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090001-EI

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Electronic Filing

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b. Docket No. 090001 - EI
In RE: Fuel and purchased power cost recovery clause with generating performance incentive factor

c. The Document is being filed on behalf of Florida Power & Light Company.

d. There are a total of 12 pages

e. The document attached for electronic filing is Florida Power & Light Company's Prehearing Statement

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10/6/2009

DOCUMENT NUMBER-DATE

10325 OCT-6 09

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power)
Cost Recovery Clause and)
Generating Performance)
Incentive Factor)

DOCKET NO. 090001-EI
FILED: October 6, 2009

**FLORIDA POWER & LIGHT COMPANY'S
PREHEARING STATEMENT**

Pursuant to Order No. PSC-09-0142-PCO-EI, dated March 6, 2009 establishing the prehearing procedure in this docket, Florida Power & Light Company ("FPL") hereby submits its Prehearing Statement.

1) WITNESSES

WITNESS	SUBJECT MATTER	ISSUES
G. YUPP	Mitigated Price Risk	2A
G. YUPP	2010 Risk Management Plan	2B
T.J.KEITH	Benchmark Levels for Gains Eligible for Shareholder Incentive	6-7
T.J. KEITH	Fuel Adjustment True-up and Projections	8-16
G.YUPP J.A. STALL	Fuel Adjustment True-Up and Projections	8-10 and 12 8-10 and 12
R. R. KENNEDY	GPIF Reward	21
R.R. KENNEDY	GPIF Target/Ranges	22
T.J. KEITH	Nuclear Cost Recovery Amount	24A
T.J. KEITH	Capacity Cost Recovery True-Up And Projections	27-33

2) EXHIBITS

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

WITNESS	SPONSOR	SUBJECT MATTER	EXHIBITS
G. YUPP	FPL	2008 Hedging Activity	GJY-1
		Hedging Information Report	GJY-2
		Fuel Cost Recovery Forecast Assumptions	GJY-3
T.J. KEITH	FPL	Fuel Cost Recovery and Capacity Cost Recovery Projections:	
		Fuel Cost Recovery Final True-Up for January, 2008 through December, 2008	TJK-1
		Capacity Cost Recovery Final True-Up for January, 2008 through December, 2008	TJK-2
		Fuel Estimated/Actual True-Up January, 2009 through December, 2009	TJK-3
		Capacity Estimated/Actual True-Up January, 2009 through December, 2009	TJK-4
G. YUPP J.A. STALL T.J. KEITH	FPL	Levelized Fuel Cost Recovery Factors for January, 2010 through December, 2010	TJK-5
T.J. KEITH	FPL	Capacity Cost Recovery Factors for January, 2010 through December, 2010	TJK-6
R.R. KENNEDY	FPL	Generating Performance Incentive Factor Performance Results for January, 2008 through December, 2008	RRK-1
R.R. KENNEDY	FPL	Generating Performance Incentive Factor January, 2010 through December, 2010	RRK-2

3) STATEMENT OF BASIC POSITION

None necessary.

4) STATEMENT OF ISSUES AND POSITIONS

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

ISSUE 2A: Should the Commission approve as prudent, FPL's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in FPL's April 2009 and August 2009 hedging reports?

FPL: FPL's actions to mitigate the price volatility of natural gas, residual oil and purchased power prices, as reported in FPL's April 2009 and August 2009 hedging reports are reasonable and prudent. (YUPP)

ISSUE 2B: Should the Commission approve FPL's 2010 Risk Management Plan?

FPL: Yes. On August 5, 2008, FPL filed a petition in this docket requesting approval of Hedging Order Clarification Guidelines (the "Hedging Guidelines"). The Hedging Guidelines were approved at the Commission's September 16, 2008 Agenda Conference. Section I of the Hedging Guidelines would provide for investor-owned utilities such as FPL to file a risk management plan covering the activities to be undertaken during the following calendar year for hedges applicable to subsequent years, and for the Commission to review such plans for approval in the annual fuel adjustment hearing held in November. FPL's Risk Management Plan is consistent with the Hedging Guidelines and should be approved. (YUPP)

ISSUE 2C: With respect to the February 26, 2008 outages, should FPL or its customers be responsible for replacement power costs associated with the outages?

