

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchase Power Cost Recovery
Clause and Generating Performance Incentive
Factor

Docket No. 150001-EI

Filed: October 9, 2015

**FLORIDA POWER & LIGHT COMPANY'S
PREHEARING STATEMENT**

Pursuant to Order No. PSC-15-0096-PCO-EI, dated February 10, 2015, Order No. PSC-15-0169-PCO-EI dated May 4, 2015, Order No. PSC-15-0418-PCO-EI dated October 1, 2015 and Order No. PSC-15-0419-PCO-EI dated October 2, 2015 establishing the prehearing procedure and ruling on the inclusion of certain issues in this docket, Florida Power & Light Company ("FPL") hereby submits its Prehearing Statement regarding the issues to be addressed at the hearing scheduled for November 2-5, 2015.

1) WITNESSES

WITNESS	SUBJECT MATTER	ISSUES
G. YUPP	Continuation of Natural Gas Financial Hedging Activities (Rebuttal of OPC Witnesses Noriega and Lawton)	1D
G. YUPP	Changes to Natural Gas Financial Hedging Activities (Rebuttal of OPC Witnesses Noriega and Lawton)	1E
G. YUPP	2015 Hedging Activity Reports	3A
G. YUPP	2016 Risk Management Plan	3B
G. YUPP	Incentive Mechanism Gains	3C
G. YUPP	Incremental Optimization Costs	3D – 3I
D. GRISSETTE T. JONES J. REED	St. Lucie Unit 2 2014 Outage	3J
G. YUPP	Woodford Project Costs	3K
T. COHEN	PEEC GBRA Factor	3N

D. GRISSETTE	St. Lucie Unit 2 2015 Outages	30
T.J. KEITH	Cedar Bay Transaction in 2016 Fuel Clause Factors	3P
T.J. KEITH	Fuel Adjustment True-up and Projections	7-12 and 19-23
G.YUPP D. GRISSETTE	Fuel Adjustment True-Up and Projections	9-12 and 19
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T.J. KEITH	Nuclear Cost Recovery Amount for 2015	25A
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2) **EXHIBITS**

Witness	Subject Matter	Exhibits
Terry J. Keith	Fuel Cost Recovery 2014 Final True Up Calculation	TJK-1
Terry J. Keith	Capacity Cost Recovery 2014 Final True Up Calculation (Confidential)	TJK-2
G. J. Yupp	2014 Incentive Mechanism Results (Confidential)	GJY-1

Witness	Subject Matter	Exhibits
Terry J. Keith	Midcourse Correction (May 2015 – December 2015)	TJK-3
C. R. Rote	Generating Performance Incentive Factor Performance Results for January 2014 through December 2014 (Originally filed by J. Carine Bullock and subsequently adopted by Charles R. Rote)	JCB-1
G. J. Yupp	August 2014 through December 2014 Hedging Activity True-up Report (Confidential)	GJY-2
Terry J. Keith	FCR 2015 Actual/Estimated True Up Calculation	TJK-4
Terry J. Keith	CCR 2015 Actual/Estimated True Up Calculation	TJK-5
G. J. Yupp	FCR 2016 Risk Management Plan (Confidential)	GJY-3
G. J. Yupp	Hedging Activity Report (Confidential)	GJY-4
G. J. Yupp	Fuel Cost Recovery Forecast Assumptions	GJY-5
Terry J. Keith	FCR 2016 E-Schedules Jan through May 2016 (SUPPLEMENTAL)	TJK-6
Terry J. Keith	FCR 2016 E-Schedules Jun through Dec 2016 (SUPPLEMENTAL)	TJK-7
Terry J. Keith	FCR 2016 E-Schedules Jan through Dec 2016 (SUPPLEMENTAL)	TJK-8
Terry J. Keith	CCR 2016 E-Schedules Jan through Dec 2016 (SUPPLEMENTAL) (Confidential)	TJK-9
Terry J. Keith	2016 Revenue Requirement Calculation for West County Energy Center Unit 3	TJK-10
C. R. Rote	Generating Performance Incentive Factor Performance Targets for January 2016 through December 2016 (with Gas Reserves Project) (SUPPLEMENTAL)	CRR-1
G.J. Yupp	Corrected Table – OPC’s 4th Set of Interrogatories No. 26	GJY-6
G.J. Yupp	Corrected Responses – OPC’s 12th Set of Interrogatories Nos. 127 and 128	GJY-7
G.J. Yupp	Corrected Henry Hub Price and Volatility Graph	GJY-8
G.J. Yupp	Black Scholes Model Results	GJY-9
John J. Reed	Résumé of John J. Reed	JJR-1
John J. Reed	Expert Testimony of John J. Reed	JJR-2

