

Dorothy Menasco

From: WELLS, KATHY [KATHY.WELLS@fpl.com]
Sent: Monday, October 13, 2008 3:45 PM
To: Filings@psc.state.fl.us
Cc: miketwomey@talstar.com; jbeasley@ausley.com; lwillis@ausley.com; jas@beggslane.com; rab@beggslane.com; srg@beggslane.com; jbrew@bbrslaw.com; jmcwhirter@mac-law.com; nhorton@lawfla.com; Cecilia.Bradley@myfloridalegal.com; Kelly.jr@leg.state.fl.us; burgess.steve@leg.state.fl.us; Charles Beck; john.burnett@pgnmail.com; Lisa Bennett; Keino Young; Jean Hartman; swright@yvlaw.net; jlavia@yvlaw.net
Subject: Electronic Filing / Dkt #080001-EI / FPL's Prehearing Statement
Attachments: FPL Prehearing Statement 080001.doc; FPL Prehearing Statement 080001.pdf

Electronic Filing

- a. Person responsible for this electronic filing:

John T. Butler, Esq.
 700 Universe Boulevard
 Juno Beach, FL 33408
 561-304-5639
John.Butler@fpl.com

- b. Docket No. 080001 - EI
 In re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor
- c. The Documents are being filed on behalf of Florida Power & Light Company.
- d. There are a total of 20 pages
- e. The document attached for electronic filing is Florida Power & Light Company's Prehearing Statement

John T. Butler
 Senior Attorney
 Florida Power & Light Company
 (561) 304-5639
 (561) 691-7135 Fax
John.Butler@fpl.com

10/13/2008

DOCUMENT NUMBER-DATE

09704 OCT 13 8

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power)
Cost Recovery Clause and)
Generating Performance)
Incentive Factor)

DOCKET NO. 080001-EI
FILED: October 13, 2008

**FLORIDA POWER & LIGHT COMPANY'S
PREHEARING STATEMENT**

Pursuant to Order No. PSC-08-0148-PCO-EI, dated March 11, 2008 establishing the prehearing procedure in this docket, Florida Power & Light Company ("FPL") hereby submits its Prehearing Statement.

1) WITNESSES

WITNESS	SUBJECT MATTER	ISSUES
G.YUPP T.O. JONES	Fuel Adjustment True-Up and Projections	1-3 and 5 1-3 and 5
K.M. DUBIN		1-9
K.M. DUBIN	Benchmark Levels for Gains Eligible For Shareholder Incentive	10-11
G. YUPP	Mitigated Price Risk	13A
G. YUPP	2009 Risk Management Plan	13B
K.M. DUBIN T.O. JONES	2006 Outage Extension at Turkey Point Unit 3	13C
	Reduction of Turkey Point Unit 5 GBRA Factor 13D-E	13D-13E
	West County Energy Center (WCEC) Units 1 and 2 GBRA Factor	13F-13G
G. YUPP	WCEC Units 1 and 2 Fuel Savings	13H
K.M. DUBIN	Levelized Bill	13I
T. GERRISH	Long-Term Agreement for Full Requirement Electric Service with	13J

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FPSC-COMMISSION CLERK

Lee County Electric Cooperative

G. YUPP	Incremental O&M Costs Associated With Off-System Sales from Combined Cycle and Conventional Steam Units	13K
K.M. DUBIN	Amounts Included in Fuel Charge for Items that Do Not Change with Price Of Fuel	13L
F. IRIZARRY	GPIF Reward	17
F. IRIZARRY	GPIF Target/Ranges	18
K.M. DUBIN	Capacity Cost Recovery True-Up And Projections	23-28
K.M. DUBIN	Nuclear Cost Recovery Amount	30A
	Adjustments to Incremental Security Costs	30B

2) EXHIBITS

WITNESS	SPONSOR	SUBJECT MATTER	EXHIBITS
G. YUPP	FPL	2007 Hedging Activity	GJY-1
		Hedging Information Report	GJY-2
		Fuel Cost Recovery Forecast Assumptions	GJY-3
T.O. JONES	FPL	2006 Turkey Point Outage Extension	TOJ-1
K.M. DUBIN	FPL	Fuel Cost Recovery and Capacity Cost Recovery Projections:	
		Final True-up for January, 2007 Through December, 2007	KMD-1 KMD-2
		Estimated/Actual True-Up January, 2008 through December 2008	KMD-3 KMD-4
G. YUPP	FPL	Levelized Fuel Cost Recovery	KMD-5

K.M. DUBIN T.O. JONES		Factors for January, 2009 through December, 2009	
K.M. DUBIN	FPL	Capacity Cost Recovery Factors for January, 2009 through December, 2009	KMD-6
K.M. DUBIN	FPL	Fuel Cost Recovery Non-Levelized Bill	KMD-7
T.W. GERRISH	FPL	FPL's Long-term Agreement for Full Requirement Electric Service with Lee County Electric Cooperative	TWG-1 TWG-2

3) STATEMENT OF BASIC POSITION

None necessary.

