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October 24, 2006

-VIA HAND DELIVERY -

Blanca S. Bayó
Director, Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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COMMISSION
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Re: Docket No. 060001-EI

Dear Ms. Bayó:

I am enclosing for filing in the above docket the original and seven (7) copies of (a) the Supplemental Petition of Florida Power & Light Company for Approval of its Revised Levelized Fuel Cost Recovery Factors for January through December 2007 and Revised Fuel Cost Recovery Estimated/Actual True-up for January Through December 2006, and (b) Florida Power & Light Company's Motion for Leave to File Supplemental Petition For Approval of Levelized Fuel Cost Recovery Factors and Supplemental Testimony and Exhibits of K.M. Dubin and G. Yupp, together with a diskette containing the electronic version of same. The enclosed diskette is HD density, the operating system is Windows XP, and the word processing software in which the document appears is Word 2003.

Also enclosed for filing are the original and (15) copies of the supplemental testimony and exhibits of Florida Power & Light Company witnesses K. Dubin and G. Yupp.

If there are any questions regarding this transmittal, please contact me at 561-304-5639.

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Sincerely,

John T. Butler

Enclosure
cc: Counsel for Parties of Record (w/encl.)

Supp. Pet.
DOCUMENT NUMBER-DATE

09775 OCT 24 06

FPSC-COMMISSION CLERK

Motion
DOCUMENT NUMBER-DATE

09776 OCT 24 06

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchase Power Cost) Docket No. 060001-EI
Recovery Clause and Generating)
Performance Incentive Factor.) Filed: October 24, 2006

**SUPPLEMENTAL PETITION OF FLORIDA POWER & LIGHT COMPANY
FOR APPROVAL OF ITS REVISED LEVELIZED FUEL COST RECOVERY
FACTORS FOR JANUARY THROUGH DECEMBER 2007 AND
REVISED FUEL COST RECOVERY ESTIMATED/ACTUAL TRUE-UP
FOR JANUARY THROUGH DECEMBER 2006**

Florida Power & Light Company ("FPL"), pursuant to Order No. 9273 in Docket No. 74680-CI, Order No. 10093 in Docket No. 810001-EU, Order No. 13694 in Docket No. 840001-EI, and Commission Directives of April 24 and April 30, 1980, hereby petitions this Commission (1) to approve (a) 5.763 cents per kWh as its levelized Fuel and Purchased Power Cost Recovery ("FCR") charge for non-time differentiated rates and 6.410 cents per kWh and 5.474 cents per kWh as its levelized FCR charges for the on-peak and off-peak periods, respectively, as its time differentiated rates for the January 2007 through April 2007 billing period; and (b) 5.638 cents per kWh as its levelized FCR charge for non-time differentiated rates and 6.285 cents per kWh and 5.349 cents per kWh as its levelized FCR charges for the on-peak and off-peak periods, respectively, as its time differentiated rates for the May 2007 through December 2007 billing period, with all such charges and factors to become effective starting with meter readings scheduled to be read on or after Cycle Day 3 and with the charges and factors described in (b) to remain in effect until modified by subsequent order of this Commission; and (2) to approve FPL's revised estimated/actual FCR true-up of \$216,430,642 over-recovery, which incorporates

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FPSC-COMMISSION CLERK

actual data through September 2006 and updated projections for October 2006 through December 2006. In support of this Supplemental Petition, FPL states as follows:

1. On September 1, 2006, FPL filed its petition and supporting testimony and exhibits seeking approval for, *inter alia*, FPL's 2007 FCR charges and its estimated/actual FCR true-up for 2006 (the "September 1 Petition"). The 2007 FCR charges and 2006 estimated/actual true-up for which the September 1 Petition sought approval were based on fuel price projections for the remainder of 2006 and for 2007 as of August 7, 2006, the most current information that could be accommodated in that filing. Subsequently, the fuel price projections for residual fuel oil and natural gas have declined substantially. FPL has re-calculated its 2007 FCR charges and 2006 estimated/actual true-up based on fuel price projections as of October 16, 2006. This Supplemental Petition seeks approval of the re-calculated 2007 FCR charges and 2006 estimated/actual true-up, in lieu of those presented in the September 1 Petition. FPL respectfully requests that the Commission approve the September 1 Petition in all other respects.

