

State of Florida



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

**DATE:** November 24, 2008

**TO:** Office of Commission Clerk (Cole)

**FROM:** Division of Economic Regulation (Lester, Draper, Hinton, Matlock, Roberts, Windham) *PL EDR/CH*  
Office of the General Counsel (Bennett, Young) *sum ar CA*

**RE:** Docket No. 080001-EI – Fuel and purchased power cost recovery clause with generating performance incentive factor. *W*

**AGENDA:** 12/02/08 – Regular Agenda – Issue 1 is a Post-Hearing Decision and participation is limited to Commissioners and Staff. For remaining issues, participation is at the Commission’s discretion.

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** McMurrian

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\080001.FPL.MC.RCM.DOC

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### Case Background

As part of the Florida Public Service Commission’s (Commission) continuing fuel and purchased power cost recovery and generating performance incentive factor proceedings, a hearing was held on November 4, 5, 6, and 12, 2008, in this docket. The hearing addressed the issues set forth in Order No. PSC-08-0726-PHO-EI, issued October 31, 2008 (the Prehearing Order), and included an issue for each utility on what amount was appropriate to include in that utility’s 2009 cost recovery factor. Testimony and exhibits were taken during the hearing, and on November 6, 2008, the evidentiary record was closed for all issues except a single issue involving a 2006 incident at a Florida Power & Light Company (FPL) nuclear power plant.

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During the final day of the hearing, FPL requested that the Commission defer its decision on the appropriate projected 2009 net fuel and purchased power cost recovery amounts to be included in FPL's 2009 fuel recovery factor (Issue 5) until the December 2, 2008 Agenda Conference. FPL stated at that time that based on its most recent reprojections it would be more than ten percent over-recovered from the amounts included in FPL's September 2, 2008 projection testimony. To correct that over-recovery, FPL stated it would file a mid-course correction petition on November 17, 2008. FPL requested that the Commission consider both the deferred post hearing decision and FPL's petition for a mid-course correction at the Commission's December 2, 2008 Agenda Conference. The Commission granted FPL's request and deferred a decision on the projected 2009 recovery amounts.

At the time of FPL's request, the evidentiary record regarding the appropriate amounts to be included in FPL's 2009 factor had been closed. While the Commission could re-open the record to take additional testimony on these issues, additional hearing dates would be required. To do so would likely delay the implementation of FPL's 2009 factor until later in 2009. The Commission has previously established an interim rate-making tool, the mid-course correction, to address circumstances like this one in which the fuel hearing has concluded and yet the volatility of fuel costs causes enough of a change to warrant establishing corrected rates.<sup>1</sup>

On November 17, 2008, FPL filed its petition for mid-course correction. The petition is based upon the outlook for fuel prices for 2009 as of November 6, 2008. This recommendation addresses both the Commission's post-hearing decision for FPL on what would have been the appropriate amounts to be included in FPL's 2009 factor based on FPL's September 2, 2008 projection testimony (Issue 1), and FPL's mid-course correction petition (Issues 2 and 3). The Commission has jurisdiction over this subject matter pursuant to the provisions of Chapter 366, Florida Statutes, including Sections 366.04, 366.05, and 366.06, Florida Statutes.

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<sup>1</sup> Order No. 13694, issued September 20, 1984, in Docket No. 840001-EI and Docket No. 840003-GU, In re: Fuel and purchased power cost recovery clause with generating performance incentive factor; In re: Purchased gas cost recovery clause, and Order No. PSC-98-0691-FOF-PU, issued May 19, 1998, in Docket No. 980269-PU, In re: Consideration of change in frequency and timing of hearing for the fuel and purchased power cost recovery clause, capacity cost recovery clause, generating performance incentive factor, energy conservation cost recovery clause, purchased gas adjustment (PGA) true-up, and environmental cost recovery clause, and Order No. PSC-07-00333-PAA-EI, issued April 16, 2007, in Docket No. 070001-EI.

### **Discussion of Issues**

**Issue 1:** Based on FPL's September 2, 2008 filings, what would be the appropriate projected net fuel and purchased power cost recovery amount to be included in the recovery factor for the period January 2009 through December 2009?

