ORIGINAL

BEFORE THE FLORIDA
PUBLIC SERVICE COMMISSION

DOCKET NO. 060038-EI
FLORIDA POWER & LIGHT COMPANY

IN RE: FLORIDA POWER & LIGHT COMPANY'S PETITION FOR ISSUANCE OF A STORM RECOVERY FINANCING ORDER

CMP _____
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OTH _____

JANUARY 13, 2006

DIRECT TESTIMONY & EXHIBITS OF:

LEONARDO E. GREEN

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

TESTIMONY OF LEONARDO E. GREEN

DOCKET NO. XXXXXX-EI

JANUARY 13, 2006

Q. Please state your name and business address.

A. My name is Leonardo E. Green, and my business address is 9250 West Flagler Street, Miami, Florida 33174.

Q. By whom are you employed and what is your position?

A. I am employed by Florida Power & Light Company ("FPL" or the "Company") as the Manager of Load Forecasting within the Resource Assessment & Planning Business Unit.

Q. Please describe your duties and responsibilities in that position.

A. I am responsible for the development of FPL's peak demand, energy, economic, and customer forecasts.

Q. Please describe your educational background and professional experience.

A. I received a Doctor of Philosophy Degree in Economics from the University of Missouri-Columbia in 1983. Prior to joining FPL, I worked for Seminole Electric Cooperative as the Load Forecasting Supervisor in the Rates and Corporate Planning Department. I joined FPL in April of 1986, as a Senior Forecasting Analyst in the Research, Economics and Forecasting Department. My responsibilities included preparation, review, and presentation of the economic,

customer, and load forecasts for FPL. In August of 1986 I was promoted to Supervisor of Economics and Forecasting within the Research, Economics and Forecasting Department. In July of 1991, I became Manager of Load Forecasting within the Resource Assessment and Planning Business Unit. I am responsible for coordinating the entire economic and load forecasting effort at FPL.

In addition, I have held several Assistant Professorships of Economics and Statistics as well as research and teaching positions with the University of Missouri, Florida International University, and the University of South Florida.

Q. Are you sponsoring an exhibit in this case?

A. Yes. I am sponsoring an exhibit consisting of fourteen documents Nos. LEG-1 through LEG-14, which is attached to my direct testimony.

Q. What is the purpose of your testimony?

A. My testimony addresses FPL's energy sales forecast which is used in this docket to develop bond amortization schedules and the recovery mechanism. I will explain how this forecast was developed and why it is a reasonable forecast. Additionally, I will address the methodology used to calculate the energy sales not achieved due to the hurricanes in 2005, as well as the estimated megawatt-hour (MWH) levels not realized. I will also discuss the impact of the current high fuel prices on the load forecast. These effects include changes in customer usage resulting from the projected increase in price of electricit y. Also, economic factors such as inflation, interest rates, mortgage rates and migration to Florida,

are affected by the high price of fuel which has a direct impact on the load forecast.

FPL'S LOAD FORECASTING PROCESS AND RESULTS

Q. Please describe FPL's forecasting process.

A. FPL relies on econometrics as the primary tool for projecting future levels of customer growth, energy sales, and peak demand. An econometric model is a numerical representation, obtained through statistical estimation techniques, of the degree of relationship between a dependent variable, e.g., the level of energy sales, and the independent (explanatory) variables, which I describe in the following paragraph. A change in any of the independent variables will result in a corresponding change in the dependent variable. On a historical basis, econometric models have proven to be highly effective in explaining changes in the level of customer or load growth. These models have consistently been used by FPL for various planning purposes and the modeling results have been reviewed and accepted by this Commission in past regulatory proceedings.

Predicting the level of the dependent variable in future years requires assumptions regarding the levels of the explanatory variables. Explanatory variables include assumptions on the future number of customers, projected economic conditions, weather, and the price of electricity, each of which is obtained from various sources. For example, the future number of customers is based on population projections produced by the University of Florida's Bureau of Economic and

Business Research (BEBR). The projected economic conditions are secured from reputable economic forecasting firms such as Global Insight (formerly known as DRI-WEFA). The weather factors are obtained from the National Oceanographic and Atmospheric Administration (NOAA). The price of electricity reflects the Commission-approved base rates and adjustment clauses. FPL performs substantial analysis to ensure that the assumptions regarding the explanatory variables are reasonable. This ensures that the forecast of customers, energy sales, and peak demand are both realistic and rational.

FPL'S CUSTOMER FORECAST

Q. Please explain the development of FPL's customer growth forecast.

A. The growth in customers in FPL's service territory is the primary driver of the growth in the level of energy sales. In order to project the growth in the number of customers, FPL relies on population projections produced by BEBR. Once a year, BEBR updates its population projections for the state of Florida on a county-by-county basis. FPL's customer growth forecast is based on BEBR's population projections released in April of 2005, which incorporates the impact of the 2004 hurricanes on future customer growth. It does not include the potential effects of the 2005 hurricane season.

Relying on this assumption, FPL is projecting an annual increase of 94,842 new customers in 2006, 84,831 new customers in 2007, and 84,823 new customers in 2008. The remaining years between 2009 and 2019 are shown on Document No.

