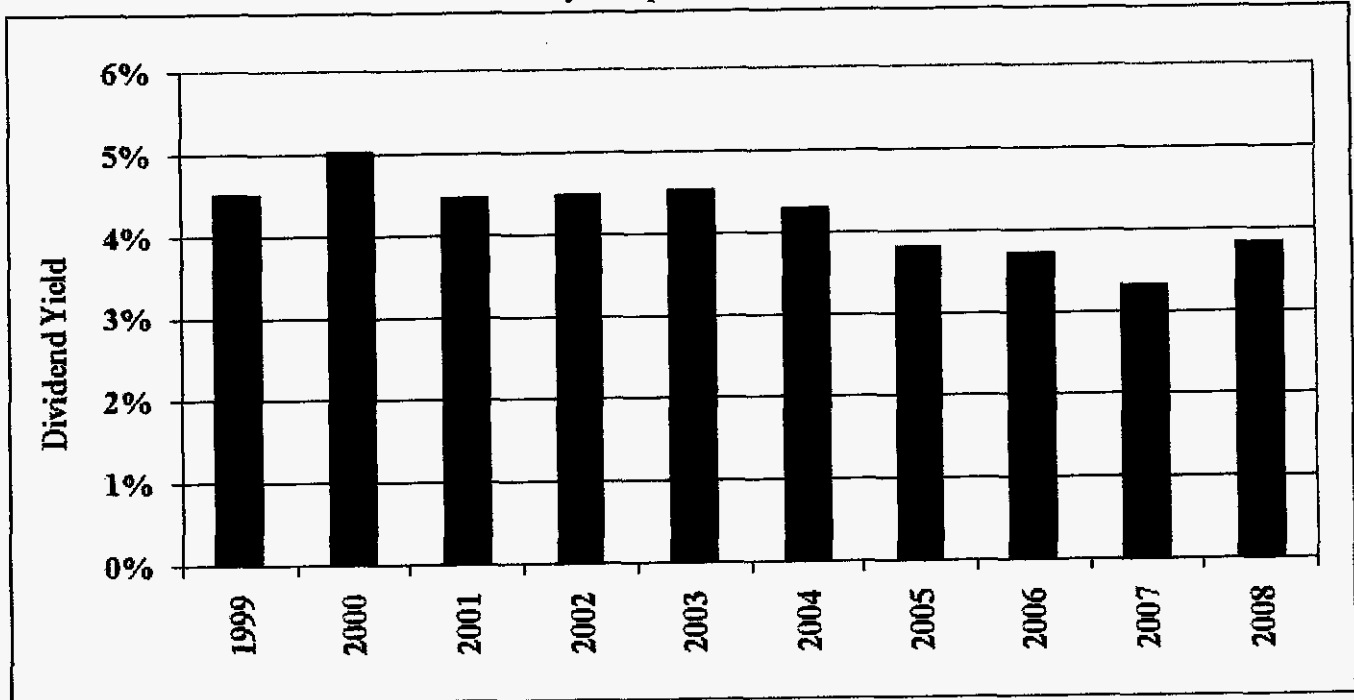


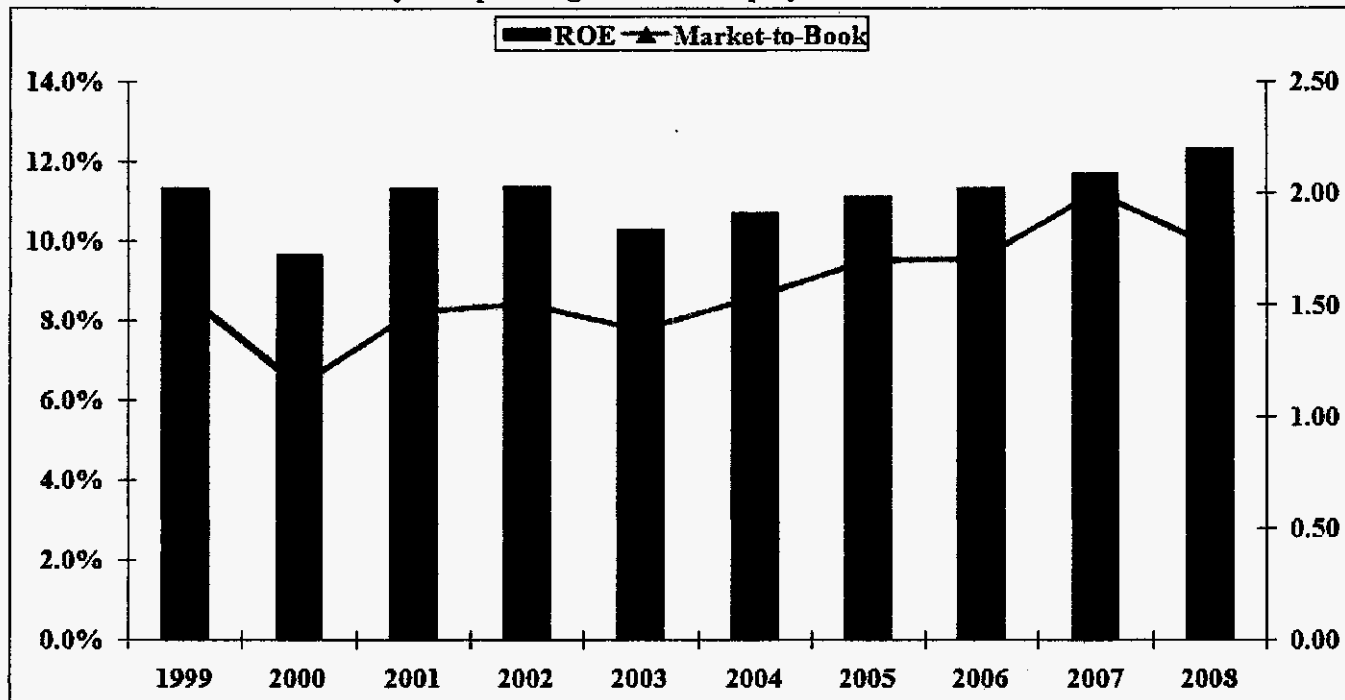
Exhibit JRW-7
Electric Proxy Group Average Dividend Yield



Data Source: *Value Line Investment Survey.*

Electric Proxy Group Average Return on Equity and Market-to-Book Ratios

Exhibit JRW-7
Electric Proxy Group Average Return on Equity and Market-to-Book Ratios



Data Source: *Value Line Investment Survey*.

Exhibit JRW-8

Industry Average Betas

Industry Name	No.	Beta	Industry Name	No.	Beta	Industry Name	No.	Beta
Public/Private Equity	10	2.08	Homebuilding	32	1.36	Trucking	33	1.17
Coal	18	1.98	R.E.I.T.	144	1.35	Medical Supplies	252	1.17
Steel (Integrated)	14	1.96	Petroleum (Integrated)	25	1.34	Drug	342	1.16
Semiconductor	122	1.81	Manuf. Housing/RV	18	1.32	Newspaper	16	1.16
Semiconductor Equip	16	1.78	Retail Automotive	16	1.31	Air Transport	44	1.15
Steel (General)	20	1.71	Electronics	173	1.31	Apparel	53	1.14
Hotel/Gaming	68	1.70	Investment Co.(Foreign)	16	1.31	Office Equip/Supplies	26	1.11
Metals & Mining (Div.)	78	1.69	Maritime	56	1.30	Environmental	79	1.11
Entertainment	84	1.66	Computers/Peripherals	125	1.29	Medical Services	160	1.10
Power	66	1.63	Furn/Home Furnishings	34	1.29	Household Products	26	1.08
Auto Parts	54	1.56	Aerospace/Defense	66	1.27	Healthcare Information	29	1.05
Oilfield Svcs/Equip.	112	1.56	Financial Svcs. (Div.)	296	1.27	Retail Building Supply	8	1.01
Cable TV	25	1.56	Packaging & Container	33	1.27	Retail Store	38	1.01
Metal Fabricating	35	1.56	Chemical (Basic)	19	1.26	Toiletries/Cosmetics	23	0.95
Wireless Networking	57	1.54	Retail (Special Lines)	155	1.26	Beverage	41	0.95
E-Commerce	54	1.50	Restaurant	68	1.26	Pharmacy Services	19	0.94
Telecom. Equipment	110	1.49	Biotechnology	108	1.25	Insurance (Prop/Cas.)	78	0.91
Auto & Truck	20	1.49	Railroad	15	1.25	Bank (Midwest)	39	0.91
Heavy Construction	14	1.48	Diversified Co.	113	1.25	Reinsurance	11	0.91
Precision Instrument	90	1.47	Petroleum (Producing)	188	1.24	Oil/Gas Distribution	19	0.89
Entertainment Tech	33	1.45	Publishing	27	1.24	Water Utility	16	0.86
Human Resources	31	1.44	Shoe	19	1.23	Bank (Canadian)	8	0.86
Advertising	30	1.43	Utility (Foreign)	5	1.23	Grocery	14	0.84
Telecom. Services	140	1.43	Computer Software/Svcs	322	1.22	Educational Services	34	0.84
Precious Metals	75	1.41	Canadian Energy	12	1.22	Investment Co.	17	0.83
Internet	208	1.41	Information Services	34	1.22	Electric Util. (Central)	24	0.82
Recreation	64	1.41	Chemical (Diversified)	33	1.21	Food Processing	109	0.80
Funeral Services	6	1.41	Paper/Forest Products	38	1.20	Electric Utility (West)	16	0.79
Building Materials	52	1.39	Natural Gas (Div.)	34	1.20	Electric Utility (East)	26	0.74
Machinery	124	1.39	Industrial Services	167	1.20	Food Wholesalers	18	0.73
Property Management	17	1.38	Chemical (Specialty)	88	1.18	Bank	477	0.71
Electrical Equipment	83	1.37	Foreign Electronics	10	1.18	Tobacco	12	0.71
Securities Brokerage	32	1.37	Insurance (Life)	35	1.17	Natural Gas Utility	25	0.69
Data Source: http:// www.stern.nyu.edu/~adamodar .						Thrift	234	0.66
						Total Market	6870	1.19

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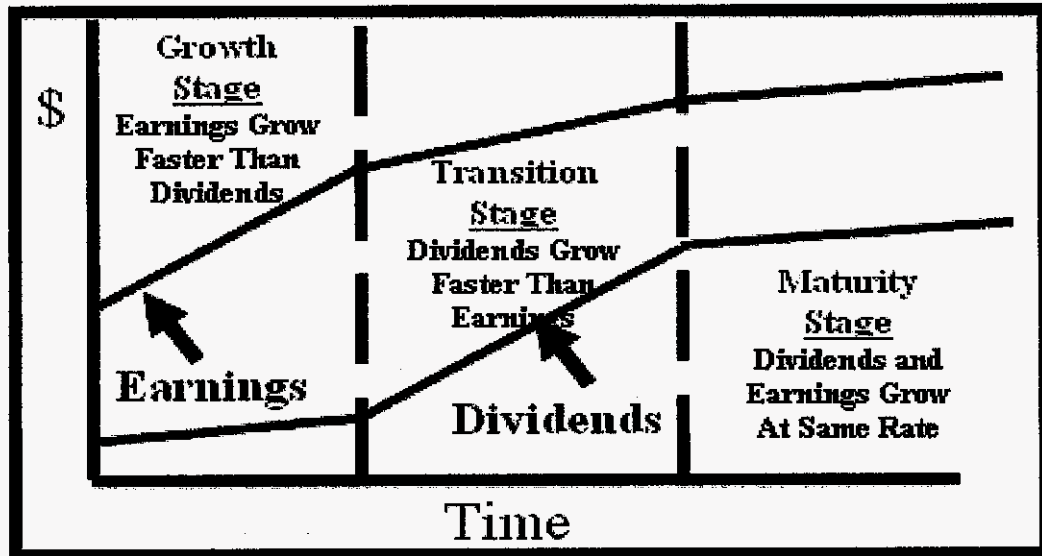
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 215

COMPANY Office of Public Counsel (OPC) (Direct)

WITNESS Dr. J. Randall Woolridge (JRW-8)

DATE 09/03/09

Exhibit JRW-9
Three-Stage DCF Model



Source: William F. Sharpe, Gordon J. Alexander, and Jeffrey V. Bailey, Investments (Prentice-Hall, 1995), pp. 590-91.

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COMPANY Office of Public Counsel (OPC) (Direct)

WITNESS Dr. J. Randall Woolridge (JRW-9)

DATE 09/03/09

Exhibit JRW-10

**Florida Power & Light Company
Discounted Cash Flow Analysis**

Electric Proxy Group

Dividend Yield*	4.7%
Adjustment Factor	1.0275
Adjusted Dividend Yield	4.83%
Growth Rate**	5.50%
Equity Cost Rate	10.3%

* Page 2 of Exhibit JRW-10

** Based on data provided on pages 3, 4, 5, and
6 of Exhibit JRW-10

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 217

COMPANY Office of Public Counsel (OPC) (Direct)

WITNESS Dr. J. Randall Woolridge (JRW-10)

DATE 09/03/09

Exhibit JRW-10

Florida Power & Light Company
Monthly Dividend Yields

Electric Proxy Group

Company	Feb	Mar	Apr	May	June	July	Mean
American Electric Power Co. (NYSE-AEP)	5.2%	5.4%	5.9%	6.1%	6.6%	5.2%	5.7%
Edison International (NYSE-EIX)	3.9%	4.4%	4.3%	4.5%	4.4%	4.0%	4.3%
Entergy Corporation (NYSE-ETR)	3.8%	4.3%	4.4%	4.5%	4.1%	3.7%	4.1%
FirstEnergy Corporation (NYSE-FE)	4.5%	4.6%	5.7%	5.6%	6.0%	4.2%	5.1%
FPL Group, Inc. (NYSE-FPL)	3.6%	3.6%	3.8%	3.7%	3.5%	3.5%	3.6%
Northeast Utilities (NYSE-NU)	3.7%	3.8%	4.4%	4.5%	4.6%	3.8%	4.1%
PG&E Corporation (NYSE-PCG)	4.2%	4.4%	4.7%	4.5%	4.7%	4.1%	4.4%
Progress Energy Inc. (NYSE-PGN)	6.6%	6.6%	7.0%	7.2%	7.3%	6.3%	6.8%
Southern Company (NYSE-SO)	4.8%	5.4%	5.5%	5.6%	6.2%	4.7%	5.4%
Xcel Energy Inc. (NYSE-XEL)	5.3%	5.3%	5.2%	5.2%	5.5%	5.2%	5.3%
Mean	4.6%	4.8%	5.1%	5.1%	5.3%	4.5%	4.9%

Exhibit JRW-10

Florida Power & Light Company
DCF Equity Cost Growth Rate Measures

Value Line Historic Growth Rates

Electric Proxy Group

Company	<i>Value Line</i> Historic Growth					
	Past 10 Years			Past 5 Years		
	Earnings	Dividends	Book Value	Earnings	Dividends	Book Value
American Electric Power Co. (NYSE-AEP)	-0.5%	-4.0%	NA	0.0%	-6.0%	2.5%
Edison International (NYSE-EIX)	7.0%	1.5%	6.0%	13.5%	0.0%	14.5%
Entergy Corporation (NYSE-ETR)	9.5%	4.5%	4.0%	10.5%	13.0%	3.0%
FirstEnergy Corporation (NYSE-FE)	7.5%	3.0%	5.0%	12.5%	6.5%	3.0%
FPL Group, Inc. (NYSE-FPL)	7.0%	5.5%	7.0%	9.5%	7.0%	8.0%
Northeast Utilities (NYSE-NU)	NA	3.5%	1.0%	3.0%	8.5%	2.0%
PG&E Corporation (NYSE-PCG)	4.5%	0.5%	1.5%	26.5%	0.0%	18.0%
Progress Energy Inc. (NYSE-PGN)	-0.5%	2.5%	5.5%	-6.5%	2.0%	2.5%
Southern Company (NYSE-SO)	3.0%	2.0%	1.5%	4.0%	3.0%	5.5%
Xcel Energy Inc. (NYSE-XEL)	-2.5%	-4.0%	-0.5%	1.0%	-4.0%	1.0%
Mean	3.9%	1.5%	3.4%	7.4%	3.0%	6.0%
Median	4.5%	2.3%	4.0%	6.8%	2.5%	3.0%
Average of Mean and Median =				4.0%		

Data Source: *Value Line* Investment Survey.

Exhibit JRW-10

Florida Power & Light Company
DCF Equity Cost Growth Rate Measures
Value Line Projected Growth Rates

Company	Electric Proxy Group			<i>Value Line</i>		
	<i>Value Line</i>			<i>Value Line</i>		
	Projected Growth			Internal Growth		
	Est'd. '06-'08 to '12-'14			Return on Equity	Retention Rate	Internal Growth
	Earnings	Dividends	Book Value			
American Electric Power Co. (NYSE-AEP)	3.0%	3.0%	5.0%	10.5%	46.0%	4.8%
Edison International (NYSE-EIX)	3.5%	4.5%	7.0%	11.0%	66.0%	7.3%
Entergy Corporation (NYSE-ETR)	6.0%	6.5%	6.5%	14.0%	54.0%	7.6%
FirstEnergy Corporation (NYSE-FE)	4.0%	4.5%	4.5%	14.0%	50.0%	7.0%
FPL Group, Inc. (NYSE-FPL)	10.0%	6.0%	8.5%	13.5%	60.0%	8.1%
Northeast Utilities (NYSE-NU)	8.0%	6.5%	5.0%	8.5%	49.0%	4.2%
PG&E Corporation (NYSE-PCG)	6.5%	7.5%	6.5%	12.5%	50.0%	6.3%
Progress Energy Inc. (NYSE-PGN)	6.0%	1.0%	2.0%	9.5%	28.0%	2.7%
Southern Company (NYSE-SO)	4.5%	4.0%	5.5%	14.0%	34.0%	4.8%
Xcel Energy Inc. (NYSE-XEL)	6.5%	3.0%	4.5%	10.5%	46.0%	4.8%
Mean	5.8%	4.7%	5.5%	11.8%	48.3%	5.7%
Median	6.0%	4.5%	5.3%	11.8%	49.5%	5.5%
Average of Mean and Median Figures =	5.3%				Average =	5.6%

Data Source: *Value Line* Investment Survey.

Exhibit JRW-10

Florida Power & Light Company
DCF Equity Cost Growth Rate Measures
Analysts Projected EPS Growth Rate Estimates

Electric Proxy Group

Company	Yahoo First Call	Zack's	Reuters	Average
American Electric Power Co. (NYSE-AEP)	3.44%	5.00%	6.00%	4.81%
Edison International (NYSE-EIX)	2.05%	6.30%	5.35%	4.57%
Entergy Corporation (NYSE-ETR)	9.02%	7.30%	8.82%	8.38%
FirstEnergy Corporation (NYSE-FE)	6.67%	7.30%	6.00%	6.66%
FPL Group, Inc. (NYSE-FPL)	9.57%	9.10%	9.40%	9.36%
Northeast Utilities (NYSE-NU)	7.54%	8.40%	6.84%	7.59%
PG&E Corporation (NYSE-PCG)	7.03%	6.90%	6.66%	6.86%
Progress Energy Inc. (NYSE-PGN)	5.54%	4.80%	5.32%	5.22%
Southern Company (NYSE-SO)	5.36%	5.00%	5.36%	5.24%
Xcel Energy Inc. (NYSE-XEL)	6.38%	5.20%	5.92%	5.83%
Mean	6.3%	6.5%	6.6%	6.5%
Median	6.5%	6.6%	6.0%	6.2%
Average				6.3%

Data Sources: www.zacks.com, <http://quote.yahoo.com>, www.investor.reuters.com.

Exhibit JRW-10

Florida Power & Light Company
DCF Growth Rate Indicators

Electric Proxy Group

Growth Rate Indicator	Growth Rate
Historic Value Line Growth in EPS, DPS, and BVPS	4.0%
Projected <i>Value Line</i> Growth in EPS, DPS, and BVPS	5.3% 5.4%
Internal Growth ROE * Retention Rate	5.6%
Projected EPS Growth from Bloomberg and Zacks	6.3%
Average of Historic and Projected Growth Rates	5.2%

Exhibit JRW-11

**Florida Power & Light Company
Capital Asset Pricing Model**

Electric Proxy Group

Risk-Free Interest Rate	4.50%
Beta*	0.70
<u>Ex Ante Equity Risk Premium**</u>	<u>4.36%</u>
CAPM Cost of Equity	7.6%

* See page 3 of Exhibit JRW-11

** See pages 5 and 6 of Exhibit JRW-11

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 218

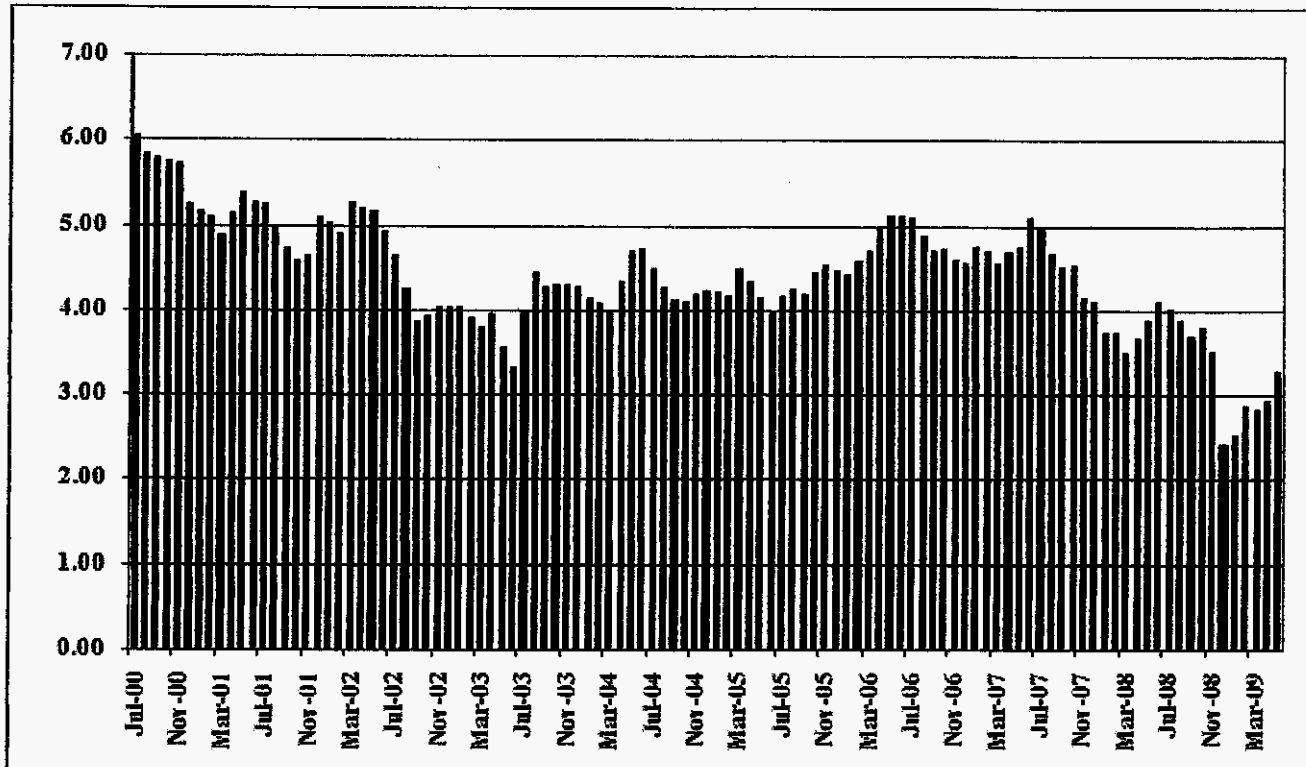
COMPANY Office of Public Counsel (OPC) (Direct)

WITNESS Dr. J. Randall Woolridge (JRW-11)

DATE 09/03/09

Exhibit JRW-11

Panel A
Ten-Year U.S. Treasury Yields
January 2000-May 2009



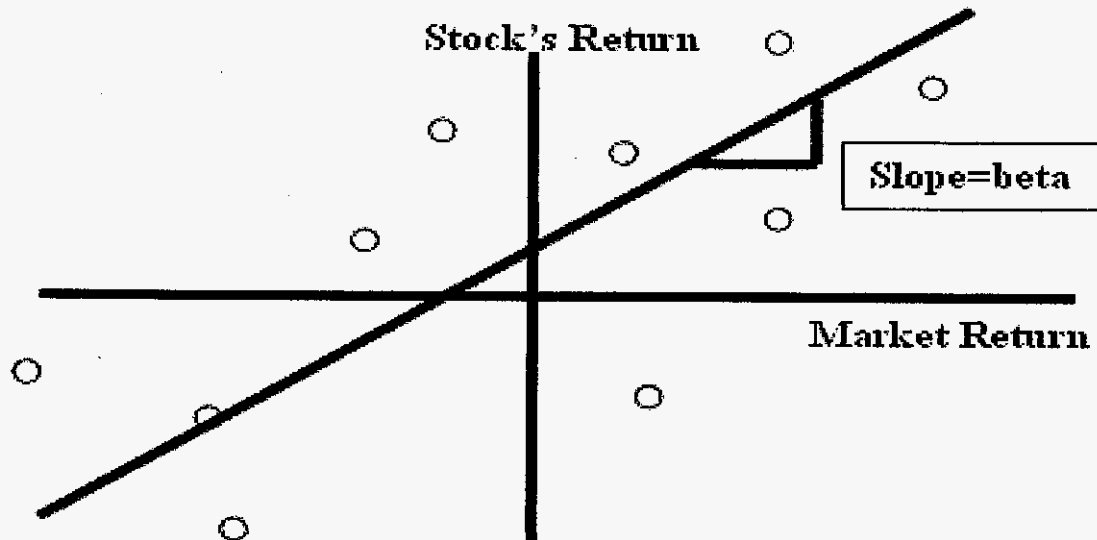
Panel B
Current Rates

U.S. Treasuries

	COUPON	MATURITY DATE	CURRENT PRICE/YIELD
3-MONTH	0.000	10/08/2009	0.18 / .18
6-MONTH	0.000	01/07/2010	0.28 / .28
12-MONTH	0.000	07/01/2010	0.45 / .46
2-YEAR	1.125	06/30/2011	100-10+ / .96
3-YEAR	1.875	06/15/2012	101-04½ / 1.48
5-YEAR	2.625	06/30/2014	100-31 / 2.42
7-YEAR	3.250	06/30/2016	100-17+ / 3.16
10-YEAR	3.125	05/15/2019	96-16½ / 3.55
30-YEAR	4.250	05/15/2039	97-24½ / 4.38

Panel A

Calculation of Beta



Panel B

Electric Proxy Group

Company	Beta
American Electric Power Co. (NYSE-AEP)	0.75
Edison International (NYSE-EIX)	0.80
Entergy Corporation (NYSE-ETR)	0.70
FirstEnergy Corporation (NYSE-FE)	0.85
FPL Group, Inc. (NYSE-FPL)	0.75
Northeast Utilities (NYSE-NU)	0.70
PG&E Corporation (NYSE-PCG)	0.60
Progress Energy Inc. (NYSE-PGN)	0.65
Southern Company (NYSE-SO)	0.55
Xcel Energy Inc. (NYSE-XEL)	0.65
Mean	0.70

Data Source: *Value Line Investment Survey*.

Exhibit JRW-11

Risk Premium Approaches

	Historical Ex Post Excess Returns	Surveys	Ex Ante Models and Market Data
Means of Assessing the Equity-Bond Risk Premium	Historical average is a popular proxy for the ex ante premium -- but likely to be misleading	Investor and expert surveys can provide direct estimates of prevailing expected returns/premiums	Current financial market prices (simple valuation ratios or DCF-based measures) can give most objective estimates of feasible ex ante equity-bond risk premium
Problems/Debated Issues	Time variation in required returns and systematic selection and other biases have boosted valuations over time, and have exaggerated realized excess equity returns compared with ex ante expected premiums	Limited survey histories and questions of survey representativeness. Surveys may tell more about hoped-for expected returns than about objective required premiums due to irrational biases such as extrapolation.	Assumptions needed for DCF inputs, notably the trend earnings growth rate, make even these models' outputs subjective. The range of views on the growth rate, as well as the debate on the relevant stock and bond yields, leads to a range of premium estimates.

Source: Antti Ilmanen, Expected Returns on Stocks and Bonds," *Journal of Portfolio Management*, (Winter 2003).

**Florida Power & Light Company
Capital Asset Pricing Model
Equity Risk Premium**

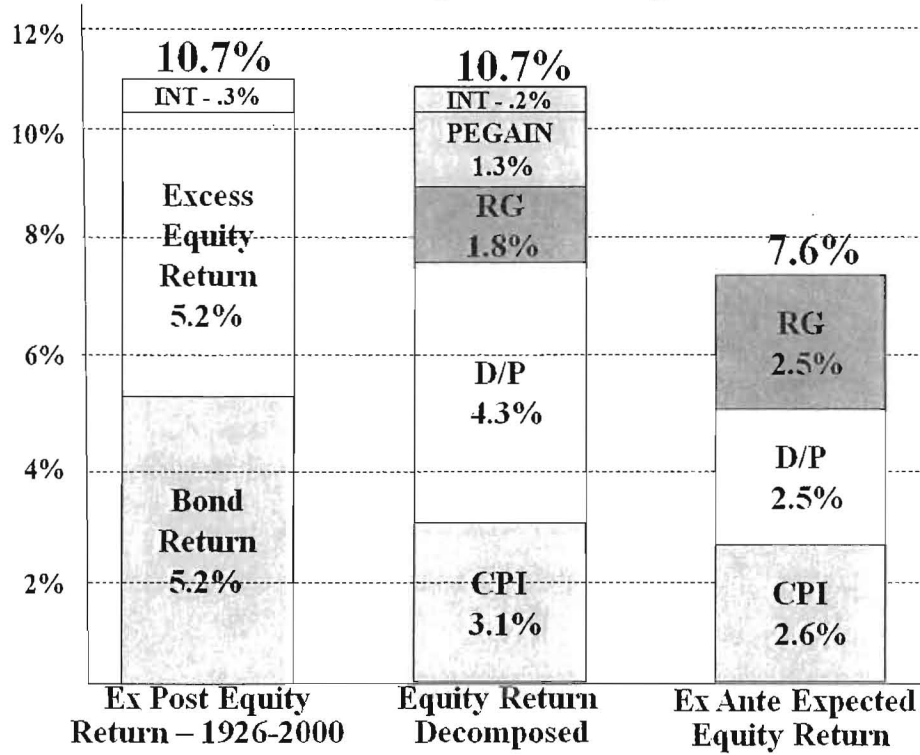
Equity Risk Premium											Average
Category	Study Authors	Publication Date	Time Period Of Study	Methodology	Return Measure	Low	High	Midpoint of Range	Mean		
Historical Risk Premium											
	Ibbotson	2009	1926-2008	Historical Stock Returns - Bond Returns	Arithmetic				5.60%		
					Geometric				3.90%		
	Bate	2008	1900-2007	Historical Stock Returns - Bond Returns	Geometric				4.50%		
	Shiller	2006	1926-2005	Historical Stock Returns - Bond Returns	Arithmetic				7.00%		
					Geometric				5.50%		
	Damodaran	2006	1926-2005	Historical Stock Returns - Bond Returns	Arithmetic				6.70%		
					Geometric				5.10%		
	Siegel	2005	1926-2005	Historical Stock Returns - Bond Returns	Arithmetic				6.10%		
					Geometric				4.60%		
	Dimson, Marsh, and Staunton	2006	1900-2005	Historical Stock Returns - Bond Returns	Arithmetic				5.50%		
	Goyal & Welch	2006	1872-2004	Historical Stock Returns - Bond Returns					4.77%		
AVERAGE										5.39%	
Ex Ante Models (Puzzle Research)											
	Claus Thomas	2001	1985-1998	Abnormal Earnings Model					3.00%		
	Arnott and Bernstein	2002	1810-2001	Fundamentals - Div Yld + Growth					2.40%		
	Constantinides	2002	1872-2000	Historical Returns & Fundamentals - P/D & P/E					6.90%		
	Cornell	1999	1926-1997	Historical Returns & Fundamental GDP/Earnings		3.50%	5.50%	4.50%	4.50%		
	Easton, Taylor, et al	2002	1981-1998	Residual Income Model					5.30%		
	Fama French	2002	1951-2000	Fundamental DCF with EPS and DPS Growth		2.55%	4.32%		3.44%		
	Harris & Marston	2001	1982-1998	Fundamental DCF with Analysts' EPS Growth					7.14%		
	Best & Byrne	2001									
	McKinsey	2002	1962-2002	Fundamental (P/E, D/P, & Earnings Growth)		3.50%	4.00%		3.75%		
	Siegel	2005	1802-2001	Historical Earnings Yield	Geometric				2.50%		
	Grabowski	2006	1926-2005	Historical and Projected		3.50%	6.00%	4.75%	4.75%		
	Maheu & McCurdy	2006	1885-2003	Historical Excess Returns, Structural Breaks,		4.02%	5.10%	4.56%	4.56%		
	Bostock	2004	1960-2002	Bond Yields, Credit Risk, and Income Volatility		3.90%	1.30%	2.60%	2.60%		
	Bakshi & Chen	2005	1982-1998	Fundamentals - Interest Rates					7.31%		
	Donaldson, Kamstra, & Kramer	2006	1952-2004	Fundamental, Dividend yld., Returns,, & Volatility		3.00%	4.00%	3.50%	3.50%		
	Campbell	2008	1982-2007	Historical & Projections (D/P & Earnings Growth)		4.10%	5.40%		4.75%		
	Best & Byrne	2001	Projection	Fundamentals - Div Yld + Growth					2.00%		
	Fernandez	2007	Projection	Required Equity Risk Premium					4.00%		
	DeLong & Magin	2008	Projection	Earnings Yield - TIPS					3.22%		
	Damodaran	2009	Projection	Fundamentals - Implied from FCF to Equity Model					6.43%		
Social Security											
	Office of Chief Actuary		1900-1995								
	John Campbell	2001	1860-2000	Historical & Projections (D/P & Earnings Growth)	Arithmetic	3.00%	4.00%	3.50%	3.50%		
			Projected for 75 Years		Geometric	1.50%	2.50%	2.00%	2.00%		
	Peter Diamond	2001	Projected for 75 Years	Fundamentals (D/P, GDP Growth)		3.00%	4.80%	3.90%	3.90%		
	John Shoven	2001	Projected for 75 Years	Fundamentals (D/P, P/E, GDP Growth)		3.00%	3.50%	3.25%	3.25%		
AVERAGE										4.12%	
Surveys											
	Survey of Financial Forecasters	2009	10-Year Projection	About 50 Financial Forecasters					1.94%		
	Duke - CFO Magazine Survey	2009	10-Year Projection	Approximately 500 CFOs					4.11%		
	Welch - Academics	2008	30-Year Projection	Random Academics		5.00%	5.74%	5.37%	5.94%		
	Fernandez - Academics	2009	Long-Term	Fernandez - Academics				6.50%			
AVERAGE										4.00%	
Building Block											
	Ibbotson and Chen	2009	1926-2008	Historical Supply Model (D/P & Earnings Growth)	Arithmetic			5.73%	4.68%		
					Geometric			3.62%			
	Woolridge		2009	Current Supply Model (D/P & Earnings Growth)					3.22%		
AVERAGE										3.95%	
OVERALL AVERAGE										4.36%	

**Florida Power & Light Company
Capital Asset Pricing Model
Equity Risk Premium**

[illegible]

Exhibit JRW-11

**Florida Power & Light Company
Decomposing Equity Market Returns
The Building Blocks Methodology**



Source: Antti Ilmanen, "Expected Returns on Stocks and Bonds,"
Journal of Portfolio Management, (Winter 2003).

Exhibit JRW-11

Florida Power & Light Company

2009 Survey of Professional Forecasters
Philadelphia Federal Reserve Bank
Long-Term Forecasts

Table Seven
LONG-TERM (10 YEAR) FORECASTS

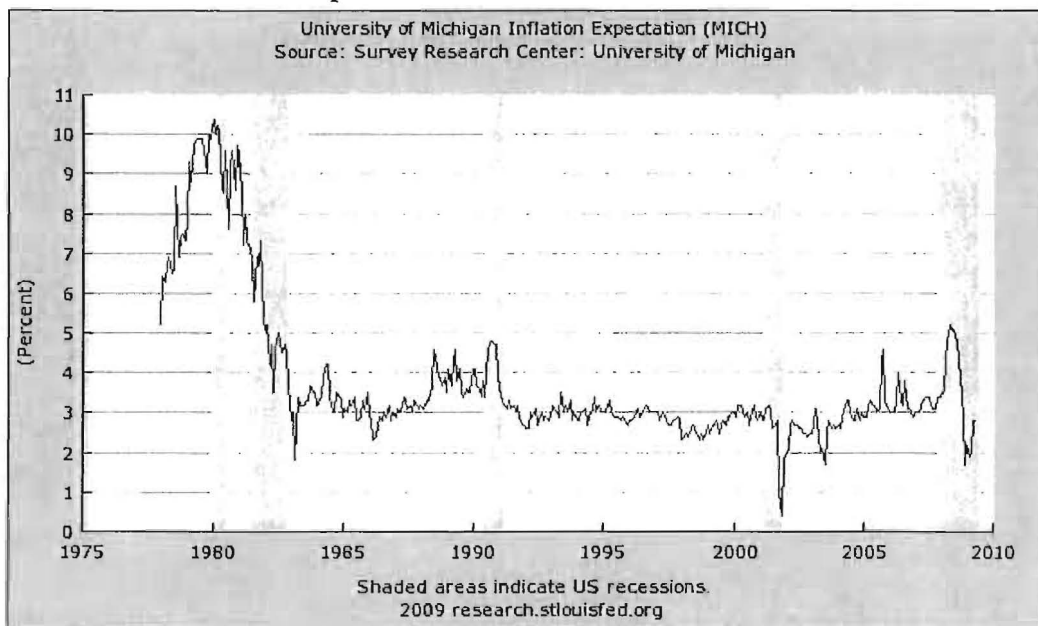
<u>SERIES: CPI INFLATION RATE</u>		<u>SERIES: REAL GDP GROWTH RATE</u>	
STATISTIC		STATISTIC	
MINIMUM	1.130	MINIMUM	2.000
LOWER QUARTILE	2.000	LOWER QUARTILE	2.300
MEDIAN	2.400	MEDIAN	2.560
UPPER QUARTILE	2.750	UPPER QUARTILE	2.800
MAXIMUM	3.800	MAXIMUM	3.750
MEAN	2.410	MEAN	2.580
STD. DEV.	0.600	STD. DEV.	0.380
N	39	N	37
MISSING	4	MISSING	6
<u>SERIES: PRODUCTIVITY GROWTH</u>		<u>SERIES: STOCK RETURNS (S&P 500)</u>	
STATISTIC		STATISTIC	
MINIMUM	1.200	MINIMUM	2.400
LOWER QUARTILE	1.700	LOWER QUARTILE	5.000
MEDIAN	1.900	MEDIAN	6.500
UPPER QUARTILE	2.000	UPPER QUARTILE	8.000
MAXIMUM	3.000	MAXIMUM	11.400
MEAN	1.900	MEAN	6.620
STD. DEV.	0.380	STD. DEV.	2.030
N	34	N	29
MISSING	9	MISSING	14
<u>SERIES: BOND RETURNS (10-YEAR)</u>		<u>SERIES: BILL RETURNS (3-MONTH)</u>	
STATISTIC		STATISTIC	
MINIMUM	2.000	MINIMUM	1.100
LOWER QUARTILE	4.250	LOWER QUARTILE	2.500
MEDIAN	4.850	MEDIAN	3.000
UPPER QUARTILE	5.100	UPPER QUARTILE	4.000
MAXIMUM	6.000	MAXIMUM	5.100
MEAN	4.680	MEAN	3.190
STD. DEV.	0.820	STD. DEV.	0.940
N	32	N	32
MISSING	11	MISSING	11

Source: Philadelphia Federal Reserve Bank, Survey of Professional Forecasters, February 13, 2009.

Exhibit JRW-11

Florida Power & Light Company

**University of Michigan Survey Research Center
Expected Short-Term Inflation Rate**

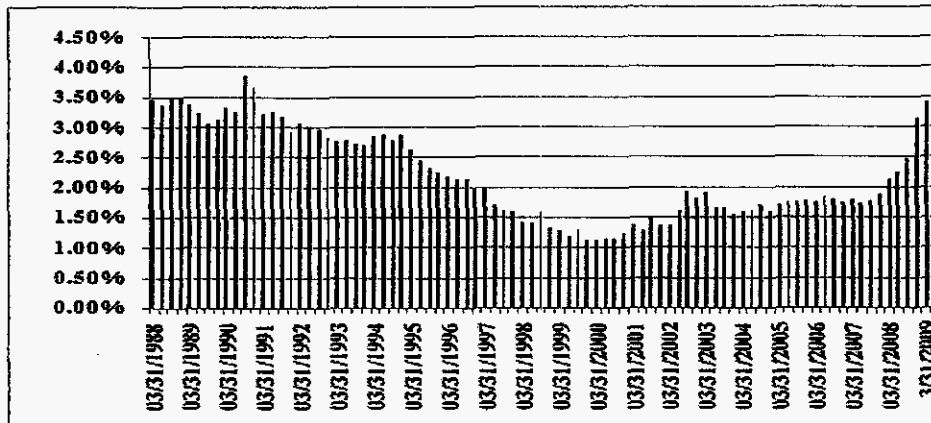


Data Source: <http://research.stlouisfed.org/fred2/series/MICH?cid=98>

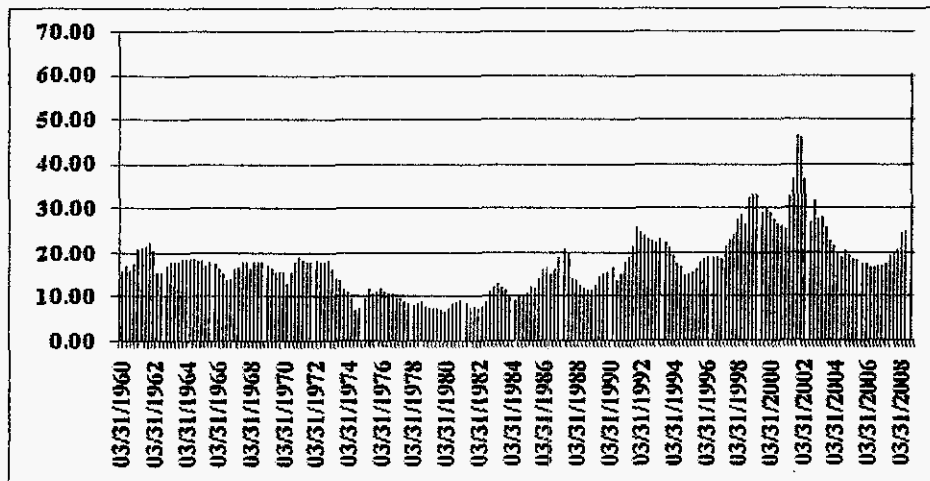
Exhibit JRW-11

**Florida Power & Light Company
Decomposing Equity Market Returns
The Building Blocks Methodology**

S&P 500 Dividend Yield



S&P 500 PE Ratios



Current S&P 500 Dividend Yield and P/E Ratio

**S&P 500 Statistics
As of May 29, 2009**

Total Market Value (\$ Billion)	8,035
Mean Market Value (\$ Million)	16,070
Median Market Value (\$ Million)	6,490
Weighted Ave. Market Value (\$ Million)	67,881
Largest Cos. Market Value (\$ Million)	342,702
Smallest Cos. Market Value (\$ Million)	458
Median Share Price (\$)	28.00
P/E Ratio*	127.48
Indicated Dividend Yield (%)	2.47
NM - Not Meaningful	

*Based on As Reported Earnings.

Data Source: www.standardandpoors.com.

Exhibit JRW-11

Florida Power & Light Company

CAPM

Real S&P 500 EPS Growth Rate

Year	S&P 500 EPS	Annual Inflation CPI	Inflation Adjustment Factor	Real S&P 500 EPS	
1960	3.10	1.48		3.10	
1961	3.37	0.07	1.01	3.35	
1962	3.67	1.22	1.02	3.59	
1963	4.13	1.65	1.04	3.99	
1964	4.76	1.19	1.05	4.55	
1965	5.30	1.92	1.07	4.97	
1966	5.41	3.35	1.10	4.90	
1967	5.46	3.04	1.14	4.80	
1968	5.72	4.72	1.19	4.81	
1969	6.10	6.11	1.26	4.83	
1970	5.51	5.49	1.34	4.13	10-Year
1971	5.57	3.36	1.38	4.04	2.89%
1972	6.17	3.41	1.43	4.33	
1973	7.96	8.80	1.55	5.13	
1974	9.35	12.20	1.74	5.37	
1975	7.71	7.01	1.86	4.14	
1976	9.75	4.81	1.95	4.99	
1977	10.87	6.77	2.08	5.22	
1978	11.64	9.03	2.27	5.13	
1979	14.55	13.31	2.57	5.66	10-Year
1980	14.99	12.40	2.89	5.18	2.30%
1981	15.18	8.94	3.15	4.82	
1982	13.82	3.87	3.27	4.23	
1983	13.29	3.80	3.40	3.91	
1984	16.84	3.95	3.53	4.77	
1985	15.68	3.77	3.66	4.28	
1986	14.43	1.13	3.70	3.90	
1987	16.04	4.41	3.87	4.15	
1988	22.77	4.42	4.04	5.64	
1989	24.03	4.65	4.22	5.69	10-Year
1990	21.73	6.11	4.48	4.85	-0.65%
1991	19.10	3.06	4.62	4.14	
1992	18.13	2.90	4.75	3.81	
1993	19.82	2.75	4.88	4.06	
1994	27.05	2.67	5.01	5.40	
1995	35.35	2.54	5.14	6.88	
1996	35.78	3.32	5.31	6.74	
1997	39.56	1.70	5.40	7.33	
1998	38.23	1.61	5.48	6.97	
1999	45.17	2.68	5.63	8.02	10-Year
2000	52.00	3.39	5.82	8.93	6.29%
2001	44.23	1.55	5.92	7.48	
2002	47.24	2.38	6.06	7.80	
2003	54.15	1.88	6.17	8.77	
2004	67.01	3.26	6.37	10.51	5-Year
2005	68.32	3.42	6.60	10.35	3.00%
2006	81.96	2.54	6.77	12.11	
2007	87.51	4.08	7.04	12.43	
2008	65.39	0.09	7.05	9.28	
Data Source: http://pages.stern.nyu.edu/~adamodar/				Real EPS Growth	2.3%

Panel A

Summary of Dr. Avera's Equity Cost Rate Approaches and Results

Approach	Utility Proxy Group	Non- Utility Proxy Group
DCF	10.6% - 11.5%	12.9% - 13.4%
CAPM	10.50%	11.50%
Expected Earnings	11.70%	12.51%
Average	11.10%	12.40%

Panel B

Summary of Dr. Avera's DCF Results

	Utility Proxy Group	Non- Utility Proxy Group
Average Adjusted Dividend Yield	4.03%	
Growth*	6.00%	
DCF Result	10.03%	

* Expected EPS Growth from V-Line, Thompson, Zacks, and br+sv

Panel C

Summary of Dr. Avera's CAPM Results

	Utility Proxy Group	Non- Utility Proxy Group
Risk-Free Rate	3.20%	3.20%
Beta	0.73	0.83
Market Risk Premium	10.00%	10.00%
CAPM Result	10.50%	11.50%

Panel E

Summary of Dr. Avera Comparable Earnings Results

	CE
Historical ROEs	14.60%
Forecasted ROEs	12.80%
Average	13.70%

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DOCKET NO. 080677-EI & 090130-EI EXHIBIT 219

COMPANY Office of Public Counsel (OPC) (Direct)

WITNESS Dr. J. Randall Woolridge (JRW-12)

DATE 09/03/09

Exhibit JRW-13

Florida Power & Light Company
Summary Financial Statistics for Avera Proxy Group

Avera Proxy Group

Company	Operating Revenue (\$mil)	Percent Elec Revenue	Net Plant (\$mil)	S&P Bond Rating	Moody's Bond Rating	Common Equity Ratio	Return on Equity	Market to Book Ratio
ALLETE, Inc. (NYSE-ALE)	792.5	89	1,435.2	A-	NR	57	13.4	105
Alliant Energy Corporation (NYSE-LNT)	3,639.6	67	5,572.9	A-	A2	57	16.7	98
Consolidated Edison, Inc. (NYSE-ED)	13,429.0	64	21,206.0	A-	A1	47	10.9	105
Dominion Resources, Inc. (NYSE-D)	16,679.0	43	23,353.0	A	A3	40	10.5	184
Duke Energy Corporation (NYSE-DUK)	13,182.0	73	34,505.0	A	A3	58	7.0	89
FPL Group, Inc. (NYSE-FPL)	16,680.0	70	33,053.0	A	A1	41	13.4	195
Integrus Energy Group (NYSE-TEG)	13,259.4	10	4,790.7	A-	A1	54	5.6	77
MDU Resources Group, Inc. (NYSE-MDU)	4,975.4	4	3,711.8	A-	A2	59	14.1	147
NSTAR (NYSE-NST)	3,397.6	79	4,429.7	AA-	A1	38	10.6	188
OGE Energy Corp. (NYSE-OGE)	3,682.6	52	5,446.3	BBB +	Baa1	42	14.1	139
PG&E Corporation (NYSE-PCG)	14,326.0	74	26,923.0	BBB+	A3	47	11.8	146
Portland General Electric (NYSE-POR)	1,759.0	98	3,440.0	A	Baa1	52	6.9	85
Progress Energy Inc. (NYSE-PGN)	9,535.0	98	18,636.0	A-	A2	45	9.7	113
SCANA Corporation (NYSE-SCG)	5,128.0	44	8,443.0	A-	A2	40	10.2	119
SEMPRA Energy (NYSE-SRE)	9,596.0	47	17,208.0	A+	A1	52	12.4	144
Southern Company (NYSE-SO)	17,110.0	99	36,767.7	A	A2	39	14.4	183
Vectren Corporation (NYSE-VVC)	2,377.8	22	2,768.5	A	A3	47	11.7	139
Wisconsin Energy Corporation (NYSE-WEC)	4,395.4	62	8,600.4	A-	Aa3	41	10.9	139
Xcel Energy Inc. (NYSE-XEL)	10,870.3	79	17,947.5	A-	A3	45	9.8	118
AVERAGE	8,674.5	62	14,644.1	A-	A2	47	11.3	132

Data Source: AUS Utility Reports, July 2009.

Florida Power & Light	11,649.0	100	18,783.0	A	A1	57	10.3	
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Data Source: 2008 FP&L Financial Statements

FLORIDA PUBLIC SERVICE COMMISSION

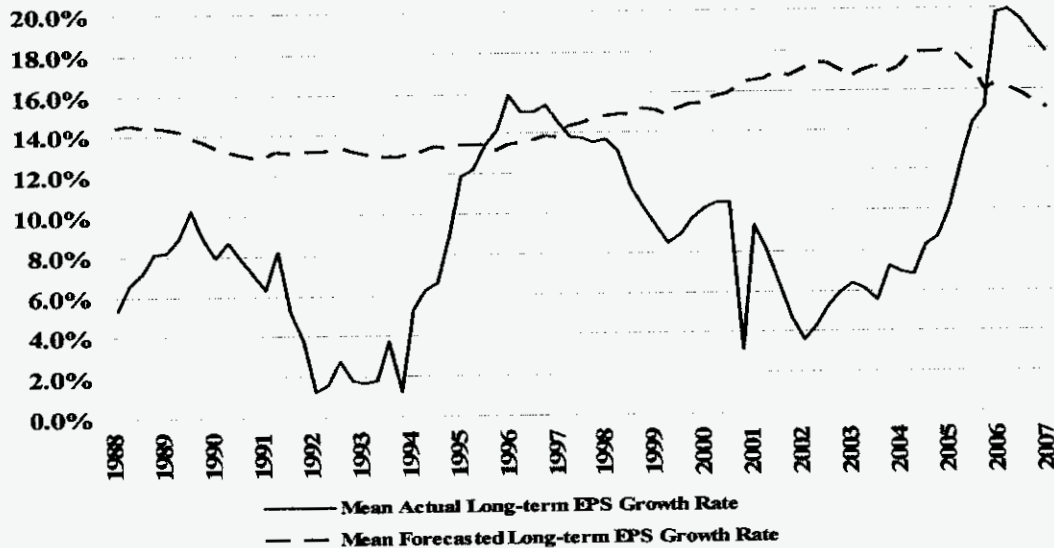
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 220

COMPANY Office of Public Counsel (OPC) (Direct)

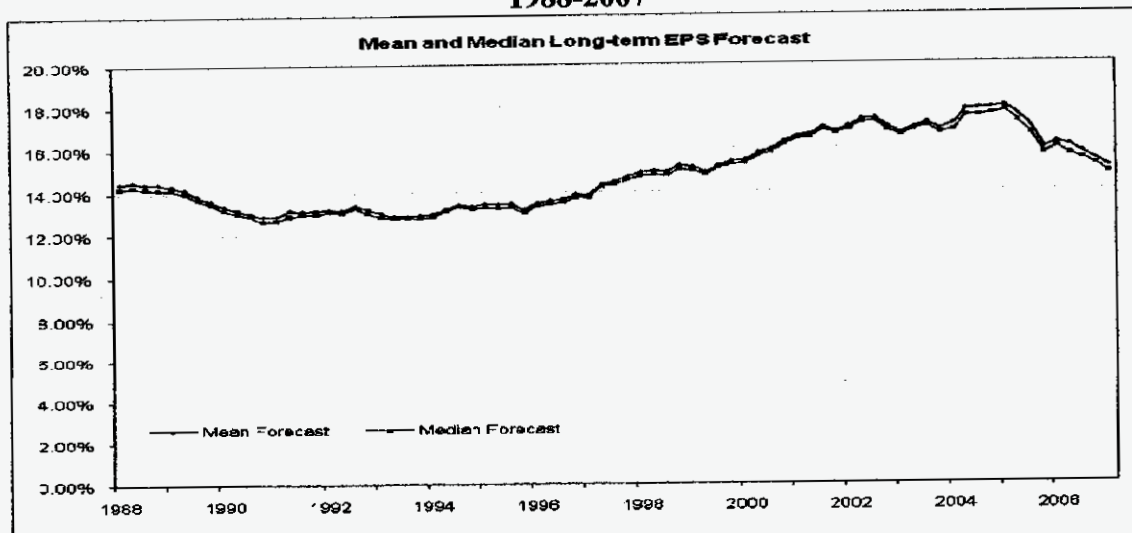
WITNESS Dr. J. Randall Woolridge (JRW-13)

DATE 09/03/09

Panel A
Long-Term Forecasted Versus Actual EPS Growth Rates
1988-2007



Panel B
Long-Term Forecasted EPS Growth Rates
1988-2007



Source: Patrick J. Cusatis and J. Randall Woolridge, "The Accuracy of Analysts' Long-Term Earnings Per Share Growth Rate Forecasts," (July, 2008).

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DOCKET NO. 080677-EI & 090130-EI EXHIBIT 221

COMPANY Office of Public Counsel (OPC) (Direct)

WITNESS Dr. J. Randall Woolridge (JRW-14)

DATE 09/03/09

THE WALL STREET JOURNAL.

Study Suggests Bias in Analysts' Rosy Forecasts

By **ANDREW EDWARDS**

March 21, 2008; Page C6

Despite an economy teetering on the brink of a recession -- if not already in one -- analysts are still painting a rosy picture of earnings growth, according to a study done by Penn State's Smeal College of Business.

The report questions analysts' impartiality five years after then-New York Attorney General Eliot Spitzer forced analysts to pay \$1.5 billion in damages after finding evidence of bias.

"Wall Street analysts basically do two things: recommend stocks to buy and forecast earnings," said J. Randall Woolridge, professor of finance. "Previous studies suggest their stock recommendations do not perform well, and now we show that their long-term earnings-per-share growth-rate forecasts are excessive and upwardly biased."

The report, which examined analysts' long-term (three to five years) and one-year per-share earnings expectations from 1984 through 2006 found that companies' long-term earnings growth surpassed analysts' expectations in only two instances, and those came right after recessions.

Over the entire time period, analysts' long-term forecast earnings-per-share growth averaged 14.7%, compared with actual growth of 9.1%. One-year per-share earnings expectations were slightly more accurate: The average forecast was for 13.8% growth and the average actual growth rate was 9.8%.

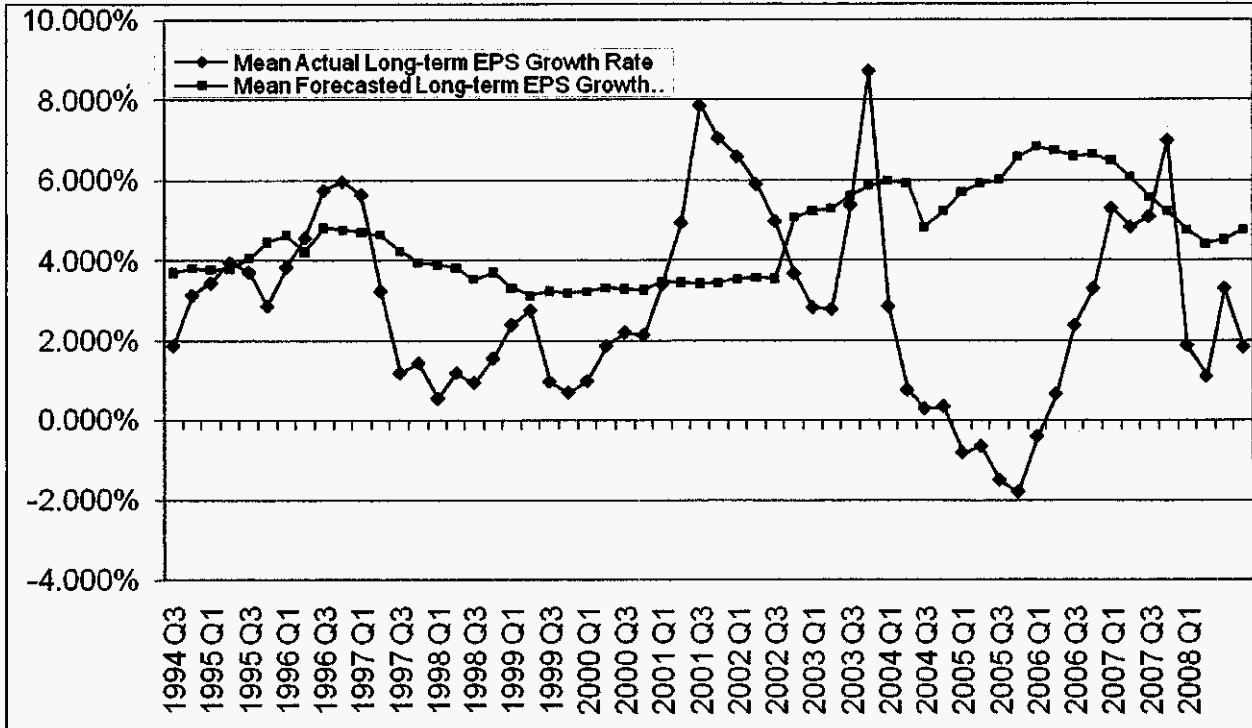
"A significant factor in the upward bias in long-term earnings-rate forecasts is the reluctance of analysts to forecast" profit declines, Mr. Woolridge said. The study found that nearly one-third of all companies experienced profit drops over successive three-to-five-year periods, but analysts projected drops less than 1% of the time.

The study's authors said, "Analysts are rewarded for biased forecasts by their employers, who want them to hype stocks so that the brokerage house can garner trading commissions and win underwriting deals."

They also concluded that analysts are under pressure to hype stocks to generate trading commissions, and they often don't follow stocks they don't like.

Write to Andrew Edwards at andrew.edwards@disney.com

**Long-Term Forecasted Versus Actual EPS Growth Rates
Electric Utility Companies
1994-2008**



Data Source: IBES

Panel A

Value Line 3-5 year EPS Growth Rate Forecasts

	Average Projected EPS Growth rate	Number of Negative EPS Growth Projections	Percent of Negative EPS Growth Projections
2,619 Companies	13.28%	124	4.73%

Panel B

Historical Five-Year EPS Growth Rates for Value Line Companies

	Average Historical EPS Growth rate	Number with Negative Historical EPS Growth	Percent with Negative Historical EPS Growth
2,281 Companies	14.12%	421	18.46%

Source: *Value Line Investment Analyzer*, January 2009.

Exhibit JRW-14

Florida Power & Light Company
DCF Equity Cost Growth Rate Measures
Value Line Projected Growth Rates

Company	Electric Proxy Group			Value Line		
	Value Line			Value Line		
	Projected Growth			Internal Growth		
	Est'd. '06-'08 to '12-'14			Return on Equity	Retention Rate	Internal Growth
	Earnings	Dividends	Book Value			
ALLETE, Inc. (NYSE-ALE)	-1.0%	3.0%	3.5%	9.0%	28.0%	2.5%
Alliant Energy Corporation (NYSE-LNT)	4.5%	7.0%	4.0%	10.5%	36.0%	3.8%
Consolidated Edison, Inc. (NYSE-ED)	2.5%	1.0%	4.0%	15.0%	45.0%	6.8%
Dominion Resources, Inc. (NYSE-D)	8.0%	7.0%	7.5%	15.0%	45.0%	6.8%
Duke Energy Corporation (NYSE-DUK)	5.0%	0.0%	-0.5%	8.0%	22.0%	1.8%
FPL Group, Inc. (NYSE-FPL)	10.0%	6.0%	8.5%	13.5%	60.0%	8.1%
Integrus Energy Group (NYSE-TEG)	5.5%	1.5%	1.0%	8.5%	25.0%	2.1%
MDU Resources Group, Inc. (NYSE-MDU)	5.0%	6.0%	7.5%	12.0%	68.0%	8.2%
NSTAR (NYSE-NST)	8.0%	5.5%	5.5%	14.5%	39.0%	5.7%
OGE Energy Corp. (NYSE-OGE)	4.5%	3.0%	7.0%	11.5%	49.0%	5.6%
PG&E Corporation (NYSE-PCG)	6.5%	7.5%	6.5%	12.5%	50.0%	6.3%
Portland General Electric (NYSE-POR)	5.5%	7.0%	3.0%	9.0%	43.0%	3.9%
Progress Energy Inc. (NYSE-PGN)	6.0%	1.0%	2.0%	9.5%	28.0%	2.7%
SCANA Corporation (NYSE-SCG)	4.0%	3.0%	4.5%	10.5%	39.0%	4.1%
SEMPRA Energy (NYSE-SRE)	5.0%	8.5%	8.0%	12.0%	63.0%	7.6%
Southern Company (NYSE-SO)	4.5%	4.0%	5.5%	14.0%	34.0%	4.8%
Vectren Corporation (NYSE-VVC)	5.5%	3.0%	6.0%	10.0%	33.0%	3.3%
Wisconsin Energy Corporation (NYSE-WEC)	8.0%	13.5%	6.0%	12.0%	52.0%	6.2%
Xcel Energy Inc. (NYSE-XEL)	6.5%	3.0%	4.5%	10.5%	46.0%	4.8%
Mean	5.4%	4.8%	4.9%	11.4%	42.4%	5.0%
Median	5.5%	4.0%	5.5%	11.5%	43.0%	4.8%
Average of Mean and Median Figures =	5.0%				Average =	4.9%

Data Source: Value Line Investment Survey.

Growth Rates
GNP, S&P 500 Price, EPS, and DPS

	GDP	S&P 500	Earnings	Dividends	
1960	526.4	58.11	3.10	1.98	
1961	544.7	71.55	3.37	2.04	
1962	585.6	63.1	3.67	2.15	
1963	617.7	75.02	4.13	2.35	
1964	663.6	84.75	4.76	2.58	
1965	719.1	92.43	5.30	2.83	
1966	787.8	80.33	5.41	2.88	
1967	832.6	96.47	5.46	2.98	
1968	910.0	103.86	5.72	3.04	
1969	984.6	92.06	6.10	3.24	
1970	1038.5	92.15	5.51	3.19	
1971	1127.1	102.09	5.57	3.16	
1972	1238.3	118.05	6.17	3.19	
1973	1382.7	97.55	7.96	3.61	
1974	1500.0	68.56	9.35	3.72	
1975	1638.3	90.19	7.71	3.73	
1976	1825.3	107.46	9.75	4.22	
1977	2030.9	95.1	10.87	4.86	
1978	2294.7	96.11	11.64	5.18	
1979	2563.3	107.94	14.55	5.97	
1980	2789.5	135.76	14.99	6.44	
1981	3128.4	122.55	15.18	6.83	
1982	3255.0	140.64	13.82	6.93	
1983	3536.7	164.93	13.29	7.12	
1984	3933.2	167.24	16.84	7.83	
1985	4220.3	211.28	15.68	8.20	
1986	4462.8	242.17	14.43	8.19	
1987	4739.5	247.08	16.04	9.17	
1988	5103.8	277.72	22.77	10.22	
1989	5484.4	353.4	24.03	11.73	
1990	5803.1	330.22	21.73	12.35	
1991	5995.9	417.09	19.10	12.97	
1992	6337.7	435.71	18.13	12.64	
1993	6657.4	466.45	19.82	12.69	
1994	7072.2	459.27	27.05	13.36	
1995	7397.7	615.93	35.35	14.17	
1996	7816.9	740.74	35.78	14.89	
1997	8304.3	970.43	39.56	15.52	
1998	8747.0	1229.23	38.23	16.20	
1999	9268.4	1469.25	45.17	16.71	
2000	9817.0	1320.28	52.00	16.27	
2001	10128.0	1148.09	44.23	15.74	
2002	10469.6	879.82	47.24	16.08	
2003	10960.8	1111.91	54.15	17.88	
2004	11685.9	1211.92	67.01	19.41	
2005	12433.9	1248.29	68.32	22.38	
2006	13194.7	1418.3	81.96	25.05	
2007	13841.3	1468.36	87.51	27.73	
2008		903.25	65.39	28.05	Average
Growth	7.20%	5.88%	6.56%	5.68%	6.33%

Data Sources: GDP - <http://research.stlouisfed.org/fred2/categories/106>S&P 500, EPS and DPS - <http://pages.stern.nyu.edu/~adamodar/>

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 222
COMPANY Office of Public Counsel (OPC) (Direct)
WITNESS Dr. J. Randall Woolridge (JRW-15)
DATE 09/03/09

Sheree L. Brown
Managing Principal, Utility Advisors' Network, Inc.

Professional Certified Public Accountant
Registration

Education B.S. in Accounting
University of West Florida
Pensacola, Florida

M.B.A.
University of Central Florida
Orlando, Florida

<i>Professional and Business History</i>	Utility Advisors' Network, Inc.	2004-Present
	AEIS/SVBK CONSULTING GROUP	1985 - 2004
	R.W. Beck & Associates	1981 - 1985

*Professional
Experience* Ms. Brown has extensive experience in financial, management, and regulatory consulting for utilities and utility consumers. She has assisted clients in the development of feasibility studies, financing arrangements, and supply contracts for utility projects; power supply negotiations, analyses, and contract development; audit of utility contracts; development of retail rate studies, cost of service studies, and revenue requirements; deregulation planning; strategic planning; valuation; and representation in litigated regulatory proceedings.

Ms. Brown has provided expert testimony on behalf of clients on such issues as stranded cost calculation and recovery, market pricing, and public policy. In participating in deregulation proceedings, Ms. Brown has been responsible for the preparation of comments to regulatory commissions regarding policy issues on restructuring. She has participated in technical conferences held to set policy issues and assisted legal counsel in the preparation of legal positions regarding previous rate agreements and other agreements entered into relevant to the proceedings. In her experience, Ms. Brown has been responsible for the development of methodologies for determining and recovering interim stranded costs. Ms. Brown has also been called on to participate in panel discussions before the regulators regarding the many issues relative to the deregulation of the electric industry.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 223
COMPANY Office of Public Counsel (OPC) (Direct)
WITNESS Sheree L. Brown (SLB-1)
DATE 09/02/09

*Professional
Experience-
continued*

Ms. Brown has developed qualified aggregation programs and participated in public workshops to encourage eligible businesses and residents to participate in municipal aggregation programs. Ms. Brown has negotiated and evaluated power supply arrangements for municipal electric systems, universities, and retail aggregation programs. Such negotiations have included joint ownership arrangements, block power purchases combined with supplemental partial requirements, formula rate contracts, economy purchases, full requirements and partial requirements combined with self-generation.

Ms. Brown has evaluated the economic feasibility of renewable energy resources, including hydroelectric, landfill gas, municipal solid waste, and wind power facilities. Evaluation of renewable energy resources has included the development of partnership models to allocate the tax benefits associated with Production Tax Credits. She has evaluated the economic feasibility of peaking generating facilities. She has also negotiated terms and conditions for selling renewable energy and peaking power.

Ms. Brown has extensive experience in wholesale and retail ratemaking and has represented numerous municipal, cooperative, university, and regulatory clients in proceedings before the Federal Energy Regulatory Commission and various state and local commissions. She has negotiated the settlement of rate cases and has presented expert testimony as a witness in litigated proceedings. As an expert witness, Ms. Brown has presented testimony on revenue requirement issues, cost-of-service studies and allocation methodologies, rate design, merger impacts, utility valuations, and terms and conditions of service, as well as stranded costs and deregulation policies.

*Regulatory/Legal
Appearances*

Federal Energy Regulatory Commission ("FERC")
Arkansas Public Service Commission ("APSC")
Connecticut Department of Public Utility Control ("CDPUC")
Council of the City of New Orleans ("CCNO")
Florida Public Service Commission ("FPSC")
Georgia Public Service Commission ("GPSC")
Illinois Commerce Commission ("ICC")
Louisiana Public Service Commission ("LPSC")
Massachusetts Department of Telecommunications & Energy ("DTE")
Minnesota Public Utilities Commission ("MPUC")
New Hampshire Public Utilities Commission ("NHPUC")

*Regulatory/Legal
Appearances-Cont.*

North Carolina Utilities Commission ("NCUC")
Texas Public Utilities Commission ("TPUC")
Circuit Court, Ninth Judicial Circuit, Orange County, Florida
Circuit Court, Eighteenth Judicial Circuit, Seminole County, Florida

*Papers,
Publications, and
Presentations*

"Determining the Value of Your Municipal Utility" -- Presented to the Florida Municipal Electric Association and Florida Municipal Power Agency Annual Conference, 2003.

"Municipalization/Franchise Evaluation" - Presented to the Tri-County League of Cities, Casselberry, Florida, January 2001.

"Opportunities and Challenges: Managing Energy Costs in a Deregulated Environment" - Presented to the Dallas Chapter of the National Association of Purchasing Managers, Dallas, Texas, October, 2000.

"Unbundling - Identifying Strategies for a Smooth Transition to Competition" - Presented at the South Carolina Association of Municipal Power Systems Annual Conference, Hilton Head, South Carolina, June, 1999.

"Preparing for Deregulation - Understanding Electric Restructuring Issues Affecting Local Government" - Presented at the Taking Control of Your Destiny: Assessing the Impact of Electric Utility Industry Deregulation on Local Government Conference, Minneapolis, Minnesota, June, 1999.

"Electric Restructuring and Utilities Deregulation: A Facility Manager's Guide" - Coauthor with the APPA Energy Task Force, The Association of Higher Education Facilities Managers, Alexandria, Virginia, 1998.

"Utilities and You: A New Playing Field" - Presented at the U.S. Department of Energy Rebuild America 1998 Annual Conference, San Antonio, Texas, March 1998.

"Preparing for Deregulation in the Electric Utility Industry" - Presented at the Municipal Association of South Carolina 1998 Winter Meeting, Columbia, South Carolina, February, 1998.

*Papers,
Publications, and
Presentations-
Continued*

“Electric Utility Deregulation” - Presented at the South Carolina Association of Municipal Power Systems Annual Event, Columbia, South Carolina, April 1997.

“Problems & Solutions in Retail Implementation: An Overview of Issues in Electric Utility Restructuring” - Presented at the Energy Awareness: Competition in Electricity in South Carolina Conference, Columbia, South Carolina, March 1997.

“Municipalization of Electric Utility Systems Seminar” - Presented to the Municipal Association of South Carolina, Columbia, South Carolina, August 1996.

*Professional
and Business
Affiliations*

American Institute of Certified Public Accountants

Florida Power & Light Company
 2010 Cost of Service Analysis

	Summary	Total Jurisdiction
1	Sales of Electricity	3,920,872
2	Other Operating Revenues	193,854
3	Total Operating Revenues	4,114,726
	Expenses	
4	Operating and Maintenance Expenses	1,721,872
5	Depreciation and Amortization	1,075,371
6	Taxes Other Than Income Taxes	350,371
7	Amortization of Property Losses	(1,107)
8	Gain or Loss on Sale of Plant	(1,002)
9	Total Expenses before Income Taxes	3,145,505
10	Net Operating income before taxes	969,221
11	Less Taxes	243,337
12	Net Operating Income after taxes	725,884
	Rate Base	
13	Plant in Service	28,288,078
14	Accumulated Depreciation	(12,590,520)
15	Net Plant in Service	15,697,558
16	Plant Held for Future Use	74,503
17	Construction Work in Progress	707,531
18	Net Nuclear Fuel	374,733
19	Working Capital-assets	3,393,194
20	Working Capital-liabilities	(3,183,925)
21	Total Rate Base	17,063,594
22	Return on Rate Base	4.25%
23	Proposed Return on Rate Base	8.00%
24	Deficiency at Proposed Return	638,862
25	Revenue Expansion Factor	1.63342
26	Revenue Deficiency at Proposed Return	1,043,533
27	Less Increase in Miscellaneous Service Fees	75,328
28	Revenue Deficiency to be collected from Sales Revenues	968,205
29	Revenue Deficiency per Base Case	968,207
30	Revenue Impact of Adjustments	(2)

FLORIDA PUBLIC SERVICE COMMISSION
 DOCKET NO. 080677-EI & 090130-EI EXHIBIT 224
 COMPANY Office of Public Counsel (OPC) (Direct)
 WITNESS Sheree L. Brown (SLB-2)
 DATE 09/02/09

Florida Power & Light Company
2011 Cost of Service Analysis

	Summary	Total Jurisdiction
1	Sales of Electricity	3,974,909
2	Other Operating Revenues	200,116
3	Total Operating Revenues	4,175,025
	Expenses	
4	Operating and Maintenance Expenses	1,810,193
5	Depreciation and Amortization	1,139,655
6	Taxes Other Than Income Taxes	393,042
7	Amortization of Property Losses	(697)
8	Gain or Loss on Sale of Plant	(951)
9	Total Expenses before Income Taxes	3,341,242
10	Net Operating income before taxes	833,783
11	Less Taxes	171,014
12	Net Operating Income after taxes	662,769
	Rate Base	
13	Plant in Service	29,599,964
14	Accumulated Depreciation	(13,306,981)
15	Net Plant in Service	16,292,983
16	Plant Held for Future Use	71,453
17	Construction Work in Progress	772,484
18	Net Nuclear Fuel	408,125
19	Working Capital-assets	3,473,468
20	Working Capital-liabilities	(3,138,102)
21	Total Rate Base	17,880,411
22	Return on Rate Base	3.71%
23	Proposed Return on Rate Base	8.18%
24	Deficiency at Proposed Return	800,206
25	Revenue Expansion Factor	1.63256
26	Revenue Deficiency at Proposed Return	1,306,381
27	Less Increase in Miscellaneous Service Fees	76,367
28	Revenue Deficiency to be collected from Sales Revenues	1,230,014
29	Revenue Deficiency per Base Case [1]	1,230,014
30	Revenue Impact of Adjustments	0

NOTES:

[1] The revenue deficiency per Schedule E-1 is \$1,229,876. This number was adjusted to remove rounding differences between Exhibit__ (SLB-2) and FPL's Schedule E-1.

FPSC Docket 080677-EI
Transmission Allocation Adjustment
Exhibit__(SLB-3)
Page 1 of 5

Type of Service	Customer (payment by)	Total Revenues	Capacity Revs	Bill MW
NF	Combined multiple customers	\$ 6,342,789		
AD	Combined multiple customers	\$ 2,653,405		
SFP	Combined multiple customers	\$ 634,710		
OS	DeSoto County Generating Company	\$ (2,394)		
	Florida Municipal Power Agency	\$ 871,587		
	New Hope Power Partnership	\$ 21,934		
	Brevard Energy, LLC	\$ 8,400		
	Florida Municipal Power Agency	\$ 7,200		
	Georgia Pacific Corporation	\$ 738,094		
	Metro-Dade County	\$ 13,458		
	Oleander Power Project, LP	\$ 28,800		
	Seminole Energy, LLC	\$ 14,400		
	MM Tomoka Farms LLC	\$ 39,907		
	WM Renewable Energy LLC	\$ 14,400		
	Subtotal Non-firm or short-term	\$ 11,386,690	\$ 14,518,842	
LFP	Florida Municipal Power Agency	\$ 143,705	\$ 140,258	
	Florida Municipal Power Agency	\$ 47,902	\$ 46,753	
	Florida Municipal Power Agency	\$ 121,855	\$ 118,939	
	Florida Municipal Power Agency	\$ (1,371)		
	Florida Municipal Power Agency	\$ 303,823	\$ 298,625	
	Georgia Transmission Corporation	\$ (526,445)	\$ 76,551	
	City of Homestead Utilities	\$ 439,273	\$ 435,888	
	Metro-Dade County Resource Recovery	\$ 874,231	\$ 871,776	
	Orlando Utilities Commission	\$ 759,916	\$ 757,237	
	Subtotal Long-Term Firm Point-to-Point	\$ 2,162,889	\$ 2,746,027	
FNO	Florida Municipal Power Agency	\$ 6,883,096	\$ 9,686,080	
	Seminole Electric Cooperative, Inc	\$ 11,332,541	\$ 10,176,898	
	Lee County Electric Cooperative	\$ -	\$ -	
	City of Key West	\$ -	\$ -	
	Subtotal Firm Network Service for Others	\$ 18,215,637	\$ 19,862,978	
OLF	City of New Smyrna	\$ 74,568	\$ 74,568	
	TOTAL	\$ 31,839,784	\$ 37,202,415	22,055
	TOTAL FIRM ONLY	\$ 20,453,094	\$ 22,681,573	22,055

2009		2010		2011	
Revenues [1]	Estimated MW [2]	Revenues [1]	Estimated MW [2]	Revenues [1]	Estimated MW [2]
\$ 3,204,067		\$ 3,204,067		\$ 3,204,067	
\$ 2,739,147		\$ 2,811,795		\$ 2,811,795	
\$ 11,288,878		\$ 11,480,962		\$ 11,671,560	
\$ 12,676,051		\$ 9,886,189		\$ 10,669,736	
\$ -		\$ 3,117,804		\$ 3,171,707	
\$ 23,964,929		\$ 24,484,955		\$ 25,513,003	
\$ 73,956		\$ 73,956		\$ 73,956	
\$ 29,982,099		\$ 30,574,773		\$ 31,602,821	
\$ 26,778,032		\$ 27,370,706		\$ 28,398,754	

[1] Revenues for 2009-2011 were taken from FPL's response to OPC's Second Request for Production of Documents, Question 12, file: Revised 2009-2011_Transmission Revenue_Forecast_FNR.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 225
COMPANY Office of Public Counsel (OPC) (Direct)
WITNESS Sheree L. Brown (SLB-3)
DATE 09/02/09

Florida Power & Light Company
Transmission Allocation Adjustment-2010 Revenue Impact

	Summary	Total Jurisdiction
1	Sales of Electricity	3,920,872
2	Other Operating Revenues	160,253
3	Total Operating Revenues	4,081,125
	Expenses	
4	Operating and Maintenance Expenses	1,711,659
5	Depreciation and Amortization	1,064,935
6	Taxes Other Than Income Taxes	350,212
7	Amortization of Property Losses	(1,108)
8	Gain or Loss on Sale of Plant	(1,002)
9	Total Expenses before Income Taxes	3,124,696
10	Net Operating income before taxes	956,429
11	Less Taxes	240,170
12	Net Operating Income after taxes	716,259
	Rate Base	
13	Plant in Service	27,909,477
14	Accumulated Depreciation	(12,449,215)
15	Net Plant in Service	15,460,262
16	Plant Held for Future Use	70,392
17	Construction Work in Progress	692,567
18	Net Nuclear Fuel	374,733
19	Working Capital-assets	3,386,193
20	Working Capital-liabilities	(3,182,728)
21	Total Rate Base	16,801,419
22	Return on Rate Base	4.26%
23	Proposed Return on Rate Base	8.00%
24	Deficiency at Proposed Return	627,518
25	Revenue Expansion Factor	1.63342
26	Revenue Deficiency at Proposed Return	1,025,004
27	Less Increase in Miscellaneous Service Fees	75,328
28	Revenue Deficiency to be collected from Sales Revenues	949,676
29	Revenue Deficiency per Base Case	968,207
30	Revenue Impact of Adjustments	(18,531)

Recalculation of FPL 101 Allocation Factor		Wholesale FPL Calc						Total FPL Calc
Component	FPL Calculated Company Total	Total Retail	FREC CONTRACT	Key West CONTRACT	MDCSWM	SEMINOLE	LCCE	Wholesale
FPL101								
CP_12		16,724,419.749	96,730.170	46,276.270	1,314.000	0.000	209,167.917	353,488.357
ADJ_CP12			0.000	-46,276.270	0.000	0.000	0.000	-46,276.270
ADJ_CP12-2			0.000	0.000	0.000	0.000	0.000	0.000
ADJ_CP12-3			0.000	0.000	0.000	0.000	-209,167.920	-209,167.920
KW_TRANS			1.000	1.000	1.000	1.000	1.000	
KW_EXP_TR			1.031	1.031	1.031	1.031	1.031	
Transmission 12CP at Generator	332,528.690	231,490.055	99,684.506	0.000	1,354.132	0.000	-0.004	101,038.635
CP_12		16,724,419.749	96,730.170	46,276.270	1,314.000	0.000	209,167.917	353,488.357
KW_PRI			0.000	0.000	0.000	0.000	0.000	
KW_EXP_PRI			1.056	1.056	1.056	1.056	1.056	
Primary 12CP at Generator	335,422.628	335,422.628	0.000	0.000	0.000	0.000	0.000	0.000
CP_12		16,724,419.749	96,730.170	46,276.270	1,314.000	0.000	209,167.917	353,488.357
KW_SEC			0.000	0.000	0.000	0.000	0.000	
KW_EXP_SEC			1.086	1.086	1.086	1.086	1.086	
Secondary 12CP at Generator	17,570,226.004	17,570,226.004	0.000	0.000	0.000	0.000	0.000	0.000
Transmission 12CP at Generator		231,490.055	99,684.506	0.000	1,354.132	0.000	-0.004	101,038.635
Primary 12CP at Generator		335,422.628	0.000	0.000	0.000	0.000	0.000	0.000
Secondary 12CP at Generator		17,570,226.004	0.000	0.000	0.000	0.000	0.000	0.000
Average of the 12 Months CP Demand	18,238,177.322	18,137,138.587	99,684.506	0.000	1,354.132	0.000	-0.004	101,038.635
FPL 101 Factor			99.4460%					

			Wholesale Re-Calc													
Component	FPL Calculated Company Total	Total Retail	FREC CONTRACT	Key West CONTRACT	MDCSWM	SEMINOLE	LCCE	FND FMPPA	FND SEMINOLE	LTP FMPPA	LFP north Tran (Homestead Metro-Dade CRB	LFP OUC	LFP New Smyrna	Total FPL Calc Wholesale		
Revised Factor																
CP_12		16,724,419.749	96,730.170	46,276.270	1,314.000	0.000	209,167.917	609,750.000	1,050,250.000	42,000.000	416.667	2,500.000	60,000.000	52,000.000	21,000.000	2,191,405.023
ADI_CP12			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
ADI_CP12-2			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
ADI_CP12-3			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
KW_TRANS			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
KW_EXP_TR			1.031	1.031	1.031	1.031	1.031	1.031	1.031	1.031	1.031	1.031	1.031	1.031	1.031	1.031
Transmission 12CP at Generator	2,469,825.041	231,490.055	99,684.506	47,689.641	1,354.132	0.000	215,556.330	628,373.004	1,082,326.769	43,282.765	429.393	2,576.355	61,832.522	53,588.186	21,641.383	2,258,334.986
CP_12		16,724,419.749	96,730.170	46,276.270	1,314.000	0.000	209,167.917	609,750.000	1,050,250.000	42,000.000	416.667	2,500.000	60,000.000	52,000.000	21,000.000	2,191,405.023
KW_PHI			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
KW_EXP_PR			1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056
Primary 12CP at Generator	335,422.628	335,422.628	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CP_12		16,724,419.749	96,730.170	46,276.270	1,314.000	0.000	209,167.917	609,750.000	1,050,250.000	42,000.000	416.667	2,500.000	60,000.000	52,000.000	21,000.000	2,191,405.023
KW_SEC			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
KW_EXP_SEC			1.086	1.086	1.086	1.086	1.086	1.086	1.086	1.086	1.086	1.086	1.086	1.086	1.086	1.086
Secondary 12CP at Generator	17,570,226.004	17,570,226.004	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transmission 12CP at Generator		231,490.055	99,684.506	47,689.641	1,354.132	0.000	215,556.330	628,373.004	1,082,326.769	43,282.765	429.393	2,576.355	61,832.522	53,588.186	21,641.383	2,258,334.986
Primary 12CP at Generator		335,422.628	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Secondary 12CP at Generator		17,570,226.004	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Average of the 12 Months CP Demand	20,395,473.673	18,137,138.687	99,684.506	47,689.641	1,354.132	0.000	215,556.330	628,373.004	1,082,326.769	43,282.765	429.393	2,576.355	61,832.522	53,588.186	21,641.383	2,258,334.986
Revised FPL101 Factor		86.927%														

Florida Power & Light Company
Transmission Allocation Adjustment-2011 Revenue Impact

Summary		Total Jurisdiction
1	Sales of Electricity	3,974,909
2	Other Operating Revenues	165,488
3	Total Operating Revenues	4,140,397
	Expenses	
4	Operating and Maintenance Expenses	1,800,526
5	Depreciation and Amortization	1,128,885
6	Taxes Other Than Income Taxes	392,883
7	Amortization of Property Losses	(698)
8	Gain or Loss on Sale of Plant	(951)
9	Total Expenses before Income Taxes	3,320,645
10	Net Operating income before taxes	819,752
11	Less Taxes	167,607
12	Net Operating Income after taxes	652,145
	Rate Base	
13	Plant in Service	29,206,548
14	Accumulated Depreciation	(13,153,553)
15	Net Plant in Service	16,052,995
16	Plant Held for Future Use	67,694
17	Construction Work in Progress	749,869
18	Net Nuclear Fuel	408,125
19	Working Capital-assets	3,466,357
20	Working Capital-liabilities	(3,136,943)
21	Total Rate Base	17,608,097
22	Return on Rate Base	3.70%
23	Proposed Return on Rate Base	8.18%
24	Deficiency at Proposed Return	788,550
25	Revenue Expansion Factor	1.63256
26	Revenue Deficiency at Proposed Return	1,287,352
27	Less Increase in Miscellaneous Service Fees	76,367
28	Revenue Deficiency to be collected from Sales Revenues	1,210,985
29	Revenue Deficiency per Base Case [1]	1,230,014
30	Revenue Impact of Adjustments	(19,029)

NOTES:

[1] The revenue deficiency per Schedule E-1 is \$1,229,876. This number was adjusted to remove rounding differences between Exhibit __ (SLB-2) and FPL's Schedule E-1.

