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FPL

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October 17, 2008

-VIA HAND DELIVERY -

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket Nos. 070231-EI and 080244-EI

Dear Ms. Cole:

I am enclosing for filing in the above dockets the original and five (5) copies of Florida Power & Light Company's responses to the Commission Staff's Second Data Request in Docket No. 080244-IE and Third Data Request in Docket No. 070231-EI, dated October 13, 2008. A copy of FPL's responses will be served electronically on counsel for the parties of record in these dockets.

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

Sincerely,

Nanci Nesmith
for John T. Butler

COM ___
ECR 3
GCL 1 Enclosure
OPC ___
RCP ___ cc: Counsel for parties of record (w/enclosure)
SSC ___
SGA 1
ADM ___
CLK ___

10/17/2008

FPL Responses to Staff October 13, 2008 Data Requests

1. Please explain in detail why the Company is using a pre-tax cost of capital as the discount rate in this docket?

    A. **For simplicity, this analysis used pre-tax cash flows, therefore, it was appropriate to apply the pre-tax discount rate.**

The following questions refer to the Lost Pole Rental Revenue included in both dockets.

2. Does the 5-year average shown in the workpapers provided by FPL ($21,306,811 5-year average or $515 per pole-line mile) represent the total distribution system pole rental revenues received from all third party attachers?

    A. **Yes.**

3. If yes, doesn't that imply that FPL's entire distribution system will be placed underground and there are no more poles left for attachers to attach to?

    A. **No. The total system figure has been converted to an average amount for a single pole-line mile of $515. The analysis only uses the lost revenue associated with that single mile – not the entire system (whether due to conversion from overhead or placed underground during initial construction). In effect, the single pole-line mile is representative of the system average level for all pole-line miles of the rental revenues FPL receives.**

4. Please explain why FPL proposes to include the total lost distribution pole rental revenues in the calculation of the non-storm operational differential when FPL will continue to receive pole rental revenues from any overhead poles.

    A. **As noted in FPL's responses above, the analysis' calculation is not using the total lost revenues – only the average amount for a single pole-line mile. FPL would continue to receive rental revenues from those poles that remain overhead, and those poles are not part of the analysis. Only the "lost", or foregone, revenues associated with a single pole-line mile are included (whether due to facilities being converted to underground or constructed underground initially).**

5. Please recalculate the 30-year non-storm differential NPV for both dockets assuming that FPL only loses a) 10 percent, b) 20 percent, c) 50 percent of its total pole revenues. Or, if FPL believes a different percentage is appropriate, please explain what percentage is appropriate and provide the appropriate calculation.

    A. **For the reasons discussed in FPL's responses to Questions 2–4, there is no percentage of total pole rental revenues that would be more appropriate to use than FPL's approach. By looking at the average rental revenues per pole-line mile, FPL's approach has already distinguished between the lost rental revenues**

associated with facilities that would be converted to underground while continuing to recognize receipt of rental revenues for the facilities that are not converted.