LEG-1. The projected growth of 94,842 new customers for 2006, while slightly higher than the average of the last 5 years of 94,709 new customers per year, suggests continued strong customer growth in the near future. The remaining years of the projection horizon is a continuation of the cyclical nature in FPL customer growth (Document No. LEG-2) and is in accordance with the population projections from BEBR.

Q. In addition to population changes, what other factors are considered in projecting FPL's customer growth?

A. Factors such as affordability index, job opportunities and international conflicts are also important determinants of growth in FPL's service territory. Florida is experiencing a period of extraordinary growth in population and this expansion is fueling a boom in construction of new homes to house this population. This expanded demand for housing is responsible for the recent growth in FPL's customers, but at the same time could avert future customer growth of a similar magnitude, all other factors being the same. This increased demand, coupled with low mortgage rates, has driven up the price of housing in Florida raising drastically the cost of living affordability index for Florida. This increase in the affordability index, and rising mortgage rates driven by higher inflation as a result of higher fuel prices, is limiting to a certain extent to the potential growth in customers. Furthermore, the high fuel prices have tapered somewhat the outlook on the national and Florida economies which explains why the projected customer growth is slightly below the recent past years.

Q. Is FPL's customer growth forecast reasonable?

A. Yes. The forecast incorporates the most recent projections made by the University of Florida and accounts for the impact of the higher fuel prices on the national and local economies as well as the rising cost of living in Florida.

FPL'S ENERGY SALES FORECAST

Q. Please describe the process FPL used to forecast energy sales.

A. The forecast of energy sales consists of three steps. First, total Net Energy for Load (NEL), which is energy generated net of plant use, is projected. A more reliable econometric forecasting model is obtained for NEL, instead of billed energy sales, since the explanatory variables can be better matched to usage. This is so because the NEL data does not have to be attuned to account for billing cycle adjustments, which might distort the real time match between the production and consumption of electricity.

Next, a line loss factor and a billing cycle adjustment are applied to the NEL to arrive at total use of electricity by the customer. Finally, revenue class models are developed to distribute the forecast of total end-use sales of electricity to the different revenue classes (residential, commercial, industrial, etc.).

To project energy sales by revenue class, separate models for the residential, commercial, and industrial revenue classes are developed. These revenue class models are developed to obtain an objective allocation of the total energy sales

among FPL's different revenue classes. The sum of the sales for all revenue classes will result in total energy sales. The energy sales for each revenue class is then adjusted to reflect the total energy sales derived from the NEL model.

Q. What are the primary inputs to determine the growth in energy sales?

A. The growth in energy sales comes from the overall growth in the number of new customers as shown on Document No. LEG-1 and per capita use of electricity by all customers, shown on Document No. LEG-3. The product of per capita use and the number of customers yields the NEL for a given period as shown in Document No. LEG-4. The per capita use of electricity and the increased number of new customers are both linked directly to the performance of the local and national economy. When the economy is booming, the use of electricity increases in all sectors: residential, commercial, industrial, etc. A strong economy creates new jobs that attract new customers. Under these conditions, new households develop, including those of retirees from other states. However, the reverse also holds true. If the economy is performing poorly, customers with reduced incomes are more apprehensive as to expenditures and tend to restrict their consumption of goods and services. Electricity demand and sales slacken when incomes fall. Job contractions reduce the number of new customers coming to Florida seeking employment opportunities, and new household formations are postponed. FPL relies on the outlook for the state and national economy produced by Global Insight and the population growth forecast developed by BEBR.

Q. What is the state of Florida's current economic outlook?

A. Florida's economy has continued to grow at a strong pace, and although the 2004 and 2005 hurricanes are a setback, the economy's resilience and robustness are expected to absorb these shocks confidently. Florida has been outperforming the national economy as shown in Documents Nos. LEG-5 and LEG-6, and this pattern is projected to continue in the forecast horizon. In terms of job creation, Florida is growing at a rate of 3.4% compared to the nation that is showing a 1.6% growth rate, i.e., a 104.1% faster growth rate. Eleven percent of all new jobs created in the U.S. are in Florida. The state is also outperforming the rest of the nation in terms of other major macroeconomic indicators such as growth in Real Disposable Personal Income. Florida's strong population growth will result in increased demand for various services and new homes; as a result, these two sectors are leading the growth for Florida's economy.

Florida's economy is not insulated from the effects of higher fuel price and its impact on inflation, interest rates and economic expansion. The projected growth in Florida is dampened in the early years of the forecast horizon due to higher fuel prices. Global Insight is predicting that, once the aftermath of the hurricanes that affected the gulf area in 2005 is over and the refinery and production capacity is restored, the fuel price shocks on the economy will be lessened and Florida's economy will return to a growth pattern consistent with the long term trend.

Q. What is the nation's current economic outlook?

A. Global Insight projects that the U.S economy is expected to grow at an annual rate of 3.5% in 2005, 3.1% in 2006, and 3.2% in 2007, down from 4.4% in 2004. After 2007, the Gross Domestic Product (GDP) is expected to grow at the long term average of approximately 3% annually (Document No. LEG-7). Construction activity at the national level has been very strong, similar to that of Florida's experience, but is expected to slow down in 2006 and 2007, primarily due to mortgage rates increasing. There are two principal risks to this outlook at the national level, one is the possibility of higher interest rates stemming from trade deficits and inflationary pressures, and the other is sustained high oil prices. These risk factors could further slow down the growth in the national economy. Global Insight is predicting some moderation in the price of oil starting in 2006.