**Recommendation:** Based on FPL's September 2, 2008 projection filings and related exhibits filed in this docket, the appropriate amount would be \$7,027,720,757. (Bennett, Lester, Matlock)

**Staff Analysis:** FPL filed its projection testimony on September 2, 2008. FPL witness Yupp testified that the projection filing was made based on the outlook for fuel prices for 2009 as of August 4, 2008. (TR 512) According to FPL's September 2, 2008 projection testimony, the appropriate projected net fuel and purchased power cost recovery amount to be included in the cost recovery factor would be \$7,027,720,757, which was FPL's position for Issue 5 of the Prehearing Order.<sup>2</sup> (EXH 8) This amount is used to calculate the levelized fuel factor, which is the basis for the fuel factors charged to all rate classes. The fuel factors are then used to determine whether a mid-course correction is needed.

On November 6, 2008, the Commission closed the evidentiary portion of the proceedings relating to the appropriate amount to be included in the 2009 cost recovery factor. By request of FIPUG, briefs were filed on November 10, 2008, regarding several issues, including Issue 5. The Commission continued its fuel proceeding to November 12, 2008 to consider the briefs and to take testimony on a 2006 incident at one of FPL's nuclear power plants.

FPL filed its brief on November 10, 2008. In its brief and on the final day of the fuel proceeding, FPL stated that, based on the amounts it had originally projected in its September 2, 2008 projection filings, it would need to petition for a mid-course correction. FPL stated that using the September 2, 2008 projection filings it would be more than ten percent over-recovered. So that the Commission has a basis for determining whether FPL is correctly calculating its over-recovery, staff recommends that the Commission first make a decision on FPL's Issue 5 as presented in the November 2008 fuel proceedings. Staff recommends that, based on FPL's September 2, 2008 projection filings and related exhibits filed in this docket, the appropriate projected net fuel and purchased power cost recovery amount to be included in the recovery factor for the period January 2009 through December 2009, would be \$7,027,720,757. Staff notes that the fuel factors based on this amount will be changed by the mid-course correction petition as discussed in Issue 2.

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<sup>2</sup> **Issue 5:** What are the appropriate projected net fuel and purchased power cost recovery amounts to be included in the recovery factor for the period January 2009 through December 2009?

**Issue 2:** Should the Commission approve FPL's petition for a mid-course correction to its 2009 fuel and purchased power cost recovery factors?

**Recommendation:** Yes. The Commission should approve FPL's petition for a mid-course correction to its 2009 fuel and purchased power cost recovery factors. The factors are shown in Attachment C. (Lester, Matlock, Draper)

**Staff Analysis:** FPL based its original 2009 fuel cost projections on the outlook for fuel prices on August 4, 2008. Since then, natural gas and fuel oil prices have trended downward. For example, the average for gas futures prices for 2009 as of August 4, 2008 was \$9.59/MMBtu. As of November 6, 2009, the date of the mid-course petition fuel price projections, the average was \$7.50/MMBtu. Without a mid-course correction, FPL estimates that it would have an over-recovery of \$984,749,453 (14.38%).

Attachment B provides the detailed fuel cost estimates in cents per kWh from the original filing and from the mid-course filing. Clearly, prices for natural gas and fuel oil have declined. Natural gas and heavy fuel oil generation comprise 55.8% and 7.3%, respectively, of FPL's projected 2009 system kWh sales. FPL's 2009 projections include the mark-to-market hedge positions as of November 6, 2008.

In deciding whether to file a mid-course correction to fuel factors, FPL was guided by Order No. PSC-07-0333-PAA-EI, issued on April 16, 2007 in Docket No. 070001-EI, In re: Fuel and purchased power cost recovery clause with generating performance incentive factor (the mid-course order). FPL determined that it would exceed the 10% threshold described in the order and filed its petition for a mid-course correction to its fuel factors.

When a utility petitions for correction to its cost recovery factors, staff's evaluation process includes calculating the percent by which the utility will be over or under-recovered without the correction (mid-course percent). FPL has estimated that without its requested correction, it will be over-recovered by \$984,749,453 at the end of 2009, with revenues applicable to 2009 totaling \$6,846,247,994. With these amounts, the mid-course percent is 14.38. However, staff believes the calculation should account for the difference between the September 2, 2008 true-up estimate and the November 17, 2008 true-up estimate. Including the 2008 difference, the estimated 2009 net true-up is \$1,104,513,477 or 16.42%. Attachment A shows the amount and percent calculations including the 2008 difference. The inclusion of the 2008 difference does not affect the 2009 fuel-cost recovery factors, only the calculation of the over-recovery percentage.

