BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.	DOCKET NO. 120001-EI ORDER NO. PSC-12-0664-FOF-EI ISSUED: December 21, 2012

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

APPEARANCES

JOHN T. BUTLER, and KENNETH M. RUBIN, ESQUIRES, Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408-0420
On behalf of Florida Power & Light Company (FPL).

JOHN T. BURNETT, and DIANNE M. TRIPLETT, ESQUIRES, Progress Energy Service Co., LLC, Post Office Box 14042, St. Petersburg, Florida 33733
On behalf of Progress Energy Florida, Inc. (PEF).

BETH KEATING, ESQUIRE, Gunster, Yoakley & Stewart, P.A., 215 South Monroe St., Suite 601, Tallahassee, Florida, 32301
On behalf of Florida Public Utilities Company (FPUC).

JEFFREY A. STONE, RUSSELL A. BADDERS, and STEVEN R. GRIFFIN, ESQUIRES, Beggs & Lane, Post Office Box 12950, Pensacola, Florida 32591-2950
On behalf of Gulf Power Company (GULF).

JAMES D. BEASLEY, and J. JEFFRY WAHLEN, ESQUIRES, Ausley & McMullen, Post Office Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company (TECO).

J.R. KELLY, PATRICIA A. CHRISTENSEN, CHARLES REHWINKEL, JOSEPH A. MCGLOTHLIN, and ERIK SAYLER, ESQUIRES, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida (OPC).

CAPTAIN SAMUEL MILLER, ESQUIRE, USAF/AFLOA/JACL/ULFFSC, 139 Barnes Drive, Suite 1, Tyndall AFB, Florida 32403 -5319
On behalf of the Federal Executive Agencies (FEA).

VICKI GORDON KAUFMAN, and JON C. MOYLE, JR., ESQUIRES, Moyle Law Firm, PA, The Perkins House, 118 North Gadsden Street, Tallahassee, Florida 32301
On behalf of the Florida Industrial Power Users Group (FIPUG).

ROBERT SCHEFFEL WRIGHT, and JOHN T. LAVIA, III, ESQUIRES, Gardner, Bist, Wiener, Wadsworth, Bowden, Bush, Dee, LaVia & Wright, P.A., 1300 Thomaswood Drive, Tallahassee, Florida 32308
On behalf of the Florida Retail Federation (FRF).

JAMES W. BREW, and F. ALVIN TAYLOR, ESQUIRES, Brickfield, Burchette, Ritts & Stone, P.C., 1025 Thomas Jefferson St., NW, Eighth Floor, West Tower, Washington, DC 20007; RANDY B. MILLER, White Springs Agricultural Chemicals, Inc., Post Office Box 300, White Springs, FL 32096
On behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (PCS Phosphate).

MARTHA BARRERA, ESQUIRE, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Advisor to the Florida Public Service Commission.

FINAL ORDER APPROVING EXPENDITURES AND TRUE-UP AMOUNTS FOR FUEL ADJUSTMENT FACTORS; GPIF TARGETS, RANGES, AND REWARDS; AND PROJECTED EXPENDITURES AND TRUE-UP AMOUNTS FOR CAPACITY COST RECOVERY FACTORS

BY THE COMMISSION:

Background

As part of the continuing fuel and purchased power adjustment and generating performance incentive clause proceedings, an administrative hearing was held by the Commission on November 5, 2012 in this docket. At the hearing, we addressed several issues listed in Order No. PSC-12-0597-PHO-EI[1] (Prehearing Order) by making bench decisions.

[1] Order No. PSC-12-0597-PHO-EI, issued November 1, 2012, in Docket No. 120001-EI, In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

Several of the positions on these issues were not contested by the parties and were presented to us for approval without objections, but some contested issues remained for our consideration. The contested issues are 1D for PEF, and Issues 2C, 24B, 24C, and 24D for FPL. We requested that briefs be filed to address the remaining issues, which were timely filed.

The Federal Executive Agencies (FEA), Progress Energy Florida, Inc. (PEF), Florida Power & Light Company (FPL), the Office of Public Counsel (OPC), the Florida Industrial Power Users Group (FIPUG), and White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphates – White Springs (PCS) filed post hearing filings. The Florida Retail Federation (FRF) participated in the hearing phase of this case, but did not file a brief. On November 14, 2012, we received notification from FPL, OPC, and FRF, of a stipulation on Issues 2C, 24B, 24C, and 24D, which we approved at the November 27, 2012 Agenda Conference.

We have jurisdiction over this subject matter pursuant to the provisions of Chapter 366, Florida Statutes (F.S.), including Sections 366.04, 366.05, and 366.06, F.S.

COMPANY-SPECIFIC FUEL COST RECOVERY ISSUES

Florida Power & Light Company

Hedging Activities for August 2011 through July 2012

We reviewed FPL's hedging activities for August 2011 through July 2012 and found its actions to mitigate the price volatility of natural gas, residual oil, and purchased power prices were reasonable and prudent.

Risk Management Plan for 2013

We reviewed FPL's 2013 Risk Management Plan and found that FPL's 2013 Risk Management Plan is consistent with the Hedging Guidelines.

New RTR-1 Rider

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. We approved the RTR-1 Rider at the commencement of the rate case hearing 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 us 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. We have not reached a decision and issued a final order in Docket No. 120015-EI prior to our 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:

2013 RTR-1 Fuel Charges/Credits

January 2013 through May 2013		
cents per kWh		
Rate Schedule	January-March / November-December	April-October
RTR-1 On-Peak	0.579	1.596
RTR-1 Off-Peak	(0.212)	(0.819)

June 2013 through December 2013		
cents per kWh		
Rate Schedule	January-March / November-December	April-October
RTR-1 On-Peak	0.551	1.517
RTR-1 Off-Peak	(0.201)	(0.777)

Accordingly, we 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. We 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 our consideration of the proposed settlement agreement in Docket No. 120015-EI.

Progress Energy Florida, Inc.

Hedging Activities for August 2011 through July 2012

We reviewed PEF's hedging activities for August 2011 through July 2012 and found its actions to mitigate the price volatility of natural gas, residual oil, and purchased power prices were reasonable and prudent.

Risk Management Plan for 2013

We reviewed PEF's 2013 Risk Management Plan and found that PEF's 2013 Risk Management Plan is consistent with the Hedging Guidelines.

Refund Pursuant to the Settlement Agreement

The parties raised an issue of whether PEF correctly reflected the $129 million refund pursuant to the Settlement Agreement approved in Order No. PSC-12-0104-FOF-EI in the calculation of the 2013 factor. Testimony and evidence was entered into the record. Upon the conclusion of the record, OPC stated it was satisfied that PEF correctly accounted for the $129 million refund. No other party objected. Having reviewed the testimony and evidence in the record, we find that PEF correctly reflected the $129 million refund pursuant to the Settlement Agreement approved in Order No. PSC-12-0104-FOF-EI in the calculation of the 2013 factor.

Inclusion of Projected Nuclear Electric Insurance Limited Recoveries

In the fall of 2009, during a refueling outage, PEF began work to replace the steam generator at its nuclear generating unit, Crystal River 3. On October 2, 2009, PEF discovered a delamination of layers of concrete for a wall in CR3's containment building. On March 14, 2011, a second delamination was discovered during re-tensioning tendons in another wall of the containment building. Since the first delamination event in October of 2009, CR3 has remained out of service. If PEF decides to repair the plant, it will not return to service until 2014 or later.[2] We established Docket No. 100437-EI to investigate the prudence and reasonableness of PEF's actions regarding the delamination and the prudence of PEF's replacement power costs associated with the outage.[3]

PEF has replacement power insurance and repair insurance with Nuclear Electric Insurance Limited (NEIL) for Crystal River 3. In the 2010 and 2011 fuel adjustment clause proceedings, we allowed PEF to recover replacement power costs associated with the CR3 outage in 2011 and 2012 fuel factors. These replacement power costs were calculated after deducting estimated amounts for NEIL replacement power reimbursements.[4] The NEIL policy has a 12 week deductible and pays for 110 weeks for one event or claim. The single event claim would have covered through August 2012. The policy maximum for one event is $490 million for replacement power reimbursements.