Q. Would there be an impact on your energy sales forecast if there is a change in the current state and national economic conditions?

A. Yes, there would be. Every forecast involves a degree of uncertainty. As I previously stated in my testimony, Florida's economy should outperform the nation in the near future. However, the macroeconomic variables such as interest rates, inflation indices and the price of oil will all influence the output of the Florida economy. Should there be a significant departure from the most likely scenario for the state and national economies as forecasted by Global Insight, a corresponding impact on the growth in customers and the level of energy sales will occur.

Q. What were the basic economic assumptions included in the forecast?

A. The energy sales forecast was produced in October of 2005 shortly after Hurricane Wilma impacted most of FPL's service territory. Global Insight's outlook incorporates this incidence in its most recent projection for Florida and the nation. The economy of Florida was forecasted again to be one of the fastest growing in the nation between 2006 and 2019, driven primarily by high growth in job creation resulting from high tech and health services industries moving to Florida, and a vibrant construction industry remaining close to its already record levels. This forecast also reflects that, as a consequence of the hurricanes in 2004 and 2005, there will be substantial reconstruction activity and infusion of insurance funds into the local economy. Furthermore, the reconstruction activity fuels the manufacturing sector to service this reconstruction with construction material, furniture and transportation equipment. Florida's housing starts in 2004 were up by 16% over 2003, and in 2005 they are at approximately 18% above 2004. Global Insight's updated forecast indicates a continuation of optimistic economic conditions for Florida.

Q. How does FPL account for the higher fuel prices in the load forecast?

A. The higher fuel prices are accounted for in two ways, in the higher price of electricity and in the higher levels of inflation that result as a consequence of the high fuel prices. The higher inflation factors have a dampening effect on the economy. Higher inflation feeds itself through the rest of the economy impacting negatively the overall outlook on the economy. It is equivalent to saying lower

consumer disposable income, higher interest and mortgage rates, higher consumer and commercial borrowing costs, etc., which depresses the load forecast.

The fuel prices are a major driver in the price of electricity. The fuel portion in the residential electrical bill in 2006 will be approximately 54% of the price FPL customers pay for electricity. The approved fuel adjustment approved for 2006 has increase a 1,000 kilowatt-hour residential bill by 19%. As a reference point, the overall real price of electricity shows an increase for 2006 of 20.5%, as shown on Document No. LEG-8. The load forecast assumes that the price of electricity will reflect these changes in the fuel portion.

Q. How much have fuel prices risen?

A. The price of residual oil – what FPL burns in it power plants to generate electricity- has increased 507%, from $8.76 per barrel in 1999 to an average of $53.18. Natural gas prices have increased 744%, from $1.69 per million BTUs to $14.26. Natural gas prices have risen 35% just since September, when the price was $10.55. Crude oil, from which residual oil is refined, has climbed from $12.34 per barrel in 1999 to $66.44 in September – a 438% increase.

Q. What is FPL's energy sales forecast?

A. In 2006, FPL's energy use per customer is projected to be 1% above 2005, with an increase of 1.4% in 2007, and 2.2% in 2008, as shown in Document No. LEG-3. The longer term compound annual average growth in use per customer is projected to be 1% annually after 2007. Customer growth is projected to grow at 2.2% for 2006, 1.9% for 2007 and 2008 and then average 1.6% for the next ten

years. Combining the energy use per customer and the growth in customers yields a growth in energy sales estimated at 3.3% in 2006, 3.4% in 2007, and 4.1% in 2008, and then average 2.5% for the next ten years, as shown in Document No. LEG-4.

Q. What is the impact of the higher price of electricity on the projected level of energy sales?

A. FPL performed an analysis to determine the reduction in consumption due to the higher price of electricity. To accomplish this, a NEL forecast was generated using a price forecast that included prior estimates of fuel costs. This price forecast was also used in the forecast developed for the recent Rate Case Proceedings. All other assumptions remain the same as the aforementioned NEL forecast. The results are shown on Document No. LEG-9. In 2006, there is a difference of 2.3 million MWH, a 2.0% lower value; in 2007 the difference between both forecasts is 3.1 million MWH, or 2.5% lower projected value; and in 2008, the difference is 3.0 million MWH, or 2.3% lower predicted NEL. The simulated values for these three years reflect a significant drop in the projected level of energy sales in response to the higher prices of electricity based on the current outlook for the price of fuels.

Q. Is FPL's forecast of energy sales reasonable?

A. Yes. A forecast is considered reasonable if good judgment is used in estimating (availing oneself of the appropriate and most credible assumptions on hand) and testing the model and if the results or outputs make sense when compared to prior similar situations. FPL followed this approach in preparing the forecast.

The models employed by FPL have good descriptive statistics with high degrees of statistical significance. FPL is confident that the relationship that exists between the level of energy sales and the economy, weather, customers, price of electricity, and other variables has been properly assessed and numerically quantified.

