

**BEFORE THE FLORIDA
PUBLIC SERVICE COMMISSION**

**DOCKET NO. 060001-EI
FLORIDA POWER & LIGHT COMPANY**

MARCH 1, 2006

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

JANUARY 2005 THROUGH DECEMBER 2005

TESTIMONY & EXHIBITS OF:

K. M. DUBIN

DOCUMENT NUMBER DATE

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FPSC-COMMISSION CLERK

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **TESTIMONY OF KOREL M. DUBIN**

4 **DOCKET NO. 060001-EI**

5 **MARCH 1, 2006**

6

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

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

12

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

14 A. Yes, I have.

15

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

17 A. The purpose of my testimony is to present the schedules necessary to
18 support the actual Fuel Cost Recovery (FCR) Clause and Capacity Cost
19 Recovery (CCR) Clause Net True-Up amounts for the period January 2005
20 through December 2005. The Net True-Up for the FCR is an under-recovery,
21 including interest, of \$307,437,600, which represents the variance between
22 the estimated and actual costs and revenues for October through December
23 2005 of \$77,843,195 plus the \$229,594,406 estimated under-recovery for

1 those same months that FPL has deferred for recovery in 2007 consistent
2 with Order No. PSC-05-1252-FOF-EI. The Net True-Up for the CCR is an
3 over-recovery, including interest, of \$3,305,688. I am requesting Commission
4 approval to include this FCR true-up under-recovery of \$307,437,600 in the
5 calculation of the FCR factor for the period January 2007 through December
6 2007. I am also requesting Commission approval to include this CCR true-up
7 over-recovery of \$3,305,688 in the calculation of the CCR factor for the period
8 January 2007 through December 2007.

9

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

12 A. Yes, I have. It consists of two appendices. Appendix I contains the FCR
13 related schedules, and Appendix II contains the CCR related schedules. FCR
14 Schedules A-1 through A-12 for the January 2005 through December 2005
15 period have been filed monthly with the Commission and served on all
16 parties. Those schedules are incorporated herein by reference.

17

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

20 A. Unless otherwise indicated, the data are taken from the books and records of
21 FPL. The books and records are kept in the regular course of the Company's
22 business in accordance with generally accepted accounting principles and
23 practices, and with provisions of the Uniform System of Accounts as

1 prescribed by the Commission.

2
3 **FUEL COST RECOVERY CLAUSE (FCR)**
4

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

6 A. Appendix I, page 3, entitled "Summary of Net True-Up," shows the calculation
7 of the Net True-Up for the period January 2005 through December 2005, an
8 under-recovery of \$307,437,600. On October 14, 2005 FPL filed an
9 estimated/actual true-up amount for 2004 and 2005 of \$972,734,535. At that
10 time FPL proposed to recover this true-up equally over a two-year period,
11 2006 and 2007. Instead, the Commission held in Order No. PSC-05-1252-
12 FOF-EI, dated December 23, 2005, that:

13
14 "While we understand FPL's concerns, we believe that it is not
15 appropriate to defer any portion of FPL's 2004 final true-up or the 2005
16 actual (January-September) true-up to 2007, since these are known
17 costs. The level of FPL's under-recoveries for the period of October
18 through December of 2005 is estimated to be \$229,594,406.... FPL's
19 total fuel adjustment true-up amount to be collected in 2006 [is]
20 \$743,140,130, which reflects recovery of FPL's 2004 final true-up and
21 2005 actual true-up amounts."

22 Thus, of the total \$972,734,535 estimated/actual under-recovery that FPL
23 filed, the Commission directed FPL to include the \$743,140,130 actual under-

1 recovery through September 2005 in calculating the FCR factor for 2006.
2 This left the remainder of \$229,594,406, representing the estimated true-up
3 under-recovery for October through December 2005, to be deferred for
4 recovery in 2007. The actual under-recovery for October through December
5 2005 is \$307,437,600, a variance of \$77,843,195 from the estimate of
6 \$229,594,406.

7
8 The Summary of the Net True-up amount shown on Appendix I, page 3
9 shows the actual End-of-Period True-Up under-recovery for the period
10 January 2005 through December 2005 of \$1,042,870,588 on line 1. The
11 Estimated/Actual True-Up under-recovery for the same period of
12 \$735,432,988 is shown on line 2. (This amount, plus the Final 2004 True-Up
13 under-recovery of \$7,707,142, total to the \$743,140,130 that was approved by
14 the Commission for recovery in 2006 as described above.) Line 1 less line 2
15 results in the Net Final True-Up for the period January 2005 through
16 December 2005 shown on line 3, an under-recovery of \$307,437,600.

17
18 The calculation of the true-up amount for the period follows the procedures
19 established by this Commission set forth on Commission Schedule A-2
20 "Calculation of True-Up and Interest Provision."

