

State of Florida



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Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

COMMISSION  
CLERK

-M-E-M-O-R-A-N-D-U-M-

**DATE:** February 17, 2006

**TO:** George J. Slemkewicz, Public Utilities Supervisor, Division of Economic Regulation

**FROM:** Denise N. Vandiver, Chief of Auditing, Division of Regulatory Compliance & Consumer Assistance *DN*

**RE:** Docket No: 060038-EI; Company Name: Florida Power & Light Company  
Audit Purpose: Audit for Review 2004/2005 Storm Damage Cost Recovery  
Audit Control No: 05-292-4-1

Attached is the final audit report for the utility stated above. I am sending the utility a copy of this memo and the audit report. If the utility desires to file a response to the audit report, it should send the response to the Division of Commission Clerk and Administrative Services. There are confidential work papers associated with this audit.

DNV:bj  
Attachments

Copy: Division of Regulatory Compliance and Consumer Assistance (Hoppe, District Offices, File Folder)  
Division of Commission Clerk & Administrative Services (2)  
Division of Competitive Markets and Enforcement (Harvey)  
General Counsel  
Office of Public Counsel

- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- RCA \_\_\_\_\_
- SCR \_\_\_\_\_
- SGA \_\_\_\_\_
- SEC   /
- JTH \_\_\_\_\_

Mr. Bill Walker, Vice President  
Florida Power & Light Company  
215 S. Monroe St., Suite 810  
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Mr. Bill Feaster, Manager  
Florida Power & Light Company  
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Tallahassee, FL 32301-1859

DOCUMENT NUMBER-DATE

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FLORIDA PUBLIC SERVICE COMMISSION  
DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE

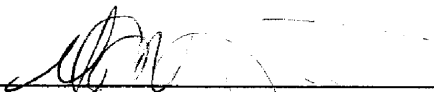
*Miami District Office*

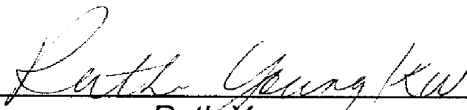
FLORIDA POWER AND LIGHT CO.

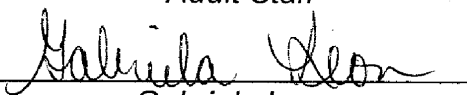
REVIEW OF 2004/2005 STORM DAMAGE COST RECOVERY

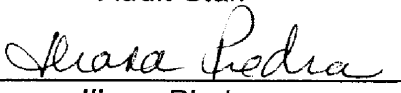
HISTORICAL YEAR ENDED DECEMBER 31, 2005

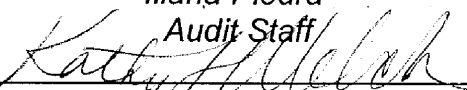
DOCKET NO. 060038-EI  
AUDIT CONTROL NO. 05-292-4-1

  
\_\_\_\_\_  
Yen Ngo  
Audit Manager

  
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Ruth Young  
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Audit Staff

  
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Kathy L. Welch  
Public Utilities Supervisor

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**DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE  
AUDITOR'S REPORT**

**February 14, 2006**

**TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED  
PARTIES**

We have performed the procedures enumerated later in this report to meet the agreed upon objectives set forth by the Division of Economic Regulation in its audit service request. We have applied these procedures to the attached schedules prepared by Florida Power and Light in support of its filing for storm recovery.

This audit is performed following general standards and field work standards found in the AICPA Statements on Standards for Attestation Engagements. This report is based on agreed upon procedures which are only for internal Commission use.

## **OBJECTIVES AND PROCEDURES:**

**Objective:** To determine whether costs charged to the storm reserve are actually for storm damage restoration activities and are recorded in accordance with Order No. PSC-05-0937-FOF-EI.

**Procedures:** We reconciled 2005 storm costs recorded in the filing to the ledger. We also reconciled the remaining balance of the 2004 storm costs as shown in Exhibit A of the filing to the ledger. We determined that the adjustments from Order No. PSC-05-0937-FOF-EI were booked.

We reviewed the detail of all storm costs for 2005. We selected samples of payroll, material and supplies, vehicle charges, cash disbursements, and journal vouchers based on material dollars, unusual items, and affiliate transactions and traced them to source documents. We were unable to determine if any of the damage repaired by employees and contractors during storm restoration efforts occurred prior to the storm. The November and December samples for all storms, and the payroll related to Hurricane Dennis will be completed in a supplement to this audit.

We traced Payroll charges to time tickets and rate data. We had difficulty determining if some of the payroll costs were for storm related jobs because during the storm, payroll is not referenced to the trouble tickets and the trouble ticket system does not contain as much detail on payroll and materials and supplies as it does when there is not a storm. Employees who are not normally part of a work crew are assigned to various duties during a storm situation and these duties are not recorded on the time sheets. Finding 1 discusses regular payroll charges and bonuses in more detail.

We traced materials and supplies to reports done at the field locations that distributed the materials to the crews. We reviewed the materials with a PSC staff engineer to determine the types of items expensed. The majority of the small items were clamps, bolts, fuses, cables, switches, insulators, ground wire, splicers and surge arrestors. The large items such as poles, transformers, and switch cabinets were subsequently transferred to a capital account for Rita, Katrina and Dennis. For Wilma, the items from materials and supplies transferred to capital accounts were in various "high level" journal entries. The detail will be reviewed in the supplemental audit. In the supplemental audit planned, we will obtain the material and supplies detail and determine which items were transferred out of expense.

Vehicle charges were traced to the vehicle time reports. Vehicle rates were traced to source documentation. The clearing accounts and the methodology for clearing were reviewed for reasonableness in the last storm audit. We verified that the same policies were used.

We traced cash vouchers to invoices and reviewed them for related storm dates. We randomly traced billings from contractors to purchase orders. We traced the advertising

costs to print and radio scripts. Findings 6 and 7 discuss advertising and storm preparation in more detail.