Furthermore, FPL was thorough and comprehensive in securing the best data available to assess the impact of the 2005 hurricanes and their aftermath, the higher fuel prices and the most recent customer growth outlook. FPL relied on several sources of data and utilized the most respected firms in the industry.

FPL'S ENERGY SALES NOT ACHIEVED DUE TO 2005 HURRICANES

Q. Please explain the methodology employed for estimating the impact on energy sales due to the hurricanes in 2005.

A. The starting point for estimating energy sales not achieved due to hurricanes consists of two parts. First, obtain the number of customers without electrical service on a daily basis; and second, estimate what the usage would have been on a per customer basis absent the storms on those specific days. Once these two components are obtained, the total energy not achieved would be equivalent to the product of the number of customers without electricity and their estimated usage, tallied on a daily basis. The number of customers without electricity is computed on a daily basis by FPL's Power Systems Business Unit. The methodology employed to estimate the usage that would have occurred absent a hurricane is

obtained by averaging the prior 4 weeks to the hurricane's incidence. That is, the average of the prior four Mondays will provide an estimate for Mondays in the hurricane period being estimated. The average of the prior four Tuesdays will provide an estimate for Tuesdays, and so on for everyday in the week. It is important to segment load on a daily basis because of an observed difference in consumption patterns within a given week.

In the case of Hurricane Wilma, the estimated customer usage was not obtained from the averages of the prior four weeks. Temperature and relative humidity immediately after the Hurricane Wilma were not similar to these weather factors in the immediate prior four weeks, hence the use per customer in the months of March and April of 2005 were selected as being more representative of what the use per customer would have been absent Hurricane Wilma. Once again, the daily differentiation in consumption was preserved in estimating the use per customer.

Q. Please provide an estimate of FPL's energy sales not achieved due to the hurricanes of 2005.

A. In 2005, FPL's service territory suffered the effects of four hurricanes, Dennis, Katrina, Rita and Wilma. The estimated total energy sales not achieved attributable to the four storms is 1,566,341 MWH and it is broken down by each storm on Document No. LEG-10. Document No. LEG-11-14 provides an estimate of the energy sales not achieved on a daily basis for each storm. Hurricane

Wilma by far had the greatest impact of any storm of the year followed at a distance by Hurricane Katrina.

Q. Please summarize your testimony.

A. My testimony addresses FPL's energy sales forecast and the estimated energy sales not achieved due to the 2005 hurricane season. I have explained how these forecasts are developed and why they are reasonable forecasts. I also laid out the methodology employed in estimated energy sales not achieved caused by the storms of 2005. In summary, my testimony shows that FPL is projecting energy sales to increase by 3.3% in 2006, 3.4% in 2007 and 4.1% in 2008. Over the long-term, 2009 to 2019, the annual average growth rate in sales is estimated to be about 2.5%. These forecasts incorporate the projected higher price of electricity resulting from the higher price of fuels.

My testimony also addresses the energy sales not achieved resulting from the 2005 hurricane season. The estimated energy sales not achieved due to the 2005 hurricane season results in a total energy not achieved of 1.6 Million MWH.

Q. Does this conclude your direct testimony?

A. Yes.

TOTAL AVERAGE CUSTOMERS

AVERAGE ANNUAL GROWTH

HISTORY (1980 to 2005)	86,445	2.8%
FORECAST (2006 to 2019)	79,118	1.6%

HISTORY

		GROWTH	
		ABSOLUTE	%
1980	2,184,974	110,647	5.3%
1981	2,285,187	100,214	4.6%
1982	2,358,167	72,980	3.2%
1983	2,429,688	71,521	3.0%
1984	2,520,523	90,835	3.7%
1985	2,617,556	97,033	3.8%
1986	2,723,555	105,999	4.0%
1987	2,840,207	116,651	4.3%
1988	2,953,663	113,457	4.0%
1989	3,064,436	110,773	3.8%
1990	3,158,817	94,381	3.1%
1991	3,226,455	67,638	2.1%
1992	3,281,238	54,783	1.7%
1993	3,355,794	74,556	2.3%
1994	3,422,187	66,393	2.0%
1995	3,488,796	66,609	1.9%
1996	3,550,747	61,951	1.8%
1997	3,615,485	64,738	1.8%
1998	3,680,470	64,985	1.8%
1999	3,756,009	75,539	2.1%
2000	3,848,350	92,341	2.5%
2001	3,935,281	86,931	2.3%
2002	4,019,805	84,523	2.1%
2003	4,117,221	97,416	2.4%
2004	4,224,509	107,289	2.6%
2005	4,321,895	97,386	2.3%

FORECAST

		GROWTH	
		ABSOLUTE	%
2006	4,416,737	94,842	2.2%
2007	4,501,569	84,831	1.9%
2008	4,586,391	84,823	1.9%
2009	4,669,120	82,729	1.8%
2010	4,751,183	82,063	1.8%
2011	4,830,124	78,941	1.7%
2012	4,906,292	76,169	1.6%
2013	4,981,014	74,722	1.5%
2014	5,055,556	74,542	1.5%
2015	5,129,818	74,261	1.5%
2016	5,204,370	74,552	1.5%
2017	5,279,123	74,753	1.4%
2018	5,354,424	75,301	1.4%
2019	5,429,551	75,127	1.4%