21
22 **Q. Have you provided a schedule showing the calculation of the actual**
23 **true-up by month?**

1 A. Yes. Appendix I, page 4, entitled "Calculation of Actual True-up Amount,"
2 shows the calculation of the FCR actual true-up by month for January through
3 December 2005.

4
5 **Q. Have you provided a schedule showing the variances between actual
6 and estimated/actual fuel costs and revenues for 2005?**

7 A. Yes. Appendix I, page 5 compares the actual fuel costs and revenues to the
8 estimated/actuals for January through December 2005.

9
10 **Q. Please describe the variance in fuel costs.**

11 A. Appendix I, page 5, line C11 compares the Actual End of Period Net True-up
12 under-recovery of \$1,050,577,730 to the Estimated/Actual End of Period Net
13 True-up under-recovery of \$972,734,535 resulting in a variance of
14 \$77,843,195. This variance is due primarily to a \$53,361,488 (1.1%) increase
15 in Jurisdictional Total Fuel Costs and Net Power Transactions (page 5, line
16 C6), a \$22,282,055 (0.6%) decrease in Jurisdictional Fuel Revenues (page 5,
17 line C3), and an increase of \$2,199,652 (16.5%) in interest (page 5, line C8).

18
19 The \$53.4 million variance in Adjusted Total Fuel Costs and Net Power
20 Transactions is due primarily to a \$27.9 million (0.6%) increase in the Fuel
21 Cost of System Net Generation, a \$16.5 million (6.7%) increase in Fuel Cost
22 of Purchased Power, and a \$37.4 million (33.5%) increase in the Energy Cost
23 of Economy Purchases, which are offset by a \$8.6 million (10.1%) increase in

1 the Fuel Cost of Power Sold, a \$5.9 million (42.1%) increase in Revenues
2 from Off-System Sales, a \$5.9 million (3.6%) decrease in Energy Payments
3 to Qualifying Facilities, and a \$5.8 (11.7%) increase in Sales to Florida Keys
4 Electric Cooperative and the City of Key West.

5
6 As shown on the December 2005 A3 Schedule, the \$27.9 million (0.6%)
7 increase in the Fuel Cost of System Net Generation is primarily due to \$102.8
8 million (9.5%) greater than projected heavy oil cost, offset by \$67.4 million
9 (2.1%) lower than projected natural gas cost. Heavy oil averaged \$6.16 per
10 MMBtu, \$0.17 per MMBtu (2.9%) higher than projected, and 11,644,643 more
11 MMBtu's (6.4%) of heavy oil were used during the period than projected. The
12 natural gas price averaged \$8.53 per MMBtu, \$0.02 per MMBtu (0.3%) higher
13 than projected, but 8,886,358 fewer MMBtu's (2.4%) of natural gas were used
14 during the period than projected.

15
16 The \$16.5 million (6.7%) increase in Fuel Cost of Purchased Power is
17 primarily due to higher than projected dispatch and fuel costs associated with
18 FPL's short-term peaking capacity contracts. The \$37.4 million (33.5%)
19 increase in the Energy Cost of Economy Purchases is mainly attributable to
20 two factors. Approximately \$18,193,974 of the total variance is due to higher
21 than projected economy purchases (approximately 274,102 MWh of
22 additional purchases above projections). The remaining variance of
23 \$19,154,811 is due to higher than projected unit costs of economy purchases

1 (approximately \$9.73/MWh higher than projected). The offsetting \$8.6 million
2 (10.1%) variance in power sold is primarily due to higher than projected fuel
3 costs for off-system sales (approximately \$5.23/MWh higher than projected).
4

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

7 A. As shown on Appendix I, page 5, line C3, actual jurisdictional Fuel Cost
8 Recovery revenues, net of revenue taxes, were \$22.3 million (0.6%) lower
9 than the estimated/actual projection. This decrease was due primarily to
10 lower than projected jurisdictional sales, which were 560,099,971 kWh (0.5%)
11 lower than the estimated/actual projection.
12

13 **Q. Pursuant to Commission Order No. PSC-05-1252-FOF-EI, FPL's 2005**
14 **gains on non-separated wholesale energy sales are to be measured**
15 **against a three-year average Shareholder Incentive Benchmark of**
16 **\$15,370,850. Did FPL exceed this benchmark?**

17 A. Yes. As shown on the year-to-date December Schedule A6 that was filed on
18 January 20, 2006, FPL's 2005 gains on off-system sales were \$21,022,022.
19 This \$ 21,022,022 exceeds the \$15,370,850 benchmark by \$5,651,172.
20 Consistent with Commission Order No. PSC-00-1744-PAA-EI in Docket No.
21 991779-EI, this \$5,651,172 amount is to be shared between FPL's customers
22 and shareholders, with 80%, or \$4,520,938, going to customers and 20%, or
23 \$1,130,234, going to shareholders. Thus customers receive 80% of the

1 amount above the benchmark (\$4,520,938), plus 100% of the gains on off-
2 system sales below the benchmark (\$ 15,370,850), for a total of \$19,891,788.
3 FPL is requesting that the Commission approve \$1,130,234 as its
4 Shareholder Incentive for 2005. FPL has reflected this incentive in the FCR
5 Actual True-Up calculation for 2005 by reducing the amount of total gains on
6 off-system sales by \$1,130,234, from \$21,022,022 to \$19,891,788 (see
7 Appendix I, page 4, Line A2b, column 13).

