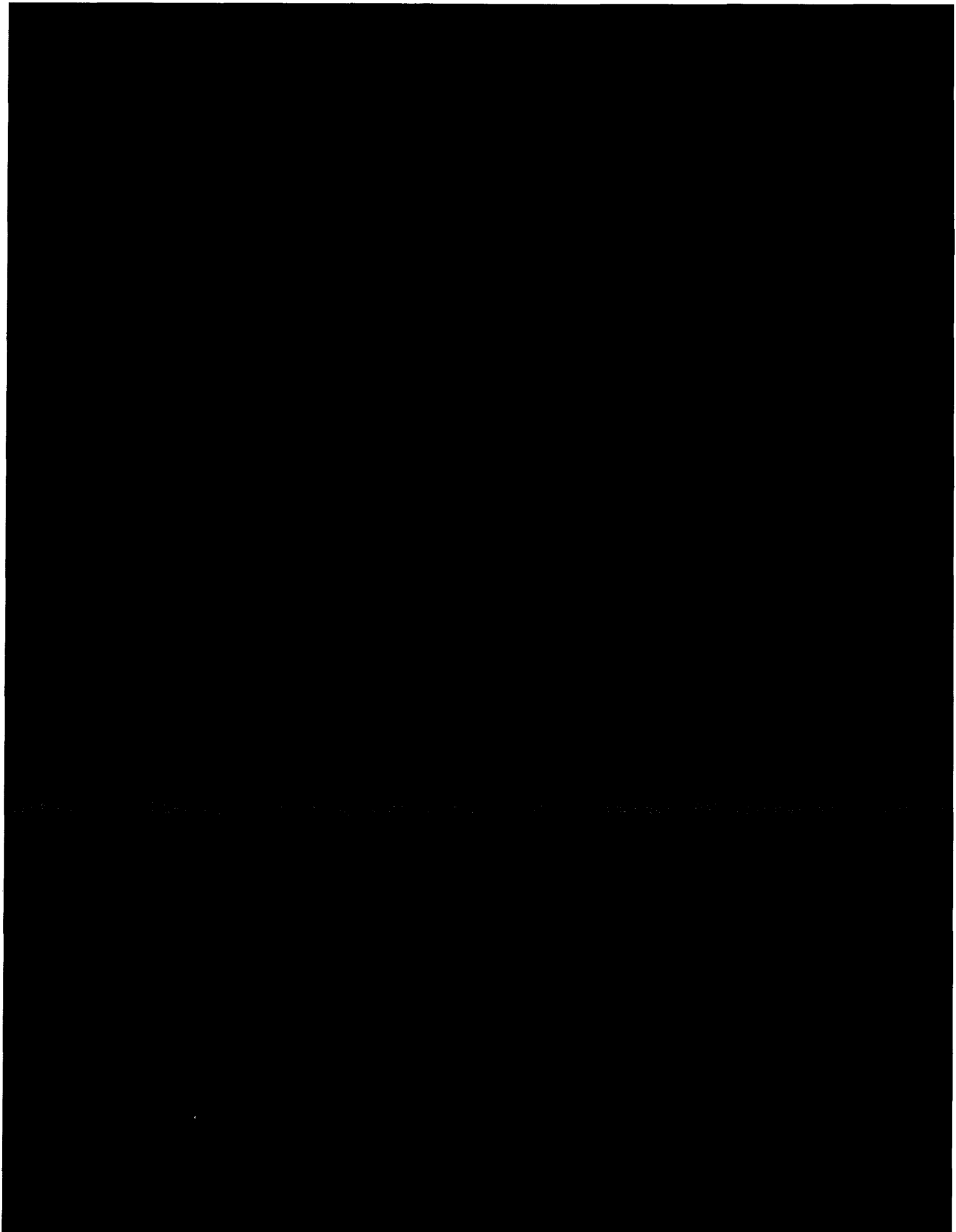
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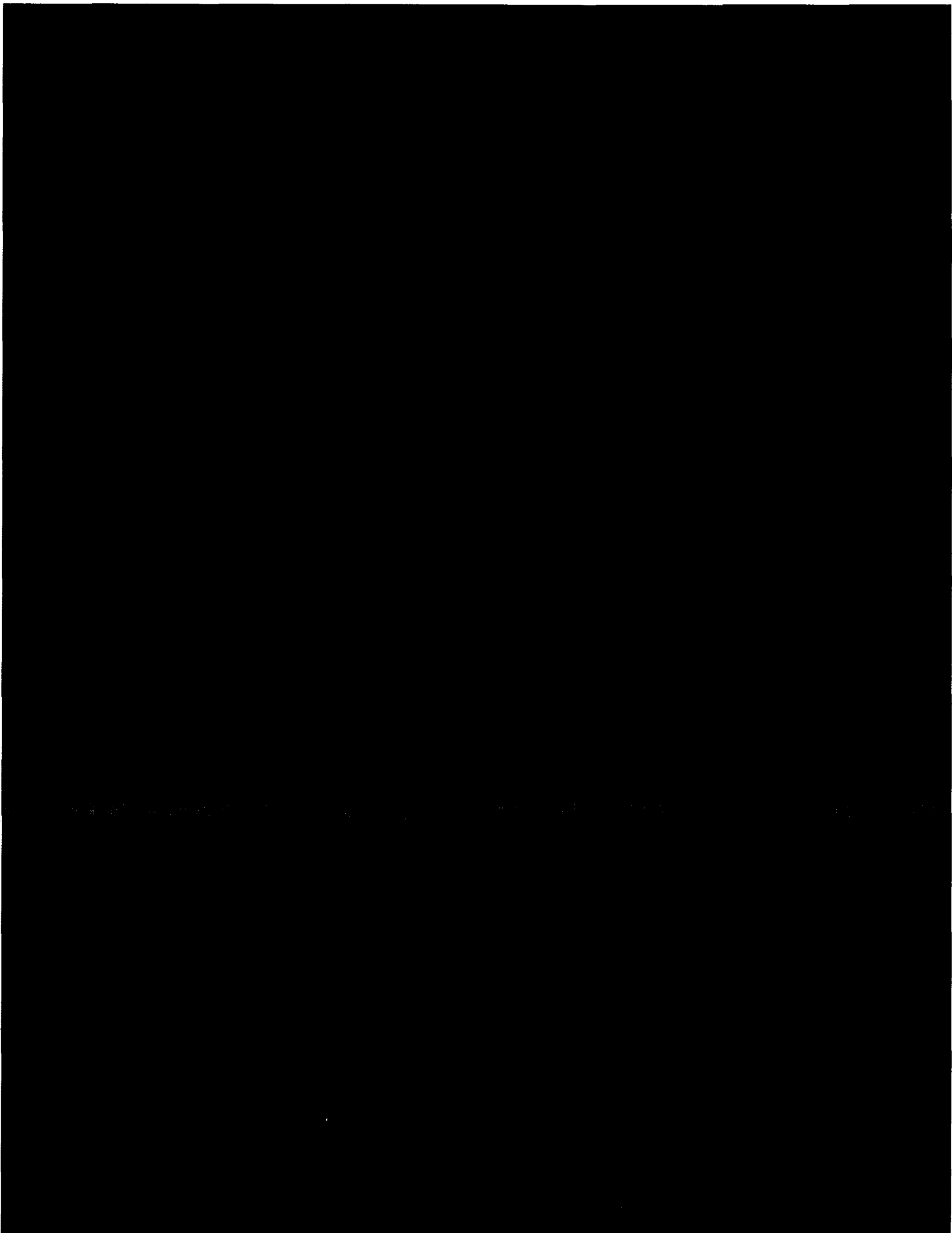


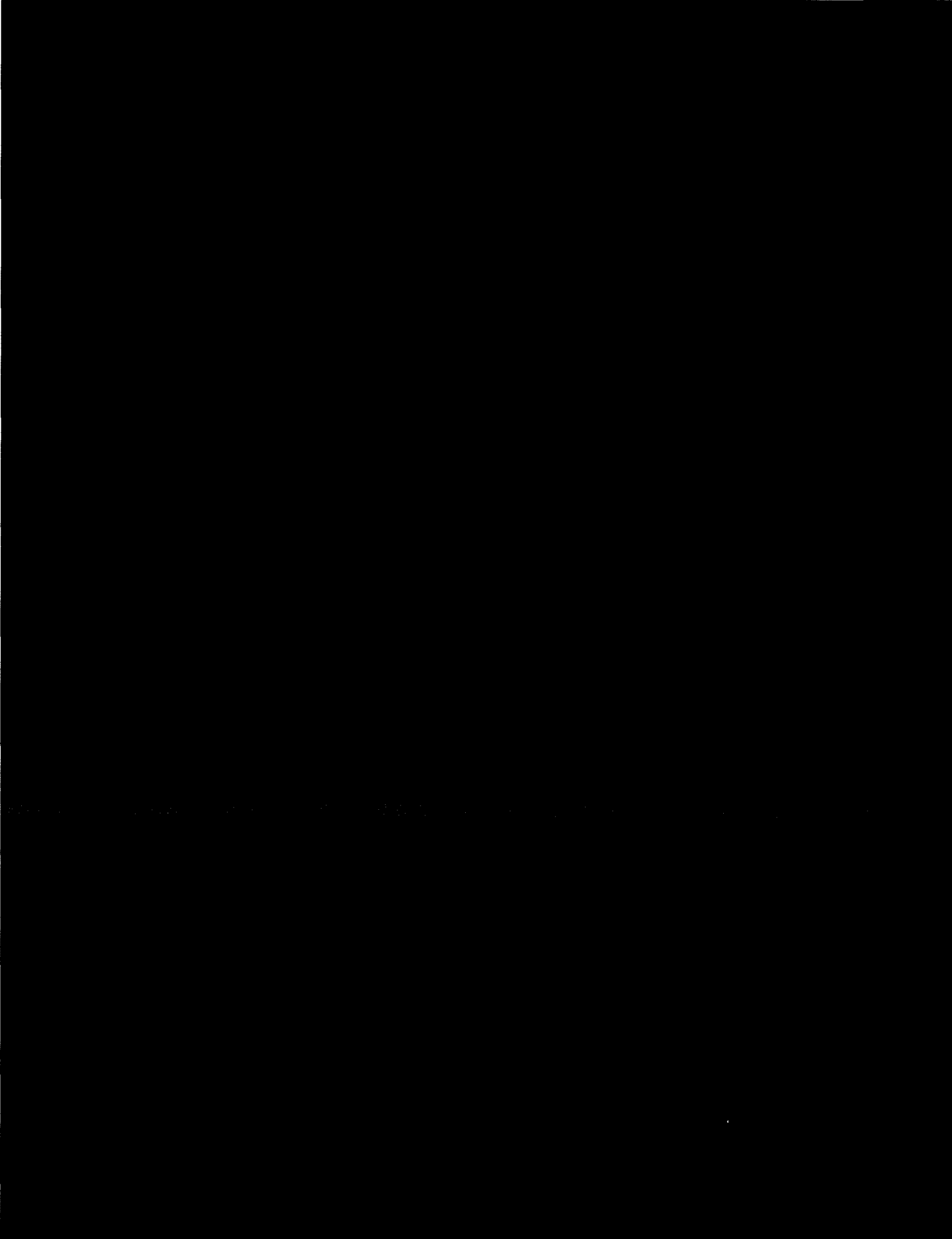
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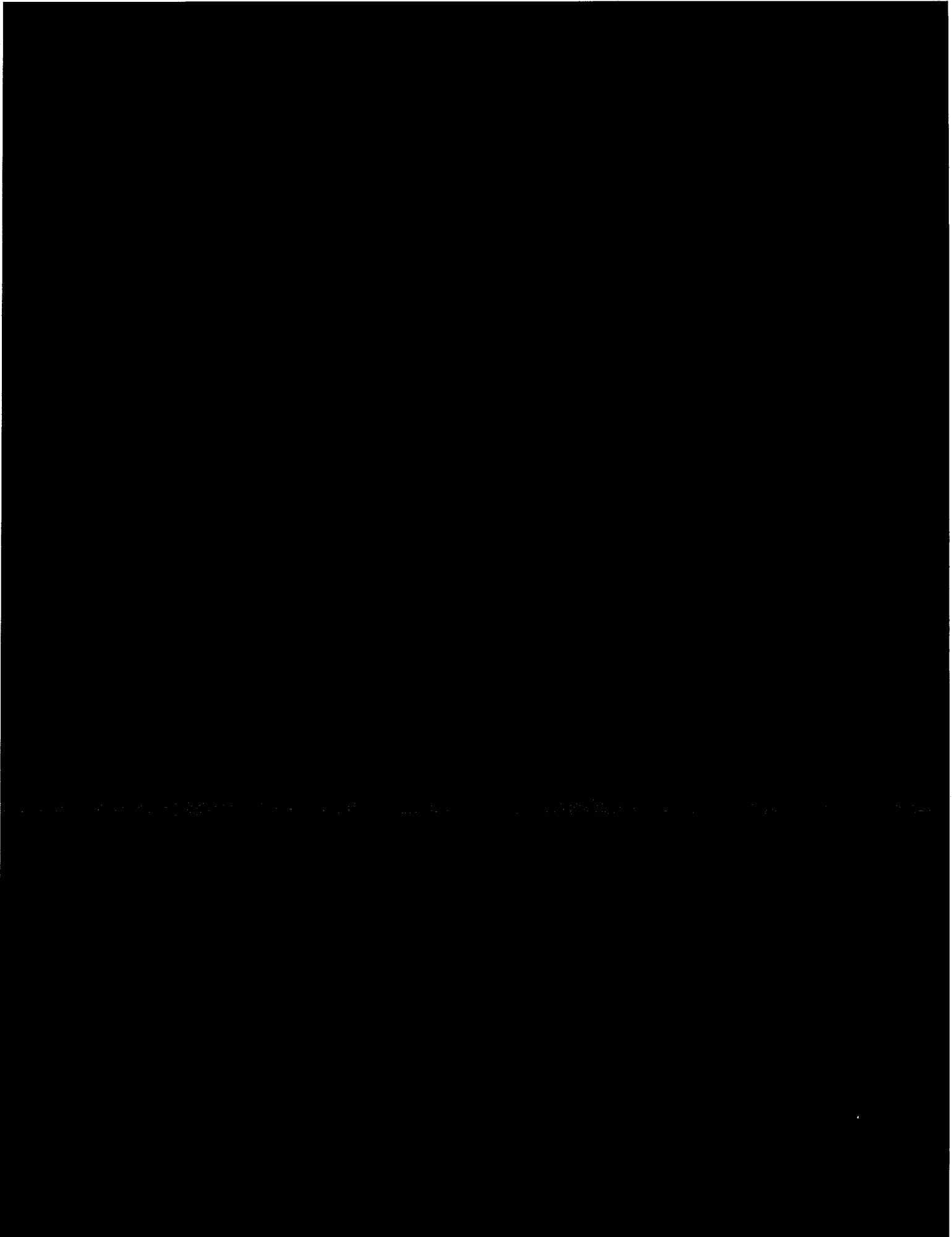


