

Marguerite McLean

100001-EI

From: Butler, John [John.Butler@fpl.com]
Sent: Monday, September 27, 2010 4:40 PM
To: Filings@psc.state.fl.us
Subject: Electronic Filing / Dkt 100001 / FPL's Preliminary List of Issues
Attachments: 9.27.10. Dkt. 100001 FPL Preliminary List of Issues.pdf; 9.27.10. Dkt. 100001 FPL Preliminary List of Issues.doc

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. 100001 - EI
In RE: Fuel and purchased power cost recovery clause with generating performance incentive factor

c. The Document is being filed on behalf of Florida Power & Light Company.

d. There are a total of 11 pages

e. The document attached for electronic filing is Florida Power & Light Company's Preliminary List of Issues

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

DOCUMENT NUMBER DATE

18095 SEP 27 2010

FPLSC-COMMUNICATIONS CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 100001-EI
FILED: September 27, 2010

**FLORIDA POWER & LIGHT COMPANY'S
LIST OF ISSUES AND POSITIONS**

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

ISSUE 2A: 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 2010 and August 2010 hedging reports?

FPL: Yes. FPL's actions to mitigate the price volatility of natural gas, residual oil and purchased power prices, as reported in FPL's April 2010 and August 2010 hedging reports are reasonable and prudent. (YUPP)

ISSUE 2B: Should the Commission approve FPL's 2011 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 2C: What are the projected jurisdictional fuel savings associated with West County Energy Center Unit 3 ("WCEC-3") for the period January 2011 through December 2011? (This issue would not be required if the Commission were to reject the Stipulation and Settlement that was entered into on August 20, 2010 by FPL and the Office of Public Counsel, the Attorney General of the State of Florida, the Florida Industrial Power Users Group, the Florida Retail Federation, the South Florida Hospital and Healthcare Association, the Federal Executive Agencies, and Associated Industries of Florida in Docket No. 080677-EI (the "Settlement Agreement")).

FPL: The projected 2011 jurisdictional fuel savings associated with WCEC-3 are \$97,277,315, assuming the projected in-service date of June 1, 2011. (YUPP)

DOCUMENT # 100001-EI-1411

08095 SEP 27 2010

FPSC-COMMISSION CLERK

ISSUE 2D: What are the projected jurisdictional non-fuel revenue requirements associated with WCEC-3 for the period January 2011 through December 2011? (This issue would not be required if the Commission were to reject the Settlement Agreement).

FPL: The projected 2011 jurisdictional non-fuel revenue requirements associated with WCEC-3 are \$99,629,081, assuming the projected in-service date of June 1, 2011. (OUSDAHL)

FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2010 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: \$15,415,773 (KEITH)

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2011 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: \$11,427,869, subject to adjustments in the 2010 final true-up filing to include all actual data for the year 2010. (KEITH)

ISSUE 8: What are the appropriate final fuel adjustment true-up amounts for the period January, 2009 through December, 2009?

FPL: \$8,771,414 under-recovery. (KEITH)

ISSUE 9: What are the appropriate estimated/actual fuel adjustment true-up amounts for the period January, 2010 through December 2010?

FPL: \$286,129,908 under-recovery. (KEITH)

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January, 2011 through December, 2011?

FPL: \$294,901,322 under-recovery. (KEITH)

ISSUE 11: 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, 2011 through December, 2011?

FPL: 1.00072. (KEITH)

ISSUE 12: What are the appropriate projected net fuel and purchased power cost recovery amounts to be included in the recovery factor for the period January, 2011 through December, 2011?

FPL: \$4,548,097,032, including prior period true-ups and revenue taxes. FPL has assumed that the 2011 revenue requirements for the Scherer Unit 4 Steam Turbine Upgrade will be recovered through the environmental cost recovery clause rather than the fuel and purchased power cost recovery clause. The issue of cost recovery for that project has been spun off to Docket No. 100404-EI. If the Commission decides that those costs should be recovered through the 2011 fuel and purchased power cost recovery factors, then FPL's testimony and exhibits contain the alternative recovery amount. If the Commission decides in Docket No. 100404-EI that the costs should be recovered in the fuel and purchased power cost recovery clause but that decision is not reached until after the 2011 factors have been set, then the costs should be included in next year's true-up. (KEITH)

ISSUE 13: What are the appropriate levelized fuel cost recovery factors for the period January, 2011 through December, 2011?