8

9 **Q. What is the appropriate final Shareholder Incentive Benchmark level for**
10 **calendar year 2006 for gains on non-separated wholesale energy sales**
11 **eligible for a shareholder incentive as set forth by Order No. PSC-00-**
12 **1744-PAA-EI in Docket No. 991779-EI?**

13 A. For the year 2006, the three year average Shareholder Incentive Benchmark
14 consists of actual gains for 2003, 2004 and 2005 (see below) resulting in a
15 three year average threshold of:

16	2003	\$17,827,648
17	2004	\$18,558,415
18	2005	\$ 21,022,022
19	Average threshold	\$19,136,028

20 Gains on sales in 2006 are to be measured against this three-year average
21 Shareholder Incentive Benchmark.

22

23

1 **used for the other cost recovery clauses?**

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

6

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

9 A. Yes. Appendix II, page 5, entitled "Calculation of Final True-up Variances,"
10 shows the actual capacity charges and applicable revenues compared to the
11 estimated/actuals for the period January 2005 through December 2005.

12

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

14 A. Appendix II, page 5, Line 13 provides the variance in Jurisdictional Capacity
15 Charges of \$1,757,010 or 0.3%.

16

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

18 A. As shown on page 5, line 14, actual Capacity Cost Recovery Revenues (Net
19 of Revenue Taxes), were \$5,030,603 (0.8%) higher than the estimated/actual
20 projection. This \$5,030,603 increase in revenues, less the \$1,757,010
21 increase in costs, plus interest of \$32,095 (page 5, line 18), results in the final
22 over-recovery of \$3,305,688.

23

1 **Q. Have you provided Schedule A12 showing the actual monthly capacity**
2 **payments by contract?**

3 A. Yes. Schedule A12 consists of two pages that are included in Appendix II as
4 pages 6 and 7. Page 6, shows the actual capacity payments for Qualifying
5 Facilities, the Southern Company – UPS contract and the St John River
6 Power Park (SJRPP) contract. Page 7 provides the Short Term Capacity
7 payments for the period January 2005 through December 2005.

8

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

10 A. Yes, it does.

APPENDIX I
FUEL COST RECOVERY
TRUE UP CALCULATION

KMD-1
DOCKET NO. 060001-EI
FPL WITNESS: K.M. DUBIN
March 1, 2006

APPENDIX I
FUEL COST RECOVERY
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3	SUMMARY OF NET TRUE UP AMOUNT
4	CALCULATION OF FINAL TRUE UP AMOUNT
5	CALCULATION OF FINAL TRUE UP VARIANCES

**FLORIDA POWER & LIGHT COMPANY
FUEL COST RECOVERY CLAUSE
SUMMARY OF NET TRUE-UP FOR THE
PERIOD JANUARY THROUGH DECEMBER 2005**

1	End of Period True-up for the period January through December 2005 (from page 4, lines D7 & D8)		\$ (1,042,870,588)
2	Less - Estimated/Actual True-up for the same period	*	\$ (735,432,988)
3	Net Final True-up for the period January through December 2005		<u>\$ (307,437,600)</u>

() Reflects Underrecovery

* Approved in FPSC Order No. PSC-05-1252-FOF-EI dated December 23, 2005

Net True-up for the period January through December 2005 to be collected in January through December 2007 period		\$ (307,437,600)
True-up amounts to be collected during January through December 2006		(743,140,130)
G/L Balance @ December 31, 2005		<u>\$ (1,050,577,730)</u>
Final true-up for the period January through December 2004	*	\$ (7,707,142)
Es/Act true-up for the period January through December 2005	*	(735,432,988)
Total	*	<u>\$ (743,140,130)</u>
<p>* Approved in FPSC Order No. PSC-05-1252-FOF-EI dated December 23, 2005</p>		