4) STATEMENT OF ISSUES AND POSITIONS

FUEL ADJUSTMENT ISSUES

ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period January, 2007 through December, 2007?

FPL: \$121,036,106 under-recovery. (DUBIN)

ISSUE 2: What are the appropriate estimated/actual fuel adjustment true-up amounts for the period January, 2008 through December 2008?

FPL: \$296,048,402 under-recovery. (DUBIN)

ISSUE 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January, 2008 through December, 2008?

FPL: \$296,048,402 under-recovery. (DUBIN)

ISSUE 4: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January, 2008 through December, 2008?

FPL: 1.00072. (DUBIN)

ISSUE 5: What are the appropriate projected net fuel and purchased power cost recovery amounts to be included for the period January, 2009 through December, 2009?

FPL: \$7,027,720,757. (DUBIN)

ISSUE 6: What are the appropriate levelized fuel cost recovery factors for the period January, 2009 through December, 2009?

FPL: 6.744 cents/kWh for January through May 2009, 6.603 cents/kWh for June through October 2009, 6.475 cents/kWh for November-December 2009. (DUBIN)

ISSUE 7: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

FPL: The appropriate Fuel Cost Recovery Loss Multipliers are provided in response to Issue No. 8. (DUBIN)

ISSUE 8: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FPL:

FLORIDA POWER & LIGHT COMPANY

FUEL RECOVERY FACTORS - BY RATE GROUP
(ADJUSTED FOR LINE/TRANSFORMATION LOSSES)

JANUARY 2009 - MAY 2009

(1) GROUP	(2) RATE SCHEDULE	(3) AVERAGE FACTOR	(4) FUEL RECOVERY LOSS MULTIPLIER	(5) FUEL RECOVERY FACTOR
A	RS-1 first 1,000 kWh	6.744	1.00183	6.413
	All additional kWh	6.744	1.00183	7.413
A	GS-1, SL-2, GSCU-1, WIES-1	6.744	1.00183	6.757
A-1*	SL-1, OL-1, PL-1	6.569	1.00183	6.581
B	GSD-1	6.744	1.00178	6.756
C	GSLD-1 & CS-1	6.744	1.00078	6.750
D	GSLD-2, CS-2, OS-2 & MET	6.744	0.99318	6.698
E	GSLD-3 & CS-3	6.744	0.95923	6.469
A	RST-1, GST-1 ON-PEAK	7.546	1.00183	7.559
	OFF-PEAK	6.383	1.00183	6.395
B	GSDT-1, CILC-1(G), ON-PEAK	7.546	1.00177	7.559
	HLFT-1 (21-499 kW) OFF-PEAK	6.383	1.00177	6.394
C	GSLDT-1, CST-1, ON-PEAK	7.546	1.00093	7.553
	HLFT-2 (500-1,999 kW) OFF-PEAK	6.383	1.00093	6.389
D	GSLDT-2, CST-2, ON-PEAK	7.546	0.99481	7.506
	HLFT-3 (2,000+) OFF-PEAK	6.383	0.99481	6.350
E	GSLDT-3, CST-3, ON-PEAK	7.546	0.95923	7.238
	CILC -1(T) OFF-PEAK & ISST-1(T)	6.383	0.95923	6.123
F	CILC -1(D) & ON-PEAK	7.546	0.99371	7.498
	ISST-1(D) OFF-PEAK	6.383	0.99371	6.343

* WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

FLORIDA POWER & LIGHT COMPANY
 FUEL RECOVERY FACTORS - BY RATE GROUP
 (ADJUSTED FOR LINE/TRANSFORMATION LOSSES)

