

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power )  
cost recovery clause with generating )  
performance incentive factor. )  
\_\_\_\_\_ )

Docket No. 020001-EI  
Dated: October 11, 2002

**FLORIDA POWER & LIGHT COMPANY'S NOTICE  
OF INTENT TO SEEK CONFIDENTIAL CLASSIFICATION  
(REQUESTS NO. 7 and 9-11 AND INTERROGATORIES NO. 34-37, 39 AND 49-50)**

Pursuant to Section 366.093, Florida Statutes and Rule 25-22.006, Florida Administrative Code, Florida Power & Light Company ("FPL") hereby files this Notice of Intent to Seek Confidential Classification of certain documents and information responsive to Requests No. 7 and 9-11 of Staff's First Request for Production of Documents and Interrogatories No. 34-37, 39 and 49-50 of Staff's Second Set of Interrogatories, and states:

Requests No. 7 and 9-11 and Interrogatories No. 34-37, 39 and 49-50 seek discovery of confidential, proprietary business information of FPL. (Copies of Staff's First Request for Production of Documents and Second Set of Interrogatories are attached only to the original.) Accordingly, FPL hereby gives notice of its intent to seek confidential classification with respect to its responses pursuant to Rule 25-22.006(3)(a), Florida Administrative Code.

Contemporaneously herewith, FPL is serving its response to Staff's First Request for Production of Documents and Second Set of Interrogatories.

R. Wade Litchfield, Esq.  
Senior Attorney  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, Florida 33408-0420  
Telephone: 561-691-7101

Steel Hector & Davis LLP  
Attorneys for Florida Power & Light  
Company  
200 South Biscayne Boulevard  
Suite 4000  
Miami, Florida 33131-2398  
Telephone: 305-577-2939

By: Kevin M. Butler for JTB  
John T. Butler, P.A.  
Florida Bar No. 283479

This docketed notice of intent was filed with Confidential Document No. 11099-02. The document has been placed in confidential storage pending timely receipt of a request for confidentiality.

DOCUMENT NUMBER-DATE  
11099 OCT 14 2002  
FPSC-COMMISSION CLERK

**CERTIFICATE OF SERVICE**

**Docket Nos. 020001-EI**

**I HEREBY CERTIFY** that a true and correct copy of Florida Power & Light Company's Notice of Intent to Seek Confidential Classification (Requests No. 7 and 9-11 and Interrogatories No. 34-37, 39, 49-50) has been furnished by Federal Express (\*) or United States Mail on this 11<sup>th</sup> day of October, 2002, to the following:

Wm. Cochran Keating, IV, Esq.(\*)  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Robert Vandiver, Esq.  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, Florida 32399

Lee L. Willis, Esq.  
James D. Beasley, Esq.  
Ausley & McMullen  
Attorneys for Tampa Electric  
P.O. Box 391  
Tallahassee, Florida 32302

James A. McGee, Esq.  
Florida Power Corporation  
P.O. Box 14042  
St. Petersburg, Florida 33733

Joseph A. McGlothlin, Esq.  
Vicki Gordon Kaufman, Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson, et al.  
Attorneys for FIPUG  
117 South Gadsden Street  
Tallahassee, Florida 32301

Norman H. Horton, Esq.  
Floyd R. Self, Esq.  
Messer, Caparello & Self  
Attorneys for FPUC  
215 South Monroe Street, Suite 701  
Tallahassee, Florida 32302-0551

John W. McWhirter, Jr., Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson, et al.  
Attorneys for FIPUG  
P.O. Box 3350  
Tampa, Florida 33602

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

By: Korel M. Dubin for JTB  
John T. Butler, P.A.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power  
cost recovery clause with  
generating performance incentive  
factor.

DOCKET NO. 020001-EI

DATED: SEPTEMBER 9, 2002

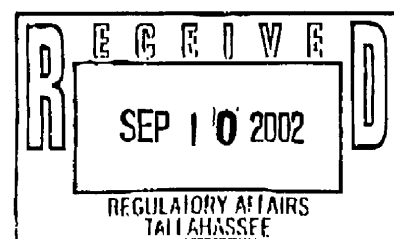
STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 1- 11)

Pursuant to Rule 25-22.034, Florida Administrative Code, and Rule 1.350, Florida Rules of Civil Procedure, the Staff of the Florida Public Service Commission, by and through its undersigned attorney, hereby serves the following Request for Production of Documents upon Florida Power & Light Company ("FPL").