FLORIDA POWER & LIGHT COMPANY					
FUEL COST RECOVERY CLAUSE					
CALCULATION OF VARIANCE - ACTUAL vs ESTIMATED/ACTUAL					
FOR THE PERIOD JANUARY THROUGH DECEMBER 2005					
LINE NO.		(1) ACTUAL	(2) ESTIMATED / ACTUAL (a)	(3) VARIANCE AMOUNT	(4) %
A	Fuel Costs & Net Power Transactions				
1	a Fuel Cost of System Net Generation	\$ 4,492,787,703	\$ 4,464,908,593	\$ 27,879,109	0.6 %
	b Incremental Hedging Implementation Costs	411,228	505,800	(94,572)	(18.7) %
	c Nuclear Fuel Disposal Costs	19,921,706	20,597,307	(675,601)	(3.3) %
	d Coal Cars Depreciation & Return	4,126,609	4,126,609	0	0.0 %
	e Gas Pipelines Depreciation & Return	323,773	323,773	0	0.0 %
	f DOE D&D Fund Payment	6,526,002	6,870,000	(343,998)	(5.0) %
	g DOE Settlement	(6,124,177)	(6,124,177)	(0)	0.0 %
2	a Fuel Cost of Power Sold (Per A6)	(93,726,742)	(85,094,080)	(8,632,662)	10.1 %
	b Revenues from Off-System Sales	(19,891,788)	(13,998,493)	(5,893,295)	42.1 %
3	a Fuel Cost of Purchased Power (Per A7)	264,606,916	248,069,756	16,537,160	6.7 %
	b Energy Payments to Qualifying Facilities (Per A8)	158,343,111	164,260,603	(5,917,492)	(3.6) %
	c Okeelanta Settlement Amortization including interest	9,792,587	9,765,608	26,979	0.3 %
4	Energy Cost of Economy Purchases (Per A9)	148,810,419	111,461,634	37,348,785	33.5 %
5	Total Fuel Costs & Net Power Transactions	\$ 4,985,907,346	\$ 4,925,672,934	\$ 60,234,413	1.2 %
6	Adjustments to Fuel Cost				
	a Sales to Fla Keys Elect Coop (FKEC) & City of Key West (CKW)	\$ (55,565,086)	\$ (49,760,741)	\$ (5,804,346)	11.7 %
	b Reactive and Voltage Control Fuel Revenue	(1,119,834)	(410,312)	(709,522)	172.9 %
	c Inventory Adjustments	(632,352)	(710,194)	77,842	(11.0) %
	d Non Recoverable Oil/Tank Bottoms	482,368	482,368	0	0.0 %
7	Adjusted Total Fuel Costs & Net Power Transactions	\$ 4,929,072,442	\$ 4,875,274,055	\$ 53,798,387	1.1 %
B	Jurisdictional Sales				
1	Jurisdictional kWh Sales	102,296,437,940	102,856,537,911	(560,099,971)	(0.5) %
2	Sale for Resale	542,355,867	540,872,321	1,483,546	0.3 %
3	Total Sales (Excluding RTP Incremental)	102,838,793,807	103,397,410,232	(558,616,425)	(0.5) %
4	Jurisdictional Sales % of Total kWh Sales (Line B-6)	N/A	N/A	N/A	N/A
C	True-up Calculation				
1	Jurisdictional Fuel Revenues (Net of Revenue Taxes)	\$ 4,026,351,083	4,048,633,137	\$ (22,282,055)	(0.6) %
2	Fuel Adjustment Revenues Not Applicable to Period				
	a Prior Period True-up (Collected) / Refunded This Period	(140,387,623)	(140,387,623)	0	0.0 %
	b GPIF, Net of Revenue Taxes (b)	(6,511,290)	(6,511,290)	0	0.0 %
	c Oil Backout Revenues, Net of Revenue Taxes	(5)	(5)	0	0.0 %
3	Jurisdictional Fuel Revenues Applicable to Period	\$ 3,879,452,165	\$ 3,901,734,220	\$ (22,282,055)	(0.6) %
4	a Adjusted Total Fuel Costs & Net Power Transactions (Line A-7)	\$ 4,929,072,442	\$ 4,875,274,055	\$ 53,798,387	1.1 %
	b Nuclear Fuel Expense - 100% Retail	-	-	0	N/A
	c RTP Incremental Fuel -100% Retail	-	-	0	N/A
	d D&D Fund Payments -100% Retail (Line A 1 e)	6,526,002	6,870,000	(343,998)	(5.0) %
	e Adj. Total Fuel Costs & Net Power Transactions - Excluding 100% Retail Items (D4a-D4b-D4c-D4d)	4,922,546,440	4,868,404,055	54,142,385	1.1 %
5	Jurisdictional Sales % of Total kWh Sales	N/A	N/A	N/A	N/A
6	Jurisdictional Total Fuel Costs & Net Power Transactions	\$ 4,906,808,719	\$ 4,853,447,231	\$ 53,361,488	1.1 %
7	True-up Provision for the Month - Over/(Under) Recovery (Line C3 - Line C6)	\$ (1,027,356,554)	\$ (951,713,011)	(75,643,543)	7.9 %
8	Interest Provision for the Month (Line D10)	(15,514,034)	(13,314,382)	(2,199,652)	16.5 %
9	a True-up & Interest Provision Beg. of Period - Over/(Under) Recovery	(140,387,623)	(140,387,623)	0	0.0 %
	b Deferred True-up Beginning of Period - Over/(Under) Recovery	(7,707,142)	(7,707,142)	0	0.0 %
10	Prior Period True-up Collected/(Refunded) This Period	140,387,623	140,387,623	0	0.0 %
11	End of Period Net True-up Amount Over/(Under) Recovery (Lines C7 through C10)	\$ (1,050,577,730)	\$ (972,734,535)	\$ (77,843,195)	8.0 %
12	End of Period Net True-up Amount Over/(Under) Recovery to be carried forward to 2007 (c)	\$ (1,050,577,730)	\$ (743,140,130)	\$ (307,437,600)	
NOTES	(a) Per revised Schedule E1b, filed October 14, 2005.				
	(b) Generation Performance Incentive Factor is ((\$6,615,282) x 98.4280%) - See Order No. PSC-04-1276-FOF-EI.				
	(c) On October 14, 2005, FPL filed an estimated/actual true-up amount of \$972,734,535 for 2005. In Order No. PSC-05-1252-FOF-EI, the Commission approved recovering \$743,140,130 in the fuel charge for 2006 rather than the full \$972,734,535 estimated/actual under-recovery. When the actual 2005 true-up is compared to \$743,140,130 rather than to the full 2005 estimated/actual true-up amount, the result is a variance of \$307,437,600, which will be carried forward for recovery in 2007.				

