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 COMMISSION
 CLERK

October 1, 2010

-VIA HAND DELIVERY -

Ms. Ann Cole, Director
 Division of the Commission Clerk and Administrative Services
 Florida Public Service Commission
 2540 Shumard Oak Blvd.
 Tallahassee, FL 32399-0850

Re: Docket No. 100001-EI

Dear Ms. Cole:

I am enclosing for filing in the above docket on behalf of Florida Power & Light Company ("FPL") the original and seven (7) copies of the following:

- (a) FPL's Supplemental Petition for Approval of Levelized Fuel Cost Recovery Factors and Capacity Cost Recovery Factors for January 2011 through December 2011; *08262-10*
- (b) FPL's Supplemental Petition for Approval of Generating Performance Incentive Factor (GPIF) targets for January 2011 through December 2011, Revised GPIF targets for January 2010 through December 2010 and Revised GPIF Reward for January 2009 through December 2009; and *08263-10*
- (c) FPL's Motion for Leave to File Supplemental Petition for Approval of Levelized Fuel Cost Recovery Factors and Capacity Cost Recovery Factors for January 2011 through December 2011, Supplemental Petition for Approval of Generating Performance Incentive Factor (GPIF) targets for January 2011 through December 2011, Revised GPIF targets for January 2010 through December 2010 and Revised GPIF Reward for January 2009 through December 2009, and Supplemental Testimony and Exhibits of T.J. Keith, G.J. Yupp and C.A. Priore III. *08264-10*
containing the above petitions in word format also fwd.
 A CD containing the above pleadings in Word form is enclosed.

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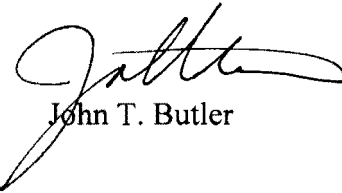
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Ms. Ann Cole, Director
Division of the Commission Clerk and Administrative Services
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Also enclosed for filing are the original and fifteen (15) copies of (i) a bound volume containing the supplemental testimony and exhibits of T.J. Keith and G.J. Yupp together with the September 1, 2010 testimony and exhibits of Kim Ousdahl and G. F. St. Pierre; and (ii) the supplemental testimony and exhibits of C.A. Priore III.

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

Sincerely,



John T. Butler

Enclosures

cc: Counsel for Parties of Record (w/encl.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CLERK

IN RE: Fuel and Purchase Power Cost) Docket No. 100001-EI
Recovery Clause and Generating)
Performance Incentive Factor) Filed: October 1, 2010

SUPPLEMENTAL PETITION OF FLORIDA POWER & LIGHT COMPANY FOR APPROVAL OF ITS LEVELIZED FUEL COST RECOVERY FACTORS AND CAPACITY COST RECOVERY FACTORS FOR JANUARY 2011 THROUGH DECEMBER 2011

Florida Power & Light Company ("FPL"), pursuant to Order No. 9273 in Docket No. 74680-CI, Order No. 10093 in Docket No. 810001-EU, and Commission Directives of April 24 and April 30, 1980, hereby petitions the Commission to approve FPL's revised 2010 estimated/actual Fuel Cost Recovery ("FCR") true-up of \$221,691,239 under-recovery and revised 2010 estimated/actual Capacity Cost Recovery ("CCR") true-up of \$85,933,800 under-recovery, both of which incorporate actual data through August 2010. In addition, FPL petitions the Commission to approve FCR and CCR factors for January 2011 through December 2011 as set forth in Attachment I to this Petition, such factors to continue in effect thereafter until modified by the Commission. Attachment I contains alternative FCR and CCR factors for approval, with the appropriate factors to be approved depending upon the Commission's decision

on FPL's Stipulation and Settlement Agreement described below.

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BACKGROUND

1. Application of Settlement Agreement to 2011 FCR and CCR Factors

On August 20, 2010, FPL filed for Commission approval in Docket Nos. 080677-EI and 090130-EI of a Stipulation and Settlement related to FPL's base rates (the "Settlement Agreement"). All of the major intervening parties in those dockets agreed to and support the

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Settlement Agreement; this includes each party that has intervened with respect to FPL in this docket. The Settlement Agreement provides, among other things, that FPL's base rates will remain at existing levels, except as otherwise provided in the Settlement Agreement, through the last billing cycle of 2012. Among other key provisions of the Settlement Agreement is the ability for FPL to recover the previously-approved revenue requirements for West County Energy Center Unit 3 ("WCEC 3") through the CCR Clause starting with the first billing cycle after the unit goes into commercial service, projected to occur June 1, 2011, subject to the constraint that FPL may recover those revenue requirements each year only to the extent that they are offset by projected fuel savings from the unit's operation. (See Settlement Agreement, ¶ 5).