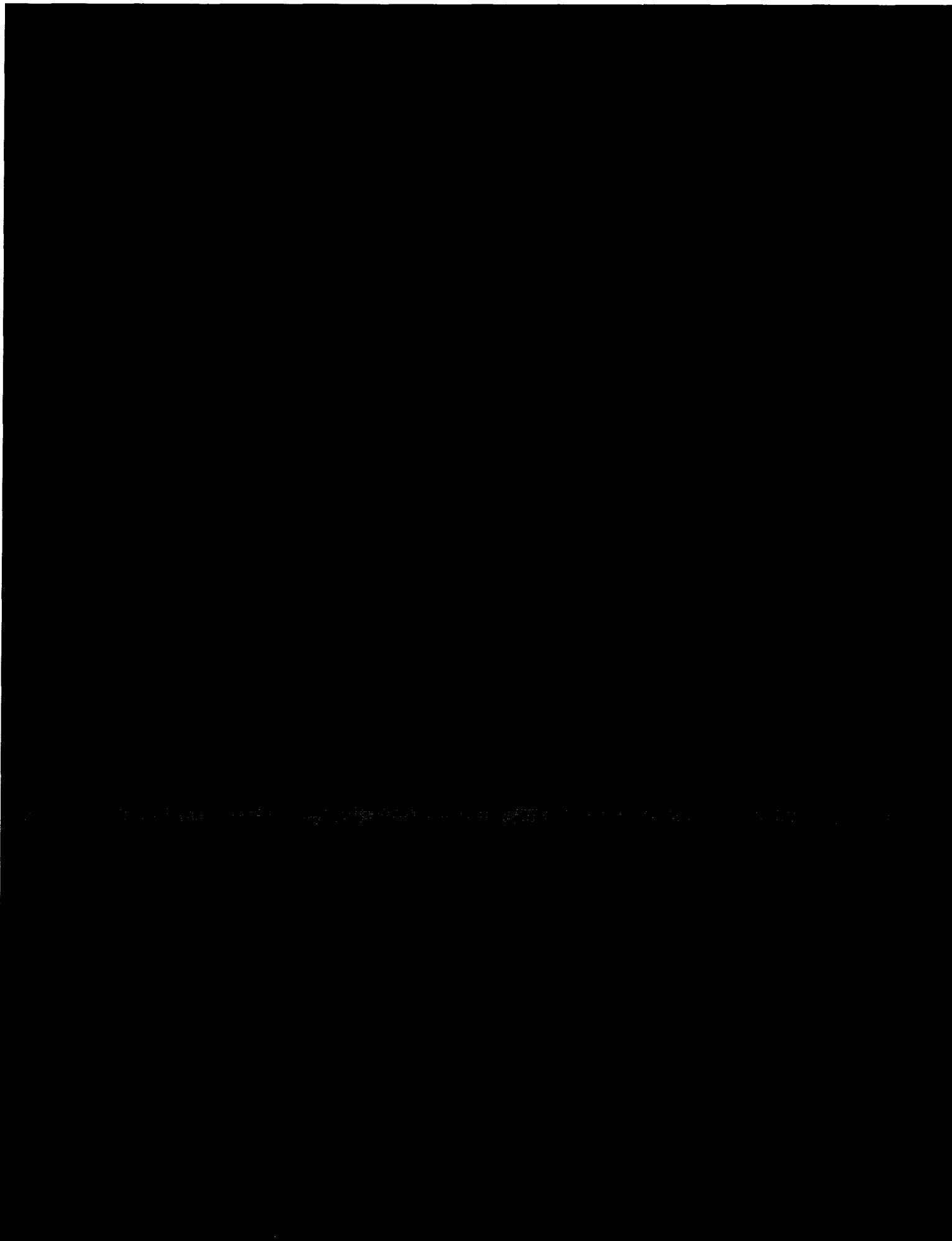


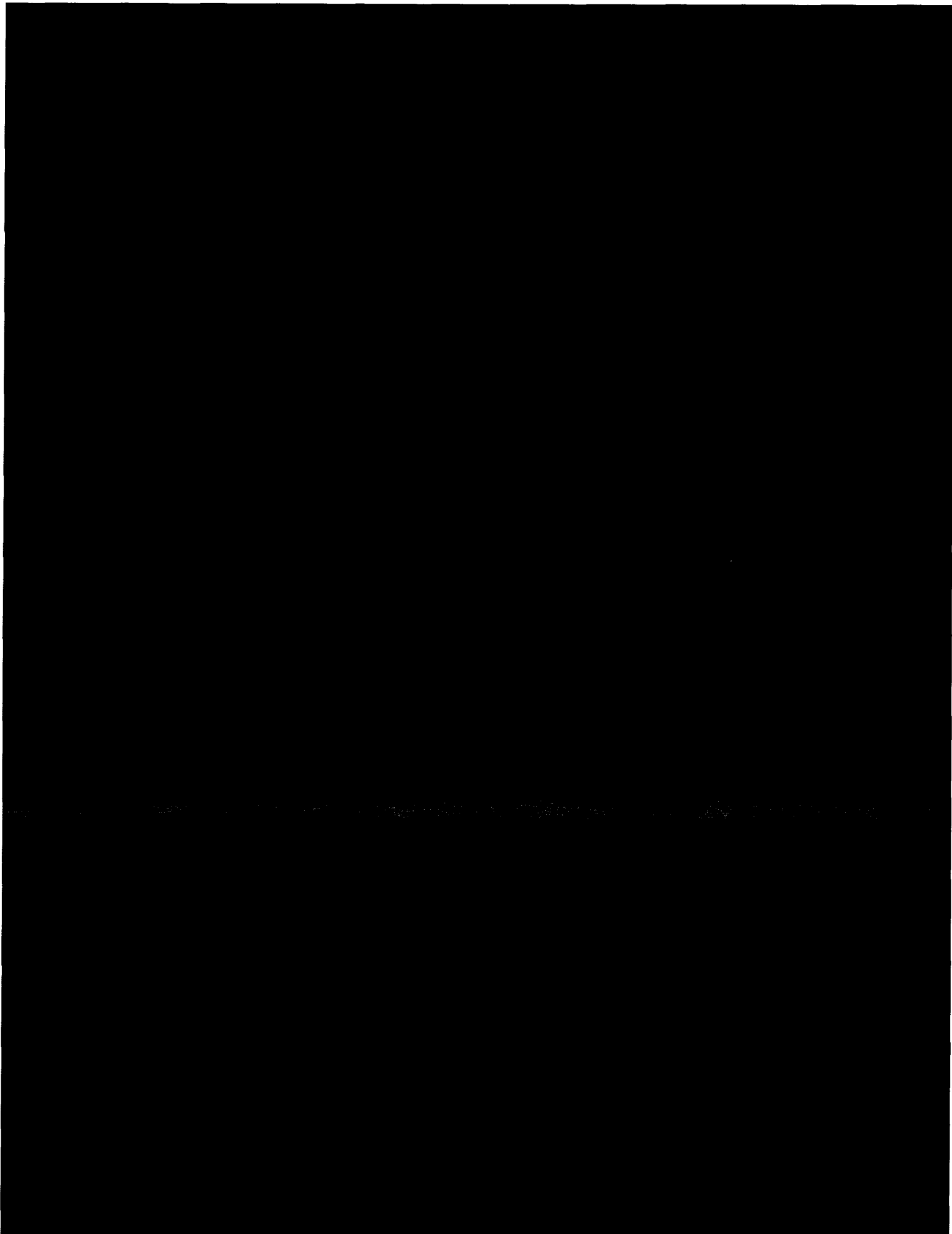


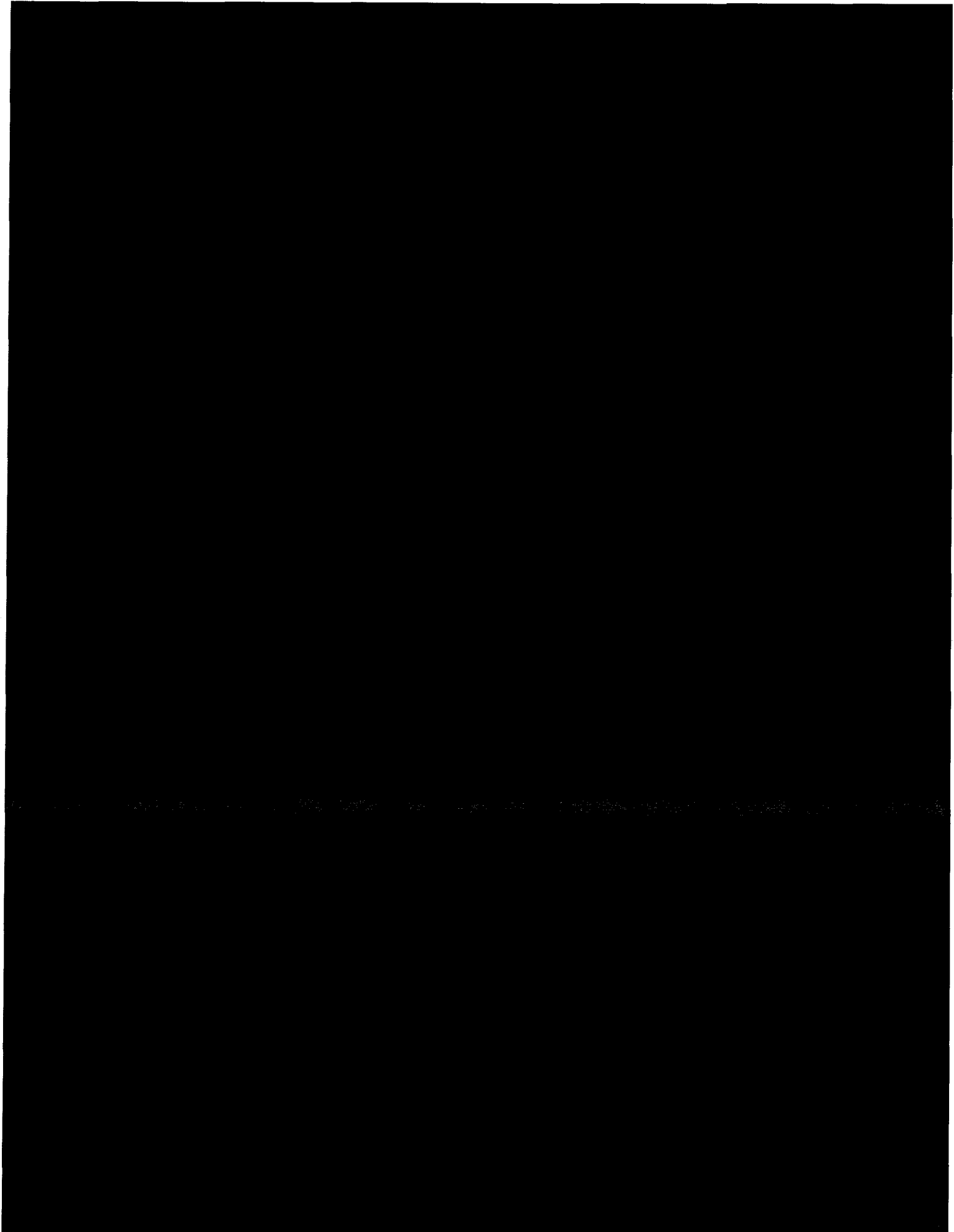


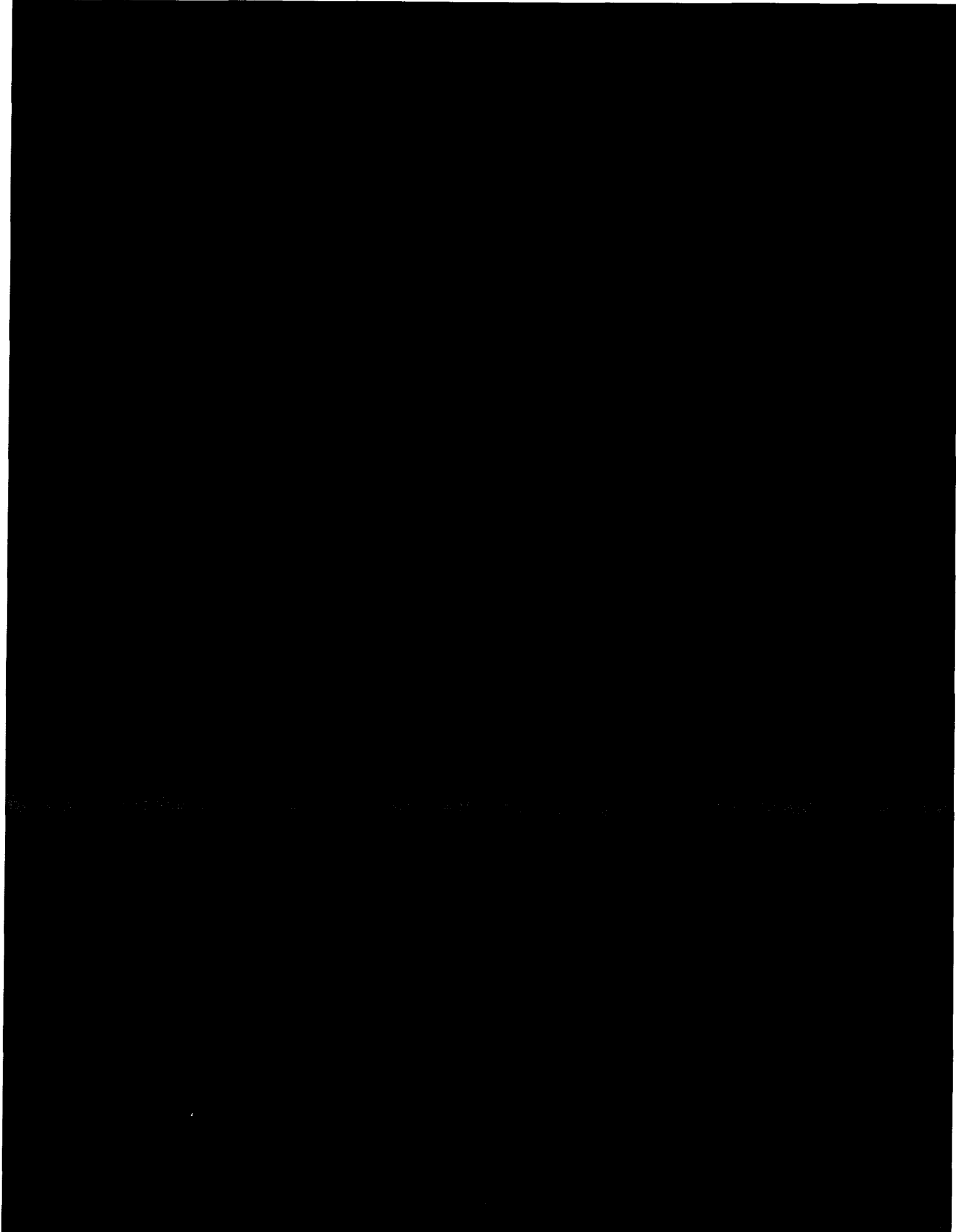


