

Eric Fryson

From: Butler, John [John.Butler@fpl.com]
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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. 120001 - EI
In RE: Fuel Cost Recovery Clause

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

d. There are a total of 18 pages

e. The document attached for electronic filing is Florida Power & Light Company's Prehearing Statement

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

DOCUMENT NUMBER-DATE

06853 OCT-8 09

FPSC-COMMISSION CLERK

10/8/2012

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 120001-EI
FILED: October 8, 2012

FLORIDA POWER & LIGHT COMPANY'S
PREHEARING STATEMENT

Pursuant to Order No. PSC-12-0061-PCO-EI, dated February 10, 2012 establishing the prehearing procedure in this docket, Florida Power & Light Company ("FPL") hereby submits it's Prehearing Statement.

1) WITNESSES

WITNESS	SUBJECT MATTER	ISSUES
G. YUPP	Mitigated Price Risk	2A
G. YUPP	2013 Risk Management Plan	2B
T.J. KEITH	RTR-1 Rider	2C
T.J. KEITH	Benchmark Levels for Gains Eligible for Shareholder Incentive	6-7
T.J. KEITH	Fuel Adjustment True-up and Projections	8-11 and 18-22
G. YUPP P. FREEMAN	Fuel Adjustment True-Up and Projections	8-11 and 18 8-11 and 18
J. C. BULLOCK	GPIF Reward	16
J.C. BULLOCK	2013 GPIF Target/Ranges	17
T.J. KEITH	Nuclear Cost Recovery Amount for 2013	24A
T.J. KEITH	Adjustment to Transfer Incremental Security Costs from the Capacity Cost Recovery Clause to Base Rates	24B
T.J. KEITH	WCEC-3 Non-Fuel Revenue Requirements For January 2013 through December 2013	24C

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T.J. KEITH	Recovery of Fukushima Compliance Costs	24D
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2) EXHIBITS

WITNESS	SUBJECT MATTER	EXHIBITS
T.J. KEITH	Fuel Cost Recovery Final True Up for January 2011 through December 2011	TJK-1
	Capacity Cost Recovery Final True Up for January 2011 through December 2011	TJK-2
J. CARINE BULLOCK	Generating Performance Incentive Factor for January 2011 through December 2011	JCB-1
G.J. YUPP	2011 Hedging Activity	GJY-1
T.J. KEITH	Fuel Cost Recovery Actual/Estimated True Up for January 2012 through December 2012	TJK-3
	Capacity Cost Recovery Actual/Estimated True Up for January 2012 through December 2012	TJK-4
G.J. YUPP	2013 Risk Management Plan	GJY-2
G.J. YUPP	Hedging Activity Report	GJY-3
G.J. YUPP	Fuel Cost Recovery Forecast Assumptions	GJY-4
T.J. KEITH	Fuel Cost Recovery for January 2013 through May 2013	TJK-5
	Fuel Cost Recovery for June 2013 through December 2013 (including CCEC fuel savings)	TJK-6
	Fuel Cost Recovery for January 2013 through December 2013 (Traditional Methodology)	TJK-7
	Capacity Cost Recovery for January 2013 through December 2013	TJK-8
J. CARINE BULLOCK	Generating Performance Incentive Factor Targets for January 2013 through December 2013	JCB-2

3) STATEMENT OF BASIC POSITION

FPL's Rate Case Docket No. 120015-EI addresses several issues of significant magnitude (listed below) that could impact FPL's proposed fuel and capacity factors. Based on the current schedule in FPL's base rate case, those issues will not be resolved prior to the

hearings in this docket. Therefore, FPL proposes the following safeguards to ensure fair and appropriate cost recovery with respect to those issues:

Issue 24B: Should an adjustment be made to transfer incremental security costs from the Capacity Cost Recovery Clause to base rates?

At present, incremental security costs are being collected through the capacity clause. In anticipation that a decision on new FPL base rates may not be made in time for the new rates to go into effect on January 2, 2013, FPL believes that all stakeholders will be best protected if the Commission approves 2013 capacity clause factors that reflect continued recovery of incremental security costs. If the Commission ultimately transfers recovery of incremental security costs to base rates, then FPL would file revised capacity clause factors reflecting that transfer. FPL proposes that those revised capacity clause factors be administratively approved by Staff, to take effect simultaneously with the new base rates.

