

Kay Flynn

ORIGINAL

From: Paulson Craig T Maj AFCESA/ULT [Craig.Paulson@tyndall.af.mil]
 Sent: Thursday, May 26, 2005 5:23 PM
 To: Filings@psc.state.fl.us
 Subject: RE: Electronic Filing - Federal Executive Agencies 2nd Discovery Request in Docket 050045
 Attachments: FPL FEA Notice 2nd Set Of Discovery 050045.doc; FPL 2nd Discovery.doc

1. Person Responsible for Filing:

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2. Docket Number: 050045

3. Filed on Behalf of: Federal Executive Agencies

4. Total Number of Pages: 3 (Notice) 7 (2nd Discovery)

5. Document Description: Federal Executive Agencies 2nd Discovery Request in Docket 050045

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 SEC 1
 OTH _____

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for rate increase)
by Florida Power & Light)
Company.)

Docket No. 050045-EI

Filed: May 26, 2005

NOTICE OF SERVICE

FEA, by and through its undersigned counsel, serves this notice that it has served its second set of discovery (Nos. 3-22) to Florida Power & Light Company.

Respectfully submitted,

//s//

CRAIG PAULSON
MAJOR, USAF
Utility Litigation and Negotiation Attorney

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of this pleading has been served by U.S.

Mail and electronic mail this 26th day of May, 2005 on the following:

Wm. Cochran Keating, Esquire
Katherine Fleming, Esquire
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: PETITION FOR RATE INCREASE BY)
FLORIDA POWER & LIGHT COMPANY) **DOCKET NO. 050045-EI**

**SECOND SET OF DISCOVERY
OF THE FEDERAL EXECUTIVE AGENCIES TO
FLORIDA POWER & LIGHT COMPANY**

The Federal Executive Agencies (FEA) hereby serves its Second Set of Discovery (FEA 3 – 22) upon Florida Power & Light Company.

GENERAL INSTRUCTIONS

1. Please provide a written response to each discovery request and discovery request subpart and supplement, when appropriate, such responses as required by these rules.
2. For each response, please provide any work papers and other documents used in its preparation.
3. If any of the information sought in a discovery request will not be available by the response date, please state the projected date such information will first become available.
4. If any document or information responsive to a request is withheld for any reason, identify (in accordance with the definition attached) such document or information, and state the legal and factual basis for withholding it. Additionally, furnish all portions of such document or information that are not subject to the claimed reasons for withholding and provide a written description of the documents or information or portions thereof withheld.
5. If any document or information responsive to a discovery request was, but is no longer, in your possession or control, please identify such document or information and explain why it is no longer in your possession or control.
6. If no documents are available in response to a request for documents, please so indicate and, if possible, provide a narrative response to the request.

7. If you encounter any ambiguity in interpreting a discovery request, please identify the language deemed to be ambiguous and the interpretation used in responding to the discovery request.
8. The terms “and” and “or” should be construed either disjunctively or conjunctively in order to bring within the scope of each discovery request any information or document which might otherwise be considered to be beyond its scope.
9. The singular form of a word should be interpreted as plural, and the plural form of a word should be interpreted as singular, in order to bring within the scope of each discovery request any information or document which might otherwise be considered to be beyond its scope.
10. Please identify the preparer or person under whose supervision each response was prepared.
11. For the convenience of the parties, please reiterate each Discovery Request prior to your response.

DEFINITIONS

1. “Document” should be interpreted broadly to include, but not be limited to writings, records, memoranda, correspondence, reports, contracts, studies, tabulations, work papers, charts, diagrams, publications, photographs, films, maps, bulletins, minutes, handwritten notes, log sheets, ledgers, microfilm, tapes, computer programs, recordings, printouts, vouchers, accounting statements, and all other retrievable data of any kind. Any document that is not identical to another document for any reason, including but not limited to marginal notations, deletions, attachments, or redrafts, is a separate document.
2. “Correspondence” should be interpreted to include, but not be limited to, letters, facsimiles, telex, telegrams, notes, notices, messages, memoranda, reports, and all other written communications.
3. “Communication” should be interpreted to include, but not be limited to, all forms of communication, whether written, printed, oral, computer generated electronic, pictorial or otherwise.
4. Any request to “identify” should be interpreted to mean:
 - a. With respect to a natural person, their full name, title, business address and telephone number, both currently and for any past period relevant to the request.