We reviewed journal vouchers that were not reversed and tested them to the source documents related to the type of entry. Most of the entries were to accrue taxes and pension related to payroll, record projected insurance recoveries, and remove capital items. The company also has a large amount of unpaid charges at the end of December that was accrued. We obtained lists of these costs by division and detail was requested for several divisions. The support for the accruals was reviewed for reasonableness. Findings 2, 3 and 4 discuss landscaping, potential lawsuit settlements, and contingencies that were accrued in more detail. Finding 8 discusses an accrual for a repair that may have been planned before the storm.

We traced the amount of capital that is projected to reduce the storm reserve to source documentation. The methodology of the calculation was reviewed for compliance with Order No. PSC-05-0937-FOF-EI. We reviewed the projections to determine if they included the capital items mentioned in the KEMA study.

We recalculated taxes and interest.

We reviewed the procedure for recording retirements associated with the capital items and a sample of the 2004 retirements were traced to the documentation the company had on original cost and removal costs.

We compared the budget for base operation and maintenance expense for 2005 to the actual costs. FPL does not maintain its budget by FERC account numbers but by budget unit.

We reviewed internal audits performed on the 2004 storm expenses. Finding 9 discusses Internal Audit findings in more detail.

**Objective:** To determine whether poles owned by other companies have been repaired or replaced by FPL.

**Procedures:** We read the procedures used to replace or repair the poles and the 2004 study of Bell South poles. We tested some of the work orders to retire the poles by tracing the work orders to material and supply lists and normal labor costs to company documentation. Original cost information was traced to FPL's property accounting system. FPL has not yet billed other companies such as Bell South for the poles repaired on its behalf for 2004 or 2005. The costs related to these other companies are still included in the storm account. Finding 5 discusses poles owned by other companies in more detail.

## **AUDIT FINDING NO. 1**

**SUMMARY:** Regular pay of \$26,092,000 has been included in the estimated storm costs for 2005.

**STATEMENT OF FACT:** The company filing includes \$26,092,000 of regular pay and \$60,334,000 of overtime pay. Included in the overtime amount, is \$768,000 that was classified as incentives. FPL responded that this was incorrectly classified and relates to exempt overtime payments made to 53 people who worked extensive hours to support storm restoration but were not covered by the storm overtime policy. According to FPL, the lump sum payments were made for equity reasons. There were circumstances during storm restoration when two people were working extraordinary hours performing the same storm jobs, but only one was eligible for overtime pay under the storm overtime policy because of their regular job classification. Some employees not covered by the storm overtime policy received a lump sum overtime payment.

Order No. PSC-05-0937-FOF-EI states that "without taking into account the normal level of expenditures funded by base rates that customers' pay, requires customers to pay twice for the same costs." Because the last rate case was settled, the level of expenses allowed for base rates was not defined. Regular pay would have been incurred even if the storm had not occurred.

**EFFECT ON THE GENERAL LEDGER:** If the Commission decides to remove regular pay, account 228 would be reduced by \$26,092,000. If the exempt overtime not in FPL's policy are disallowed account 228 would be reduced by \$768,000.

**EFFECT ON THE FILING:** If the Commission decides to remove regular pay, the \$826,853,000 of un-recovered storm costs from Exhibit A of the filing would be reduced by \$26,092,000. If the exempt overtime not in FPL's policy is removed, Exhibit A would be reduced by \$768,000.

## **AUDIT FINDING NO. 2**

**SUMMARY:** FPL has included an accrual of \$1,413,250 for substation landscaping and \$90,000 for Service Center landscaping for a total of \$1,503,250.

**STATEMENTS OF FACT:** The \$1,503,250 for landscaping is included in the costs recorded for Hurricane Wilma. Other landscaping costs may have been incurred but were not selected in the sample. Insurance policies do not allow recovery of landscaping. FPL believes the landscaping is required to meet zoning requirements. If the Commission decides that these costs should not be recovered, the company should provide if there are additional costs.

**EFFECT ON THE GENERAL LEDGER:** If the Commission decides to remove landscaping costs, the \$1,503,250 and any other costs related to landscaping should be removed from the 228 account.

**EFFECT ON THE FILING:** If the Commission decides to remove landscaping, the unrecovered storm costs from Exhibit A of the filing would be reduced by \$1,503,250.




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**AUDIT FINDING NO. 4**

**SUBJECT:** FPL has added contingencies to many of the accruals made in December for Hurricane Wilma.

**STATEMENT OF FACT:** Several of the accruals selected for review in December 2005 for Hurricane Wilma, contained accruals for contingencies. The Power Generation accrual for Hurricane Wilma for December 2005 included a contingency of \$1,142,812. The Port St. Lucie Nuclear accrual shows \$1,615,340 for Project Management at 30% or Contingency at 10%. We were not able to distinguish which items were for project management and which were for the contingencies. Power Systems has included \$32,524,458 of a contingency for Wilma and \$9,383,591 for Katrina in its December 31, 2005 accruals.



In addition, FPL Power Systems has included \$72,300,000 in Wilma accrued storm costs for distribution follow up work. Because we did not receive this information until February 10, we did not have time to follow up to determine what projects were included and what estimates have been received. We will obtain and review this information and include it in a supplemental audit.

**EFFECT ON GENERAL LEDGER IF THE FINDING IS ACCEPTED:** If contingencies are not allowed, \$44,666,201 would be removed from account 228.

**EFFECT ON THE FILING IF THE FINDING IS ACCEPTED:** If contingencies are not allowed, the \$826,853,000 of un-recovered storm costs from Exhibit A of the filing would be reduced by \$44,666,201. The company has asked for a true-up mechanism for additional or over-accrued costs that have not been recorded. However, FPL is asking for approval of charges through this mechanism to be approved within a month which precludes an audit of the charges.

## **AUDIT FINDING NO. 5**

**SUMMARY:** FPL has not prepared the 2004 billing to charge other companies for repairing the other companies' poles after the storms. The 2004 storm pole survey was completed, but the associated billing will be not completed until the end of February 2006. The 2005 storm pole survey was initiated but, has not been completed. A follow up audit should be done in order to review the 2004 billing for pole replacements. The actual storm costs need to be reduced by the amount billed.