JUNE 2009 - OCTOBER 2009

(1) GROUP	(2) RATE SCHEDULE	(3) AVERAGE FACTOR	(4) FUEL RECOVERY LOSS MULTIPLIER	(5) FUEL RECOVERY FACTOR
A	RS-1 first 1,000 kWh All additional kWh	6.603 6.603	1.00183 1.00183	6.272 7.272
A	GS-1, SL-2, GSCU-1, WIES-1	6.603	1.00183	6.615
A-1*	SL-1, OL-1, PL-1	6.428	1.00183	6.440
B	GSD-1	6.603	1.00178	6.615
C	GSLD-1 & CS-1	6.603	1.00078	6.608
D	GSLD-2, CS-2, OS-2 & MET	6.603	0.99318	6.558
E	GSLD-3 & CS-3	6.603	0.95923	6.334
A	RST-1, GST-1 ON-PEAK OFF-PEAK	7.405 6.242	1.00183 1.00183	7.418 6.253
B	GSDT-1, CILC-1(G), ON-PEAK HLFT-1 (21-499 kW) OFF-PEAK	7.405 6.242	1.00177 1.00177	7.418 6.253
C	GSLDT-1, CST-1, ON-PEAK HLFT-2 (500-1,999 kW) OFF-PEAK	7.405 6.242	1.00093 1.00093	7.411 6.248
D	GSLDT-2, CST-2, ON-PEAK HLFT-3 (2,000+) OFF-PEAK	7.405 6.242	0.99481 0.99481	7.366 6.209
E	GSLDT-3, CST-3, ON-PEAK CILC -1(T) OFF-PEAK & ISST-1(T)	7.405 6.242	0.95923 0.95923	7.103 5.987
F	CILC -1(D) & ON-PEAK ISST-1(D) OFF-PEAK	7.405 6.242	0.99371 0.99371	7.358 6.203

• WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

FLORIDA POWER & LIGHT COMPANY
 FUEL RECOVERY FACTORS - BY RATE GROUP
 (ADJUSTED FOR LINE/TRANSFORMATION LOSSES)

NOVEMBER 2009 - DECEMBER 2009

(1) GROUP	(2) RATE SCHEDULE	(3) AVERAGE FACTOR	(4) FUEL RECOVERY LOSS MULTIPLIER	(5) FUEL RECOVERY FACTOR
A	RS-1 first 1,000 kWh	6.475	1.00183	6.144
	All additional kWh	6.475	1.00183	7.144
A	GS-1, SL-2, GSCU-1, WIES-1	6.475	1.00183	6.487
A-1*	SL-1, OL-1, PL-1	6.300	1.00183	6.312
B	GSD-1	6.475	1.00178	6.487
C	GSLD-1 & CS-1	6.475	1.00078	6.480
D	GSLD-2, CS-2, OS-2 & MET	6.475	0.99318	6.431
E	GSLD-3 & CS-3	6.475	0.95923	6.211
A	RST-1, GST-1 ON-PEAK	7.277	1.00183	7.290
	OFF-PEAK	6.114	1.00183	6.125
B	GSDT-1, CILC-1(G), ON-PEAK	7.277	1.00177	7.289
	HLFT-1 (21-499 kW) OFF-PEAK	6.114	1.00177	6.125
C	GSLDT-1, CST-1, ON-PEAK	7.277	1.00093	7.283
	HLFT-2 (500-1,999 kW) OFF-PEAK	6.114	1.00093	6.120
D	GSLDT-2, CST-2, ON-PEAK	7.277	0.99481	7.239
	HLFT-3 (2,000+) OFF-PEAK	6.114	0.99481	6.082
E	GSLDT-3, CST-3, ON-PEAK	7.277	0.95923	6.980
	CILC -1(T) OFF-PEAK & ISST-1(T)	6.114	0.95923	5.865
F	CILC -1(D) & ON-PEAK	7.277	0.99371	7.231
	ISST-1(D) OFF-PEAK	6.114	0.99371	6.075

• WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

FLORIDA POWER & LIGHT COMPANY

DETERMINATION OF SEASONAL DEMAND TIME OF USE RIDER (SDTR)
FUEL RECOVERY FACTORS

ON PEAK: JUNE 2009 THROUGH SEPTEMBER 2009 - WEEKDAYS 3:00 PM TO 6:00 PM
OFF PEAK: ALL OTHER HOURS

(1) GROUP	(2) OTHERWISE APPLICABLE RATE SCHEDULE	(3) AVERAGE FACTOR	(4) FUEL RECOVERY LOSS MULTIPLIER	(5) SDTR FUEL RECOVERY FACTOR	
B	GSD(T)-1	ON-PEAK	7.394	1.00178	7.407
		OFF-PEAK	6.354	1.00178	6.365
C	GSLD(T)-1	ON-PEAK	7.394	1.00084	7.400
		OFF-PEAK	6.354	1.00084	6.359
D	GSLD(T)-2	ON-PEAK	7.394	0.99488	7.356
		OFF-PEAK	6.354	0.99488	6.321

Note: All other months served under the otherwise applicable rate schedule.
See Schedule E-1E, Page 1 of 2.

