

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery
clause with generating performance incentive
factor.

DOCKET NO. 090001-EI
ORDER NO. PSC-09-0795-FOF-EI
ISSUED: December 2, 2009

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman
LISA POLAK EDGAR
NANCY ARGENZIANO
NATHAN A. SKOP
DAVID E. KLEMENT

APPEARANCES:

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On behalf of Florida Public Utilities Company (FPU)

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On behalf of Gulf Power Company (Gulf)

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On behalf of Progress Energy Florida, Inc. (PEF)

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On behalf of the Florida Public Service Commission (Staff)

SAMANTHA CIBULA, ESQUIRE, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Advisor to the Florida Public Service Commission

FINAL ORDER APPROVING EXPENDITURES AND TRUE-UP AMOUNTS FOR FUEL
ADJUSTMENT FACTORS; GPIF TARGETS, RANGES, AND REWARDS; AND
PROJECTED EXPENDITURES AND TRUE-UP AMOUNTS FOR CAPACITY COST
RECOVERY FACTORS

BY THE COMMISSION:

As part of our continuing fuel and purchased power cost recovery and generating performance incentive factor proceedings, a hearing was held on November 2, 2009, in this docket. The hearing addressed the issues set out in Order No. PSC-09-0723-PHO-EI, issued October 30, 2009, in this docket (Prehearing Order). Several of the positions on these issues were not contested by the parties and were presented to us for approval without objections, but some contested issues remained for our consideration. As set forth fully below, we approve each of the uncontested positions presented. Our rulings on the remaining issues are discussed by separate Order.

We have 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.

I. GENERIC FUEL COST RECOVERY ISSUES

Shareholder Incentive Benchmarks

The actual benchmark levels for calendar year 2009 for gains on non-separated wholesale energy sales eligible for a shareholder incentive pursuant to Order No. PSC-00-1744-PAA-EI were uncontested by the parties. Our staff, after reviewing the testimony and exhibits, concurred with the utilities' positions. Accordingly, we approve the actual benchmark levels for calendar year 2009 as follows:

FPL:	\$18,328,381
Gulf:	\$2,416,709
PEF:	\$1,875,691
TECO:	\$1,077,446

The estimated benchmark levels for the calendar year 2010 for gains on non-separated wholesale energy sales eligible for a shareholder incentive pursuant to Order No. PSC-00-1744-PAA-EI were uncontested by the parties. Our staff, after reviewing the testimony and exhibits, concurred with the utilities' positions. Accordingly, we approve the estimated benchmark levels for calendar year 2010 as follows:

FPL:	\$16,160,850 subject to adjustments in the 2009 final true-up filing to include all actual data for the year 2009.
Gulf:	\$1,542,406.
PEF:	\$1,663,602.
TECO:	\$1,846,336.

II. COMPANY-SPECIFIC FUEL COST RECOVERY ISSUES

A. Florida Power & Light Company

Hedging Activities As Reported April 2009 and August 2009

FPL's actions to mitigate the price volatility of natural gas, residual oil and purchased power prices were reasonable and prudent. Our staff's discovery showed that FPL entered into hedge positions at market prices.

Our staff's discovery for this issue showed that FPL had swap contracts with Lehman Brothers Commodity Services, Inc. (LBCS), which declared bankruptcy on October 3, 2008. FPL terminated its hedging activities with LBCS. FPL provided information demonstrating that this bankruptcy did not result in a material effect on fuel costs.

Risk Management Plan for 2010

FPL's Risk Management Plan is consistent with the Hedging Guidelines.

B. Progress Energy Florida, Inc.

Hedging Activities for 2008 and for January through July 2009

PEF's actions to mitigate the price volatility of natural gas, residual oil and purchased power prices were reasonable and prudent. Our staff's discovery showed that PEF entered into hedge positions at market prices.