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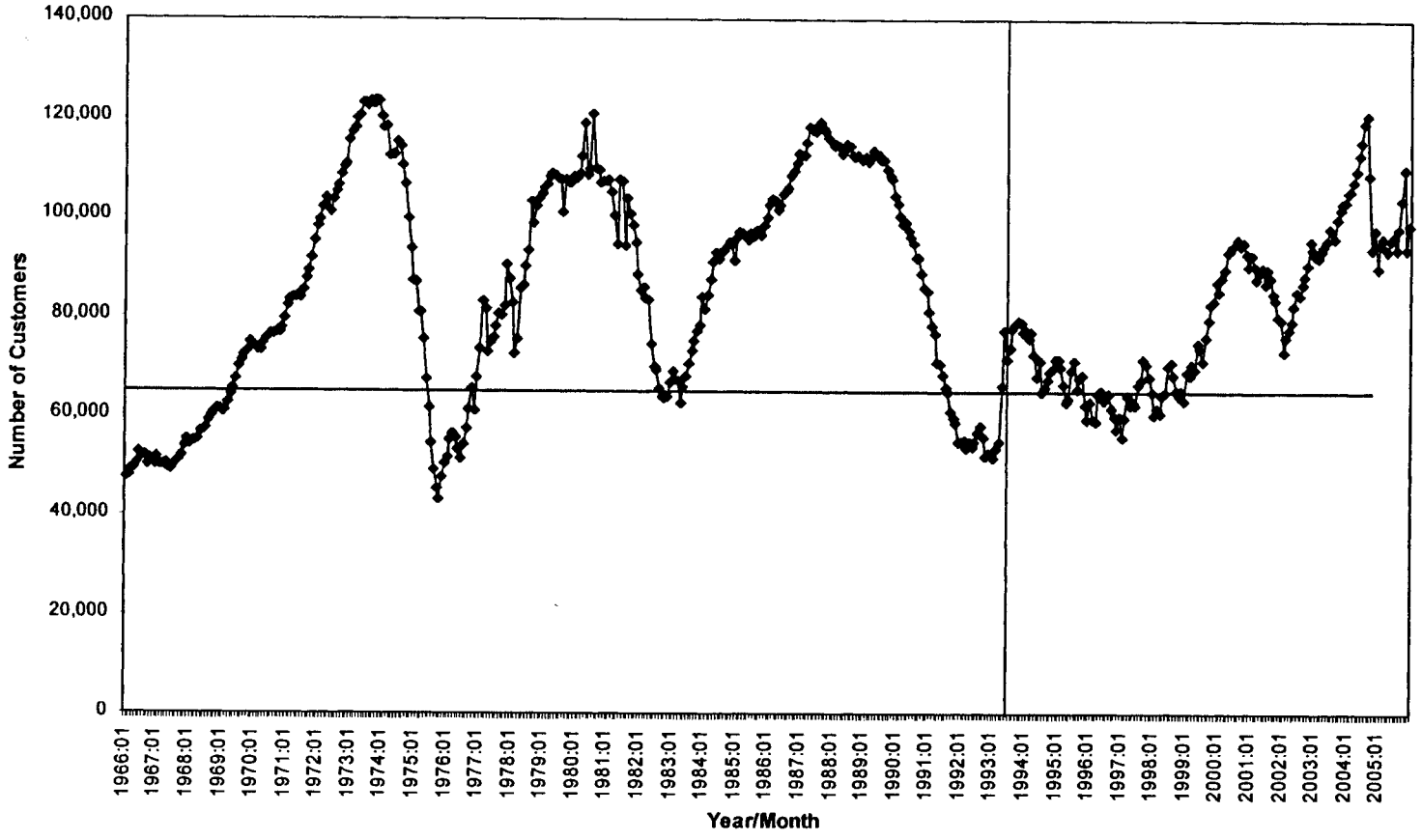
L.E. Green Exhibit ____
Document No. LEG-2 Page 1 of 1
Absolute Monthly Customer Growth

Total Customers: Absolute Monthly Growth



ANNUAL CUSTOMER GROWTH

	January	February	March	April	May	June	July	August	September	October	November	December	Annual
2000	85,400	88,208	89,666	93,271	93,474	94,366	95,011	95,624	94,646	95,056	93,052	90,318	92,341
2001	92,616	90,323	87,919	89,035	89,895	86,891	89,847	88,114	85,071	83,778	80,126	79,556	86,931
2002	73,264	76,202	77,695	79,306	82,301	85,258	84,665	86,858	88,455	90,767	95,516	93,992	84,523
2003	92,592	92,335	93,671	94,609	95,440	97,992	97,753	96,185	99,756	101,940	103,247	103,474	97,416
2004	105,470	105,696	107,492	109,724	112,992	115,477	119,403	120,971	108,910	93,790	97,603	89,934	107,289
2005	94,692	96,058	93,800	93,460	95,836	96,361	93,976	97,978	103,738	110,175	93,829	98,729	97,386

NET ENERGY FOR LOAD USE PER CUSTOMER (KWH)

