

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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CLERK

In re: Petition for increase in rates by Florida Power & Light Company. | DOCKET NO. 080677-EI

DATED: AUGUST 3, 2009

AFFIRM'S PREHEARING STATEMENT

Pursuant to Order No. PSC-09-0159-PCO-EI, issued on March 20, 2009, the Florida Association For Fairness In Rate Making (AFFIRM) files its Prehearing Statement.

a. All Known Witnesses

Russell L. Klepper

To provide testimony supporting AFFIRM's position that a new commercial time of use rate should be developed and implemented such that the rate charged by FPL does not unfairly discriminate against AFFIRM members for the reason that existing rates do not properly reflect the related causation of costs.

b. All Known Exhibits

Exhibit	Title
RLK -1	Resume of Russell L. Klepper
RLK -2	Typical Florida Daily Electric Load Shapes (excerpt from, February 2009 Annual Report on Activities Pursuant to the Florida Energy Efficiency and Conservation Act (FEECA)).

c. AFFIRM's Statement of Basic Position

COM _____
 ECR _____
 GCL 1
 OPC _____
 RCP 1
 SSC 1
 SGA 1
 ADM _____
 CLK _____

AFFIRM's basic position is that a new commercial time of use rate should be developed and implemented under which the rate charged by FPL (i) varies during different time periods and reflects the variance, if any, in the utility's cost of generation and purchasing electricity at the wholesale level; and (ii) enables the electric consumer to manage energy use and cost through advanced metering and communications technology.

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d. **AFFIRM's Position on the Issues**

2010 PROPOSED TEST PERIOD

ISSUE 1: Does the Commission have the legal authority to approve a base rate increase using a 2010 projected test year?
Whether the FPSC has jurisdiction under Florida law at Sections 366.06(1) and 367.08(2) to consider FPL's petition for a rate increase based on FPL's projected 2010 test-year period of the 12 –months starting January 1, 2010 and ending December 31, 2010 supported by future speculative projections of costs and investments used and useful in the public service? Saporito

POSITION: AFFIRM has no position at this time on Issue 1 or on the preferable wording.

ISSUE 2: Is FPL's projected test period of the 12 months ending December 31, 2010, appropriate?

POSITION: AFFIRM has no position at this time.

ISSUE 3: Are FPL's forecasts of customers, kWh, and kW by rate classes for the 2010 projected test year appropriate?

POSITION: AFFIRM has no position at this time.

2011 PROPOSED SUBSEQUENT YEAR TEST PERIOD

ISSUE 4: Does the Commission have the legal authority to approve a subsequent year base rate adjustment using a 2011 projected test year?
Whether the FPSC has jurisdiction under Florida law at Sections 366.06(1) and 367.08(2) to consider FPL's petition for a rate increase based on FPL's projected 2011 test-year period of the 12-months starting January 1, 2011 and ending December 31, 2011 supported by future speculative projections of costs and investments used and useful in the public service? Saporito

POSITION: AFFIRM has no position at this time on Issue 4.

ISSUE 5: Should the Commission approve in this docket FPL's request to adjust base rates in January 2011?

POSITION: AFFIRM has no position at this time.

ISSUE 6: Is FPL's projected subsequent year test period of the 12 months beginning January 1, 2011 and ending December 31, 2011, appropriate?

POSITION: AFFIRM has no position at this time.

ISSUE 7: Are FPL's forecasts of customers, kWh, and kW by rate classes for the 2011 projected test year appropriate?

POSITION: AFFIRM has no position at this time.

GENERATION BASE RATE ADJUSTMENT

ISSUE 8: Should the Commission approve a Generation Base Rate Adjustment (GBRA) which would authorize FPL to increase base rates for revenue requirements associated with new generating addition approved under the Power Plant Siting Act, at the time they enter commercial service?

POSITION: AFFIRM has no position at this time.

ISSUE 9: If the Commission approves a GBRA for FPL, how should the cost of qualifying generating plant additions be determined?

POSITION: AFFIRM has no position at this time.

ISSUE 10: ~~Should FPL use a 40 year life for the West County Energy Center 3 as opposed to a 25 year life, when calculating depreciation expenses in its GBRA?~~

POSITION: AFFIRM has no position at this time.

ISSUE 11: If the Commission approves a GBRA for FPL, how should the GBRA be designed?

POSITION: AFFIRM has no position at this time.

ISSUE 12: If the Commission approves a GBRA for FPL, should the maximum amount of the base rate adjustment associated with a qualifying generating facility be limited by a consideration of the impact of the new generating facility on FPL's earned rate of return ("earnings test")? If so, what are the appropriate financial parameters of the test, and how should the earnings test be applied??

POSITION: AFFIRM has no position at this time.