3) STATEMENT OF BASIC POSITION

FPL's 2016 Fuel and Purchased Power Cost Recovery factors and Capacity Cost Recovery factors, including the prior period true-ups reflected therein, are reasonable and should be approved. FPL's hedging activities, as reported in the April 2015 and August 2015 hedging reports should be approved as prudent, and FPL's 2016 Risk Management Plan should be approved. FPL's asset optimization activities in 2014 delivered total gains of \$67,626,867. Of these total gains, FPL is allowed to retain \$12,976,120 (system amount). FPL's Incremental Optimization Costs are reasonable and should be approved for recovery. FPL's natural gas financial hedging program is performing its intended function, and OPC has not demonstrated that it should be revised or discontinued. The replacement power costs associated with the 2014 extended outage and 2015 unplanned outages at St. Lucie Unit 2 were prudently incurred and are properly recoverable through the Fuel Clause.

4) STATEMENT OF ISSUES AND POSITIONS

HEDGING ISSUES

ISSUE 1D: Is it in the consumers' best interest for the utilities to continue natural gas financial hedging activities?

FPL: Yes. Utilities' natural gas financial hedging program has worked exactly as intended by the Commission and the utilities to limit the volatility of fuel costs that FPL customers pay. OPC has failed to demonstrate that the program should be revised or discontinued. (YUPP)

ISSUE 1E: What changes, if any, should be made to the manner in which electric utilities conduct their natural gas financial hedging activities?

FPL: FPL does not believe that any changes should be made to the manner in which electric utilities currently conduct their natural gas financial hedging activities. (YUPP)

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

ISSUE 3A: Should the Commission approve as prudent FPL's actions to mitigate the volatility of natural gas, residual oil, fuel oil, and purchased power prices, as reported in FPL's April 2015 and August 2015 hedging reports?

FPL: Yes. FPL's risk management plans currently involve only natural gas hedging. FPL's actions to mitigate the price volatility of natural gas, as reported in FPL's April 2015 and August 2015 hedging reports, are reasonable and prudent. (YUPP)

ISSUE 3B: Should the Commission approve FPL’s 2016 Risk Management Plan?

FPL: Yes. On August 5, 2008, FPL filed a petition in the fuel docket requesting approval of Hedging Order Clarification Guidelines (the “Hedging Guidelines”). The Hedging Guidelines were approved at the Commission's September 16, 2008 Agenda Conference. Section I of the Hedging Guidelines provides for investor-owned utilities such as FPL to file a risk management plan covering the activities to be undertaken during the following calendar year for hedges applicable to subsequent years, and for the Commission to review such plans for approval in the annual fuel adjustment hearing held in October. FPL’s 2016 Risk Management Plan is consistent with the Hedging Guidelines and should be approved. (YUPP)

ISSUE 3C: What is the total gain in 2014 under the Incentive Mechanism approved in Order No. PSC-13-0023-S-EI, and how is that gain to be shared between FPL and customers?

FPL: FPL’s asset optimization activities in 2014 delivered total gains of \$67,626,867. Of these total gains, FPL is allowed to retain \$12,976,120 (system amount). (YUPP)

ISSUE 3D: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2014 through December 2014?