APPENDIX II
CAPACITY COST RECOVERY
TRUE UP CALCULATION

KMD-2
DOCKET NO. 060001-EI
FPL WITNESS: K.M. DUBIN
March 1, 2006

APPENDIX II
CAPACITY COST RECOVERY
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6 - 7	CAPACITY COST RECOVERY SCHEDULE A12

**FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
SUMMARY OF NET TRUE-UP FOR THE
PERIOD JANUARY THROUGH DECEMBER 2005**

1.	End of Period True-up for the period January through December 2005 (from page 6, lines 17 & 18)	\$ (8,989,147)
2.	Less - Estimated/Actual True-up for the same period *	(12,294,835)
3.	Net True-up for the period January through December 2005	<u>\$ 3,305,688</u>

() Reflects Underrecovery

* Approved in FPSC Order No. PSC-05-1252-FOF-EI dated December 23, 2005

CAPACITY COST RECOVERY CLAUSE														
CALCULATION OF FINAL TRUE-UP AMOUNT														
FOR THE PERIOD JANUARY THROUGH DECEMBER 2005														
LINE NO.	(1) JAN 2005	(2) FEB 2005	(3) MAR 2005	(4) APR 2005	(5) MAY 2005	(6) JUN 2005	(7) JUL 2005	(8) AUG 2005	(9) SEP 2005	(10) OCT 2005	(11) NOV 2005	(12) DEC 2005	(13) TOTAL	
1.	Payments to Non-cogenerators (UPS & SJRPP)	\$ 15,276,733	\$ 16,553,691	\$ 17,519,018	\$ 13,571,481	\$ 16,144,679	\$ 16,518,990	\$ 16,158,726	\$ 19,484,990	\$ 14,394,265	\$ 15,944,938	\$15,613,719	\$17,898,401	\$ 195,079,630
2.	Short Term Capacity Purchases CCR	5,883,435	5,937,967	3,590,187	3,479,937	5,997,657	11,738,190	11,792,166	11,984,306	6,036,208	1,849,092	2,121,972	3,769,400	74,180,517
3.	QF Capacity Charges	29,347,865	27,839,052	27,891,740	27,864,561	29,142,050	28,433,557	29,248,477	28,714,705	29,192,392	29,631,636	23,353,203	25,289,231	335,948,469
4a.	SJRPP Suspension Accrual	393,207	393,207	393,207	393,207	393,207	393,207	393,207	393,207	393,207	393,207	393,207	393,207	4,718,484
4b.	Return on SJRPP Suspension Liability	(346,531)	(350,386)	(354,241)	(358,096)	(361,952)	(365,807)	(369,662)	(373,517)	(377,373)	(381,228)	(385,083)	(388,938)	(4,412,814)
5.	Okeelanta Settlement (Capacity)	3,068,421	3,071,027	3,072,089	3,073,719	3,073,353	3,072,529	3,072,706	3,071,979	3,070,161	3,067,994	3,065,370	3,059,431	36,838,778
6.	Incremental Plant Security Costs-Order No. PSC-02-1761	1,322,531	881,730	961,763	1,847,765	3,510,578	2,554,659	3,814,149	3,330,547	2,678,443	2,276,389	2,024,056	3,476,092	28,678,702
7.	Transmission of Electricity by Others	594,341	616,642	568,993	597,209	550,852	520,905	401,569	442,921	497,329	497,542	536,537	564,827	6,389,669
8.	Transmission Revenues from Capacity Sales	(858,166)	(691,207)	(1,185,025)	(575,100)	(308,383)	(268,603)	(186,954)	(333,164)	(109,040)	(72,953)	(357,649)	(780,548)	(5,726,793)
9.	Total (Lines 1 through 8)	\$ 54,681,834	\$ 54,251,724	\$ 52,457,732	\$ 49,894,683	\$ 58,142,041	\$ 62,597,626	\$ 64,324,384	\$ 66,715,975	\$ 55,775,592	\$ 53,206,617	\$46,365,331	\$53,281,103	\$ 671,694,643
10.	Jurisdictional Separation Factor (a)	98.63289%	98.63289%	98.63289%	98.63289%	98.63289%	98.63289%	98.63289%	98.63289%	98.63289%	98.63289%	98.63289%	98.63289%	N/A