ISSUE 13: If the Commission determines it appropriate to adopt the use of a GBRA mechanism, how should FPL be required to implement the GBRA?

POSITION: AFFIRM has no position at this time.

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ISSUE 14: If the Commission chooses not to approve the continuation of the GBRA mechanisms, but approves the use of the subsequent year adjustment, what is the appropriate adjustment to FPL's rate request to incorporate the revenue requirements reflected in the West County Unit 3 MFR Schedules?

POSITION: AFFIRM has no position at this time.

JURISDICTIONAL SEPARATION

ISSUE 15: Does FPL's methodology of including its transmission-related investment, costs, and revenues of its non-jurisdictional customers when calculating retail revenue requirements properly and fairly identify the retail customers appropriate revenue responsibility for transmission investment? If no, then what adjustments are necessary?

POSITION: AFFIRM has no position at this time.

ISSUE 16: What is the appropriate jurisdictional separation of costs and revenues between the wholesale and retail jurisdictions?

POSITION: AFFIRM has no position at this time.

QUALITY OF SERVICE

ISSUE 17: Is the quality and reliability of electric service provided by FPL adequate?

POSITION: AFFIRM has no position at this time.

DEPRECIATION STUDY

ISSUE 18: Should the current-approved depreciation rates, capital recovery schedules, and amortization schedules be revised?

POSITION: AFFIRM has no position at this time.

ISSUE 19: What are the appropriate depreciation rates, capital recovery schedules, and amortization schedules?

POSITION: AFFIRM has no position at this time.

ISSUE 20: *INTENTIONALLY BLANK*

POSITION: AFFIRM has no position at this time.

ISSUE 21: *Is FPL's proposed accelerated capital recovery appropriate? FIPUG*

POSITION: AFFIRM has no position at this time.

ISSUE 22: *What life spans should be used for FPL's coal plants? FIPUG*

POSITION: AFFIRM has no position at this time.

ISSUE 23: *What life spans should be used for FPL's combined cycle plants? FIPUG*

POSITION: AFFIRM has no position at this time.

ISSUE 24: *What are the appropriate depreciation rates? City SD*

POSITION: AFFIRM has no position at this time.

ISSUE 25: *Has FPL applied appropriate life spans to categories of production plant when developing its proposed depreciation rates? (Note: To date, the parties have identified the following categories of production plant as sub issues)*

Coal-fired production units

Large steam oil or gas-fired generating facilities

Combined cycle generating facilities OPC

POSITION: AFFIRM has no position at this time.

ISSUE 26: *Has FPL applied the appropriate methodology to calculate the remaining life of production units? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 27: *Has FPL appropriately quantified the level of interim retirements associated with production units? If not, what is the appropriate level, and what is the related impact on depreciation expense for generating facilities? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 28: *Has FPL incorporated the appropriate level of net salvage associated with the interim retirements that are estimated to transpire prior to the final termination of a generating station or unit? If not, what is the appropriate level? OPC*

POSITION: AFFIRM believes that this issue proposed by OPC is subsumed in Issue 42 and should not be included in the Prehearing Order.

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ISSUE 29: *Has FPL quantified the appropriate level of terminal net salvage in its request for dismantlement costs? If not, what is the appropriate level? OPC*

POSITION: AFFIRM believes that this issue proposed by OPC is subsumed in Issue 42 and should not be included in the Prehearing Order.

ISSUE 30: *Has FPL applied appropriate life characteristics (curve and life) to each mass property account (transmission, distribution, and general plant) when developing its proposed depreciation rates?*

(Note: To date, the parties have identified the following accounts as sub issues)

- a. 350.2 *Transmission Easements*
- b. 353 *Transmission Substation Equipment*
- c. 353.1 *Transmission Substation Equipment Step-Up Transformers*
- d. 354 *Transmission Towers & Fixtures*
- e. 356 *Transmission Overhead Conductor*
- f. 359 *Transmission Roads and Trails*
- g. 362 *Distribution Substation Equipment*
- h. 364 *Distribution Poles, Towers & Fixtures OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 31: *Has FPL applied appropriate net salvage levels to each mass property (transmission, distribution, and general plant) account when developing its proposed depreciation rates? (Note: To date, the parties have identified the following accounts as sub issues)*

- a. 353 *Transmission Station Equipment*
- b. 354 *Transmission Tower & Fixtures*
- c. 355 *Transmission Poles & Fixtures*
- d. 356 *Transmission Overhead Conductors*
- e. 364 *Distribution Poles, Towers & Fixtures*
- f. 365 *Overhead Conductors & Devices*
- g. 366.6 *Underground Conduit – Duct System*
- h. 367.6 *Underground Conductor – Duct System*
- i. 368 *Distribution Line Transformers*
- j. 369.1 *Distribution Services – Overhead*
- k. 369.7 *Distribution Services – Underground*
- l. 370 *Distribution Meters*
- m. 370.1 *Distribution Meters – AMI*
- n. 390 *General Structures & Improvements OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 32: *What are the appropriate depreciation rates for FPL, and what amount of annual*

depreciation expense should the Commission include in Docket 080677-EI for ratemaking purposes? OPC

POSITION: AFFIRM has no position at this time.

