



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: February 1, 2000
TO: Blanca S. Bayó, Director, Division of Records & Reporting
FROM: Thomas E. Ballinger, Utility Systems/Communications Engineer
 Supr., Division of Electric & Gas *TS*
 Grace A. Jaye, Senior Attorney, Division Of Legal Services *AS PET RVE*
RE: Docket No. 990249-EG -- Petition by Florida Power & Light
 Company for Approval of a Standard Offer Contract and
 Revised COG-2 Tariff

Please enter the attached revised tariff sheets numbered 10.202 and 10.203 into the docket file for this docket. These sheets reflect the revised Option B (Early Capacity Payments) and revised Option D (Early Levelized Capacity Payments) under the revised COG-2 Tariff. A recommendation concerning this item will be filed on February 3, 2000.

GAJ
 cc: Division of Electric and Gas

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AFA _____
 APP _____
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 WAW _____
 OTH _____

DOCUMENT NUMBER-DATE
 01374 FEB-18
 FPSC-RECORDS/REPORTING



January 31, 2000

Mr. Tom Ballinger
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Dear Mr. Ballinger:

Attached are the revised COG-2 Tariff Sheets (10.202 and 10.203) in final and legislative format. The revised tariff sheets reflect the changes to Option B (Early Capacity Payments) and Option D (Early Levelized Capacity Payments).

Please call me if you have questions or if you would like to discuss the revised tariff sheets.

Sincerely,

A handwritten signature in black ink that reads "Starr J. Adams". The signature is written in a cursive style with a large, sweeping 'S' at the beginning.

Starr J. Adams

SJA:sp

Attachments

cc:

Michael Haff – FPSC
Wade Litchfield – FPL
Sam Waters – FPL
Mario Villar – FPL
Jose Quesada - FPL

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition of Florida Power & Light Company)
For Approval of a Standard Offer Contract)

DOCKET NO. 990249-EG
Filed: January 31, 2000

EXHIBIT B

Revised Tariff Sheets (Final Format)

(Continued from Sheet No. 10.201)

EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/kW/MONTH
 COMPANY'S 2001 COMBUSTION TURBINE AVOIDED UNIT (5 MW)
 STANDARD OFFER CONTRACT AVOIDED CAPACITY PAYMENTS
 (\$/kW/MONTH)

Contract Year	Option A	Option B
	Normal Payment Starting 01/01/2001	Fixed Value of Deferral Payments - Early Capacity 07/01/2000
2000		\$2.59
2001	\$2.94	2.64
2002	3.01	2.70
2003	3.08	2.75
2004	3.15	2.82
2005	3.22	2.88

Option C - Fixed Value of Deferral Payment - Levelized Capacity

Payment schedules under this option are based upon the levelized capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. The capital portion of capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix I. The fixed operation and maintenance portion of capacity payments shall be equal to the value of the year-by-year deferral of fixed operation and maintenance expense associated with the Company's Avoided Unit. These calculations are shown in Appendix I.

Option D - Fixed Value of Deferral Payment - Early Levelized Capacity

Payment schedules under this option are based upon the early levelized capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. The capital portion of capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix I. The fixed operation and maintenance expense shall be calculated as shown in Appendix I. At the option of the QF, payments for early levelized capacity shall commence at any time after the specified early capacity date and before the anticipated in-service date of the Company's Avoided Unit, provided that the QF is delivering firm capacity and energy to the Company pursuant to the terms of the Standard Offer Contract.