**STATEMENT OF FACT:** FPL's joint use agreements state, "Whenever, in any emergency, the Licensee replaces a pole of the Owner, the Owner shall reimburse the Licensee all reasonable costs and expenses that would otherwise not have been incurred by the Licensee if the Owner had made the replacement". The 2004 storm pole survey indicates the company will bill Bellsouth for 2,483 pole replacements. The associated billing has not been completed. The 2005 storm pole survey has been initiated.

**EFFECT ON GENERAL LEDGER IF FINDING IS ACCEPTED:** The storm account 228 should be credited by the amount billed over the capitalized amount for the related poles.

**EFFECT ON FILING IF FINDING IS ACCEPTED:** The total un-recovered storm costs of \$826,853,000 should be reduced by the amount billed less the amount capitalized for the related poles.

**AUDIT FINDING NO. 6**

**SUBJECT: STORM PREPARATION COSTS**

**SUMMARY:** Storm preparation costs for the nuclear plants of \$10,052,336.46 were included in the storm recovery filing. These costs comprised both the preparation prior to the storm hitting and restoring the plants after the storm. The preparation and restoration amounts were not accounted for separately. The company does not keep track of the storm preparation costs for any other FPL business unit.

**STATEMENT OF FACTS:** Actual costs booked and accrued as of December 31, 2005 are as follows:

Hurricane Katrina	339,045.00
Hurricane Rita	191,123.27
Hurricane Wilma	6,751,506.19
Hurricane Wilma Accruals	2,770,662.00
Total	<u>\$10,052,336.46</u>

The reason why the storm preparation costs for Wilma were higher than the others is that before the storm St. Lucie 1 was in a scheduled maintenance outage. The outage was to replace a reactor head. All work had to be stopped and the area had to be prepared for hurricane Wilma. The companies working on the outage had to prepare and remobilize after the hurricane to continue the reactor head replacement. As these costs were over and above the scheduled maintenance, they were charged to the storm expense.

The company explained that "Storm preparation costs are not specifically tracked by any FPL business units other than its nuclear division. There are costs incurred prior to actual landfall, as FPL begins its 72 hour, 48 hour and 24 hour countdowns to landfall. During this countdown period, most of these costs would be associated with labor, as preparations and planning for resources and placement of resources are taking place." The company also stated that there are also costs "...incurred prior to the 72 hour countdown that are not included in the storm costs to be recovered. These costs include securing contracts with hotel and other vendors, locating and securing future staging sites, training costs, and the annual dry run exercise."

**EFFECT ON THE GENERAL LEDGER IF THE FINDING IS ACCEPTED:** If the Commission decides to remove storm preparation, \$10,052,336.46 needs to be removed from account 228.

**EFFECT ON THE FILING IF THE FINDING IS ACCEPTED:** If the Commission decides that storm preparation costs should be excluded, it would reduce the \$826,853,000 of un-recovered storm costs from Exhibit A of the filing.

**AUDIT FINDING NO. 7**

**SUBJECT: ADVERTISING COSTS**

**SUMMARY:** Advertising charges were included in the storm recovery expenses in the amount of \$2,630,218.47. Certain of these charges appeared to be image enhancing.

**STATEMENT OF FACTS:** The cash voucher sample included items for advertising. Some of this was for radio safety ads, some for newspaper ads informing the public of expected restoration times, and some for newspaper ads thanking the public, employees, contractors, etc. Because of this we obtained further data from the company regarding advertising. The detailed list we compiled follows this finding.

Summary of Advertising Expenses

**WILMA**

Newspaper ads that were for both restoration dates and for "Thank You" ads to employees, outside crews and customers. 356,680.83

One minute spot called "Employee Campaign Web" - Cannot determine where this was aired. 3,912.50

Radio Spots for Wilma 1,446,997.50

Public Relations Invoice for Wilma 144,067.91

**Total Wilma** 1,951,658.74

**KATRINA**

Newspaper ads that were for both restoration dates and for "Thank You" ads to employees, outside crews and customers 220,591.80

Radio Spots 377,498.43

9 minute and 22 second tape showing what certain divisions of FPL did during the storm. 11,056.00

**Total Katrina** 609,146.23

**RITA**


Estimate provided by FPL for Radio Ads 70,000.00

**Total Rita** 70,000.00

**Total** 2,630,804.97

Other sample items were selected for Wilma for the supplemental audit. If more advertising is found, then this list should be updated. Also, the radio ads for Wilma

should be reviewed.



An example of the ads is attached as exhibit A to this report.

**EFFECT ON THE GENERAL LEDGER IF THE FINDING IS ACCEPTED:** If the Commission decides to remove all of these types of ads, account 228 would be reduced by \$2,630,804.97.

**EFFECT ON THE FILING IF THE FINDING IS ACCEPTED:** A reduction in the storm expense for image enhancing advertising would reduce the \$826,853,000 of unrecovered storm costs from Exhibit A of the filing.

COMPANY:  
TITLE:  
PERIOD:

FPL STORM  
ADVERTISING  
2005

Invoice No.	Invoice Date	Description	Invoice Total	Grand Total
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**PRINT ADS**

**WILMA**

MNP-6000120	16-Dec	Full page Ads in Florida newspapers presenting the expected electric turn on date.	153,911.29	
MNP-6000121	16-Nov	Changes to ads in the National Post, Wall Street Journal	127,429.42	
MNP-6000130		These ads are "Thank You" ads.	289.93	
PD-6003092	7-Dec	Design Work for thank you Ads	40.00	
PD-6003091	7-Dec	Design Work for Thank You Ads	128.00	
PD-6003073	6-Dec	Cost of Personnel at ad Agency for Wilma Ads.	74,387.69	
PD 6003023	20-Nov	Design Work for Restoration Ads	32.00	
PD-6003022	20-Nov	Design Work for Restoration Ads	80.00	
PD-6003088	7-Dec	One-minute spot called "Employee Campaign Web" re Wilma Appeared on Web Site- Seems to be FPL employee web site. Cannot be sure	<u>382.50</u> 356,680.83	
PD 6003-21	20-Nov	One-minute spot called "Employee Campaign Web" re Wilma Appeared on Web Site- Seems to be FPL employee web site. Cannot be sure	<u>3,912.50</u>	

