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Florida Power and Light Company Docket No. 120001-EI Staff's 8th Set of Interrogatories No. 58 Attachment I

A B C D E F	G 1 of
2 AUGUST 1, 2011 - JULY 31, 2012 HEDGING PROGRAM - FUEL OI	L TRANSACTIONS
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6 Portfolio Trade Date Deal Start Date Deal End Date Fixed Price NYMEX Closin	IN Price Fived Price vs NYMEX Price
7	1.0%
8	1.1%
9	0.2%
10	1.1%
44	0.1%
11	
12	1.1%
13	-0.2%
14	0.8%
15	3.0%
16	-1.0%
17	0.4%
18	0.0%
19	-0.3%
20	1.3%
21	1.4%
22	0.0%
23	-0.4%
24 25	-1.0%
25	-0.2%
26	0.0%
27	0.4%
28	0.0%
29	2.1%
30	1.0%
31	3.7%
32	1.7%
33	0.7%
34	4.7%
35	2.2%
36	0.4%
37	0.1%
38	0.4%
39	1.0%
40	-0.4%
41	-0.3%
42	-0.2%
43	0.2%
44	-0.2%
45	0.1%
46	-0.2%
47	-0.3%

COM	
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1	Α	В	С	D	<u> </u>	<u> </u>	
2	AUGL	JST 1, 2011	- JULY 31, 201	2 HEDGING	PROGRAM	NATURAL GAS TR	ANSACTIONS
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5			- I S/ - (S	is in		LIVETY OLDER	THE ANY PARTY PARTY
6	Portfolio	I rade Date	Deal Start Date	Deal End Date	Fixed Price	NYMEX Closing Price	Fixed Price vs NYMEX Price 0.1%
7 8							-0.9%
9							-0.8%
10							-0.2%
11							-2.2%
12							-0.9%
13							-1.0%
14							-0.7%
15							-0.4% -0.1%
16 17							0.0%
18							0.6%
19							1.4%
20							0.2%
21							-0.6%
22							-0.6%
23							0.0% -0.8%
24 25							-1.6%
26							0.1%
27							0.0%
28							-0.8%
29							1.1%
30							-0.3%
31							0.9% 0.2%
32 33							0.2%
34							-0.7%
35							0.0%
36							-0.5%
37							0.1%
38							0.9%
39							-0.1% -0.3%
40							0.2%
41 42							-0.5%
43							0,0%
44							0.0%
45							-0.2%
46							-0.2%
47 48							-0.6% -1.0%
48							-1.1%
50							0.7%
51							-0.5%
52							-2.3%
53							1.3%
54							0.1% 0.7%
54 55 56							0.7% -0.6%
57							-0.6%
58							1.2%
59							0.1%
60							0.1%
60 61							-0.7%
62							0.4%
63							-2.2%
64							-0.3%

	A B C D E F	2 of 8
2	AUGUST 1, 2011 - JULY 31, 2012 HEDGING PROGRAM - NATURAL GAS TRA	
3		
4		
5	Destable 17-1- Bein 18-1 Oler Date 18-1 Fred Bein 18-1 Division Delegal	
6	Portfolio Trade Date Deal Start Date Deal End Date Fixed Price NYMEX Closing Price	Fixed Price vs NYMEX Price
65		-0.3%
66 67		0.3% -0.4%
68		0.6%
69		0.5%
70		-0.8%
71		-0.3%
72		-1.6%
73		0.0%
74		-0.1%
75		0.3%
76		1.0%
77		-0.5%
78		-0.2%
79		0.5%
80		-0.5%
81 82		0.6% -0.2%
83		-0.1%
84		0.3%
85		-1.1%
86		-0.1%
87		0.7%
88		0.0%
89		0.1%
90		-0.6%
91		-0.5%
92		-0.6%
93		-0.9%
94		0.2%
95		2.3% 1.2%
96 97		-0.2%
98		-0.4%
99		-0.6%
100		0.1%
101		0.0%
102		0.7%
103		0.0%
104		0.2%
105		0.3%
106 107		0.0%
107		-1.1%
108 109		-0.9%
109		1.5%
110		0.6% 0.2%
111 112		-2.3%
113		-2.2%
114		-0.4%
115		-1.1%
116		-0.3%
117		0.1%
118		-0.6%
119		-0.3%
120		-0.1%
121		-0.8%
122		0.2%
123		0.2%