#### Levelization of Bills for 2009 Caused by Fuel Savings Associated with WCEC Units 1 and 2

Consistent with the Commission's approval of FPL's proposal to levelize bills for 2009 at the beginning of the hearing in this docket (Issue 13I in the prehearing order),<sup>3</sup> FPL has petitioned for revisions to each of the three sets of 2009 fuel factors. The fuel factors are

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<sup>3</sup> **Issue 13I:** Should the Commission approve FPL's proposal to levelize the Residential 1000 kWh Bill by offsetting the Generation Base Rate Adjustments (GBRA) for West County Energy Center (WCEC) Units 1 and 2 with the fuel savings attributable to these new units?

designed to offset the impacts of the Generation Base Rate Adjustment (GBRA) for WCEC Units 1 and 2. While only the 1,000 kWh residential bill will be completely leveled, all customer classes and consumption levels will experience less fluctuation in their bills in 2009.

In order to offset the GBRA's that become effective in June 2009 (WCEC 1) and November 2009 (WCEC 2), FPL proposes to credit the units' fuel savings to customers over the same timeframe that the GBRA's will be in effect. While FPL uses the same approach to levelize bills as the Commission approved in Issue 13I, the fuel savings attributable to WCEC Units 1 and 2 are lower when compared to FPL's September 2, 2008 filing due to lower gas prices. As shown in Attachment C, FPL proposed one set of fuel factors for January through May 2009, a different set of fuel factors for June through October 2009, and finally a different set of fuel factors for November through December 2009. The fuel factors decrease in June and again in November 2009, and are designed to offset the GBRA increases in base rates.

FPL's current 1,000 kWh residential bill is \$111.12. In the testimony of FPL witness Dubin filed on October 15, 2008, the leveled 1,000 kWh residential bill for 2009 will be \$118.99. However, if the Commission approves FPL's petition for a mid-course correction, customers will experience lower bills. In the midcourse correction filing, FPL estimates that bills will decrease in January 2009 as a result of lower fuel costs. Absent FPL's proposal to levelize, bills would increase in June 2009 as a result of the WCEC Unit 1 GBRA increase in base rates, and again in November 2009 as a result of the WCEC Unit 2 GBRA increase in base rates. Under FPL's proposal to levelize bills, the 1000 kWh residential bill for January through December 2009 will be \$109.55. The current residential bill and the leveled bills for 2009 are shown in Attachment D. FPL's midcourse correction will result in a decrease in fuel factors from 2008 to 2009.

Conclusion

Staff recommends that the Commission approve FPL's petition for a mid-course correction. Staff has reviewed FPL's fuel cost projections and calculations of fuel factors and believes these calculations are reasonable. The new projections are an accurate reflection of the current outlook for fuel prices for 2009.

Monthly revenues will approximately equal the monthly fuel-cost recovery factors times the monthly kWh's. Fuel Revenue Applicable to Period, for calculating 2009's mid-course percents, will exclude the true-up provisions, GPIF provisions, and revenue taxes, as shown in Table 1.

TABLE 1			
<u>Period</u>	<u>Fuel-Cost Recovery Factor Including Revenue Taxes (c/kWh)</u>	<u>Monthly True-up Provision</u>	<u>Monthly GPIF Provision</u>
January - May	5.824	\$14,690,365	\$448,308
June - October	5.684	14,690,365	448,308
November - December	5.556	14,690,365	448,308

**Issue 3:** If the Commission approves FPL's petition for a mid-course correction, when should the new fuel and purchased power cost recovery factors become effective?

**Recommendation:** If the Commission approves staff's recommendation in Issue 2, the effective date of the revised cost-recovery factors should be January 6, 2009. (Roberts, Draper)

**Staff Analysis:** FPL has requested an effective date of January 6, 2009, cycle day 3 of January 2009. In other words, customers whose meters are read on or after January 6, 2009, will be billed under the new recovery factors. An effective date of January 6, 2009, will ensure that all customers are billed under the new factors the same amount of time since FPL always applies revised fuel factors on cycle day 3 of any given month.