The Commission has not reached a decision on the Settlement Agreement as of the date these projections are being filed; currently a vote on approval of the Settlement Agreement is scheduled for the October 12, 2010 Agenda Conference. However, the Settlement Agreement requires FPL to "calculate and submit for Commission confirmation" the amount of the revenue requirements associated with WCEC 3 "at the time it submits its capacity clause projection filing for the year that the plant is to go into service." (Settlement Agreement, ¶ 5(b)). In addition, FPL is to "implement the remainder of the calendar year in which West County Unit 3 achieves commercial service a revised fuel cost recovery factor that reflects the projected fuel savings associated with the addition of West County Unit 3 to its generating fleet." (Settlement Agreement, ¶ 5(c)). Because WCEC 3 is scheduled to go into service in 2011, the instant filing is the one in which the Settlement Agreement contemplates that FPL will seek Commission approval for recovery of WCEC 3 revenue requirements.

Accordingly, FPL presents alternative requests for Commission approval, ones that reflect recovery of WCEC 3 revenue requirements if the Settlement Agreement is approved, and

others that would not reflect recovery of those revenue requirements if the Settlement Agreement is not approved.

RELIEF SOUGHT

1. Revised Estimated/Actual FCR True-Up

1. The revised estimated/actual FCR \$221,691,239 under-recovery for the period January 2010 through December 2010 was calculated in accordance with the methodology set forth in Schedule 1, page 2 of 2, attached to Order No. 10093, dated June 19, 1981. This estimated/actual FCR under-recovery has been revised from that filed on September 1, 2010 to reflect August 2010 actual data. The supporting documentation is contained in the prepared supplemental testimony and exhibit of Mr. Keith.

2. FPL's total FCR under-recovery is \$230,462,653. This consists of the \$221,691,239 revised estimated/actual under-recovery for 2010 plus the final under-recovery of \$8,771,414 for the period ending December 2009 that was filed on March 12, 2010. FPL requests that this total under-recovery of \$230,462,653 be carried forward and included in the fuel factor for January 2011 through December 2011.

2. FCR Factors -- Traditional Method

3. If the Settlement Agreement is not approved, FPL requests that the FCR Factors for the period January 2011 through December 2011 be calculated in the traditional manner, spreading the fuel savings that will result from placing WCEC 3 in service evenly over the entire calendar year, although the unit is not projected to be placed in service until June 1, 2011 (the "Traditional Method"). Commission Schedules E1-E10 and H1 (designated Minimum Filing Requirements by the Commission's April 24, 1989, Directive) are attached as Appendix II to the supplemental testimony of FPL witness T.J. Keith. The calculation of the FCR factors under the Traditional Method, are contained in Schedules E1, E2, RS-1 inverted rate calculation, E-1D and

E-1E. The Traditional Method FCR factors are also shown on Table 1, Column 1 of Attachment I to this Petition.

3. Revised Estimated/Actual CCR True-up

4. The revised estimated/actual CCR under-recovery for the period January 2010 through December 2010 was calculated in accordance with the methodology set forth in Schedule 1, page 2 of 2, attached to Order No. 10093, dated June 19, 1981. This estimated/actual CCR under-recovery has been revised from that filed on September 1, 2010 to reflect August 2010 actual data. The supporting documentation is contained in Appendix III to the prepared supplemental testimony and exhibit of Mr. Keith.

5. FPL's total CCR under-recovery is \$65,042,302. This consists of the \$85,933,800 revised estimated/actual under-recovery for 2010 plus the final over-recovery of \$20,891,498 for the period ending December 2009 filed on March 12, 2010. FPL requests that this total under-recovery of \$65,042,302 be carried forward and included in the CCR Factors for January 2011 through December 2011.

4. CCR Factors -- Traditional Method

6. FPL's CCR Factors for the period January 2011 through December 2011 are shown on Table 2, Column 1 of Attachment I. Whether or not the Settlement Agreement is approved, the CCR factors shown on Table 2, Column 1 of Attachment I to this Petition should be approved. The supporting documentation is contained in Exhibit TJK-6 to the prepared supplemental testimony and exhibit of Mr. Keith.