	Α	B C D E F	3 of 8
2		UST 1, 2011 - JULY 31, 2012 HEDGING PROGRAM - NATURAL GAS TR	
3			
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6	Portfolio	Trade Date Deal Start Date Deal End Date Fixed Price NYMEX Closing Price	
124			-0.3%
125 126			1.7% 0.2%
127			-0.3%
128			-0.3%
129			0.6%
130			0.4%
131			-0.5%
132			-0.1%
133			0.2%
134			-0.4% 0.3%
135 136			-0.6%
137			1.4%
138			-0.2%
139			0.3%
140			-0.3%
141			-0.1%
142			0.8%
143			-0.4% -0.3%
144 145			-0.7%
146			-0.6%
147			-0.7%
148			0.2%
149			-0.7%
150			-0.3%
151			-0.3%
152			-0.3%
153			-0. 4% -1.0%
154 155			0.1%
156			-0.2%
157			-0.9%
158			-1.0%
159			-1.7%
160			-0.6%
161			0.9%
162 163			0.5% 0.1%
164			0.0%
165			0.2%
165 166			-0.2%
167 168 169 170			0.7%
168			0.4%
169			0.4%
170			-0.2%
171 172			0.8% 0.2%
173			0.1%
173 174 175 176 177 178			0.2%
175			-1.0%
176			0.1%
177			-0.2%
178			-0.9%
179			-1.1%
180 181 182			-0.2% -0.3%
181			-0.3% 0.1%
102			-U. 1 70

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	A	B	C	D	E	F	G
2	AUGU	JST 1, 2011	- JULY 31, 20	12 HEDGING I	ROGRAM -	NATURAL GAS TR	ANSACTIONS
3							
5							
6	Portfolio	Trade Date	Deal Start Date	Deal End Date	Fixed Price	NYMEX Closing Price	Fixed Price vs NYMEX Price
183						······································	0.7%
184							1.0%
185							-0.8%
186							0.6%
187							0.1%
188							0.0%
189							-0.6%
190							-0.6%
191							-0.6%
192							-0,2%
193							0.2%
194 195							0.5% 0.3%
196							0.3%
197							0.0%
198							-0.3%
199							-0.2%
200							0.4%
201							0.0%
202							0.8%
203							-0.7%
204							-0.7%
205							-1.2%
206 207							0.1% 0.2%
208							0.6%
209							-0.6%
210							-0.4%
211							0.0%
212							-0.4%
213							-0.2%
214							1.1%
215							2.3%
216							1.6%
217							1.7%
218							1.5% 1.1%
219 220							-0.1%
221							-0.5%
222							-1.4%
223							-1.0%
224							0.5%
224 225 226							-0.2%
226							-1.1%
227							-0.6%
228							-0.8% 0.7%
229 230							-0.7% -0.1%
231							0.8%
232							0.1%
232 233							-0.5%
234							-1.2%
234 235							0.8%
236							0.2%
237							-0.7%
238							0.2%
239							-0.3%
240							0.9%
241							0.5%

	АВ	C D E F	5 of 8
2		011 - JULY 31, 2012 HEDGING PROGRAM - NATURAL GAS TRAN	
3	,,,,,,,,		
4			
5			
6	Portfolio Trade D	ate Deal Start Date Deal End Date Fixed Price NYMEX Closing Price F	ixed Price vs NYMEX Price
242			-0.3%
243			0.1%
244			-0.4%
245 246			-0.2% -0.4%
247			-0.4%
248			0.6%
249			0.0%
250			0.0%
251			-0.8%
252			-0.7%
253			-0.7%
254			-0.2%
255			0.2%
256 257			0.0% -0.6%
258			-0.6%
259			-0.1%
260			0.1%
261			-1.8%
262			-0.3%
263			-0.5%
264			-0.2%
265			~1.070
266			0.4%
267			-1.9%
268			0.2% 1.4%
269 270			-0.6%
271			-1.2%
272			-1.5%
273			0.2%
274			0.4%
275			-0.7%
276			-0.3%
277			-0.3%
278			-0.5%
279 280			-0.2% -1.3%
281			0.1%
282			0.7%
283			-0.5%
283 284 285			-0.7%
285			-0.5%
286			-0.4%
287 288			-0.7%
288			0.4%
289			0.0%
290 291			-0.8% -0.3%
202			-0.2%
292 293			0.1%
294			3.6%
294 295			1.9%
296			0.7%
297			0.2%
298			0.5%
299			-0.2%
300			-1.0%

