

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: January 27, 2010

TO: Ann Cole, Commission Clerk, Office of Commission Clerk
Dorothy E. Menasco, Chief Deputy Commission Clerk, Office of Commission Clerk

FROM: Anna R. Williams, Attorney, Office of the General Counsel *ARW*

RE: Docket Nos. 080677-EI and 090130-EI

Please include the attached data request responses in the record (i.e. document numbered) in Docket Nos. 080677-EI and 090130-EI. Thank you.

DOCUMENT NUMBER-DATE
00624 JAN 27 0
FPSC-COMMISSION CLERK



John T. Butler
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(561) 304-5639
(561) 691-7135 (Facsimile)

January 26, 2010

VIA HAND DELIVERY

Ms. Ann Cole
Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
Betty Easley Conference Center
2540 Shumard Oak Boulevard, Room 110
Tallahassee, FL 32399-0850

Re: Docket No. 080677-EI and Docket No. 090130-EI

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Power & Light Company are the original and five (5) copies of its responses to Staff's Data Requests dated January 20, 2010.

The same questions were posed by Staff in a set of interrogatory requests, titled "Staff's Sixteenth Set of Interrogatories to Florida Power & Light Company (Nos. 282-287)" also dated January 20, 2010. Because the questions are the same, FPL's answers to both sets of discovery are the same. FPL is enclosing herewith six (6) copies of its affidavits attesting to the interrogatory answers. FPL is also enclosing the original and seven (7) copies of the notice of serving responses to the interrogatories and data requests.

Please contact me if you or your Staff has any questions regarding this filing.

Sincerely,

A handwritten signature in black ink, appearing to read 'John T. Butler', is written over a printed name.

John T. Butler

Enclosures

cc: Parties of Record

DOCUMENT NUMBER-DATE

00624 JAN 27 0

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by)
Florida Power & Light Company)

Docket No: 080677-EI

In re: 2009 depreciation and dismantlement)
study by Florida Power & Light Company)

Docket No. 090130-EI
Served: January 26, 2010

**FLORIDA POWER & LIGHT COMPANY'S RESPONSES TO THE
STAFF OF THE FLORIDA PUBLIC SERVICE COMMISSION'S
SIXTEENTH SET OF INTERROGATORIES (NOS. 282-287)
AND DATA REQUESTS DATED JANUARY 20, 2010**

Florida Power & Light Company ("FPL"), pursuant to Rule 1.340, Florida Rules of Civil Procedure, Rule 28-106.206, Florida Administrative Code, and Order No. PSC-09-0159-PCO-EI dated March 20, 2009, submits the following responses to the Staff of the Florida Public Service Commission's ("Staff's") Sixteenth Set of Interrogatories (Nos. 282-287). The same questions were posed by Staff in a set of data requests dated January 20, 2010. Because the questions are the same, FPL is providing one set of responses.


1. Discovery concluded in Docket No. 080677-EI and Docket No. 090130-EI on August 21, 2009. *See* Order No. PSC-09-0159-PCO-EI, p. 3. FPL's responses are without waiver of any objections, including but not limited to an objection for untimeliness.

2. Attached hereto are FPL's answers together with the affidavits of the persons providing said answers.

Respectfully submitted this 26th day of January, 2010.

R. Wade Litchfield, Vice President of
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By:



John T. Butler
Fla. Bar No. 283479

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished electronically and by United States Mail this 26th day of January, 2010, to the following:

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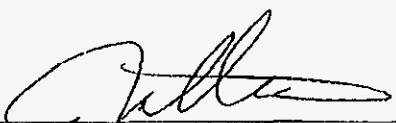
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By: 
John T. Butler
Fla. Bar No. 283479

Data Request No. 1/ Interrogatory No. 282 - At the January 13, 2010, Special Agenda, the Commission approved the recovery of net costs associated with the Riviera and Cape Canaveral steam plants based on Company planning for the near-term retirement and modernization of these plants. The recovery of these associated costs was provided by using \$44.9 million of the calculated reserve surplus. In a January 13, 2010, press release, the Company stated that it was immediately suspending activities on the modernization of the Riviera and Cape Canaveral plants.

Please explain or describe the exact meaning of the Company's statement that activities on modernizing Riviera and Cape Canaveral are suspended. Please include in your response whether the modernization of these plants has been canceled or simply delayed.

