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October 18, 2002

-VIA FEDERAL EXPRESS-

Blanca S. Bayó
Director, Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 020001-EI

Dear Ms. Bayó:

I am enclosing for filing in the above docket the original and seven (7) copies of Florida Power & Light Company's ("FPL") Notice of Serving Response to Staff's Third Set of Interrogatories (Nos. 51-96) and Second Request for Production of Documents (Nos. 12-23) and of FPL's Notice of Intent to Seek Confidential Classification (Interrogatories No. 54, 61-63, 65-67, 77, 79, 91, 94 and 95), together with a diskette containing the electronic version of same. The enclosed diskette is HD density, the operating system is Windows 2000, and the word processing software in which the documents appear is Word 2000.

- AUS _____
- CAF _____
- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC I
- OTH _____

If there are any questions regarding this transmittal, please contact me at 305-577-2939.

Very truly yours,

John T. Butler for TB

John T. Butler, P.A.

DISTRIBUTION CENTER
OCT 21 AM 9:56

Enclosures

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

Notice of Intent to
Seek Conf. Class.
DOCUMENT NUMBER-DATE

11411 OCT 21 08

FPSC-COMMISSION CLERK

Notice of Serving
Response
DOCUMENT NUMBER-DATE

11410 OCT 21 08

FPSC-COMMISSION CLERK

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 18, 2002

FLORIDA POWER & LIGHT COMPANY'S
NOTICE OF SERVING RESPONSE TO STAFF'S
THIRD SET OF INTERROGATORIES (NOS. 51-96) AND
SECOND REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 12-23)

Florida Power & Light Company hereby gives notice of serving its Response to Staff's Third Set of Interrogatories (Nos. 51-96) and Second Request for Production of Documents (Nos. 12-23) to Wm. Cochran Keating, Esq., counsel for the Staff, on October 18, 2002.

Respectfully submitted,

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By: John T. Butler for JTB
John T. Butler, P.A.
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DOCUMENT NUMBER - DATE

11410 OCT 21 02

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 Serving Response to Staff's Third Set of Interrogatories (Nos. 51-96) and Second Request for Production of Documents (Nos. 12-23) has been furnished by Federal Express (*) or United States Mail on this 18th day of October, 2002, to the following:

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By: *Kevin M. Butler for JTB*
John T. Butler, P.A.

RECEIVED
OCT - 3 2002

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 1, 2002

STAFF'S THIRD SET OF INTERROGATORIES TO
FLORIDA POWER & LIGHT COMPANY (NOS. 51 - 96)

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 THIRD SET OF INTERROGATORIES TO
FLORIDA POWER & LIGHT COMPANY (NOS. 51 - 96)
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

51. Enron Corporation sold its 50 percent interest in the Florida Gas Transmission (FGT) pipeline, what changes to FGT's tariff or contract for gas transportation with FPL would result? Would any change occur solely due to the ownership change?
52. During negotiations which preceded the settlement which the Commission approved by Order No. PSC-02-0501-AS-EI, in Docket Nos. 001148-EI and 020001-EI, issued April 11, 2002, did any party propose that FPL recover incremental security costs at FPL's Turkey Point and St. Lucie nuclear units through FPL's base rates? If so, please describe the resulting discussions.

STAFF'S THIRD SET OF INTERROGATORIES TO
FLORIDA POWER & LIGHT COMPANY (NOS. 51 - 96)
DOCKET NO. 020001-EI
PAGE 3

53. Has FPL examined incremental security requirements due to the events on and after September 11, 2001, for the following:
- a. Fossil-fuel generation plant;
 - b. Transmission system;
 - c. Distribution system; and
 - d. Other FPL assets in retail rate base?

STAFF'S THIRD SET OF INTERROGATORIES TO
FLORIDA POWER & LIGHT COMPANY (NOS. 51 - 96)
DOCKET NO. 020001-EI
PAGE 4

54. If the response to the previous interrogatory is affirmative, please provide the following information for each type of incremental security measure:

- a. Description;
- b. Purpose;
- c. Capital expenditures;
- d. Amortization period;
- e. Operation and maintenance (O&M) expenses; and
- f. Cost recovery mechanism.

55. If the response to Interrogatory No. 53 is negative, please explain why FPL has not examined its incremental security measures due to the events on and after September 11, 2001.