5. FCR and CCR Factors -- Settlement Agreement Method

7. If the Settlement Agreement is approved, Paragraph 5 of the Settlement Agreement provides that, when WCEC 3 enters commercial service, "FPL shall implement for the remainder of the calendar year in which West County Unit 3 achieves commercial service a revised fuel cost recovery factor that reflects the projected fuel savings associated with the

addition of West County Unit 3 to its generating fleet.” (See Settlement Agreement, ¶ 5(c)). The Settlement Agreement further authorizes FPL “to recover during the remainder of the calendar year that portion of the projected non-fuel revenue requirements associated with FPL’s West County Unit 3 which equals the projected fuel savings associated with the operation of West County Unit 3 through the balance of the calendar year via FPL’s capacity cost recovery clause.” (See Settlement Agreement, ¶ 5(a)). Therefore, if the Settlement Agreement is approved, FPL requests approval for two separate sets of FCR factors in 2011: the first set (“Step 1”) will apply from January 1, 2011 until WCEC 3 goes into commercial service (the “WCEC In-Service Date”) and will reflect no fuel savings associated with WCEC 3; and the second set (“Step 2”) will apply from the WCEC In-Service Date until December 31, 2011 and will reflect the full projected 2011 fuel savings associated with WCEC 3.¹ The Step 1 FCR factors are shown on Table 1, Column 2 of Attachment I, and the Step 2 FCR factors are shown on Table 1, Column 3 of Attachment I. The calculation of the FCR factors under this Settlement Agreement approach are contained in [Alternative] Schedules E1, E2, RS-1 inverted rate calculation, E-1D and E-1E included as Appendix IV to Mr. Keith’s supplemental testimony.

8. Paragraph 5(a) of the Settlement Agreement provides for the CCR factors to be increased as of the WCEC In-Service Date, based on the lesser of the projected 2011 WCEC-3 non-fuel revenue requirements or the projected 2011 fuel savings associated with WCEC 3 (the “WCEC 3 Recovery Component”). As discussed in the testimony of Ms. Ousdahl, FPL projects \$99,629,081 of jurisdictional non-fuel revenue requirements associated with WCEC 3 for the period June 1, 2011 through December 31, 2011, which reflects the costs upon which the

¹ To be clear, FPL would recover the same amount through its FCR factors under either approach – with or without approval of the Settlement Agreement. FPL’s proposal to implement the Settlement Agreement simply contemplates two-step FCR factors rather than uniform FCR factors throughout the year. Under the two-step approach, the projected fuel savings from WCEC 3 will be deferred until the unit is placed in service and then reflected as a step change in the FCR factors, to coincide with the change in the CCR factors, at that time.

cumulative present value revenue requirements were predicated, and pursuant to which a need determination was granted by the Commission in Order No. PSC-08-0591-FOF-EI, as adjusted by the application of a 10% return on equity in lieu of the higher return on equity that was used in the determination of need proceeding. As discussed in the supplemental testimony of Mr. Yupp, FPL projects \$97,296,000 of fuel savings from the addition of WCEC 3 on a system basis for the period from June 1, 2011 through December 31, 2011. Mr. Keith's supplemental testimony shows that the jurisdictional portion of those fuel savings is \$96,175,160. Therefore, if the Settlement Agreement is approved, FPL requests approval of WCEC 3 Recovery Components based on the projected 2011 WCEC 3 jurisdictional fuel savings of \$96,175,160. Consistent with Paragraph 5(c) of the Settlement Agreement, the WCEC 3 Recovery Components reflect allocation of the WCEC 3 recovery to customer classes utilizing the same cost of service and rate design methodology that was approved in Order No. PSC-10-0153-FOF-EI issued March 17, 2010 ("Order 0153"), which is the final order in FPL's base rate case. The WCEC 3 Recovery Components are shown on Table 2, Column 2 of Attachment I, and their calculation is included in Appendix III to Mr. Keith's supplemental testimony.

6. Preliminary 2011 Residential Bill

9. Attachment II to this Petition contains FPL's preliminary residential bill estimates for 1,000 kWh for the period January 2011 through December 2011 under the two alternative FCR and CCR recovery scenarios addressed herein: with and without Settlement Agreement approval. The preliminary residential bill estimates contained in Attachment II reflect the Commission's decision on FPL's base rates in Order 0153, FPL's proposed storm charge that is to be effective November 1, 2010, and FPL's proposed 2011 environmental and conservation charges.