Issue 24E: If the Commission approves the Proposed Settlement Agreement, what amount should be included in the capacity cost recovery clause for recovery of jurisdictional non-fuel revenue requirements associated with West County Energy Center Unit 3 (WCEC-3) for the period January 2013 through December 2013?

As is the case with incremental security costs, WCEC-3 revenue requirements are currently being collected through the capacity clause. FPL's March 19, 2012 rate petition in Docket No. 120015-EI proposed that WCEC-3 revenue requirements be recovered through base rates starting on January 2, 2013. On the other hand, the Proposed Settlement Agreement that was filed in Docket No. 120015-EI on August 15, 2012 provides for WCEC-3 revenue requirements to continue to be recovered through the capacity clause. If a decision on new FPL base rates is not made in time for the new base rates to go into effect on January 2, 2013, FPL is entitled to put the base rates that were proposed in March 2012 into effect subject to refund. See Section 366.06, Florida Statutes. As just noted, those base rates include recovery of WCEC-3 revenue requirements. Thus, it is not clear at this point whether the base rates that will be in effect on January 2, 2013 will or will not include recovery for WCEC-3 revenue requirements. FPL believes that stakeholders will be best protected by the Commission approving two sets of 2013 capacity clause factors, one with and one without recovery of WCEC-3 revenue requirements. FPL will implement on January 2, 2013 the capacity clause factors that are appropriate at that time: if FPL does not change its base rates or if FPL is in a position to implement the base rates that are reflected in the Proposed Settlement Agreement on January 2, 2013, then it will apply the capacity clause factors that include recovery for WCEC-3 revenue requirements; if FPL instead puts the base rates proposed in March 2012 into effect subject to refund on January 2, 2013, then it will apply the capacity clause factors that do not include recovery of WCEC-3 revenue requirements.

If FPL implements capacity clause factors on January 2, 2013 that include WCEC-3 revenue requirements but the Commission ultimately approves permanent base rates for 2013 that recover the WCEC-3 revenue requirements, FPL proposes that it be given authority and directed by the Commission to revert to the alternative capacity clause factors approved by the Commission that do not include WCEC-3 revenue requirements, effective on the same date as those permanent base rates.

Issue 24C: If the Commission approves the Proposed FPL Rate Case Settlement Agreement that was filed in Docket No. 120015-EI on August 15, 2012 (the "Proposed Settlement Agreement"), should the Commission approve FPL's proposed GBRA factor of 3.527 percent for the Canaveral Modernization Project?

Issue 20: What are the appropriate levelized fuel cost recovery factors for the period January 2013 through December 2013?

FPL requests that the Commission review and approve the appropriate GBRA factor that would be applied as an adjustment to base rates for recovery of the revenue requirements for the Canaveral Modernization Project. This GBRA factor would be implemented only if the Commission approves the Proposed Settlement Agreement in Docket No. 120015-EI. If approved, the GBRA factor for the Canaveral Modernization Project would be implemented when that project goes into commercial service, which is estimated to occur on June 1, 2013. Because the GBRA is a percentage adjustment to base rates, the 2013 capacity clause factors will not be impacted by approval of the GBRA factor.

FPL requests that the Commission approve two-step fuel clause factors, with the factors being adjusted downward at the time of the estimated in-service date of the Canaveral Modernization Project in order to appropriately reflect the projected fuel savings for this project. The two-step fuel factors are appropriate regardless of whether the Commission approves the Proposed Settlement Agreement and there is a GBRA for the Canaveral Modernization Project, or the project's revenue requirements are recovered instead through the Canaveral Step Increase that was included in FPL's original March 2012 base rate request.

4) STATEMENT 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 2012 and August 2012 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 2012 and August 2012 hedging reports are reasonable and prudent. (YUPP)

ISSUE 2B: Should the Commission approve FPL's 2013 Risk Management Plan?

FPL: Yes. On August 5, 2008, FPL filed a petition in the fuel 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 provides 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 2013 Risk

Management Plan is consistent with the Hedging Guidelines and should be approved. (YUPP)

ISSUE 2C: Should FPL's proposed fuel factors for the new RTR-1 Rider be approved?