FPL: The amount of Incremental Optimization Costs for Personnel, Software, and Hardware Costs that FPL should be allowed to recover through the fuel clause is \$460,428 for the period January 2014 through December 2014. (YUPP)

ISSUE 3E: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M costs incurred to generate output for wholesale sales in excess of 514,000 megawatt-hours for the period January 2014 through December 2014?

FPL: The amount of Incremental Optimization Costs for Variable Power Plant Operations and Maintenance Costs over the 514 Megawatt Threshold that FPL should be allowed to recover through the fuel clause is \$2,259,985 for the period January 2014 through December 2014. (YUPP)

ISSUE 3F: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2015 through December 2015?

FPL: The amount of Incremental Optimization Costs for Personnel, Software, and Hardware Costs that FPL should be allowed to recover through the fuel clause is \$441,826 for the period January 2015 through December 2015. (YUPP)

ISSUE 3G: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M costs incurred to generate output for wholesale sales in excess of 514,000 megawatt-hours for the period January 2015 through December 2015?

FPL: The amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M costs incurred to generate output for wholesale sales in excess of 514,000 megawatt-hours for the period January 2015 through December 2015 is \$2,759,649. (YUPP)

ISSUE 3H: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2016 through December 2016?

FPL: The amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2016 through December 2016 is \$473,512. (YUPP)

ISSUE 3I: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M costs incurred to generate output for wholesale sales in excess of 514,000 megawatt-hours for the period January 2016 through December 2016?

FPL: The amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M costs incurred to generate output for wholesale sales in excess of 514,000 megawatt-hours for the period January 2016 through December 2016 is \$1,498,826. (YUPP)

ISSUE 3J: Has FPL made appropriate adjustments, if any are needed, to account for replacement power costs associated with the extended refueling outage in 2014 at Saint Lucie Unit 2? If appropriate adjustments are needed and have not been made, what adjustment(s) should be made?

FPL: No adjustments are necessary or appropriate, because FPL's actions in connection with the refueling outage extension in 2014 at Saint Lucie Unit 2 were prudent. (GRISSETTE, JONES, REED)

ISSUE 3K: What costs are appropriate for FPL's Woodford natural gas exploration and production project for recovery through the Fuel Clause?

FPL: The amount of total system recoverable expenses related to FPL's Woodford Project that FPL should be allowed to recover through the Fuel Clause for 2015 and 2016 are \$24,611,461 and \$53,777,690, respectively. (YUPP)

ISSUE 3N: Should the Commission approve FPL's proposed generation base rate adjustment (GBRA) factor of 3.899 percent for the Port Everglades Energy Center (PEEC) expected to go in-service on June 1, 2016?

FPL: Yes. The GBRA factor of 3.899 percent for PEEC was calculated consistent with the Stipulation and Settlement approved by the Commission in Order No. PSC-13-0023-S-EI and should be approved. New charges reflecting the increase for the GBRA factor will be applied to meter readings made on and after the commercial in-service date of PEEC, currently projected to occur by June 1, 2016. The Summary of Tariff Changes is provided in Document TCC-3. FPL will submit for administrative approval by Staff revised tariff sheets reflecting these new charges prior to the actual commercial in service date. Once PEEC's actual capital costs are known, if the unit's actual capital costs are less than the projected costs used to develop this initial GBRA Factor, the factor would be recalculated and a one-time credit would be made to customers through the capacity clause. The revised GBRA Factor would be computed using the same data and methodology incorporated into the initial GBRA Factor, with the exception that PEEC's actual capital costs will be used in lieu of the capital cost upon which the initial GBRA factor was based. On a going forward basis, base rates would be adjusted to reflect this revised GBRA Factor for PEEC. The difference between the cumulative base revenues since the implementation of the initial GBRA Factor and the cumulative base revenues that would have resulted if the revised GBRA Factor had been implemented during the same time period will be credited to customers through the capacity clause with interest at the 30-day commercial paper rate as specified in Rule 25-6.109. (COHEN)

ISSUE 3O: Should the replacement power costs related to the unplanned outages at St. Lucie Unit 2 in February and April 2015 be recovered through the fuel recovery clause?