Risk Management Plan for 2010

PEF's Risk Management Plan is consistent with the Hedging Guidelines. Our staff's Hedging Activities Audit identified that, for the period August 1, 2008 to July 31, 2009, PEF exceeded the percentage range of volumes of natural gas and heavy fuel oil to be hedged as prescribed in the Risk Management Plan. PEF provided information showing that the reason the volumes hedged were above the range was due to lower generation requirements. The percentages hedged based on actual volumes burned remained below 100%.

C. Florida Public Utilities Company

Pursuit of Avenues to Protect Ratepayers from Increases in Fuel and Demand Charges

This issue is the subject of a separate order.

FPUC's Proposal to use Storm Hardening Revenue to Mitigate Increases

This issue is the subject of a separate order.

FPUC's Proposal to reduce the amount of fuel billed to the GSLD-1 class and apply that amount to bad debt

This issue will be considered in the 2010 Fuel and Capacity Cost Recovery docket.

D. Gulf Power Company

Hedging Activities As Reported April 2009 and August 2009

Gulf's actions to mitigate the price volatility of natural gas were reasonable and prudent. Our staff's discovery showed that Gulf entered into hedge positions at market prices.

Risk Management Plan for 2010

Gulf's Risk Management Plan is consistent with the Hedging Guidelines.

Gulf's Proposal to include the costs of the Perdido Facility in the fuel clause

This issue was withdrawn by Gulf.

E. Tampa Electric Company

Hedging Activities for 2008 and for January through July 2009

TECO's actions to mitigate the price volatility of natural gas and purchased power prices were reasonable and prudent. Our staff's discovery showed that TECO entered into hedge positions at market prices.

Our staff's discovery for this issue showed that TECO had swap contracts with Lehman Brothers Commodity Services, Inc. (LBCS), which declared bankruptcy on October 3, 2008. TECO terminated its hedging activities with LBCS. TECO provided information demonstrating that this bankruptcy did not result in a material effect on fuel costs.

Risk Management Plan for 2010

TECO's Risk Management Plan is consistent with the Hedging Guidelines. Our staff's Hedging Activities Audit identified that, for the period August 1, 2008 to July 31, 2009, TECO exceeded the percentage range of volumes of natural gas to be hedged as prescribed in the Risk Management Plan. TECO provided information showing that the reason the volume hedged was above the range was due to lower generation requirements. The percentage hedged based on actual volumes burned remained below 100%.

III. APPROPRIATE PROJECTIONS AND TRUE-UP AMOUNTS FOR FUEL COST RECOVERY FACTORS

PEF, FPL, and TECO presented evidence regarding the appropriate final fuel adjustment true-up for their company for 2008. Based on the testimony and exhibits in the record, and the stipulation, we approve the following as the appropriate final fuel adjustment true-up amounts for the period of January 2008 through December 2008, provided that the amount of purchased power subject to our review regarding FPL's February 26, 2008, power outage shall be held subject to refund:

FPL:	\$79,321,012 under-recovery
PEF:	\$870,658 over-recovery
TECO:	\$35,402,527 over-recovery

We will address this issue for FPUC and Gulf by separate order.

PEF, FPL, and TECO presented evidence regarding the appropriate estimated/actual fuel adjustment true-up amounts for their company for 2009. Based on the evidence in the record, and the stipulation, we approve the following as the appropriate estimated/actual fuel adjustment true-up amounts for the period of January 2009 through December 2009, provided that the amount of purchased power subject to our review regarding FPL's February 26, 2008 power outage shall be held subject to refund:

FPL: \$444,164,222 over-recovery
PEF: \$13,385,074 over-recovery
TECO: \$45,016,696 over-recovery

We will address this issue for FPUC and Gulf by separate order.

