

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, November 27, 2012, 9:30 a.m.

LOCATION: Betty Easley Conference Center, Joseph P. Cresse Hearing Room 148

DATE ISSUED: November 16, 2012

NOTICE

Persons affected by Commission action on certain items on this agenda may be allowed to address the Commission, either informally or by oral argument, when those items are taken up for discussion at this conference. These items are designated by double asterisks (***) next to the agenda item number.

To participate informally, affected persons need only appear at the agenda conference and request the opportunity to address the Commission on an item listed on agenda. Informal participation is not permitted: (1) on dispositive motions and motions for reconsideration; (2) when a recommended order is taken up by the Commission; (3) in a rulemaking proceeding after the record has been closed; or (4) when the Commission considers a post-hearing recommendation on the merits of a case after the close of the record. The Commission allows informal participation at its discretion in certain types of cases (such as declaratory statements and interim rate orders) in which an order is issued based on a given set of facts without hearing.

See Rule 25-22.0021, F.A.C., concerning Agenda Conference participation and Rule 25-22.0022, F.A.C., concerning oral argument.

Agendas, staff recommendations, and vote sheets are available from the PSC Web site, <http://www.floridapsc.com>, by selecting *Conferences & Meeting Agendas and Commission Conferences of the FPSC*. Once filed, a verbatim transcript of the Commission Conference will be available from this page by selecting the conference date, or by selecting *Clerk's Office* and the Item's docket number, (you can then advance to the *Docket Details* page and the Document Filings Index for that particular docket). An official vote of "move staff" denotes that the Item's recommendations were approved. If you have any questions, contact the Office of Commission Clerk at (850) 413-6770 or e-mail the clerk at Clerk@psc.state.fl.us.

In accordance with the American with Disabilities Act, persons needing a special accommodation to participate at this proceeding should contact the Office of Commission Clerk no later than five days prior to the conference at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, via 1-800-955-8770 (Voice) or 1-800-955-8771 (TDD), Florida Relay Service. Assistive Listening Devices are available at the Office of Commission Clerk, Betty Easley Conference Center, Room 110.

The Commission Conference has a live video broadcast the day of the conference, which is available from the PSC's Web site. Upon completion of the conference, the video will be available from the Web site by selecting *Conferences & Meeting Agendas*, then *Audio and Video Event Coverage*.

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ITEM NO.

CASE

1**

Consent Agenda

PAA

A) Application for Certificate of Authority to Provide Telecommunications Service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
120236-TX	O1 Communications East, LLC

B) Docket No. 120242-EI – Application of Progress Energy Florida, Inc. (Company) for authority to issue, sell or otherwise incur during 2013 up to \$1.5 billion of any combination of equity securities, long-term debt securities and other long-term obligations. Additionally, the Company requests authority to issue, sell, or otherwise incur during 2013 and 2014 up to \$1.5 billion outstanding at any time of short-term debt securities and other obligations. This matter was originally voted on and approved at the October 16, 2012 Agenda Conference, however the item is being re-filed, in order to comply with the notice requirements of Section 366.04(1), Florida Statutes.

In connection with this application, PEF confirms that the capital raised pursuant to this application will be used in connection with the activities of PEF and not the unregulated activities of its unregulated subsidiaries or affiliates.

C) Docket No. 120245-EI – Application by Gulf Power Company (Company) for authority to receive equity funds from and/or to issue common equity securities to its parent company, Southern Company (Southern); issue and sell long-term debt and equity securities; and issue and sell short-term debt securities during 2013. The amount of common equity contributions received from and issued to Southern, the amount of other equity securities issued, and the maximum principal amount of long-term debt securities issued will total not more than \$875 million. The maximum principal amount of short-term debt at any one time will total not more than \$350 million.

In connection with this application, Gulf Power Company confirms that the capital raised pursuant to this application will be used in connection with the regulated electric operations of Gulf Power Company and not the unregulated activities of the utility or its affiliates.

ITEM NO.

CASE

1**

Consent Agenda

(Continued from previous page)

D) Docket No. 120264-GU – Florida City Gas (Company) seeks authority to finance its on-going cash requirements through its participation and borrowings from and investments in AGL Resources Inc.’s (AGLR) Utility Money Pool during 2013. FCG is a division of Pivotal Utility Holdings, Inc., which is a wholly-owned subsidiary of AGLR. The maximum aggregate short-term borrowings by Pivotal Utility Holdings, Inc.’s three utilities (Elizabethtown Gas, Elkton Gas, and Florida City Gas) from the Utility Money Pool during 2013 will not exceed \$800 million. Florida City Gas states that its share of these borrowings will not exceed \$250 million.

In connection with this application, Florida City Gas confirms that the capital raised pursuant to this application will be used in connection with the regulated natural gas operations of Florida City Gas and not the unregulated activities of the utility or its affiliates.

