



August 13, 2009

Armando J. Olivera
President and
Chief Executive Officer

080677-EI
090130-EI

The Honorable Matthew M. Carter, II, Chairman
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Dear Chairman Carter:

I am writing in response to the August 6, 2009, letter to you from Commissioner Nancy Argenziano with respect to compensation practices for utility employees in Florida, specifically including employees of Florida Power & Light Company. It is important that the full Commission and staff understand three key points.

- First, the Commission and PSC staff already have confidential access to extensive compensation data, specifically including the names, titles and total compensation of all FPL employees earning more than \$165,000 annually as requested, in order to evaluate this as part of the current rate proceeding. Moreover, we have provided the average compensation by job role for these employees as well without requesting confidential treatment. In addition, we also publicly disclose, as required by the Securities and Exchange Commission, detailed compensation data for FPL's top officers by name. The only thing that FPL has not publicly disclosed is information that would enable someone other than Commissioners and PSC staff to determine the identity and compensation for specific employees.
- Second, public disclosure of the names, titles and specific compensation for all employees earning more than \$165,000 annually is a violation of the privacy rights of these employees. That includes public release of titles and compensation that can be used to identify an individual or to target for recruitment a particular type or class of employee. Publicly disclosing the names, titles or compensation of specific nuclear engineers, electrical engineers, distribution and transmission experts and other highly trained individuals responsible for operating and securing critical infrastructure would serve no compelling interest of the Commission since both the Commission and PSC staff already have confidential access to this information. To the contrary, in addition to

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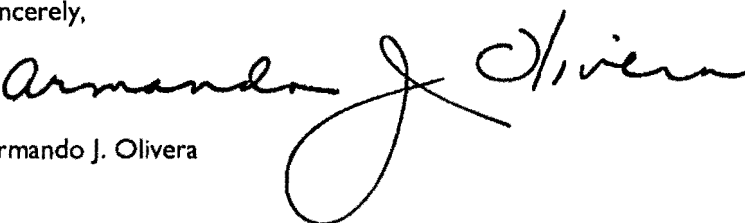
violating the employees' privacy and potentially creating safety or security issues, public disclosure would drive up compensation costs, force the loss of highly trained, specialized utility personnel to competitors and, accordingly, increase rates for FPL customers.

- Finally, all of our compensation practices are actively and diligently managed and the process includes appropriate oversight from our Board of Directors. We utilize rigorous industry market benchmarking practices to ensure that compensation levels are competitive and appropriate. The most recent market analysis completed in 2007 included market survey data from 69 sources, including leading human resources consulting firms such as Towers Perrin, Hewitt, Mercer and Watson Wyatt. This analysis demonstrated that our base pay and incentive compensation awards overall are at or below the market mid-point. We have submitted as part of the current rate proceeding highly detailed explanations of our compensation practices and the manner in which our compensation analysis is conducted.

Here's the bottom line on this: We pay our employees competitive market rates, and they, in return, are delivering industry-leading performance for our millions of customers. According to testimony submitted to the PSC by Concentric Energy Advisors, a consulting firm retained by FPL to conduct research comparing the performance of electric utilities, FPL consistently ranks as one of the best utilities in the country for providing reliable electric service while keeping costs under control. In fact, for 2007 alone, Concentric's research demonstrates that we saved our customers between \$700 million and \$1.3 billion in operating costs compared to what those costs would have been if we were merely an average performer.

Over the years, Commissioners and staff of the Florida Public Service Commission and representatives of FPL have had robust yet respectful debates on many policy issues, with the resulting benefits accruing to our customers and our state. It is my sincere hope that the Commission's deliberations on this particular issue will continue to be in that spirit.

Sincerely,

Handwritten signature of Armando J. Olivera in black ink, featuring a large, stylized initial 'A' and 'O'.

Armando J. Olivera

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Copies to:

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Honorable Nancy Argenziano, Commissioner

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All parties of record in Docket Nos. 080677-EI and 090130-EI