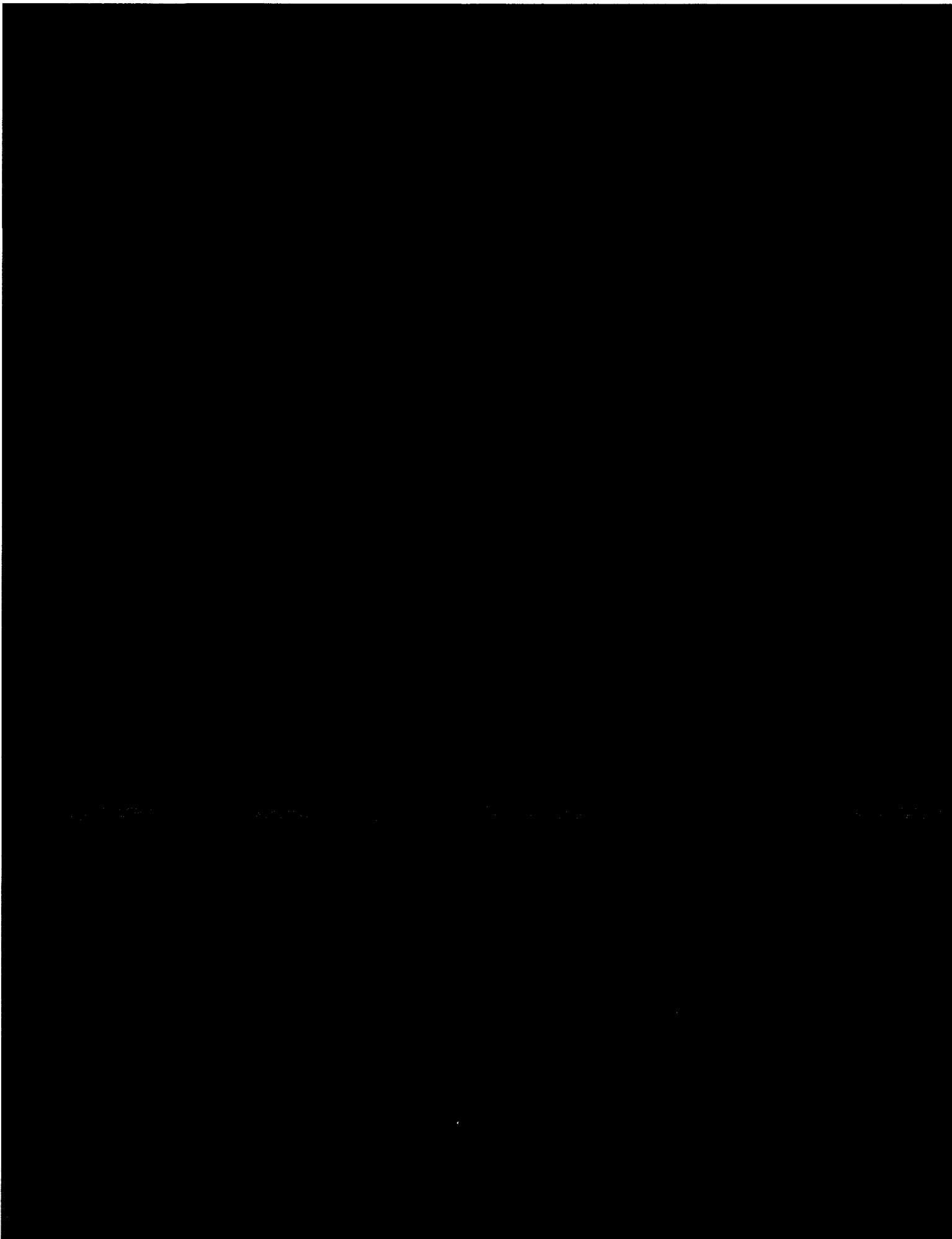


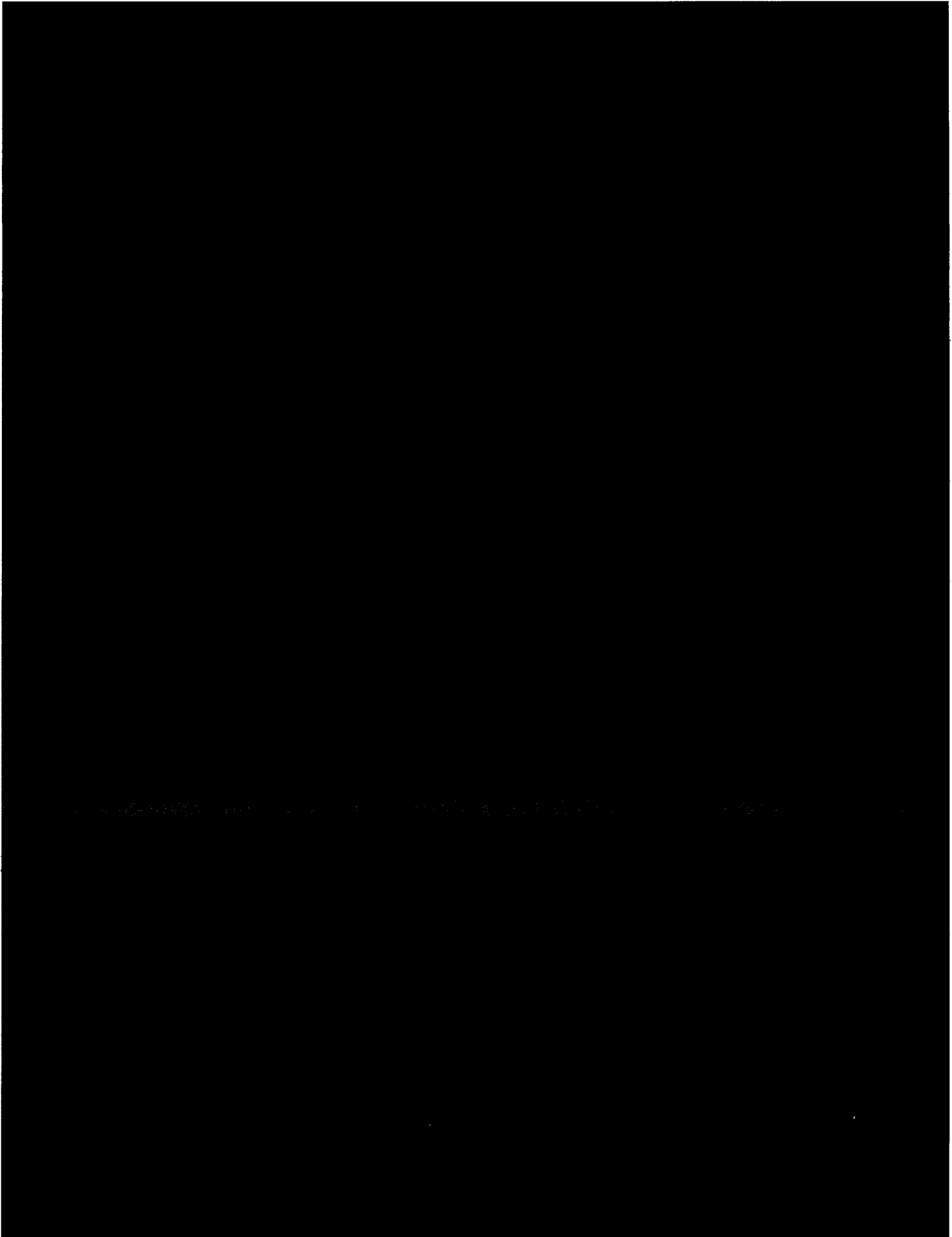


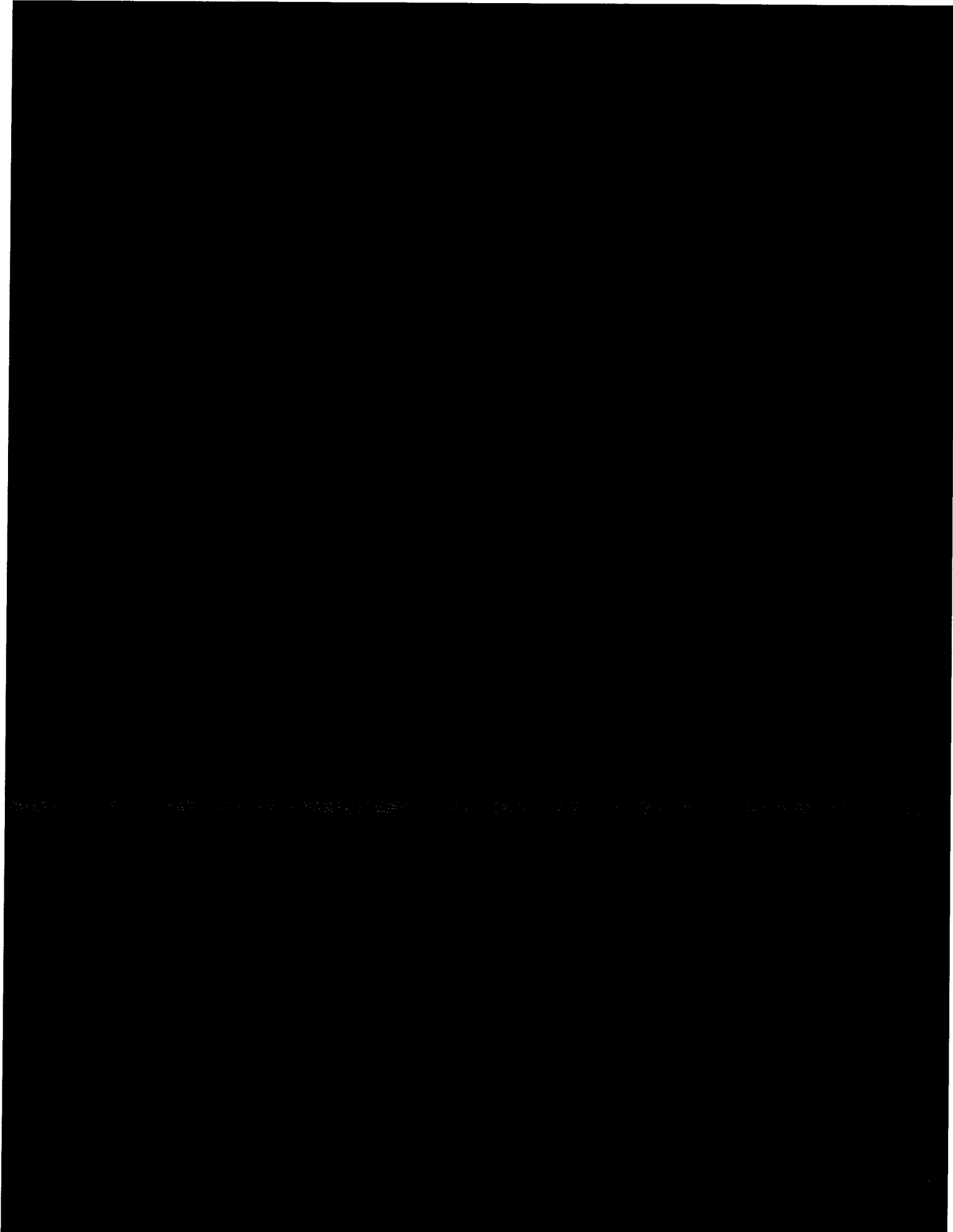


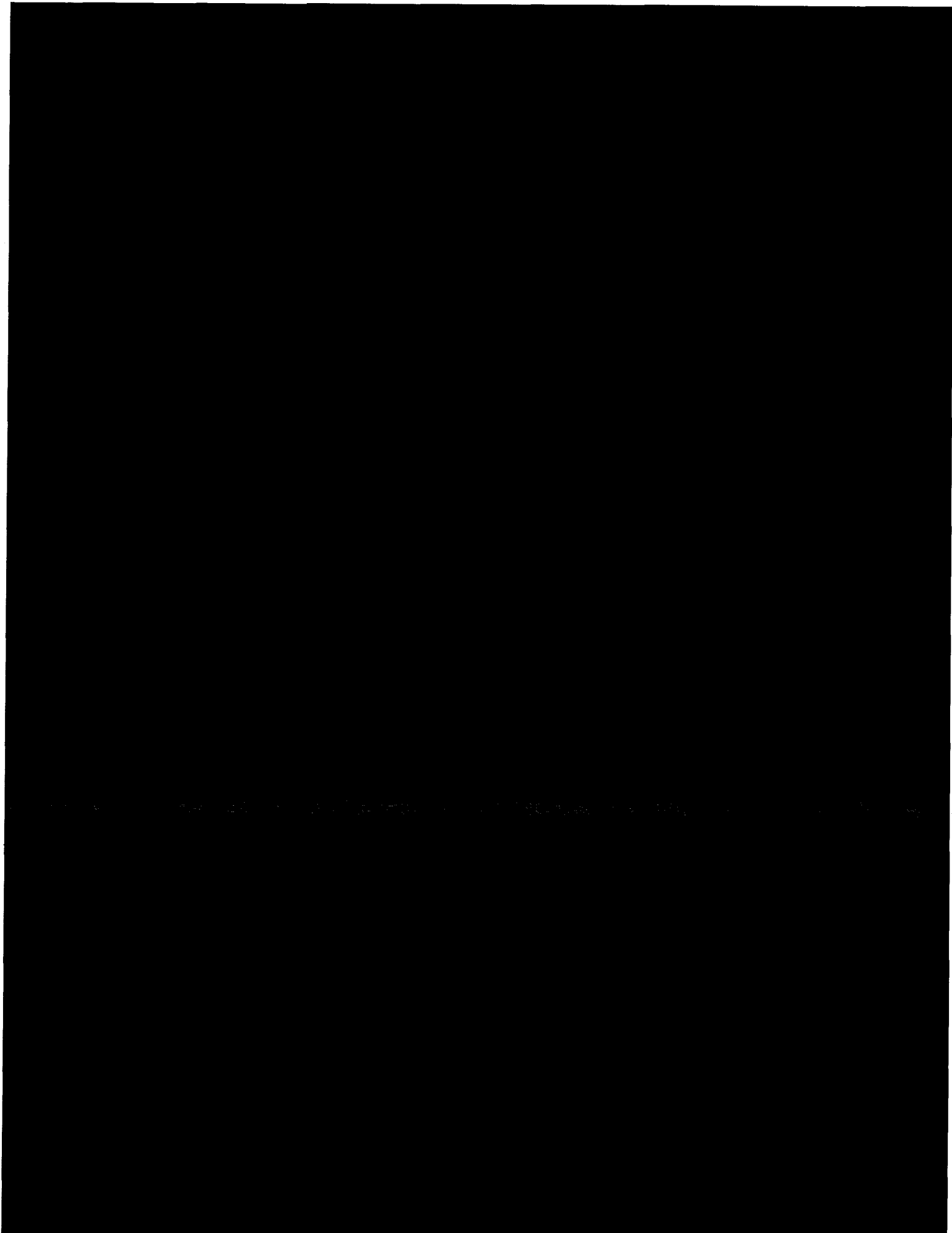