FPL: Consistent with the Settlement Agreement, FPL proposes that the fuel factors be reduced as of the in-service date of WCEC-3 to reflect the projected jurisdictional fuel savings for WCEC-3. The projected in-service date for WCEC-3 is June 1, 2011, so FPL is proposing the following separate factors for January 2011 to May 2011 and for June 2011 through December 2011:

(a) 4.559 cents/kWh for January 2011 through the day prior to the WCEC-3 in-service date (projected to be May 31, 2011);

(b) 4.407 cents/kWh from the WCEC-3 in-service date (projected to be June 1, 2011) through December 2011

If the Settlement Agreement were rejected by the Commission, then FPL's testimony and exhibits contain alternative fuel factors that would apply for the full period from January 2011 through December 2011. (KEITH)

ISSUE 14: 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. 15. (KEITH)

ISSUE 15: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FPL: The following fuel cost recovery factors are based on the Settlement Agreement methodology described in FPL's position on Issue 13 and do not reflect recovery of the costs of the Scherer Unit 4 Steam Turbine Upgrade through the fuel and purchased power cost recovery clause. If the Commission does not approve the Settlement Agreement and/or decides that the Scherer Unit 4 Steam Turbine Upgrade should be recovered through the

2011 fuel cost recovery clause, then FPL's testimony and exhibits contain alternative fuel factors that would apply.

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

JANUARY 2011 - MAY 2011

(1) GROUP	(2) RATE SCHEDULE	(3) AVERAGE FACTOR	(4) FUEL RECOVERY LOSS MULTIPLIER	(5) FUEL RECOVERY FACTOR
A	RS-1 first 1,000 kWh	4.559	1.00207	4.214
	all additional kWh	4.559	1.00207	5.214
A	GS-1, SL-2, GSCU-1, WIES-1	4.559	1.00207	4.569
A-1*	SL-1, OL-1, PL-1	4.416	1.00207	4.425
B	GSD-1	4.559	1.00202	4.568
C	GSLD-1 & CS-1	4.559	1.00116	4.565
D	GSLD-2, CS-2, OS-2 & MET	4.559	0.99426	4.533
E	GSLD-3 & CS-3	4.559	0.96229	4.387
A	RST-1, GST-1 ON-PEAK	5.194	1.00207	5.205
	OFF-PEAK	4.268	1.00207	4.277
B	GSDT-1, CILC-1(G), ON-PEAK	5.194	1.00201	5.204
	HLFT-1 (21-499 kW) OFF-PEAK	4.268	1.00201	4.276
C	GSLDT-1, CST-1, ON-PEAK	5.194	1.00127	5.200
	HLFT-2 (500-1,999 kW) OFF-PEAK	4.268	1.00127	4.273
D	GSLDT-2, CST-2, ON-PEAK	5.194	0.99552	5.171
	HLFT-3 (2,000+ kW) OFF-PEAK	4.268	0.99552	4.249
E	GSLDT-3, CST-3, ON-PEAK	5.194	0.96229	4.998
	CILC -1(T) OFF-PEAK & ISST-1(T)	4.268	0.96229	4.107
F	CILC -1(D) & ON-PEAK	5.194	0.99484	5.167
	ISST-1(D) OFF-PEAK	4.268	0.99484	4.246