(Continued on Sheet No. 10.203)

(Continued from Sheet No. 10.202)

EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/KW/MONTH
 2001 COMBUSTION TURBINE AVOIDED UNIT (5 MW) LEVELIZED CAPITAL
 AVOIDED CAPACITY PAYMENTS
 (\$/KW/MONTH)

Contract Year	Option C	Option D (Early O&M)
	Levelized Payment Starting 01/01/ 2001	Fixed Value of Deferral Payments - Early Levelized Capacity 07/01/ 2000
2000		\$2.72
2001	\$ 3.06	2.72
2002	3.06	2.73
2003	3.07	2.73
2004	3.08	2.74
2005	3.08	2.74

B. Energy Rates

(1) Payments Prior to January 1, 2001

The energy rate, in cents per kilowatt-hour (¢/kWh), shall be based on the Company's actual hourly avoided energy costs which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C. Avoided energy costs include incremental fuel, identifiable operation and maintenance expenses, and an adjustment for line losses reflecting delivery voltage. The calculation of the Company's avoided energy costs reflects the delivery of energy from the region of the Company in which the QF is located. Energy payments to the QFs located outside the Company's service area shall reflect the region in which the interchange point for the delivery of energy is located. When economy transactions take place, the incremental costs are calculated as described in FPL's Rate Schedule COG-1.

The calculation of payments to the QF shall be based on the sum, over all hours of the billing period, of the product of each hour's avoided energy cost times the purchases by the Company for that hour. All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

(Continued on Sheet No. 10.204)

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition of Florida Power & Light Company)
For Approval of a Standard Offer Contract)

DOCKET NO. 990249-EG
Filed: January 31, 2000

EXHIBIT C

Revised Tariff Sheets (Legislative Format)

(Continued from Sheet No. 10.201)

EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/kW/MONTH
 COMPANY'S ~~1997-IGCC~~ 2001 COMBUSTION TURBINE AVOIDED UNIT (5 MW)
 STANDARD OFFER CONTRACT AVOIDED CAPACITY PAYMENTS
 (\$/kW/MONTH)

Contract	Option A		Option B						
	Normal Payment	Starting	Fixed Value of Deferral Payments - Early Capacity		Starting	Early Payment Starting			
Year	01/01/97	2001	01/01/96	2000	01/01/95	01/01/94	01/01/93	01/01/92	01/01/91
1991 2000			\$2.59						\$11.60
1992 2001	\$2.94		2.64					\$13.06	-12.18
1993 2002	3.01		2.70				\$14.72	13.71	-12.80
1994 2003	3.08		2.75			\$16.62	15.46	14.40	13.44
1995 2004	3.15		2.82		-\$18.80	17.46	16.24	15.13	14.12
1996 2005	3.22		\$21.30 2.88		19.74	18.33	17.06	15.89	14.83
1997	25.40		-22.37		20.74	19.26	17.92	16.69	15.57
1998	26.68		23.50		21.78	20.23	18.82	17.53	16.36
1999	28.02		24.68		22.88	21.25	19.76	18.41	17.18
2000	29.44		25.92		24.03	22.32	20.76	19.34	18.05
2001	30.92		27.23		25.24	23.44	21.81	20.32	18.96
2002	32.47		28.60		26.51	24.62	22.90	21.34	19.91
2003	34.11		30.04		27.85	25.86	24.06	22.41	20.91
2004	35.83		31.55		29.25	27.16	25.27	23.54	21.97
2005	37.63		33.14		30.72	28.53	26.54	24.73	23.07
2006	39.53		34.81		32.27	29.97	27.88	25.97	24.23
2007	41.52		36.56		33.89	31.47	29.28	27.28	25.45
2008	43.61		38.40		35.60	33.06	30.75	28.65	26.73
2009	45.80		40.34		37.39	34.72	32.30	30.10	28.08
2010	48.11		42.37		39.27	36.47	33.93	31.61	29.50
2011	50.53		44.50		41.25	38.31	35.64	33.20	30.98
2012	53.07		46.74		43.33	40.24	37.43	34.88	32.54
2013	55.75		49.10		45.51	42.26	39.32	36.63	34.18
2014	58.55		51.57		47.80	44.39	41.30	38.48	35.90
2015	61.50		54.17		50.21	46.63	43.38	40.41	37.71
2016			56.89		52.74	48.98	45.56	42.45	39.61

Option C - Fixed Value of Deferral Payment - Levelized Capacity Payment

Payment schedules under this option are based upon the levelized capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. The capital portion of capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix A1. The fixed operation and maintenance portion of capacity payments shall be equal to the value of the year-by-year deferral of fixed operation and maintenance expense associated with the Company's Avoided Unit. These calculations are shown in Appendix A1.