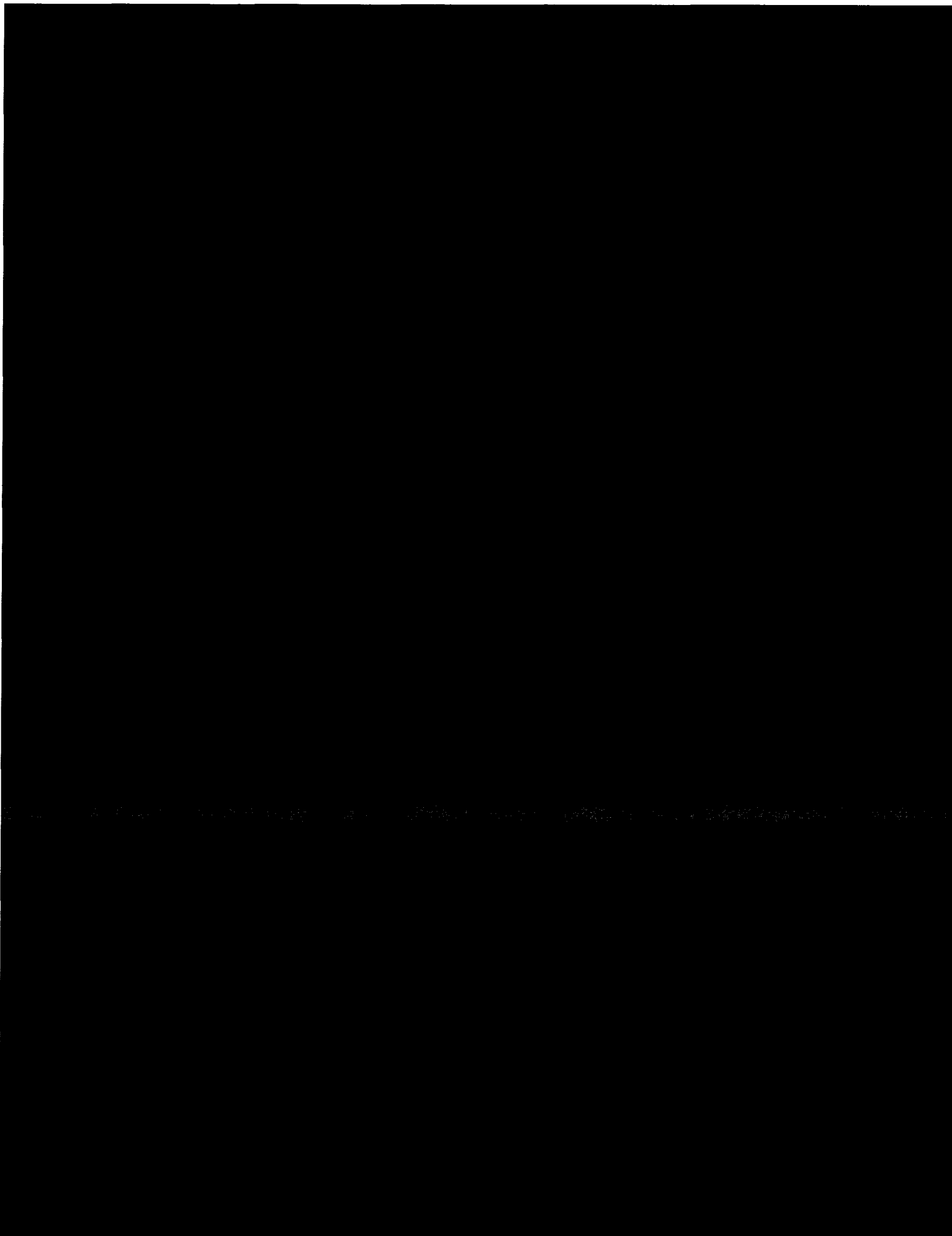


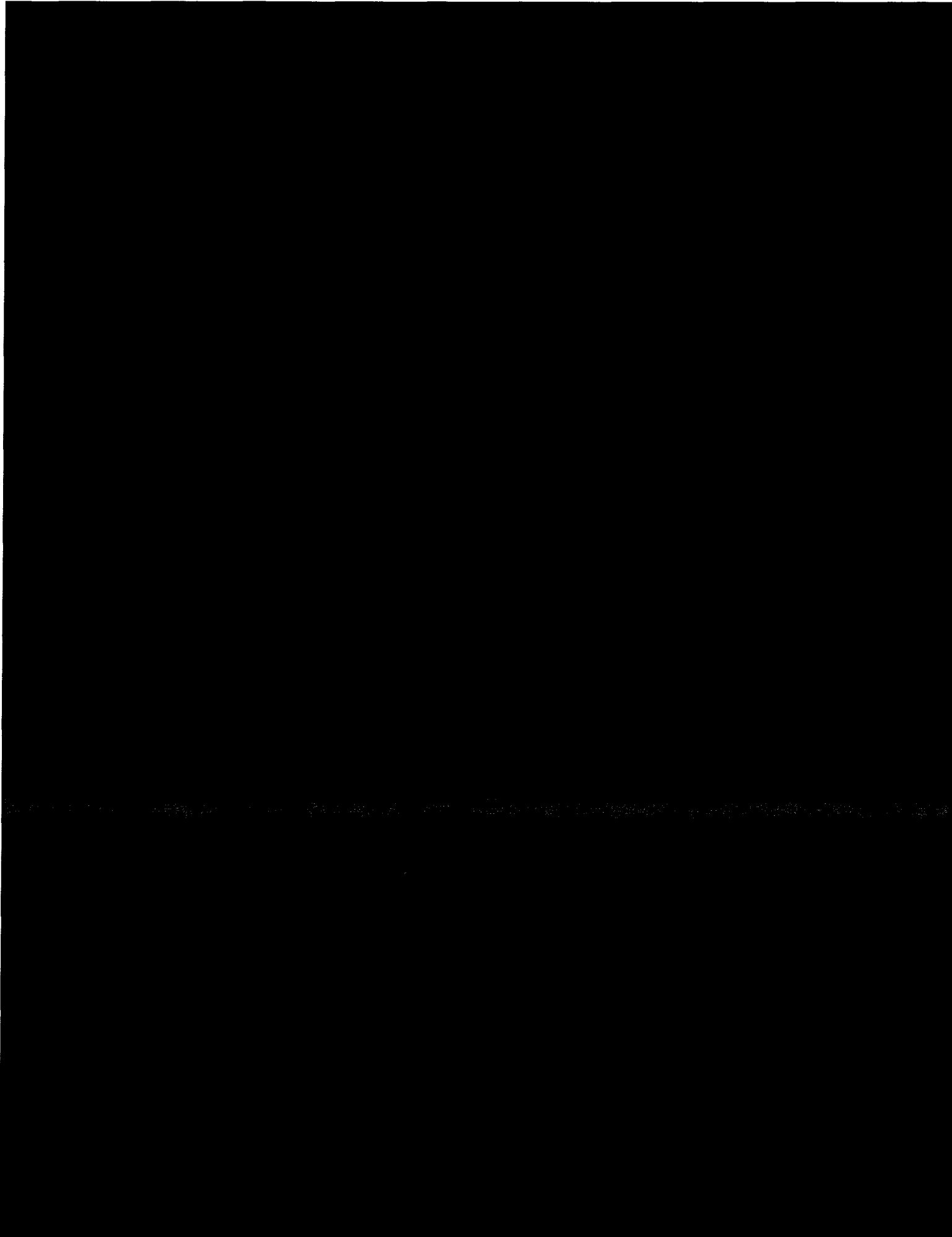


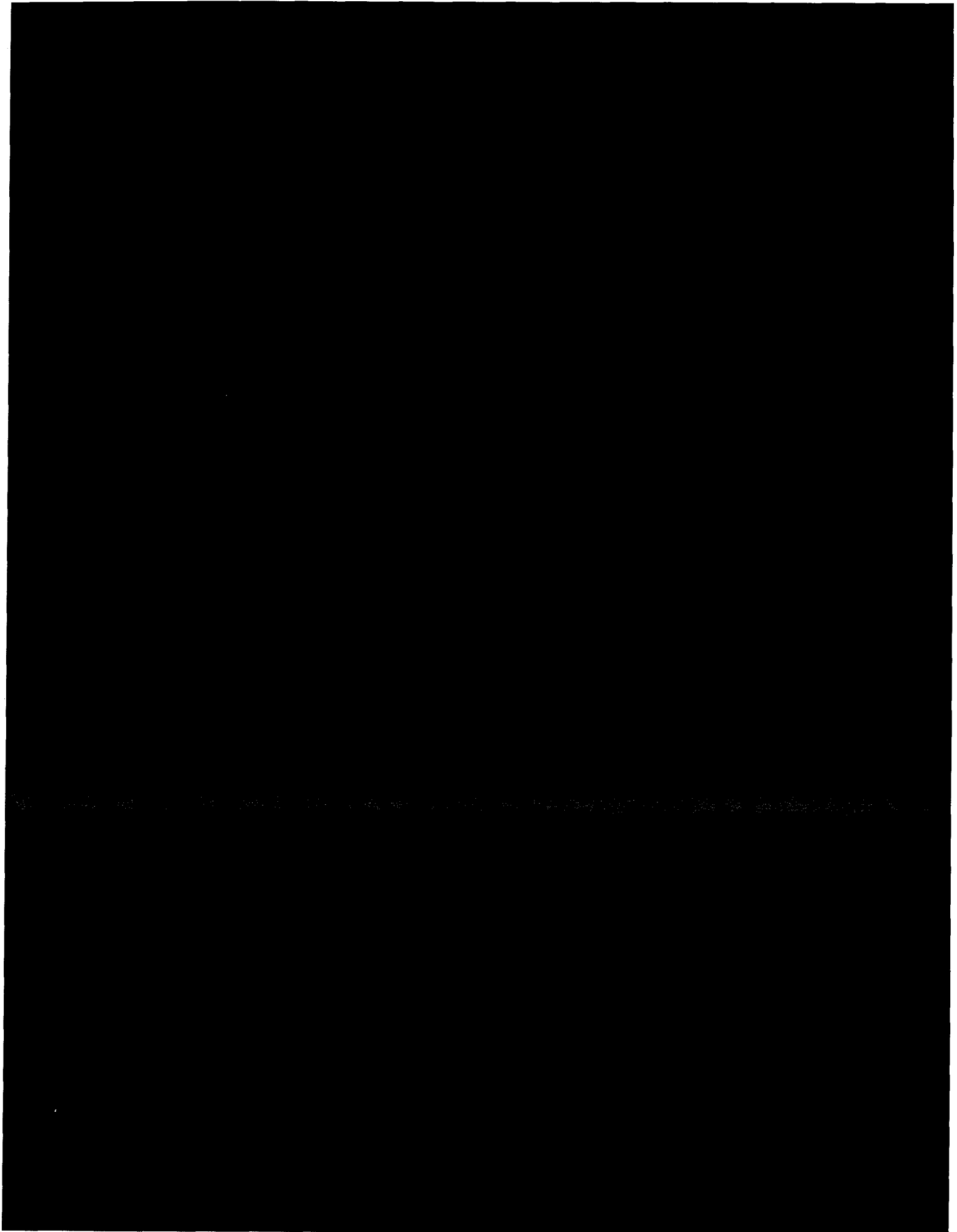