ISSUE 33: Based on the application of the depreciation parameters that the Commission has deemed appropriate to FPL's data, *and a comparison of the theoretical reserves to the book reserves*, what are FPL's *theoretical* reserve imbalances?

POSITION: AFFIRM has no position at this time.

ISSUE 34: What, if any, corrective reserve measures should be taken with respect to the theoretical reserve imbalances identified in the prior issue?

POSITION: AFFIRM has no position at this time.

ISSUE 35: *What steps should the Commission take to restore generational equity? FIPUG*

POSITION: AFFIRM believes that this issue proposed by FIPUG is subsumed in Issue 19 and should not be included in the Prehearing Order.

ISSUE 36: *What considerations and criteria should the Commission take into account when evaluating the time frame over which it should require FPL to amortize the depreciation reserve imbalances that it determines in this proceeding? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 37: *What would be the impact, if any, of the parties' respective proposals with respect to the treatment of the depreciation reserve imbalances on FPL's financial integrity? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 38: *What is the appropriate disposition of FPL's depreciation reserve imbalances? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 39: What should be the implementation date for revised depreciation rates, capital recovery schedules, and amortization schedules?

POSITION: AFFIRM has no position at this time.

FOSSIL DISMANTLEMENT COST STUDY

ISSUE 40: Should the current-approved annual dismantlement provision be revised?

POSITION: AFFIRM has no position at this time.

ISSUE 41: What, if any, corrective reserve measures should be approved?

POSITION: AFFIRM has no position at this time.

ISSUE 42: What is the appropriate annual provision for dismantlement?

POSITION: AFFIRM has no position at this time.

ISSUE 43: Does FPL employ reasonable depreciation parameters and costs when it assumes that it must restore all generation sites to "greenfield" status upon their retirement?

POSITION: AFFIRM has no position at this time.

ISSUE 44: In future dismantlement studies filed with the Commission, should FPL consider alternative demolition approaches?

POSITION: AFFIRM has no position at this time.

RATE BASE

(A decision on the 2011-related items marked as (B) below will be necessary only if the Commission votes to approve FPL's request for a subsequent year adjustment.)

ISSUE 45: Has the Company removed all non-utility activities from rate base? (remove issue? OPC to let parties know)

POSITION: AFFIRM has no position at this time.

ISSUE 46: Should the net over-recovery/under-recovery of fuel, capacity, conservation, and environmental cost recovery clause expenses be included in the calculation of working capital allowance for FPL?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 47: Are the costs associated with Advanced Metering Infrastructure (AMI) meters appropriately included in rate base?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

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ISSUE 48: *Is FPL's proposed base rate adjustment formula regarding the application of the Commission's Nuclear Cost Recovery Rule appropriate? (My notes reflect this issue and issue 59 were the same and moved to Other Issues section) *City SD*

POSITION: AFFIRM believes that this issue proposed by City SD is subsumed in Issue 173 and should not be included in the Prehearing Order.

ISSUE 49: *Should FPL's estimated plant in service be reduced to reflect the actual capital expenditures implemented in 2009 on an annualized basis carried forward into the projected test Year(s) and for reductions of a similar magnitude?*

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year? SFHHA

POSITION: AFFIRM believes that this issue proposed by SFHHA is subsumed in Issue 50 and should not be included in the Prehearing Order.

ISSUE 50: Are FPL's requested levels of Plant in Service appropriate?

A. For the 2010 projected test year in the amount of \$28,288,080,000?

B. If applicable, for the 2011 subsequent projected test year in the amount of \$29,599,965,000?

Whether FPL's petition for a rate increase is prudent and necessary to make investments used and useful in the public service? Saporito's version of issue

POSITION: AFFIRM has no position at this time.

ISSUE 51: Are FPL's requested levels of accumulated depreciation appropriate?

A. For the 2010 projected test year in the amount of \$12,590,521,000?

B. If applicable, for the 2011 subsequent projected test year in the amount of \$13,306,984,000?

POSITION: AFFIRM has no position at this time.

ISSUE 52: Is FPL's proposed adjustment to CWIP for the Florida EnergySecure Line (gas pipeline) appropriate?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 53: Has FPL removed any Environmental Cost Recovery Clause (ECRC) capital cost recovery items from the ECRC and placed them into rate base?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

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ISSUE 54: Should FPL be permitted to record in rate base the incremental difference between Allowance for Funds Used During Construction (AFUDC) permitted by Section 366.93, F.S. for nuclear construction and FPL's most currently approved AFUDC for recovery when the nuclear plants enter commercial operation?