PEF, and TECO presented evidence regarding the appropriate fuel adjustment true-up amounts for their company for 2010. Based on the evidence in the record, and the stipulation, we approve the following as the appropriate fuel adjustment true-up amounts to be collected/refunded from January 2010 through December 2010:

PEF: \$14,255,732 to be refunded
TECO: \$45,016,697 to be refunded

We will address this issue for FPUC and Gulf by separate order. FPL also presented evidence regarding the appropriate fuel adjustment true-up amounts for its company for 2010. That amount is \$364,843,209 to be refunded. FPL shall refund the over-recovery of \$364,843,209 to its customers as a one-time credit in January 2010. We directed FPL to file new fuel factors for 2010, consistent with our Order directing the over-recovery to be refunded in January 2010. Our staff reviewed the new fuel factors, and found them to be consistent with our vote and accordingly, the new factors are included in this Order, provided further, however, that the amount of purchased power subject to our review regarding FPL's February 26, 2008, power outage shall be held subject to refund

We reviewed the testimony and exhibits in the record regarding all the utilities' appropriate revenue tax factors to be applied in calculating each investor-owned electric utility's levelized fuel factor. Based on the evidence in the record, and the stipulation, we approve the following as the appropriate revenue tax factors to be applied in calculating each electric IOU's levelized fuel factor for the period January 2010 through December 2010:

1.00072 for each investor-owned electric utility

PEF, FPL, and TECO presented evidence regarding the appropriate projected net fuel and purchased power cost recovery amounts to be included in the fuel cost recovery factors for the period January 2010 through December 2010. Having considered the evidence in the record, and the stipulation, we approve the following as the appropriate projected net fuel and purchased power cost recovery amounts to be included in the fuel cost recovery factors for the period

January 2010 through December 2010, provided that the amount of purchased power subject to our review regarding FPL's February 26, 2008 power outage shall be held subject to refund:

FPL: \$3,851,847,567 including prior period true-ups and revenue taxes. This dollar amount is before the adjustment discussed above requiring the over-recovery to be refunded in January 2010. Once the adjustment is made to remove the over-recovery from the fuel factors, the appropriate projected net fuel and purchased power cost recovery amount to be included in the fuel cost recovery factor for the period January 2010 through December 2010 is \$4,216,853,463.

PEF: \$1,787,669,943.

TECO: The projected net fuel and purchased power cost recovery amount to be included in the recovery factor for the period January 2010 through December 2010, adjusted by the jurisdictional separation factor, is \$907,801,607. The total recoverable fuel and purchased power cost recovery amount to be collected, including the true-up and GPIF and adjusted for the revenue tax factor, is \$864,645,124.

We will address this issue for FPUC and Gulf by separate order.

Based on the evidence in the record, and the resolution of the generic and company-specific fuel cost recovery issues discussed above, for FPL, PEF, and TECO, we approve the following as the appropriate levelized fuel cost recovery factors for the period January 2010 through December 2010:

FPL: Based upon our ruling above, FPL submitted levelized fuel cost recovery factors to our staff for administrative approval consistent with our Order. The administratively approved levelized fuel factor is 4.174 cents/kWh.
PEF: 4.917 cents/kWh
TECO: 4.509 cents/kWh before any application of time of use multipliers for on-peak or off-peak usage

We will address this issue for FPUC and Gulf by separate order.

For FPL, FPUC, Gulf, PEF, and TECO, based on the evidence in the record, and the stipulation, we approve the following as 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 (tables appear on the following pages):

FLORIDA POWER & LIGHT COMPANY

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

JANUARY 2010 – DECEMBER 2010

Group	Rate Schedule	Fuel Recovery Loss Multiplier
A	RS-1 first 1,000 kWh all additional kWh	1.00171 1.00171
A	GS-1, SL-2, GSCU-1, WIES-1	1.00171
A-1*	SL-1, OL-1, PL-1	1.00171
B	GSD-1	1.00166
C	GSLD-1 & CS-1	1.00078
D	GSLD-2, CS-2, OS-2, & MET	0.99330
E	GSLD-3 & CS-3	0.95872
A	RST-1, GST-1, ON-PEAK OFF PEAK	1.00171 1.00171
B	GSDT-1, CILC-1(G), ON-PEAK HLFT-1 (21-499kW) OFF-PEAK	1.00165 1.00165
C	GSLDT-1, CST-1 ON-PEAK HLFT-2 (500-1,999 kW) OFF-PEAK	1.00087 1.00087
D	GSLDT-2, CST-2 ON-PEAK HLFT-3 (2,000+) OFF-PEAK	0.99449 0.99449
E	GSLDT-3, CST-3, ON-PEAK CILC-1(T) OFF-PEAK & ISST-1(T)	0.95872 0.95872
F	CILC-1(D) & ON-PEAK ISST-1(D) OFF-PEAK	0.99371 0.99371