Please produce the following documents at the Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, no later than seven days after service of this request for the purpose of inspection and copying.

DEFINITIONS

As used herein, the word "documents" shall mean the original and any non-identical copies of any writing or record, including but not limited to a book, pamphlet, periodical, letter, memorandum, telegram, report, study, interoffice or intraoffice, handwritten or other notes, working paper, draft, application, permit, chart, paper, graph, survey, index, tape, disc, data sheet



STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS  
TO FLORIDA POWER & LIGHT COMPANY (NOS. 1 - 11)  
DOCKET NO. 020001-EI  
PAGE 2

or data processing card, computer printout, or any other written, recorded, transcribed, filed or graphic matter, however produced or reproduced.

DOCUMENTS REQUESTED

1. Please provide a copy of Attachment 2 to NRC Order No. EA-02-026, issued February 25, 2002.
2. Please provide a copy of all internal documents which reference the incremental security measures contained in Attachment 2 of NRC Order No. EA-02-026.
3. Please provide a copy of all documents submitted to the NRC concerning compliance with NRC Order No. EA-02-026.
4. Please provide a copy of all internal documents which reference FPL's implementation of the incremental security measures contained in Attachment 2 to NRC Order No. EA-02-026.

STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS  
TO FLORIDA POWER & LIGHT COMPANY (NOS. 1 - 11)  
DOCKET NO. 020001-EI  
PAGE 3

5. Please provide all internal documents which reference FPL's implementation of the incremental security measures identified in response to Interrogatory No. 22 from Staff's Second Set of Interrogatories to Florida Power & Light Company in this docket.
6. Please provide a "print screen" of each window available in any software Iconnix provided or "print screens" related to improvements in existing software.
7. Please provide all documents related to the uses, functions, and benefits of system enhancements provided by Iconnix.
8. If applicable, please provide the RFP and responses for the services ultimately received from Iconnix.
9. Please provide a copy of the contract between FPL and Iconnix.
10. Please provide a copy of the contract between FPL and Dean & Company.

STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS  
TO FLORIDA POWER & LIGHT COMPANY (NOS. 1 - 11)  
DOCKET NO. 020001-EI  
PAGE 4

11. Please provide a budget-to-actual variance report for the EMT budget (EAC) group for the year 2001 and the year 2002 to date.

*Wm. Cochran Keating IV*

---

WM. COCHRAN KEATING IV  
Senior Attorney  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850  
(850) 413-6193

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power  
cost recovery clause with  
generating performance incentive  
factor.

DOCKET NO. 020001-EI

DATED: SEPTEMBER 9, 2002

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and one correct copy of STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS TO FLORIDA POWER & LIGHT COMPANY (Nos. 1-11) has been served by U.S. Mail to John T. Butler, Steel, Hector & Davis Law Firm, 200 South Biscayne Blvd., Miami, Florida, 33131-2398, on behalf of Florida Power & Light Company, and that a true and correct copy thereof has been furnished to the following, by U.S. Mail, this 9<sup>th</sup> day of September, 2002:

Ausley & McMullen Law Firm  
James Beasley/Lee Willis  
P. O. Box 391  
Tallahassee, FL 32302

Florida Power & Light Co.  
Bill Walker  
215 South Monroe Street,  
Ste. 810  
Tallahassee, FL 32301-1859

Florida Industrial Power Users  
Group  
c/o John McWhirter, Jr.  
McWhirter Reeves Law Firm  
400 N. Tampa Street, Ste. 2450  
Tampa, FL 33602

Florida Public Utilities Co.  
George Bachman  
P. O. Box 3395  
West Palm Beach, FL 33402-3395

Gulf Power Company  
Susan D. Ritenour  
One Energy Place  
Pensacola, FL 32520-0780

