



**John T. Butler**  
Assistant General Counsel – Regulatory  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, FL 33408-0420  
(561) 304-5639  
(561) 691-7135 (Facsimile)  
E-mail: john.butler@fpl.com

August 14, 2015

**-VIA ELECTRONIC FILING -**

Ms. Carlotta S. Stauffer  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

**Re: Docket No. 150001-EI**

Dear Ms. Stauffer:

Order No. PSC 08-0316-PAA-EI requires the four largest Florida IOUs, including Florida Power & Light Company (“FPL”) to file hedging results for January through July of the current year by August 15. FPL has prepared its Hedging Activity Report, which is identified as Exhibit GJY-4, to provide the required information on fuel hedging activities for the period January through July 2015. FPL’s Hedging Activity Report is attached. Consistent with FPL’s July 31, 2015 letter to your office in this docket, FPL has included with the Hedging Activity Report the information required by Gas Reserve Guidelines II.A. and II. B. The Hedging Activity Report, including the information in response to the Guidelines, is in redacted form and is the subject of a separately filed Request for Confidential Classification.

If there are any questions regarding this transmittal, please contact me at (561) 304-5639.

Sincerely,

*s/ John T. Butler*

\_\_\_\_\_  
John T. Butler

Enclosures

cc: Counsel for Parties of Record (w/encl.)

**CERTIFICATE OF SERVICE**  
**Docket No. 150001-EI**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic service on this 14<sup>th</sup> day of August, 2015 to the following:

Suzanne Brownless, Esq.  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
sbrownle@psc.state.fl.us

Andrew Maurey  
Michael Barrett  
Division of Accounting and Finance  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
mbarrett@psc.state.fl.us  
amaurey@psc.state.fl.us

Beth Keating, Esq.  
Gunster Law Firm  
Attorneys for Florida Public Utilities Corp.  
215 South Monroe St., Suite 601  
Tallahassee, Florida 32301-1804  
bkeating@gunster.com

Dianne M. Triplett, Esq.  
Attorneys for Duke Energy Florida  
299 First Avenue North  
St. Petersburg, Florida 33701  
dianne.triplett@duke-energy.com

James D. Beasley, Esq.  
J. Jeffrey Wahlen, Esq.  
Ashley M. Daniels, Esq.  
Ausley & McMullen  
Attorneys for Tampa Electric Company  
P.O. Box 391  
Tallahassee, Florida 32302  
jbeasley@ausley.com  
jwahlen@ausley.com  
adaniels@ausley.com

Jeffrey A. Stone, Esq.  
Russell A. Badders, Esq.  
Steven R. Griffin, Esq.  
Beggs & Lane  
Attorneys for Gulf Power Company  
P.O. Box 12950  
Pensacola, Florida 32591-2950  
jas@beggslane.com  
rab@beggslane.com  
srg@beggslane.com

Robert Scheffel Wright, Esq.  
John T. LaVia, III, Esq.  
Gardner, Bist, Wiener, et al  
Attorneys for Florida Retail Federation  
1300 Thomaswood Drive  
Tallahassee, Florida 32308  
schef@gbwlegal.com  
jlavia@gbwlegal.com

James W. Brew, Esq.  
Owen J. Kopon, Esq.  
Laura A. Wynn, Esq.  
Attorneys for PCS Phosphate - White Springs  
Stone Mattheis Xenopoulos & Brew, PC  
1025 Thomas Jefferson Street, NW  
Eighth Floor, West Tower  
Washington, DC 20007-5201  
jbrew@smxblaw.com  
ojk@smxblaw.com  
laura.wynn@smxblaw.com

Robert L. McGee, Jr.  
Gulf Power Company  
One Energy Place  
Pensacola, Florida 32520  
rlmcgee@southernco.com

Matthew R. Bernier, Esq.  
Duke Energy Florida  
106 East College Avenue, Suite 800  
Tallahassee, Florida 32301  
matthew.bernier@duke-energy.com