**Total Wilma**

**360,593.33**

**KATRINA**

NMP-6000100	13-Sep	Restoration Updates with Map	97,431.37
NMP-6000101	13-Sep	Restoration Update with Map	2,231.70
		Thank You	53,014.50
		Thank You	62,975.00
		Thank You	3,543.83
PD – 6003018	20-Nov	Design Work for Restoration ads	8.00
NMP-600127	16-Dec	Adjustment to previous invoice	
		6000101	574.90
PD – 6002980	20-Oct	Design Work for Restoration ads	26.00
PD – 6002979	20-Oct	Design Work for Restoration ads	120.00
PD – 6002979	20-Nov	Design Work for Restoration ads	80.00
			<u>220,005.30</u>
PD-6002981	20-Oct	Radio Talent Dubs	586.50
		<b>Total Katrina</b>	<b>220,591.80</b>

**RADIO ADS AND MEDIA TAPE**

<b>KATRINA</b>			
25255015	13-Sep	Radio Spots	
		Scripts appear to be for safety tips	377,498.43
357	1-Aug	9minute and 22 second tape showing what certain divisions of FPL did during Katrina. Appears to be image enhancing. No safety tips or restoration times are given.	11,056.00
			<b>388,554.43</b>
<b>Wilma</b>			
253200007-14	21-Nov	Radio Spots for Wilma	<b>1,466,997.50</b>



Wilma

**PUBLIC RELATIONS  
INVOICE**

PD-6003095

7-Dec

Invoice for Public Relations

**144,067.91**

**OTHER INFORMATION PROVIDED**

Estimate of Radio Ads for Rita

70,000.00

**Total Estimate for  
Radio Ads**

**70,000.00**

**Grand Total**

**2,650,804.97**

## **AUDIT FINDING NO. 8**

**SUMMARY:** The accruals made for Hurricane Wilma included a repair of a Martin Plant Unit 1 and 2 Condenser Tube. Supporting documentation indicates that the tubes may have been planned for repair prior to the hurricane.

**STATEMENT OF FACT:** As supporting documentation for the accrual of costs for the Martin Unit 1 and 2 Condenser Tubes, the company provided an Event Report for partial condenser retube at Martin Units 1 & 2. The event report identifies the event start date as July 22, 2005 and stop date as October 12, 2005. It shows a planning need date as August 26, 2005 and shows the condenser tubes need date for the parts of June 29, 2005. Under the event assignment section, the event report shows March 1, 2008. The estimated cost on this report was \$1,193,404.

FPL multiplied this cost by two because they claim the estimate is for only one unit. The event report does not say how many units but it does say that it was for a partial retube. The total charged to the storm costs is \$2,386,000.

FPL claims that the hurricane damage was attributed to the abrupt manner the unit was shut down and to the micro-biologic condenser tube pitting caused by running the unit during the hurricane. According to the company summary, the amount of damage caused by the storm as compared to what should be expected for tubes of this age is still under analysis.

FPL was questioned about this event report and has responded that the estimate was only for Unit 1. The response also indicates that the replacement was not expected to take place until 2008.

Although the need date on the report shows the retube needed to be done by 2008, it appears to have been planned for 2005 before the storm occurred. FPL has responded that the detail that has the 2005 dates were copied from another job and do not relate to this estimate. We did not have time to verify the company assertion.

**EFFECT ON GENERAL LEDGER IF THE FINDING IS ACCEPTED:** If the Commission decides that the event was planned and should not be included in storm costs, Account 228 should be reduced by \$1,193,404.

**EFFECT ON THE FILING IF THE FINDING IS ACCEPTED:** If the Commission decides that the event was planned and should not be included in storm costs, the \$1,193,404 would reduce the \$826,853,000 of un-recovered storm costs from Exhibit A of the filing.

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## AUDIT FINDING NO. 10

**SUMMARY:** The detail provided by the Power Systems Business Unit to support its accruals as of December 31, 2005 does not agree with the accrual.

**STATEMENT OF FACT:** Power Systems provided support for its accrual at December 31, 2005. The support did not agree with the amount accrued. We requested detail to explain the differences. FPL does not change its' over all accrual for the total storm costs when contracts come in over or under budget. If one business unit comes in under the accrued amount, the over-accrual gets transferred to Power Systems since they have the most likelihood of going over the accrued amount. The differences between the Power Systems accruals and the detail which were created by the over-accrual from the other business units follow:

BUSINESS UNIT	STORM	ACCRUAL	SUPPORT	DIFFERENCE
POWER SYSTEMS	WILMA	410,326,407.00	408,046,662.00	2,279,745.00
POWER SYSTEMS	KATRINA	30,692,965.00	30,419,812.00	273,153.00
POWER SYSTEMS	RITA	327,553.00	230,879.00	96,674.00
		<u>441,346,925.00</u>	<u>438,697,353.00</u>	<u>2,649,572.00</u>

In addition, documentation for some of these accruals needs to be obtained and will be reviewed in a supplemental audit.

**EFFECT ON THE GENERAL LEDGER IF THE FINDING IS ACCEPTED:** If the company cannot provide support for the differences, the \$2,649,572 should be removed from the 228 account.

**EFFECT ON THE FILING IF THE FINDING IS ACCEPTED:** If the company cannot provide support for the differences, the \$2,649,572 should be removed from the \$826,853,000 of un-recovered storm costs from Exhibit A of the filing.

## **AUDIT FINDING NO. 11**

**SUMMARY:** Based on the general ledger balances as of December 31, 2005, the estimate used in Exhibit A of the company filing for 2004 un-recovered storm costs is overstated.