FPL: Yes. (GRISSETTE)

ISSUE 3P: Has FPL properly reflected in the fuel and purchased power cost recovery clause the effects of acquiring the Cedar Bay facility and terminating the existing Cedar Bay power purchase agreement consistent with the terms of the settlement agreement between FPL and OPC approved in Docket No. 150075-EI?

FPL: Yes. (KEITH)

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 7: What are the appropriate actual benchmark levels for calendar year 2015 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: FPL implemented a new Incentive Mechanism beginning in 2013, which was a component of the Stipulation and Settlement that was approved by the Commission in Order No. PSC-13-0023-S-EI issued on January 14, 2013 in Docket No. 120015-EI. The new Incentive Mechanism does not rely upon the three-year average Shareholder Incentive Benchmark specified in Order No. PSC-00-1744-PAA-EI, so there is no need to continue calculating that benchmark for FPL. (KEITH)

ISSUE 8: What are the appropriate estimated benchmark levels for calendar year 2016 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPL: FPL implemented a new Incentive Mechanism beginning in 2013, which was a component of the Stipulation and Settlement that was approved by the Commission in Order No. PSC-13-0023-S-EI issued on January 14, 2013 in Docket No. 120015-EI. The new Incentive Mechanism does not rely upon the three-year average Shareholder Incentive Benchmark specified in Order No. PSC-00-1744-PAA-EI, so there is no need to continue calculating that benchmark for FPL. (KEITH)

ISSUE 9: What are the appropriate final fuel adjustment true-up amounts for the period January 2014 through December 2014?

FPL: \$10,088,837 over-recovery, which is being refunded as part of the mid-course correction approved by Order No. PSC-15-0161-PCO-EI. (KEITH)

ISSUE 10: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2015 through December 2015?

FPL: \$66,818,243 under-recovery. (KEITH)

ISSUE 11: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2016 to December 2016?

FPL: \$66,818,243 under-recovery. (KEITH)

ISSUE 12: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2016 through December 2016?

FPL: \$3,023,588,111 excluding prior period true-ups, revenue taxes, FPL's portion of Incentive Mechanism gains and the GPIF reward. (KEITH)

**COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR
(GPIF) ISSUES**

Florida Power & Light Company

ISSUE 14A: Has FPL properly reflected in its 2016 GPIF targets/ranges the effects of acquiring the Cedar Bay facility and terminating the existing Cedar Bay power purchase agreement consistent with the terms of the settlement agreement between FPL and OPC that was approved in Docket No. 150075-EI?

FPL: Yes. (ROTE)

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 17: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2014 through December 2014 for each investor-owned electric utility subject to the GPIF?

FPL: \$23,303,114 reward. (ROTE)

ISSUE 18: What should the GPIF targets/ranges be for the period January 2016 through December 2016 for each investor-owned electric utility subject to the GPIF?

FPL:

<u>Plant / Unit</u>	<u>EAF Target (%)</u>	<u>ANOHR TARGET BTU/KWH</u>
Ft. Myers 2	90.3	7,344
Martin 8	82.3	7,017
Manatee 3	92.6	7,011
St. Lucie 1	85.1	10,471
St. Lucie 2	92.5	10,270
Turkey Point 3	90.8	11,102
Turkey Point 4	84.6	11,082
Turkey Point 5	93.5	7,132
West County 1	90.8	6,967
West County 2	90.1	6,891
West County 3	91.7	6,851

(ROTE)

FUEL FACTOR CALCULATION ISSUES

ISSUE 19: 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 2016 through December 2016?