FPL: Yes, the Commission should approve the 2013 fuel factors for FPL's new RTR-1 Rider. The 2013 RTR-1 fuel factors would only be implemented if the Commission were to approve the new RTR-1 Rider proposed in Docket 120015-EI. (KEITH)

FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2012 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: \$6,680,369 (KEITH)

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2013 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: \$4,430,522, which has been adjusted from \$4,453,225, to include actual data for July 2012. This benchmark level is subject to adjustments in the 2012 final true-up filing to include all actual data for the year 2012. (KEITH)

ISSUE 8: What are the appropriate fuel adjustment true-up amounts for the period January 2011 through December 2011?

FPL: \$51,121,025 under-recovery. (KEITH)

ISSUE 9: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2012 through December 2012?

FPL: \$99,206,321 over-recovery. (KEITH)

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2013 to December 2013?

FPL: \$48,085,296 over-recovery. (KEITH)

ISSUE 11: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2013 through December 2013?

FPL: \$3,097,095,340, including prior period true-ups and revenue taxes and excluding the GPIF reward. (KEITH)

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Florida Power & Light Company

No company-specific issues for Florida Power & Light Company have been identified at this time. If such issues are identified, they shall be numbered 13A, 13B, 13C, and so forth, as appropriate.

GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) ISSUES

ISSUE 16: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2011 through December 2011 for each investor-owned electric utility subject to the GPIF?

FPL: \$7,703,912 reward. (BULLOCK)

ISSUE 17: What should the GPIF targets/ranges be for the period January 2013 through December 2013 for each investor-owned electric utility subject to the GPIF?

FPL: The appropriate targets and ranges are shown on Pages 6 and 7 of Exhibit JCB-2 filed on August 31, 2012 with the Direct Testimony of J. Carine Bullock. (BULLOCK)

FUEL FACTOR CALCULATION ISSUES

ISSUE 18: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2013 through December 2013?

FPL: \$3,104,799,252 including prior period true-ups, revenue taxes and GPIF reward. (KEITH)

ISSUE 19: 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 2013 through December 2013?

FPL: 1.00072. (KEITH)

ISSUE 20: What are the appropriate levelized fuel cost recovery factors for the period January 2013 through December 2013?

FPL: FPL proposes that the fuel factors be reduced as of the in-service date of Cape Canaveral Energy Center (CCEC) to reflect the projected jurisdictional fuel savings for CCEC. FPL is proposing the following separate factors for January 2013 to May 2013 and for June 2013 through December 2013:

(a) 3.105 cents/kWh for January 2013 through the day prior to the CCEC in-service date (projected to be May 31, 2013);

(b) 2.950 cents/kWh from the CCEC in-service date (projected to be June 1, 2013) through December 2013. (KEITH)

ISSUE 21: 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. 22. (KEITH)

ISSUE 22: 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)**

ESTIMATED FOR THE PERIOD OF: JANUARY 2013 THROUGH MAY 2013

(1)	(2)	(3)	(4)	(5)
GROUPS	RATE SCHEDULE	JANUARY - DECEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	3.105	1.00220	2.789
A	RS-1 all additional kWh	3.105	1.00220	3.789
A	GS-1, SL-2, GSCU-1, WIES-1	3.105	1.00220	3.112
A-1	SL-1, OL-1, PL-1 ⁽¹⁾	2.831	1.00220	2.837
B	GSD-1	3.105	1.00211	3.112
C	GSLD-1, CS-1	3.105	1.00109	3.108
D	GSLD-2, CS-2, OS-2, MET	3.105	0.99062	3.076
E	GSLD-3, CS-3	3.105	0.96131	2.985

⁽¹⁾ WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

Note: Totals may not add due to rounding.