**STATEMENT OF FACT:** Exhibit A of the company filing shows \$213,307,000 of un-recovered 2004 storm costs. This is supported by Exhibit No. KMD-3 of Michael Davis's testimony. The December 2005 amount of the ending deficiency on KMD-3 was estimated at \$294,680,000. The actual general ledger amount with the interest is \$293,930,364. Therefore, the estimate at December is \$749,636 more than actual. The differences relate to the estimate of the beginning balance from the last order being different than actual, the December interest calculation being different than actual and an adjustment for the order related to taxes on the interest.

**EFFECT ON THE GENERAL LEDGER IF THE FINDING IS ACCEPTED:** None.

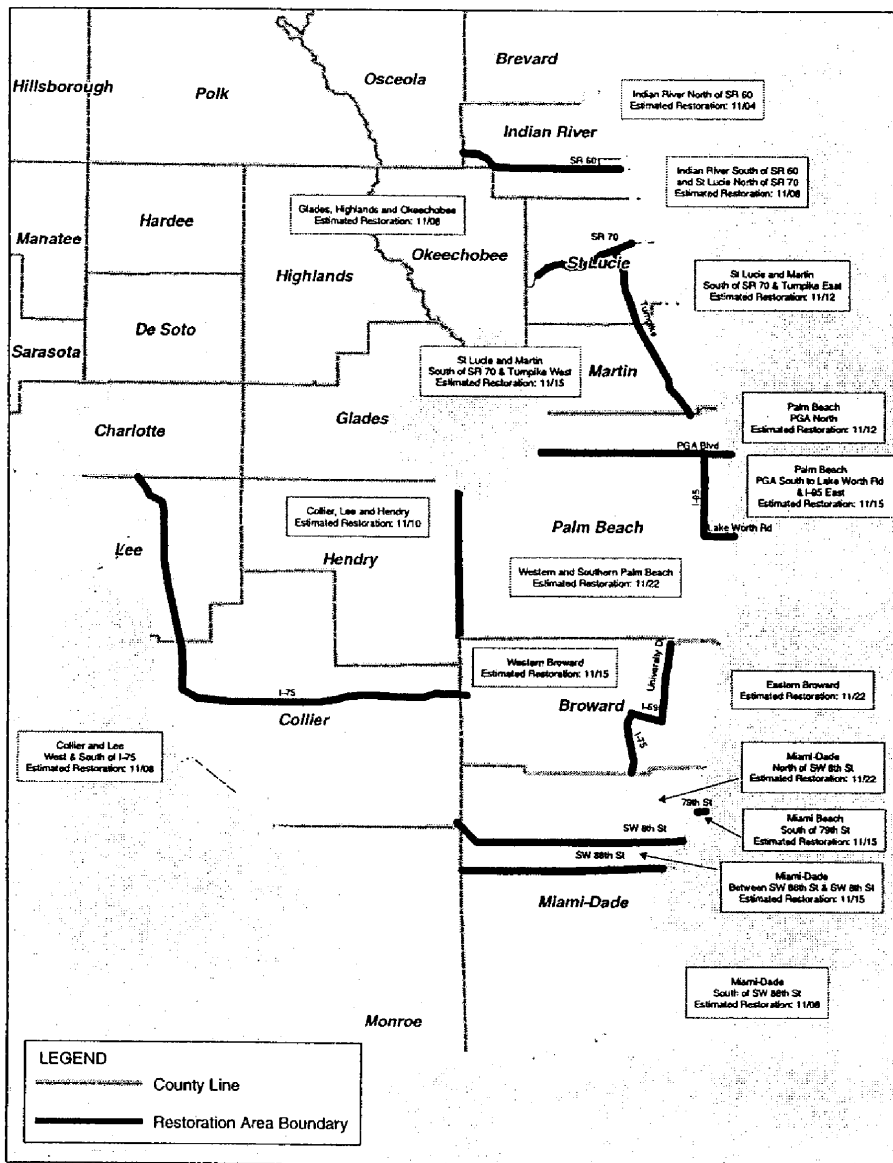
**EFFECT ON THE FILING IF THE FINDING IS ACCEPTED:** The \$749,636 should reduce the \$213,307,000 of un-recovered 2004 storm costs from Exhibit A of the filing.

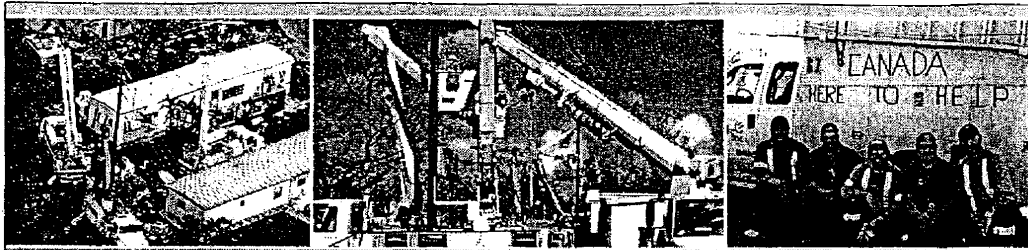
**EXHIBIT A-  
ADVERTISEMENT SAMPLES**

*We've discovered a force more powerful than a hurricane.*

# YOUR SPIRIT.

Hurricane Wilma hit Florida much harder than expected, causing extensive damage to our electrical grid and leaving 3.2 million customers without power. To help you know how to plan for your families and businesses – as we continue to work non-stop to restore your electricity – this map provides a quick reference about when electricity restoration in your area will be complete. The dates refer to when the last customer in each area will have electricity again, and most customers will have electricity before then. We know this is not an easy time for you, and we deeply appreciate your patience and understanding.





## THANKS FOR YOUR PARTNERSHIP

*from beginning to end.*

Florida Power & Light Company would like to thank nearly 300 companies from 36 states and Canada for the extraordinary help you provided in restoring power after Hurricane Wilma.

It wasn't easy. Wilma hit Florida as a powerful Category 3 hurricane, knocking out power to approximately 3.2 million FPL customers throughout most of our 27,000-square mile service territory. Wilma caused more wide-spread outages than any other hurricane we've experienced.