FPL: \$3,128,284,160 including prior period true-ups, revenue taxes, FPL's portion of Incentive Mechanism gains and the GPIF reward. (KEITH)

ISSUE 20: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2016 through December 2016?

FPL: 1.00072. (KEITH)

ISSUE 21: What are the appropriate levelized fuel cost recovery factors for the period January 2016 through December 2016?

FPL: FPL proposes that the fuel factors be reduced as of the in-service date of Port Everglades Energy Center (PEEC) to reflect the projected jurisdictional fuel savings for PEEC. FPL is proposing the following separate factors for January 2016 through May 2016 and for June 2016 through December 2016:

- (a) 2.898 cents/kWh for January 2016 through the day prior to the PEEC in-service date (projected to be May 31, 2016);
 (b) 2.837 cents/kWh from the PEEC in-service date (projected to be June 1, 2016) through December 2016. (KEITH)

ISSUE 22: What are 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?

FPL: The appropriate fuel cost recovery line loss multipliers are provided in response to Issue No. 23. (KEITH)

ISSUE 23: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FPL:

GROUPS	RATE SCHEDULE	JANUARY 2016 - MAY 2016		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	2.898	1.00313	2.580
A	RS-1 all additional kWh	2.898	1.00313	3.580
A	GS-1, SL-2, GSCU-1	2.898	1.00313	2.907
A-1	SL-1, OL-1, PL-1 ⁽¹⁾	2.679	1.00313	2.687
B	GSD-1	2.898	1.00305	2.907
C	GSLD-1, CS-1	2.898	1.00205	2.904
D	GSLD-2, CS-2, OS-2, MET	2.898	0.99278	2.877
E	GSLD-3, CS-3	2.898	0.96536	2.798
A	GST-1 On-Peak	4.037	1.00313	4.050
	GST-1 Off-Peak	2.420	1.00313	2.428
A	RTR-1 On-Peak	-	-	1.143
	RTR-1 Off-Peak	-	-	(0.479)
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) On-Peak	4.037	1.00305	4.049
	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) Off-Peak	2.420	1.00305	2.427
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) On-Peak	4.037	1.00205	4.045
	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) Off-Peak	2.420	1.00205	2.425
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) On-Peak	4.037	0.99349	4.011
	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) Off-Peak	2.420	0.99349	2.404
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) On-Peak	4.037	0.96536	3.897
	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) Off-Peak	2.420	0.96536	2.336
F	CILC-1(D), ISST-1(D) On-Peak	4.037	0.99234	4.006
	CILC-1(D), ISST-1(D) Off-Peak	2.420	0.99234	2.401

⁽¹⁾WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

ESTIMATED FOR THE PERIOD OF: JANUARY 2016 THROUGH MAY 2016

OFF PEAK: ALL OTHER HOURS

(1)	(2)	(3)	(4)	(5)
GROUPS	RATE SCHEDULE	JUNE - SEPTEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	5.434	1.00305	5.451
	GSD(T)-1 Off-Peak	2.568	1.00305	2.576
C	GSLD(T)-1 On-Peak	5.434	1.00205	5.445
	GSLD(T)-1 Off-Peak	2.568	1.00205	2.573
D	GSLD(T)-2 On-Peak	5.434	0.99349	5.399
	GSLD(T)-2 Off-Peak	2.568	0.99349	2.551
GROUPS	RATE SCHEDULE	JUNE 2016 - DECEMBER 2016		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	2.837	1.00313	2.519
A	RS-1 all additional kWh	2.837	1.00313	3.519
A	GS-1, SL-2, GSCU-1	2.837	1.00313	2.846
A-1	SL-1, OL-1, PL-1 ⁽¹⁾	2.622	1.00313	2.630
B	GSD-1	2.837	1.00305	2.846
C	GSLD-1, CS-1	2.837	1.00205	2.843
D	GSLD-2, CS-2, OS-2, MET	2.837	0.99278	2.817
E	GSLD-3, CS-3	2.837	0.96536	2.739
A	GST-1 On-Peak	3.952	1.00313	3.964
	GST-1 Off-Peak	2.369	1.00313	2.376
A	RTR-1 On-Peak	-	-	1.118
	RTR-1 Off-Peak	-	-	(0.470)
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) On-Peak	3.952	1.00305	3.964
	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) Off-Peak	2.369	1.00305	2.376
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) On-Peak	3.952	1.00205	3.960
	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) Off-Peak	2.369	1.00205	2.374
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) On-Peak	3.952	0.99349	3.926
	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) Off-Peak	2.369	0.99349	2.354
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) On-Peak	3.952	0.96536	3.815
	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) Off-Peak	2.369	0.96536	2.287
F	CILC-1(D), ISST-1(D) On-Peak	3.952	0.99234	3.922
	CILC-1(D), ISST-1(D) Off-Peak	2.369	0.99234	2.351