Florida Power & Light Company
Transmission Allocation Adjustment-2011
Recalculation of FPL 101 Allocation Factor

FPSC Docket No. 080677-EI
Transmission Allocation Adjustment
Exhibit (SLB-3)
Page 5 of 5

Component	FPL Calculated Company Total	Total Retail	Wholesale FPL Calc					Total FPL Calc Wholesale
			FREC CONTRACT	Key West CONTRACT	MDCSWM	SEMINOLE	LCEC	
FPL101 CP_12		16,908,128.916	96,821.130	46,276.270	1,314.000	0.000	212,784.250	357,195.650
ADJ_CP12			0.000	-46,276.270	0.000	0.000	0.000	-46,276.270
ADJ_CP12-2			0.000	0.000	0.000	0.000	0.000	0.000
ADJ_CP12-3			0.000	0.000	0.000	0.000	-212,784.250	-212,784.250
KW_TRANS			1.000	1.000	1.000	1.000	1.000	
KW_EXP_TR			1.030	1.030	1.030	1.030	1.030	
Transmission 12CP at Generator	333,182.383	232,056.229	99,772.105	0.000	1,354.049	0.000	0.000	101,126.154
CP_12		16,908,128.916	96,821.130	46,276.270	1,314.000	0.000	212,784.250	357,195.650
KW_PRI			0.000	0.000	0.000	0.000	0.000	
KW_EXP_PR			1.056	1.056	1.056	1.056	1.056	
Primary 12CP at Generator	341,930.272	341,930.272	0.000	0.000	0.000	0.000	0.000	0.000
CP_12		16,908,128.916	96,821.130	46,276.270	1,314.000	0.000	212,784.250	357,195.650
KW_SEC			0.000	0.000	0.000	0.000	0.000	
KW_EXP_SEC			1.085	1.085	1.085	1.085	1.085	
Secondary 12CP at Generator	17,757,382.015	17,757,382.015	0.000	0.000	0.000	0.000	0.000	0.000
Transmission 12CP at Generator		232,056.229	99,772.105	0.000	1,354.049	0.000	0.000	101,126.154
Primary 12CP at Generator		341,930.272	0.000	0.000	0.000	0.000	0.000	0.000
Secondary 12CP at Generator		17,757,382.015	0.000	0.000	0.000	0.000	0.000	0.000
Average of the 12 Months CP Demand	18,432,494.671	18,331,368.517	99,772.105	0.000	1,354.049	0.000	0.000	101,126.154

		Wholesale Re-Calc															
Component	FPL Calculated Company Total	Total Retail	FREC CONTRACT	Key West CONTRACT	MDCSWM	SEMINOLE	LCEC	FNO FMFA	FNO SEMINOLE	LFP FMFA	LFP eorgia Tran C	LFP Hornstead	LFP Metro-Dade	LFP CRR	LFP OUC	OLF New Smyrna	Total FPL Calc Wholesale
FPL101 CP_12		16,908,128.916	96,821.130	46,276.270	1,314.000	0.000	212,784.250	609,750.000	1,050,250.000	42,000.000	416.667	2,500.000	60,000.000	52,000.000	21,000.000	2,195,112.317	
ADJ_CP12			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
ADJ_CP12-2			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
ADJ_CP12-3			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
KW_TRANS			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
KW_EXP_TR			1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	
Transmission 12CP at Generator	2,494,072.549	232,056.229	99,772.105	47,686.707	1,354.049	0.000	219,269.621	628,334.341	1,082,260.175	43,280.102	429.366	2,576.197	61,828.717	53,584.888	21,640.051	2,262,016.320	
CP_12		16,908,128.916	96,821.130	46,276.270	1,314.000	0.000	212,784.250	609,750.000	1,050,250.000	42,000.000	416.667	2,500.000	60,000.000	52,000.000	21,000.000	2,195,112.317	
KW_PRI			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
KW_EXP_PRI			1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	1.056	
Primary 12CP at Generator	341,930.272	341,930.272	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
CP_12		16,908,128.916	96,821.130	46,276.270	1,314.000	0.000	212,784.250	609,750.000	1,050,250.000	42,000.000	416.667	2,500.000	60,000.000	52,000.000	21,000.000	2,195,112.317	
KW_SEC			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
KW_EXP_SEC			1.085	1.085	1.085	1.085	1.085	1.085	1.085	1.085	1.085	1.085	1.085	1.085	1.085	1.085	
Secondary 12CP at Generator	17,757,382.015	17,757,382.015	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Transmission 12CP at Generator		232,056.229	99,772.105	47,686.707	1,354.049	0.000	219,269.621	628,334.341	1,082,260.175	43,280.102	429.366	2,576.197	61,828.717	53,584.888	21,640.051	2,262,016.320	
Primary 12CP at Generator		341,930.272	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Secondary 12CP at Generator		17,757,382.015	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Average of the 12 Months CP Demand	20,593,384.836	18,331,368.517	99,772.105	47,686.707	1,354.049	0.000	219,269.621	628,334.341	1,082,260.175	43,280.102	429.366	2,576.197	61,828.717	53,584.888	21,640.051	2,262,016.320	
Jurisdictional Factor, Adjusted	0.89015811																

Jurisdictional Factor, Adjusted 0.89015411

FPSC Docket 080677-EI
Increase in Transmission Costs
Exhibit__(SLB-4)

Florida Power & Light
Increase in Transmission Costs- 1999 to 2010

Revenue Requirement Component	1999[1]	2010[2]	Percent Increase
Transmission Plant	2,210,151,331	3,556,597,000	60.92%
Less Accumulated Depreciation	967,516,473	1,405,058,000	45.22%
Net Plant	1,242,634,858	2,151,539,000	73.14%
Depreciation Expense	49,108,504	99,663,000	102.94%
Transmission O&M Expenses	47,450,555	74,416,000	56.83%
Associated Revenue Requirement [3]	258,938,629	455,228,347	75.81%

[1] Data taken from FPL's 1999 FERC Form 1.

[2] Data taken from FPL's 2010 Test Year.

[3] Assumes 8% return on rate base and 1.63342 revenue expansion factor.

[4] Analysis performed to test reasonableness of revenue deficiency. Not all transmission- related expenses were included.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 226
COMPANY Office of Public Counsel (OPC) (Direct)
WITNESS Sheree L. Brown (SLB-4)
DATE 09/02/09

FPSC Docket 080677-EI
Uncollectible Accounts Adjustment
Exhibit__(SLB-5) -REVISED

Florida Power & Light Company
Incremental Write-Off Savings Due to Automatic Bill Payments

<u>Line</u>	<u>Calculation of ABP Increase</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 [2]</u>	<u>2011[2]</u>
1	Year end estimated number of ABP Customers [1]	8,676	21,808	50,128	81,013	109,527	128802.0107	151469.1168
2	Percent Increase		151.36%	129.86%	61.61%	35.20%	17.60%	17.60%
3	Estimated savings per account per year[1]	\$ 8.97	\$ 18.44	\$ 19.71	\$ 19.71	\$ 19.71	\$ 19.71	\$ 19.71
4	Estimated total write-off savings	\$77,805	\$402,144	\$ 987,942	\$ 1,596,625	\$2,158,588	\$ 2,538,688	\$ 2,985,456
5	2008 Savings reflected in Write-off regression [3]				\$ 1,064,417			
6	Incremental savings					\$ 1,094,171	\$ 1,474,271	\$ 1,921,040
7	Incremental Savings used by FPL [1]					\$ 561,963	\$ 561,963	\$ 561,963
8	Additional savings					\$ 532,208	\$ 912,308	\$ 1,359,077

	<u>RCS Avoided Write-offs [4]</u>	<u>2010</u>	<u>2011</u>
9	Write-off before adjustments	24,534,447	24,091,925
10	Residential Write-offs avoided (50%)	\$ 12,267,224	\$ 12,045,963
11	Deployment Rate	4%	30%
12	RCS Adjustment for Test year	\$ 490,689	\$ 3,613,789

Notes:

[1] Per the response to OPC's Second POD No. 12.

[2] Increase in ABP customers is assumed to be one-half of the 2009 increase rate.

[3] Regression used actual data from January through August. Assume 8/12 of the annual savings.

[4] Per the response to OPC's Second POD No. 12, file "OPC's 2nd POD No 12 - FPL 131322 - Write_off_with_RCS_in_2010.xls.

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 227

COMPANY Office of Public Counsel (OPC) (Direct)

WITNESS Sheree L. Brown (SLB -5) Revised

DATE 09/02/09

Florida Power & Light Company
Revenue Impact of Proposed Adjustments to Uncollectible Accounts Expense

Line	Description	FPL	OPC	Adjustment
1	Uncollectible Accounts Expense [1]	26,325,000	19,751,466	(6,573,534)
2	Remove Uncollectible Accounts Expense to Clause Recovery [2]	(16,893,000)	-	(16,893,000)
3	Uncollectible Accounts Expense in Base Rates	9,432,000	19,751,466	10,319,466
If Commission allows Uncollectible Accounts Expense to be transferred to clause recovery				
4	Uncollectible Accounts Expense [1]	26,325,000	19,751,466	(6,573,534)
5	Remove Uncollectible Accounts Expense to Clause Recovery [3]	(16,893,000)	(12,522,905)	4,370,095
6	Uncollectible Accounts Expense in Base Rates	9,432,000	7,228,561	(2,203,439)
7	Bad Debt Factor	0.0026	0.001927	
8	Revenue Expansion Factor	1.633424598	1.632322352	
9	Total Revenue Impact of Change in Uncollectible Accounts Expense and Revenue Expansion Factor [4]			\$ 9,642,671
10	Total Revenue Impact of Change in Uncollectible Accounts Expense and Revenue Expansion Factor, assuming Commission allows transfer to clause recovery [5]			\$ (2,913,470)

[1] Per Exhibit__(SLB-6)-Revision 2, page 2 of 2, Line 19, columns c and d.

[2] Per Exhibit__(SLB-6)-Revision 2, page 2 of 2, Line 20, columns c and d.

[3] Per Exhibit__(SLB-6)-Revision 2, page 2 of 2, Line 20, columns c and e.

[4] Per Exhibit__(SLB-6)-Revision 2, Page 2 of 2, Line 41, column d.

[5] Per Exhibit__(SLB-6)-Revision 2, Page 2 of 2, Line 41, column e.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 228
COMPANY Office of Public Counsel (OPC) (Direct)
WITNESS Sheree L. Brown (SLB -6) Revision 2
DATE 09/02/09

Florida Power & Light Company
Revenue Impact of Proposed Adjustments to Uncollectible Accounts Expense

Line	Description	2010			2011		
		FPL 11/30/2008	12/1/2008 Revenue Factor Move Clause back to Base Rates	12/1/2008 Apply Rev Factor to TY revenues	FPL 11/30/2008	12/1/2008 Revenue Factor Move Clause back to Base Rates	12/1/2008 Apply Rev Factor to TY revenues
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Rev 12MOE Dec	12,003,993,341	12,003,993,341	12,003,993,341	12,774,402,027	12,774,402,027	12,774,402,027
2	Rev 12MOE Aug	11,834,906,031	11,834,906,031	11,834,906,031	12,505,161,419	12,505,161,419	12,505,161,419
3	Net Write-offs (Regression Frcts)	28,400,000	24,534,447	24,534,447	25,600,000	24,091,925	24,091,925
4	RCS Bus Case Net WO Savings		-490,689	(490,689)	(2,607,892)	-3,613,789	(3,613,789)
5	ABP Savings	(383,508)	-912,308	(912,308)	-	-1,359,077	(1,359,077)
6	Net WOs Adj'd for RCS Savings	28,016,494	23,131,450	23,131,450	22,892,308	19,119,060	19,119,060
7	Reg Prov Adj'ts	(1,600,000)	-1,167,595	(1,167,595)	(1,300,000)	-1,197,920	(1,197,920)
8	Other Prov Adj'ts	0	0	0	0	0	0
9	UAR	26,416,494	21,963,855	21,963,855	21,892,308	17,921,140	17,921,140
	Net WO Rate Excl RCS Savings						
10	Unlagged Rev	0.237%	0.204%	0.204%	0.200%	0.189%	0.189%
11	Lagged Rev	0.240%	0.207%	0.207%	0.205%	0.193%	0.193%
	Net WO Rate Adj'd for RCS Savings						
12	Unlagged Rev	0.233%	0.193%	0.193%	0.180%	0.150%	0.150%
13	Lagged Rev	0.237%	0.195%	0.195%	0.184%	0.153%	0.153%
14	Adjusted Revenue per Schedule C-4 (440-446, 451)		10,855,881,000	\$ 10,855,881,000	\$ 11,200,662,000	\$ 11,200,662,000	\$ 11,200,662,000
15	Clause Revenues		6,882,890,000	\$ 6,882,890,000	\$ 7,107,281,000	\$ 7,107,281,000	\$ 7,107,281,000
16	Base Rate Revenues		3,972,991,000	\$ 3,972,991,000	\$ 4,093,381,000	\$ 4,093,381,000	\$ 4,093,381,000
17	Adjusted net WO rate	0.260%	0.193%	0.193%	0.207%	0.150%	0.150%
18	Revised Net Write-off [1]	28,017,000	20,919,061	\$ 20,919,061	\$ 22,992,308	\$ 16,763,691	\$ 16,763,691
19	Revised UAR [2]	26,325,000	19,751,466	\$ 19,751,466	\$ 21,730,000	\$ 15,565,771	\$ 15,565,771
20	Amount allocated to clauses [3]	16,893,000	-	\$ 12,522,905	\$ 13,875,000	-	\$ 9,677,122
21	Amount allocated to Base Rates	9,432,000	\$ 19,751,466	\$ 7,228,561	\$ 7,855,000	\$ 15,565,771	\$ 5,688,649
22	Amount allocated to Base Rates per FPL	\$ 9,432,000	\$ 9,432,000	\$ 9,432,000	\$ 7,855,000	\$ 7,855,000	\$ 7,855,000
23	Adjustment		\$ 10,318,466	\$ (2,203,439)	\$ -	\$ 7,710,771	\$ (2,166,351)
<u>Change to Revenue Expansion Factor</u>							
24	Revenue Requirement	1	1	1	1	1	1
25	Regulatory Assessment Rate	0.00072	0.00072	0.00072	0.00072	0.00072	0.00072
26	Bad Debt Rate	0.260%	0.193%	0.193%	0.00207	0.00150	0.00150
27	Net before Income Taxes	0.99668	0.99735302	0.99735302	0.99721	0.99778333	0.99778333
28	State Income Tax	0.0548174	0.054854416	0.054854416	0.05484655	0.054878083	0.054878083
29	Federal Income Tax	0.32965191	0.329874512	0.329874512	0.329827208	0.330016837	0.330016837
30	Revenue Expansion Factor	0.61221069	0.612624093	0.612624093	0.612536243	0.612888411	0.612888411
31	Net Operating Income Multiplier	1.63342	1.63232	1.63232	1.63258	1.63162	1.63162
<u>Recalculation of Revenue Deficiency</u>							
32	Net Operating Income after taxes	725,883,909	\$ 719,545,178	727,237,372	\$ 662,776,000	\$ 658,039,659	\$ 664,106,681
33	Rate Base	\$ 17,063,590,000	\$ 17,063,590,000	\$ 17,063,590,001	\$ 17,880,402,000	\$ 17,880,402,000	\$ 17,880,402,000
34	Return on Rate Base	4.25%	4.22%	4.26%	3.71%	3.68%	3.71%
35	Proposed Return on Rate Base	8.00%	8.00%	8.00%	8.18%	8.18%	8.18%
36	Deficiency at Proposed Return	\$ 638,862,019	\$ 645,200,751	\$ 637,508,556	\$ 799,840,884	\$ 804,577,225	\$ 798,510,202
37	Revenue Expansion Factor	1.63342	1.63232	1.63232	1.63258	1.63162	1.63162
38	Revenue Deficiency at Proposed Return	\$ 1,043,532,936	\$ 1,053,175,607	\$ 1,040,619,466	\$ 1,305,785,402	\$ 1,312,762,993	\$ 1,302,863,928
39	Less Increase in Miscellaneous Service Fee	\$ 75,328,000	\$ 75,328,000	\$ 75,328,000	\$ 76,367,000	\$ 76,367,000	\$ 76,367,000
40	Revenue Deficiency to be collected from Sa	\$ 968,204,936	\$ 977,847,607	\$ 965,291,466	\$ 1,229,418,402	\$ 1,236,395,993	\$ 1,226,496,928
41	Total Adjustment		\$ 9,642,671	\$ (2,913,470)	\$ -	\$ 6,977,592	\$ (2,921,474)

[1] 2010 amounts rounded per Schedule C-11.

[2] Adjusted per Schedule C-4, page 6 of 12, Lines 30 and 31 for 2010 and 2011.

[3] Columns c and f from MFR Schedule C-2, page 4 of 4, line 8 for 2010 and 2011. Columns e and h are Line 19 x (Line 15/Line 14).

Florida Power & Light Company
Late Payment Fee Revenue History

Description	2004	2005	2006	2007	2008
Late Payment Fees	\$ 14,796,398	\$ 15,430,793	\$ 20,589,233	\$ 31,714,558	\$ 40,952,490
% increase in late payment fees		4.29%	33.43%	54.03%	29.13%
Total Revenues	\$ 8,316,768,568	\$ 9,165,782,468	\$ 11,439,146,375	\$ 11,288,921,800	\$ 11,369,857,191
% late payment fees	0.178%	0.168%	0.180%	0.281%	0.360%
Number of late payments		5,962,280		9,568,322	12,075,690
Annual increase in number of late payments				26.68%	26.20%
Total Customer Bills		53,704,369		53,907,201	54,123,876
% late customer bills		11.10%	12.00%	17.75%	22.31%

Month	2006			2007				2008					
	LPC Count %	LPC Rev	Revenue	LPC Rev %	LPC Count	Cust Base	LPC Count %	LPC Rev	Revenues	LPC Rev %	LPC Count	Cust Base	LPC Count %
Jan	10.2%	\$ 1,425,551	\$883,980,319	0.161%	490,717	4,457,161	11.0%	2,893,369	884,776,946	0.327%	877,955	4,509,032	19.5%
Feb	10.9%	1,527,079	912,494,076	0.167%	513,120	4,465,732	11.5%	2,672,017	783,640,969	0.341%	885,059	4,512,537	19.6%
March	10.9%	1,416,492	796,419,313	0.178%	537,301	4,476,835	12.0%	2,632,825	781,116,477	0.337%	924,850	4,519,123	20.5%
April	11.3%	1,401,782	787,838,041	0.178%	556,208	4,488,392	12.4%	2,588,195	806,684,257	0.321%	944,509	4,519,652	20.9%
May	11.7%	1,519,794	796,867,961	0.191%	576,806	4,493,310	12.8%	2,860,593	886,252,315	0.323%	1,021,539	4,518,324	22.6%
June	11.6%	2,339,322	878,994,052	0.266%	822,447	4,494,060	18.3%	3,009,719	1,040,027,892	0.289%	954,361	4,514,164	21.1%
July	12.4%	3,050,469	970,040,659	0.314%	929,995	4,497,400	20.7%	3,583,698	1,039,986,382	0.345%	1,015,635	4,514,262	22.5%
Aug	12.4%	3,587,792	1,089,263,664	0.329%	958,606	4,502,735	21.3%	3,809,521	1,108,349,429	0.344%	1,029,135	4,509,574	22.8%
Sept	13.0%	3,927,078	1,100,689,464	0.357%	1,010,881	4,508,215	22.4%	4,350,996	1,179,575,935	0.369%	1,069,843	4,507,318	23.7%
Oct	13.7%	4,153,067	1,150,188,079	0.361%	1,042,387	4,507,674	23.1%	4,467,776	1,042,538,010	0.429%	1,085,291	4,503,137	24.1%
Nov	13.7%	3,982,696	1,020,493,064	0.390%	1,080,901	4,507,737	24.0%	4,123,446	868,146,905	0.475%	1,100,759	4,498,960	24.5%
Dec	12.0%	3,383,436	901,653,108	0.375%	1,048,953	4,507,950	23.3%	3,960,335	948,761,674	0.285%	1,166,754	4,497,793	25.9%
	12.0%	\$ 31,714,558	\$11,288,921,800	0.281%	9,568,322	4,492,267	17.7%	\$ 40,952,490	\$ 11,369,857,191	0.360%	12,075,690	4,510,323	22.3%

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 229

COMPANY Office of Public Counsel (OPC) (Direct)

WITNESS Sheree L. Brown (SLB-7)

DATE 09/02/09

Florida Power & Light Company
2010 Revenue Adjustment for Late Payment Fees

2010 - Late Payment Charge - Forecasted FPL Calculation												
Month	2010 Forecasted Customer Base	LPC Cust %	LPC Count as a % of Customer Base	\$10 LPC Count No Elasticity	Write-off 2% rate	\$10 Count Net of Write-offs	w/ 30% Behavior Change	>\$10 Count	Write-off Rate	>\$10 Count Net of Write-offs	Total Count	2010
												LPC Count LPC Rev[2]
Jan	4,534,707	19.5%	882,954	857,302	(17,146)	840,156	588,109	25,652	(513)	25,139	613,248	613,248 \$6,629,910
Feb	4,542,393	19.6%	890,915	869,436	(17,389)	852,047	596,433	21,479	(430)	21,049	617,482	617,482 \$6,713,146
Mar	4,546,312	20.5%	930,414	910,294	(18,206)	892,088	624,461	20,121	(402)	19,718	644,180	644,180 \$7,014,115
Apr	4,545,359	20.9%	949,881	931,117	(18,622)	912,494	638,746	18,764	(375)	18,389	657,135	657,135 \$7,099,814
May	4,543,942	22.6%	1,027,331	1,007,072	(20,141)	986,931	690,852	20,259	(405)	19,854	710,705	710,705 \$7,656,278
Jun	4,545,245	21.1%	960,932	939,527	(18,791)	920,737	644,516	21,405	(428)	20,977	665,492	665,492 \$7,246,398
Jul	4,543,766	22.5%	1,022,273	995,881	(19,918)	975,964	683,175	26,392	(528)	25,864	709,038	709,038 \$7,757,395
Aug	4,547,680	22.8%	1,037,831	1,007,520	(20,150)	987,370	691,159	30,311	(606)	29,705	720,864	720,864 \$7,900,004
Sep	4,549,227	23.7%	1,079,790	1,041,342	(20,827)	1,020,515	714,361	38,448	(769)	37,679	752,040	752,040 \$8,363,538
Oct	4,552,230	24.1%	1,097,123	1,055,265	(21,105)	1,034,160	723,912	41,858	(837)	41,021	764,933	764,933 \$8,676,972
Nov	4,561,993	24.5%	1,116,181	1,077,432	(21,549)	1,055,883	739,118	38,750	(775)	37,975	777,093	777,093 \$8,464,365
Dec	4,572,249	25.9%	1,186,068	1,149,209	(22,984)	1,126,225	788,358	36,859	(737)	36,122	824,479	824,479 \$9,154,839
	4,548,759	22.3%	12,181,694	11,841,397	(236,828)	11,604,569	8,123,199	340,297	(6,806)	333,491	8,456,689	8,456,689 \$92,676,774

2010 - Late Payment Charge - Forecasted ADJUSTED Calculation												
Month	2010 Forecasted Customer Base	LPC Cust %	LPC Count as a % of Customer Base	\$10 LPC Count No Elasticity	Write-off 2% rate	\$10 Count Net of Write-offs	w/ 30% Behavior Change	>\$10 Count	Write-off Rate	>\$10 Count Net of Write-offs	Total Count	2010
												LPC Count LPC Rev[2]
Jan	4,534,707	20.0%	907,992	881,613	n/a	881,613	n/a	26,379	n/a	26,379	907,992	907,992 \$9,697,438
Feb	4,542,393	20.0%	909,531	887,604	n/a	887,604	n/a	21,928	n/a	21,928	909,531	909,531 \$9,613,892
Mar	4,546,312	20.0%	910,316	890,630	n/a	890,630	n/a	19,686	n/a	19,686	910,316	910,316 \$9,664,539
Apr	4,545,359	20.0%	910,125	892,146	n/a	892,146	n/a	17,979	n/a	17,979	910,125	910,125 \$9,623,389
May	4,543,942	20.0%	909,841	891,900	n/a	891,900	n/a	17,942	n/a	17,942	909,841	909,841 \$9,655,816
Jun	4,545,245	20.0%	910,102	889,830	n/a	889,830	n/a	20,273	n/a	20,273	910,102	910,102 \$9,687,814
Jul	4,543,766	20.0%	909,806	886,318	n/a	886,318	n/a	23,488	n/a	23,488	909,806	909,806 \$9,775,284
Aug	4,547,680	20.0%	910,590	883,995	n/a	883,995	n/a	26,595	n/a	26,595	910,590	910,590 \$9,813,901
Sep	4,549,227	20.0%	910,900	878,465	n/a	878,465	n/a	32,435	n/a	32,435	910,900	910,900 \$9,986,728
Oct	4,552,230	20.0%	911,501	876,725	n/a	876,725	n/a	34,776	n/a	34,776	911,501	911,501 \$10,184,062
Nov	4,561,993	20.0%	913,456	881,744	n/a	881,744	n/a	31,712	n/a	31,712	913,456	913,456 \$9,874,919
Dec	4,572,249	20.0%	915,509	887,058	n/a	887,058	n/a	28,451	n/a	28,451	915,509	915,509 \$10,123,243
	4,548,759	20.0%	10,929,671	10,628,028	-	10,628,028	-	301,643	-	301,643	10,929,671	10,929,671 \$117,701,025

Adjustment Required: \$25,024,251

Florida Power & Light Company
2011 Revenue Adjustment for Late Payment Fees

2011 - Late Payment Charge - Forecasted FPL Calculation												
Month	2011 Forecasted Customer Base	LPC Cust %	Count as a % of Customer Base	\$10 LPC Count No Elasticity	Write-off 2% rate	\$10 Count Net of Write-offs	w/ 30% Behavior Change	>\$10 Count	Write-off Rate	>\$10 Count Net of Write-offs	Total Count	2011
												LPC Count LPC Rev[2]
Jan	4,582,628	19.5%	892,285	866,362	(17,327)	849,035	594,324	25,923	(518)	25,404	619,729	619,729 \$6,692,059
Feb	4,592,847	19.6%	900,810	879,093	(17,582)	861,511	603,058	21,717	(434)	21,283	624,341	624,341 \$6,779,394
Mar	4,599,849	20.5%	941,371	921,013	(18,420)	902,593	631,815	20,358	(407)	19,950	651,765	651,765 \$7,087,650
Apr	4,601,332	20.9%	961,578	942,583	(18,852)	923,731	646,612	18,996	(380)	18,616	665,227	665,227 \$7,178,471
May	4,599,777	22.6%	1,039,954	1,019,447	(20,389)	999,058	699,341	20,508	(410)	20,097	719,438	719,438 \$7,741,168
Jun	4,601,931	21.1%	972,916	951,245	(19,025)	932,220	652,554	21,672	(433)	21,238	673,792	673,792 \$7,326,779
Jul	4,603,168	22.5%	1,035,637	1,008,901	(20,178)	988,723	692,106	26,737	(535)	26,202	718,308	718,308 \$7,846,708
Aug	4,609,123	22.8%	1,051,853	1,021,133	(20,423)	1,000,710	700,497	30,721	(614)	30,106	730,603	730,603 \$7,993,386
Sep	4,612,635	23.7%	1,094,841	1,055,857	(21,117)	1,034,739	724,318	38,984	(780)	38,205	762,522	762,522 \$8,463,107
Oct	4,617,285	24.1%	1,112,801	1,070,345	(21,407)	1,048,938	734,257	42,456	(849)	41,607	775,864	775,864 \$8,780,423
Nov	4,629,104	24.5%	1,132,601	1,093,282	(21,866)	1,071,416	749,991	39,320	(786)	38,533	788,525	788,525 \$8,573,097
Dec	4,641,406	25.9%	1,204,008	1,166,592	(23,332)	1,143,260	800,282	37,416	(748)	36,668	836,950	836,950 \$9,274,083
	4,607,590	22.3%	12,340,657	11,995,851	(239,917)	11,755,934	8,229,154	344,806	(6,896)	337,910	8,567,064	8,567,064 \$93,736,325

2011 - Late Payment Charge - Forecasted ADJUSTED Calculation												
Month	2011 Forecasted Customer Base	LPC Cust %	LPC Count as a % of Customer Base	\$10 LPC Count No Elasticity	Write-off 2% rate	\$10 Count Net of Write-offs	w/ 30% Behavior Change	>\$10 Count	Write-off Rate	>\$10 Count Net of Write-offs	Total Count	2011
												LPC Count LPC Rev[2]
Jan	4,582,628	20.0%	917,588	890,930	n/a	890,930	n/a	26,658	n/a	26,658	917,588	917,588 \$9,844,316
Feb	4,592,847	20.0%	919,634	897,462	n/a	897,462	n/a	22,171	n/a	22,171	919,634	919,634 \$9,757,452
Mar	4,599,849	20.0%	921,036	901,118	n/a	901,118	n/a	19,918	n/a	19,918	921,036	921,036 \$9,815,630
Apr	4,601,332	20.0%	921,333	903,132	n/a	903,132	n/a	18,200	n/a	18,200	921,333	921,333 \$9,776,030
May	4,599,777	20.0%	921,021	902,859	n/a	902,859	n/a	18,162	n/a	18,162	921,021	921,021 \$9,810,317
Jun	4,601,931	20.0%	921,453	900,927	n/a	900,927	n/a	20,525	n/a	20,525	921,453	921,453 \$9,846,908
Jul	4,603,168	20.0%	921,700	897,905	n/a	897,905	n/a	23,795	n/a	23,795	921,700	921,700 \$9,946,744
Aug	4,609,123	20.0%	922,893	895,939	n/a	895,939	n/a	26,954	n/a	26,954	922,893	922,893 \$9,992,697
Sep	4,612,635	20.0%	923,596	890,709	n/a	890,709	n/a	32,887	n/a	32,887	923,596	923,596 \$10,182,434
Oct	4,617,285	20.0%	924,527	889,254	n/a	889,254	n/a	35,273	n/a	35,273	924,527	924,527 \$10,395,702
Nov	4,629,104	20.0%	926,894	894,715	n/a	894,715	n/a	32,178	n/a	32,178	926,894	926,894 \$10,069,083
Dec	4,641,406	20.0%	929,357	900,476	n/a	900,476	n/a	28,881	n/a	28,881	929,357	929,357 \$10,333,762
	4,607,590	20.0%	11,071,031	10,765,427	-	10,765,427	-	305,604	-	305,604	11,071,031	11,071,031 \$119,771,078

Adjustment Required: \$26,034,753

Notes:

[1] Information taken from FPL's response to OPC's Second Request for Production of Documents, Question No. 12, file "LPC Forecast \$10 01262009.xls".

[2] FPL estimates of late payment fees for customers >\$10 was based on the charges for 2008, per the file "LPC query results.xls" multiplied by 98%.

Revised estimates for 2010 and 2011 were based on the percentage increase in the number of customers subject to the late payment charges and the percent change in total revenue for the year.

FPSC Docket 080677-EI
Late Payments-Revenue Expansion Factor
Exhibit__(SLB-8)

Florida Power & Light Company
Adjustments to Revenue Expansion Factor for Late Payment Charges

Line No	Detail	Amount
Late Payment Revenue Adder		
1	Total Customers per Late Payment Query.xls (Oct'07-Sep'08)	11,957,058
2	Customers with late payments <=\$10 (Oct'07-Sep'08)	11,634,410
3	Customers with payments >\$10	322,648
4	Late Payment revenues associated with customers with payments >\$10 (Oct'07-Sep'08)	\$ 10,028,545
5	Associated Gross Revenue (Line 4 / .015)	\$ 668,569,667
6	Revenue per LPC Forecast \$10 01262009.xls (Oct'07-Sep'08)	\$ 11,582,744,853
7	Percent Revenues Subject to 1.5% late fee	5.772%
8	Late fee at 1.5%	0.08658%
Change to Revenue Expansion Factor		
		2010 2011
9	Revenue Requirement	100.0000% 100.0000%
10	Regulatory Assessment Rate	0.0720% 0.0720%
11	Bad Debt Rate	0.2600% 0.2070%
12	Additional Late Payments	-0.0866% -0.0866%
13	Net before Income Taxes	99.7546% 99.8076%
14	State Income Tax	5.4865% 5.4894%
15	Federal Income Tax	32.9938% 33.0114%
16	Revenue Expansion Factor	61.2743% 61.3068%
17	Net Operating Income Multiplier	1.63201 1.63114
Summary (\$000s)		
1	Revenues	4,114,726 4,175,024
2	Less Expenses	3,145,504 3,341,235
3	Net Operating income before taxes	969,222 833,789
4	Less Taxes	243,337 171,013
5	Net Operating income after taxes	725,885 662,776
6	Rate Base	17,063,590 17,880,402
7	Return on Rate Base	4.25% 3.71%
8	Proposed Return on Rate Base	8.00% 8.18%
9	Deficiency at Proposed Return	638,863 800,122
10	Revenue Expansion Factor	1.63201 1.63114
11	Revenue Deficiency at Proposed Return	1,042,630 1,305,111
12	Less Increase in Miscellaneous Service Fees	75,328 76,367
13	Revenue Deficiency to be collected from Sales Revenues	967,302 1,228,744
14	Revenue Deficiency per FPL Base Case	968,207 1,229,876
15	Revenue Impact of Adjustment	\$ (905) \$ (1,132)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 230
COMPANY Office of Public Counsel (OPC) (Direct)
WITNESS Sheree L. Brown (SLB-8)
DATE 09/02/09

Florida Power & Light Company
Load Forecast Analysis
Recalculation of Minimum Use Customer and Re-anchoring Adjustments

FPSC Docket 080677-EI
Load Forecast Analysis
Exhibit__(SLB-9)- REVISED
Page 1 of 3

Year (a)	Customers[1] (b)	Min Use Customers[2] (c)	% Min Use Customers (d)=(c)/(b)	Incremental Min Use Customers [2] (e)=(d-fn[2])*(b))	Lost kWh Sales [3] (f)=(e)*fn[3]*12	Lost NEL[4] (g)=(f)/(1-fn(a))	NEL Before Adjustment[5] (h)	Min Use Adjustment % (i)=(g)/(h)	Revised NEL before NEPACT and wholesale (j)=(h)-(i)	NEPAC and wholesale [5] (k)	Revised NEL before Re-anchoring (l)=(j)+(k)	Actual NEL[5] (m)	Revised NEL Model Error (n)=(m)/(l)-1	Revised NEL with Re-anchoring (o)=(l)*(1+n)
200812	3,990,512	348,127	8.72%	51,978	684,574,700	730,244,949	114,127,730,998	-0.64%	113,397,486,048	(1,568,228,958)	111,829,257,091	111,043,736,000	-0.702%	111,043,736,000
200912	3,993,641	347,000	8.69%	50,619	666,670,478	711,146,177	114,205,884,474	-0.52%	113,494,738,197	(2,270,584,789)	111,224,053,408		-0.702%	110,442,783,444
201012	4,010,837	359,000	8.95%	61,342	807,907,591	861,805,787	114,958,195,644	-0.75%	114,096,390,857	(2,009,402,523)	112,086,988,335		-0.702%	111,299,656,855
201112	4,056,428	182,000	4.49%				116,917,570,199	-0.37%	116,479,322,899	(2,845,696,106)	113,633,626,793		-0.702%	112,835,431,288

Assumptions:

- [1] Information provided in the response to OPC's 3rd set of Interrogatories, question 175. Customers are averaged for the year. Minimum Use Customers were shown as 12 months ending
7.42%
[2] Percent of residential customers with minimum use (Aug 2003-Dec 2007 12 month averages)
1,200
[3] Average Use per customer for customers greater than 200 kWhs
Average use per customers less than 200 kWhs

empty_homes_history file	200812	Avg Use	Total
0-50 kWh	77,231	25	1,930,765
51-100 kWh	91,035	75	6,827,613
101-150 kWh	91,289	125	11,411,177
151-200 kWh	88,572	175	15,500,173
	348,127		35,669,727

Average Use for Customers < 200 kWh 102.46

kWh sales lost if Customer shifts from average use > 200 kWh to minimum use 1,097.54

- [4] Residential loss factor from E-19c 6.25%

- [5] Per the response to OPC's Second Request for Production of Documents, file "OPC's 2nd Request for Production of Documents No 14."

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 231
COMPANY Office of Public Counsel (OPC) (Direct)
WITNESS Sheree L. Brown (SLB -9) Revised
DATE 09/02/09

Florida Power & Light Company
Load Forecast Analysis
Revenue Calculations - Minimum Use Correction Only

FPSC Docket 080677-E1
Load Forecast Analysis
Exhibit (SLB-9) - REVISED
Page 2 of 3

Month	FPL NEL	Loss Factors OPC3-166	Sales	FPL NEL with revised Minimum Use	Adjusted Sales Level	Change in Sales	\$	Avg Base Energy Rate 0.036310
January-09	7,970,298	5.53%	7,529,541	8,043,081	7,598,299	68,758	\$	2,496,608
February-09	7,225,408	5.92%	6,797,664	7,291,567	6,859,906	62,242	\$	2,260,005
March-09	8,038,802	5.24%	7,617,569	8,112,313	7,687,227	69,659	\$	2,529,301
April-09	8,450,611	6.76%	7,879,350	8,528,097	7,951,597	72,247	\$	2,623,300
May-09	9,338,175	6.56%	8,725,591	9,423,778	8,805,578	79,987	\$	2,904,324
June-09	10,368,933	6.22%	9,723,985	10,464,106	9,813,239	89,254	\$	3,240,805
July-09	10,780,185	6.99%	10,026,650	10,879,156	10,118,703	92,053	\$	3,342,436
August-09	10,984,756	5.98%	10,327,868	11,085,679	10,422,755	94,887	\$	3,445,356
September-09	10,634,838	7.41%	9,846,796	10,732,491	9,937,214	90,417	\$	3,283,049
October-09	9,446,372	7.11%	8,774,735	9,533,072	8,855,270	80,536	\$	2,924,257
November-09	8,265,202	5.43%	7,816,402	8,340,919	7,888,007	71,606	\$	2,600,002
December-09	7,936,121	6.24%	7,440,907	8,008,525	7,508,793	67,886	\$	2,464,948
	109,439,702		102,507,057	110,442,783	103,446,589	939,532	\$	34,114,393
January-10	7,981,273	5.53%	7,539,909	8,059,704	7,614,002	74,093	\$	2,690,333
February-10	7,264,759	5.92%	6,834,685	7,336,389	6,902,074	67,389	\$	2,446,896
March-10	8,094,355	5.24%	7,670,211	8,174,032	7,745,713	75,501	\$	2,741,458
April-10	8,506,223	6.76%	7,931,203	8,590,373	8,009,664	78,461	\$	2,848,926
May-10	9,381,556	6.56%	8,766,126	9,474,547	8,853,017	86,891	\$	3,155,013
June-10	10,401,196	6.22%	9,754,242	10,504,992	9,851,581	97,340	\$	3,534,404
July-10	10,834,489	6.99%	10,077,159	10,942,705	10,177,810	100,652	\$	3,654,658
August-10	11,041,400	5.98%	10,381,125	11,151,754	10,484,879	103,755	\$	3,767,332
September-10	10,701,546	7.41%	9,908,562	10,808,366	10,007,466	98,904	\$	3,591,211
October-10	9,547,070	7.11%	8,868,273	9,641,764	8,956,235	87,961	\$	3,193,882
November-10	8,383,508	5.43%	7,928,283	8,466,334	8,006,612	78,329	\$	2,844,134
December-10	8,069,565	6.24%	7,566,024	8,148,697	7,640,218	74,194	\$	2,693,991
	110,206,941		103,225,801	111,299,657	104,249,272	1,023,471	\$	37,162,238
January-11	8,094,504	5.53%	7,646,878	8,159,360	7,708,147	61,269	\$	2,224,684
February-11	7,400,257	5.92%	6,962,162	7,459,846	7,018,223	56,061	\$	2,035,590
March-11	8,244,310	5.24%	7,812,308	8,310,536	7,875,064	62,756	\$	2,278,659
April-11	8,654,065	6.76%	8,069,050	8,724,094	8,134,346	65,295	\$	2,370,873
May-11	9,524,024	6.56%	8,899,248	9,601,397	8,971,546	72,297	\$	2,625,121
June-11	10,540,303	6.22%	9,884,697	10,626,719	9,965,737	81,040	\$	2,942,569
July-11	10,975,031	6.99%	10,207,877	11,065,144	10,291,690	83,813	\$	3,043,265
August-11	11,189,308	5.98%	10,520,187	11,281,277	10,606,657	86,469	\$	3,139,705
September-11	10,846,535	7.41%	10,042,806	10,935,526	10,125,203	82,397	\$	2,991,835
October-11	9,685,122	7.11%	8,996,510	9,763,880	9,069,668	73,158	\$	2,656,384
November-11	8,544,317	5.43%	8,080,361	8,613,323	8,145,620	65,259	\$	2,369,544
December-11	8,228,558	6.24%	7,715,096	8,294,330	7,776,763	61,667	\$	2,239,133
	111,926,335		104,837,180	112,835,431	105,688,664	851,483	\$	30,917,361

Florida Power & Light Company
Load Forecast Analysis
Revenue Calculations - Minimum Use Correction and Remove Re-anchoring Adjustment

Month	FPL NEL	Loss Factors OPC3-166	Sales	FPL NEL with revised Minimum Use and No Reanchoring	Adjusted Sales Level	Change in Sales	Avg Base Energy Rate \$ 0.036310
January-09	7,970,298	5.53%	7,529,541	8,099,978	7,652,049	122,508 \$	4,448,278
February-09	7,225,408	5.92%	6,797,664	7,343,147	6,908,433	110,769 \$	4,022,015
March-09	8,038,802	5.24%	7,617,569	8,169,699	7,741,607	124,038 \$	4,503,813
April-09	8,450,611	6.76%	7,879,350	8,588,424	8,007,847	128,497 \$	4,665,717
May-09	9,338,175	6.56%	8,725,591	9,490,441	8,867,868	142,277 \$	5,166,091
June-09	10,368,933	6.22%	9,723,985	10,538,129	9,882,658	158,672 \$	5,761,397
July-09	10,780,185	6.99%	10,026,650	10,956,114	10,190,282	163,632 \$	5,941,487
August-09	10,984,756	5.98%	10,327,868	11,164,099	10,496,486	168,618 \$	6,122,505
September-09	10,634,838	7.41%	9,846,796	10,808,413	10,007,509	160,713 \$	5,835,484
October-09	9,446,372	7.11%	8,774,735	9,600,509	8,917,912	143,178 \$	5,198,788
November-09	8,265,202	5.43%	7,816,402	8,399,923	7,943,807	127,405 \$	4,626,085
December-09	7,936,121	6.24%	7,440,907	8,065,177	7,561,910	121,003 \$	4,393,828
	109,439,702	6.33%	102,507,057	111,224,053	104,178,368	1,671,311 \$	60,685,290
January-10	7,981,273	5.53%	7,539,909	8,116,718	7,667,863	127,955 \$	4,646,037
February-10	7,264,759	5.92%	6,834,685	7,388,286	6,950,899	116,214 \$	4,219,736
March-10	8,094,355	5.24%	7,670,211	8,231,855	7,800,506	130,294 \$	4,730,992
April-10	8,506,223	6.76%	7,931,203	8,651,141	8,066,324	135,121 \$	4,906,258
May-10	9,381,556	6.56%	8,766,126	9,541,570	8,915,643	149,517 \$	5,428,966
June-10	10,401,196	6.22%	9,754,242	10,579,304	9,921,271	167,030 \$	6,064,843
July-10	10,834,489	6.99%	10,077,159	11,020,114	10,249,808	172,649 \$	6,268,892
August-10	11,041,400	5.98%	10,381,125	11,230,641	10,559,049	177,924 \$	6,460,438
September-10	10,701,546	7.41%	9,908,562	10,884,824	10,078,258	169,697 \$	6,161,691
October-10	9,547,070	7.11%	8,868,273	9,709,970	9,019,591	151,318 \$	5,494,346
November-10	8,383,508	5.43%	7,928,283	8,526,225	8,063,251	134,968 \$	4,900,682
December-10	8,069,565	6.24%	7,566,024	8,206,341	7,694,265	128,241 \$	4,656,428
	110,206,941	6.33%	103,225,801	112,086,988	104,986,729	1,760,928 \$	63,939,309
January-11	8,094,504	5.53%	7,646,878	8,217,079	7,762,674	115,796 \$	4,204,569
February-11	7,400,257	5.92%	6,962,162	7,512,617	7,067,870	105,708 \$	3,838,264
March-11	8,244,310	5.24%	7,812,308	8,369,324	7,930,772	118,464 \$	4,301,418
April-11	8,654,065	6.76%	8,069,050	8,785,808	8,191,888	122,838 \$	4,460,230
May-11	9,524,024	6.56%	8,899,248	9,669,317	9,035,010	135,762 \$	4,929,518
June-11	10,540,303	6.22%	9,884,697	10,701,892	10,036,234	151,538 \$	5,502,330
July-11	10,975,031	6.99%	10,207,877	11,143,418	10,364,493	156,617 \$	5,686,750
August-11	11,189,308	5.98%	10,520,187	11,361,081	10,681,688	161,501 \$	5,864,090
September-11	10,846,535	7.41%	10,042,806	11,012,883	10,196,829	154,022 \$	5,592,556
October-11	9,685,122	7.11%	8,996,510	9,832,950	9,133,827	137,317 \$	4,985,984
November-11	8,544,317	5.43%	8,080,361	8,674,254	8,203,242	122,881 \$	4,461,797
December-11	8,228,558	6.24%	7,715,096	8,353,003	7,831,776	116,680 \$	4,236,642
	111,926,335	6.33%	104,837,180	113,633,627	106,436,303	1,599,123 \$	58,064,149

Florida Power & Light Company
Load Forecast Adjustment
2010 Revenue Impact of Correcting the Minimum Use Adjustment

Line	Summary (\$000s)	Total Jurisdiction
1	Revenues	4,151,889
2	Less Expenses	3,145,693
3	Net Operating income before taxes	1,006,196
4	Less Taxes	257,593
5	Net Operating Income after taxes	748,603
6	Rate Base	17,064,691
7	Return on Rate Base	4.39%
8	Proposed Return on Rate Base	8.00%
9	Deficiency at Proposed Return	616,231
10	Revenue Expansion Factor	1.63342
11	Revenue Deficiency at Proposed Return	1,006,566
12	Less Increase in Miscellaneous Service Fees	75,328
13	Revenue Deficiency to be collected from Sales Rev	931,238
14	Revenue Deficiency per FPL Base Case	968,207
15	Revenue Impact of Adjustments	(36,969)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 232
COMPANY Office of Public Counsel (OPC) (Direct)
WITNESS Sheree L. Brown (SLB -10) Revised
DATE 09/02/09

Florida Power & Light Company

Load Forecast Adjustment

2010 Revenue Impact of Correcting the Minimum Use Adjustment and Removing Re-anchoring

<i>Line</i>	<i>Summary (\$000s)</i>	<i>Total Jurisdiction</i>
1	Revenues	4,178,668
2	Less Expenses	3,145,829
3	Net Operating income before taxes	1,032,839
4	Less Taxes	267,878
5	Net Operating Income after taxes	764,961
6	Rate Base	17,065,465
7	Return on Rate Base	4.48%
8	Proposed Return on Rate Base	8.00%
9	Deficiency at Proposed Return	599,935
10	Revenue Expansion Factor	1.63342
11	Revenue Deficiency at Proposed Return	979,948
12	Less Increase in Miscellaneous Service Fees	75,328
13	Revenue Deficiency to be collected from Sales Reve	904,620
14	Revenue Deficiency per FPL Base Case	968,207
15	Revenue Impact of Adjustments	(63,587)

FPSC Docket 080677-EI
Load Forecast Adjustment
Exhibit __ (SLB-10) -REVISED
Page 3 of 4

Florida Power & Light Company
Load Forecast Adjustment
2011 Revenue Impact of Correcting the Minimum Use Adjustment

Line	Summary (\$000s)	Total Jurisdiction
1	Sales of Electricity	4,005,826
2	Other Operating Revenues	200,117
3	Total Operating Revenues	4,205,943
	Expenses	
4	Operating and Maintenance Expenses	1,810,291
5	Depreciation and Amortization	1,139,719
6	Taxes Other Than Income Taxes	393,045
7	Amortization of Property Losses	(697)
8	Gain or Loss on Sale of Plant	(951)
9	Total Expenses before Income Taxes	3,341,407
10	Net Operating income before taxes	864,536
11	Less Taxes	182,870
12	Net Operating Income after taxes	681,666
	Rate Base	
13	Plant in Service	29,601,510
14	Accumulated Depreciation	(13,307,786)
15	Net Plant in Service	16,293,724
16	Plant Held for Future Use	71,455
17	Construction Work in Progress	772,532
18	Net Nuclear Fuel	408,163
19	Working Capital-assets	3,473,634
20	Working Capital-liabilities	(3,138,181)
21	Total Rate Base	17,881,327
22	Return on Rate Base	3.81%
23	Proposed Return on Rate Base	8.18%
24	Deficiency at Proposed Return	781,384
25	Revenue Expansion Factor	1.63256
26	Revenue Deficiency at Proposed Return	1,275,654
27	Less Increase in Miscellaneous Service Fees	76,367
28	Revenue Deficiency to be collected from Sales Revenues	1,199,287
29	Revenue Deficiency per Base Case [1]	1,230,014
30	Revenue Impact of Adjustments	(30,727)

NOTES:

[1] The revenue deficiency per Schedule E-1 is \$1,229,876. This number was adjusted to remove rounding differences between Exhibit __ (SLB-2) and FPL's Schedule E-1.

Florida Power & Light Company
Load Forecast Adjustment

2011 Revenue Impact of Correcting the Minimum Use Adjustment and Removing Re-Anchoring

	Summary	Total Jurisdictional
1	Sales of Electricity	4,032,973
2	Other Operating Revenues	200,118
3	Total Operating Revenues	4,233,091
	Expenses	
4	Operating and Maintenance Expenses	1,810,380
5	Depreciation and Amortization	1,139,775
6	Taxes Other Than Income Taxes	393,048
7	Amortization of Property Losses	(697)
8	Gain or Loss on Sale of Plant	(951)
9	Total Expenses before Income Taxes	3,341,555
10	Net Operating income before taxes	891,536
11	Less Taxes	193,279
12	Net Operating Income after taxes	698,257
	Rate Base	
13	Plant in Service	29,602,846
14	Accumulated Depreciation	(13,308,480)
15	Net Plant in Service	16,294,366
16	Plant Held for Future Use	71,457
17	Construction Work in Progress	772,572
18	Net Nuclear Fuel	408,196
19	Working Capital-assets	3,473,778
20	Working Capital-liabilities	(3,138,248)
21	Total Rate Base	17,882,121
22	Return on Rate Base	3.90%
23	Proposed Return on Rate Base	8.18%
24	Deficiency at Proposed Return	764,858
25	Revenue Expansion Factor	1.63256
26	Revenue Deficiency at Proposed Return	1,248,675
27	Less Increase in Miscellaneous Service Fees	76,367
28	Revenue Deficiency to be collected from Sales Revenues	1,172,308
29	Revenue Deficiency per Base Case [1]	1,230,014
30	Revenue Impact of Adjustments	(57,706)

NOTES:

[1] The revenue deficiency per Schedule E-1 is \$1,229,876. This number was adjusted to remove rounding differences between Exhibit (SLB-2) and FPL's Schedule E-1.

Florida Power & Light Company
Projected Payroll for 2010 and 2011

Line No.	Description	2010	2011
1	Base Pay	\$ 819,141,938	\$ 838,537,926
2	Overtime	103,400,571	93,203,240
3	Incentive Pay	70,659,723	71,982,172
4	Other Earnings	19,449,284	18,920,012
5	Lump Sum	1,985,233	1,115,411
6	Long-Term Incentives	48,013,586	52,570,872
7	Schedule C-35 Totals	\$ 1,062,650,335	\$ 1,076,329,633

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 233

COMPANY Office of Public Counsel (OPC) (Direct)

WITNESS Sheree L. Brown (SLB-11)

DATE 09/02/09

Florida Power & Light Company
Actual vs. Targeted Full Time Equivalent Employees

Line No.	Detail	Target			Actual		
		2006	2007	2008	2006	2007	2008
1	Nuc	1,712	1,832	1,911	1,813	1,886	1,939
2	Financial	206	215	243	251	266	289
3	Reg Affairs	38	39	50	38	38	44
4	Human Res	121	135	147	138	124	138
5	Gen Counsel	114	112	89	115	124	128
6	Gov Affairs	4	5	5	6	5	6
7	Mkt & Comm	79	81	69	93	107	86
8	Int Audit	30	33	32	32	32	32
9	Distribution	2,794	2,860	2,673	2,853	2,851	2,843
10	Customer service	2,335	2,266	2,368	2,277	2,362	2,348
11	Res Assess	24	23	20	25	25	21
12	Transmission	682	679	712	674	701	712
13	Pwr Gen	963	1,006	1,063	1,000	1,022	1,097
14	Cor & ext affair	26	28	30	26	28	30
15	Govt Affairs State		1	1			1
16	IM	711	707	723	709	749	748
17	EMT	71	75	70	82	76	78
18	Engineering & Const	388	398	441	407	411	447
19	FPL Proj Dev	5	9	13	-	6	11
20	Strategy	39	41	86	-	-	-
21	Total	10,340	10,542	10,744	10,536	10,811	10,997
22	Total Percent Change				1.86%	2.48%	2.30%
23	3-yr Avg Percent Change						2.21%
24	Less Dist	7,546	7,682	8,071	7,683	7,960	8,154
25	Total Percent Change				1.78%	3.49%	1.02%
26	3-yr Avg Percent Change						2.09%
		2010	2011				
27	Projected Employees	11,111	11,157				
28	Distribution Projected [2]	2,653	2,653				
29	Remaining	8,458	8,504				
30	Less 2.09%	177	178				
31	Remaining non-dist	8,281	8,326				
32	Remaining total	10,934	10,979				
33	Percent Reduction to total	1.59%	1.59%				

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI

EXHIBIT 234

COMPANY Office of Public Counsel (OPC) (Direct)

WITNESS Sheree L. Brown (SLB-12)

DATE 09/02/09

Florida Power & Light Company
Recalculation of MFR Schedule C-35 with Allocation to Base O&M

		2010									
Line	Description	Capital	Base O&M	Other	Total	Distr [2]	Cust Service [2]	Capital	Base O&M	Other	Total
Total Company Base III											
1	801 - RG PAY-BARG VARIABLE	\$ 79,293,893	\$ 41,542,865	\$ -	\$ 120,836,758	\$ (25,587,184)		\$ 61,229,641	\$ 34,019,933	\$ -	\$ 95,249,574
2	802 - RG PAY-NON BARG FIXD	7,344,010	84,335,329	19,634,606	111,313,946			7,344,010	84,335,329	19,634,606	111,313,946
3	803 - REG PAY-EXEMPT FIXED	122,701,815	328,421,809	30,243,938	481,367,562			122,701,815	328,421,809	30,243,938	481,367,562
4	807 - REG PAY-BARG FIXED	13,811,652	117,957,057	650,208	132,418,917	(1,050,157)	(157,904)	12,958,775	117,601,873	650,208	131,210,856
5	804 - OT PAY-BARG VARIABLE	17,062,661	14,328,611	-	31,391,272	(1,599,342)		15,933,545	13,858,385	-	29,791,930
6	805 - OT PAY-NON BARG FIX	547,496	4,195,284	804,875	5,547,655			547,496	4,195,284	804,875	5,547,655
7	806 - OT PAY-EXEMPT FIXED	23,381,124	3,058,499	75,888	26,515,510			23,381,124	3,058,499	75,888	26,515,510
8	808 - OT PAY-BARG FIXED	4,778,272	36,505,993	154,423	41,438,688		106,788	4,853,663	36,537,390	154,423	41,545,476
9	820 - INCENTIVE PAYMENTS	4,968,327	63,029,173	2,662,223	70,659,723			4,968,327	63,029,173	2,662,223	70,659,723
10	821 - PAYROLL-OTHER EARNINGS	(1,022)	18,621,702	828,604	19,449,284			(1,022)	18,621,702	828,604	19,449,284
11	822 - PAYROLL-LUMP SUM INC	2,933	1,852,934	129,366	1,985,233			2,933	1,852,934	129,366	1,985,233
12	Sub Total	\$ 273,891,163	\$ 713,849,255	\$ 55,184,129	\$ 1,042,924,547	\$ (28,236,683)	\$ (51,116)	\$ 253,920,308	\$ 705,532,311	\$ 55,184,129	\$ 1,014,636,748
13	809 Long Term Incentive	\$ 2,636,101	\$ 44,716,522	\$ 660,963	\$ 48,013,586			\$ 2,636,101	\$ 44,716,522	\$ 660,963	\$ 48,013,586
14	Gross Payroll	\$ 276,527,264	\$ 758,565,777	\$ 55,845,092	\$ 1,090,938,133	\$ (28,236,683)	\$ (51,116)	\$ 256,556,409	\$ 750,248,833	\$ 55,845,092	\$ 1,062,650,334
15	Gross Payroll (\$000s)	\$ 276,527	\$ 758,566	\$ 55,845	\$ 1,090,938	\$ (28,237)	\$ (51)	\$ 256,556	\$ 750,249	\$ 55,845	\$ 1,062,650
Fringe Benefits [3]											
16	Life Insurance					n/a	n/a	\$ 373	\$ 971	\$ 87	\$ 1,431
17	Medical Insurance					n/a	n/a	25,965	63,855	5,717	95,537
18	Pension Plan (FAS 87)					n/a	n/a	(16,737)	(35,779)	(3,203)	(55,719)
19	Employee Savings Plan					n/a	n/a	8,900	21,846	1,956	32,702
20	Federal Insurance Contributions Act					n/a	n/a	18,831	48,258	4,320	71,409
21	Federal & State Unemployment Taxes					n/a	n/a	340	860	77	1,277
22	Worker's Compensation					n/a	n/a	2,386	5,868	525	8,779
23	Other										
24	Educational Assistance					n/a	n/a	459	1,095	98	1,652
25	Employee Welfare					n/a	n/a	1,882	2,655	238	4,775
26	Post Retirement Benefits (FAS 106)					n/a	n/a	6,172	15,078	1,350	22,600
27	Post Employment Disability Benefit (FAS 112)					n/a	n/a	1,981	4,859	435	7,275
28	Dental Insurance					n/a	n/a	1,751	4,267	382	6,400
29	Nuclear Child Development Center					n/a	n/a	-	218	19	237
30	Subtotal Fringes							\$ 52,303	\$ 134,050	\$ 12,002	\$ 198,355
31	Total Payroll & Fringes							\$ 308,859	\$ 884,299	\$ 67,847	\$ 1,261,005
32	Average Employees										11,111
33	Payroll & Fringes per Employee (in whole dollars)										\$ 113,492

Notes:

- [1] Initial breakdown and Adjustments per response to OPC's Second Request for Production of Documents, file "2009-2011 Payroll by EAC 03.09.09.xls".
 [2] Adjustments to remove contractors were spread between capital and OM based on FPL's response to SFHHA's Tenth Set of Interrogatories, Question 292.
 Capital 70.60%
 O&M 29.40%
 [3] For 2010, fringe benefits were spread to Capital and total OM per FPL's response to SFHHA's 10th Set of Interrogatories, Question 297. OM related were then spread between base and clause on total regular pay.
 For 2011, fringe benefits were spread on total regular pay.

FLORIDA PUBLIC SERVICE COMMISSION
 DOCKET NO. 080677-EI & 090130-EI EXHIBIT 235
 COMPANY Office of Public Counsel (OPC) (Direct)
 WITNESS Sheree L. Brown (SLB-13)
 DATE 09/02/09

Florida Power & Light Company
Recalculation of MFR Schedule C-35 with Allocation to I

		2011									
Line	Description	Capital	Base O&M	Other	Total	Distr [2]	Cust Service [2]	Capital	Base O&M	Other	Total
Total Company Basis [1]											
1	801 - RG PAY-BARG VARIABLE	\$ 82,192,522	\$ 49,673,458	\$ -	\$ 131,865,981	\$ (34,629,731)		\$ 57,744,337	\$ 39,491,912	\$ -	\$ 97,236,250
2	802 - RG PAY-NON BARG FIXD	7,619,303	89,069,766	19,883,893	116,572,962			7,619,303	89,069,766	19,883,893	116,572,962
3	803 - REG PAY-EXEMPT FIXED	113,218,955	343,063,049	30,125,662	486,407,666			113,218,955	343,063,049	30,125,662	486,407,666
4	807 - REG PAY-BARG FIXED	13,940,101	126,439,718	667,562	141,047,381	(1,072,210)	(1,654,123)	12,015,342	125,638,145	667,562	138,321,048
5	804 - OT PAY-BARG VARIABLE	17,620,454	14,842,628	-	32,463,082	(2,050,300)		16,172,966	14,239,816	-	30,412,782
6	805 - OT PAY-NON BARG FIX	560,283	4,298,617	820,102	5,679,001			560,283	4,298,617	820,102	5,679,001
7	806 - OT PAY-EXEMPT FIXED	16,493,774	3,203,679	76,980	19,774,433			16,493,774	3,203,679	76,980	19,774,433
8	808 - OT PAY-BARG FIXED	4,913,398	32,076,761	157,226	37,147,385		189,639	5,047,281	32,132,517	157,226	37,337,024
9	820 - INCENTIVE PAYMENTS	4,730,329	64,418,015	2,833,828	71,982,172			4,730,329	64,418,015	2,833,828	71,982,172
10	821 - PAYROLL-OTHER EARNINGS	(1,063)	18,046,982	874,094	18,920,012			(1,063)	18,046,982	874,094	18,920,012
11	822 - PAYROLL-LUMP SUM INC	3,050	980,058	132,304	1,115,411			3,050	980,058	132,304	1,115,411
12	Sub Total	\$ 261,291,105	\$ 746,112,731	\$ 55,571,651	\$ 1,062,975,487	\$ (37,752,241)	\$ (1,464,484)	\$ 233,604,556	\$ 734,582,555	\$ 55,571,651	\$ 1,023,758,762
13	809 Long Term Incentive	\$ 2,768,427	\$ 49,028,482	\$ 773,963	\$ 52,570,872			\$ 2,768,427	\$ 49,028,482	\$ 773,963	\$ 52,570,872
14	Gross Payroll	\$ 264,059,532	\$ 795,141,213	\$ 56,345,614	\$ 1,115,546,359	\$ (37,752,241)	\$ (1,464,484)	\$ 236,372,983	\$ 783,611,037	\$ 56,345,614	\$ 1,076,329,634
15	Gross Payroll (\$000s)	\$ 264,060	\$ 795,141	\$ 56,346	\$ 1,115,546	\$ (37,752)	\$ (1,464)	\$ 236,373	\$ 783,611	\$ 56,346	\$ 1,076,330
Fringe Benefits [3]											
16	Life Insurance				n/a	n/a		\$ 351	\$ 1,099	\$ 93	\$ 1,543
17	Medical Insurance				n/a	n/a		24,318	76,204	6,466	106,988
18	Pension Plan (FAS 87)				n/a	n/a		(8,573)	(26,863)	(2,279)	(37,715)
19	Employee Savings Plan				n/a	n/a		7,511	24,789	2,103	34,803
20	Federal Insurance Contributions Act				n/a	n/a		16,267	50,974	4,325	71,566
21	Federal & State Unemployment Taxes				n/a	n/a		291	911	77	1,279
22	Worker's Compensation				n/a	n/a		2,077	6,509	552	9,139
23	Other				n/a	n/a		-	-	-	-
24	Educational Assistance				n/a	n/a		494	1,548	131	2,174
25	Employee Welfare				n/a	n/a		1,097	3,437	292	4,826
26	Post Retirement Benefits (FAS 106)				n/a	n/a		5,069	15,884	1,348	22,300
27	Post Employment Disability Benefit (FAS 112)				n/a	n/a		1,705	5,342	453	7,500
28	Dental Insurance				n/a	n/a		1,614	5,057	429	7,100
29	Nuclear Child Development Center				n/a	n/a		57	177	15	249
30	Subtotal Fringes							\$ 52,677	\$ 165,069	\$ 14,006	\$ 231,752
31	Total Payroll & Fringes							\$ 289,050	\$ 948,680	\$ 70,352	\$ 1,308,082
32	Average Employees										11,157
33	Payroll & Fringes per Employee (in whole dollars)										\$ 117,243

Notes:

- [1] Initial breakdown and Adjustments per response to OPC's Second Request for Production of Documents, file "2009-2011 Payroll by EAC 03.09.09.xls".
 [2] Adjustments to remove contractors were spread between capital and OM based on FPL's response to SFHHA's Tenth Set of Interrogatories, Question 292.
 Capital 70.60%
 O&M 29.40%
 [3] For 2010, fringe benefits were spread to Capital and total OM per FPL's response to SFHHA's 10th Set of Interrogatories, Question 297. OM related were then spread between base and clause on total regular pay.
 For 2011, fringe benefits were spread on total regular pay.

Florida Power & Light Company
Labor Cost Adjustment-Full Time Equivalents
Adjustment to Reduce Labor Costs to Reflect Unfilled Positions

Description	2010					2011				
	Capital	Base O&M	Other	Total	Base OM Adj	Capital	Base O&M	Other	Total	Base OM Adj
Total Company Basis [6]										
801 - RG PAY-BARG VARIABLE [3]	\$ 61,229,641	\$ 33,477,506	\$ -	\$ 94,707,147	\$ (542,427)	\$ 56,823,639	\$ 38,862,238	\$ -	\$ 95,215,325	\$ (629,675)
802 - RG PAY-NON BARG FIXD [3]	\$ 7,344,010	\$ 82,990,653	\$ 19,321,544	\$ 109,656,208	\$ (1,344,676)	\$ 7,497,818	\$ 87,649,603	\$ 19,566,857	\$ 114,150,150	\$ (1,420,163)
803 - REG PAY-EXEMPT FIXED [3]	\$ 122,701,815	\$ 323,185,322	\$ 29,761,716	\$ 475,648,854	\$ (5,236,487)	\$ 111,413,747	\$ 337,593,117	\$ 29,645,327	\$ 478,652,191	\$ (5,469,933)
807 - REG PAY-BARG FIXED [3]	\$ 12,958,775	\$ 115,726,782	\$ 639,840	\$ 129,325,398	\$ (1,875,091)	\$ 11,823,764	\$ 123,634,920	\$ 656,918	\$ 135,446,231	\$ (2,003,224)
804 - OT PAY-BARG VARIABLE	15,933,545	13,858,385	-	29,791,930	-	16,172,966	14,239,816	-	30,412,782	-
805 - OT PAY-NON BARG FIX	547,496	4,195,284	804,875	5,547,655	-	560,283	4,298,617	820,102	5,679,001	-
806 - OT PAY-EXEMPT FIXED	23,381,124	3,058,499	75,888	26,515,510	-	16,493,774	3,203,679	76,980	19,774,433	-
808 - OT PAY-BARG FIXED	4,853,663	36,537,390	154,423	41,545,476	-	5,047,281	32,132,517	157,226	37,337,024	-
820 - INCENTIVE PAYMENTS [3]	4,889,110	62,024,211	2,619,775	69,533,096	(1,004,962)	4,654,906	63,390,909	2,788,645	70,834,460	(1,027,106)
821 - PAYROLL-OTHER EARNINGS	(1,022)	18,621,702	828,604	19,449,284	-	(1,063)	18,046,982	874,094	18,920,012	-
822 - PAYROLL-LUMP SUM INC	2,933	1,852,934	129,366	1,985,233	-	3,050	980,058	132,304	1,115,411	-
Sub Total	\$ 253,841,091	\$ 695,528,669	\$ 54,336,031	\$ 1,003,705,791	\$ (10,003,643)	\$ 230,490,165	\$ 724,832,454	\$ 54,718,451	\$ 1,005,183,168	\$ (10,550,101)
809 Long Term Incentive	\$ 2,636,101	\$ 44,716,522	\$ 660,963	\$ 48,013,586	\$ -	\$ 2,768,427	\$ 49,028,482	\$ 773,963	\$ 52,570,872	\$ -
Gross Payroll	\$ 256,477,192	\$ 740,245,191	\$ 54,996,994	\$ 1,051,719,377	\$ (10,003,643)	\$ 233,258,592	\$ 773,060,936	\$ 55,492,414	\$ 1,057,754,040	\$ (10,550,101)
Gross Payroll (\$000s)	\$ 256,477	\$ 740,245	\$ 54,997	\$ 1,051,719	\$ (10,004)	\$ 233,259	\$ 773,061	\$ 55,492	\$ 1,057,754	\$ (10,550)

Fringe Benefits (\$000s)

Life Insurance [3]	\$ 367	\$ 956	\$ 86	\$ 1,408	\$ (15)	\$ 345	\$ 1,082	\$ 92	\$ 1,518	\$ (18)
Medical Insurance [3]	25,551	62,837	5,626	94,014	(1,018)	23,930	74,989	6,363	105,282	(1,215)
Pension Plan (FAS 87)	(16,737)	(35,779)	(3,203)	(55,719)	-	(8,573)	(26,863)	(2,279)	(37,715)	-
Employee Savings Plan [3]	8,758	21,498	1,925	32,181	(348)	7,785	24,394	2,070	34,248	(395)
Federal Insurance Contributions Act [4]	18,825	47,573	4,254	70,652	(684)	16,050	50,242	4,259	70,551	(732)
Federal & State Unemployment Taxes [4]	340	848	76	1,264	(12)	287	898	76	1,261	(13)
Worker's Compensation [4]	2,385	5,784	517	8,687	(83)	2,050	6,416	544	9,009	(93)
Other	-	-	-	-	-	-	-	-	-	-
Educational Assistance [3]	452	1,078	96	1,626	(17)	486	1,524	129	2,139	(25)
Employee Welfare [3]	1,852	2,613	234	4,699	(42)	1,079	3,383	287	4,749	(55)
Post Retirement Benefits (FAS 106)	6,074	14,838	1,328	22,240	(240)	5,069	15,884	1,348	22,300	-
Post Employment Disability Benefit (FAS 112)	1,949	4,782	428	7,159	(77)	1,705	5,342	453	7,500	-
Dental Insurance [3]	1,723	4,199	376	6,298	(68)	1,588	4,976	422	6,987	(81)
Nuclear Child Development Center	-	218	19	237	-	57	177	15	249	-
Subtotal Fringes	\$ 51,539	\$ 131,443	\$ 11,762	\$ 194,745	\$ (2,607)	\$ 51,858	\$ 162,443	\$ 13,778	\$ 228,079	\$ (2,627)
Total Payroll & Fringes	\$ 308,016	\$ 871,688	\$ 66,759	\$ 1,246,464	\$ (12,611)	\$ 285,116	\$ 935,504	\$ 69,271	\$ 1,285,833	\$ (13,177)
Jurisdictional Total Payroll & Fringes				\$	(12,507)				\$	(13,068)
Average Employees				10,934					10,979	
Payroll & Fringes per Employee (in whole dollars)			\$	114,001				\$	117,116	

Notes:

- [1] Per Exhibit __ (SLB-x) with adjustments for historical actual versus target full time equivalents.
[2] Actual versus target full time equivalents per the response to OPC's First Request for Production of Documents, Question 3.
[3] Items adjusted for FTEs.
[4] Items adjusted for decrease in pay.

-1.5944%

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET No. 080677-EI & 090130-EI EXHIBIT 236

COMPANY Office of Public Counsel (OPC) (Direct)Office

WITNESS Sheree L. Brown (SLB-14)

DATE 09/02/09

Labor Cost Adjustment - Full Time Equivalents

Exhibit__ (SLB-14)

Page 2 of 2

Florida Power & Light Company
Labor Cost Adjustment-Full Time Equivalents
Overtime Offset

Line No	Description	Nuclear Business Unit		Transmission Business Unit		Total OM Overtime Adjustment	
		2010	2011	2010	2011	2010	2011
1	Total Salaries [1]	\$ 179,305,147	\$ 187,391,802	33070537	33844406		
2	Target Employees [2]	2059	2099	733	733		
3	Average Regular Pay per Employee	\$ 87,084	89276.70421	\$ 45,116.69	46172.4502		
4	Unfilled positions at 2.09%	43.00	44.00	15.00	15.00		
5	Overtime 46 weeks/52 weeks	88%	88%	88%	88%		
6	Time and a half OT rate	1.5	1.5	1.5	1.5		
7	Total Overtime Adjustment	\$ 4,968,790	\$ 5,212,386	\$ 897,996	\$ 919,009		
8	Percent OT allocated to OM [1]	56%	56%	28%	28%		
9	OT Adjustment	\$ 2,803,326.54	\$ 2,940,760.45	\$ 250,707	\$ 256,573		
10	Increase in Payroll Taxes	8.029%	8.008%	8.029%	8.008%		
11	Total Overtime Adjustment	\$ 3,028,405	\$ 3,176,261	\$ 270,836	\$ 277,120	\$ 3,299,241	\$ 3,453,381
12	Jurisdictional Total Overtime Adjustment	\$ 2,992,615	\$ 3,138,488	\$ 269,373	\$ 275,600	\$ 3,261,989	\$ 3,414,088

[1] Information derived from 2009-2011 Budget Detail spreadsheet provided by FPL in response to OPC's Fifth Request for Production of Documents, Question No. 164.

[2] Per the response to OPC's Second Set of Interrogatories, Request No. 130.

FPSC Docket 080677-EI
Executive Incentives
Exhibit__(SLB-15)

Florida Power & Light Company
Executive Incentives -2010 and 2011

Line No.	Description	OM	Capital	Other	Total
1	Cash	\$ 10,063,565	\$ 1,285,670	\$ 222,902	\$ 11,572,137
2	Stock-Based	33,084,282	2,415,689	659,443	36,159,414
3	Total 2010	\$ 43,147,847	\$ 3,701,359	\$ 882,345	\$ 47,731,551
4	Cash	\$ 10,577,521	\$ 1,225,684	\$ 231,818	\$ 12,035,023
5	Stock-Based	35,535,044	2,537,453	772,304	38,844,801
6	Total 2011	\$ 46,112,565	\$ 3,763,137	\$ 1,004,122	\$ 50,879,824

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 237

COMPANY Office of Public Counsel (OPC) (Direct)

WITNESS Sheree L. Brown (SLB-15)

DATE 09/02/09

Florida Power & Light Company
Compensation Committee
Financial Performance Matrix

Return on Equity (ROE)	13.2% Excellence	1.00	1.50	2.00
	10.2% Target	0.75	1.00	1.50
	8.2% Threshold	0.50	0.75	1.00
		Threshold 2.0%	Target 6.3%	Excellence 9.4%
Earnings per Share (EPS) Growth				

[Matrix from FPL's April 3, 2009 Proxy Statement, Bates Stamp 096788]

Florida Power & Light Company
Increase in Total Projected Incentive Compensation over 2008 Actuals

Line No.	Description	2008	2009	2010	2011
1	Incentive Pay	69,833,958	72,610,054	70,659,723	71,982,172
2	Long-Term Incentives	34,042,658	42,147,015	48,013,586	52,570,872
3	Total	\$ 103,876,616	\$ 114,757,069	\$ 118,673,309	\$ 124,553,044
<u>Percent Increase over 2008</u>					
4	Incentive Pay		3.98%	1.18%	3.08%
5	Long-Term Incentives		23.81%	41.04%	54.43%
6	Total		10.47%	14.24%	19.90%

Source: OPC's Second Request for Production of Documents, Question No. 12, files
2009-2011 Payroll by EAC -03.09.09.xls and Gross Payroll 2005_2008 backup C35.xls

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET No. 080677-EI & 090130-EI **EXHIBIT 239**
COMPANY Office of Public Counsel (OPC) (Direct)
WITNESS Sheree L. Brown (SLB-17)
DATE 09/02/09

Florida Power & Light Company
Executive Incentives Exceeding Target Compensation Levels in 2009 and 2010

Line No.	Detail	Amount included in OM[1]	Amount for Meeting Target	Amount for Exceeding Target
1	Cash	\$ 10,063,565	\$ 7,188,261	\$ 2,875,304
2	Stock-Based	33,084,282	23,631,630	9,452,652
3	Total 2010	\$ 43,147,847	\$ 30,819,891	\$ 12,327,956
4	Cash	\$ 10,577,521	\$ 7,555,372	\$ 3,022,149
5	Stock-Based	35,535,044	25,382,174	10,152,870
6	Total 2011	\$ 46,112,565	\$ 32,937,546	\$ 13,175,019

- [1] Per FPL's response to the Attorney General's Second Set of Interrogatories, Question 76.
- [2] Target levels for executives were set at 1.4 x per FPL's response to the Attorney General's First Set of Interrogatories, Question No. 8.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET No. 080677-EI & 090130-EI EXHIBIT 240
COMPANY Office of Public Counsel (OPC) (Direct)
WITNESS Sheree L. Brown (SLB-18)
DATE 09/02/09

Florida Power & Light Company List of Regulatory Decisions on Executive Compensation			
State	Utility	Commission and Citation	Holding
AZ	Gas	Arizona Corporation Commission, <i>In the Matter of the Application of Southwest Gas Corporation</i> , Docket No. G-01551A-07-0504; Decision No. 70665 (Dec. 24, 2008), 2008 Ariz. PUC LEXIS 237	Commission excludes 50% of the management incentive compensation on the basis that it provided approximately equal benefits to the shareholders and ratepayers. Commission excludes all amounts associated with the Supplemental Executive Retirement Plan.
AZ	Electric	Court of Appeals of Arkansas, <i>Entergy Arkansas, Inc. v. Arkansas Public Service Commission</i> , No. CA 07-949; December 17, 2008	Upheld Commission decision to disallow the costs of incentives tied to stock performance and 50% of incentives tied to financial performance.
CA	Electric	California Public Utilities Commission, <i>Application of Southern California Edison Company</i> , Decision 09-03-025 (March 17, 2009), 2009 Cal. PUC LEXIS 165	Commission (1) finds that Company did not adequately support its bonus program and excludes the amounts requested from revenue requirements; (2) finds that long-term executive compensation is closely tied to the performance of the Company's stock and excludes these amounts from the revenue requirements; and (3) notes that it is reasonable to limit the level of executive compensation given difficult economic times.
CT	Electric	Connecticut Department of Public Utility Control, <i>Application of United Illuminating Company</i> , Docket No. 08-07-04 (Feb. 4, 2009), 2009 Conn. PUC LEXIS 27	Department finds that allocation of executive compensation should consider the interest of the ratepayers and shareholders. Department will only allow recovery of amounts of executive compensation that benefit ratepayers. The Department finds large unsupported increases in incentive compensation and continues a cap without escalation.

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 241

COMPANY Office of Public Counsel (OPC) (Direct)

WITNESS Sheree L. Brown (SLB-19)

DATE 09/02/09

Florida Power & Light Company List of Regulatory Decisions on Executive Compensation			
State	Utility	Commission and Citation	Holding
CT	Water, Telephone, Gas, Electric	Connecticut Department of Public Utility Control, <i>Petition for Standardized Disclosure of Utility Executive and Officers Compensation</i> , 08-01-16 (Dec. 3, 2008), 2008 WL 5159064 (Conn. D.U.C.)	Department adopts standardized reporting of executive and officer compensation.
GA	Gas	Georgia Public Utilities Commission, <i>In Re Petition of Atmos Energy Corporation</i> , Docket No. 27163 (Sept. 17, 2008), 2008 Ga. PUC LEXIS 115	Commission removes executive stock options because the costs are incurred to reward performance of stock price and financial performance and the expenses are tied to the benefits of shareholders.
ID	Electric	Idaho Public Utilities Commission, <i>In the Matter of the Application of Idaho Power Company</i> , Order No. 30722 (Jan. 29, 2009), 2009 Ida. PUC LEXIS 11	Commission finds incentive should be included in the revenue requirement if related to identifiable customer benefits.
MA	Gas	Massachusetts Department of Public Utilities, <i>Re New England Gas Company</i> , D.P.U. 08-35, 271 P.U.R. 4 th 1, 2009 WL 331668 (Mass. D.P.U.)	Department excludes corporate employee annual incentive compensation and executive officer bonus plan because the Company failed to demonstrate benefits to the ratepayers.
MI	Electric	Michigan Public Utilities Commission, <i>Detroit Edison Company</i> , Case U-15244, December 23, 2008	Commission excludes the costs of incentive compensation and bonuses from rates, finding that the utility failed to demonstrate that benefits to ratepayers outweighed the costs. Stock option expenses, performance shares, restricted stock and executive deferred compensation were excluded because such expenses are used to encourage financial performance, which mainly benefits shareholders.

Florida Power & Light Company			
List of Regulatory Decisions on Executive Compensation			
State	Utility	Commission and Citation	Holding
MN	Electric	Minnesota Public Service Commission, Minnesota Power, Docket 4-2500-19796-2; E-015/GR-08-415, February 19, 2009	Limited annual incentive payments to 15% of base pay. Required a refund mechanism for amounts included in revenue requirements, but not subsequently paid.
MO	Electric	Public Service Commission of the State of Missouri, <i>In the Matter of Union Electric Company</i> , Case No. ER-2008-0318 (Feb. 6, 2009), 2009 Mo. PUC LEXIS 71	Commission denies recovery of the costs of a long-term compensation plan based upon measures of financial return achieved by the Company; allows recovery of a short-term compensation plan which it finds common with the utility industry; and, allows a bonus plan based upon an employees superior performance.
NY	Telephone	New York Public Service Commission, <i>Re Warwick Valley Telephone Company</i> , Case 08-C-0489 (Sept. 3, 2008), 2008 WL 4143184 (N.Y.P.S.)	Commission approves a long-term incentive plan on the condition that it is booked below-the-line, and does not enter the rate-making equation.
NY	Electric	New York Public Service Commission, <i>Re Consolidated Edison Company of New York</i> , Case 07-E-0523 (Mar. 25, 2008), 264 P.U.R. 4 th 34, 2008 WL 828108 (N.Y.P.S.C.)	Commission excludes the costs of a deferred compensation stock option plan and a variable pay plan on the basis of a distinction between incentive compensation and base pay. Ratepayers should not be responsible for funding incentive payments not linked to enhanced corporate productivity or improving safety and reliability of services.