POSITION: AFFIRM has no position at this time.

ISSUE 55: Are FPL's requested levels of Construction Work in Progress (CWIP) appropriate?

A. For the 2010 projected test year in the amount of \$707,530,000?

B. If applicable, for the 2011 subsequent projected test year in the amount of \$772,484,000?

POSITION: AFFIRM has no position at this time.

ISSUE 56: Are FPL's requested levels of Property Held for Future Use appropriate?

A. For the 2010 projected test year in the amount of \$74,502,000?

B. If applicable, for the 2011 subsequent projected test year in the amount of \$71,452,000?

POSITION: AFFIRM has no position at this time.

ISSUE 57: Should any adjustments be made to FPL's fuel inventories?

POSITION: AFFIRM has no position at this time.

ISSUE 58: Is FPL's proposed accrual of Nuclear End of Life Material and Supplies and Last Core Nuclear Fuel appropriate?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 59: Should nuclear fuel be capitalized and included in rate base due to the dissolution of FPL Fuels, Inc.?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 60: Are FPL's requested levels of Nuclear Fuel appropriate?

A. For the 2010 projected test year in the amount of \$374,733,000?

B. If applicable, for the 2011 subsequent projected test year in the amount of \$408,125,000?

POSITION: AFFIRM has no position at this time.

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ISSUE 61: Should the unamortized balance of the FPL Glades Power Park (FGPP) be included in rate base?

POSITION: AFFIRM has no position at this time.

ISSUE 62: Are FPL's requested levels of Working Capital appropriate?
A. For the 2010 projected test year in the amount of \$209,262,000?
B. If applicable, for the 2011 subsequent projected test year in the amount of \$335,360,000?

POSITION: AFFIRM has no position at this time.

ISSUE 63: Is FPL's requested rate base appropriate?
A. For the 2010 projected test year in the amount of \$17,063,586,000?
B. If applicable, for the 2011 subsequent projected test year in the amount of \$17,880,402,000?

POSITION: AFFIRM has no position at this time.

COST OF CAPITAL

(A decision on the 2011-related items marked as (B) below will be necessary only if the Commission votes to approve FPL's request for a subsequent year adjustment.)

ISSUE 64: What is the appropriate amount of accumulated deferred taxes to include in the capital structure?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 65: *Should FPL be required to use the entire amount of customer deposits and ADIT related to utility rate base in its capital structure? SFHHA*

POSITION: AFFIRM has no position at this time.

ISSUE 66: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 67: What is the appropriate cost rate for short-term debt?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

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POSITION: AFFIRM has no position at this time.

ISSUE 68: What is the appropriate cost rate for long-term debt?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 69: Have rate base and capital structure been reconciled appropriately?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 70: Has FPL appropriately described the actual 59% equity ratio that it proposes to use for ratemaking purposes as an "adjusted 55.8% equity ratio" on the basis of imputed debt associated with FPL's purchased power contracts?

POSITION: AFFIRM has no position at this time.

ISSUE 71: What is the appropriate equity ratio that should be used for FPL for ratemaking purposes in this case?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 72: *Do FPL's power purchase contracts justify or warrant any changes to FPL's capital structure in the form of imputed debt or equity for ratemaking purposes?*
A. *For the 2010 projected test year?*
B. *If applicable, for the 2011 subsequent projected test year? FIPUG and FRF*

POSITION: AFFIRM has no position at this time.

ISSUE 73: What is the appropriate capital structure for FPL for the purpose of setting rates in this docket?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 74: *Has the fuel adjustment clause decreased FPL's cost of equity and, if so, by how many basis points? City of SD*

POSITION: AFFIRM has no position at this time.

ISSUE 75: *Has the nuclear cost recovery clause decreased FPL's cost of equity and, if so, by how many basis points? City of SD*

POSITION: AFFIRM has no position at this time.

ISSUE 76: *Has the conservation cost recovery clause decreased FPL's cost of equity and, if so, by how many basis points? City of SD*

POSITION: AFFIRM has no position at this time.

ISSUE 77: *Has the environmental cost recovery clause decreased FPL's cost of equity and, if so, by how many basis points? City of SD*

POSITION: AFFIRM has no position at this time.

ISSUE 78: *Has the Generation Base Rate Adjustment reduced FPL's cost of equity and, if so, by how many basis points? City of SD*

POSITION: AFFIRM has no position at this time.

ISSUE 79: *Is it appropriate to adjust the equity cost rate for flotation costs? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 80: What return on common equity should the Commission authorize in this case?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 81: What is the appropriate weighted average cost of capital including the proper components, amounts and cost rates associated with the capital structure?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

NET OPERATING INCOME

(A decision on the 2011-related items marked as (B) below will be necessary only if the Commission votes to approve FPL's request for a subsequent year adjustment.)