NEIL has paid $162 million in replacement power reimbursements to PEF. The amount was paid in six payments from June 2010 to May 2011. These payments covered the period through December 17, 2010. NEIL also has paid $136 million in repair cost reimbursements. Of the $162 million replacement power reimbursements, PEF reduced fuel costs by $147.2 million in 2010 and 2011 and it reduced capacity costs by $3.7 million in 2010. The remaining $10.9 million was included in the 2012 true-up calculation and will reduce 2013 fuel factors.

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[2] See also Paragraphs 9 and 10 in the Stipulation and Settlement Agreement approved by Order No. PSC-12-0104-FOF-EI, issued March 8, 2012, in Docket No. 120022-EI, In re: Petition for limited proceeding to approve stipulation and settlement agreement by Progress Energy Florida, Inc.
[3] See page 4 of Order No. PSC-11-0579-FOF-EI, issued December 16, 2011, in Docket No. 110001-EI, In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.
[4] Id.

In January 2012, PEF entered into a settlement agreement with OPC, FIPUG, FRF, PCS, and FEA.[5] This agreement addressed issues involving nuclear cost recovery, base rates, the CR3 outage, fuel cost recovery and NEIL reimbursements.[6]

In calculating its 2013 fuel factors, PEF considered NEIL reimbursements by reducing fuel costs by $327.6 million. This amount is essentially the $490 million maximum policy amount for one event minus the $162 million already paid. PEF assumed it will receive NEIL reimbursements during 2013.

FIPUG questioned whether PEF should base its estimated insurance reimbursements for 2013 on one delamination event at Crystal River Unit 3 or two delamination events. PEF has based its projected amount on one event and has included that insurance reimbursement in its calculation of its 2013 projected fuel costs. The amount estimated to be reimbursed reduces estimated fuel costs and fuel factors for 2013. The amount of the reduction to fuel costs would be larger if PEF assumed it would be reimbursed for two events rather than one.

PEF stated it based its estimate on one event because any other estimation would be speculative. PEF noted the facts and information available today are the same as in last year's fuel hearing. PEF further stated that the prudence, timing, substance, pace of the negotiations, and ultimate amount of recovery from NEIL are not at issue in this docket. In support of its argument that the best known information should be the basis for its projection, PEF cited to page 9 of Order No. PSC-11-0579-FOF-EI, issued Dec. 16, 2011 in last year's fuel docket (110001-EI). In this order, we stated that more facts surrounding the first delamination event were known than for the second and that PEF was reasonable to assume insurance proceeds based on a single event. PEF further argued that there is no evidence in the record of these proceedings to support a fuel factor calculation based on two event coverage from NEIL mainly because PEF does not have the facts needed to do the calculation. In the event that NEIL determines that there are two events and pays PEF accordingly, the Utility stated that it will, as always, true-up to actual costs.

FIPUG proposed this issue and presented its argument through cross examination of PEF witness Olivier, through exhibits, and through its brief. FIPUG believes it is reasonable for PEF to include estimated NEIL payments based on two events. FIPUG analyzed the NEIL policy and concluded that the two delaminations are covered. FIPUG suggested that we seek details about the status of the pending 2009-10 PEF insurance claim for replacement fuel directly from NEIL but understands that NEIL will probably refuse any invitation by us to discuss the pending claim. FIPUG also understands that asking PEF whether NEIL will conclude there was a single event or two events calls for speculation. FIPUG argued that additional replacement fuel insurance factor dollars, beyond coverage for only one event, should be assumed when establishing the fuel factor.

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[5] See Order No. PSC-12-0104-FOF-EI paragraph 11A of the attached Settlement.
[6] Id.

FEA stated that any additional costs to FEA will directly and negatively impact the military mission in Florida. FEA's goal is to make sure that PEF is operating prudently, while at the same time, providing reliable service. Like FIPUG, FEA believed PEF should file two insurance claims for the delamination that occurred at the Crystal River Unit 3. FEA argued that the paid insurance claim would be a significant savings which in turn would be passed to FEA consumers.

PCS agrees with PEF's $327 million imputation. PCS states that ratepayers should receive the full benefit of the September 2009 delamination which was a covered event under the NEIL policy. PCS argues that the reimbursement imputation that PEF proposes properly serves that purpose. PCS further states that PEF may have no control over NEIL's process or the timing of the eventual disposition of the CR3 insurance claims. However, PCS recommends that we require PEF to justify the basis for its claims in a separate docket if NEIL disallows coverage.

NEIL has stopped making reimbursements pending further review of PEF's claim. NEIL has not determined whether it will treat the second delamination as two events for claim purposes. The claim process has been going on for approximately three years. If NEIL determines two events, on the date a second event is determined to have occurred, reimbursements for the first event would stop and the process would start over. Therefore, the two event scenario does not necessarily mean that each event will result in $490 million in reimbursements. The first delamination was covered by a NEIL policy for the term April 1, 2009 to April 1, 2010 and the second delamination would be covered by a NEIL policy for the term April 1, 2010 to April 1, 2011. Regarding the determination of one event or two events, PEF and NEIL will begin non-binding mediation later this year, which, if unsuccessful, could lead to binding arbitration.

The best information available to PEF today is that NEIL has acknowledged one delamination event and it has not reached a determination regarding a second event. PEF witness Olivier stated that PEF's assumption of a $327.6 million NEIL payment for 2013 is reasonable, given the policy maximum and that NEIL has made payments. In the alternative, she also stated that it would be reasonable to assume no NEIL reimbursements would be received in 2013 given that none were received in 2012 and given that accounting guidance requires certainty. In its brief, FIPUG acknowledged that NEIL, at this time, has shared no details of its investigation with anyone including PEF. Estimating the replacement power reimbursements based on two events would not be feasible because the starting point – start date – for the second event is unknown and would be speculative.

According to witness Olivier, PEF is seeking the maximum amount of replacement power reimbursements, including a claim for two events. We note that all proceeds from NEIL – for replacement power and for repair – will be applied to benefit customers.

In its brief, FIPUG also raises questions about NEIL's handling of the PEF claim. FIPUG suggested that we question NEIL as to why it has taken more than three years to resolve PEF's claim. FIPUG listed eight questions it believes we should require NEIL to answer. FIPUG implied that a reason for the delay is that NEIL is not authorized to conduct business in the State of Florida. PEF argued that these issues are beyond the scope of this fuel proceeding. Questions raised to the insurance company are beyond our jurisdiction. Our jurisdiction is limited to public utilities as that term is defined by statute. Insurance companies are not regulated by us. However, we can review whether a utility has prudently procured insurance. It does not appear that FIPUG has raised that issue in this docket. As noted by PCS Phosphate in its brief, this issue may be appropriate in a separate docket if NEIL disallows coverage. That event has not occurred. Accordingly, we decline to take action on FIPUG's recommendation to require NEIL to answer questions.

Whether NEIL will pay PEF based on one delamination event or two is the subject of mediation and possibly binding arbitration later this year. PEF witness Olivier stated that PEF will work to maximize the amount of NEIL proceeds. All NEIL replacement power proceeds will be applied to reduce fuel costs. We will examine the outage and replacement power costs associated with the CR3 steam generator replacement project in Docket No. 100437-EI.

Accordingly, we find that the appropriate amount for PEF to include in its 2013 projections to account for potential insurance recoveries from NEIL is $327.6 million. 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, shall be applied to fuel costs.

Florida Public Utilities Company

Demand Allocation costs

FPUC proposed a new method to allocate demand costs to its different rate classes. FPUC raised an issue as to whether we believed their allocation was appropriate. We e reviewed the testimony and exhibits as well as the stipulation and accordingly, we find that it is appropriate to recognize a modification of the demand allocation methodology applied to the Northeast (Fernandina Beach) Division such that demand is based upon load research data from Gulf Power Company's system, instead of FPL's load research data historically used. The demand allocation used for the Company's Northwest Division will remain consistent with that which has been historically applied to the Northwest Division.