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

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

JUNE 2011 - DECEMBER 2011

(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	4.407 4.407	1.00207 1.00207	4.062 5.062
A	GS-1, SL-2, GSCU-1, WIES-1	4.407	1.00207	4.416
A-1*	SL-1, OL-1, PL-1	4.264	1.00207	4.273
B	GSD-1	4.407	1.00202	4.416
C	GSLD-1 & CS-1	4.407	1.00116	4.412
D	GSLD-2, CS-2, OS-2 & MET	4.407	0.99426	4.382
E	GSLD-3 & CS-3	4.407	0.96229	4.241
A	RST-1, GST-1 ON-PEAK OFF-PEAK	5.042 4.115	1.00207 1.00207	5.052 4.124
B	GSDT-1, CILC-1(G), ON-PEAK HLFT-1 (21-499 kW) OFF-PEAK	5.042 4.115	1.00201 1.00201	5.052 4.124
C	GSLDT-1, CST-1, ON-PEAK HLFT-2 (500-1,999 kW) OFF-PEAK	5.042 4.115	1.00127 1.00127	5.048 4.121
D	GSLDT-2, CST-2, ON-PEAK HLFT-3 (2,000+ kW) OFF-PEAK	5.042 4.115	0.99552 0.99552	5.019 4.097
E	GSLDT-3, CST-3, ON-PEAK CILC -1(T) OFF-PEAK & ISST-1(T)	5.042 4.115	0.96229 0.96229	4.851 3.960
F	CILC -1(D) & ON-PEAK ISST-1(D) OFF-PEAK	5.042 4.115	0.99484 0.99484	5.015 4.094

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

(KEITH)

ISSUE 16: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

FPL: FPL is requesting that the fuel adjustment factors and capacity cost recovery factors become effective with customer bills for January 2011 (cycle day 1) through December 2011 (cycle day 21). This will provide for 12 months of billing for all customers. Thereafter, FPL's fuel adjustment factors and capacity cost recovery factors should remain in effect until modified by the Commission. Please note that, if the Commission approves the Settlement Agreement, then FPL's fuel adjustment factors and capacity cost recovery factors will change on the date that WCEC-3 goes into service (projected to be June 1, 2011), to reflect, respectively, the projected jurisdictional WCEC-3 fuel savings and recovery of the portion of the jurisdictional WCEC-3 non-fuel revenue requirements equal to those projected fuel savings. (KEITH)

GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) ISSUES

ISSUE 21: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January, 2009 through December, 2009 for each investor-owned electric utility subject to the GPIF?

FPL: \$8,115,900 reward. This reflects a credit of \$832,595 to customers, including interest, as a result of removing the gas adjustment factor from the calculations of GPIF target and rewards/penalties for prior periods. (PRIORE)

ISSUE 22: What should the GPIF target/ranges be for the period January, 2011 through December, 2011 for each investor-owned electric utility subject to the GPIF?

FPL: The targets and ranges should be as set forth in FPL's GPIF testimony and exhibits including the following:

<u>Plant / Unit</u>	<u>EAF Target (%)</u>	<u>Heat Rate Target BTU/KWH</u>	
Ft. Myers 2	84.0	7,225	
Martin 8	81.3	7,091	
Manatee 3	84.9	6,991	
Sanford 4	93.7	7,273	
Sanford 5	94.4	7,240	
Scherer 4	85.9	10,030	
St. Lucie 1	63.5	11,348	
St. Lucie 2	66.8	10,822	
Turkey Point 3	93.2	11,608	
Turkey Point 4	78.5	11,495	
Turkey Point 5	90.7	7,017	(PRIORE)

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 24A: Has FPL included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 100009-EI?

FPL: Yes. FPL has included \$31,288,445 in its 2011 capacity cost recovery clause factors. This is the amount provided in the stipulation of issues that was approved by the Commission on September 7, 2010 in Docket No. 100009-EI. (KEITH)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate final capacity cost recovery true-up amounts for the period January, 2009 through December, 2009?

FPL: \$20,891,498 over-recovery. (KEITH)

ISSUE 28: What are the appropriate estimated/actual capacity cost recovery true-up amounts for the period January, 2010 through December, 2010?

FPL: \$88,494,368 under-recovery. (KEITH)

ISSUE 30: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January, 2011 through December, 2011?

FPL: \$67,602,870 under-recovery. (KEITH)

ISSUE 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January, 2011 through December, 2011?