The situation called for the largest restoration workforce to ever be assembled by FPL. We called on you for resources and help. Your response was incredible - with some companies arriving to Florida even prior to Wilma's landfall. In the end, nearly 10,000 restoration workers from near and far poured into our state, leaving families and homes, working long, grueling hours, pushing themselves to the limit to help our customers. Some, in fact, helped us during several hurricanes this year.

Working side by side with FPL's own restoration personnel, your teams helped us restore our communities back to normal as quickly as humanly possible. We couldn't have done this without you. We are grateful for your willingness to partner with us and help restore power to all of our customers.

Thank you for your tremendous support.

### *FPL thanks these companies for their help in our Hurricane Wilma restoration effort.*

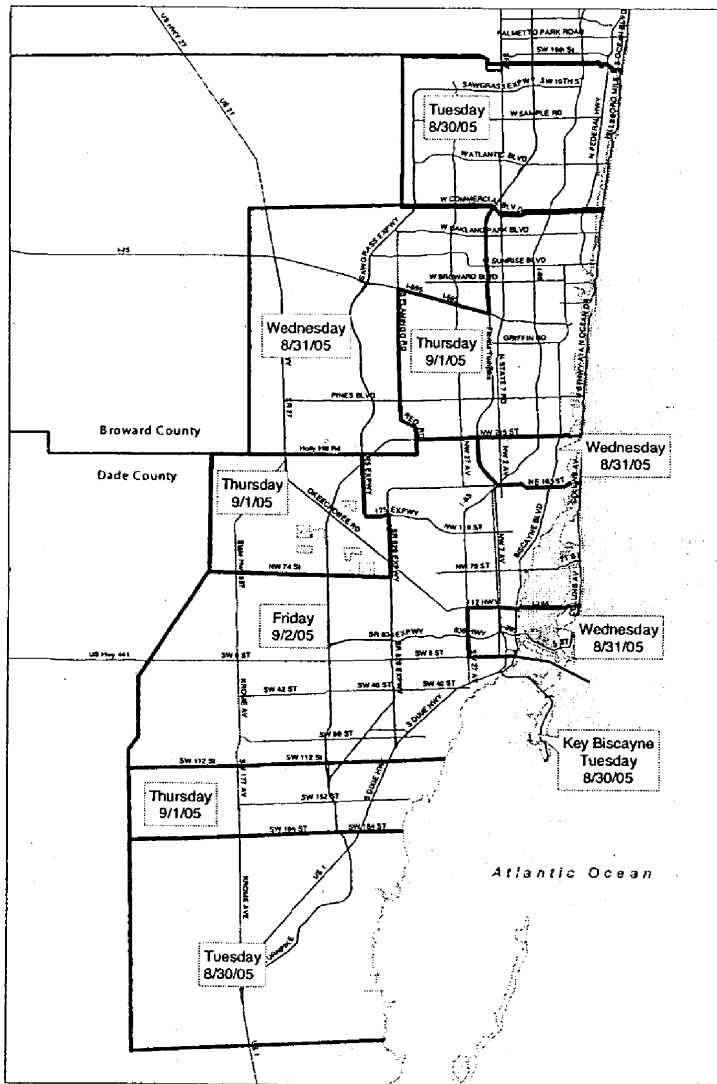
Alabama Power Co.	Conecta-Fayette Electric Membership Corp.	Hawkeys Tri-County Rural Electric Coop	Midwest Energy Coop	Swanee Electric Membership Corp.
Allegheny Power	Cullman Electric Coop	Henkels & McCoy, Inc.	Minnesota Power	Scottsburg Electric Light Dept.
Alliant Energy	C.W. Wright Construction Co.	Holyoke Power and Electric Co.	Mount Carmel Public Utility Co.	Sedgwick County Electric Coop Association
Ameren	Dalton Utilities	Herry Electric Coop	Murfreesboro Electric Dept.	Sesquehanna Valley Electric Coop
American Electric Power	Davey Tree Expert Co.	Hurricane Utilities	Muscatine Power & Water	Service Electric Co.
Anticosta Electric Membership Corp.	Davis H. Elliott Construction	Hydaker Wheelake Company	N. G. Gilbert Corp.	Shelby Electric Coop
Aquila	Dayton Power & Light Co.	Hydro One	National Grid	South Carolina Electric & Gas Co.
Arab Electric Coop	Delaware Electric Coop	Hypower, Inc.	Nelson Tree Service, Inc.	South River Electric Membership Corp.
Asplundh Construction Corp.	Delmarva Power	Independence Power & Light	New Ben Municipal Electric System	Southwest Arkansas Electric Coop
Asplundh Tree Expert, Inc.	Denton Municipal Utilities	Indiana Municipal Electric Association	Newbury Electric Coop	Southwest Missouri Electric
Athens Utilities Board	Detroit Edison Co.	Indianapolis Power & Light Co.	Ninnesah Rural Electric Coop Association, Inc.	Southern Electric
B&B Electrical & Utility Contractors	Detroit Public Lighting Dept.	International Transmission Co.	NISource	Southern Maryland Electric Coop
Baltimore Gas & Electric Co.	Dickson Electric Dept.	Iby Construction Co.	Nolin Rural Electric Coop	South Kentucky Rural Electric Coop
BBC Electrical Services, Inc.	Dillard Smith Construction Co.	Irwin County Electric Membership Corp.	North Central Mississippi Power Association	Southwest Arkansas Electric Coop
Bison Electric, Inc.	Dive Electric Coop	J.R.E.	NorthEast Utilities	SPE Utility Contractors
Blue Grass Energy Coop	Dominion	J.W. Oldado Electric, Inc.	Northern Indiana Public Service Co.	Spiceland Municipal Light Co.
Blue Ridge Electric Coop	Duck River EMC	Jackson Electric Membership Corp.	Northern Virginia Electric Coop	Springfield Electric
Blue Ridge Electric Membership Corp.	Duke Energy	Jacksonville Electric Authority	North Georgia Electric Membership Corp.	State Electric Coop
Boone County REMC	East Coast Electric	Jefferson Energy Coop	North Houston Pole Line	Sutter Electric Membership Corp.
Boone Electric Coop	Eastman Iowa Light & Power Coop	Joe Wheeler Electric Membership Corp.	NSTAR	Surry-Yadkin Electric Membership Corp.
Bransford Electric Membership Corp.	East Kentucky Power Coop	Jonesboro Water & Light Plant	Oanage Electric Membership Corp.	Tallahassee Municipal Utilities
Burford Tree, Inc.	EDS	Kansas City Board of Public Utilities	Ocala Electric Membership Corp.	Talquin Electric Coop
C and C Powerline, Inc.	Electric Power Board	Kansas City Power & Light	Olathe REMC	Tampa Electric Co.
Carroll Electric Membership Corp.	EMC Electric	Kaibara Utilities	Oklahoma Gas & Electric Co.	Taylor County Rural Electric Coop