A. FPL's suspension of the Riviera and Cape Canaveral modernization projects means that work on the projects is currently suspended, not that the projects have been cancelled. FPL still would like to complete the projects, however, this suspension is necessary to allow FPL to thoroughly evaluate the impact of the outcome of this base rate proceeding on FPL's ability to finance the modernizations and other projects. FPL will be assessing equity investors' reactions and is planning a series of meetings with credit rating agencies over the next 60 to 90 days that we expect will provide greater clarity as to FPL's continued access to capital markets on reasonable terms.

These are significant projects that we ultimately hope to build and operate, but the decision to suspend them was made in response to the negative impact of the rate decision on FPL's creditworthiness and its ability to attract capital. Obviously, preserving FPL's credit rating is important for keeping customer rates low. Our efforts to offset the negative impact of the rate decision on FPL's credit worthiness will necessarily involve reductions in capital spending. As a result, we are reviewing our entire capital expenditure program to determine what changes we should make to our current capital plans.

A complete assessment of equity investor and credit rating agency reactions to the outcome of the base rate case and its impact on FPL's ability to access capital markets on reasonable terms will enable FPL to determine whether and when work could resume on the Riviera and Cape Canaveral modernization projects. If the work suspension is not lengthy, it is possible that the projects could be completed without significant impact on their in-service schedules.

Data Request No. 2/ Interrogatory No. 283 - Please explain or describe whether suspending activities on the modernization of the Riviera and Cape Canaveral plants includes not retiring these plants from service as indicated in FPL's depreciation study. If your explanation is affirmative, please explain and describe the current planning for these plants. Please include in your response any new retirement dates for both Riviera and Cape Canaveral.

A. As discussed in FPL's response to data request number 1, it has not yet been determined whether the suspension of the activities regarding the Riviera and Cape Canaveral modernization projects will materially impact their scheduled in-service dates. Accordingly, FPL cannot project at this point that the suspension will impact the retirement dates for the existing Riviera and Cape Canaveral plants that were used in FPL's depreciation study filed in Docket No. 090130-EI and consolidated with Docket No. 080677-EI.

Data Request No. 3/ Interrogatory No. 284 - If Riviera and Cape Canaveral are no longer planned for near-term retirement and modernization as combined-cycle plants, please explain and describe how, if at all, this affects the construction of and the need for the West County Energy Center Units.

A. See the responses to Data Requests 1 and 2 above. FPL cannot project at this time the effect -- if any - that the work suspension on the modernization projects will have on FPL's resource plan, in general, nor on the schedule for retiring the existing Riviera and Cape Canaveral plants. Therefore, FPL's resource plan continues appropriately to reflect the schedule for retiring the existing Cape Canaveral and Riviera plants consistent with FPL's depreciation study and for completing the Cape Canaveral and Riviera modernization projects in 2013 and 2014, respectively.

West County Energy Center (WCEC) Units 1 and 2 have been in service since 2009, and they were an integral and necessary part of FPL's ability to effectively meet its customers' needs during the recent peak in demand in early 2010. WCEC Unit 3 has been under construction since February of 2009, and is scheduled to be placed in service by June 1, 2011. Neither the suspension of work on the modernizations, nor any future decision regarding those modernizations will diminish the benefits that the three WCEC units will provide to FPL's customers, irrespective of the modernization projects.

Data Request No. 4/ Interrogatory No. 285 - If Riviera and Cape Canaveral are no longer planned for near-term retirement, will FPL be seeking a reconsideration of the revenue requirements and depreciation rates set in this docket? Please explain why or why not and when FPL expects to file?

A. For the reasons discussed in the responses to the preceding questions, it would be premature at this point to reassess any potential impact on depreciation rates because we cannot project any material changes in retirement dates at this time.

Data Request No. 5/ Interrogatory No. 286 - Please identify the revenue requirement effect of the Commission's decision to use the reserve surplus to offset the \$44.9 million reserve deficit associated with the near-term retirement of Riviera and Cape Canaveral.

A. The effect of the Commission's decision to utilize the reserve surplus to offset the \$44.9 million in reserve deficits related to Cape Canaveral and Riviera plants near-term retirements was to eliminate any revenue requirements associated with these units.

Data Request No. 6/ Interrogatory No. 287 - Please provide the expected reserve margins for each of the years 2011 through 2020 recognizing your plans to suspend modernization activities at Riviera and Cape Canaveral.

A. For the reasons discussed in the responses to the preceding questions, FPL's resource plan continues to reflect in-service dates for the modernized Cape Canaveral and Riviera plants in June of 2013 and June of 2014, respectively, as originally projected.