Option D - Fixed Value of Deferral Payment - Early Levelized Capacity Payment

Payment schedules under this option are based upon the early levelized capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. The capital portion of capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix A1. The fixed operation and maintenance expense shall be calculated as shown in Appendix A1. At the option of the QF, payments for early levelized capacity payments shall commence at any time after the specified early capacity date and before the anticipated in-service date of the Company's Avoided Unit, provided that the QF is delivering firm capacity and energy to the Company pursuant to the terms of the Standard Offer Contract.

(Continued on Sheet No. 10.203)

(Continued from Sheet No. 10.202)

EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/kW/MONTH
 1997-IGCC 2001 COMBUSTION TURBINE AVOIDED UNIT (907 1/2 MW) LEVELIZED CAPITAL
 AVOIDED CAPACITY PAYMENTS
 (\$/kW/MONTH)

Contract 01/01/97	Starting 2001	Option C Levelized Payment		Option D (Early O&M) Fixed Value of Deferral Payments - Early Levelized Capacity					Year
		Early Payment Starting							
		01/07/01/96	2000	01/01/95	01/01/94	01/01/93	01/01/92	01/01/91	
1991									\$15.51
1992								\$17.32	15.71
1993							\$19.36	17.55	15.93
1994					\$21.68		19.63	17.80	16.16
1995				\$24.30	21.98		19.90	18.05	16.40
1996			\$27.29	24.64	22.29		20.19	18.33	16.65
1997	\$30.70		27.67	24.99	22.62		20.50	18.61	16.92
1998	31.13		28.07	25.36	22.96		20.82	18.91	17.20
1999	31.59		28.49	25.76	23.32		21.16	19.22	17.49
2000	32.06		28.94	26.17	23.71		21.51	19.56	17.80
2001	32.57	\$3.06	29.40	26.60	24.11		21.89	19.90	18.13
2002	33.09	3.06	29.89	27.05	24.53		22.28	20.27	18.47
2003	33.65	3.07	30.40	27.53	24.97		22.69	20.65	18.83
2004	34.23	3.08	30.94	28.03	25.44		23.12	21.06	19.20
2005	34.85	3.08	31.51	28.55	25.92		23.58	21.48	19.60
2006	35.49		32.11	29.11	26.44		24.06	21.93	20.01
2007	36.17		32.73	29.69	26.98		24.56	22.39	20.45
2008	36.88		33.39	30.30	27.55		25.09	22.89	20.91
2009	37.63		34.08	30.94	28.14		25.64	23.40	21.39
2010	38.41		34.81	31.62	28.77		26.23	23.95	21.90
2011	39.24		35.58	32.33	29.43		26.84	24.52	22.43
2012	40.11		36.38	33.07	30.12		27.48	25.12	23.00
2013	41.02		37.23	33.85	30.85		28.16	25.75	23.59
2014	41.98		38.11	34.68	31.61		28.87	26.42	24.20
2015	42.99		39.05	35.54	32.42		29.62	27.11	24.86
2016	44.05		40.03	36.45	33.26		30.41	27.85	25.54

B. Energy Rates

(1) Payments Prior to January 1, 1997 2001

The energy rate, in cents per kilowatt-hour (¢/kWh), shall be based on the Company's actual hourly avoided energy costs which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C. Avoided energy costs include incremental fuel, identifiable operation and maintenance expenses, and an adjustment for line losses reflecting delivery voltage. The calculation of the Company's avoided energy costs reflects the delivery of energy from the region of the Company in which the QF is located. Energy payments to the QFs located outside the Company's service area shall reflect the region in which the interchange point for the delivery of energy is located. When economy transactions take place, the incremental costs are calculated as described in FPL's Rate Schedule COG-1 Tariff Appendix A.