Legal and Consulting Fees Associated with the Time of Use and Interruptible Rates

FPUC filed testimony and exhibits requesting that it be allowed to recover through the Fuel Clause the legal and consulting fees incurred in developing the Company's Time of Use and Interruptible Rates for its Northwest Division. Our staff conducted discovery. After discovery, FPUC agreed that it shall remove the legal and consulting fees incurred in the development of its Time of Use and Interruptible Service rates for its Northwest Division from its calculations of the fuel factors to be applied in 2013. The costs may then be moved into the regulatory asset established in Docket No. 120227-EI, and approved by us at our October 16, 2012, Agenda Conference.

Gulf Power Company

Hedging Activities for August 2011 through July 2012

We reviewed Gulf's hedging activities for August 2011 through July 2012 and found its actions to mitigate the price volatility of natural gas, residual oil, and purchased power prices were reasonable and prudent.

Risk Management Plan for 2013

We reviewed Gulf's 2013 Risk Management Plan and found that Gulf's 2013 Risk Management Plan is consistent with the Hedging Guidelines.

Tampa Electric Company

Hedging Activities for August 2011 through July 2012

We reviewed TECO's hedging activities for August 2011 through July 2012 and found its actions to mitigate the price volatility of natural gas, residual oil, and purchased power prices were reasonable and prudent.

Risk Management Plan for 2013

We reviewed TECO's 2013 Risk Management Plan and found that TECO's 2013 Risk Management Plan is consistent with the Hedging Guidelines.

GENERIC FUEL COST RECOVERY ISSUES

The actual benchmark levels for calendar year 2012 for gains on non-separated wholesale energy sales eligible for a shareholder incentive pursuant to Order No. PSC-00-1744-PAA-EI were uncontested by the parties. After reviewing the testimony and exhibits, we concurred with the utilities' positions. Accordingly, the appropriate actual benchmark levels for calendar year 2012 for gains on non-separated wholesale energy sales eligible for a shareholder incentive are:

FPL:	$6,680,369
PEF:	$ 896,041.
GULF:	$ 749,310.
TECO:	$2,461,613.

The estimated benchmark levels for the calendar year 2013 for gains on non-separated wholesale energy sales eligible for a shareholder incentive pursuant to Order No. PSC-00-1744-PAA-EI were uncontested by the parties. After reviewing the testimony and exhibits, we concurred with the utilities' positions. Accordingly, the appropriate estimated benchmark levels for calendar year 2013 for gains on non-separated wholesale energy sales eligible for a shareholder incentive are:

FPL:	$4,430,522, which has been adjusted from $4,453,225, to include actual data for July 2012. This benchmark level is subject to adjustments in the 2012 final true-up filing to include all actual data for the year 2012.
PEF:	$ 617,914.
GULF:	$ 626,203.
TECO:	$1,365,169.

Each investor-owned electric utility presented evidence regarding the appropriate final fuel adjustment true-up for their company for 2011. No party challenged FPL, FPUC, Gulf and TECO's positions. FIPUG challenged PEF's position as not properly reflected projected NEIL insurance payments.

PEF witness Garrett asserted that the projected end of year balance in 2011 for fuel was $123,159,202 under-recovery. The actual ending balance as of December 31, 2011 for true-up purposes is $324,522,196 under-recovery. When these figures are netted, the final fuel adjustment true-up amount for January through December 2011 is $201,362,994 under-recovery.

We reviewed PEF's testimony, exhibits, and calculations for this issue. We find that the appropriate fuel adjustment true-up amount for the period January 2011 through December 2011 for PEF is a $201,362,994 under-recovery. Based on the testimony and exhibits in the record, we approve the following as the appropriate final fuel adjustment true-up amounts for the period of January 2011 through December 2011:

FPL:	$ 51,121,025 under-recovery.	
FPUC:[7]	Northwest Division (Marianna)	$1,289,837 under-recovery.
	Northeast Division (Fernandina Beach)	$ 360,592 over-recovery.
PEF:	$201,362,994 under-recovery	
GULF:	$ 13,538,423 over-recovery.	
TECO:	$ 11,885,179 over-recovery.	

Each investor-owned electric utility presented evidence regarding the appropriate estimated/actual fuel adjustment true-up amounts for their company for 2012. No party challenged FPL, FPUC, Gulf and TECO's positions. FIPUG challenged PEF's position as not properly reflected projected NEIL insurance payments. We previously concluded that PEF properly projected the NEIL insurance payments.

[7] The appropriate amounts reflect the current status of FPUC's Generation Services Agreement with Gulf Power. In the event that FPUC and Gulf Power resume operation under Amendment No. 1 to that Generation Services Agreement, FPUC may petition for a mid-course correction to recognize the associated cost reductions and pass the associated savings on to its customers on an expedited basis. The appropriate amounts reflected below also recognize a modification of the demand allocation methodology applied to the Northeast (Fernandina Beach) division such that demand is based upon data from the Gulf Power Company system, instead of the FPL data historically used. The demand allocation used for the Company's Northwest division will remain consistent with that which has been historically applied to the Northwest Division.

PEF witness Olivier asserted that the fuel adjustment actual/estimated true-up amounts for the period January 2012 through December 2012 included a projected $145,366,912 under-recovery. When this figure is netted against the final fuel adjustment true-up amount for January through December 2011, which is a $201,362,994 under-recovery, the appropriate fuel adjustment actual/estimated true-up amount for the period January 2012 through December 2012 is a $55,996,082 over-recovery.

We reviewed PEF's testimony, exhibits, and calculations for this issue. We find that 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. Based on the evidence in the record, the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2012 through December 2012 are:

FPL:	$99,206,321 over-recovery.	
FPUC:[8]	Northwest Division (Marianna)	$187,767 under-recovery.
	Northeast Division (Fernandina Beach)	$101,956 under-recovery.
GULF:	$26,425,418 over-recovery.	
PEF:	$55,996,082 over-recovery	
TECO:	$57,434,679 over-recovery.	

Each investor-owned electric utility presented evidence regarding the appropriate total fuel adjustment true-up amounts to be collected or refunded from January 2013 to December 2013. No party challenged FPL, FPUC, Gulf and TECO's positions. FIPUG challenged PEF's position as not properly reflected projected NEIL insurance payments. We previously concluded that PEF properly projected the NEIL insurance payments.

The appropriate total fuel adjustment true-up amount to be collected/refunded from January 2013 to December 2013 is calculated by summing the fuel adjustment values identified in the prior two issues. PEF witness Olivier asserted that the appropriate total fuel adjustment true-up amount for the period January 2013 through December 2013 is a $145,366,912 under-recovery. We reviewed PEF's testimony, exhibits, and calculations for this issue. We find that 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. Based on the evidence in the record, we approve the following as the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2013 to December 2013.

FPL:	$ 48,085,296 over-recovery.	
FPUC:[9]	Northwest Division (Marianna)	$1,477,604 under-recovery.
	Northeast Division (Fernandina Beach)	$ 258,636 over-recovery.
GULF:	Refund of $26,425,418. The net final true-up for the period ending December 2011 has already been included in rates in 2012. Therefore, the proposed fuel	

[8] Id.
[9] Id.

	cost recovery factors reflect only the refund of the estimated fuel cost true-up amount, $26,425,418, during the period of January 2013 through December 2013.
PEF:	$145,366,912 under-recovery
TECO:	$ 69,319,858 over-recovery.

Each investor-owned electric utility presented evidence regarding the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2013 through December 2013. No party challenged FPL, FPUC, Gulf and TECO's positions. FIPUG challenged PEF's position as not properly reflected projected NEIL insurance payments. We previously concluded that PEF properly projected the NEIL insurance payments.

Schedule E-1, Line 27 of Exhibit MO-2, Part 2 shows that PEF has projected its total fuel and purchased power cost recovery amount for the period January 2013 through December 2013 to be $1,234,709,629. We reviewed PEF's testimony, exhibits, and calculations for this issue. We find that the appropriate projected total fuel and purchased power cost recovery amount for the period January 2013 through December 2013 is $1,234,709,629. Based on the evidence in the record, the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2013 through December 2013 are:

FPL:	$3,097,095,340, including prior period true-ups and revenue taxes and excluding the GPIF reward.
FPUC:[10]	Northwest Division (Marianna): $30,935,242. Northeast Division (Fernandina Beach): $36,030,023.
GULF:	$ 428,996,843 including prior period true-up amounts and revenue taxes.
PEF:	$1,234,709,629
TECO:	The total fuel and purchased power cost recovery amount for the period January 2013 through December 2013, is $745,333,956. The total recoverable fuel and purchased power recovery amount to be collected, adjusted by the jurisdictional separation factor excluding GPIF and revenue tax factor but including the true-up amount, is $676,014,098.

GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) ISSUES

Based on the testimony and evidence submitted in this docket, the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2011 through December 2011 for each investor-owned electric utility subject to the GPIF shall be as follows:

FPL:	A reward in the amount of $7,703,912.
GULF:	A reward in the amount of $1,040,660.
PEF:	A reward in the amount of $1,495,572.
TECO:	A penalty in the amount of $ 538,019.

[10] Id.

Based on the testimony and evidence submitted in this docket, the GPIF targets/ranges for the period January 2013 through December 2013 for each investor-owned electric utility subject to the GPIF shall be as follows:

FPL: The GPIF targets and ranges should be as shown in Table 17-1 below:
GULF: The GPIF targets and ranges should be as shown in Table 17-2 below:
PEF: The GPIF targets and ranges should be as shown in Table 17-3 below:
TECO: The GPIF targets and ranges should be as shown in Table 17-4 below:

2013 GPIF Targets and Ranges for FPL		
Plant / Unit	**EAF Target (%)**	**Heat Rate Target (BTU / KWH)**
Ft. Myers 2	79.9	7,130
Martin 8	90.8	6,955
Manatee 3	91.5	6,921
Sanford 4	96	10,134
Scherer 4	81.3	10,810
St. Lucie 1	90.2	10,899
St. Lucie 2	83.2	11,382
Turkey Point 3	73.6	11,660
Turkey Point 4	91.4	7,000
Turkey Point 5	79.9	7,130

Table 17-1

2013 GPIF Targets And Ranges For Gulf				
Unit	**EAF**	**POF**	**EUOF**	**Heat Rate**
Crist 6	81.2	15.9	2.9	12,243
Crist 7	94.0	0.0	6.0	11,178
Smith 3	91.1	6.6	2.3	6,842
Daniel 1	94.7	0.0	5.3	10,591
Daniel 2	97.1	0.0	2.9	10,611
EAF = Equivalent Availability Factor (%) POF = Planned Outage Factor (%) EUOF = Equivalent Unplanned Outage Factor (%)				

Table 17-2

2013 GPIF Targets and Ranges for PEF						
Plant/ Unit	Weighting Factor (%)	EAF Target (%)	EAF Range		Max Fuel Savings ($000)	Max Fuel Loss ($000)
			Max (%)	Min (%)		
Bartow 4	8.38	89.08	92.61	81.95	4,768	(10,085)
CR 4	5.59	87.03	90.40	80.28	3.178	(6,487)
CR 5	4.57	94.57	97.12	89.38	2,597	(6,007)
Hines 1	1.86	79.35	81.83	74.36	1,057	(2,504)
Hines 2	1.85	87.70	89.50	83.97	1,054	(3,815)
Hines 3	1.62	89.17	90.66	86.10	924	(1,940)
Hines 4	2.25	88.69	90.41	85.11	1,278	(2,176)
GPIF System	26.12				14,856	(33,014)

Plant/ Unit	Weighting Factor (%)	ANOHR Target (BTU/ KWH)	NOF	ANOHR Range		Max Fuel Savings ($000)	Max Fuel Loss ($000)
				Minimum (BTU/ KWH)	Maximum (BTU/ KWH)		
Bartow 4	22.21	7,323	83.3	6,947	7,699	12,632	(12,632)
CR 4	13.84	10,317	73.8	9,749	10,885	7,873	(7,873)
CR 5	13.44	10,351	71.0	9,820	10,882	7,647	(7,647)
Hines 1	5.29	7,231	92.1	6,975	7,487	3,008	(3,008)
Hines 2	5.87	7,166	83.5	6,917	7,415	3,336	(3,336)
Hines 3	6.83	7,192	91.1	6,927	7,456	3,884	(3,884)
Hines 4	6.40	6,939	94.2	6,697	7,181	3,641	(3,641)
GPIF System	73.88					42,021	(42,021)

Table 17-3

2013 GPIF Targets and Ranges for TECO				
Unit	**EAF**	**POF**	**EUOF**	**Heat Rate**
Big Bend 1	64.2	6.6	29.2	10,530
Big Bend 2	74.8	6.6	18.7	10.199
Big Bend 3	60.8	21.1	18.1	10,614
Big Bend 4	83.6	6.6	9.8	10,536
Polk 1	75.1	9.6	15.3	10,437
Bayside 1	94.1	4.9	1.0	7,177
Bayside 2	93.2	5.5	1.3	7,325
EAF = Equivalent Availability Factor (%) POF = Planned Outage Factor (%) EUOF = Equivalent Unplanned Outage Factor (%)				

Table 17-4

FUEL FACTOR CALCULATION ISSUES

Based on the testimony and exhibits presented in this docket, 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 shall be as follows:

FPL:	$3,104,799,252 including prior period true-ups, revenue taxes and GPIF reward.
FPUC:[11]	Northwest Division (Marianna): $30,935,242. Northeast Division (Fernandina Beach): $36,030,023.
GULF:	$430,037,503 including prior period true-up amounts and revenue taxes.
PEF:	$1,382,565,768.
TECO:	The projected net fuel and purchased power cost recovery amount to be included in the recovery factor for the period January 2013 through December 2013, adjusted by the jurisdictional separation factor, is $745,333,956. The total recoverable fuel and purchased power cost recovery amount to be collected, including the true-up and GPIF and adjusted for the revenue tax factor, is $675,962,809.

Based on the testimony and exhibits presented in this docket, the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2013 through December 2013 is:

FPL:	1.00072
FPUC Northwest Division:	1.00072
FPUC Northeast Division:	1.00072
GULF:	1.00072
PEF:	1.00072
TECO:	1.00072

Based on the testimony and exhibits presented in this docket, The appropriate levelized fuel cost recovery factors for the period January 2013 through December 2013 are:

FPL: The fuel factors shall be reduced as of the in-service date of Cape Canaveral Energy Center (CCEC) to reflect the projected jurisdictional fuel savings for CCEC. The following are the separate factors for January 2013 to May 2013 and for June 2013 through December 2013:

> (a) 3.105 cents/kWh for January 2013 through the day prior to the CCEC in-service date (projected to be May 31, 2013);
> (b) 2.950 cents/kWh from the CCEC in-service date (projected to be June 1, 2013) through December 2013.

[11] Id.

FPUC:[12]	Northwest Division (Marianna): 5.790 ¢ / kwh Northeast Division (Fernandina Beach): 6.420 ¢ /kwh
GULF:	3.803 cents/kWh.
PEF:	3.698 cents per kWh
TECO:	The appropriate factor is 3.714 cents per kWh before any application of time of use multipliers for on-peak or off-peak usage.

Based on the evidence submitted in this docket, the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class shall be as follows:

FPL:	The appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class are shown in Tables 21-1 through 21-3 below:
FPUC:	Northwest Division (Marianna): 1.0000 (All rate schedules) Northeast Division (Fernandina Beach): 1.0000 (All rate schedules)
GULF:	The appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class are shown in Table 21-4 below:
PEF:	The appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class are shown in Table 21-5 below:
TECO:	The appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class are shown in Table 21-6 below:

[12] Id.

