

Ann Cole

From: Mary Bane
Sent: Monday, December 01, 2008 10:45 AM
To: Cayce Hinton
Cc: Tim Devlin; Marshall Willis; Pete Lester; Betty Ashby; Karla Barnes; William C. Garner; Roberta Bass; Lorena Holley; Larry Harris; Bill McNulty; Ann Cole; Chuck Hill; Tim Devlin; Betty Ashby
Subject: Re: Requested Modifications to Staff Recommendation in Docket No. 080001-EI, for 12/2/08 Agenda.

Approved.

 Sent from my BlackBerry Wireless Handheld

From: Cayce Hinton
To: Mary Bane
Cc: Tim Devlin; Marshall Willis; Pete Lester; Betty Ashby; Karla Barnes
Sent: Mon Dec 01 09:13:48 2008
Subject: Requested Modifications to Staff Recommendation in Docket No. 080001-EI, for 12/2/08 Agenda.

Staff is requesting approval to make corrections to the recommendation that is Item 7 on the 12/2/08 Agenda Conference. the requested corrections are as follows:

1. Page 4, first paragraph of Staff Analysis, last sentence: Delete "\$984,749,453 (14.38%)" and replace with "\$981,794,365 (14.6%)". The corrected version in type and strike format reads:

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%)~~ \$981,794,356 (14.6%).

2. Page 4, fourth paragraph of Staff Analysis, second sentence: Delete \$984,749,453 and replace with \$981,794,356; delete \$6,846,247,994 and replace with \$6,726,484,136.

3. Page 4, fourth paragraph of Staff Analysis, third sentence: Delete 14.38 and replace with 14.6. Delete remainder of this paragraph following 14.6. The corrected version in type and strike format reads:

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~~ \$981,794,356 at the end of 2009, with revenues applicable to 2009 totaling ~~\$6,846,247,994~~ \$6,726,484,136. With these amounts, the mid-course percent is ~~14.38~~ 14.6. ~~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.~~

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4. Delete Attachment A in its entirety.

That concludes the corrections. Thank you.