Canadian Valley Electric Coop	ENCO Utility Services	Kent Power	Orlando Utilities Commission	Tennessee Valley Authority
CenterPoint Energy	Energy Group, Inc.	KeySpan Energy Delivery	Oven Electric Coop	Texas-New Mexico Power Co.
Central Electric Membership Corp.	EnergyUnited	Kriston Public Utilities	Owensboro Municipal Utilities	Texasoma Powerline, Inc.
Central Georgia Electric Membership Corp.	Ertel Construction, Inc.	Kosminwee Utility Authority	Ozark Electric Coop	Thru Electric Coop
Chain Electric Co.	Farfield Electric Coop	Kowach Electric Coop	Paducah Power System	Touhousseau Energy Coop
Cherryland Electric Coop	Fayetteville Public Utilities	Knightstown Electric Utility	PAR Electrical Contractors, Inc.	Townsend Tree
Choctawhatchee Electric Coop	FirstEnergy	Knoville Utilities Board	PECO	Tri-County Rural Electric Coop
City of Baldwin	Fisher	LaGrange County REMC	PeDee Electric Coop	TXU Electric Delivery Co.
City of Bardonia	Florida Public Utilities Co.	Laurens Electric Coop	Pennsylvania Department of Transportation	Union Power Co.
City of Clarksville Department of Electricity	Florida State Department of Transportation	Lee County Electric Coop	Pennsylvania Power and Light	United Rural Electric Membership Corp.
City of Dayton	Forest City Electric Dept.	Lee Electrical Construction, Inc.	Pennsylvia Rural Electric Coop	Utilicon Services Inc.
City of Dover	Fort Campbell Army Base	Lewis Tree Service, Inc.	Petit Jean Electric Coop	Utility Lines Construction Service, Inc.
City of Kingston	Fort Pierce Utilities Authority	Lincoln Electric System	Phase II Electric, Inc.	Vectren
City of Newark	Frankfort Electric & Water Plant Board	Lindsay Public Works Dept.	Phillips Tree Experts, Inc.	Veridian Connections
City of Nicholasville	G & G Electrical Contractors, Inc.	Lincoln Electric System	Piperline	Verizon Services
City of Orangeburg	Gainesville Regional Utilities	Linn County Rural Electric Coop Association	Pike Electric, Inc.	Walton Electric Membership Corp.
City of Rock Falls	Gallatin Electric	Little Comynsee Electric Membership Corp.	Ponca City Energy	Washington Electric Membership Corp.
City of Rock Hill Utility Electric Division	Gastonia Electric Dept.	Logansport Municipal Utilities	Ponderosa Construction Co.	Washington-Saint Tammany Electric Coop
City of Rocky Mount	Gayco Electric Company, Inc.	Louisville Gas and Electric Co.	Potomac Electric Power Co.	We Energies
City of South Haven	Georgia Power Co.	Lower Colorado River Authority	Presque Isle Electric & Gas Coop	West Central Electric Coop
City Public Service	Global Gas and Electric	Lumberton Utilities Dept.	Progress Energy	West Kentucky Rural Electric Coop
Clark County REMC	Grayson Rural Electric Coop	Madisonville Electric Dept.	Public Service Electric and Gas Co.	Western Electric
Clark-Washington EMC	Great Lakes Energy	Magnolia Electric Power Association	Rappahannock Electric Coop	Western Massachusetts Electric Co.
Clay Electric Coop	Greenbelt Electric Coop	Marlboro Electric Coop	Rayle Electric Membership Corp.	Williams Electric Co.
Clay Electric Coop	Greenwood Commission of Public Works	Maryland State Highway Administration - Department of Transportation	Riggs Distler and Company, Inc.	Winterville Electric Dept.
Cobb Electric Membership Corp.	Greer Commission of Public Works	Mastec	Rivera Utilities	Witchcocker River Electric Coop
Commonwealth Edison Co.	Gregory Electric Co.	McCoy Tree Surgery Co.	Rockwell Electric Light Plant	Wright Tree Service, Inc.
Conectiv	Guerrero Electric Coop	Meddenburg Electric Coop	Rockwood Electric Utility	XCEL Energy
Consolidated Edison	Guerrero Mustang Electric Coop	Memphis Light, Gas & Water Division	Sam Houston Electric Coop	
Consumers Energy	Gulf Power Co.	Michigan Department of Transportation	Sand Mountain Electric Coop	
Conway Corp.	Haffas Electric Membership Corp.	Mid American Energy Co.	Sensae Electric Coop	
Coosa Valley Electric Coop	Hatter Tree Service, Inc.	Mid-Carolina Electric Coop	Sofra Rural Electric Member Corp.	
Cotton Electric Coop	Hart EMC	Middle Tennessee Electrical Membership Corp.	Severnash Electric and Power Co.	