AVERAGE ANNUAL GROWTH

HISTORY (1980 to 2005)	150	0.6%
FORECAST (2006 to 2019)	289	1.0%

HISTORY

		GROWTH	
		ABSOLUTE	%
1980	22,174	315	1.4%
1981	21,890	-284	-1.3%
1982	21,429	-461	-2.1%
1983	21,608	179	0.8%
1984	21,086	-522	-2.4%
1985	21,393	307	1.5%
1986	21,394	0	0.0%
1987	21,694	300	1.4%
1988	21,910	217	1.0%
1989	22,828	918	4.2%
1990	22,486	-342	-1.5%
1991	22,675	189	0.8%
1992	22,277	-398	-1.8%
1993	22,580	303	1.4%
1994	23,487	907	4.0%
1995	24,066	579	2.5%
1996	23,937	-129	-0.5%
1997	24,022	86	0.4%
1998	25,177	1,155	4.8%
1999	24,350	-827	-3.3%
2000	24,943	593	2.4%
2001	25,006	63	0.3%
2002	25,907	901	3.6%
2003	26,326	418	1.6%
2004	25,587	-738	-2.8%
2005	25,759	172	0.7%

FORECAST

		GROWTH	
		ABSOLUTE	%
2006	26,029	270	1.0%
2007	26,395	366	1.4%
2008	26,975	580	2.2%
2009	27,459	484	1.8%
2010	27,892	432	1.6%
2011	28,061	170	0.6%
2012	28,263	201	0.7%
2013	28,507	244	0.9%
2014	28,730	223	0.8%
2015	28,942	212	0.7%
2016	29,154	212	0.7%
2017	29,355	201	0.7%
2018	29,578	223	0.8%
2019	29,801	223	0.8%

NET ENERGY FOR LOAD (GWH)

AVERAGE ANNUAL GROWTH

HISTORY (1980 to 2005)	2,538	3.4%
FORECAST (2006 to 2019)	3,605	2.7%

HISTORY

		GROWTH	
		ABSOLUTE	%
	45,342		
1980	48,449	3,107	6.9%
1981	50,022	1,573	3.2%
1982	50,532	510	1.0%
1983	52,500	1,968	3.9%
1984	53,148	648	1.2%
1985	55,998	2,850	5.4%
1986	58,267	2,269	4.1%
1987	61,615	3,348	5.7%
1988	64,716	3,101	5.0%
1989	69,956	5,240	8.1%
1990	71,029	1,073	1.5%
1991	73,160	2,132	3.0%
1992	73,097	-63	-0.1%
1993	75,774	2,677	3.7%
1994	80,376	4,601	6.1%
1995	83,961	3,585	4.5%
1996	84,993	1,032	1.2%
1997	86,852	1,859	2.2%
1998	92,663	5,811	6.7%
1999	91,460	-1,203	-1.3%
2000	95,989	4,529	5.0%
2001	98,404	2,415	2.5%
2002	104,141	5,737	5.8%
2003	108,388	4,247	4.1%
2004	108,093	-294	-0.3%
2005	111,329	3,235	3.0%

FORECAST

		GROWTH	
		ABSOLUTE	%
2006	114,965	3,636	3.3%
2007	118,820	3,854	3.4%
2008	123,720	4,900	4.1%
2009	128,211	4,491	3.6%
2010	132,519	4,308	3.4%
2011	135,540	3,021	2.3%
2012	138,666	3,126	2.3%
2013	141,993	3,327	2.4%
2014	145,244	3,251	2.3%
2015	148,466	3,222	2.2%
2016	151,727	3,262	2.2%
2017	154,970	3,243	2.1%
2018	158,373	3,403	2.2%
2019	161,805	3,431	2.2%

NON-AGRICULTURAL EMPLOYMENT

All Employees, In Thousands

(Seasonally Adjusted)

US

	1999	2000	2001	2002	2003	2004
	128,992	131,791	131,833	130,345	129,999	131,475
Annual Absolute Growth	3,068	2,800	41	-1,487	-347	1,476
Annual Percent Growth	2.4%	2.2%	0.0%	-1.1%	-0.3%	1.1%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2004	130,372	130,466	130,786	131,123	131,373	131,479	131,562	131,750	131,880	132,162	132,294	132,449
Annual Absolute Growth	125	341	879	1,270	1,546	1,625	1,705	1,891	1,927	2,086	2,122	2,194
Annual Percent Growth	0.1%	0.3%	0.7%	1.0%	1.2%	1.3%	1.3%	1.5%	1.5%	1.6%	1.6%	1.7%
2005	132,573	132,873	132,995	133,287	133,413	133,588	133,865	134,013	134,030	134,074	134,289	
Annual Absolute Growth	2,201	2,407	2,209	2,164	2,040	2,109	2,303	2,263	2,150	1,912	1,995	
Annual Percent Growth	1.7%	1.8%	1.7%	1.7%	1.6%	1.6%	1.8%	1.7%	1.6%	1.4%	1.5%	