Fuel Recovery Line Loss Multipliers for FPL		
FUEL RECOVERY FACTORS – BY RATE GROUP (Adjusted for Line / Transformation Losses) FOR THE PERIOD JANUARY 2013 – DECEMBER 2013		
GROUP	**RATE SCHEDULE**	**FUEL RECOVERY LOSS MULTIPLIER**
A	RS-1 first 1,000kWh	1.00220
	RS-1 all additional kWh	1.00220
A	GS-1, SL-2, GSCU-1, WIES-1	1.00220
A-1*	SL-1, OL-1, PL-1	1.00220
B	GSD-1	1.00211
C	GSLD-1 & CS-1	1.00109
D	GSLD-2, CS-2, OS-2, MET	0.99062
E	GSLD-3, CS-3	0.96131
* Weighted Average 16 % on-Peak and 84 % off-Peak		

Table 21-1

Fuel Recovery Line Loss Multipliers for FPL			
SEASONALLY DIFFERENTIATED TIME OF USE FUEL RECOVERY FACTORS – BY RATE GROUP (Adjusted for Line / Transformation Losses) FOR THE PERIOD JANUARY 2013 – DECEMBER 2013			
GROUP	**RATE SCHEDULE**		**FUEL RECOVERY LOSS MULTIPLIERS**
A	RST-1, GST-1	On / Off Peak	1.00220
B	GSDT-1, CILC-1 (G), HLFT-1	On / Off Peak	1.00211
C	GSLDT-1, CST-1, HLFT-2	On / Off Peak	1.00109
D	GSLDT-2, CST-2, HLFT-3	On / Off Peak	0.99139
E	GSLDT-3, CST-3, CILC1(T), ISST-1(T)	On / Off Peak	0.96131
F	CILC-1(D), ISST-1(D)	On / Off Peak	0.99102

Table 21-2

Fuel Recovery Line Loss Multipliers for FPL		
DETERMINATION OF SEASONAL DEMAND TIME OF USE RIDER (SDTR) FUEL RECOVERY FACTORS ON-PEAK: JUNE 2013 THROUGH SEPTEMBER 2013 – WEEKDAYS 3:00 PM TO 6:00 PM OFF-PEAK: ALL OTHER HOURS		
GROUP	**OTHERWISE APPLICABLE RATE SCHEDULE**	**FUEL RECOVERY LOSS MULTIPLIERS**
B	GSD(T)-1 On-Peak	1.00211
	GSD(T)-1 Off-Peak	1.00211
C	GSLD(T)-1 On-Peak	1.00109
	GSLD(T)-1 Off-Peak	1.00109
D	GSLD(T)-2 On-Peak	0.99139
	GSLD(T)-2Off-Peak	0.99139

Table 21-3

Fuel Recovery Line Loss Multipliers for Gulf		
Group	**Rate Schedules**	**Line Loss Multipliers**
A	RS, RSVP,GS, GSD, GSDT, GSTOU, OSIII, SBS(1)	1.00773
B	LP, LPT, SBS(2)	0.98353
C	PX, PXT, RTP, SBS(3)	0.96591
D	OSI/II	1.00777
(1) Includes SBS customers with a contract demand in the range of 100 to 499 KW (2) Includes SBS customers with a contract demand in the range of 500 to 7,499 KW (3) Includes SBS customers with a contract demand over 7,499 KW		

Table 21-4

Fuel Recovery Line Loss Multipliers for PEF		
Group	**Delivery Voltage Level**	**Line Loss Multipliers**
A	Transmission	0.9800
B	Distribution Primary	0.9900
C	Distribution Secondary	1.000
D	Lighting Service	1.000

Table 21-5

Fuel Recovery Line Loss Multipliers for TECO	
Metering Voltage Schedule	**Line Loss Multiplier**
Distribution Secondary	1.0000
Distribution Primary	0.9900
Transmission	0.9800
Lighting Service	1.0000

Table 21-6

Based on the evidence in the record, we find that the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses shall be as follows:

FPL: The appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses are shown in Tables 22-1 through 22-7 below:

FPUC: FPUC Northwest Division: The appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses are shown in Tables 22-8 through 22-9 below:

FPUC Northeast Division: The appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses are shown in Tables 22-10:

GULF: The appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses are shown in Table 22-11 below:

PEF: The appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses are shown in Table 22-12 below:

TECO: The appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses are shown in Table 22-13 below:

FPL - Fuel Cost Recovery Factors By Rate Group (cents/kWh) Adjusted For Line / Transformation Losses				
		January 2013 – May 2013		
GROUP	**RATE SCHEDULE**	**AVERAGE FACTOR**	**FUEL RECOVERY LOSS MULTIPLIER**	**FUEL RECOVERY FACTOR**
A	RS-1 first 1,000kWh	3.105	1.00220	2.789
	RS-1 all additional kWh	3.105	1.00220	3.789
A	GS-1, SL-2, GSCU-1, WIES-1	3.105	1.00220	3.112
A-1*	SL-1, OL-1, PL-1	2.831	1.00220	2.837
B	GSD-1	3.105	1.00211	3.112
C	GSLD-1 & CS-1	3.105	1.00109	3.108
D	GSLD-2, CS-2, OS-2, MET	3.105	0.99062	3.076
E	GSLD-3, CS-3	3.105	0.96131	2.985
* Weighted Average 16 % on-Peak and 84 % off-Peak				

Table 22-1

FPL - Fuel Cost Recovery Factors By Rate Group (cents/kWh) Adjusted For Line / Transformation Losses				
		June 2013 through December 2013		
GROUP	**RATE SCHEDULE**	**AVERAGE FACTOR**	**FUEL RECOVERY LOSS MULTIPLIER**	**FUEL RECOVERY FACTOR**
A	RS-1 first 1,000kWh	2.950	1.00220	2.633
	RS-1 all additional kWh	2.950	1.00220	3.633
	GS-1, SL-2, GSCU-1, WIES-1	2.950	1.00220	2.956
A-1*	SL-1, OL-1, PL-1	2.950	1.00220	2.696
B	GSD-1	2.950	1.00211	2.956
C	GSLD-1 & CS-1	2.950	1.00109	2.953
D	GSLD-2, CS-2, OS-2, MET	2.950	0.99062	2.922
E	GSLD-3, CS-3	2.950	0.96131	2.836
* Weighted Average 16 % on-Peak and 84 % off-Peak				

Table 22-2

FPL - Seasonally Differentiated Time Of Use Fuel Recovery Factors – By Rate Group for January 2013 through May 2013 (Adjusted for Line / Transformation Losses)				
		JANUARY – MARCH and NOVEMBER - DECEMBER		
GROUP	**RATE SCHEDULE**	**AVERAGE FACTOR**	**FUEL RECOVERY LOSS MULTIPLIER**	**FUEL RECOVERY FACTOR**
A	RST-1, GST-1 On-Peak	3.683	1.00220	3.691
	RST-1, GST-1 Off-Peak	2.894	1.00220	2.900
	RTR-1 On-Peak	-	-	0.579
	RTR-1 Off-Peak	-	-	(0.212)
B	GSDT-1, CILC-1 G On-Peak	3.683	1.00211	3.691
	HLFT-1 (21-499 kW) Off-Peak	2.894	1.00211	2.900
C	GSLDT-1, CST-1 On-Peak	3.683	1.00109	3.687
	HLFT-2 (500-1,999 kW) Off-Peak	2.894	1.00109	2.897
D	GSLDT-2, CST-2 On-Peak	3.683	0.99139	3.651
	HLFT-3 (2,000+ kW) Off-Peak	2.894	0.99139	2.869
E	GSLDT-3, CST-3 On-Peak	3.683	0.96131	3.540
	CILC-1(T), ISST-1(T) Off-Peak	2.894	0.96131	2.782
F	CILC-1(D), ISST-1(D) On-Peak	3.683	0.99102	3.650
	Off-Peak	2.894	0.99102	2.868

Table 22-3

FPL - Seasonally Differentiated Time Of Use Fuel Recovery Factors – By Rate Group for January 2013 through May 2013 (Adjusted for Line / Transformation Losses)				
		APRIL - OCTOBER		
GROUP	**RATE SCHEDULE**	**AVERAGE FACTOR**	**FUEL RECOVERY LOSS MULTIPLIER**	**FUEL RECOVERY FACTOR**
A	RST-1, GST-1 On-Peak	4.698	1.00220	4.708
	RST-1, GST-1 Off-Peak	2.288	1.00220	2.293
	RTR-1 On-Peak	-	-	1.596
	RTR-1 Off-Peak	-	-	(0.819)
B	GSDT-1, CILC-1 G On-Peak	4.698	1.00211	4.708
	HLFT-1 (21-499 kW) Off-Peak	2.288	1.00211	2.293
C	GSLDT-1, CST-1 On-Peak	4.698	1.00109	4.703
	HLFT-2 (500-1,999 kW) Off-Peak	2.288	1.00109	2.290
D	GSLDT-2, CST-2 On-Peak	4.698	0.99139	4.658
	HLFT-3 (2,000+ kW) Off-Peak	2.288	0.99139	2.268
E	GSLDT-3, CST-3 On-Peak	4.698	0.96131	4.516
	CILC-1(T), ISST-1(T) Off-Peak	2.288	0.96131	2.199
F	CILC-1(D), ISST-1(D) On-Peak	4.698	0.99102	4.656
	Off-Peak	2.288	0.99102	2.267