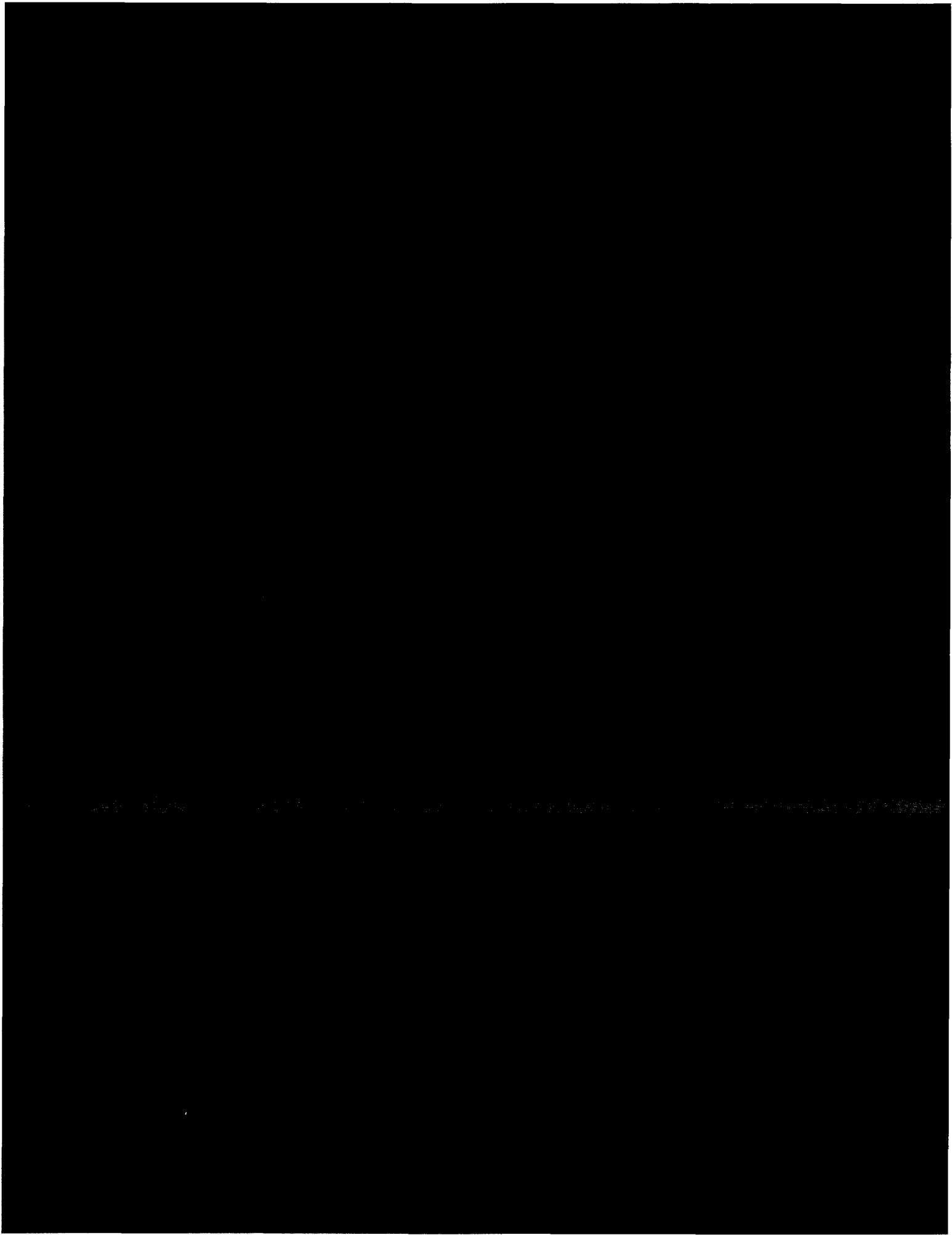


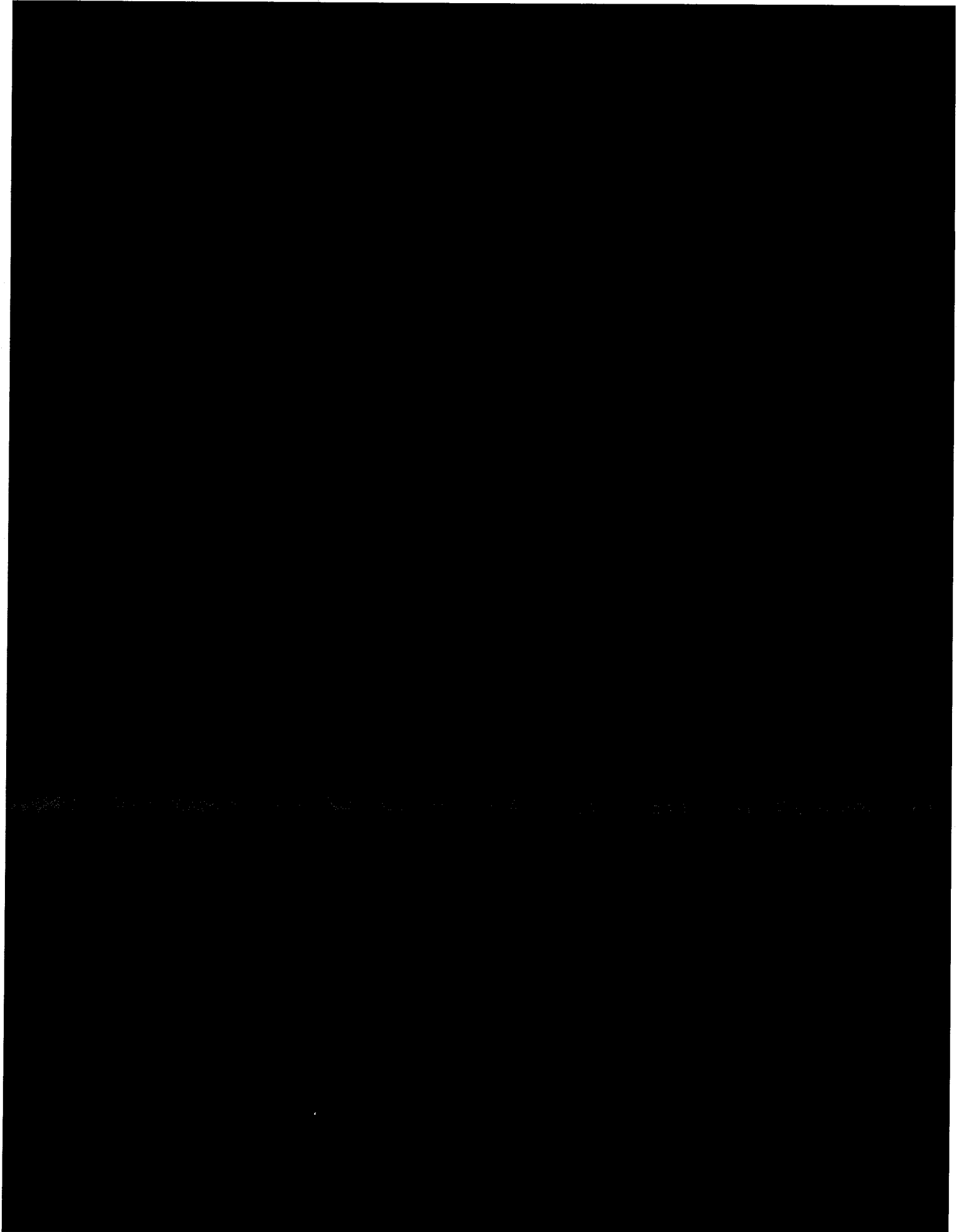




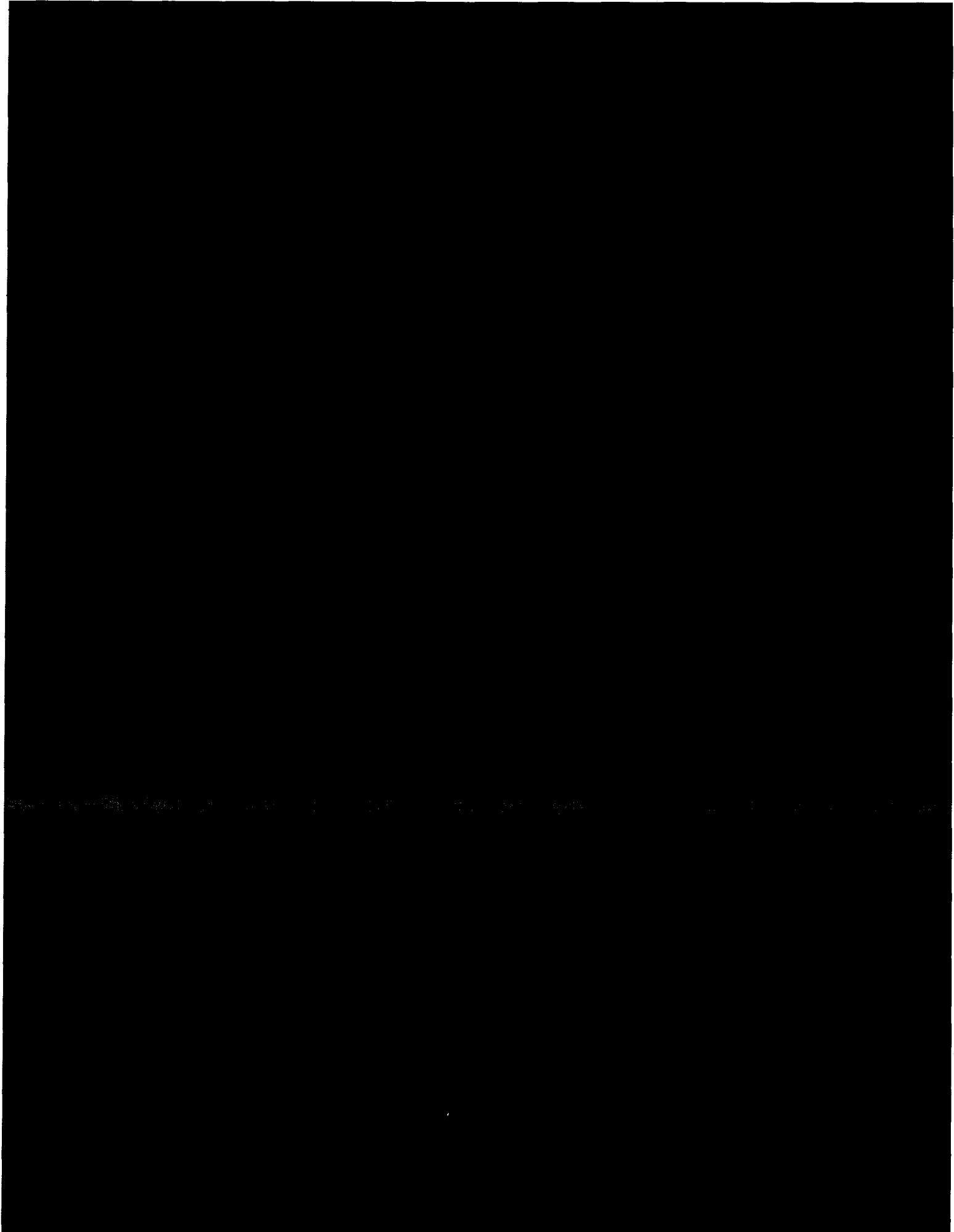


SECRET

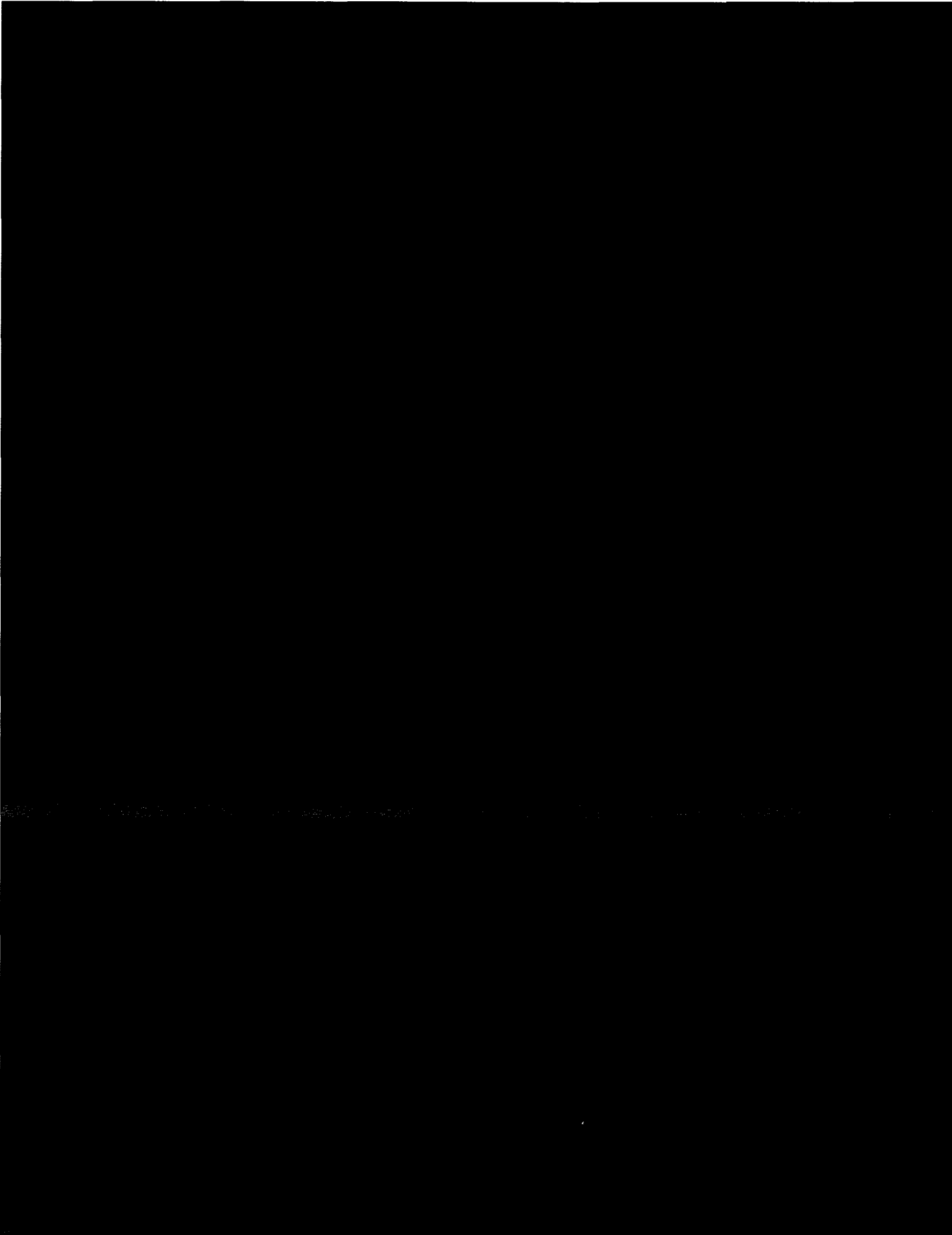