For monitoring purposes, this docket should remain open until April 25, 2014, to allow the Company time to file the required Consummation Report.

Recommendation: The Commission should approve the action requested in the dockets referenced above, and close Docket 120236-TX. For monitoring purposes, Dockets 120242-EI and 120245-EI should remain open until April 29, 2014, and Docket 120264-GU should remain open until April 25, 2014, to allow the Company time to file the required Consummation Reports.

ITEM NO.

CASE

2**

Docket No. 120265-TP – Proposed amendment of Rule 25-4.034, F.A.C., Tariffs, proposed adoption of Rule 25-4.0341, F.A.C., Filing of Service Schedules, and proposed repeal of Rule 25-24.825, F.A.C., Price List.

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Balbis

Staff: GCL: Gervasi
ECO: McNulty
TEL: Bates

Issue 1: Should the Commission propose the amendment of Rule 25-4.034, F.A.C., Tariffs, the adoption of Rule 25-4.0341, F.A.C., Filing of Service Schedules, and the repeal of Rule 25-24.825, F.A.C., Price List?

Recommendation: Yes, the Commission should propose the amendment of Rule 25-4.034, F.A.C., the adoption of Rule 25-4.0341, F.A.C., and the repeal of Rule 25-24.825, F.A.C, as set forth in Attachment A of staff's memorandum dated November 13, 2012.

Issue 2: Should this docket be closed?

Recommendation: Yes, if no requests for hearing or comments are filed, the amendment of Rule 25-4.034, adoption of Rule 25-4.0341, and repeal of Rule 25-24.825, as proposed, should be filed for adoption with the Secretary of State and the docket should be closed.

ITEM NO.

CASE

3**

Docket No. 120266-TP – Proposed amendment of Rule 25-4.118, F.A.C., Local, Local Toll, or Toll Provider Selection, and proposed repeal of Rules 25-4.083, F.A.C., Preferred Carrier Freeze, and 25-24.845, F.A.C., Customer Relations.

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Balbis

Staff: GCL: Gervasi

ECO: McNulty

TEL: Bates

Issue 1: Should the Commission propose the amendment of Rule 25-4.118, F.A.C., Local, Local Toll, or Toll Provider Selection, and the repeal of Rules 25-4.083, F.A.C., Preferred Carrier Freeze, and 25-24.845, F.A.C., Customer Relations?

Recommendation: Yes, the Commission should propose the amendment of Rule 25-4.118, F.A.C., and the repeal of Rules 25-4.083 and 25-24.845, F.A.C., as set forth in Attachment A of staff's memorandum dated November 13, 2012.

Issue 2: Should this docket be closed?

Recommendation: Yes, if no requests for hearing or comments are filed, the amendment of Rule 25-4.118, F.A.C., and the repeal of Rules 25-4.083 and 25-24.845, F.A.C., as proposed, should be filed for adoption with the Secretary of State and the docket should be closed.

ITEM NO.

CASE

4

Docket No. 080562-WU – Request for approval of amendment to connection/transfer sheets, increase in returned check charge, amendment to miscellaneous service charges, increase in meter installation charges, and imposition of new tap-in fee, in Marion County, by East Marion Sanitary Systems Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: GCL: Bennett

AFD: T. Brown, Maurey

(Participation is governed by Rule 25-22.0021(4) and 25-22.0022, Florida Administrative Code.)

Issue 1: Should the Commission approve the Recommended Final Order submitted by the Administrative Law Judge?

Recommendation: Yes. The Commission should approve and adopt the attached Recommended Final Order submitted by the Administrative Law Judge as the Final Order in this docket.

Issue 2: Should East Marion Sanitary Systems, Inc. be required to install irrigation meters with a dedicated line for Intervenors Will and Mallon at the prior tariff rate of \$70?

Recommendation: Yes. Staff believes that, consistent with the Final Order, East Marion Sanitary Systems, Inc. should be directed to install irrigation meters with a dedicated line for Intervenors Will and Mallon at the tariff rate of \$70.

Issue 3: Should this docket be closed?

Recommendation: Yes. Upon issuance of the Final Order by the Commission, the Utility's protest should be dismissed and this docket closed.

ITEM NO.

CASE

5

Docket No. 120231-TP – Complaint of Budget Prepay, Inc. against BellSouth Telecommunications, LLC d/b/a AT&T Florida.

Critical Date(s): Disconnection of Service - November 27, 2012

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: GCL: Murphy

TEL: Bates, Fogleman, Hawkins

(Oral Argument Requested.)

Issue 1: Should the Commission grant Budget's Request for Oral Argument?

Recommendation: Yes. The Commission should grant Budget's Request for Oral Argument and set a 5 minute per side limit.

