

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: March 23, 2010
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Lisa C. Bennett, Senior Attorney, Office of the General Counsel *LCB*
RE: Docket No. 090505-EI - Review of replacement fuel costs associated with the February 26, 2008 outage on Florida Power & Light's electrical system.

Please place the attached letter in the above-referenced docket file. Thank you.

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FPSC-COMMISSION CLERK



John T. Butler
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March 22, 2010

- VIA ELECTRONIC DELIVERY -

Lisa Bennett, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, Florida 32399-0850

Re: Docket No. 009505-EI

Dear Ms. Bennett:

I am writing on behalf of Florida Power & Light Company ("FPL") in response to a question raised by Commissioner Skop during the hearing in this docket last week. He pointed to provisions in the October 8, 2009, FERC order approving the Stipulation and Consent Agreement (the "Stipulation") for alleged violations of reliability standards in connection with the February 26, 2008 transmission outage, pursuant to which FPL committed to spend \$5 million within three years of the effective date of the Stipulation to further enhance the reliability of FPL's portion of the bulk electric system, subject to FERC staff and NERC staff approval. Commissioner Skop asked whether all of that amount will be spent on enhancements to FPL transmission facilities located in Florida. He directed the Commission Staff to follow up with FPL, so I am sending you this response.

I have confirmed that FPL intends to fulfill the foregoing commitment by implementing projects in 2011-2012 to install independent redundant relay protection and secondary DC systems at four FPL transmission substations. All of those substations are located in Florida. Consistent with the Stipulation, none of the costs for those substation upgrades will be included in FPL's rate base or otherwise recovered through rates.

Sincerely,

/s/John T. Butler

John T. Butler

Cc: Counsel for parties of record

DOCUMENT NUMBER-DATE

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CERTIFICATE OF SERVICE
Docket No. 090505-EI

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