Starting December 1, 2008, FPL will notify its customers of its proposed mid-course correction through a bill insert. The December 1, 2008 mailing date ensures that customers receive a 30-day notice that the fuel factors may change. The bill insert states the effective date of the proposed cost recovery factors, and the impact on a 1,000 kWh residential bill. Staff has reviewed the bill insert. Due to time needed by FPL for printing, FPL cannot wait for a Commission vote at the December 2, 2008 Agenda Conference to print the bill inserts. FPL proposes to include details of the Commission's decision in customers' January bills.

Providing customers with a 30-day notice prior to implementing new fuel factors as a result of a midcourse correction is consistent with the Commission's past decisions and allows customers the opportunity to adjust their usage in light of the proposed factors. Staff believes that FPL's proposed effective date and plan to notify its customers are appropriate and should therefore be approved.

Docket No. 080001-EI  
Date: November 24, 2008

**Issue 4:** Should this docket be closed?

**Recommendation:** No. The docket should remain open. (Bennett)

**Staff Analysis:** The docket is an on-going docket and should remain open.

Mid-Course Percentage Calculation

Using the method in the mid-course order, staff has calculated the percentage over-recovery that would result with FPL’s currently approved 2009 fuel factors. FPL’s E1 Schedule calculates the levelized fuel and purchased power cost recovery factor and its E1-B Schedule calculates the projected 2009 true-up amount. FPL’s E-1 Schedule from its September 2, 2008 projection filing, its November 17, 2008 revised 2008 E1-B Schedule, and its November 17, 2008 newly constructed 2009 E1-B Schedule provide the amounts necessary for estimating the 2009 mid-course percent. The 2009 E1-B Schedule shows the estimated December 2009 End-of-Period Total Net True-up. This amount, \$984,749,453, is the estimated 2009 true-up balance based on revenue and expense estimates for 2009. FPL calculates the amount based on the following assumptions: (1) that the 2009 fuel-cost recovery factors are those approved by the Commission in the 2008 fuel hearing, and (2) that the estimated December 2008 End-of-Period Total Net True-up is (\$176,284,378), which is the revised estimate from the petition’s revised 2008 E1-B Schedule. However, since the Commission approved (\$296,048,402) as the December 2008 End-of-Period Total Net True-up estimate for Issue 3 at the end of the 2008 hearing, the estimated December 2009 End of Period Total Net True-up is higher by \$119,764,024.

The correct December 2009 End-of-Period Total Net True-up estimate must also include the difference between the two estimated December 2008 balances, which is \$119,764,024. Therefore, the correct estimated December 2009 End-of-Period Total Net True-up is \$1,104,513,477. This amount is based on (1) the revised 2008 estimated/actual expenses, (2) the revised 2009 estimated expenses, (3) the approved 2009 fuel cost recovery factor, and (4) the approved December 2008 End-of-Period Total Net True-up estimate. Table 1 presents this calculation.

TABLE 1		
Estimated December 2009 True-up With Unrevised 2008 True-up Estimate		
Estimated 2008 Under Recovery (11-17-08) <sup>4</sup>	(\$176,284,378)	
Less Estimated 2008 Under Recovery (9-2-08) <sup>5</sup>	(296,048,402)	
Reduction in 2008 Under Recovery (Difference)		\$119,764,024
Estimated 2009 Interest Provision	\$10,470,990	
Estimated 2009 Over Recovery	974,278,463	
Subtotal		984,749,453
Estimated December 2009 End-of-Period Total Net True-up		<u>\$1,104,513,477</u>

The correct 2009 revenue estimate also includes the recently approved December 2008 End-of-Period Total Net True-up estimate. FPL’s 2009 E1-B Schedule shows the revised 2008 estimate, (\$176,284,378), and a \$119,764,024 higher revenue estimate. Table 2 presents the correct revenue estimate.

<sup>4</sup> Estimated December 2008 End-of-Period Total Net True-up (11-17-08) is (\$176,284,378), or an under recovery of \$176,284,378.

<sup>5</sup> Estimated December 2008 End-of-Period Total Net True-up (9-2-08) is (\$296,048,402), or an under recovery of \$296,048,402.