(DUBIN)

ISSUE 9: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

FPL: The Company is requesting that the new Fuel Cost Recovery factor for January through May, June through October, and November through December, become effective during these periods which will provide five months of billing on the January through May factor, five months of billing on the June through October factor and two months of billing on the November through December factor. FPL is requesting that the Capacity Cost Recovery factors become effective with customer bills for January 2009 through December 2009. This will provide for 12 months of billing on the Capacity Cost Recovery factors for all our customers.
(DUBIN)

ISSUE 10: What are the appropriate actual benchmark levels for calendar year 2007 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: \$19,668,561. (DUBIN)

ISSUE 11: What are the appropriate estimated benchmark levels for calendar year 2009 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: \$18,812,528 subject to adjustments in the 2008 final true-up filing to include all actual data for the year 2008. (DUBIN)

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

ISSUE 13A: Should the Commission approve as prudent, FPL's actions to mitigate the volatility of natural gas, residual oil and purchased power prices, as reported in FPL's April 2008 and September 2008 hedging reports?

FPL: FPL's actions to mitigate the price volatility of natural gas, residual oil and purchased power prices, as reported in FPL's April 2008 and September 2008 hedging reports are reasonable and prudent. (YUPP)

ISSUE 13B: Should the Commission approve FPL's 2009 Risk Management Plan?

FPL: Yes. On August 5, 2008, FPL filed a petition in this docket requesting approval of Hedging Order Clarification Guidelines (the "Hedging Guidelines"). The Hedging Guidelines were approved at the Commission's September 16, 2008 Agenda Conference. Section I of the Hedging Guidelines would provide for investor-owned utilities such as FPL to file a risk management plan covering the activities to be undertaken during the following calendar year for hedges applicable to subsequent years, and for the Commission to review such plans for approval in the annual fuel adjustment hearing held in November. FPL's Risk Management Plan is consistent with the Hedging Guidelines and should be approved. (YUPP)

ISSUE 13C: With respect to the outage extension at Turkey Point Unit 3 which was caused by a drilled hole in the pressurized piping, should customers or FPL be responsible for the additional fuel cost incurred as a result of the extension?

FPL: FPL's Replacement power costs constitute actual fuel and/or purchased power costs incurred in providing electric service to its customers. As such, they are properly recoverable through the FCR Clause just like any other power costs, unless they are shown to have been unnecessarily incurred because the utility could have avoided them had it acted prudently. There is nothing to suggest that FPL acted imprudently with respect to the deliberate bad act that led to the drilled hole. FPL complied fully with NRC requirements and industry standards in order to prevent improper access and deliberate criminal acts, and took extensive actions to swiftly and effectively investigate and inspect both Turkey Unit 3 and Unit 4 after the drilled hole in the pressurizer piping was discovered,

enabling FPL to expeditiously return the plant to service with minimal disruption in production. FPL's actions at each step in this process were unquestionably reasonable and prudent. To deny recovery of replacement power costs even where a utility has acted prudently would be completely inconsistent with FPSC precedent and the purpose of the FCR Clause and with fundamental principles of ratemaking. It would put the utility at risk of not recovering its actual fuel costs whenever a nuclear plant is unexpectedly offline, even for reasons beyond the utility's control, and it would provide the utility no corresponding reward for having to bear this large risk. Such a policy would create a major disincentive to investments in any technology that has very low energy costs, including solar and wind as well as nuclear generation, which investments are important to helping achieve the state's energy security, fuel diversity and environmental goals. (DUBIN/JONES)

ISSUE 13D: Should the Commission approve FPL's proposal to reduce the Generation Base Rate Adjustment (GBRA) factor for the Turkey Point Unit 5 from 3.271 percent to 3.129%?

FPL: Yes. Pursuant to the Stipulation and Settlement Agreement approved by the Commission in Order No. PSC-05-0902-S-EI, issued September 14, 2005 in Docket 050045-EI, a revised GBRA factor has been computed based on the actual capital costs of Turkey Point Unit 5, using the same data and methodology incorporated in the initial GBRA Factor.

ISSUE 13E: Is \$9,296,089 the appropriate true-up credit associated with the Turkey Point Unit 5 GBRA factor reduction?

FPL: Yes. Pursuant to the Stipulation and Settlement Agreement approved by the Commission in Order No. PSC-05-0902-S-EI, issued September 14, 2005 in Docket 050045-EI, once Turkey Point Unit 5's actual capital costs are known, if the unit's actual capital costs are less than the projected costs used to develop the initial GBRA Factor, a one-time credit is to be made through the capacity clause.

ISSUE 13F: Should the Commission approve FPL's proposed GBRA factor of 3.583 percent for the West County Energy Center (WCEC) Unit 1?