Table 22-4

FPL - Seasonally Differentiated Time Of Use Fuel Recovery Factors – By Rate Group for June 2013 through December 2013 (Adjusted for Line / Transformation Losses)				
		JANUARY – MARCH and NOVEMBER - DECEMBER		
GROUP	**RATE SCHEDULE**	**AVERAGE FACTOR**	**FUEL RECOVERY LOSS MULTIPLIER**	**FUEL RECOVERY FACTOR**
A	RST-1, GST-1 On-Peak	3.499	1.00220	3.507
	RST-1, GST-1 Off-Peak	2.749	1.00220	2.755
	RTR-1 On-Peak	-	-	0.551
	RTR-1 Off-Peak	-	-	(0.201)
B	GSDT-1, CILC-1 G On-Peak	3.499	1.00211	3.506
	HLFT-1 (21-499 kW) Off-Peak	2.749	1.00211	2.755
C	GSLDT-1, CST-1 On-Peak	3.499	1.00109	3.503
	HLFT-2 (500-1,999 kW) Off-Peak	2.749	1.00109	2.752
D	GSLDT-2, CST-2 On-Peak	3.499	0.99139	3.469
	HLFT-3 (2,000+ kW) Off-Peak	2.749	0.99139	2.725
E	GSLDT-3, CST-3 On-Peak	3.499	0.96131	3.364
	CILC-1(T), ISST-1(T) Off-Peak	2.749	0.96131	2.643
F	CILC-1(D), ISST-1(D) On-Peak	3.499	0.99102	3.468
	Off-Peak	2.749	0.99102	2.724

Table 22-5

FPL - Seasonally Differentiated Time Of Use Fuel Recovery Factors – By Rate Group for June 2013 through December 2013 (Adjusted for Line / Transformation Losses)				
		APRIL - OCTOBER		
GROUP	**RATE SCHEDULE**	**AVERAGE FACTOR**	**FUEL RECOVERY LOSS MULTIPLIER**	**FUEL RECOVERY FACTOR**
A	RST-1, GST-1 On-Peak	4.463	1.00220	4.473
	RST-1, GST-1 Off-Peak	2.174	1.00220	2.179
	RTR-1 On-Peak	-	-	1.517
	RTR-1 Off-Peak	-	-	(0.777)
B	GSDT-1, CILC-1 G On-Peak	4.463	1.00211	4.472
	HLFT-1 (21-499 kW) Off-Peak	2.174	1.00211	2.179
C	GSLDT-1, CST-1 On-Peak	4.463	1.00109	4.468
	HLFT-2 (500-1,999 kW) Off-Peak	2.174	1.00109	2.176
D	GSLDT-2, CST-2 On-Peak	4.463	0.99139	4.425
	HLFT-3 (2,000+ kW) Off-Peak	2.174	0.99139	2.155
E	GSLDT-3, CST-3 On-Peak	4.463	0.96131	4.290
	CILC-1(T), ISST-1(T) Off-Peak	2.174	0.96131	2.090
F	CILC-1(D), ISST-1(D) On-Peak	4.463	0.99102	4.423
	Off-Peak	2.174	0.99102	2.154

Table 22-6

FPL - Seasonal Demand Time Of Use Rider (SDTR) Fuel Recovery Factors For January 2013 through May 2013 On-Peak: June Through September – Weekdays 3:00 Pm To 6:00 Pm Off-Peak: All Other Hours				
		June - September		
GROUP	**OTHERWISE APPLICABLE RATE SCHEDULE**	**AVERAGE FACTOR**	**FUEL RECOVERY LOSS MULTIPLIER**	**FUEL RECOVERY FACTOR**
B	GSD(T)-1 On-Peak	5.344	1.00211	5.355
	Off-Peak	2.701	1.00211	2.707
C	GSLD(T)-1 On-Peak	5.344	1.00109	5.350
	Off-Peak	2.701	1.00109	2.704
D	GSLD(T)-2 On-Peak	5.344	0.99139	5.298
	Off-Peak	2.701	0.99139	2.678

Table 22-7

FPL - Seasonal Demand Time Of Use Rider (SDTR) Fuel Recovery Factors For June 2013 through December 2013 On-Peak: June Through September – Weekdays 3:00 Pm To 6:00 Pm Off-Peak: All Other Hours				
		June – September		
GROUP	**OTHERWISE APPLICABLE RATE SCHEDULE**	**AVERAGE FACTOR**	**FUEL RECOVERY LOSS MULTIPLIER**	**SDTR FUEL RECOVERY FACTOR**
B	GSD(T)-1 On-Peak	5.077	1.00211	5.088
	Off-Peak	2.567	1.00211	2.572
C	GSLD(T)-1 On-Peak	5.077	1.00109	5.083
	Off-Peak	2.567	1.00109	2.570
D	GSLD(T)-2 On-Peak	5.077	0.99139	5.033
	Off-Peak	2.567	0.99139	2.545

Table 22-7

FPUC Northwest Division - Fuel Cost Recovery Factors (cents/kWh) Adjusted For Line Losses	
Rate Schedule	**Fuel Factor**
RS	10.242
GS	9.854
GSD	9.308
GSLD	8.918
OL, OL-2	7.410
SL1-2, AND SL-3	7.473
Step rate for RS	
RS with less than 1,000 kWh/month	9.883
RS with more than 1,000 kWh/month	10.883

Table 22-8

FPUC Northwest Division – Time Of Use / Interruptible Fuel Cost Recovery Factors (cents/kWh) Adjusted For Line Losses		
Rate Schedule	**Fuel Factor On Peak**	**Fuel Factor Off-Peak**
RS	18.283	5.983
GS	13.854	4.854
GSD	13.308	6.058
GSLD	14.918	5.918
Interruptible	7.418	8.918

Table 22-9

FPUC Northeast Division - Fuel Cost Recovery Factors (cents/kWh) Adjusted For Line Losses	
Rate Schedule	**Fuel Factor**
RS	10.158
GS	9.830
GSD	9.377
GSLD	9.052
OL, OL-2	6.738
SL1-2, SL-3	6.718
Step rate for RS	
RS with less than 1,000 kWh/month	9.786
RS with more than 1,000 kWh/month	10.786

Table 22-10

Gulf - Fuel Cost Recovery Factors (cents/kWh) Adjusted For Line Losses					
Group	**Rate Schedules**	**Line Loss Multipliers**	**Fuel Factors cents/KWH**		
			Standard	**TOU (Peak)**	**TOU (Off-Peak)**
A	RS, RSVP, GS,GSD,GSDT, GSTOU, OSIII, SBS(1)	1.00773	3.832	4.768	3.446
B	LP, LPT, SBS(2)	0.98353	3.740	4.654	3.363
C	PX, PXT,RTP, SBS(3)	0.96591	3.673	4.570	3.303
D	OS I / II	1.00777	3.776	N/A	N/A
The recovery factor applicable to customers taking service under Rate Schedule SBS is determined as follows: (1) customers with a contract demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; (2) customers with a contract demand in the range of 500 to 7,499 KW will use the recovery factor applicable for Rate Schedule LP; and (3) customers with a contract demand over 7,499 KW will use the recovery factor applicable to rate Schedule PX.					

