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March 22, 2005

- VIA OVERNIGHT DELIVERY -

Blanca S. Bayó  
Director, Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
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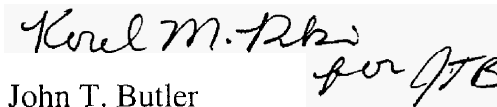
**Re: Docket No. 050001-EI**

Dear Ms. Bayó:

I am enclosing for filing in the above docket the original and seven (7) copies of Florida Power & Light Company's Notice of Rate Relief Requested in Docket No. 050045-EI, together with a diskette containing the electronic version of same. The enclosed diskette is HD density, the operating system is Windows XP, and the word processing software in which the documents appear is Word 2000.

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

Sincerely,

  
John T. Butler

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

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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power ) Docket No. 050001-EI  
cost recovery clause with generating ) Dated: March 22, 2005  
performance incentive factor. )

FLORIDA POWER & LIGHT COMPANY'S NOTICE  
OF RATE RELIEF REQUESTED IN DOCKET NO. 050045-EI

Florida Power & Light Company ("FPL") hereby notifies all parties of record in this docket that it has on this day filed a petition in Docket No. 050045-EI, *In re: Petition for rate increase by Florida Power & Light Company* (the "Rate Petition"). Some of the rate relief requested in the Rate Petition will affect the recovery of FPL's costs through the fuel and purchased power cost recovery clause ("Fuel Clause") and the capacity cost recovery clause ("Capacity Clause") herein, as described below:

1. The Rate Petition seeks approval of "an increase in rates, charges and adjustment factors that will produce an increase in total annual revenues of \$430,198,000 beginning January 1, 2006 (consisting of a base rate increase in the amount of \$384,580,000 and a net shift from base rates to the Capacity Clause of \$45,618,000) ...." Specifically, FPL proposes three Company adjustments to the 2006 test year net operating income ("NOI") that relate to the Capacity Clause and Fuel Clause: (1) to transfer its 2006 projected incremental power plant security costs from Capacity Clause recovery to base rate recovery; (2) to transfer to the Capacity Clause certain St. Johns River Power Park ("SJRPP") and other purchased power payments and associated revenues from the sale of purchased power that are currently embedded in base rates; and (3) to transfer its 2006 projected incremental hedging costs from Fuel Clause recovery to base rate recovery.

2. In order to effect these adjustments, the Rate Petition asks the Commission to approve the following transfer of costs between base rates and the Fuel and Capacity Clauses:

- a. recovery in base rates of \$11,032,121 of incremental power plant security costs commencing January 1, 2006, such that FPL thereafter may seek to recover through the Capacity Clause only incremental power plant security costs that exceed \$11,032,121 in a calendar year;
- b. recovery in base rates of \$496,485 of incremental hedging costs commencing January 1, 2006, such that thereafter FPL may seek to recover through the Fuel Clause only incremental hedging costs that exceed \$496,485 in a calendar year; and
- c. Recovery in the Capacity Clause of SJRPP and other purchased power payments in the net amount of \$56,945,592 that are currently recovered in base rates pursuant to Order No. PSC-94-1092-FOF-EI, commencing January 1, 2006.

3. In addition to rate relief in 2006, the Rate Petition also describes an increase in FPL's revenue requirements of "\$122,757,000 on an annualized basis in 2007 as a result of the added capital costs and O&M expenses associated with placing Turkey Point Unit 5 into commercial operation, which is scheduled for June 2007. In order to address this increase in 2007 revenue requirements, FPL proposes to adjust its base rates beginning 30 days after Turkey Point Unit 5 goes into commercial operation."

4. As the Rate Petition further explains, however, upon the placement of Turkey Point Unit 5 into commercial service, AFUDC accruals will cease but the new tariff will not be applied to meter readings until 30 days after this date. As a result of this timing difference, FPL will under-recover costs that otherwise would be charged as AFUDC. Therefore, the Rate Petition asks the Commission to authorize recovery through the true-up mechanism of a future Fuel Clause proceeding, of the under-recovered dollar amount for Turkey Point Unit 5

attributable to the timing difference between ceasing the accrual of AFUDC upon commercial operation of the unit, and the initial billing and meter reading cycles to which the 2007 Turkey Point Unit 5 Adjustment will apply.

5. FPL intends that the Commission's determinations in Docket No. 050045-EI on the issues summarized above will be binding in this and successor Fuel and Capacity Clause dockets.

Respectfully submitted,

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By: *Karl M. Dehi for JTB*  
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Florida Bar No. 283479

**CERTIFICATE OF SERVICE**  
**Docket Nos. 050001-EI**

I **HEREBY CERTIFY** that a true and correct copy of Florida Power & Light Company's Notice of Rate Relief Requested in Docket No. 050045-EI has been furnished by overnight delivery (\*) or United States Mail on this 22<sup>nd</sup> day of March, 2005, to the following:

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