The calculation of payments to the QF shall be based on the sum, over all hours of the billing period, of the product of each hour's avoided energy cost times the purchases by the Company for that hour. All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

(Continued on Sheet No. 10.204)



January 31, 2000

Mr. Tom Ballinger
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Dear Mr. Ballinger:

Attached are the revised COG-2 Tariff Sheets (10.202 and 10.203) in final and legislative format. The revised tariff sheets reflect the changes to Option B (Early Capacity Payments) and Option D (Early Levelized Capacity Payments).

Please call me if you have questions or if you would like to discuss the revised tariff sheets.

Sincerely,

A handwritten signature in black ink that reads "Starr J. Adams". The signature is written in a cursive style with a large, prominent 'S' at the beginning.

Starr J. Adams

SJA:sp

Attachments

cc:

Michael Haff - FPSC
Wade Litchfield - FPL
Sam Waters - FPL
Mario Villar - FPL
Jose Quesada - FPL

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition of Florida Power & Light Company)
For Approval of a Standard Offer Contract)

DOCKET NO. 990249-EG
Filed: January 31, 2000

EXHIBIT B

Revised Tariff Sheets (Final Format)

(Continued from Sheet No. 10.201)

EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/kW/MONTH
 COMPANY'S 2001 COMBUSTION TURBINE AVOIDED UNIT (5 MW)
 STANDARD OFFER CONTRACT AVOIDED CAPACITY PAYMENTS
 (\$/kW/MONTH)

Contract Year	Option A	Option B
	Normal Payment Starting 01/01/2001	Fixed Value of Deferral Payments - Early Capacity 07/01/2000
2000		\$2.59
2001	\$2.94	2.64
2002	3.01	2.70
2003	3.08	2.75
2004	3.15	2.82
2005	3.22	2.88

Option C - Fixed Value of Deferral Payment - Levelized Capacity

Payment schedules under this option are based upon the levelized capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. The capital portion of capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix I. The fixed operation and maintenance portion of capacity payments shall be equal to the value of the year-by-year deferral of fixed operation and maintenance expense associated with the Company's Avoided Unit. These calculations are shown in Appendix I.

Option D - Fixed Value of Deferral Payment - Early Levelized Capacity

Payment schedules under this option are based upon the early levelized capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. The capital portion of capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix I. The fixed operation and maintenance expense shall be calculated as shown in Appendix I. At the option of the QF, payments for early levelized capacity shall commence at any time after the specified early capacity date and before the anticipated in-service date of the Company's Avoided Unit, provided that the QF is delivering firm capacity and energy to the Company pursuant to the terms of the Standard Offer Contract.

(Continued on Sheet No. 10.203)

(Continued from Sheet No. 10.202)

EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/KW/MONTH
 2001 COMBUSTION TURBINE AVOIDED UNIT (5 MW) LEVELIZED CAPITAL
 AVOIDED CAPACITY PAYMENTS
 (\$/KW/MONTH)

Contract Year	Option C	Option D (Early O&M)
	Levelized Payment Starting 01/01/ 2001	Fixed Value of Deferral Payments - Early Levelized Capacity 07/01/ 2000
2000		\$2.72
2001	\$ 3.06	2.72
2002	3.06	2.73
2003	3.07	2.73
2004	3.08	2.74
2005	3.08	2.74

B. Energy Rates

(1) Payments Prior to January 1, 2001

The energy rate, in cents per kilowatt-hour (¢/kWh), shall be based on the Company's actual hourly avoided energy costs which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C. Avoided energy costs include incremental fuel, identifiable operation and maintenance expenses, and an adjustment for line losses reflecting delivery voltage. The calculation of the Company's avoided energy costs reflects the delivery of energy from the region of the Company in which the QF is located. Energy payments to the QFs located outside the Company's service area shall reflect the region in which the interchange point for the delivery of energy is located. When economy transactions take place, the incremental costs are calculated as described in FPL's Rate Schedule COG-1.