# OUR COMMITMENT TO YOU

The past week has been tough for everyone in South Florida, especially people who are still without electricity. Be assured, we are working around the clock and our more than 14,000 workers will not stop until every one of our customers has electricity. To see when power restoration in your community will be complete, please refer to the area map. Most customers will have their power restored before the date listed on the map. We appreciate your patience.



50932

# KATRINA

*was a powerful storm.*

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## BUT YOU'RE THE ONES WHO BLEW US AWAY.

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While Katrina showed us all that any hurricane is a force of nature to be reckoned with, your selflessness, dedication and partnership with us have brought South Florida just about back to normal. Sincere thanks ...

To our customers and neighbors, who exhibited patience, understanding and true grit throughout the recovery.

To the leaders of our state government, local governments and communities, whose partnership and collaboration enabled us to address your needs and priorities.

To the media, who did an outstanding job of timely reporting and helping keep everyone knowledgeable and safe in the dangerous days after the hurricane.

To the crews who came from out of state, who left home and family even before Katrina made landfall.

To our employees and retirees who worked tirelessly to get the lights back on, even though many had no electricity.

To all of you – our deepest appreciation.

Now our eyes turn to the people and communities of the Gulf Coast who have suffered Katrina at her worst. In the same way that crews from Louisiana, Mississippi, Georgia, Alabama and Tennessee were here to help South Florida, FPL will do whatever we can to help.



**FPL.**

an FPL Group company



## Cramer-Krasselt

225 East Robinsen Street  
Orlando, Florida 32801  
P: 407.236.8300 F: 407.425.6137

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CLIENT JOB #	FPL-50926
TITLE	:60 radio/Post-Katrina
DATE/TIME	8/26/05 8:03pm
WRITER	McDonald

### **FPL POST 02/ "How power is restored"**

ANNCR: Now that hurricane Katrina has passed, FPL wants you to know that we are restoring power to affected areas as quickly as possible. Our efforts are guided by one simple principle—find and fix the damage that will safely bring power to the most people in the shortest amount of time. And there are a few important steps to make this happen. As soon as it's safe to do so, we begin assessing the damage to our infrastructure, as well as work with local police and fire agencies to eliminate life-threatening dangers such as downed power lines, and provide critical assistance to public health and safety facilities. Working with local officials, we also give priority to hospitals and other important community facilities. At the same time, we begin repairing the large power lines that allow us to restore power to a lot of people, quickly. Then we work to restore neighborhoods, and all customers, right down to your individual homes and businesses. All these steps work together to bring our communities back to normal. We appreciate your patience and will continue working until every single FPL customer has power.



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CLIENT JOB #	FPL-50926
TITLE	:60 radio/Post-Katrina (Home, Family, Safety)
DATE/TIME	8/25/05 – 7:29pm
WRITER	McDonald

### **FPL-POST 03/ "Home, family and Safety"**

ANNCR: Katrina has passed, and the safety and security of your family and home are extremely important. So please, follow these tips from FPL. First, DO NOT allow children to venture outside alone. This is the best way to protect them from possible contact with downed power lines, which are a big safety concern. STAY AWAY from downed power lines and NEVER touch one. Also, DO NOT walk in standing water or near debris, which can easily hide downed power lines. Should you see an electrical line down, and you feel it presents a clear and imminent danger, call 911 or FPL. Second, if you plan to use a portable generator for temporary power, set it up OUTSIDE, and connect appliances directly to it. DO NOT wire a portable generator to a breaker or fuse box—it's unsafe and may cause serious injuries. Remember—the safety of your family and our employees are FPL's top priority. Rest assured we'll do everything humanly possible to restore your power both quickly and safely.



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CLIENT JOB #	FPL-50926
TITLE	:60 radio/Post-Katrina
DATE/TIME	8/26/05 9:03pm
WRITER	McDonald

**FPL-POST 04/ "Power Update"**

ANNCR: Here's an update from FPL on power restoration efforts after Katrina. If you're still without electricity, we know how frustrated and angry you are. You think FPL has forgotten you. Katrina's heavy rain and wind caused large numbers of uprooted and fallen trees, a major obstacle in our recovery efforts in the hard-hit areas. But you are not forgotten. We are concentrating more than 14,000 workers in affected areas. We are working 24 hours a day, going home to home to ensure your electricity is restored. As part of our commitment, we have updated our automated system, 1-800-4OUTAGE, to provide you with the estimated time of power restoration to your community. We understand how hard it is to be without power. We know you're counting us. And we are committed to work around the clock until every customer has electricity.



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CLIENT JOB #	FPL-50926
TITLE	:60 radio/Pre-Katrina
DATE/TIME	8/24/05 9:55pm
WRITER	McDonald

### **FPL-PRE 01/ "KATRINA-1"**

ANNCR: As we feel the effects of Katrina, FPL knows you need information. During the initial stage of recovery, we will work closely with community leaders to restore power to the vital services we all rely on. We'll also begin general restoration efforts while we evaluate damage to our infrastructure. This assessment -- and developing the restoration time estimates you're looking for -- does take time and we appreciate your patience. For instance, we'll know if large power lines have been damaged and you're without power, so we'd appreciate your leaving telephone lines open for critical emergency calls. Or, you may call our automated system at 1-800-4OUTAGE -- there is no wait time and you can quickly report your power outage. And once we have developed restoration time estimates, you can get regular updates through you local media. Rest assured, FPL will do everything humanly possible to restore your power quickly and safely. We know you're counting on us.



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CLIENT JOB #        FPL-50926  
                          TITLE        :60 radio/Pre-Katrina  
DATE/TIME            8/24/05 – 9:13pm  
WRITER                McDonald

**FPL-PRE 02/ "KATRINA-2"**

ANNCR: As we feel the effects of Katrina, FPL would like to share the following important safety information. First -- downed power lines are a big safety concern so please **STAY AWAY** from them — and **NEVER** touch one. Also, **DO NOT** walk in standing water or near debris, which can easily hide downed power lines, and make sure to keep children from venturing outside alone – particularly after dark, because you might not see a power line that could be live. Should you see an electrical line down, and you feel it presents a clear and imminent danger, call 911 or FPL. Second, if you plan to use a portable generator for temporary power, set it up **OUTSIDE**, and connect appliances directly to it. **DO NOT** wire a portable generator to a breaker or fuse box— it's unsafe and may cause serious injuries. Whatever Katrina brings, remember that the safety of your family and our employees are FPL's top priority. Rest assured we'll do everything humanly possible to restore your power both quickly and safely. For more information, visit [www.FPL.com](http://www.FPL.com).