Florida Power & Light Company			
List of Regulatory Decisions on Executive Compensation			
State	Utility	Commission and Citation	Holding
OK	Electric	Oklahoma Corporation Commission, <i>Application of Public Service Company of Oklahoma</i> , Order No. 564437 (Jan. 14, 2009), 2009 Okla. PUC LEXIS 20	Commission denies recovery of the Supplemental Executed Retirement Plan (SERP), denies 50% of the annual incentive compensation plan, and denies 100% of the long-term incentive compensation plan. Commission concludes that the financial performance measures are for the long-term plan benefit shareholders rather than ratepayers.
OR	Electric	Oregon Public Utility Commission, <i>In the Matter of Portland General Electric Company</i> , 09-020 V.E. 197, 2009 WL 214804 (Or. P.U.C.)	Company itself removed 100% of officer incentive compensation from the revenue-requirement Commission removed 50% of non-officer incentives.
AZ	Gas	Arizona Corporation Commission, <i>In the Matter of UNS Gas, Inc.</i> , Decision NO. 70011 (November 27, 2007), 2007 Ariz. PUC LEXIS 241	Commission believes 50/50 sharing of performance enhancement bonus program is reasonable; SERP costs, however, are not allowed.
AR	Electric	Arkansas Public Service Commission, <i>In the Matter of Entergy Arkansas, Inc.</i> , Docket No. 06-101-U: Order No. 10 (June 15, 2007), 2007 Ark. PUC LEXIS 239, 258 P.U.R. 4 th 1	Commission reduced level of incentive pay and stock options, required shareholders to bear a portion of the costs. LTIP costs cannot be included in rates as they don't directly benefit ratepayers.
MD	Gas	Maryland Public Service Commission, <i>In the Matter of Washington Gas Light Company</i> , Order No 81715: Case No. 9104 (November 16, 2007), 27 Md. PSC LEXIS 36	Only 50% of executive incentive compensation was allowed because compensation was tied to financial goals and not to increases in customer satisfaction, safe operations or efficiency of service.
MO	Electric	Public Service Commission of the State of Missouri, <i>In the Matter of The Empire District Electric Company</i> , Case No. ER-2006-0315 (March 26, 2008, Issued), 2008 Mo. PSC LEXIS 313	Specific types of incentive compensation should not be recoverable in rates (earnings goals, charitable activities, activities unrelated to provision of service, stock options).

Florida Power & Light Company List of Regulatory Decisions on Executive Compensation			
State	Utility	Commission and Citation	Holding
MO	Electric	Public Service Commission of the State of Missouri, <i>In the Matter of Kansas City Power & Light Company</i> , Case No. ER-2007-0291 (December 6, 2007, Issued), 2007 Mo. PSC LEXIS 1438	Commissions find that the long-term executive compensation plan expenses should not be included in the cost of service because such costs are tied to EPS performance; part of the costs of short-term executive compensation plans should also be excluded when setting rates because such costs are not tied to specific goals that provide ratepayer benefits.
NV	Electric	Nevada Public Service Commission, <i>Application of Nevada Power Company</i> , Docket No. 06-11022 (July 17, 2007), 2007 Nev. PUC LEXIS 151	STIP costs are allowed with restrictions; SERP expenses are allowed but only at a reduced rate (65%); LTIP costs can be recovered, but also only at 65%
NM	Electric	New Mexico Public Regulation Commission, <i>In the Matter of Public Service Company of New Mexico</i> , Case No. 07-00077-UT (April 24, 2008), 2008 N.M. PUC LEXIS 14	Utility did not provide enough details to demonstrate that LTIP benefits ratepayers, so they are not allowed.
OK	Electric	Oklahoma Corporation Commission, <i>Application of Public Service Company of Oklahoma</i> , Order No. 545168 (October 9, 2007), 2007 Okla. PUC LEXIS 339	Commission removes long-term executive stock incentive plan and associated FICA tax expenses from cost-of-service for ratemaking purposes because the plan is tied to financial performance that encourages employees to put the interest of shareholders first. Company itself removed awards above target level noting it is paid from additional earnings.
VT	Electric	Vermont Public Services Board, <i>Petition of Central Vermont Public Service Corporation</i> , Docket No. 7420 (April 23, 2008), 2008 Vt. PUC LEXIS 117	Utility is allowed to issue additional shares of stock under LTIP; notes that all awards of stock under the plan are paid by shareholders and NOT ratepayers.

FPSC Docket 080677-EI
Revenue Impact of Executive Incentives
Exhibit __ (SLB-20)

Florida Power & Light Company
Revenue Impact of Executive Incentive Adjustment

Compensation Adjustments						
Line No.	Detail	Amount included in OM	Reduction for Payout Factor	Reduction for Allocating 50% to Shareholders	Total Reduction	Amount Remaining In Requirements
1	Cash	\$ 10,063,565	\$ 2,875,304	\$ 3,594,130	\$ 6,469,435	\$ 3,594,130
2	Stock-Based	33,084,282	9,452,652	11,815,815	21,268,467	11,815,815
3	Total 2010	\$ 43,147,847	\$ 12,327,956	\$ 15,409,945	\$ 27,737,902	\$ 15,409,945
4	Jurisdictional	\$ 42,791,662	\$ 12,226,189	\$ 15,282,736	\$ 27,508,925	\$ 15,282,736
5	Cash	\$ 10,577,521	\$ 3,022,149	\$ 3,777,686	\$ 6,799,835	\$ 3,777,686
6	Stock-Based	35,535,044	10,152,870	12,691,087	22,843,957	12,691,087
7	Total 2011	\$ 46,112,565	\$ 13,175,019	\$ 16,468,773	\$ 29,643,792	\$ 16,468,773
8	Jurisdictional	\$ 45,733,197	\$ 13,066,628	\$ 16,333,285	\$ 29,399,912	\$ 16,333,285
9	2010 Revenue Impact [1]				\$ 27,600,481	
10	2011 Revenue Impact [1]				\$ 29,482,231	

Notes:

[1] Jurisdictional Reduction x (1-.38575) x revenue expansion factor.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI **EXHIBIT 242**
COMPANY Office of Public Counsel (OPC) (Direct)
WITNESS Sheree L. Brown (SLB-20)
DATE 09/02/09

Florida Power & Light Company
Revenue Impact of Adjustment to Non-Executive Incentives

Incentive Compensation Adjustments			
Line No.	Detail	2010	2011
1	Stock-based compensation	\$ 9,276,011	\$ 10,879,458
2	Reduction to limit payout factor	2,140,618	2,510,644
3	Reduction to allocate 50% of the balance to shareholders	3,567,697	4,184,407
4	Total Company Reduction in Expenses	\$ 5,708,314	\$ 6,695,051
5	Total Company Amount Remaining in Revenue Requirements	\$ 3,567,697	\$ 4,184,407
6	Jurisdictional Allocation	0.991745	0.991773
7	Reduction in Jurisdictional Expenses	\$ 5,661,192	\$ 6,639,971
8	Increase in Jurisdictional Net Operating Income	\$ 3,477,387	\$ 4,078,602
9	Revenue Expansion Factor	1.63342	1.63256
10	Jurisdictional Revenue Impact	\$ 5,680,034	\$ 6,658,563

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 243
COMPANY Office of Public Counsel (OPC) (Direct)
WITNESS Sheree L. Brown (SLB-21)
DATE 09/02/09

Florida Power & Light Company
Revenue Impact of Amortization of the Environmental Insurance Refund -2010

Line	Description	Total Company	Jurisdictional [2]
1	1/1/2010 Balance [1]	\$ 43,817,952	\$ 43,428,410
2	Amortization	\$ 8,763,590	\$ 8,685,682
3	12/31/2010 Balance	\$ 35,054,362	\$ 34,742,728
4	Average Balance	\$ 39,436,157	\$ 39,085,569
5	Accumulated Deferred Income Tax at 38.575%	\$ 15,212,497	\$ 15,077,258

(\$000s)								
	Jurisdictional	Adjustment	Prorata Adj	Adj Jurisdiction	Ratio	Cost Rate	Weighted Cost Rate	Weighted Cost Rate FPL Base Case
<u>Cost of Capital</u>								
6	Long Term Debt	5,377,787	(9,411)	5,368,376	31.53%	5.55%	1.7485%	1.7476%
7	Customer Deposits	564,652		564,652	3.32%	5.98%	0.1983%	0.1979%
8	Common Equity	8,178,980	(14,314)	8,164,666	47.96%	12.50%	5.9948%	5.9915%
9	Short Term Debt	161,857	(283)	161,574	0.95%	2.96%	0.0281%	0.0281%
10	Deferred Inc Tax	2,723,327	(15,077)	2,708,250	15.91%	0.00%	0.0000%	0.0000%
11	ITC	56,983		56,983	0.33%	9.74%	0.0326%	0.0325%
12	Total	17,063,586	(15,077)	17,024,500			8.0020%	7.9980%
<u>Summary</u>								
		Base Case	Jurisdictional Adjustments	Revised Jurisdictional				
13	Revenues	4,114,726		4,114,726				
14	Less Expenses	3,145,505	(8,686)	3,136,820				
15	Net Operating Income before taxes	969,221		977,906				
16	Less Taxes	243,337	3,552	246,889				
17	Net Operating Income after taxes	725,884		731,018				
18	Rate Base	17,063,594	(39,086)	17,024,508				
19	Return on Rate Base	4.25%		4.29%				
20	Proposed Return on Rate Base	8.00%		8.002%				
21	Deficiency at Proposed Return	638,863		631,283.61				
22	Revenue Expansion Factor	1.63342		1.63342				
23	Revenue Deficiency at Proposed Return	1,043,534		1,031,154				
24	Less Increase in Miscellaneous Service Fees	75,328		75328				
25	Revenue Deficiency to be collected from Sales Revenues	968,206		955,826				
26	Revenue Deficiency per FPL Base Case	968,207		968207				
27	Revenue Impact of Adjustments	(1)		(12,381)				

[1] Refund per FPL's response to SFHHA's Second Set of Interrogatories, Question No. 101, Attachment 1, page 8 of 12.

[2] Jurisdictional allocation factor for property insurance per MFR Schedule C-4 99.11%

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 244
COMPANY Office of Public Counsel (OPC) (Direct)
WITNESS Sheree L. Brown (SLB-22)
DATE 09/02/09

Florida Power & Light Company
Revenue Impact of Amortization of the Environmental Insurance Refund -2011

Line	Description	Total Company	Jurisdictional[2]
1	1/1/2011 Balance [1]	\$ 35,054,362	\$ 34,742,623
2	Amortization [1]	\$ 8,763,590	\$ 8,685,656
3	12/31/2011 Balance	\$ 26,290,771	\$ 26,056,967
4	Average Balance	\$ 30,672,566	\$ 30,399,795
5	Accumulated Deferred Income tax at 38.575%	\$ 11,831,942	\$ 11,726,721

(\$000s)

	Jurisdictional	Adjustment	Prorata Adj	Adj Jurisdiction	Ratio	Cost Rate	Weighted Cost Rate	Weighted Cost Rate
							FPL Base Case	
<u>Cost of Capital</u>								
6	Long Term Debt	5,888,206	(7,580)	5,880,626	32.94%	5.81%	1.9141%	1.9133%
7	Customer Deposits	558,660		558,660	3.13%	5.98%	0.1873%	0.1869%
8	Common Equity	8,547,017	(11,003)	8,536,014	47.82%	12.50%	5.9776%	5.9751%
9	Short Term Debt	70,127	(90)	70,037	0.39%	4.61%	0.0181%	0.0181%
10	Deferred Inc Tax	2,655,102	(11,727)	2,643,375	14.81%	0.00%	0.0000%	0.0000%
11	ITC	161,290		161,290	0.90%	9.77%	0.0883%	0.0881%
12	Total	17,880,402	(11,727)	(18,673)			8.1850%	8.1820%

Summary			
	Base Case	Jurisdictional Adjustments	Revised Jurisdictional
13	Revenues	4,175,025	4,175,025
14	Less Expenses	3,341,243	(8,686)
15	Net Operating income before taxes	833,782	842,468
16	Less Taxes	171,013	3,520
17	Net Operating income after taxes	662,769	667,934
18	Rate Base	17,880,412	(30,400)
19	Return on Rate Base	3.71%	3.74%
20	Proposed Return on Rate Base	8.18%	8.185%
21	Deficiency at Proposed Return	800,207	793,089
22	Revenue Expansion Factor	1.63256	1.63256
23	Revenue Deficiency at Proposed Return	1,306,382	1,294,763
24	Less Increase in Miscellaneous Service Fees	76,367	76,367
25	Revenue Deficiency to be collected from Sales Revenues	1,230,015	1,218,396
26	Revenue Deficiency per FPL Base Case	1,230,015	1,230,015
27	Revenue Impact of Adjustments	0	(11,619)

[1] Page 1

[2] Jurisdictional allocation factor for property insurance per MFR Schedule C-4 99.11%

FPSC Docket 080677-EI
End of Life Materials and Supplies
and Last Core Nuclear Fuel
Exhibit__ (SLB-23)
Page 1 of 6

Florida Power & Light Company
FPL Requested End of Life Materials and
Last Core Nuclear Fuel Amortization

Line	Description	St. Lucie	Turkey Point	Total		
1	M&S Inventory at End of Life [1]	16,276,366	28,904,689			
2	Reserve Balance at 12/31/2009	3,579,971	9,668,289			
3	Remaining Amount to be Recovered	12,696,395	19,236,400			
4	Recovery Period (Months)	399	279			
5	End of Life	2042	2032			
6	Requested Annual Accrual [3]	381,846	827,372	1,209,219		
		St. Lucie 1	St. Lucie 2	Turkey Point 3	Turkey Point 4	
7	Last Core [2]	90,500,000	108,900,000	66,300,000	62,600,000	
8	Reserve Balance at 12/31/2009	12,016,939	6,527,875	12,591,168	8,170,651	
9	Remaining Amount to be Recovered	78,483,061	102,372,125	53,708,832	54,429,349	
10	Recovery Period (Months)	314	399	270	279	
11	End of Life	2035	2042	2032	2032	
12	Requested Annual Accrual [3]	2,999,353	3,078,861	2,387,059	2,341,047	10,806,320
13	Total Requested Annual Accrual					12,015,539
	Amounts needed					
14	2032					127,374,581
15	2035					78,483,061
16	2042					115,068,520
						320,926,162

[1] OPC's Fourth Set of Interrogatories, Question No. 198

[2] OPC's Fourth Set of Interrogatories, Question No. 197

[3] Differences due to rounding.

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 245

COMPANY Office of Public Counsel (OPC) (Direct)

WITNESS Sheree L. Brown (SLB-23)

DATE 09/02/09

Florida Power & Light Company
Calculation of Expected Decommissioning Fund Balance
from FPL's 2005 Decommissioning Study

Year	Decommissioning Fund Balances [1]			Total Decommissioning Cost All Units				St Lucie Unit 1 Decommissioning Costs [2]			
	Qualified	Nonqualified	Total	Qualified	Nonqualified	Tax Savings	Total	Qualified	Nonqualified	Tax Savings	Total
2009	1,837,622,000	492,908,000	2,330,530,000								
2010	1,929,503,100	517,553,400	2,447,056,500								
2011	2,025,978,255	543,431,070	2,569,409,325								
2012	2,127,277,168	570,602,624	2,697,879,791								
2013	2,233,641,026	599,132,755	2,832,773,781								
2014	2,345,323,077	629,089,392	2,974,412,470								
2015	2,462,589,231	660,543,862	3,123,133,093								
2016	2,585,718,693	693,571,055	3,279,289,748								
2017	2,715,004,628	728,249,608	3,443,254,235								
2018	2,850,754,859	764,662,088	3,615,416,947								
2019	2,993,292,602	802,895,193	3,796,187,795								
2020	3,142,957,232	843,039,952	3,985,997,184								
2021	3,300,105,094	885,191,950	4,185,297,043								
2022	3,465,110,348	929,451,547	4,394,561,896								
2023	3,638,365,866	975,924,125	4,614,289,990								
2024	3,820,284,159	1,024,720,331	4,845,004,490								
2025	4,011,298,367	1,075,956,348	5,087,254,714								
2026	4,211,863,285	1,129,754,165	5,341,617,450								
2027	4,422,456,449	1,186,241,873	5,608,698,323								
2028	4,643,579,272	1,245,552,967	5,889,133,239								
2029	4,875,758,236	1,307,831,665	6,183,589,901								
2030	5,119,546,147	1,373,223,249	6,492,769,396								
2031	5,375,523,455	1,441,884,411	6,817,407,866								
2032	5,598,875,643	1,494,225,861	7,093,101,504	44,316,082	19,270,896	12,102,217	75,689,295				
2033	5,649,330,105	1,471,751,607	7,121,081,712	229,892,020	94,815,167	59,544,080	378,251,267				
2034	5,515,395,211	1,371,270,944	6,886,666,154	406,245,268	169,822,677	106,648,918	682,716,863				
2035	5,367,814,940	1,265,420,899	6,633,235,839	413,024,421	170,159,602	106,860,507	690,044,530				
2036	5,239,665,173	1,176,052,830	6,415,718,002	386,868,794	148,516,209	93,519,621	629,304,624	95,031,506	28,985,626	18,209,020	142,220,152
2037	5,086,779,092	1,078,922,342	6,165,701,434	404,570,575	152,129,882	95,537,814	652,418,271	137,969,374	42,082,135	26,427,650	206,479,159
2038	5,061,282,353	1,024,635,704	6,085,918,057	273,010,394	106,178,298	66,880,144	445,868,836	50,747,388	15,478,499	9,720,523	75,946,420
2039	5,113,803,478	998,943,055	6,112,746,533	195,651,741	74,433,594	46,744,418	316,829,753	53,031,031	16,175,032	10,157,946	79,364,009
2040	5,195,701,396	983,392,709	6,179,094,105	169,553,420	63,899,899	40,129,303	273,582,722	55,569,932	16,949,424	10,644,266	83,163,622
2041	5,287,586,035	968,809,497	6,256,395,531	163,805,299	62,197,800	39,060,383	265,063,582	49,030,747	14,954,902	9,391,703	73,377,352
2042	5,498,064,388	998,568,013	6,496,632,401	52,586,291	18,225,326	11,445,535	82,257,152	32,747,825	9,988,437	6,272,755	49,009,017
2043	5,582,178,563	1,007,458,395	6,589,636,958	186,135,653	40,038,115	25,144,001	251,317,769	34,221,478	10,437,917	6,555,029	51,214,424
2044	5,362,505,813	957,388,878	6,319,894,691	486,616,271	97,992,622	61,539,526	646,148,419	84,787,358	25,861,051	16,240,782	126,889,191
2045	4,946,338,464	862,122,055	5,808,460,519	667,602,576	139,645,138	87,697,375	894,945,089	164,565,367	50,194,198	31,522,038	246,281,603
2046	4,470,826,324	717,611,627	5,188,437,951	705,101,525	183,040,518	114,949,743	1,003,091,786	436,362,510	133,095,235	83,584,024	653,041,769
2047	4,214,307,766	639,115,516	4,853,423,281	468,453,336	111,587,017	70,076,828	650,117,381	203,593,928	62,098,328	38,997,850	304,690,104
2048	3,954,736,093	559,655,772	4,514,391,865	458,816,645	108,698,068	68,262,564	635,777,277	192,673,832	58,767,580	36,906,136	288,347,548
2049	3,818,390,977	508,419,158	4,326,810,135	325,933,581	77,287,222	48,536,501	451,757,304	125,546,595	38,293,043	24,048,093	187,887,691
2050	3,739,392,715	468,177,039	4,208,569,754	263,334,449	63,085,929	39,618,065	366,038,443	97,338,916	29,689,411	18,644,998	145,673,325
2051	3,669,132,820	430,573,600	4,099,706,420	250,955,640	60,548,576	38,024,604	349,528,820	92,325,007	28,160,115	17,684,598	138,169,720
2052	3,800,755,055	435,571,695	4,236,346,750	50,556,640	16,127,400	10,128,033	76,806,073	13,151,561	4,011,367	2,519,145	19,682,073
2053	3,874,262,139	393,235,223	4,217,497,362	162,489,433	62,551,275	39,282,303	264,323,011	13,708,879	4,181,355	2,625,898	20,516,132
2054	3,949,433,075	390,901,585	4,340,334,660	64,431,386	21,458,926	13,476,239	99,366,551	14,325,779	4,369,516	2,744,063	21,439,358
2055	4,115,122,234	402,981,278	4,518,103,512	31,007,312	7,283,304	4,573,927	42,864,543	14,970,439	4,566,144	2,867,546	22,404,129
2056	4,287,547,878	415,303,587	4,702,851,465	32,517,530	7,635,858	4,795,331	44,948,719	15,683,481	4,783,630	3,004,127	23,471,238
2057	4,467,156,988	427,906,042	4,895,063,029	33,920,277	7,963,634	5,001,176	46,885,087	16,348,093	4,986,343	3,131,432	24,465,868
2058	4,654,145,956	440,765,192	5,094,911,148	35,481,835	8,327,953	5,229,968	49,039,756	17,083,758	5,210,729	3,272,346	25,566,833
2059	4,848,810,058	453,876,782	5,302,686,840	37,115,313	8,708,946	5,469,232	51,293,491	17,852,527	5,445,212	3,419,602	26,717,341
2060	4,840,230,316	417,868,357	5,258,118,673	244,897,800	57,250,989	35,953,715	338,102,504	116,223,693	35,449,470	22,262,325	173,935,488
2061	5,007,412,902	421,905,228	5,428,718,131	73,003,834	17,051,265	10,708,222	100,763,321	34,534,017	10,533,245	6,614,895	51,682,157
Total				7,812,069,541	2,176,332,405	1,366,740,293	10,855,142,239	2,179,484,891	664,747,942	417,462,780	3,261,695,723

[1] Beginning Balance and Interest rate per FPL's response to OPC's Fourth Set of Interrogatories, Question No. 200. Interest rate = 5.5%
Yearly fund balances are calculated assuming interest on the average balance and decommissioning costs incurred on average throughout the year.
[2] Per FPL's 2005 Decommissioning Study

Florida Power & Light Company
Calculation of Expected Decommissioning Fund Balance:
from FPL's 2005 Decommissioning Study

Year	St Lucie Unit 2 Decommissioning Costs (2)				Turkey Point Unit 3 Decommissioning Costs (2)				Turkey Point Unit 4 Decommissioning Costs (2)			
	Qualified	Nonqualified	Tax Savings	Total	Qualified	Nonqualified	Tax Savings	Total	Qualified	Nonqualified	Tax Savings	Total
2009												
2010												
2011												
2012												
2013												
2014												
2015												
2016												
2017												
2018												
2019												
2020												
2021												
2022												
2023												
2024												
2025												
2026												
2027												
2028												
2029												
2030												
2031												
2032					44,316,082	19,270,896	12,102,217	75,689,295				
2033					151,150,937	65,728,488	41,277,598	258,157,023	72,741,083	29,086,679	18,266,482	120,094,244
2034					210,905,658	91,713,028	57,595,811	360,214,617	195,339,610	78,109,649	49,052,987	311,502,246
2035					143,057,693	62,209,114	39,067,425	244,334,232	269,966,728	107,950,488	67,793,082	445,710,298
2036					92,456,148	40,204,864	25,248,720	157,909,732	199,381,140	79,725,719	50,067,881	329,174,740
2037					96,396,087	41,898,156	26,312,110	164,606,353	170,431,114	68,149,591	42,798,054	281,378,759
2038					52,144,601	22,675,254	14,240,096	89,059,951	170,118,395	68,024,545	42,719,525	280,862,465
2039					35,138,439	15,280,067	9,595,907	60,014,413	107,482,271	42,978,495	26,990,565	177,451,331
2040					39,227,354	17,058,146	10,712,543	66,998,043	74,756,134	29,892,429	18,772,494	123,421,057
2041					38,544,380	16,761,152	10,526,031	65,831,563	76,230,172	30,481,846	19,142,649	125,854,667
2042					8,693,506	3,780,400	2,374,097	14,848,003	11,144,960	4,456,489	2,798,683	18,400,132
2043	136,292,567	23,092,331	14,502,021	173,886,919	7,468,933	3,247,890	2,039,680	12,756,503	8,152,675	3,259,977	2,047,271	13,459,923
2044	385,446,937	65,307,069	41,012,946	491,766,952	7,828,768	3,404,366	2,137,947	13,371,081	8,553,208	3,420,136	2,147,851	14,121,195
2045	485,960,976	82,337,370	51,708,003	620,006,349	8,156,261	3,546,777	2,227,382	13,930,420	8,519,972	3,566,793	2,239,952	14,726,717
2046	250,885,431	42,508,036	26,895,116	320,088,583	8,523,293	3,706,382	2,321,614	14,551,289	9,330,291	3,730,865	2,342,389	15,404,145
2047	246,193,283	41,713,036	26,195,854	314,102,173	8,906,841	3,873,170	2,432,357	15,212,368	9,759,484	3,902,485	2,430,767	16,112,736
2048	246,567,903	41,776,508	26,235,715	314,580,126	9,335,952	4,059,770	2,549,542	15,945,264	10,238,958	4,094,210	2,571,171	16,904,339
2049	179,982,525	30,494,810	19,150,791	229,628,126	9,726,493	4,229,598	2,656,194	16,612,285	10,678,008	4,269,771	2,681,423	17,619,202
2050	144,662,152	24,510,407	15,392,575	184,565,134	10,164,185	4,419,930	2,775,723	17,359,838	11,269,196	4,466,181	2,804,769	18,440,146
2051	136,326,080	23,098,009	14,505,587	173,929,676	10,621,574	4,618,827	2,900,631	18,141,032	11,682,979	4,671,625	2,933,788	19,288,392
2052	14,008,830	2,373,545	1,490,590	17,872,965	11,133,296	4,841,351	3,040,376	19,015,023	12,256,953	4,901,137	3,077,922	20,236,012
2053	14,629,394	2,478,688	1,556,620	18,664,702	64,273,306	27,949,461	17,552,307	109,775,074	69,877,854	27,941,771	17,547,478	115,367,103
2054	15,316,975	2,595,187	1,629,781	19,541,943	16,675,562	7,251,424	4,553,906	28,480,892	18,113,070	7,242,799	4,548,489	29,904,358
2055	16,036,873	2,717,160	1,706,383	20,460,414								
2056	16,834,049	2,852,228	1,791,204	21,477,481								
2057	17,572,184	2,977,291	1,869,744	22,419,219								
2058	18,398,077	3,117,214	1,957,622	23,472,913								
2059	19,262,786	3,263,734	2,049,630	24,576,150								
2060	128,674,107	21,801,519	13,691,390	164,167,016								
2061	38,469,817	6,518,020	4,093,327	49,081,164								
Totals	2,511,520,946	425,532,172	267,234,897	3,204,288,015	1,088,799,349	471,728,611	296,746,334	1,857,274,294	1,538,324,235	614,323,601	385,796,172	2,538,444,207

Florida Power & Light Company
Calculation of Decommissioning Fund Balance
Assuming End of Life Material and Supplies and Last Core Nuclear Fuel
are Paid from Excess Fund Balances

Year	Decommissioning Fund Balances[1]			EOL M&S/Last Core	From Nonqualified	From tax savings	Total Decommissioning Cost All Units			
	Qualified	Nonqualified	Total				Qualified	Nonqualified	Tax Savings	Total
2009	1,837,622,000	492,908,000	2,330,530,000							
2010	1,929,503,100	517,553,400	2,447,056,500							
2011	2,025,978,255	543,431,070	2,569,409,325							
2012	2,127,277,168	570,602,624	2,697,879,791							
2013	2,233,641,026	599,132,755	2,832,773,781							
2014	2,345,323,077	629,089,392	2,974,412,470							
2015	2,462,589,231	660,543,862	3,123,133,093							
2016	2,585,718,893	693,571,055	3,279,289,948							
2017	2,715,004,628	728,249,608	3,443,254,235							
2018	2,850,754,859	764,662,088	3,615,416,947							
2019	2,993,292,602	802,895,193	3,796,187,795							
2020	3,142,957,232	843,039,952	3,985,997,184							
2021	3,300,105,094	885,191,950	4,185,297,043							
2022	3,465,110,348	929,451,547	4,394,561,896							
2023	3,638,365,866	975,924,125	4,614,289,990							
2024	3,820,284,159	1,024,720,331	4,845,004,490							
2025	4,011,298,367	1,075,956,348	5,087,254,714							
2026	4,211,863,285	1,129,754,165	5,341,617,450							
2027	4,422,456,449	1,186,241,873	5,608,698,323							
2028	4,643,579,272	1,245,553,967	5,889,133,239							
2029	4,875,758,236	1,307,831,665	6,183,589,901							
2030	5,119,546,147	1,373,223,249	6,492,769,396							
2031	5,375,523,455	1,441,884,411	6,817,407,866							
2032	5,598,875,643	1,414,030,595	7,012,906,238	127,373,681	78,239,283	49,134,397	44,316,082	19,270,996	12,102,217	75,689,295
2033	5,649,330,105	1,387,346,379	7,036,676,484				223,892,020	94,815,167	59,544,080	378,251,267
2034	5,515,395,211	1,282,855,664	6,798,250,874				406,245,268	169,822,677	106,648,918	682,716,863
2035	5,367,814,940	1,123,171,429	6,490,986,369	78,483,061	48,208,220	30,274,841	413,024,421	170,159,602	106,860,507	690,044,530
2036	5,239,605,173	1,026,690,866	6,266,356,059				386,868,794	148,916,209	93,519,621	629,304,624
2037	5,086,779,092	922,092,302	6,008,871,394				404,750,575	152,129,882	95,537,814	652,418,271
2038	5,061,282,393	859,364,161	5,920,646,554				273,010,394	106,178,298	66,680,144	445,868,836
2039	5,113,803,478	826,037,935	5,939,841,413				195,651,741	74,433,594	46,744,418	316,829,753
2040	5,195,701,396	801,842,333	5,997,543,729				169,553,420	63,899,999	40,129,303	273,582,722
2041	5,287,586,035	778,181,602	6,065,767,637				163,805,299	62,197,900	39,060,383	265,063,582
2042	5,498,064,388	725,961,864	6,224,026,252	115,068,520	70,680,838	44,387,682	52,586,291	18,225,326	11,445,535	82,257,152
2043	5,582,178,563	721,220,889	6,303,399,452				186,135,653	40,038,115	25,144,001	251,317,769
2044	5,362,505,813	656,839,496	6,019,345,310				486,616,271	97,992,622	61,539,526	646,148,419
2045	4,946,338,464	546,545,205	5,492,883,668				667,602,576	139,645,138	87,697,375	894,945,089
2046	4,470,926,324	396,255,334	4,857,182,258				705,101,525	183,040,518	114,949,743	1,003,091,786
2047	4,214,307,766	291,192,038	4,505,499,804				468,453,536	111,587,017	70,076,828	650,117,381
2048	3,954,736,093	194,336,120	4,149,072,213				458,816,645	108,698,068	68,262,564	635,777,277
2049	3,818,390,977	124,833,524	3,943,224,501				325,933,581	77,287,222	48,536,501	451,757,304
2050	3,739,392,715	66,412,123	3,805,804,838				263,334,449	63,085,929	39,618,065	366,038,443
2051	3,669,132,820	7,670,439	3,676,803,259				250,955,640	60,548,576	38,024,604	349,528,820
2052	3,800,775,055	(8,476,624)	3,792,298,431				50,550,640	16,127,400	10,128,033	76,806,073
2053	3,824,262,139	(73,015,513)	3,751,246,627				162,489,433	63,551,275	39,282,303	264,323,011
2054	3,949,433,075	(98,661,687)	3,850,771,388				64,431,386	21,458,926	13,476,239	99,366,551
2055	4,115,122,234	(111,060,158)	4,004,062,076				31,007,312	7,283,304	4,573,927	42,864,543
2056	4,287,547,878	(124,439,921)	4,163,107,957				32,517,530	7,635,858	4,795,331	44,948,719
2057	4,467,156,988	(138,824,642)	4,328,332,346				33,920,277	7,963,634	5,001,176	46,885,087
2058	4,654,145,956	(154,302,025)	4,499,843,931				35,481,835	8,327,953	5,229,968	49,039,756
2059	4,848,810,058	(170,943,796)	4,677,866,262				37,115,313	8,708,946	5,469,232	51,293,491
2060	4,840,230,316	(238,173,250)	4,602,057,066				244,897,800	57,250,989	35,953,715	338,102,504
2061	5,007,412,902	(267,559,459)	4,739,853,443				73,003,834	17,051,265	10,708,222	100,763,321
Totals							7,312,069,541	2,176,332,405	1,366,746,293	10,855,148,239

[1] Decommissioning fund data from OPC's Fourth Set of Interrogatories, Question No. 200.
[2] Decommissioning requirements from FPL's 2005 Decommissioning Study.
[3] End of life and last core from page 1.

Florida Power & Light Company
Revenue Impact of Eliminating the End-of-Life Materials and Supplies
and Last Core Nuclear Fuel Accruals and Transferring Nuclear Reserve Balances - 2010

Line	Description	Original	Additional	Total	Jurisdictional	Adjustment[3]	Revised	Transfer	Rate Base
1	End-of-life Materials and Supplies Accrual [1]	1,072	137	1,209	1,196	(1,196)			
2	Last Core Accrual [1]	4,775	6,014	10,789	10,675	(10,675)			
3	Nuclear Reserve [2]	(6,955)		(6,955)	(6,955)				
4	Total Accrual	(1,108)	6,151	5,043	4,917	(4,917)			
5	EOI/Last Core Reserve	(55,479)	(3,084)	(58,563)	(58,108)	5,936	(52,172)	(46,080)	(98,251)
6	Nuclear Reserve	(42,602)		(42,602)	(42,602)	(3,478)	(46,080)	46,080	-
7	Total Reserves	(98,081)	(3,084)	(101,165)	(100,710)	2,458	(98,251)	-	(98,251)
8	Change in Rate Base						2,458		

(\$000s)								
	Jurisdictional	Adjustment	Prorate Adj	Adj Jurisdiction	Ratio	Cost Rate	Weighted Cost Rate	Weighted Cost Rate FPL Base Case
<u>Cost of Capital</u>								
9	Long Term Debt	5,377,787		5,378,379	31.52%	5.55%	1.7475%	1.7476%
10	Customer Deposits	564,652		564,652	3.31%	5.98%	0.1979%	0.1979%
11	Common Equity	8,178,980		8,179,880	47.93%	12.50%	5.9913%	5.9915%
12	Short Term Debt	161,857		161,875	0.95%	2.96%	0.0281%	0.0281%
13	Deferred Inc Tax	2,723,327	948	2,724,275	15.96%	0.00%	0.0000%	0.0000%
14	ITC	56,983		56,983	0.33%	9.74%	0.0325%	0.0325%
15	Total	17,063,586	948	17,066,044			7.9970%	7.9980%

Summary			
	Base Case	Jurisdictional Adjustments	Revised Jurisdictional
16	Revenues	4,114,726	4,114,726
17	Less Expenses	3,145,505	3,140,588
18	Net Operating income before taxes	969,221	974,138
19	Less Taxes	243,337	245,221
20	Net Operating Income after taxes	725,884	728,917
21	Rate Base	17,063,594	17,066,052
22	Return on Rate Base	4.25%	4.27%
23	Proposed Return on Rate Base	8.00%	7.997%
24	Deficiency at Proposed Return	638,863	635,855.60
25	Revenue Expansion Factor	1.63342	1.63342
26	Revenue Deficiency at Proposed Return	1,043,534	1,038,622
27	Less Increase in Miscellaneous Service Fees	75,328	75328
28	Revenue Deficiency to be collected from Sales Revenues	968,206	963,294
29	Revenue Deficiency per FPL Base Case	968,207	968207
30	Revenue Impact of Adjustments	(1)	(4,913)

[1] MFR Schedules B21 and C2.

[2] MFR Schedule C4. Jurisdictional allocation = 1.0

[3] One half of the EOI/Last Core Accrual for the year and one half of the nuclear reserve accrual

Florida Power & Light Company
Revenue Impact of Eliminating the End-of-Life Materials and Supplies
and Last Core Nuclear Fuel Accruals and Transferring Nuclear Reserve Balances - 2011

Line	Description	Original	Additional	Total	Jurisdictional	Adjustment(4)	Revised	Transfer	Rate Base
1	End-of-life Materials and Supplies Accrual [1]	1,072	137	1,209	1,195	(1,195)			
2	Last Core Accrual [1]	4,775	6,014	10,789	10,667	(10,667)			
3	Nuclear Reserve [2]	(6,955)		(6,955)	(6,955)	6,955			
4	Total Accrual	(1,108)	6,151	5,043	4,907	(4,907)			
5	EOL/Last Core Reserve	(61,326)	(9,252)	(70,578)	(70,017)	17,798	(52,219)	(46,079)	(98,298)
6	Nuclear Reserve [3]	(35,646)		(35,646)	(35,646)	(10,433)	(46,079)	46,079	-
7	Total Reserves	(96,972)		(106,224)	(105,663)	7,365	(98,298)	-	(98,298)
8	Change in Rate Base						7,365		

(\$000s)

	Jurisdictional	Adjustment	Prorate Adj	Adj Jurisdiction	Ratio	Cost Rate	Weighted Cost Rate	Weighted Cost Rate FPL Base Case
<u>Cost of Capital</u>								
9	Long Term Debt	5,888,206	1,837	5,890,043	32.93%	5.81%	1.9131%	1.9133%
10	Customer Deposits	558,660		558,660	3.12%	5.98%	0.1869%	0.1869%
11	Common Equity	8,547,017	2,666	8,549,683	47.80%	12.50%	5.9745%	5.9751%
12	Short Term Debt	70,127	22	70,149	0.39%	4.61%	0.0181%	0.0181%
13	Deferred Inc Tax	2,655,102	2,841	2,657,943	14.86%	0.00%	0.0000%	0.0000%
14	ITC	161,290		161,290	0.90%	9.77%	0.0881%	0.0881%
15	Total	17,880,402	2,841	4,524			8.1810%	8.1820%

Summary			
	Base Case	Jurisdictional Adjustments	Revised Jurisdictional
16	Revenues	4,175,025	4,175,025
17	Less Expenses	3,341,243	(4,907)
18	Net Operating income before taxes	833,782	3,336,336
19	Less Taxes	171,013	838,689
20	Net Operating Income after taxes	662,769	172,865
21	Rate Base	17,880,412	7,365
22	Return on Rate Base	3.71%	3.72%
23	Proposed Return on Rate Base	8.18%	8.181%
24	Deficiency at Proposed Return	800,207	797,575
25	Revenue Expansion Factor	1.63256	1.63256
26	Revenue Deficiency at Proposed Return	1,306,382	1,302,086
27	Less Increase in Miscellaneous Service Fees	76,367	76,367
28	Revenue Deficiency to be collected from Sales Revenues	1,230,015	1,225,719
29	Revenue Deficiency per FPL Base Case	1,230,015	1,230,015
30	Revenue Impact of Adjustments	0	(4,296)

[1] MFR Schedules B21 and C2.

[2] MFR Schedule C4. Jurisdictional allocation = 1.0.

[3] One half of the EOL/Last Core Accrual for the year and one half of the nuclear reserve accrual plus a full year's accrual for 2010

Florida Power & Light Company
Depreciation and Reserve Adjustment -2010

Line	Function	Depreciation Adjustments per J. Pous	Book (OM Base) Accu Depr Per Company[1]	Adjustments for Revised Depr Depreciation	Revised Accu Depr Before Excess	Adjustments to A/D for Excess	Revised A/D for Depr and Excess	Total Change in A/D	Increase in ADIT
1	Intangible	-	434,953		434,953		434,953	-	-
2	Steam	(48,194)	(2,742,295)	24,097	(2,718,198)	44,897	(2,673,302)	68,993	26,614
3	Nuclear	(68,937)	(2,584,655)	34,469	(2,550,186)	25,727	(2,524,459)	60,196	23,220
4	Other Production	(56,673)	(1,802,093)	28,336	(1,773,757)	6,635	(1,767,122)	34,971	13,490
5	Transmission	(22,007)	(1,392,333)	11,003	(1,381,330)		(1,381,330)	11,003	4,245
6	Distribution	(114,956)	(4,231,552)	57,478	(4,174,074)	29,437	(4,144,637)	86,915	33,527
7	General	(16,307)	(399,589)	8,153	(391,436)	9,697	(381,739)	17,850	6,886
8	Total Adjustment	(327,073)	(12,717,564)	163,537	(12,554,027)	116,392	(12,437,635)	279,929	107,983
9	Total Per Company	1,087,802							
10	% Reduction	-30.07%							

	Excess Reserve FPL Ex CRC-1.p53	Capital Recovery FPL Ex CRC-1.p57	Remaining Excess Reserve	Allocation of 4-Yr Amortization
11 Steam	\$410,110,174	\$44,906,153	\$365,204,021	\$89,793,029
12 Nuclear	\$377,507,259	\$168,234,989	\$209,272,270	\$51,453,955
13 CC	\$25,944,710	\$0	\$25,944,710	\$6,379,048
14 GT	\$28,027,786	\$0	\$28,027,786	\$6,891,216
15 Transmission	-\$15,637,436	\$0	-\$15,637,436	
16 Distribution	\$340,529,349	\$101,081,858	\$239,447,491	\$58,873,162
17 General	\$78,878,573	\$0	\$78,878,573	\$19,393,943
18 Total	\$1,245,360,415	\$314,223,000	\$931,137,415	\$232,784,354
19 4 year amtz.	\$311,340,104	\$78,555,750	\$232,784,354	

Function	Depreciation Adjustments per J. Pous	Jurisdictional Allocations	Jurisdictional Depreciation Adjustment	Jurisdictional Amortization of Excess	Total Jurisdictional Depr Adj	Jurisdictional Reserve Adjustment	Jurisdictional ADIT Adjustment
20 Intangible	-	99.17%	-	-	-	-	-
21 Steam	(48,194)	98.04%	(47,247)	(88,030)	(135,277)	67,638	(26,092)
22 Nuclear	(68,937)	98.82%	(68,123)	(50,846)	(118,969)	59,484	(22,946)
23 Other Production	(56,673)	98.04%	(55,560)	(13,010)	(68,569)	34,285	(13,225)
24 Transmission	(22,007)	99.45%	(21,885)	-	(21,885)	10,942	(4,221)
25 Distribution	(114,956)	100.00%	(114,956)	(58,873)	(173,829)	86,915	(33,527)
26 General	(16,307)	99.17%	(16,172)	(19,234)	(35,406)	17,703	(6,829)
27 Total Adjustment	(327,073)		(323,943)	(229,992)	(553,935)	276,967	(106,840)

	Cost Of Capital	Jurisdictional	Adjustment	Prorate Adj	Adj Jurisdiction	Ratio	Cost Rate	Weighted Cost Rate	Weighted Cost Rate FPL Base
28 Long Term Debt	5,377,787	-	66,691	5,444,478	31.40%	5.55%	1.7410%	1.7476%	
29 Customer Deposits	564,652	-	-	564,652	3.26%	5.98%	0.1950%	0.1979%	
30 Common Equity	8,178,980	-	101,429	8,280,409	47.75%	12.50%	5.9690%	5.9915%	
31 Short Term Debt	161,857	-	2,007	163,864	0.94%	2.96%	0.0280%	0.0281%	
32 Deferred inc Tax	2,723,327	106,840	-	2,830,167	16.32%	0.00%	0.0000%	0.0000%	
33 ITC	56,983	-	-	56,983	0.33%	9.74%	0.0320%	0.0325%	
34 Total	17,063,586	106,840	170,127	17,340,553			7.9650%	7.9980%	

Summary	Total Jurisdiction
35 Revenues	4,114,726
36 Less Expenses	2,591,570
37 Net Operating income before taxes	1,523,156
38 Less Taxes	455,591
39 Net Operating Income after taxes	1,067,565
40 Rate Base	17,340,553
41 Return on Rate Base	6.16%
42 Required Return on Rate Base	7.97%
43 Deficiency at Proposed Return	313,610
44 Revenue Expansion Factor	1.63342
45 Revenue Deficiency at Proposed Return	512,258
46 Less Increase in Miscellaneous Service Fees	75,328
47 Revenue Deficiency to be collected from Sales Revenues	436,930
48 Revenue Deficiency per FPL Base Case	968,207
49 Revenue Impact of Adjustments	(531,277)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 246
COMPANY Office of Public Counsel (OPC) (Direct)
WITNESS Sheree L. Brown (SLB-24)
DATE 09/02/09

Florida Power & Light Company
Depreciation and Reserve Adjustment -2011

Line	Function	Book (OM Base) Accu Depr Per Company Sch E1	Adjustment to A/D for J. Pous' 2010 Adjustments	Revised Accu Depr before 2011 Adj	Depreciation Adjustments per J. Pous	Adjustments for Revised Dep Depreciation	Revised Accu Depr Before Excess	Adjustments to A/D for Excess	Revised A/D for Depr and Excess	Total Change in A/D	Increase in Accumulated Deferred Income Tax
1	Intangible	421,890		421,890			421,890		421,890		
2	Steam	(2,864,893)	137,987	(2,726,906)	(49,056)	24,528	(2,702,378)	44,897	(2,657,482)	207,411	80,009
3	Nuclear	(2,542,464)	120,391	(2,422,073)	(78,069)	39,035	(2,383,038)	25,727	(2,357,311)	185,153	71,423
4	Other Production	(2,023,921)	69,943	(1,953,978)	(62,976)	31,488	(1,922,490)	6,635	(1,915,855)	108,066	41,686
5	Transmission	(1,459,186)	22,007	(1,437,179)	(20,517)	10,258	(1,426,921)		(1,426,921)	32,265	12,446
6	Distribution	(4,490,138)	173,829	(4,316,309)	(124,032)	62,016	(4,254,293)	29,437	(4,224,856)	265,282	102,333
7	General	(423,062)	35,701	(387,361)	(18,805)	9,403	(377,958)	9,697	(368,261)	54,801	21,139
8	Total Adjustment	(13,381,774)	559,858	(13,243,806)	(353,455)	176,727	(12,645,188)	116,392	(12,528,796)	852,978	329,036
9	Total Per Company				1,139,657						
10	% Reduction				-31.01%						

	Excess Reserve FPL Ex CRC-1.p53	Capital Recovery FPL Ex CRC-1.p57	Remaining Excess Reserve	Allocation of 4-Yr Amortization
11 Steam	\$410,110,174	\$44,906,153	\$365,204,021	\$89,793,029
12 Nuclear	\$377,507,259	\$168,234,989	\$209,272,270	\$51,453,955
13 CC	\$25,944,710	\$0	\$25,944,710	\$6,379,048
14 GT	\$28,027,786	\$0	\$28,027,786	\$6,891,216
15 Transmission	-\$15,637,436	\$0	-\$15,637,436	
16 Distribution	\$340,529,349	\$101,081,858	\$239,447,491	\$58,873,162
17 General	\$78,878,573	\$0	\$78,878,573	\$19,393,943
18 Total	\$1,245,360,415	\$314,223,000	\$931,137,415	\$232,784,354
19 4 year amtz.	\$311,340,104	\$78,555,750	\$232,784,354	

Function	Depreciation Adjustments per J. Pous	Jurisdictional Allocations	Jurisdictional Depreciation Adjustment	Jurisdictional Reserve Amortization	Total Jurisdictional Depr Adj	Jurisdictional Reserve Adjustment	Jurisdictional ADIT Adjustment
20 Intangible	-	99.18%	-	-	-	-	-
21 Steam	(49,056)	98.07%	(48,107)	(88,057)	(136,165)	203,402	(78,462)
22 Nuclear	(78,069)	98.81%	(77,141)	(50,842)	(127,983)	182,951	(70,573)
23 Other Production	(62,976)	98.07%	(61,759)	(13,014)	(74,773)	105,977	(40,881)
24 Transmission	(20,517)	99.45%	(20,404)	(20,404)	(20,404)	32,088	(12,378)
25 Distribution	(124,032)	100.00%	(124,032)	(58,873)	(182,905)	265,282	(102,333)
26 General	(18,805)	99.18%	(18,650)	(19,234)	(37,885)	54,350	(20,966)
27 Total Adjustment	(353,455)		(350,093)	(230,021)	(580,114)	844,050	(325,592)

Cost Of Capital	Jurisdictional	Adjustment	Pro rata Adj	Adj Jurisdiction	Ratio	Cost Rate	Weighted Cost Rate	Weighted Cost Rate FPL Base
28 Long Term Debt	5,888,206	-	210,459	6,098,665	32.57%	5.81%	1.8920%	1.9133%
29 Customer Deposits	558,660	-	-	558,660	2.98%	5.98%	0.1790%	0.1869%
30 Common Equity	8,547,017	-	305,492	8,852,509	47.28%	12.50%	5.9100%	5.9751%
31 Short Term Debt	70,127	-	2,507	72,634	0.39%	4.61%	0.0180%	0.0181%
32 Deferred Inc Tax	2,655,102	325,592	-	2,980,694	15.92%	0.00%	0.0000%	0.0000%
33 ITC	161,290	-	-	161,290	0.86%	9.77%	0.0840%	0.0881%
34 Total	17,880,402	325,592	518,458	18,724,452			8.0830%	8.1820%

Summary	Base Case	Adjustments	Revised Case
35 Revenues	4,175,025		4,175,025
36 Less Expenses	3,341,243	(580,114)	2,761,129
37 Net Operating income before taxes	833,782		1,413,896
38 Less Taxes	171,013	219,062	390,075
39 Net Operating Income after taxes	662,769		1,023,821
40 Rate Base	17,880,412	844,050	18,724,462
41 Return on Rate Base	3.71%		5.47%
42 Required Return on Rate Base	8.18%		8.0830%
43 Deficiency at Proposed Return	800,207		489,678
44 Revenue Expansion Factor	1.63256		1.63256
45 Revenue Deficiency at Proposed Return	1,306,382		799,426
46 Less Increase in Miscellaneous Service Fees	76,367		76,367
47 Revenue Deficiency to be collected from Sales Revenues	1,230,015		723,059
48 Revenue Deficiency per FPL Base Case	1,230,015		1,230,015
49 Revenue Impact of Adjustments	0		(506,956)

Florida Power & Light Company
Revenue Impact of JR Woolridge Cost of Capital Adjustments-2010

Line	Cost Of Capital	Jurisdictional	Cost Rate	Weighted Rate FPL Base Case	Adj Jurisdiction	Ratio	Cost Rate	Weighted Cost Rate
1	Long Term Debt	5,377,787	5.55%	1.7476%	6,991,554	33.67%	5.14%	1.7304%
2	Customer Deposits	564,652	5.98%	0.1979%	626,383	3.02%	5.98%	0.1804%
3	Common Equity	8,178,980	12.50%	5.9915%	9,103,999	43.84%	9.50%	4.1646%
4	Short Term Debt	161,857	2.96%	0.0281%	629,647	3.03%	2.27%	0.0688%
5	Deferred Inc Tax	2,723,327	0.00%	0.0000%	3,351,931	16.14%	0.00%	0.0000%
6	ITC	56,983	9.74%	0.0325%	63,939	0.31%	7.41%	0.0228%
7	Total	17,063,586		7.9980%	20,767,453			6.1670%

Summary		Total Jurisdiction
8	Sales of Electricity	3,920,872
9	Other Operating Revenues	193,854
10	Total Operating Revenues	4,114,726
Expenses		
11	Operating and Maintenance Expenses	1,721,872
12	Depreciation and Amortization	1,075,371
13	Taxes Other Than Income Taxes	350,371
14	Amortization of Property Losses	(1,107)
15	Gain or Loss on Sale of Plant	(1,002)
16	Total Expenses before Income Taxes	3,145,505
17	Net Operating income before taxes	969,221
18	Less Taxes	244,465
19	Net Operating Income after taxes	724,756
Rate Base		
20	Plant in Service	28,288,078
21	Accumulated Depreciation	(12,590,520)
22	Net Plant in Service	15,697,558
23	Plant Held for Future Use	74,503
24	Construction Work in Progress	707,531
25	Net Nuclear Fuel	374,733
26	Working Capital-assets	3,393,194
27	Working Capital-liabilities	(3,183,925)
28	Total Rate Base	17,063,594
29	Return on Rate Base	4.25%
30	Proposed Return on Rate Base	6.17%
31	Deficiency at Proposed Return	327,556
32	Revenue Expansion Factor	1.63342
33	Revenue Deficiency at Proposed Return	535,039
34	Less Increase in Miscellaneous Service Fees	75,328
35	Revenue Deficiency to be collected from Sales Revenues	459,711
36	Revenue Deficiency per Base Case	968,207
37	Revenue Impact of Adjustments	(508,496)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 247
COMPANY Office of Public Counsel (OPC)
WITNESS Sheree L. Brown (SLB-25)
DATE 09/02/09

Florida Power & Light Company
Revenue Impact of JR Woolridge Cost of Capital Adjustments-2011

Line	Cost Of Capital	Jurisdictional	Cost Rate	Weighted Rate FPL Base Case	Adj Jurisdiction	Ratio	Cost Rate	Weighted Cost Rate
1	Long Term Debt	5,888,206	5.81%	1.9133%	7,670,689	34.74%	5.14%	1.7857%
2	Customer Deposits	558,660	5.98%	0.1869%	656,855	2.97%	5.98%	0.1779%
3	Common Equity	8,547,017	12.50%	5.9751%	9,559,882	43.30%	9.50%	4.1133%
4	Short Term Debt	70,127	4.61%	0.0181%	582,762	2.64%	2.27%	0.0599%
5	Deferred Inc Tax	2,655,102	0.00%	0.0000%	3,417,608	15.48%	0.00%	0.0000%
6	ITC	161,290	9.77%	0.0881%	191,748	0.87%	7.40%	0.0643%
7	Total	17,880,402	-	8.1820%	22,079,544			6.2010%

Summary		Total Juris.
8	Sales of Electricity	3,974,909
9	Other Operating Revenues	200,116
10	Total Operating Revenues	4,175,025
Expenses		
11	Operating and Maintenance Expenses	1,810,193
12	Depreciation and Amortization	1,139,655
13	Taxes Other Than Income Taxes	393,042
14	Amortization of Property Losses	(697)
15	Gain or Loss on Sale of Plant	(951)
16	Total Expenses before Income Taxes	3,341,242
17	Net Operating income before taxes	833,783
18	Less Taxes	179,815
19	Net Operating Income after taxes	653,968
Rate Base		
20	Plant in Service	29,599,964
21	Accumulated Depreciation	(13,306,981)
22	Net Plant in Service	16,292,983
23	Plant Held for Future Use	71,453
24	Construction Work in Progress	772,484
25	Net Nuclear Fuel	408,125
26	Working Capital-assets	3,473,468
27	Working Capital-liabilities	(3,138,102)
28	Total Rate Base	17,880,411
29	Return on Rate Base	3.66%
30	Proposed Return on Rate Base	6.20%
31	Deficiency at Proposed Return	454,796
32	Revenue Expansion Factor	1.63256
33	Revenue Deficiency at Proposed Return	742,480
34	Less Increase in Miscellaneous Service Fees	76,367
35	Revenue Deficiency to be collected from Sales Revenues	666,113
36	Revenue Deficiency per Base Case [1]	1,230,014
37	Revenue Impact of Adjustments	(563,901)

NOTES:

[1] The revenue deficiency per Schedule E-1 is \$1,229,876. This number was adjusted to remove rounding differences between Exhibit __ (SLB-2) and FPL's Schedule E-1.

Florida Power & Light Company
 Revenue Impact of OPC's Consolidated Adjustments - 2010

Line	Cost Of Capital	Jurisdictional	Cost Rate	Weighted Cost Rate - FPL Base	Jurisdictional	Adjustment	Adj Jurisdictional	Ratio	Cost Rate	Weighted Cost Rate
1	Long Term Debt	5,377,787	5.55%	1.7476%	6,991,554	-	6,991,554	33.51%	5.14%	1.7227%
2	Customer Deposits	564,652	5.98%	0.1979%	626,383	-	626,383	3.00%	5.98%	0.1796%
3	Common Equity	8,178,980	12.50%	5.9915%	9,103,999	-	9,103,999	43.64%	9.50%	4.1459%
4	Short Term Debt	161,857	2.96%	0.0281%	629,647	-	629,647	3.02%	2.27%	0.0685%
5	Deferred Inc Tax	2,723,327	0.00%	0.0000%	3,351,931	93,598	3,445,529	16.52%	0.00%	0.0000%
6	ITC	56,983	9.74%	0.0325%	63,939	-	63,939	0.31%	7.41%	0.0227%
7	Total	17,063,586		7.9980%	20,767,453	93,598	20,861,051			6.1390%

Summary		Total Jurisdiction - FPL Base	Total Jurisdiction - OPC Adj	OPC Adjustments
8	Sales of Electricity	3,920,872	3,967,372	46,500
9	Other Operating Revenues	193,854	160,247	(33,607)
10	Total Operating Revenues	4,114,726	4,127,619	12,893
Expenses				
11	Operating and Maintenance Expenses	1,721,872	1,508,973	(212,899)
12	Depreciation and Amortization	1,075,371	513,606	(561,765)
13	Taxes Other Than Income Taxes	350,371	350,220	(151)
14	Amortization of Property Losses	(1,107)	(1,107)	-
15	Gain or Loss on Sale of Plant	(1,002)	(1,002)	-
16	Total Expenses before Income Taxes	3,145,505	2,370,690	(774,815)
17	Net Operating income before taxes	969,221	1,756,929	787,708
18	Less Taxes	243,337	548,946	305,608
19	Net Operating Income after taxes	725,884	1,207,984	482,100
Rate Base				
20	Plant in Service	28,288,078	27,918,324	(369,754)
21	Accumulated Depreciation	(12,590,520)	(12,177,112)	413,408
22	Net Plant in Service	15,697,558	15,741,212	43,654
23	Plant Held for Future Use	74,503	70,461	(4,042)
24	Construction Work in Progress	707,531	692,887	(14,644)
25	Net Nuclear Fuel	374,733	374,801	68
26	Working Capital-assets	3,393,194	3,386,618	(6,576)
27	Working Capital-liabilities	(3,183,925)	(3,219,016)	(35,091)
28	Total Rate Base	17,063,594	17,046,963	(16,631)
29	Return on Rate Base	4.25%	7.09%	
30	Proposed Return on Rate Base	8.00%	6.14%	
31	Deficiency at Proposed Return	638,862	(161,471)	(800,333)
32	Revenue Expansion Factor	1.63342	1.63093	
33	Revenue Deficiency at Proposed Return	1,043,533	(263,347)	(1,306,881)
34	Less Increase in Miscellaneous Service Fees	75,328	100,352	25,024
35	Revenue Deficiency to be collected from Sales Revenues	968,205	(363,699)	(1,331,905)
36	Revenue Deficiency per Base Case	968,207	968,207	
37	Revenue Impact of Adjustments	(2)	(1,331,906)	(1,331,905)

FLORIDA PUBLIC SERVICE COMMISSION
 DOCKET NO. 080677-EI & 090130-EI EXHIBIT 248
 COMPANY Office of Public Counsel (OPC) (Direct)
 WITNESS Sheree L. Brown (SLB-26) (Revised)
 DATE 09/02/09

Florida Power & Light Company
 Revenue Impact of OPC's Consolidated Adjustments - 2011

Line	Cost Of Capital	Jurisdictional	Cost Rate	Weighted Cost Rate - FPL Base	Jurisdictional	Adjustment	Adj Jurisdictional	Ratio	Cost Rate	Weighted Cost Rate
1	Long Term Debt	5,888,206	5.81%	1.9133%	7,670,689	-	7,670,689	34.25%	5.14%	1.7602%
2	Customer Deposits	558,660	5.98%	0.1869%	656,855	-	656,855	2.93%	5.98%	0.1754%
3	Common Equity	8,547,017	12.50%	5.9751%	9,559,882	-	9,559,882	42.68%	9.50%	4.0545%
4	Short Term Debt	70,127	4.61%	0.0181%	582,762	-	582,762	2.60%	2.27%	0.0591%
5	Deferred Inc Tax	2,655,102	0.00%	0.0000%	3,417,608	319,741	3,737,349	16.69%	0.00%	0.0000%
6	ITC	161,290	9.77%	0.0881%	191,748	-	191,748	0.86%	7.40%	0.0633%
7	Total	17,880,402		8.1820%	22,079,544	319,741	22,399,285			6.1130%

Summary		Total Jurisdiction - FPL Base	Total Jurisdiction - OPC Adj	OPC Adjustments
8	Sales of Electricity	3,974,909	4,015,260	40,351
9	Other Operating Revenues	200,116	165,482	(34,634)
10	Total Operating Revenues	4,175,025	4,180,742	5,717
Expenses				
11	Operating and Maintenance Expenses	1,810,193	1,595,694	(214,499)
12	Depreciation and Amortization	1,139,655	570,447	(569,208)
13	Taxes Other Than Income Taxes	393,042	392,891	(151)
14	Amortization of Property Losses	(697)	(698)	(1)
15	Gain or Loss on Sale of Plant	(951)	(951)	-
16	Total Expenses before Income Taxes	3,341,242	2,557,383	(783,859)
17	Net Operating income before taxes	833,783	1,623,359	789,576
18	Less Taxes	171,014	479,319	308,305
19	Net Operating Income after taxes	662,769	1,144,040	481,271
Rate Base				
20	Plant in Service	29,599,964	29,671,709	71,745
21	Accumulated Depreciation	(13,306,981)	(12,318,092)	988,889
22	Net Plant In Service	16,292,983	17,353,617	1,060,634
23	Plant Held for Future Use	71,453	67,750	(3,703)
24	Construction Work in Progress	772,484	750,265	(22,219)
25	Net Nuclear Fuel	408,125	408,196	71
26	Working Capital-assets	3,473,468	3,466,759	(6,709)
27	Working Capital-liabilities	(3,138,102)	(3,159,745)	(21,643)
28	Total Rate Base	17,880,411	18,886,842	1,006,431
29	Return on Rate Base	3.71%	6.06%	
30	Proposed Return on Rate Base	8.18%	6.11%	
31	Deficiency at Proposed Return	800,206	10,513	(789,693)
32	Revenue Expansion Factor	1.63256	1.63034	
33	Revenue Deficiency at Proposed Return	1,306,381	17,139	(1,289,242)
34	Less Increase in Miscellaneous Service Fees	76,367	102,402	26,035
35	Revenue Deficiency to be collected from Sales Revenues	1,230,014	(85,263)	(1,315,277)
36	Revenue Deficiency per Base Case [1]	1,230,014	1,230,014	
37	Revenue Impact of Adjustments	0	(1,315,277)	(1,315,277)

NOTES:

[1] The revenue deficiency per Schedule E-1 is \$1,229,876. This number was adjusted to remove rounding differences between Exhibit __ (SLB-2) and FPL's Schedule E-1.

DANIEL J. LAWTON
LAWTON CONSULTING
B.A. ECONOMICS, MERRIMACK COLLEGE
M.A. ECONOMICS, TUFTS UNIVERSITY

Prior to beginning his own consulting practice Diversified Utility Consultants, Inc., in 1986 where he practiced as a firm principal through December 31, 2005, Mr. Lawton had been in the utility consulting business with a national engineering and consulting firm. In addition, Mr. Lawton has been employed as a senior analyst and statistical analyst with the Department of Public Service in Minnesota. Prior to Mr. Lawton's involvement in utility regulation and consulting he taught economics, econometrics, statistics and computer science at Doane College.

Mr. Lawton has conducted numerous financial and cost of capital studies on electric, gas and telephone utilities for various interveners before local, state and federal regulatory bodies. In addition, Mr. Lawton has provided studies, analyses, and expert testimony on statistics, econometrics, account, forecasting, and cost of service issues. Other projects in which Mr. Lawton has been involved include rate design and analyses, prudence analyses, fuel cost reviews and regulatory policy issues for electric, gas and telephone utilities. Mr. Lawton has developed software systems, databases and management systems for cost of service analyses.

In addition, Mr. Lawton has developed and reviewed numerous forecasts of energy and demand used for utility generation expansion studies as well as municipal financing. Mr. Lawton has represented numerous municipalities as a negotiator in utility related matters. Such negotiations ranges from the settlement of electric rate cases to the negotiation of provisions in purchase power contracts.

A list of cases in which Mr. Lawton has provided testimony is attached.

UTILITY RATE PROCEEDINGS IN WHICH TESTIMONY HAS BEEN PRESENTED BY DANIEL J. LAWTON

JURISDICTION/COMPANY	DOCKET NO.	TESTIMONY TOPIC
ALASKA REGULATORY COMMISSION		
Beluga Pipe Line Company	P-04-81	Cost of Capital

FEDERAL ENERGY REGULATORY COMMISSION		
Alabama Power Company	ER83-369-000	Cost of Capital
Arizona Public Service Company	ER84-450-000	Cost of Capital
Florida Power & Light	EL83-24-000	Cost Allocation, Rate Design
Florida Power & Light	ER84-379-000	Cost of Capital, Rate Design, Cost of Service
Southern California Edison	ER82-427-000	Forecasting

LOUISIANA PUBLIC SERVICE COMMISSION		
Louisiana Power & Light	U-15684	Cost of Capital, Depreciation
Louisiana Power & Light	U-16518	Interim Rate Relief
Louisiana Power & Light	U-16945	Nuclear Prudence, Cost of Service

MINNESOTA PUBLIC UTILITIES COMMISSION		
Continental Telephone	P407/GR-81-700	Cost of Capital
Interstate Power Co.	E001/GR-81-345	Financial
Montana Dakota Utilities	G009/GR-81-448	Financial, Cost of Capital

New ULM Telephone Company	P419/GR81767	Financial
Norman County Telephone	P420/GR-81-230	Rate Design, Cost of Capital
Northern States Power	G002/GR80556	Statistical Forecasting, Cost of Capital
Northwestern Bell	P421/GR80911	Rate Design, Forecasting

FLORIDA PUBLIC SERVICE COMMISSION		
Progress Energy	070052-EI	Cost Recovery

NORTH CAROLINA UTILITIES COMMISSION		
North Carolina Natural Gas	G-21, Sub 235	Forecasting, Cost of Capital, Cost of Service

OKLAHOMA PUBLIC SERVICE COMMISSION		
Arkansas Oklahoma Gas Corporation	200300088	Cost of Capital
Public Service Company of Oklahoma	200600285	Cost of Capital
Public Service Company of Oklahoma	200800144	Cost of Capital

PUBLIC SERVICE COMMISSION OF INDIANA		
Kokomo Gas & Fuel Company	38096	Cost of Capital

PUBLIC UTILITY COMMISSION OF NEVADA		
Nevada Bell	99-9017	Cost of Capital
Nevada Power Company	99-4005	Cost of Capital
Sierra Pacific Power Company	99-4002	Cost of Capital

PUBLIC SERVICE COMMISSION OF UTAH		
PacifiCorp	04-035-42	Cost of Capital
Rocky Mountain Power	08-035-38	Cost of Capital

SOUTH CAROLINA PUBLIC SERVICE COMMISSION		
Piedmont Municipal Power	82-352-E	Forecasting

PUBLIC UTILITY COMMISSION OF TEXAS		
Central Power & Light Company	6375	Cost of Capital, Financial Integrity
Central Power & Light Company	9561	Cost of Capital, Revenue Requirements
Central Power & Light Company	7560	Deferred Accounting
Central Power & Light Company	8646	Rate Design, Excess Capacity
Central Power & Light Company	12820	STP Adj. Cost of Capital, Post Test-year adjustments, Rate Case Expenses
Central Power & Light Company	14965	Salary & Wage Exp., Self-Ins. Reserve, Plant Held for Future use, Post Test Year Adjustments, Demand Side Management, Rate Case Exp.
Central Power & Light Company	21528	Securitization of Regulatory Assets
El Paso Electric Company	9945	Cost of Capital, Revenue Requirements, Decommissioning Funding

El Paso Electric Company	12700	Cost of Capital, Rate Moderation Plan, CWIP, Rate Case Expenses
Entergy Gulf States Incorporated	16705	Cost of Service, Rate Base, Revenues, Cost of Capital, Quality of Service
Entergy Gulf States Incorporated	21111	Cost Allocation
Entergy Gulf States Incorporated	21984	Unbundling
Entergy Gulf States Incorporated	22344	Capital Structure
Entergy Gulf States Incorporated	22356	Unbundling
Entergy Gulf States Incorporated	24336	Price to Beat
Gulf States Utilities Company	5560	Cost of Service
Gulf States Utilities Company	6525	Cost of Capital, Financial Integrity
Gulf States Utilities Company	6755/7195	Cost of Service, Cost of Capital, Excess Capacity
Gulf States Utilities Company	8702	Deferred Accounting, Cost of Capital, Cost of Service
Gulf States Utilities Company	10894	Affiliate Transaction
Gulf States Utilities Company	11793	Section 63, Affiliate Transaction
Gulf States Utilities Company	12852	Deferred acctng., self-ins. reserve, contra AFUDC adj., River Bend Plant specifically assignable to Louisiana, River Bend Decomm., Cost of Capital, Financial Integrity, Cost of Service, Rate Case Expenses
GTE Southwest, Inc.	15332	Rate Case Expenses
Houston Lighting & Power	6765	Forecasting
Houston Lighting & Power	18465	Stranded costs
Lower Colorado River Authority	8400	Debt Service Coverage, Rate Design
Southwestern Electric Power Company	5301	Cost of Service

Southwestern Electric Power Company	4628	Rate Design, Financial Forecasting
Southwestern Electric Power Company	24449	Price to Beat Fuel Factor
Southwestern Bell Telephone Company	8585	Yellow Pages
Southwestern Bell Telephone Company	18509	Rate Group Re-Classification
Southwestern Public Service Company	13456	Interruptible Rates
Southwestern Public Service Company	11520	Cost of Capital
Southwestern Public Service Company	14174	Fuel Reconciliation
Southwestern Public Service Company	14499	TUCO Acquisition
Southwestern Public Service Company	19512	Fuel Reconciliation
Texas-New Mexico Power Company	9491	Cost of Capital, Revenue Requirements, Prudence
Texas-New Mexico Power Company	10200	Prudence
Texas-New Mexico Power Company	17751	Rate Case Expenses
Texas-New Mexico Power Company	21112	Acquisition risks/merger benefits
Texas Utilities Electric Company	9300	Cost of Service, Cost of Capital
Texas Utilities Electric Company	11735	Revenue Requirements
TXU Electric Company	21527	Securitization of Regulatory Assets
West Texas Utilities Company	7510	Cost of Capital, Cost of Service
West Texas Utilities Company	13369	Rate Design

RAILROAD COMMISSION OF TEXAS		
Energas Company	5793	Cost of Capital
Energas Company	8205	Cost of Capital
Energas Company	9002-9135	Cost of Capital, Revenues, Allocation
Lone Star Gas Company	8664	Rate Design, Cost of Capital, Accumulated Depr. & DFIT, Rate Case Exp.
Lone Star Gas Company- Transmission	8935	Implementation of Billing Cycle Adjustment
Southern Union Gas Company	6968	Rate Relief
Southern Union Gas Company	8878	Test Year Revenues, Joint and Common Costs
Texas Gas Service Company	9465	Cost of Capital, Cost of Service, Allocation
TXU Lone Star Pipeline	8976	Cost of Capital, Capital Structure
TXU-Gas Distribution	9145-9151	Cost of Capital, Transport Fee, Cost Allocation, Adjustment Clause
TXU-Gas Distribution	9400	Cost of Service, Allocation, Rate Base, Cost of Capital, Rate Design
Westar Transmission Company	4892/5168	Cost of Capital, Cost of Service
Westar Transmission Company	5787	Cost of Capital, Revenue Requirement

TEXAS WATER COMMISSION		
Southern Utilities Company	7371-R	Cost of Capital, Cost of Service

SCOTTSBLUFF, NEBRASKA CITY COUNCIL		
K. N. Energy, Inc.		Cost of Capital

HOUSTON CITY COUNCIL		
Houston Lighting & Power Company		Forecasting

PUBLIC UTILITY REGULATION BOARD OF EL PASO, TEXAS		
Southern Union Gas Company		Cost of Capital

DISTRICT COURT CAMERON COUNTY, TEXAS		
City of San Benito, et. al. vs. PGE Gas Transmission et. al.	96-12-7404	Fairness Hearing

DISTRICT COURT HARRIS COUNTY, TEXAS		
City of Wharton, et al vs. Houston Lighting & Power	96-016613	Franchise fees

DISTRICT COURT TRAVIS COUNTY, TEXAS		
City of Round Rock, et al vs. Railroad Commission of Texas et al	GV 304,700	Mandamus

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 250

COMPANY Office of Public Counsel (OPC)

WITNESS Daniel J. Lawton (DJL-2)

DATE 08/31/09

EXAMPLES OF COSTS SUBJECT TO SPECIAL RECOVERY

APPROVED BY THE FLORIDA PUBLIC SERVICE COMMISSION

LINE NO.	(COLUMN 1) DATE	(COLUMN 2) DOCKET/ORDER NO.	(COLUMN 3) COMPANY	(COLUMN 4) COSTS SUBJECT TO SPECIAL RECOVERY	(COLUMN 5) RECOVERY TERMS
1	06-17-83	12148	United Telephone Company of Florida	Attrition Allowance	\$1,029,190 excess attrition allowance collections credited to depreciation reserve
2	07-22-83	12290	Southern Bell Telephone and Telegraph Company	Depreciation Reserve Deficiency and Near-Term Retirements	\$123,000,000 depreciation reserve deficiency amortized over 5 years; \$99,564,000 near-term retirements amortized over 3 years.
3	11-03-83	12654	Central Telephone Company	Depreciation Reserve Deficiency and Near-Term Retirements	\$9.1 million depreciation reserve deficiency amortized over 5 years; \$13 million near-term retirements amortized over 1 to 5 years
4	08-27-84	13624	United Telephone Company of Florida	Central Office Equipment	\$8,650,000 of 1984 excess earnings credited to depreciation reserve
5	12-31-84	13951	Central Telephone Company	Central Office Equipment and Station Connections	\$16,223,000 of 1984 excess earnings credited to depreciation reserve
6	06-19-86	16257	Southern Bell Telephone and Telegraph Company; General Telephone Company, et al	JDIC Interest Synchronization Revenue Requirements	\$48 million of over-collections credited to reserves for depreciation

EXCESS DEPRECIATION RESERVE
BY OPERATING FUNCTION

LINE NO.	FUNCTION	AMOUNT
1	Steam	\$410,110,174
2	Nuclear	377,507,259
3	Combined Cycle	25,944,710
4	Gas Turbine	28,027,786
5	Transmission	<15,637,436>
6	Distribution	340,529,349
7	General	78,878,573
8	Total	\$1,245,360,415

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 251
COMPANY Office of Public Counsel (OPC)
WITNESS Daniel J. Lawton (DJL-3)
DATE 08/31/09

**ESIMATE OF CASH FLOW IMPACT
OF CORRECTING EXCESS DEPRECIATION RESERVE**

LINE NO.	DESCRIPTION	AMOUNT
1	Expense Reduction	\$311,340,104
2	Rate Base Increase	\$155,670,052 ¹
3	Requested RoR	8.0% ²
4	Return Increase	\$12,453,604 ³
5	Tax Expansion Factor	1.63342 ⁴
6	Increase Revenue Requirement	\$20,341,967 ⁵
7	Revenue Requirement Impact / Cash Flow	\$290,998,138 ⁶

¹ Line 1 divided by 2, average rate base impact

² Schedule A-1

³ Line 3 times Line 2

⁴ Schedule C-44

⁵ Line 5 times Line 4

⁶ Line 6 Less Line 1

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 252

COMPANY Office of Public Counsel (OPC)

WITNESS Daniel J. Lawton (DJL-4)

DATE 08/31/09

FPL CASH FLOW PER RATE REQUEST
TEST YEAR ENDING DECEMBER 31, 2010

LINE NO.	DESCRIPTION	AMOUNT (000'S)
1	Net Operating Income	\$1,364,746 ¹
2	Depreciation & Amortization	\$1,075,373 ²
3	Income Taxes	\$644,545 ³
4	Cash Flow Before Tax	\$3,084,666
5	Cash Flow After Current Income Tax	\$2,611,420

¹ Company Schedule A-1

² MFR E-1, Attachment 2 of 3, Page 1 of 2

³ Id. Deferred Income Tax is estimated at \$171,299

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 253

COMPANY Office of Public Counsel (OPC)

WITNESS Daniel J. Lawton (DJL-5)

DATE 08/31/09

**FPL FINANCIAL METRICS PER RATE REQUEST
AND ADJUSTED FOR EXCESS DEPRECIATION RESERVE**

LINE NO	DESCRIPTION	FPL REQUESTED AMOUNT	MFR SOURCES	CORRECTED DEPREC. RESERVE	
1	RATE BASE	\$17,063,586	B-1	\$17,063,586	
2	RATE OF RETURN	8.00%	D-1A	8.00%	
3	REQUESTED RETURN	\$1,364,748	1*3	\$1,364,748	
4	CURRENT INCOME	\$725,883	C-1	\$725,883	
5	CLAIMED DEFICIENCY	\$638,865	3-4	\$638,865	
6	TAX EXPANSION FACTOR	1.63342	C-44	1.63342	
7	REQUESTED INCREASE	\$1,043,535	5*6	\$1,043,535	
8	DEPRECIATION& AMORTIZATION				
9		\$1,075,373	E-1	\$784,375	
10	INCOME TAXES	\$644,545	E-1	\$644,545	
11	CASH FLOW BEFORE FIT	\$3,084,666	SUM LINES 3,9,10	\$2,793,668	
12	CASH FLOW W/O FIT	\$2,440,121	SUM LINES 3,9	\$2,149,123	
13					
14	INTEREST	\$362,457	C-23	\$362,457	
15	DEBT	\$5,377,787	D-1A	\$5,377,787	
16	ADJUSTED DEBT	\$6,327,047	EX. AP-7	\$6,327,047	S&P GUIDELINES
17	PRE-TAX METRICS				MEDIUM A RATING
18	CFO (EBITA) INTEREST X	8.51	LN11/LN14	7.71	3.0-4.5
19	CFO (EBITA) DEBT	57.36%	LN11/LN15	51.95%	25%-45%
20	CFO (EBITA) ADJUSTED DEBT	48.75%	LN11/LN16	44.15%	25%-45%
21	DEBT PERCENTAGE	43.10%	EX AP-7	43.10%	35%-50%
22					S&P GUIDELINES
23	AFTER TAX METRICS				MEDIUM A RATING
24	CFO (EBITA) INTEREST X	6.73	LN12/LN14	5.93	3.0-4.5
25	CFO (EBITA) DEBT	45.37%	LN12/LN15	39.96%	25%-45%
26	CFO (EBITA) ADJUSTED DEBT	38.57%	LN12/LN16	33.97%	25%-45%
27	DEBT PERCENTAGE	43.10%	EX AP-7	43.10%	35%-50%

		4 Year Amortization
1	4 Year Amortization	
2	Annual Amortization	\$311,340,104
3	Rate Base Impact	\$155,670,052
4	Return	\$12,453,604
5	GrossUp	\$20,341,966
6	Added Rev. Requirement	
7	Net Cash Flow Impact	\$290,998,138

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET No. 080677-EI & 090130-EI EXHIBIT 254
COMPANY Office of Public Counsel (OPC)
WITNESS Daniel J. Lawton (DJL-6)
DATE 08/31/09

KEY UTILITY FINANCIAL RATIOS

	Bond Rating		
DESCRIPTION	AA	A	BBB
EBIT interest coverage (x)	4.2	3.4	2.8
Total Debt/Capital (%)	51.7	55.9	58.8
Funds from Operations interest coverage	5.1	4.0	3.5
Funds from operations / total debt	35.5	23.8	20.4

Where:

- 1) EBIT interest coverage =

$$\frac{\text{earnings from operations before interest and taxes}}{\text{gross interest less (capitalized interest + interest income)}}$$

- *EBITA interest coverage =

$$\frac{\text{Earnings from operations before interest, tax, depreciation, amortization}}{\text{gross interest less (capitalized interest + interest income)}}$$

- 2) Total Debt / Capital =

$$\frac{\text{Long-term debt + debt equivalents}}{\text{Total capital (debt, preferred, equity)}}$$

- 3) Funds from operation interest coverage =

$$\frac{\text{Net income from operations + (depreciation, amortization, deferred tax)}}{\text{Gross interest – (capitalized interest + interest income)}}$$

Russell L. Klepper
Summary of Professional Credentials

Energy Services Group, LLC
770-751-8379

Mr. Klepper is a founder and principal of Energy Services Group, LLC, a utility and energy consulting services firm established in 1998. In 1984, Mr. Klepper established Rawson, Klepper & Company, the predecessor to ESG. With a strong academic background and more than thirty-two years of experience as a utility practitioner and consultant, Mr. Klepper specializes in the areas of energy economics, utility expenditure planning and cost control, ratemaking, negotiation of contracts for energy and energy transportation, and strategic analysis, planning and decision making in a regulated or transitory energy environment.

PROFESSIONAL INTERESTS

Mr. Klepper prepares and presents public and in-house seminars, serves as an expert witness on energy related economic and regulatory issues, and advises large energy consumers, regulatory intervention groups, trade associations, public policy foundations and other energy industry participants on matters related to analysis of capital expenditure alternatives, acquisition and allocation of capital, strategic, financial, and integrated resource planning, and determination of revenue requirements and rate structuring in an increasingly competitive energy industry. He is a noted writer and speaker in the areas of privatization of utility operations and the impacts arising from federal participation in the electric industry.

In addition, Mr. Klepper has prepared and presented reports on topics such as Strategic Issues in Utility Planning, Utility Service Obligations in a Changing Environment, Competition within the Utility Industry, Co-Ownership of Utility Assets, Resource Recovery and Waste Utilization, Cogeneration and Independent Power Production, Transmission Access and Pricing, Determination of Costs in Railroad Ratemaking, and Fuel Acquisition and Transportation.

PROFESSIONAL ACTIVITIES

Instructor of Economics and Money and Banking, American Institute of Banking, 1974-75.

Expert Witness on Financial and Regulatory Matters.

- ◆ Interstate Commerce Commission, 1979-81.
- ◆ Utah Public Service Commission, 1985-86.
- ◆ Kentucky Public Service Commission, 1993-98, 2000-2001, 2003.
- ◆ Florida Public Service Commission, 1994, 1996-1997.
- ◆ Georgia Public Service Commission, 2004.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 255
COMPANY FL Assoc. for Fairness in Ratemaking (Direct)
WITNESS Russell L. Klepper (RLK-1)
DATE 09/03/09

Russell L. Klepper

Energy Services Group, LLC

Summary of Professional Credentials

770-751-8379

Southeastern Electric Exchange. Member, Finance Committee, 1982-83.

Financial Management Association. Industry Reviewer of utility related presentations. 1983 Southeastern Conference.

Edison Electric Institute. Member, Committee on Electric Power Ownership Alternatives, 1983-84. Presenter of "A Strategic View of the 1990s" to EEI Strategic Planning Committee, 1989.

Southeastern Regional Public Utilities Conference. Presenter of "A Viewpoint on Utility Privatization". 1990.

The Management Exchange, Inc., faculty member, 1982-92.

- ◆ Co-Developer and Co-Presenter of national seminar "Capital Expenditure Analysis for Utilities."
- ◆ Developer and Presenter of national seminar "Financial Planning for Utilities."

Energy Bureau. Presenter of "Evaluating Financing Techniques." Conference on "Utility Financing for a Beleaguered Industry." 1984.

Public Utility Reports. Conference Moderator and Discussion Group Leader. "Managing Utilities in a Changing Environment." 1984.

The World Bank

- ◆ Consulting Member of the Power Section Mission to PLN, the National Electric Utility of the Republic of Indonesia, specializing in utility financial and strategic planning. 1987.
- ◆ Developer and Presenter of internal seminar "Financial Planning and Analysis for Underdeveloped Countries." 1989.
- ◆ Developer and Presenter of materials for "Seminar on Energy Policy and the Environment", presented in Ethiopia in collaboration with the United Nations Economic Commission for Africa and in Egypt in collaboration with the Organization of Energy Planning. 1992.

United States Energy Association. Developer and Presenter of Materials at "Seminar on Natural Monopolies: Regulation, Structure and Pricing Decisions", a conference conducted in Vienna, Austria, for electric utility executives from Hungary, Poland, and the Czech and Slovak Republics. Jointly sponsored by the World Bank and the U.S. Agency for International Development. 1992.

The Cato Institute and the Institute for Energy Research. Presenter of "Federal Participation in the Electric Industry; A Review and Assessment of the Implications Upon Industry Restructuring". Conference on "New Horizons in Electric Power Deregulation". 1995.

Russell L. Klepper
Summary of Professional Credentials

Energy Services Group, LLC
770-751-8379

National Rural Utilities Cooperative Finance Corporation. Presenter of "Federal Participation in the Electric Industry; A Focus on the Rural Utilities Service". Cooperative Financing Forum. 1995.

The World Research Group. Presenter of "The Impact of Federal Participation in the Power Industry". Conference on "Public Power in a Restructured Electric Industry". 1995.

Kentucky Industrial Utility Customers, Inc. Presenter of "Economic Underpinnings to the Changing Regulatory Environment". Annual Conference. 1996.

MONOGRAPHS

The Utah Transmission Proceeding: Public vs. Private Ownership - A Case Study. Prepared under contract with the Economics Division of the Edison Electric Institute. 1987.

Privatization: An Overview of Worldwide Experience with Implications for the Electric Utility Industry in the United States. Prepared under contract with the Public Policy Analysis Division of the Edison Electric Institute. 1988-89.

Discussion of Considerations and Recommendations for Appropriate Methodologies for Determining the Cost of Equity Capital for Independent Telephone Systems. Co-authored with Roger A. Morin. Prepared under contract with the Ontario Telephone Service Commission. 1989.

Review and Assessment of Recent Executive Branch Initiatives with Ownership Implications for the Electric Utility Industry in the United States. Prepared under contract with the Bulk Power Policy Group of the Edison Electric Institute. 1993.

An Overview of the Bonneville Power Administration: Its Purpose, Performance, and Prospects. Prepared under contract with the Bulk Power Policy Group of the Edison Electric Institute. 1994.