FPL: Pursuant to agreement between OPC and FPL, this issue should be considered in the 2010 fuel docket.

FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2009 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: \$18,328,381 (KEITH)

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2010 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: \$16,160,850 subject to adjustments in the 2009 final true-up filing to include all actual data for the year 2009. (KEITH)

ISSUE 8: What are the appropriate final fuel adjustment true-up amounts for the period January, 2008 through December, 2008?

FPL: \$79,321,012 under-recovery. (KEITH)

ISSUE 9: What are the appropriate estimated/actual fuel adjustment true-up amounts for the period January, 2009 through December 2009?

FPL: \$444,164,222 over-recovery. (KEITH)

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January, 2010 through December, 2010?

FPL: \$364,843,209 over-recovery. (KEITH)

ISSUE 11: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January, 2010 through December, 2010?

FPL: 1.00072. (KEITH)

ISSUE 12: What are the appropriate projected net fuel and purchased power cost recovery amounts to be included in the recovery factor for the period January, 2010 through December, 2010?

FPL: \$3,840,383,227 including prior period true-ups and revenue taxes. (KEITH)

ISSUE 13: What are the appropriate levelized fuel cost recovery factors for the period January, 2010 through December, 2010?

FPL: 3.813 cents/kWh (KEITH)

ISSUE 14: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

FPL: The appropriate Fuel Cost Recovery Loss Multipliers are provided in response to Issue No. 15. (KEITH)

ISSUE 15: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FLORIDA POWER & LIGHT COMPANY

FUEL RECOVERY FACTORS - BY RATE GROUP
(ADJUSTED FOR LINE/TRANSFORMATION LOSSES)

FPL:

JANUARY 2010 – DECEMBER 2010

(1) GROUP	(2) RATE SCHEDULE	(3) AVERAGE FACTOR	(4) FUEL RECOVERY LOSS MULTIPLIER	(5) FUEL RECOVERY FACTOR
A	RS-1 first 1,000 kWh all additional kWh	3.813 3.813	1.00171 1.00171	3.496 4.496
A	GS-1, SL-2, GSCU-1, WIES-1	3.813	1.00171	3.819
A-1*	SL-1, OL-1, PL-1	3.704	1.00171	3.710
B	GSD-1	3.813	1.00166	3.819
C	GSLD-1 & CS-1	3.813	1.00078	3.816
D	GSLD-2, CS-2, OS-2 & MET	3.813	0.99330	3.787
E	GSLD-3 & CS-3	3.813	0.95872	3.655
A	RST-1, GST-1 ON-PEAK OFF-PEAK	4.305 3.590	1.00171 1.00171	4.312 3.596
B	GSDT-1, CILC-1(G), ON-PEAK HLFT-1 (21-499 kW) OFF-PEAK	4.305 3.590	1.00165 1.00165	4.312 3.596
C	GSLDT-1, CST-1, ON-PEAK HLFT-2 (500-1,999 kW) OFF-PEAK	4.305 3.590	1.00087 1.00087	4.309 3.593
D	GSLDT-2, CST-2, ON-PEAK HLFT-3 (2,000+) OFF-PEAK	4.305 3.590	0.99449 0.99449	4.281 3.570
E	GSLDT-3, CST-3, ON-PEAK CILC -1(T) OFF-PEAK & ISST-1(T)	4.305 3.590	0.95872 0.95872	4.127 3.442
F	CILC -1(D) & ON-PEAK ISST-1(D) OFF-PEAK	4.305 3.590	0.99371 0.99371	4.278 3.567

* WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

FLORIDA POWER & LIGHT COMPANY

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

ON PEAK: JUNE 2010 THROUGH SEPTEMBER 2010 - WEEKDAYS 3:00 PM TO 6:00 PM
OFF PEAK: ALL OTHER HOURS

(1) GROUP	(2) OTHERWISE APPLICABLE RATE SCHEDULE	(3) AVERAGE FACTOR	(4) FUEL RECOVERY LOSS MULTIPLIER	(5) SDTR FUEL RECOVERY FACTOR	
B	GSD(T)-1	ON-PEAK	4.395	1.00166	4.402
		OFF-PEAK	3.628	1.00166	3.634
C	GSLD(T)-1	ON-PEAK	4.395	1.00085	4.399
		OFF-PEAK	3.628	1.00085	3.631
D	GSLD(T)-2	ON-PEAK	4.395	0.99508	4.373
		OFF-PEAK	3.628	0.99508	3.610