FPL: Yes. Paragraph 17 of the Stipulation and Settlement Agreement approved by the Commission in Order No. PSC-05-0902-S-EI, issued September 14, 2005 in Docket 050045-EI, provides for a Generation Base Rate Adjustment (GBRA) to FPL's rates upon commercial operation of WCEC Unit 1. WCEC Unit 1, approved through the Florida Power Plant Siting Act, is expected to achieve commercial operation in June 2009. The computation of FPL's proposed GBRA factor for WCEC Unit 1 was made in accordance to the Stipulation and Settlement Agreement.

Consistent with the Settlement Agreement, FPL will begin applying the GBRA to meter readings made on or after the commercial in service date of WCEC Unit 1, which is expected to occur in June 2009. FPL will submit for the FPSC staff's administrative approval revised tariff sheets reflecting these new charges prior to the actual commercial in service date.

ISSUE 13G: Should the Commission approve FPL's proposed GBRA factor of 3.154 percent for the WCEC Unit 2?

FPL: Yes. The Stipulation and Settlement Agreement approved by the Commission in Order No. PSC-05-0902-S-EI, issued September 14, 2005 in Docket 050045-EI, provides for a Generation Base Rate Adjustment (GBRA) to FPL's rates upon commercial operation of WCEC Unit 2. WCEC Unit 2, approved through the Florida Power Plant Siting Act, is expected to achieve commercial operation in November 2009. The computation of FPL's proposed GBRA factor for WCEC Unit 2 was made in accordance to the Stipulation and Settlement Agreement.

Consistent with the Settlement Agreement, FPL will begin applying the GBRA to meter readings made on or after the commercial in service date of WCEC Unit 2, which is expected to occur in November 2009. FPL will submit for the FPSC staff's administrative approval revised tariff sheets reflecting these new charges prior to the actual commercial in service date.

ISSUE 13H: What is the appropriate calculation of fuel savings associated with the addition of the WCEC Units 1 and 2?

FPL: FPL utilized its POWRSYM model to quantify the benefits of WCEC Units 1 and 2, which is the same model that FPL uses to calculate the fuel costs that are included in FPL's projection filing. For this analysis FPL ran two individual cases for each unit, one with the new unit and one without the new unit, to determine fuel costs, and then compared the two cases to determine the savings for each unit. (DUBIN)

ISSUE 13I: Should the Commission approve FPL's proposal to levelize the Residential 1000 kWh Bill by offsetting the Generation Base Rate Adjustments (GBRAs) for West County Energy Center (WCEC) Units 1 and 2 with the fuel savings attributable to these new units?

FPL: Yes. FPL's proposal to levelize the Residential 1,000 kWh bill by offsetting the Generation Base Rate Adjustments (GBRA) as approved in Docket No. 060225-EI for WCEC Units 1 and 2 with the fuel savings attributable to these new units will provide all customer classes with a more stable bill in 2009. The fuel savings attributable to West County Units 1 and 2 are \$164,850,000 in 2009. Without levelization, the overall 1,000 kWh residential bill would increase in June 2009 from the level in effect for January to May 2009, when WCEC Unit 1 begins commercial operations and the WCEC Unit 1 GBRA becomes effective. Then, the

overall 1,000 kWh residential bill would increase again in November 2009, when WCEC Unit 2 begins commercial operations and the WCEC Unit 2 GBRA becomes effective. FPL's proposal will eliminate these two step increases. (DUBIN)

ISSUE 13J: Should the Commission approve FPL's Long-term Agreement for Full Requirement Electric Service with Lee County Electric Cooperative as prudent and consistent with the interests of FPL's retail customers?

FPL: Yes. The LCEC Agreement represents a large, long-term, discretionary commitment of FPL's resources to serving load outside its own retail service territory. The Agreement benefits LCEC customers by providing them with reliable, cost-effective power and increased diversity in the sources of that power, without being disadvantageous to FPL's own retail customers. The Agreement is thus a "win-win" proposition for LCEC, FPL's customers and the state of Florida as a whole. The Commission should confirm that it concurs with these conclusions so that FPL can move forward with implementing the Agreement. (GERRISH)

ISSUE 13K: May FPL recover incremental O&M costs associated with non-separated off-system sales from combined cycle and conventional steam units commencing January 1, 2009, as it currently recovers such costs associated with sales from gas turbine units?