FLORIDA POWER & LIGHT COMPANY

SEASONALLY DIFFERENTIATED TIME OF USE FUEL RECOVERY FACTORS - BY RATE GROUP

ESTIMATED FOR THE PERIOD OF: JANUARY 2013 THROUGH MAY 2013

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
GROUPS	RATE SCHEDULE	JANUARY - MARCH / NOVEMBER - DECEMBER			APRIL - OCTOBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor	Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RST-1, GST-1 On-Peak	3.683	1.00220	3.691	4.698	1.00220	4.708
	RST-1, GST-1 Off-Peak	2.894	1.00220	2.900	2.288	1.00220	2.293
A	RTR-1 On-Peak	-	-	0.579	-	-	1.696
	RTR-1 Off-Peak	-	-	(0.212)	-	-	(0.819)
B	GSDT-1, CLC-1(G), HLFT-1 (21-499 kW) On-Peak	3.683	1.00211	3.691	4.698	1.00211	4.708
	GSDT-1, CLC-1(G), HLFT-1 (21-499 kW) Off-Peak	2.894	1.00211	2.900	2.288	1.00211	2.293
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) On-Peak	3.683	1.00109	3.687	4.698	1.00109	4.703
	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) Off-Peak	2.894	1.00109	2.897	2.288	1.00109	2.290
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) On-Peak	3.683	0.99139	3.651	4.698	0.99139	4.658
	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) Off-Peak	2.894	0.99139	2.869	2.288	0.99139	2.268
E	GSLDT-3, CST-3, CLC-1(T), ISST-1(T) On-Peak	3.683	0.96131	3.540	4.698	0.96131	4.616
	GSLDT-3, CST-3, CLC-1(T), ISST-1(T) Off-Peak	2.894	0.96131	2.782	2.288	0.96131	2.199
F	CLC-1(D), ISST-1(D) On-Peak	3.683	0.99102	3.650	4.698	0.99102	4.656
	CLC-1(D), ISST-1(D) Off-Peak	2.894	0.99102	2.868	2.288	0.99102	2.267

Note: Totals may not add due to rounding.

FLORIDA POWER & LIGHT COMPANY

DETERMINATION OF SEASONAL DEMAND TIME OF USE RIDER (SDTR)

FUEL RECOVERY FACTORS

ESTIMATED FOR THE PERIOD OF: JANUARY 2013 THROUGH MAY 2013

(1) (2) (3) (4) (5)

GROUPS	RATE SCHEDULE	JUNE - SEPTEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	5.344	1.00211	5.355
	GSD(T)-1 Off-Peak	2.701	1.00211	2.707
C	GSLD(T)-1 On-Peak	5.344	1.00109	5.350
	GSLD(T)-1 Off-Peak	2.701	1.00109	2.704
D	GSLD(T)-2 On-Peak	5.344	0.99139	5.298
	GSLD(T)-2 Off-Peak	2.701	0.99139	2.678

Note: On-Peak Period is defined as June through September, weekdays 3:00pm to 6:00pm
Off Peak Period is defined as all other hours.

Note: All other months served under the otherwise applicable rate schedule.

See Schedule E-1E, Page 1 of 3 and Page 2 of 3.

Note: Totals may not add due to rounding.

FLORIDA POWER & LIGHT COMPANY

FUEL RECOVERY FACTORS - BY RATE GROUP

(ADJUSTED FOR LINE/TRANSFORMATION LOSSES)

ESTIMATED FOR THE PERIOD OF: JUNE 2013 THROUGH DECEMBER 2013

(1) (2) (3) (4) (5)

GROUPS	RATE SCHEDULE	JANUARY - DECEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	2.950	1.00220	2.633
A	RS-1 all additional kWh	2.950	1.00220	3.633
A	GS-1, SL-2, GSCU-1, WIES-1	2.950	1.00220	2.956
A-1	SL-1, OL-1, PL-1 ⁽¹⁾	2.690	1.00220	2.696
B	GSD-1	2.950	1.00211	2.956
C	GSLD-1, CS-1	2.950	1.00109	2.953
D	GSLD-2, CS-2, OS-2, MET	2.950	0.99062	2.922
E	GSLD-3, CS-3	2.950	0.96131	2.836

⁽¹⁾WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

Note: Totals may not add due to rounding.

FLORIDA POWER & LIGHT COMPANY
SEASONALLY DIFFERENTIATED TIME OF USE FUEL RECOVERY FACTORS - BY RATE GROUP
ESTIMATED FOR THE PERIOD OF: JUNE 2013 THROUGH DECEMBER 2013