*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

Group	Otherwise Applicable Rate Schedule	Fuel Recovery Loss Multiplier
B	GSD(T)-1 On-Peak Off-Peak	1.00166 1.00166
C	GSLD(T)-1 On-Peak Off-Peak	1.00085 1.00085
D	GSLD(T)-2 On-Peak Off-Peak	0.99508 0.99508

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

FPU: Northwest Division: 1.0000 All Rate Schedules
 Northeast Division: 1.0000 All Rate Schedules

Gulf:

Group	Rate Schedules	Line Loss Multipliers
A	RS, RSVP, GS, GSD, GSDT, GSTOU, OSIII, SBS(1)	1.00526
B	LP, LPT, SBS(2)	0.98890
C	PX, PXT, RTP, SBS(3)	0.98063
D	OSI/II	1.00529
(1) Includes SBS customers with a contract demand in the range of 100 to 499 KW		
(2) Includes SBS customers with a contract demand in the range of 500 to 7,499 KW		
(3) (3)Includes SBS customers with a contract demand over 7,499 KW		

PEF:

Group	Delivery Voltage Level	Line Loss Multiplier
A.	Transmission	0.9800
B.	Distribution Primary	0.9900
C.	Distribution Secondary	1.0000
D.	Lighting Service	1.0000

TECO: The appropriate fuel recovery line loss multipliers are as follows:

<u>Metering Voltage Schedule</u>	<u>Line Loss Multiplier</u>
Distribution Secondary	1.0000
Distribution Primary	0.9900
Transmission	0.9800
Lighting Service	1.0000

For FPL, PEF, and TECO, based on the evidence in the record, the stipulation, our direction to FPL to refund the over-recovery in January 2010, and the resolution of the generic and company-specific fuel cost recovery issues discussed above, we approve the following as the appropriate fuel recovery factors for each rate class/delivery voltage level class adjusted for line losses. Based upon our direction, FPL submitted new levelized fuel cost recovery factors to our staff for approval. The corrected factors were provided to our staff and are consistent with our direction and accordingly are included in this Order. The fuel recovery factors for each rate

class/delivery voltage level class adjusted for line losses are listed below (tables appear on the following pages):

FPL:

FLORIDA POWER & LIGHT COMPANY

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

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	4.174 4.174	1.00171 1.00171	3.857 4.857
A	GS-1, SL-2, GSCU-1, WIES-1	4.174	1.00171	4.181
A-1*	SL-1, OL-1, PL-1	4.065	1.00171	4.072
B	GSD-1	4.174	1.00166	4.181
C	GSLD-1 & CS-1	4.174	1.00078	4.177
D	GSLD-2, CS-2, OS-2, & MET	4.174	0.99330	4.146
E	GSLD-3 & CS-3	4.174	0.95872	4.002
A	RST-1, GST-1, ON-PEAK OFF PEAK	4.666 3.951	1.00171 1.00171	4.674 3.958
B	GSDT-1, CILC-1(G), ON-PEAK HLFT-1 (21-499kW) OFF-PEAK	4.666 3.951	1.00165 1.00165	4.674 3.958
C	GSLDT-1, CST-1 ON-PEAK HLFT-2 (500-1,999 kW) OFF-PEAK	4.666 3.951	1.00087 1.00087	4.670 3.954
D	GSLDT-2, CST-2 ON-PEAK HLFT-3 (2,000+) OFF-PEAK	4.666 3.951	0.99449 0.99449	4.641 3.929
E	GSLDT-3, CST-3, ON-PEAK CILC-1(T) OFF-PEAK & ISST-1(T)	4.666 3.951	0.95872 0.95872	4.474 3.788
F	CILC-1(D) & ON-PEAK ISST-1(D) OFF-PEAK	4.666 3.951	0.99371 0.99371	4.637 3.926