11.	Jurisdictional Capacity Charges	53,934,273	53,510,044	51,740,577	49,212,568	57,347,175	61,741,848	63,444,999	65,803,894	55,013,078	52,479,224	45,731,466	52,552,692	662,511,838
12.	Capacity related amounts included in Base Rates (FPSC Portion Only) (b)	(4,745,466)	(4,745,466)	(4,745,466)	(4,745,466)	(4,745,466)	(4,745,466)	(4,745,466)	(4,745,466)	(4,745,466)	(4,745,466)	(4,745,466)	(4,745,466)	(56,945,592)
13.	Jurisdictional Capacity Charges Authorized	\$ 49,188,807	\$ 48,764,578	\$ 46,995,111	\$ 44,467,102	\$ 52,601,709	\$ 56,996,382	\$ 58,699,533	\$ 61,058,428	\$ 50,267,612	\$ 47,733,758	\$40,986,000	\$47,807,226	\$ 605,566,246
14.	Capacity Cost Recovery Revenues (Net of Revenue Taxes)	\$ 49,018,409	\$ 45,611,519	\$ 45,147,084	\$ 46,626,657	\$ 48,420,551	\$ 57,011,804	\$ 62,338,552	\$ 64,804,697	\$ 64,834,082	\$ 59,722,102	\$48,514,717	\$48,491,099	\$ 640,561,273
15.	Prior Period True-up Provision	(3,580,000)	(3,580,000)	(3,580,000)	(3,580,000)	(3,580,000)	(3,580,000)	(3,580,000)	(3,580,000)	(3,580,000)	(3,580,000)	(3,580,000)	(3,579,996)	(42,959,996)
16.	Capacity Cost Recovery Revenues Applicable to Current Period (Net of Revenue Taxes)	\$ 45,438,409	\$ 42,051,519	\$ 41,567,084	\$ 43,046,657	\$ 44,840,551	\$ 53,431,804	\$ 58,758,552	\$ 61,224,697	\$ 61,254,082	\$ 56,142,102	\$44,934,717	\$44,911,103	\$ 597,601,277
17.	True-up Provision for Month - Over/(Under) Recovery (Line 16 - Line 13)	(3,750,399)	(6,713,058)	(5,428,027)	(1,420,445)	(7,761,159)	(3,564,578)	59,019	166,269	10,986,470	8,408,344	3,948,717	(2,896,123)	(7,964,970)
18.	Interest Provision for Month	(76,367)	(84,967)	(95,414)	(101,067)	(108,779)	(119,782)	(122,017)	(118,236)	(96,276)	(58,381)	(28,213)	(14,677)	(1,024,177)
19.	True-up & Interest Provision Beginning of Month - Over/(Under) Recovery	(42,959,996)	(43,206,762)	(46,424,788)	(48,368,228)	(46,309,741)	(50,599,678)	(50,704,038)	(47,187,035)	(43,559,003)	(29,088,809)	(17,158,846)	(9,658,343)	(42,959,996)
20.	Deferred True-up - Over/(Under) Recovery	5,177,060	5,177,060	5,177,060	5,177,060	5,177,060	5,177,060	5,177,060	5,177,060	5,177,060	5,177,060	5,177,060	5,177,060	5,177,060
21.	Prior Period True-up Provision - Collected/(Refunded) this Month	3,580,000	3,580,000	3,580,000	3,580,000	3,580,000	3,580,000	3,580,000	3,580,000	3,580,000	3,580,000	3,580,000	3,579,996	42,959,996
22.	End of Period True-up - Over/(Under) Recovery (Sum of Lines 17 through 21)	\$ (38,029,702)	\$ (41,247,728)	\$ (43,191,168)	\$ (41,132,681)	\$ (45,422,618)	\$ (45,526,978)	\$ (42,009,975)	\$ (38,381,943)	\$ (23,911,749)	\$ (11,981,786)	\$ (4,481,283)	\$ (3,812,087)	\$ (3,812,087)
Notes: (a) Per K. M. Dubin's Testimony Appendix III Page 3, filed September 9, 2003														
(b) Per FPSC Order No. PSC-94-1092-FOF-EI, Docket No. 940001-EI, as adjusted in August 1993, per E.L. Hoffman's Testimony Appendix IV, Docket No. 930001-EI, filed July 8, 1993.														