FPL: Yes. FPL does not currently recover incremental O&M costs associated with non-separated off-system sales from combined cycle and conventional steam units through either base rates or the fuel adjustment clause. Recovery of those costs through the fuel adjustment clause would be appropriate and consistent with the current treatment of incremental O&M costs associated with non-separated off-system sales from gas turbine units. (YUPP)

ISSUE 13L: Does the fuel charge proposed by FPL contain items that do not change with the price of fuel, if so what is the amount included in its proposed fuel charge to cover these costs?

FPL: FPL objects to this issue, which has been proposed by FIPUG. The issue was not addressed in any of the IOUs' direct testimony, because FIPUG gave no indication until September 30 that it intended to raise the issue. Neither FIPUG nor any other intervenor has addressed the proposed issue in intervenor testimony and, as a result, there can be no rebuttal testimony addressing it. Finally, FIPUG has served no written discovery on this issue by the deadline for such discovery.

No purpose would be served by including this issue. The issue is purely factual, asking each IOU to identify whether it recovers through the fuel adjustment clause "items that do not change with the cost of fuel" and then, if so, to state the amount of such items in the IOU's projected fuel

charges. There is no existing Commission policy that predicates recovery of costs through the fuel adjustment clause on the fact that the costs “change with the cost of fuel,” so this factual information could not possibly be a basis for Commission action in this docket. In short, nothing would be accomplished by resolving this factual issue now.

Finally, this issue is not based upon a meaningful distinction as to what types of costs are properly recoverable through the fuel adjustment clause. The Commission’s established policy, as stated in Order No. 14546, is that “Prudently incurred fossil fuel-related expenses which are subject to volatile changes should be recovered through an electric utility’s fuel adjustment clause. The volatility of fossil fuel-related costs may be due to a number of factors including, but not necessarily limited, to: price, quantity, number of deliveries and distance.” This issue effectively addresses only one of those volatility dimensions --price -- whereas fuel-related costs can clearly be volatile for several other, equally legitimate reasons. Addressing the issue as worded would lead to an artificial divide between costs that “change with the cost of fuel” and those that do not, even though many types of costs in the latter category are volatile, fuel-related costs that should be recovered through the fuel adjustment clause. (DUBIN)

GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) ISSUES

ISSUE 17: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January, 2007 through December, 2007 for each investor-owned electric utility subject to the GPIF?

FPL: \$5,383,572 reward. (IRIZARRY)

ISSUE 18: What should the GPIF target/ranges be for the period January, 2009 through December, 2009 for each investor-owned electric utility subject to the GPIF?

FPL: The targets and ranges should be as set forth in the Testimony and Exhibits of F. Irizarry including the following:

PLANT/UNIT	EAF TARGET (%)	HEAT RATE HR. TARGET (BTU/KWH)
FT. MYERS 2	89.7	6,866
LAUDERDALE 5	93.5	7,776
MARTIN 4	92.0	7,080
MARTIN 8	83.2	6,803
MANATEE 3	92.7	6,975
SANFORD 4	90.2	6,962
SANFORD 5	88.4	6,969

SCHERER 4	96.0	10,193
ST. LUCIE 1	93.6	11,006
ST. LUCIE 2	81.8	11,272
TURKEY POINT 3	82.7	11,476
TURKEY POINT 4	81.3	11,488
		(IRIZARRY)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 23: What are the appropriate final capacity cost recovery true-up amounts for the period January, 2007 through December, 2007?

FPL: \$3,707,455 under- recovery. (DUBIN)

ISSUE 24: What are the appropriate estimated/actual capacity cost recovery true-up amounts for the period January, 2008 through December, 2008?

FPL: \$26,832,716 under-recovery. (DUBIN)

ISSUE 25: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January, 2009 through December, 2009?

FPL: \$30,540,170 under-recovery. (DUBIN)

ISSUE 26: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January, 2009 through December, 2009?

FPL: \$621,136,906. (DUBIN)

ISSUE 27: What are the appropriate jurisdictional separation factors to be applied to determine the capacity costs to be recovered during the period January, 2009 through December, 2009?

FPL: The appropriate jurisdictional separation factors are:
 FPSC 98.76729%
 FERC 1.23271% (DUBIN)

ISSUE 28: What are the appropriate capacity cost recovery factors for the period January, 2009 through December, 2009?

FPL: The following 2009 capacity cost recovery factors do not include the reduction of approximately \$38 million associated with FPL's Nuclear Power Plant Cost Recovery filing made in Docket No. 080009-EI on September 10, 2008. The capacity cost recovery factors for 2009 will be revised to reflect the approved Nuclear Power Plant Cost Recovery resulting from the Commission's decision in this docket on October 14, 2008. FPL's revised 2009 capacity cost recovery factors will be filed on October 15, 2008.