⁽¹⁾ WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

GROUPS	RATE SCHEDULE	JUNE 2016 - SEPTEMBER 2016		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	5.319	1.00305	5.335
	GSD(T)-1 Off-Peak	2.514	1.00305	2.522
C	GSLD(T)-1 On-Peak	5.319	1.00205	5.330
	GSLD(T)-1 Off-Peak	2.514	1.00205	2.519
D	GSLD(T)-2 On-Peak	5.319	0.99349	5.284
	GSLD(T)-2 Off-Peak	2.514	0.99349	2.498

(KEITH)

CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 25A: Has FPL included in the capacity cost recovery clause the nuclear cost recovery amount ordered by the Commission in Docket No. 150009-EI?

FPL: Yes. As approved by the Commission at its October 19, 2015 Special Agenda Conference, FPL has included \$34,249,614. [Note: Staff has recommended approval of this amount. If a different amount is approved by the Commission, FPL will revise its position on this and fall-out Capacity Clause issues accordingly at the Prehearing Conference.] (KEITH)

ISSUE 25B: What are the appropriate 2016 projected non-fuel revenue requirements for West County Energy Center Unit 3 (WCEC-3) to be recovered through the Capacity Clause?

FPL: \$145,515,209. (KEITH)

ISSUE 25C: Has FPL properly reflected in the capacity cost recovery clause the effects of acquiring the Cedar Bay facility and terminating the existing Cedar Bay power purchase agreement consistent with the terms of the settlement agreement between FPL and OPC that was approved in Docket No. 150075-EI?

FPL: Yes. (KEITH)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 28: What are the appropriate capacity cost recovery final true-up amounts for the period January 2014 through December 2014?

FPL: \$2,951,171 under-recovery. (KEITH)

ISSUE 29: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2015 through December 2015?

FPL: \$7,699,316 over-recovery. (KEITH)

ISSUE 30: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2016 through December 2016?

FPL: \$4,748,145 over-recovery. (KEITH)

ISSUE 31: What are the appropriate projected total capacity cost recovery amounts for the period January 2016 through December 2016?

FPL: Jurisdictionalized, \$321,148,426 for the period January 2016 through December 2016, excluding prior period true-ups, revenue taxes, nuclear cost recovery amount, and WCEC-3 jurisdictional non-fuel revenue requirements. (KEITH)

ISSUE 32: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2016 through December 2016?

FPL: The projected net purchased power capacity cost recovery amount to be recovered over the period January 2016 through December 2016 is \$496,417,572, including prior period true-ups, revenue taxes, the nuclear cost recovery amount and WCEC-3 revenue requirements. (KEITH)

ISSUE 33: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2016 through December 2016?

FPL: The appropriate jurisdictional separation factors are:
FPSC 94.67506%
FERC 5.32494% (KEITH)

ISSUE 34: What are the appropriate capacity cost recovery factors for the period January 2016 through December 2016?

