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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 100001-EI Filed: October 1, 2010

COMMISSION CLERK

FLORIDA POWER & LIGHT COMPANY'S MOTION FOR LEAVE TO FILE SUPPLEMENTAL PETITION FOR APPROVAL OF LEVELIZED FUEL COST RECOVERY FACTORS AND CAPACITY COST RECOVERY FACTORS FOR JANUARY 2011 THROUGH DECEMBER 2011, SUPPLEMENTAL PETITION FOR APPROVAL OF GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) TARGETS FOR JANUARY 2011 THROUGH DECEMBER 2011, REVISED GPIF TARGETS FOR JANUARY 2010 THROUGH DECEMBER 2010 AND REVISED GPIF REWARD FOR JANUARY 2009 THROUGH DECEMBER 2009, AND SUPPLEMENTAL TESTIMONY AND EXHIBITS OF T.J. KEITH, G. J. YUPP AND C.A. PRIORE III

Florida Power & Light Company ("FPL"), pursuant to Rule 28-106.204, F.A.C., hereby moves for leave to file the attached supplemental petition of Florida Power & Light Company for approval of levelized fuel cost recovery and capacity cost recovery charges (the "Supplemental FCR/CCR Petition"), supplemental petition for approval of generating performance incentive factor targets and rewards (the "Supplemental GPIF Petition") and supplemental direct testimony and exhibits of T. J. Keith, G. J. Yupp and C.A. Priore III (the "Supplemental Testimony"). In support of its motion, FPL states as follows:

1. On September 1, 2010, FPL filed a petition for approval of, inter alia, levelized fuel cost recovery ("FCR") and capacity cost recovery ("CCR") charges for January 2011 through December 2011 (the "September 1 FCR/CCR Petition"). The September 1 FCR/CCR

Petition also sought approval for revised 2010 estimated/actual FCR and CCR true-up under-recoveries. The revised estimated/actual true-ups reflected in the September 1 FCR/CCR Petition were based on actual data for January through July 2010 and estimates for August

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through December 2010. FPL also filed on September 1, 2010 a petition for approval of, *inter alia*, generating performance incentive factor (“GPIF”) targets for January 2011 through December 2011 (the “September 1 GPIF Petition”).

2. The 2011 FCR and CCR projections and 2010 estimated/actual true-ups for which the September 1 FCR/CCR Petition sought approval and the weighting factors for the 2011 GPIF targets for which the September 1 GPIF Petition sought approval were based on fuel price projections for the remainder of 2010 and for 2011 as of August 2, 2010, the most current information that could be accommodated in that filing. Subsequently, the fuel price projections for natural gas have declined substantially. FPL has re-calculated its 2011 FCR and CCR charges and 2010 estimated/actual true-ups based on fuel price projections as of September 21, 2010. FPL also has included one more month (August) of actual results in its calculation of the 2010 estimated/actual FCR and CCR true-ups. In addition, the changes in projected 2011 fuel prices have changed the projected 2011 fuel savings associated with West County Energy Center Unit 3 (“WCEC-3”), which is the measure of WCEC-3 non-fuel revenue requirements that FPL will be entitled to recover through the CCR clause if the Stipulation and Settlement filed in Docket No. 080677-EI is approved by the Commission. The Supplemental FCR/CCR Petition seeks approval of the re-calculated 2011 FCR and CCR charges and 2010 estimated/actual true-ups as well as re-calculated WCEC-3 fuel savings, in lieu of those presented in the September 1 FCR/CCR Petition. Similarly, the changes in projected 2011 fuel prices have affected the projected fuel savings for the GPIF units and hence the weighting factors for FPL’s 2011 GPIF targets. The Supplemental GPIF Petition seeks approval of the re-calculated weighting factors. The Supplemental Testimony supports all of these changes.

3. In Order No. 13694 in Docket No. 840001-EI, dated September 20, 1984, the Commission stated that:

[A]ll regulated utilities [are] on notice that testimony given at hearing, whether verbal or prefiled, must be true and correct as of the date it is incorporated in the record. While we recognize that fuel adjustment projections are compiled significantly in advance of hearing and are composed of many assumptions that are subject to change, we must, at the time of hearing, have the benefit of the most accurate and current information available to the utilities. This is not to say that every known change must be brought to our attention. Rather, *we are concerned with material and significant changes in the basic assumptions supporting a company's request.* A changed assumption that would either result in, or have the potential to result in, a mid-course correction should certainly be brought to our attention. Likewise, changes in the assumptions regarding nuclear or other base load units should be updated. A certain element of judgment will have to be exercised in updating assumptions of limited materiality. We will expect such updates at hearing and shall evaluate failures to update on a case-by-case basis.