The calculation of payments to the QF shall be based on the sum, over all hours of the billing period, of the product of each hour's avoided energy cost times the purchases by the Company for that hour. All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

(Continued on Sheet No. 10.204)

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition of Florida Power & Light Company)
For Approval of a Standard Offer Contract)

DOCKET NO. 990249-EG
Filed: January 31, 2000

EXHIBIT C

Revised Tariff Sheets (Legislative Format)

(Continued from Sheet No. 10.201)

EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/kW/MONTH
 COMPANY'S 1997 ICGG 2001 COMBUSTION TURBINE AVOIDED UNIT (5 MW)
 STANDARD OFFER CONTRACT AVOIDED CAPACITY PAYMENTS
 (\$/kW/MONTH)

Contract	Option A		Option B						
	Normal Payment	Starting	Fixed Value of Deferral Payments - Early Capacity						
Year	01/01/97	2001	01/01/96	2000	01/01/95	01/01/94	01/01/93	01/01/92	01/01/91
1991 2000			\$2.59						\$11.60
1992 2001	\$2.94		2.64					\$13.06	-12.18
1993 2002	3.01		2.70				\$14.72	13.71	-12.80
1994 2003	3.08		2.75			\$16.62	15.46	14.40	13.44
1995 2004	3.15		2.82		-\$18.80	17.46	16.24	15.13	14.12
1996 2005	3.22		\$21.30	2.88	19.74	18.33	17.06	15.89	14.83
1997	25.40		-22.37		20.74	19.26	17.92	16.69	15.57
1998	26.68		23.50		21.78	20.23	18.82	17.53	16.36
1999	28.02		24.68		22.88	21.25	19.76	18.41	17.18
2000	29.44		25.92		24.03	22.32	20.76	19.34	18.05
2001	30.92		27.23		25.24	23.44	21.81	20.32	18.96
2002	32.47		28.60		26.51	24.62	22.90	21.34	19.91
2003	-34.11		30.04		27.83	25.86	24.06	22.41	20.91
2004	-35.83		31.55		29.25	27.16	25.27	23.54	21.97
2005	-37.63		33.14		30.72	28.53	26.54	24.73	23.07
2006	-39.53		34.81		32.27	29.97	27.88	25.97	24.23
2007	-41.52		36.56		33.89	31.47	29.28	27.28	25.45
2008	-43.61		38.40		35.60	33.06	30.75	28.65	26.73
2009	-45.80		40.34		37.39	34.72	32.30	30.10	28.08
2010	-48.11		42.37		39.27	36.47	33.93	31.61	29.50
2011	-50.53		44.50		41.25	38.31	35.64	33.20	30.98
2012	-53.07		46.74		43.33	40.24	37.43	34.88	32.54
2013	-55.75		49.10		45.51	42.26	39.32	36.63	34.18
2014	-58.55		51.57		47.80	44.39	41.30	38.48	35.90
2015	-61.50		54.17		50.21	46.63	43.38	40.41	37.71
2016			56.89		52.74	48.98	45.56	42.45	39.61

Option C - Fixed Value of Deferral Payment - Levelized Capacity Payment

Payment schedules under this option are based upon the levelized capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. The capital portion of capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix A1. The fixed operation and maintenance portion of capacity payments shall be equal to the value of the year-by-year deferral of fixed operation and maintenance expense associated with the Company's Avoided Unit. These calculations are shown in Appendix A1.

Option D - Fixed Value of Deferral Payment - Early Levelized Capacity Payment

Payment schedules under this option are based upon the early levelized capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. The capital portion of capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix A1. The fixed operation and maintenance expense shall be calculated as shown in Appendix A1. At the option of the QF, payments for early levelized capacity payments shall commence at any time after the specified early capacity date and before the anticipated in-service date of the Company's Avoided Unit, provided that the QF is delivering firm capacity and energy to the Company pursuant to the terms of the Standard Offer Contract.