Erik L. Sayler, Esq.  
John J. Truitt, Esq.  
J. R. Kelly, Esq.  
Patricia Christensen, Esq.  
Charles Rehwinkel, Esq.  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, Florida 32399  
kelly.jr@leg.state.fl.us  
christensen.patty@leg.state.fl.us  
rehwinkel.charles@leg.state.fl.us  
sayler.erik@leg.state.fl.us  
truitt.john@leg.state.fl.us

Mike Cassel, Director/Regulatory and  
Governmental Affairs  
Florida Public Utilities Company  
911 South 8<sup>th</sup> Street  
Fernandina Beach, Florida 32034  
mcassel@fpuc.com  
Paula K. Brown, Manager  
Tampa Electric Company  
Regulatory Coordinator  
Post Office Box 111  
Tampa, Florida 33601-0111  
regdept@tecoenergy.com

Jon C. Moyle, Esq.  
Moyle Law Firm, P.A.  
Attorneys for Florida Industrial Power  
Users Group  
118 N. Gadsden St.  
Tallahassee, Florida 32301  
jmoyle@moylelaw.com

By:     /s/ John T. Butler      
John T. Butler  
Fla. Bar No. 283479

	A	B	C	D	E	F
			FPL NATURAL GAS PROCUREMENT			
			VOLUME (MMBTU)			
	<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>SAVINGS/(COSTS)</u>
1						
2						
3						
4	YEAR-TO-DATE	GAS RESERVES				
5	(JAN - JULY) 2015	SWAPS				
6		OVER-THE-COUNTER OPTIONS				
7		BROKER FEES				
8						\$ (259,491,945)
9						
10						
11	AVERAGE PERIOD OF HEDGE (Years) - GAS RESERVES					
12	AVERAGE PERIOD OF HEDGE (Days) - FINANCIAL					

	A	B	C	D	E	F
			FPL NATURAL GAS PROCUREMENT			
			VOLUME (MMBTU)			
	<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>SAVINGS/(COSTS)</u>
1						
2						
3						
4	January-2015	GAS RESERVES				
5		SWAPS				
6		OVER-THE-COUNTER OPTIONS				
7		BROKER FEES				
8						
9						
10						
11						
12						

	A	B	C	D	E	F
			FPL NATURAL GAS PROCUREMENT			
			VOLUME (MMBTU)			
	<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>SAVINGS/(COSTS)</u>
1						
2						
3						
4	February-2015	GAS RESERVES				
5		SWAPS				
6		OVER-THE-COUNTER OPTIONS				
7		BROKER FEES				
8						
9						
10						
11						
12						

	A	B	C	D	E	F
			FPL NATURAL GAS PROCUREMENT			
			VOLUME (MMBTU)			
	<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>SAVINGS/(COSTS)</u>
1						
2						
3						
4	March-2015	GAS RESERVES				
5		SWAPS				
6		OVER-THE-COUNTER OPTIONS				
7		BROKER FEES				
8						
9						
10						
11						
12						

	A	B	C	D	E	F
			FPL NATURAL GAS PROCUREMENT			
			VOLUME (MMBTU)			
	<u>PERIOD</u>	<u>INSTRUMENT</u>	PURCHASES	SALES	OPTION PREMIUMS	SAVINGS/(COSTS)
1						
2						
3						
4	April-2015	GAS RESERVES				
5		SWAPS				
6		OVER-THE-COUNTER OPTIONS				
7		BROKER FEES				
8						
9						
10						
11						
12						



	A	B	C	D	E	F
			FPL NATURAL GAS PROCUREMENT			
			VOLUME (MMBTU)			
	<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>SAVINGS/(COSTS)</u>
1						
2						
3						
4	May-2015	GAS RESERVES				
5		SWAPS				
6		OVER-THE-COUNTER OPTIONS				
7		BROKER FEES				
8						
9						
10						
11						
12						

	A	B	C	D	E	F
			FPL NATURAL GAS PROCUREMENT			
			VOLUME (MMBTU)			
	<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>SAVINGS/(COSTS)</u>
1						
2						
3						
4	June-2015	GAS RESERVES				
5		SWAPS				
6		OVER-THE-COUNTER OPTIONS				
7		BROKER FEES				
8						
9						
10						
11						
12						