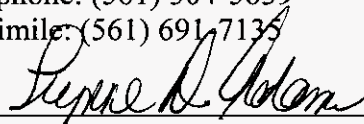
WHEREFORE, FPL respectfully requests this Commission to approve FPL's revised 2010 estimated/actual FCR true-up of \$221,691,239 under-recovery and revised 2010 estimated/actual CCR true-up of \$85,933,800 under-recovery, both of which incorporate actual data through August 2010. In addition, FPL requests Commission approval of one of the following two alternative sets of FCR and CCR factors, as appropriate to the Commission's decision, such factors to continue in effect thereafter until modified by the Commission:

(1) if the Commission approves the Settlement Agreement, FPL requests approval of the FCR factors shown on Table 1, Columns 2 and 3 of Attachment I, the CCR factors shown on Table 2, Column 1 of Attachment I and the WCEC 3 Recovery Components shown on Table 2, Column 2 of Attachment I;

(2) if the Settlement Agreement is not approved, FPL requests approval of the FCR factors shown on Table 1, Column 1 of Attachment I and the CCR factors shown on Table 2, Column 1 of Attachment I.

Respectfully submitted,

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


CERTIFICATE OF SERVICE

Docket No. 100001-EI

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Supplemental Petition for Approval of the Fuel and Capacity Cost Recovery Factors for the Period January 2011 through December 2011 has been furnished by hand delivery (*) or U.S. Mail on October 1, 2010 to the following:

<p>Lisa Bennett, Esq. Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Blvd Tallahassee, Florida 32399-0850 LBENNETT@PSC.STATE.FL.US</p>	<p>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</p>
<p>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</p>	<p>John T. Burnett, Esq. Progress Energy Service Company, LLC P.O. Box 14042 St. Petersburg, Florida 33733-4042 john.burnett@pgnmail.com</p>
<p>John W. McWhirter, Jr., Esq McWhirter & Davidson, P.A. Attorneys for FIPUG P.O. Box 3350 Tampa, Florida 33602 jmcwhirter@mac-law.com</p>	<p>Beth Keating, Esq. Akerman, Senterfitt Attorneys for FPUC 106 East College Avenue Suite 1200 Tallahassee, Florida 32301 Beth.keating@akerman.com</p>
<p>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</p>	<p>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</p>

<p>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 <u>swright@yvlaw.net</u> <u>jlavia@yvlaw.net</u></p>	<p>Jon C. Moyle, Esq. and Vicki Kaufman, Esq. Keefe, Anchors Gordon & Moyle, P.A. 118 N. Gadsden St. Tallahassee, FL 32301 Co-Counsel for FIPUG <u>vkaufman@kagmlaw.com</u> <u>jmoyle@kagmlaw.com</u></p>
<p>Cecilia Bradley, Esq. Senior Assistant Attorney General Office of the Attorney General The Capitol - PL01 Tallahassee, FL 32399-1050 <u>cecilia.bradley@myfloridalegal.com</u></p>	<p>Michael Barrett Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Blvd Tallahassee, Florida 32399-0850 <u>MBARRETT@PSC.STATE.FL.US</u></p>
<p>Captain Shayla L. McNeill Attorney for the FEA AFLOA/JACL-ULFSC 139 Barnes Drive, Suite 1 Tyndall AFB, FL 32403-5319 <u>Shayla.mcneill@tyndall.af.mil</u></p>	<p>Patrick K. Wiggins, Esq. Attorneys for AFFIRM P.O. Drawer 1657 Tallahassee, FL 32302 <u>wigglaw@gmail.com</u></p>

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

ATTACHMENT I

Table 1

	<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
	FCR Factors Traditional Method ¹	FCR Factors Settlement Agreement ² STEP 1	FCR Factors Settlement Agreement ³ STEP 2
Levelized FCR Charge Non-Time differentiated rates	4.214 cents per kWh	4.309 cents per kWh	4.158 cents per kWh
Levelized FCR Charge On- Peak Rates	4.836 cents per kWh	4.945 cents per kWh	4.794 cents per kWh
Levelized FCR Charge Off- Peak Rates	3.929 cents per kWh	4.017 cents per kWh	3.866 cents per kWh

For the January 2011 through December 2011 Billing Period¹

Step 1 to apply from January 2011 until the first billing cycle on or after the date on which WCEC 3 enters commercial service²

Step 2 to apply from the first billing cycle on or after the date on which WCEC 3 enters commercial service through December 2011³

¹ To become effective starting with meter readings scheduled to be read on or after Cycle Day 1 and with the charges and factors to remain in effect until modified by subsequent order of this Commission.

² To become effecting starting with meter readings scheduled to be read on or after Cycle Day 1.