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
GROUPS	RATE SCHEDULE	JANUARY - MARCH / NOVEMBER - DECEMBER			APRIL - OCTOBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor	Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RST-1, GST-1 On-Peak	3.499	1.00220	3.507	4.463	1.00220	4.473
	RST-1, GST-1 Off-Peak	2.749	1.00220	2.755	2.174	1.00220	2.179
A	RTR-1 On-Peak	-	-	0.551	-	-	1.517
	RTR-1 Off-Peak	-	-	(0.201)	-	-	(0.777)
B	GSDT-1, CLC-1(G), HLFT-1 (21-499 kW) On-Peak	3.499	1.00211	3.506	4.463	1.00211	4.472
	GSDT-1, CLC-1(G), HLFT-1 (21-499 kW) Off-Peak	2.749	1.00211	2.755	2.174	1.00211	2.179
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) On-Peak	3.499	1.00109	3.503	4.463	1.00109	4.468
	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) Off-Peak	2.749	1.00109	2.752	2.174	1.00109	2.176
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) On-Peak	3.499	0.99139	3.469	4.463	0.99139	4.425
	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) Off-Peak	2.749	0.99139	2.725	2.174	0.99139	2.155
E	GSLDT-3, CST-3, CLC-1(T), ISST-1(T) On-Peak	3.499	0.96131	3.364	4.463	0.96131	4.290
	GSLDT-3, CST-3, CLC-1(T), ISST-1(T) Off-Peak	2.749	0.96131	2.643	2.174	0.96131	2.090
F	CLC-1(D), ISST-1(D) On-Peak	3.499	0.99102	3.468	4.463	0.99102	4.423
	CLC-1(D), ISST-1(D) Off-Peak	2.749	0.99102	2.724	2.174	0.99102	2.154

Note: Totals may not add due to rounding.

FLORIDA POWER & LIGHT COMPANY
DETERMINATION OF SEASONAL DEMAND TIME OF USE RIDER (SDTR)
FUEL RECOVERY FACTORS
ESTIMATED FOR THE PERIOD OF: JUNE 2013 THROUGH DECEMBER 2013

(1)	(2)	(3)	(4)	(5)
GROUPS	RATE SCHEDULE	JUNE - SEPTEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	5.077	1.00211	5.088
	GSD(T)-1 Off-Peak	2.567	1.00211	2.572
C	GSLD(T)-1 On-Peak	5.077	1.00109	5.083
	GSLD(T)-1 Off-Peak	2.567	1.00109	2.570
D	GSLD(T)-2 On-Peak	5.077	0.99139	5.033
	GSLD(T)-2 Off-Peak	2.567	0.99139	2.545

Note: On-Peak Period is defined as June through September, weekdays 3:00pm to 6:00pm
Off Peak Period is defined as all other hours.

Note: All other months served under the otherwise applicable rate schedule.

See Schedule E-1E, Page 1 of 3 and Page 2 of 3.

Note: Totals may not add due to rounding.

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Florida Power & Light Company

ISSUE 24A: What is the amount to be included in the Capacity Cost Recovery Clause, for FPL's 2013 nuclear cost recovery?

FPL: The amount to be included is that which is approved by the Commission at its November 20, 2012, Agenda Conference. After the Commission votes on November 20, 2012, FPL will submit to the Commission, with copies to all parties, its revised schedules showing the calculation of the 2013 capacity cost recovery factors. Commission staff is granted administrative authority to verify that the schedules are consistent with the Commission's vote on November 20, 2012. (KEITH)

ISSUE 24B: Should an adjustment be made to transfer incremental security costs from the Capacity Cost Recovery Clause to base rates?

FPL: No. FPL believes the CCR is the most appropriate mechanism for recovery of post 9/11 security costs due to the volatile nature of these types of expenses. For example, since 2007, FPL has experienced fluctuations in incremental post 9/11 security costs of 40 percent. Additionally, the vast majority of these costs are related to nuclear generation facilities and there is a nexus between protecting these facilities and the fuel cost savings that result from the continued operation of these facilities. (KEITH)

ISSUE 24C: If the Commission approves the Proposed FPL Rate Case Settlement Agreement that was filed in Docket No. 120015-EI on August 15, 2012 (the "Proposed Settlement Agreement"), what amount should be included in the capacity cost recovery clause for recovery of jurisdictional non-fuel revenue requirements associated with West County Energy Center Unit 3 (WCEC-3) for the period January 2013 through December 2013?

FPL: As explained in the affidavit of FPL's K. Ousdahl, Appendix VII, Page 1 of 2, the non-fuel revenue requirements for WCEC-3 in 2013 are \$166.433 million. (Ousdahl)

ISSUE 24D: Should FPL be permitted to recover incremental Fukushima compliance costs incurred after January 1, 2013 through the Capacity Cost Recovery Clause?