	A	B	C	D	E	F
			FPL NATURAL GAS PROCUREMENT			
			VOLUME (MMBTU)			
	<u>PERIOD</u>	<u>INSTRUMENT</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>OPTION PREMIUMS</u>	<u>SAVINGS/(COSTS)</u>
1						
2						
3						
4	July-2015	GAS RESERVES				
5		SWAPS				
6		OVER-THE-COUNTER OPTIONS				
7		BROKER FEES				
8						
9						
10						
11						
12						

**Results of FPL's Economic Evaluation**  
**PetroQuest<sup>(1)</sup>**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

	A	B	C	D	E	F = C + D + E	G = F / B	H	I = B x (H-G)	J	K = I x J	
	Period	Year	Annual Production (Bcf)	Operating Expenses (\$MM)	Depreciation (\$MM)	Return Rate <sup>(3)</sup> (\$MM)	Revenue Requirement (\$MM)	Effective Cost (\$/MMBtu)	FPL Market Price Forecast (\$/MMBtu) <sup>(4)</sup>	Undiscounted Customer Savings (\$MM)	FPL Discount Factor	Discounted Customer Savings (\$MM)
6	1	2015	7.3					\$3.56	\$2.72	(\$6.2)	0.93	(\$5.8)
7	2	2016	19.9					\$2.91	\$3.00	\$1.9	0.87	\$1.7
8	3	2017	12.6					\$3.17	\$3.23	\$0.8	0.80	\$0.7
9	4	2018	9.6					\$3.41	\$3.74	\$3.2	0.75	\$2.4
10	5	2019	7.8					\$3.80	\$3.96	\$1.2	0.70	\$0.8
11	6	2020	6.6					\$4.18	\$4.93	\$4.9	0.65	\$3.2
12	7	2021	5.8					\$4.36	\$5.32	\$5.5	0.60	\$3.3
13	8	2022	5.2					\$4.52	\$5.61	\$5.7	0.56	\$3.2
14	9	2023	4.7					\$4.64	\$5.85	\$5.7	0.52	\$3.0
15	10	2024	4.3					\$4.75	\$6.03	\$5.5	0.48	\$2.7
16	11	2025	4.0					\$4.65	\$6.22	\$6.2	0.45	\$2.8
17	12	2026	3.7					\$4.72	\$6.41	\$6.3	0.42	\$2.6
18	13	2027	3.5					\$4.78	\$6.60	\$6.3	0.39	\$2.5
19	14	2028	3.3					\$4.84	\$6.81	\$6.4	0.36	\$2.3
20	15	2029	3.1					\$4.90	\$7.01	\$6.5	0.34	\$2.2
21	16	2030	2.9					\$4.96	\$7.23	\$6.5	0.31	\$2.0
22	17	2031	2.7					\$5.03	\$7.44	\$6.5	0.29	\$1.9
23	18	2032	2.5					\$5.10	\$7.67	\$6.6	0.27	\$1.8
24	19	2033	2.4					\$5.17	\$7.90	\$6.5	0.25	\$1.6
25	20	2034	2.2					\$5.25	\$8.06	\$6.3	0.23	\$1.5
26	21	2035	2.1					\$5.32	\$8.22	\$6.1	0.22	\$1.3
27	22	2036	2.0					\$5.40	\$8.42	\$6.0	0.20	\$1.2
28		2037-65	25.7					\$7.09	\$11.06	\$102.0	0.10	\$10.2
29		<b>Totals<sup>(2)</sup></b>	<b>143.9</b>	<b>\$308.7</b>	<b>\$169.9</b>	<b>\$178.7</b>	<b>\$657.3</b>			<b>\$206.6</b>		<b>\$49.2</b>

