



April 20, 2010

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VIA HAND DELIVERY

Ms. Ann Cole
Division of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

**RE: Docket No. 100169-EI
Petition for approval of Renewable Energy Tariff and Standard Offer
Contract, by Florida Power & Light Company**

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Power and Light (FPL) is an original and fifteen (15) copies of certain revised Standard Offer Contract (SOC) tariff sheets and a revised page of Attachment E to FPL's proposed Standard Offer Contract.

FPL has corrected an input error in one of the formulas used in its calculation of the O&M costs associated with its avoided unit. For this reason, FPL is submitting the revised SOC tariff sheets listed below in both proposed and legislative format for replacement purposes along with a revised page of Attachment E. The correction results in an approximate 2% increase in the capacity payment starting in year 2025.

Replacement pages for Attachment C

- Third Revised Sheet No. 10.301 (proposed)
- Third Revised Sheet No. 10.311 (proposed)

Replacement pages for Attachment D

- Third Revised Sheet No. 10.301 (legislative)
- Third Revised Sheet No. 10.311 (legislative)

Replacement page of Attachment E

Thank you for your assistance. Please contact me should you or your staff have any questions regarding this filing.

COM _____
 APA _____
 ECR _____
 GCL _____
 RAD 13 _____
 SSC _____
 ADM _____
 OPC _____
 CLK _____

an FPL Group company

Sincerely,

Bryan S. Anderson
for

Bryan S. Anderson

Authorized House Counsel No. 219511

DOCUMENT NUMBER-DATE

03068 APR 20 2010

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ATTACHMENT C

DOCUMENT NUMBER-DATE

03068 APR 20 20

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(Continued from Sheet No. 10.300)

RATES FOR PURCHASES BY THE COMPANY

Firm Capacity and Energy are purchased at a unit cost, in dollars per kilowatt per month and cents per kilowatt-hour, respectively, based on the value of deferring additional capacity required by the Company. For the purpose of this Schedule, an Avoided Unit has been designated by the Company. The Company's Avoided Unit has been identified as a 1212 MW combined cycle unit with an in-service date of June 1, 2025. Appendix I to this Schedule describes the methodology used to calculate payment schedules, applicable to the Company's Standard Offer Contract filed and approved pursuant to Section 366.91, Florida Statutes and to FPSC Rules 25-17.082 through 25-17.091, F.A.C and 25-17.200 through 25-17.310, F.A.C.

A. Firm Capacity Rates

Options A through E are available for payment of firm capacity which is produced by a QS and delivered to the Company. Once selected, an option shall remain in effect for the term of the Standard Offer Contract with the Company. A payment schedule, for the normal payment option as shown below, contains the monthly rate per kilowatt of Firm Capacity which the QS has contractually committed to deliver to the Company and is based on a contract term which extends ten (10) years beyond June 1, 2025. Payment schedules for other contract terms, as specified in Appendix E, will be made available to any QS upon request and may be calculated based upon the methodologies described in Appendix I. The currently approved parameters used to calculate the following schedule of payments are found in Appendix II to this Schedule.

Adjustment to Capacity Payment

The firm capacity rates will be adjusted to reflect the impact that the location of the QS will have on FPL system reliability due to constraints imposed on the operation of FPL transmission tie lines.

Appendix III shows, for illustration purposes, the factors that would be used to adjust the firm capacity rate for different geographical areas. The actual adjustment would be determined on a case-by-case basis. The amount of such adjustment, as well as a binding contract rate for firm capacity, shall be provided to the QS within sixty days of FPL execution of the signed Standard Offer Contract.

Option A - Fixed Value of Deferral Payments - Normal Capacity

Payment schedules under this option are based on the value of a year-by-year deferral of the Company's Avoided Unit with an in-service date of June 1, 2025, as described in Appendix I. Once this option is selected, the current schedule of payments shall remain fixed and in effect throughout the term of the Standard Offer Contract.

EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/KW/MONTH
 2025 COMBINED CYCLE AVOIDED UNIT (1212 MW)
 STANDARD OFFER CONTRACT AVOIDED CAPACITY PAYMENTS
 FOR A CONTRACT TERM OF 10 YEARS
 (\$/KW/MONTH)

Contract Year		Normal Payment
From	To	Starting 06/01/2025
6/1/2025	5/31/2026	11.65
6/1/2026	5/31/2027	12.01
6/1/2027	5/31/2028	12.38
6/1/2028	5/31/2029	12.76
6/1/2029	5/31/2030	13.16
6/1/2030	5/31/2031	13.56
6/1/2031	5/31/2032	13.98
6/1/2032	5/31/2033	14.41
6/1/2033	5/31/2034	14.85
6/1/2034	5/31/2035	15.31

(Continued on Sheet No. 10.302)

Issued by: S. E. Romig, Director, Rates and Tariffs
 Effective:

DOCUMENT NUMBER - DATE

03068 APR 20 20

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APPENDIX II
 TO RATE SCHEDULE QS-2
 CAPACITY OPTION PARAMETERS

FIXED VALUE OF DEFERRAL PAYMENTS - NORMAL CAPACITY OPTION PARAMETERS

Where, for a one year deferral:		<u>Value</u>
VAC _m	= Company's value of avoided capacity and O&M, in dollars per kilowatt per month, during month m;	\$11.65
K	= present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;	1,5096
I _n	= total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Company's Avoided Unit with an in-service date of year n;	\$1,321.27
O _n	= total fixed operation and maintenance expense, for the year n, in mid-year dollars per kilowatt per year, of the Company's Avoided Unit;	\$27.82
i _p	= annual escalation rate associated with the plant cost of the Company's Avoided Unit;	3.0%
i _o	= annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.87%
r	= annual discount rate, defined as the Company's incremental after-tax cost of capital;	7.3%
L	= expected life of the Company's Avoided Unit;	30
n	= year for which the Company's Avoided Unit is deferred starting with its original anticipated in-service date and ending with the termination of the Standard Offer Contract.	2025

FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY OPTION PARAMETERS

A _m	= monthly capacity payments to be made to the QS starting on the year the QS elects to start receiving early capacity payments, in dollars per kilowatt per month;	*
i _p	= annual escalation rate associated with the plant cost of the Company's Avoided Unit;	3.0%
i _o	= annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.87%
n	= year for which early capacity payments to a QS are to begin; (at the election of the QS early capacity payments may commence anytime after the actual in-service date of the QS facility and before the anticipated in-service date of the Company's avoided unit)	*
F	= the cumulative present value of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 10 years;	\$938.33
r	= annual discount rate, defined as the Company's incremental after-tax cost of capital;	7.30%
t	= the term, in years, of the Standard Offer Contract for the purchase of firm capacity commencing in the year the QS elects to start receiving early capacity payments prior to the in-service date of the Company's Avoided Unit;	•
G	= the cumulative present value of the avoided fixed operation and maintenance expense component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 10 years.	\$236.63

*From Appendix E

ATTACHMENT D

(Continued from Sheet No. 10.300)

RATES FOR PURCHASES BY THE COMPANY

Firm Capacity and Energy are purchased at a unit cost, in dollars per kilowatt per month and cents per kilowatt-hour, respectively, based on the value of deferring additional capacity required by the Company. For the purpose of this Schedule, an Avoided Unit has been designated by the Company. The Company's Avoided Unit has been identified as a ~~1219~~1212 MW combined cycle unit with an in-service date of June 1, ~~2021~~2025. Appendix I to this Schedule describes the methodology used to calculate payment schedules, applicable to the Company's Standard Offer Contract filed and approved pursuant to Section 366.91, Florida Statutes and to FPSC Rules 25-17.082 through 25-17.091, F.A.C and 25-17.200 through 25-17.310, F.A.C.

A. Firm Capacity Rates

Options A through E are available for payment of firm capacity which is produced by a QS and delivered to the Company. Once selected, an option shall remain in effect for the term of the Standard Offer Contract with the Company. A payment schedule, for the normal payment option as shown below, contains the monthly rate per kilowatt of Firm Capacity which the QS has contractually committed to deliver to the Company and is based on a contract term which extends ten (10) years beyond June 1, ~~2021~~2025. Payment schedules for other contract terms, as specified in Appendix E, will be made available to any QS upon request and may be calculated based upon the methodologies described in Appendix I. The currently approved parameters used to calculate the following schedule of payments are found in Appendix II to this Schedule.

Adjustment to Capacity Payment

The firm capacity rates will be adjusted to reflect the impact that the location of the QS will have on FPL system reliability due to constraints imposed on the operation of FPL transmission tie lines.

Appendix III shows, for illustration purposes, the factors that would be used to adjust the firm capacity rate for different geographical areas. The actual adjustment would be determined on a case-by-case basis. The amount of such adjustment, as well as a binding contract rate for firm capacity, shall be provided to the QS within sixty days of FPL execution of the signed Standard Offer Contract.