TABLE 2		
Estimated 2009 Jurisdictional Fuel Revenue Applicable to Period		
Estimated 2009 Jurisdictional Fuel Revenues (11-17-08)	\$7,027,912,068	
Estimated December 2008 End-of-Period Total Net True-up (9-2-08)	(296,048,402)	
GPIF Reward Net of Revenue Taxes (11-17-08)	(5,379,696)	
Estimated 2009 Jurisdictional Fuel Revenue Applicable to Period		<u>\$6,726,483,970</u>

The estimated December 2009 mid-course percent is 16.42. (See Table 3.) This is the estimated 2009 true-up balance as a percent of estimated revenues applicable to 2009, that FPL seeks to avoid by petitioning for a revision to its 2009 fuel-cost recovery factors.

TABLE 3	
Estimated 2009 Mid-Course Percent, 11/17/08	
Estimated December 2009 End-of-Period Total Net True-up	\$1,104,513,477
Estimated 2009 Jurisdictional Fuel Revenue Applicable to Period	6,726,483,970
Estimated 2009 Mid-Course Percent	16.42

The levelized fuel and purchased power cost recovery factors are calculated on Schedule E1 and are the basis for the factors by rate class. Based on the new fuel price projections, Table 4 below shows the decrease in the levelized fuel and purchased power cost recovery factors.

TABLE 4			
Levelized Fuel and Purchased Power Cost Recovery Factors, ¢/kWh			
Period	Projection Testimony Filed September 2, 2008	Mid-Course Petition Filed November 17, 2008	Percent Change
Jan 2009 thru May 2009	6.744	5.824	-13.64%
June 2009 thru Oct 2009	6.603	5.684	-13.92%
Nov 2009 thru Dec 2009	6.475	5.556	-14.19%

Florida Power & Light Company  
 Original 2009 Estimates and Revised 2009 Estimates  
 Mid-Course Correction

Component	January to May 2009						c/kWh Difference (Revised Less Original)	c/kWh Percent Difference (Percent of Original)
	September 2, 2008 Estimates			November 17, 2008 Estimates				
	Dollars	MWH	c/kWh	Dollars	MWH	c/kWh		
Coal	189,966,000	7,267,961	2.6137	191,417,000	7,313,123	2.6174	0.0037	0.1416
Heavy Oil	581,912,849	3,496,185	16.6442	702,495,849	7,767,634	9.0439	-7.6003	-45.6635
Light Oil	0	0	--	0	0	--	--	--
Natural Gas	5,303,326,644	63,381,326	8.3673	4,362,251,547	59,219,023	7.3663	-1.0010	-11.9636
Nuclear	139,068,000	23,509,501	0.5915	139,068,000	23,509,501	0.5915	0.0000	0.0000
Total Fuel	6,214,273,493	97,654,973	6.3635	5,395,232,396	97,809,281	5.5161	-0.8474	-13.3170
Non-Fuel Generation Excluding FKEC/CKW	189,984,601	--	--	108,911,816	--	--	--	--
Total Generation	6,404,258,094	97,654,973	6.5580	5,504,144,211	97,809,281	5.6274	-0.9306	-14.1905
Power Sold Including FKEC/CKW	(211,458,748)	(3,075,683)	6.8752	(158,484,516)	(3,010,483)	5.2644	-1.6108	-23.4286
Purchased Power	351,329,743	11,735,650	2.9937	344,793,623	11,729,724	2.9395	-0.0542	-1.8108
Qualifying Facilities	235,952,993	5,572,282	4.2344	213,309,000	5,476,519	3.8950	-0.3394	-8.0160
Economy Energy	116,281,944	1,196,000	9.7226	56,549,282	1,162,900	4.8628	-4.8598	-49.9846
Total Purchased Power	703,564,680	18,503,933	3.8022	614,651,906	18,369,143	3.3461	-0.4561	-11.9964
Net Inadvertent Interchange And Wheeling	0	0	--	0	0	--	--	--
Unbilled Sales, T&D Losses, And Company Use	0	(6,956,736)	-0.0000	0	(7,041,455)	-0.0000	0.0000	--
System KWH Sales	6,896,364,025	106,126,486	6.4982	5,960,311,601	106,126,486	5.6162	-0.8820	-13.5731
Wholesale KWH Sales	8,874,931	136,572	6.4982	7,670,325	136,572	5.6162	-0.8820	-13.5731
Jurisdictional KWH Sales	6,887,489,094	105,989,914	6.4982	5,952,641,276	105,989,914	5.6162	-0.8820	-13.5731
Jurisdictional KWH Sales Adjusted For Line Losses	6,891,346,088	105,989,914	6.5019	5,955,974,755	105,989,914	5.6194	-0.8825	-13.5731
True-up	296,048,402	105,989,914	0.2793	176,284,378	105,989,914	0.1663	-0.1130	-40.4542
Total Jurisdictional Fuel Cost	7,187,394,490	105,989,914	6.7812	6,132,259,133	105,989,914	5.7857	-0.9955	-14.6804
Revenue Taxes	5,174,924	105,989,914	0.0488	4,415,227	105,989,914	.0417	-0.0071	-14.5492
Total Jurisdictional Fuel Cost Adjusted for Revenue Taxes	7,192,569,414	105,989,914	6.7861	6,136,674,360	105,989,914	5.7899	-0.9962	-14.6804
GPIF	5,383,572	105,989,914	0.0051	5,383,572	105,989,914	0.0051	0.0000	0.0000
WCEC 1 & 2 Jurisdictional Savings	(18,597,500)	39,665,860	-0.0469	11,369,410	39,665,860	0.0287	0.0756	-161.1940
Total	7,179,355,486	105,989,914	6.7443	6,153,427,342	105,989,914	5.8237	-0.9206	-13.6500