56. Please provide the information necessary to complete the following table:

Weighted-average Unit Price for 2002 Wholesale Energy Purchases as reported on Schedule A1, Lines 6 - 9				
\$/MWH	Firm Energy and Capacity		Non-Firm Energy	
	Peak ¹	Off-peak ²	Peak	Off-peak
Projected (Jan - Dec 2002) per 09/2001 filing				
Re-estimated (Aug - Dec 2002) per 08/2002 filing				
Actual (Jan - Jul 2002)				

Note: (1) Peak hours include the hours 6:00 AM to 10:00 AM and 6:00 PM to 10:00 PM Monday through Friday from November 1 to March 31 AND 12:00 Noon to 9:00 PM Monday through Friday from April 1 to October 31, except for New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. (2) Off-peak hours include all other hours.

57. Please provide the information necessary to complete the following table:

Weighted-average Unit Price for 2002 Wholesale Energy Sales as reported on Schedule A1, Line 18				
\$/MWH	Firm Energy		Non-Firm Energy	
	Peak ¹	Off-peak ²	Peak	Off-peak
Projected (Jan - Dec 2002) per 09/2001 filing				
Re-estimated (Aug - Dec 2002) per 08/2002 filing				
Actual (Jan - Jul 2002)				

Note: (1) Peak hours include the hours 6:00 AM to 10:00 AM and 6:00 PM to 10:00 PM Monday through Friday from November 1 to March 31 AND 12:00 Noon to 9:00 PM Monday through Friday from April 1 to October 31, except for New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. (2) Off-peak hours include all other hours.

STAFF'S THIRD SET OF INTERROGATORIES TO
FLORIDA POWER & LIGHT COMPANY (NOS. 51 - 96)
DOCKET NO. 020001-EI
PAGE 7

58. Did FPL charge the fuel clause with costs associated with fuel burned at Ft. Myers Units 1 & 2 and Sanford Unit 5 prior to the units re-entering commercial operation?

59. If the response to the previous interrogatory is affirmative, please provide, by unit, the costs associated with fuel burned at Ft. Myers Units 1 & 2 and Sanford Unit 5 prior to the units re-entering commercial operation and the amount charged to the fuel clause.

60. Please provide the forecast of customers, energy sales, and peak demand for 2003 that FPL utilized to calculate its projected 2003 fuel and purchased power costs referenced in Korel Dubin's direct testimony filed September 20, 2002, in Docket No. 020001-EI.

61. Please provide the following projected 2003 economic indicators which support the "Base Case" scenario for crude oil and petroleum products as referenced on page 3-4 of Gerard Yupp's direct testimony, pre-filed September 20, 2002.

- a. U.S. gross domestic product growth;
- b. World gross domestic product growth;
- c. Daily U.S. and European demand for crude oil; and
- d. World supply of crude oil.

62. Please provide the following projected 2003 economic indicators which support the "Low Case" scenario for crude oil and petroleum products as referenced on page 10-11 of Gerard Yupp's direct testimony, pre-filed September 20, 2002.
- a. U.S. gross domestic product growth;
 - b. World gross domestic product growth;
 - c. Daily U.S. and European demand for crude oil; and
 - d. World supply of crude oil.

63. Please provide the following projected 2003 economic indicators which support the "High Case" scenario for crude oil and petroleum products as referenced on page 11-12 of Gerard Yupp's direct testimony, pre-filed September 20, 2002.
- a. U.S. gross domestic product growth;
 - b. World gross domestic product growth;
 - c. Daily U.S. and European demand for crude oil; and
 - d. World supply of crude oil.

64. Please describe the limitations on FPL's ability to blend petroleum coke with the coal burned at its St. Johns River Power Park. Please explain the basis for such limitations.

65. Please provide the following projected 2003 indicators which support the "Base Case" scenario for natural gas as referenced on page 6 of Gerard Yupp's direct testimony, pre-filed September 20, 2002.

- a. North American natural gas demand;
- b. U.S. natural gas production;
- c. LNG and Canadian imports of natural gas; and
- d. Heavy fuel oil prices.

