

REDACTED

EXHIBIT "B"

ORIGINAL

050001-EI

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DOCUMENT NUMBER-DATE

09427 OCT-48

FPSC-COMMISSION CLERK

1 Florida Power & Light Company
2 Docket No. 050001-EI
3 Staff's Fourth Set of Interrogatories
4 Question No. 9
5 Page 1 of 1

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9 **Q. What are FPL's year-to-date hedging results?**

- 10 **A. Natural Gas**
11 **B. Fuel Oil**
12 **C. Purchased Power**

13
14 **A. FPL's realized savings for Fuel Oil and Natural Gas are for January through**
15 **September 2005. The Purchased Power savings are for January through August 2005.**

- 16
17 **A. Natural Gas:** [REDACTED]
18 **B. Fuel Oil:** [REDACTED]
19 **C. Purchased Power:** [REDACTED]

DOCUMENT NUMBER-DATE

09427 OCT-4 08

FPSC-COMMISSION CLERK

1 Florida Power & Light Company
2 Docket No. 050001-EI
3 Staff's Fourth Set of Interrogatories
4 Question No. 10
5 Page 1 of 1

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11 **Q. With the most recent data available, what is FPL's mark-to-market position for**
12 **its hedging positions to be offset during the remainder of 2005?**

13
14 **A.**
15 As of September 29, 2005, FPL's mark-to-market position for the remainder of 2005
16 for its hedge positions would result in projected savings of [REDACTED]

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10 **Q. With the most recent data available, what is FPL's mark-to-market position**
11 **for its hedging positions to be offset during 2006?**
12
13 **A. As of September 29, 2005, FPL's mark-to-market for the existing 2006 hedge**
14 **positions would result in projected savings of [REDACTED].**
15

Q. If FPL forecasts that fuel prices will generally be rising during the forecast period, what type of hedging decisions does FPL generally make?

A. The primary objective of FPL's hedge program is to reduce volatility and to deliver greater price certainty to our customers. The hedge program is not designed to speculate on the direction of prices. In this endeavor, FPL executes a well-disciplined hedge program that is approved by FPL's Exposure Management Committee in accordance with its Risk Management Plan.

Every year FPL completes a comprehensive review of historical prices, fundamental market conditions and analysis in order to enhance the desired goals and objectives of the hedge program. Throughout its history, adjustments to the overall size and scope of the hedge program have been refined. For example, the dollars set aside for options have increased over time as the forecast prices for the hedge period have trended higher than historical levels. As the uncertainty of fuel prices increase, adjustments to the program are approved and aligned with the overall goals and objectives. Although the hedge program has delivered significant savings to FPL's customers to date, FPL anticipates that over time the overall value of the hedge program for customers should be minimal as market cycles transpire.

FPL re-forecasts its projected fuel requirements for the hedge period on a weekly basis incorporating current forward prices. As price changes drive differences in projected fuel requirements and types, FPL rebalances its hedges to stay within predefined percentage tolerances of its approved hedging plan. This allows FPL customers to realize the value of its fuel switching capability and to ensure customers receive the lowest cost fuel.

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Q. If FPL forecasts that fuel prices will generally be falling during the forecast period, what type of hedging decisions does FPL generally make?

A. Please see FPL's response to Question 12.

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Q.
If FPL forecasts that fuel prices will generally be stable during the forecast period, what type of hedging decisions does FPL generally make?

A.
Please see FPL's response to Question 12.