McWhirter Law Firm  
Joe McGlothlin/Vicki Kaufman  
117 S. Gadsden Street  
Tallahassee, FL 32301

CERTIFICATE OF SERVICE  
DOCKET NO. 020001-EI  
PAGE 2


Messer Law Firm  
Norman H. Horton, Jr.  
P. O. Box 1876  
Tallahassee, FL 32302-1876

Office of Public Counsel  
Jack Shreve/Rob Vandiver  
c/o The Florida Legislature  
111 W. Madison Street, #812  
Tallahassee, FL 32399-1400

Florida Power Corporation  
James McGee  
P. O. Box 14042  
St. Petersburg, FL 33733-4042

Tampa Electric Company  
Angela Llewellyn  
Regulatory Affairs  
P. O. Box 111  
Tampa, FL 33601-0111

Beggs & Lane Law Firm  
Jeffrey Stone & Russell Badders  
P. O. Box 12950  
Pensacola, FL 32591-2950

  
\_\_\_\_\_  
WM. COCHRAN KEATING IV  
Senior Attorney  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850  
(850) 413-6193



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

DOCKET NO. 020001-EI

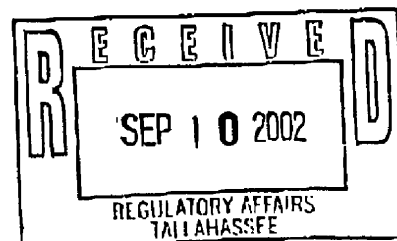
DATED: SEPTEMBER 9, 2002

STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)

The Staff of the Florida Public Service Commission, by and through its undersigned attorney, propounds the following interrogatories, pursuant to Rule 1:340, Florida Rules of Civil Procedure, to Florida Power & Light Company ("FPL"). These interrogatories shall be answered under oath by you or your agent, who is qualified and who will be identified, with the answers being served as provided by the Rules of Civil Procedure. As provided by Rule 1.340(a), Florida Rules of Civil Procedure, each interrogatory shall be answered separately and fully in writing under oath unless it is objected to. Each answer shall be signed by the person making it.

Give the name, address and relationship to Florida Power & Light Company of those persons providing the answers to each of the following interrogatories.

If an interrogatory contained herein asks for information that has already been provided or is in the process of being provided to



STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 2

the Commission through a Commission audit, please so state, indicating the date provided and the audit document/record request number.

INTERROGATORIES

21. Please identify and describe each security measure that FPL implemented at its Turkey Point and St. Lucie nuclear units to comply with NRC Order No. EA-02-026, issued February 25, 2002. Please itemize by FERC account the cost of implementing each security measure identified for years 2002, 2003, 2004, and 2005 and provide the following information for each security measure identified:

1. Capital expenditure amount;
2. Amortization period; and
3. Operation & maintenance expense.

STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 3

22. Please identify each security measure, if any, which contributes to the \$5.2 million in incremental security costs at FPL's Turkey Point and St. Lucie nuclear units, which FPL seeks to recover through the fuel and purchased power cost recovery clause, but is not required to comply with NRC Order No. EA-02-026. Please provide the following information for each such security measure identified:

1. Capital expenditure amount;
2. Amortization period; and
3. Operation & maintenance expense.

STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 4

23. Did FPL implement each security measure set forth in Attachment 2 to NRC Order No. EA-02-026? If not, please explain.

24. Has FPL reported to the NRC that FPL has achieved full compliance with the requirements described in Attachment 2 to NRC Order No. EA-02-026? If so, when? If not, please explain.

STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 5

25. Please identify the incremental security costs which FPL requested for base rate recovery in Docket No. 001148-EI and distinguish those costs from the incremental security costs FPL is requesting for recovery in Docket No. 020001-EI.

26. What factors did FPL consider in determining whether to seek recovery of certain costs associated with incremental security measures through the fuel and purchased power cost recovery clause, while seeking recovery of other costs associated with incremental security measures through base rates?

STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 6

27. What potential future changes to the NRC requirements outlined  
in Attachment 2 to NRC Order No. EA-02-026 has FPL identified?

