BEFORE THE FLORIDA
PUBLIC SERVICE COMMISSION

DOCKET NO. 060038-EI
FLORIDA POWER & LIGHT COMPANY

IN RE: FLORIDA POWER & LIGHT COMPANY'S PETITION FOR ISSUANCE OF A STORM RECOVERY FINANCING ORDER

APRIL 10, 2006

REBUTTAL TESTIMONY & EXHIBITS OF:

LEONARDO E. GREEN

BEFORE THE FLORIDA PUB LIC SERVICE COMMISSION

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Q. Please state your name and business address.

A. My name is Leonardo E. Green. My business address is Florida Power & Light Company, 9250 West Flagler Street, Miami, Florida 33174.

Q. Did you previously submit direct testimony in this proceeding?

A. Yes.

Q. Are you sponsoring an exhibit?

A. Yes. I am sponsoring an exhibit consisting of one document, LEG-15, which is attached to my rebuttal testimony.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to refute claims made in the direct testimonies of Office of Public Counsel (OPC) witness, Hugh Larkin Jr. that FPL 2005 actual energy sales were actually higher than forecast during the months of the 2005 storms. I will also address his assertion that the 2005 actual energy sales were lower than the 2005 forecasted energy sales due to mild weather conditions in months without storms. I will also explain that the concept of billing cycles and unbilled energy sales, which account for the mismatch between usage of electricity and when the customer is billed for this consumption, was not taken in consideration by Mr. Larkin.

Q. Please summarize the first issue you will address in Mr. Larkin's testimony.

A. Mr. Larkin makes the observation on page 23, lines 2 through 5, that sales were above forecast by 1.4 billion kWh during the four months of hurricane activity (July - October 2005), implying that FPL had abnormal level of sales regardless of the hurricanes.

Q. What is incorrect in Mr. Larkin conclusion that actual sales exceeded forecasted sales during the months of the hurricanes?

A. Two things are incorrect. First, Mr. Larkin uses an incorrect method in calculating MWh sales not realized. As I demonstrated in my direct testimony, the correct method to calculate MWh sales not realized is to rely primarily on reported numbers of customers without service by day. In contrast, Mr. Larkin ignores the reported number of customers out of service, and he assumes that any variance between actual and budget is solely explained by the effect of hurricanes in any given month.

Second, Mr. Larkin uses data from the wrong time periods in making his estimate. It is incorrect to match the months in which the hurricanes occurred with the corresponding billed sales for the same months if the intent is to conclude that actual sales exceed forecasted sales regardless of the hurricanes. The billed sales for the months of July through October of 2005 would include sales from June and not include some sales from October. Hurricane Wilma, which caused most of the loss energy sales, occurred in late October with customers out well into November. These

sales, which would account for the impact caused by Hurricane Wilma, would not show up as billed sales until November and December.

Q. Is there a time lag between when electricity is consumed by FPL's customers and when these customers are billed?

A. Yes. FPL does not read all customer meters and issue a bill for the amount of electricity consumed during the month on the last day of that month. The month is divided into billing days and a certain percentage of the total customer base is read on each billing day in the month. Electricity usage bills are issued after the meters are read. Customers will consume electricity in a given month and then have their meter read. Once this meter is read and a bill issued then it becomes billed sales. For all practical purposes, approximately half a month lag exists between when the electricity is consumed and when it is billed.

Q. In any given month is there a certain amount of electricity consumed and not billed?

A. Yes. These sales are known as unbilled sales for the current month but will become billed sales in the following month. In any given month a certain amount of customers will consume electricity and not receive a bill until the following month because of where they fall on the billing cycle. In that case, these customers are unbilled customers for that month. The sum of these customers' consumption of electricity would fall under the category of unbilled sales.

Q. Is Mr. Larkin referring to consumed electricity, billed sales or unbilled sales?

A. Mr. Larkin is referring to billed sales in his exhibits. As I mentioned before, billed sales will distort the real time match between when electricity is consumed and when it is billed. Billed sales is made of electricity consumed this month and billed this month, but it also includes electricity consumed as long as one month ago that was not billed last month and it excludes some electricity consumed this month but not yet billed.

Q. What would be the appropriate months to consider in measuring the impact on sales due to the 2005 hurricane season?

A. July through December of 2005. In addition, billed sales in July would need to be adjusted downward to account for the unbilled sales coming from June that is part of the overage for the month of July. The result is that actual sales for that period are below forecast by more than 1 million kWh which renders Mr. Larkin conclusion incorrect.

Q. Please summarize Mr. Larkin's contention that that any variance between actual and budgeted sales is solely explained by the effect of weather in any given month.

A. Mr. Larkin states, on page 22, lines 23 and 24 and on page 23, lines 1 and 2: "Thus, even though the Company's sales were less than estimated for 2005, it appears that the sales declines were not caused by hurricane related outages during 2005, but were related to other weather issues, i.e., colder or warmer than normal weather during non-hurricane months". Mr. Larkin suggests that FPL 2005 actual sales were below forecasted sales because the non-hurricane months' weather was mild and given that hurricane months showed sales above forecast that the hurricane's impact was not decisive on the level of sales for the entire year.

Q. What are FPL's assumptions regarding weather used to develop the energy sales forecast?

A. FPL assumes normal weather in projecting energy sales. For example, it is known that Florida will experience a cold winter once every four or five years. However, for reliability purposes FPL plans for the eventuality that there will be a cold winter every year because it is not possible to predict when that cold winter is going to occur. Consequently, in any given year that there is not a cold winter, FPL will be below forecast in energy sales for those months. Typically, the summer months will compensate for this underperformance in the winter months. That is the basis for using normal weather which accepts that any given month will be off but most likely over the year the month to month weather variability will tend to compensate each other to a certain extent with the year end total being closer to normal than any given month's outcome on the average. FPL will experience energy sales forecast variances on a monthly basis that are substantially larger percentage-wise than the year end forecast variance.

Q. What is your conclusion regarding the impact of the 2005 hurricanes on FPL's energy sales?

A. As I explained in my direct testimony the net energy for load not realized as a result of the 2005 storms is 1,566,341 MWh. Mr. Larkin's conclusion that actual sales were above projected sales is incorrect, for the reasons explained above in my rebuttal testimony.

Q. Does this conclude your rebuttal testimony?

A. Yes.

Florida Power & Light Company
2005 Total Billed Energy Sales (MWH)
(Forecast Versus Actuals)

(MWH)

	Forecast	Actual	Difference	% Difference
Jan	7,924,276	8,109,746	185,470	2.3%
Feb	7,674,075	7,352,198	(321,877)	-4.2%
Mar	7,354,965	7,227,307	(127,658)	-1.7%
Apr	7,544,008	7,443,243	(100,764)	-1.3%
May	7,902,588	7,811,325	(91,263)	-1.2%
Jun	9,411,080	9,307,446	(103,634)	-1.1%
Jul	9,832,297	10,200,943	368,645	3.7%
Aug	10,296,778	10,582,471	285,693	2.8%
Sep	10,241,064	10,571,021	329,957	3.2%
Oct	9,280,771	9,728,312	447,540	4.8%
Nov	8,231,068	7,549,197	(681,871)	-8.3%
Dec	8,301,858	7,919,520	(382,338)	-4.6%