FLORIDA POWER & LIGHT COMPANY CAPACITY COST RECOVERY CLAUSE CALCULATION OF FINAL TRUE-UP VARIANCES FOR THE PERIOD JANUARY THROUGH DECEMBER 2005					
Line No.		(1)	(2)	(3)	(4)
		ACTUAL	ESTIMATED / ACTUAL (a)	VARIANCE AMOUNT	%
1	Payments to Non-cogenerators (UPS & SJRPP)	\$ 195,079,630	\$ 191,211,782	\$ 3,867,848	2.0 %
2	Short Term Capacity Payments	\$ 74,180,517	72,368,627	1,811,890	2.5 %
3	Payments to Cogenerators (QFs)	335,948,469	343,906,168	(7,957,699)	(2.3) %
4a	SJRPP Suspension Accrual	4,718,484	4,718,484	0	0.0 %
4b	Return Requirements on SJRPP Suspension Liability	(4,412,814)	(4,412,814)	0	0.0 %
5	Okeelanta Settlement (Capacity)	36,838,778	36,680,977	157,801	0.4 %
6	Incremental Plant Security Costs-Order No. PSC-02-1761	28,678,702	25,978,926	2,699,776	10.4 %
7	Transmission of Electricity by Others	6,389,669	6,699,615	(309,946)	(4.6) %
8	Transmission Revenues from Capacity Sales	(5,726,793)	(7,238,486)	1,511,693	(20.9) %
9	Total (Lines 1 through 8)	\$ 671,694,643	\$ 669,913,280	\$ 1,781,363	0.3 %
10	Jurisdictional Separation Factor	98.63289%	98.63289%	0	0.0 %
11	Jurisdictional Capacity Charges	\$ 662,511,838	\$ 660,754,829	\$ 1,757,010	0.3 %
12	Capacity related amounts included in Base Rates (FPSC Portion Only) (b)	\$ (56,945,592)	(56,945,592)	0	N/A
13	Jurisdictional Capacity Charges Authorized for Recovery through CCR Clause	\$ 605,566,246	\$ 603,809,237	\$ 1,757,010	0.3 %
14	Capacity Cost Recovery Revenues (Net of Revenue Taxes)	\$ 640,561,273	\$ 635,530,669	\$ 5,030,603	0.8 %
15	Prior Period True-up Provision	(42,959,996)	(42,959,996)	0	N/A
16	Capacity Cost Recovery Revenues Applicable to Current Period (Net of Revenue Taxes)	\$ 597,601,277	\$ 592,570,673	\$ 5,030,603	0.8 %
17	True-up Provision for Period - Over/(Under) Recovery (Line 16 - Line 13)	\$ (7,964,970)	\$ (11,238,563)	\$ 3,273,594	N/A
18	Interest Provision for Period	(1,024,177)	(1,056,272)	32,095	N/A
19	True-up & Interest Provision Beginning of Period - Over/(Under) Recovery	42,959,996	42,959,996	0	N/A
20	Deferred True-up - Over/(Under) Recovery	5,177,060	5,177,060	0	N/A
21	Prior Period True-up Provision - Collected/(Refunded) this Period	(42,959,996)	(42,959,996)	0	N/A
22	End of Period True-up - Over/(Under) Recovery (Sum of Lines 17 through 21)	\$ (3,812,087)	\$ (7,117,776)	\$ 3,305,688	(46.4) %
Notes:					
(a) Per K. M. Dubin's Testimony Appendix II, Page 3, Docket No. 050001-EI, filed August 9, 2005.					
(b) Per FPSC Order No. PSC-94-1092-FOF-EI, Docket No. 940001-EI, as adjusted in August 1993, per E.L. Hoffman's Testimony Appendix IV, Docket No. 930001-EI, filed July 8, 1993.					

1 Florida Power & Light Company
 2 Docket No. 060001-EI
 3 SCHEDULE A12 (page 1 of 2)
 4
 5

Contract	Capacity	Term		Contract
	MW	Start	End	Type
8 Cedar Bay	250	1/25/1994	12/31/2024	QF
9 Indiantown	330	12/22/1995	12/1/2025	QF
10 Florida Crushed Stone	136	4/1/1992	10/31/2005	QF
11 Palm Beach Solid Waste Authority	43.5	4/1/1992	3/31/2010	QF
12 Broward North - 1987 Agreement	45	4/1/1992	12/31/2010	QF
13 Broward North - 1991 Agreement	11	1/1/1993	12/31/2026	QF
14 Broward South - 1987 Agreement	50.6	4/1/1991	8/1/2009	QF
15 Broward South - 1991 Agreement	3.5	1/1/1993	12/31/2026	QF
16 Bio-Energy	10	5/1/1998	1/1/2005	QF
17 Southern Co. - UPS	931	7/20/1988	5/31/2010	UPS
18 JEA - SJRPP	381	4/2/1982	9/30/2021	JEA