**Notes:**

- (1) Includes actuals through July 2015 and current estimates there after
- (2) Totals are for 2015-2065, an assumed 50 year project life. Totals may not add due to rounding.
- (3) Return rate includes return on the assets and return of financing costs.
- (4) Utilizes FPL's July long-range forecast

**Results of FPL's Economic Evaluation (US Gas Assets Transaction)**

1  
2  
3  
4

	A	B	C	D	E	F = C + D + E	G = F / B	H	I = B x (H-G)	J	K = I x J
		Annual Production (Bcf)	Operating Expenses (\$MM)	Depreciation (\$MM)	Return Rate <sup>(2)</sup> (\$MM)	Revenue Requirement (\$MM)	Effective Cost (\$/MMBtu)	FPL Market Price Forecast <sup>(3)</sup> (\$/MMBtu)	Undiscounted Customer Savings(3) (\$MM)	FPL Discount Factor	Discounted Customer Savings (\$MM)
5	Period	Year									
6	1	2015	0.4				\$2.30	\$2.96	\$0.3	0.97	\$0.3
7	2	2016	4.3				\$2.54	\$3.13	\$2.5	0.90	\$2.3
8	3	2017	3.2				\$2.96	\$3.33	\$1.2	0.84	\$1.0
9	4	2018	2.3				\$3.28	\$3.82	\$1.2	0.78	\$1.0
10	5	2019	1.8				\$3.56	\$4.02	\$0.8	0.73	\$0.6
11	6	2020	1.5				\$3.81	\$5.00	\$1.7	0.68	\$1.2
12	7	2021	1.2				\$4.00	\$5.39	\$1.7	0.63	\$1.1
13	8	2022	1.1				\$4.16	\$5.69	\$1.7	0.58	\$1.0
14	9	2023	1.0				\$4.31	\$5.92	\$1.6	0.54	\$0.9
15	10	2024	0.9				\$4.45	\$6.11	\$1.5	0.51	\$0.7
16	11	2025	0.8				\$4.59	\$6.29	\$1.4	0.47	\$0.6
17	12	2026	0.7				\$4.72	\$6.48	\$1.3	0.44	\$0.6
18	13	2027	0.7				\$4.85	\$6.68	\$1.3	0.41	\$0.5
19	14	2028	0.7				\$4.97	\$6.88	\$1.3	0.38	\$0.5
20	15	2029	0.6				\$5.09	\$7.09	\$1.2	0.35	\$0.4
21	16	2030	0.6				\$5.20	\$7.30	\$1.2	0.33	\$0.4
22	17	2031	0.5				\$5.31	\$7.52	\$1.2	0.30	\$0.4
23	18	2032	0.5				\$5.42	\$7.74	\$1.2	0.28	\$0.3
24	19	2033	0.5				\$5.54	\$7.97	\$1.2	0.26	\$0.3
25	20	2034	0.5				\$5.66	\$8.13	\$1.2	0.25	\$0.3
26	21	2035	0.4				\$5.78	\$8.30	\$1.1	0.23	\$0.3
27	22	2036	0.4				\$5.91	\$8.50	\$1.1	0.21	\$0.2
28		2037-65	6.1				\$8.87	\$11.29	\$14.9	0.12	\$1.8
29		<b>Totals<sup>(1)</sup></b>	<b>30.7</b>	<b>\$85.3</b>	<b>\$33.9</b>	<b>\$29.7</b>	<b>\$149.0</b>		<b>\$43.8</b>		<b>\$16.6</b>

30  
31  
32  
33  
34  
35

**Notes:**

- (1) Totals are for 2015-2065, an assumed 50 year project life. Totals may not add due to rounding.
- (2) Return rate includes return on the assets and return of financing costs.
- (3) Utilizes FPL's July long-range forecast

**Project Specific Assumptions**



**Pricing and Production Sensitivities**

CPVRR (\$MM)	Low Fuel	Base Fuel	High Fuel
Low Production	(\$2.9)	\$10.7	\$24.4
Base Production	\$1.4	<b>\$16.6</b>	\$31.7
High Production	\$5.7	\$22.4	\$39.0

56  
57