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

ISSUE 16: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

FPL: FPL is requesting that the fuel adjustment factors and the Capacity Cost Recovery factors become effective with customer bills for January 2010 (cycle day 1) through December 2010 (cycle day 21). This will provide for 12 months of billing for all customers. (KEITH)

GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) ISSUES

ISSUE 21: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January, 2008 through December, 2008 for each investor-owned electric utility subject to the GPIF?

FPL: \$11,464,340 reward. (KENNEDY)

ISSUE 22: What should the GPIF target/ranges be for the period January, 2010 through December, 2010 for each investor-owned electric utility subject to the GPIF?

FPL: The targets and ranges should be as set forth in the Testimony and Exhibits of R. Kennedy including the following:

PLANT/UNIT	EAF TARGET (%)	HEAT RATE HR. TARGET (BTU/KWH)
Ft. MYERS 2	92.7	6,952
MARTIN 8	85.5	6,826
MANATEE 3	94.3	6,750
SANFORD 4	89.7	6,968
SANFORD 5	88.2	6,969
SCHERER 4	74.4	10,151
ST. LUCIE 1	81.3	10,868
ST. LUCIE 2	76.7	11,207
TURKEY POINT 3	82.3	11,474
TURKEY POINT 4	93.6	11,470

(KENNEDY)

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 24A: Has FPL included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 090009-EI?

FPL: Yes. FPL has included \$ 62,792,990 in its 2010 capacity cost recovery clause factors. (KEITH)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate final capacity cost recovery true-up amounts for the period January, 2008 through December, 2008?

FPL: \$14,920,089 under-recovery. (KEITH)

ISSUE 28: What are the appropriate estimated/actual capacity cost recovery true-up amounts for the period January, 2009 through December, 2009?

FPL: \$55,988,146 under-recovery. (KEITH)

ISSUE 30: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January, 2010 through December, 2010?

FPL: \$70,908,235 under-recovery. (KEITH)

ISSUE 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January, 2010 through December, 2010?

FPL: \$576,888,639 including prior period true-ups and revenues taxes. (KEITH)

ISSUE 32: What are the appropriate jurisdictional separation factors to be applied to determine the capacity costs to be recovered during the period January, 2010 through December, 2010?

FPL: The appropriate jurisdictional separation factors are:

FPSC 99.09578%
FERC 0.90422% (KEITH)

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January, 2010 through December, 2010?

FPL:

Rate Schedule	Capacity Recovery Factor (\$/kw)	Capacity Recovery Factor (\$/kwh)
RS1/RST1	-	.00621
GS1/GST1/WIES1	-	.00612
GSD1/GSDT1/HLFT(21-499 kW)	1.93	-
OS2	-	.00642
GSLD1/GSLDT1/CS1/CST1/HLFT(500-1,999 kW)	2.31	-
GSLD2/GSLDT2/CS2/CST2/HLFT(2,000+ kW)	2.21	-
GSLD3/GSLDT3/CS3/CST3	2.08	-
CILC D/CILC G	2.37	-
CILC T	2.25	-
MET	2.46	-
OL1/SL1/PL1	-	0.00149
SL2/ GSCU1	-	0.00414

RATE CLASS	CAPACITY RECOVERY FACTOR (RESERVATION DEMAND CHARGE) (\$/KW)	CAPACITY RECOVERY FACTOR (SUM OF DAILY DEMAND CHARGE) (\$/KW)
ISST1D	.28	.14
ISST1T	.28	.13
SST1T	.28	.13
SST1D1/SST1D2 /SST1D3	.28	.14

(KEITH)

5) STIPULATED ISSUES

FPL: None at this time.

6) PENDING MOTIONS

Motion for Temporary Protective Order dated March 11, 2009 to exempt from Section 119.07(1) confidential information contained in certain FPL documents responsive to OPC's Second Request for PODs No.6.