2. The calculations of the revised FCR charges for the period January 2007 through December 2007 are contained in Commission Schedules E1-E2 and E10 (designated Minimum Filing Requirements by the Commission's April 24, 1989, Directive). The supporting documentation is contained in the prepared supplemental testimony and exhibits of FPL witnesses K. M. Dubin and G. Yupp, which are being filed together with the Supplemental Petition and are incorporated herein by reference.

3. The revised estimated/actual \$216,430,642 FCR over-recovery for the period January 2006 through December 2006 was calculated in accordance with the methodology set forth in Schedule 1, page 2 of 2, attached to Order No. 10093, dated June 19, 1981. This estimated/actual FCR over-recovery has been revised from that filed with the September 1 Petition to include two more months of actual data and to reflect the updated projection of fuel

prices for the remainder of 2006. It is based on actual data for the period January through September 2006 and revised estimated data for the period October through December 2006. The revised 2006 estimated/actual true-up calculation is supported by Ms. Dubin's and Mr. Yupp's supplemental testimony and exhibits.

4. FPL's revised total true-up under-recovery is \$91,006,958. This consists of the \$216,430,642 revised estimated/actual over-recovery for 2006, plus the final under-recovery of \$307,437,600 for the period ending December 2005 filed on March 1, 2006. This revised total true-up under-recovery of \$91,006,958 is included in the calculation of the revised 2007 FCR factors.

5. As in the September 1 Petition, FPL is proposing two sets of FCR charges for 2007, one for the period January through April and the other for May through December, with the intention of levelizing the impact in 2007 of the Generation Base Rate Adjustment for Turkey Point Unit 5 ("GBRA") that becomes effective in May. Under FPL's proposal, in order to offset the impact of the GBRA on customer bills for May through December 2007, FPL will exclude from the FCR charge calculation for January through April 2007 the following: (a) the Turkey Point Unit 5 fuel savings for 2007; and (b) a small portion of the reduction in projected 2007 fuel costs resulting from FPL's use in the Supplemental Petition of updated fuel-price projections. Those excluded amounts will then be included and levelized over the eight month period from May through December 2007. In May 2007, the Base charge on a 1,000 kWh Residential bill increases by \$1.25 due to the GBRA but, under FPL's proposal, is offset by the \$1.25 decrease in the fuel charge due to the levelization just described.

6. Under FPL's levelization proposal, the residential bill for 1,000 kWh for the period January 2007 through April 2007 is \$103.51, which includes a base rate charge of \$38.12, a fuel recovery charge of \$54.20, a capacity cost recovery charge of \$5.57, a conservation charge



of \$1.69, an environmental cost recovery charge of \$0.24, Gross Receipts Tax of \$2.59, and a storm securitization surcharge of \$1.10. The storm securitization surcharge is a preliminary estimate based on market conditions.

7. Under FPL's levelization proposal, the residential bill for 1,000 kWh for the period May 2007 through December 2007 is also \$103.51, but for these months that total comprises a base rate charge of \$39.37, a fuel recovery charge of \$52.95, a capacity cost recovery charge of \$5.57, a conservation charge of \$1.69, an environmental cost recovery charge of \$0.24, Gross Receipts Tax of \$2.59, and a storm securitization surcharge of \$1.10. Again, the storm securitization surcharge is a preliminary estimate based on market conditions.

WHEREFORE, FPL respectfully requests this Commission (1) to approve (a) 5.763 cents per kWh as its levelized Fuel and Purchased Power Cost Recovery ("FCR") charge for non-time differentiated rates and 6.410 cents per kWh and 5.474 cents per kWh as its levelized FCR charges for the on-peak and off-peak periods, respectively, as its time differentiated rates for the January 2007 through April 2007 billing period; and (b) 5.638 cents per kWh as its levelized FCR charge for non-time differentiated rates and 6.285 cents per kWh and 5.349 cents per kWh as its levelized FCR charges for the on-peak and off-peak periods, respectively, as its time differentiated rates for the May 2007 through December 2007 billing period, with all such charges and factors to become effective starting with meter readings scheduled to be read on or after Cycle Day 3 and with the charges and factors described in (b) to remain in effect until modified by subsequent order of this Commission; and (2) to approve FPL's revised estimated/actual FCR true-up of \$216,430,642 over-recovery, which incorporates actual data through September 2006 and updated projections for October 2006 through December 2006.

Respectfully submitted,

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By: 
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John T. Butler
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CERTIFICATE OF SERVICE

Docket No. 060001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand delivery (*) or United States mail on October 24, 2006 to the following:

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