ISSUE 82: What are the appropriate inflation, customer growth, and other trend factors for use in forecasting?
A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 83: Should FPL's proposal to transfer capacity charges and capacity-related revenue associated with the St. John's River Power Park from base rates to the Capacity Cost Recovery Clause be approved?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 84: Has FPL made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 85: Has FPL made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Conservation Cost Recovery Clause?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 86: Has FPL made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 87: Has FPL made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 88: Should an adjustment be made to operating revenue to reflect the incorrect forecasting of FPL's C/I Demand Reduction Rider Incentive Credits and Offsets?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 89: Is an adjustment appropriate to FPL's Late Payment Fee Revenues if the minimum Late Payment Charge is approved in Issue (79 right now)?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 90: Are any adjustments necessary to FPL's Revenue Forecast?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 91: Are FPL's projected levels of Total Operating Revenues appropriate?
A. For the 2010 projected test year in the amount of \$4,114,727,000?
B. If applicable, for the 2011 subsequent projected test year in the amount of \$4,175,024,000?

POSITION: AFFIRM has no position at this time.

ISSUE 92: Has FPL made the appropriate adjustments to remove charitable contributions?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 93: Should an adjustment be made to remove FPL's contributions recorded above the line for the historical museum?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 94: Should an adjustment be made for FPL's Aviation cost for the test year?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 95: Are the cost savings associated with AMI meters appropriately included in net operating income?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 96: What is the appropriate level of Bad Debt Expense?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 97: Should an adjustment be made to remove the portion of Bad Debt Expense associated with clause revenue that is currently being recovered in base rates and include them as recoverable expenses in the respective recovery clauses?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 98: Should an adjustment be made to advertising expenses?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 99: Has FPL made the appropriate adjustments to remove lobbying expenses?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 100: Are any adjustments necessary to FPL's payroll to reflect the historical average level of unfilled positions and jurisdictional overtime?

POSITION: AFFIRM has no position at this time.

ISSUE 101: Should FPL reduce expenses for productivity improvements given the Company's lower historical rate of growth in payroll costs?

POSITION: AFFIRM has no position at this time.

ISSUE 102: Is it appropriate for FPL to increase its forecasted Operating and Maintenance Expenses due to estimated needs for nuclear production AFFIRMing?

POSITION: AFFIRM has no position at this time.

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ISSUE 103: Should an adjustment be made to FPL's requested level of Salaries and Employee Benefits?

- A. For the 2010 projected test year?
- B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 104: *Should an adjustment be made to FPL's level of executive compensation?*

- A. For the 2010 projected test year?*
- B. If applicable, for the 2011 subsequent projected test year? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 105: *Should an adjustment be made to FPL's level of non-executive compensation?*

- A. For the 2010 projected test year?*
- B. If applicable, for the 2011 subsequent projected test year? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 106: Should an adjustment be made to Pension Expense?

- A. For the 2010 projected test year?
- B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 107: Is a test year adjustment necessary to reflect FPL's receipt of an environmental insurance refund in 2008?

- A. For the 2010 projected test year?
- B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 108: Is a test year adjustment appropriate to reflect the expected settlement received from the Department of Energy?

- A. For the 2010 projected test year?
- B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 109: Should adjustments be made for the net operating income effects of transactions with affiliated companies for FPL?

POSITION: AFFIRM has no position at this time.

ISSUE 110: *Is an adjustment appropriate to the allocation factor for FPL Group's executive costs? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 111: *Are any adjustments necessary to FPL's Affiliate Management Fee Cost Driver allocation factors? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 112: *Are any adjustments necessary to FPL's Affiliate Management Fee Massachusetts Formula allocation factors? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 113: *Are any adjustments necessary to the costs charged to FPL by FiberNet? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 114: *Should an adjustment be made to allow ratepayers to receive the benefit of FPLES margins on gas sales as a result of the sale of FPL's gas contracts to FPLES? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 115: *Is an adjustment appropriate to recognize compensation for the services that FPL provides to FLPES for billing on FPL's electric bills? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 116: *Is an adjustment appropriate to recognize compensation for the services that FPL provides to FLPES to the extent that FPL service representatives provide referrals or perform similar functions for FPLES? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 116a: *Is an adjustment necessary to reflect the gains on sale of utility assets sold to FPL's non-regulated affiliates?*

POSITION: AFFIRM has no position at this time.

ISSUE 117: *Is an adjustment appropriate to increase power monitoring revenue for services provided by FPL to allow customers to monitor their power and voltage conditions? OPC*

POSITION: AFFIRM has no position at this time.

