

VOTE SHEET

November 27, 2012

Docket No. 120001-EI – Fuel and purchased power cost recovery clause with generating performance incentive factor.

Issue 1D: What amount, if any, should PEF include in its 2013 projections to account for potential insurance recoveries for Crystal River Unit 3 from Nuclear Electric Insurance Limited?

Recommendation: PEF should include \$327.6 million in its 2013 projections to account for potential insurance recoveries from NEIL. This amount is based on NEIL reimbursements assuming one delamination event at CR3. When the final amount of NEIL reimbursements is determined, the difference between that amount and the above amount, if any, should be applied to fuel costs.

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12 NOV 27 AM 10:47
COMMISSION
CLERK

COMMISSIONERS All Commissioners

ASSIGNED:

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in blue ink on four lines]

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE
07856 NOV 27 2012
FPSC-COMMISSION CLERK

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Issue 2C: Should FPL's proposed fuel factors for the new RTR-1 Rider be approved?

Recommendation: Staff recommends the Commission approve the stipulation below. The RTR-1 Rider charges and credits presented in Attachment A reflect the stipulation below. If the Commission approves the stipulation below, it should approve Attachment A.

Stipulation: In its rate case, Docket No. 120015-EI, FPL proposed a new optional residential time-of-use base rate rider, RTR-1. Under the RTR-1 Rider as proposed in the rate case, the standard residential base energy and fuel factors will be adjusted by applying adders to reflect on-peak usage and credits to reflect off-peak usage. The RTR-1 Rider was approved at the commencement of the hearing by the Commissioners as stipulated Issue 146. Prior to the evidentiary hearing in Docket No. 120015-EI, FPL, FIPUG, FEA, and SFHHA entered into a proposed settlement agreement which they presented to the Commission as a proposed settlement of all issues in Docket No. 120015-EI. The RTR-1 rider is also included in the proposed settlement agreement between FPL, FEA, FIPUG and SFHHA as Tariff Sheet 8.203. The Commission will not have reached a decision and issued a final order in Docket No. 120015-EI prior to its decision in this Docket No. 120001-EI. However, both the stipulation and proposed settlement agreement contemplate that the RTR-1 rider will become effective after FPL's billing system has been modified to accommodate the rider, which FPL expects to be completed in mid-2013. In Docket No. 120001-EI, FPL has provided fuel factors that correspond to both the RST-1 base rate and the RTR-1 rider.

Accordingly, the Commission should approve the fuel factors for both the RST-1 base rate and the RTR-1 rider subject to the following limitations. The existing residential time-of-use base rate (RST-1) will remain in effect until a final order has been issued in Docket No. 120015-EI approving the RTR-1 Rider. The Commission should direct FPL to apply the fuel factors for the RST-1 base rate until the RTR-1 rider goes into effect following the issuance of the final order in Docket No. 120015-EI, and then to switch to the fuel factors for the RTR-1 rider with respect to customers who elect to take service under that rider. It is acknowledged that the OPC, FRF and others have objected to the proposed settlement agreement signed by FPL, FIPUG, SFHHA and FEA in Docket No. 120015-EI and that agreement to the stipulation language on this issue does not constitute waiver by OPC, FRF, or other parties of their objections to the proposed settlement agreement and to any orders impacted by the Commission's consideration of the proposed settlement agreement.

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Issue 8: What are the appropriate fuel adjustment true-up amounts for the period January 2011 through December 2011?

Recommendation: The appropriate fuel adjustment true-up amount for the period January 2011 through December 2011 for PEF is a \$201,362,994 under-recovery. If the Commission modifies staff's recommendation in Issue 1D, PEF should revise its filings to reflect the Commission's decision.

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Issue 9: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2012 through December 2012?

Recommendation: The appropriate fuel adjustment actual/estimated true-up amount for the period January 2012 through December 2012 for PEF is a \$55,996,082 over-recovery. If the Commission modifies staff's recommendation in Issue 1D, PEF should revise its filings to reflect the Commission's decision.

APPROVED

Issue 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2013 to December 2013?

Recommendation: The appropriate total fuel adjustment true-up amount for the period January 2013 through December 2013 for PEF is a \$145,366,912 under-recovery. If the Commission modifies staff's recommendation in Issue 1D, PEF should revise its filings to reflect the Commission's decision.

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Issue 11: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2013 through December 2013?