Issue 2: Should the Commission prohibit AT&T FL from suspending Budget's order processing and/or disconnecting Budget's services while the Commission hears Budget's Complaint in this Docket?

Recommendation: No. The Commission should not prohibit AT&T FL from suspending order processing for Budget and/or disconnecting Budget's service.

Issue 3: Should the Commission require Budget to post a bond sufficient to ensure AT&T FL's recovery of withheld amounts or pay into escrow all amounts Budget has withheld pending the outcome of this proceeding?

Recommendation: No. The Commission should not require Budget to post a bond or place funds in escrow pending the outcome of this proceeding.

Issue 4: Should this Docket be closed?

Recommendation: No. This Docket should remain open to address Budget's Complaint.

ITEM NO.

CASE

6**PAA

Docket No. 120248-EU – Joint petition for approval of territorial agreement between Tampa Electric Company and Peace River Electric Cooperative, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: GCL: M. Brown
ECO: Garl, Draper
ENG: Lee, Watts

Issue 1: Should the Commission approve the joint petition for a territorial agreement between Tampa Electric Company and Peace River Electric Cooperative, Inc.?

Recommendation: Yes. The joint petition of a territorial agreement between Tampa Electric Company and Peace River Electric Cooperative, Inc. is in the public interest and should be approved.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected files a protest to the Commission's proposed agency action order within 21 days, the docket may be closed upon issuance of a consummating order.

ITEM NO.

CASE

7**PAA

Docket No. 120247-EU – Joint petition for approval of agreement for temporary territorial variance between Tampa Electric Company and Peace River Electric Cooperative, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: GCL: M. Brown

ECO: Draper, Garl

ENG: Lee, Watts

Issue 1: Should the Commission approve the proposed Agreement for Temporary Territorial Variance (variance agreement)?

Recommendation: Yes. The joint parties should report to the Commission at the end of the initial 5-year term of the variance agreement about the status of the provision of temporary service to Mosaic, and should notify the Commission at the termination of the variance agreement.

Issue 2: Should this docket be closed?

Recommendation: Yes, if no person whose substantial interests are affected files a protest to the Commission's proposed agency action order within 21 days, the docket may be closed upon issuance of a consummating order.

ITEM NO.

CASE

8**

Docket No. 110200-WU – Application for increase in water rates in Franklin County by Water Management Services, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: AFD: T. Brown, Fletcher, Maurey

GCL: Barrera, Bennett

Issue 1: Should the Utility’s Motion to Allow Withdrawals from Escrow be approved at this time?

Recommendation: No. At this time, there are no funds available in the PAA escrow account. As such, the Utility’s Motion to Allow Withdrawals from Escrow should be denied.

Issue 2: When funds are available in the PAA escrow account, should WMSI be allowed to make withdrawals as requested by the Utility?

Recommendation: Yes, contingent upon Commission staff approval. When funds are available in the PAA escrow account, Commission staff may administratively authorize payments for the DEP loan in accordance with the undisputed portions of the PAA Order. In addition, upon verification of no material modifications to the land Purchase and Sale Agreement dated October 11, 2012, Commission staff should be given administrative authority to authorize payments for the Utility’s requested land acquisition provided that there are sufficient funds in the PAA escrow account. The amount of the land ultimately funded through the PAA escrow account would be booked as contribution-in-aid-of-construction (CIAC). Further, if or when the remaining unused lots are sold, staff recommends that the proceeds from the sale be deposited in the PAA escrow account for final disposition by the Commission.

Issue 3: Should this docket be closed?

Recommendation: No. This docket should remain open to complete the hearing process.

ITEM NO.

CASE

9

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

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Balbis

Staff: AFD: Barrett, Lester
ECO: Draper
GCL: Barrera, Bennett

(Post-Hearing Decision - Participation is limited to Commissioners and Staff. Decision must be rendered before 12/1/2012 in order to implement new factors for 1/1/2013, or the first billing cycle in 2013.)

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

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

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

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

ITEM NO.

CASE

9

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

(Continued from previous page)

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

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

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

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

ITEM NO.

CASE

9

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

(Continued from previous page)

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

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

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

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

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

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

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

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

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

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

ITEM NO.

CASE

9

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

(Continued from previous page)

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

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

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

Recommendation: Staff recommends the Commission approve the stipulation below.

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

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

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

Recommendation: Staff recommends the Commission approve the stipulation below.

ITEM NO.

CASE

9

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

(Continued from previous page)

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

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

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

Recommendation: Staff recommends the Commission approve the stipulation below.

ITEM NO.

CASE

9

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

(Continued from previous page)

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

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

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

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

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

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

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

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

ITEM NO.

CASE

9

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

(Continued from previous page)

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

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

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

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

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

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

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

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

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

Issue 34: Should this docket be closed?

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