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ALLAN BENSE
Speaker



Joseph A. McGlothlin
Associate Public Counsel

March 18, 2005

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

COMMISSION
CLERK
MAR 18 PM 4:40

RE: Petition for Authority to recovery prudently incurred storm restoration costs related to 2004 storm season that exceed storm reserve balance, by Florida Power & Light Company; Docket No. 041291-EI

Dear Ms. Bayó:

Enclosed please find an original and 15 copies of Supplemental Testimony of Michael J. Majoros, Jr. on behalf of the Citizens of the State of Florida for filing in the above referenced docket.

Please indicate receipt of filing by date-stamping the attached copy of this letter and returning it to this office. Thank you for your assistance in this matter.

- CMP _____
- COM 5
- CTR org
- ECR _____
- GCL 1
- OPC _____
- MMS _____
- RCA _____
- SCR _____
- SEC 1
- OTH _____

RECEIVED & FILED
FPSC-BUREAU OF RECORDS

Sincerely,

Joe McGlothlin
Joseph A. McGlothlin
Associate Public Counsel

JAM/dsb
Enclosures

DOCUMENT NUMBER-DAT
02692 MAR 18 05

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for authority to recover prudently incurred storm restoration costs related to 2004 storm season that exceed storm reserve balance, by Florida Power & Light Company

Docket No. 041291-EI

SUPPLEMENTAL TESTIMONY

OF

MICHAEL J. MAJOROS, JR.

ON BEHALF OF

THE CITIZENS OF THE STATE OF FLORIDA

DOCUMENT NUMBER - DATE

02692 MAR 18 18

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for authority to recover prudently
incurred storm restoration costs related to
2004 storm season that exceed storm
reserve balance, by Florida Power &
Light Company

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**SUPPLEMENTAL TESTIMONY
OF
MICHAEL J. MAJOROS, JR.**

**ON BEHALF OF
THE CITIZENS OF THE STATE OF FLORIDA**

March 18, 2005

1 SUPPLEMENTAL TESTIMONY

2 OF

3 MICHAEL J. MAJOROS, JR.

4 DOCKET NO. 041291-EI

5

6 **Q. Please state your name.**

7 A. My name is Michael J. Majoros, Jr.

8 **Q. Have you already submitted testimony in this proceeding?**

9 A. Yes, I submitted direct testimony on February 8, 2005.

10 **Q. What is the purpose of your supplemental testimony?**

11 A. FPL filed an amendment to its initial storm cost request. FPL increased its initial
12 estimate of storm related costs from \$710 million to \$890 million (net of
13 insurance proceeds). I am filing this supplemental testimony to update my
14 Exhibit___(MJM-7) to incorporate FPL's revised estimate. As a result of FPL's
15 update, I have increased my estimated Retail Storm Deficiency from \$46.65
16 million to \$225.79 million.

17 **Q. Are you sponsoring any additional adjustments as a consequence of the**
18 **amendment?**

19 A. No. As I indicated in my direct testimony, my primary objection is to FPL's
20 accounting.

21 **Q. Does this complete your supplemental testimony?**

22 A. Yes, it does.

Florida Power & Light
Docket No. 041291-EI
Summary of Recommended Adjustments
(\$ Millions)

1	Company Requested Storm Costs (System) (Updated)	\$	998.00	Revised KMD-1 (before insurance reimbursement)
	Less:			
2	Salt Spray and Vegetation Studies		1.38	Exhibit__(MJM-4)
3	Base Salaries		31.98	Exhibit__(MJM-5)
4	Vehicle Expense		5.26	Exhibit__(MJM-6)
5	Total Disallowed Expenses		<u>38.62</u>	
6	Adjusted Storm Costs		959.38	
	Less:			
7	Insurance Recoveries		108.00	
8	Reserve Balance		354.00	
9	Pre-Tax System Expense that would produce 10% ROE		<u>270.51</u>	Exhibit__(MJM-8)
10	Storm Reserve Deficiency (System)		226.87	
11	Jurisdictional Factor		<u>99.525%</u>	Bates page FPL 003242 1/
12	Retail Storm Reserve Deficiency		<u>\$ 225.79</u>	2/

1/ FP&L Estimates Related to Hurricanes Charley, Frances and Jeanne, Allocated on Energy
2/ Excludes adjustments for costs of replacement plant that should be capitalized and cost of removal that should be charged to the reserve for such costs, final values for which have not been provided.

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing Supplemental Testimony of Michael J. Majoros, Jr. has been furnished by electronic mail and U.S. Mail on this 18th day of March, 2005, to the following:

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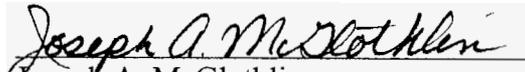
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