FPL: Yes. FPL believes it would be appropriate to recover prudently incurred incremental Fukushima compliance costs through CCR for the following reasons:

1. The Fukushima compliance costs will be incurred in order to allow FPL's nuclear plants to continue operating and saving FPL customers substantial fossil fuel costs.
2. FPL has projected a small level of Fukushima compliance costs in its 2013 Test Year revenue requirements in Docket No. 120015-EI.

However, this base rate recovery does not address either (a) the increase in the compliance costs that FPL expects in 2013 and beyond; or (b) the high degree of uncertainty that exists as to the ultimate level of compliance costs. Both of these considerations make base rate recovery problematic and clause recovery appropriate.

3. In the absence of recovery through either the Fuel and Capacity Cost Recovery Clauses, FPL will have no opportunity to recover Fukushima compliance costs that are incremental to the small level that is reflected in the 2013 test year. (KEITH)

ISSUE 24E: If the Commission approves the Proposed FPL Rate Case Settlement Agreement that was filed in Docket No. 120015-EI on August 15, 2012 (the "Proposed Settlement Agreement"), should the Commission approve FPL's proposed GBRA factor of 3.527 percent for the Canaveral Modernization Project?

FPL: Yes. As explained in the Affidavit of FPL's R. Deaton, Document No. RBD-2, Page 1 of 1, filed in this docket, consistent with the calculation outlined in Paragraph 8 of the Proposed Settlement Agreement, the resulting GBRA factor of 3.527 percent for the Canaveral Modernization Project should be approved if the Commission approves the Proposed Settlement Agreement. (DEATON)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate capacity cost recovery true-up amounts for the period January 2011 through December 2011?

FPL: \$44,704,575 under-recovery. (KEITH)

ISSUE 28: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2012 through December 2012?

FPL: \$15,878,460 under-recovery. (KEITH)

ISSUE 29: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2013 through December 2013?

FPL: \$60,583,035 under-recovery (KEITH)

ISSUE 30: What are the appropriate projected total capacity cost recovery amounts for the period January 2013 through December 2013?

FPL: \$518,848,705 jurisdictionalized capacity payments for the period January 2013 through December 2013 excluding prior period true-ups, revenue taxes, nuclear

cost recovery amount, and WCEC-3 jurisdictional non-fuel revenue requirements. (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 2013 through December 2013?

FPL: The projected net purchased power capacity cost recovery amount to be recovered over the period January 2013 through December 2013 is \$731,449,407 including prior period true-ups, revenue taxes, and the nuclear cost recovery amount.

If the Proposed Settlement Agreement is approved by the Commission, the projected net purchased power capacity cost recovery amount to be recovered over the period January 2013 through December 2013 is \$897,882,191 including prior period true-ups, revenue taxes, the nuclear cost recovery amount and WCEC-3 jurisdictional non-fuel revenue requirements. (KEITH)

ISSUE 32: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2013 through December 2013?

FPL: The appropriate jurisdictional separation factors are:

FPSC 97.97032%
FERC 2.02968% (KEITH)

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2013 through December 2013?

FPL: Excluding WCEC-3 the January 2013 through December 2013 factors are as follows:

RATE SCHEDULE	Capacity Recovery Factor (\$/KW) ⁽¹⁾	Capacity Recovery Factor (\$/kwh) ⁽¹⁾	RDC (\$/KW) ⁽²⁾	SDD (\$/KW) ⁽²⁾
RS1/RST1	-	0.00798	-	-
GS1/GST1/WIES1	-	0.00655	-	-
GSD1/GSDT1/HLFT1	2.44	-	-	-
OS2	-	0.00673	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	2.53	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	2.62	-	-	-
GSLD3/GSLDT3/CS3/CST3	2.68	-	-	-
SST1T	-	-	\$0.34	\$0.16
SST1D1/SST1D2/SST1D3	-	-	\$0.35	\$0.17
CILC D/CILC G	2.92	-	-	-
CILC T	2.80	-	-	-
MET	2.90	-	-	-

OL1/SL1/PL1

-

0.00204

-

-

SL2, GSCU1

-

0.00509

-

-

TOTAL

In the event the Proposed Settlement Agreement is approved, the 2013 Capacity Cost Recovery factors appearing in Appendix V, which includes WCEC-3 jurisdictional non-fuel revenue requirements should be approved. (KEITH)

EFFECTIVE DATE

ISSUE 34: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

FPL: FPL is requesting that the fuel adjustment factors and capacity cost recovery factors become effective with customer bills for January 2013 (cycle day 1) through December 2013 (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. (KEITH)

5) STIPULATED ISSUES

FPL: None at this time.