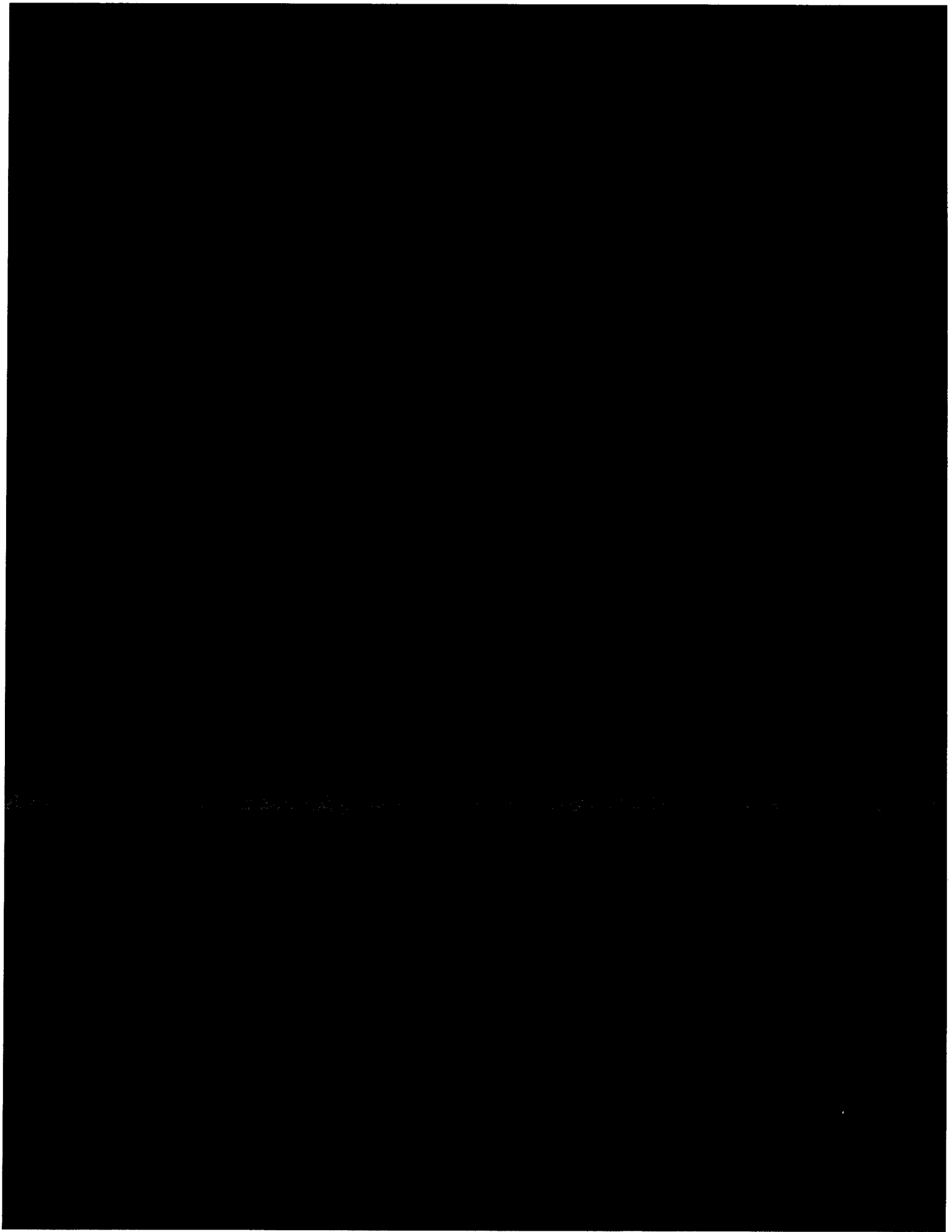


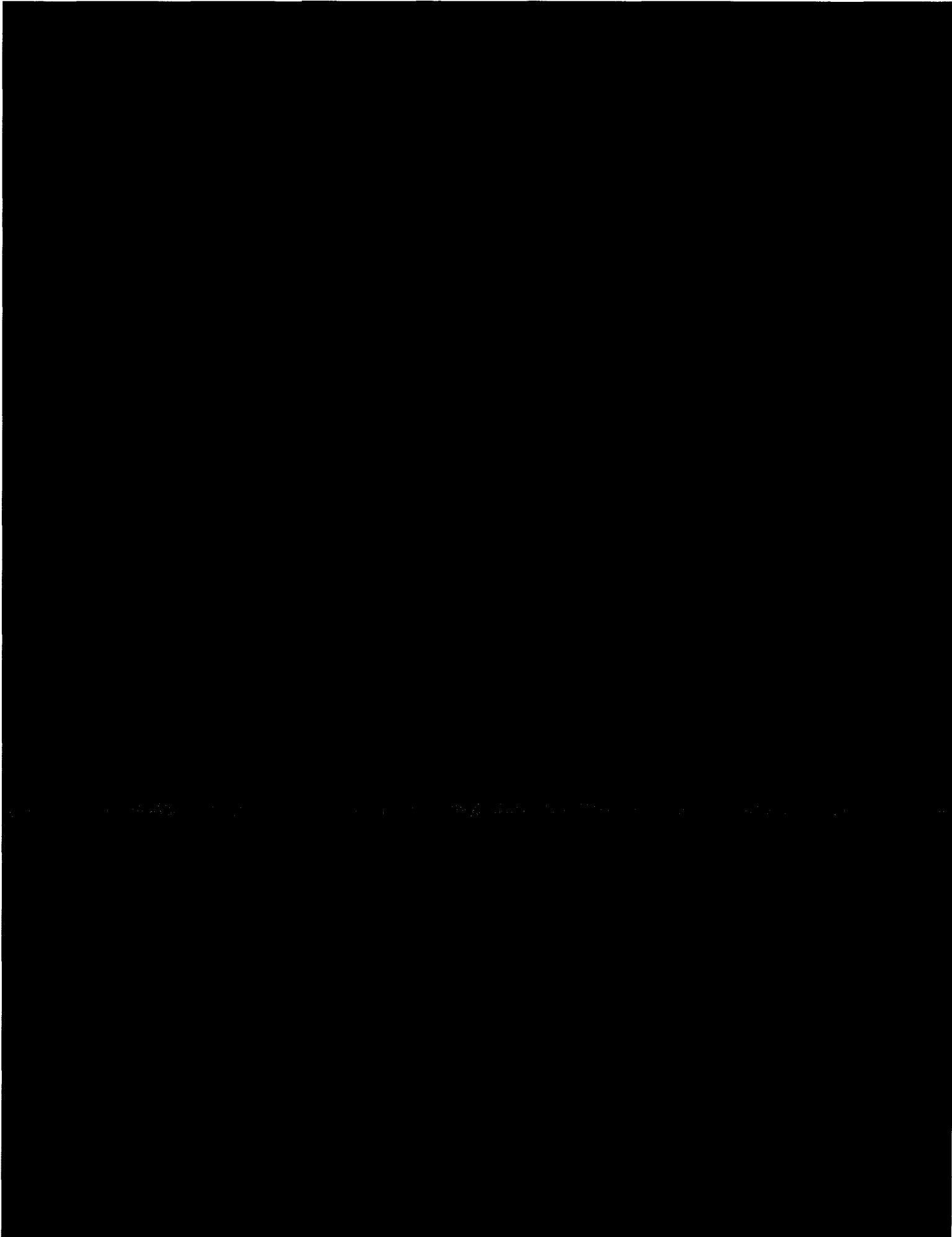
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