FLORIDA

	1999	2000	2001	2002	2003	2004
	6,827	7,080	7,171	7,180	7,261	7,501
Annual Absolute Growth	191	254	91	9	81	239
Annual Percent Growth	2.9%	3.7%	1.3%	0.1%	1.1%	3.3%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2004	7,386	7,404	7,420	7,476	7,484	7,503	7,524	7,527	7,528	7,561	7,586	7,609
Annual Absolute Growth	156.4	171.4	182.4	242.4	245.4	262.9	270.1	264.0	250.3	256.1	283.3	284.9
Annual Percent Growth	2.2%	2.4%	2.5%	3.4%	3.4%	3.6%	3.7%	3.6%	3.4%	3.5%	3.9%	3.9%
2005	7,644	7,663	7,680	7,699	7,713	7,724	7,771	7,788	7,818	7,823	7,841	
Annual Absolute Growth	257.8	258.6	259.6	223.3	229.1	220.8	247.5	260.6	289.8	262.3	255.1	
Annual Percent Growth	3.5%	3.5%	3.5%	3.0%	3.1%	2.9%	3.3%	3.5%	3.8%	3.5%	3.4%	

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Florida Non-Agricultural Employment

COMPARISON OF THE US & FLORIDA ECONOMY

	Florida Real Disposable Personal Income (Millions of 2000 $,	% Growth	U.S. Real Disposable Income Level (Billions of Chained 2000 $)	% Growth
1996	332,815		6,081	
1997	343,443	3.2%	6,296	3.5%
1998	366,714	6.8%	6,664	5.8%
1999	379,677	3.5%	6,862	3.0%
2000	398,151	4.9%	7,194	4.8%
2001	409,946	3.0%	7,333	1.9%
2002	426,324	4.0%	7,560	3.1%
2003	439,092	3.0%	7,734	2.3%
2004	461,578	5.1%	7,998	3.4%
2005	476,005	3.1%	8,225	2.8%
2006	495,691	4.1%	8,485	3.2%
2007	513,244	3.5%	8,748	3.1%
2008	534,886	4.2%	9,021	3.1%
2009	555,241	3.8%	9,304	3.1%
2010	574,827	3.5%	9,611	3.3%
2011	593,974	3.3%	9,899	3.0%
2012	614,296	3.4%	10,184	2.9%
2013	636,839	3.7%	10,481	2.9%
2014	663,019	4.1%	10,823	3.3%
2015	691,480	4.3%	11,181	3.3%
2016	719,681	4.1%	11,544	3.2%
2017	747,267	3.8%	11,921	3.3%
2018	775,221	3.7%	12,317	3.3%
2019	803,557	3.7%	12,715	3.2%
C.A.A.G.R				
1996-2004		4.2%		3.5%
2005-2019		3.8%		3.2%

U.S. REAL GROSS DOMESTIC PRODUCT

	Billions of Chained 2000 Dollars	% Growth
1996	8,329	
1997	8,704	4.5%
1998	9,067	4.2%
1999	9,470	4.4%
2000	9,817	3.7%
2001	9,891	0.8%
2002	10,075	1.9%
2003	10,381	3.0%
2004	10,837	4.4%
2005	11,214	3.5%
2006	11,565	3.1%
2007	11,939	3.2%
2008	12,312	3.1%
2009	12,721	3.3%
2010	13,138	3.3%
2011	13,547	3.1%
2012	13,933	2.9%
2013	14,336	2.9%
2014	14,780	3.1%
2015	15,249	3.2%
2016	15,731	3.2%
2017	16,209	3.0%
2018	16,703	3.0%
2019	17,204	3.0%
C.A.A.G.R		
1996-2004		3.3%
2005-2019		3.1%

REAL PRICE OF ELECTRICITY (Cents/KWH)

AVERAGE ANNUAL GROWTH

HISTORY (1980 to 2005)	-0.07	-1.3%
FORECAST (2006 to 2019)	-0.03	-2.1%

HISTORY

		GROWTH	
		ABSOLUTE	%
1980	6.30	0.05	0.8%
1981	7.18	0.88	14.0%
1982	6.71	-0.47	-6.5%
1983	6.64	-0.07	-1.0%
1984	7.63	0.99	14.9%
1985	7.67	0.04	0.5%
1986	6.84	-0.83	-10.8%
1987	6.55	-0.29	-4.2%
1988	6.48	-0.07	-1.1%
1989	5.94	-0.54	-8.3%
1990	5.63	-0.31	-5.2%
1991	5.56	-0.07	-1.2%
1992	5.22	-0.34	-6.1%
1993	5.11	-0.11	-2.1%
1994	4.62	-0.49	-9.6%
1995	4.57	-0.05	-1.1%
1996	4.71	0.14	3.1%
1997	4.59	-0.12	-2.5%
1998	4.37	-0.22	-4.8%
1999	4.10	-0.27	-6.2%
2000	3.98	-0.12	-2.9%
2001	4.55	0.57	14.3%
2002	4.07	-0.48	-10.5%
2003	4.32	0.25	6.1%
2004	4.43	0.11	2.5%
2005	4.55	0.12	2.6%

FORECAST

		GROWTH	
		ABSOLUTE	%
2006	5.48	0.93	20.5%
2007	5.35	-0.13	-2.4%
2008	5.03	-0.32	-6.0%
2009	4.91	-0.12	-2.4%
2010	4.76	-0.15	-3.1%
2011	4.68	-0.08	-1.7%
2012	4.56	-0.12	-2.6%
2013	4.41	-0.15	-3.3%
2014	4.35	-0.06	-1.4%
2015	4.32	-0.03	-0.7%
2016	4.28	-0.04	-0.9%
2017	4.24	-0.04	-0.9%
2018	4.20	-0.04	-1.0%
2019	4.15	-0.05	-1.1%

Net Energy for Load Forecast was developed using the price forecast from the Rate Case Forecast and all other assumptions from the 2006 Current Forecast.