Table 22-11

PEF - Fuel Cost Recovery Factors (cents/kWh) Adjusted for Line Losses						
					Time of Use	
Group	Delivery Voltage Level	First Tier Factor	Second Tier Factors	Levelized Factors	On-Peak	Off-Peak
A	Transmission	--	--	3.629	5.128	2.914
B	Distribution Primary	--	--	3.666	5.180	2.944
C	Distribution Secondary	3.393	4.393	3.703	5.232	2.974
D	Lighting	--	--	3.396	--	--

Table 22-12

TECO - Fuel Cost Recovery Factors (cents/kWh) Adjusted For Line Losses	
Metering Voltage Schedule	**Fuel Factors (cents per kWh)**
Secondary	3.719
Tier I (Up to 1,000 kWh)	3.369
Tier II (Over 1,000 kWh)	4.369
Distribution Primary	3.682
Transmission	3.645
Lighting Service	3.697
Distribution Secondary	3.861 (On-Peak)
	3.664 (Off-Peak)
Distribution Primary	3.822 (On-Peak)
	3.627 (Off-Peak)
Transmission	3.784 (On-Peak)
	3.591 (Off-Peak)

Table 22-13

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Progress Energy Florida, Inc.

Nuclear Cost Recovery

Pursuant to the Nuclear Cost Recovery statute and rule, the amount to included in the Capacity Cost Recovery Clause is based on our vote at the November 26, 2012 special agenda conference in Docket No. 110009-EI. PEF presented evidence in the record to support its nuclear cost recovery amount to be recovered. Pursuant to Order No. PSC-12-0650-FOF-EI,[13] the nuclear cost recovery amount to be recovered in PEF's 2013 capacity cost recovery clause factor is $142,730,579 for both the Levy nuclear project ($102,696,903) and the Crystal River 3 Uprate project ($40,033,676).

Florida Power & Light Company

Nuclear Cost Recovery

Pursuant to the Nuclear Cost Recovery statute and rule, the amount to included in the Capacity Cost Recovery Clause is based on our vote at the November 26, 2012 special agenda conference in Docket No. 110009-EI. FPL presented evidence in the record to support its nuclear cost recovery amount to be recovered. Pursuant to Order No. PSC-12-0650-FOF-EI,[14]

[13] See p. 44, Order No. PSC-12-0650-FOF-EI, issued December 11, 2012, in Docket No. 120009-EI, In Re: Nuclear Cost Recovery.

[14] See p. 78, Order No. PSC-12-0650-FOF-EI, issued December 11, 2012, in Docket No. 120009-EI, In Re: Nuclear Cost Recovery.

the nuclear cost recovery amount to be recovered in FPL's 2013 capacity cost recovery clause factor is $151,491,402.

<u>Incremental Security Costs</u>

FPL, the parties, and our staff raised the issue of whether we should make an adjustment to transfer incremental security costs from the Capacity Cost Recovery Clause to base rates. The parties briefed the issue. Subsequent to the briefing, OPC and FPL submitted a stipulation to address this issue pending the outcome of FPL's rate case in Docket No. 120015-EI. We approve the stipulation as follows.[15]

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 we will not have reached a decision on this issue in the rate case prior to the decision in Docket 120001-EI, incremental security rates shall be treated per the terms of the Stipulation and Settlement Agreement approved in the prior FPL rate case, Docket No. 080677-EI. Once we have made our decision in Docket No. 120015-EI or in the event FPL implements a base rate increase prior to our 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 our 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 our consideration of the proposed settlement agreement.

<u>West County Energy Center Unit 3 Cost Recovery</u>

FPL, the parties, and our staff raised the issue of 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. The parties briefed the issue. Subsequent to the briefing, OPC and FPL submitted a stipulation to address this issue pending the outcome of FPL's rate case in Docket No. 120015-EI. We approve the stipulation as follows.[16]

We will not have addressed or reached a decision in Docket 120015-EI until after the date of our decision in Docket 120001-EI. The costs associated with the WCEC-3 shall 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

[15] We approved the Proposed Settlement Agreement, as modified, in Docket 120015-EI on December 13, 2012. However, we have not issued an Order.
[16] Id.

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 shall continue until we render our decision in Docket No. 120015-EI. From the date we render our decision in Docket No. 120015-EI forward, the collection of revenue requirements for WCEC-3 will be as directed by us in Docket No. 120015-EI. No party waives any rights, positions or arguments it might otherwise have, at the time our decision in Docket No. 120015 becomes final and effective, which shall be on the date of our 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 our decision in Docket No. 120015-EI related to this issue shall 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 our consideration of the proposed settlement agreement.

Canaveral Modernization Project

FPL, the parties, and our staff raised the issue of what amount should be included in the capacity cost recovery clause for recovery if we approve the Proposed FPL Rate Case Settlement Agreement that was filed in Docket No. 120015-EI on August 15, 2012 (the "Proposed Settlement Agreement"), should we approve FPL's proposed GBRA factor of 3.527 percent for the Canaveral Modernization Project. The parties briefed the issue.[17] Subsequent to the briefing, OPC and FPL submitted a stipulation to address this issue pending the outcome of FPL's rate case in Docket No. 120015-EI. We approve the stipulation as follows.

We will not have addressed or reached a decision in Docket 120015-EI, until after the date of our decision in Docket 120001-EI. Accordingly, we shall reserve ruling on this issue until we have issued our final order in Docket No. 120015-EI at which time we will schedule a decision on this issue for a regular agenda conference that will 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 we approve 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 our consideration of the proposed settlement agreement.

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[17] Id.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

Based on the testimony and exhibits in the record, the appropriate capacity cost recovery true-up amounts for the period January 2011 through December 2011 are:

FPL:	$44,704,575 under-recovery.
GULF:	$ 353,030 under-recovery.
PEF:	$ 4,389,550 under-recovery.
TECO:	$ 1,311,897 under-recovery.

Based on the testimony and exhibits in the record, the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2012 through December 2012 are:

FPL:	$15,878,460 under-recovery.
GULF:	$ 592,654 under recovery.
PEF:	$ 6,096,072 under-recovery.
TECO:	$ 5,390,608 under-recovery.

Based on the testimony and exhibits in the record, the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2013 through December 2013 are:

FPL:	$ 60,583,035 under-recovery.
GULF:	$ 945,684 under-recovery.
PEF:	$ 10,485,622 under-recovery.
TECO:	$ 6,702,505 under-recovery.

The appropriate projected total capacity cost recovery amounts for the period January 2013 through December 2013 are:

FPL:	$518,848,705.
GULF:	$43,921,106.
PEF:	$385,072,136.
TECO:	$29,728,488.

Based on the evidence in the record, 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 are:

FPL:	The projected net purchased power capacity cost recovery amount to be recovered over the period January 2013 through December 2013 is $864,438,406 including prior period true-ups, revenue taxes, and the nuclear cost recovery amount.[18]
GULF:	$44,899,094 including prior period true-up amounts and revenue taxes.

[18] Id.

PEF: The appropriate projected net purchased power capacity cost recovery amount, excluding nuclear cost recovery, is $395,842,560. The appropriate nuclear cost recovery amount is $142,730,579.

TECO: The purchased power capacity cost recovery amount to be included in the recovery factor for the period January 2013 through December 2013, adjusted by the jurisdictional separation factor, is $29,728,488. The total recoverable capacity cost recovery amount to be collected, including the true-up amount and adjusted for the revenue tax factor, is $36,457,223.

Based on the evidence in the record, the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2013 through December 2013 should be as follows:

FPL:	FPSC	97.97032%.
	FERC	2.02968%.
GULF:		96.57346%
PEF:	Base	92.885%.
	Intermediate	72.703%.
	Peaking	95.924%.
TECO:		1.000000%.