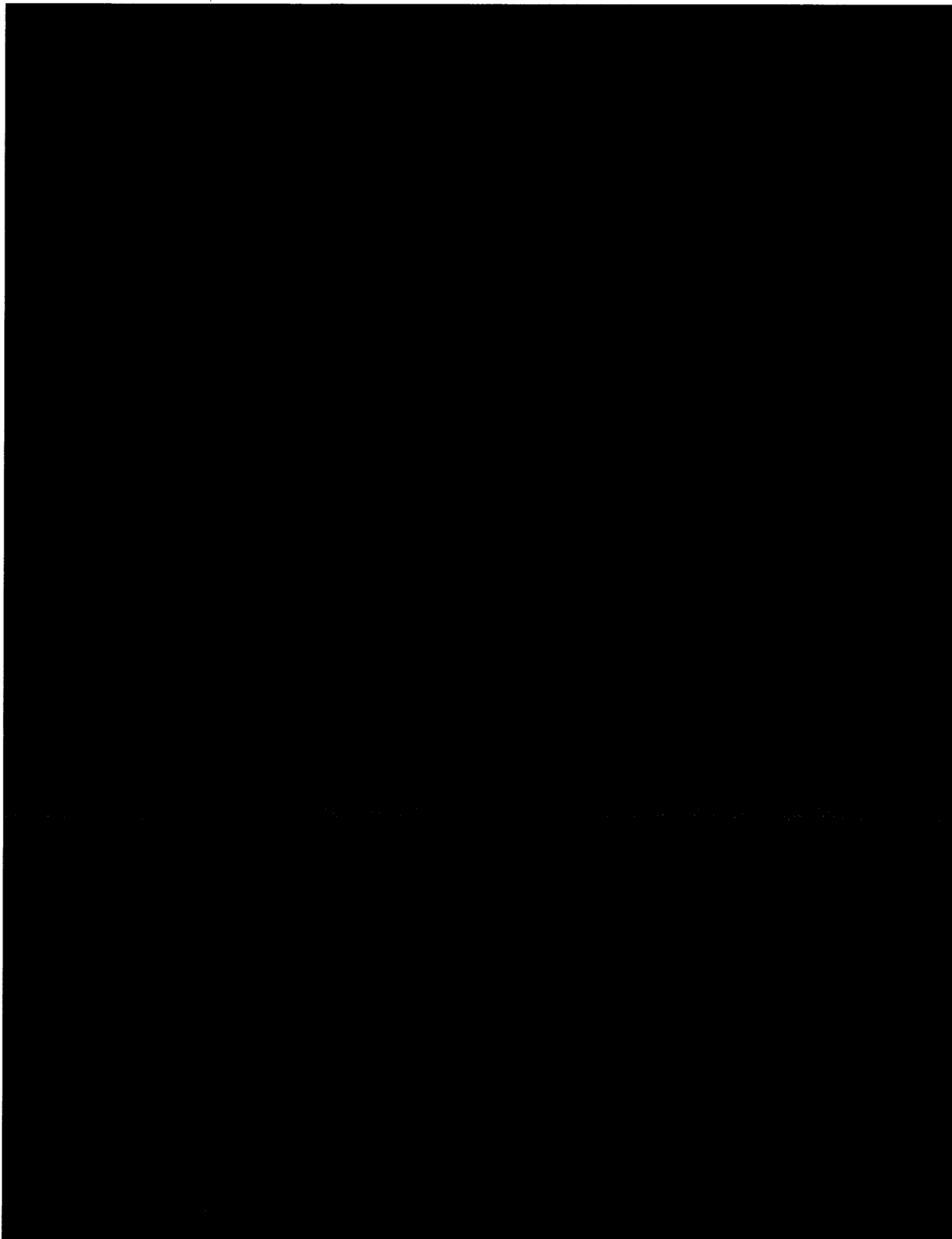


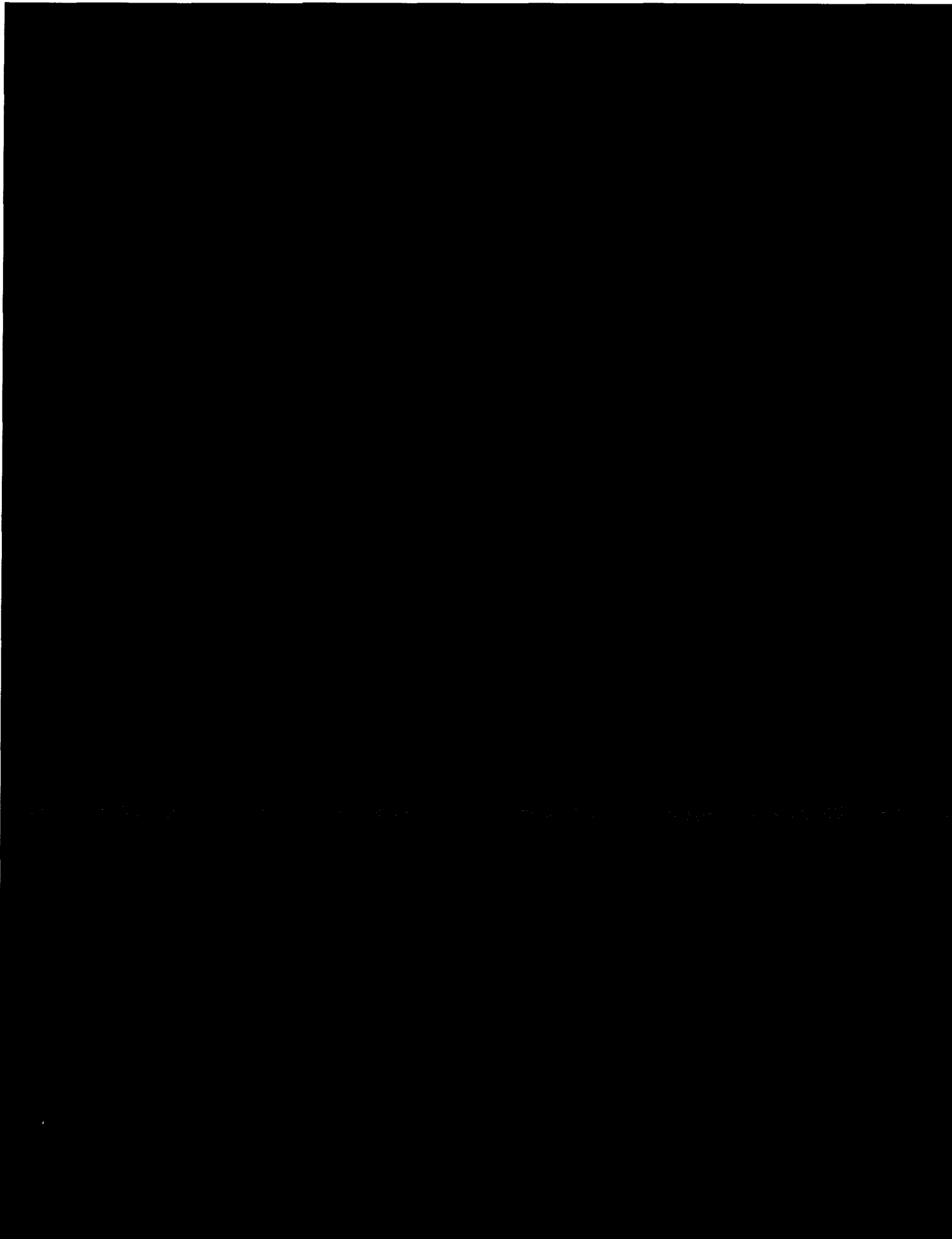
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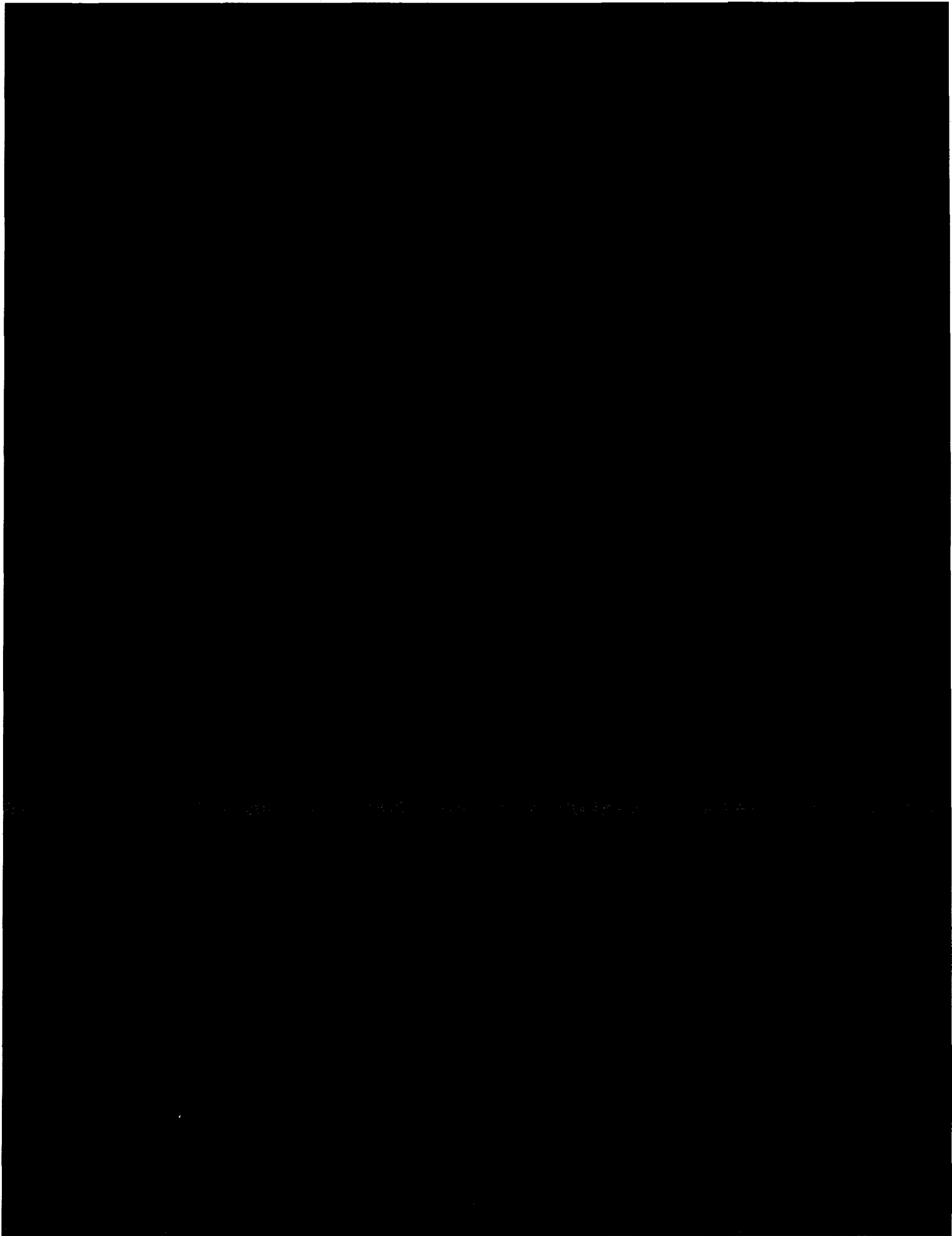