*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	4.756	1.00166	4.764
		Off-Peak	3.989	1.00166	3.996
C	GSLD(T)-1	On-Peak	4.756	1.00085	4.760
		Off-Peak	3.989	1.00085	3.993
D	GSLD(T)-2	On-Peak	4.756	0.99508	4.733
		Off-Peak	3.989	0.99508	3.970

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

PEF:

Fuel Cost Factors (cents/kWh)						
Group	Delivery Voltage Level	First Tier Factor	Second Tier Factors	Levelized Factors	Time of Use	
					On-Peak	Off-Peak
A	Transmission	--	--	4.825	6.929	3.812
B	Distribution Primary	--	--	4.874	6.999	3.850
C	Distribution Secondary	4.611	5.611	4.923	7.069	3.889
D	Lighting	--	--	4.484	--	--

TECO:

<u>Metering Voltage Level</u>	<u>Fuel Charge</u>	
	<u>Factor (cents per kWh)</u>	
Secondary	4.517	
Tier I (Up to 1,000 kWh)	4.167	
Tier II (Over 1,000 kWh)	5.167	
Distribution Primary	4.472	
Transmission	4.427	
Lighting Service	4.383	
Distribution Secondary	5.407	(on-peak)
	4.173	(off-peak)
Distribution Primary	5.353	(on-peak)
	4.131	(off-peak)
Transmission	5.299	(on-peak)
	4.090	(off-peak)

We will address this issue for FPUC and Gulf by separate order.

IV. GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

We find that 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 shall be as follows:

FPL:	\$11,464,340 reward
Gulf:	\$113,177 reward
PEF:	\$531,150 penalty
TECO:	\$1,239,000 reward

Additionally, we find that the GPIF targets/ranges for the period January 2010 through December 2010 for each investor-owned electric utility, subject to the GPIF, shall be as follows (tables appear on the following pages):

FPL:

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

Gulf:

Unit	EAF	POF	EUOF	Heat Rate
Crist 4	89.4	8.2	2.4	10,837
Crist 5	96.3	0.0	3.7	10,777
Crist 6	92.5	0.0	7.5	10,910
Crist 7	87.6	0.0	12.4	10,656
Smith 1	95.8	0.0	4.2	10,300
Smith 2	89.9	6.3	3.8	10,345
Daniel 1	77.7	17.2	5.0	10,415 ⁽¹⁾
Daniel 2	87.8	5.8	6.4	10,231

(1) Gulf has revised the target heat rate for Daniel 1 to reflect the appropriate level of rounding precision. Note: the value contained in Gulf's petition was 10,414.

EAF = Equivalent Availability Factor (%)
POF = Planned Outage Factor (%)
EUOF = Equivalent Unplanned Outage Factor (%)

PEF:

Original Sheet No. 7.103.1

Plant/Unit	Weighting Factor (%)	EAF Target (%)	EAF RANGE		Max. Fuel Savings (\$000)	Max. Fuel Loss (\$000)
			Max. (%)	Min. (%)		
Anclore 1	0.52	94.31	95.70	91.42	356	(1,875)
Anclore 2	1.06	85.22	86.76	82.11	732	(2,561)
Crystal River 1	2.61	86.33	91.54	76.01	1,802	(9,293)
Crystal River 2	1.83	85.46	88.68	78.90	1,264	(9,563)
Crystal River 3	4.54	97.45	98.66	94.95	3,133	(7,955)
Crystal River 4	0.99	72.43	74.57	68.07	686	(9,771)
Crystal River 5	1.56	90.30	92.80	85.16	1,077	(10,570)
Hines 1	1.81	84.39	86.70	79.76	1,250	(7,024)
Hines 2	2.14	85.56	87.13	82.31	1,481	(3,060)
Hines 3	2.18	87.81	89.43	84.45	1,503	(3,371)
Hines 4	1.28	85.92	87.77	82.17	884	(2,325)
Tiger Bay	0.41	78.14	85.31	63.97	282	(2,577)
GPIF System	20.93				14,448	(69,944)