66. Please provide the following projected 2003 indicators which support the "Low Case" scenario for natural gas as referenced on page 10-11 of Gerard Yupp's direct testimony, pre-filed September 20, 2002.
- a. North American natural gas demand;
 - b. U.S. natural gas production;
 - c. LNG and Canadian imports of natural gas; and
 - d. Heavy fuel oil prices.

67. Please provide the following projected 2003 indicators which support the "High Case" scenario for natural gas as referenced on page 11-12 of Gerard Yupp's direct testimony, pre-filed September 20, 2002.
- a. North American natural gas demand;
 - b. U.S. natural gas production;
 - c. LNG and Canadian imports of natural gas; and
 - d. Heavy fuel oil prices.

68. Please explain why FPL deferred the visual inspection of St. Lucie Unit 1 for compliance with NRC's IEB 2001-01 until October 2002.

69. Referring to page 9, line 17, through page 10, line 12, of John R. Hartzog's direct testimony, pre-filed September 20, 2002, please respond to the following:

- a. How much has FPL recovered from its ratepayers for spent nuclear fuel disposal since the U.S. Department of Energy (DOE) began imposing a spent fuel disposal fee until the present?
- b. What is the range of possible outcomes that may result from the resolution of FPL's damages claim against DOE?

70. Referring to page 10, line 14, through page 11, line 5, of John R. Hartzog's direct testimony, pre-filed September 20, 2002, what is the range of possible outcomes that may result from the resolution of FPL's uranium enrichment pricing dispute with DOE?

71. Referring to page 13, line 9, through page 14, line 6, of John R. Hartzog's direct testimony, pre-filed September 20, 2002, what is the range of possible outcomes that may result from the resolution of FPL's suit against DOE for imputed interest on the Gas Centrifuge Enrichment Project?

72. Referring to page 14, line 8, through page 15, line 2, of John R. Hartzog's direct testimony, pre-filed September 20, 2002, what is the range of possible outcomes that may result from the resolution of FPL's suit against DOE for production costs related to high assay uranium?

73. Please provide all calculations that support FPL's \$1.8 billion estimate in replacement fuel costs if FPL's nuclear units could not operate due to not inspecting and repairing the RPVH's in each nuclear unit.

STAFF'S THIRD SET OF INTERROGATORIES TO
FLORIDA POWER & LIGHT COMPANY (NOS. 51 - 96)
DOCKET NO. 020001-EI
PAGE 17

74. For each budget sub-group which formed the basis for FPL's minimum filing requirements in Docket No. 001148-EI, provide the following information for each budget sub-group for which FPL anticipates that either the expected actual 2002 balance or the projected 2003 balance is less than the projected test year balance.

- a. Budget sub-group;
- b. Projected test year balance;
- c. Expected actual 2002 balance; and
- d. Projected 2003 balance.

STAFF'S THIRD SET OF INTERROGATORIES TO
FLORIDA POWER & LIGHT COMPANY (NOS. 51 - 96)
DOCKET NO. 020001-EI
PAGE 18

75. Regarding the RPVH project referenced in John Hartzog's direct testimony, please provide the following amounts by budget subgroup for the nuclear budget group which contains the referenced \$10 million: (1) the 2002 amounts which were the basis for the projected test year in FPL's MFRs filed in Docket No. 01148-EI; (2) the actual expected 2002 amounts; and (3) the projected 2003 amounts.

76. For each budget item listed in response to the previous interrogatory, please reconcile the 2002 amounts which were the basis for the MFRs to the MFRs. Please reconcile to the FERC sub-account level and include the account name and number.

77. Please provide the following information regarding the incremental expenses of \$500,000 for FPL's trading and operations group:

- a. Number of additional personnel by position;
- b. FPL's incremental labor expense by position;
- c. Description of the duties that each incremental position will perform that are also performed by existing personnel; and
- d. Description of the duties that each incremental position will perform that are not performed by existing personnel.

78. Please provide the following information regarding the incremental expenses of \$100,000 for FPL's accounting group:
- a. Number of additional personnel by position;
 - b. FPL's incremental labor expense by position;
 - c. Description of the duties that each incremental position will perform that are also performed by existing personnel; and
 - d. Description of the duties that each incremental position will perform that are not performed by existing personnel.

79. Please provide the following information regarding the incremental expenses of \$150,000 for FPL's risk management group:

- a. Number of additional personnel by position;
- b. FPL's incremental labor expense by position;
- c. Description of the duties that each incremental position will perform that are also performed by existing personnel; and
- d. Description of the duties that each incremental position will perform that are not performed by existing personnel.