FPL: The January 2016 through December 2016 capacity cost recovery factors including WCEC-3 factors are as follows:

RATE SCHEDULE	ESTIMATED FOR THE PERIOD OF: JANUARY 2016 THROUGH DECEMBER 2016												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Jan 2016 - Dec 2016 Capacity Recovery Factor				2016 WCEC-3 Capacity Recovery Factor				Total Jan 2016 - Dec 2016 Capacity Recovery Factor				
	(\$KW)	(\$/kw h)	RDC (\$/KW) ⁽¹⁾	SDD (\$/KW) ⁽²⁾	(\$KW)	(\$/kw h)	RDC (\$/KW)	SDD (\$/KW)	(\$KW)	(\$/kw h)	RDC (\$/KW) ⁽¹⁾	SDD (\$/KW) ⁽²⁾	
RS1/RTR1	-	0.00348	-	-	-	0.00140	-	-	-	0.00488	-	-	
GS1/GST1	-	0.00326	-	-	-	0.00140	-	-	-	0.00466	-	-	
GSD1/GSDT1/HLFT1	1.09	-	-	-	0.46	-	-	-	1.55	-	-	-	
OS2	-	0.00240	-	-	-	0.00126	-	-	-	0.00366	-	-	
GSLD1/GSLDT1/CS1/CST1/HLFT2	1.22	-	-	-	0.56	-	-	-	1.78	-	-	-	
GSLD2/GSLDT2/CS2/CST2/HLFT3	1.19	-	-	-	0.51	-	-	-	1.70	-	-	-	
GSLD3/GSLDT3/CS3/CST3	1.22	-	-	-	0.66	-	-	-	1.88	-	-	-	
SST1T	-	-	\$0.15	\$0.07	-	-	\$0.06	\$0.03	-	-	\$0.21	\$0.10	
SST1D1/SST1D2/SST1D3	-	-	\$0.15	\$0.07	-	-	\$0.06	\$0.03	-	-	\$0.22	\$0.10	
CILC D/CILC G	1.35	-	-	-	0.63	-	-	-	1.98	-	-	-	
CILC T	1.28	-	-	-	0.55	-	-	-	1.83	-	-	-	
MET	1.38	-	-	-	0.66	-	-	-	2.04	-	-	-	
OL1/SL1/PL1	-	0.00059	-	-	-	0.00036	-	-	-	0.00095	-	-	
SL2, GSCU1	-	0.00225	-	-	-	0.00064	-	-	-	0.00289	-	-	

(KEITH)

EFFECTIVE DATE

ISSUE 35: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

FPL: FPL is requesting that the fuel adjustment factors and capacity cost recovery factors become effective with customer bills for January 2016 (cycle day 1) through December 2016 (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 the Commission. (KEITH)

TARIFF APPROVAL

ISSUE 36: Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding?

FPL: Yes. The Commission should approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision. (KEITH)

ISSUE 37: Should this Docket be closed?

FPL: The docket should be closed after issuance of the 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. (KEITH)

5) STIPULATED ISSUES

FPL: None at this time.

6) PENDING MOTIONS

FPL: None at this time.