Recommendation: The appropriate projected total fuel and purchased power cost recovery amount for PEF for the period January 2013 through December 2013 is \$1,234,709,629. If the Commission modifies staff's recommendation in Issue 1D, PEF should revise its filings to reflect the Commission's decision.

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Issue 18: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2013 through December 2013?

Recommendation: The appropriate projected net fuel and purchased power cost recovery and generating performance incentive amount for PEF to be included in the recovery factor for the period January 2013 through December 2013 is \$1,382,565,768. If the Commission modifies staff's recommendation in Issue 1D, PEF should revise its filings to reflect the Commission's decision.

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Issue 20: What are the appropriate levelized fuel cost recovery factors for the period January 2013 through December 2013?

Recommendation: The appropriate levelized fuel cost recovery factor for PEF for the period January 2013 through December 2013 is 3.698 cents per kWh. If the Commission modifies staff's recommendation in Issue 1D, PEF should revise its filings to reflect the Commission's decision.

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Issue 22: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

Recommendation: The appropriate fuel cost recovery factors for PEF for each rate class/delivery voltage level class adjusted for line losses are set forth in Attachment B of staff's memorandum dated November 16, 2012. If the Commission modifies the staff recommendation in Issue 1D, PEF should be ordered to file revised Schedules E within three business days of the Commission vote showing all calculations of the fuel factors implementing the vote for administrative approval by staff.

APPROVED

Issue 24B: Should an adjustment be made to transfer incremental security costs from the Capacity Cost Recovery Clause to base rates?

Recommendation: Staff recommends the Commission approve the stipulation below.

Stipulation: The issue of the transfer of incremental security costs to base rates is in Issues 67 and 68 in the pending rate case in Docket 120015-EI. Since the Commission will not have reached a decision on this issue in the rate case prior to the decision in Docket 120001-EI, incremental security rates should be treated per the terms of the Stipulation and Settlement Agreement approved in the prior FPL rate case, Docket No. 080677-EI. Once the decision has been made by the Commission in Docket No. 120015-EI or in the event FPL implements a base rate increase prior to a Commission decision in 120015-EI, (as permitted by Section 366.06(3), F.S.), there is a potential for FPL to recover its incremental security costs in both base rates and in the capacity cost recovery factors. Accordingly, any over recovery resulting from the timing of the Commission's decision in Docket No. 120015-EI related to this issue will be handled through the regular true-up process or by mid-course correction.

It is acknowledged that the OPC, FRF and others have objected to the proposed settlement agreement signed by FPL, FIPUG, SFHHA and FEA in Docket No. 120015-EI and that agreement to the stipulation language on this issue does not constitute waiver by OPC and FRF of those objections to the proposed settlement agreement or orders impacted by the Commission's consideration of the proposed settlement agreement.

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Issue 24C: What amount should be included in the capacity cost recovery clause for recovery of jurisdictional non-fuel revenue requirements associated with West County Energy Center Unit 3 (WCEC-3) for the period January 2013 through December 2013?

Recommendation: Staff recommends the Commission approve the stipulation below.

Stipulation: The Commission will not have addressed or reached a decision in Docket 120015-EI, until after the date of the Commission's decision in Docket 120001-EI. The costs associated with the WCEC-3 should be treated in accordance with the terms of the Stipulation and Settlement approved in Docket No. 080677-EI, the prior FPL rate case. The Stipulation and Settlement Agreement approved in Docket No. 080677-EI contemplated the cost recovery of the revenue requirements associated with WCEC-3 would be limited to the fuel savings created by this plant. The recovery through the capacity clause of revenue requirements for WCEC-3 limited by fuel savings should continue until the Commission renders its decision in Docket No. 120015-EI. From the date the Commission renders its decision in Docket No. 120015-EI forward, the collection of revenue requirements for WCEC-3 will be as directed by the Commission in Docket No. 120015-EI. No party waives any rights, positions or arguments it might otherwise have, at the time the Commission's decision in Docket No. 120015 becomes final and effective, which shall be on the date of the Commission vote, with regard to any alleged retroactive application or the prospective application of the full amount of the WCEC3 revenue requirements. Any over or under recovery resulting from the timing of the Commission's decision in Docket No. 120015-EI related to this issue should be handled through the regular true-up process or by mid-course correction.