Plant/Unit	Weighting Factor (%)	ANOHR Target (BTU/KWH)	NOF	ANOHR RANGE		Max. Fuel Savings (\$000)	Max. Fuel Loss (\$000)
				Min. (BTU/KWH)	Max. (BTU/KWH)		
Anclore 1	5.99	11,384	24.3	11,204	11,564	4,139	(4,139)
Anclore 2	4.14	11,210	22.8	10,573	11,847	2,862	(2,862)
Crystal River 1	3.77	10,449	62.0	10,096	10,801	2,603	(2,603)
Crystal River 2	3.62	10,190	60.0	9,859	10,522	2,501	(2,501)
Crystal River 3	5.36	10,298	98.8	10,158	10,438	3,698	(3,698)
Crystal River 4	7.60	10,311	80.1	9,897	10,726	5,248	(5,248)
Crystal River 5	5.65	10,162	86.2	9,934	10,389	3,899	(3,899)
Hines 1	9.94	7,746	68.8	7,135	8,358	6,865	(6,865)
Hines 2	9.33	7,005	74.7	6,595	7,414	6,443	(6,443)
Hines 3	12.10	7,234	76.8	6,724	7,744	8,351	(8,351)
Hines 4	8.91	7,109	78.8	6,757	7,462	6,152	(6,152)
Tiger Bay	2.66	8,055	77.2	7,608	8,501	1,834	(1,834)
GPIF System	79.07					54,594	(54,594)

TECO:

ORIGINAL SHEET NO. 8.401.10E
 PAGE 4 OF 40

**TAMPA ELECTRIC COMPANY
 GPIF TARGET AND RANGE SUMMARY
 JANUARY 2010 - DECEMBER 2010**

EQUIVALENT AVAILABILITY

<u>PLANT / UNIT</u>	<u>WEIGHTING FACTOR (%)</u>	<u>EAF TARGET (%)</u>	<u>EAF RANGE</u>		<u>MAX. FUEL SAVINGS (\$000)</u>	<u>MAX. FUEL LOSS (\$000)</u>
			<u>MAX. (%)</u>	<u>MIN. (%)</u>		
BIG BEND 1	11.06%	54.4	59.5	44.2	3,719.8	(7,408.0)
BIG BEND 2	14.98%	67.6	73.4	55.9	5,031.6	(10,517.0)
BIG BEND 3	5.57%	77.0	80.3	70.3	1,872.3	(5,522.4)
BIG BEND 4	9.99%	68.2	73.1	61.5	3,361.3	(6,152.1)
POLK 1	3.49%	84.9	87.4	80.0	1,173.9	(2,348.5)
BAYSIDE 1	0.17%	95.6	95.9	94.9	58.2	(54.0)
BAYSIDE 2	0.36%	95.6	95.9	95.0	122.6	(235.3)
GPIF SYSTEM	45.60%					