Federal Participation in the Electric Industry; A Review and Assessment of the Implications Upon Industry Restructuring. Prepared for publication of proceedings on "New Horizons in Electric Power Deregulation", a conference cosponsored by the Cato Institute and the Institute for Energy Research. 1995.

Russell L. Klepper
Summary of Professional Credentials

Energy Services Group, LLC
770-751-8379

EDUCATIONAL HISTORY

Bachelor of Science in Business Administration,
Major in Economics, University of Florida, 1971.

Master of Business Administration, Major in Finance,
University of Florida, 1972.

Master of Professional Accountancy,
Georgia State University, 1980.

Member, MBA Advisory Board, Warrington College of Business Administration, University of
Florida, 1995 to 2001.

EMPLOYMENT HISTORY

First National Bank of Florida in Tampa, Investment Division.
Employed 1972. Assistant Cashier 1973-74. Assistant Vice President 1974-76.
Exercised responsibilities for liabilities, portfolio management, analysis of bank operations, and
pricing of deposit related bank services.

Georgia Power Company, Corporate Finance Department.
Financial Analyst 1977-81. Financial Services Manager 1981-84.
Participated in the financial planning process, special financial projects, and the development and
preparation of rate filings. Later directed the evaluation of capital expenditure alternatives, managed
the administration of the portfolio of outstanding capital instruments, and coordinated the financial,
regulatory, legal and marketing aspects of raising over \$1.2 billion in capital through the issuance of
preferred stock, first mortgage and pollution control bonds, and other debt instruments.

Section 1. Overview of Florida's Electricity Market

1.1 Energy Demand in Florida

Understanding customer electrical demand in Florida is essential to comprehending the importance of conservation. Florida's electrical demand and energy usage patterns are somewhat unique because the state's customer base is heavily weighted toward residential customers, due in part to high air-conditioning use during hot summer months and widespread use of electricity for home heating during winter months. Table 1 illustrates that residential customers make up nearly 89 percent of Florida's electricity customers. These customers purchase about 52 percent of the state's total electrical energy. Florida's commercial electrical energy usage is approximately 37 percent, while industrial customers account for the balance of 10 percent of total Florida energy sales.

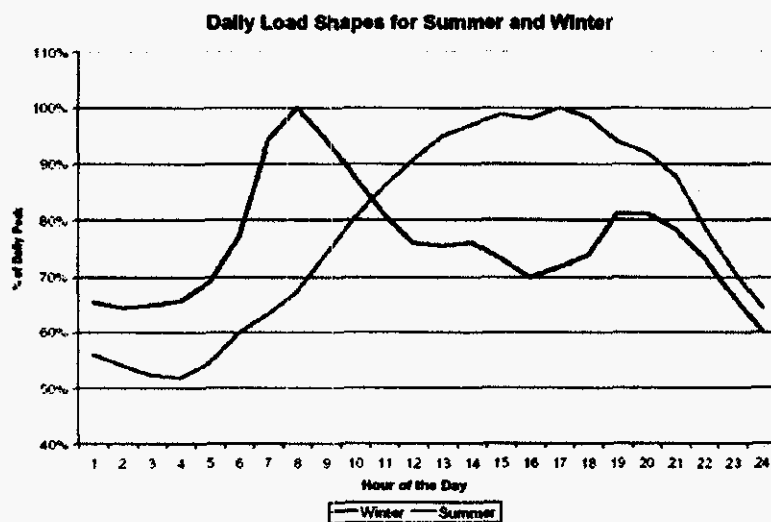
Table 1. Florida's Electric Customers by Class and Consumption in 2007

Customer Class	Number of Customers	% of Customers	Energy Sales (gigawatt-hours)	% of Sales
Residential	8,318,132	88.6	116,132	52.3
Commercial	1,029,331	11.0	82,758	37.3
Industrial	35,733	0.4	23,107	10.4
Total	9,383,196	100.0	221,997	100.0

Florida's warm and humid climate has a profound effect on residential electric usage. A typical residential customer's electrical usage varies more throughout the day than a commercial customer's usage and shows more pronounced peaks in the early evening in the summer and in the mid-morning and late evening in the winter. Electric energy usage in the industrial sector, however, is more uniform throughout the day. Compared to a state with a higher proportion of industrial customers, the summer and winter peak demands in Florida are more pronounced due to the patterns of energy use by residential customers.

Figure 1 depicts the daily load shape curves for typical summer and winter days in Florida. In the summer, customer demand begins to climb in the morning and peaks in the early evening, a pattern which corresponds to the sun heating buildings and the resulting air conditioning loads. In contrast, the winter load curve has two peaks, the largest in mid-morning, followed by a smaller peak in the late evening. Both correspond to heating loads.

Figure 1. Typical Florida Daily Electric Load Shapes



Historically, Florida's electric demand has been highest in the summer. In 2007, peak electric demand reached 49,391 megawatts (MW) in the summer and 44,240 MW in the winter. In 2017, Florida's peak electric demand is projected to increase to 57,305 MW in the summer and 58,953 MW in the winter, indicating a reversal of the historic trends.

Appendix A
Testimony Filed in Regulatory Proceedings
by Jeffry Pollock

PROJECT	UTILITY	ON BEHALF OF	Docket	TYPE	Regulatory Jurisdiction	Subject	DATE
6391	HOUSTON LIGHTING & POWER COMPANY	Grace, W.R. & Company	13988	Rebuttal	TX	Rate Design	8/1/1995
6353	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	14174	Direct	TX	Costing of Off-System Sales	8/1/1995
6157	WEST TEXAS UTILITIES COMPANY	Texas Industrial Energy Consumers	13369	Rebuttal	TX	Cancellation Term	8/1/1995
6391	HOUSTON LIGHTING & POWER COMPANY	Grace, W.R. & Company	13988	Direct	TX	Rate Design	7/1/1995
6157	WEST TEXAS UTILITIES COMPANY	Texas Industrial Energy Consumers	13369	Direct	TX	Cancellation Term	7/1/1995
6296	GEORGIA POWER COMPANY	Georgia Industrial Group	5601-U	Rebuttal	GA	EPACT Rate-Making Standards	5/1/1995
6296	GEORGIA POWER COMPANY	Georgia Industrial Group	5601-U	Direct	GA	EPACT Rate-Making Standards	5/1/1995
6278	COMMONWEALTH OF VIRGINIA	VCFUR/ODCFUR	PUE940067	Rebuttal	VA	Integrated Resource Planning	5/1/1995
6295	GEORGIA POWER COMPANY	Georgia Industrial Group	5600-U	Supplemental	GA	Cost of Service	4/1/1995
6063	PUBLIC SERVICE COMPANY OF COLORADO	Multiple intervenors	94I-430EG	Rebuttal	CO	Cost of Service	4/1/1995
6063	PUBLIC SERVICE COMPANY OF COLORADO	Multiple intervenors	94I-430EG	Reply	CO	DSM Rider	4/1/1995
6295	GEORGIA POWER COMPANY	Georgia Industrial Group	5600-U	Direct	GA	Interruptible Rate Design	3/1/1995
6278	COMMONWEALTH OF VIRGINIA	VCFUR/ODCFUR	PUE940067	Direct	VA	EPACT Rate-Making Standards	3/1/1995
6125	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	13456	Direct	TX	DSM Rider	3/1/1995
6235	TEXAS UTILITIES ELECTRIC COMPANY	Texas Industrial Energy Consumers	13575/13749	Direct	TX	Cost of Service	2/1/1995
6063	PUBLIC SERVICE COMPANY OF COLORADO	Multiple intervenors	94I-430EG	Answering	CO	Competition	2/1/1995
6061	HOUSTON LIGHTING & POWER COMPANY	Texas Industrial Energy Consumers	12065	Direct	TX	Rate Design	1/1/1995
6181	GULF STATES UTILITIES COMPANY	Texas Industrial Energy Consumers	12852	Direct	TX	Competitive Alignment Proposal	11/1/1994
6061	HOUSTON LIGHTING & POWER COMPANY	Texas Industrial Energy Consumers	12065	Direct	TX	Rate Design	11/1/1994
5929	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	12820	Direct	TX	Rate Design	10/1/1994
6107	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	12855	Direct	TX	Fuel Reconciliation	8/1/1994
6112	HOUSTON LIGHTING & POWER COMPANY	Texas Industrial Energy Consumers	12957	Direct	TX	Standby Rates	7/1/1994
5998	GULF POWER COMPANY	Misc. Group	931044-EI	Direct	FL	Standby Rates	7/1/1994
5998	GULF POWER COMPANY	Misc. Group	931044-EI	Rebuttal	FL	Competition	7/1/1994
6043	EL PASO ELECTRIC COMPANY	Phelps Dodge Corporation	12700	Direct	TX	Revenue Requirement	6/1/1994
6082	GEORGIA PUBLIC SERVICE COMMISSION	Georgia Industrial Group	4822-U	Direct	GA	Avoided Costs	5/1/1994
6075	GEORGIA POWER COMPANY	Georgia Industrial Group	4895-U	Direct	GA	FPC Certification Filing	4/1/1994
6025	MISSISSIPPI POWER & LIGHT COMPANY	MIEG	93-UA-0301	Comments	MS	Environmental Cost Recovery Clause	1/1/1994

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 257
COMPANY FL Industrial Power Users Group (FPIUG) (Direct)
WITNESS Jeffery Pollock (Appendix A)
DATE 09/02/09

Appendix A
Testimony Filed in Regulatory Proceedings
by Jeffry Pollock

PROJECT	UTILITY	ON BEHALF OF	Docket	TYPE	Regulatory Jurisdiction	Subject	DATE
5971	FLORIDA POWER & LIGHT COMPANY	Florida Industrial Power Users Group	940042-EI	Direct	FL	Section 712 Standards of 1992 EPACT	1/1/1994

FLORIDA POWER & LIGHT COMPANY
Estimated Impact of Revised Life Spans on
Depreciation Expense
Based on Original Cost of Electric Plant at December 31, 2009

Line	Plant Name	Year	FPL Proposed			Recommended			Reduction
		In-Service	Retirement	Life Span	Accrual	Retirement	Life Span	Accrual	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<u>Steam - Coal Plants</u>								
1	SJRPP	1987	2028	41	\$12,157,102	2042	55	\$7,638,408	\$4,518,696
2	Scherer	1989	2029	40	15,126,450	2044	55	9,162,053	5,964,397
3	Total Steam - Coal Plant				\$27,283,552			\$16,800,459	\$10,483,093
	<u>Combined Cycle Plants</u>								
4	Lauderdale	1993	2020	27	25,656,797	2028	35	16,440,754	9,216,043
5	Martin 8	2005	2030	25	21,027,815	2041	38	13,951,712	7,076,103
6	Martin	1994	2020	26	25,650,493	2029	35	15,603,918	10,046,575
7	Sanford 4	2002	2028	26	39,428,523	2037	35	26,291,768	13,136,755
8	Putnam	1977	2020	43	9,544,913	2020	43	9,544,913	0
9	Fort Myers	2002	2028	26	35,039,946	2037	35	24,020,992	11,018,954
10	Manatee	2005	2030	25	22,550,959	2040	35	15,485,344	7,065,615
11	Turkey Point	2007	2032	25	25,179,803	2042	35	18,167,920	7,011,883
12	West County Unit 1 and 2	2009	2034	25	66,656,882	2044	35	46,770,311	19,886,551
13	Total Combined Cycle				\$270,736,111			\$186,277,632	\$84,458,479
14	Total Existing Plants				\$298,019,663			\$203,078,091	\$94,941,572
	<u>Future Combined Cycle Plants</u>								
15	West County Unit 3	2011	2036	25	\$42,896,499	2046	35	\$30,098,666	\$12,797,833

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 258

COMPANY FL Industrial Power Users Group (FPIUG) (Direct)

WITNESS Jeffery Pollock (JP-1)

DATE 09/02/09

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 259

COMPANY FL Industrial Power Users Group (FPIUG)

WITNESS Jeffery Pollock (JP-2)

DATE 09/02/09

Table XIII

QUALITY MEASURES-UTILITY OPERATING COMPANIES

Line	Company	CAPITAL STRUCTURE RATIOS*																CredK Ratings		
		As of: 3/31/2009				As of: 12/31/2008				As of: 12/31/2007				As of: 12/31/2006				Moody's	Fitch Ratings	S&P
		LTD	STD	Pfkd	Com Equity	LTD	STD	Pfkd	Com Equity	LTD	STD	Pfkd	Com Equity	LTD	STD	Pfkd	Com Equity			
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)			
1	AEP Texas Central Company	78.6	5.3	0.2	15.9	77.6	7.2	0.2	15.0	82.1	4.3	0.2	13.5	85.7	2.3	0.2	11.8	Baa2	BBB	BBB
2	AEP Texas North Company	60.7	4.5	0.3	44.4	51.0	4.0	0.3	44.6	42.3	5.3	0.4	52.0	46.0	1.5	0.4	52.2	Baa2	BBB+	BBB
3	Alabama Power Company	51.2	2.1	5.7	40.9	49.1	2.4	6.0	42.5	na	na	na	na	43.3	8.2	6.4	42.1	A2	A	A
4	Appalachian Power Company	55.3	4.4	0.3	39.9	52.5	6.0	0.3	41.2	49.9	9.9	0.3	39.8	48.8	7.7	0.4	43.3	Baa2	BBB	BBB
5	Arizona Public Service Company	49.2	3.5	0.0	47.3	42.5	7.8	0.0	49.7	44.6	3.4	0.0	52.0	47.3	0.0	0.0	52.7	Baa2	BBB-	BBB-
6	Atlantic City Electric Company	83.5	3.5	0.4	32.6	82.9	3.4	0.4	33.3	58.0	9.1	0.4	32.6	63.3	4.7	0.4	31.6	Baa1	BBB	BBB
7	Baltimore Gas and Electric Company	49.0	10.3	4.2	36.1	49.9	10.4	4.7	34.9	45.3	9.1	4.6	40.6	41.2	7.2	5.7	45.9	Baa2		
8	Carolina Power & Light Company	46.3	0.0	0.0	53.0	44.1	1.4	0.7	53.8	42.8	6.1	0.8	50.3	48.8	2.8	0.8	47.5	A3	A-	BBB+
9	CenterPoint Energy Houston Electric, LLC	70.9	3.3	0.0	25.8	70.3	3.3	0.0	26.4	63.7	2.6	0.0	33.7	66.4	2.4	0.0	31.2	Baa3	BBB	BBB
10	Central Hudson Gas & Electric Corp	48.1	4.8	2.4	44.8	46.5	5.3	2.5	43.7	49.6	5.2	2.6	42.6	46.4	6.3	2.9	44.4	A2	A-	A
11	Central Illinois Light Company	26.2	5.2	1.8	66.8	23.3	19.7	1.6	55.5	14.5	30.5	1.7	53.3	18.0	23.5	2.1	58.4	Ba1	BBB	BBB-
12	Central Illinois Public Service Company	44.0	0.0	5.2	50.7	41.6	6.1	4.9	47.3	41.0	12.6	4.5	42.0	44.9	3.3	4.8	47.0	Ba1	BBB-	BBB-
13	Cicorp Inc	48.0	20.7	0.0	29.5	31.2	24.0	1.1	43.7	30.6	28.8	1.1	39.6	36.9	17.5	1.3	44.3		BBB-	BBB-
14	Cleco Power LLC	52.1	2.9	0.0	45.0	52.0	3.1	0.0	44.9	48.5	0.0	0.0	51.5	42.7	4.1	0.0	53.2			BBB
15	Cleveland Electric Illuminating Company	45.1	11.3	0.0	43.0	44.5	10.6	0.0	44.9	39.6	20.0	0.0	40.4	50.0	9.4	0.0	40.7	Baa3	BB+	BBB
16	Columbus Southern Power Company	46.9	9.7	0.0	43.4	52.3	2.8	0.0	44.9	46.4	6.2	0.0	45.4	53.2	0.2	0.0	46.7	A3	BBB+	BBB
17	Commonwealth Edison Company	41.4	1.5	0.0	57.1	41.9	0.7	0.0	57.4	37.5	6.6	0.0	55.9	37.8	4.7	0.0	57.5	Baa3	BB+	
18	Connecticut Light and Power Company	54.1	2.2	2.2	41.6	51.2	5.6	2.2	41.0	58.4	0.9	2.5	40.2	58.3	6.7	3.0	32.0	Baa1	BBB	BBB
19	Consolidated Edison Company of New York	48.8	2.5	1.1	47.6	46.1	4.0	1.2	48.7	44.0	5.1	1.3	49.5	47.5	2.3	1.5	48.7	A3	BBB+	A-
20	Consumers Energy Company	53.6	2.4	0.5	43.5	49.7	4.9	0.5	44.8	48.5	5.8	0.5	45.1	57.4	1.2	0.6	40.8		BBB-	BBB-
21	Dayton Power and Light Company	36.7	6.3	1.0	56.1	37.4	0.0	1.0	61.6	38.2	0.9	1.0	59.8	38.5	0.0	1.1	60.3	A2	A-	A-
22	Delmarva Power & Light Company	40.9	14.7	0.0	44.4	40.7	14.6	0.0	44.7	35.0	20.4	0.0	44.5	36.8	17.4	1.2	44.6	Baa2	BBB+	BBB
23	Detroit Edison Company	53.5	4.3	0.0	42.3	57.2	2.6	0.0	40.2	52.4	9.8	0.0	37.8	57.3	5.1	0.0	37.6	Baa1	BBB	BBB
24	Duke Energy Carolinas, LLC	46.5	2.1	0.0	51.4	48.4	1.4	0.0	50.1	37.6	7.9	0.0	54.5	44.8	2.0	0.0	53.2	A3		A-
25	Duke Energy Indiana, Inc.	52.7	2.2	0.0	45.1	48.4	4.2	0.0	47.5	45.7	3.2	0.0	51.0	47.8	6.0	0.0	46.5	Baa1		A-
26	Duke Energy Kentucky, Inc.	42.4	0.0	na	na	43.0	3.5	0.0	53.5	37.9	7.0	0.0	55.1	41.9	6.5	0.0	51.6			A-
27	Duke Energy Ohio, Inc.	24.6	3.3	0.0	72.2	20.9	4.2	0.0	75.0	20.9	3.6	0.0	75.5	20.8	4.4	0.0	74.8	Baa1		A-
28	Entergy Arkansas, Inc.	51.3	1.9	0.0	43.3	51.7	1.8	3.6	42.9	47.3	1.7	4.0	47.1	46.2	1.9	3.9	48.0	Baa2	BBB-	BBB
29	Entergy Gulf States, Inc.	53.8	7.0	0.3	38.9	55.2	6.9	0.3	37.6	46.7	18.7	0.3	34.3	51.5	0.5	1.0	47.0	Baa3	BB+	BBB
30	Entergy Louisiana, LLC	43.6	1.8	3.1	51.5	44.9	1.2	3.2	50.7	41.9	1.6	3.6	52.9	45.0	1.5	3.8	49.8	Baa2	BBB-	BBB
31	Entergy Mississippi, Inc.	48.6	1.7	0.0	46.2	49.5	0.1	3.6	46.9	49.8	0.1	3.6	46.5	54.3	0.0	3.4	42.2	Baa3	BBB-	BBB

Source: SNL Financial

Table XIII

QUALITY MEASURES-UTILITY OPERATING COMPANIES

Line	Company	CAPITAL STRUCTURE RATIOS*																Credit Ratings		
		As of: 3/31/2009				As of: 12/31/2008				As of: 12/31/2007				As of: 12/31/2006				Moody's	Fitch Ratings	S&P
		LTD	STD	Pfkd	Com. Equity	LTD	STD	Pfkd	Com. Equity	LTD	STD	Pfkd	Com. Equity	LTD	STD	Pfkd	Com. Equity			
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)			
32	Entergy New Orleans, Inc.	54.0	0.0	0.0	42.1	54.1	0.0	3.9	41.9	54.7	6.0	3.9	35.4	50.5	11.4	4.3	33.8	Ba2	BB+	BBB-
33	Entergy Texas, Inc.	58.3	4.2	0.0	37.5	52.0	4.8	0.0	43.2	46.7	12.8	0.0	41.5	52.4	0.0	0.0	47.6	Ba1	BB+	BBB
34	Florida Power & Light Company	39.8	5.0	0.0	55.2	36.8	7.2	0.0	56.0	37.3	8.1	0.0	54.6	34.0	5.1	0.0	60.9	A1	A	A
35	Florida Power Corporation	50.4	7.4	0.4	41.8	53.1	5.4	0.4	41.0	44.9	8.3	0.5	46.3	47.3	1.7	0.6	50.4	A3	A-	BBB+
36	Georgia Power Company	47.5	4.3	1.7	46.5	47.4	4.3	1.8	46.5	43.8	6.7	2.0	47.5	42.5	8.5	0.4	48.6	A2	A	A
37	Gulf Power Company	46.4	3.3	4.7	45.6	44.3	7.7	5.1	42.9	45.9	2.8	6.1	45.3	46.3	8.0	3.6	42.1	A2	A-	A
38	Hawaiian Electric Company, Inc.	41.9	1.4	1.0	55.1	41.7	1.9	1.6	54.8	43.0	1.4	1.7	53.9	40.9	6.0	1.8	51.2	Baa1		BBB
39	Idaho Power Co.	48.2	6.9	0.0	44.9	46.1	7.6	0.0	46.4	47.7	5.8	0.0	46.5	43.8	6.5	0.0	49.7	Baa1	BBB	BBB
40	Illinois Power Company	42.2	9.2	1.7	46.9	43.4	9.4	1.7	45.5	39.7	9.0	1.8	49.4	37.0	5.4	2.0	55.7	Ba1	BBB-	BBB-
41	Indiana Michigan Power Company	55.4	1.9	0.2	42.4	41.9	15.4	0.2	42.5	48.0	7.5	0.3	44.3	51.3	5.3	0.3	43.2	Baa2	BBB-	BBB
42	Interstate Power & Light Company	36.0	7.7	7.7	46.6	36.3	7.5	7.8	46.5	40.0	1.7	9.7	48.7	35.6	5.4	8.0	50.9	A3		BBB+
43	Jersey Central Power & Light Co.	41.5	0.7	0.0	57.9	34.7	3.4	0.0	61.9	32.9	3.3	0.0	63.7	28.1	4.7	0.0	67.2	Baa2	BBB	BBB
44	Kansas City Power & Light	48.8	5.7	0.0	45.4	40.8	11.2	0.0	47.9	35.2	12.9	0.0	51.9	24.1	20.9	0.0	54.9	Baa1		BBB
45	Kentucky Power Company	42.9	na	na	41.0	44.2	13.9	0.0	41.9	49.0	5.9	0.0	45.2	14.9	41.6	0.0	43.5	Baa2	BBB-	BBB
46	Metropolitan Edison Company	33.7	17.9	0.0	48.4	28.4	16.2	0.0	55.4	28.9	15.2	0.0	55.9	31.0	11.0	0.0	58.0	Baa2	BBB-	BBB
47	Mississippi Power Company	42.3	0.1	2.8	54.8	33.5	6.1	3.0	57.5	30.0	1.2	3.5	65.3	29.2	5.4	3.4	61.9	A1	A+	A
48	Nevada Power Company	58.2	0.1	0.0	41.6	56.2	0.1	0.0	43.6	51.5	0.2	0.0	48.4	52.2	0.1	0.0	47.7	Ba3	BB	BB
49	Northern States Power Company - MN	44.0	4.1	0.0	52.0	44.5	5.2	0.0	50.3	43.8	6.1	0.0	50.1	45.9	1.8	0.0	52.3	A3	A-	BBB+
50	Northern States Power Company - WI	43.9	0.1	0.0	56.0	48.6	0.1	0.0	51.3	28.0	16.6	0.0	55.4	39.0	3.8	0.0	57.1		A-	A-
51	NSTAR Electric Company	41.4	8.9	1.0	48.8	40.3	10.8	1.0	47.9	45.1	8.7	1.1	45.1	42.8	10.2	1.1	45.9	A1	A+	A+
52	Ohio Edison Company	44.5	3.3	0.0	51.8	44.5	4.1	0.0	51.4	30.0	13.8	0.0	56.2	33.2	8.2	0.0	58.6	Baa2	BBB-	BBB
53	Ohio Power Company	50.3	6.7	0.3	42.4	52.7	3.9	0.3	42.8	53.1	3.1	0.3	43.2	51.7	4.5	0.7	43.1		BBB	BBB
54	Oklahoma Gas and Electric Company	44.6	2.6	0.0	52.8	45.6	0.5	0.0	53.9	32.2	13.3	0.0	54.4	37.2	4.5	0.0	58.3	A2	A+	BBB+
55	Orange and Rockland Utilities, Inc.	41.9	9.7	0.0	48.4	47.6	0.3	0.0	52.1	48.3	5.4	0.0	46.4	51.2	6.6	0.0	42.3	Baa1	A-	A-
56	Pacific Gas and Electric Company	49.0	3.5	1.2	46.4	48.7	6.0	1.2	44.0	49.4	4.7	1.3	44.7	48.2	7.7	1.4	42.6	A3	A-	BBB+
57	PECO Energy Company	49.0	9.6	1.5	39.9	52.5	7.3	1.5	38.7	48.6	15.6	1.5	34.3	63.5	6.2	1.5	28.9		BBB+	
58	Pennsylvania Electric Company	30.0	24.0	0.0	46.0	31.5	21.2	0.0	47.3	37.7	10.4	0.0	51.9	23.2	9.7	0.0	67.1	Baa2	BBB-	BBB
59	Portland General Electric Company	43.3	5.0	0.0	51.7	40.7	12.1	0.0	47.3	49.9	0.0	0.0	50.1	40.6	6.4	0.0	53.0	Baa2		BBB+
60	Potomac Electric Power Company	53.9	4.8	0.0	41.3	52.2	6.1	0.0	41.7	45.7	11.8	0.0	42.5	44.5	11.4	0.0	44.1	Baa2	BBB+	BBB
61	PPL Electric Utilities Corporation	37.0	14.4	8.8	39.8	36.3	16.8	8.8	38.3	38.7	13.2	9.1	38.9	39.8	16.7	8.4	35.1	Baa1	BBB	A-
62	Public Service Company of Colorado	37.5	3.3	0.0	59.2	37.5	4.0	0.0	58.8	32.3	9.8	0.0	57.9	34.6	8.9	0.0	56.5	Baa1	BBB+	BBB+
63	Public Service Company of New Hampshire	56.5	2.8	0.0	40.7	57.6	2.9	0.0	39.5	60.6	1.5	0.0	37.9	62.5	2.7	0.0	34.7	Baa2	BBB	BBB

Source: SNL Financial

Table XIII

QUALITY MEASURES-UTILITY OPERATING COMPANIES

Line	Company	CAPITAL STRUCTURE RATIOS*																Credit Ratings		
		As of: 3/31/2009				As of: 12/31/2008				As of: 12/31/2007				As of: 12/31/2006				Moody's	Fitch Ratings	S&P
		LTD	STD	Pftd	Com Equity	LTD	STD	Pftd	Com Equity	LTD	STD	Pftd	Com Equity	LTD	STD	Pftd	Com Equity			
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)			
64	Public Service Company of New Mexico	44.3	1.8	0.0	49.5	na	na	na	na	25.8	22.7	0.0	51.0	40.4	10.3	0.5	48.8	Baa3	BB	BB-
65	Public Service Company of Oklahoma	52.0	3.0	0.3	44.7	48.9	7.1	0.3	43.7	58.7	0.1	0.3	40.9	50.2	5.8	0.4	43.6	Baa1	BBB	BBB
66	Public Service Electric and Gas Company	50.3	6.2	0.9	42.5	54.6	3.0	0.9	41.4	54.5	5.8	0.9	38.7	57.3	3.8	1.0	37.9	Baa1	BBB+	BBB
67	San Diego Gas & Electric Co.	43.5	2.1	0.0	50.1	na	na	na	na	na	na	na	na	43.6	3.7	2.1	50.6	A2	A+	A
68	Sierra Pacific Power Company	59.0	0.0	0.0	41.0	61.4	0.0	0.0	38.6	49.6	4.6	0.0	45.8	54.7	0.1	0.0	45.2	Ba3	BB	BB
69	South Carolina Electric & Gas Co.	51.2	2.2	1.7	43.4	na	na	na	na	na	na	na	na	na	na	na	na	A3	BBB+	BBB+
70	Southern California Edison Co.	39.8	11.1	5.6	41.2	43.0	11.8	7.5	37.7	38.8	3.8	10.4	47.2	42.1	3.2	10.4	44.3	A3	A-	BBB+
71	Southern Indiana Gas and Electric Company	na	na	na	na	34.3	18.2	0.0	47.5	39.8	10.1	0.0	50.2	41.8	4.8	0.0	53.4	Baa1		A-
72	Southwestern Electric Power Company	51.4	2.2	0.2	46.2	55.1	1.0	0.2	43.7	56.2	0.8	0.2	42.7	37.8	17.4	0.4	44.4		BBB	BBB
73	Southwestern Public Service Company	50.0	0.0	0.0	50.0	47.2	5.1	0.0	47.6	46.0	7.3	0.0	46.7	47.8	3.1	0.0	49.1	Baa1	BBB	
74	Tampa Electric Company	46.6	2.5	0.0	51.0	47.1	0.9	0.0	52.0	50.2	0.8	0.0	49.0	45.5	5.8	0.0	48.7	BBB	BBB	BBB
75	Texas-New Mexico Power Company	40.0	5.0	0.0	55.0	0.0	43.9	0.0	56.1	22.2	20.2	0.0	57.5	44.8	0.3	0.0	54.9	Baa3	BB+	BB-
76	Toledo Edison Company	33.9	12.0	0.0	53.8	33.6	12.5	0.0	53.9	37.8	1.7	0.0	60.5	35.0	17.9	0.0	47.0	Baa3	BB+	BBB
77	Tucson Electric Power Company	68.4	1.8	0.0	30.0	69.8	1.4	0.0	28.8	80.7	10.4	0.0	28.9	68.6	4.3	0.0	27.0	Baa3	BB	BB+
78	Union Electric Company	51.4	3.8	1.4	43.3	49.0	3.4	1.5	46.0	45.5	3.3	1.6	49.5	46.4	3.8	1.8	48.1	Baa2	BBB+	BBB-
79	Vectren Utility Holdings, Inc.	44.3	4.5	0.0	51.2	41.3	10.5	0.0	48.2	41.9	15.2	0.0	42.9	43.1	12.5	0.0	44.4			A-
80	Virginia Electric and Power Company	45.1	5.0	1.9	48.0	46.3	3.3	2.0	48.4	45.6	4.7	2.2	47.5	32.4	16.9	2.3	48.3	Baa1	BBB+	A-
81	Western Massachusetts Electric Company	52.5	14.3	0.0	33.2	55.7	9.1	0.0	35.2	60.2	2.3	0.0	37.5	59.1	5.0	0.0	35.8	Baa2	BBB	BBB
82	Wisconsin Electric Power Company	50.8	3.9	0.5	44.8	52.0	0.7	0.5	46.7	39.4	7.2	0.6	52.8	37.3	11.7	0.6	50.4	A1	A	A-
83	Wisconsin Power and Light Company	36.6	7.0	0.0	53.7	41.5	2.0	2.8	53.7	34.5	7.5	3.2	54.8	22.8	13.1	3.3	60.8	A2		A-
84	Wisconsin Public Service Corp	41.1	0.5	2.4	56.1	40.6	2.8	2.4	54.2	37.5	3.0	2.5	56.9	34.1	3.8	2.8	59.4	A2		A-
85	84 Co. Average	47.3	5.0	0.9	46.1	45.9	6.6	1.2	46.4	43.8	7.7	1.2	47.3	44.2	6.8	1.3	47.6			

FLORIDA POWER & LIGHT COMPANY
Impact of Capital Structure Adjustment

Line	Class of Capital	Ratio	Cost Rate	Weighted Cost	Pre-Tax Weighted Cost
		(1)	(2)	(3)	(4)
1	Long Term Debt	39.09%	5.55%	2.17%	2.17%
2	Preferred Stock	0.00%	0.00%	0.00%	0.00%
3	Customer Deposits	3.31%	5.98%	0.20%	0.20%
4	Common Equity	40.36%	12.50%	5.04%	8.24%
5	Short Term Debt	0.95%	2.96%	0.03%	0.03%
6	Deferred Income Tax	15.96%	0.00%	0.00%	0.00%
7	Investment Tax Credits	0.33%	8.97%	0.03%	0.04%
8	Total	<u>100.00%</u>		<u>7.47%</u>	<u>10.68%</u>
9	FPL Proposed				11.81%
10	Rate Base (000)				\$ 17,063,585
11	Impact on Revenue Deficiency (000)				\$ 192,924

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 260

COMPANY FL Industrial Power Users Group (FPIUG)

WITNESS Jeffery Pollock (JP-3)

DATE 09/02/09

FLORIDA POWER & LIGHT COMPANY
Comparison of Capital Expenditures from Form 10Q Reports
\$ In Millions

Line	Capital Type	Form 10Q Version		
		6/30/2008	9/30/2008	3/31/2009
		(1)	(2)	(3)
2009 Capital Expenditures				
<u>Generation</u>				
1	New	\$1,190	\$1,075	\$1,110
2	Existing	\$790	\$655	\$545
3	Generation Total	\$1,980	\$1,730	\$1,655
4	Transmission and Distribution	\$1,090	\$595	\$445
5	Nuclear Fuel	\$165	\$165	\$65
6	General and Other	\$145	\$190	\$150
7	Total	\$3,380	\$2,680	\$2,315
2010 Capital Expenditures				
<u>Generation</u>				
8	New	\$910	\$915	\$1,190
9	Existing	\$675	\$665	\$680
10	Generation Total	\$1,585	\$1,580	\$1,870
11	Transmission and Distribution	\$1,130	\$845	\$865
12	Nuclear Fuel	\$200	\$200	\$205
13	General and Other	\$230	\$290	\$290
14	Total	\$3,145	\$2,915	\$3,230
2011 Capital Expenditures				
<u>Generation</u>				
15	New	\$490	\$510	\$755
16	Existing	\$575	\$645	\$455
17	Generation Total	\$1,065	\$1,155	\$1,210
18	Transmission and Distribution	\$1,180	\$925	\$1,165
19	Nuclear Fuel	\$175	\$175	\$195
20	General and Other	\$225	\$315	\$225
21	Total	\$2,645	\$2,570	\$2,795
2012 Capital Expenditures				
<u>Generation</u>				
22	New	\$760	\$830	\$340
23	Existing	\$455	\$610	\$515
24	Generation Total	\$1,215	\$1,440	\$855
25	Transmission and Distribution	\$1,150	\$925	\$930
26	Nuclear Fuel	\$195	\$215	\$220
27	General and Other	\$215	\$315	\$300
28	Total	\$2,775	\$2,895	\$2,305

FLORIDA PUBLIC SERVICE COMMISSION

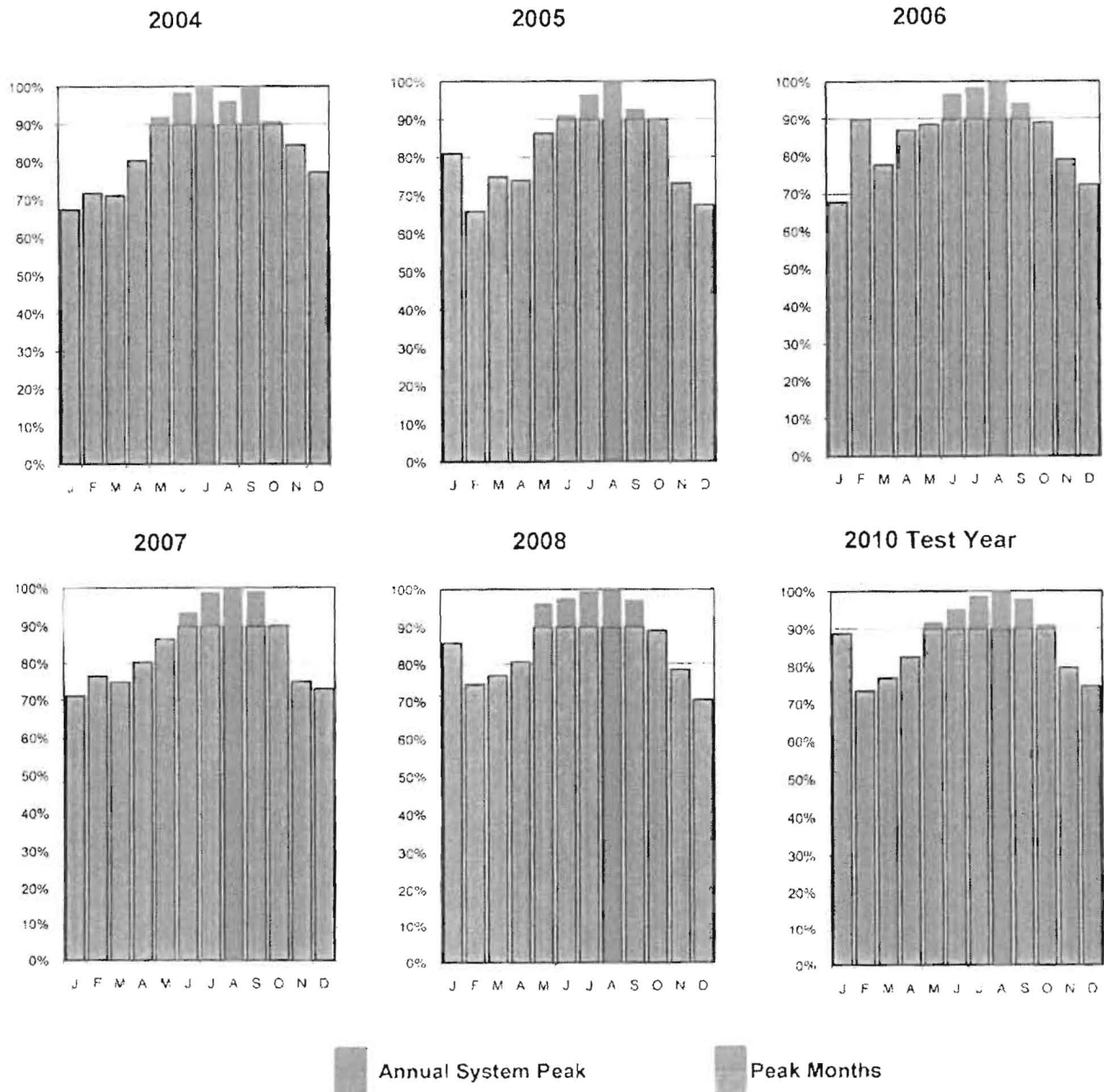
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 261

COMPANY FL Industrial Power Users Group (FPIUG)

WITNESS Jeffery Pollock (JP-4)

DATE 09/02/09

FLORIDA POWER & LIGHT COMPANY
Analysis of Monthly Peak Demands
As a Percentage of the Annual System Peak
for the Years 2004-2008 and 2010 Test Year



FLORIDA POWER & LIGHT COMPANY
Analysis of System Peak Load Characteristics
2004-2008 (Actual) and Test Year

Line	Year	Peak Demand	Minimum Demand	Average Demand	Average Summer Demand	Average Non-Summer Demand	Winter Peak Demand
		(1)	(2)	(3)	(4)	(5)	(6)
Peak Demand (MW)							
1	2004	20,545	13,857	17,643	20,291	16,320	15,871
2	2005	22,361	14,738	18,509	21,273	17,128	18,108
3	2006	21,819	14,800	18,937	21,254	17,778	19,683
4	2007	21,962	15,619	18,665	21,516	17,239	16,815
5	2008	21,060	14,849	18,373	20,758	17,180	18,055
6	2010 Test Year	21,147	15,533	18,525	20,727	17,424	18,790

Ratio Analysis							
		Minimum to Annual Peak	Average to Annual Peak	Avg Summer % More Than Avg Non-Sum	Avg Summer Peak to Peak Demand	Avg Non-Sum Peak to Peak Demand	Annual Load Factor
6	2004	67%	86%	24%	99%	79%	63%
7	2005	66%	83%	24%	95%	77%	62%
8	2006	68%	87%	20%	97%	81%	58%
9	2007	71%	85%	25%	98%	78%	61%
10	2008	71%	87%	21%	99%	82%	61%
11	Average (Actual)	69%	86%	23%	98%	80%	61%
12	2010 Test Year	73%	88%	19%	98%	82%	59%

Source: Schedule E-18

FLORIDA POWER & LIGHT COMPANY

**Reserve Margins as
a Percent of Firm Peak Demand**

<u>Line</u>	<u>Year</u>	<u>Data</u>	<u>Average Summer Months</u>	<u>Average Non-Summer Months</u>	<u>Ratio of Summer to Non-Summer Margins</u>
			(1)	(2)	(3)
1	2004	Actual	10%	26%	37%
2	2005	Actual	8%	17%	47%
3	2006	Actual	11%	25%	44%
4	2007	Actual	7%	27%	27%
5	2008	Actual	13%	32%	41%

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 263

COMPANY FL Industrial Power Users Group (FPIUG)

WITNESS Jeffery Pollock (JP-6)

DATE 09/02/09

FLORIDA PUBLIC SERVICE COMMISSION

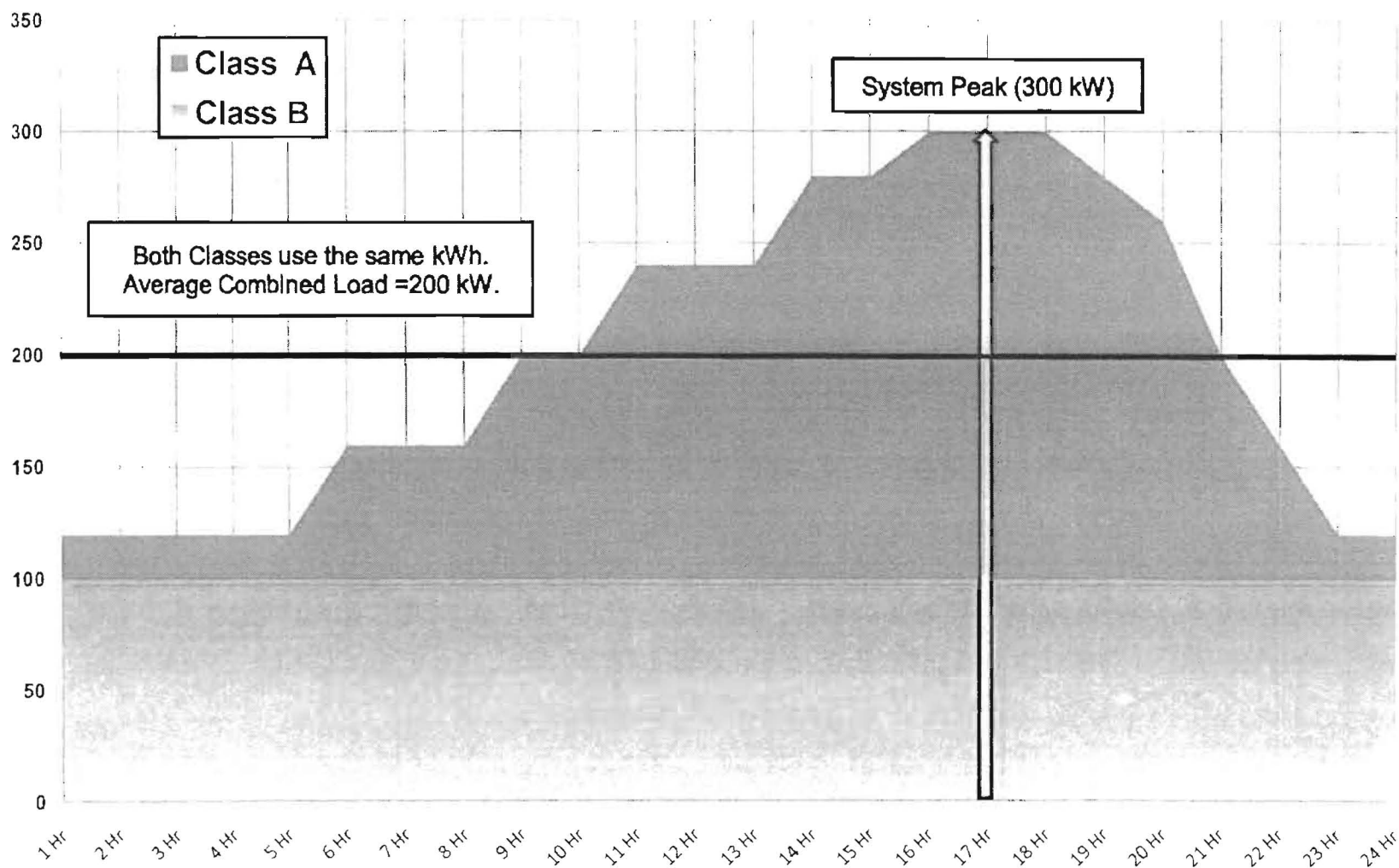
DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 264

COMPANY FL Industrial Power Users Group (FPIUG)

WITNESS Jeffery Pollock (JP-7)

DATE 09/02/09

FLORIDA POWER & LIGHT COMPANY
Why Electric Facilities are Sized to Meet Peak Demand



FLORIDA POWER & LIGHT COMPANY
Derivation of Production Plant Allocation Factors
Average and Excess Demand Allocation Method
Test Year Ending December 31, 2010

Line	Rate Class	Group Coincident Peak	Average Demand		Excess Demand		AED Allocation
			Amount	Percent	Amount	Percent	
		(1)	(2)	(3)	(4)	(5)	(6)
1	Residential	12,240	6,256	50.93%	5,984	60.42%	54.82%
2	General Service	1,438	716	5.83%	721	7.28%	6.43%
3	General Service Demand	4,912	3,008	24.49%	1,904	19.22%	22.33%
4	General Service Large Demand-1	2,109	1,347	10.96%	762	7.70%	9.62%
5	General Service Large Demand-2	373	252	2.05%	121	1.22%	1.71%
6	General Service Large Demand-3	49	28	0.23%	21	0.21%	0.22%
7	CILC	763	568	4.62%	195	1.97%	3.54%
8	MET	20	11	0.09%	9	0.09%	0.09%
9	Lighting	196	81	0.66%	115	1.16%	0.87%
10	Standby Service	87	16	0.13%	71	0.72%	0.37%
11	Total Retail	22,187	12,283	100.00%	9,903	100.00%	100.00%

(4) Column (1) - Column (2)

(6) Column (3) x 59% + Column (5) x 41%

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 265

COMPANY FL Industrial Power Users Group (FPIUG) (Direct)

WITNESS Jeffery Pollock (JP-8)

DATE 09/02/09

FLORIDA POWER & LIGHT COMPANY
Proposed Class Revenue Allocation
(Dollar Amounts in \$000)
Test Year Ending December 31, 2010

Line	Rate Class	Base Revenues at:		Proposed Increase		Relative Increase
		Present Rates	Proposed Rates	Amount	Percent	
		(1)	(2)	(3)	(4)	(5)
1	Residential	\$2,316,398	\$2,798,422	\$482,024	20.8%	83%
2	General Service	291,367	309,854	18,487	6.3%	25%
	General Service Demand:					
3	GSD, HLFT-1, SDTR-1	789,424	1,031,195	241,771	30.6%	123%
4	GSLD-1, CS-1, HLFT-2, SDTR-2	271,233	417,195	145,962	53.8%	216%
5	GSLD-2, CS-2, HLFT-3, SDTR-3	46,458	69,347	22,890	49.3%	197%
6	GSLD-3, CS-3	4,445	5,911	1,466	33.0%	132%
7	Lighting	82,632	96,637	14,004	16.9%	68%
8	CILC-1	71,922	113,350	41,429	57.6%	231%
9	Standby Service	4,039	4,119	80	2.0%	8%
10	MET	2,808	3,743	935	33.3%	133%
11	Total Retail	\$3,880,727	\$4,849,773	\$969,047	25.0%	100%

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 266
COMPANY FL Industrial Power Users Group (FPIUG) (Direct)
WITNESS Jeffery Pollock (JP-9)
DATE 09/02/09

FLORIDA POWER & LIGHT COMPANY
Recommended Class Revenue Allocation
(Dollar Amounts in \$000)
Test Year Ending December 31, 2010

Line	Rate Class	Base	Recommended		Relative
		Revenues at Present Rates (1)	Amount (2)	Percent (3)	Increase (4)
1	Residential	\$2,316,398	\$529,736	22.9%	92%
2	General Service	291,367	55,802	19.2%	77%
	General Service Demand:				
3	GSD, HLFT-1, SDTR-1	789,424	220,405	27.9%	112%
4	GSLD-1, CS-1, HLFT-2, SDTR-2	271,233	101,594	37.5%	150%
5	GSLD-2, CS-2, HLFT-3, SDTR-3	46,458	17,401	37.5%	150%
6	GSLD-3, CS-3	4,445	1,173	26.4%	106%
7	Lighting	82,632	15,091	18.3%	73%
8	CILC-1	71,922	26,939	37.5%	150%
9	Standby Service	4,039	80	2.0%	8%
10	MET	2,808	825	29.4%	118%
11	Total Retail	\$3,880,727	\$969,047	25.0%	100%

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 267

COMPANY FL Industrial Power Users Group (FPIUG)

WITNESS Jeffery Pollock (JP-10)

DATE 09/02/09

FLORIDA POWER & LIGHT COMPANY
Summary of Class Cost-of-Service Study Results
At the Recommended Class Revenue Allocation
(Dollar Amounts in \$000)
Test Year Ending December 31, 2010

Line	Rate Class	Present Rates			Recommended Allocation			Movement Toward Cost
		Rate of Return	Relative ROR	Subsidy	Rate of Return	Relative ROR	Subsidy	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Residential	4.55%	107	\$46,873	8.27%	103	\$42,777	9%
2	General Service	6.37%	150	37,214	9.93%	124	33,962	9%
	General Service Demand:							
3	GSD, HLFT-1, SDTR-1	4.05%	95	(12,169)	7.81%	98	(11,105)	9%
4	GSLD-1, CS-1, HLFT-2, SDTR-2	2.05%	48	(54,860)	6.13%	77	(46,403)	15%
5	GSLD-2, CS-2, HLFT-3, SDTR-3	2.13%	50	(9,014)	6.23%	78	(7,499)	17%
6	GSLD-3, CS-3	3.60%	85	(200)	7.41%	93	(183)	9%
7	Lighting	4.55%	107	1,213	8.27%	103	1,107	9%
8	CILC-1	2.95%	69	(10,486)	6.30%	79	(13,580)	-30%
9	Standby Service	14.01%	329	1,541	14.50%	181	1,027	33%
10	MET	3.73%	88	(113)	7.52%	94	(103)	9%
11	Total Retail	4.25%	100	(\$0)	8.00%	100	\$0	10%

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 268

COMPANY FL Industrial Power Users Group (FPIUG)

WITNESS Jeffery Pollock (JP-11)

DATE 09/02/09

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE BY) DOCKET NO. 080677-EI
FLORIDA POWER & LIGHT COMPANY)**

**EXHIBIT (SJB-1)
OF
STEPHEN J. BARON**

**ON BEHALF OF THE

SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION**

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

**FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 269
COMPANY South FL Hospital & Healthcare Assoc. (Direct)
WITNESS Stephen J. Baron (SJB-1)
DATE 08/31/09**

**Expert Testimony Appearances
of
Stephen J. Baron
As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
4/81	203(B)	KY	Louisville Gas & Electric Co.	Louisville Gas & Electric Co.	Cost-of-service.
4/81	ER-81-42	MO	Kansas City Power & Light Co.	Kansas City Power & Light Co.	Forecasting.
6/81	U-1933	AZ	Arizona Corporation Commission	Tucson Electric Co.	Forecasting planning.
2/84	8924	KY	Airco Carbide	Louisville Gas & Electric Co.	Revenue requirements, cost-of-service, forecasting, weather normalization.
3/84	84-038-U	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Excess capacity, cost-of-service, rate design.
5/84	830470-EI	FL	Florida Industrial Power Users' Group	Florida Power Corp.	Allocation of fixed costs, load and capacity balance, and reserve margin. Diversification of utility.
10/84	84-199-U	AR	Arkansas Electric Energy Consumers	Arkansas Power and Light Co.	Cost allocation and rate design.
11/84	R-842651	PA	Lehigh Valley Power Committee	Pennsylvania Power & Light Co.	Interruptible rates, excess capacity, and phase-in.
1/85	85-65	ME	Airco Industrial Gases	Central Maine Power Co.	Interruptible rate design.
2/85	I-840381	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	Load and energy forecast.
3/85	9243	KY	Alcan Aluminum Corp., et al.	Louisville Gas & Electric Co.	Economics of completing fossil generating unit.
3/85	3498-U	GA	Attorney General	Georgia Power Co.	Load and energy forecasting, generation planning economics.
3/85	R-842632	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
5/85	84-249	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Cost-of-service, rate design return multipliers.
5/85		City of Santa Clara	Chamber of Commerce	Santa Clara Municipal	Cost-of-service, rate design.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Stephen J. Baron
As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
6/85	84-768-E-42T	WV	West Virginia Industrial Intervenor	Monongahela Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
6/85	E-7 Sub 391	NC	Carolina Industrials (CIGFUR III)	Duke Power Co.	Cost-of-service, rate design, interruptible rate design.
7/85	29046	NY	Industrial Energy Users Association	Orange and Rockland Utilities	Cost-of-service, rate design.
10/85	85-043-U	AR	Arkansas Gas Consumers	Arkla, Inc.	Regulatory policy, gas cost-of-service, rate design.
10/85	85-63	ME	Airco Industrial Gases	Central Maine Power Co.	Feasibility of interruptible rates, avoided cost.
2/85	ER-8507698	NJ	Air Products and Chemicals	Jersey Central Power & Light Co.	Rate design.
3/85	R-850220	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Optimal reserve, prudence, off-system sales guarantee plan.
2/86	R-850220	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Optimal reserve margins, prudence, off-system sales guarantee plan.
3/86	85-299U	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Cost-of-service, rate design, revenue distribution.
3/86	85-726-EL-AIR	OH	Industrial Electric Consumers Group	Ohio Power Co.	Cost-of-service, rate design, interruptible rates.
5/86	86-081-E-GI	WV	West Virginia Energy Users Group	Monongahela Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
8/86	E-7 Sub 408	NC	Carolina Industrial Energy Consumers	Duke Power Co.	Cost-of-service, rate design, interruptible rates.
10/86	U-17378	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Excess capacity, economic analysis of purchased power.
12/86	38063	IN	Industrial Energy Consumers	Indiana & Michigan Power Co.	Interruptible rates.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
 of
 Stephen J. Baron
 As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
3/87	EL-86-53-001 EL-86-57-001	Federal Energy Regulatory Commission (FERC)	Louisiana Public Service Commission Staff	Gulf States Utilities, Southern Co.	Cost/benefit analysis of unit power sales contract.
4/87	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Load forecasting and imprudence damages, River Bend Nuclear unit.
5/87	87-023-E-C	WV	Airco Industrial Gases	Monongahela Power Co.	Interruptible rates.
5/87	87-072-E-G1	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Analyze Mon Power's fuel fitting and examine the reasonableness of MP's claims.
5/87	86-524-E-SC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Economic dispatching of pumped storage hydro unit.
5/87	9781	KY	Kentucky Industrial Energy Consumers	Louisville Gas & Electric Co.	Analysis of impact of 1986 Tax Reform Act.
6/87	3673-U	GA	Georgia Public Service Commission	Georgia Power Co.	Economic prudence, evaluation of Vogtle nuclear unit - load forecasting, planning.
6/87	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Phase-in plan for River Bend Nuclear unit.
7/87	85-10-22	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Methodology for refunding rate moderation fund.
8/87	3673-U	GA	Georgia Public Service Commission	Georgia Power Co.	Test year sales and revenue forecast.
9/87	R-850220	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Excess capacity, reliability of generating system.
10/87	R-870651	PA	Duquesne Industrial Intervenor	Duquesne Light Co.	Interruptible rate, cost-of-service, revenue allocation, rate design.
10/87	I-860025	PA	Pennsylvania Industrial Intervenor		Proposed rules for cogeneration, avoided cost, rate recovery.
10/87	E-015/	MN	Taconite	Minnesota Power	Excess capacity, power and

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	GR-87-223		Intervenors	& Light Co.	cost-of-service, rate design.
10/87	8702-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue forecasting, weather normalization.
12/87	87-07-01	CT	Connecticut Industrial Energy Consumers	Connecticut Light Power Co.	Excess capacity, nuclear plant phase-in.
3/88	10064	KY	Kentucky Industrial Energy Consumers	Louisville Gas & Electric Co.	Revenue forecast, weather normalization rate treatment of cancelled plant.
3/88	87-183-TF	AR	Arkansas Electric Consumers	Arkansas Power & Light Co.	Standby/backup electric rates.
5/88	870171C001	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Cogeneration deferral mechanism, modification of energy cost recovery (ECR).
6/88	870172C005	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Cogeneration deferral mechanism, modification of energy cost recovery (ECR).
7/88	88-171-EL-AIR 88-170-EL-AIR Interim Rate Case	OH	Industrial Energy Consumers	Cleveland Electric/ Toledo Edison	Financial analysis/need for interim rate relief.
7/88	Appeal of PSC	19th Judicial Docket U-17282	Louisiana Public Service Commission Circuit Court of Louisiana	Gulf States Utilities	Load forecasting, imprudence damages.
11/88	R-880989	PA	United States Steel	Carnegie Gas	Gas cost-of-service, rate design.
11/88	88-171-EL-AIR 88-170-EL-AIR	OH	Industrial Energy Consumers	Cleveland Electric/ Toledo Edison. General Rate Case.	Weather normalization of peak loads, excess capacity, regulatory policy.
3/89	870216/283 284/286	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Calculated avoided capacity, recovery of capacity payments.
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Co.	Cost-of-service, rate design.

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8/89	3840-U	GA	Georgia Public Service Commission	Georgia Power Co.	Revenue forecasting, weather normalization.
9/89	2087	NM	Attorney General of New Mexico	Public Service Co. of New Mexico	Prudence - Palo Verde Nuclear Units 1, 2 and 3, load forecasting.
10/89	2262	NM	New Mexico Industrial Energy Consumers	Public Service Co. of New Mexico	Fuel adjustment clause, off-system sales, cost-of-service, rate design, marginal cost.
11/89	38728	IN	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	Excess capacity, capacity equalization, jurisdictional cost allocation, rate design, interruptible rates.
1/90	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Jurisdictional cost allocation, O&M expense analysis.
5/90	890366	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Non-utility generator cost recovery.
6/90	R-901609	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Allocation of QF demand charges in the fuel cost, cost-of-service, rate design.
9/90	8278	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Cost-of-service, rate design, revenue allocation.
12/90	U-9346 Rebuttal	MI	Association of Businesses Advocating Tariff Equity	Consumers Power Co.	Demand-side management, environmental externalities.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, jurisdictional allocation.
12/90	90-205	ME	Airco Industrial Gases	Central Maine Power Co.	Investigation into interruptible service and rates.
1/91	90-12-03 Interim	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Interim rate relief, financial analysis, class revenue allocation.
5/91	90-12-03 Phase II	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Revenue requirements, cost-of-service, rate design, demand-side management.

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Date	Case	Jurisdct.	Party	Utility	Subject
8/91	E-7, SUB SUB 487	NC	North Carolina Industrial Energy Consumers	Duke Power Co.	Revenue requirements, cost allocation, rate design, demand- side management.
8/91	8341 Phase I	MD	Westvaco Corp.	Potomac Edison Co.	Cost allocation, rate design, 1990 Clean Air Act Amendments.
8/91	91-372 EL-UNC	OH	Armco Steel Co., L.P.	Cincinnati Gas & Electric Co.	Economic analysis of cogeneration, avoid cost rate.
9/91	P-910511 P-910512	PA	Allegheny Ludlum Corp., Armco Advanced Materials Co., The West Penn Power Industrial Users' Group	West Penn Power Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
9/91	91-231 -E-NC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
10/91	8341 - Phase II	MD	Westvaco Corp.	Potomac Edison Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
10/91	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Results of comprehensive management audit.
Note: No testimony was prefiled on this.					
11/91	U-17949 Subdocket A	LA	Louisiana Public Service Commission Staff	South Central Bell Telephone Co. and proposed merger with Southern Bell Telephone Co.	Analysis of South Central Bell's restructuring and
12/91	91-410- EL-AIR	OH	Armco Steel Co., Air Products & Chemicals, Inc.	Cincinnati Gas & Electric Co.	Rate design, interruptible rates.
12/91	P-880286	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Evaluation of appropriate avoided capacity costs - QF projects.
1/92	C-913424	PA	Duquesne Interruptible Complainants	Duquesne Light Co.	Industrial interruptible rate.
6/92	92-02-19	CT	Connecticut Industrial Energy Consumers	Yankee Gas Co.	Rate design.

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Date	Case	Jurisdct.	Party	Utility	Subject
8/92	2437	NM	New Mexico Industrial Intervenors	Public Service Co. of New Mexico	Cost-of-service.
8/92	R-00922314	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Cost-of-service, rate design, energy cost rate.
9/92	39314	ID	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	Cost-of-service, rate design, energy cost rate, rate treatment.
10/92	M-00920312 C-007	PA	The GPU Industrial Intervenors	Pennsylvania Electric Co.	Cost-of-service, rate design, energy cost rate, rate treatment.
12/92	U-17949	LA	Louisiana Public Service Commission Staff	South Central Bell Co.	Management audit.
12/92	R-00922378	PA	Armco Advanced Materials Co. The WPP Industrial Intervenors	West Penn Power Co.	Cost-of-service, rate design, energy cost rate, SO ₂ allowance rate treatment.
1/93	8487	MD	The Maryland Industrial Group	Baltimore Gas & Electric Co.	Electric cost-of-service and rate design, gas rate design (flexible rates).
2/93	E002/GR-92-1185	MN	North Star Steel Co. Praxair, Inc.	Northern States Power Co.	Interruptible rates.
4/93	EC92 21000 ER92-806-000 (Rebuttal)	Federal Energy Regulatory Commission	Louisiana Public Service Commission Staff	Gulf States Utilities/Entergy agreement.	Merger of GSU into Entergy System; impact on system
7/93	93-0114-E-C	WV	Airco Gases	Monongahela Power Co.	Interruptible rates.
8/93	930759-EG	FL	Florida Industrial Power Users' Group	Generic - Electric Utilities	Cost recovery and allocation of DSM costs.
9/93	M-009 30406	PA	Lehigh Valley Power Committee	Pennsylvania Power & Light Co.	Ratemaking treatment of off-system sales revenues.
11/93	346	KY	Kentucky Industrial Utility Customers	Generic - Gas Utilities	Allocation of gas pipeline transition costs - FERC Order 636.
12/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Nuclear plant prudence, forecasting, excess capacity.

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4/94	E-015/ GR-94-001	MN	Large Power Intervenor	Minnesota Power Co.	Cost allocation, rate design, rate phase-in plan.
5/94	U-20178	LA	Louisiana Public Service Commission	Louisiana Power & Light Co.	Analysis of least cost integrated resource plan and demand-side management program.
7/94	R-00942986	PA	Armco, Inc.; West Penn Power Industrial Intervenor	West Penn Power Co.	Cost-of-service, allocation of rate increase, rate design, emission allowance sales, and operations and maintenance expense.
7/94	94-0035- E-42T	WV	West Virginia Energy Users Group	Monongahela Power Co.	Cost-of-service, allocation of rate increase, and rate design.
8/94	EC94 13-000	Federal Energy Regulatory Commission	Louisiana Public Service Commission	Gulf States Utilities/Entergy	Analysis of extended reserve shutdown units and violation of system agreement by Entergy.
9/94	R-00943 081 R-00943 081C0001	PA	Lehigh Valley Power Committee.	Pennsylvania Public Utility Commission	Analysis of interruptible rate terms and conditions, availability.
9/94	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Evaluation of appropriate avoided cost rate.
9/94	U-19904	LA	Louisiana Public Service Commission	Gulf States Utilities	Revenue requirements.
10/94	5258-U	GA	Georgia Public Service Commission	Southern Bell Telephone & Telegraph Co.	Proposals to address competition in telecommunication markets.
11/94	EC94-7-000 FERC ER94-898-000		Louisiana Public Service Commission	El Paso Electric and Central and Southwest	Merger economics, transmission equalization hold harmless proposals.
2/95	941-430EG	CO	CF&I Steel, L.P.	Public Service Company of Colorado	Interruptible rates, cost-of-service.
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Cost-of-service, allocation of rate increase, rate design, interruptible rates.
6/95	C-00913424 C-00946104	PA	Duquesne Interruptible Complainants	Duquesne Light Co.	Interruptible rates.

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Date	Case	Jurisdct.	Party	Utility	Subject
8/95	ER95-112 -000	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Open Access Transmission Tariffs - Wholesale.
10/95	U-21485	LA	Louisiana Public Service Commission	Gulf States Utilities Company	Nuclear decommissioning, revenue requirements, capital structure.
10/95	ER95-1042 -000	FERC	Louisiana Public Service Commission	System Energy Resources, Inc.	Nuclear decommissioning, revenue requirements.
10/95	U-21485	LA	Louisiana Public Service Commission	Gulf States Utilities Co.	Nuclear decommissioning and cost of debt capital, capital structure.
11/95	I-940032	PA	Industrial Energy Consumers of Pennsylvania	State-wide - all utilities	Retail competition issues.
7/96	U-21496	LA	Louisiana Public Service Commission	Central Louisiana Electric Co.	Revenue requirement analysis.
7/96	8725	MD	Maryland Industrial Group	Baltimore Gas & Elec. Co., Potomac Elec. Power Co., Constellation Energy Co.	Ratemaking issues associated with a Merger.
8/96	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Revenue requirements.
9/96	U-22092	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Decommissioning, weather normalization, capital structure.
2/97	R-973877	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Competitive restructuring policy issues, stranded cost, transition charges.
6/97	Civil Action No. 94-11474	US Bank- ruptcy Court Middle District of Louisiana	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Confirmation of reorganization plan; analysis of rate paths produced by competing plans.
6/97	R-973953	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Retail competition issues, rate unbundling, stranded cost analysis.
6/97	8738	MD	Maryland Industrial Group	Generic	Retail competition issues

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Date	Case	Jurisdiction	Party	Utility	Subject
7/97	R-973954	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Retail competition issues, rate unbundling, stranded cost analysis.
10/97	97-204	KY	Alcan Aluminum Corp. Southwire Co.	Big River Electric Corp.	Analysis of cost of service issues - Big Rivers Restructuring Plan
10/97	R-974008	PA	Metropolitan Edison Industrial Users	Metropolitan Edison Co.	Retail competition issues, rate unbundling, stranded cost analysis.
10/97	R-974009	PA	Pennsylvania Electric Industrial Customer	Pennsylvania Electric Co.	Retail competition issues, rate unbundling, stranded cost analysis.
11/97	U-22491	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Decommissioning, weather normalization, capital structure.
11/97	P-971265	PA	Philadelphia Area Industrial Energy Users Group	Enron Energy Services Power, Inc./ PECO Energy	Analysis of Retail Restructuring Proposal.
12/97	R-973981	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Retail competition issues, rate unbundling, stranded cost analysis.
12/97	R-974104	PA	Duquesne Industrial Intervenor	Duquesne Light Co.	Retail competition issues, rate unbundling, stranded cost analysis.
3/98 (Allocated Stranded Cost Issues)	U-22092	LA	Louisiana Public Service Commission	Gulf States Utilities Co.	Retail competition, stranded cost quantification.
3/98	U-22092		Louisiana Public Service Commission	Gulf States Utilities, Inc.	Stranded cost quantification, restructuring issues.
9/98	U-17735		Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Revenue requirements analysis, weather normalization.
12/98	8794	MD	Maryland Industrial Group and Millennium Inorganic Chemicals Inc.	Baltimore Gas and Electric Co.	Electric utility restructuring, stranded cost recovery, rate unbundling.
12/98	U-23358	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, weather normalization, Entergy System Agreement.
5/99 (Cross- 40-000 Answering Testimony)	EC-98-	FERC	Louisiana Public Service Commission	American Electric Power Co. & Central South West Corp.	Merger issues related to market power mitigation proposals.

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Date	Case	Jurisdct.	Party	Utility	Subject
5/99 (Response Testimony)	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Performance based regulation, settlement proposal issues, cross-subsidies between electric, gas services.
6/99	98-0452	WV	West Virginia Energy Users Group	Appalachian Power, Monongahela Power, & Potomac Edison Companies	Electric utility restructuring, stranded cost recovery, rate unbundling.
7/99	99-03-35	CT	Connecticut Industrial Energy Consumers	United Illuminating Company	Electric utility restructuring, stranded cost recovery, rate unbundling.
7/99	Adversary Proceeding No. 98-1065	U.S. Bankruptcy Court.	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Motion to dissolve preliminary injunction.
7/99	99-03-06	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Electric utility restructuring, stranded cost recovery, rate unbundling.
10/99	U-24182	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, weather normalization, Entergy System Agreement.
12/99	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Analysis of Proposed Contract Rates, Market Rates.
03/00	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Evaluation of Cooperative Power Contract Elections
03/00	99-1658- EL-ETP	OH	AK Steel Corporation	Cincinnati Gas & Electric Co.	Electric utility restructuring, stranded cost recovery, rate Unbundling.

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08/00	98-0452 E-GI	WVA	West Virginia Energy Users Group	Appalachian Power Co. American Electric Co.	Electric utility restructuring rate unbundling.
08/00	00-1050 E-T 00-1051-E-T	WVA	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Electric utility restructuring rate unbundling.
10/00	SOAH 473- 00-1020 PUC 2234	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges And Universities	TXU, Inc.	Electric utility restructuring rate unbundling.
12/00	U-24993	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, revenue requirements.
12/00	EL00-66- 000 & ER00-2854 EL95-33-002	LA	Louisiana Public Service Commission	Entergy Services Inc.	Inter-Company System Agreement: Modifications for retail competition, interruptible load.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Addressing Contested Issues	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Jurisdictional Business Separation - Texas Restructuring Plan
10/01	14000-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Co.	Test year revenue forecast.
11/01	U-25687	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning requirements transmission revenues.
11/01	U-25965	LA	Louisiana Public Service Commission	Generic	Independent Transmission Company ("Transco"). RTO rate design.
03/02	001148-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design, resource planning and demand side management.
06/02	U-25965	LA	Louisiana Public Service Commission	Entergy Gulf States Entergy Louisiana	RTO Issues
07/02	U-21453	LA	Louisiana Public Service Commission	SWEPCO, AEP	Jurisdictional Business Sep. - Texas Restructuring Plan.

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Date	Case	Jurisdic.	Party	Utility	Subject
08/02	U-25888	LA	Louisiana Public Service Commission	Entergy Louisiana, Inc. Entergy Gulf States, Inc.	Modifications to the Inter-Company System Agreement, Production Cost Equalization.
08/02	EL01-88-000	FERC	Louisiana Public Service Commission	Entergy Services Inc. and the Entergy Operating Companies	Modifications to the Inter-Company System Agreement, Production Cost Equalization.
11/02	02S-315EG	CO	CF&I Steel & Climax Molybdenum Co.	Public Service Co. of Colorado	Fuel Adjustment Clause
01/03	U-17735	LA	Louisiana Public Service Commission	Louisiana Coops	Contract Issues
02/03	02S-594E	CO	Cripple Creek and Victor Gold Mining Co.	Aquila, Inc.	Revenue requirements, purchased power.
04/03	U-26527	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Weather normalization, power purchase expenses, System Agreement expenses.
11/03	ER03-753-000	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Proposed modifications to System Agreement Tariff MSS-4.
11/03	ER03-583-000 ER03-583-001 ER03-583-002 ER03-681-000, ER03-681-001 ER03-682-000, ER03-682-001 ER03-682-002	FERC	Louisiana Public Service Commission	Entergy Services, Inc., the Entergy Operating Companies, EWO Marketing, L.P, and Entergy Power, Inc.	Evaluation of Wholesale Purchased Power Contracts.
12/03	U-27136	LA	Louisiana Public Service Commission	Entergy Louisiana, Inc.	Evaluation of Wholesale Purchased Power Contracts.
01/04	E-01345-03-0437	AZ	Kroger Company	Arizona Public Service Co.	Revenue allocation rate design.
02/04	00032071	PA	Duquesne Industrial Intervenor	Duquesne Light Company	Provider of last resort issues.
03/04	03A-436E	CO	CF&I Steel, LP and Climax Molybdenum	Public Service Company of Colorado	Purchased Power Adjustment Clause.

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04/04	2003-00433 2003-00434	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service Rate Design
0-6/04	03S-539E	CO	Cripple Creek, Victor Gold Mining Co., Goodrich Corp., Holdim (U.S.), Inc., and The Trane Co.	Aquila, Inc.	Cost of Service, Rate Design Interruptible Rates
06/04	R-00049255	PA	PP&L Industrial Customer Alliance PPLICA	PPL Electric Utilities Corp.	Cost of service, rate design, tariff issues and transmission service charge.
10/04	04S-164E	CO	CF&I Steel Company, Climax Mines	Public Service Company of Colorado	Cost of service, rate design, Interruptible Rates.
03/05	Case No. 2004-00426 Case No. 2004-00421	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Louisville Gas & Electric Co.	Environmental cost recovery.
06/05	050045-El	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design
07/05	U-28155	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc. Entergy Gulf States, Inc.	Independent Coordinator of Transmission - Cost/Benefit
09/05	Case Nos. WVA 05-0402-E-CN 05-0750-E-PC		West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Environmental cost recovery, Securitization, Financing Order
01/06	2005-00341	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Cost of service, rate design, transmission expenses. Congestion Cost Recovery Mechanism
03/06	U-22092	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Separation of EGSI into Texas and Louisiana Companies.
04/06	U-25116	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	Transmission Prudence Investigation
06/06	R-00061346 C0001-0005	PA	Duquesne Industrial Intervenors & IECPA	Duquesne Light Co.	Cost of Service, Rate Design, Transmission Service Charge, Tariff Issues
06/06	R-00061366 R-00061367 P-00062213 P-00062214		Met-Ed Industrial Energy Users Group and Penelec Industrial Customer Alliance	Metropolitan Edison Co. Pennsylvania Electric Co.	Generation Rate Cap, Transmission Service Charge, Cost of Service, Rate Design, Tariff Issues
07/06	U-22092 Sub-J	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Separation of EGSI into Texas and Louisiana Companies.

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07/06	Case No. 2006-00130 Case No. 2006-00129	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Louisville Gas & Electric Co.	Environmental cost recovery.
08/06	Case No. VA PUE-2006-00065		Old Dominion Committee For Fair Utility Rates	Appalachian Power Co.	Cost Allocation, Allocation of Revenue Incr, Off-System Sales margin rate treatment
09/06	E-01345A- 05-0816	AZ	Kroger Company	Arizona Public Service Co.	Revenue allocation, cost of service, rate design.
11/06	Doc. No. CT 97-01-15RE02		Connecticut Industrial Energy Consumers	Connecticut Light & Power United Illuminating	Rate unbundling issues.
01/07	Case No. WV 06-0960-E-42T		West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Retail Cost of Service Revenue apportionment
03/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. Entergy Louisiana, LLC	Implementation of FERC Decision Jurisdictional & Rate Class Allocation
05/07	Case No. OH 07-63-EL-UNC		Ohio Energy Group	Ohio Power, Columbus Southern Power	Environmental Surcharge Rate Design
05/07	R-00049255 PA Remand		PP&L Industrial Customer Alliance PPLICA	PPL Electric Utilities Corp.	Cost of service, rate design, tariff issues and transmission service charge.
06/07	R-00072155 PA		PP&L Industrial Customer Alliance PPLICA	PPL Electric Utilities Corp.	Cost of service, rate design, tariff issues.
07/07	Doc. No. CO 07F-037E		Gateway Canyons LLC	Grand Valley Power Coop.	Distribution Line Cost Allocation
09/07	Doc. No. WI 05-UR-103		Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
11/07	ER07-682-000	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Proposed modifications to System Agreement Schedule MSS-3. Cost functionalization issues.
1/08	Doc. No. WY 20000-277-ER-07		Cimarex Energy Company	Rocky Mountain Power (PacifiCorp)	Vintage Pricing, Marginal Cost Pricing Projected Test Year
1/08	Case No. OH 07-551		Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Class Cost of Service, Rate Restructuring, Apportionment of Revenue Increase to Rate Schedules
2/08	ER07-956	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Entergy's Compliance Filing System Agreement Bandwidth Calculations.
2/08	Doc No. PA P-00072342		West Penn Power Industrial Intervenor	West Penn Power Co.	Default Service Plan issues.

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Date	Case	Jurisdct.	Party	Utility	Subject
3/08	Doc No. E-01933A-05-0650	AZ	Kroger Company	Tucson Electric Power Co.	Cost of Service, Rate Design
05/08	08-0278 E-GI	WV	West Virginia Energy Users Group	Appalachian Power Co. American Electric Power Co.	Expanded Net Energy Cost "ENEC" Analysis.
6/08	Case No. 08-124-EL-ATA	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Recovery of Deferred Fuel Cost
7/08	Docket No. 07-035-93	UT	Kroger Company	Rocky Mountain Power Co.	Cost of Service, Rate Design
08/08	Doc. No. 6680-UR-116	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Co.	Cost of Service, rate design, tariff issues, interruptible rates.
09/08	Doc. No. 6690-UR-119	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Co.	Cost of Service, rate design, tariff issues, interruptible rates.
09/08	Case No. 08-936-EL-SSO	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Competitive Solicitation
09/08	Case No. 08-935-EL-SSO	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Rate Plan
09/08	Case No. 08-917-EL-SSO 08-918-EL-SSO	OH	Ohio Energy Group	Ohio Power Company Columbus Southern Power Co.	Provider of Last Resort Rate Plan
10/08	2008-00251 2008-00252	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service, Rate Design
11/08	08-1511 E-GI	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost "ENEC" Analysis.
11/08	M-2008-2036188, M-2008-2036197	PA	Met-Ed Industrial Energy Users Group and Penelec Industrial Customer Alliance	Metropolitan Edison Co. Pennsylvania Electric Co.	Transmission Service Charge
01/09	ER08-1056	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Entergy's Compliance Filing System Agreement Bandwidth Calculations.
01/09	E-01345A-08-0172	AZ	Kroger Company	Arizona Public Service Co.	Cost of Service, Rate Design
02/09	2008-00409	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Cost of Service, Rate Design

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Stephen J. Baron
As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
5/09	PUE-2009-00018	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Transmission Cost Recovery Rider
5/09	09-0177-E-GI	WV	West Virginia Energy Users Group	Appalachian Power Company	Expanded Net Energy Cost "ENEC" Analysis

J. KENNEDY AND ASSOCIATES, INC.

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE BY) DOCKET NO. 080677-EI
FLORIDA POWER & LIGHT COMPANY)**

**EXHIBIT __ (SJB-2)
OF
STEPHEN J. BARON**

**ON BEHALF OF THE
SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION**

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

**FLORIDA PUBLIC SERVICE COMMISSION
DOCKET No. 080677-EI & 090130-EI EXHIBIT 270
COMPANY South FL Hospital & Healthcare Assoc.
WITNESS Stephen J. Baron (SJB-2)
DATE 08/31/09**



Ten Year Power Plant Site Plan

2009-2018

Submitted To:

**Florida Public
Service Commission**

**Miami, Florida
April 2009**

FPSC-114 NUMBER-DATE

02906 APR-18

FPSC-COMMISSION CLERK

However, FPL is scheduled to present its new projections of cost-effective DSM to the FPSC in June 2009. These new projections will be used to determine FPL's new DSM Goals for the years 2010 through 2019. The analyses to develop these new projections of cost-effective DSM for the new DSM Goals are currently a work in progress at the time the 2009 Site Plan is being filed. The final order from the FPSC establishing FPL's new DSM Goals is expected in the 4th Quarter of 2009. The subsequent development and approval of FPL's DSM Plan (with which FPL will meet the new Goals) will likely be made in early 2010. Therefore, the impact of FPL's new DSM Goals and DSM Plan will be reflected next year in FPL's 2010 Site Plan.

These key assumptions, plus the other updated information, are then applied in the first fundamental step: the determination of the magnitude and the timing of FPL's resource needs. This determination is accomplished by system reliability analyses which are typically based on a dual planning criteria of a minimum peak period reserve margin of 20% (FPL applies this to both Summer and Winter peaks) and a maximum loss-of-load probability (LOLP) of 0.1 day per year. Both of these criteria are commonly used throughout the utility industry.

Historically, two types of methodologies, deterministic and probabilistic, have been employed in system reliability analysis. The calculation of excess firm capacity at the annual system peaks (reserve margin) is the most common method, and this relatively simple deterministic calculation can be performed on a spreadsheet. It provides an indication of the adequacy of a generating system's capacity resources compared to its load during peak periods. However, deterministic methods do not take into account probabilistic-related elements such as the impact of individual unit failures. For example: two 50 MW units which can be counted on to run 90% of the time are more valuable in regard to utility system reliability than is one 100 MW unit which can also be counted on to run 90% of the time. Probabilistic methods also recognize the value of being part of an interconnected system with access to multiple capacity sources.

For this reason, probabilistic methodologies have been used to provide an additional perspective on the reliability of a generating system. There are a number of probabilistic methods that are being used to perform system reliability analyses. Of these, the most widely used is loss-of-load probability or LOLP. Simply stated, LOLP is an index of how well a generating system may be able to meet its demand (i.e., a measure of how often load may exceed available resources). In contrast to reserve margin, the calculation of

through 2008 have resulted in a cumulative Summer peak reduction of approximately 4,109 MW at the generator and an estimated cumulative energy saving of approximately 46,646 Gigawatt Hour (GWh) at the generator. Accounting for reserve margin requirements, FPL's DSM efforts through 2008 have eliminated the need to construct more than 12 new 400 MW generating units.

FPL has consistently been among the leading utilities nationally in DSM achievement. For example, according to the U.S. Department of Energy's 2006 data (the last year for which the DOE data was available at the time this Site Plan was being developed), FPL ranked # 1 nationally in energy efficiency demand reduction and # 3 nationally in load management demand reduction.

In June 2009, FPL will be submitting its proposed DSM Goals for the 2010 - 2019 time period to the FPSC for its approval. At the time the 2009 Site Plan is being finalized, FPL's analyses to determine what its proposed DSM Goals for 2010 - 2019 are a work in progress. Consequently, FPL's 2009 Site Plan is retaining essentially the same level of projected DSM additions as was presented in its 2008 Site Plan. However, this level of projected DSM additions is likely to change due to the DSM Goals work.

Once FPL's DSM Goals are established, FPL will then send its proposed DSM Plan, with which it plans to meet these DSM Goals, to the FPSC for approval. FPL currently anticipates that both its DSM Goals and DSM Plan for the 2010 - 2019 time period will be approved by the first Quarter of 2010. Therefore, FPL expects that both its new DSM Goals and DSM Plan will be addressed in FPL's 2010 Site Plan.

Schedule 7.1
Forecast of Capacity, Demand, and Scheduled
Maintenance At Time Of Summer Peak

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
August of Year	Total Installed Capacity MW	Firm Capacity Import MW	Firm Capacity Export MW	Firm Capacity QF MW	Total Firm Capacity Available MW	Total Peak Demand MW	DSM MW	Firm Summer Peak Demand MW	Reserve Margin Before Maintenance MW	% of Peak	Scheduled Maintenance MW	Reserve Margin After Maintenance MW	% of Peak
2008	21,885	1,824	0	890	24,489	21,124	1,987	19,128	5,372	28.1	0	5,372	28.1
2010	20,809	1,487	0	640	22,916	21,147	2,119	19,027	3,889	20.4	0	3,889	20.4
2011	21,948	1,487	0	595	24,006	21,368	2,235	19,132	4,876	25.5	0	4,876	25.5
2012	22,230	1,311	0	850	24,191	21,833	2,357	19,576	4,614	23.6	0	4,614	23.6
2013	23,553	1,311	0	650	25,514	22,249	2,483	19,766	5,748	29.1	0	5,748	29.1
2014	24,760	1,361	0	650	26,771	23,533	2,616	20,916	5,855	28.0	0	5,855	28.0
2015	24,760	1,361	0	650	26,771	24,142	2,749	21,393	5,377	25.1	0	5,377	25.1
2016	25,574	50	0	650	26,274	24,772	2,984	21,888	4,386	20.0	0	4,386	20.0
2017	26,396	50	0	650	27,096	25,401	3,019	22,383	4,713	21.1	0	4,713	21.1
2018	27,498	50	0	650	28,198	26,143	3,064	23,078	5,116	22.2	0	5,116	22.2

1/ Capacity additions and changes projected to be in-service by June 1st are generally considered to be available to meet Summer peak loads are forecasted to occur during August of the year indicated. All values are Summer net MW.

2/ Total Capacity Available = Col.(2) + Col.(3) - Col.(4) + Col.(5).

3/ These forecasted values reflect the 2008 load forecast without incremental DSM or cumulative load management.

4/ The DSM MW shown represent cumulative load management capability plus incremental conservation from 12008-on designed for use with the 2008 load forecast. They are not included in total additional resources but reduce the peak load upon which Reserve Margin calculations are based.