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ISSUE 118: *What is the total operating income impact of affiliate adjustments, if any, that is necessary for the 2010 test year? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 119: Should the Commission order notification requirements to report the future transfer of the FPL-NED assets from FPL to a separate company under FPL Group Capital?

POSITION: AFFIRM has no position at this time.

ISSUE 120: Should an adjustment be made to FPL's requested storm damage reserve, annual accrual of \$150 million, and target level of \$650 million?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

ISSUE 121: What adjustment, if any, should be made to the fossil dismantlement accrual?

POSITION: AFFIRM has no position at this time.

ISSUE 122: What is the appropriate amount and amortization period of Rate Case Expense?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 123: Should an adjustment continue to be made to Administrative and General Expenses to eliminate "Atrium Expenses" per Order No. 10306, Docket No. 810002-EU?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 124: Should FPL's request to move payroll loading associated with the Economic Cost Recovery Clause (ECRC) payroll currently recovered in base rates to the ECRC be approved?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 125: Should an adjustment be made to remove payroll loadings on incremental security costs that are currently included in base rates and include them in the Capacity Cost Recovery Clause?
A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 126: Should an adjustment be made to move the incremental hedging costs that are currently being recovered through the Fuel Cost Recovery Clause to base rates?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 127: Should the Commission adjustment in FPL's 1985 base rate case, Docket No. 830465-EI, for imputed revenues associated with orange groves be reversed?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 128: Is FPL's requested level of O&M Expense appropriate?
A. For the 2010 projected test year in the amount of \$1,694,367,000?
B. If applicable, for the 2011 subsequent projected test year in the amount of \$1,781,961,000?

POSITION: AFFIRM has no position at this time.

ISSUE 129: Should FPL be permitted to collect depreciation expense for its new Customer Information System prior to its implementation date?

POSITION: AFFIRM has no position at this time.

ISSUE 130: Should FPL's depreciation expenses be reduced for the effects of its capital expenditure reductions?

POSITION: AFFIRM has no position at this time.

ISSUE 131: Should any adjustment be made to Depreciation Expense?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 132: Should an adjustment be made to Taxes Other Than Income Taxes for the 2010 and 2011 projected test years?
A. For the 2010 projected test year?
B. If applicable, for the 2011 subsequent projected test year?

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DOCKET NO. 080677-EI

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POSITION: AFFIRM has no position at this time.

ISSUE 133: Should an adjustment be made to reflect any test year revenue requirement impacts of "The American Recovery and Reinvestment Act" signed into law by the President on February 17, 2009?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 134: Should an adjustment be made to Income Tax expense?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 135: Is FPL's projected Net Operating Income appropriate?

A. For the 2010 projected test year in the amount of \$725,883,000?

B. If applicable, for the 2011 subsequent projected test year in the amount of \$662,776,000?

POSITION: AFFIRM has no position at this time.

REVENUE REQUIREMENTS

(A decision on the 2011-related items marked as (B) below will be necessary only if the Commission votes to approve FPL's request for a subsequent year adjustment.)

ISSUE 136: What are the appropriate revenue expansion factors and the appropriate net operating income multipliers, including the appropriate elements and rates, for FPL?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 137: Is FPL's requested annual operating revenue increase appropriate?

A. For the 2010 projected test year in the amount of \$1,043,535,000?

B. If applicable, for the 2011 subsequent projected test year in the amount of \$247,367,000?

POSITION: AFFIRM has no position at this time.

ISSUE 138: *Whether FPL's rates should be decreased by \$1.3 billion dollars? Saporito*

POSITION: AFFIRM has no position at this time.

COST OF SERVICE AND RATE DESIGN ISSUES

(A decision on the 2011-related items marked as (B) below will be necessary only if the Commission votes to approve FPL's request for a subsequent year adjustment.)

ISSUE 139: Has FPL correctly calculated revenues at current rates for the 2010 and 2011 projected test year?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 140: Should FPL use a minimum distribution cost methodology (utilizing either a "zero intercept" or a "minimum size" approach) to allocate distribution plant costs to rate classes?

POSITION: AFFIRM has no position at this time.

ISSUE 141: What is the appropriate Cost of Service Methodology to be used to allocate base rate and cost recovery costs to the rate classes?

POSITION: AFFIRM has no position at this time.

ISSUE 142: How should the change in revenue requirement be allocated among the customer classes?

POSITION: AFFIRM has no position at this time.

ISSUE 143: Has FPL properly adjusted revenues to account for unbilled revenues?

POSITION: AFFIRM has no position at this time.

ISSUE 144: Are FPL's proposed service charges for initial connect, field collection, reconnect for non-payment, existing connect, and returned payment charges appropriate?

POSITION: AFFIRM has no position at this time.

ISSUE 145: Is FPL's proposal to increase the minimum late payment charge to \$10 appropriate?