(Continued on Sheet No. 10.203)

(Continued from Sheet No. 10.202)

EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/kW/MONTH
 1997-IGCC 2001 COMBUSTION TURBINE A VOIDED UNIT (907.5 MW) LEVELIZED CAPITAL
 AVOIDED CAPACITY PAYMENTS
 (\$/kW/MONTH)

Contract 01/01/97	Starting 2001	Option C Levelized Payment		Option D (Early O&M) Fixed Value of Deferral Payments - Early Levelized Capacity					Year	
		Early Payment Starting					01/01/93	01/01/92		01/01/91
		01/07/01/96	2000	01/01/95	01/01/94	01/01/93				
1991									\$15.51	
1992								\$-17.32	-15.71	
1993							\$-19.36	-17.55	-15.93	
1994						\$-21.68	-19.63	-17.80	-16.16	
1995					\$-24.30	-21.98	-19.90	-18.05	-16.40	
1996			\$-27.29	-24.64	-22.29	-20.19	-18.33	-16.65		
1997	\$-30.70		-27.67	-24.99	-22.62	-20.50	-18.61	-16.92		
1998	-31.13		-28.07	-25.36	-22.96	-20.82	-18.91	-17.20		
1999	-31.59		-28.49	-25.76	-23.32	-21.16	-19.22	-17.49		
2000	-32.06		-28.94	-26.17	-23.71	-21.51	-19.56	-17.80		
2001	-32.57	\$ 3.06	-29.40	-26.60	-24.11	-21.89	-19.90	-18.13		
2002	-33.09	3.06	-29.89	-27.05	-24.53	-22.28	-20.27	-18.47		
2003	-33.65	3.07	-30.40	-27.53	-24.97	-22.69	-20.65	-18.83		
2004	-34.23	3.08	-30.94	-28.03	-25.44	-23.12	-21.06	-19.20		
2005	-34.85	3.08	-31.51	-28.55	-25.92	-23.58	-21.48	-19.60		
2006	-35.49		-32.11	-29.11	-26.44	-24.06	-21.93	-20.01		
2007	-36.17		-32.73	-29.69	-26.98	-24.56	-22.39	-20.45		
2008	-36.88		-33.39	-30.30	-27.55	-25.09	-22.89	-20.91		
2009	-37.63		-34.08	-30.94	-28.14	-25.64	-23.40	-21.39		
2010	-38.41		-34.81	-31.62	-28.77	-26.23	-23.95	-21.90		
2011	-39.24		-35.58	-32.33	-29.43	-26.84	-24.52	-22.43		
2012	-40.11		-36.38	-33.07	-30.12	-27.48	-25.12	-23.00		
2013	-41.02		-37.23	-33.85	-30.85	-28.16	-25.75	-23.59		
2014	-41.98		-38.11	-34.68	-31.61	-28.87	-26.42	-24.20		
2015	-42.99		-39.05	-35.54	-32.42	-29.62	-27.11	-24.86		
2016	-44.05		-40.03	-36.45	-33.26	-30.41	-27.85	-25.54		

B. Energy Rates

(1) Payments Prior to January 1, 1997 2001

The energy rate, in cents per kilowatt-hour (¢/kWh), shall be based on the Company's actual hourly avoided energy costs which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C. Avoided energy costs include incremental fuel, identifiable operation and maintenance expenses, and an adjustment for line losses reflecting delivery voltage. The calculation of the Company's avoided energy costs reflects the delivery of energy from the region of the Company in which the QF is located. Energy payments to the QFs located outside the Company's service area shall reflect the region in which the interchange point for the delivery of energy is located. When economy transactions take place, the incremental costs are calculated as described in FPL's Rate Schedule COG-1 Tariff Appendix A.

The calculation of payments to the QF shall be based on the sum, over all hours of the billing period, of the product of each hour's avoided energy cost times the purchases by the Company for that hour. All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

(Continued on Sheet No. 10.204)