								6 01
2	AUGU	B	C C	D 12 HEDGING F	E	F NATURAL		G ANGACTIONS
	AUGU	51 1, 2011	- JULY 31, 20	IZ NEDGING P	RUGRAINI .	- NATURAL	GAS IK	ANSACTIONS
3								
5								
6	Portfolio	Trade Date I	Dool Start Date	Deal End Date	Elvad Drica	NAMEA CIV	sing Drice	Fixed Price vs NYMEX Price
301	1 01010	Trade Date	Doar Glart Date	Dear Life Date	TIXOUTTICE	WINEX OIL	5111g / 1100	
302								-0.4%
302								-0.2%
303 304								-0.1% 0.7%
305								
306								0.0% -0.6%
307								-0.6% -1.3%
308								-0.6%
309								-0.2%
310								0.4%
311								-0.4%
312								-0.3%
313								1.4%
314								-0.1%
315								3.2%
316								-0.2%
317								-0.1%
318								0.5%
319								1.8%
320								1.2%
321								-0.3%
321 322								1.4%
323								2.0%
324								0.3%
325								-0.5%
326								-0.1%
327								-0.2%
328								0.2%
329								-3.1%
330								0.5%
331								-0.7%
332								1.0%
333								0.0%
334								-0.7%
335								0.0%
336								-0.2%
337								-0.1%
338								0.0%
339								-0.8%
340								0.2%
341								0.2%
342 343 344 345								0.6%
344								-0.1% -0.3%
245								-0.3% 0.2%
346								-0.4%
347								-0.1%
348								-0.3%
349								0.6%
350								0.1%
351								-0.3%
352								0.9%
353								0.0%
354								2.0%
355								0.4%
356								0.0%
357								-2.2%
358								0.1%
359								-0.9%

	A B C D E F	G
2	AUGUST 1, 2011 - JULY 31, 2012 HEDGING PROGRAM - NATURAL GAS T	RANSACTIONS
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5	Portfolio Trade Date Deal Start Date Deal End Date Fixed Price NYMEX Closing Price	e Fixed Price vs NYMEX Price
360	, ottolio Hado Juli Josi University	-0.2%
361		0.4%
362		0.4%
363		-0.2%
364		0.1%
365		0.1% -0.2%
366		0.5%
367		-1.2%
368		0.0%
369 370		0.4%
371		-1.3%
372		1.6%
373		0.8%
374		-1.4%
375		1.2%
376		-0.2% -0.3%
377		-0.3% 0.1%
378		0.0%
379		-0.2%
380		0.2%
381		1.7%
382 383		0.2%
384		0.3%
385		0.2%
386		-0.6%
387		-0.1%
388		0.0%
389		0.0% 0.8%
390		0.5%
391		0.2%
392		0.2%
393		-0.8%
394		-0.1%
395 396		0.6%
397		0.7%
398		-0.6%
399		0.1%
400		0.5% -0.6%
		0.0%
401 402		0.6%
403		0.5%
404 405 406 407		-0.3%
405		0.6%
406		0.0%
407		-1.2%
400		1.3%
410		0.6%
411		0.8%
412		0.2%
413	3	-0.8% -0.9%
414	4	-0.9% 0.7%
41	5	0.7%
410	6	-1.0%
408 410 411 411 411 411 411 411 411	7	-0.3%
41	8	0,075