28. Has FPL identified any future non-NRC security requirements  
which FPL would be required to implement?

STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 7

29. Please provide the forecast of customers, energy sales, and peak demand for 2002 that FPL utilized to calculate its projected 2002 fuel and purchased power costs referenced in Korel Dubin's direct testimony in Docket No. 010001-EI.

30. Please provide the forecast of customers, energy sales, and peak demand for 2002 that FPL utilized to calculate its actual/estimated 2002 fuel and purchased power costs referenced in Korel Dubin's direct testimony in Docket No. 020001-EI.

STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 8

31. Please provide the forecast of national and state economic indicators for 2002 that FPL utilized to calculate its projected 2002 fuel and purchased power costs referenced in Korel Dubin's direct testimony in Docket No. 010001-EI.

32. Please provide the forecast of national and state economic indicators for 2002 that FPL utilized to calculate its actual/estimated 2002 fuel and purchased power costs referenced in Korel Dubin's direct testimony in Docket No. 020001-EI.



STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 9

33. For 2002 total fuel expenses for which FPL seeks recovery through the fuel and purchased power cost recovery clause, please provide the information necessary to complete the following table:

\$000	Coal	Natural Gas	Residual Oil	Distillate Oil
Commodity				
Transportation				
Other <sup>1</sup>				
Total				

<sup>1</sup> For purposes of this interrogatory, "Other" includes taxes, fees, inspection costs, commissions, port charges, inventory adjustments, and additives blended with fuel.

34. For 2002 total fuel expenses for which FPL seeks recovery through the fuel and purchased power cost recovery clause, please provide the information necessary to complete the following table:

MMBtu	Coal	Natural Gas	Residual Oil	Distillate Oil
Fixed price contract				
Market-index contract				
Spot				
Total				

35. For each fuel used by FPL for generation, please provide the average length on a volume-weighted basis of FPL's fixed price contracts with its fuel suppliers.

STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 11

36. For each fuel used by FPL for generation, please provide the average length on a volume-weighted basis of FPL's market-index contracts with its fuel suppliers.

37. For 2002, what is the total dollar amount of mandatory payments to the Gas Research Institute (GRI) included by FPL for recovery in the fuel and purchased power cost recovery clause?

STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 12

38. For 2002, what is the total dollar amount of voluntary payments to GRI included by FPL for recovery in the fuel and purchased power cost recovery clause? If your answer is "none", please explain.

39. For 2003, what is the total dollar amount of mandatory payments to GRI that FPL seeks to recover in the fuel and purchased power cost recovery clause?

STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 13

40. For 2003, what is the total dollar amount of voluntary payments to GRI that FPL seeks to recover in the fuel and purchased power cost recovery clause? If your answer is "none", please explain.

41. If FPL seeks recovery of voluntary payments to GRI through the fuel and purchased power cost recovery clause, please explain why fuel clause recovery is the appropriate recovery mechanism. In your response, please address whether any future voluntary payments to GRI could be recovered in non-fuel and O&M expenses for possible future recovery in a base rate proceeding.

STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 14

42. How has the Gulfstream natural gas pipeline impacted FPL's  
natural gas procurement?

43. What is the anticipated impact of the Gulfstream pipeline on  
natural gas commodity prices paid by FPL?

STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 15

44. Please identify and describe the system enhancements from Iconnix that FPL implemented to supplement FPL's hedging program. For each system enhancement identified, please provide the following information:

1. Capital expenditure amount;
2. Amortization period; and
3. Operation & maintenance expense.

STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 16

45. Please categorize each system enhancement from Iconnix by function, e.g., for physical fuel procurement, for tracking of fuel requirements, for price discovery, or for any other fuel acquisition function. Please provide the percentage of the system enhancements devoted to each function. For each function, please provide a breakdown of use between Florida Power & Light Company and FPL's nonregulated subsidiaries.