³ With the charges and factors to remain in effect until modified by subsequent order of this Commission.

ATTACHMENT I

Table 2

Rate Schedules	Column 1		Column 2	
	CCR Factors		CCR Factors With WCEC 3 Recovery Component	
	\$/kW	\$/kWh	\$/kW	\$/kWh
RS1/RST1	-	.00651	-	.00817
GS1/GST1	-	.00622	-	.00780
GSD1/GSDT1/HLFT1 (21-499 kW)	1.95	-	2.44	-
OS2	-	.00594	-	.00743
GSLD1/GSLDT1/CS1/CST1/HLFT2 (500-1,999 kW)	2.45	-	3.06	-
GSLD2/GSLDT2/CS2/CST2/HLFT3(2,000+ kW)	2.36	-	2.95	-
GSLD3/GSLDT3/CS3/CST3	2.38	-	2.98	-
ISST1D	**	-	**	-
ISST1T	**	-	**	-
SST1T	**	-	**	-
SST1D1/SST1D2/SST1D3	**	-	**	-
CILC D/CILC G	2.54	-	3.18	-
CILC T	2.54	-	3.18	-
MET	2.46	-	3.08	-
OL1/SL1/PL1	-	.00234	-	.00292
SL2, GSCU1	-	.00428	-	.00535

Standby Rate Schedules	Column 1		Column 2	
	CCR Factors		CCR Factors With WCEC 3 Recovery Component	
	RDC	SDD	RDC	SDD
	**\$/kW	**\$/kW	**\$/kW	**\$/kW
ISST-1D	.29	.14	.34	.16
ISST1T	.29	.14	.34	.16
SST1T	.29	.14	.34	.16
SST1D1/SST1D2/SST1D3	.29	.14	.34	.16

COMPANY: FLORIDA POWER & LIGHT COMPANY

SCHEDULE E10

	<u>DEC 10</u>	<u>PRELIMINARY JAN 11 - DEC 11</u>	<u>DIFFERENCE</u>	
			<u>\$</u>	<u>%</u>
BASE	\$43.01	\$43.01	\$0.00	0.00%
FUEL	\$38.57	\$38.69	\$0.12	0.31%
CONSERVATION	\$1.88	\$3.64	\$1.76	93.62%
CAPACITY PAYMENT	\$6.21	\$6.51	\$0.30	4.83%
ENVIRONMENTAL	\$1.79	\$1.43	-\$0.36	-20.11%
STORM RESTORATION SURCHARGE	<u>\$1.17</u>	<u>\$1.17</u>	<u>\$0.00</u>	<u>0.00%</u>
SUBTOTAL	\$92.63	\$94.45	\$1.82	1.96%
GROSS RECEIPTS TAX	<u>\$2.38</u>	<u>\$2.42</u>	<u>\$0.04</u>	<u>1.68%</u>
TOTAL	\$95.01	\$96.87	\$1.86	1.96%

	DEC 10	PRELIMINARY JAN 11 - MAY 11	PRELIMINARY JUN 11 - DEC 11	DIFFERENCE CURRENT VS. JAN 11		DIFFERENCE JAN 11 VS. JUN 11	
				\$	%	\$	%
BASE	\$43.01	\$43.01	\$43.01	\$0.00	0.00%	\$0.00	0.00%
FUEL	\$38.57	\$39.64	\$38.13	\$1.07	2.77%	-\$1.51	-3.81%
CONSERVATION	\$1.88	\$3.64	\$3.64	\$1.76	93.62%	\$0.00	0.00%
CAPACITY PAYMENT	\$6.21	\$6.51	\$8.17	\$0.30	4.83%	\$1.66	25.50%
ENVIRONMENTAL	\$1.79	\$1.43	\$1.43	-\$0.36	-20.11%	\$0.00	0.00%
STORM RESTORATION SURCHARGE	<u>\$1.17</u>	<u>\$1.17</u>	<u>\$1.17</u>	<u>\$0.00</u>	<u>0.00%</u>	<u>\$0.00</u>	<u>0.00%</u>
SUBTOTAL	\$92.63	\$95.40	\$95.55	\$2.77	2.99%	\$0.15	0.16%
GROSS RECEIPTS TAX	<u>\$2.38</u>	<u>\$2.45</u>	<u>\$2.45</u>	<u>\$0.07</u>	<u>2.94%</u>	<u>\$0.00</u>	<u>0.00%</u>
TOTAL	\$95.01	\$97.85	\$98.00	\$2.84	2.99%	\$0.15	0.15%