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June 17, 2008

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-VIA HAND DELIVERY -

Ms. Ann Cole, Commission Clerk
Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 080001-EI

Dear Ms. Cole:

Consistent with Staff's Second Mid-Course Correction Data Request dated June 13, 2008, attached is the original and five (5) copies of Florida Power & Light Company's ("FPL") response to Question No. 4.

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

Sincerely,

John T. Butler

Enclosure

- _____ 1
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Q.
Please refer to Page 6 of FPL's mid-course petition. On Page 6, FPL lists the following dollar amounts and numbers of mWhs:

| | <u>Estimated</u> | <u>Estimated/Actual</u> |
|---|------------------|-------------------------|
| Jurisdictional Fuel Revenue ("Revenue") | \$6,202,606,887 | \$5,873,156,286 |
| Jurisdictional Total Fuel Costs & Net Power Transactions ("Expenses") | \$6,114,289,810 | \$6,398,151,760 |
| True-up and GPIF | \$88,317,077 | -- |
| mWh | 111,773,808 | 106,076,562 |

\$/mWh calculations based on the above numbers of dollars and mWhs follow.

| | <u>Estimated</u> | <u>Estimated/Actual</u> |
|--|------------------|-------------------------|
| Jurisdictional Fuel Revenue | \$55.49248968 | \$55.36714403 |
| Jurisdictional Total Fuel Costs & Net Power Transactions | \$54.70234860 | \$60.31635678 |
| True-up and GPIF | \$0.790141077 | |

Staff has calculated FPL's 2008 Estimated/Actual True-up Provision for the Period (under recovery) and expressed the calculation as follows, based on estimated/actual mWhs and \$/mWhs. Staff's expression consists of three parts.

1) (Estimated Revenue per mWh - Estimated/Actual Revenue per mWh) * Estimated/Actual mWh = $(\$55.36714403 - \$55.49248968) * 106,076,562 = -\$13,296,236$

2) (Estimated Expenses per mWh - Estimated/Actual Expenses per mWh) * Estimated/Actual mWh = $(\$54.70234860 - \$60.31635678) * 106,076,562 = -\$595,514,687$

3) (Estimated/Actual mWh - Estimated mWh) * True-up and GPIF \$/mWh = $(106,076,562 - 111,773,808) * \$0.790141077 = -\$4,501,628$

Based on these calculations, FPL's estimated 2008 under recovery is

$-\$13,296,236 - \$595,514,687 - \$4,501,628 = -\$613,312,551$

A. Does FPL agree that the estimated Jurisdictional Total Fuel Costs & Net Power Transactions per mWh plus the estimated True-up and GPIF, or $\$54.70234860 +$

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$\$0.790141077 = \55.49248968 is a \$/mWh representation of FPL's cost recovery factor excluding Revenue Taxes? If not, please explain why not?

B. Does FPL agree that the $-\$13,296,236$ is a fair estimate of the revenues decrease that will result from variation in the proportions by which the rate classes use energy? If not, please explain why not?

C. Does FPL agree that the $-\$4,501,628$ is a fair estimate of the unrecovered True-up and GPIF dollars for 2008? If not, please explain why not?

D. Does FPL agree that the two above dollar amounts, $-\$13,296,236$ and $-\$4,501,628$ are small compared to FPL's 2008 estimated/actual Jurisdictional Fuel Revenue Applicable to Period ($\$5,784,839,209$)? If not, please explain why not.

E. Does FPL agree that the remaining under recovery dollars, $-\$595,514,687$, account for nearly all of FPL's estimated/actual 2008 under recovery? If not, please explain why not.

F. Does FPL agree that the above expression of FPL's estimated/actual 2008 under recovery shows the contributions of revenues and expenses better than does the table on page 6 of the mid-course petition, which attributes $-\$329,450,601$ of the under recovery to lost revenues, and only $-\$283,861,950$ to increased expenses? If not, please explain why not, and please explain how a decrease in the number of mWhs can contribute to an under recovery (other than by the amount in Question #3) when Jurisdictional Total Fuel Costs and Net Power Transactions dollars depend entirely on the number of Jurisdictional mWhs sold.

Please refer to FPL's 2008 E-3 Schedule, to FPL's 2008 mid-course E-3 Schedule, and to FPL's 2008 original E-1 Schedule. Staff has calculated the Natural Gas component of the above negative $\$595,514,687$.

Additional information from the original E-3 Schedule: 1) estimated 2008 Natural Gas Dollars, $\$4,727,109,643$; and 2) estimated 2008 Natural Gas mWhs, $65,135,881$.

Additional information from the revised mid-course E-3 Schedule: 1) estimated/actual 2008 Natural Gas Dollars, $\$5,205,681,798$; and 2) estimated/actual 2008 mWhs, $62,691,286$.

Calculations:

Estimate Weight for Natural Gas = $(65,135,881 / 111,773,808) = 0.582747266$.

Estimated/Actual Weight for Natural Gas = $62,691,286 / 106,076,562 = 0.591000357$.

Estimated \$/mWh = $\$4,727,109,643 / 65,135,881 = \72.57305145 .

Estimated/Actual \$/mWh = $\$5,205,681,798 / 62,691,286 = \83.03676843 .

Line Loss Factor = 1.00065 (from the original 2008 E-1 Schedule)

Natural Gas Under Recovery = Line-Loss Factor * (Estimate Weight * Estimated

$\$/\text{mWh} - \text{Estimated/Actual Weight} * \text{Estimated/Actual } \$/\text{mWh} * \text{Estimated/Actual Jurisdictional mWh} = 1.00065 * (0.582747266 * \$72.57305145 - 0.591000357 * 83.03676843) * 106,076,562 = \text{negative } \$719,986,330.$

G. Does FPL agree that the increased 2008 natural gas price estimate (as expressed above in $\$/\text{mWh}$) is the main cause of FPL's 2008 estimated/actual under recovery? If not, please explain why not.

H. Does FPL agree that neither the difference between estimated mWhs and estimated/actual mWhs nor the difference between the estimated revenue $\$/\text{mWh}$ and the estimated/actual revenue $\$/\text{mWh}$ has any significant effect of the estimated/actual under recovery. If not, please explain why not.

A.

- A. Yes.
- B. Yes.
- C. Yes.
- D. Yes.
- E. Yes.
- F. Yes.
- G. Yes.
- H. Yes.