AVERAGE NET OPERATING HEAT RATE

<u>PLANT / UNIT</u>	<u>WEIGHTING FACTOR (%)</u>	<u>ANOHR Btu/kwh</u>	<u>TARGET NOF</u>	<u>ANOHR RANGE</u>		<u>MAX. FUEL SAVINGS (\$000)</u>	<u>MAX. FUEL LOSS (\$000)</u>
				<u>MIN.</u>	<u>MAX.</u>		
BIG BEND 1	5.58%	10,785	89.9	10,428	11,145	1,877.3	(1,877.3)
BIG BEND 2	5.98%	10,481	92.5	10,176	10,787	2,011.5	(2,011.5)
BIG BEND 3	5.42%	10,627	88.2	10,365	10,889	1,824.5	(1,824.5)
BIG BEND 4	8.10%	10,661	88.5	10,230	11,092	3,080.1	(3,080.1)
POLK 1	10.79%	10,375	89.4	9,848	11,102	3,631.3	(3,631.3)
BAYSIDE 1	11.17%	7,250	78.9	7,125	7,376	3,758.6	(3,758.6)
BAYSIDE 2	6.36%	7,409	70.0	7,326	7,493	2,138.2	(2,138.2)
GPIF SYSTEM	54.40%						

V. COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

A. Florida Power & Light Company

Based on our consideration of the testimony and exhibits in the record, and stipulation, we find that pursuant to our decision in Docket No. 090009-EI, FPL has included the nuclear cost recovery amount of \$62,676,366 in its 2010 Capacity Clause factors, as we ordered.

B. Progress Energy Florida, Inc.

Based on our consideration of the testimony and exhibits in the record, and stipulation, we find that pursuant to our decision in Docket No. 090009-EI, PEF has included the nuclear cost recovery amount of \$207,056,700 (including revenue tax) in its 2010 Capacity Clause factors, as we ordered.

VI. APPROPRIATE PROJECTED EXPENDITURES AND TRUE-UP AMOUNTS FOR CAPACITY COST RECOVERY FACTORS

Our staff and the utilities concurred as to the final capacity cost recovery true-up amounts for 2008. Based on the evidence in the record, we approve the following final capacity cost recovery true-up amounts for the period January 2008 through December 2008:

FPL:	\$14,920,089 under-recovery
Gulf:	\$680,158 over-recovery
PEF:	\$2,529,653 over-recovery
TECO:	\$8,525,166 under-recovery

Our staff and the utilities concurred as to the estimated/actual capacity cost recovery true-up amounts for 2009. Based on the evidence in the record, we approve the following estimated/actual capacity cost recovery true-up amounts for the period January 2009 through December 2009:

FPL:	\$56,156,955 under-recovery (\$55,988,146 under-recovery, plus the Turkey Point Unit 5 GBRA true-up adjustment of \$168,809 that will be subject to audit.)
Gulf:	\$1,787,568 under-recovery
PEF:	\$59,791,815 under-recovery
TECO:	\$20,092,934 under-recovery

Our staff and the utilities concurred as to the total capacity cost recovery true-up amounts for 2010. Based on the evidence in the record, we approve the following total capacity cost recovery true-up amounts to be collected/refunded during the period January 2010 through December 2010:

FPL:	\$71,077,044 under-recovery
Gulf:	\$1,107,410 under-recovery
PEF:	\$57,262,162 under-recovery
TECO:	\$28,618,100 under-recovery

Having considered the testimony and exhibits in the record, and the stipulation, we approve the following projected net purchased power and cost recovery amounts to be included in the recovery factor for the period January 2010 through December 2010:

FPL: \$576,771,931
Gulf: \$48,127,856
PEF: \$604,487,612
TECO: The purchased power capacity cost recovery amount to be included in the recovery factor for the period January 2010 through December 2010, adjusted by the jurisdictional separation factor, is \$61,632,996. The total recoverable capacity cost recovery amount to be collected, including the true-up amount and adjusted for the revenue tax factor, is \$90,316,077.

Having considered the testimony and exhibits in the record, and the stipulation, we approve the following jurisdictional separation factors to be applied to determine the capacity costs to be recovered during the period January 2010 through December 2010:

FPL: FPSC 99.09578%
FERC 0.90422%
Gulf: 96.42160%
PEF: Base - 91.669%, Intermediate – 59.352%, Peaking – 91.716%
TECO: The appropriate jurisdictional separation factor is 0.9639735.