FPL: The projected net purchased power capacity cost recovery amount to be recovered over the period January 2011 through December 2011 is \$609,681,261, including prior period true-ups and revenue taxes. (KEITH)

ISSUE 32: What are the appropriate jurisdictional separation factors to be applied to determine the capacity costs to be recovered during the period January, 2011 through December, 2011?

FPL: The appropriate jurisdictional separation factors are:

FPSC	98.03105%
FERC	1.96895% (KEITH)

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January, 2011 through December, 2011?

FPL: If the Commission approves the Settlement Agreement, then FPL's fuel adjustment factors and capacity cost recovery factors will change on the date that WCEC-3 goes into service (projected to be June 1, 2011), to reflect, respectively, the projected jurisdictional WCEC-3 fuel savings of \$97,277,315 and recovery of the portion of the jurisdictional WCEC-3 non-fuel revenue requirements equal to those projected fuel savings. Consistent with the Settlement Agreement, the capacity cost recovery factors for the period

January 2011 through May 2011 below do not include the portion of WCEC-3 non-fuel revenue requirements equal to the projected WCEC-3 fuel savings. The capacity cost recovery factors for the period June 2011 through December 2011 are based on recovery through the capacity cost recovery clause of the portion of WCEC-3 non-fuel revenue requirements equal to the projected WCEC-3 fuel savings of \$97,277,315, as provided in the Settlement Agreement. If the Commission were to reject the Settlement Agreement, the capacity cost recovery factors shown below for January 2011 through May 2011 would continue to be effective through December 2011..

Capacity Cost Recovery Factors for the period January 2011 through May 2011

Rate Schedule	Capacity Recovery Factor (\$/kw)	Capacity Recovery Factor (\$/kwh)
RS1/RST1	-	0.00655
GS1/GST1/WIES1	-	0.00625
GSD1/GSDT1/HLFT1 (21-499 kW)	1.96	-
OS2	-	0.00597
GSLD1/GSLDT1/CS1/CST1/HLFT2 (500-1,999 kW)	2.46	-
GSLD2/GSLDT2/CS2/CST2/HLFT3 (2,000+ kW)	2.38	-
GSLD3/GSLDT3/CS3/CST3	2.39	-
ISST1D	-	-
ISST1T	**	-
SST1T	**	-
SST1D1/SST1D2/SST1D3	**	-
CILC D/CILC G	2.55	-
CILC T	2.55	-
MET	2.47	-
OL1/SL1/PL1	-	0.00235
SL2/GSCU1	-	0.00430

RATE CLASS	RESERVATION DEMAND CHARGE (\$/kw)	SUM OF DAILY DEMAND CHARGE (\$/kw)
ISST1D	\$0.30	\$0.14
ISST1T	\$0.29	\$0.14
SST1T	\$0.29	\$0.14
SST1D1/SST1D2	\$0.30	\$0.14

Capacity Cost Recovery Factors for the period June 2011 through December 2011

RATE SCHEDULE	Jan 2011- Dec 2011 Capacity Recovery Factor		WCEC-3 Capacity Recovery Factor		Total Capacity Recovery Factor Jun 2010-Dec 2010	
	(\$/kw)	(\$/kwh)	(\$/kw)	(\$/kwh)	(\$/kw)	(\$/kwh)
RS1/RST1	-	0.00655	-	0.00167	-	0.00822
GS1/GST1/WIES1	-	0.00625	-	0.00159	-	0.00784
GSD1/GSDT1/HLFT1 (21-499 kW)	1.96	-	0.50	-	2.46	-
OS2	-	0.00597	-	0.00150	-	0.00747
GSLD1/GSLDT1/CS1/CST1/HLFT2 (500-1,999 kW)	2.46	-	0.62	-	3.08	-
GSLD2/GSLDT2/CS2/CST2/HLFT3 (2,000+ kW)	2.38	-	0.60	-	2.98	-
GSLD3/GSLDT3/CS3/CST3	2.39	-	0.61	-	3.00	-
ISST1D	**	-	**	-	**	-
ISST1T	**	-	**	-	**	-
SST1T	**	-	**	-	**	-
SST1D1/SST1D2/SST1D3	**	-	**	-	**	-
CILC D/CILC G	2.55	-	0.64	-	3.19	-
CILC T	2.55	-	0.65	-	3.20	-
MET	2.47	-	0.62	-	3.09	-
OL1/SL1/PL1	-	0.00235	-	0.00058	-	0.00293
SL2/GSCU1	-	0.00430	-	0.00108	-	0.00538
TOTAL						