46. Did FPL issue a request for proposals (RFP) for the services offered by Iconnix?



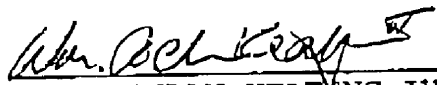
STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 17

47. Please indicate when Dean & Company and FPL initiated discussions concerning consulting services to be provided. Please indicate the nature of these discussions and whether contact was initiated by FPL or Dean & Company.

48. Please indicate, in relative terms, how much of the Dean & Company study was directed to each of the following: forecasting techniques; hedging issues; generation issues; purchase issues; fuel markets issues; other issues. Please identify any matters categorized as "other issues."

STAFF'S SECOND SET OF INTERROGATORIES TO  
FLORIDA POWER & LIGHT COMPANY (NOS. 21 - 50)  
DOCKET NO. 020001-EI  
PAGE 18

49. Please provide the dollar amount, date, description, and company account debited or credited for every payment made or received or any other related journal entries for the Dean & Company study.
50. Please provide the dollar amount, date, description, and company account debited or credited for every payment made or received or any other related journal entries for the Iconnix system enhancements.

  
\_\_\_\_\_  
WM. COCHRAN KEATING IV  
Senior Attorney  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850  
(850) 413-6193

AFFIDAVIT

STATE OF FLORIDA)

)

COUNTY OF \_\_\_\_\_ )

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared \_\_\_\_\_, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) \_\_\_\_\_ from Staff's Second Set of Interrogatories (Nos. 21-50) to Florida Power & Light Company in Docket No. 020001-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this \_\_\_\_\_ day of \_\_\_\_\_,

\_\_\_\_\_

\_\_\_\_\_  
Notary Public  
State of Florida, at Large

My Commission Expires:  
\_\_\_\_\_

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power  
cost recovery clause with  
generating performance incentive  
factor.

DOCKET NO. 020001-EI

DATED: SEPTEMBER 9, 2002

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and one correct copy of STAFF'S SECOND SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (Nos. 21-50) has been served by U.S. mail to John T. Butler, Steel, Hector & Davis Law Firm, 200 South Biscayne Blvd., Miami, Florida, 33131-2398, on behalf of Florida Power & Light Company, and that a true and correct copy thereof has been furnished to the following, by U. S. Mail, this 9<sup>th</sup> day of September, 2002:

Ausley & McMullen Law Firm  
James Beasley/Lee Willis  
P. O. Box 391  
Tallahassee, FL 32302

Florida Power & Light Co.  
Bill Walker  
215 South Monroe Street,  
Ste. 810  
Tallahassee, FL 32301-1859

Florida Industrial Power Users  
Group  
c/o John McWhirter, Jr.  
McWhirter Reeves Law Firm  
400 N. Tampa Street, Ste. 2450  
Tampa, FL 33602

Florida Public Utilities Co.  
George Bachman  
P. O. Box 3395  
West Palm Beach, FL 33402-3395

---

CERTIFICATE OF SERVICE  
DOCKET NO. 020001-EI  
PAGE 2

Gulf Power Company  
Susan D. Ritenour  
One Energy Place  
Pensacola, FL 32520-0780

McWhirter Law Firm  
Joe McGlothlin/Vicki Kaufman  
117 S. Gadsden Street  
Tallahassee, FL 32301

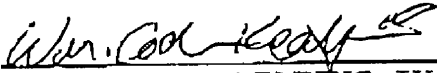
Messer Law Firm  
Norman H. Horton, Jr.  
P. O. Box 1876  
Tallahassee, FL 32302-1876

Office of Public Counsel  
Jack Shreve/Rob Vandiver  
c/o The Florida Legislature  
111 W. Madison Street, #812  
Tallahassee, FL 32399-1400

Florida Power Corporation  
James McGee  
P. O. Box 14042  
St. Petersburg, FL 33733-4042

Tampa Electric Company  
Angela Llewellyn  
Regulatory Affairs  
P. O. Box 111  
Tampa, FL 33601-0111

Beggs & Lane Law Firm  
Jeffrey Stone & Russell Badders  
P. O. Box 12950  
Pensacola, FL 32591-2950

  
WM. COCHRAN KEATING IV  
Senior Attorney  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850  
(850) 413-6193