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June 12, 2008

Mr. John T. Butler, Esquire
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408

SECOND
MID-COURSE CORRECTION
DATA REQUESTS

Re: DOCKET NO. 080001-EI - Fuel and purchased power cost recovery clause with generating performance incentive factor.

Dear Mr. Butler:

This data request is for information to support the mid-course correction petition which is scheduled for the July 1, 2008 agenda conference.

1. Please provide Fuel Cost Recovery Schedule E-10s for the period August through December 2008 and January through December 2009 for each of the following four scenarios based upon the best information currently available to FPL regarding projected utility costs, customer counts, sales, etc.: (A) FPL's petition for mid-course correction is approved, (B) FPL's petition for mid course correction is denied (C) Commission requires 50% of requested mid-course underrecovery to be collected in 2008 and the remaining 50% collected in 2009 (D) The Commission requires the requested mid-course underrecovery to be collected over the 17 month period of August 2008 through December 2009.
2. For Data Request 1 above, please identify all cost drivers (e.g. nuclear cost recovery, GBRA for Plant X, fuel price hedging, etc) that cause a change in rates of more than \$0.50 on the residential 1,000 KWH bill for 2009 and quantify each drivers impact on a \$/1,000 KWH basis.
3. Please complete the four tables in Attachment 1.
4. Please refer to Page 6 of FPL's mid-course petition. On Page 6, FPL lists the following dollar amounts and numbers of mWhs:

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	<u>Estimated</u>	<u>Estimated/Actual</u>
Jurisdictional Fuel Revenue ("Revenue")	\$6,202,606,887	\$5,873,156,286
Jurisdictional Total Fuel Costs & Net Power Transactions ("Expenses")	\$6,114,289,810	\$6,398,151,760
True-up and GPIF	\$88,317,077	--
mWh	111,773,808	106,076,562

\$/mWh calculations based on the above numbers of dollars and mWhs follow.

	<u>Estimated</u>	<u>Estimated/Actual</u>
Jurisdictional Fuel Revenue	\$55.49248968	\$55.36714403
Jurisdictional Total Fuel Costs & Net Power Transactions	\$54.70234860	\$60.31635678
True-up and GPIF	\$0.790141077	

Staff has calculated FPL's 2008 Estimated/Actual True-up Provision for the Period (under recovery) and expressed the calculation as follows, based on estimated/actual mWhs and \$/mWhs. Staff's expression consists of three parts.

- 1) (Estimated Revenue per mWh – Estimated/Actual Revenue per mWh) * Estimated/Actual mWh = $(\$55.36714403 - \$55.49248968) * 106,076,562 = -\$13,296,236$
- 2) (Estimated Expenses per mWh – Estimated/Actual Expenses per mWh) * Estimated/Actual mWh = $(\$54.70234860 - \$60.31635678) * 106,076,562 = -\$595,514,687$
- 3) (Estimated/Actual mWh – Estimated mWh) * True-up and GPIF \$/mWh = $(106,076,562 - 111,773,808) * \$0.790141077 = -\$4,501,628$

Based on these calculations, FPL's estimated 2008 under recovery is

$$-\$13,296,236 - \$595,514,687 - \$4,501,628 = -\$613,312,551$$

- A. Does FPL agree that the estimated Jurisdictional Total Fuel Costs & Net Power Transactions per mWh plus the estimated True-up and GPIF, or $\$54.70234860 + \$0.790141077 = \$55.49248968$ is a \$/mWh representation of FPL's cost recovery factor excluding Revenue Taxes? If not, please explain why not?
- B. Does FPL agree that the $-\$13,296,236$ is a fair estimate of the revenues decrease that will result from variation in the proportions by which the rate classes use energy? If not, please explain why not?
- C. Does FPL agree that the $-\$4,501,628$ is a fair estimate of the unrecovered True-up and GPIF dollars for 2008? If not, please explain why not?

- D. Does FPL agree that the two above dollar amounts, -\$13,296,236 and -\$4,501,628 are small compared to FPL's 2008 estimated/actual Jurisdictional Fuel Revenue Applicable to Period (\$5,784,839,209)? If not, please explain why not.
- E. Does FPL agree that the remaining under recovery dollars, -\$595,514,687, account for nearly all of FPL's estimated/actual 2008 under recovery? If not, please explain why not.
- F. Does FPL agree that the above expression of FPL's estimated/actual 2008 under recovery shows the contributions of revenues and expenses better than does the table on page 6 of the mid-course petition, which attributes -\$329,450,601 of the under recovery to lost revenues, and only -\$283,861,950 to increased expenses? If not, please explain why not, and please explain how a decrease in the number of mWhs can contribute to an under recovery (other than by the amount in Question #3) when Jurisdictional Total Fuel Costs and Net Power Transactions dollars depend entirely on the number of Jurisdictional mWhs sold.