RATE CLASS	Jan 2011- Dec 2011 Capacity Recovery Factor		WCEC-3 Capacity Recovery Factor		Total Capacity Recovery Factor Jun 2010-Dec 2010	
	RDC	SDD	RDC	SDD	RDC	SDD
	** (\$/kw)	** (\$/kw)	** (\$/kw)	** (\$/kw)	** (\$/kw)	** (\$/kw)
ISST1D	\$0.30	\$0.14	\$0.05	\$0.02	\$0.35	\$0.16
ISST1T	\$0.29	\$0.14	\$0.05	\$0.02	\$0.34	\$0.16
SST1T	\$0.29	\$0.14	\$0.05	\$0.02	\$0.34	\$0.16
SST1D1/SST1D2/SST1D3	\$0.30	\$0.14	\$0.05	\$0.02	\$0.35	\$0.16

(KEITH)

Respectfully submitted this 27th day of September, 2010.

R. Wade Litchfield, Esq.
Vice President and General Counsel
John T. Butler, Esq.
Managing 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

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic delivery on the 27th day of September, 2010, to the following:

Lisa Bennett, Esq.
Michael Barrett
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, Florida 32399-0850
LBENNETT@PSC.STATE.FL.US

J. R. Kelly, Esq.
Patricia Christensen, Esq.
Charles Beck, Esq.
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399
Kelly.jr@leg.state.fl.us
Christensen.patty@leg.state.fl.us
beck.charles@leg.state.fl.us

James D. Beasley, Esq.
J. Jeffrey Wahlen, Esq.
Ausley & McMullen
Attorneys for Tampa Electric
P.O. Box 391
Tallahassee, Florida 32302
jbeasley@ausley.com
jwahlen@ausley.com

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

John W. McWhirter, Jr., Esq.
McWhirter & Davidson, P.A.
Attorneys for FIPUG
P.O. Box 3350
Tampa, Florida 33602
jmcwhirter@mac-law.com

Beth Keating, Esq.
Akerman, Senterfitt
Attorneys for FPUC
106 East College Avenue
Suite 1200
Tallahassee, Florida 32301
Beth.keating@akerman.com

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

James W. Brew, Esq.
Attorney for White Springs
Brickfield, Burchette, Ritts & Stone, The P.C.
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, DC 2007-5201
jbrew@bbrslaw.com

Robert Scheffel Wright, Esq.
Jay T. LaVia, III, Esq.
Young van Assenderp, P.A.
Attorneys for Florida Retail Federation
225 South Adams Street, Suite 200
Tallahassee, FL 32301
swright@yvlaw.net
jlavia@yvlaw.net

Jon C. Moyle and Vicki Kaufman
Keefe, Anchors Gordon & Moyle, P.A.
118 N. Gadsden St.
Tallahassee, FL 32301
Co-Counsel for FIPUG
vkaufman@kagmlaw.com
jmoyle@kagmlaw.com

Cecilia Bradley
Senior Assistant Attorney General
Office of the Attorney General
The Capitol - PL01
Tallahassee, FL 32399-1050
cecilia.bradley@myfloridalegal.com

Michael Barrett
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, Florida 32399-0850
MBARRETT@PSC.STATE.FL.US

Captain Shayla L. McNeill
Attorney for the FEA
AFLOA/JACL-ULFSC
139 Barnes Drive, Suite 1
Tyndall AFB, FL 32403-5319
Shayla.mcneill@tyndall.af.mil

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