7) PENDING REQUESTS FOR CONFIDENTIALITY

1. Florida Power & Light Company's request for confidential classification of response to OPC's 1st set of interrogatories (No. 6) DN 00821-15, dated February 6, 2015. [See DN 00953-15 for corrected filing February 13, 2015]
2. Florida Power & Light Company's request for confidential classification of certain information provided in exhibits to direct testimony of witnesses Terry J. Keith (TJK-2) and Gerard J. Yupp (GJY-1) DN 01250-15, dated March 3, 2015.
3. Florida Power & Light Company's request for confidential classification of response to OPC's 1st request for PODs (Nos. 6, 8, 12, and 13) DN 01606-15, dated March 23, 2015.
4. Florida Power & Light Company's request for confidential classification of certain information regarding fuel hedging activities and market comparisons contained in Exh GJY-2 to testimony of Gerard J. Yupp DN 01924-15, dated April 7, 2015
5. Florida Power & Light Company's request for confidential classification of Forms 423-1(a), 2, 2(a) and 2(b) for December/November, 2014; January/December, 2015; and February/January, 2015 DN 02398-15, dated April 29, 2015.
6. Florida Power & Light Company's request for confidential classification of Materials provided pursuant to Audit No. 15-023-4-2. [x-ref. DN 02580-15] DN 03046-15, dated May 21, 2015.
7. Florida Power & Light Company's request for confidential classification in response to OPC's 3rd request for PODs (No. 19) DN 03653-15, dated June 15, 2015.
8. Florida Power & Light Company's request for confidential classification in response to OPC's 8th set of interrogatories (Nos. 75, 77, 78, and 88) and 5th request for PODs (No. 28) DN 04578-15, dated July 22, 2015.
9. Florida Power & Light Company's request for confidential classification in response to OPC's 9th set of interrogatories (Nos. 92 and 93) and 6th request for PODs (Nos. 32 and 33) DN 04627-15, dated July 23, 2015.

10. Florida Power & Light Company's request for confidential classification of Form 423-1(a), 2, 2(a), and 2(b) for March/February 2015, April/March 2015, and May/April 2015 DN 04699-15, dated July 27, 2015.
11. Florida Power & Light Company's request for confidential classification of certain information in 2016 risk management plan ("hedging plan"), which is Appendix III (Exh GJY-3) to the 2015 actual/estimated true-up petition DN 04939-15, dated August 4, 2015.
12. Florida Power & Light Company's request for confidential classification of certain information contained in the fuel hedging activity report (Exh GJY-4) DN 05119-15, dated August 14, 2015.
13. Florida Power & Light Company's request for confidential classification in response to staff's 7th set of interrogatories (Nos. 47 and 54) DN 05723-15, dated September 14, 2015.
14. Florida Power & Light Company's request for confidential classification in response to OPC's 8th request for PODs (No. 41) DN 05783-15, dated September 16, 2015.
15. Florida Power & Light Company's request for confidential classification of certain information contained in Schedule E12 of Appendix V to supplemental testimony of witness Terry J. Keith DN 05921-15, dated September 21, 2015.
16. Florida Power & Light Company's request for confidential classification in response to OPC's 13th set of interrogatories (Nos. 135 and 148) DN 05947-15, dated September 21, 2015.
17. Florida Power & Light Company's request for confidential classification in response to staff's 8th set of interrogatories (Nos. 65, 74, and 76) and 2nd request for PODs (No. 2) DN 06011-15, dated September 23, 2015.
18. Florida Power & Light Company's request for confidential classification in response to staff's 11th set of interrogatories (No. 81) DN 06273-15, dated October 5, 2015.
19. Florida Power & Light Company's request for confidential classification of Materials provided pursuant to Audit No. 15-051-4-[x-ref. DN 05934-15] DN 06307-15, dated October 7, 2015.

8) OBJECTIONS TO WITNESS QUALIFICATIONS AS AN EXPERT

FPL: None at this time.

9) STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

There are no requirements of the Order Establishing Procedure with which FPL cannot comply.

Respectfully submitted this 9th day of October, 2015.

R. Wade Litchfield, Esq.
Vice President and General Counsel
John T. Butler, Esq.
Assistant General Counsel – Regulatory
Maria J. Moncada
Principal Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Telephone: (561) 304-5639
Facsimile: (561) 691-7135

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic delivery on the 9th day of October 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

Mike Cassel, Director/Regulatory and
Governmental Affairs
Florida Public Utilities Company
911 South 8th Street
Fernandina Beach, Florida 32034
mcassel@fpuc.com

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

Paula K. Brown, Manager
Tampa Electric Company
Regulatory Coordinator
Post Office Box 111
Tampa, Florida 33601-0111
regdept@tecoenergy.com

Erik L. Saylor, 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
saylor.erik@leg.state.fl.us
truitt.john@leg.state.fl.us

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