Based on the evidence in the record, the appropriate capacity cost recovery factors for the period January 2013 through December 2013 should be as follows:

FPL: The appropriate capacity cost recovery factors for the period January 2013 through December 2013 are shown in Table 33-1 below:

GULF: The appropriate capacity cost recovery factors for the period January 2013 through December 2013 are shown in Table 33-2 below:

PEF: The appropriate capacity cost recovery factors for the period January 2013 through December 2013 are shown in Table 33-3 below:

TECO: The appropriate capacity cost recovery factors for the period January 2013 through December 2013 are shown in Table 33-4 below:

FPL – Capacity Cost Recovery Factors				
RATE SCHEDULE	**Capacity Recovery Factor ($/KW)**	**Capacity Recovery Factor ($/kwh)**	**RDC ($/KW)**	**SDD ($/KW)**
RS1/RST1	-	0.00938	-	-
GS1/GST1/WIES1	-	0.00793	-	-
GSD1/GSDT1/HLFT1	2.90	-	-	-
OS2	-	0.00811	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	2.99	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	3.05	-	-	-
GSLD3/GSLDT3/CS3/CST3	3.35	-	-	-
SST1T/ISST1T	-	-	$0.40	$0.19
SST1D1/ SST1D2/SST1D3/ISST1D	-	-	$0.41	$0.20
CILC D/CILC G	3.50	-	-	-
CILC T	3.38	-	-	-
MET	3.48	-	-	-
OL1/SL1/PL1	-	0.00254	-	-
SL2, GSCU1	-	0.00591	-	-

Table 33-1

Gulf – Capacity Cost Recovery Factors	
RATE CLASS	**CAPACITY COST RECOVERY FACTORS ¢/KWH**
RS, RSVP	0.467
GS	0.426
GSD, GSDT, GSTOU	0.369
LP, LPT	0.317
PX, PXT, RTP, SBS	0.280
OS-I/II	0.171
OSIII	0.277

Table 33-2

PEF – Capacity Cost Recovery Factors by Rate Class for January – December, 2013					
RATE CLASS		**Capacity CCR Factor (c/kWh)**	**Levy CCR Factor (c/kWh)**	**CR3 CCR Factor (c/kWh)**	**Capacity & Nuclear CCR Factor (c/kWh)**
Residential	RS-1, RST-1, RSL-1, RSL-2, RSS-1 Secondary	1.265	0.345	0.128	1.738
General Service Non-Demand	GS-1, GST-1 Secondary	1.023	0.252	0.104	1.379
	GS-1, GST-1 Primary	1.013	0.249	0.103	1.365
	GS-1, GST-1 Transmission	1.003	0.247	0.102	1.351
General Service	GS-2 Secondary	0.696	0.182	0.070	0.948
General Service Demand	GSD-1, GSDT-1, SS-1 Secondary	0.872	0.224	0.088	1.184
	GSD-1, GSDT-1, SS-1 Primary	0.863	0.222	0.087	1.172
	GSD-1, GSDT-1, SS-1 Transmission	0.855	0.220	0.086	1.160
Curtailable	CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3 Secondary	0.623	0.207	0.063	0.893
	CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3 Primary	0.617	0.205	0.062	0.884
	CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3 Transmission	0.611	0.203	0.062	0.875
Interruptible	IS-1, IST-1, IS-2, IST-2, SS-2 Secondary	0.709	0.180	0.072	0.961
	IS-1, IST-1, IS-2, IST-2, SS-2 Primary	0.702	0.178	0.071	0.951
	IS-1, IST-1, IS-2, IST-2, SS-2 Transmission	0.695	0.176	0.071	0.942
Lighting	LS-1 Secondary	0.182	0.052	0.018	0.252

Table 33-3

TECO – Capacity Cost Recovery Factors			
Rate Class and Metering Voltage		Capacity Cost Recovery Factor	
		c/kWh	$/kW
RS Secondary		0.232	
GS and TS Secondary		0.214	
GSD, SBF Standard	Secondary		0.73
	Primary		0.72
	Transmission		0.72
GSD Optional	Secondary	0.173	
	Primary	0.171	
IS, SBI	Primary		0.60
	Transmission		0.60
LS1 Secondary		0.060	

Table 33-4

Effective Date

FPL: FPL is requesting that the fuel adjustment factors and capacity cost recovery factors become effective with customer bills for January 2013 (cycle day 1) through December 2013 (cycle day 21). This will provide for 12 months of billing for all customers. Thereafter, FPL's fuel adjustment factors and capacity cost recovery factors should remain in effect until modified by us. We approve FPL's requested effective date.

PEF: The new factors shall be effective beginning with the first billing cycle for January 2013 through the last billing cycle for December 2013. The first billing cycle may start before January 1, 2013, and the last billing cycle may end after December 31, 2013, so long as each customer is billed for twelve months regardless of when the factors became effective.

FPUC: The effective date for FPUC's cost recovery factors shall be the first billing cycle for January 1, 2013, which could include some consumption from the prior month. Thereafter, customers shall be billed the approved factors for a full 12 months, unless the factors are otherwise modified by us.

GULF: The new fuel and capacity factors shall be effective beginning with the first billing cycle for January 2013 and thereafter through the last billing cycle for December 2013. Billing cycles may start before January 1, 2013 and the last cycle may be read after December 31, 2013, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

TECO: The new factors shall be effective beginning with the specified billing cycle and thereafter for the period January 2013 through the last billing cycle for December 2013. The first billing cycle may start before January 1, 2013, and the last billing cycle may end after December 31, 2013, so long as each customer is billed for 12 months regardless of when the fuel factors became effective.

Our staff and the parties discussed two additional issues for our consideration in the next year's fuel proceedings. The first issue is as follows:

> Should the Commission authorize its staff to investigate a change in the annual fuel cost recovery clause effective date of the new factors to begin on or after the first billing cycle in January?"

While the utilities took no position on this issue, the intervenors agreed with our staff that this should be an issue in 2013. We have considered our staff's suggestion and agree. Accordingly, the Commission staff should be instructed to commence an investigation in the 2013 annual fuel cost recovery clause proceedings.

The second issue is as follows:

> Should the Commission authorize it staff to initiate an investigation of the GPIF mechanism in the 2013 annual fuel cost recovery clause proceedings?

While the utilities took no position on this issue, the intervenors agreed with our staff that this should be an issue in 2013. We have considered our staff's suggestion and agree. Accordingly, the Commission staff should be instructed to commence an investigation of the GPIF mechanism in the 2013 annual fuel cost recovery clause proceedings.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the findings set forth in the body of this Order are hereby approved. It is further

ORDERED that Florida Power & Light Company, Florida Public Utilities Company, Gulf Power Company, Progress Energy Florida, Inc., and Tampa Electric Company, are hereby authorized to apply the fuel cost recovery factors set forth herein during the period January 2013 through December 2013. It is further

ORDERED the estimated true-up amounts contained in the fuel cost recovery factors approved herein are hereby authorized subject to final true-up and further subject to proof of the reasonableness and prudence of the expenditures upon which the amounts are based. It is further

ORDERED that Florida Power & Light Company, Progress Energy Florida, Inc., Gulf Power Company, and Tampa Electric Company are hereby authorized to apply the capacity cost recovery factors as set forth herein during the period January 2013 through December 2013. It is further

ORDERED that the estimated true-up amounts contained in the capacity cost recovery factors approved herein are hereby authorized subject to final true-up and further subject to proof of the reasonableness and prudence of the expenditures upon which the amounts are based. It is further

ORDERED that the Fuel and Purchased Power Cost Recovery Clause With Generating Performance Incentive Factor docket is an on-going docket and shall remain open.

By ORDER of the Florida Public Service Commission this 21st day of December, 2012.

ANN COLE
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

MFB

DISSENT BY: COMMISSIONER LISA POLAK EDGAR

COMMISSIONER LISA POLAK EDGAR dissents with the majority on Issue 36 with the following opinion:

Issue 36 in this docket was presented as a Type B Stipulation (the utilities take no position and the intervenors agree with staff on the stipulation).

> Issue: Should the Commission authorize its staff to initiate an investigation of the GPIF mechanism in the 2013 annual fuel cost recovery clause proceedings?
>
> Stipulation: Yes. The Commission staff should be instructed to commence an investigation of the GPIF mechanism in the 2013 annual fuel cost recovery clause proceedings.

A review of the GPIF mechanism may indeed be timely. However, I respectfully disagree with the inclusion of Issue 36 as part of a larger group of "stipulated" issues.

It is my belief that this is an awkward and potentially problematic means for the Commission to consider and vote on whether to authorize an investigation. No background information, analysis, or rationale was provided, putting Commissioners in the uncomfortable position of appearing to direct our staff to take an action because, and only after, that action had been pre-approved by all parties.

This vote should not be a precedent for how to initiate future investigations.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.