- b. With respect to entity other than a natural person, its full name, address, telephone number, and business or purpose, both currently and for any past period relevant to the request.
 - c. With respect to a document, the nature of the document (e.g., letter, pleading document, its date, preparers, signatories, recipients, and custodians).
5. "Person" refers to any natural person, corporate entity, partnership, joint venture, cooperative, municipality, commission, governmental body, agency, board, committee, or formal or informal association, club or group.

INTERROGATORIES and REQUEST FOR PRODUCTION of DOCUMENTS

FEA-3. Please identify any public issuances of common stock by FPL Group since January 1, 2002. In such each case, list:

- a. date of issuance;
- b. dollar amount of the issuance (i.e., gross proceeds);
- c. issuance expenses incurred (including underwriting fees);
- d. purpose of the issuance; and
- e. amount provided to Florida Power & Light Company (FP&L) utility through an equity infusion.

FEA-4. Please identify any plans for a public issuance of common stock by FPL Group for 2005, 2006 or 2007. Please identify the approximate amount of each issuance.

FEA-5. Please provide copies of all FPL and FPL Group credit rating reports issued by Moody's, Standard & Poors and Fitch since January 1, 2004.

FEA-6. Please provide copies of all presentations to securities analysts or investor groups by FP&L or FPL Group management since January 1, 2004.

FEA-7. Please provide FP&L's annual construction budget for 2005-2009 broken down by

- a. distribution;
- b. transmission;
- c. production; and
- d. general.

FEA-8. Please provide a listing of FP&L's monthly short-term debt balances (exclude current maturities of long-term debt and customer deposit) and interest rate, January 2002 through May 2005.

FEA-9. Please provide the SEC Form 10-K for the year ending December 31, 2004 for FP&L (or FP&L Group if FP&L does not submit an SEC 10-K report).

FEA-10. Please provide the SEC Form 10-Q for the quarter ending March 31, 2005 for FP&L (or FP&L Group if FP&L does not submit an SEC 10-Q report).

FEA-11. Provide a listing of new long-term debt and preferred stock issues planned by FP&L for the remainder of 2005 and 2006. In each case list:

- a. expected dollar amount the issue;
- b. annualized cost rate of the new issue; and
- c. approximate date of new issue.

FEA-12. Dr. Avera uses several different methods in deriving his 11.8 percent cost of equity recommendation. Please specify the weight that he gives each of his methods in developing his overall recommendation.

FEA-13. Please list all retail electric utility cases in which Dr. Avera has testified on cost of equity within the last three years. In each case, list:

- a. jurisdiction;
- b. approximate date of his pre-filed direct testimony;
- c. his recommended return on equity; and
- d. Commission approved return on equity.

FEA-14. Please provide copies of the Regulatory Focus documents cited in Dr. Avera's footnote 1, Document WEA-6, page 1 of 2.

FEA-15. Provide Dr. Avera's calculation of the S&P 500 growth rate cited on Document WEA-9, page 1 of 2, footnote (b). Is the S&P growth rate referred to based on a simple average or a market value weighted average?

FEA-16. Provide the table supporting the 7.2 percent historic equity risk premium shown on Document WEA-10, page 1 of 2.

FEA-17. Do the capital structure ratios shown on Document WEA-12 include current maturities of long-term debt? If not, why was that capital excluded from the ratios shown?

FEA-18. What is FP&L's currently authorized return on common equity? Please indicate the date this return was awarded by the Florida Public Service Commission.

FEA-19. Please provide support for Mr. Dewhurst's claim (page 26) that the 50 basis point ROE performance adder increases revenue requirements by \$50 million.

FEA-20. Provide a copy of the 1999 Stipulation and Settlement Agreement.

FEA-21. Please provide the complete basis for the 8.73 percent cost of short-term debt (2006 projected test year). Why is this figure so much higher than the 2.02 percent cost of short-term debt for the historic test year?

FEA-22. Provide the support and basis for the 7.2 percent First Mortgage Bond 2006 cost rate shown on Schedule D-8. This would include copies of any internal or external forecasts relied upon to derive this cost rate.

Dated this 26th day of May 2005.

Respectfully submitted,

//s//

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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of this pleading has been served by
U.S. Mail and electronic mail this 26th day of May, 2005 on the following:

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