5/ Margin (%) Before Maintenance = Col.(10) / Col.(9)

6/ Margin (%) After Maintenance = Col.(13) / Col.(9)

Schedule 7.2
Forecast of Capacity, Demand, and Scheduled
Maintenance At Time of Winter Peak

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
January of	Total Installed "	Firm Capacity	Firm Capacity	Firm Capacity	Total Firm Capacity	Total Peak "	DSM "	Firm Winter Peak Demand	Reserve Margin Before Maintenance "	Scheduled Maintenance "	Reserve Margin After Maintenance "		
Year	MW	MW	MW	MW	MW	MW	MW	MW	MW	% of Peak	MW	MW	% of Peak
2009	23,280	1,962	0	740	25,982	16,597	1,790	16,048	9,014	53.1	0	9,014	53.1
2010	24,681	1,601	0	890	26,962	16,790	1,819	16,971	9,680	58.2	0	9,680	58.2
2011	22,838	1,500	0	595	24,433	19,120	1,886	17,233	7,201	41.8	0	7,201	41.8
2012	23,766	1,500	0	595	25,860	19,710	1,960	17,749	8,110	45.7	0	8,110	45.7
2013	24,081	1,320	0	650	26,031	20,098	2,035	18,063	7,967	44.1	0	7,967	44.1
2014	25,404	1,370	0	650	27,424	21,154	2,113	19,041	8,382	44.0	0	8,382	44.0
2015	26,714	1,370	0	650	28,734	21,882	2,196	19,687	9,047	46.0	0	9,047	46.0
2016	27,539	440	0	650	28,629	22,596	2,278	20,118	8,510	42.3	0	8,510	42.3
2017	28,373	50	0	650	29,073	22,912	2,361	20,551	8,521	41.5	0	8,521	41.5
2018	28,373	50	0	650	29,073	23,466	2,436	21,030	8,043	38.2	0	8,043	38.2

- 1/ Capacity additions and changes projected to be in-service by January 1st are considered to be available to meet Winter peak loads which are forecast to occur during January of the "second" year indicated. All values are Winter net MW.
- 2/ Total Capacity Available = Col.(2) + Col.(3) - Col.(4) + Col.(5).
- 3/ These forecasted values reflect the 2008 load forecast without incremental DSM or cumulative load management.
- 4/ The DSM MW shown represent cumulative load management capability plus incremental conservation from 1/2008-on designed for use with the 2008 load forecast. They are not included in total additional resources but reduce the peak load upon which Reserve Margin calculations are based.
- 5/ Margin (%) Before Maintenance = Col.(10) / Col.(9)
- 6/ Margin (%) After Maintenance = Col.(13) / Col.(9)

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE BY) DOCKET NO. 080677-EI
FLORIDA POWER & LIGHT COMPANY)**

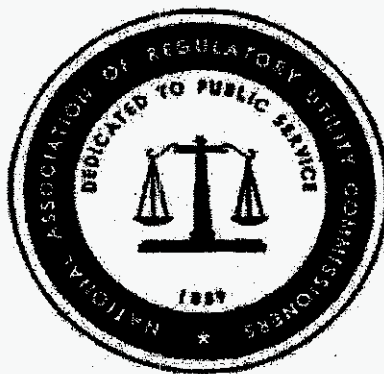
**EXHIBIT__ (SJB-3)
OF
STEPHEN J. BARON**

**ON BEHALF OF THE
SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION**

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

**FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 271
COMPANY South FL Hospital & Healthcare Assoc.
WITNESS Stephen J. Baron (SJB-3)
DATE 08/31/09**

ELECTRIC UTILITY COST ALLOCATION MANUAL



**NATIONAL ASSOCIATION OF REGULATORY UTILITY
COMMISSIONERS**

January, 1992

PREFACE

This project was jointly assigned to the NARUC Staff Subcommittees on Electricity and Economics in February, 1985. Jack Doran, at the California PUC had led a task force in 1969 that wrote the original Cost Allocation Manual; the famous "Green Book". I was asked to put together a task force to revise it and include a Marginal Cost section.

I knew little about the subject and was not sure what I was getting into so I asked Jack how he had gone about drafting the first book. "Oh" he said, "There wasn't much to it. We each wrote a chapter and then exchanged them and rewrote them." What Jack did not tell me was that like most NARUC projects, the work was done after five o'clock and on weekends because the regular work always takes precedence. It is a good thing we did not realize how big a task we were tackling or we might never have started.

There was great interest in the project so when I asked for volunteers, I got plenty. We split into two working groups; embedded cost and marginal cost. Joe Jenkins from the Florida PSC headed up the Embedded Cost Working Group and Sarah Voll from the New Hampshire PUC took the Marginal Cost Working Group. We followed Jack's suggestions but, right from the beginning, we realized that once the chapters were technically correct, we would need a single editor to cast them all "into one hand" as Joe Jenkins put it. Steven Mintz from the Department of Energy volunteered for this task and has devoted tremendous effort to polishing the book into the final product you hold in your hands. Victoria Jow at the California PUC took Steven's final draft and desktop published the entire document using Ventura Publisher.

We set the following objectives for the manual:

- It should be simple enough to be used as a primer on the subject for new employees yet offer enough substance for experienced witnesses.
- It must be comprehensive yet fit in one volume.
- The writing style should be non-judgmental; not advocating any one particular method but trying to include all currently used methods with pros and cons.

It is with extreme gratitude that I acknowledge the energy and dedication contributed by the following task force members over the last five years.

Steven Mintz, Department of Energy, Editor; Joe Jenkins, Florida PSC, Leader, Embedded Cost Working Group; Sarah Voll, New Hampshire PUC, Leader, Marginal Cost Working Group; Victoria Iow, California PUC; John A. Anderson, ELCON; Jess Galura, Sacramento MUD; Chris Danforth, California PUC; Alfred Escamilla, Southern California Edison; Byron Harris, West Virginia CAD; Steve Houle, Texas Utility Electric Co.; Kevin Kelly, formally NRRI; Larry Klapow California PUC; Jim Ketter P.E., Missouri PSC; Ed Lucero, Price Waterhouse; J. Robert Malko, Utah State University; George McCluskey, New Hampshire PUC; Marge Meeter, Florida PSC; Gordon Murdock, The FERC; Dennis Nightingale, North Carolina UC; John Orecchio, The FERC; Carl Silsbee, Southern California Edison; Ben Turner, North Carolina UC; Dr. George Parkins, Colorado PUC; Warren Wendling, Colorado PUC; Schef Wright, formally Florida PSC; **IN MEMORIAL** Bob Kennedy Jr., Arkansas PSC.

Julian Ajello
California PUC

CHAPTER 6

CLASSIFICATION AND ALLOCATION OF DISTRIBUTION PLANT

Distribution plant equipment reduces high-voltage energy from the transmission system to lower voltages, delivers it to the customer and monitors the amounts of energy used by the customer.

Distribution facilities provide service at two voltage levels: primary and secondary. Primary voltages exist between the substation power transformer and smaller line transformers at the customer's points of service. These voltages vary from system to system and usually range between 480 volts to 35 KV. In the last few years, advances in equipment and cable technology have permitted the use of higher primary distribution voltages. Primary voltages are reduced to more usable secondary voltages by smaller line transformers installed at customer locations along the primary distribution circuit. However, some large industrial customers may choose to install their own line transformers and take service at primary voltages because of their large electrical requirements.

In some cases, the utility may choose to install a transformer for the exclusive use of a single commercial or industrial customer. On the other hand, in service areas with high customer density, such as housing tracts, a line transformer will be installed to serve many customers. In this case, secondary voltage lines run from pole-to-pole or from handhole-to-handhole, and each customer is served by a drop tapped off the secondary line leading directly to the customer's premise.

I. COST ACCOUNTING FOR DISTRIBUTION PLANT AND EXPENSES

The Federal Energy Regulatory Commission (FERC) Uniform System of Accounts requires separate accounts for distribution investment and expenses. Distribution plant accounts are summarized and classified in Table 6-1. Distribution expense accounts are summarized and classified in Table 6-2. Some utilities may choose to establish subaccounts for more detailed cost reporting.

TABLE 6-1
CLASSIFICATION OF DISTRIBUTION PLANT¹

FERC Uniform System of Accounts No.	Description	Demand Related	Customer Related
	Distribution Plant ²		
360	Land & Land Rights	X	X
361	Structures & Improvements	X	X
362	Station Equipment	X	-
363	Storage Battery Equipment	X	-
364	Poles, Towers, & Fixtures	X	X
365	Overhead Conductors & Devices	X	X
366	Underground Conduit	X	X
367	Underground Conductors & Devices	X	X
368	Line Transformers	X	X
369	Services	-	X
370	Meters	-	X
371	Installations on Customer Premises	-	X
372	Leased Property on Customer Premises	-	X
373	Street Lighting & Signal Systems ¹	-	-

¹Assignment or "exclusive use" costs are assigned directly to the customer class or group which exclusively uses such facilities. The remaining costs are then classified to the respective cost components.

²The amounts between classification may vary considerably. A study of the minimum intercept method or other appropriate methods should be made to determine the relationships between the demand and customer components.

TABLE 6-2
CLASSIFICATION OF DISTRIBUTION EXPENSES¹

FERC Uniform System of Accounts No.	Description	Demand Related	Customer Related
	Operation ²		
580	Operation Supervision & Engineering	X	X
581	Load Dispatching	X	-
582	Station Expenses	X	-
583	Overhead Line Expenses	X	X
584	Underground Line Expenses	X	X
585	Street Lighting & Signal System Expenses ¹	-	-
586	Meter Expenses	-	X
587	Customer Installation Expenses	-	X
588	Miscellaneous Distribution Expenses	X	X
589	Rents	X	X
	Maintenance ²		
590	Maintenance Supervision & Engineering	X	X
591	Maintenance of Structures	X	X
592	Maintenance of Station Equipment	X	-
593	Maintenance of Overhead Lines	X	X
594	Maintenance of Underground Lines	X	X
595	Maintenance of Line Transformers	X	X
596	Maint. of Street Lighting & Signal Systems ¹	-	-
597	Maintenance of Meters	-	X
598	Maint. of Miscellaneous Distribution Plants	X	X

¹Direct assignment or "exclusive use" costs are assigned directly to the customer class or group which exclusively uses such facilities. The remaining costs are then classified to the respective cost components.

²The amounts between classifications may vary considerably. A study of the minimum intercept method or other appropriate methods should be made to determine the relationships between the demand and customer components.

To ensure that costs are properly allocated, the analyst must first classify each account as demand-related, customer-related, or a combination of both. The classification depends upon the analyst's evaluation of how the costs in these accounts were incurred. In making this determination, supporting data may be more important than theoretical considerations.

Allocating costs to the appropriate groups in a cost study requires a special analysis of the nature of distribution plant and expenses. This will ensure that costs are assigned to the correct functional groups for classification and allocation. As indicated in Chapter 4, all costs of service can be identified as energy-related, demand-related, or customer-related. Because there is no energy component of distribution-related costs, we need consider only the demand and customer components.

To recognize voltage level and use of facilities in the functionalization of distribution costs, distribution line costs must be separated into overhead and underground, and primary and secondary voltage classifications. A typical functionalization and classification of distribution plant would appear as follows:

Substations:	Demand
Distribution:	Overhead Primary
	Demand
	Customer
	Overhead Secondary
	Demand
	Customer
	Underground Primary
	Demand
	Customer
	Underground Secondary
	Demand
	Customer
	Line Transformers
	Demand
	Customer
Services:	Overhead
	Demand
	Customer
	Underground
	Demand
	Customer
Meters:	Customer
Street Lighting:	Customer
Customer Accounting:	Customer
Sales:	Customer

From this breakdown it can be seen that each distribution account must be analyzed before it can be assigned to the appropriate functional category. Also, these accounts must be classified as demand-related, customer-related, or both. Some utilities assign distribution to customer-related expenses. Variations in the demands of various customer groups are used to develop the weighting factors for allocating costs to the appropriate group.

II. DEMAND AND CUSTOMER CLASSIFICATIONS OF DISTRIBUTION PLANT ACCOUNTS

When the utility installs distribution plant to provide service to a customer and to meet the individual customer's peak demand requirements, the utility must classify distribution plant data separately into demand- and customer-related costs.

Classifying distribution plant as a demand cost assigns investment of that plant to a customer or group of customers based upon its contribution to some total peak load. The reason is that costs are incurred to serve area load, rather than a specific number of customers.

Distribution substations costs (which include Accounts 360 -Land and Land Rights, 361 - Structures and Improvements, and 362 -Station Equipment), are normally classified as demand-related. This classification is adopted because substations are normally built to serve a particular load and their size is not affected by the number of customers to be served.

Distribution plant Accounts 364 through 370 involve demand and customer costs. The customer component of distribution facilities is that portion of costs which varies with the number of customers. Thus, the number of poles, conductors, transformers, services, and meters are directly related to the number of customers on the utility's system. As shown in Table 6-1, each primary plant account can be separately classified into a demand and customer component. Two methods are used to determine the demand and customer components of distribution facilities. They are, the minimum-size-of-facilities method, and the minimum-intercept cost (zero-intercept or positive-intercept cost, as applicable) of facilities.

A. The Minimum-Size Method

Classifying distribution plant with the minimum-size method assumes that a minimum size distribution system can be built to serve the minimum loading requirements of the customer. The minimum-size method involves determining the minimum size pole, conductor, cable, transformer, and service that is currently installed by the utility. Normally, the average book cost for each piece of equipment determines

the price of all installed units. Once determined for each primary plant account, the minimum size distribution system is classified as customer-related costs. The demand-related costs for each account are the difference between the total investment in the account and customer-related costs. Comparative studies between the minimum-size and other methods show that it generally produces a larger customer component than the zero-intercept method (to be discussed). The following describes the methodologies for determining the minimum size for distribution plant Accounts 364, 365, 366, 367, 368, and 369.

1. Account 364 - Poles, Towers, and Fixtures

- Determine the average installed book cost of the minimum height pole currently being installed.
- Multiply the average book cost by the number of poles to find the customer component. Balance of plant account is the demand component.

2. Account 365 - Overhead Conductors and Devices

- Determine minimum size conductor currently being installed.
- Multiply average installed book cost per mile of minimum size conductor by the number of circuit miles to determine the customer component. Balance of plant account is demand component. (Note: two conductors in minimum system.)

3. Accounts 366 and 367 - Underground Conduits, Conductors, and Devices

- Determine minimum size cable currently being installed.
- Multiply average installed book cost per mile of minimum size cable by the circuit miles to determine the customer component. Balance of plant Account 367 is demand component. (Note: one cable with ground sheath is minimum system.) Account 366 conduit is assigned, based on ratio of cable account.
- Multiply average installed book cost of minimum size transformer by number of transformers in plant account to determine the customer component. Balance of plant account is demand component.

4. Account 368 - Line Transformers

- Determine minimum size transformer currently being installed.

- Multiply average installed book cost of minimum size transformer by number of transformers in plant account to determine the customer component.

5. Account 369 - Services

- Determine minimum size and average length of services currently being installed.
- Estimate cost of minimum size service and multiply by number of services to get customer component.
- If overhead and underground services are booked separately, they should be handled separately. Most companies do not book service by size. This requires an engineering estimate of the cost of the minimum size, average length service. The resultant estimate is usually higher than the average book cost. In addition, the estimate should be adjusted for the average age of service, using a trend factor.

B. The Minimum-Intercept Method

The minimum-intercept method seeks to identify that portion of plant related to a hypothetical no-load or zero-intercept situation. This requires considerably more data and calculation than the minimum-size method. In most instances, it is more accurate, although the differences may be relatively small. The technique is to relate installed cost to current carrying capacity or demand rating, create a curve for various sizes of the equipment involved, using regression techniques, and extend the curve to a no-load intercept. The cost related to the zero-intercept is the customer component. The following describes the methodologies for determining the minimum intercept for distribution-plant Accounts 364, 365, 366, 367, and 368.

1. Account 364 - Poles, Towers, and Fixtures

- Determine the number, investment, and average installed book cost of distribution poles by height and class of pole. (Exclude stubs for guying.)
- Determine minimum intercept of pole cost by creating a regression equation, relating classes and heights of poles, and using the Class 7 cost intercept for each pole of equal height weighted by the number of poles in each height category.
- Multiply minimum intercept cost by total number of distribution poles to get customer component.

- Balance of pole investment is assigned to demand component.
- Total account dollars are assigned based on ratio of pole investment. (Transformer platforms in Account 364 are all demand-related. They should be removed before determining the account ratio of customer- and demand-related costs, and then they should be added to the demand portion of Account 364.)

2. Account 365 - Overhead Conductors and Devices

- If accounts are divided between primary and secondary voltages, develop a customer component separately for each. The total investment is assigned to primary and secondary; then the customer component is developed for each. Since conductors generally are of many types and sizes, select those sizes and types which represent the bulk of the investment in this account, if appropriate.
- When developing the customer component, consider only the investment in conductors, and not such devices as circuit breakers, insulators, switches, etc. The investment in these devices will be assigned later between the customer and demand component, based on the conductor assignment.
 - Determine the feet, investment, and average installed book cost per foot for distribution conductors by size and type.
 - Determine minimum intercept of conductor cost per foot using cost per foot by size and type of conductor weighted by feet or investment in each category, and developing a cost for the utility's minimum size conductor.
 - Multiply minimum intercept cost by the total number of circuit feet times 2. (Note that circuit feet, not conductor feet, are used to get customer component.)
 - Balance of conductor investment is assigned to demand.
 - Total primary or secondary dollars in the account, including devices, are assigned to customer and demand components based on conductor investment ratio.

3. Accounts 366 and 367 - Underground Conduits, Conductors, and Devices

- The customer demand component ratio is developed for conductors and applied to conduits. Underground conductors are generally booked by type and size of conductor for both one-conductor (1/c) cable and three-conductor (3/c) cables. If conductors are booked by voltage, as between primary and secondary, a customer component is

developed for each. If network and URD investments are segregated, a customer component must be developed for each.

- The conductor sizes and types for the customer component derivation are restricted to I/c cable. Since there are generally many types and sizes of I/c cable, select those sizes and types which represent the bulk of the investment, when appropriate.
 - Determine the feet, investment, and average installed book cost per foot for I/c cables by size and type of cable.
 - Determine minimum intercept of cable cost per foot using cost per foot by size and type of cable weighted by feet of investment in each category.
 - Multiply minimum intercept cost by the total number of circuit feet (I/c cable with sheath is considered a circuit) to get customer component.
 - Balance of cable investment is assigned to demand.
 - Total dollars in Accounts 366 and 367 are assigned to customer and demand components based on conductor investment ratio.

4. Account 368 - Line Transformers

- The line transformer account covers all sizes and voltages for single- and three-phase transformers. Only single-phase sizes up to and including 50 KVA should be used in developing the customer components. Where more than one primary distribution voltage is used, it may be appropriate to use the transformer price from one or two predominant, selected voltages.
 - Determine the number, investment, and average installed book cost per transformer by size and type (voltage).
 - Determine zero intercept of transformer cost using cost per transformer by type, weighted by number for each category.
 - Multiply zero intercept cost by total number of line transformers to get customer component.
 - Balance of transformer investment is assigned to demand component.
 - Total dollars in the account are assigned to customer and demand components based on transformer investment ratio from customer and demand components.

C. The Minimum-System vs. Minimum-Intercept Approach

When selecting a method to classify distribution costs into demand and customer costs, the analyst must consider several factors. The minimum-intercept method can sometimes produce statistically unreliable results. The extension of the regression equation beyond the boundaries of the data normally will intercept the Y axis at a positive value. In some cases, because of incorrect accounting data or some other abnormality in the data, the regression equation will intercept the Y axis at a negative value. When this happens, a review of the accounting data must be made, and suspect data deleted.

The results of the minimum-size method can be influenced by several factors. The analyst must determine the minimum size for each piece of equipment: "Should the minimum size be based upon the minimum size equipment currently installed, historically installed, or the minimum size necessary to meet safety requirements?" The manner in which the minimum size equipment is selected will directly affect the percentage of costs that are classified as demand and customer costs.

Cost analysts disagree on how much of the demand costs should be allocated to customers when the minimum-size distribution method is used to classify distribution plant. When using this distribution method, the analyst must be aware that the minimum-size distribution equipment has a certain load-carrying capability, which can be viewed as a demand-related cost.

When allocating distribution costs determined by the minimum-size method, some cost analysts will argue that some customer classes can receive a disproportionate share of demand costs. Their rationale is that customers are allocated a share of distribution costs classified as demand-related. Then those customers receive a second layer of demand costs that have been mislabeled customer costs because the minimum-size method was used to classify those costs.

Advocates of the minimum-intercept method contend that this problem does not exist when using their method. The reason is that the customer cost derived from the minimum-intercept method is based upon the zero-load intercept of the cost curve. Thus, the customer cost of a particular piece of equipment has no demand cost in it whatsoever.

D. Other Accounts

The preceding discussion of the merits of minimum-system versus the zero-intercept classification schemes will affect the major distribution-plant accounts for FERC Accounts 364 through 368. Several other plant accounts remain to be classified. While the classification of the following distribution-plant accounts is an important step,

it is not as controversial as the classification of substations, poles, transformers, and conductors.

1. Account 369 - Services

This account is generally classified as customer-related. Classification of services may also include a demand component to reflect the fact that larger customers will require more costly service drops.

2. Account 370 - Meters

Meters are generally classified on a customer basis. However, they may also be classified using a demand component to show that larger-usage customers require more expensive metering equipment.

3. Account 371 - Installations on Customer Premises

This account is generally classified as customer-related and is often directly assigned. The kind of equipment in this account often influences how this account is treated. The equipment in this account is owned by the utility, but is located on the customer's side of the meter. A utility will often include area lighting equipment in this account and assign the investment directly to the lighting customer class.

4. Account 373 - Street Lighting and Signal Systems

This account is generally customer-related and is directly assigned to the street customer class.

III. ALLOCATION OF THE DEMAND AND CUSTOMER COMPONENTS OF DISTRIBUTION PLANT

After completing the classification of distribution plant accounts, the next major step in the cost of service process is to allocate the classified costs. Generally, determining the distribution-demand allocator will require more data and analysis than determining the customer allocators. Following are procedures used to calculate the demand and customer allocation factors.

A. Development of the Distribution Demand Allocators

There are several factors to consider when allocating the demand components of distribution plant. Distribution facilities, from a design and operational perspective, are installed primarily to meet localized area loads. Distribution substations are designed to meet the maximum load from the distribution feeders emanating from the substation.

Similarly, when designing primary and secondary distribution feeders, the distribution engineer ensures that sufficient conductor and transformer capacity is available to meet the customer's loads at the primary- and secondary-distribution service levels. Local area loads are the major factors in sizing distribution equipment. Consequently, customer-class noncoincident demands (NCPs) and individual customer maximum demands are the load characteristics that are normally used to allocate the demand component of distribution facilities. The customer-class load characteristic used to allocate the demand component of distribution plant (whether customer class NCPs or the summation of individual customer maximum demands) depends on the load diversity that is present at the equipment to be allocated. The load diversity at distribution substations and primary feeders is usually high. For this reason, customer-class peaks are normally used for the allocation of these facilities. The facilities nearer the customer, such as secondary feeders and line transformers, have much lower load diversity. They are normally allocated according to the individual customer's maximum demands. Although these are the methods normally used for the allocation of distribution demand costs, some exceptions exist.

The load diversity differences for some utilities at the transmission and distribution substation levels may not be large. Consequently, some large distribution substations may be allocated using the same method as the transmission system. Before the cost analyst selects a method to allocate the different levels of distribution facilities, he must know the design and operational characteristics of the distribution system, as well as the demand losses at each level of the distribution system.

As previously indicated, the distribution system consists of several levels. The first level starts at the distribution substation, and the last level ends at the customer's meters. Power losses occur at each level and should be included in the demand allocators. Power losses are incorporated into the demand allocators by showing different demand loss factors at each predominant voltage level. The demand loss factor used to develop the primary-distribution demand allocator will be slightly larger than the demand loss factor used to develop the secondary demand allocator. When developing the distribution demand allocator, be aware that some customers take service at different voltage levels.

Cost analysts developing the allocator for distribution of substations or primary demand facilities must ensure that only the loads of those customers who benefit from these facilities are included in the allocator. For example, the loads of customers who take service at transmission level should not be reflected in the distribution substation or primary demand allocator. Similarly, when analysts develop the allocator for secondary demand facilities, the loads for customers served by the primary distribution system should not be included.

Utilities can gather load data to develop demand allocators, either through their load research program or their transformer load management program. In most cases, the load research program gathers data from meters on the customers' premises. A more complex procedure is to use the transformer load management program.

This procedure involves simulating load profiles for the various classes of equipment on the distribution system. This provides information on the nature of the load diversity between the customer and the substation, and its effect on equipment cost. Determining demand allocators through simulation provides a first-order load approximation, which represents the peak load for each type of distribution equipment.

The concept of peak load or "equipment peak" for each piece of distribution equipment can be understood by considering line transformers. If a given transformer's loading for each hour of a month can be calculated, a transformer load curve can be developed. By knowing the types of customers connected to each load management transformer, a simulated transformer load profile curve can be developed for the system. This can provide each customer's class demand at the time of the transformer's peak load. Similarly, an equipment peak can be defined for equipment at each level of the distribution system. Although the equipment peak obtained by this method may not be ideal, it will closely approximate the actual peak. Thus, this method should reflect the different load diversities among customers at each level of the distribution system. An illustration of the simulation procedure is provided in Appendix 6-A.

B. Allocation of Customer-Related Costs

When the demand-customer classification has been completed, most of the assumptions will have been made that affect the results of the completed cost of service study.

The allocation of the customer-related portion of the various plant accounts is based on the number of customers by classes of service, with appropriate weightings and adjustments. Weighting factors reflect differences in characteristics of customers within a given class, or between classes. Within a class, for instance, we may want to give more weighting of a certain plant account to rural customers, as compared to urban customers. The metering account is a clear example of an account requiring weighting for differences between classes. A metering arrangement for a single industrial customer may be 20 to 80 times as costly as the metering for one residential customer.

While customer allocation factors should be weighted to offset differences among various types of customers, highly refined weighting factors or detailed and time consuming studies may not seem worthwhile. Such factors applied in this final step of the cost study may affect the final results much less than such basic assumptions as the demand-allocation method or the technique for determining demand-customer classifications.

Expense allocations generally are based on the comparable plant allocator of the various classes. For instance, maintenance of overhead lines is generally assumed to be directly related to plant in overhead conductors and devices. Exceptions to this rule will occur in some accounts. Meter expenses, for example, are often a function of

maintenance and testing schedules related more to revenue per customer than to the cost of the meters themselves.

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE BY) DOCKET NO. 080677-EI
FLORIDA POWER & LIGHT COMPANY)**

**EXHIBIT __ (SJB-4)
OF
STEPHEN J. BARON**

**ON BEHALF OF THE
SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION**

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

**FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 272
COMPANY South FL Hospital & Healthcare Assoc.
WITNESS Stephen J. Baron (SJB-4)
DATE 08/31/09**

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Second Set of Interrogatories
Interrogatory No. 137
Page 1 of 1

Q.

Interrogatories Directed to Mr. Joseph Ender (or such others as FPL deems appropriate):

Please provide an explanation of the relationship between customer kW demands and the number and cost of secondary poles, include specific documentation from FPL's distribution planning organization supporting the provisioning of poles on the system and the level of customer kW demand, and identify the name, title and organization of the respondent to this request, including a copy of the respondent's resume (if not already a witness in the proceeding).

A.

As stated in FPL's response to SFHHA's Second Set of Interrogatories No. 130, distribution poles installed throughout FPL's distribution system consist of feeder poles, lateral poles, service poles and streetlight poles, all of which can and do carry secondary voltage. KW demand/load, which affects the size/weight of the overhead wire and equipment to be used, is just one of many factors considered when FPL is determining the type, sizing and number of distribution poles to install. Other considerations include clearance requirements, wind loading requirements, the number of attaching entities, as well as other equipment to be installed on the pole. The size and type of poles for FPL's distribution system are determined and installed consistent with FPL's distribution engineering/construction standards and guidelines which have been provided in FPL's responses to SFHHA's Second Request for Production of Documents Nos. 41 and 42. Regarding the cost of poles, generally, larger poles are more costly than smaller poles and concrete poles are more expensive than wood poles. See also installed costs provided in FPL's response to SFHHA's Second Set of Interrogatories No. 130.

Respondent - Michael G. Spoor, Distribution, Director, Business Services

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE BY) DOCKET NO. 080677-EI
FLORIDA POWER & LIGHT COMPANY)**

EXHIBIT __ (SJB-5)

OF

STEPHEN J. BARON

ON BEHALF OF THE

SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 273

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Stephen J. Baron (SJB-5)

DATE 08/31/09

**Selected Rate Case Application of Distribution Minimum System
Classification of Non-lighting Distribution Plant**

<u>Voltage</u>	<u>Classification</u>	<u>Wisconsin Public Service</u>	<u>Ohio Edison</u>	<u>Kentucky Utilities</u>	<u>Louisville Gas & Electric</u>	<u>Virginia Electric & Power</u>	<u>Average</u>
<i>Account 364 - Poles, Towers, & Fixtures</i>							
Primary	Demand	53.8%	100.0%	21.1%	39.4%	41.7%	51.2%
	Customer	46.2%	0.0%	78.9%	60.6%	58.3%	48.8%
Secondary	Demand	28.6%	100.0%	21.1%	39.4%	52.7%	48.4%
	Customer	71.4%	0.0%	78.9%	60.6%	47.3%	51.6%
<i>Account 365 - Overhead Conductors & Devices</i>							
Primary	Demand	30.2%	100.0%	21.1%	39.4%	66.8%	51.5%
	Customer	69.8%	0.0%	78.9%	60.6%	33.2%	48.5%
Secondary	Demand	18.4%	100.0%	21.1%	39.4%	81.4%	52.1%
	Customer	81.6%	0.0%	78.9%	60.6%	18.6%	47.9%
<i>Account 366 - Underground Conduit</i>							
Primary	Demand	100.0%	100.0%	27.9%	37.4%	73.7%	67.8%
	Customer	0.0%	0.0%	72.1%	62.6%	26.3%	32.2%
Secondary	Demand	100.0%	100.0%	27.9%	37.4%	73.7%	67.8%
	Customer	0.0%	0.0%	72.1%	62.6%	26.3%	32.2%
Undesignated	Demand	100.0%				73.7%	
	Customer	0.0%				26.3%	
<i>Account 367 - Underground Conductors</i>							
Primary	Demand	27.0%	100.0%	27.9%	37.4%	73.7%	53.2%
	Customer	73.0%	0.0%	72.1%	62.6%	26.3%	46.8%
Secondary	Demand	37.0%	100.0%	27.9%	37.4%	73.7%	55.2%
	Customer	63.0%	0.0%	72.1%	62.6%	26.3%	44.8%
Undesignated	Demand					73.7%	
	Customer					26.3%	
<i>Account 368 - Distribution Transformers</i>							
	Demand	33.2%	30.3%	52.1%	51.2%	87.3%	50.8%
	Customer	66.8%	69.7%	47.9%	48.8%	12.7%	49.2%

WPSC Docket No. 6690-UR-119 Test Year Ended December 31, 2008

Ohio Edison Docket No. 07-551-EL-AIR Test Year Ended 02/08

KU Case No. 2008-00251 Test Year Ended April 30, 2008

364 & 366 classified same as 365 & 367, respectively

366/367 based on workpapers; filed study was erroneously used 364/365 factors

LG&E Case No. 2008-00252 Test Year Ended April 30, 2008

364 & 366 classified same as 365 & 367, respectively

VEPCO Case No. PUE-2009-00019 Test Year Ended 12/08

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE BY) DOCKET NO. 080677-EI
FLORIDA POWER & LIGHT COMPANY)**

**EXHIBIT __ (SJB-6)
OF
STEPHEN J. BARON**

**ON BEHALF OF THE
SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION**

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

**FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 274
COMPANY South FL Hospital & Healthcare Assoc.
WITNESS Stephen J. Baron (SJB-6)
DATE 08/31/09**

Florida Power & Light Company
Docket No. 080677-EI
Staff's Third Set of Interrogatories
Interrogatory No. 19
Page 1 of 1

Q.

This interrogatory relates to FPL's forecasts in this docket. Please identify any adjustments that were made to either the forecast data, or made during the course of executing the programs used to develop the Company's forecasting models.

A.

The output of the econometric model used to forecast net energy for load per customer was adjusted for changes in usage not embedded in the historical data. The specific adjustments are as follows:

1. The addition of two new wholesale contracts (Lee County and Seminole Electric Cooperative).
2. Incremental energy efficiency reductions resulting from mandated changes in appliance efficiency (e.g., higher energy efficiency standards for air-conditioners) and compact fluorescent bulbs. This adjustment reflects only increases in energy efficiency not reflected in the historical usage. This adjustment is consistent with adjustments for mandated energy efficiency standards incorporated in FPL's recent Need Determination filings.
3. An adjustment for the increase in the number of minimal usage customers FPL has experienced coincident with the housing crisis. Historically, 6.8% to 7% of FPL's residential customers have been minimal usage customers, defined as those using 1 to 200 kWh per month. However, this percentage has risen with the increase in vacancy rates resulting from the housing crisis. As of the end of 2008, the percentage of residential customers using minimal amounts of electricity had increased to 8.7% and recent actuals show the percentage has since risen to 8.9%. Based on the increase in this percentage relative to its long-term average, FPL estimates that the increase in minimal usage customers is reducing net energy for load by approximately 1%.
4. An anchoring adjustment is made to calibrate the model to the average level of 2008 usage.

In combination, the above adjustments have substantially reduced the year-to-date weather normalized variance in net energy for load and are needed to accurately reflect the expected level of sales in the test year.

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE BY) DOCKET NO. 080677-EI
FLORIDA POWER & LIGHT COMPANY)**

EXHIBIT __ (SJB-7)

OF

STEPHEN J. BARON

ON BEHALF OF THE

SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 275

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Stephen J. Baron (SJB-7)

DATE 08/31/09

Florida Power Light Company
Docket No. 080677-EI
Summary of Cost of Service Results
Single CP Production and Distribution Minimum System

Description	Total	CILC-1D	CILC-1G	CILC-1T	CS1	CS2	GS1	GSCU-1	GSD1	GSLD1	GSLD2	GSLD3	HLFT1
RATE BASE													
Electric Plant In Service	28,288,080	461,131	31,657	162,701	33,539	13,325	1,933,674	9,682	4,971,800	1,085,112	145,053	27,611	226,979
Accumulated Depreciation and Amortization	(12,590,521)	(205,058)	(14,161)	(78,395)	(14,945)	(5,938)	(850,960)	(4,088)	(2,233,901)	(487,850)	(64,649)	(13,232)	(101,870)
Net Plant In Service	15,697,559	256,073	17,696	84,366	18,594	7,386	1,082,713	5,594	2,737,899	597,262	80,404	14,379	125,109
Plant Held for Future Use	74,502	1,613	108	563	112	44	4,725	17	15,427	3,503	489	100	751
Construction Work In Progress	707,530	13,180	896	5,304	924	366	46,933	220	132,787	29,397	4,017	905	6,352
Net Nuclear Fuel	374,733	11,162	727	5,439	688	298	21,734	118	84,839	18,496	2,980	846	5,159
Total Utility Plant	16,854,324	282,026	19,427	95,671	20,315	8,095	1,156,106	5,949	2,970,952	648,658	87,890	16,230	137,371
Working Capital - Assets	3,398,188	72,122	4,885	31,235	4,706	1,948	223,575	1,329	834,881	136,492	20,360	4,973	33,940
Working Capital - Liabilities	(3,183,926)	(63,293)	(4,320)	(27,017)	(4,182)	(1,728)	(213,888)	(1,286)	(574,827)	(122,935)	(18,076)	(4,317)	(30,016)
Working Capital - Net	209,262	8,829	566	4,218	523	220	9,686	43	60,054	13,558	2,284	656	3,924
Total Rate Base	17,063,586	280,855	19,982	99,890	20,839	8,315	1,165,792	5,992	3,031,006	662,216	90,174	16,885	141,296
REVENUES													
Sales of Electricity	3,920,872	71,354	5,913	25,240	4,955	1,863	289,878	1,432	741,464	141,683	20,940	4,444	34,823
Other Operating Revenues	193,855	1,897	130	615	137	55	15,228	133	21,302	4,271	585	101	932
Total Operating Revenues	4,114,727	73,251	6,043	25,855	5,091	1,918	305,106	1,564	762,766	145,954	21,524	4,546	35,755
EXPENSES													
Operating & Maintenance	(1,721,872)	(30,175)	(2,084)	(12,291)	(2,039)	(832)	(119,679)	(753)	(289,309)	(61,257)	(8,790)	(1,981)	(14,451)
Depreciation & Amortization	(1,075,373)	(17,109)	(1,188)	(6,311)	(1,250)	(496)	(72,857)	(362)	(186,967)	(40,837)	(5,396)	(1,063)	(8,495)
Taxes Other Than Income	(350,370)	(5,844)	(405)	(1,995)	(419)	(166)	(24,137)	(128)	(61,170)	(13,283)	(1,811)	(338)	(2,841)
Income Taxes	(243,338)	(5,791)	(822)	(1,284)	(389)	(99)	(26,342)	(77)	(66,956)	(8,590)	(1,482)	(336)	(2,895)
Amortization of Property Losses	1,108	62	4	41	4	1	20	(1)	440	111	18	7	26
Gain or Loss on Sale of Plant	1,002	22	1	0	2	1	66	0	211	49	7	0	10
Total Operating Expense	(3,388,844)	(59,836)	(4,504)	(21,840)	(4,091)	(1,592)	(242,929)	(1,319)	(603,750)	(121,608)	(17,456)	(3,712)	(28,645)
NOI Before Curtailment Adjustment	725,883	14,415	1,540	4,015	1,000	327	62,178	245	159,016	24,346	4,069	834	7,110
Curtailment Credit Revenue	497	0	0	0	316	181	0	0	0	0	0	0	0
Reassign Curtailment Credit Revenue	(497)	(11)	(1)	(5)	(1)	(0)	(30)	(0)	(104)	(24)	(3)	(1)	(5)
Net Curtailment Credit Revenue	0	(11)	(1)	(5)	318	181	(30)	(0)	(104)	(24)	(3)	(1)	(5)
Net Curtailment NOI Adjustment	0	(7)	(0)	(3)	193	111	(19)	(0)	(64)	(15)	(2)	(1)	(3)
Net Operating Income	725,883	14,408	1,539	4,012	1,194	437	62,159	245	158,952	24,331	4,067	833	7,106
Rate of Return	4.25%	4.95%	7.70%	4.02%	5.73%	5.26%	5.33%	4.09%	5.24%	3.67%	4.51%	4.93%	5.03%
Parity	1.00	1.16	1.81	0.94	1.35	1.24	1.25	0.96	1.23	0.86	1.06	1.16	1.18
Increase to Proposed Equal Rate of Return	1,043,534	14,463	98	6,497	773	372	50,769	383	136,339	46,770	5,138	845	6,851
Total Revenues at Proposed Rate of Return	5,158,261	87,714	6,141	32,352	5,864	2,290	355,875	1,947	899,105	192,724	26,662	5,391	42,606
Proposed Other Operating Revenues	269,183	2,517	173	698	176	69	21,283	198	26,871	5,328	755	115	1,193
Revenue from Sales at Prop Rate of Return	4,889,078	85,197	5,969	31,653	5,688	2,221	334,591	1,749	872,234	187,396	25,907	5,276	41,414

Florida Power Light Company
Docket No. 080677-EI
Summary of Cost of Service Results
Single CP Production and Distribution Minimum System

Description	HLFT2	HLFT3	MET	OL-1	OS-2	RS1	SDTR-1	SDTR-2	SDTR-3	SL-1	SL-2	SST-DST	SST-TST
RATE BASE													
Electric Plant In Service	911,726	183,930	17,969	105,786	5,655	17,290,435	86,997	107,328	13,146	438,877	4,362	1,935	17,473
Accumulated Depreciation and Amortization	(409,415)	(82,440)	(7,944)	(73,610)	(2,177)	(7,583,750)	(37,397)	(46,631)	(5,642)	(255,279)	(1,956)	(840)	(8,452)
Net Plant In Service	502,311	101,490	10,025	32,175	3,478	9,706,684	49,600	60,698	7,504	183,598	2,406	1,095	9,022
Plant Held for Future Use	3,020	616	63	59	18	42,149	315	380	46	306	15	6	58
Construction Work In Progress	25,406	5,145	501	2,062	123	417,364	2,414	2,951	348	9,210	127	49	529
Net Nuclear Fuel	19,758	4,161	332	382	48	190,868	1,776	2,144	254	1,926	113	26	461
Total Utility Plant	550,494	111,412	10,921	34,677	3,667	10,357,085	54,105	68,172	8,152	195,041	2,662	1,177	10,069
Working Capital - Assets	131,848	27,211	2,425	8,823	624	1,977,505	12,669	15,024	1,786	41,204	755	219	2,647
Working Capital - Liabilities	(116,899)	(24,074)	(2,156)	(8,970)	(563)	(1,897,499)	(11,158)	(13,293)	(1,589)	(38,596)	(670)	(200)	(2,373)
Working Capital - Net	14,949	3,137	269	(146)	61	80,005	1,510	1,731	197	2,609	85	19	274
Total Rate Base	565,443	114,549	11,190	34,531	3,728	10,437,090	55,615	67,902	8,349	197,649	2,747	1,198	10,343
REVENUES													
Sales of Electricity	115,444	23,478	2,808	11,731	838	2,315,944	15,359	15,524	1,671	68,935	1,112	256	3,782
Other Operating Revenues	3,673	748	76	529	41	141,427	377	443	56	995	33	9	62
Total Operating Revenues	119,117	24,226	2,884	12,260	879	2,457,371	15,736	15,967	1,727	69,930	1,145	265	3,844
EXPENSES													
Operating & Maintenance	(56,501)	(11,563)	(1,065)	(5,962)	(315)	(1,064,509)	(5,480)	(6,501)	(781)	(24,004)	(329)	(103)	(1,109)
Depreciation & Amortization	(34,103)	(6,862)	(662)	(5,395)	(189)	(652,234)	(3,175)	(3,931)	(478)	(25,290)	(164)	(71)	(678)
Taxes Other Than Income	(11,337)	(2,295)	(226)	(759)	(78)	(215,884)	(1,132)	(1,369)	(168)	(4,302)	(57)	(24)	(202)
Income Taxes	(1,671)	(351)	(291)	359	(86)	(119,242)	(2,021)	(1,118)	(44)	(4,860)	(231)	(17)	(703)
Amortization of Property Losses	105	21	2	(10)	(0)	292	11	11	1	(57)	1	0	1
Gain or Loss on Sale of Plant	40	9	1	1	1	562	5	6	1	7	0	0	0
Total Operating Expense	(103,467)	(21,041)	(2,241)	(11,765)	(677)	(2,051,015)	(11,793)	(12,900)	(1,470)	(58,507)	(780)	(214)	(2,691)
NOI Before Curtailment Adjustment	15,650	3,185	643	495	202	406,357	3,943	3,067	257	11,423	364	50	1,153
Curtailment Credit Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Reassign Curtailment Credit Revenue	(21)	(4)	(0)	(0)	(0)	(279)	(2)	(2)	(0)	(1)	(0)	(0)	(0)
Net Curtailment Credit Revenue	(21)	(4)	(0)	(0)	(0)	(279)	(2)	(2)	(0)	(1)	(0)	(0)	(0)
Net Curtailment NOI Adjustment	(13)	(3)	(0)	(0)	(0)	(171)	(1)	(1)	(0)	(1)	(0)	(0)	(0)
Net Operating Income	15,637	3,183	643	495	202	406,186	3,942	3,066	257	11,422	364	50	1,153
Rate of Return	2.77%	2.78%	5.74%	1.43%	5.42%	3.89%	7.09%	4.52%	3.08%	5.78%	13.26%	4.20%	11.14%
Parity	0.65	0.65	1.35	0.34	1.27	0.91	1.67	1.06	0.72	1.36	3.12	0.39	2.62
Increase to Proposed Equal Rate of Return	48,328	9,766	412	3,703	157	700,041	827	3,863	670	7,163	(236)	74	(532)
Total Revenues at Proposed Rate of Return	167,445	33,993	3,296	15,963	1,036	3,157,413	16,563	19,830	2,398	77,093	909	339	3,313
Proposed Other Operating Revenues	4,669	949	100	416	59	200,892	552	616	76	1,365	52	11	48
Revenue from Sales at Prop Rate of Return	162,776	33,044	3,196	15,547	977	2,956,521	16,011	19,214	2,321	75,728	856	328	3,265

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE BY) DOCKET NO. 080677-EI
FLORIDA POWER & LIGHT COMPANY)**

**EXHIBIT __ (SJB-8)
OF
STEPHEN J. BARON**

**ON BEHALF OF THE
SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION**

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

**FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 276
COMPANY South FL Hospital & Healthcare Assoc.
WITNESS Stephen J. Baron (SJB-8)
DATE 08/31/09**

**Florida Power & Light Company
Docket No. 080677-EI
SFHHA's First Set of Interrogatories
Interrogatory No. 19
Page 1 of 1**

**Q.
Interrogatories to Renae Deaton**

Regarding page 5:1-8. Please explain the manner in which FPL considered the ratemaking concept of "gradualism" in its proposed increase to each rate schedule and the movement towards parity.

A.
FPL did not consider the concept of "gradualism" in its proposed increase to each rate schedule and the movement towards parity as it has been 24 years since parity was addressed. It was determined that the inequities between the rate classes should be corrected at this time in order to eliminate the subsidization of some classes by other classes to the greatest extent practical.

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE BY) DOCKET NO. 080677-EI
FLORIDA POWER & LIGHT COMPANY)**

**EXHIBIT__ (SJB-9)
OF
STEPHEN J. BARON**

**ON BEHALF OF THE
SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION**

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

**FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 277
COMPANY South FL Hospital & Healthcare Assoc. (Direct)
WITNESS Stephen J. Baron (SJB-9)
DATE 08/31/09**

INCREASES TO EQUAL RATE OF RETURN WITH "1.5 TIMES" LIMITATION

Single CP Production Allocation and Distribution Minimum System Class Cost of Service Study

[illegible]

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**IN RE: PETITION FOR RATE INCREASE BY) DOCKET NO. 080677-EI
FLORIDA POWER & LIGHT COMPANY)**

EXHIBIT __ (SJB-10)

OF

STEPHEN J. BARON

ON BEHALF OF THE

SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

**FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 278
COMPANY South FL Hospital & Healthcare Assoc. (Direct)
WITNESS Stephen J. Baron (SJB-10)
DATE 08/31/09**

FPL PROPOSED RATE SCHEDULE INCREASES WITH "1.5 TIMES" LIMITATION

[illegible]

EXHIBIT__ (RAB-1)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 279

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Richard A. Baudino (RAB-1)

DATE 09/02/09

RESUME OF RICHARD A. BAUDINO

EDUCATION

New Mexico State University, M.A.
Major in Economics
Minor in Statistics

New Mexico State University, B.A.
Economics
English

Twenty five years of experience in utility ratemaking. Broad based experience in revenue requirement analysis, cost of capital, utility financing, phase-ins, auditing and rate design. Has designed revenue requirement and rate design analysis programs.

REGULATORY TESTIMONY

Preparation and presentation of expert testimony in the areas of:

Electric and Gas Utility Rate Design
Cost of Capital for Electric, Gas and Water Companies
Ratemaking Treatment of Generating Plant Sale/Leasebacks
Electric and Gas Utility Cost of Service
Revenue Requirements
Gas industry restructuring and competition
Fuel cost auditing

RESUME OF RICHARD A. BAUDINO

EXPERIENCE

1989 to

Present: Kennedy and Associates: Consultant - Responsible for consulting assignments in the area of revenue requirements, rate design, cost of capital, economic analysis of generation alternatives, gas industry restructuring and competition.

1982 to

1989: New Mexico Public Service Commission Staff: Utility Economist - Responsible for preparation of analysis and expert testimony in the areas of rate of return, cost allocation, rate design, finance, phase-in of electric generating plants, and sale/leaseback transactions.

CLIENTS SERVED

Regulatory Commissions

Louisiana Public Service Commission
Georgia Public Service Commission
New Mexico Public Service Commission

Industrial Groups

Ad Hoc Committee for a Competitive
Electric Supply System
Air Products and Chemicals, Inc.
Arkansas Electric Energy Consumers
Arkansas Gas Consumers
Armco Steel Company, L.P.
Association of Business Advocating
Tariff Equity
CF&I Steel, L.P.
Climax Molybdenum Company
General Electric Company
Industrial Energy Consumers
Kentucky Industrial Utility Consumers
Large Electric Consumers Organization
Newport Steel
Northwest Arkansas Gas Consumers
Maryland Industrial Group
Occidental Chemical

PSI Industrial Group
Taconite Intervenors (Minnesota)
Tyson Foods
West Virginia Energy Users Group

**Expert Testimony Appearances
 of
 Richard A. Baudino
 As of May 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
3/83	1780	NM	New Mexico Public Service Commission	Boles Water Co.	Rate design, rate of return.
10/83	1803, 1817	NM	New Mexico Public Service Commission	Southwestern Electric Coop	Rate design.
11/84	1833	NM	New Mexico Public Service Commission	El Paso Electric Co.	Service contract approval, rate design, performance standards for Palo Verde nuclear generating system
1983	1835	NM	New Mexico Public Service Commission	Public Service Co. of NM	Rate design.
1984	1848	NM	New Mexico Public Service Commission	Sangre de Cristo Water Co.	Rate design.
02/85	1906	NM	New Mexico Public Service Commission	Southwestern Public Service Co.	Rate of return.
09/84	1907	NM	New Mexico Public Service Commission	Jornada Water Co.	Rate of return.
11/85	1957	NM	New Mexico Public Service Commission	Southwestern Public Service Co.	Rate of return.
04/86	2009	NM	New Mexico Public Service Commission	El Paso Electric Co.	Phase-in plan, treatment of sale/leaseback expense.
06/86	2032	NM	New Mexico Public Service Commission	El Paso Electric Co.	Sale/leaseback approval.
09/86	2033	NM	New Mexico Public Service Commission	El Paso Electric Co.	Order to show cause, PVNGS audit.
02/87	2074	NM	New Mexico Public Service Commission	El Paso Electric Co.	Diversification.
05/87	2089	NM	New Mexico Public Service Commission	El Paso Electric Co.	Fuel factor adjustment.
08/87	2092	NM	New Mexico Public Service Commission	El Paso Electric Co.	Rate design.

**Expert Testimony Appearances
 of
 Richard A. Baudino
 As of May 2009**

Date	Case	Jurisdic.	Party	Utility	Subject
10/88	2146	NM	New Mexico Public Service Commission	Public Service Co. of New Mexico	Financial effects of restructuring, reorganization.
07/88	2162	NM	New Mexico Public Service Commission	El Paso Electric Co.	Revenue requirements, rate design, rate of return.
01/89	2194	NM	New Mexico Public Service Commission	Plains Electric G&T Cooperative	Economic development.
1/89	2253	NM	New Mexico Public Service Commission	Plains Electric G&T Cooperative	Financing.
08/89	2259	NM	New Mexico Public Service Commission	Homestead Water Co.	Rate of return, rate design.
10/89	2262	NM	New Mexico Public Service Commission	Public Service Co. of New Mexico	Rate of return.
09/89	2269	NM	New Mexico Public Service Commission	Ruidoso Natural Gas Co.	Rate of return, expense from affiliated interest.
12/89	89-208-TF	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Rider M-33.
01/90	U-17282	LA	Louisiana Public Service Commission	Gulf States Utilities	Cost of equity.
09/90	90-158	KY	Kentucky Industrial Utility Consumers	Louisville Gas & Electric Co.	Cost of equity.
09/90	90-004-U	AR	Northwest Arkansas Gas Consumers	Arkansas Western Gas Co.	Cost of equity, transportation rate.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission	Gulf States Utilities	Cost of equity.
04/91	91-037-U	AR	Northwest Arkansas Gas Consumers	Arkansas Western Gas Co.	Transportation rates.
12/91	91-410-EL-AIR	OH	Air Products & Chemicals, Inc., Armco Steel Co., General Electric Co., Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Cost of equity.

**Expert Testimony Appearances
of
Richard A. Baudino
As of May 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
05/92	910890-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Cost of equity, rate of return.
09/92	92-032-U	AR	Arkansas Gas Consumers	Arkansas Louisiana Gas Co.	Cost of equity, rate of return, cost-of-service.
09/92	39314	ID	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	Cost of equity, rate of return.
09/92	92-009-U	AR	Tyson Foods	General Waterworks	Cost allocation, rate design.
01/93	92-346	KY	Newport Steel Co.	Union Light, Heat & Power Co.	Cost allocation.
01/93	39498	IN	PSI Industrial Group	PSI Energy	Refund allocation.
01/93	U-10105	MI	Association of Businesses Advocating Tariff Equality (ABATE)	Michigan Consolidated Gas Co.	Return on equity.
04/93	92-1464-EL-AIR	OH	Air Products and Chemicals, Inc., Armco Steel Co., Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Return on equity.
09/93	93-189-U	AR	Arkansas Gas Consumers	Arkansas Louisiana Gas Co.	Transportation service terms and conditions.
09/93	93-081-U	AR	Arkansas Gas Consumers	Arkansas Louisiana Gas Co.	Cost-of-service, transportation rates, rate supplements; return on equity; revenue requirements.
12/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Historical reviews; evaluation of economic studies.
03/94	10320	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Trimble County CWIP revenue refund.

**Expert Testimony Appearances
of
Richard A. Baudino
As of May 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
4/94	E-015/ GR-94-001	MN	Large Power Intervenor	Minnesota Power Co.	Evaluation of the cost of equity, capital structure, and rate of return.
5/94	R-00942993	PA	PG&W Industrial Intervenor	Pennsylvania Gas & Water Co.	Analysis of recovery of transition costs.
5/94	R-00943001	PA	Columbia Industrial Intervenor	Columbia Gas of Pennsylvania	Evaluation of cost allocation, rate design, rate plan, and carrying charge proposals.
7/94	R-00942986	PA	Armco, Inc., West Penn Power Industrial Intervenor	West Penn Power Co.	Return on equity and rate of return.
7/94	94-0035- E-42T	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Return on equity and rate of return.
8/94	8652	MD	Westvaco Corp.	Potomac Edison Co.	Return on equity and rate of return.
9/94	930357-C	AR	West Central Arkansas Gas Consumers	Arkansas Oklahoma Gas Corp.	Evaluation of transportation service.
9/94	U-19904	LA	Louisiana Public Service Commission	Gulf States Utilities	Return on equity.
9/94	8629	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Transition costs.
11/94	94-175-U	AR	Arkansas Gas Consumers	Arkla, Inc.	Cost-of-service, rate design, rate of return.
3/95	RP94-343- 000	FERC	Arkansas Gas Consumers	NorAm Gas Transmission	Rate of return.
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Return on equity.
6/95	U-10755	MI	Association of Businesses Advocating Tariff Equity	Consumers Power Co.	Revenue requirements.
7/95	8697	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Cost allocation and rate design.

**Expert Testimony Appearances
 of
 Richard A. Baudino
 As of May 2009**

Date	Case	Jurisdic.	Party	Utility	Subject
8/95	95-254-TF U-2811	AR	Tyson Foods, Inc.	Southwest Arkansas Electric Cooperative	Refund allocation.
10/95	ER95-1042 -000	FERC	Louisiana Public Service Commission	Systems Energy Resources, Inc.	Return on Equity.
11/95	I-940032	PA	Industrial Energy Consumers of Pennsylvania	State-wide - all utilities	Investigation into Electric Power Competition.
5/96	96-030-U	AR	Northwest Arkansas Gas Consumers	Arkansas Western Gas Co.	Revenue requirements, rate of return and cost of service.
7/96	8725	MD	Maryland Industrial Group	Baltimore Gas & Electric Co., Potomac Electric Power Co. and Constellation Energy Corp.	Return on Equity.
7/96	U-21496	LA	Louisiana Public Service Commission	Central Louisiana Electric Co.	Return on equity, rate of return.
9/96	U-22092	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Return on equity.
1/97	RP96-199- 000	FERC	The Industrial Gas Users Conference	Mississippi River Transmission Corp.	Revenue requirements, rate of return and cost of service.
3/97	96-420-U	AR	West Central Arkansas Gas Corp.	Arkansas Oklahoma Gas Corp.	Revenue requirements, rate of return, cost of service and rate design.
7/97	U-11220	MI	Association of Business Advocating Tariff Equity	Michigan Gas Co. and Southeastern Michigan Gas Co.	Transportation Balancing Provisions
7/97	R-00973944	PA	Pennsylvania American Water Large Users Group	Pennsylvania- American Water Co.	Rate of return, cost of service, revenue requirements.
3/98	8390-U	GA	Georgia Natural Gas Group and the Georgia Textile Manufacturers Assoc.	Atlanta Gas Light	Rate of return, restructuring issues, unbundling, rate design issues.

**Expert Testimony Appearances
of
Richard A. Baudino
As of May 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
7/98	R-00984280 PA		PG Energy, Inc.	PGE Industrial Intervenors	Cost allocation.
8/98	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Revenue requirements.
10/98	97-596	ME	Maine Office of the Public Advocate	Bangor Hydro- Electric Co.	Return on equity, rate of return.
10/98	U-23327	LA	Louisiana Public Service Commission	SWEPCO, CSW and AEP	Analysis of proposed merger.
12/98	98-577	ME	Maine Office of the Public Advocate	Maine Public Service Co.	Return on equity, rate of return.
12/98	U-23358	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Return on equity, rate of return.
3/99	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Return on equity.
3/99	99-082	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Return on equity.
4/99	R-984554	PA	T. W. Phillips Users Group	T. W. Phillips Gas and Oil Co.	Allocation of purchased gas costs.
6/99	R-0099462 PA		Columbia Industrial Intervenors	Columbia Gas of Pennsylvania	Balancing charges.
10/99	U-24182	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Cost of debt.
10/99	R-00994782 PA		Peoples Industrial Intervenors	Peoples Natural Gas Co.	Restructuring issues.
10/99	R-00994781 PA		Columbia Industrial Intervenors	Columbia Gas of Pennsylvania	Restructuring, balancing charges, rate flexing, alternate fuel.
01/00	R-00994786 PA		UGI Industrial Intervenors	UGI Utilities, Inc.	Universal service costs, balancing, penalty charges, capacity assignment.

**Expert Testimony Appearances
of
Richard A. Baudino
As of May 2009.**

Date	Case	Jurisdct.	Party	Utility	Subject
01/00	8829	MD	Maryland Industrial Gr. & United States	Baltimore Gas & Electric Co.	Revenue requirements, cost allocation, rate design.
02/00	R-00994788	PA	Penn Fuel Transportation	PFG Gas, Inc., and	Tariff charges, balancing provisions.
05/00	U-17735	LA	Louisiana Public Service Comm.	Louisiana Electric Cooperative	Rate restructuring.
07/00	2000-080	KY	Kentucky Industrial Utility Consumers	Louisville Gas and Electric Co.	Cost allocation.
07/00	U-21453 U-20925 (SC), U-22092 (SC) (Subdocket E)	LA	Louisiana Public Service Comm.	Southwestern Electric Power Co.	Stranded cost analysis.
09/00	R-00005654	PA	Philadelphia Industrial And Commercial Gas Users Group.	Philadelphia Gas Works	Interim relief analysis.
10/00	U-21453 U-20925 (SC), U-22092 (SC) (Subdocket B)	LA	Louisiana Public Service Comm.	Entergy Gulf States, Inc.	Restructuring, Business Separation Plan.
11/00	R-00005277 (Rebuttal)	PA	Penn Fuel Transportation Customers	PFG Gas, Inc. and North Penn Gas Co.	Cost allocation issues.
12/00	U-24993	LA	Louisiana Public Service Comm.	Entergy Gulf States, Inc.	Return on equity.
03/01	U-22092	LA	Louisiana Public Service Comm.	Entergy Gulf States, Inc.	Stranded cost analysis.
04/01	U-21453 U-20925 (SC), U-22092 (SC) (Subdocket B) (Addressing Contested Issues)	LA	Louisiana Public Service Comm.	Entergy Gulf States, Inc.	Restructuring Issues.
04/01	R-00006042	PA	Philadelphia Industrial and Commercial Gas Users Group	Philadelphia Gas Works	Revenue requirements, cost allocation and tariff issues.
11/01	U-25687	LA	Louisiana Public Service Comm.	Entergy Gulf States, Inc.	Return on equity.

**Expert Testimony Appearances
of
Richard A. Baudino
As of May 2009**

Date	Case	Jurisdic.	Party	Utility	Subject
03/02	14311-U	GA	Georgia Public Service Commission	Atlanta Gas Light	Capital structure.
08/02	2002-00145	KY	Kentucky Industrial Utility Customers	Columbia Gas of Kentucky	Revenue requirements.
09/02	M-00021612	PA	Philadelphia Industrial And Commercial Gas Users Group	Philadelphia Gas Works	Transportation rates, terms, and conditions.
01/03	2002-00169	KY	Kentucky Industrial Utility Customers	Kentucky Power	Return on equity.
02/03	02S-594E	CO	Cripple Creek & Victor Gold Mining Company	Aquila Networks – WPC	Return on equity.
04/03	U-26527	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Return on equity.
10/03	CV020495AB	GA	The Landings Assn., Inc.	Utilities Inc. of GA	Revenue requirement & overcharge refund
03/04	2003-00433	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric	Return on equity, Cost allocation & rate design
03/04	2003-00434	KY	Kentucky Industrial Utility Customers	Kentucky Utilities	Return on equity
4/04	04S-035E	CO	Cripple Creek & Victor Gold Mining Company, Goodrich Corp., Holcim (U.S.) Inc., and The Trane Co.	Aquila Networks – WPC	Return on equity.
9/04	U-23327, Subdocket B	LA	Louisiana Public Service Commission	Southwestern Electric Power Company	Fuel cost review
10/04	U-23327 Subdocket A	LA	Louisiana Public Service Commission	Southwestern Electric Power Company	Return on Equity

**Expert Testimony Appearances
of
Richard A. Baudino
As of May 2009**

Date	Case	Jurisdic.	Party	Utility	Subject
06/05	050045-EI	FL	South Florida Hospital and HealthCare Assoc.	Florida Power & Light Co.	Return on equity
08/05	9036	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Revenue requirement, cost allocation, rate design, Tariff issues.
01/06	2005-0034	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Return on equity.
03/06	05-1278-E-PC-PW-42T	WV	West Virginia Energy Users Group	Appalachian Power Company	Return on equity.
04/06	U-25116	LA	Louisiana Public Service Commission	Entergy Louisiana, LLC	Transmission Issues
07/06	U-23327	LA	Louisiana Public Service Commission	Southwestern Electric Power Company	Return on equity, Service quality
08/06	ER-2006-0314	MO	Missouri Office of the Public Counsel	Kansas City Power & Light Co.	Return on equity, Weighted cost of capital
08/06	06S-234EG	CO	CF&I Steel, L.P. & Climax Molybdenum	Public Service Company of Colorado	Return on equity, Weighted cost of capital
01/07	06-0960-E-42T WV		West Virginia Energy Users Group	Monongahela Power & Potomac Edison	Return on Equity
01/07	43112		AK Steel, Inc.	Vectren South, Inc.	Cost allocation, rate design
05/07	2006-661		Maine Office of the Public Advocate	Bangor Hydro-Electric	Return on equity, weighted cost of capital.
09/07	07-07-01		Connecticut Industrial Energy Consumers	Connecticut Light & Power	Return on equity, weighted cost of capital
10/07	05-UR-103		Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Co.	Return on equity
11/07	29797		Louisiana Public Service Commission	Cleco Power LLC & Southwestern Elec. Power	Lignite Pricing, support of settlement
01/08	07-551-EL-AIR		Ohio Energy Group	Ohio Edison, Cleveland Electric, Toledo Edison	Return on equity

Expert Testimony Appearances
of
Richard A. Baudino
As of May 2009

Date	Case	Jurisdct.	Party	Utility	Subject
03/08	07-0585, 07-0585, 07-0587, 07-0588, 07-0589, 07-0590, (consol.)	IL	The Commercial Group	Ameren	Cost allocation, rate design
04/08	07-0566	IL	The Commercial Group	Commonwealth Edison	Cost allocation, rate design
06/08	R-2008- 2011621	PA	Columbia Industrial Intervenor	Columbia Gas of PA	Cost and revenue allocation, Tariff issues
07/08	R-2008- 2028394	PA	Philadelphia Area Industrial Energy users Group	PECO Energy	Cost and revenue allocation, Tariff issues
07/08	R-2008- 2039634	PA	PPL Gas Large Users Gp.	PPL Gas	Retainage, LUFG Pct.
08/08	6680-UR- 116	WI	Wisconsin Industrial Energy Group	Wisconsin P&L	Cost of Equity
08/08	6690-UR- 119	WI	Wisconsin Industrial Energy Group	Wisconsin PS	Cost of Equity
09/08	ER-2008- 0318	MO	The Commercial Group	AmerenUE	Cost and revenue allocation
10/08	R-2008- 2029325	PA	U.S. Steel & Univ. of Pittsburgh Med. Ctr.	Equitable Gas Co.	Cost and revenue allocation
10/08	08-G-0609	NY	Multiple Intervenor	Niagara Mohawk Power	Cost and Revenue allocation
12/08	27800-U	GA	Georgia Public Service Commission	Georgia Power Company	CWIP/AFUDC issues, Review financial projections
03/09	ER08-1056	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Capital Structure
04/09	E002/GR-08-1065		The Commercial Group	Northern States Power	Cost and revenue allocation and rate design
05/09	08-0532		The Commercial Group	Commonwealth Edison	Cost and revenue allocation

EXHIBIT__ (RAB-2)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 280

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Richard A. Baudino (RAB-2)

DATE 09/02/09

HISTORICAL BOND YIELDS AVERAGE PUBLIC UTILITY BOND VS 20-YEAR TREASURY BOND

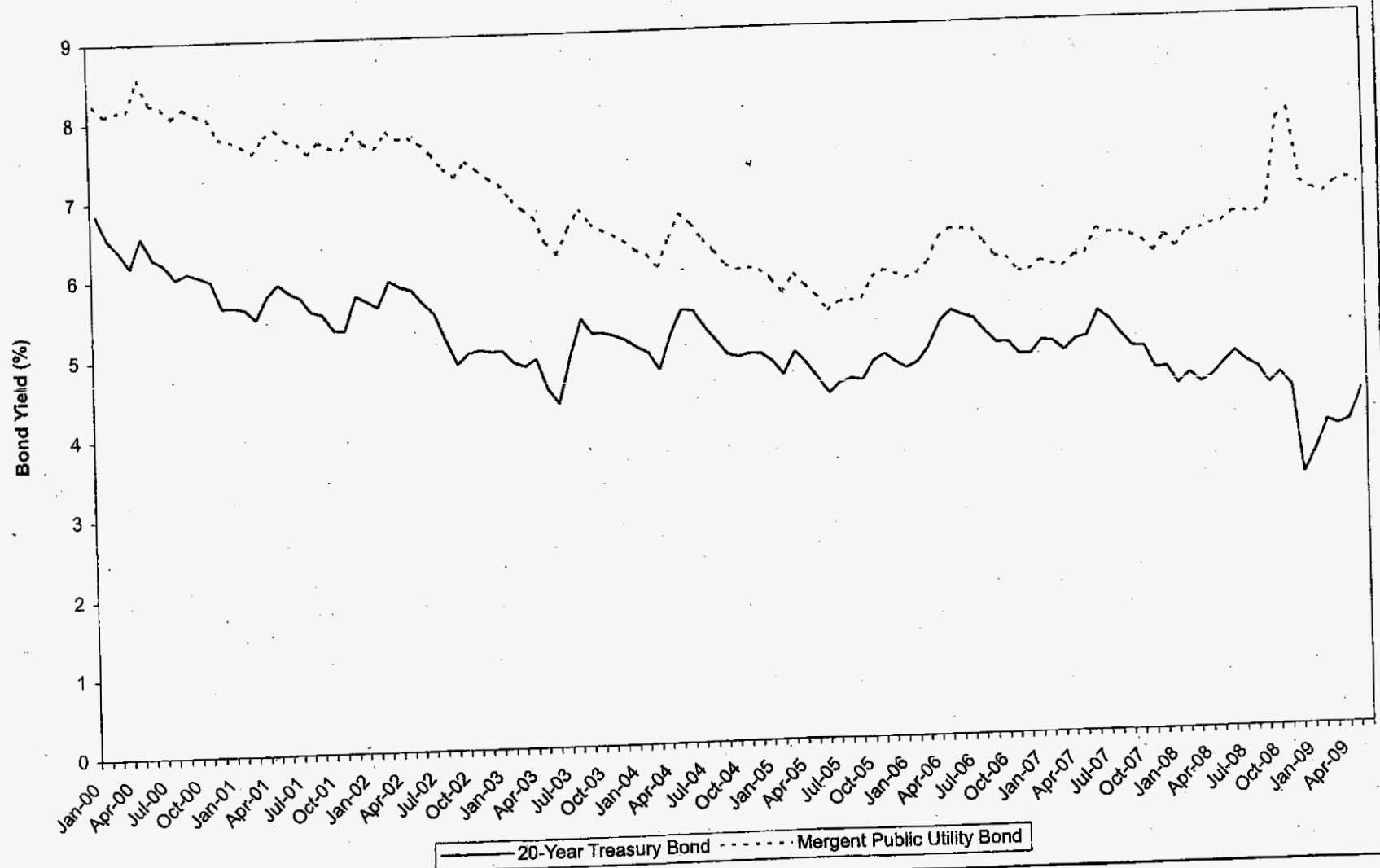


Exhibit ____ (RAB-3)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 281

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Richard A. Baudino (RAB-3)

DATE 09/02/09



2009 Credit Suisse Energy Summit

Paul Cutler

Treasurer

FPL Group, Inc.

Mike O'Sullivan

Senior Vice President

NextEra Energy Resources

February 3, 2009

FPL Group is a premier U.S. power company

FPL Group

- \$21.1 B market capitalization
- 39,015 MW in operation
- \$16.4 B operating revenue
- \$44.8 B in total assets

Florida Power & Light

- One of the largest U.S. electric utilities
- Vertically integrated, retail rate-regulated
- 4.5 MM customer accounts
- 22,087 MW in operation
- \$11.6 B in operating revenues
- \$26.2 B in total assets

NextEra Energy Resources

- Successful wholesale generator
- U.S. leader in renewable generation
- Assets in 25 states and Canada
- 16,928 MW in operation
- \$4.6 B in operating revenues
- \$17.2 B in total assets

A growing, diversified and financially strong Company

Market Capitalization as of January 28, 2009
Operating Revenue for the year ended December 31, 2008
All other data as of December 31, 2008

We are committed to creating shareholder value

Total Shareholder Returns⁽¹⁾

	Total Shareholder Return			
	1 Year	3 Year	5 Year	10 Year
FPL	-23.5%	32.6%	81.2%	135.1%
UTY	-27.2%	3.9%	54.9%	70.0%
S&P 500	-37.0%	-23.0%	-10.5%	-13.0%
DJIA	-31.9%	-11.8%	-5.5%	18.1%

Notwithstanding the recent market dislocations, FPL Group has consistently delivered long-term shareholder value

⁽¹⁾ Trailing one-, three-, five- and ten-year total shareholder returns based on December 31, 2008 share price



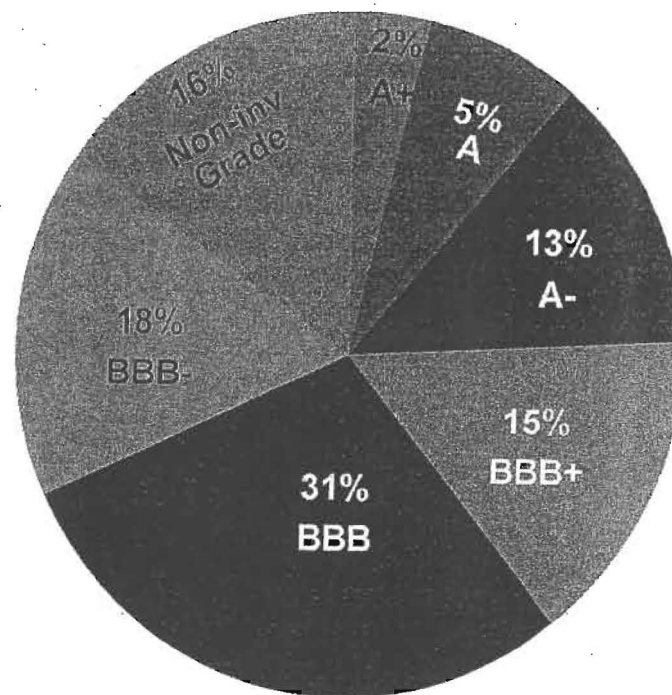
FPL Group has one of the strongest balance sheets in the industry

Credit Ratings

FPL Group Ratings

	Fitch	Moody's	S&P
FPL Group			
Corporate credit rating	A	A2	A
Outlook	Stable	Stable	Stable
Florida Power & Light			
First mortgage bonds	AA-	Aa3	A
Commercial paper	F1	P-1	A-1
Outlook	Stable	Stable	Stable
FPL Group Capital			
Sr. unsecured debentures	A	A2	A-
Commercial paper	F1	P-1	A-1
Outlook	Stable	Stable	Stable

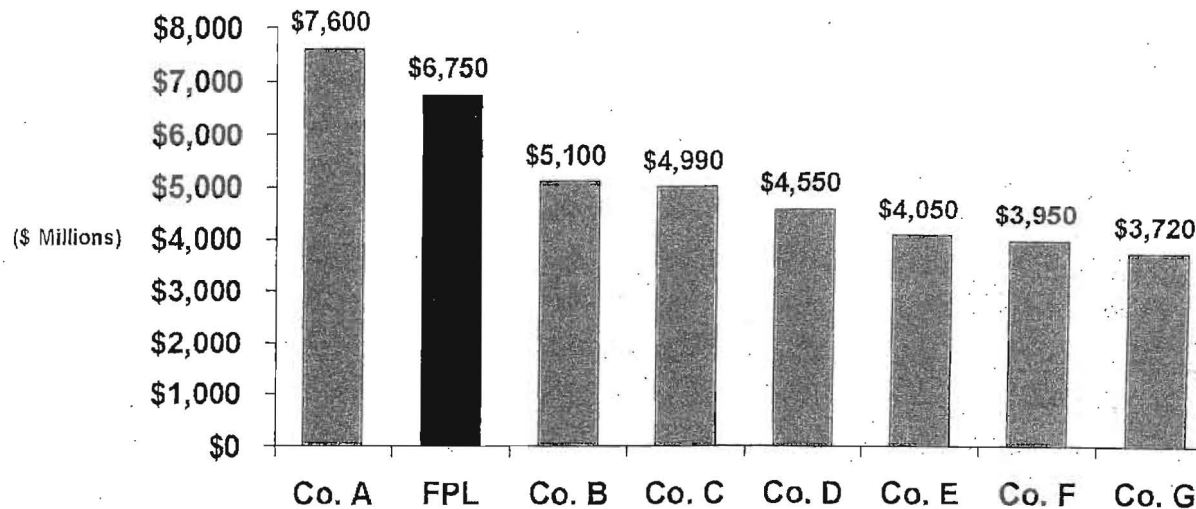
Power Sector Ratings



Only three companies in the power sector, including FPL Group, have an "A" or better issuer credit rating

FPL Group maintains a strong liquidity position

Summary of Corporate Credit Facilities



- **Originated April 2007**
- **Initial five year term through April 2012**
- **One of the largest bank groups in the industry**
- **In 2008, extended the majority of the term for an additional year to 2013**
- **Supports letter of credit issuance, meets day to day liquidity needs and supports commercial paper programs**



**Sanford C. Bernstein & Co.
Strategic Decisions Conference 2009**

**Lew Hay
Chairman and CEO
May 27, 2009**

FPL Group has strong growth prospects

FPL Group Balanced Growth Strategy

- **Best utility franchise in the nation**
 - Major opportunities to deploy capital at fair rates of return
 - Approximately \$7 billion in invested capital growth through 2012
 - Investment includes nuclear uprates, natural gas generation expansion and renewables
 - Favorable long-term demographic trends
- **NextEra Energy Resources is a leading renewable player in the U.S.**
 - Significant wind investment opportunity in the next four years, with superior financial returns
 - Additional opportunities in solar, transmission and gas infrastructure
 - Well-positioned for a carbon constrained world
- **Financial strength and discipline**
- **Proven track record**

10%-plus average annual growth in adjusted EPS (2006-2012)

+

strong dividend yield and growing dividend

**FPL
GROUP**



***NextEra Energy Resources
2009 Bank Meeting***

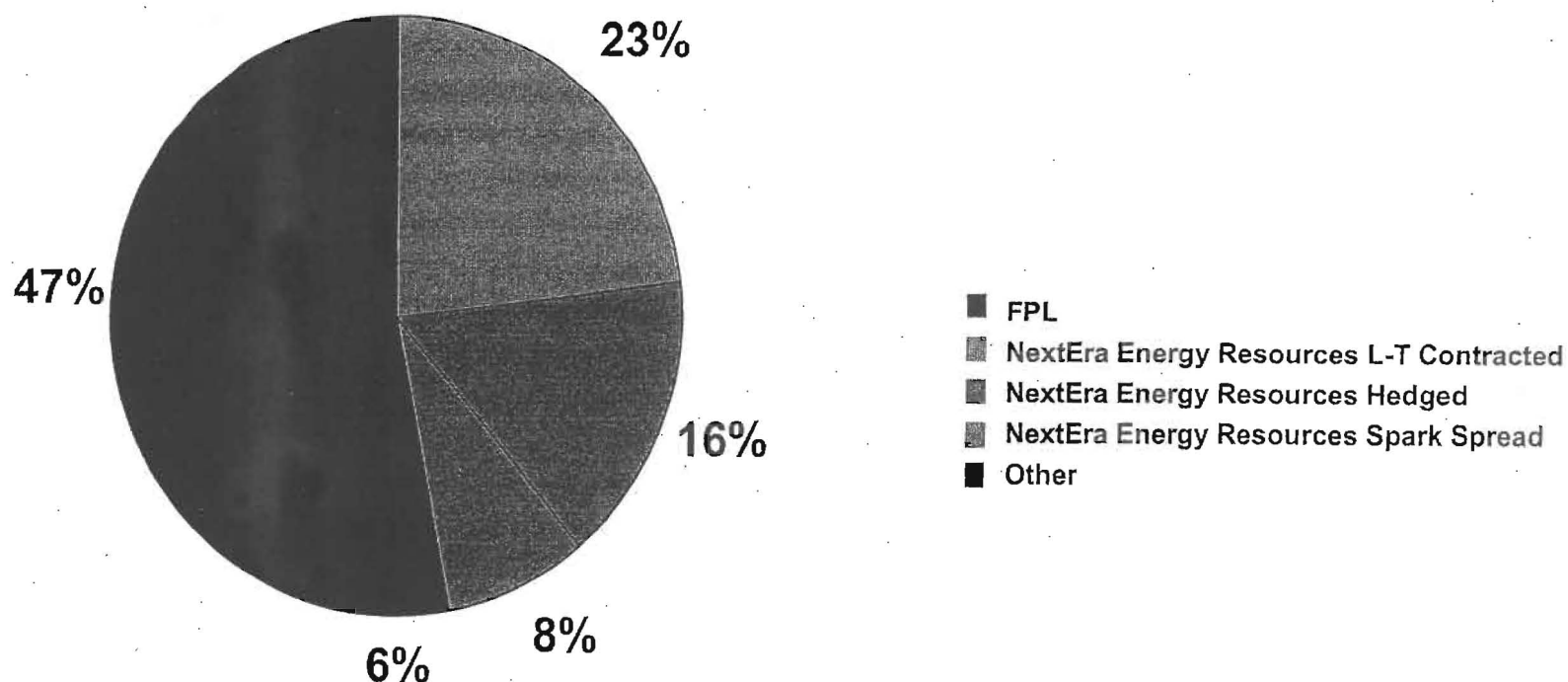
Lew Hay

Chairman and CEO

May 5, 2009

FPL Group's earnings profile is significantly weighted toward lower risk sources

2009E EBITDA Contribution



86% of 2009E EBITDA comes from either regulated rates, long-term contracts, or hedged assets

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INFORMATION
REDACTED

EXHIBIT (RAB-4)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 282

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Richard A. Baudino (RAB-4)

DATE 09/02/09

**FLORIDA POWER AND LIGHT COMPANY
COMPARISON GROUP
AVERAGE PRICE, DIVIDEND AND DIVIDEND YIELD**

		Jun-09	May-09	Apr-09	Mar-09	Feb-09	Jan-09
ALLETE	High Price (\$)	29.140	27.860	27.520	28.240	33.270	32.890
	Low Price (\$)	26.570	25.800	24.450	23.350	26.400	29.550
	Avg. Price (\$)	27.855	26.830	25.985	25.795	29.835	31.220
	Dividend (\$)	0.440	0.440	0.440	0.440	0.430	0.430
	Mo. Avg. Div.	6.32%	6.56%	6.77%	6.82%	5.77%	5.51%
	6 mos. Avg.	6.29%					
Alliant Energy	High Price (\$)	26.260	25.090	25.400	25.180	30.500	29.960
	Low Price (\$)	23.610	22.080	22.360	20.310	22.520	26.660
	Avg. Price (\$)	24.935	23.585	23.880	22.745	26.510	28.310
	Dividend (\$)	0.375	0.375	0.375	0.375	0.375	0.375
	Mo. Avg. Div.	6.02%	6.36%	6.28%	6.59%	5.66%	5.30%
	6 mos. Avg.	6.03%					
Consolidated Edison	High Price (\$)	37.530	38.170	40.000	39.990	41.630	41.790
	Low Price (\$)	35.330	34.360	36.950	32.560	35.880	38.590
	Avg. Price (\$)	36.430	36.265	38.475	36.275	38.755	40.190
	Dividend (\$)	0.590	0.590	0.590	0.590	0.590	0.585
	Mo. Avg. Div.	6.48%	6.51%	6.13%	6.51%	6.09%	5.82%
	6 mos. Avg.	6.26%					
DPL, Inc.	High Price (\$)	23.670	23.080	23.450	23.190	23.000	23.390
	Low Price (\$)	21.570	21.030	22.170	19.710	19.180	20.810
	Avg. Price (\$)	22.620	22.055	22.810	21.450	21.090	22.100
	Dividend (\$)	0.285	0.285	0.285	0.285	0.285	0.275
	Mo. Avg. Div.	5.04%	5.17%	5.00%	5.31%	5.41%	4.98%
	6 mos. Avg.	5.15%					
DTE Energy	High Price (\$)	32.430	32.280	30.560	28.790	35.260	37.110
	Low Price (\$)	30.520	28.850	27.320	23.320	26.740	33.120
	Avg. Price (\$)	31.475	30.565	28.940	26.055	31.000	35.115
	Dividend (\$)	0.530	0.530	0.530	0.530	0.530	0.530
	Mo. Avg. Div.	6.74%	6.94%	7.33%	8.14%	6.84%	6.04%
	6 mos. Avg.	7.00%					
Edison International	High Price (\$)	32.520	30.850	30.310	29.920	33.570	34.170
	Low Price (\$)	29.070	27.580	27.500	23.090	26.560	30.310
	Avg. Price (\$)	30.795	29.215	28.905	26.505	30.065	32.240
	Dividend (\$)	0.310	0.310	0.310	0.310	0.310	0.310
	Mo. Avg. Div.	4.03%	4.24%	4.29%	4.68%	4.12%	3.85%
	6 mos. Avg.	4.20%					
FPL Group	High Price (\$)	59.000	58.500	54.750	52.250	53.990	53.310
	Low Price (\$)	54.390	52.400	49.700	41.480	44.400	46.750
	Avg. Price (\$)	56.695	55.450	52.225	46.865	49.195	50.030
	Dividend (\$)	0.473	0.473	0.473	0.473	0.473	0.445
	Mo. Avg. Div.	3.34%	3.41%	3.62%	4.04%	3.85%	3.56%
	6 mos. Avg.	3.64%					