POSITION: AFFIRM has no position at this time.

ISSUE 146: Are FPL's proposed Temporary Service Charges appropriate? (4.030)

POSITION: AFFIRM has no position at this time.

ISSUE 147: Is FPL's proposed increase in the charges to obtain a Building Efficiency Rating System (BERS) rating appropriate? (4.041)

POSITION: AFFIRM has no position at this time.

ISSUE 148: Are FPL's proposed termination factors to be applied to the total installed cost of facilities when customers terminate their Premium Lighting or Recreational Lighting agreement prior to the expiration of the contract term appropriate? (8.722 and 8.745)

POSITION: AFFIRM has no position at this time.

ISSUE 149: Are FPL's proposed charges under the Street Lighting Vandalism Option notification appropriate? (8.717)

POSITION: AFFIRM has no position at this time.

ISSUE 150: Is FPL's proposed Present Value Revenue Requirement multiplier to be applied to the installed cost of premium lighting facilities under rate Schedule Premium Lighting (PL-1) and the installed cost of recreational lighting facilities under the rate Schedule Recreational Lighting (RL-1) to determine the lump sum advance payment amount for such facilities appropriate? (8.720 and 8.743)

POSITION: AFFIRM has no position at this time.

ISSUE 151: Is FPL's proposal to close the Wireless Internet Rate (WIES) schedule to new customers appropriate?

POSITION: AFFIRM has no position at this time.

ISSUE 152: Should FPL's proposal to close the relamping option on the Street Lighting (SL-1) and Outdoor Lighting (OL-1) tariffs for new street light installations be approved? (8.716 and 8.725)

POSITION: AFFIRM has no position at this time.

ISSUE 153: Should FPL's proposal to remove the 10 year and 20 year payment options from the PL-1 and RL-1 tariff be approved? (8.720 and 8.743)

POSITION: AFFIRM has no position at this time.

ISSUE 154: Is FPL's proposed monthly kW credit to be provided customers who own their own transformers pursuant to the Transformation Rider appropriate? (8.820)

POSITION: AFFIRM has no position at this time.

ISSUE 155: Is FPL's proposed monthly fixed charge carrying rate to be applied to the installed cost of customer-requested distribution equipment for which there are no tariffed charges appropriate? (10.010)

POSITION: AFFIRM has no position at this time.

ISSUE 156: Is FPL's proposed Monthly Rental Factor to be applied to the in-place value of customer-rented distribution substations to determine the monthly rental fee for such facilities appropriate? (10.015)

POSITION: AFFIRM has no position at this time.

ISSUE 157: Are FPL's proposed termination factors to be applied to the in-place value of customer-rented distribution substations to calculate the termination fee appropriate? (10.015)

POSITION: AFFIRM has no position at this time.

ISSUE 158: Is FPL's proposed minimum charge for non-metered service under the GS rate appropriate?

POSITION: AFFIRM has no position at this time.

ISSUE 159: What are the appropriate customer charges?

POSITION: AFFIRM has no position at this time.

ISSUE 160: What are the appropriate demand charges?

POSITION: AFFIRM has no position at this time.

ISSUE 161: What are the appropriate energy charges?

POSITION: AFFIRM has no position at this time.

ISSUE 162: What are the appropriate lighting rate charges?

POSITION: AFFIRM has no position at this time.

ISSUE 163: What is the appropriate level and design of the charges under the Standby and Supplemental Services (SST-1) rate schedule?

POSITION: AFFIRM has no position at this time.

ISSUE 164: What is the appropriate level and design of charges under the Interruptible Standby and Supplemental Services (ISST-1) rate schedule?

POSITION: AFFIRM has no position at this time.

ISSUE 165: Is FPL's design of the HLFT rates appropriate?

POSITION: AFFIRM has no position at this time.

ISSUE 166: Is FPL's design of the CILC rate appropriate?

POSITION: AFFIRM has no position at this time.

ISSUE 167: *What should the CDR credit be set at? FIPUG*

POSITION: AFFIRM believes that this issue would more appropriately be addressed in the Conservation Cost Recovery Clause docket.

ISSUE 168: What is the appropriate method of designing time of use rates for FPL?

POSITION:

The appropriate method of designing time of use rates is one that produces rates that (1) vary during different time periods and (2) reflect the variance, if any, in the utility's cost of generation and purchasing electricity at the wholesale level. Moreover, the design and implantation of the rate should enable the electric consumer to manage energy use and cost through advanced metering and communications technology.

ISSUE 169: *Has FPL carried its burden of proof as to the legality and appropriateness of the proposed commercial time of use rates? AFFIRM*

POSITION: AFFIRM will not object to Issue 169 not being included in the prehearing order based on Staff's position that the issue can and will be addressed under Issue 168. In acquiescing to Issue 169 being addressed under Issue 168, AFFIRM does not waive its right to have the Commission address and determine disputed material issues of fact, policy or law that are subsumed under or germane to both Issue 169 and Issue 168.