Rate Schedule	Capacity Recovery Factor (\$/kw)	Capacity Recovery Factor (\$/kwh)
RS1/RST1	-	0.00855
GS1/GST1	-	0.00862
GSD1/GSDT1/HLFT(21-499 kW)	2.55	-
OS2	-	0.00584
GSLD1/GSLDT1/CS1/CST1/HLFT(500-1,999 kW)	3.19	-
GSLD2/GSLDT2/CS2/CST2/HLFT(2,000+ kW)	3.16	-
GSLD3/GSLDT3/CS3/CST3	3.23	-
CILC D/CILC G	3.34	-
CILC T	3.22	-
MET	3.30	-
OL1/SL1/PL1	-	0.00140
SL2, GSCU1	-	0.00517

RATE CLASS	CAPACITY RECOVERY FACTOR (RESERVATION DEMAND CHARGE) (\$/KW)	CAPACITY RECOVERY FACTOR (SUM OF DAILY DEMAND CHARGE) (\$/KW)
ISST1D	.40	.19
ISST1T	.39	.18
SST1T	.39	.18
SST1D1/SST1D2/	.40	.19
SST1D3		

(DUBIN)

ISSUE 30A: What is the total system-wide dollar amount to be included in the capacity cost recovery charge in 2009 for nuclear power plant cost recovery pursuant to the Final Order issued in Docket No. 080119-EI?

FPL: \$220,529,243 (DUBIN)

ISSUE 30B: What adjustments, if any should be made to Florida Power & Light Company's incremental security costs related to the performance of security guards at the company's nuclear power plants?

FPL: This should not be an issue. FPL has removed from its 2009 capacity cost recovery charge the payroll amounts identified in Staff's May 12, 2008 capacity audit findings no. 1 and 2.

5) STIPULATED ISSUES

FPL: None at this time.

6) PENDING MOTIONS

Motion for Temporary Protective Order dated February 7, 2008 related to certain confidential information included in Exhibit 3 to petition for approval of improved volatility mitigation mechanism (fuel hedging information).

Motion for Temporary Protective Order dated April 30, 2008 of information contained in responses to OPC's requests for copies of Exh GJY-1 to testimony of Gerard Yupp (DN 02591-08); Exh TOJ-1 to testimony of Terry O. Jones; response to Staff's 3/5/-08 hedging data request, No. 21 (DN 01939-08); and response to Staff's 4/4/08 data request, Nos. 1 and 2 (DN 03097-08).

Motion for Temporary Protective Order dated June 23, 2008 to exempt from Section 119.07(1), FS, confidential information contained in response to OPC's 1st request for interrogatories Nos. 1-6 and 1st request for PODs Nos. 1-8.

7) PENDING REQUESTS FOR CONFIDENTIALITY

Florida Power & Light Company's Request for Confidential Classification of DN 00416-08 with Attachments B and C, dated January 16, 2008.

Florida Power & Light Company's Second Request for Extension of Confidential Classification for audit materials (audit control no. 04-023-4-1), dated January 28, 2008.

Florida Power & Light Company's Second Request for Extension of Confidential Classification for audit materials (audit control no. 04-096-4-1), dated January 28, 2008.

Florida Power & Light Company's Request for Confidential Classification of DN 00912-08 with Attachments B and C, dated February 5, 2008.

Florida Power & Light Company's Request for Confidential Classification of DN 01354-08, justification for confidentiality, dated February 21, 2008.

Florida Power & Light Company's Request for Confidential Classification of information provided in response to Staff's 1st Set of Interrogatories Nos. 1-20 and 1st Request for PODs Nos. 1-10, dated March 3, 2008.

Florida Power & Light Company's Request for Confidential Classification of short term capacity payment information, dated March 3, 2008.

Florida Power & Light Company's Request for Confidential Classification of short term capacity payment information, dated March 3, 2008.

Florida Power & Light Company's Request for Confidential Classification of fuel hedging information and notice of confidential classification of corporate security investigative report, dated April 3, 2008.

Florida Power & Light Company's Request for Confidential Classification of DN 01939-08, dated April 4, 2008.

Florida Power & Light Company's Request for Confidential Classification of DN 03012-08, dated April 16, 2008.

Florida Power & Light Company's Request for Confidential Classification of DN 03684-08, dated May 5, 2008.

Florida Power & Light Company's Request for Confidential Classification of responses to Staff's 4/4/08 data requests Nos. 1 and 2, dated May 8, 2008.

Florida Power & Light Company's Request for Confidential Classification for audit materials (audit control no. 07-353-4-1), dated May 27, 2008.

Florida Power & Light Company's Request for Confidential Classification for audit materials (audit control no. 07-353-4-1), dated May 27, 2008.