**FLORIDA POWER AND LIGHT COMPANY
COMPARISON GROUP
AVERAGE PRICE, DIVIDEND AND DIVIDEND YIELD**

		Jun-09	May-09	Apr-09	Mar-09	Feb-09	Jan-09
IDACORP	High Price (\$)	26.200	24.490	24.550	24.430	29.250	30.470
	Low Price (\$)	23.470	22.220	22.690	20.910	23.480	28.070
	Avg. Price (\$)	24.835	23.355	23.620	22.670	26.365	29.270
	Dividend (\$)	0.300	0.300	0.300	0.300	0.300	0.300
	Mo. Avg. Div.	4.83%	5.14%	5.08%	5.29%	4.55%	4.10%
	6 mos. Avg.	4.83%					
NSTAR	High Price (\$)	32.140	34.680	32.610	32.340	35.150	36.800
	Low Price (\$)	29.810	28.540	29.710	27.490	31.530	32.340
	Avg. Price (\$)	30.975	31.610	31.160	29.915	33.340	34.570
	Dividend (\$)	0.375	0.375	0.375	0.375	0.375	0.375
	Mo. Avg. Div.	4.84%	4.75%	4.81%	5.01%	4.50%	4.34%
	6 mos. Avg.	4.71%					
Progress Energy	High Price (\$)	38.200	36.450	36.670	36.930	40.700	40.850
	Low Price (\$)	35.030	33.750	33.500	31.350	34.650	36.610
	Avg. Price (\$)	36.615	35.100	35.085	34.140	37.675	38.730
	Dividend (\$)	0.620	0.620	0.620	0.620	0.620	0.620
	Mo. Avg. Div.	6.77%	7.07%	7.07%	7.26%	6.58%	6.40%
	6 mos. Avg.	6.86%					
Public Service Enterprise	High Price (\$)	33.940	32.910	31.210	29.990	33.020	33.660
	Low Price (\$)	31.280	29.840	27.850	23.650	26.630	28.550
	Avg. Price (\$)	32.610	31.375	29.530	26.820	29.825	31.105
	Dividend (\$)	0.333	0.333	0.333	0.333	0.323	0.323
	Mo. Avg. Div.	4.08%	4.25%	4.51%	4.97%	4.33%	4.15%
	6 mos. Avg.	4.38%					
Southern Company	High Price (\$)	32.050	29.810	31.780	31.860	33.800	37.620
	Low Price (\$)	28.410	27.190	28.100	26.480	29.650	33.250
	Avg. Price (\$)	30.230	28.500	29.940	29.170	31.725	35.435
	Dividend (\$)	0.438	0.438	0.438	0.420	0.420	0.420
	Mo. Avg. Div.	5.80%	6.15%	5.85%	5.76%	5.30%	4.74%
	6 mos. Avg.	5.60%					
Wisconsin Energy	High Price (\$)	41.260	40.970	42.230	41.820	46.480	46.350
	Low Price (\$)	39.210	36.670	39.230	36.310	39.500	40.910
	Avg. Price (\$)	40.235	38.820	40.730	39.065	42.990	43.630
	Dividend (\$)	0.338	0.338	0.338	0.338	0.338	0.270
	Mo. Avg. Div.	3.36%	3.48%	3.32%	3.46%	3.14%	2.48%
	6 mos. Avg.	3.21%					

**FLORIDA POWER AND LIGHT COMPANY
COMPARISON GROUP
AVERAGE PRICE, DIVIDEND AND DIVIDEND YIELD**

		Jun-09	May-09	Apr-09	Mar-09	Feb-09	Jan-09
Xcel Energy	High Price (\$)	18.770	18.640	18.980	18.870	19.130	19.070
	Low Price (\$)	17.250	16.830	17.650	16.010	17.150	17.710
	Avg. Price (\$)	18.010	17.735	18.315	17.440	18.140	18.390
	Dividend (\$)	0.245	0.238	0.238	0.238	0.238	0.238
	Mo. Avg. Div.	5.44%	5.37%	5.20%	5.46%	5.25%	5.18%
	6 mos. Avg.	5.32%					
Average Dividend Yield		5.25%					
Monthly Group Average		5.22%	5.38%	5.38%	5.66%	5.10%	4.75%

Source: Yahoo! Finance

EXHIBIT (RAB-5)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 283

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Richard A. Baudino (RAB-5)

DATE 09/02/09

**FLORIDA POWER AND LIGHT COMPANY
COMPARISON GROUP
DCF Growth Rate Analysis**

<u>Company</u>	(1) Value Line DPS	(2) Value Line EPS	(3) Value Line B x R	(4) Zacks	(5) First Call/ Thomson
ALLETE	3.00%	-1.00%	2.50%	4.00%	6.00%
Alliant Energy	7.00%	4.50%	3.50%	5.30%	5.95%
Consolidated Edison	1.00%	2.50%	3.00%	4.00%	2.09%
DPL, Inc.	3.50%	8.00%	9.50%	7.43%	7.43%
DTE Energy	3.00%	7.50%	3.50%	6.00%	3.50%
Edison International	4.50%	3.50%	7.00%	6.33%	2.05%
FPL Group	6.00%	10.00%	8.00%	9.07%	9.57%
IDACORP	0.00%	4.50%	4.00%	5.00%	5.00%
NSTAR	5.50%	8.00%	6.00%	7.00%	6.67%
Progress Energy	1.00%	6.00%	3.00%	4.80%	5.59%
Public Service Enterprise Group	6.00%	7.50%	9.00%	6.67%	7.00%
Southern Company	4.00%	4.50%	5.00%	5.00%	5.36%
Wisconsin Energy	13.50%	8.00%	6.50%	8.43%	9.04%
Xcel Energy	3.00%	6.50%	5.00%	5.18%	6.38%
Averages excluding negative values	4.36%	6.23%	5.39%	6.02%	5.83%
Median Values	3.75%	6.25%	5.00%	5.65%	5.98%
Averages excl. > or =10% & < or = 1%	4.55%	5.92%	5.39%	6.02%	5.83%

Sources: Zack's and First Call/Thomson Earnings Reports, June 2009
Value Line Investment Survey, May 29, June 2, and June 26, 2009

**RETURN ON EQUITY CALCULATION
FLORIDA POWER AND LIGHT COMPANY**

	(1) Value Line Dividend Gr.	(2) Value Line Earnings Gr.	(3) Zack's Earning Gr.	(4) First Call Earning Gr.	(5) Average of All Gr. Rates
Method 1:					
Dividend Yield	5.25%	5.25%	5.25%	5.25%	5.25%
Growth Rate	4.36%	6.23%	6.02%	5.83%	5.61%
Expected Div. Yield	<u>5.36%</u>	<u>5.41%</u>	<u>5.41%</u>	<u>5.40%</u>	<u>5.40%</u>
DCF Return on Equity	9.72%	11.64%	11.43%	11.23%	11.01%
Midpoint of Results					10.68%
Method 2:					
Dividend Yield	5.25%	5.25%	5.25%	5.25%	5.25%
Median Growth Rate	3.75%	6.25%	5.65%	5.98%	5.41%
Expected Div. Yield	<u>5.35%</u>	<u>5.41%</u>	<u>5.40%</u>	<u>5.41%</u>	<u>5.39%</u>
DCF Return on Equity	9.10%	11.66%	11.05%	11.39%	10.80%
Midpoint of Results					10.38%
Method 3:					
Dividend Yield	5.81%	5.30%	5.25%	5.25%	5.40%
Growth Rate Excl. Rates > 10% & < or = 1%	4.55%	5.92%	6.02%	5.83%	5.58%
Expected Div. Yield	<u>5.94%</u>	<u>5.45%</u>	<u>5.41%</u>	<u>5.40%</u>	<u>5.55%</u>
DCF Return on Equity	10.49%	11.37%	11.43%	11.23%	11.13%
Midpoint of Results					10.96%

EXHIBIT__ (RAB-6)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 284

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Richard A. Baudino (RAB-6)

DATE 09/02/09

FLORIDA POWER AND LIGHT COMPANY
Capital Asset Pricing Model Analysis
Comparison Group

20-Year Treasury Bond, Value Line Beta

<u>Line No.</u>		<u>Value Line</u>
1	Market Required Return Estimate	
2	Expected Dividend Yield	2.27%
3	Expected Growth	8.14%
4	Required Return	10.41%
5	Risk-free Rate of Return, 20-Year Treasury Bond	
6	Average of Last Six Months	3.94%
8	Risk Premium	
9	@ 6 Month Average RFR (Line 4 minus Line 6)	6.47%
10	Comparison Group Beta	0.69
11	Comparison Group Beta * Risk Premium	
12	@ 6 Month Average RFR (Line 10 * Line 9)	4.44%
13	CAPM Return on Equity	
14	@ 6 Month Average RFR (Line 12 plus Line 6)	8.38%

5-Year Treasury Bond, Value Line Beta

1	Market Required Return Estimate	
2	Expected Dividend Yield	2.27%
3	Expected Growth	8.14%
4	Required Return	10.41%
5	Risk-free Rate of Return, 5-Year Treasury Bond	
6	Average of Last Six Months	2.00%
8	Risk Premium	
9	@ 6 Month Average RFR (Line 4 minus Line 6)	8.41%
10	Comparison Group Beta	0.69
11	Comparison Group Beta * Risk Premium	
12	@ 6 Month Average RFR (Line 9 * Line 10)	5.77%
13	CAPM Return on Equity	
14	@ 6 Month Average RFR (Line 12 plus Line 6)	7.77%

FLORIDA POWER AND LIGHT COMPANY
Capital Asset Pricing Model Analysis
Comparison Group

Supporting Data for CAPM Analyses

20 Year Treasury Bond Data

	<u>Avg. Yield</u>
January-09	3.46%
February-09	3.83%
March-09	3.78%
April-09	3.84%
May-09	4.22%
June-09	<u>4.51%</u>
6 month average	3.94%

5 Year Treasury Bond Data

	<u>Avg. Yield</u>
January-09	1.60%
February-09	1.87%
March-09	1.82%
April-09	1.86%
May-09	2.13%
June-09	<u>2.71%</u>
6 month average	2.00%

Value Line Market Growth Rate Data:

Forecasted Data:	
Earnings	9.26%
Book Value	8.18%
Dividends	<u>6.99%</u>
Average	8.14%
Source: Value Line Investment Survey for Windows, June 10, 2009	

Comparison Group Betas:

	<u>Value Line</u>
ALLETE, inc.	0.70
Alliant Energy	0.70
Consolidated Edison	0.65
DPL, Inc.	0.60
DTE Energy	0.75
Edison International	0.80
FPL Group, Inc.	0.75
IDACORP	0.70
NSTAR	0.65
Progress Energy	0.65
Public Service Enterprise Gp	0.80
Southern Company	0.55
Wisconsin Energy	0.65
Xcel Energy	<u>0.65</u>
	0.69

Sources: Value Line reports

EXHIBIT (RAB-7)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 285

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Richard A. Baudino (RAB-7)

DATE 09/02/09

FLORIDA POWER AND LIGHT COMPANY
Capital Asset Pricing Model Analysis
Historic Market Premium

	<u>Geometric Mean</u>	<u>Arithmetic Mean</u>
Long-Term Annual Return on Stocks	9.60%	11.17%
Long-Term Annual Income Return on Long-Term Government Bonds	<u>5.20%</u>	<u>5.20%</u>
Historical Market Risk Premium	4.40%	5.97%
Comparison Group Beta, Value Line	<u>0.69</u>	<u>0.69</u>
Beta * Market Premium	3.02%	4.09%
Current 20-Year Treasury Bond Yield	<u>3.94%</u>	<u>3.94%</u>
CAPM Cost of Equity, Value Line Beta	<u>6.96%</u>	<u>8.03%</u>

Source: *Ibbotson SBBI 2009 Valuation Yearbook*, Morningstar

EXHIBIT __ (RAB-8)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 286

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Richard A. Baudino (RAB-8)

DATE 09/02/09

SFHHA ADJUSTED CAPITAL STRUCTURE

Ratemaking Capital Structure		Adjustment 1			Adjustment 2							
		<u>Amount</u>	<u>Adjustments</u>	<u>Adjusted Amounts</u>	<u>Pct.</u>	<u>Adjustments</u>	<u>Adjusted Amounts</u>	<u>Pct.</u>				
Long-Term Debt	\$	5,377,787	\$	845,038	\$	6,222,825	45.4%	\$	(438,143)	\$	5,784,682	42.2%
Short-term Debt	\$	161,857			\$	161,857	1.2%	\$	438,143	\$	600,000	4.4%
Common Equity	\$	8,178,980	\$	(845,038)	\$	7,333,942	53.5%			\$	7,333,942	53.5%
Totals	\$	13,718,624			\$	13,718,624	100.0%			\$	13,718,624	100.0%
Rating Agency Reporting Capital Structure												
Long-Term Debt	\$	5,377,787	\$	845,038	\$	6,222,825	42.4%	\$	(438,143)	\$	5,784,682	39.4%
Adjustment for PPAs	\$	949,260			\$	949,260	6.5%			\$	949,260	6.5%
Short-term Debt	\$	161,857			\$	161,857	1.1%	\$	438,143	\$	600,000	4.1%
Common Equity	\$	8,178,980	\$	(845,038)	\$	7,333,942	50.0%			\$	7,333,942	50.0%
Totals	\$	14,667,884			\$	14,667,884	100.0%			\$	14,667,884	100.0%

EXHIBIT__ (RAB-9)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 287

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Richard A. Baudino (RAB-9)

DATE 09/02/09

COMPARISON GROUP CAPITAL STRUCTURES

	Long-term <u>Debt</u>	Common <u>Equity</u>	Preferred <u>Stock</u>
ALLETE, Inc. (NYSE-ALE)	41.6%	58.4%	0.0%
Alliant Energy Corporation (NYSE-LNT)	36.3%	58.6%	5.1%
Consolidated Edison, Inc. (NYSE-ED)	48.8%	51.2%	0.0%
DPL Inc. (NYSE-DPL)	58.0%	41.1%	0.9%
DTE Energy Company (NYSE-DTE)	56.4%	43.6%	0.0%
Edison International (NYSE-EIX)	51.2%	44.5%	4.3%
FPL Group, Inc. (NYSE-FPL)	54.2%	45.8%	0.0%
IDACORP, Inc. (NYSE-IDA)	47.6%	52.4%	0.0%
NSTAR (NYSE-NST)	56.1%	42.8%	1.1%
Progress Energy Inc. (NYSE-PGN)	55.1%	44.4%	0.5%
Public Service Enterprise Group (NYSE-PEG)	50.5%	49.0%	0.5%
Southern Company (NYSE-SO)	53.9%	42.6%	3.5%
Wisconsin Energy Corporation (NYSE-WEC)	54.8%	44.8%	0.4%
Xcel Energy Inc. (NYSE-XEL)	52.2%	47.1%	0.7%
	51.2%	47.6%	1.2%

Source: Value Line Reports 2009

Exhibit ____ (RAB-10)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET No. 080677-EI & 090130-EI EXHIBIT 288

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Richard A. Baudino (RAB-10)

DATE 09/02/09



Welcome Shareholders

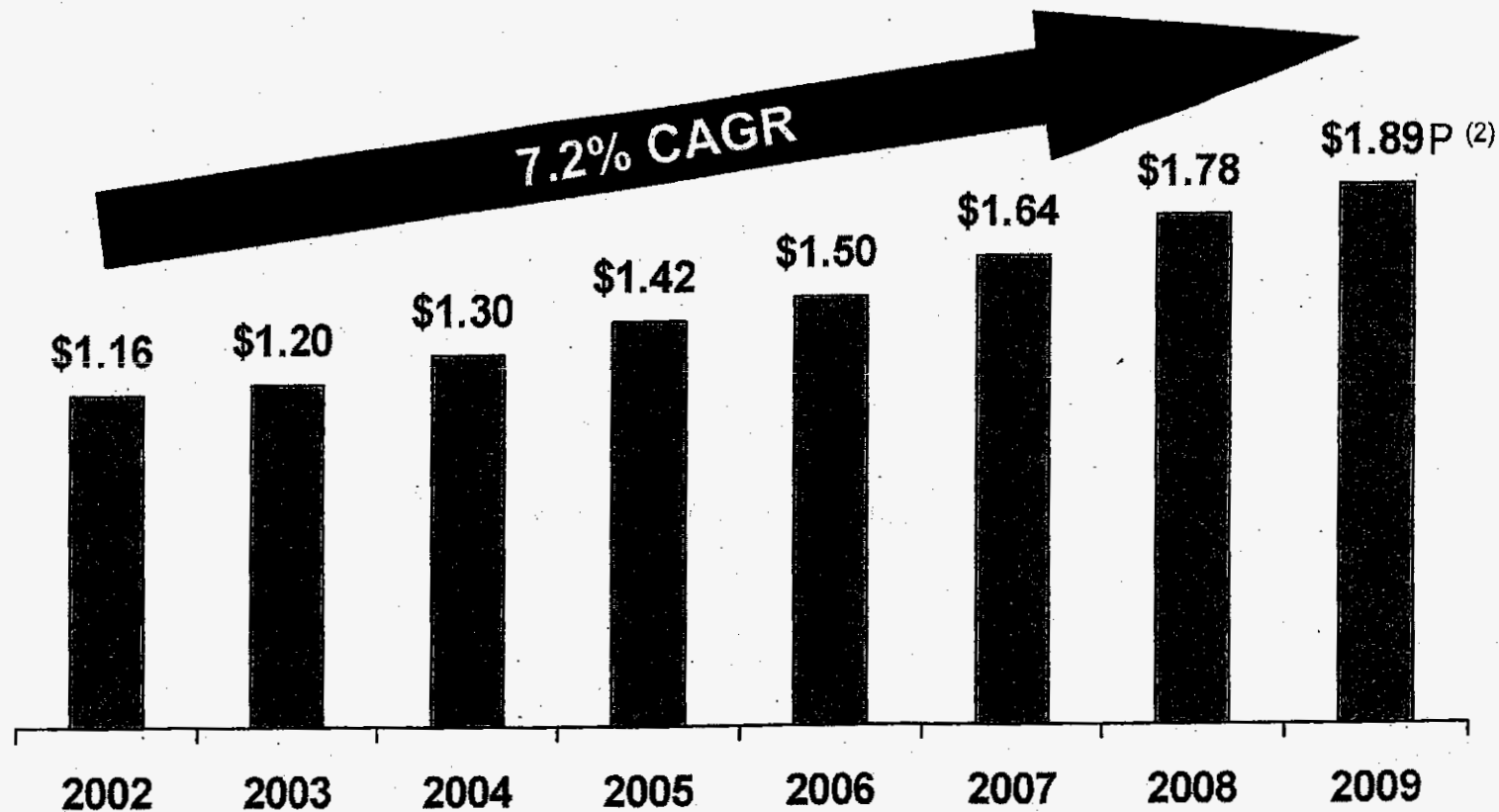
Lew Hay

Chairman and CEO

May 22, 2009

Dividends are another important element of the FPL Group value proposition

A Competitive Dividend⁽¹⁾



A current yield of 3.5%⁽³⁾

1) Annualized split-adjusted quarterly dividend

2) Projected based upon dividend of \$0.4725 paid on March 16, 2009. Dividend declarations are subject to the discretion of the board of directors of FPL Group.

16 3) Yield information calculated using May 18, 2009 closing market price

FPL
GROUP

EXHIBIT__ (RAB-11)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 289

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Richard A. Baudino (RAB-11)

DATE 09/02/09

AVERA UTILITY PROXY GROUP
DCF ANALYSIS WITH VALUE LINE DIVIDEND GROWTH FORECASTS

	<u>Avera Div.</u> <u>Yield</u>	<u>Value Line</u> <u>Div. Growth</u>	<u>DCF</u> <u>ROE</u>
ALLETE	5.70%	3.00%	8.70%
Alliant Energy	4.90%	7.00%	11.90%
Consolidated Edison	5.90%	1.00%	6.90%
Dominion Resources	5.00%	7.00%	12.00%
Duke Energy	6.30%	NMF	
FPL Group	3.90%	6.00%	9.90%
Integrus Energy	6.40%	1.50%	7.90%
MDU Resources	2.80%	N/A	
NSTAR	4.10%	5.50%	9.60%
OGE Energy	5.50%	3.00%	8.50%
PG&E Corp.	4.20%	7.50%	11.70%
Portland General	5.40%	7.00%	12.40%
Progress Energy	6.10%	1.00%	7.10%
SCANA Corp.	5.50%	3.00%	8.50%
Sempra Energy	3.70%	8.50%	12.20%
Southern Company	4.70%	4.00%	8.70%
Vectren Energy	5.10%	3.00%	8.10%
Wisconsin Energy	3.10%	13.50%	16.60%
Xcel Energy	5.20%	3.00%	8.20%
Average	4.96%	4.97%	9.94%

Source: 2009 Value Line Reports

Exhibit ____ (RAB-12)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 290

COMPANY Office of Public Counsel (OPC) (Direct)

WITNESS Richard A. Baudino (RAB-12)

DATE 09/02/09

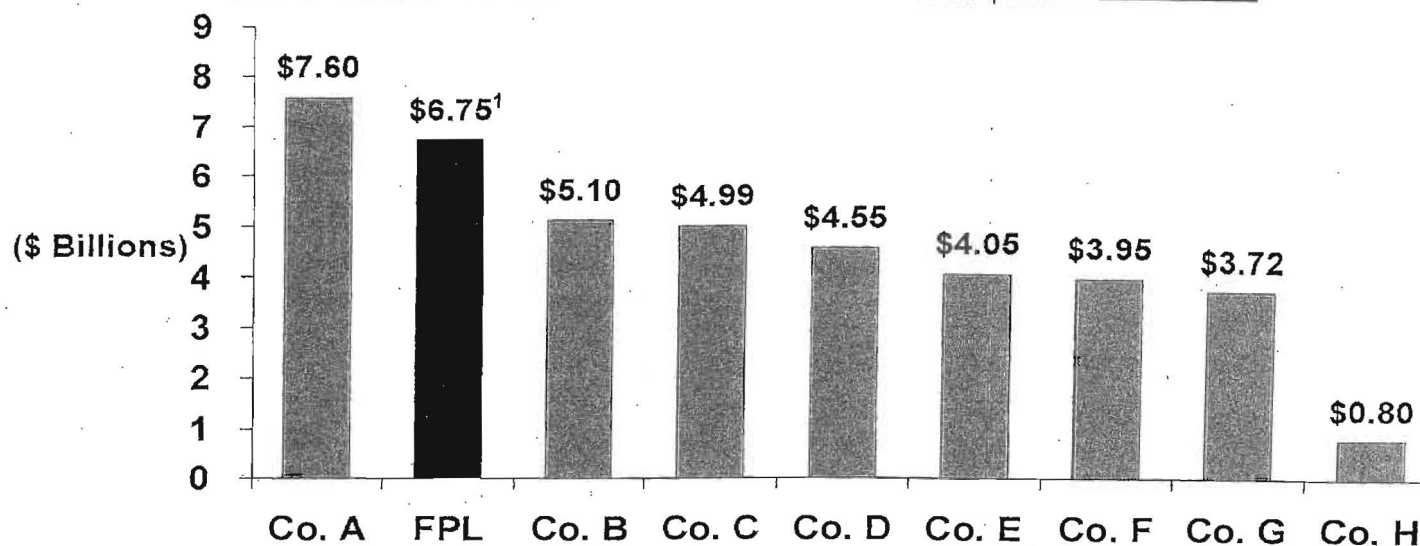


NextEra Energy Resources 2009 Bank Meeting

**Armando Pimentel
Chief Financial Officer
May 5, 2009**

FPL Group maintains a strong liquidity position

Summary of Corporate Credit Facilities



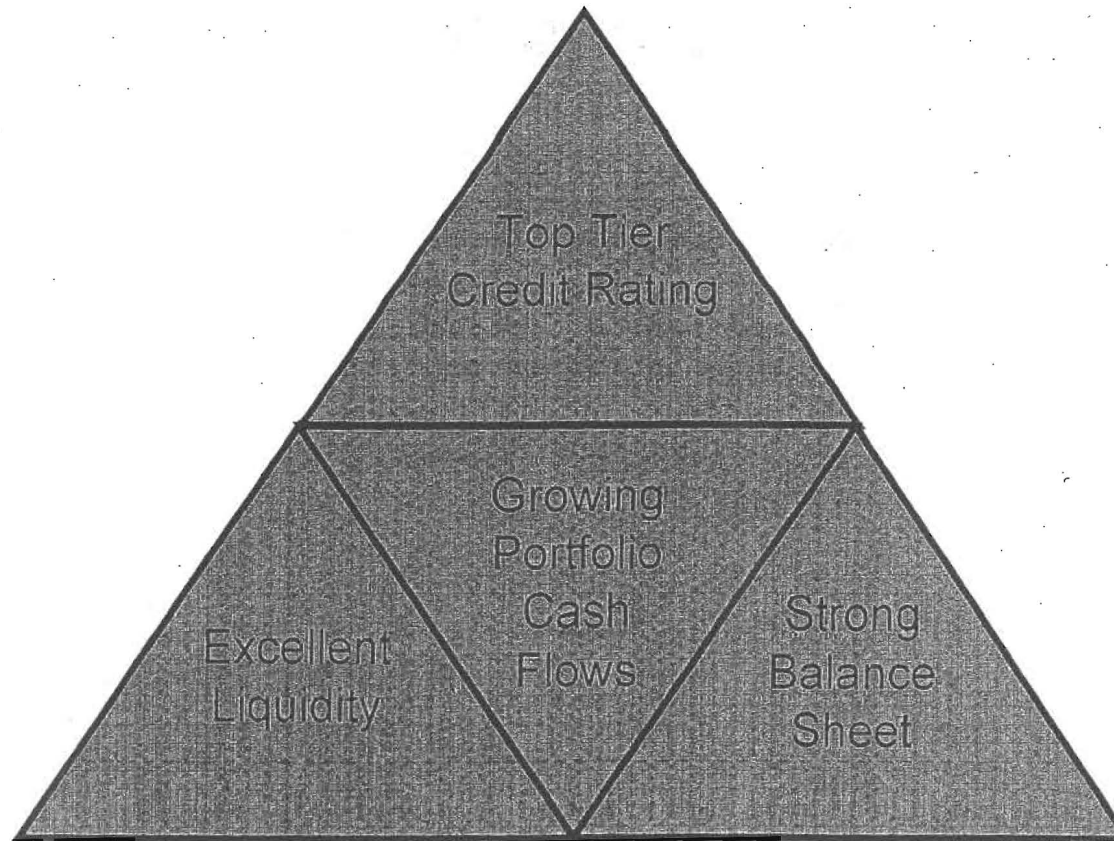
- Originated April 2007
- Initial five year term through April 2012
- Extended the majority of the term for an additional year to 2013
- One of the largest bank groups in the industry
- Supports letter of credit issuance, meets day to day liquidity needs and supports commercial paper programs



NextEra Energy Resources 2009 Bank Meeting

**Kathy Beilhart
Assistant Treasurer
May 6, 2009**

It starts with a strong foundation



Built upon our dedicated and talented employees

FPL
GROUP

Maintaining liquidity is vital in today's market

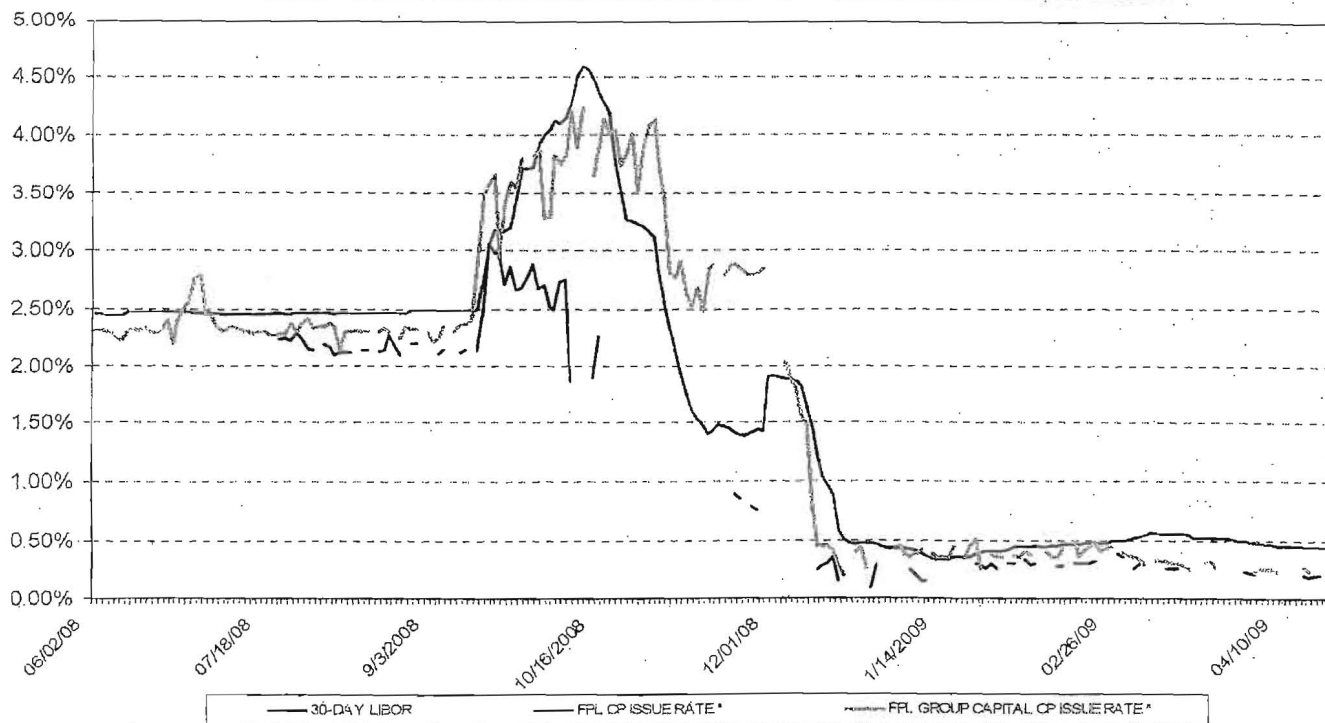
Summary of Corporate Credit Facilities

- **\$6.75 billion in total**
 - \$6.5 billion Corporate Credit Facility
 - \$2.5 billion for FPL
 - \$4.0 billion for FPL Group Capital
- **Originated April 2007**
- **Initial five year term through April 2012**
- **Extended the maturity for an additional year to 2013¹**
- **One of the largest bank groups in the industry**
- **Supports letter of credit issuance, meets day to day liquidity needs and supports commercial paper programs**

Thank you for your commitment to us

Continued access to commercial paper markets at attractive rates

FPL & FPL Group Capital Commercial paper borrowing rates compared to 30 Day LIBOR



We have maintained access to the short term market at very attractive rates

We have earned some of the highest credit ratings in the industry

Credit Ratings

FPL Group Ratings

FPL Group

Corporate credit rating
Outlook

Fitch	Moody's	S&P
A	A2	A
Stable	Stable	Stable

Florida Power & Light

First mortgage bonds
Commercial paper
Outlook

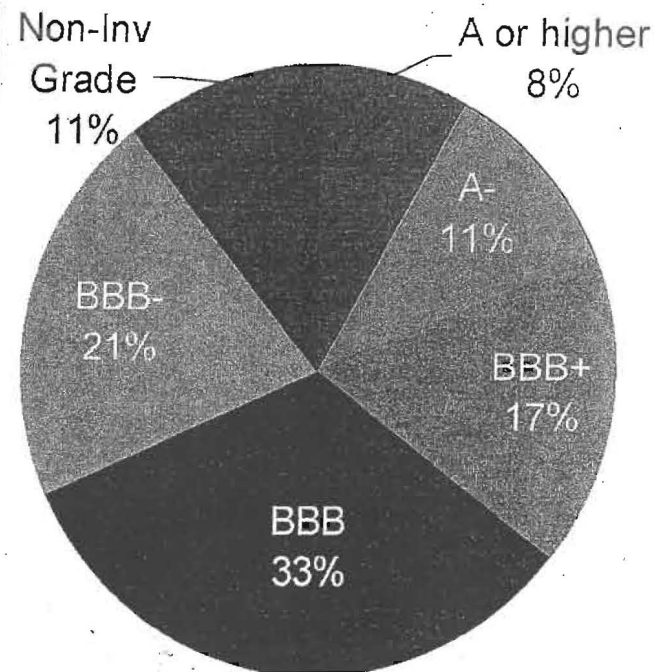
AA-	Aa3	A
F1	P-1	A-1
Stable	Stable	Stable

FPL Group Capital

Sr. unsecured debentures
Commercial paper
Outlook

A	A2	A-
F1	P-1	A-1
Stable	Stable	Stable

Utility Credit Ratings¹



Only three companies in the power sector, including FPL Group, have an "A" or better issuer credit rating²

¹ EEI Credit Ratings - Financial Update Q4 2008

² Standard & Poor's Corporate Parent Issuer Credit Rating as of March 31, 2009.

EXHIBIT __ (LK-1)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 291

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Lane Kollen (LK-1)

DATE 09/03/09

RESUME OF LANE KOLLEN, VICE PRESIDENT

EDUCATION

**University of Toledo, BBA
Accounting**

University of Toledo, MBA

Luther Rice University, MA

PROFESSIONAL CERTIFICATIONS

Certified Public Accountant (CPA)

Certified Management Accountant (CMA)

PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants

Georgia Society of Certified Public Accountants

Institute of Management Accountants

More than thirty years of utility industry experience in the financial, rate, tax, and planning areas. Specialization in revenue requirements analyses, taxes, evaluation of rate and financial impacts of traditional and nontraditional ratemaking, utility mergers/acquisition and diversification. Expertise in proprietary and nonproprietary software systems used by utilities for budgeting, rate case support and strategic and financial planning.

RESUME OF LANE KOLLEN, VICE PRESIDENT

EXPERIENCE

1986 to

Present:

J. Kennedy and Associates, Inc.: Vice President and Principal. Responsible for utility stranded cost analysis, revenue requirements analysis, cash flow projections and solvency, financial and cash effects of traditional and nontraditional ratemaking, and research, speaking and writing on the effects of tax law changes. Testimony before Connecticut, Florida, Georgia, Indiana, Louisiana, Kentucky, Maine, Maryland, Minnesota, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, West Virginia and Wisconsin state regulatory commissions and the Federal Energy Regulatory Commission.

1983 to

1986:

Energy Management Associates: Lead Consultant.

Consulting in the areas of strategic and financial planning, traditional and nontraditional ratemaking, rate case support and testimony, diversification and generation expansion planning. Directed consulting and software development projects utilizing PROSCREEN II and ACUMEN proprietary software products. Utilized ACUMEN detailed corporate simulation system, PROSCREEN II strategic planning system and other custom developed software to support utility rate case filings including test year revenue requirements, rate base, operating income and pro-forma adjustments. Also utilized these software products for revenue simulation, budget preparation and cost-of-service analyses.

1976 to

1983:

The Toledo Edison Company: Planning Supervisor.

Responsible for financial planning activities including generation expansion planning, capital and expense budgeting, evaluation of tax law changes, rate case strategy and support and computerized financial modeling using proprietary and nonproprietary software products. Directed the modeling and evaluation of planning alternatives including:

Rate phase-ins.

Construction project cancellations and write-offs.

Construction project delays.

Capacity swaps.

Financing alternatives.

Competitive pricing for off-system sales.

Sale/leasebacks.

RESUME OF LANE KOLLEN, VICE PRESIDENT

CLIENTS SERVED

Industrial Companies and Groups

Air Products and Chemicals, Inc.
Airco Industrial Gases
Alcan Aluminum
Armco Advanced Materials Co.
Armco Steel
Bethlehem Steel
Connecticut Industrial Energy Consumers
ELCON
Enron Gas Pipeline Company
Florida Industrial Power Users Group
Gallatin Steel
General Electric Company
GPU Industrial Intervenor
Indiana Industrial Group
Industrial Consumers for
Fair Utility Rates - Indiana
Industrial Energy Consumers - Ohio
Kentucky Industrial Utility Customers, Inc.
Kimberly-Clark Company

Lehigh Valley Power Committee
Maryland Industrial Group
Multiple Intervenor (New York)
National Southwire
North Carolina Industrial
Energy Consumers
Occidental Chemical Corporation
Ohio Energy Group
Ohio Industrial Energy Consumers
Ohio Manufacturers Association
Philadelphia Area Industrial Energy
Users Group
PSI Industrial Group
Smith Cogeneration
Taconite Intervenor (Minnesota)
West Penn Power Industrial Intervenor
West Virginia Energy Users Group
Westvaco Corporation

Regulatory Commissions and Government Agencies

Cities in Texas-New Mexico Power Company's Service Territory
Cities in AEP Texas Central Company's Service Territory
Cities in AEP Texas North Company's Service Territory
Georgia Public Service Commission Staff
Kentucky Attorney General's Office, Division of Consumer Protection
Louisiana Public Service Commission Staff
Maine Office of Public Advocate
New York State Energy Office
Office of Public Utility Counsel (Texas)

RESUME OF LANE KOLLEN, VICE PRESIDENT

Utilities

Allegheny Power System
Atlantic City Electric Company
Carolina Power & Light Company
Cleveland Electric Illuminating Company
Delmarva Power & Light Company
Duquesne Light Company
General Public Utilities
Georgia Power Company
Middle South Services
Nevada Power Company
Niagara Mohawk Power Corporation

Otter Tail Power Company
Pacific Gas & Electric Company
Public Service Electric & Gas
Public Service of Oklahoma
Rochester Gas and Electric
Savannah Electric & Power Company
Seminole Electric Cooperative
Southern California Edison
Talquin Electric Cooperative
Tampa Electric
Texas Utilities
Toledo Edison Company

**Expert Testimony Appearances
of
Lane Kollen
As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
10/86	U-17282 Interim	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements financial solvency.
11/86	U-17282 Interim Rebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements financial solvency.
12/86	9613	KY	Attorney General Div. of Consumer Protection	Big Rivers Electric Corp.	Revenue requirements accounting adjustments financial workout plan.
1/87	U-17282 Interim	LA 19th Judicial District Ct.	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements, financial solvency.
3/87	General Order 236	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Tax Reform Act of 1986.
4/87	U-17282 Prudence	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend 1, economic analyses, cancellation studies.
4/87	M-100 Sub 113	NC	North Carolina Industrial Energy Consumers	Duke Power Co.	Tax Reform Act of 1986.
5/87	86-524-E- SC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Revenue requirements. Tax Reform Act of 1986.
5/87	U-17282 Case In Chief	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, financial solvency.
7/87	U-17282 Case In Chief Surrebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements River Bend 1 phase-in plan, financial solvency.
7/87	U-17282 Prudence Surrebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend 1, economic analyses, cancellation studies.
7/87	86-524 E-SC Rebuttal	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Revenue requirements, Tax Reform Act of 1986.
8/87	9885	KY	Attorney General	Big Rivers Electric	Financial workout plan.

**Expert Testimony Appearances
of
Lane Kollen
As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
			Div. of Consumer Protection	Corp.	
8/87	E-015/GR- 87-223	MN	Taconite Intervenors	Minnesota Power & Light Co.	Revenue requirements, O&M expense, Tax Reform Act of 1986.
10/87	870220-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue requirements, O&M expense, Tax Reform Act of 1986.
11/87	87-07-01	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Tax Reform Act of 1986.
1/88	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, rate of return.
2/88	9934	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Economics of Trimble County completion.
2/88	10064	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Revenue requirements, O&M expense, capital structure, excess deferred income taxes.
5/88	10217	KY	Alcan Aluminum National Southwire	Big Rivers Electric Corp.	Financial workout plan. Corp.
5/88	M-87017 -1C001	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Nonutility generator deferred cost recovery.
5/88	M-87017 -2C005	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Nonutility generator deferred cost recovery.
6/88	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Prudence of River Bend 1 economic analyses, cancellation studies, financial modeling.
7/88	M-87017- -1C001 Rebuttal	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Nonutility generator deferred cost recovery, SFAS No. 92
7/88	M-87017- -2C005	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Nonutility generator deferred cost recovery, SFAS No. 92

**Expert Testimony Appearances
of
Lane Kollen
As of June 2009**

Date	Case	Jurisdic.	Party	Utility	Subject
	Rebuttal				
9/88	88-05-25	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Excess deferred taxes, O&M expenses.
9/88	10064 Rehearing	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Premature retirements, interest expense.
10/88	88-170-EL-AIR	OH	Ohio Industrial Energy Consumers	Cleveland Electric Illuminating Co.	Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital.
10/88	88-171-EL-AIR	OH	Ohio Industrial Energy Consumers	Toledo Edison Co.	Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital.
10/88	8800 355-EI	FL	Florida Industrial Power Users' Group	Florida Power & Light Co.	Tax Reform Act of 1986, tax expenses, O&M expenses, pension expense (SFAS No. 87).
10/88	3780-U	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Co.	Pension expense (SFAS No. 87).
11/88	U-17282 Remand	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Rate base exclusion plan (SFAS No. 71)
12/88	U-17970	LA	Louisiana Public Service Commission Staff	AT&T Communications of South Central States	Pension expense (SFAS No. 87).
12/88	U-17949 Rebuttal	LA	Louisiana Public Service Commission Staff	South Central Bell	Compensated absences (SFAS No. 43), pension expense (SFAS No. 87), Part 32, income tax normalization.
2/89	U-17282 Phase II	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, phase-in of River Bend 1, recovery of canceled plant.
6/89	881602-EU 890326-EU	FL	Talquin Electric Cooperative	Talquin/City of Tallahassee	Economic analyses, incremental cost-of-service, average customer rates.

**Expert Testimony Appearances
of
Lane Kollen
As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
7/89	U-17970	LA	Louisiana Public Service Commission Staff	AT&T Communications of South Central States	Pension expense (SFAS No. 87), compensated absences (SFAS No. 43), Part 32.
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Co.	Cancellation cost recovery, tax expense, revenue requirements.
8/89	3840-U	GA	Georgia Public Service Commission Staff	Georgia Power Co.	Promotional practices, advertising, economic development.
9/89	U-17282 Phase II Detailed	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, detailed investigation.
10/89	8880	TX	Enron Gas Pipeline	Texas-New Mexico Power Co.	Deferred accounting treatment, sale/leaseback.
10/89	8928	TX	Enron Gas Pipeline	Texas-New Mexico Power Co.	Revenue requirements, imputed capital structure, cash working capital.
10/89	R-891364	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric Co.	Revenue requirements.
11/89 12/89	R-891364 Surrebuttal (2 Filings)	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric Co.	Revenue requirements, sale/leaseback.
1/90	U-17282 Phase II Detailed Rebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements detailed investigation.
1/90	U-17282 Phase III	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Phase-in of River Bend 1, deregulated asset plan.
3/90	890319-EI	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M expenses, Tax Reform Act of 1986.
4/90	890319-EI Rebuttal	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M expenses, Tax Reform Act of 1986.
4/90	U-17282	LA	Louisiana Public	Gulf States	Fuel clause, gain on sale

**Expert Testimony Appearances
of
Lane Kollen
As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
		19 th Judicial District Ct.	Service Commission	Utilities	of utility assets.
9/90	90-158	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Revenue requirements, post-test year additions, forecasted test year.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements.
3/91	29327, et. al.	NY	Multiple Intervenor	Niagara Mohawk Power Corp.	Incentive regulation.
5/91	9945	TX	Office of Public Utility Counsel of Texas	El Paso Electric Co.	Financial modeling, economic analyses, prudence of Palo Verde 3.
9/91	P-910511 P-910512	PA	Allegheny Ludlum Corp., Armco Advanced Materials Co., The West Penn Power Industrial Users' Group	West Penn Power Co.	Recovery of CAAA costs, least cost financing.
9/91	91-231 -E-NC	WV	West Virginia Energy Users Group	Monongahela Power Co.	Recovery of CAAA costs, least cost financing.
11/91	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Asset impairment, deregulated asset plan, revenue requirements.
12/91	91-410- EL-AIR	OH	Air Products and Chemicals, Inc., Armco Steel Co., General Electric Co., Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Revenue requirements, phase-in plan.
12/91	10200	TX	Office of Public Utility Counsel of Texas	Texas-New Mexico Power Co.	Financial integrity, strategic planning, declined business affiliations.
5/92	910890-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue requirements, O&M expense, pension expense, OPEB expense, fossil dismantling, nuclear decommissioning.

**Expert Testimony Appearances
of
Lane Kollen
As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
8/92	R-00922314	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Incentive regulation, performance rewards, purchased power risk, OPEB expense.
9/92	92-043	KY	Kentucky Industrial Utility Consumers	Generic Proceeding	OPEB expense.
9/92	920324-EI	FL	Florida Industrial Power Users' Group	Tampa Electric Co.	OPEB expense.
9/92	39348	IN	Indiana Industrial Group	Generic Proceeding	OPEB expense.
9/92	910840-PU	FL	Florida Industrial Power Users' Group	Generic Proceeding	OPEB expense.
9/92	39314	IN	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	OPEB expense.
11/92	U-19904	LA	Louisiana Public Service Commission Staff	Gulf States Utilities/Entergy Corp.	Merger.
11/92	8649	MD	Westvaco Corp., Eastalco Aluminum Co.	Potomac Edison Co.	OPEB expense.
11/92	92-1715- AU-COI	OH	Ohio Manufacturers Association	Generic Proceeding	OPEB expense.
12/92	R-00922378	PA	Amco Advanced Materials Co., The WPP Industrial Intervenors	West Penn Power Co.	Incentive regulation, performance rewards, purchased power risk, OPEB expense.
12/92	U-19949	LA	Louisiana Public Service Commission Staff	South Central Bell	Affiliate transactions, cost allocations, merger.
12/92	R-00922479	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	OPEB expense.
1/93	8487	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.,	OPEB expense, deferred fuel, CWIP in rate base

Expert Testimony Appearances
of
Lane Kollen
As of June 2009

Date	Case	Jurisdct.	Party	Utility	Subject
				Bethlehem Steel Corp.	
1/93	39498	IN	PSI Industrial Group	PSI Energy, Inc.	Refunds due to over-collection of taxes on Marble Hill cancellation.
3/93	92-11-11	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	OPEB expense.
3/93	U-19904 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities/Entergy Corp.	Merger.
3/93	93-01 EL-EFC	OH	Ohio Industrial Energy Consumers	Ohio Power Co.	Affiliate transactions, fuel.
3/93	EC92-21000 ER92-806-000	FERC	Louisiana Public Service Commission	Gulf States Utilities/Entergy Corp.	Merger.
4/93	92-1464- EL-AIR	OH	Air Products Armco Steel Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Revenue requirements, phase-in plan.
4/93	EC92-21000 ER92-806-000 (Rebuttal)	FERC	Louisiana Public Service Commission	Gulf States Utilities/Entergy Corp.	Merger.
9/93	93-113	KY	Kentucky Industrial Utility Customers	Kentucky Utilities	Fuel clause and coal contract refund.
9/93	92-490, 92-490A, 90-360-C	KY	Kentucky Industrial Utility Customers and Kentucky Attorney General	Big Rivers Electric Corp.	Disallowances and restitution for excessive fuel costs, illegal and improper payments, recovery of mine closure costs.
10/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Revenue requirements, debt restructuring agreement, River Bend cost recovery.
1/94	U-20647	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Audit and investigation into fuel clause costs.
4/94	U-20647 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Nuclear and fossil unit performance, fuel costs, fuel clause principles and

**Expert Testimony Appearances
of
Lane Kollen
As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
					guidelines.
5/94	U-20178	LA	Louisiana Public Service Commission Staff	Louisiana Power & Light Co.	Planning and quantification issues of least cost integrated resource plan.
9/94	U-19904 Initial Post-Merger Earnings Review	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues.
9/94	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policies, exclusion of River Bend, other revenue requirement issues.
10/94	3905-U	GA	Georgia Public Service Commission Staff	Southern Bell Telephone Co.	Incentive rate plan, earnings review.
10/94	5258-U	GA	Georgia Public Service Commission Staff	Southern Bell Telephone Co.	Alternative regulation, cost allocation.
11/94	U-19904 Initial Post-Merger Earnings Review (Rebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues.
11/94	U-17735 (Rebuttal)	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policy, exclusion of River Bend, other revenue requirement issues.
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Revenue requirements. Fossil dismantling, nuclear decommissioning.
6/95	3905-U Rebuttal	GA	Georgia Public Service Commission	Southern Bell Telephone Co.	Incentive regulation, affiliate transactions, revenue requirements, rate refund.
6/95	U-19904 (Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.

**Expert Testimony Appearances
of
Lane Kollen
As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
10/95	95-02614	TN	Tennessee Office of the Attorney General Consumer Advocate	BellSouth Telecommunications, Inc.	Affiliate transactions.
10/95	U-21485 (Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues.
11/95	U-19904 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co. Division	Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.
11/95	U-21485 (Supplemental Direct) 12/95 U-21485 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues.
1/96	95-299-EL-AIR 95-300-EL-AIR	OH	Industrial Energy Consumers	The Toledo Edison Co. The Cleveland Electric Illuminating Co.	Competition, asset writeoffs and revaluation, O&M expense, other revenue requirement issues.
2/96	PUC No. 14965	TX	Office of Public Utility Counsel	Central Power & Light	Nuclear decommissioning.
5/96	95-485-LCS	NM	City of Las Cruces	El Paso Electric Co.	Stranded cost recovery, municipalization.
7/96	8725	MD	The Maryland Industrial Group and Redland Genstar, Inc.	Baltimore Gas & Electric Co., Potomac Electric Power Co. and Constellation Energy Corp.	Merger savings, tracking mechanism, earnings sharing plan, revenue requirement issues.
9/96 11/96	U-22092 U-22092 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues, allocation of regulated/nonregulated costs.
10/96	96-327	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Environmental surcharge recoverable costs.

**Expert Testimony Appearances
of
Lane Kollen
As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
2/97	R-00973877	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Stranded cost recovery, regulatory assets and liabilities, intangible transition charge, revenue requirements.
3/97	96-489	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Environmental surcharge recoverable costs, system agreements, allowance inventory, jurisdictional allocation.
6/97	TO-97-397	MO	MCI Telecommunications Corp., Inc., MCI metro Access Transmission Services, Inc.	Southwestern Bell Telephone Co.	Price cap regulation, revenue requirements, rate of return.
6/97	R-00973953	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
7/97	R-00973954	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
7/97	U-22092	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Depreciation rates and methodologies, River Bend phase-in plan.
8/97	97-300	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. and Kentucky Utilities Co.	Merger policy, cost savings, surcredit sharing mechanism, revenue requirements, rate of return.
8/97	R-00973954 (Supplemental)	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
10/97	97-204	KY	Alcan Aluminum Corp. Southwire Co.	Big Rivers Electric Corp.	Restructuring, revenue requirements, reasonableness
10/97	R-974008	PA	Metropolitan Edison Industrial Users	Metropolitan Edison Co.	Restructuring, deregulation, stranded costs, regulatory

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Date	Case	Jurisdct.	Party	Utility	Subject
			Group		assets, liabilities, nuclear and fossil decommissioning, revenue requirements.
10/97	R-974009	PA	Penelec Industrial Customer Alliance	Pennsylvania Electric Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements.
11/97	97-204 (Rebuttal)	KY	Alcan Aluminum Corp. Southwire Co.	Big Rivers Electric Corp.	Restructuring, revenue requirements, reasonableness of rates, cost allocation.
11/97	U-22491	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
11/97	R-00973953 (Surrebuttal)	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
11/97	R-973981	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements, securitization.
11/97	R-974104	PA	Duquesne Industrial Intervenor	Duquesne Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization.
12/97	R-973981 (Surrebuttal)	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements.
12/97	R-974104 (Surrebuttal)	PA	Duquesne Industrial Intervenor	Duquesne Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements.

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Date	Case	Jurisdct.	Party	Utility	Subject
					securitization.
1/98	U-22491 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
2/98	8774	MD	Westvaco	Potomac Edison Co.	Merger of Duquesne, AE, customer safeguards, savings sharing.
3/98	U-22092 (Allocated Stranded Cost Issues)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation.
3/98	8390-U	GA	Georgia Natural Gas Group, Georgia Textile Manufacturers Assoc.	Atlanta Gas Light Co.	Restructuring, unbundling, stranded costs, incentive regulation, revenue requirements.
3/98	U-22092 (Allocated Stranded Cost Issues) (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation.
10/98	97-596	ME	Maine Office of the Public Advocate	Bangor Hydro- Electric Co.	Restructuring, unbundling, stranded costs, T&D revenue requirements.
10/98	9355-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Co.	Affiliate transactions.
10/98	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policy, other revenue requirement issues.
11/98	U-23327	LA	Louisiana Public Service Commission Staff	SWEP, CSW and AEP	Merger policy, savings sharing mechanism, affiliate transaction conditions.
12/98	U-23358 (Direct)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
12/98	98-577	ME	Maine Office of Public Advocate	Maine Public Service Co.	Restructuring, unbundling, stranded cost, T&D revenue requirements.

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Date	Case	Jurisdiction	Party	Utility	Subject
1/99	98-10-07	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Stranded costs, investment tax credits, accumulated deferred income taxes, excess deferred income taxes.
3/99	U-23358 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
3/99	98-474	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements, alternative forms of regulation.
3/99	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements, alternative forms of regulation.
3/99	99-082	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
3/99	99-083	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
4/99	U-23358 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
4/99	99-03-04	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Regulatory assets and liabilities, stranded costs, recovery mechanisms.
4/99	99-02-05	CT	Connecticut Industrial Utility Customers	Connecticut Light and Power Co.	Regulatory assets and liabilities stranded costs, recovery mechanisms.
5/99	98-426 99-082 (Additional Direct)	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
5/99	98-474 99-083 (Additional Direct)	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
5/99	98-426 98-474 (Response to Amended Applications)	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co. and Kentucky Utilities Co.	Alternative regulation.

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Date	Case	Jurisdct.	Party	Utility	Subject
6/99	97-596	ME	Maine Office of Public Advocate	Bangor Hydro-Electric Co.	Request for accounting order regarding electric industry restructuring costs.
6/99	U-23358	LA	Louisiana Public Public Service Comm. Staff	Entergy Gulf States, Inc.	Affiliate transactions, cost allocations.
7/99	99-03-35	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Stranded costs, regulatory assets, tax effects of asset divestiture.
7/99	U-23327	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co., Central and South West Corp, and American Electric Power Co.	Merger Settlement and Stipulation.
7/99	97-596 Surrebuttal	ME	Maine Office of Public Advocate	Bangor Hydro-Electric Co.	Restructuring, unbundling, stranded cost; T&D revenue requirements.
7/99	98-0452-E-GI	WV	West Virginia Energy Users Group	Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power	Regulatory assets and liabilities.
8/99	98-577 Surrebuttal	ME	Maine Office of Public Advocate	Maine Public Service Co.	Restructuring, unbundling, stranded costs, T&D revenue requirements.
8/99	98-426 99-082 Rebuttal	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
8/99	98-474 98-083 Rebuttal	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
8/99	98-0452-E-GI Rebuttal	WV	West Virginia Energy Users Group	Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power	Regulatory assets and liabilities.
10/99	U-24182 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues.

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Date	Case	Jurisdct.	Party	Utility	Subject
11/99	21527	TX	Dallas-Ft.Worth Hospital Council and Coalition of Independent Colleges and Universities.	TXU Electric	Restructuring, stranded costs, taxes, securitization.
11/99	U-23358 Surrebuttal Affiliate Transactions Review	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Service company affiliate transaction costs.
04/00	99-1212-EL-ETPOH 99-1213-EL-ATA 99-1214-EL-AAM		Greater Cleveland Growth Association	First Energy (Cleveland Electric Illuminating, Toledo Edison)	Historical review, stranded costs, regulatory assets, liabilities.
01/00	U-24182 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues.
05/00	2000-107	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	ECR surcharge roll-in to base rates.
05/00	U-24182 Supplemental Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Affiliate expense proforma adjustments.
05/00	A-110550F0147 PA		Philadelphia Area Industrial Energy Users Group	PECO Energy	Merger between PECO and Unicom.
07/00	22344	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges and Universities	Statewide Generic Proceeding	Escalation of O&M expenses for unbundled T&D revenue requirements in projected test year.
05/00	99-1858- EL-ETP	OH	AK Steel Corp.	Cincinnati Gas & Electric Co.	Regulatory transition costs, including regulatory assets and liabilities, SFAS 109, ADIT, EDIT, ITC.
07/00	U-21453	LA	Louisiana Public Service Commission	SWEPCO	Stranded costs, regulatory assets and liabilities.
08/00	U-24064	LA	Louisiana Public Service Commission	CLECO	Affiliate transaction pricing ratemaking principles, subsidization of nonregulated

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Date	Case	Jurisdct.	Party	Utility	Subject
			Staff		affiliates, ratemaking adjustments.
10/00	PUC 22350 SOAH 473-00-1015	TX	The Dallas-Ft. Worth Hospital Council and The Coalition of Independent Colleges And Universities	TXU Electric Co.	Restructuring, T&D revenue requirements, mitigation, regulatory assets and liabilities.
10/00	R-00974104 Affidavit	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Final accounting for stranded costs, including treatment of auction proceeds, taxes, capital costs, switchback costs, and excess pension funding.
11/00	P-00001837 R-00974008 P-00001838 R-00974009	PA	Metropolitan Edison Industrial Users Group Penelec Industrial Customer Alliance	Metropolitan Edison Co. Pennsylvania Electric Co.	Final accounting for stranded costs, including treatment of auction proceeds, taxes, regulatory assets and liabilities, transaction costs.
12/00	U-21453, U-20925, U-22092 (Subdocket C) Surrebuttal	LA	Louisiana Public Service Commission Staff	SWEPCO	Stranded costs, regulatory assets.
01/01	U-24993 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
01/01	U-21453, U-20925, U-22092 (Subdocket B) Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Industry restructuring, business separation plan, organization structure, hold harmless conditions, financing.
01/01	Case No. 2000-386	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Recovery of environmental costs, surcharge mechanism.
01/01	Case No. 2000-439	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Recovery of environmental costs, surcharge mechanism.
02/01	A-110300F0095 A-110400F0040	PA	Met-Ed Industrial Users Group Penelec Industrial Customer Alliance	GPU, Inc. FirstEnergy Corp/	Merger, savings, reliability.

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Date	Case	Jurisdct.	Party	Utility	Subject
03/01	P-00001860 P-00001861	PA	Met-Ed Industrial Users Group Penelec Industrial Customer Alliance	Metropolitan Edison Co. and Pennsylvania Electric Co.	Recovery of costs due to provider of last resort obligation.
04 /01	U-21453, U-20925, U-22092 (Subdocket B) Settlement Term Sheet	LA	Louisiana Public Public Service Comm. Staff	Entergy Gulf States, Inc.	Business separation plan: settlement agreement on overall plan structure.
04 /01	U-21453, U-20925, U-22092 (Subdocket B) Contested Issues	LA	Louisiana Public Public Service Comm. Staff	Entergy Gulf States, Inc.	Business separation plan: agreements, hold harmless conditions, separations methodology.
05 /01	U-21453, U-20925, U-22092 (Subdocket B) Contested Issues Transmission and Distribution Rebuttal	LA	Louisiana Public Public Service Comm. Staff	Entergy Gulf States, Inc.	Business separation plan: agreements, hold harmless conditions, Separations methodology.
07/01	U-21453, U-20925, U-22092 Subdocket B Transmission and Distribution Term Sheet	LA	Louisiana Public Public Service Comm. Staff	Entergy Gulf States, Inc.	Business separation plan: settlement agreement on T&D issues, agreements necessary to implement T&D separations, hold harmless conditions, separations methodology.
10/01	14000-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Company	Revenue requirements, Rate Plan, fuel clause recovery.
11/01	14311-U Direct Panel with Bolin Killings	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital.
11/01	U-25687	LA	Louisiana Public	Entergy Gulf States, Inc.	Revenue requirements, capital structure,

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Date	Case	Jurisdct.	Party	Utility	Subject
	Direct		Service Commission Staff		allocation of regulated and nonregulated costs, River Bend uprate.
02/02	25230	TX	Dallas Ft.-Worth Hospital Council & the Coalition of Independent Colleges & Universities	TXU Electric	Stipulation. Regulatory assets, securitization financing.
02/02	U-25687 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.
03/02	14311-U Rebuttal Panel with Bolin Killings	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, earnings sharing plan, service quality standards.
03/02	14311-U Rebuttal Panel with Michelle L. Thebert	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital.
03/02	001148-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Co.	Revenue requirements. Nuclear life extension, storm damage accruals and reserve, capital structure, O&M expense.
04/02	U-25687 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.
04/02	U-21453, U-20925 and U-22092 (Subdocket C)		Louisiana Public Service Commission Staff	SWEPSCO	Business separation plan, T&D Term Sheet, separations methodologies, hold harmless conditions.
08/02	EL01- 88-000	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and The Entergy Operating Companies	System Agreement, production cost equalization, tariffs.
08/02	U-25888	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. and Entergy Louisiana, Inc.	System Agreement, production cost disparities, prudence.
09/02	2002-00224 2002-00225	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co. Louisville Gas & Electric Co.	Line losses and fuel clause recovery associated with off-system sales.
11/02	2002-00146 2002-00147	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co. Louisville Gas & Electric Co.	Environmental compliance costs and surcharge recovery.
01/03	2002-00169	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Power Co.	Environmental compliance costs and surcharge recovery.

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Date	Case	Jurisdct.	Party	Utility	Subject
04/03	2002-00429 2002-00430	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co. Louisville Gas & Electric Co.	Extension of merger surcredit, flaws in Companies' studies.
04/03	U-26527	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, Capital structure, post test year Adjustments.
06/03	EL01- 88-000 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement, production cost equalization, tariffs.
06/03	2003-00068	KY	Kentucky Industrial Utility Customers	Kentucky Utilities Co.	Environmental cost recovery, correction of base rate error.
11/03	ER03-753-000	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Unit power purchases and sale cost-based tariff pursuant to System Agreement.
11/03	ER03-583-000, FERC ER03-583-001, and ER03-583-002 ER03-681-000, ER03-681-001 ER03-682-000, ER03-682-001, and ER03-682-002 ER03-744-000, ER03-744-001 (Consolidated)		Louisiana Public Service Commission	Entergy Services, Inc., the Entergy Operating Companies, EWD Market- ing, L.P, and Entergy Power, Inc.	Unit power purchase and sale agreements, contractual provisions, projected costs, levelized rates, and formula rates.
12/03	U-26527 Surebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, Capital structure, post test year

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Date	Case	Jurisdct.	Party	Utility	Subject
					adjustments.
12/03	2003-0334 2003-0335	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co. Louisville Gas & Electric Co.	Earnings Sharing Mechanism.
12/03	U-27136	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	Purchased power contracts between affiliates, terms and conditions.
03/04	U-26527 Supplemental Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post test year adjustments.
03/04	2003-00433	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit.
03/04	2003-00434	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit.
03/04	SOAH Docket 473-04-2459, PUC Docket 29206	TX	Cities Served by Texas- New Mexico Power Co.	Texas-New Mexico Power Co.	Stranded costs true-up, including including valuation issues, ITC, ADIT, excess earnings.
05/04	04-169- EL-UNC	OH	Ohio Energy Group, Inc.	Columbus Southern Power Co. & Ohio Power Co.	Rate stabilization plan, deferrals, T&D rate increases, earnings.
06/04	SOAH Docket 473-04-4555 PUC Docket 29526	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric	Stranded costs true-up, including valuation issues, ITC, EDIT, excess mitigation credits, capacity auction true-up revenues, interest.
08/04	SOAH Docket 473-04-4556 PUC Docket 29526 (Suppl Direct)	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric	Interest on stranded cost pursuant to Texas Supreme Court remand.
09/04	Docket No. U-23327 Subdocket B	LA	Louisiana Public Service Commission Staff	SWEPCO	Fuel and purchased power expenses recoverable through fuel adjustment clause, trading activities, compliance with terms of various LPSC Orders.

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Date	Case	Jurisdct.	Party	Utility	Subject
10/04	Docket No. U-23327 Subdocket A	LA	Louisiana Public Service Commission Staff	SWEPCO	Revenue requirements.
12/04	Case No. 2004-00321 Case No. 2004-00372	KY	Gallatin Steel Co.	East Kentucky Power Cooperative, Inc., Big Sandy Recc, etal.	Environmental cost recovery, qualified costs, TIER requirements, cost allocation.
01/05	30485	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric, LLC	Stranded cost true-up including regulatory Central Co. assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT.
02/05	18638-U	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements.
02/05	18638-U Panel with Tony Wackerly	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Comprehensive rate plan, pipeline replacement program surcharge, performance based rate plan.
02/05	18638-U Panel with Michelle Thebert	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Energy conservation, economic development, and tariff issues.
03/05	Case No. 2004-00426 Case No. 2004-00421	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co. Louisville Gas & Electric	Environmental cost recovery, Jobs Creation Act of 2004 and § 199 deduction, excess common equity ratio, deferral and amortization of nonrecurring O&M expense.
06/05	2005-00068	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Environmental cost recovery, Jobs Creation Act of 2004 and §199 deduction, margins on allowances used for AEP system sales.
06/05	050045-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Co.	Storm damage expense and reserve, RTO costs, O&M expense projections, return on equity performance incentive, capital structure, selective second phase post-test year rate increase.
08/05	31056	TX	Alliance for Valley Healthcare	AEP Texas Central Co.	Stranded cost true-up including regulatory assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT.

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09/05	20298-U	GA	Georgia Public Service Commission Adversary Staff	Atmos Energy Corp.	Revenue requirements, roll-in of surcharges, cost recovery through surcharge, reporting requirements.
09/05	20298-U Panel with Victoria Taylor	GA	Georgia Public Service Commission Adversary Staff	Atmos Energy Corp.	Affiliate transactions, cost allocations, capitalization, cost of debt.
10/05	04-42	DE	Delaware Public Service Commission Staff	Artesian Water Co.	Allocation of tax net operating losses between regulated and unregulated.
11/05	2005-00351 2005-00352	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co. Louisville Gas and Electric Co.	Workforce Separation Program cost recovery and shared savings through VDT surcredit.
01/06	2005-00341	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	System Sales Clause Rider, Environmental Cost Recovery Rider, Net Congestion Rider, Storm damage, vegetation management program, depreciation, off-system sales, maintenance normalization, pension and OPEB.
03/06 05/06	31994 31994 Supplemental	TX	Cities	Texas-New Mexico Power Co.	Stranded cost recovery through competition transition or change. Retrospective ADFIT, prospective ADFIT.
03/06	U-21453, U-20925, U-22092	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Jurisdictional separation plan.
3/06	NOPR Reg 104385-OR	IRS	Alliance for Valley Health Care and Houston Council for Health Education	AEP Texas Central Company and CenterPoint Energy Houston Electric	Proposed Regulations affecting flow-through to ratepayers of excess deferred income taxes and investment Tax credits on generation plant that is sold or deregulated.
4/06	U-25116	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	2002-2004 Audit of Fuel Adjustment Clause Filings. Affiliate transactions.
07/06	R-00061366, Et. al	PA	Met-Ed Ind. Users Group Pennsylvania Ind. Customer Alliance	Metropolitan Edison Co. Pennsylvania Electric Co.	Recovery of NUG-related stranded costs, government mandated programs costs, storm damage costs.
07/06	U-23327	LA	Louisiana Public Service Commission	Southwestern Electric Power Co.	Revenue requirements, formula rate plan, banking proposal.

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08/06	U-21453, U-20925 U-22092 (Subdocket J)	LA	Staff Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Jurisdictional separation plan.
11/06	05CVH03-3375 OH Franklin County Court Affidavit	OH	Various Taxing Authorities (Non-Utility Proceeding)	State of Ohio Department of Revenue	Accounting for nuclear fuel assemblies as manufactured equipment and capitalized plant.
12/06	U-23327 Subdocket A Reply Testimony	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co..	Revenue requirements, formula rate plan, banking proposal.
03/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc., Entergy Louisiana, LLC	Jurisdictional allocation of Entergy System Agreement equalization remedy receipts.
03/07	33309	TX	Cities	AEP Texas Central Co.	Revenue requirements, including functionalization of transmission and distribution costs.
03/07	33310	TX	Cities	AEP Texas North Co.	Revenue requirements, including functionalization of transmission and distribution costs.
03/07	2006-00472	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative	Interim rate increase, RUS loan covenants, credit facility requirements, financial condition.
03/07	U-29157	LA	Louisiana Public Service Commission Staff	Cleco Power, LLC	Permanent (Phase II) storm damage cost recovery.
04/07	U-29764 Supplemental And Rebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. Entergy Louisiana, LLC	Jurisdictional allocation of Entergy System Agreement equalization remedy receipts.
04/07	ER07-682-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Allocation of intangible and general plant and A&G expenses to production and state income tax effects on equalization remedy receipts
04/07	ER07-684-000	FERC	Louisiana Public	Entergy Services, Inc.	Fuel hedging costs and compliance

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Date	Case	Jurisdic.	Party	Utility	Subject
	Affidavit		Service Commission	and the Entergy Operating Companies	with FERC USOA.
05/07	ER07-682-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Allocation of intangible and general plant and A&G expenses to production and account 924 effects on MSS-3 equalization remedy payments and receipts.
06/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, LLC Entergy Gulf States, Inc.	Show cause for violating LPSC Order on fuel hedging costs.
07/07	2006-00472	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative	Revenue requirements, post test year adjustments, TIER, surcharge revenues and costs, financial need.
07/07	ER07-956-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Storm damage costs related to Hurricanes Katrina and Rita and effects of MSS-3 equalization payments and receipts.
10/07	05-UR-103 Direct	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company Wisconsin Gas, LLC	Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds.
10/07	05-UR-103 Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company Wisconsin Gas, LLC	Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds.
10/07	25060-U Direct	GA	Georgia Public Service Commission Public Interest Adversary Staff	Georgia Power Company	Affiliate costs, incentive compensation, consolidated income taxes, §199 deduction.
11/07	06-0033-E-CN Direct	WV	West Virginia Energy Users Group	Appalachian Power Company	IGCC surcharge during construction period and post-in-service date.
11/07	ER07-682-000	FERC	Louisiana Public Service	Entergy Services, Inc.	Functionalization and allocation of

**Expert Testimony Appearances
of
Lane Kollen
As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
	Direct		Commission	and the Entergy Operating Companies	intangible and general plant and A&G expenses.
01/08	ER07-682-000 Cross Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization and allocation of intangible and general plant and A&G expenses.
01/08	07-551-EL-AIR Direct	OH	Ohio Energy Group, Inc.	Ohio Edison Company, Cleveland Electric Illuminating Company, Toledo Edison Company	Revenue Requirements.
02/08	ER07-956-000 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization of expenses in account 923; storm damage expense and accounts 924, 228.1, 182.3, 254 and 407.3; tax NOL carrybacks in account 165 and 236; ADIT; nuclear service lives and effect on depreciation and decommissioning.
03/08	ER07-956-000 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization of expenses in account 923; storm damage expense and accounts 924, 228.1, 182.3, 254 and 407.3; tax NOL carrybacks in account 165 and 236; ADIT; nuclear service lives and effect on depreciation and decommissioning.
04/08	2007-00562 2007-00563	KY	Kentucky Industrial Utility Customers, Inc. Louisville Gas and	Kentucky Utilities Co. Electric Co.	Merger surcredit.
04/08	26837 Direct Panel with Thomas K. Bond, Cynthia Johnson, Michelle Thebert	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
05/08	26837 Rebuttal Panel with Thomas K. Bond, Cynthia Johnson, Michelle Thebert	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.

**Expert Testimony Appearances
of
Lane Kollen
As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
05/08	26837 Supplemental Rebuttal Panel with Thomas K. Bond, Cynthia Johnson, Michelle Thebert	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
06/08	2008-00115	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Environmental surcharge recoveries, incl costs recovered in existing rates, TIER
07/08	27163 Direct	GA	Georgia Public Service Commission Public Interest Advocacy Staff	Atmos Energy Corp.	Revenue requirements, incl projected test year rate base and expenses.
07/08	27163 Panel with Victoria Taylor	GA	Georgia Public Service Commission Public Interest Advocacy Staff	Atmos Energy Corp.	Affiliate transactions and division cost allocations, capital structure, cost of debt.
08/08	6680-CE-170 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Nelson Dewey 3 or Colombia 3 fixed financial parameters.
08/08	6680-UR-116 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	CWIP in rate base, labor expenses, pension expense, financing, capital structure, decoupling.
08/08	6680-UR-116 Rebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Capital structure.
09/08	6690-UR-119 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Corp.	Prudence of Weston 3 outage, incentive compensation, Crane Creek Wind Farm incremental revenue requirement, capital structure.
09/08	6690-UR-119 Surrebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Corp.	Prudence of Weston 3 outage, Section 199 deduction.
09/08	08-935-EL-SSO OH 08-918-EL-SSO OH		Ohio Energy Group, Inc.	First Energy	Standard service offer rates pursuant to electric security plan, significantly excessive earnings test.
10/08	08-917-EL-SSO OH		Ohio Energy Group, Inc.	AEP	Standard service offer rates pursuant to electric security plan, significantly excessive earnings test.
10/08	2007-564 2007-565	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co., Kentucky	Revenue forecast, affiliate costs, depreciation expenses, federal and state

**Expert Testimony Appearances
of
Lane Kollen
As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
	2008-251 2008-252			Utilities Company	income tax expense, capitalization, cost of debt.
11/08	EL-08-51	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Spindletop gas storage facilities regulatory asset and bandwidth remedy.
11/08	35717	TX	Cities Served by Oncor Delivery Company	Oncor Delivery Company	Recovery of old meter costs, asset ADIT, cash working capital, recovery of prior year restructuring costs, levelized recovery of storm damage costs, prospective storm damage accrual, consolidated tax savings adjustment.
12/08	27800	GA	Georgia Public Service Commission	Georgia Power Company	AFUDC versus CWIP in rate base, mirror CWIP, certification cost, use of short term debt and trust preferred financing, CWIP recovery, regulatory incentive.
01/09	ER08-1056	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
01/09	ER08-1056 Supplemental Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Blytheville leased turbines; accumulated depreciation.
02/09	EL08-51 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Spindletop gas storage facilities regulatory asset and bandwidth remedy.
02/09	2008-00409 Direct	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Revenue requirements.
03/09	ER08-1056 Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
03/09	U-21453, U-20925 U-22092 (Subdocket J)		Louisiana Public Service Commission Staff	Entergy Gulf States Louisiana, LLC	Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset.
04/09	U-21453, U-20925 U-22092 (Subdocket J) Rebuttal		Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC	Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset.
04/09	2009-00040 Direct-Interim	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Emergency interim rate increase; cash requirements.
04/09	36530	TX	State Office of Administrative	Oncor Electric Delivery	Rate case expenses.

**Expert Testimony Appearances
of
Lane Kollen
As of June 2009**

Date	Case	Jurisdct.	Party	Utility	Subject
			Hearings	Company, LLC	
05/09	ER08-1056 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
06/09	2009-00040 Direct- Permanent	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Revenue requirements, TIER, cash flow.

J. KENNEDY AND ASSOCIATES, INC.

EXHIBIT__ (LK-2)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 292

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Lane Kollen (LK-2)

DATE 09/03/09

**Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Second Set of Interrogatories
Interrogatory No. 112
Page 1 of 1**

Q.

Interrogatories Directed to Ms. Kim Ousdahl:

Regarding Page 12:8-Page 13:13. Please explain why in FPL's view it would be appropriate to increase rates through the GBRA mechanism to recover costs associated with placing a new generating plant in service, but not to take into account at the same time adjustments that would have an opposite effect on rates, such as accumulated depreciation, increases in billing determinants, and/or reductions to other elements in FPL's cost of service.

A.

Generating plant additions represent a significant capital investment that results in large, lump sum increases to rate base and revenue requirements that often, in and of itself, will result in the need to file for a base rate increase. Other types of utility activities such as accumulated depreciation, increases in billing determinants and/or reductions to other elements of cost of service tend to occur gradually over time and are offset by increases in O&M expense, increases in capital expenditures for capital replacement of existing plants, new service accounts, system reliability, storm hardening with corresponding increase in depreciation expense. Attempting to address all changes in costs during the GBRA process would effectively turn that process into a full base rate case proceeding. The GBRA process was initiated, in part, to reduce the frequency of expensive, resource intensive full requirements base rate cases.

EXHIBIT__ (LK-3)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 293

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Lane Kollen (LK-3)

DATE 09/03/09

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Power & Light Company. DOCKET NO. 050045-EI

In re: 2005 comprehensive depreciation study by Florida Power & Light Company. DOCKET NO. 050188-EI
ORDER NO. PSC-05-0902-S-EI
ISSUED: September 14, 2005

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
LISA POLAK EDGAR

ORDER APPROVING STIPULATION AND SETTLEMENT

BY THE COMMISSION:

I. BACKGROUND

On March 22, 2005, Florida Power & Light Company (FPL) filed a petition for approval of a permanent increase in rates and charges sufficient to generate additional total annual revenues of \$430,198,000 beginning January 1, 2006, and for approval of an adjustment to 2007 base rates to produce additional annual revenues of \$122,757,000 beginning 30 days following the commercial in-service date of Turkey Point Unit 5 projected to occur in June 2007. In support of its petition, FPL filed new rate schedules, testimony, Minimum Filing Requirements (MFRs), and other schedules. FPL's petition was assigned Docket No. 050045-EI. By Order No. PSC-05-0619-PCO-EI, issued June 6, 2005, we suspended FPL's proposed new rate schedules to allow our staff and intervenors sufficient time to adequately and thoroughly examine the basis for the proposed new rates.

On March 17, 2005, FPL filed a depreciation study for this Commission's review. The depreciation study was assigned Docket No. 050188-EI. By Order No. PSC-05-0499-PCO-EI, issued May 9, 2005, we consolidated Docket Nos. 050188-EI and 050045-EI for all purposes.

As part of this consolidated proceeding, we conducted service hearings at the following locations in FPL's service territory: Daytona Beach, Viera, West Palm Beach, Ft. Lauderdale, Miami, Sarasota, and Ft. Myers. A formal administrative hearing was scheduled for August 22 - 26 and August 31 - September 2, 2005. The Office of Public Counsel (OPC), Office of the Attorney General (AG), Florida Industrial Power Users Group (FIPUG), Florida Retail Federation (FRF), Commercial Group (CG), AARP, Federal Executive Agencies (FEA), and

DOCUMENT NUMBER-DATE

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FDSC-COMMISSION CLERK

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DOCKET NOS. 050045-EI, 050188-EI
PAGE 2.

South Florida Hospital and Healthcare Association (SFHHA) were granted intervenor status. Common Cause Florida and seven individual customers filed a petition to intervene on August 15, 2005.

On August 22, 2005, the parties filed a joint motion for approval of a Stipulation and Settlement¹ among all parties to resolve all matters in this consolidated proceeding.² The Stipulation and Settlement was presented at the start of our hearing on August 22. The hearing was recessed to allow our staff to thoroughly review the Stipulation and Settlement and provide its analysis to us on August 24, when the hearing was reconvened for our vote.

By this Order, we approve the Stipulation and Settlement. Jurisdiction over these matters is vested in this Commission by various provisions of Chapter 366, Florida Statutes, including Sections 336.04, 366.05, and 366.06, Florida Statutes.

II. STIPULATION AND SETTLEMENT

The major elements contained in the Stipulation and Settlement are as follows:

- The Stipulation and Settlement is effective for a minimum term of four years - January 1, 2006, through December 31, 2009 - and thereafter will remain in effect until new base rates and charges become effective by order of the Commission. (Paragraph 1)
- With the exception of certain new and modified rate schedules specified in the Stipulation and Settlement, FPL's retail base rates and charges will remain unchanged on January 1, 2006, when the currently operative stipulation governing FPL's base rates and charges expires. (Paragraph 2)
- No party will petition for a change in FPL's base rates and charges to take effect prior to the minimum term of the Stipulation and Settlement, and, except as provided for in the Stipulation and Settlement, FPL will not petition for any new surcharges to recover costs that traditionally would be, or are presently, recovered through base rates. (Paragraph 3)
- A revenue sharing plan similar to the one contained in FPL's currently operative rate settlement will be implemented through the term of the Stipulation and Settlement. Retail base rate revenues between specified sharing threshold amounts and revenue caps will be shared as follows: FPL's shareholders will receive a 1/3 share, and FPL's retail customers will receive a 2/3 share. Retail base rate revenues above the specified revenue caps will be refunded to retail customers on an annual basis. (Paragraphs 4 and 5)

¹ The Stipulation and Settlement is attached hereto as Attachment A and is incorporated herein by reference.

² Although Common Cause Florida and the individual customers had not been granted intervenor status, they signed the stipulation and settlement along with all parties. Under these circumstances and without objection from any party, we found at the August 22 hearing that it was not necessary to make a ruling on the petition to intervene filed by Common Cause Florida and the individual customers.

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DOCKET NOS. 050045-EI, 050188-EI
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- If FPL's retail base rate earnings fall below a 10% ROE as reported on a Commission-adjusted or pro-forma basis on an FPL monthly earnings surveillance report during the term of the Stipulation and Settlement, FPL may petition to amend its base rates, and parties to the Stipulation are not precluded from participating in such a proceeding. This provision does not limit FPL from any recovery of costs otherwise contemplated by the Stipulation. (Paragraph 6)
- FPL has the option to amortize up to \$125,000,000 annually as a credit to depreciation expense and a debit to the bottom line depreciation reserve over the term of the Stipulation and Settlement and as specified therein. Depreciation rates and/or capital recovery schedules will be established pursuant to the comprehensive depreciation studies as filed in March 2005 and will not be changed during the term of the Stipulation and Settlement. (Paragraph 8)
- Subject to review for prudence and reasonableness, FPL is permitted clause recovery of incremental costs associated with establishment of a Regional Transmission Organization or costs arising from an order of this Commission or the Federal Energy Regulatory Commission addressing any alternative configuration or structure to address independent transmission system governance or operation. (Paragraph 9)
- No party will appeal the Commission's final order in Docket No. 041291-EI addressing recovery of 2004 storm recovery costs. FPL will suspend its current accrual to its storm reserve effective January 1, 2006. Through a separate proceeding, a target level for FPL's storm reserve will be set. Replenishment of the storm reserve to that target level shall be accomplished through securitization under Section 366.8260, Florida Statutes, or through a separate surcharge that is independent of and incremental to retail base rates, as approved by the Commission. (Paragraph 10)
- FPL will suspend its current nuclear decommissioning accrual effective September 1, 2005, and at least through the minimum term of the Stipulation and Settlement. (Paragraph 11)
- New capital costs for expenditures recovered through the Environmental Cost Recovery Clause will be allocated, for the purpose of clause recovery, on a demand basis. (Paragraph 13)
- All post-September 11, 2001, incremental security costs will be recovered through the Capacity Cost Recovery Clause. (Paragraph 14)
- FPL will continue to operate without an authorized ROE range for the purpose of addressing earnings levels, but an ROE of 11.75% shall be used for all other regulatory purposes. (Paragraph 16)
- For any power plant that is approved through the Power Plant Siting Act and that achieves commercial operation within the term of the Stipulation and Settlement, the

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costs of which are not recovered fully through a clause or clauses, FPL's base rates will increase by the annualized base revenue requirement for the first 12 months of operation, reflecting the costs upon which the cumulative present value revenue requirements were or are predicated and pursuant to which a need determination was granted by the Commission. This base rate adjustment will be reflected on FPL's customer bills by increasing base charges and non-clause recoverable credits by an equal percentage and will apply to meter readings made on and after the commercial in-service date of the plant. (Paragraph 17)

Most of the terms of the Stipulation and Settlement appear to be self-explanatory. Still, we believe that several provisions merit comment or clarification so that as full an understanding of the parties' intent can be reflected in this Order before the Stipulation and Settlement is implemented. Based on the parties' discussions with our staff and discussions during our August 24 vote to approve the Stipulation and Settlement, we understand that the parties agree with the clarifications discussed below.

Paragraph 2

Under Paragraph 2, the parties agree that FPL will implement three new tariff offerings: an optional High Load Factor Time-of-Use rate with an adjustment to reflect a 65% load factor breakeven point by class; a Seasonal Demand Time-of-Use rate; and a General Service Constant Use rate. Further, the parties agree that FPL will eliminate the 10 kW exemption from its current rate schedules. We note that these changes are revenue neutral across FPL's demand-metered rate classes but are not revenue neutral within each such class.

Further, the parties agree that the inversion point on FPL's RS-1 (residential service) rate will be raised from 750 kWh to 1,000 kWh. We note that this change is revenue neutral within FPL's residential rate class.

The parties also agree that all gross receipts taxes will be shown as and collected through a separate gross receipts tax line item on bills. Thus, the portion of gross receipts taxes currently embedded in base rates will be removed and consolidated with the portion of gross receipts taxes currently shown separately.

Paragraph 5

Paragraph 5 describes and defines the revenue sharing plan agreed to by the parties. Part c of this paragraph states that the revenue sharing plan and the corresponding revenue sharing thresholds and revenue caps are intended to relate only to retail base rate revenues based on FPL's current structure and regulatory framework. Further, part c indicates that incremental revenues attributable to a business combination or acquisition involving FPL, its parent, or its affiliates will be excluded in determining retail base rate revenues for purposes of the revenue sharing plan. The parties clarified that in the event that a portion of FPL's system is sold or municipalized, appropriate adjustments would be made to account for the associated revenue

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reduction before application of FPL's annual average growth rate upon which the revenue sharing thresholds and revenue cap are calculated.

Paragraph 10

Under Paragraph 10, the parties agree that FPL will suspend its current base rate accrual of \$20.3 million to its storm reserve account effective January 1, 2006. Further, the parties agree that a target for FPL's storm reserve account will be established in a separate proceeding and that funding the account to the target level will be achieved by either or both of two means: (1) a separate surcharge independent of and incremental to retail base rates; and (2) through the recently enacted provisions of Section 366.8260, Florida Statutes. FPL has committed to pursue continued funding of its storm reserve account within six months.

Paragraph 11

Pursuant to Paragraph 11, the parties agree that FPL will file a nuclear decommissioning study on or before December 12, 2005, but the study shall have no impact on FPL's base rates or charges or the terms of the Stipulation and Settlement. The parties clarified that the filing of this study is intended only for informational purposes and that no Commission action on the study is contemplated.

Paragraph 13

We note that Paragraph 13 reflects a change in practice with respect to the allocation of capital costs recovered through the Environmental Cost Recovery Clause (ECRC). These costs historically have been allocated to customer classes on an energy basis. Under the Stipulation and Settlement, the parties agree that new capital costs for environmental expenditures recovered through the ECRC will be allocated on a demand basis instead, consistent with the treatment of capital costs in a base rate cost of service study.