FPL's Proposed Fuel Factors By Rate Class For the Period January-May 2009

<u>GROUP</u>	<u>RATE SCHEDULE</u>	<u>FUEL RECOVERY FACTOR</u> (¢/kWh)
A	RS-1 first 1,000 kWh All additional kWh	5.492 6.492
A	GS-1, SL-2, GSCU-1, WIES-1	5.834
A-1	SL-1, OL-1, PL-1	5.757
B	GSD-1	5.834
C	GSLD-1, CS-1	5.828
D	GSLD-2, CS-2, OS-2, MET	5.784
E	GSLD-3, CS-3	5.586
A	RST-1, GST-1 ON-PEAK OFF-PEAK	6.192 5.673
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) ON-PEAK OFF-PEAK	6.191 5.673
C	GSLDT-1, CST-1, HLFT-2 (500- 1,999 kW) ON-PEAK OFF-PEAK	6.186 5.668
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) ON-PEAK OFF-PEAK	6.148 5.633
E	GSLDT-3, CST-3 CILC-1(T), ISST-1(T) ON-PEAK OFF-PEAK	5.928 5.432
F	CILC-1(D), ISST-1(D) ON-PEAK OFF-PEAK	6.141 5.627

FPL's Proposed Fuel Factors By Rate Class For the Period June-October 2009

<u>GROUP</u>	<u>RATE SCHEDULE</u>	<u>FUEL RECOVERY FACTOR</u> (¢/kWh)
A	RS-1 first 1,000 kWh All additional kWh	5.351 6.351
A	GS-1, SL-2, GSCU-1, WIES-1	5.695
A-1	SL-1, OL-1, PL-1	5.616
B	GSD-1	5.694
C	GSLD-1, CS-1	5.689
D	GSLD-2, CS-2, OS-2, MET	5.645
E	GSLD-3, CS-3	5.452
A	RST-1, GST-1 ON-PEAK OFF-PEAK	6.052 5.533
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) ON-PEAK OFF-PEAK	6.051 5.533
C	GSLDT-1, CST-1, HLFT-2 (500- 1,999 kW) ON-PEAK OFF-PEAK	6.046 5.528
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) ON-PEAK OFF-PEAK	6.009 5.495
E	GSLDT-3, CST-3 CILC-1(T), ISST-1(T) ON-PEAK OFF-PEAK	5.794 5.298
F	CILC-1(D), ISST-1(D) ON-PEAK OFF-PEAK	6.003 5.489