Please refer to FPL's 2008 E-3 Schedule, to FPL's 2008 mid-course E-3 Schedule, and to FPL's 2008 original E-1 Schedule. Staff has calculated the Natural Gas component of the above negative \$595,514,687.

Additional information from the original E-3 Schedule: 1) estimated 2008 Natural Gas Dollars, \$4,727,109,643; and 2) estimated 2008 Natural Gas mWhs, 65,135,881.

Additional information from the revised mid-course E-3 Schedule: 1) estimated/actual 2008 Natural Gas Dollars, \$5,205,681,798; and 2) estimated/actual 2008 mWhs, 62,691,286.

Calculations:

Estimate Weight for Natural Gas = $(65,135,881 / 111,773,808) = 0.582747266$.

Estimated/Actual Weight for Natural Gas = $62,691,286 / 106,076,562 = 0.591000357$.

Estimated \$/mWh = $\$4,727,109,643 / 65,135,881 = \72.57305145 .

Estimated/Actual \$/mWh = $\$5,205,681,798 / 62,691,286 = \83.03676843 .

Line Loss Factor = 1.00065 (from the original 2008 E-1 Schedule)

Natural Gas Under Recovery = Line-Loss Factor * (Estimate Weight * Estimated \$/mWh - Estimated/Actual Weight * Estimated/Actual \$/mWh) * Estimated/Actual Jurisdictional mWh = $1.00065 * (0.582747266 * \$72.57305145 - 0.591000357 * \$83.03676843) * 106,076,562 = \text{negative } \$719,986,330$.

- G. Does FPL agree that the increased 2008 natural gas price estimate (as expressed above in \$/mWh) is the main cause of FPL's 2008 estimated/actual under recovery? If not, please explain why not.
- H. Does FPL agree that neither the difference between estimated mWhs and estimated/actual mWhs nor the difference between the estimated revenue \$/mWh and the estimated/actual revenue \$/mWh has any significant effect of the estimated/actual under recovery. If not, please explain why not.

ATTACHMENT 1

Table 1 – 2008				
	Deny Mid-Course	Approve Mid-Course	Collect ½ in 2008 & ½ in 2009	Collect Over 17 Months
Levelized Fuel Cost Recovery Factor				
Residential 1,000 KWH Bill				
Deferral As of December 31, 2008				
Interest Included In Deferral				

Table 2 – 2009				
	Deny Mid-Course	Approve Mid-Course	Collect ½ in 2008 & ½ in 2009	Collect Over 17 Months
Levelized Fuel Cost Recovery Factor				
Residential 1,000 KWH Bill				

Table 3 – Percent Increases from Current for 2008				
	Deny Mid-Course	Approve Mid-Course	Collect ½ in 2008 & ½ in 2009	Collect Over 17 Months
Levelized Fuel Cost Recovery Factor				
Residential 1,000 KWH Bill				

Table 4 – Percent Increases from 2008 (August-December) to 2009				
	Deny Mid-Course	Approve Mid-Course	Collect ½ in 2008 & ½ in 2009	Collect Over 17 Months
Levelized Fuel Cost Recovery Factor				
Residential 1,000 KWH Bill				

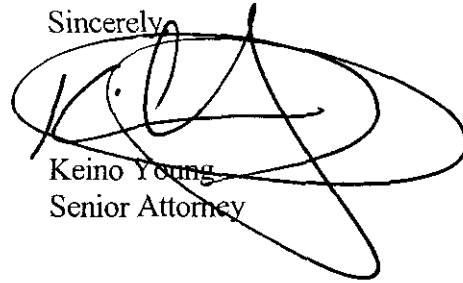
Mr. John T. Butler, Esquire

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Please file the original and five copies of the requested information by Monday, June 16, 2008, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6226, or Bill McNulty at (850) 413-6443 if you have any questions.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to be 'Keino Young', written over the typed name.

Keino Young
Senior Attorney

KY:th

cc: Office of Commission Clerk
Division of Economic Regulation (McNulty, et. al)
Docket No. 080001-EI (Parties)