Motion for Temporary Protective Order to protect the hedging plan dated August 14, 2009 (DN 08006-09).

Motion for Temporary Protective Order dated September 28, 2009 to exempt from Section 119.07(1) certain confidential information included in FPL's response to Staff's Fifth Set of Interrogatories No. 48.

7) PENDING REQUESTS FOR CONFIDENTIALITY

Florida Power & Light Company's 1st Request for Extension of Confidential Classification of information provided pursuant to Staff's 8th Set of Interrogatories Nos. 70-76, DN 10039-06, dated January 23, 2009.

Florida Power & Light Company's Request for Confidential Classification of short term capacity payment information, DN 01913-09, dated March 9, 2009.

Florida Power & Light Company's Request for Confidential Classification of Information provided in response to Staff's 3rd Request for PODs, DN 02734-09, dated March 27, 2009.

Florida Power & Light Company's Request for Confidential Classification of fuel hedging information, DN 02948-09, dated April 3, 2009.

Florida Power & Light Company's 2nd Request for Extension of Confidential Classification of materials provided pursuant to Audit No. 05-031-4-1, Confidential DNs 03798-05, 03799-05, and 04083-05, dated April 29, 2009.

Florida Power & Light Company's 3rd Request for Extension of Confidential Classification of materials provided pursuant to Audit No. 02-044-4-1, for DNs 06362-02 and 06955-02, dated May 8, 2009.

Florida Power & Light Company's 2nd Request for Extension of Confidential Classification of materials provided pursuant to Audit No. 05-028-4-1, for DNs 04671-05, 04672-05, and 04864-05, dated May 28, 2009.

Florida Power & Light Company's 1st Request for Extension of Confidential Classification of materials provided pursuant to Audit No. 06-046-4-1, for DNs 04323-06, 04324-06, and 04629-06, dated May 28, 2009.

Florida Power & Light Company's 1st Request for Extension of Confidential classification of materials provided pursuant to Audit No. 06-045-4-1, for DNs 03638-06 and 04040-06, dated May 28, 2009.

Florida Power & Light Company's Request for Confidential Classification of information provided in DN 05482-09, pursuant to Audit Control No. 09-041-4-3, dated June 2, 2009.

Florida Power & Light Company's Request for Confidential Classification of information provided in DN 05485-09, pursuant to Audit Control No. 09-041-4-4, dated June 2, 2009.

Florida Power & Light Company's Supplement to Request for Confidential Classification of information provided pursuant to mid-course correction data Request Nos. 16 and 19, DNs 05113-08 and 05812-08, dated July 13, 2009.

Florida Power & Light Company's Request for Confidential Classification of certain information on 2010 risk management plan, of DN 08006-09, dated August 4, 2009.

Florida Power & Light Company's Request for Confidential Classification of certain information contained in the fuel hedging information report (Exhibit GJY-2), DN 08530-09, dated August 17, 2009.

Florida Power & Light Company's Request for Confidential Classification of short term capacity payment information provided in Schedule E12, of DN 08717-09, dated August 20, 2009.

Florida Power & Light Company's Request for Confidential Classification of information provided in response to Staff's 5th Set of Interrogatory No. 48, DN 09625-09, dated September 16, 2009.

Florida Power & Light Company's Request for Confidential Classification of information provided in response to Staff's 6th Set of Interrogatories No. 54, DN 09695-09, dated September 18, 2009.

Florida Power & Light Company's 1st request for extension of confidential classification of short term capacity payment and corporate security investigative report, DN 07968-07, dated September 23, 2009.

Florida Power & Light Company's Request for confidential classification of information provided in response to Staff's 7th Set of Interrogatories and 5th Request for Production Documents, DN 10211-09, dated October 2, 2009.

8) OBJECTIONS TO A WITNESS' QUALIFICATION AS AN EXPERT

FPL: None at this time.

9) STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

There are no requirements of the Order Establishing Procedure with which FPL cannot comply.

Respectfully submitted this 6th day of October, 2009.

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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic delivery on the 6th day of October, 2009, to the following:

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