FPL's Proposed Fuel Factors By Rate Class For the Period November-December 2009

<u>GROUP</u>	<u>RATE SCHEDULE</u>	<u>FUEL RECOVERY FACTOR</u> (¢/kWh)
A	RS-1 first 1,000 kWh All additional kWh	5.223 6.223
A	GS-1, SL-2, GSCU-1, WIES-1	5.566
A-1	SL-1, OL-1, PL-1	5.488
B	GSD-1	5.566
C	GSLD-1, CS-1	5.560
D	GSLD-2, CS-2, OS-2, MET	5.518
E	GSLD-3, CS-3	5.329
A	RST-1, GST-1 ON-PEAK OFF-PEAK	5.923 5.405
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) ON-PEAK OFF-PEAK	5.923 5.404
C	GSLDT-1, CST-1, HLFT-2 (500- 1,999 kW) ON-PEAK OFF-PEAK	5.918 5.400
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) ON-PEAK OFF-PEAK	5.882 5.367
E	GSLDT-3, CST-3 CILC-1(T), ISST-1(T) ON-PEAK OFF-PEAK	5.671 5.175
F	CILC-1(D), ISST-1(D) ON-PEAK OFF-PEAK	5.875 5.361

SEASONAL DEMAND TIME OF USE RIDER (SDTR)  
FUEL RECOVERY FACTORS

ON PEAK: JUNE 2008 THROUGH SEPTEMBER 2008 – WEEKDAYS 3:00 PM TO 6:00 PM  
OFF PEAK: ALL OTHER HOURS

GROUP	OTHERWISE APPLICABLE RATE SCHEDULE	SDTR FUEL RECOVERY FACTOR
B	GSD(T)-1	
	ON-PEAK	6.242
	OFF-PEAK	5.521
C	GSLD(T)-1	
	ON-PEAK	6.236
	OFF-PEAK	5.516
D	GSLD(T)-2	
	ON-PEAK	6.199
	OFF-PEAK	5.483

Note: All other months served under the otherwise applicable rate schedule.

REVISED 11/17/08

RESIDENTIAL BILL COMPARISON - 1000 KWH

COMPANY: FLORIDA POWER & LIGHT COMPANY

SCHEDULE E10

	CURRENT	PRELIMINARY	DIFFERENCE		PRELIMINARY	DIFFERENCE		PRELIMINARY	DIFFERENCE	
	NOV 08 - DEC 08	JAN 09 - MAY 09	\$	%	JUNE 08 - OCT 09	\$	%	NOV 09 - DEC 09	\$	%
BASE	\$39.37	\$39.31	(\$0.06)	-0.15%	\$40.72	\$1.41	3.59%	\$42.00	\$1.28	3.14%
FUEL	\$60.21	\$54.92	(\$5.29)	-8.79%	\$53.51	(\$1.41)	-2.57%	\$52.23	(\$1.28)	-2.39%
CONSERVATION	\$1.45	\$2.03	\$0.58	40.00%	\$2.03	\$0.00	0.00%	\$2.03	\$0.00	0.00%
CAPACITY PAYMENT	\$5.46	\$8.16	\$2.70	49.45%	\$8.16	\$0.00	0.00%	\$8.16	\$0.00	0.00%
ENVIRONMENTAL	\$0.40	\$0.94	\$0.54	135.00%	\$0.94	\$0.00	0.00%	\$0.94	\$0.00	0.00%
STORM RESTORATION SURCHARGE	<u>\$1.45</u>	<u>\$1.45</u>	<u>\$0.00</u>	<u>0.00%</u>	<u>\$1.45</u>	<u>\$0.00</u>	<u>0.00%</u>	<u>\$1.45</u>	<u>\$0.00</u>	<u>0.00%</u>
SUBTOTAL	\$108.34	\$106.81	(\$1.53)	-1.41%	\$106.81	\$0.00	0.00%	\$106.81	\$0.00	0.00%
GROSS RECEIPTS TAX	<u>\$2.78</u>	<u>\$2.74</u>	(\$0.04)	-1.44%	<u>\$2.74</u>	\$0.00	0.00%	<u>\$2.74</u>	\$0.00	0.00%
TOTAL	<u>\$111.12</u>	<u>\$109.55</u>	(\$1.57)	-1.41%	<u>\$109.55</u>	\$0.00	0.00%	<u>\$109.55</u>	\$0.00	0.00%