NET ENERGY FOR LOAD FORECAST
(MWH)

	Current Forecast	Simulated Forecast	% Difference	MWH Difference
2005	111,328,893	111,328,893		
2006	114,965,218	117,274,361	-2.0%	-2,309,144
2007	118,819,664	121,892,590	-2.5%	-3,072,926
2008	123,720,102	126,677,634	-2.3%	-2,957,532

IMPACT OF THE 2005 HURRICANES ON NET ENERGY FOR LOAD

HURRICANE	ACTUAL MWH
1. HURRICANE DENNIS	52,642
2. HURRICANE KATRINA	249,220
3. HURRICANE RITA	13,229
4. HURRICANE WILMA	1,251,249
TOTAL	1,566,341

IMPACT OF HURRICANE DENNIS ON NET ENERGY FOR LOAD

		HURRICANE DENNIS		
DATE		AVERAGE* NEL PER CUSTOMER	NUMBER OF CUSTOMERS OUT OF SERVICE**	ESTIMATED NEL LOSS
		(KWH/CUSTOMER)		(MWH)
SATURDAY	9-Jul-05	83.4	480,200	40,031
SUNDAY	10-Jul-05	82.9	152,100	12,611
TOTAL				52,642

* Average NEL per customer is based on actual customer use in the four weeks prior to Hurricane Dennis.

** Number of customers out of service at the end of the day, as reported by Power Systems

IMPACT OF HURRICANE KATRINA ON NET ENERGY FOR LOAD

HURRICANE KATRINA

DATE		AVERAGE* NEL PER CUSTOMER (KWH/CUSTOMER)	NUMBER OF CUSTOMERS OUT OF SERVICE**	ESTIMATED NEL (MWH)
FRIDAY	26-Aug-05	90.4	1,072,775	96,926
SATURDAY	27-Aug-05	87.4	778,200	68,033
SUNDAY	28-Aug-05	85.7	485,200	41,562
MONDAY	29-Aug-05	90.9	267,000	24,280
TUESDAY	30-Aug-05	92.1	131,250	12,094
WEDNESDAY	31-Aug-05	92.8	55,075	5,112
THURSDAY	1-Sep-05	89.8	11,500	1,033
FRIDAY	2-Sep-05	90.4	2,000	181
TOTAL				249,220

* Average NEL per customer is based on actual customer use in the four weeks prior to Hurricane Katrina.

** Average number of customers out of service per day, as reported by Power Systems

IMPACT OF HURRICANE RITA ON NET ENERGY FOR LOAD

HURRICANE RITA

DATE		AVERAGE* NEL PER CUSTOMER	NUMBER OF CUSTOMERS OUT OF SERVICE**	ESTIMATED NEL
		(KWH/CUSTOMER)		(MWH)
TUESDAY	19-Sep-05	87.0	141,000	12,267
WEDNESDAY	20-Sep-05	88.0	10,933	962
TOTAL				13,229

* Average NEL per customer is based on actual customer use in the four weeks prior to Hurricane Rita.

** Average number of customers out of service per day, as reported by Power Systems

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Impact of Hurricane Wilma on Net Energy for Load

HURRICANE WILMA

DATE		AVERAGE* NEL PER CUSTOMER	NUMBER OF CUSTOMERS OUT OF SERVICE**	ESTIMATED NEL
		(KWH/CUSTOMER)		(MWH)
MONDAY	24-Oct-05	60.8	3,241,437	197,119
TUESDAY	25-Oct-05	63.1	3,052,096	192,598
WEDNESDAY	26-Oct-05	65.9	2,787,228	183,588
THURSDAY	27-Oct-05	65.6	2,303,936	151,145
FRIDAY	28-Oct-05	64.4	1,813,717	116,749
SATURDAY	29-Oct-05	60.9	1,513,270	92,093
SUNDAY	30-Oct-05	58.7	1,086,116	63,723
MONDAY	31-Oct-05	60.8	849,151	51,639
TUESDAY	1-Nov-05	63.1	713,817	45,044
WEDNESDAY	2-Nov-05	65.9	590,921	38,922
THURSDAY	3-Nov-05	65.6	490,246	32,161
FRIDAY	4-Nov-05	64.4	432,441	27,836
SATURDAY	5-Nov-05	60.9	357,984	21,786
SUNDAY	6-Nov-05	58.7	262,039	15,374
MONDAY	7-Nov-05	60.8	176,162	10,713
TUESDAY	8-Nov-05	63.1	107,840	6,805
WEDNESDAY	9-Nov-05	65.9	47,454	3,126
THURSDAY	10-Nov-05	65.6	10,313	677
FRIDAY	11-Nov-05	64.4	2,336	150
TOTAL				1,251,249

* Average NEL per customer is based on actual customer use for the months of March & April of 2005.

** Average number of customers out of service per day, as reported by Power Systems