Paragraph 14

Currently, post-September 11, 2001, incremental security costs related only to power plant security are recovered through the Capacity Cost Recovery Clause (Capacity Clause). Pursuant to Paragraph 14, all post-September 11, 2001, incremental security costs – both power plant and non-plant security costs – will be recovered through the Capacity Clause.

Paragraph 17

The parties clarified that in the event the actual capital cost of a generation project subject to Paragraph 17 is lower than the projected cost, the difference will be reflected as a one-time credit through the Capacity Clause.

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Other Matters

Pursuant to a stipulation approved in Order No. PSC-02-1484-FOF-EI, issued October 30, 2002, in Docket No. 011605-EI, FPL currently recovers incremental hedging costs through the Fuel Cost Recovery Clause (Fuel Clause). In its petition for a rate increase, FPL proposed to recover these costs through base rates instead. The Stipulation and Settlement is silent on how incremental hedging costs will be recovered. The parties clarified that they intended for recovery of these costs to continue through the Fuel Clause during the term of the Stipulation and Settlement. Because the Stipulation is silent in this regard, the parties indicated that they would take action to memorialize their intent in this year's Fuel Clause proceedings.

The parties also clarified their intent that, upon approval of this Stipulation and Settlement, Docket No. 050494-EI should be closed. Docket No. 050494-EI was assigned to a joint petition for a decrease in FPL's base rates and charges filed July 19, 2005, by several of the intervenors in this docket.

III. FINDINGS

Upon review and consideration, we find that the Stipulation and Settlement provides a reasonable resolution of the issues in this proceeding with respect to FPL's rates and charges and its depreciation rates and capital recovery schedules. The Stipulation and Settlement appears to provide FPL's customers with a degree of stability and predictability with respect to their electricity rates while allowing FPL to maintain the financial strength to make investments necessary to provide customers with safe and reliable power. Further, the Stipulation and Settlement extends through 2009 a revenue sharing plan which, since its inception in 1999, has resulted in refunds to customers of over \$225 million to date. In addition, we recognize that the Stipulation and Settlement reflects the agreement of a broad range of interests: FPL, OPC, the Attorney General, and residential, commercial, industrial, and governmental customers of FPL.

In conclusion, we find that the Stipulation and Settlement establishes rates that are fair, just, and reasonable and that approval of the Stipulation and Settlement is in the public interest. Therefore, we approve the Stipulation and Settlement. As with any settlement we approve, nothing in our approval of this Stipulation and Settlement diminishes this Commission's ongoing authority and obligation to ensure fair, just, and reasonable rates. Nonetheless, this Commission has a long history of encouraging settlements, giving great weight and deference to settlements, and enforcing them in the spirit in which they were reached by the parties.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Stipulation and Settlement filed August 22, 2005, which is attached hereto as Attachment A and incorporated herein by reference, is approved. It is further

ORDERED that FPL shall file, for administrative approval, revised tariff sheets to reflect the terms of the Stipulation and Settlement. It is further

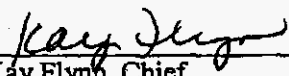
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ORDERED that Docket Nos. 050045-EI, 050188-EI, and 050494-EI shall be closed.

By ORDER of the Florida Public Service Commission this 14th day of September, 2005.

BLANCA S. BAYO, Director
Division of the Commission Clerk
and Administrative Services

By:


Kay Flynn, Chief
Bureau of Records

(SEAL)

WCK

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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ATTACHMENT A

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by
Florida Power & Light Company.

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)
Docket No. 050045-EI

In re: 2005 comprehensive depreciation
study by Florida Power & Light Company.

)
)
)
Docket No. 050188-EI

STIPULATION AND SETTLEMENT

WHEREAS, pursuant to its petition filed March 22, 2005, Florida Power & Light Company (FPL) has petitioned the Florida Public Service Commission (FPSC or Commission) for an increase in base rates and other related relief;

WHEREAS, the Office of the Attorney General (AG), the Office of Public Counsel (OPC), The Florida Industrial Power Users Group (FIPUG), AARP, Florida Retail Federation (FRF), the Commercial Group (CG), the Federal Executive Agencies (FEA), and South Florida Hospital and Healthcare Association (SFHHA) have intervened, and have signed this Stipulation and Settlement (unless the context clearly requires otherwise, the term Party or Parties means a signatory to this Stipulation and Settlement);

WHEREAS, FPL and the Parties to this Stipulation and Settlement recognize that this is a period of unprecedented world energy prices and that this Stipulation and Settlement will mitigate the impact of high energy prices;

WHEREAS, FPL has provided the minimum filing requirements (MFRs) as required by the FPSC and such MFRs have been thoroughly reviewed by the FPSC Staff and the Parties to this proceeding;

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DOCKET NO. 050045-EI and 050188-EI
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ATTACHMENT A

WHEREAS, FPL has filed comprehensive testimony in support of and detailing its MFRs;

WHEREAS, on March 16, 2005, FPL filed comprehensive depreciation studies in accordance with FPSC Rule 25-6.0436(8)(a), Florida Administrative Code;

WHEREAS, the parties in this proceeding have conducted extensive discovery on the MFRs, depreciation studies, and FPL's testimony;

WHEREAS, the discovery conducted has included the production and opportunity to inspect more than 315,000 pages of information regarding FPL's costs and operations;

WHEREAS, the Parties to this Stipulation and Settlement have undertaken to resolve the issues raised in these proceedings so as to maintain a degree of stability to FPL's base rates and charges, and to provide incentives to FPL to continue to promote efficiency through the term of this Stipulation and Settlement;

WHEREAS, FPL is currently operating under a stipulation and settlement agreement agreed to by OPC and other parties, and approved by the FPSC by Order PSC-02-0501-AS-EI, issued April 11, 2002, in Docket Nos. 001148-EI and 020001-EI (2002 Agreement);

WHEREAS, previous to the 2002 Agreement, FPL operated under a stipulation and settlement agreement approved by the FPSC in Order No. PSC 99-0519-AS-EI (1999 Agreement);

WHEREAS, the 1999 and 2002 Agreements, combined, provided for a reduction of \$600 million in FPL's base rates, and include revenue sharing plans that have resulted in refunds to customers to date in excess of \$225 million;

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DOCKET NO. 050045-EI and 050188-EI
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ATTACHMENT A

WHEREAS, the 1999 and 2002 Agreements and revenue sharing plans have provided significant benefits to customers, resulting in approximately \$4 billion in total savings to FPL's customers through the end of 2005;

WHEREAS, during 2005 FPL has added two new power plants in Martin and Manatee Counties at installed costs totaling approximately \$887 million without increasing base rates;

WHEREAS, FPL must make substantial investments in the construction of new electric generation and other infrastructure for the foreseeable future in order to continue to provide safe and reliable power to meet the growing needs of retail customers in the state of Florida; and

WHEREAS, an extension of the revenue sharing plan and preservation of the benefits for customers of the \$600 million reduction in base rates provided for in the 1999 and 2002 Agreements during the period in which this Stipulation and Settlement is in effect, and other provisions as set forth herein, including the provision for the incremental base rate recovery of costs associated with the addition of electric generation, will further be beneficial to retail customers;

NOW THEREFORE, in consideration of the foregoing and the covenants contained herein, the Parties hereby stipulate and agree:

1. Upon approval and final order of the FPSC, this Stipulation and Settlement will become effective on January 1, 2006 (the "Implementation Date"), and shall continue through December 31, 2009 (the "Minimum Term"), and thereafter shall remain in effect until terminated on the date that new base rates become effective pursuant to order of the FPSC following a formal administrative hearing held either on the FPSC's own motion or on request made by any of the Parties to this Stipulation and Settlement in accordance with Chapter 366, Florida Statutes.

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2. FPL's retail base rates and base rate structure shall remain unchanged, except as otherwise permitted in this Stipulation and Settlement. The following tariff changes shall be approved and implemented:

- a.
 - (i) As reflected in FPL's MFR E-14, institution of the optional High Load Factor Time-of-Use rate with an adjustment to reflect a 65% load factor breakeven point by rate class, the Seasonal Demand Time-of-Use rate, and the General Service Constant Use Rate;
 - (ii) Elimination of the 10 kW exemption from rates.
 - (iii) The combined adjustments to implement (i) and (ii) above shall be made on a revenue neutral basis with reference to the 2006 forecast reflected in MFR E-13(c) at present base rates.
- b. Raising the inversion point on the RS-1 rate from 750 kWh to 1,000 kWh, on a revenue neutral basis with reference to the 2006 forecast reflected in MFR E-13(c) at present base rates.
- c. Consolidation and collection of all gross receipts taxes, including existing gross receipts taxes embedded in base rates, through the separate gross receipts tax line item on bills, on a revenue neutral basis with reference to the 2006 forecast reflected in MFR E-13(c) at present base rates.
- d. At any time during the term of the Stipulation and Settlement and subject to Commission approval, any new or revised tariff provisions or rate schedules requested by FPL, provided that such tariff request does not increase any existing base rate component of a tariff or rate schedule during the term of the

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Stipulation and Settlement unless the application of such new or revised tariff or rate schedule is optional to the utility's customers.

3. Except as provided in Section 1, no Party to this Stipulation and Settlement will request, support, or seek to impose a change in the application of any provision hereof. AG, OPC, FIPUG, AARP, FRF, FEA, CG, and SFHHA will neither seek nor support any reduction in FPL's base rates and charges, including interim rate decreases, to take effect prior to the end of the Minimum Term of this Stipulation and Settlement unless a reduction request is initiated by FPL. FPL will not petition for an increase in its base rates and charges, including interim rate increases, to take effect for meter readings before the end of the Minimum Term except as provided for in Section 6. During the term of this Stipulation and Settlement, except as otherwise provided for in this Stipulation and Settlement, or except for unforeseen extraordinary costs imposed by government agencies relating to safety or matters of national security, FPL will not petition for any new surcharges, on an interim or permanent basis, to recover costs that are of a type that traditionally and historically would be, or are presently, recovered through base rates.

4. During the term of this Stipulation and Settlement, revenues which are above the levels stated herein below in Section 5 will be shared between FPL and its retail electric utility customers -- it being expressly understood and agreed that the mechanism for earnings sharing herein established is not intended to be a vehicle for "rate case" type inquiry concerning expenses, investment, and financial results of operations.

5. Commencing on the Implementation Date and for the calendar years 2006, 2007, 2008 and 2009, and continuing thereafter until terminated, FPL will be under a Revenue Sharing Incentive Plan as set forth below. For purposes of this Revenue Sharing Incentive Plan, the following retail base rate revenue threshold amounts are established:

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a. Sharing Threshold - Retail base rate revenues between the sharing threshold amount and the retail base rate revenue cap as defined in Section 5(b) below will be divided into two shares on a 1/3, 2/3 basis. FPL's shareholders shall receive the 1/3 share. The 2/3 share will be refunded to retail customers. The sharing threshold for 2006 will be established by using the 2005 sharing threshold of \$3,880 million in retail base rate revenues, increased by the average annual growth rate in retail kWh sales for the ten year period ending December 31, 2005. For each succeeding calendar year or portion thereof during which the Stipulation and Settlement is in effect, the succeeding calendar year retail base rate revenue sharing threshold amounts shall be established by increasing the prior year's threshold by the sum of the following two amounts: (i) the average annual growth rate in retail kWh sales for the ten calendar year period ending December 31 of the preceding year multiplied by the prior year's retail base rate revenue sharing threshold and (ii) the amount of any incremental GBRA revenues in that year. The GBRA is described in Section 17.

b. Revenue Cap - Retail base rate revenues above the retail base rate revenue cap will be refunded to retail customers on an annual basis. The retail base rate revenue cap for 2006 will be established by using the 2005 cap of \$4,040 million in retail base rate revenues, increased by the average annual growth rate in retail kWh sales for the ten calendar year period ending December 31, 2005. For each succeeding calendar year or portion thereof during which the Stipulation and Settlement is in effect, the succeeding calendar year retail base rate revenue cap amounts shall be established by increasing the prior year's cap by the sum of the following two amounts: (i) the average annual growth rate in retail kWh sales for the ten calendar year period ending December 31 of the

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preceding year multiplied by the prior year's retail base rate revenue cap amount and (ii) the amount of any incremental GBRA revenues in that year.

c. Revenue exclusions - The Revenue Sharing Incentive Plan and the corresponding revenue sharing thresholds and revenue caps are intended to relate only to retail base rate revenues of FPL based on its current structure and regulatory framework. Thus, for example, incremental revenues attributable to a business combination or acquisition involving FPL, its parent, or its affiliates, whether inside or outside the state of Florida, or revenues from any clause, surcharge or other recovery mechanism other than retail base rates, shall be excluded in determining retail base rate revenues for purposes of revenue sharing under this Stipulation and Settlement.

d. Refund mechanism - Refunds will be paid to customers as described in Section 7.

e. Calculation of sharing threshold and revenue cap for partial calendar years - In the event that this Stipulation and Settlement is terminated other than at the end of a calendar year, the sharing threshold and revenue cap for the partial calendar year shall be determined at the end of that calendar year by (i) dividing the retail kWh sales during the partial calendar year by the retail kWh for the full calendar year, and (ii) applying the resulting fraction to the sharing threshold and revenue cap for the full calendar year that would have been calculated as set forth in Sections 5(a) and 5(b) above.

f. Calculation of annual average growth rate - For purposes of this Section 5, the average annual growth rate shall be calculated by summing the percentage change in retail kWh sales for each year in the relevant ten year period and dividing by 10.

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6. If FPL's retail base rate earnings fall below a 10% ROE as reported on an FPSC adjusted or pro-forma basis on an FPL monthly earnings surveillance report during the term of this Stipulation and Settlement, FPL may petition the FPSC to amend its base rates notwithstanding the provisions of Section 3, either as a general rate proceeding or as a limited proceeding under Section 366.076, Florida Statutes. Parties to this Stipulation and Settlement are not precluded from participating in such a proceeding, and, in the event that FPL petitions to initiate a limited proceeding under this Section 6, any Party may petition to initiate any proceeding otherwise permitted by Florida law. This Stipulation and Settlement shall terminate upon the effective date of any Final Order issued in such proceeding that changes FPL's base rates. This paragraph shall not be construed to bar or limit FPL from any recovery of costs otherwise contemplated by this Stipulation and Settlement.

7. All revenue-sharing refunds will be paid with interest at the 30-day commercial paper rate to retail customers of record during the last three months of each applicable refund period based on their proportionate share of base rate revenues for the refund period. For purposes of calculating interest only, it will be assumed that revenues to be refunded were collected evenly throughout the preceding refund period. All refunds with interest will be in the form of a credit on the customers' bills beginning with the first day of the first billing cycle of the second month after the end of the applicable refund period (or, in the case of a partial calendar year refund, after the end of that calendar year). Refunds to former customers will be completed as expeditiously as reasonably possible.

8. Starting with the effective date of this Stipulation and Settlement, FPL may, at its option, amortize up to \$125,000,000 annually as a credit to depreciation expense and a debit to the bottom line depreciation reserve over the term of this Stipulation and Settlement. Any such

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reserve amount will be applied first to reduce any reserve excesses by account, as determined in FPL's depreciation studies filed after the term of this Stipulation and Settlement, and thereafter will result in reserve deficiencies. Any such reserve deficiencies will be allocated to individual reserve balances based on the ratio of the net book value of each plant account to total net book value of all plant. The amounts allocated to the reserves will be included in the remaining life depreciation rate and recovered over the remaining lives of the various assets. Additionally, depreciation rates and/or capital recovery schedules shall be established pursuant to the comprehensive depreciation studies as filed March 16, 2005 and will not be changed for the term of this Stipulation and Settlement.

9. FPL will be permitted clause recovery of prudently incurred incremental costs associated with the establishment of a Regional Transmission Organization or any other costs arising from an order of the FPSC or the Federal Energy Regulatory Commission addressing any alternative configuration or structure to address independent transmission system governance or operation. Any Party to this Stipulation and Settlement may participate in any proceeding relating to the recovery of costs contemplated in this section for the purpose of challenging the reasonableness and prudence of such costs, but not for the purpose of challenging FPL's right to clause recovery of such costs.

10. No Party to this Stipulation and Settlement shall appeal the FPSC's Final Order in Docket No. 041291-EI. Further, Parties agree to the following provisions relative to the target level and funding of Account No. 228.1 and recovery of any deficits in such Account:

- a. The target level for Account No. 228.1 shall be as established by the Commission, whether on its own motion, upon petition by FPL, or in conjunction with a proceeding held in accordance with Section 366.8260,

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Florida Statutes. FPL will be permitted to recover prudently incurred costs associated with events covered by Account No. 228.1 and replenish Account No. 228.1 to a target level through charges to customers, that are approved by the Commission, that are independent of and incremental to base rates and without the application of any form of earnings test or measure. The fact that insufficient funds have been accumulated in Account No. 228.1 to cover costs associated with events covered by that Account shall not be evidence of imprudence or the basis of a disallowance. Replenishment of Account No. 228.1 to a target level approved by the Commission and/or the recovery of any costs incurred in excess of funds accumulated in Account No. 228.1 and insurance shall be accomplished through Section 366.8260, Florida Statutes, and/or through a separate surcharge that is independent of and incremental to retail base rates, as approved by the Commission. Parties to this Stipulation and Settlement are not precluded from participating in such a proceeding, nor precluded from challenging the amount of such target level or whether recovery should be accomplished either through Section 366.8260, Florida Statutes or through a separate surcharge.

- b. The current base rate accrual to Account No. 228.1 of \$20.3 million is suspended effective January 1, 2006.
- c. No revenues contemplated by this Section 10 shall be included in the computation of retail base rate revenues for purposes of revenue sharing under this Stipulation and Settlement.

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11. The current decommissioning accrual of \$78,516,937 (jurisdictional) approved in Order No. PSC-02-0055-PAA-EI shall be suspended effective September 1, 2005 and shall remain suspended through the Minimum Term and, at the Company's option, for any additional period during which this Stipulation and Settlement remains in effect. FPL's decommissioning study to be filed on or before December 31, 2005 shall have no impact on FPL's base rates, charges, or the terms of this Stipulation and Settlement.

12. The portion of St. Johns River Power Park ("SJRPP") capacity costs and certain capacity revenues that are currently embedded in base rates shall continue to be recovered through base rates in the current manner as contemplated by Order No. PSC-92-1334-FOF-EI.

13. New capital costs for environmental expenditures recovered through the Environmental Cost Recovery Clause will be allocated, for the purpose of clause recovery, consistent with FPL's current cost of service methodology.

14. Post-September 11, 2001 incremental security costs shall remain in and be recovered through the Capacity Clause.

15. For surveillance reporting requirements and all regulatory purposes, FPL's ROE will be calculated based upon an adjusted equity ratio as follows. FPL's adjusted equity ratio will be capped at 55.83% as included in FPL's projected 1998 Rate of Return Report for surveillance purposes. The adjusted equity ratio equals common equity divided by the sum of common equity, preferred equity, debt and off-balance sheet obligations. The amount used for off-balance sheet obligations will be calculated per the Standard & Poor's methodology.

16. Effective on the Implementation Date, FPL will continue to operate without an authorized Return on Equity (ROE) range for the purpose of addressing earnings levels, and the

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revenue sharing mechanism herein described will be the appropriate and exclusive mechanism to address earnings levels, but an ROE of 11.75% shall be used for all other regulatory purposes.

17. For any power plant that is approved pursuant to the Florida Power Plant Siting Act (PPSA) and achieves commercial operation within the term of this Stipulation and Settlement, the costs of which are not recovered fully through a clause or clauses, FPL's base rates will be increased by the annualized base revenue requirement for the first 12 months of operation, reflecting the costs upon which the cumulative present value revenue requirements (CPVRR) were or are predicated, and pursuant to which a need determination was granted by the FPSC, such adjustment to be reflected on FPL's customer bills by increasing base charges, and non-clause recoverable credits, by an equal percentage. FPL will begin applying the incremental base rate charges required by this Stipulation and Settlement to meter readings made on and after the commercial in service date of any such power plant. Such adjustment shall be referred to as a Generation Base Rate Adjustment (GBRA). The GBRA will be calculated using an 11.75% ROE and the capital structure as per Section 15 above. FPL will calculate and submit for Commission confirmation the amount of the GBRA using the Capacity Clause projection filing for the year that the plant is to go into service. In the event that the actual capital costs of generation projects are lower than were or are projected in the need determination proceeding, the difference will be flowed back via a true-up to the Capacity Clause. In the event that actual capital costs for such power plant are higher than were projected in the need determination proceeding, FPL at its option may initiate a limited proceeding per Section 366.076, Florida Statutes, limited to the issue of whether FPL has met the requirements of Rule 25-22.082(15), Florida Administrative Code. If the Commission finds that FPL has met the requirements of Rule 25-22.082(15), FPL shall increase the GBRA by the corresponding incremental revenue

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requirement due to such additional capital costs. However, FPL's election not to seek such an increase in the GBRA shall not preclude FPL from booking any incremental costs for surveillance reporting and all regulatory purposes subject only to a finding of imprudence or disallowance by the Commission. Upon termination of the Stipulation and Settlement, FPL's base rate levels, including the effects of any GBRA, shall continue in effect until next reset by the Commission. Any Party to this Stipulation and Settlement may participate in any such limited proceeding for the purpose of challenging whether FPL has met the requirements of Rule 25-22.082(15). A GBRA shall be implemented upon commercial operation of Turkey Point Unit 5, currently projected to occur in mid-2007, by increasing base rates by the estimated annual revenue requirement exclusive of fuel of the costs upon which the CPVRR for Turkey Point Unit 5 were predicated, and pursuant to which a need determination was granted by the FPSC in Order No. PSC-04-0609-FOF-EI, such adjustment to be reflected on FPL's customer bills by increasing base charges and non-clause recoverable credits, by an equal percentage. FPL will begin applying the incremental base rate charges required by this Stipulation and Settlement to meter readings made on and after the commercial in service date of Turkey Point Unit 5.

18. This Stipulation and Settlement is contingent on approval in its entirety by the FPSC. This Stipulation and Settlement will resolve all matters in these Dockets pursuant to and in accordance with Section 120.57(4), Florida Statutes. This Docket will be closed effective on the date the FPSC Order approving this Stipulation and Settlement is final.

19. All Parties to this Stipulation and Settlement agree to endorse and support the Stipulation and Settlement before the FPSC and any other administrative or judicial tribunal, and in any other forum.

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20. This Stipulation and Settlement dated as of August 22, 2005 may be executed in counterpart originals, and a facsimile of an original signature shall be deemed an original.

In Witness Whereof, the Parties evidence their acceptance and agreement with the provisions of this Stipulation and Settlement by their signature.

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408

By: _____

W. G. Walker, III

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Tallahassee, FL 32399-1050

By: _____

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Florida Industrial Power Users Group

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John W. McWhirter, Esq.

South Florida Hospital & Healthcare Assoc.

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By: _____

Kenneth L. Wiseman, Esq.

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The Commercial Group

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By:


Alan R. Jenkins, Esq.

Florida Retail Federation

Landers & Parsons, P.A.
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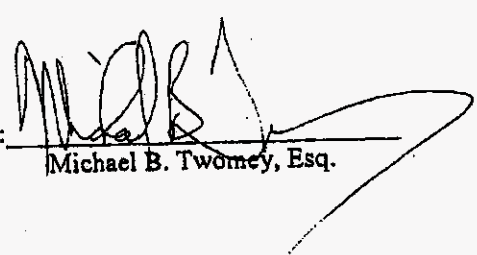
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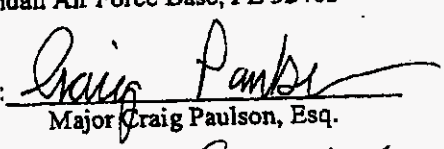
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Federal Executive Agencies

Major Craig Paulson, Esq.
139 Barnes Drive
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By:


Major Craig Paulson, Esq.

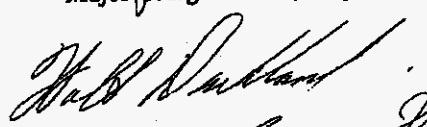

Common Cause, Florida
& independent contractors

EXHIBIT __ (LK-4)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 294

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Lane Kollen (LK-4)

DATE 09/03/09

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2009**

Commission File Number	Exact name of registrants as specified in their charters, address of principal executive offices and registrants' telephone number	IRS Employer Identification Number
1-8841	FPL GROUP, INC.	59-2449419
2-27612	FLORIDA POWER & LIGHT COMPANY 700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	59-0247775

State or other jurisdiction of incorporation or organization: Florida

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) have been subject to such filing requirements for the past 90 days.

FPL Group, Inc. Yes ☒ No ☐

Florida Power & Light Company Yes ☒ No ☐

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files).

FPL Group, Inc. Yes ☐ No ☐

Florida Power & Light Company Yes ☐ No ☐

Indicate by check mark whether the registrants are a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934.

FPL Group, Inc.	Large Accelerated Filer <input checked="" type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-Accelerated Filer <input type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>
Florida Power & Light Company	Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-Accelerated Filer <input checked="" type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☒

The number of shares outstanding of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, \$0.01 par value, outstanding at March 31, 2009: 410,792,960 shares.

As of March 31, 2009, there were issued and outstanding 1,000 shares of Florida Power & Light Company common stock, without par value, all of which were held, beneficially and of record, by FPL Group, Inc.

This combined Form 10-Q represents separate filings by FPL Group, Inc. and Florida Power & Light Company. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Florida Power & Light Company makes no representations as to the information relating to FPL Group, Inc.'s other operations.

Florida Power & Light Company meets the conditions set forth under General Instruction H.(1)(a) and (b) of Form 10-Q and is therefore filing this Form with the reduced disclosure format.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(millions)
(unaudited)

	Three Months Ended March 31,	
	2009	2008
OPERATING REVENUES	\$ 2,573	\$ 2,534
OPERATING EXPENSES		
Fuel, purchased power and interchange	1,469	1,457
Other operations and maintenance	340	378
Storm cost amortization	19	11
Depreciation and amortization	232	196
Taxes other than income taxes	251	248
Total operating expenses	2,311	2,290
OPERATING INCOME	262	244
OTHER INCOME (DEDUCTIONS)		
Interest expense	(77)	(86)
Allowance for equity funds used during construction	15	5
Interest income	-	4
Other - net	(2)	(3)
Total other deductions - net	(64)	(80)
INCOME BEFORE INCOME TAXES	198	164
INCOME TAXES	71	56
NET INCOME	\$ 127	\$ 108

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2008 Form 10-K for FPL Group and FPL.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion should be read in conjunction with the Notes contained herein and Management's Discussion and Analysis of Financial Condition and Results of Operations (Management's Discussion) appearing in the 2008 Form 10-K for FPL Group and FPL. The results of operations for an interim period generally will not give a true indication of results for the year. In the following discussion, all comparisons are with the corresponding items in the prior year period.

Results of Operations

FPL Group and NextEra Energy Resources segregate into two categories unrealized mark-to-market gains and losses on energy derivative transactions which are used to manage commodity price risk. The first category, referred to as trading activities, represents the net unrealized effect of actively traded positions entered into to take advantage of market price movements and to optimize the value of generation assets and related contracts. The second category, referred to as non-qualifying hedges, represents the net unrealized effect of derivative transactions entered into as economic hedges but which do not qualify for hedge accounting and the ineffective portion of transactions accounted for as cash flow hedges. At FPL, substantially all changes in the fair value of energy derivative transactions are deferred as a regulatory asset or liability until the contracts are settled, and, upon settlement, any gains or losses are passed through the fuel clause or the capacity clause.

FPL Group's management uses earnings excluding certain items (adjusted earnings) internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and as inputs in determining whether performance targets are met for performance-based compensation under FPL Group's employee incentive compensation plans. FPL Group also uses adjusted earnings when communicating its earnings outlook to investors. Adjusted earnings exclude the unrealized mark-to-market effect of non-qualifying hedges and other than temporary impairment (OTTI) losses on securities held in NextEra Energy Resources' nuclear decommissioning funds, net of the reversal of previously recognized OTTI losses on securities sold and losses on securities where price recovery was deemed unlikely (collectively, OTTI reversals). FPL Group's management believes adjusted earnings provide a more meaningful representation of the company's fundamental earnings power. Although the excluded amounts are properly included in the determination of net income in accordance with generally accepted accounting principles, management believes that the amount and/or nature of such items make period to period comparisons of operations difficult and potentially confusing. Adjusted earnings does not represent a substitute for net income, as prepared in accordance with generally accepted accounting principles.

In March 2009, FPL, certain subsidiaries of NextEra Energy Resources and certain nuclear plant joint owners signed a settlement agreement with the U.S. Government (settlement agreement) agreeing to dismiss with prejudice lawsuits filed against the U.S. Government seeking damages caused by the U.S. Department of Energy's failure to dispose of spent nuclear fuel from FPL's and NextEra Energy Resources' nuclear plants. In connection with the settlement agreement, FPL Group established an approximately \$153 million (\$100 million for FPL) receivable from the U.S. Government and a liability to nuclear plant joint owners of \$22 million (\$5 million for FPL), which are included with other receivables and other current liabilities, respectively, in the condensed consolidated balance sheets at March 31, 2009. In addition, FPL Group reduced its March 31, 2009 property, plant and equipment balances by \$107 million (\$83 million for FPL) and, for the three months ended March 31, 2009, reduced operating expenses by \$15 million (\$12 million for FPL) and increased operating revenues by \$9 million. The payments due from the U.S. Government under the settlement agreement increased FPL Group's net income for the three months ended March 31, 2009 by approximately \$16 million (\$9 million for FPL). A substantial portion of the amount due from the U.S. Government is expected during the second quarter of 2009. FPL and NextEra Energy Resources will continue to pay fees to the U.S. Government's nuclear waste fund.

Summary – Presented below is a summary of net income (loss) by reportable segment (see Note 10):

	Three Months Ended March 31,	
	2009	2008
	(millions)	
FPL	\$ 127	\$ 108
NextEra Energy Resources	252	164
Corporate and Other	(15)	(23)
FPL Group Consolidated	<u>\$ 364</u>	<u>\$ 249</u>

The increase in FPL's results for the three months ended March 31, 2009 reflects the settlement agreement, lower operations and maintenance O&M) expenses and a higher equity component of AFUDC (AFUDC – equity), partly offset by lower retail customer usage.

NextEra Energy Resources' results for the three months ended March 31, 2009 reflect additional earnings from new investments, the foreign, state and convertible ITCs tax benefits (see Note 4), as well as the absence of an unplanned outage in 2008 at the Seabrook nuclear facility and the settlement agreement. These additional earnings were partially offset by lower results in the remainder of the existing portfolio primarily due to Electric Reliability Council of Texas (ERCOT) market conditions, a refueling outage at the Duane Arnold nuclear site and lower wind generation primarily due to a particularly strong wind resource in the prior quarter. In addition, interest expense and administrative and general expenses were higher to support growth of the business. FPL Group's and NextEra Energy Resources' net income for the three months ended March 31, 2009 reflects net unrealized after-tax gains from non-qualifying hedges of \$30 million while in the prior period net income reflects net unrealized after-tax losses from such hedges of \$52 million. The change in unrealized mark-to-market activity is primarily attributable to changes in forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains/losses as the underlying transactions are realized. As a general rule, a gain (loss) in the non-qualifying hedge category is offset by decreases (increases) in the fair value of related physical asset positions in the portfolio or contracts, which are not marked to market under generally accepted accounting principles. For the three months ended March 31, 2009 and 2008, NextEra Energy Resources recorded \$31 million and \$4 million, respectively, of after-tax OTTI losses on securities held in NextEra Energy Resources' nuclear decommissioning funds. For the three months ended March 31, 2009, NextEra Energy Resources had approximately \$1 million of after-tax OTTI reversals; there were no such OTTI reversals for the three months ended March 31, 2008.

The improvement in results for Corporate and Other in 2009 is primarily due to additional interest income.

FPL – FPL's net income for the three months ended March 31, 2009 and 2008 was \$127 million and \$108 million, respectively, an increase of \$19 million. The increase reflects the settlement agreement, lower O&M expenses and higher AFUDC – equity partly offset by lower retail customer usage.

In March 2009, FPL filed a petition with the FPSC requesting, among other things, a permanent increase in base rates and charges effective January 2010 and an additional permanent base rate increase effective January 2011. To address the addition of FPL's West County Energy Center Unit No. 3 and any subsequent power plant additions, FPL is also requesting FPSC approval to continue the GBRA mechanism previously approved by the FPSC as part of the stipulation and settlement agreement regarding FPL's 2005 base rate case. If approved, the requested permanent base rate increases would increase annual retail base revenues year-over-year by approximately \$1 billion in 2010 and an additional \$250 million in 2011. FPL's requested increases are based on a regulatory return on common equity of 12.5% and exclude amounts associated with the proposed extension of the GBRA mechanism and certain proposed cost recovery clause adjustments. Hearings on this base rate proceeding are expected during the third quarter of 2009 and a final decision is expected by the end of 2009. The final decision may approve rates and other terms that are different from those that FPL has requested. The 2005 rate agreement and its provisions will terminate on the date new retail base rates become effective pursuant to an FPSC order. FPL expects that retail base revenues will increase approximately \$65 million in 2009 when retail base rates are changed pursuant to the GBRA mechanism to reflect the placement in service of West County Energy Center Unit Nos. 1 and 2, which is expected to occur by the third quarter of 2009 and fourth quarter of 2009, respectively.

FPL's operating revenues consisted of the following:

	Three Months Ended March 31,	
	2009	2008
	(millions)	
Retail base	\$ 794	\$ 822
Fuel cost recovery	1,325	1,331
Other cost recovery clauses and pass-through costs	404	333
Other, primarily pole attachment rentals, transmission and wholesale sales and customer-related fees	50	48
Total	<u>\$ 2,573</u>	<u>\$ 2,534</u>

For the three months ended March 31, 2009, a decrease in the average number of customers of 0.4% decreased retail base revenues by approximately \$3 million while a 4.4% decrease in usage per retail customer, primarily reflecting factors other than weather conditions, decreased retail base revenues by approximately \$25 million. The decline FPL experienced in retail customer growth in the latter half of 2007 and throughout 2008 as well as a decline in non-weather related retail customer usage, which FPL believes is reflective of the economic slowdown and housing crisis that has affected the country and the state of Florida, has continued into 2009. FPL is unable to predict if growth in customers and non-weather related customer usage will return to previous trends. The decline in retail customer usage for the three months ended March 31, 2009 also reflects one less day of sales in 2009, as 2008 was a leap year.

Revenues from fuel and other cost recovery clauses and pass-through costs, such as franchise fees, revenue taxes and storm-related surcharges do not significantly affect net income; however, underrecovery or overrecovery of such costs can significantly affect FPL Group's and FPL's operating cash flows. Fluctuations in fuel cost recovery revenues are primarily driven by changes in fuel and energy charges which are included in fuel, purchased power and interchange expense in the condensed consolidated statements of income, as well as by changes in energy sales. Fluctuations in revenues from other cost recovery clauses and pass-through costs are primarily driven by changes in storm-related surcharges, capacity charges, franchise fee costs, the impact of changes in O&M and depreciation expenses on the underlying cost recovery clause, as well as changes in energy sales. Capacity charges and franchise fee costs are included in fuel, purchased power and interchange and taxes other than income taxes, respectively, in the condensed consolidated statements of income.

FPL uses a risk management fuel procurement program which was approved by the FPSC at the program's inception. The FPSC reviews the program activities and results for prudence on an annual basis as part of its annual review of fuel costs. The program is intended to manage fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements; any resulting gains or losses are passed through the fuel clause. The current regulatory asset for the change in fair value of derivative instruments used in the fuel procurement program amounted to approximately \$1,309 million and \$1,109 million at March 31, 2009 and December 31, 2008, respectively. The decrease in fuel revenues for the three months ended March 31, 2009 reflects approximately \$58 million attributable to lower energy sales partly offset by approximately \$52 million related to a higher average fuel factor. The increase in revenues from other cost recovery clauses and pass-through costs is primarily due to additional revenues associated with the nuclear cost recovery rule.

The major components of FPL's fuel, purchased power and interchange expense are as follows:

	Three Months Ended March 31,	
	2009	2008
	(millions)	
Fuel and energy charges during the period	\$ 1,083	\$ 1,236
Net collection of previously deferred retail fuel costs	254	104
Other, primarily capacity charges net of any capacity deferral	132	117
Total	<u>\$ 1,469</u>	<u>\$ 1,457</u>

The decrease in fuel and energy charges for the three months ended March 31, 2009 reflects lower fuel and energy prices of approximately \$104 million and \$49 million attributable to lower energy sales. At March 31, 2009, approximately \$1 million of retail fuel costs were deferred pending collection from retail customers in a subsequent period. The decrease from December 31, 2008 to March 31, 2009 in deferred clause and franchise expenses and the increase in deferred clause and franchise revenues (current and noncurrent, collectively) on FPL Group's and FPL's condensed consolidated balance sheets totaled approximately \$266 million and positively affected FPL Group's and FPL's cash flows from operating activities for the three months ended March 31, 2009.

FPL's O&M expenses decreased \$38 million for the three months ended March 31, 2009 reflecting lower nuclear, fossil generation and distribution costs of approximately \$20 million, \$12 million and \$12 million, respectively. The decline in nuclear costs reflects a reimbursement of costs expected under the terms of the settlement agreement, as well as lower costs related to plant improvement initiatives and refueling and maintenance outages. The decline in fossil generation costs is primarily due to differences in the timing of plant overhauls which are expected to occur later this year. The decline in distribution costs reflects lower support costs and the timing of work activities. Other changes in O&M expenses were primarily driven by pass-through costs which did not significantly affect net income. Management expects O&M expenses in 2009 to exceed the 2008 level, primarily due to the absence of an environmental insurance policy termination which occurred in the fourth quarter of 2008, as well as higher expected nuclear, fossil generation, transmission, customer service, information management and other support costs and employee benefit costs.

Depreciation and amortization expense for the three months ended March 31, 2009 increased \$36 million, reflecting the amortization of approximately \$32 million of pre-construction costs associated with FPL's planned nuclear units recovered under the nuclear cost recovery rule and higher depreciation on transmission and distribution facilities (collectively, approximately \$6 million) offset by a reduction in depreciation due to the settlement agreement.

The decline in interest expense for the three months ended March 31, 2009 is primarily due to a decline in average interest rates of approximately 62 basis points, partly offset by higher average debt balances. The decline in interest expense also reflects a higher debt component of AFUDC. The increase in AFUDC – equity for the three months ended March 31, 2009 is primarily attributable to additional AFUDC – equity on three natural gas-fired combined-cycle units of approximately 1,220 mw each at FPL's West County Energy Center in western Palm Beach County, Florida.

FPL is currently constructing the three natural gas-fired combined-cycle units at its West County Energy Center, which units are expected to be placed in service by the third quarter of 2009, fourth quarter of 2009 and mid-2011, respectively. In addition, FPL is in the process of adding approximately 400 mw of baseload capacity at its existing nuclear units at St. Lucie and Turkey Point, which additional capacity is projected to be placed in service by the end of 2012. In 2008, the FPSC approved FPL's plan to modernize its Cape Canaveral and Riviera power plants to high-efficiency natural gas-fired units. Each modernized plant is expected to provide approximately 1,200 mw of capacity and be placed in service by 2013 and 2014, respectively. Siting Board approval is pending and a decision is expected in early 2010. In April 2009, FPL filed a need petition with the FPSC for an approximately 300-mile underground natural gas pipeline in Florida, which is projected to be in service in 2014. If approved, the pipeline would supply natural gas to the Cape Canaveral and Riviera power plants once they are modernized. An FPSC decision is expected in July 2009. The pipeline requires additional approvals from, among others, the Siting Board.

In 2008, the FPSC approved FPL's need petition for two additional nuclear units at its Turkey Point site with projected in-service dates between 2018 and 2020, which units are expected in the aggregate to add between 2,200 mw and 3,040 mw of baseload capacity. Additional approvals from other regulatory agencies will be required later in the process. In 2009, FPL began recovering, under the capacity clause in accordance with the FPSC's nuclear cost recovery rule, pre-construction costs associated with FPL's planned nuclear units and carrying charges (equal to the pretax AFUDC rate) on construction costs associated with the addition of approximately 400 mw of baseload capacity. Substantially all of these costs are subject to a prudence review by the FPSC. The same rule provides for the recovery of construction costs, once the new capacity goes into service, through a base rate increase.

NextEra Energy Resources – NextEra Energy Resources' net income for the three months ended March 31, 2009 and 2008 was \$252 million and \$164 million, respectively, an increase of \$88 million. The primary drivers, on an after-tax basis, of this increase were as follows:

	Increase (Decrease) Three Months Ended March 31, 2009 (millions)
New investments ^(a)	\$ 58
Existing assets ^(a)	(31)
Full energy and capacity requirements services and trading	(6)
Asset sale	3
Interest expense, differential membership costs and other	8
Change in unrealized mark-to-market non-qualifying hedge activity ^(b)	82
Change in OTTI losses on securities held in nuclear decommissioning funds, net of OTTI reversals	(26)
Net income increase	<u>\$ 88</u>

a) Includes PTCs and ITCs on wind projects and ITCs on solar projects as well as tax benefits under the Recovery Act (see Note 4) but does not include allocation of interest expense or corporate general and administrative expenses. Results from new projects are included in new investments during the first twelve months of operation. A project's results are included in existing assets beginning with the thirteenth month of operation.

b) See Note 2 and discussion above related to derivative instruments.

The increase in NextEra Energy Resources' results from new investments reflects the addition of over 1,300 mw of wind generation during or after the first quarter of 2008 and the state and convertible ITCs tax benefits (see Note 4). Results from NextEra Energy Resources' existing asset portfolio decreased primarily due to unfavorable market conditions in the ERCOT region, a refueling outage at the Duane Arnold nuclear facility and lower wind generation primarily due to a particularly strong wind resource in the prior quarter. These decreased results from the existing asset portfolio were partially offset by the absence of an unplanned outage in 2008 at the Seabrook nuclear facility, favorable commodity margins from NextEra Energy Resources' retail energy provider and the settlement agreement.

NextEra Energy Resources' first quarter 2009 financial results reflect lower gains from its full energy and capacity requirements services and trading activities. Full energy and capacity requirements services include load-following services, which require the supplier of energy to vary the quantity delivered based on the load demand needs of the customer, as well as various ancillary services.

The asset sale represents the sale of wind development rights in 2009. The increase in interest expense, differential membership costs and other reflects the foreign tax benefit (see Note 4), partially offset by higher interest expense and corporate general and administrative costs due to growth of the business.

EXHIBIT **(LK-5)**

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 295

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-5)

DATE 09/03/09



FPL Group, Inc.
Corporate Communications Dept.
Media Line: (305) 552-3888
April 28, 2009

FOR IMMEDIATE RELEASE

NOTE TO EDITORS: This news release reflects the earnings report of FPL Group, Inc. Reference to the corporation and its earnings or financial results should be to "FPL Group" and not abbreviated using the name "FPL" as the latter is the name/acronym of the corporation's electric utility subsidiary.

FPL Group announces solid first quarter earnings for 2009

- NextEra Energy Resources reports strong results
- Difficult economy continues to challenge Florida Power & Light Company
- FPL Group raises adjusted earnings per share expectations to a range of \$4.20 to \$4.40 for 2009 and \$4.65 to \$5.05 for 2010

JUNO BEACH, Fla. – FPL Group, Inc. (NYSE: FPL) today reported 2009 first quarter net income on a GAAP basis of \$364 million, or \$0.90 per share, compared with \$249 million, or \$0.62 per share, in the first quarter of 2008. On an adjusted basis, FPL Group's earnings were \$364 million, or \$0.90 per share, compared with \$305 million, or \$0.76 per share, in the first quarter of 2008. Adjusted earnings exclude the mark-to-market effects of non-qualifying hedges and the net effect of other than temporary impairments (OTTI) on certain investments, both of which relate to NextEra Energy Resources.

FPL Group management uses adjusted earnings, which is a non-GAAP financial measure, internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and as input in determining whether certain performance targets are met for performance-based compensation under the company's employee incentive compensation plans. FPL Group also uses earnings expressed in this fashion when communicating its earnings outlook to analysts and investors. FPL Group management believes that adjusted earnings provide a more meaningful representation of FPL Group's fundamental earnings power. The attachments to this news release include a reconciliation of historical adjusted earnings to net income, which is the most directly comparable GAAP measure.

"FPL Group had a very good first quarter, with adjusted earnings per share rising 18 percent year over year, largely as a result of strong results from our NextEra Energy Resources subsidiary. At Florida Power & Light, we announced proposed investments that will significantly improve the electrical system for our customers – specifically, a large-scale deployment of 'smart grid' technology in Miami, and a new natural gas pipeline to provide increased energy security. As pleased as we are with FPL Group's current results, we are even more optimistic about the future. The reason is simple: We believe that the policy climate in the nation is trending in a direction highly favorable to power companies with low emissions profiles and significant clean-energy fleets," said FPL Group Chairman and CEO Lew Hay.

Florida Power & Light Company

FPL Group's rate-regulated utility subsidiary, Florida Power & Light Company, reported first quarter net income of \$127 million, or \$0.31 per share, compared with \$108 million, or \$0.27 per share, for the prior-year quarter. The weak economy, however, continued to have a negative impact on FPL. Sales declined for the quarter on a year-over-year basis, as did the average number of customers and usage per customer.

FPL's improved results were driven by a 10 percent reduction in operations and maintenance expenses compared to last year's first quarter, with much of that reduction attributable to timing of expenses in 2009. In addition, in March of this year, FPL, along with certain NextEra Energy Resources subsidiaries, signed a settlement agreement with the U.S. government dismissing lawsuits related to spent nuclear fuel disposal. The total settlement helped FPL Group's net income by about 4 cents per share, half of which was at FPL.

Other key developments:

- In March, FPL filed a rate proposal with the Florida Public Service Commission (PSC) that would support investment in improving fuel efficiency, generating cleaner energy and enhancing system reliability, while keeping customer bills low. Under the company's proposal, the typical 1,000 kilowatt-hour residential customer bill would decrease by an estimated \$4.92 monthly, or 4.5 percent, from \$109.55 to \$104.63 on Jan. 1, 2010. This bill estimate reflects an increase in base rates that would be more than offset by reductions in the cost of fuel based on Feb. 9, 2009 fuel price projections for 2010 as well as improvements in fuel efficiency.
- In April, FPL filed a proposal with the PSC for the construction of a new underground natural gas pipeline in Florida to meet increasing demand for natural gas as a clean fuel for generating electricity while helping to diversify and secure the state's access to natural gas supplies. The pipeline, approximately 300 miles long, is proposed for construction in the eastern portion of the state from Palm Beach County in the south to Bradford County in the north.
- Also in April, FPL announced its "Energy Smart Miami" initiative. The initiative has the potential to be the most extensive and holistic smart grid implementation in the country. The backbone will be the deployment of more than 1 million advanced wireless "smart meters" to every home and most businesses in Miami-Dade County, which will be connected by a two-way wireless network, along with expected pilot programs involving renewable energy integration, deployment of plug-in hybrid electric vehicles and consumer technology trials of in-home energy displays and home energy controllers.

NextEra Energy Resources

NextEra Energy Resources, the competitive energy business of FPL Group with generating facilities in 25 states and Canada, reported first quarter net income on a GAAP basis of \$252 million, or \$0.62 per share, compared with \$164 million, or \$0.41 per share, in the prior-year quarter. On an adjusted basis, NextEra Energy Resources' earnings were \$252 million, or \$0.62 per share, compared with \$220 million, or \$0.55 per share, in the first quarter of 2008.

NextEra Energy Resources' first quarter adjusted earnings per share contribution rose by 13 percent over the prior-year quarter. These results were driven primarily by new investments, specifically new wind generation facilities. Included in this category are the favorable impacts of state investment tax incentives and the American Recovery and Reinvestment Act of 2009. Adjusted earnings from the existing portfolio, which includes both the contracted and merchant

segments, declined versus the year ago quarter. The contracted segment was down due primarily to a refueling outage at one of our nuclear plants this year and lower earnings at one of the company's natural gas-fired facilities in the Northeast. Earnings from the merchant assets in the Electric Reliability Council of Texas (ERCOT) were down due to softer market conditions, partially offset by incremental contributions from the company's retail provider, Gexa. The merchant assets in the New England Power Pool (NEPOOL) were up 3 cents owing to the absence of an unplanned outage that occurred during last year's first quarter. The existing wind portfolio was down compared to last year's first quarter primarily reflecting a weaker wind resource. NextEra Energy Resources' results also benefited from an additional equity investment made in its Canadian operations that allowed the company to reduce previously deferred taxes.

In late January, the Public Utility Commission of Texas (PUCT) approved the state's Competitive Renewable Energy Zone initiative, a collaborative effort by the PUCT, ERCOT and interested stakeholders to deliver more renewable wind energy to customers in the state. The PUCT voted to implement an approximately \$5 billion transmission build-out, awarding 11 percent of the total, or approximately \$565 million, to Lone Star Transmission, an FPL Group subsidiary. Lone Star is expected to add approximately 250 miles of 345 kilovolt lines capable of transporting a significant amount of renewable energy from West Texas to the Dallas-Ft. Worth area.

Corporate and Other

The loss in Corporate and Other declined to \$15 million in the first quarter of 2009 from \$23 million in the first quarter of 2008.

Outlook

FPL Group believes it is well positioned for earnings growth and now believes the company will deliver adjusted earnings per share for 2009 and 2010 in a higher range than previously announced. For 2009, the new adjusted earnings per share range is \$4.20 to \$4.40 and for 2010 the new range is \$4.65 to \$5.05. Please see the accompanying cautionary statements for a list of risk factors that may affect future earnings.

As always, FPL Group's adjusted earnings expectations assume, among other things, normal weather and operating conditions, no further decline in the national or Florida economy, a reasonable capital markets atmosphere, and exclude the mark-to-market effect of non-qualifying hedges, OTTI, and the cumulative effect of adopting new accounting standards, if any, none of which can be determined at this time.

As previously announced, FPL Group's first-quarter earnings conference call is scheduled for 9 a.m. EDT on Tuesday, April 28, 2009. The webcast is available on FPL Group's Web site by accessing the following link, http://www.FPLGroup.com/investor/contents/investor_index.shtml. The slides and earnings release accompanying the presentation may be downloaded at www.FPLGroup.com beginning at 7:30 a.m. EDT today. For people unable to listen to the live webcast, a replay will be available for 90 days by accessing the same link as listed above.

EXHIBIT __ (LK-6)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 296

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-6)

DATE 09/03/09

CONFIDENTIAL
INFORMATION
REDACTED

EXHIBIT __ (LK-7)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 297

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Lane Kollen (LK-7)

DATE 09/03/09

CONFIDENTIAL
INFORMATION
REDACTED

EXHIBIT **(LK-8)**

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 298

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Lane Kollen (LK-8)

DATE 09/03/09

CONFIDENTIAL
INFORMATION
REDACTED

EXHIBIT__ (LK-9)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 299

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Lane Kollen (LK-9)

DATE 09/03/09

**Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Second Set of Interrogatories
Interrogatory No. 119
Page 1 of 1**

Q.

Interrogatories Directed to Ms. Kim Ousdahl:

Regarding Schedule C-36. For 2009 and 2010, please describe each of the major factors that cause the increases in non-fuel operations and maintenance expenses from each prior year (2009 compared to 2008 and 2010 compared to 2009). Your answer should explain why each factor contributes to the increase.

A.

See Attachment No. 1.

Florida Power Light Company
Docket No. 080677-EI
SFHHA's Second Set of Interrogatories
Question No. 119
Attachment No. 1
Page 1 of 8

Q. Interrogatories Directed to Ms. Kim Ousdahl:

Regarding Schedule C-36. For 2009 and 2010, please describe each of the major factors that cause the increases in non-fuel operations and maintenance expenses from each prior year (2009 compared to 2008 and 2010 compared to 2009). Your answer should explain why each factor contributes to the increase.

A. Non-fuel O&M Expenses

Expense Type	(\$000)	Major Factor Increase / (Decrease)
2008 Corporate Total	\$ 1,306,728	
Base O&M	\$ 135,912	See Attached
Revenue Enhancement	\$ 11,454	See Attached
Other	\$ (3,770)	Less than 3.0%, not material
Total Increase / (Decrease)	\$ 143,596	
2009 Corporate Total	\$ 1,450,324	
2009 Corporate Total	\$ 1,450,324	
Base O&M	\$ 118,358	See Attached
Revenue Enhancement	\$ 1,785	See Attached
Other	\$ (435)	Less than 0.4%, not material
Total Increase / (Decrease)	\$ 119,708	
2010 Corporate Total	\$ 1,570,032	

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**Non-Fuel O&M Expenses
(Base O&M)
2008 - 2009**

Unit	(\$000)	Major Factor Increase / (Decrease)
2008 Corporate Total	\$ 1,298,526	
Distribution	(8,900)	Forecasted reduction in customer growth
	(1,258)	Staff support reductions
	5,800	Higher level of Storm Secure work
	\$ (4,358)	
Customer Service	\$ 2,184	Increase is attributed to activities associated with field services functions. The increase is driven primarily by higher staffing, training and vehicle cost.
	2,054	Increase is attributed to activities associated with meter reading, billing and payment processing functions. The increase is primarily driven by customer growth and new meter sets, vehicle, equipment, maintenance and postage expense.
	1,640	Increase is attributed to activities associated with credit and collection functions to continue to minimize bad debt. Increase is driven primarily by higher staffing, postage, equipment and material and collection agency expense.
	1,523	Increase is attributed to support services expenses associated with increased activities to support customer service including complaint handling, customer advocacy, business continuity, employee development and quality training.
	1,373	Increase is attributed to care center expense primarily associated with expected increases in call volume, management and quality support staff, telecommunications and maintenance expense.
	1,208	Increase in Automated Metering Infrastructure (AMI) expense driven by costs associated with the current operational phase of the project.
	920	Increase in Uncollectible Accounts Receivable based on current economic assumptions
	\$ 10,901	
Transmission	\$ 1,210	Regulatory commitments that include telecommunication/software licenses and increased staffing required by NERC for SCC
	950	Vegetation expenditures required to comply with NERC standard FAC.
	500	Training and recertification programs to support continuing compliance with reliability standards
	435	Pole inspection programs and storm hardening required by the FPSC
	1,700	Continuing and additional condition assessment/life extension activities on aging infrastructure and initiatives to perform real time statistical analysis of equipment performance
	1,380	Transfer responsibility for Distribution underbuilt program to Transmission & Substation from Distribution
	\$ 6,175	
Power Generation	\$ 9,984	Structural Maintenance & Reliability Projects
	9,746	West County Energy Center Operational
	3,492	Scherer Unit 4 Performance Fee
	(9,322)	No overhaul for Scherer Unit 4 in 2009
	(915)	Other (net)
	\$ 12,985	
Engineering, Construction, Corp S	\$ 281	Merit increases impact
	875	Increase in salaries due to filling of vacant positions in 2008
	385	O&M Impact of 4 new approved positions
	890	Increased Maintenance - increase in Substation/Svc Center/Courier maintenance costs primarily driven by fuel and utilities increases along with 11 new substations.
	527	Facility Optimization Initiative to maximize utilization of existing space to accommodate needs
	505	Energy Efficient Initiatives to support green initiative and reduce costs
	210	NERC Regulatory requirement to upgrade security access to Transmission related facilities
	200	Storm Hardening to address 2008 Storm Dry Run action items
	(201)	Non-recurring projects from 2008 partially offset by deferred projects from 2008
	56	Other - miscellaneous
	\$ 3,628	

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**Non-Fuel O&M Expenses
(Base O&M)
2008 - 2009**

Unit	(\$000)	Major Factor Increase / (Decrease)
Nuclear	\$ 7,700	Inflation at 2%
	11,000	Regular Payroll (headcount increase; operations pipeline and Fatigue Rule impact)
	(5,100)	Overtime Payroll (impact of headcount increase and Fatigue Rule)
	14,500	Discretionary projects
	(4,400)	Short Notice Outages (not budgeted, but in 2008 actuals)
	(6,500)	Turkey Point Excellence (ramp down of project)
	(4,100)	PSL Spent Fuel Storage Loading Campaigns (not budgeted in 2009 - only occurs as necessary)
	3,200	PSL-PTN-ENG Station Projects
	(1,300)	Other
	<u>\$ 16,370</u>	
Accounting, Financial & Other	\$ 43,818	AEGIS Environmental Insurance Policy commutation payment, only credited in 2008
	2,483	Payroll Accrual - Driven by increase in budgeted payroll dollars
	2,034	St. Lucie Participation Credit - 2009 credit lower due to differences in the outage schedules
	1,516	Centerpoint and Entergy mutual assistance - Billing for assistance provided during hurricane
	(9,000)	Estimated DOE Settlement - credit budgeted in 2009
	(4,440)	Pension & Welfare Credit - increased credit driven by an increase in capitalized payroll expenses (\$3,634) and PWTI rate (\$806K) vs. 2008. 2008 PWTI rate was 7.36% and 2009 was 7.62%
	(2,833)	Affiliate Management Fee - Driven by an increase in cost pool expenses and an increase in the Massachusetts Formula allocation rate
	(4,776)	2008 HR Severance Accrual
	684	Other
	<u>\$ 29,486</u>	
Human Resources	\$ 5,405	Medical: The 2008 to 2009 increase is being driven by a blended medical trend of 9.28% (12% bargaining, 8% nonbargaining), which is in line with national medical increases in trends. For 2009, the resulting forecast was reduced by ~\$1.2M, primarily reflecting increased employee contributions.
	2,969	FAS 112: Primary cost drivers include actual disability experience, and to a lesser degree assumptions regarding discount rates and medical trends. FPL's 2009 expense reflects an average of historical results.
	10,235	FAS 87: Primary driver of year over year increase is the impact of a significant negative return on assets (credit budget) in 2008 as well as the impact of a union arbitration decided in October of 2008. These factors were offset by an expected increase in the discount rate.
	5,165	Corporate Incentive Program: 2008 to 2009 cost drivers include employee headcount, merit and market pay increases, as well as corporate, business unit, and individual performance against established performance indicators.
	(691)	Other: Mainly driven by a decrease in FAS 106 Retiree Medical (due to fewer eligible employees) and other miscellaneous items, offset by an increase in Workers' Comp (due to lowered expectation of settled claims).
	<u>\$ 23,082</u>	
Information Management	\$ 4,146	Represents the O&M component for the second year of the Future Enterprise Network Architecture project (FENA). The increase in O&M from 2008 can be mainly attributed to the need of circuit redundancy with carrier diversity services required during the implementation stages to reduce the risk of network outages at critical sites such as data centers, nuclear plants, care centers, and dispatch centers while our wide area network is being upgraded. There is also professional services and equipment maintenance included in this increase.
	\$ 1,090	Increase represents the consulting services associated with two information security initiatives in 2009: (a) Information Security Provisioning tool replacement (\$340k) to eliminate the current system limitations, manual work and multiple interfaces required to complete system requests; and (b) Identity Management Role Based & Process Re-engineering (\$795) to streamline the current access control administration process which is highly customized and requires extensive human intervention and also makes it difficult to evaluate security issues such as Segregation of Duties violations (SOD).
	\$ 1,390	Mainly attributed to the utility portion new maintenance contracts associated with the Nuclear Asset Management (NAMS) software as part of the current implementation.
	2,232	Standard HR compensation programs as well as projected increase in headcount to be able to execute our Information Technology enterprise projects
	<u>354</u>	Misc
	<u>\$ 9,243</u>	

Florida Power Light Company
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Non-Fuel O&M Expenses
(Base O&M)
2008 - 2009

Unit	(\$000)	Major Factor Increase / (Decrease)
Financial Business Unit	\$ 1,164	Greater nuclear liability insurance due to higher projected premiums and lower projected nuclear liability and other distributions in 2009.
	3,171	Greater executive SERP thrift program and Board of Director pension program attributable to anticipated growth in FPL stock price.
	2,600	Greater executive miscellaneous expense.
	7,182	Greater nuclear property insurance due to lower distributions, additional storm premium, and site loss penalty included in 2009.
	221	Greater executive industry dues, \$0.5 mil and greater audit and professional fees, \$0.6 mil, partially offset by discontinuation of the Research and Development program, \$(0.2) mil, transfer of responsibility for printing and fulfillment of annual report to Marketing & Communications, \$(0.3) mil, and net favorable other, \$(0.4) mil.
	3,345	Greater executive deferred compensation due to anticipated growth in stock market investments and projected increases in executive stock awards, also greater executive admin-assistant salaries, partially offset by lower executive incentives, severance, and relocation, also greater credits for the executive portion of the affiliate management fee.
	<u>\$ 17,682</u>	
Regulatory Affairs	\$ 2,752	Rate Case expenses incurred
	1,420	Regulatory Affairs Department annualized incremental payroll for 11 new positions
	(107)	Net other minor items
	<u>\$ 4,065</u>	
General Counsel	\$ 737	Payroll. Headcount increases - \$160K. Under in head count in 2008 - \$242. Incentive, merit increases and raises - \$635K.
	(336)	Office & Employee Related. Response to economic down turn by reducing travel, entertainment, third party training and reduction of office expenses.
	(491)	Outside Services. Increased staffing levels will enable FPL attorneys to handle matters previously assigned to outside counsel.
	2,474	Injuries and Damages. Due to an increase in the Self-insured retention from \$ 2 million to \$3 million in 2009, the budget was increased in anticipation of these increased costs. Our claims department calculated an annual impact of \$2 million dollars. The remainder of the increase is to bring the budget up to the normalized level as 2008 was an unusually low year.
	<u>\$ 2,384</u>	
Strategy, Policy, and Bus Proc	5,101	The R74000 is a new business unit. Three sections, Security, Aviation and Environmental Services, were previously under different business units and two new sections, Operational Excellence and Strategic Initiatives, were combined to form the Strategy, Policy and Business Process Improvement business unit.
		• The salary variance of \$3,377,191 is mainly due to new personnel in Strategic Initiatives and Operational Excellence as well as pay increases in the other sections.
		• The office supplies and expenses variance of \$1,352,613 is mainly due to aircraft fuel expenses are higher, new software for Security, relocation and software cost for Strategic Initiatives and Operational Excellence.
		• The outside services employed variance of \$912,764 is mainly due to a classification change between 2008 and 2009.
		• The miscellaneous general expense variance of \$713,755 is mainly due to Environmental Liabilities Reserve (ELR).
		• The maintenance of general plant variance \$143,567 is mainly due to general aircraft maintenance cost increases.
	<u>\$ 5,101</u>	
Other Base O&M	\$ 299	Less than 0.2% of increase, not material
2009 Corporate Total	<u>\$ 1,434,438</u>	
Total Variance 2008 vs. 2009	<u>\$ 135,912</u>	

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**Non-Fuel O&M Expenses
(Revenue Enhancement)
2008 - 2009**

Unit	(\$000)	Major Factor Increase / (Decrease)
2008 Corporate Total	\$ 16,275	
Customer Service	10,895	This increase in O&M is due to the planned growth in the Performance Contracting business. Performance Contracting is planning to increase sales revenue by 60% in 2009 vs. 2008. The projected increase in O&M is to support the planned growth.
	590	This increase in O&M is due primarily to the administrative expense related to supporting the business growth.
	\$ 11,485	
Other	\$ (31)	Less than 0.3% of increase, not material
2009 Corporate Total	\$ 27,729	
Total Variance 2008 vs. 2009	\$ 11,454	

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Non-Fuel O&M Expenses
(Base O&M)
2009 - 2010

Unit	(\$000)	Major Factor Increase / (Decrease)
2009 Corporate Total	\$ 1,434,438	
Distribution	5,100	Forecasted increase in customer growth
	6,600	Higher level of Storm Secure work
	(2,451)	Staff support reductions
	<u>\$ 9,249</u>	
Customer Service	\$ (5,783)	Decrease is attributed to lower uncollectible expense. This improvement is driven by the continued application of credit and collections resources to minimize bad debt.
	4,765	Increase is attributed to the first year of full-scale deployment of the Automated Metering Infrastructure program (2010).
	2,406	Increase is attributed to activities associated with meter reading, billing and payment processing functions. The increase is primarily driven by customer growth and new meter sets, vehicle, equipment, maintenance, postage expense and centralization of key activities. This expense is partially offset by savings associated with Advanced Metering Infrastructure.
	2,158	Increase is attributed to activities associated with field services functions. The increase is driven primarily by staffing, training and vehicle cost.
	1,637	Increase is attributed to care center expense primarily associated with expected increases in call volume, management and quality support staff, telecommunications and maintenance expense.
	1,143	Increase is attributed to support services expenses associated with increased activities to support customer service including customer advocacy, business continuity, employee development and billing and payment options development.
	632	Increase is attributed to credit and collection activities to minimize bad debt expense. This increase is associated with enhancements to the credit and collections model, and collection agency expense.
	<u>\$ 6,958</u>	
Transmission	9,943	The primary cost drivers of the variance are initiatives associated with NERC reliability standards and FPL's reliability enhancement program contributes to the increase in projected expenditures for 2010. This includes development and implementation of programs, standard modules, external audits, self-assessments, training and certification programs, reliability studies, and support for continuing compliance with NERC reliability standards.
	1,500	Additional condition assessment and life extension activities for Protection and Control equipment and new and expanded training and re-certification programs also account for projected increases for 2010 for Transmission O&M.
	543	Other
	<u>\$ 11,986</u>	
Power Generation	\$ 10,179	Scherer Unit 4 Semi Annual Overhaul
	9,172	West County Energy Center Operational
	3,213	Payroll & Routine Maintenance (Inflation)
	1,657	Scherer maintenance increase based on condition assessment
	1,200	SJRPP maintenance based on condition assessment
	(4,490)	Scherer Performance Fee (reduced) due to overhaul 2010
	(8,113)	Structural Maintenance & Reliability Projects reduced to level dictated by condition assessment
	82	Other (net)
	<u>\$ 14,900</u>	
Engineering, Construction, Corp Sv	(1,724)	Non-recurring projects from 2009 partially offset by CPI growth for expenses and merit increases
	<u>\$ (1,724)</u>	
Nuclear	\$ 8,000	Inflation at 2%
	8,700	Regular Payroll (headcount increase; additional operations pipeline and Fatigue Rule impact)
	(14,500)	Non-recurring discretionary projects (2009 budget only)
	5,000	NRC Fees
	6,100	Outage Reserves (future years' scope driven)
	6,000	PSL Spent Fuel Storage Loading Campaigns (not budgeted in 2009 - only occurs as necessary)
	4,800	PSL-PTN-ENG Station Projects
	3,700	Other
	<u>\$ 27,924</u>	

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Non-Fuel O&M Expenses
(Base O&M)
2009 - 2010

Unit	(\$000)	Major Factor Increase / (Decrease)
Accounting, Financial & Other	\$ (12,200)	Pension & Welfare Credit - increased credit driven by an increase in capitalized payroll expenses (\$1,892) and PWTI rate (\$10,338) vs. 2009. 2009 PWTI rate was 7.62% and 2010 was 10.71%
	(4,093)	Affiliate Management Fee - Driven by an increase in cost pool expenses and an increase in the Massachusetts Formula allocation rate
	(2,603)	St. Lucie Participation Credit - 2009 credit lower due to differences in the outage schedules
	1,010	Payroll Accrual - Driven by increase in budgeted payroll dollars
	9,000	DOE Settlement - credit budgeted in 2009
	(1,317)	Other
	<u>\$ (10,203)</u>	
Human Resources	\$ 12,400	The increase is driven by greater medical services costs, as well as projected increases in the enrolled population.
	19,937	FAS 87: The year over year forecasted increase results from the amortization of the significant negative investment returns from 2008 which will continue to impact the FAS 87 evaluation until 2014. The forecast assumes the actual return in 2010 will equal the Plan's long term assumption of 7.75%.
	4,600	401K: The two primary drivers of the increase include: changes in population (both number participating and level of contributions) and changes to employee base pay. In addition, there is also a projected \$2 million dollar increase in 2010 for the planned implementation of auto-enroll features.
	2,400	Long Term Incentive Programs: The 2010 budget includes continued amortization of prior year grants over the vesting periods and amortization of grants planned for 2010 for retention and competitive pay practice purposes.
	2,685	Other: Main drivers include an increase in Dental (mainly driven by an 8% trend), an increase to the Corporate Incentive Program (based on expected company performance and employee headcount), and an increase of programs in Other Benefits.
	<u>\$ 42,021</u>	
Information Management	\$ 6,358	Increase mainly attributed to cost associated with the Customer Information System II replacement project. The current system is old, highly customized/complex and inflexible, to the point that we are spending more on support than new enhancements.
	4,047	Increase represents the costs required during the second year of the project to relocate the Juno Beach Data Center to new out-of-state Data Center Site. The objective is to achieve greater geographic diversity for our secondary data center and drastically reduce the impact to business operation during a storm event.
	(148)	Other.
	<u>\$ 10,257</u>	
Financial Business Unit	2,497	Projected increases of \$1.9 for non-executive new positions, merit, relocation, recruiting, and annual bonuses and \$0.6 mil for greater executive payroll, merit, and annual incentive bonus.
	1,184	Greater audit, bank, and professional fees.
	1,230	Greater liability coverage for FPL's liability exposure related to a nuclear energy hazard, third party liability, and directors and officers insurance, due to an expected increase in capacity, market conditions, and nature of the company's business and loss history, \$1.0. Greater non-nuclear property insurance, \$0.4 mil, partially offset by lower storm related site loss experience penalty, \$(0.2).
	924	Projected increase in executive stock based compensation awards mainly driven by retentions and inflation, and projected increase in the executive deferred compensation balance driven by stock market growth projections, largely offset by increase in Executive portion of the Affiliate Management fee due to the change in the Massachusetts formula rate from 32.36% to 34.24%, as well as due to additional services needed to support the affiliate growth at FPLE.
	741	Other
	<u>\$ 6,555</u>	
Regulatory Affairs	\$ (2,721)	Rate Case expenses no longer incurred
	500	FERC Regulatory Commission expenses
	318	Employee Compensation: pay rate increase and incentive increase
	65	Net other minor items
	<u>\$ (1,838)</u>	
Other	\$ 2,272	Less than 2.0% of increase, not material
2010 Corporate Total	<u>\$ 1,552,796</u>	
Total Variance 2009 vs. 2010	<u>\$ 118,358</u>	

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**Non-Fuel O&M Expenses
(Revenue Enhancement)
2009 - 2010**

Unit	(\$000)	Major Factor Increase / (Decrease)
2009 Corporate Total	\$ 27,729	
Customer Service	1,567	This increase in O&M is due to the planned growth in the Performance Contracting business. Performance Contracting is planning to increase sales revenue by 6% in 2010 vs. 2009. The projected increase in O&M is to support the planned growth.
	218	This increase in O&M is due primarily to the administrative expense related to supporting the business growth.
	<u>\$ 1,785</u>	
2010 Corporate Total	\$ 29,514	
Total Variance 2009 vs. 2010	\$ 1,785	

EXHIBIT__ (LK-10)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 300

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-10)

DATE 09/03/09

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Interrogatory No. 297
Page 1 of 1

Q.

Regarding Schedule C-35 for the 2010 test year. Of the data that appear in this schedule, please identify which amounts are capital and which are expenses for each year provided and separately identify the amounts that should be included in base rates and the Company's various riders for each year.

A.

MFR C-35 line 3 -- Gross Payroll - See Attachment No. 1 for the requested breakdown of amounts that appear on MFR C-35 line 3. The source of the amounts provided on MFR C-35 line 3 for 2006 through 2008 is the FERC Form 1, which provides an accounting view of costs classified as payroll. The source of the amounts provided on MFR C-35 line 3 for 2009 and 2010 is the FPL corporate budget system, which provides a management view of payroll. For comparability across years, the response to this interrogatory is from the FPL corporate budget system for 2006 through 2010.

MFR C-35 Fringe Benefits -- See Attachment No. 2.

FPL Utility
Gross Payroll

Year	O&M Expenses		Capital		Other	Total
	Base Recoverable	Clause Recoverable	Base Recoverable	Clause Recoverable		
2006	\$ 637,917,353	\$ 19,269,821	\$ 188,940,360	\$ 1,178,469	\$ 9,496,054	\$ 856,802,058
2007	686,309,937	21,691,062	210,673,988	879,986	12,160,124	931,715,097
2008	714,860,295	22,416,627	216,755,824	1,250,731	13,685,927	968,969,403
2009	722,471,814	27,748,103	243,763,197	3,956,611	9,274,829	1,007,214,554
2010	765,261,494	27,867,388	254,621,125	5,269,533	9,630,794	1,062,650,334

SFHHA's 10th Set of Interrogatories – Question 297
MFR C-35 2006–2016 Benefits Expenses (\$000) Categorized by Expense vs. Capital

Benefit Line Items (C-35)	2016			2009			2008			2007			2006		
	O&M	Capital	Total	O&M	Capital	Total	O&M	Capital	Total	O&M	Capital	Total	O&M	Capital	Total
Life Insurance	1,058	373	1,431	1,012	327	1,339	1,040	285	1,325	781	339	1,120	710	753	1,463
Medical Insurance	69,572	25,965	95,537	61,785	21,158	82,943	58,812	17,773	76,585	54,131	17,174	71,305	52,507	14,343	66,850
Pension Plan (FAS 87)	-36,862	-16,737	-53,599	-55,487	-20,169	-75,656	-66,932	-18,932	-85,864	-60,168	-17,026	-77,194	-64,332	-14,408	-78,740
Employee Savings Plan	23,802	8,900	32,702	20,884	7,218	28,102	22,052	6,108	28,160	20,249	6,414	26,663	20,152	5,577	25,729
Federal Insurance Contributions Act (FICA)	52,578	18,831	71,409	51,539	16,727	68,266	50,883	13,620	64,503	48,200	13,272	61,472	45,843	11,866	57,709
Federal & State Unemployment Taxes	937	340	1,277	818	302	1,120	832	251	1,083	2,143	634	2,776	2,288	592	2,880
Workers' Compensation	6,393	2,386	8,779	6,259	2,242	8,501	6,496	2,238	8,734	6,658	2,563	9,221	7,877	2,031	9,908
Educational Assistance	1,183	459	1,642	898	302	1,200	641	183	824	559	225	783	533	232	765
Employee Welfare	2,883	1,882	4,765	2,055	1,424	3,479	2,070	1,627	3,697	7,415	1,323	8,738	5,730	2,192	7,922
Post Retirement Benefits (FAS 106)	16,428	6,172	22,600	16,513	5,709	22,222	18,338	5,191	23,529	19,338	5,531	24,869	22,310	5,917	28,227
Post Employment Disability Benefit (FAS 112)	5,294	1,981	7,275	5,215	1,786	7,000	2,484	1,547	4,031	8,624	1,213	9,837	4,164	1,562	5,726
Dental Insurance	4,649	1,751	6,400	4,082	1,408	5,490	4,114	1,201	5,315	3,785	1,202	4,987	3,853	1,151	5,004
Nuclear Child Development Center	237	0	237	251	0	251	217	0	217	216	0	216	128	0	128
TOTAL Fringe Benefits			196,355			154,367			133,139			144,961			133,449

EXHIBIT __ (LK-10)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 300

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-10)

DATE 09/03/09

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
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Q.

Regarding Schedule C-35 for the 2010 test year. Of the data that appear in this schedule, please identify which amounts are capital and which are expenses for each year provided and separately identify the amounts that should be included in base rates and the Company's various riders for each year.

A.

MFR C-35 line 3 – Gross Payroll - See Attachment No. 1 for the requested breakdown of amounts that appear on MFR C-35 line 3. The source of the amounts provided on MFR C-35 line 3 for 2006 through 2008 is the FERC Form 1, which provides an accounting view of costs classified as payroll. The source of the amounts provided on MFR C-35 line 3 for 2009 and 2010 is the FPL corporate budget system, which provides a management view of payroll. For comparability across years, the response to this interrogatory is from the FPL corporate budget system for 2006 through 2010.

MFR C-35 Fringe Benefits -- See Attachment No. 2.

FPL Utility
Gross Payroll

Year	O&M Expenses		Capital		Other	Total
	Base Recoverable	Clause Recoverable	Base Recoverable	Clause Recoverable		
2006	\$ 637,917,353	\$ 19,269,821	\$ 188,940,360	\$ 1,178,469	\$ 9,496,054	\$ 856,802,058
2007	686,309,937	21,691,062	210,673,988	879,986	12,160,124	931,715,097
2008	714,860,295	22,416,627	216,755,824	1,250,731	13,685,927	968,969,403
2009	722,471,814	27,748,103	243,763,197	3,956,611	9,274,829	1,007,214,554
2010	765,261,494	27,867,388	254,621,125	5,269,533	9,630,794	1,062,650,334

SFHHA's 10th Set of Interrogatories -- Question 297
MFR C-35 2006-2010 Benefits Expenses (\$000) Categorized by Expense vs. Capital

Benefit Line Items (C-35)	2010			2009			2008			2007			2006		
	O&M	Capital	Total	O&M	Capital	Total	O&M	Capital	Total	O&M	Capital	Total	O&M	Capital	Total
Life Insurance	1,058	373	1,431	1,012	327	1,339	1,040	285	1,325	781	339	1,120	710	753	1,463
Medical Insurance	89,572	25,965	95,537	61,785	21,158	82,943	59,812	17,773	77,585	54,131	17,174	71,305	52,507	14,343	66,850
Pension Plan (FAS 87)	-38,982	-16,737	-55,719	-55,487	-20,168	-75,655	-66,932	-18,932	-85,864	-60,168	-17,026	-77,194	-64,332	-14,408	-78,740
Employee Savings Plan	23,802	8,900	32,702	20,884	7,218	28,102	22,052	8,108	28,160	20,248	6,414	26,663	20,152	5,577	25,729
Federal Insurance Contributions Act (FICA)	52,578	18,831	71,409	51,539	16,727	68,266	50,883	13,620	64,503	48,200	13,272	61,472	45,843	11,868	57,709
Federal & State Unemployment Taxes	937	340	1,277	818	302	1,220	832	251	1,083	2,143	634	2,776	2,288	592	2,880
Workers' Compensation	6,393	2,386	8,779	6,259	2,242	8,501	6,496	2,238	8,734	6,658	2,563	9,221	7,877	2,031	10,008
Educational Assistance	1,193	459	1,652	898	302	1,200	641	183	824	558	225	783	533	232	765
Employee Welfare	2,893	1,882	4,775	2,055	1,424	3,479	2,070	1,627	3,697	7,415	1,323	8,738	5,730	2,192	7,922
Post Retirement Benefits (FAS 106)	16,428	6,172	22,600	16,513	5,709	22,222	18,338	5,191	23,529	19,338	5,531	24,869	22,310	5,817	28,227
Post Employment Disability Benefit (FAS 112)	5,294	1,981	7,275	5,215	1,788	7,000	2,484	1,547	4,031	8,824	1,213	10,036	4,164	1,562	5,726
Dental Insurance	4,848	1,751	6,400	4,082	1,408	5,500	4,114	1,201	5,315	3,785	1,202	4,988	3,653	1,151	4,804
Nuclear Child Development Center	237	0	237	251	0	251	217	0	217	216	0	216	128	0	128
TOTAL Fringe Benefits			188,355			154,367			133,139			144,981			133,449

EXHIBIT__ (LK-11)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 301

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-11)

DATE 09/03/09

**FLORIDA POWER AND LIGHT
SFHHA ADJUSTMENTS TO REFLECT PRODUCTIVITY GAINS
TEST YEAR ENDING DECEMBER 31, 2010
(\$ MILLIONS)**

Source: Response to SFHHA Interrogatory No. 297 and Bureau of Labor Statistics website

Assumed 2.0% Annual Productivity Factor Based on Historical Data Presented Below

	O&M Amount	Productivity Factor	Productivity Reduction
O&M Base Recovery Payroll 2010	765.261	0.0404	(30.917)
O&M Payroll Tax 2010 - Sch.C-20	49.384	0.0404	(1.995)
O&M Base Recovery Fr. Benefits	89.286	0.0404	(3.607)
Total Productivity Reduction			<u>(36.519)</u>

BLS Productivity Statistics						
Series Id: PRS85006093						% Increase
Duration: Index, 1992 = 100						
Measure: Output Per Hour						
Sector: Nonfarm Business						
Year	Qtr1	Qtr2	Qtr3	Qtr4	Annual	
1998	108.356	108.675	109.902	110.476	109.358	
1999	111.455	111.704	112.487	114.415	112.521	2.9%
2000	113.914	115.938	115.713	116.824	115.687	2.8%
2001	116.689	118.288	118.826	120.574	118.577	2.5%
2002	122.685	122.88	124.208	124.098	123.468	4.1%
2003	125.197	126.903	130.064	129.963	128.034	3.7%
2004	130.225	131.73	132.242	132.245	131.614	2.8%
2005	133.167	133.394	134.687	134.195	133.862	1.7%
2006	134.832	135.642	135.086	134.938	135.123	0.9%
2007	134.731	136.326	138.665	138.482	137.049	1.4%
2008	139.385	140.98	141.732	141.533	140.897	2.8%
2009	142.079					
5 Year Simple Average						1.9%
10 Year Simple Average						2.6%
Most Recent Annualized 1st Qtr						1.9%

**FLORIDA POWER AND LIGHT
SFHHA ADJUSTMENTS TO REFLECT PRODUCTIVITY GAINS
TEST YEAR ENDING DECEMBER 31, 2010
(\$ MILLIONS)**

Computation of Fringe Benefits
SFHHA Interrogatory No. 297

	2010 Fringe O&M Reflected on #297	2010 Fringe O&M Without PR Taxes
Life Insurance	1.058	1.058
Medical Insurance	69.572	69.572
Pension Plan	-38.982	-38.982
Employee Savings Plan	23.802	23.802
FICA - SB P/R Tax	52.578	
Fed & St Unemployment - SB P/R Tax	0.937	
Worker's Comp	6.393	6.393
Educational Assist	1.193	1.193
Employee Welfare	2.893	2.893
OPEB (SFAS 106)	16.428	16.428
Post Emp Disability Benefit	5.294	5.294
Dental Insurance	4.649	4.649
Nuclear Child Development Center	0.237	0.237
Total	<u>146.052</u>	<u>92.537</u>
Base Recovery Amount		<u>89.286</u>

O&M Payroll		
Base Recovery Gross PR per No. 297	765.261494	96.5%
Clause Recovery Gross PR per No. 297	27.867388	3.5%
Total O&M Payroll	793.128882	100.0%

EXHIBIT__ (LK-12)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 302

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-12)

DATE 09/03/09

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Fifth Set of Interrogatories
Interrogatory No. 240
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Q.
Regarding Testimony of FPL Witness J. A. Stall

Regarding page 39:1-9 and Exhibit JAS-10. Please provide a detailed explanation of the reasons for the increase in annual O&M expenditures for St. Lucy and Turkey Point in the 2010 and 2011 plans as compared to 2008 actual expenditures.

A.
FPL's increase in annual O&M expenditures for 2010 and 2011, compared to 2008 actual expenditures, is approximately \$43.5 million and \$59.0 million, respectively. The major drivers of the variance are categorized as follows:

2010:

Nuclear Division Staffing: The increase is comprised of the following components: Year-to-year merit increases for Nuclear Division employees and an increase in staffing to address Operations staffing needs and Maintenance and Engineering College Program. The increase attributable to merit increases is approximately \$6 million, and staffing increase is approximately \$18.5 million.

NRC Licensing and Inspection Fees: The NRC has significantly increased the fees FPL must pay as a result of the nuclear units being regulated by the NRC. NRC licensing fees are charged at a per unit rate and inspection fees are charged at a per hour rate for services required. The increase is approximately \$4.9 million.

Outages: Included in this variance are changes in actual costs associated with differences in the number and scope of refueling outages for St. Lucie and Turkey Point nuclear units in the two comparison years (2008 and 2010). The increase is approximately \$7.9 million.

Projects: Projects are scope-driven and expenditures will vary from year to year. The net increase attributable to projects is approximately \$3.8 million. See documents provided in FPL's response to SFHHA's Fifth Request for Production of Documents No. 71 for a list of projects.

Materials & Supplies: The increase is associated with costs for material and supplies to support daily maintenance activities and write-off of obsolete inventory due to equipment upgrades not related to the uprate projects. The increase is approximately \$2.1 million.

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2011:

Nuclear Division Staffing: The increase is comprised of the following components: Year-to-year merit increases for Nuclear Division employees and an increase in staffing to address Operations staffing needs and Maintenance and Engineering College Program. The increase attributable to merit increases is approximately \$9.1 million, and staffing increase is approximately \$23.3 million.

NRC Licensing and Inspection Fees: The NRC has significantly increased the fees FPL must pay as a result of the nuclear units being regulated by the NRC. NRC licensing fees are charged at a per unit rate and inspection fees are charged at a per hour rate for services required. The increase is approximately \$7.2 million.

Outages: Included in this variance are changes in actual costs associated with differences in the number and scope of refueling outages for St. Lucie and Turkey Point nuclear units in the two comparison years (2008 and 2011). The increase is approximately \$15.1 million.

Materials & Supplies: The increase is associated with costs for material and supplies to support daily maintenance activities and write-off of obsolete inventory due to equipment upgrades not related to the uprate projects. The increase is approximately \$2.6 million.

EXHIBIT __ (LK-13)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 303

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-13)

DATE 09/03/09

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Q.