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5							
6	Portfolio	Trade Date	Deal Start Date	Deal End Date	Fixed Price	NYMEX Closing Price	Fixed Price vs NYMEX Price
419							-2.0%
420							-0.4%
421							-0.5%
421 422							1.3%
423							0.8%
424							0.7%
425							0.4%
426							0.1%
427							-0.2%
428							0.3%
429							-0.4%
430							-0.9%
431							-0.3%
432							-0.7%
432 433							-0.6%
434							0.3%
434 435							-0.3%
436							-0.3%
437							0.7%
438							0.1%
439							-0.7%
440							-0.2%
441							-0.2%
442							-0.4%
443							-0.2%
444							0.8%
445							0.5%
446							-0.1%
447							-0.5%
448							0.6%
449							0.6%
450							-0.6%
451							-0.1%
452							-0.2%
453							-1.4%
454							-1.7%
455	5						-0.9%
456	3						-1.4%
457							-0.6%

Florida Power & Light Company Docket No. 120001-EI Staff's 8th Set of Interrogatories Question No. 61 Page 1 of 1 Q. Please supply a comparison of FPL's Risk Management Plans for 2012 and 2013. Please explain or describe any changes between 2012 and 2013. A. Risk Management Plan is shown below:

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The only major difference between the Risk Management Plans filed in 2011 and 2012 is FPL's decision to not hedge fuel oil consumption for 2014 in calendar year 2013. The discussion addressing the elimination of heavy oil hedging that was included in FPL's 2013

A number of factors have led to a large drop in FPL's heavy oil burn projections for 2014. Projections can vary drastically from actuals due to operational constraints, unit outages or unexpected weather conditions. However, with the modernized Cape Canaveral gas unit coming on line in 2013 and the modernized Riviera gas unit coming on line in 2014; it is FPL is currently estimating reasonable to expect lower heavy oil consumption. approximately 120,000 barrels of heavy oil consumption from May 2014 through October 2014. It is worth noting that 120,000 barrels of heavy oil consumption is equivalent to approximately 0.77 Bcf of natural gas consumption or, less than ½ day of typical gas usage in the summer period.

FPL currently hedges of heavy oil burns and is required to keep hedges within a certain percentage band. However, with the projected heavy oil burns so low, small changes in projected fuel burns often require FPL to rebalance insignificant volumes because total hedges fall outside of the required band. Rebalancing such small volumes of heavy oil adds unnecessary transaction costs and does little to provide fuel price certainty.

Florida Power & Light Company 1 **Docket No. 120001-EI** 2 Staff's 8th Set of Interrogatories 3 4 **Question No. 62** Page 1 of 1 5 6 7 8 9 Q. Regarding hedging activities, how does FPL assess and evaluate counter-party credit risk? 10 11 12 A. An initial, formal credit review is performed prior to entering into a new counterparty 13 relationship. Based on the credit analysis, a credit rating is assigned using a scale identical to 14 that used by Standard & Poor's. Follow-up credit reviews are performed on an annual basis 15 for counterparties with ratings of "and below and for counterparties that are not 16 externally rated. At least every other year, a credit review will be performed for those 17 counterparties with ratings of "and above. Credit risk is assessed in accordance 18 with an established risk policy approved by senior management. All counterparties are 19 subject to the same review procedures. 20 21 In addition to formal periodic credit reviews, credit personnel monitor the credit quality of 22 counterparties on a continuous basis. If a question arises regarding the credit quality of a 23 counterparty, they are placed on a "watch list", along with details of the specific limitation. 24 25 26 cases of increased credit concern, a summary of the credit exposure to a counterparty is 27 reported to management on a daily basis: and alternatives to manage the exposure down to a 28 more acceptable level, where necessary, are actively explored. 29 30 Credit management will approve a credit request after an acceptable review has been 31 completed. Approval authority for setting credit limits is determined based on a preset 32 delegated approval authority matrix, which takes into consideration the credit rating of the 33 counterparty and the proposed limit size. Approval from the Exposure Management 34 Committee (EMC) is required if the aggregated exposure to a counterparty family for all

standard and nonstandard contracts exceeds the FPL Credit Matrix limits.

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