It is acknowledged that the OPC, FRF and others have objected to the proposed settlement agreement signed by FPL, FIPUG, SFHHA and FEA in Docket No. 120015-EI and that agreement to the stipulation language on this issue does not constitute waiver by OPC and FRF of those objections to the proposed settlement agreement or orders impacted by the Commission's consideration of the proposed settlement agreement.

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Issue 24D: If the Commission approves the Proposed FPL Rate Case Settlement Agreement that was filed in Docket No. 120015-EI on August 15, 2012 (the “Proposed Settlement Agreement”), should the Commission approve FPL’s proposed GBRA factor of 3.527 percent for the Canaveral Modernization Project?

Recommendation: Staff recommends the Commission approve the stipulation below.

Stipulation: The Commission will not have addressed or reached a decision in Docket 120015-EI, until after the date of the Commission's decision in Docket 120001-EI. Accordingly, the Commission should reserve ruling on this issue until the Commission has issued its final order in Docket No. 120015-EI at which time the Commission should schedule a decision on this issue for a regular agenda conference that would permit the approved GBRA factor to be implemented when the Canaveral Modernization Project goes into service. The decision on this issue will be made in Docket No. 130001-EI based on the amount, if any, that the Commission approves for GBRA recovery in Docket No. 120015-EI.

It is acknowledged that the OPC, FRF and others have objected to the proposed settlement agreement signed by FPL, FIPUG, SFHHA and FEA in Docket No. 120015-EI and that agreement to the stipulation language on this issue does not constitute waiver by OPC and FRF of those objections to the proposed settlement agreement or orders impacted by the Commission’s consideration of the proposed settlement agreement.

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Issue 27: What are the appropriate capacity cost recovery true-up amounts for the period January 2011 through December 2011?

Recommendation: The appropriate capacity cost recovery true-up amount for PEF for the period January 2011 through December 2011 is a \$4,389,550 under-recovery. If the Commission modifies staff’s recommendation in Issue 1D, PEF should revise its filings to reflect the Commission’s decision.

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Issue 28: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2012 through December 2012?

Recommendation: The appropriate capacity cost recovery actual/estimated true-up amount for PEF for the period January 2012 through December 2012 is a \$6,096,072 under-recovery. If the Commission modifies staff's recommendation in Issue 1D, PEF should revise its filings to reflect the Commission's decision.

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Issue 29: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2013 through December 2013?

Recommendation: The appropriate total capacity cost recovery true-up amount for PEF for the period January 2013 through December 2013 is a \$10,485,622 under-recovery. If the Commission modifies staff's recommendation in Issue 1D, PEF should revise its filings to reflect the Commission's decision.

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Issue 30: What are the appropriate projected total capacity cost recovery amounts for the period January 2013 through December 2013?

Recommendation (FPL): The appropriate projected total capacity cost recovery amount for the period January 2013 through December 2013 is \$518,848,705, excluding prior period true-ups, revenue taxes, nuclear cost recovery amount, and WCEC-3 jurisdictional non-fuel revenue requirements.

Recommendation (PEF): The appropriate projected total capacity cost recovery amount for the period January 2013 through December 2013 is \$385,072,136. If the Commission modifies staff's recommendation in Issue 1D, PEF should revise its filings to reflect the Commission's decision.

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Issue 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2013 through December 2013?

Recommendation (FPL): The appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period January 2013 through December 2013 is \$864,438,406, including prior period true-ups, revenue taxes, and the nuclear cost recovery amount.

Recommendation (PEF): The appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period January 2013 through December 2013 is \$395,842,560. If the Commission modifies staff's recommendation in Issue 1D, PEF should revise its filings to reflect the Commission's decision.

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Issue 33: What are the appropriate capacity cost recovery factors for the period January 2013 through December 2013?

Recommendation (FPL): The appropriate capacity cost recovery factors for the period January 2013 through December 2013 are set forth in Attachment C of staff's memorandum dated November 16, 2012.

Recommendation (PEF): The appropriate capacity cost recovery factors for the period January 2013 through December 2013 are set forth in Attachment D of staff's memorandum dated November 16, 2012. If the Commission modifies staff's recommendation in Issue 1D, PEF should revise its filings to reflect the Commission's decision.

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Issue 34: Should this docket be closed?

Recommendation: No. The Fuel and Purchased Power Cost Recovery Clause is an on-going docket and should remain open.

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