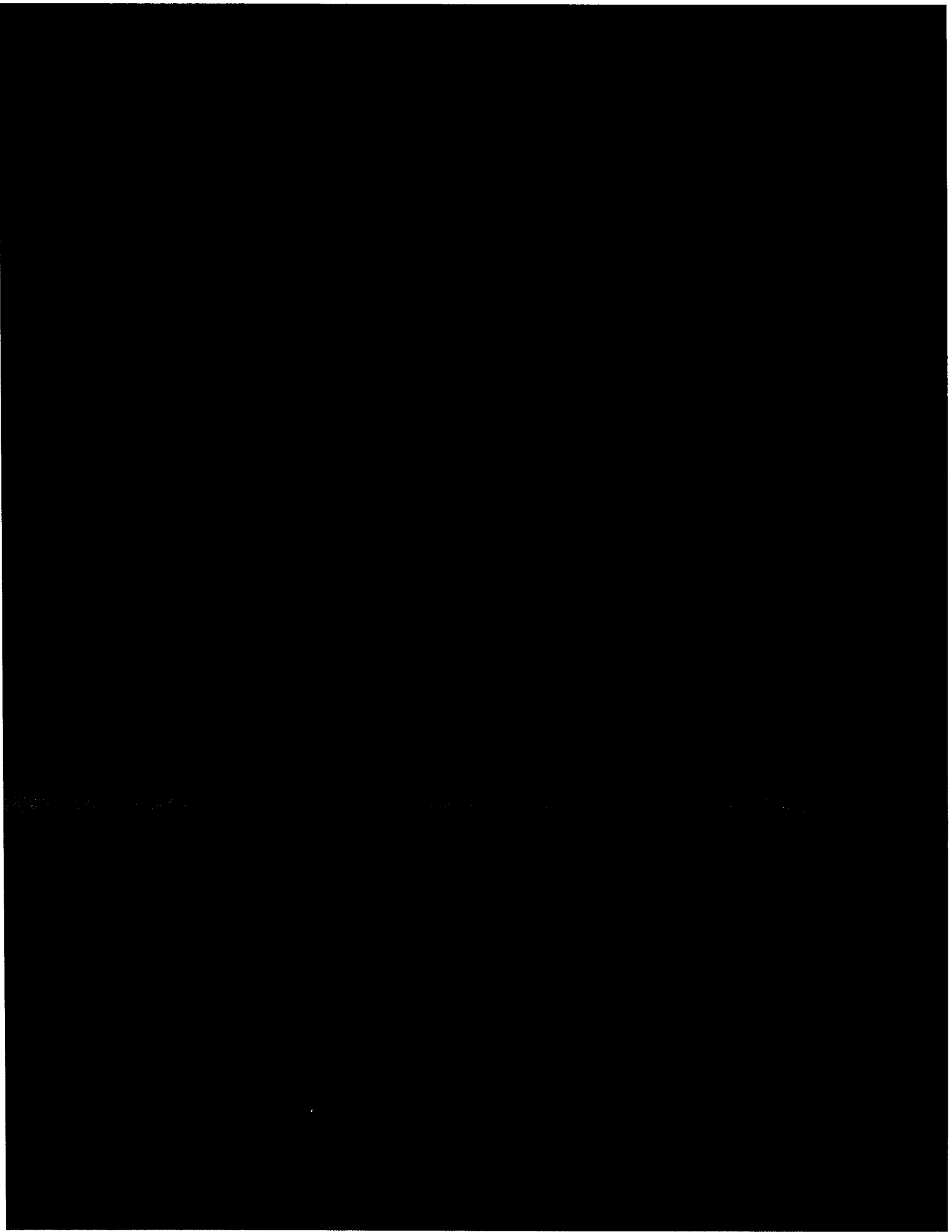




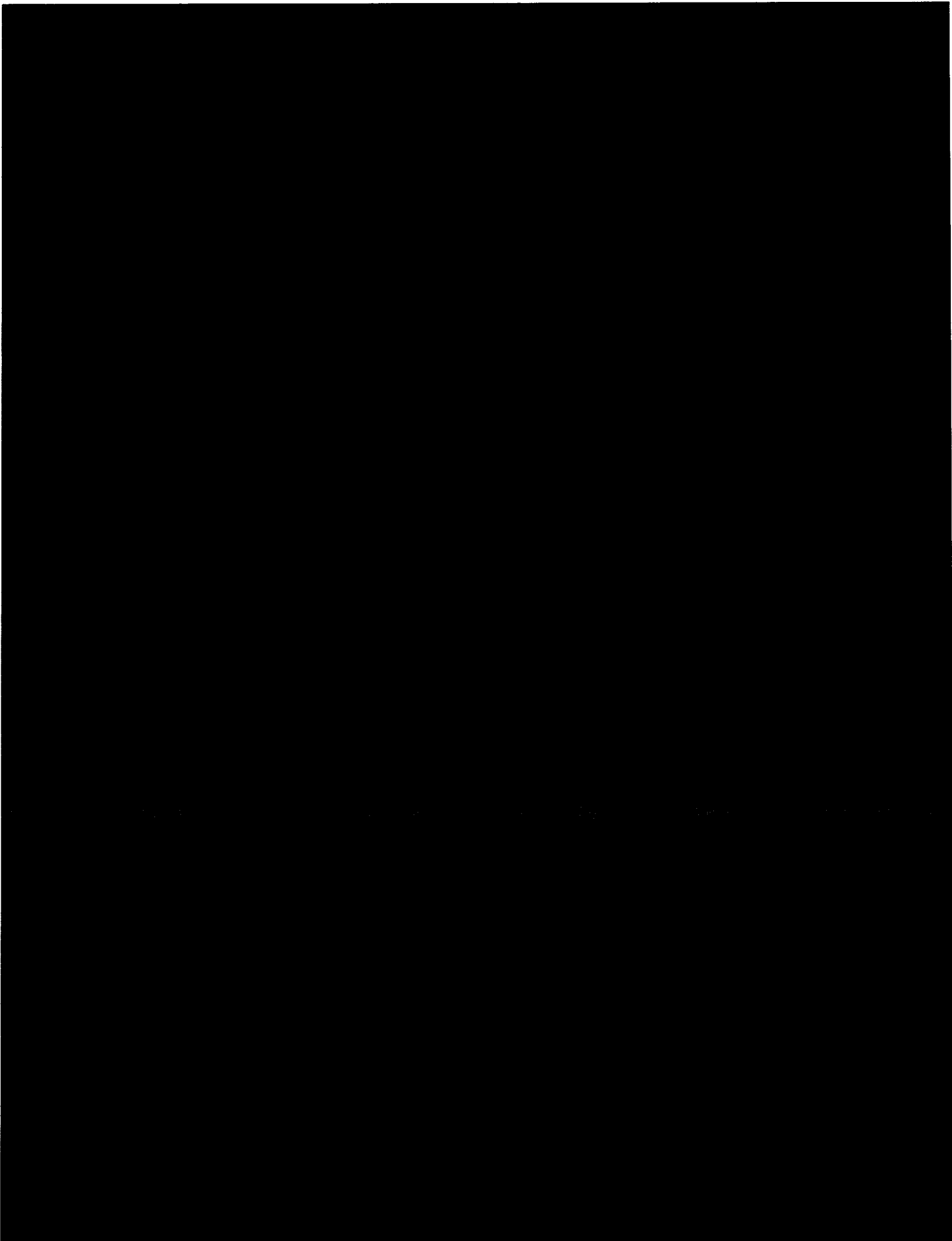


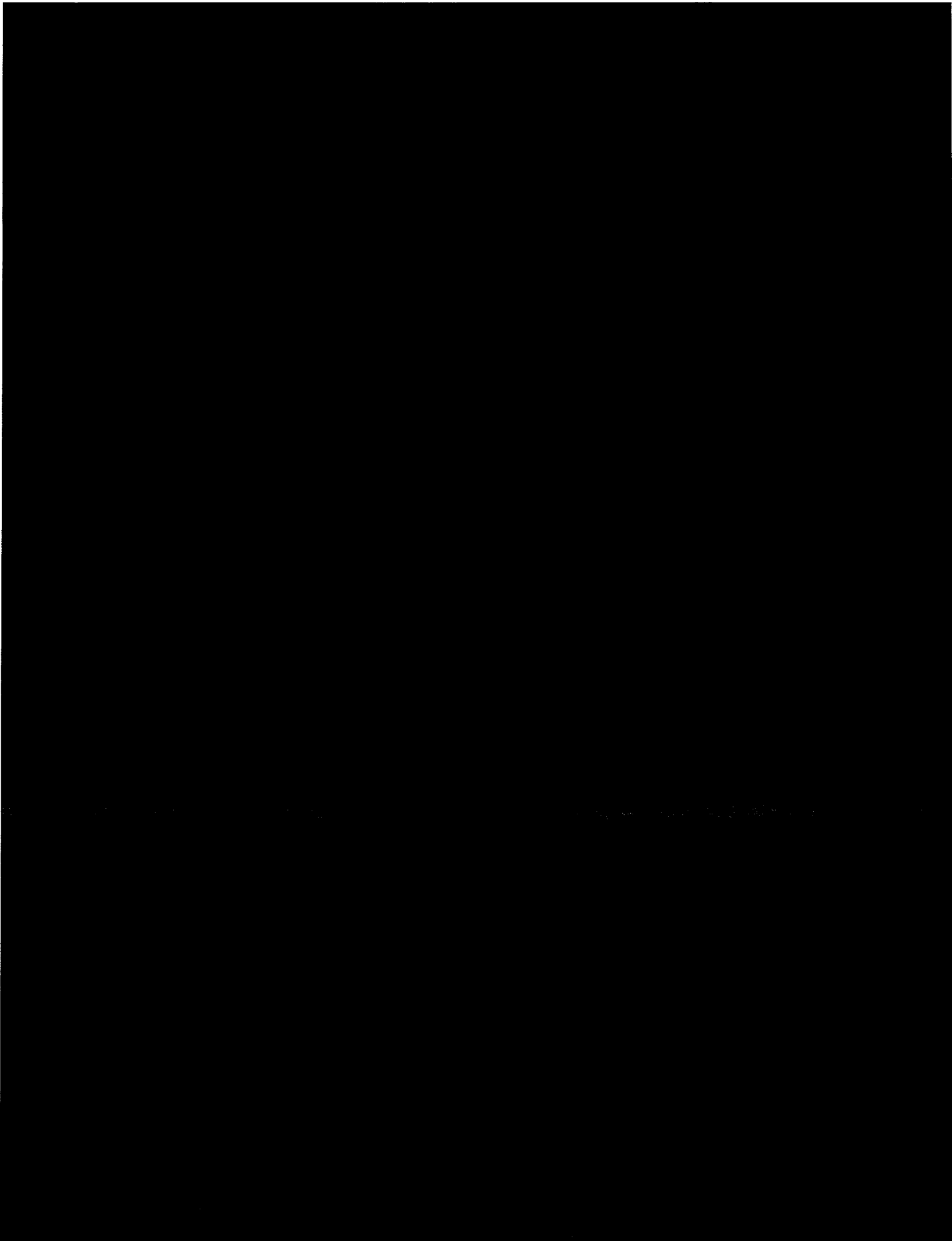






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