Option A - Fixed Value of Deferral Payments - Normal Capacity

Payment schedules under this option are based on the value of a year-by-year deferral of the Company's Avoided Unit with an in-service date of June 1, ~~2021~~2025, as described in Appendix I. Once this option is selected, the current schedule of payments shall remain fixed and in effect throughout the term of the Standard Offer Contract.

EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/KW/MONTH
~~2021~~2025 COMBINED CYCLE AVOIDED UNIT (~~1219~~1212 MW)
 STANDARD OFFER CONTRACT AVOIDED CAPACITY PAYMENTS
 FOR A CONTRACT TERM OF 10 YEARS
 (\$/KW/MONTH)

Contract Year		Normal Payment
From	To	Starting
		06/01/ 2021 2025
6/1/ 2021 2025	5/31/ 2022 2026	11.5265
6/1/ 2022 2026	5/31/ 2023 2027	11.86 12.01
6/1/ 2023 2027	5/31/ 2024 2028	12.2438
6/1/ 2024 2028	5/31/ 2025 2029	12.5676
6/1/ 2025 2029	5/31/ 2026 2030	12.93 13.16
6/1/ 2026 2030	5/31/ 2027 2031	13.3456
6/1/ 2027 2031	5/31/ 2028 2032	13.7098
6/1/ 2028 2032	5/31/ 2029 2033	14.4041
6/1/ 2029 2033	5/31/ 2030 2034	14.5285
6/1/ 2030 2034	5/31/ 2031 2035	14.94 15.31

(Continued on Sheet No. 10.302)

APPENDIX II
 TO RATE SCHEDULE QS-2
 CAPACITY OPTION PARAMETERS

FIXED VALUE OF DEFERRAL PAYMENTS - NORMAL CAPACITY OPTION PARAMETERS

Where, for a one year deferral:	Value
VAC _m = Company's value of avoided capacity and O&M, in dollars per kilowatt per month, during month m;	\$11.5265
K = present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;	1.5142096
I _n = total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Company's Avoided Unit with an in-service date of year;	\$1,116.42321.27
O _n = total fixed operation and maintenance expense, for the year n, in mid-year dollars per kilowatt per year, of the Company's Avoided Unit;	\$18.4627.82
i _p = annual escalation rate associated with the plant cost of the Company's Avoided Unit;	3.0%
i _o = annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.587%
r = annual discount rate, defined as the Company's incremental after-tax cost of capital;	8.897.3%
L = expected life of the Company's Avoided Unit;	2530
n = year for which the Company's Avoided Unit is deferred starting with its original anticipated in-service date and ending with the termination of the Standard Offer Contract.	202425

FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY OPTION PARAMETERS

A _m = monthly capacity payments to be made to the QS starting on the year the QS elects to start receiving early capacity payments, in dollars per kilowatt per month;	*
i _p = annual escalation rate associated with the plant cost of the Company's Avoided Unit;	3.0%
i _o = annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.587%
n = year for which early capacity payments to a QS are to begin; (at the election of the QS early capacity payments may commence anytime after the actual in-service date of the QS facility and before the anticipated in-service date of the Company's avoided unit)	*
F = the cumulative present value of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 10 years;	\$944.6338.33
r = annual discount rate, defined as the Company's incremental after-tax cost of capital;	8.897.30%
t = the term, in years, of the Standard Offer Contract for the purchase of firm capacity commencing in the year the QS elects to start receiving early capacity payments prior to the in-service date of the Company's Avoided Unit;	*
G = the cumulative present value of the avoided fixed operation and maintenance expense component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 10 years.	\$142.81236.63

*From Appendix E

ATTACHMENT E

Florida Power & Light Company
Standard Offer Contract

Unit Information

Plant Name (Type): Combined Cycle
Net Capacity (MW): 1,212 MW
Book Life (Years): 30

Installed Cost (In-Service Year 2025)

Total Installed Cost (\$/kW):	1,321.27
Direct Construction Cost (\$/kW-00):	1,182.31
AFUDC Amount (\$/kW):	138.96
Fixed O&M (\$/kW-Yr.) (In-Service Year):	9.20
Capital Replacement (\$/kW-Yr.) (In-Service Year):	18.62
Variable O&M (cents/kWh):	.078
K Factor:	1.5096