80. Please provide the following information by budget sub-group regarding the incremental expenses of \$250,000 for the enhancement and maintenance of FPL's trading and reporting systems:

- a. Capital expenditures;
- b. Amortization period; and
- c. O & M expenses.

81. Please explain why FPL has requested recovery through the fuel clause for \$32.6 million associated with maintenance performed on the RPVHs during planned outages at its nuclear units.

82. Please identify all other maintenance activities performed at FPL's nuclear units during the planned outages at which FPL performed or will perform maintenance on the RPVHs, and identify the expenses associated those other maintenance activities which FPL recovers or seeks to recover through the fuel clause.

83. Please identify every expense associated with maintenance activities performed at FPL's fossil-fuel units which FPL recovers or seeks to recover through the fuel clause.

STAFF'S THIRD SET OF INTERROGATORIES TO
FLORIDA POWER & LIGHT COMPANY (NOS. 51 - 96)
DOCKET NO. 020001-EI
PAGE 24

84. Under what circumstances does FPL purchase energy under the
St. Lucie Plant Nuclear Reliability Exchange Agreements?

85. Under what circumstances does FPL sell energy under the St.
Lucie Plant Nuclear Reliability Exchange Agreements?

86. If the Commission authorizes FPL to recover incremental (to projected test year expenses) operation and maintenance expense through the fuel clause, would it be appropriate to adjust projected test year expenses to account for growth in customer, energy sales, and peak demand, as appropriate, on a going-forward basis? If not, please explain.

87. If the response to the previous interrogatory is affirmative, how would such adjustments affect the incremental O & M expenses that FPL has requested for recovery through the fuel clause for 2003?

88. Which current franchise agreements between FPL and municipal governments are scheduled to expire between October 1, 2002, and December 31, 2003?

89. For each current franchise agreement scheduled to expire between October 1, 2002, and December 31, 2003, what would be the decremental impact on FPL's customers, energy sales, and peak demand if the franchise agreement is not renewed?

STAFF'S THIRD SET OF INTERROGATORIES TO
FLORIDA POWER & LIGHT COMPANY (NOS. 51 - 96)
DOCKET NO. 020001-EI
PAGE 27

90. What assumptions has FPL made regarding the performance of its dispatchable and non-dispatchable demand side management programs when calculating FPL's fuel and purchased power costs?

91. Referring to page 19 of Gerard Yupp's direct testimony, prefiled September 20, 2002, please show the calculations required to support the statement - "The projected gain for these [wholesale off-system power] sales is \$6,014,524"

STAFF'S THIRD SET OF INTERROGATORIES TO
FLORIDA POWER & LIGHT COMPANY (NOS. 51 - 96)
DOCKET NO. 020001-EI
PAGE 28

92. Regarding Schedule E1B, Line A1b, Incremental Hedging Costs, please explain why the estimate of September 2002 expenses is ten times higher than expenses for each of the remaining months.

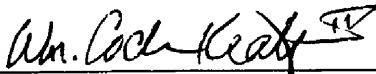
93. Who authorizes expenditures in the EAC group which contains Contractor and Professional Services expenses related to hedging?

94. Do monies budgeted to one EAC group ever get rebudgeted to other EAC groups? If so, how and by whom is that decision made? Is that decision formalized through rebudgeting or does it just show up as variances in the original budget?

95. Do monies budgeted to particular items within an EAC group ever get redistributed within the group? If so, how and by whom is that decision made? Is that decision formalized through rebudgeting or does it just show up as variances in the original budget?

STAFF'S THIRD SET OF INTERROGATORIES TO
FLORIDA POWER & LIGHT COMPANY (NOS. 51 - 96)
DOCKET NO. 020001-EI
PAGE 30

96. What process does FPL go through in order to determine that an expense should be classified as costs related to security against terrorism?



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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 Third Set of Interrogatories (Nos. 51-96) 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: OCTOBER 1, 2002

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and one correct copy of STAFF'S THIRD SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (Nos. 51-96) has been served by electronic mail and 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 1st day of October, 2002:

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CERTIFICATE OF SERVICE
DOCKET NO. 020001-EI
PAGE 2

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