(Emphasis added). The updated fuel price projections represent a “material and significant change in the basic assumptions supporting” FPL’s requested FCR and CCR factors and the weighting factors for its 2011 GPIF targets. Accordingly, filing the Supplemental FCR/CCR Petition, Supplemental GPIF Petition and Supplemental Testimony are consistent with the Commission’s direction in Order No. 13694. Use of the revised FCR and CCR factors instead of those that FPL filed on September 1 will result in customers’ paying substantially reduced charges, which more accurately reflect FPL’s actual fuel costs in 2010 and currently projected fuel costs for the remainder of 2010 and for 2011. The impact of the updated fuel price projections on FPL’s projected 2011 FCR and CCR charges and 2010 estimated/actual true-ups is summarized on Exhibit A, which is attached hereto and incorporated by reference. Exhibit A shows that the total impact is a reduction of approximately \$260 million in the system FCR and CCR costs that are the basis for the FCR and CCR factors to be charged to customers in 2011.

4. For ease of reference, FPL has prepared the Supplemental FCR/CCR Petition, Supplemental GPIF Petition and Supplemental Testimony as stand-alone documents that completely replace their September 1 counterparts, rather than as revisions to those earlier documents. Therefore, FPL is requesting that the Supplemental FCR/CCR Petition, Supplemental GPIF Petition and Supplemental Testimony be accepted as complete replacements for the September 1 FCR/CCR Petition, September 1 GPIF Petition and the direct testimony and exhibits of T. J. Keith, G. J. Yupp and C.A. Priore III that were filed on September 1, 2010. The direct testimony and exhibits of Kimberly Ousdahl and G. F. St. Pierre that were filed on September 1, 2010 are not affected by the updated fuel price projection, but FPL has included copies of them in the bound volume of FCR/CCR testimony and exhibits for completeness and to make the bound volume easier to use. The Supplemental FCR/CCR Petition, the bound volume containing the supplemental testimony and exhibits of T. J. Keith and G. J. Yupp together with the September 1 testimony and exhibits of Kimberly Ousdahl and G. F. St. Pierre, the Supplemental GPIF Petition and the supplemental testimony of C. A. Priore III are being filed along with this Motion and are incorporated herein by reference.

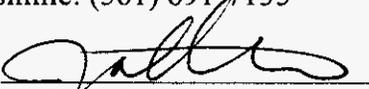
5. FPL has contacted counsel for all other parties of record concerning this motion. None has stated an objection to the motion at this time. OPC has stated that it does not object on the condition that it is allowed reasonable time for discovery and rebuttal testimony.

WHEREFORE, FPL moves the Commission for leave to file the attached Supplemental Petition of Florida Power & Light Company for Approval of Levelized Fuel Cost Recovery Factors and Capacity Cost Recovery Factors For January 2011 Through December 2011, the attached Supplemental Petition for Approval of its Generating Performance Incentive Factor

(GPIF) Targets for January through December 2011, Revised GPIF Targets for January 2010 through December 2010 and revised GPIF Reward for January 2009 through December 2009, and the attached supplemental direct testimony and exhibits of T. J. Keith, G. J. Yupp and C.A. Priore III.

Respectfully submitted,

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By: 

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CERTIFICATE OF SERVICE
Docket No. 100001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand delivery (*) or U.S. Mail on October 1, 2010 to the following:

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By: 
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Exhibit "A"

Impact of Updated Fuel Price Projections on System Fuel and Capacity Costs

	<u>9/1/2010</u>	<u>10/1/2010</u>	<u>Difference</u>
Fuel Cost of System Net Generation (E3)	\$3,918,477,328	\$3,735,896,550	(\$182,580,778)
Fuel Cost of Sales to FKEC / CKW (E2)	(\$45,215,546)	(\$43,127,239)	\$2,088,307
Fuel Cost of Purchased Power (Exclusive of Economy (E7)	\$222,436,193	\$220,859,737	(\$1,576,456)
Energy Cost of Economy Purchases (Florida) (E9)	\$47,620,744	\$42,859,495	(\$4,761,249)
Energy Cost of Economy Purchases (Non-Florida) (E9)	\$32,097,565	\$29,274,135	(\$2,823,430)
Payments to Qualifying Facilities (E8)	\$153,332,683	\$147,317,000	(\$6,015,683)
Fuel Cost of Economy Sales (E6)	(\$40,232,035)	(\$36,505,360)	\$3,726,675
Gain on Economy Sales (E6)	(\$9,692,706)	(\$9,737,246)	(\$44,540)
Net True-up to be recovered in 2011 factor	\$294,901,322	\$230,462,653	(\$64,438,669)
Fuel Change	\$4,573,725,548	\$4,317,299,725	(\$256,425,823)
Transmission of Electricity by Others	\$16,769,276	\$16,287,732	(\$481,544)
Net True-up to be recovered in 2011 factor	\$67,602,870	\$65,042,302	(\$2,560,568)
Capacity Change	\$84,372,146	\$81,330,034	(\$3,042,112)
Total System Change	\$4,658,097,694	\$4,398,629,759	(\$259,467,935)
West County Energy Center Unit 3 fuel savings	\$98,411,000	\$97,296,000	(\$1,115,000)