ISSUE 170: *Should FPL be directed to develop a prepayment option in lieu of monthly billing for those customers who can benefit from such an alternative? OPC*

POSITION: AFFIRM has no position at this time.

ISSUE 171: *What is a fair and reasonable rate for the customers of Florida Power and Light Company? AGO*

POSITION: AFFIRM has no position at this time.

ISSUE 172: What is the appropriate effective date for FPL's revised rates and charges?

POSITION: AFFIRM has no position at this time.

OTHER ISSUES

ISSUE 173: Should an adjustment be made in base rates to include FPL's nuclear uprates being placed into service during the projected test years if any portion of prudently incurred NCRC recovery is denied?

A. For the 2010 projected test year?

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

ISSUE 174: *Should FPL be required to reduce base rates on January 1, 2014, to recognize the change in the separation factor resulting from the increased wholesale load served under the Lee County Contract? (AFFIRM)*

POSITION: AFFIRM has no position at this time.

ISSUE 175: *Should an adjustment be made to FPL's revenue forecast as a result of the PSC's decision in the DSM Goals Docket, Docket No. 080407-EG? If so, what adjustment should be made? (FPL)*

POSITION: AFFIRM has no position at this time.

ISSUE 176: Should FPL be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case?

POSITION: AFFIRM has no position at this time.

ISSUE 177: Should this docket be closed?

POSITION: AFFIRM has no position at this time.

e. Stipulated Issues

None at this time

f. Pending Motions

AFFIRM has no pending motions at this time.

B. If applicable, for the 2011 subsequent projected test year?

POSITION: AFFIRM has no position at this time.

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POSITION: AFFIRM has no position at this time.

ISSUE 177: Should this docket be closed?

POSITION: AFFIRM has no position at this time.

e. Stipulated Issues

None at this time

f. Pending Motions

AFFIRM has no pending motions at this time.

AFFIRM's PREHEARING STATEMENT

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g. Pending Confidentiality Claims or Requests

AFFIRM has no pending confidentiality requests at this time.

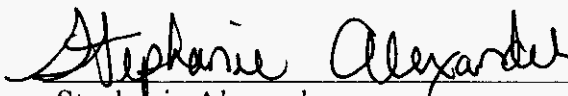
h. Objections to Witness Qualifications as an Expert

No objections.

i. Compliance with Order No. PSC-09-0159-PCO-EI

AFFIRM has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 7th day of August, 2009.



Stephanie Alexander,
Tripp Scott, P.A.
Counsel for AFFIRM
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sda@trippscott.com

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by Florida
Power & Light Company.

DOCKET NO. 080677-EI

DATED: AUGUST 7, 2009

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing prehearing statement was furnished to John T. Butler, Esquire, Florida Power & Light Company, 700 Universe Blvd., Juno Beach, Florida 33408-0420, and that a true and correct copy was furnished by electronic and/or by U.S. Postal Mail, on this 7th day of August, 2009:

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Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, Florida 32301-1859

Bill McCollum/ Cecilia Bradley
Office of the Attorney General
The Capitol, PL-01
Tallahassee, Florida 32399-1050

Robert A. Sugarman/D. Marcus Braswell
I.B.E.W. System Council U-4
Sugarman & Susskind, P.A.
100 Miracle Mile, Suite 300
Coral Gables, Florida 33134

J.R. Kelly /Joseph A. McGlothlin
Office of Public Counsel
c/o The Florida Legislature
111 W. Madison Street, Room 812
Tallahassee, Florida 32399-1400

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Washington, DC 20005

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Saporito Energy Consultants
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Jupiter, Florida 33468-8413

Brian P. Armstrong & Marlene K. Stern
Nabors, Giblin & Nickerson, P.A.
1500 Mahan Drive, Suite 200
Tallahassee, Florida 32308

Robert Scheffel Wright/John T. LaVia, III
Young van Assenderp. P.A.
225 South Adams Street, Suite 200
Tallahassee, Florida 32301

CERTIFICATE OF SERVICE
DOCKET NOS. 080677-EI, 090130-EI
PAGE 2

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Florida Industrial Power Users Group
Keefe Anchors Gordon & Moyle, PA
118 North Gadsden Street
Tallahassee, Florida 32301

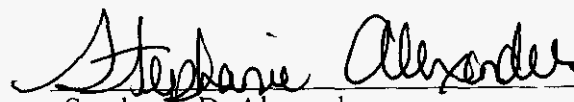
John W. McWhirter, Jr.
Florida Industrial Power Users Group
c/o McWhirter Law Firm
P.O. Box 3350
Tampa, Florida 33601-3350

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