6) PENDING MOTIONS

FPL: None at this time.

7) PENDING REQUESTS FOR CONFIDENTIALITY

Florida Power and Light Company's request for confidential classification of certain information contained in Schedule A12 of Appendix II to testimony of Terry J. Keith, DN 01230-12, dated March 1, 2012.

Florida Power and Light Company's request for confidential classification of Forms 423-1(a), 423-2, 2(a), and 2(b) for March/February 2012, DN 03216-12, dated May 12, 2012.

Florida Power and Light Company's request for confidential classification of Forms 423-1(a), 423-2, 2(a), and 2(b) for April/March 2012, DN 04110-12, dated June 21, 2012.

Florida Power and Light Company's request for confidential classification of fuel hedging activities and market comparisons contained in Exhibit GJY-1 to testimony of Gerard J. Yupp, DN 04669-12, dated July 13, 2012.

Florida Power and Light Company's request for confidential classification of Forms 423-1(a), 423-2, 2(a), and 2(b) for May/April 2012, DN 04986-12, dated July 25, 2012.

Florida Power and Light Company's request for confidential classification of Forms 423-1(a), 423-2, 2(a), and 2(b) for June/May 2012, DN 06094-12, dated September 10, 2012.

Florida Power and Light Company's request for confidential classification of capacity payments to non-cogeneration identified in Schedule E12 of Appendix V to testimony of Terry J. Keith, DN 05961-12, dated August 31, 2012.

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 8th day of October, 2012.

R. Wade Litchfield, Esq.
Vice President and General Counsel
John T. Butler, Esq.
Assistant General Counsel – Regulatory
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 8th day of October, 2012, to the following:

Martha F. Barrera, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, Florida 32399-0850
mbarrera@psc.state.fl.us

Lisa Bennett, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, Florida 32399-0850
lbennett@psc.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.
Dianne M. Triplett, Esq.
Attorneys for PEF
P.O. Box 14042
St. Petersburg, Florida 33733-4042
john.burnett@pgnmail.com
dianne.triplett@pgnmail.com

Samuel Miller, Capt., USAF
USAF/AFLOA/JACL/ULFSC
139 Barnes Drive, Suite 1
Tyndall AFB, FL 32403-5319
Attorney for the Federal Executive Agencies
samuelmiller@tyndall.af.mil

Beth Keating, Esq.
Gunster Law Firm
Attorneys for FPUC
215 So. Monroe St., Suite 601
Tallahassee, Florida 32301-1804
bkeating@gunster.com

Jeffrey A. Stone, Esq.
Russell A. Badders, Esq.
Beggs & Lane
Attorneys for Gulf Power
P.O. Box 12950
Pensacola, FL 32591-2950
jas@beggslane.com
rab@beggslane.com

James W. Brew, Esq / F. Alvin Taylor, Es
Attorney for White Springs
Brickfield, Burchette, Ritts & Stone, P.C
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, DC 20007-5201
jbrew@bbrslaw.com
ataylor@bbrslaw.com

Robert Scheffel Wright, Esq.
Gardner, Bist, Wiener, et al., P.A.
Attorneys for Florida Retail Federation
1300 Thomaswood Drive
Tallahassee, FL 32308
schef@gbwlegal.com

Jon C. Moyle, Esq. and Vicki Kaufman, E
Moyle Law Firm, P.A.
118 N. Gadsden St.
Tallahassee, FL 32301
Counsel for FIPUG
vkaufman@moylelaw.com
jmoyle@moylelaw.com

J. R. Kelly, Esq.
Patricia Christensen, Esq.
Charles Rehwinkel, 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
rehwinkel.charles@leg.state.fl.us

Michael Barrett
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, Florida 32399-0850
mbarrett@psc.state.fl.us

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