

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of:

DOCKET NO. 110001-EI

FUEL AND PURCHASED POWER COST
RECOVERY CLAUSE WITH GENERATING
PERFORMANCE INCENTIVE FACTOR.

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 11

COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, December 6, 2011

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: LINDA BOLES, RPR, CRR
Official FPSC Reporter
(850) 413-6734

DOCUMENT NUMBER DATE
09171 DEC29 =
FPSC-COMMISSION CLERK

P R O C E E D I N G S

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2 **CHAIRMAN GRAHAM:** Item No. 11.

3 **MR. FRANKLIN:** Good morning, Chairman and
4 Commissioners. Kenneth Franklin with Staff.

5 Item 11 addresses the midcourse correction
6 filed by Florida Power & Light to make an adjustment to
7 its 2012 fuel factors. Midcourse corrections are a part
8 of the fuel clause proceeding, and such corrections are
9 used by the Commission between fuel hearings whenever
10 costs deviate from revenues by a significant margin.

11 Utilities must notify the Commission whenever
12 it expects to experience an underrecovery or
13 overrecovery greater than 10%. FPL states that the
14 projected 2012 year-end overrecovery results in an
15 11.4 midcourse percent. Staff recommends the Commission
16 approve FPL's petition for midcourse correction to its
17 2012 fuel factors. The revised fuel factors should
18 become effective with the first billing cycle in January
19 2012. The recommended fuel factors are presented in
20 Attachment A of Staff's recommendation, and Staff is
21 available for any questions that you may have.

22 **MR. BUTLER:** Good morning, Mr. Chairman,
23 Commissioners. John Butler on behalf of Florida Power &
24 Light Company. We concur with Staff's recommendation,
25 and we, too, are available for any questions that you

1 have.

2 **CHAIRMAN GRAHAM:** Commissioners?

3 Commissioner Brisé.

4 **COMMISSIONER BRISÉ:** Thank you, Mr. Chairman.

5 I guess the most important question for me is what is
6 the impact on consumers?

7 **MR. FRANKLIN:** From the -- as far as the
8 1000-kilowatt-hour residential monthly bill, the, from
9 the factors that were approved in the November fuel
10 hearing, the fuel component that was approved in
11 November was 37.96, and that will be decreasing to
12 33.43, if, if the Staff recommendation is approved.

13 **COMMISSIONER BRISÉ:** Okay. So that sounds
14 like a -- let's move that to the, to an actual customer
15 bill and see what the impact is on a customer as they
16 would see it on their bill.

17 **MR. FRANKLIN:** As they would see it on their
18 bill, the fuel portion would be, would move from
19 37.96 to 33.43, which is a decrease of \$4.53. Total
20 bill impact would go from \$99.26 to 94.62.

21 **COMMISSIONER BRISÉ:** Okay. And that would be
22 effective when?

23 **MR. FRANKLIN:** That would be effective the
24 first billing cycle of January 2012.

25 **COMMISSIONER BRISÉ:** So they would be, the

1 customers will be at the beginning of the year in
2 essence getting a reduction in terms of the cost of
3 power for them?

4 **MR. FRANKLIN:** Yes, sir. That's correct.

5 **COMMISSIONER BRISÉ:** Okay. Thank you.

6 **CHAIRMAN GRAHAM:** Commissioner Balbis.

7 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.

8 And thank you, Commissioner Brisé. That's, those are
9 the questions I had. I think it's good to point out
10 that customers are going to see a reduction in their
11 bills coming up in January, and I want to thank Florida
12 Power & Light for moving forward expeditiously with this
13 request.

14 Just a small question I have for Staff.
15 Florida Power & Light with their West County Energy
16 Center, I believe Unit 3, we may -- we agreed to allow
17 them to adjust the fuel savings. Will this affect that
18 at all, or do they have the flexibility to deal with
19 that adjustment?

20 **MR. LESTER:** Pete Lester with Staff. We did
21 ask Florida Power & Light about that effect on savings,
22 and they had not, as of the time of filing the petition,
23 they had not finalized the effect. They may have
24 something they could comment on today.

25 **COMMISSIONER BALBIS:** Mr. Butler.

1 **MR. BUTLER:** Commissioner Balbis, we have not
2 done that calculation. FPL's understanding of the
3 settlement agreement we entered into that you approved
4 and that was the basis for that recovery is that we do
5 the projection at the time of our normal September
6 filing for projection of the upcoming year. You know,
7 we did that. We have a figure for recovery of the West
8 County 3 costs that are built into the capacity clause
9 recovery factor, and we're not asking for a change in
10 the capacity clause factor. You know, there isn't
11 anything that would change it that would call into
12 question the need for a midcourse correction for the
13 capacity clause recovery. And so we're just, we're not
14 proposing to make an adjustment to the West County
15 3 recovery amount.

16 **COMMISSIONER BALBIS:** Okay. Thank you.
17 That's all I had. And with that, I move Staff's
18 recommendation on Issues 1 and 2 for this item.

19 **CHAIRMAN GRAHAM:** It's been moved and seconded
20 Staff's recommendations on Item No. 11. Any further
21 discussion? Seeing none, all in favor, say aye.

22 (Affirmative response.)

23 Any opposed?

24 (No response.)

25 By your action, you've approved Staff

1 recommendation on Item 11.

2 Mr. Butler, thank you very much.

3 **MR. BUTLER:** Thank you, Commissioners.

4 (Agenda Conference adjourned.)

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STATE OF FLORIDA)
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COUNTY OF LEON)

CERTIFICATE OF REPORTER

I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 22nd day of December, 2011.

Linda Boles
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