FPL's currently projected summer reserve margins for 2011 through 2020 are as follows:

Year	Currently Projected ⁽¹⁾ Summer Reserve Margin (% of Firm Projected Peak)
2011	28.0
2012	26.3
2013	32.1
2014	30.9
2015	28.2
2016	21.2
2017	20.3
2018	21.9
2019	20.6
2020	21.0

(1) These projected reserve margins differ from those in FPL's 2009 Ten Year Site Plan filed in April 2009 primarily in that they reflect (i) the recent DSM Goals for 2010 - 2019 set by the FPSC, and (ii) an updated plan for placing some of FPL's older generating units in Inactive Reserve.

AFFIDAVIT

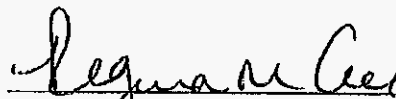


Rene Silva

State of Florida)
County of Miami-Dade)

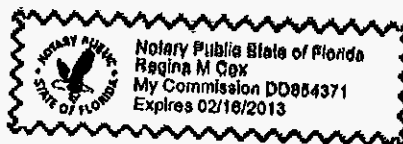
I hereby certify that on this 25th day of January, 2010, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared **Rene Silva**, who is personally known to me, and he acknowledged before me that he sponsored the answers to Interrogatory Nos. 282, 284 & 287 from Staff's 16th Set of Interrogatories to Florida Power & Light Company in Docket No. 080677-EI, and Staff's January 20, 2010 Data Request Nos. 1, 3 & 6 to Florida Power & Light Company in Docket Nos. 080677-EI and 090130-EI, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 25th day of January, 2010.

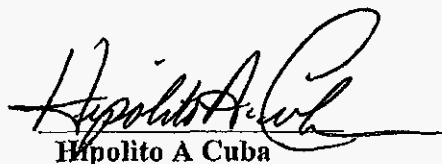


Notary Public, State of Florida

Notary Stamp:



AFFIDAVIT


Hipolito A Cuba

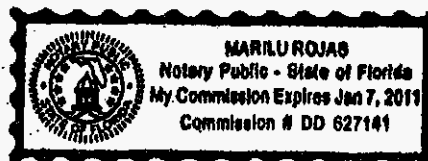
State of Florida)
County of Miami-Dade)

I hereby certify that on this 25th day of January, 2010, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared **Hipolito A Cuba** who is personally known to me, and he acknowledged before me that he sponsored the answers to Interrogatory Nos. 283, 285 & 286 from Staff's 16th Set of Interrogatories to Florida Power & Light Company in Docket No. 080677-EI, and Staff's January 20, 2010 Data Request Nos. 2, 4 & 5 to Florida Power & Light Company in Docket Nos. 080677-EI and 090130-EI, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 25th day of January, 2010.


Notary Public, State of Florida

Notary Stamp:



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by)
Florida Power & Light Company)

Docket No: 080677-EI

In re: 2009 depreciation and dismantlement)
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Docket No. 090130-EI
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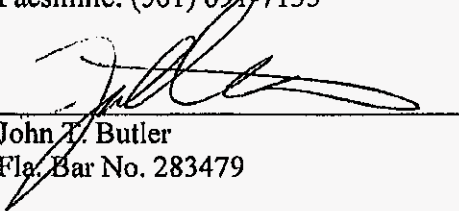
**FLORIDA POWER & LIGHT COMPANY'S NOTICE OF SERVICE OF
RESPONSES TO THE STAFF OF THE FLORIDA PUBLIC SERVICE COMMISSION'S
SIXTEENTH SET OF INTERROGATORIES (NOS. 282-287)
AND DATA REQUESTS DATED JANUARY 20, 2010**

Florida Power & Light Company hereby gives notice of service of its responses to the Staff of the Florida Public Service Commission's Sixteenth Set of Interrogatories (Nos. 282-287) and Data Requests dated January 20, 2009 to Lisa Bennett.

Respectfully submitted this 26th day of January, 2010.

R. Wade Litchfield, Vice President of
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John T. Butler, Managing Attorney
Jessica A. Cano, Attorney
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By: _____


John T. Butler
Fla. Bar No. 283479

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished electronically and by United States Mail this 26th day of January, 2010, to the following:

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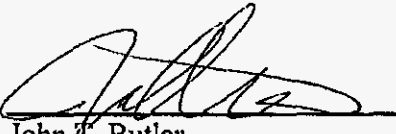
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