Florida Power & Light Company's First Request for Extension of Confidential Classification for Schedule E-12 of Exhibit KMD-6 to prepared testimony of K.M.Dubin and Exhibits GJY-3, GJY-4, GJY-5 and GJY-6, dated May 28, 2008.

Florida Power & Light Company's Request for Confidential Classification for audit materials (audit control no. 08-003-4-2), dated May 29, 2008.

Florida Power & Light Company's Request for Confidential Classification for of DN 05204-08, enclosed version and justification, dated June 18, 2008.

Florida Power & Light Company's Request for Confidential Classification for audit materials (audit control no. 08-003-4-3), dated June 27, 2008.

Florida Power & Light Company's Request for Confidential Classification of information provided pursuant to mid-course correction data request Nos. 16 and 19, dated July 7, 2008.

Florida Power & Light Company's Request for Confidential Classification of information provided in response to FIPUG's 1st Set of Interrogatories and 1st Request for PODs, dated July 21, 2008.

Florida Power & Light Company's Request for Confidential Classification of information provided pursuant to Staff's 2nd Request for PODs, dated July 21, 2008.

Florida Power & Light Company's Request for Confidential Classification of DN 06268-08; attached justification for confidentiality, dated July 21, 2008.

Florida Power & Light Company's Request for Confidential Classification of information provided pursuant to Staff's 3rd Request for PODs, dated July 21, 2008.

Florida Power & Light Company's Request for Confidential Classification of DN 06812-08, dated August 4, 2008.

Florida Power & Light Company's Second Request for Extension of Confidential Classification for audit materials (audit control no. 04-022-4-1), dated August 6, 2008.

Florida Power & Light Company's Request for Confidential Classification of certain information contained in hedging information report, Exhibit GJY-2, dated August 11, 2008.

Florida Power & Light Company's Request for Confidential Classification of information provided in Exhibit GJY-4 and short term capacity payment information provided in Schedule E-12, dated September 2, 2008.

Florida Power & Light Company's Request for Confidential Classification of DN 08206-08, dated September 4, 2008.

Florida Power & Light Company's Request for Confidential Classification of DN 09072-08, dated September 25, 2008.

FPL anticipates that it may file further requests for confidential classification with respect to responses to other discovery requests that are pending.

8) OBJECTIONS TO A WITNESS' QUALIFICATION AS AN EXPERT

FPL: None at this time.

9) STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

There are no requirements of the Order Establishing Procedure with which FPL cannot comply.

Respectfully submitted this 13th day of October, 2008.

R. Wade Litchfield, Esq.
Vice President and
Associate General Counsel
John T. Butler, Esq.
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Telephone: (561) 304-5639
Facsimile: (561) 691-7135

By: /s/ John T. Butler
John T. Butler
Fla. Bar No. 283479

CERTIFICATE OF SERVICE

Docket No. 080001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic delivery on the 13th day of October, 2008, to the following:

Lisa Bennett, Esq.(*)
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

J. R. Kelly, Esq.
Steve Burgess, Esq.
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399

Lee L. Willis, Esq.
James D. Beasley, Esq.
Ausley & McMullen
Attorneys for Tampa Electric
P.O. Box 391
Tallahassee, Florida 32302

John T. Burnett, Esq.
Progress Energy Service Company, LLC
P.O. Box 14042
St. Petersburg, Florida 33733-4042

John W. McWhirter, Jr., Esq.
McWhirter Reeves
Attorneys for FIPUG
P.O. Box 3350
Tampa, Florida 33601

Norman H. Horton, Jr., Esq.
Floyd R. Self, Esq.
Messer, Caparello & Self
Attorneys for FPUC
P.O. Box 1876
Tallahassee, Florida 32302-1876

Jeffrey A. Stone, Esq.
Russell A. Badders, Esq.
Beggs & Lane
Attorneys for Gulf Power
P.O. Box 12950
Pensacola, Florida 32576-2950

Michael B. Twomey, Esq.
Attorney for AARP
Post Office Box 5256
Tallahassee, Florida 32314-5256

P.C
Office of Attorney General
Cecilia Bradley
Capitol-PL 01
Tallahassee, FL 32399-1050

James W. Brew
Brickfield, Burchette, Ritts & Stone, The
1025 Thomas Jefferson Street, NW
Eight Floor, West Tower
Washington, DC 2007-5201

R Scheffel Wright/ John Lavia
Florida Retail Federation
225 South Adams Street # 200
Tallahassee, FL 32301

By: /s/ John T. Butler
John T. Butler
Fla. Bar No. 283479