19
 20 QF = Qualifying Facility

21 UPS= Unit Power Sales Agreement with Southern Company

22 JEA = SJRPP Purchased Power Agreements
 23
 24

25 **CAPACITY**

	2005	January	February	March	April	May	June	July	August	September	October	November	December	Total
29 Cedar Bay	9,161,819	8,707,500	9,030,000	9,030,000	9,030,000	9,030,000	9,030,000	9,030,000	9,030,000	9,030,000	9,400,237	9,174,853	9,350,616	109,005,025
30 ICL	10,228,493	10,149,775	9,906,595	9,815,155	10,450,770	9,827,706	10,578,837	9,934,193	10,472,581	10,526,646	10,292,965	10,324,947	122,508,663	
31 FCS	4,292,145	3,726,518	3,699,887	3,776,167	4,002,741	3,918,051	3,993,777	4,105,542	4,045,841	4,060,832	-1,724,411	0	37,897,090	
32 SWAPBC	1,789,741	1,557,735	1,557,735	1,557,735	1,792,650	1,792,650	1,792,650	1,792,650	1,792,650	1,792,650	1,792,650	1,792,650	1,792,650	20,804,146
33 BN-SOC	1,655,325	1,571,400	1,571,400	1,571,400	1,656,450	1,656,450	1,656,450	1,656,450	1,656,450	1,656,450	1,656,450	1,656,450	1,656,450	19,621,125
34 BN-NEG	272,360	272,360	272,360	260,341	260,244	259,506	247,568	246,675	245,674	245,626	211,503	215,371	3,009,588	
35 BS-SOC	1,861,322	1,767,104	1,767,104	1,767,104	1,862,535	1,862,535	1,862,535	1,862,535	1,862,535	1,862,535	1,862,535	1,862,535	1,862,535	22,062,915
36 BS-NEG	86,660	86,660	86,660	86,660	86,660	86,660	86,660	86,660	86,660	86,660	86,660	86,660	86,660	1,039,920
37 Bioenergy	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38 Sub-Total	29,347,865	27,839,052	27,891,741	27,864,562	29,142,050	28,433,558	29,248,477	28,714,705	29,192,391	29,631,636	23,353,205	25,289,229	335,948,471	
40 SoCo	9,140,451	10,517,742	9,268,728	8,289,787	9,546,168	10,278,989	9,950,817	13,056,185	7,895,557	9,745,265	10,730,006	12,992,788	121,412,483	
42 SJRPP	6,136,281	6,035,949	8,250,290	5,281,694	6,598,511	6,240,001	6,207,909	6,428,805	6,498,708	6,199,673	4,883,713	4,905,613	73,667,147	
44 Total	44,624,597	44,392,743	45,410,759	41,436,043	45,286,729	44,952,548	45,407,203	48,199,695	43,586,656	45,576,574	38,966,924	43,187,630	531,028,101	

4
 5 **CONFIDENTIAL**
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Contract	Counterparty	Identification	Contract Start Date	Contract End Date
1	Desoto County Generating Company, LLC - Progress Energy Ventures	Other Entity	June 1, 2002	May 31, 2007
2	Reliant Energy Services	Other Entity	April 1, 2002	February 28, 2007
3	Oleander Power Project L.P.	Other Entity	June 1, 2002	May 31, 2007
4	Progress Energy Florida, Inc. - 150 MW	Other Entity	April 1, 2004	May 31, 2005
5	Calpine Energy Services	Other Entity	June 1, 2004	April 30, 2005
6	Calpine Energy Services	Other Entity	August 9, 2005	December 31, 2005

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 18 **Capacity in MW**

	A	B	C	D	E	F	G	H	I	J	K	L	M
Contract	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	
1	361	361	361	312	312	320	320	320	320	320	372	372	
2	468	468	468	468	468	467	467	467	467	467	467	467	467
3	157	157	157	157	157	156	156	156	156	156	156	156	156
4	150	150	150	150	150	-	-	-	-	-	-	-	-
5	150	150	150	150	-	-	-	-	-	-	-	-	-
6	-	-	-	-	-	-	-	120	120	120	120	120	120
Total	1,286	1,286	1,286	1,237	1,087	943	943	1,063	1,063	1,063	1,115	1,115	

27
 28
 29 **Capacity in Dollars**

	A	B	C	D	E	F	G	H	I	J	K	L	M
Contract	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	
1													
2													
3													
4													
5													
6													
Total	5,883,435	5,937,967	3,590,187	3,479,937	5,997,657	11,738,190	11,792,166	11,984,306	6,036,208	1,849,092	2,121,972	3,769,400	

38
 39
 40 Total Short Term Capacity Payments for 2005 74,180,517 (1)

41
 42 (1) March 1, 2006 Final True up filing, Appendix II, page 4, line 2