Having considered the evidence in the record, and the stipulation, we approve the following projected capacity cost recovery factors for each rate class/delivery class for the period January 2010 through December 2010:

Rate Schedule	Capacity Recovery Factor (\$/kw)	Capacity Recovery Factor (\$/kwh)
RS1/RST1	-	.00621
GS1/GST1/WIES1	-	.00612
GSD1/GSDT1/HLFT1(21-499 kW)	1.93	-
OS2	-	.00642
GSLD1/GSLDT1/CS1/CST1/HLFT2(500-1,999 kW)	2.31	-
GSLD2/GSLDT2/CS2/CST2/HLFT3(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

FPL (continued):

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

Gulf:

RATE CLASS	CAPACITY COST RECOVERY FACTORS ¢/KWH
RS, RSVP	0.502
GS	0.460
GSD, GSDT, GSTOU	0.392
LP, LPT	0.339
PX, PXT, RTP, SBS	0.284
OS-I/II	0.118
OSIII	0.306

PEF: Using 12CP and 1/13AD method, the cost recovery factors are as follows:

<u>Rate Class</u>	<u>CCR Factor</u>
Residential	2.041 cents/kWh
General Service Non-Demand	1.488 cents/kWh
@ Primary Voltage	1.473 cents/kWh
@ Transmission Voltage	1.458 cents/kWh
General Service 100% Load Factor	1.074 cents/kWh
General Service Demand	1.326 cents/kWh
@ Primary Voltage	1.313 cents/kWh
@ Transmission Voltage	1.299 cents/kWh
Curtaillable	1.170 cents/kWh
@ Primary Voltage	1.158 cents/kWh
@ Transmission Voltage	1.147 cents/kWh
Interruptible	1.069 cents/kWh
@ Primary Voltage	1.058 cents/kWh
@ Transmission Voltage	1.048 cents/kWh
Lighting	0.312 cents/kWh

TECO: The appropriate factors for January 2010 through December 2010 are as follows:

<u>Rate Class and Metering Voltage</u>	<u>Capacity Cost Recovery Factor</u>	
	<u>Cents per kWh</u>	<u>Dollars per kW</u>
RS Secondary	0.539	
GS and TS Secondary	0.526	
GSD, SBF Standard Secondary		1.74
Primary		1.72
Transmission		1.71
GSD Optional Secondary	0.419	
Primary	0.414	
IS, SBI Primary		1.55
Transmission		1.54
LS1 Secondary	0.158	

VII. OTHER MATTERS

For each utility, FPL, FPUC, Gulf, PEF, and TECO, we find that the new fuel and capacity factors shall be effective beginning with the first billing cycle for January 2010 and thereafter through the last billing cycle for December 2010. The first billing cycle may start before January 1, 2010, and the last cycle may be read after December 31, 2010, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the findings set forth in the body of this Order are hereby approved. It is further

ORDERED that Florida Power & Light Company, Progress Energy Florida, Inc., and Tampa Electric Company, are hereby authorized to apply the fuel cost recovery factors set forth herein during the period January 2010 through December 2010. It is further

ORDERED that Florida Power & Light Company shall refund the 2009 under-recovery amount of \$364,843,209 to its customers in January 2010. It is further

ORDERED the estimated true-up amounts contained in the fuel cost recovery factors approved herein are hereby authorized subject to final true-up and further subject to proof of the reasonableness and prudence of the expenditures upon which the amounts are based. It is further

ORDERED that Florida Power & Light Company, Progress Energy Florida, Inc., Gulf Power Company, and Tampa Electric Company are hereby authorized to apply the capacity cost recovery factors as set forth herein during the period January 2010 through December 2010. It is further

ORDERED that the estimated true-up amounts contained in the capacity cost recovery factors approved herein are hereby authorized subject to final true-up and further subject to proof of the reasonableness and prudence of the expenditures upon which the amounts are based.

By ORDER of the Florida Public Service Commission this 2nd day of December, 2009.



ANN COLE
Commission Clerk

(S E A L)

LCB/ELS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.