Please provide a monthly history of nuclear production full time equivalent employees by department and in total for this function from January 2006 through December 2011 and provide an explanation for any year to year change (December to December) exceeding 2% in total for this function. For 2009, the Company should provide this information on a budgeted basis and on an actual basis for those months with actual data.

A.

See Attachment No. 1.

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**Rate Case Interrogatory #291
Year over Year Increase**

	Full Time Regular Employees	% Increase
2006 Actual	1,689.5	
2007 Actual	1,768.5	4.7%
2008 Actual	1,888.5	6.8%
2009 Actual & Budget	2,011.5	6.5%
2010 Budget	2,071.0	3.0%
2011 Budget	2,115.8	2.2%

Changes from 2006-2007:

FPL added staff to anticipate and ultimately compensate for attrition and retirements.

As part of the FPL Professional Training Pipeline, FPL had formed partnerships with both the Indian River State College and the Miami Dade Community College to train the next generation of workers, and has committed to accepting a fixed number into the Apprenticeship Program each year. Employee increases during 2007 resulted from this program, plus dedicated air conditioning maintenance employees (displacing contractors), as well as authorized increases in Nuclear Engineering to align with the standard fleet organization model based on the size of each station.

Changes from 2007-2008:

The majority of employee increases during 2008 were driven by the "pipeline". FPL increased the number of plant workers to allow for a smooth transition as experienced workers retire, while also preparing for anticipated industry growth over the next 10 years. Many of those hired were for licensed operator classes where employees are trained for extensive time frames prior to becoming productive. Other drivers included Capacity Clause security positions and project bound employees for a new major capital project (Extended Power Uprate) (payroll dollars for Capacity Clause and Extended Power Uprate are included in their respective Docket filings).

Changes from 2008-2009:

The main drivers for each of the projected years is the Apprenticeship Program and operations training pipeline. During 2009 only FPL also expects to hire additional project bound positions to support the new major capital project referenced for 2008, which is expected to last into 2013.

Changes from 2009-2010:

The main drivers for each of the projected years is the Apprenticeship Program and operations training pipeline.

Changes from 2010-2011:

The main drivers for each of the projected years is the Apprenticeship Program

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BRC Description	Ledger Date	Emp.Type	Emp.Status	Actual
R01044 - ENGINEERING SUPP SVC	200601	Exempt Regular	Bi-weekly Fixed	53
	200601	Non-Exempt	Bi-weekly Fixed	3
	200602	Exempt Regular	Bi-weekly Fixed	53
	200602	Non-Exempt	Bi-weekly Fixed	3
	200603	Exempt Regular	Bi-weekly Fixed	52
	200603	Non-Exempt	Bi-weekly Fixed	3
	200604	Exempt Regular	Bi-weekly Fixed	48
	200604	Non-Exempt	Bi-weekly Fixed	3
	200605	Exempt Regular	Bi-weekly Fixed	48
	200605	Non-Exempt	Bi-weekly Fixed	3
	200606	Exempt Regular	Bi-weekly Fixed	48
	200606	Non-Exempt	Bi-weekly Fixed	3
	200607	Bargaining	Bi-weekly Fixed	4
	200607	Exempt Regular	Bi-weekly Fixed	49
	200607	Non-Exempt	Bi-weekly Fixed	3
	200608	Exempt Regular	Bi-weekly Fixed	49
	200608	Non-Exempt	Bi-weekly Fixed	3
	200609	Exempt Regular	Bi-weekly Fixed	49
	200609	Non-Exempt	Bi-weekly Fixed	3
	200610	Exempt Regular	Bi-weekly Fixed	49
	200610	Non-Exempt	Bi-weekly Fixed	3
	200611	Exempt Regular	Bi-weekly Fixed	50
	200611	Non-Exempt	Bi-weekly Fixed	3
	200612	Exempt Regular	Bi-weekly Fixed	51
	200612	Non-Exempt	Bi-weekly Fixed	3
R01905 - ST LUCIE PLANT	200601	Bargaining	Bi-weekly Fixed	252
	200601	Exempt Regular	Bi-weekly Fixed	340
	200601	Non-Exempt	Bi-weekly Fixed	46
	200602	Bargaining	Bi-weekly Fixed	254
	200602	Exempt Regular	Bi-weekly Fixed	341
	200602	Non-Exempt	Bi-weekly Fixed	45
	200603	Bargaining	Bi-weekly Fixed	257
	200603	Exempt Regular	Bi-weekly Fixed	340
	200603	Non-Exempt	Bi-weekly Fixed	45
	200604	Bargaining	Bi-weekly Fixed	257
	200604	Exempt Regular	Bi-weekly Fixed	345
	200604	Non-Exempt	Bi-weekly Fixed	45
	200605	Bargaining	Bi-weekly Fixed	264
	200605	Exempt Regular	Bi-weekly Fixed	350
	200605	Non-Exempt	Bi-weekly Fixed	46
	200606	Bargaining	Bi-weekly Fixed	266
	200606	Exempt Regular	Bi-weekly Fixed	350
	200606	Non-Exempt	Bi-weekly Fixed	45
	200607	Bargaining	Bi-weekly Fixed	263
	200607	Exempt Regular	Bi-weekly Fixed	358

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BRC Description	Ledger Date	Emp.Type	Emp.Status	Actual
	200607	Non-Exempt	Bi-weekly Fixed	46
	200608	Bargaining	Bi-weekly Fixed	265
	200608	Exempt Regular	Bi-weekly Fixed	363
	200608	Non-Exempt	Bi-weekly Fixed	45
	200609	Bargaining	Bi-weekly Fixed	264
	200609	Exempt Regular	Bi-weekly Fixed	363
	200609	Non-Exempt	Bi-weekly Fixed	44
	200610	Bargaining	Bi-weekly Fixed	262
	200610	Exempt Regular	Bi-weekly Fixed	372
	200610	Non-Exempt	Bi-weekly Fixed	45.5
	200611	Bargaining	Bi-weekly Fixed	264
	200611	Exempt Regular	Bi-weekly Fixed	374.5
	200611	Non-Exempt	Bi-weekly Fixed	44.5
	200612	Bargaining	Bi-weekly Fixed	264
	200612	Exempt Regular	Bi-weekly Fixed	372.5
	200612	Non-Exempt	Bi-weekly Fixed	45.5
R01908 - PTN STATION	200601	Bargaining	Bi-weekly Fixed	272
	200601	Bargaining	Daily Variable	0
	200601	Exempt Regular	Bi-weekly Fixed	354.5
	200601	Non-Exempt	Bi-weekly Fixed	50
	200602	Bargaining	Bi-weekly Fixed	283
	200602	Bargaining	Daily Variable	0
	200602	Exempt Regular	Bi-weekly Fixed	354.5
	200602	Non-Exempt	Bi-weekly Fixed	49
	200603	Bargaining	Bi-weekly Fixed	294
	200603	Bargaining	Daily Variable	0
	200603	Exempt Regular	Bi-weekly Fixed	355.5
	200603	Non-Exempt	Bi-weekly Fixed	49
	200604	Bargaining	Bi-weekly Fixed	303
	200604	Bargaining	Daily Variable	0
	200604	Exempt Regular	Bi-weekly Fixed	356.5
	200604	Non-Exempt	Bi-weekly Fixed	49
	200605	Bargaining	Bi-weekly Fixed	301
	200605	Bargaining	Daily Variable	0
	200605	Exempt Regular	Bi-weekly Fixed	357.5
	200605	Non-Exempt	Bi-weekly Fixed	48
	200606	Bargaining	Bi-weekly Fixed	310
	200606	Bargaining	Daily Variable	0
	200606	Exempt Regular	Bi-weekly Fixed	355.5
	200606	Non-Exempt	Bi-weekly Fixed	48
	200607	Bargaining	Bi-weekly Fixed	312
	200607	Bargaining	Daily Variable	0
	200607	Exempt Regular	Bi-weekly Fixed	357.5
	200607	Non-Exempt	Bi-weekly Fixed	47
	200608	Bargaining	Bi-weekly Fixed	313

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BRC Description	Ledger Date	Emp.Type	Emp.Status	Actual
	200608	Bargaining	Daily Variable	0
	200608	Exempt Regular	Bi-weekly Fixed	348.5
	200608	Non-Exempt	Bi-weekly Fixed	48
	200609	Bargaining	Bi-weekly Fixed	313
	200609	Bargaining	Daily Variable	0
	200609	Exempt Regular	Bi-weekly Fixed	361.5
	200609	Non-Exempt	Bi-weekly Fixed	47
	200610	Bargaining	Bi-weekly Fixed	309
	200610	Bargaining	Daily Variable	0
	200610	Exempt Regular	Bi-weekly Fixed	360.5
	200610	Non-Exempt	Bi-weekly Fixed	50
	200611	Bargaining	Bi-weekly Fixed	305
	200611	Bargaining	Daily Variable	0
	200611	Exempt Regular	Bi-weekly Fixed	358.5
	200611	Non-Exempt	Bi-weekly Fixed	53
	200612	Bargaining	Bi-weekly Fixed	300
	200612	Bargaining	Daily Variable	0
	200612	Exempt Regular	Bi-weekly Fixed	360.5
	200612	Non-Exempt	Bi-weekly Fixed	50
R31600 - NUCLEAR OPERNS SUPPT	200601	Exempt Regular	Bi-weekly Fixed	20
	200601	Non-Exempt	Bi-weekly Fixed	1
	200602	Exempt Regular	Bi-weekly Fixed	20
	200602	Non-Exempt	Bi-weekly Fixed	1
	200603	Exempt Regular	Bi-weekly Fixed	19
	200603	Non-Exempt	Bi-weekly Fixed	1
	200604	Exempt Regular	Bi-weekly Fixed	18
	200604	Non-Exempt	Bi-weekly Fixed	1
	200605	Exempt Regular	Bi-weekly Fixed	17
	200605	Non-Exempt	Bi-weekly Fixed	1
	200606	Exempt Regular	Bi-weekly Fixed	16
	200606	Non-Exempt	Bi-weekly Fixed	1
	200607	Exempt Regular	Bi-weekly Fixed	17
	200607	Non-Exempt	Bi-weekly Fixed	1
	200608	Exempt Regular	Bi-weekly Fixed	16
	200608	Non-Exempt	Bi-weekly Fixed	1
	200609	Exempt Regular	Bi-weekly Fixed	17
	200609	Non-Exempt	Bi-weekly Fixed	1
	200610	Exempt Regular	Bi-weekly Fixed	18
	200610	Non-Exempt	Bi-weekly Fixed	1
	200611	Exempt Regular	Bi-weekly Fixed	18
	200611	Non-Exempt	Bi-weekly Fixed	1
	200612	Exempt Regular	Bi-weekly Fixed	18
	200612	Non-Exempt	Bi-weekly Fixed	2
R64525 - VP TECH SERVICES	200601	Exempt Regular	Bi-weekly Fixed	100
	200601	Non-Exempt	Bi-weekly Fixed	10

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BRC Description	Ledger Date	Emp.Type	Emp.Status	Actual
	200602	Exempt Regular	Bi-weekly Fixed	99
	200602	Non-Exempt	Bi-weekly Fixed	10
	200603	Exempt Regular	Bi-weekly Fixed	104
	200603	Non-Exempt	Bi-weekly Fixed	10
	200604	Exempt Regular	Bi-weekly Fixed	106
	200604	Non-Exempt	Bi-weekly Fixed	10
	200605	Exempt Regular	Bi-weekly Fixed	106
	200605	Non-Exempt	Bi-weekly Fixed	10
	200606	Exempt Regular	Bi-weekly Fixed	105
	200606	Non-Exempt	Bi-weekly Fixed	10
	200607	Exempt Regular	Bi-weekly Fixed	106
	200607	Non-Exempt	Bi-weekly Fixed	9
	200608	Exempt Regular	Bi-weekly Fixed	107
	200608	Non-Exempt	Bi-weekly Fixed	9
	200609	Exempt Regular	Bi-weekly Fixed	106
	200609	Non-Exempt	Bi-weekly Fixed	8
	200610	Exempt Regular	Bi-weekly Fixed	106
	200610	Non-Exempt	Bi-weekly Fixed	8
	200611	Exempt Regular	Bi-weekly Fixed	106
	200611	Non-Exempt	Bi-weekly Fixed	8
	200612	Exempt Regular	Bi-weekly Fixed	104
	200612	Non-Exempt	Bi-weekly Fixed	8
R64725 - VP PLANT SUPPORT	200601	Exempt Regular	Bi-weekly Fixed	27
	200601	Non-Exempt	Bi-weekly Fixed	3
	200602	Exempt Regular	Bi-weekly Fixed	27
	200602	Non-Exempt	Bi-weekly Fixed	3
	200603	Exempt Regular	Bi-weekly Fixed	27
	200603	Non-Exempt	Bi-weekly Fixed	3
	200604	Exempt Regular	Bi-weekly Fixed	26
	200604	Non-Exempt	Bi-weekly Fixed	3
	200605	Exempt Regular	Bi-weekly Fixed	27
	200605	Non-Exempt	Bi-weekly Fixed	3
	200606	Exempt Regular	Bi-weekly Fixed	30
	200606	Non-Exempt	Bi-weekly Fixed	3
	200607	Exempt Regular	Bi-weekly Fixed	28
	200607	Non-Exempt	Bi-weekly Fixed	3
	200608	Exempt Regular	Bi-weekly Fixed	29
	200608	Non-Exempt	Bi-weekly Fixed	3
	200609	Exempt Regular	Bi-weekly Fixed	28
	200609	Non-Exempt	Bi-weekly Fixed	3
	200610	Exempt Regular	Bi-weekly Fixed	29
	200610	Non-Exempt	Bi-weekly Fixed	3
	200611	Exempt Regular	Bi-weekly Fixed	29
	200611	Non-Exempt	Bi-weekly Fixed	3
	200612	Exempt Regular	Bi-weekly Fixed	28

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BRC Description	Ledger Date	Emp.Type	Emp.Status	Actual
R65200 - VP SAFETY ASSURANCE	200612	Non-Exempt	Bi-weekly Fixed	3
	200601	Exempt Regular	Bi-weekly Fixed	69
	200601	Non-Exempt	Bi-weekly Fixed	6
	200602	Exempt Regular	Bi-weekly Fixed	70
	200602	Non-Exempt	Bi-weekly Fixed	6
	200603	Exempt Regular	Bi-weekly Fixed	72
	200603	Non-Exempt	Bi-weekly Fixed	6
	200604	Exempt Regular	Bi-weekly Fixed	72
	200604	Non-Exempt	Bi-weekly Fixed	6
	200605	Exempt Regular	Bi-weekly Fixed	71
	200605	Non-Exempt	Bi-weekly Fixed	6
	200606	Exempt Regular	Bi-weekly Fixed	72
	200606	Non-Exempt	Bi-weekly Fixed	6
	200607	Exempt Executive	Bi-weekly Fixed	1
	200607	Exempt Regular	Bi-weekly Fixed	70
	200607	Non-Exempt	Bi-weekly Fixed	6
	200608	Exempt Executive	Bi-weekly Fixed	1
	200608	Exempt Regular	Bi-weekly Fixed	70
	200608	Non-Exempt	Bi-weekly Fixed	6
	200609	Exempt Executive	Bi-weekly Fixed	1
	200609	Exempt Regular	Bi-weekly Fixed	71
	200609	Non-Exempt	Bi-weekly Fixed	6
	200610	Exempt Executive	Bi-weekly Fixed	1
	200610	Exempt Regular	Bi-weekly Fixed	71
	200610	Non-Exempt	Bi-weekly Fixed	5
	200611	Exempt Executive	Bi-weekly Fixed	1
	200611	Exempt Regular	Bi-weekly Fixed	72
	200611	Non-Exempt	Bi-weekly Fixed	5
	200612	Exempt Executive	Bi-weekly Fixed	1
	200612	Exempt Regular	Bi-weekly Fixed	73
	1689.5	200612	Non-Exempt	6

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BASA	
EAC	
Key Figures	
BRC	

Fiscal Year Variant	Calendar year, 4 spec. periods
BRC	NUC DIV BUS UNIT
EAC	FPL EMPLOYEES
Exp	SUSPENSE

Fiscal year/period	
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BRC		EAC/Fiscal year/period	001/2007	002/2007
Actual version	△ ▷ R01044 ENGINEERING SUPPORT SERVICES	FEX-FPL Exempt Employees	51.0	53.0
		FNX-FPL Non-Exempt Employees	3.0	3.0
		Result	54.0	56.0
	▷ R01905 ST. LUCIE PLANT	FBF-FPL Bargaining Unit - Fixed Employees	270.0	268.0
		FBV-FPL Bargaining Unit - Variable Employees		
		FEX-FPL Exempt Employees	373.0	372.0
		FNX-FPL Non-Exempt Employees	48.5	46.5
		Result	689.5	686.5
	▷ R01908 PTN STATION	FBF-FPL Bargaining Unit - Fixed Employees	294.0	292.0
		FBV-FPL Bargaining Unit - Variable Employees		
		FEX-FPL Exempt Employees	360.5	361.5
		FNX-FPL Non-Exempt Employees	49.0	52.0
		Result	703.5	705.5
	▷	FEX-FPL Exempt Employees	18.0	17.0
		FNX-FPL Non-Exempt Employees	2.0	2.0
	▷ R31800 ND MANAGEMENT	Result	20.0	19.0
	▷	FEX-FPL Exempt Employees	105.0	104.0
		FNX-FPL Non-Exempt Employees	9.0	9.0
		Result	114.0	113.0
	▷ R64725 VP PLANT SUPPORT	FEX-FPL Exempt Employees	28.0	27.0
		FNX-FPL Non-Exempt Employees	3.0	3.0
		Result	31.0	30.0
	▷ R65200 VP SAFETY ASSURANCE	FEX-FPL Exempt Employees	72.0	73.0
		FNX-FPL Non-Exempt Employees	6.0	7.0
		Result	78.0	80.0
	△ R31000 NUCLEAR DIVISION BUSINESS UNIT	Result	1,690.0	1,690.0

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BASA	
EAC	
Key Figures	
BRC	

Fiscal Year Variant	Calendar year, 4 spec. periods
BRC	NUC DIV BUS UNIT
EAC	FPL EMPLOYEES
Exp	SUSPENSE

Fiscal year/period	
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BRC		003/2007	004/2007	005/2007	006/2007	007/2007	008/2007
Actual version	△ ▷ R01044 ENGINEERING SUPPORT SERVICES	58.0	56.0	57.0	59.0	57.0	58.0
		2.0	3.0	3.0	3.0	3.0	3.0
		58.0	59.0	60.0	62.0	60.0	59.0
	▷ R01905 ST. LUCIE PLANT	271.0	273.0	273.0	278.0	285.0	284.0
		371.0	377.0	377.0	379.0	383.0	380.0
		46.5	45.5	44.0	44.0	44.0	44.0
		688.5	685.5	684.0	701.0	712.0	705.0
	▷ R01908 PTN STATION	287.0	271.0	277.0	284.0	290.0	289.0
		380.5	359.5	365.5	370.5	371.5	367.5
		53.0	53.0	51.0	51.0	52.0	52.0
		700.5	685.5	693.5	705.5	713.5	708.5
	▷	17.0	15.0	15.0	13.0	14.0	14.0
		2.0	2.0	2.0	2.0	3.0	3.0
	▷ R31800 ND MANAGEMENT	19.0	17.0	17.0	18.0	17.0	17.0
	▷	104.0	105.0	111.0	112.0	112.0	104.0
		9.0	8.0	9.0	9.0	9.0	8.0
		113.0	113.0	120.0	124.0	125.0	112.0
	▷ R64725 VP PLANT SUPPORT	28.0	32.0	32.0	32.0	35.0	45.0
		3.0	4.0	4.0	4.0	5.0	5.0
		31.0	36.0	36.0	36.0	30.0	50.0
	▷ R65200 VP SAFETY ASSURANCE	73.0	72.0	72.0	73.0	74.0	75.0
		7.0	7.0	7.0	7.0	7.0	8.0
		80.0	74.0	79.0	80.0	81.0	83.0
	△ R31000 NUCLEAR DIVISION BUSINESS UNIT	1,690.0	1,683.0	1,699.5	1,720.5	1,744.5	1,737.5

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BASA	
EAC	
Key Figures	
BRC	

Fiscal Year Variant	Calendar year, 4 spec. periods
BRC	NUC DIV BUS UNIT
EAC	FPL EMPLOYEES
Exp	SUSPENSE

Fiscal year/period	
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BRC		009/2007	010/2007	011/2007	012/2007	001/2008	002/2008
Actual version	△ ▷ R01044 ENGINEERING SUPPORT SERVICES	54.0	55.0	59.0	59.0	59.0	59.0
		3.0	3.0	3.0	3.0	3.0	3.0
		57.0	58.0	62.0	62.0	62.0	62.0
	▷ R01905 ST. LUCIE PLANT	289.0	290.0	290.0	289.0	285.0	284.0
		381.0	380.0	378.0	377.0	369.0	368.0
		45.0	45.0	45.0	45.0	44.0	43.0
		715.0	715.0	713.0	711.0	695.0	695.0
	▷ R01908 PTN STATION	294.0	296.0	292.0	291.0	290.0	290.0
		372.5	372.5	378.5	379.5	388.5	387.5
		51.0	51.0	51.0	52.0	51.0	51.0
		717.5	716.5	721.5	722.5	729.5	728.5
	▷	14.0	15.0	15.0	16.0	17.0	17.0
		3.0	2.0	2.0	3.0	4.0	4.0
	▷ R31800 ND MANAGEMENT	17.0	17.0	17.0	19.0	21.0	21.0
	▷	104.0	107.0	107.0	110.0	110.0	112.0
		8.0	8.0	8.0	8.0	7.0	7.0
		112.0	115.0	115.0	118.0	117.0	119.0
	▷ R64725 VP PLANT SUPPORT	45.0	48.0	48.0	47.0	47.0	48.0
		6.0	6.0	6.0	6.0	6.0	6.0
		51.0	54.0	54.0	53.0	53.0	54.0
	▷ R65200 VP SAFETY ASSURANCE	73.0	73.0	73.0	74.0	78.0	78.0
		8.0	10.0	9.0	9.0	10.0	10.0
		81.0	83.0	82.0	83.0	88.0	88.0
	△ R31000 NUCLEAR DIVISION BUSINESS UNIT	1,750.5	1,764.5	1,764.5	1,768.5	1,768.5	1,767.5

Florida Power & Light Company
Docket No. 080677-EI
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Manpower Trend Report

BASA	
EAC	
Key Figures	
BRC	

Fiscal Year Variant	Calendar year, 4 spec. periods
BRC	NUC DIV BUS UNIT
EAC	FPL EMPLOYEES
Exp	SUSPENSE

Fiscal year/period	
--------------------	--

BRC		003/2008	004/2008	005/2008	006/2008	007/2008	008/2008
Actual version	Δ ▷ R01044 ENGINEERING SUPPORT SERVICES	59.0	58.0	60.0	59.0	51.0	49.0
		3.0	3.0	3.0	3.0	3.0	3.0
		62.0	62.0	63.0	62.0	54.0	52.0
	▷ R01905 ST. LUCIE PLANT	282.0	297.0	309.0	312.0	316.0	318.0
		367.0	365.0	361.0	362.0	366.0	367.0
		43.0	39.0	40.0	41.0	42.0	43.0
		692.0	701.0	710.0	715.0	724.0	728.0
	▷ R01908 PTN STATION	298.0	302.0	307.0	308.0	305.0	304.0
		383.5	387.5	389.5	385.5	388.5	392.5
		50.0	50.0	51.0	50.0	51.0	49.0
		731.5	739.5	747.5	743.5	744.5	745.5
	▷	18.0	19.0	20.0	21.0	24.0	25.0
		4.0	5.0	5.0	5.0	5.0	4.0
	▷ R31800 ND MANAGEMENT	118.0	122.0	128.5	128.5	136.5	136.5
	▷	7.0	7.0	7.0	7.0	7.0	7.0
		125.0	129.0	135.5	135.5	143.5	143.5
	▷ R64725 VP PLANT SUPPORT	52.0	51.0	57.0	65.0	64.0	64.0
		7.0	8.0	8.0	7.0	7.0	8.0
		59.0	59.0	65.0	72.0	71.0	72.0
	▷ R65200 VP SAFETY ASSURANCE	80.0	80.0	81.0	76.0	76.0	79.0
		11.0	11.0	10.0	10.0	9.0	9.0
		91.0	91.0	91.0	86.0	85.0	88.0
	Δ R31000 NUCLEAR DIVISION BUSINESS UNIT	1,782.5	1,805.5	1,837.0	1,840.0	1,851.0	1,858.0

2009 Budget

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Version	CP2	Original Budget
Fiscal Year	2009	FY2009
Exp?	1	DISPENSE

			DISPERSE													
			BASA		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
BRC	EAC	BASA	EAC	BASA	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5
Total	Total	Total	Total	Total	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5	1,980.5
OSIM/GMT SUPERVISION	064514	Total	EAC Total	BASA	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
OSIM/GMT SUPERVISION	064514	FEK-FPL Exempt Employees	FEK OSIM/GMT SUPERV	11860916748	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
OSIM/GMT SUPERVISION	064514	FEK-FPL Non-Exempt Employees	FEK OSIM/GMT SUPERV	11860916748	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
OSI CHIEF'S	064515	Total	EAC Total	BASA	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
OSI CHIEF'S	064515	FEK-FPL Exempt Employees	FEK CHIEFS REGULATORY	11850921359	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
CODES & INSPECTIONS	064517	Total	EAC Total	BASA	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
CODES & INSPECTIONS	064517	FEK-FPL Exempt Employees	FEK CODES AND INSPECTION	10954902165	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
MATERIALS & COMPONENT	064518	Total	EAC Total	BASA	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
MATERIALS & COMPONENT	064518	FEK-FPL Exempt Employees	FEK MATERIALS AND COMPON	11508618761	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
RRAG SUMMARY	064529	Total	EAC Total	BASA	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
RRAG SUMMARY	064529	FEK-FPL Exempt Employees	FEK RRAG	12146090000	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
RRAG SUMMARY	064529	FEK-FPL Non-Exempt Employees	FEK AFFILIATE DIRECT CHA	121454FFLDC	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
PLANT MANAGEMENT	062900	Total	EAC Total	BASA	574.0	574.0	574.0	574.0	574.0	574.0	574.0	574.0	574.0	574.0	574.0	574.0
PLANT MANAGEMENT	062900	FEK-FPL Bargaining Unit - Variable Comp	FEK PAYROLL EMPLOYEE REL	01428000009	330.0	330.0	330.0	330.0	330.0	330.0	330.0	330.0	330.0	330.0	330.0	330.0
PLANT MANAGEMENT	062900	FEK-FPL Exempt Employees	FEK EQUIPMENT RELIABILITY	00095600006	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
PLANT MANAGEMENT	062900	FEK-FPL Exempt Employees	FEK PAYROLL EMPLOYEE REL	01428000000	207.0	207.0	207.0	207.0	207.0	207.0	207.0	207.0	207.0	207.0	207.0	207.0
PLANT MANAGEMENT	062900	FNA-FPL Non-Exempt Employees	FNA PAYROLL EMPLOYEE REL	01429000050	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
PSL ENGINEERING SUMMA	064589	Total	EAC Total	BASA	113.0	113.0	113.0	113.0	113.0	113.0	113.0	113.0	113.0	113.0	113.0	113.0
PSL ENGINEERING SUMMA	064589	FEK-FPL Exempt Employees	FEK REQUESTS FOR ENG AS	11242000000	113.0	113.0	113.0	113.0	113.0	113.0	113.0	113.0	113.0	113.0	113.0	113.0
PSL ENGINEERING SUMMA	064589	FNA-FPL Non-Exempt Employees	FNA REQUESTS FOR ENG AS	11242000000	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
PTN ENGINEERING SUMMA	064560	Total	EAC Total	BASA	136.0	136.0	136.0	136.0	136.0	136.0	136.0	136.0	136.0	136.0	136.0	136.0
PTN ENGINEERING SUMMA	064560	FEK-FPL Exempt Employees	FEK PTN ENGNG PAYROLL	12356900800	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
PTN ENGINEERING SUMMA	064560	FNA-FPL Non-Exempt Employees	FNA PTN ENGNG PAYROLL	12356900360	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
MANAGEMENT	061400	Total	EAC Total	BASA	577.0	590.0	590.0	590.0	613.0	614.0	615.0	617.0	620.0	623.0	626.0	629.0
MANAGEMENT	061400	FEK-FPL Bargaining Unit - Variable Empl	FEK PAYROLL	01429000029	317.0	327.0	338.0	344.0	350.0	351.0	353.0	354.0	357.0	360.0	363.0	367.0
MANAGEMENT	061400	FEK-FPL Exempt Employees	FEK PAYROLL	01428923407	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
MANAGEMENT	061400	FNA-FPL Non-Exempt Employees	FNA PAYROLL	01428923023	39.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
PTN RTE PEOPLE	061457	Total	EAC Total	BASA	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
PTN RTE PEOPLE	061457	FEK-FPL Exempt Employees	FEK ADDITIONAL PERSONNEL	0175ADDPER	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
PTN RTE PLANT	061459	Total	EAC Total	BASA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PTN RTE PLANT	061459	FEK-FPL Exempt Employees	FEK RTE STAFF	0175RTESTF	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BUSINESS OPERATIONS	065100	Total	EAC Total	BASA	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
BUSINESS OPERATIONS	065100	FEK-FPL Exempt Employees	FEK ST PAYROLL AND OTHER	01428923407	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
BUSINESS OPERATIONS	065100	FNA-FPL Non-Exempt Employees	FNA ST PAYROLL AND OTHER	01428923407	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
NUCLEAR OPERATIONS	061700	Total	EAC Total	BASA	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
NUCLEAR OPERATIONS	061700	FNA-FPL Non-Exempt Employees	FNA ST PAYROLL AND OTHER	01428923407	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
PTN FUELS	060641	Total	EAC Total	BASA	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
PTN FUELS	060641	FEK-FPL Exempt Employees	FEK NUCLEAR FUEL PLANT S	12133000060	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1
PTN FUELS	060641	FEK-FPL Exempt Employees	FEK AFFILIATE DIRECT CHA	121324FFLDC	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
FUEL PROJECTS	060944	Total	EAC Total	BASA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FUEL PROJECTS	060944	FEK-FPL Exempt Employees	FEK NUCLEAR FUEL PLANT S	12132000000	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

2009 Budget

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Vocaton 062 Original Budget
Fiscal Year 2009 HAD005
Emp 2009000000

BRC	EAC	BASA	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
FUEL PROJECTS	060044	FEK-FPL Exempt Employees	FEK AFFILIATE DIRECT CHA	12132AFFLDC	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
MAJOR PROJECTS BASE	064590	Total	EAC Total	BASA	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
MAJOR PROJECTS BASE	064590	FEK-FPL Exempt Employees	FEK JUNG NON PROJECT EXP	01478JUNCHP	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0
MAJOR PROJECTS BASE	064590	FEK-FPL Non-Exempt Employees	FEK JUNG NON PROJECT EXP	01478JUNCHP	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
PSL PROJECTS BASE	064681	Total	EAC Total	BASA	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
PSL PROJECTS BASE	064681	FEK-FPL Exempt Employees	FEK PSL PROJECT NON PROJ	01478PSLNPE	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
PTN PROJECTS BASE	064692	Total	EAC Total	BASA	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
PTN PROJECTS BASE	064692	FEK-FPL Exempt Employees	FEK PTN NON PROJECT EXPE	01478PTNPE	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
PROJECTS ENGINE BASE	065002	Total	EAC Total	BASA	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
PROJECTS ENGINE BASE	065002	FEK-FPL Exempt Employees	FEK MAJOR PROJ ENG GRP	12345MPEGRP	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
EPU PROJECT	065730	Total	EAC Total	BASA	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5
EPU PROJECT	065730	FEK-FPL Exempt Employees	FEK PAYROLL EMPLOYEE REL	0147800000	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5	50.5
VP PLANT SUPPORT	064725	Total	EAC Total	BASA	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0
VP PLANT SUPPORT	064725	FEK-FPL Exempt Employees	FEK ST PAYROLL AND OTHER	0147823407	48.0	48.0	48.0	48.0	48.0	48.0	48.0	48.0	48.0	48.0
VP PLANT SUPPORT	064725	FEK-FPL Exempt Employees	FEK CAPACITY SECURITY PA	0151492000	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
VP PLANT SUPPORT	064725	FEK-FPL Non-Exempt Employees	FEK ST PAYROLL AND OTHER	0147823407	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
VP PLANT SUPPORT	064725	FEK-FPL Non-Exempt Employees	FEK CAPACITY SECURITY PA	0151492000	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
JOAUB MANAGEMENT	064346	Total	EAC Total	BASA	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
JOAUB MANAGEMENT	064346	FEK-FPL Exempt Employees	FEK OFFICE FURNITURE, FI	0099100000	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
JOAUB MANAGEMENT	064346	FEK-FPL Exempt Employees	FEK SYSTEMS AND AUDITS -	1013600000	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
JOAUB MANAGEMENT	064346	FEK-FPL Exempt Employees	FEK JOAUB MANAGEMENT AN	1014000000	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
JOAUB MANAGEMENT	064346	FEK-FPL Exempt Employees	FEK VENDOR ACTIVITIES -	1002200000	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
JOAUB MANAGEMENT	064346	FEK-FPL Non-Exempt Employees	FEK SYSTEMS AND AUDITS -	1013600000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
JOAUB MANAGEMENT	064346	FEK-FPL Non-Exempt Employees	FEK VENDOR ACTIVITIES -	1002200000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
NUCL ASSURANCE-CNRB	065554	Total	EAC Total	BASA	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
NUCL ASSURANCE-CNRB	065554	FEK-FPL Exempt Employees	FEK COMPANY NUCLEAR REVI	1013700000	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
PSL-NUC ASSURANCE	067609	Total	EAC Total	BASA	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
PSL-NUC ASSURANCE	067609	FEK-FPL Exempt Employees	FEK JOAPS MANAGEMENT A	1052400000	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
PSL-NUC ASSURANCE	067609	FEK-FPL Non-Exempt Employees	FEK JOAPS MANAGEMENT A	1052400000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
PTN-NUC ASSURANCE	068400	Total	EAC Total	BASA	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
PTN-NUC ASSURANCE	068400	FEK-FPL Exempt Employees	FEK QUALITY SUPPORT-JNA/	1150700000	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
PTN-NUC ASSURANCE	068400	FEK-FPL Non-Exempt Employees	FEK QUALITY SUPPORT-JNA/	1150700000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
NUCL ASSURANCE CNRB	069553	Total	EAC Total	BASA	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
NUCL ASSURANCE CNRB	069553	FEK-FPL Exempt Employees	FEK EMPLOYEE CONCERNS PR	0157300000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
NUCL ASSURANCE CNRB	069553	FEK-FPL Exempt Employees	FEK EMPLOYEE CONCERNS PR	0157300000	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
NUCL ASSURANCE CNRB	069553	FEK-FPL Exempt Employees	FEK EMPLOYEE CONCERNS PR	0167400000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
SAFETY ASSURE MGT	065225	Total	EAC Total	BASA	156.0	156.0	156.0	156.0	156.0	156.0	156.0	156.0	156.0	156.0
SAFETY ASSURE MGT	065225	FEK-FPL Exempt Employees	FEK ST PAYROLL AND OTHER	01428023407	148.0	148.0	148.0	148.0	148.0	148.0	148.0	148.0	148.0	148.0
SAFETY ASSURE MGT	065225	FEK-FPL Non-Exempt Employees	FEK ST PAYROLL AND OTHER	01428023407	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0

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Version	002	Original Design
Final year	1979	KM7010
Year	0	SUSPENSE

[illegible]

Version	1702	Original Design
Final year	3870	K47018
Exp	0	SUBP1492

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2011 Budget

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Version: 002 Original Budget
Fiscal Year: 2011 K492011
Exp: 0 SUSPENSE

BRC	EAC	BASA	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total	Total	Total	2,075.8	2,083.8	2,092.8	2,091.3	2,096.5	2,097.8	2,082.8	2,098.8	2,104.8	2,106.8	2,102.8	2,103.8
CSMAGMT SUPV 084514	Total	BASA	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
CSMAGMT SUPV 084514	FEK-FPL Exempt Employees	11650610746	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
CSMAGMT SUPV 084514	FEK-FPL Non-Exempt Employees	11650610746	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
CSI CHIEFS 084516	Total	BASA	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
CSI CHIEFS 084516	FEK-FPL Exempt Employees	11650621396	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
CODES & INSP 084517	Total	BASA	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
CODES & INSP 084517	FEK-FPL Exempt Employees	10994802185	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
MATERIALS & C 084518	Total	BASA	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
MATERIALS & C 084518	FEK-FPL Exempt Employees	11650610751	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
RRAG SUMMAR 084529	Total	BASA	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
RRAG SUMMAR 084529	FEK-FPL Exempt Employees	12140000000	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
RRAG SUMMAR 084529	FEK-FPL Non-Exempt Employees	12140000000	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PLANT MANAGE 082900	Total	BASA	598.0	598.0	598.0	598.0	598.0	598.0	598.0	598.0	598.0	598.0	598.0	598.0
PLANT MANAGE 082900	FEK-FPL Bargaining Unit - Variable Empl	01429000000	341.0	341.0	341.0	341.0	341.0	341.0	341.0	341.0	341.0	341.0	341.0	341.0
PLANT MANAGE 082900	FEK-FPL Exempt Employees	01429000000	218.0	218.0	218.0	218.0	218.0	218.0	218.0	218.0	218.0	218.0	218.0	218.0
PLANT MANAGE 082900	FEK-FPL Non-Exempt Employees	01429000000	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
PSL ENGINEER 084589	Total	BASA	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0
PSL ENGINEER 084589	FEK-FPL Exempt Employees	11240000000	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0
PSL ENGINEER 084589	FEK-FPL Non-Exempt Employees	11240000000	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PTN ENGINEER 084589	Total	BASA	148.0	148.0	148.0	148.0	148.0	148.0	148.0	148.0	148.0	148.0	148.0	148.0
PTN ENGINEER 084589	FEK-FPL Exempt Employees	12135000000	138.0	138.0	138.0	138.0	138.0	138.0	138.0	138.0	138.0	138.0	138.0	138.0
PTN ENGINEER 084589	FEK-FPL Non-Exempt Employees	12135000000	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
MANAGEMENT 081400	Total	BASA	662.0	670.0	670.0	682.0	682.0	684.0	684.0	688.0	691.0	691.0	691.0	691.0
MANAGEMENT 081400	FEK-FPL Bargaining Unit - Variable Empl	01429000000	308.0	308.0	308.0	308.0	308.0	308.0	308.0	308.0	308.0	308.0	308.0	308.0
MANAGEMENT 081400	FEK-FPL Exempt Employees	01429000000	235.0	235.0	235.0	235.0	235.0	235.0	235.0	235.0	235.0	235.0	235.0	235.0
MANAGEMENT 081400	FEK-FPL Non-Exempt Employees	01429000000	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
PTN RTE PEOP 081457	Total	BASA	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
PTN RTE PEOP 081457	FEK-FPL Exempt Employees	01753ADOPER	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
BUSINESS OPE 085100	Total	BASA	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
BUSINESS OPE 085100	FEK-FPL Exempt Employees	01429000000	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
BUSINESS OPE 085100	FEK-FPL Non-Exempt Employees	01429000000	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PTN FUELS 085941	Total	BASA	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
PTN FUELS 085941	FEK-FPL Exempt Employees	12132AFLLDC	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1
PTN FUELS 085941	FEK-FPL Non-Exempt Employees	12132AFLLDC	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
FUEL PROJECT 085944	Total	BASA	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
FUEL PROJECT 085944	FEK-FPL Exempt Employees	12132000000	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
FUEL PROJECT 085944	FEK-FPL Non-Exempt Employees	12132AFLLDC	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
JB PROJECTS 084890	Total	BASA	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
JB PROJECTS 084890	FEK-FPL Exempt Employees	01473JUNGNP	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0
JB PROJECTS 084890	FEK-FPL Non-Exempt Employees	01473JUNGNP	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
PSL PROJECTS 084891	Total	BASA	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0

2011 Budget

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Fiscal Year 2011
Orig'n Budget
K42011
SUSPENSE

BRC	EAC	BASA	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
PSL PROJECTS DB4851	FEA-FPL Exempt Employees	FEF PSL PROJECT NON PROJ 01478PSLNPE	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
PTN PROJECTS DB4852	Total	EAC Total BASA	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
PTN PROJECTS DB4852	FEA-FPL Exempt Employees	FEF PTN NON PROJECT EAP 01478PTNPE	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
PROJECTS ENG DB4862	Total	EAC Total BASA	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
PROJECTS ENG DB4862	FEA-FPL Exempt Employees	FEF MAJOR PROJ ENG CRP 12345MPEGRP	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
EPU PROJECT DB4730	Total	EAC Total BASA	47.8	47.8	47.8	47.8	47.8	47.8	47.8	47.8	47.8	47.8	47.8	47.8
EPU PROJECT DB4730	FEA-FPL Exempt Employees	FEF PAYROLL EMPLOYEE REL 0142600000	47.8	47.8	47.8	47.8	47.8	47.8	47.8	47.8	47.8	47.8	47.8	47.8
VP PLANT SUPP DB4725	Total	EAC Total BASA	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0
VP PLANT SUPP DB4725	FEA-FPL Exempt Employees	FEA ST PAYROLL AND OTHER 01426823407	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0
VP PLANT SUPP DB4725	FEA-FPL Exempt Employees	FEF CAPACITY SECURITY PA 01514028999	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
VP PLANT SUPP DB4725	FEA-FPL Non-Exempt Employees	FEF ST PAYROLL AND OTHER 01426823407	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
VP PLANT SUPP DB4725	FEA-FPL Non-Exempt Employees	FEF CAPACITY SECURITY PA 01514028999	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
JOAUS MANAG DB4345	Total	EAC Total BASA	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
JOAUS MANAG DB4345	FEA-FPL Exempt Employees	FEA OFFICE FURNITURE, FI 00691000000	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
JOAUS MANAG DB4345	FEA-FPL Exempt Employees	FEF SYSTEMS AND AUDITS 10136000000	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
JOAUS MANAG DB4345	FEA-FPL Exempt Employees	FEF JOAUS MANAGEMENT AN 10140000000	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
JOAUS MANAG DB4345	FEA-FPL Exempt Employees	FEF VENDOR ACTIVITIES 10522000000	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
JOAUS MANAG DB4345	FEA-FPL Non-Exempt Employees	FEF SYSTEMS AND AUDITS 10136000000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
JOAUS MANAG DB4345	FEA-FPL Non-Exempt Employees	FEF VENDOR ACTIVITIES 10522000000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
NUCL ASSURAN DB4854	Total	EAC Total BASA	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
NUCL ASSURAN DB4854	FEA-FPL Exempt Employees	FEF COMPANY NUCLEAR REVI 10137000000	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
PSL-NUC ASSUR DB4780	Total	EAC Total BASA	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
PSL-NUC ASSUR DB4780	FEA-FPL Exempt Employees	FEA JOAUSPL MANAGEMENT A 10524000000	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
PSL-NUC ASSUR DB4780	FEA-FPL Non-Exempt Employees	FEF JOAUSPL MANAGEMENT A 10524000000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
PTN-NUC ASSUR DB4840	Total	EAC Total BASA	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
PTN-NUC ASSUR DB4840	FEA-FPL Exempt Employees	FEA QUALITY SUPPORT-ANV 11047000000	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
PTN-NUC ASSUR DB4840	FEA-FPL Non-Exempt Employees	FEF QUALITY SUPPORT-ANV 11047000000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
NUCL ASSURAN DB4855	Total	EAC Total BASA	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
NUCL ASSURAN DB4855	FEA-FPL Exempt Employees	FEF EMPLOYEE CONCERNS PR 01672000000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
NUCL ASSURAN DB4855	FEA-FPL Exempt Employees	FEF EMPLOYEE CONCERNS PR 01673000000	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
NUCL ASSURAN DB4855	FEA-FPL Exempt Employees	FEF EMPLOYEE CONCERNS PR 01674000000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
SAFETY ASSUR DB4825	Total	EAC Total BASA	162.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0
SAFETY ASSUR DB4825	FEA-FPL Exempt Employees	FEA ST PAYROLL AND OTHER 01426823407	162.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0	162.0
SAFETY ASSUR DB4825	FEA-FPL Non-Exempt Employees	FEF ST PAYROLL AND OTHER 01426823407	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0

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Manpower Trend Report

BASA	
EAC	
Key Figures	
BRC	

Fiscal Year Variant	Calendar year, 4 spec. periods
BRC	NUC DIV BUS UNIT
EAC	FPL EMPLOYEES
Exp	SUSPENSE

Fiscal year/period	
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		EAC/Fiscal year/period	001/2007	002/2007
BRC				
Actual version	△ ▷ R01044 ENGINEERING SUPPORT SERVICES	FEX-FPL Exempt Employees	51.0	53.0
		FNX-FPL Non-Exempt Employees	3.0	3.0
		Result	54.0	56.0
	▷ R01905 ST. LUCIE PLANT	FBF-FPL Bargaining Unit - Fixed Employees	270.0	268.0
		FBV-FPL Bargaining Unit - Variable Employees		
		FEX-FPL Exempt Employees	373.0	372.0
		FNX-FPL Non-Exempt Employees	46.5	46.5
		Result	689.5	686.5
	▷ R01908 PTN STATION	FBF-FPL Bargaining Unit - Fixed Employees	294.0	292.0
		FBV-FPL Bargaining Unit - Variable Employees		
		FEX-FPL Exempt Employees	360.5	361.5
		FNX-FPL Non-Exempt Employees	49.0	52.0
		Result	703.5	705.5
	▷	FEX-FPL Exempt Employees	18.0	17.9
		FNX-FPL Non-Exempt Employees	2.0	2.0
		Result	20.0	19.0
	▷ R31800 NO MANAGEMENT	Result	105.0	104.0
		FEX-FPL Exempt Employees	9.0	9.0
	▷	FNX-FPL Non-Exempt Employees	114.0	113.0
		Result	28.0	27.0
	▷ R64725 VP PLANT SUPPORT	FEX-FPL Exempt Employees	3.0	3.0
		FNX-FPL Non-Exempt Employees	31.0	30.0
		Result	72.0	73.0
	▷ R65200 VP SAFETY ASSURANCE	FEX-FPL Exempt Employees	6.0	7.0
		FNX-FPL Non-Exempt Employees	78.0	80.0
		Result		
	△ R31000 NUCLEAR DIVISION BUSINESS UNIT	Result	1,690.0	1,690.0

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Fiscal Year Variant	Calendar year, 4 spec. periods
BRC	NUC DIV BUS UNIT
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Exp	SUSPENSE

Fiscal year/period	
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	BRC	003/2007	004/2007	005/2007	006/2007	007/2007
Actual version	Δ ▷ R01044 ENGINEERING SUPPORT SERVICES	58.0	56.0	57.0	59.0	57.0
		2.0	3.0	3.0	3.0	3.0
		58.0	59.0	60.0	62.0	60.0
	▷ R01905 ST. LUCIE PLANT	271.0	273.0	273.0	278.0	285.0
		371.0	377.0	377.0	379.0	383.0
		46.5	45.5	44.0	44.0	44.0
		688.5	695.5	694.0	701.0	712.0
	▷ R01908 PTN STATION	287.0	271.0	277.0	284.0	290.0
		360.5	359.5	365.5	370.5	371.5
		53.0	53.0	51.0	51.0	52.0
		700.5	683.5	693.5	705.5	713.5
	▷	17.0	15.0	15.0	13.0	14.0
		2.0	2.0	2.0	2.0	3.0
	▷ R31800 ND MANAGEMENT	19.0	17.0	17.0	15.0	17.0
	▷	104.0	105.0	111.0	112.0	112.0
		9.0	8.0	9.0	9.0	9.0
		113.0	113.0	120.0	121.0	121.0
	▷ R64725 VP PLANT SUPPORT	28.0	32.0	32.0	32.0	35.0
		3.0	4.0	4.0	4.0	5.0
		31.0	36.0	38.0	36.0	40.0
	▷ R65200 VP SAFETY ASSURANCE	73.0	72.0	72.0	73.0	74.0
		7.0	7.0	7.0	7.0	7.0
		80.0	79.0	79.0	80.0	81.0
	Δ R31000 NUCLEAR DIVISION BUSINESS UNIT	1,690.0	1,683.0	1,699.5	1,720.5	1,744.5

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BRC	NUC DIV BUS UNIT
EAC	FPL EMPLOYEES
Exp	SUSPENSE

Fiscal year/period	
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BRC		008/2007	009/2007	010/2007	011/2007	012/2007
Actual version	△ ▷ R01044 ENGINEERING SUPPORT SERVICES	56.0	54.0	55.0	59.0	59.0
		3.0	3.0	3.0	3.0	3.0
		69.0	67.0	58.0	62.0	62.0
	▷ R01905 ST. LUCIE PLANT	284.0	289.0	290.0	290.0	289.0
		380.0	381.0	380.0	378.0	377.0
		44.0	45.0	45.0	45.0	46.0
		708.0	715.0	715.0	713.0	711.0
	▷ R01908 PTN STATION	289.0	294.0	296.0	292.0	291.0
		367.5	372.5	372.5	378.5	379.5
		52.0	51.0	51.0	51.0	52.0
		708.5	717.5	719.5	721.5	722.5
	▷	14.0	14.0	15.0	15.0	16.0
		3.0	3.0	2.0	2.0	3.0
	▷ R31800 ND MANAGEMENT	17.0	17.0	17.0	17.0	19.0
	▷	104.0	104.0	107.0	107.0	110.0
		8.0	8.0	8.0	8.0	8.0
		112.0	112.0	115.0	115.0	118.0
	▷ R64725 VP PLANT SUPPORT	45.0	45.0	48.0	48.0	47.0
		5.0	6.0	6.0	6.0	6.0
		50.0	51.0	54.0	54.0	53.0
	▷ R65200 VP SAFETY ASSURANCE	75.0	73.0	73.0	73.0	74.0
		8.0	8.0	10.0	9.0	9.0
		83.0	81.0	83.0	82.0	83.0
	△ R31000 NUCLEAR DIVISION BUSINESS UNIT	1,737.5	1,750.5	1,761.5	1,764.5	1,768.5

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Key Figures	
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Fiscal Year Variant	Calendar year, 4 spec. periods
BRC	NUC DIV BUS UNIT
EAC	FPL EMPLOYEES
Exp	SUSPENSE

Fiscal year/period	
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BRC		001/2008	002/2008	003/2008	004/2008	005/2008
Actual version	△ ▷ R01044 ENGINEERING SUPPORT SERVICES	59.0	59.0	59.0	59.0	60.0
		3.0	3.0	3.0	3.0	3.0
		62.0	62.0	62.0	62.0	63.0
	▷ R01905 ST. LUCIE PLANT	285.0	284.0	282.0	297.0	309.0
		369.0	368.0	367.0	365.0	361.0
		44.0	43.0	43.0	39.0	40.0
		698.0	695.0	692.0	701.0	710.0
	▷ R01908 PTN STATION	290.0	290.0	298.0	302.0	307.0
		388.5	387.5	383.5	387.5	389.5
		51.0	51.0	50.0	50.0	51.0
		729.5	728.5	731.5	739.5	747.5
	▷	17.0	17.0	18.0	19.0	20.0
		4.0	4.0	4.0	5.0	5.0
	▷ R31800 ND MANAGEMENT	21.0	21.0	22.0	24.0	25.0
	▷	110.0	112.0	118.0	122.0	128.5
		7.0	7.0	7.0	7.0	7.0
		117.0	119.0	125.0	129.0	135.5
	▷ R64725 VP PLANT SUPPORT	47.0	48.0	52.0	51.0	57.0
		6.0	6.0	7.0	8.0	8.0
		53.0	54.0	59.0	59.0	65.0
	▷ R65200 VP SAFETY ASSURANCE	78.0	78.0	80.0	80.0	81.0
		10.0	10.0	11.0	11.0	10.0
		88.0	88.0	91.0	91.0	91.0
	△ R31000 NUCLEAR DIVISION BUSINESS UNIT	1,768.5	1,767.5	1,782.5	1,805.5	1,837.0

Manpower Trend Report

BASA	
EAC	
Key Figures	
BRC	

Fiscal Year Variant	Calendar year, 4 spec. periods
BRC	NUC DIV BUS UNIT
EAC	FPL EMPLOYEES
Exp	SUSPENSE

Fiscal year/period	
--------------------	--

BRC		006/2008	007/2008	008/2008	009/2008	010/2008
Actual version	△ ▷ R01044 ENGINEERING SUPPORT SERVICES	59.0	51.0	49.0	48.0	47.0
		3.0	3.0	3.0	3.0	3.0
		62.0	54.0	52.0	51.0	50.0
	▷ R01905 ST. LUCIE PLANT	312.0	316.0	318.0	334.0	333.0
		362.0	366.0	367.0	369.0	368.0
		41.0	42.0	43.0	43.0	43.0
		715.0	724.0	728.0	746.0	744.0
	▷ R01908 PTN STATION	308.0	305.0	304.0	307.0	311.0
		385.5	388.5	392.5	402.0	402.0
		50.0	51.0	49.0	51.0	51.0
		743.5	744.5	745.5	760.0	764.0
	▷	21.0	24.0	25.0	25.0	25.0
		5.0	5.0	4.0	4.0	4.0
	▷ R31800 ND MANAGEMENT	25.0	29.0	29.0	29.0	29.0
	▷	128.5	136.5	136.5	140.5	140.5
		7.0	7.0	7.0	7.0	7.0
		135.5	143.5	143.5	147.5	147.5
	▷ R64725 VP. PLANT SUPPORT	65.0	64.0	64.0	67.0	67.0
		7.0	7.0	8.0	8.0	8.0
		72.0	71.0	72.0	75.0	75.0
	▷ R65200 VP SAFETY ASSURANCE	76.0	76.0	79.0	81.0	79.0
		10.0	9.0	9.0	9.0	9.0
		86.0	85.0	88.0	90.0	88.0
	△ R31000 NUCLEAR DIVISION BUSINESS UNIT	1,840.0	1,851.0	1,858.0	1,898.5	1,897.5

2007 -2008 -2009 Actual

Florida Power Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Question No. 291 - Supplemental
Attachment No. 1

Manpower Trend Report

BASA	
EAC	
Key Figures	
BRC	

Fiscal Year Variant	Calendar year, 4 spec. periods
BRC	NUC DIV BUS UNIT
EAC	FPL EMPLOYEES
Exp	SUSPENSE

Fiscal year/period	
--------------------	--

BRC		011/2008	012/2008	001/2009	002/2009	003/2009
Actual version	Δ ▷ R01044 ENGINEERING SUPPORT SERVICES	47.0	48.0	47.0	47.0	47.0
		3.0	3.0	3.0	2.0	2.0
		50.0	51.0	50.0	49.0	49.0
	▷ R01905 ST. LUCIE PLANT	333.0	333.0	333.0	332.0	330.0
		368.0	364.0	364.0	366.0	364.0
		43.0	42.0	42.0	42.0	41.0
		744.0	739.0	739.0	740.0	735.0
	▷ R01908 PTN STATION	311.0	314.0	315.0	318.0	316.0
		399.0	396.0	395.0	391.0	389.0
		51.0	51.0	51.0	49.0	49.0
		761.0	761.0	761.0	758.0	754.0
	▷	24.0	24.0	23.0	23.0	23.0
		4.0	4.0	4.0	4.0	4.0
	▷ R31800 ND MANAGEMENT	28.0	28.0	27.0	27.0	27.0
	▷	142.5	140.5	138.5	137.5	137.5
		7.0	7.0	7.0	7.0	7.0
		149.5	147.5	145.5	144.5	144.5
	▷ R64725 VP PLANT SUPPORT	66.0	66.0	66.0	66.0	65.0
		8.0	8.0	8.0	8.0	8.0
		74.0	74.0	74.0	74.0	73.0
	▷ R65200 VP SAFETY ASSURANCE	79.0	79.0	79.0	78.0	77.0
		9.0	9.0	9.0	9.0	9.0
		88.0	88.0	88.0	87.0	86.0
	Δ R31000 NUCLEAR DIVISION BUSINESS UNIT	1,894.5	1,888.5	1,884.5	1,879.5	1,868.5

2007 -2008 -2009 Actual

Florida Power Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Question No. 291 - Supplemental
Attachment No. 1

Manpower Trend Report

BASA	
EAC	
Key Figures	
BRC	

Fiscal Year Variant	Calendar year, 4 spec. periods
BRC	NUC DIV BUS UNIT
EAC	FPL EMPLOYEES
Exp	SUSPENSE

Fiscal year/period	
--------------------	--

BRC		004/2009
Actual version	△ ▷ R01044 ENGINEERING SUPPORT SERVICES	44.0
		2.0
		46.0
	▷ R01905 ST. LUCIE PLANT	329.0
		381.0
		41.0
		731.0
	▷ R01908 PTN STATION	315.0
		386.0
		49.0
		750.0
	▷	25.0
		4.0
	▷ R31800 ND MANAGEMENT	29.0
	▷	140.5
		7.0
		147.5
	▷ R64725 VP PLANT SUPPORT	65.0
		8.0
		73.0
	▷ R65200 VP SAFETY ASSURANCE	77.0
		9.0
		86.0
	△ R31000 NUCLEAR DIVISION BUSINESS UNIT	1,862.5

EXHIBIT __ (LK-14)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 304

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-14)

DATE 09/03/09

Exhibit __ (LK-14)
Page 1 of 1

**FLORIDA POWER AND LIGHT
SFHHA ADJUSTMENTS TO ELIMINATE NUCLEAR STAFF INCREASES
TEST YEAR ENDING DECEMBER 31, 2010
(\$ MILLIONS)**

Source: Response to SFHHA Interrogatory No. 240

Per the response, FPL included \$18.5 million in the test year for additional nuclear staffing related to O&M. The adjustment below includes a separate computation of payroll taxes and fringe benefits based on the analysis performed to compute the productivity reduction.

	<u>O&M Amount</u>
O&M Nuclear Staffing Increases by 2010	18.500
O&M Nuclear Staffing Increase Payroll Tax 2010	1.194
O&M Nuclear Staffing Increase Fr. Benefits	<u>2.158</u>
Total Nuclear Staffing Increase	<u><u>21.852</u></u>

EXHIBIT __ (LK-15)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 305

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-15)

DATE 09/03/09

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Fifth Set of Interrogatories
Interrogatory No. 237
Page 1 of 1

Q.
Regarding Testimony of FPL Witness J. A. Stall

Regarding page 31:5-11. Please specifically identify and describe FPL's efforts through litigation to seek recovery of past and future damages related to the US Government's failure to dispose of FPL's spent fuel, the current status of such litigation, and FPL's plan for accounting for any recoveries FPL makes in such litigation in terms of flowing recoveries back to ratepayers.

A.

In 1998, FPL filed a lawsuit against the U.S. Government seeking damages caused by the U.S. Department of Energy's (DOE) failure to dispose of spent nuclear fuel (SNF) from FPL's nuclear power plants. On March 31, 2009, FPL entered into a settlement agreement with the U.S. Government that resolves FPL's SNF damages claims against the Government. Under the settlement, FPL will receive from the Government a cash payment of \$77.1 million, representing damages incurred related to DOE's SNF default through December 31, 2007. The settlement also formalizes an annual claim process that will enable FPL to submit and receive payment from the Government for annual SNF expenditures related to DOE's default. This process will enable FPL to recover its expenses relating to the long-term storage of SNF at FPL's nuclear power plants without the need for additional litigation.

The SNF settlement represents reimbursement for incremental costs incurred by FPL because DOE failed to meet its obligations in a timely manner. As these incremental costs were incurred by FPL they were charged either to base O&M or capitalized, resulting in an increase in capital structure and lowering the base ROE realized. The SNF settlement was subsequently recorded as a reduction to plant, CWIP, and O&M and reversal of previously incurred depreciation expense. Customers will receive the benefits associated with the SNF settlement through future rates. These reductions were forecasted in 2009 as achieved so current plant and depreciation expense reflects FPL's estimate of those settlement dollars received. Therefore, the 2010 plant balances used to calculate test year results reflect this estimated reduction and customers will receive the benefits associated with the SNF settlement through future rates. Reductions in prospective costs should likewise occur as DOE reimburses FPL for SNF costs incurred in 2009 and beyond. These refunds were not forecasted in the Test Year and Subsequent Year revenue requirements.

EXHIBIT__ (LK-16)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 306

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-16)

DATE 09/03/09

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Second Set of Interrogatories
Interrogatory No. 120
Page 1 of 1

Q.
Interrogatories Directed to Ms. Kim Ousdahl:

Regarding Schedule C-41. Please state the capital costs and O&M expenses associated with smart meters up through and including meters that will be installed in 2010.

A.
The O&M and Capital expenditures related to Advanced Metering Infrastructure (AMI) are:

(\$Millions)

	2006	2007	2008	2009	2010
O&M	\$0.98	\$0.85	\$1.39	\$2.61	\$7.40
Capital	\$2.64	\$1.15	\$7.07	\$43.68	\$168.54

Please note that Capital expenditures are not included in Schedule C-41.

EXHIBIT__ (LK-17)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 307

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-17)

DATE 09/03/09

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Interrogatory No. 289
Page 1 of 1

Q.

Please provide a deployment timeline for the AMI program along with annual projections of costs and savings separated into capital and expense, including all supporting assumptions, data, computations, workpapers and electronic spreadsheets with formulas intact.

A.

Deployment	2009	2010	2011	2012	2013	Total
Meters (thousands)	170	1,128	1,099	1,076	873	4,346
	2009	2010	2011	2012	2013	Total
Capital (millions)	\$43.7	\$168.5	\$158.7	\$151.5	\$122.5	\$645.0
	2009	2010	2011	2012	2013	
O&M (Thousands)	\$2,274	\$6,883	\$8,910	\$11,882	\$10,458	
Savings (Thousands)	\$(167)	\$(418)	\$(4,700)	\$(18,203)	\$(30,401)	
Net O&M (Thousands)	\$2,106	\$6,465	\$4,210	\$(6,321)	\$(19,943)	

Based on this deployment schedule, net O&M savings beyond 2013 will be greater than \$30 million annually. See supporting documents provided in response to SFHHA's Tenth Request for Production of Documents No. 102.

EXHIBIT __ (LK-18)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 308

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-18)

DATE 09/03/09

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Interrogatory No. 290
Page 1 of 1

Q.

Please provide a schedule showing the amounts included in each rate base component and each operating expense for the AMI program in each month for the prior year, the test year and in the subsequent year.

A.

See Attachment No. 1.

Advanced Metering Infrastructure ("AMI")

Rate Base Components

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
CWIP												
Intangible Plant	\$ 426,129	\$ 852,258	\$ 1,437,951	\$ 2,014,442	\$ 2,590,933	\$ 4,189,824	\$ 7,429,648	\$ 8,101,924	\$ 8,711,748	\$ 9,321,572	\$ 9,931,396	\$ 11,126,974
Distribution 370	\$ 6,326	\$ 8,223	\$ 19,438	\$ 20,075	\$ 22,007	\$ 39,824	\$ 92,076	\$ 795,577	\$ 1,618,521	\$ 2,815,312	\$ 3,423,594	\$ 3,584,114
Total CWIP	\$ 432,455	\$ 860,481	\$ 1,457,389	\$ 2,034,517	\$ 2,612,940	\$ 4,229,648	\$ 7,521,724	\$ 8,897,501	\$ 10,330,269	\$ 12,136,884	\$ 13,354,990	\$ 14,711,088
Plant in Service												
Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution 370	\$ 14,760	\$ 33,947	\$ 79,302	\$ 126,145	\$ 177,495	\$ 270,416	\$ 485,259	\$ 2,341,607	\$ 6,118,156	\$ 12,687,218	\$ 20,675,605	\$ 29,038,537
Total Plant in Service	\$ 14,760	\$ 33,947	\$ 79,302	\$ 126,145	\$ 177,495	\$ 270,416	\$ 485,259	\$ 2,341,607	\$ 6,118,156	\$ 12,687,218	\$ 20,675,605	\$ 29,038,537
Accumulated Depreciation												
Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution 370	\$ (25)	\$ (106)	\$ (295)	\$ (637)	\$ (1,143)	\$ (1,890)	\$ (3,149)	\$ (7,860)	\$ (21,960)	\$ (53,302)	\$ (108,907)	\$ (191,764)
Total Accumulated Depreciation	\$ (25)	\$ (106)	\$ (295)	\$ (637)	\$ (1,143)	\$ (1,890)	\$ (3,149)	\$ (7,860)	\$ (21,960)	\$ (53,302)	\$ (108,907)	\$ (191,764)
Operating Expense												
O&M Expenses	\$ 339,962	\$ 90,512	\$ 122,876	\$ 83,147	\$ 120,740	\$ 121,227	\$ 121,697	\$ 187,669	\$ 291,978	\$ 154,157	\$ 209,964	\$ 262,549
Depreciation Expense												
Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution 370	\$ 25	\$ 81	\$ 189	\$ 342	\$ 506	\$ 747	\$ 1,259	\$ 4,711	\$ 14,100	\$ 31,342	\$ 55,605	\$ 82,857
Total Depreciation Expense	\$ 25	\$ 81	\$ 189	\$ 342	\$ 506	\$ 747	\$ 1,259	\$ 4,711	\$ 14,100	\$ 31,342	\$ 55,605	\$ 82,857

Advanced Metering Infrastructure ("AMI")

Rate Base Components	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
CWIP												
Intangible Plant	\$ 11,751,893	\$ 12,376,812	\$ 13,810,468	\$ 14,435,716	\$ 15,795,814	\$ 18,121,062	\$ 18,799,560	\$ 19,433,216	\$ 20,566,872	\$ 21,192,120	\$ 21,817,368	\$ 22,942,616
Distribution 370	\$ 4,999,393	\$ 5,412,588	\$ 5,550,830	\$ 5,579,421	\$ 5,588,223	\$ 5,628,700	\$ 5,604,926	\$ 5,612,421	\$ 5,614,799	\$ 5,609,525	\$ 5,608,767	\$ 5,526,761
Total CWIP	\$ 16,751,286	\$ 17,789,400	\$ 19,361,298	\$ 20,015,137	\$ 21,384,037	\$ 23,749,762	\$ 24,404,486	\$ 25,045,637	\$ 26,181,671	\$ 26,801,645	\$ 27,426,135	\$ 28,469,377
Plant in Service												
Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution 370	\$ 40,703,789	\$ 53,333,159	\$ 66,285,096	\$ 79,303,746	\$ 92,342,934	\$ 105,476,566	\$ 118,554,726	\$ 131,650,374	\$ 144,751,572	\$ 157,840,463	\$ 170,927,587	\$ 183,823,364
Total Plant in Service	\$ 40,703,789	\$ 53,333,159	\$ 66,285,096	\$ 79,303,746	\$ 92,342,934	\$ 105,476,566	\$ 118,554,726	\$ 131,650,374	\$ 144,751,572	\$ 157,840,463	\$ 170,927,587	\$ 183,823,364
Accumulated Depreciation												
Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution 370	\$ (308,001)	\$ (464,729)	\$ (664,093)	\$ (906,741)	\$ (1,192,819)	\$ (1,522,518)	\$ (1,895,904)	\$ (2,312,912)	\$ (2,773,582)	\$ (3,277,902)	\$ (3,825,849)	\$ (4,417,100)
Total Accumulated Depreciation	\$ (308,001)	\$ (464,729)	\$ (664,093)	\$ (906,741)	\$ (1,192,819)	\$ (1,522,518)	\$ (1,895,904)	\$ (2,312,912)	\$ (2,773,582)	\$ (3,277,902)	\$ (3,825,849)	\$ (4,417,100)
Operating Expense												
O&M Expenses	\$ 602,198	\$ 339,572	\$ 411,646	\$ 347,987	\$ 380,971	\$ 416,056	\$ 559,246	\$ 424,561	\$ 922,628	\$ 305,155	\$ 278,226	\$ 1,477,134
Depreciation Expense												
Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution 370	\$ 116,237	\$ 156,728	\$ 199,364	\$ 242,648	\$ 286,078	\$ 329,699	\$ 373,385	\$ 417,009	\$ 460,670	\$ 504,320	\$ 547,947	\$ 591,252
Total Depreciation Expense	\$ 116,237	\$ 156,728	\$ 199,364	\$ 242,648	\$ 286,078	\$ 329,699	\$ 373,385	\$ 417,009	\$ 460,670	\$ 504,320	\$ 547,947	\$ 591,252

Advanced Metering Infrastructure ("AMI")

Rate Base Components

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
CWIP												
Intangible Plant	\$ 23,339,004	\$ 23,726,024	\$ 24,613,418	\$ 25,000,812	\$ 25,388,206	\$ 27,606,830	\$ 27,994,244	\$ 28,391,194	\$ 29,278,588	\$ 29,665,982	\$ 30,053,376	\$ 31,194,020
Distribution 370	\$ 5,456,143	\$ 5,400,370	\$ 5,385,146	\$ 5,382,484	\$ 5,381,942	\$ 5,318,337	\$ 5,359,752	\$ 5,389,121	\$ 5,381,434	\$ 5,405,300	\$ 5,423,812	\$ 5,269,815
Total CWIP	\$ 28,795,147	\$ 29,126,394	\$ 29,998,564	\$ 30,383,296	\$ 30,770,148	\$ 32,925,407	\$ 33,353,996	\$ 33,780,315	\$ 34,660,022	\$ 35,071,282	\$ 35,477,188	\$ 36,463,835
Plant in Service												
Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution 370	\$ 196,554,365	\$ 209,155,228	\$ 221,720,567	\$ 234,279,698	\$ 246,837,563	\$ 259,247,528	\$ 271,753,618	\$ 284,328,234	\$ 296,884,914	\$ 309,497,282	\$ 322,152,843	\$ 334,449,079
Total Plant in Service	\$ 196,554,365	\$ 209,155,228	\$ 221,720,567	\$ 234,279,698	\$ 246,837,563	\$ 259,247,528	\$ 271,753,618	\$ 284,328,234	\$ 296,884,914	\$ 309,497,282	\$ 322,152,843	\$ 334,449,079
Accumulated Depreciation												
Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution 370	\$ (5,051,063)	\$ (5,727,246)	\$ (6,445,372)	\$ (7,205,373)	\$ (8,007,235)	\$ (8,850,710)	\$ (9,735,712)	\$ (10,662,515)	\$ (11,631,204)	\$ (12,641,841)	\$ (13,694,591)	\$ (14,788,927)
Total Accumulated Depreciation	\$ (5,051,063)	\$ (5,727,246)	\$ (6,445,372)	\$ (7,205,373)	\$ (8,007,235)	\$ (8,850,710)	\$ (9,735,712)	\$ (10,662,515)	\$ (11,631,204)	\$ (12,641,841)	\$ (13,694,591)	\$ (14,788,927)
Operating Expense												
O&M Expenses	\$ 485,869	\$ 134,259	\$ 153,521	\$ (10,030)	\$ 22,935	\$ 55,898	\$ 398,422	\$ 77,603	\$ 557,960	\$ (39,128)	\$ (60,873)	\$ 2,434,098
Depreciation Expense												
Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution 370	\$ 633,963	\$ 676,183	\$ 718,126	\$ 760,000	\$ 801,862	\$ 843,475	\$ 885,002	\$ 926,803	\$ 968,689	\$ 1,010,637	\$ 1,052,750	\$ 1,094,337
Total Depreciation Expense	\$ 633,963	\$ 676,183	\$ 718,126	\$ 760,000	\$ 801,862	\$ 843,475	\$ 885,002	\$ 926,803	\$ 968,689	\$ 1,010,637	\$ 1,052,750	\$ 1,094,337

EXHIBIT __ (LK-19)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 309

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-19)

DATE 09/03/09

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Interrogatory No. 283
Page 1 of 1

Q.

Regarding Schedule C-8 for the 2010 test year, page 1:26 and page 3:21-24. Please provide a more detailed explanation for the variance in account 902 for 2010 compared to 2009 than provided in Reason I. The explanation should include a description of why there is an expense increase of \$4.8 million for the "full-scale deployment" of the AMI rather than a reduction in meter reading expenses.

A.

The \$4.8 million increase in 2010 is driven by cost associated with the first full year of AMI deployment and includes expenses related to repair and replace unsafe meter conditions encountered during deployment and installation, customer marketing and mail-outs to educate the customers on the benefits of AMI, and severance. In addition, it includes expense associated with the operations of the project such as software maintenance and hosting fees for AMI communication vendor, network and field support, communication lines, and materials & supplies. The \$0.5 million increase in 2010 associated with meter reading expense is net of \$0.4 million in savings related to the AMI project.

EXHIBIT __ (LK-20)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET No. 080677-EI & 090130-EI **EXHIBIT** 310

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-20)

DATE 09/03/09

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Fifth Set of Interrogatories
Interrogatory No. 243
Page 1 of 1

Q.

Regarding Testimony of FPL Witness Marlene M. Santos

Regarding pages 29:1-41:18. Please provide a date for when FPL anticipates it will have completed implementation of all smart meters, the ultimate number of customers FPL anticipates to provide with smart meters, describe the projected total cost of installing all smart meters, and the total costs savings upon implementation of all smart meters.

A.

Large scale AMI deployment is planned to begin later in 2009 and run through 2013. This deployment will replace approximately 4.3 million meters. The AMI meter will also be deployed to all new residential and small/medium service accounts as the customer population grows. The total cost of the project includes the integrated meter and installation, network field infrastructure and installation, software integration, software license fees and maintenance, servers, emergency repairs on electric service during installation, customer communication mail outs and operations. Total capital costs and cumulative O&M through 2013 is approximately \$645M and \$34M, respectively. The total savings associated with AMI are Customer Service operational savings, primarily driven by meter reading costs. The savings are approximately \$36M annually once fully implemented.

EXHIBIT __ (LK-21)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 311

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-21)

DATE 09/03/09

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Interrogatory No. 287
Page 1 of 1

Q.

Please provide a deployment timeline for the new CIS along with annual projections of costs and savings separated into capital and expense, including all supporting assumptions, data, computations, workpapers and electronic spreadsheets with formulas intact.

A.

The preliminary project assessment phase for CIS III will begin at the start of 2010. As a result, only a high-level timeline can be provided herein. Current plans are as follows:

- Project Assessment (including Business Case generation): planned completion - Feb 2010;
- Project Preparation: planned completion - June 2010;
- Business Blueprint: planned completion - Feb 2011;
- Realization: planned completion - Jan 2012;
- Final Preparation: completion - April 2012;
- Cutover / Go-Live: completion - June 2012.

Annual projected CIS III project costs:

- 2010 O&M: \$7,250,000;
- 2011 O&M: \$5,000,000;
- 2012 O&M: \$19,000,000;
- 2010 Capital: \$12,000,000;
- 2011 Capital: \$76,000,000;
- 2012 Capital: \$41,000,000.

EXHIBIT __ (LK-22)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 312

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-22)

DATE 09/03/09

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Interrogatory No. 288
Page 1 of 1

Q.

Please provide a schedule showing the amounts included in each rate base component and each operating expense for the new CIS in each month for the prior year, the test year and in the subsequent year.

A.

See Attachment No. 1.

Customer Information System ("CIS")

Rate Base Components	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
CWIP												
Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Plant Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total CWIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plant in Service												
Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Plant Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation												
Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Plant Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses												
O&M Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation Expense												
Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Plant Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Depreciation Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Customer Information System ("CIS")

Rate Base Components

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
CWP												
Intangible Plant	\$ 224,000	\$ 380,800	\$ 490,560	\$ 567,392	\$ 621,174	\$ 658,822	\$ 797,175	\$ 894,023	\$ 981,818	\$ 1,009,271	\$ 1,042,490	\$ 1,065,743
General Plant Other	\$ 384,000	\$ 691,200	\$ 936,960	\$ 1,133,588	\$ 1,290,854	\$ 1,416,684	\$ 1,709,347	\$ 1,943,477	\$ 2,130,782	\$ 2,280,626	\$ 2,400,500	\$ 2,496,400
Total CWP	\$ 608,000	\$ 1,072,000	\$ 1,427,520	\$ 1,700,980	\$ 1,912,029	\$ 2,075,506	\$ 2,506,522	\$ 2,837,500	\$ 3,082,598	\$ 3,289,897	\$ 3,442,990	\$ 3,562,143
Plant in Service												
Intangible Plant	\$ 96,000	\$ 259,200	\$ 469,440	\$ 712,808	\$ 978,828	\$ 1,261,178	\$ 1,602,825	\$ 1,985,977	\$ 2,398,184	\$ 2,830,729	\$ 3,277,510	\$ 3,734,257
General Plant Other	\$ 96,000	\$ 268,800	\$ 503,040	\$ 786,432	\$ 1,109,148	\$ 1,463,316	\$ 1,890,653	\$ 2,376,523	\$ 2,909,218	\$ 3,479,374	\$ 4,079,500	\$ 4,703,600
Total Plant in Service	\$ 192,000	\$ 528,000	\$ 972,480	\$ 1,499,040	\$ 2,087,971	\$ 2,724,494	\$ 3,493,478	\$ 4,362,500	\$ 5,307,402	\$ 6,310,103	\$ 7,357,010	\$ 8,437,857
Accumulated Depreciation												
Intangible Plant	\$ (620)	\$ (2,914)	\$ (7,620)	\$ (15,254)	\$ (26,178)	\$ (40,644)	\$ (59,141)	\$ (82,319)	\$ (110,633)	\$ (144,403)	\$ (183,652)	\$ (229,137)
General Plant Other	\$ (620)	\$ (2,976)	\$ (7,961)	\$ (16,289)	\$ (28,531)	\$ (45,145)	\$ (66,806)	\$ (94,365)	\$ (128,502)	\$ (169,761)	\$ (218,579)	\$ (275,303)
Total Accumulated Depreciation	\$ (1,240)	\$ (5,890)	\$ (15,581)	\$ (31,543)	\$ (54,709)	\$ (85,789)	\$ (125,947)	\$ (176,683)	\$ (239,135)	\$ (314,165)	\$ (402,431)	\$ (504,440)
Operating Expenses												
O&M Expense	\$ 595,283	\$ 595,283	\$ 648,581	\$ 595,283	\$ 595,283	\$ 595,283	\$ 595,283	\$ 648,581	\$ 595,283	\$ 595,283	\$ 595,283	\$ 595,291
Depreciation Expense												
Intangible Plant	\$ 620	\$ 2,294	\$ 4,706	\$ 7,634	\$ 10,924	\$ 14,487	\$ 18,497	\$ 23,178	\$ 28,314	\$ 33,770	\$ 39,449	\$ 45,284
General Plant Other	\$ 620	\$ 2,356	\$ 4,965	\$ 8,328	\$ 12,242	\$ 16,614	\$ 21,661	\$ 27,559	\$ 34,137	\$ 41,260	\$ 48,618	\$ 56,724
Total Depreciation Expense	\$ 1,240	\$ 4,650	\$ 9,691	\$ 15,962	\$ 23,166	\$ 31,081	\$ 40,158	\$ 50,737	\$ 62,451	\$ 75,030	\$ 88,267	\$ 102,008

Customer Information System ("CIS")

Rate Base Components

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
CWIP												
Intangible Plant	\$ 2,164,687	\$ 2,933,948	\$ 3,472,430	\$ 3,849,368	\$ 4,113,224	\$ 4,297,924	\$ 5,136,547	\$ 5,723,583	\$ 6,134,508	\$ 6,422,155	\$ 6,823,509	\$ 6,764,456
General Plant Other	\$ 4,429,120	\$ 5,975,297	\$ 7,212,237	\$ 8,201,790	\$ 8,993,432	\$ 9,626,746	\$ 11,349,397	\$ 12,727,517	\$ 13,830,014	\$ 14,712,011	\$ 15,417,809	\$ 15,982,086
Total CWIP	\$ 6,593,807	\$ 8,909,244	\$ 10,684,667	\$ 12,051,158	\$ 13,106,656	\$ 13,924,670	\$ 16,485,943	\$ 18,451,100	\$ 19,964,522	\$ 21,134,187	\$ 22,041,118	\$ 22,746,542
Plant in Service												
Intangible Plant	\$ 4,661,980	\$ 5,919,386	\$ 7,407,570	\$ 9,057,299	\$ 10,820,110	\$ 12,662,077	\$ 14,883,454	\$ 17,316,418	\$ 19,945,493	\$ 22,697,845	\$ 25,636,492	\$ 28,435,544
General Plant Other	\$ 5,810,880	\$ 7,304,704	\$ 9,107,763	\$ 11,156,211	\$ 13,406,569	\$ 15,813,255	\$ 18,650,604	\$ 21,832,484	\$ 25,289,987	\$ 28,967,990	\$ 32,822,392	\$ 36,817,914
Total Plant in Service	\$ 10,472,860	\$ 13,224,090	\$ 16,515,334	\$ 20,213,510	\$ 24,226,679	\$ 28,475,332	\$ 33,514,059	\$ 39,148,902	\$ 45,235,480	\$ 51,665,835	\$ 58,358,884	\$ 65,253,458
Accumulated Depreciation												
Intangible Plant	\$ (283,362)	\$ (351,700)	\$ (437,770)	\$ (544,106)	\$ (672,481)	\$ (824,137)	\$ (1,001,906)	\$ (1,209,734)	\$ (1,450,384)	\$ (1,725,789)	\$ (2,037,302)	\$ (2,385,671)
General Plant Other	\$ (343,209)	\$ (427,914)	\$ (533,911)	\$ (664,796)	\$ (823,443)	\$ (1,012,155)	\$ (1,234,734)	\$ (1,496,187)	\$ (1,800,520)	\$ (2,150,936)	\$ (2,549,999)	\$ (2,999,759)
Total Accumulated Depreciation	\$ (626,572)	\$ (779,614)	\$ (971,681)	\$ (1,208,901)	\$ (1,495,924)	\$ (1,836,291)	\$ (2,236,639)	\$ (2,705,921)	\$ (3,250,903)	\$ (3,876,724)	\$ (4,587,301)	\$ (5,385,430)
Operating Expenses												
O&M Expense	\$ 416,667	\$ 416,667	\$ 416,667	\$ 416,667	\$ 416,667	\$ 416,667	\$ 416,667	\$ 416,667	\$ 416,667	\$ 416,667	\$ 416,667	\$ 416,667
Depreciation Expense												
Intangible Plant	\$ 54,228	\$ 68,338	\$ 86,070	\$ 106,336	\$ 128,375	\$ 151,856	\$ 177,769	\$ 207,828	\$ 240,850	\$ 275,405	\$ 311,513	\$ 348,589
General Plant Other	\$ 67,906	\$ 84,705	\$ 105,997	\$ 130,884	\$ 158,648	\$ 188,711	\$ 222,579	\$ 261,453	\$ 304,333	\$ 350,416	\$ 399,063	\$ 449,760
Total Depreciation Expense	\$ 122,132	\$ 153,043	\$ 192,067	\$ 237,220	\$ 287,022	\$ 340,567	\$ 400,348	\$ 469,282	\$ 544,982	\$ 625,821	\$ 710,576	\$ 798,330

EXHIBIT __ (LK-23)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 313

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-23)

DATE 09/03/09

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Tenth Set of Interrogatories
Interrogatory No. 284
Page 1 of 1

Q.

Regarding Schedule C-8 for the 2010 test year, page 1:28 and page 3:26-32. Please provide a more detailed explanation for the variance in account 903 for 2010 compared to 2009 than provided in Reason J. The explanation should include a description of why there is an increase in expense for a new Customer Information System ("CIS") rather than capitalization of the amounts to a plant account.

A.

Projected increase in spending in 2010 can be mainly attributed to cost associated with the CISII system replacement project. Some of the project costs in 2010 which will be expensed (as opposed to capitalized) in accordance with SOP-98 (Statement of Position (SOP) 98-1: Accounting for the Costs of Computer Software) include: 1) Preparation of detailed project plan; 2) Review of scope and preliminary project requirements; 3) Approval of Scoping Study documentation; and 4) Start preparing for data conversion.

EXHIBIT ____ **(LK-24)**

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 314

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-24)

DATE 09/03/09

Exhibit __ (LK-24)
Page 1 of 1

**FLORIDA POWER AND LIGHT
SFHHA ADJUSTMENTS TO REFLECT DEFERRAL OF CIS O&M EXPENSE
TEST YEAR ENDING DECEMBER 31, 2010
(\$ MILLIONS)**

Source: SFHHA Interrogatories 287 and 288

CIS Reflected as O&M in Test Year	7.250
Grossed Up for Bad Debt Expense and Regulatory Assessment Fee	100.33%
CIS Reflected as O&M in Test Year Grossed Up	<u>7.274</u>
Increase to Rate Base to Capitalize or Defer O&M Costs	7.250
Average Increase to Rate Base in Test Year	3.625
FPL Filed Grossed Up Rate of Return	<u>11.80%</u>
Revenue Requirement Effect of Capitalization/Deferral	<u>0.428</u>

EXHIBIT __ (LK-25)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 315

COMPANY South FL Hospital & Healthcare Assoc.

WITNESS Lane Kollen (LK-25)

DATE 09/03/09

**FLORIDA POWER AND LIGHT
SFHHA CAPITAL EXPENDITURE REDUCTIONS
TEST YEAR ENDING DECEMBER 31, 2010
(\$ MILLIONS)**

Source: Response to SFHHA Inter 279 and Depreciation Study Exhibit CRC-1 Page 49 of 720

	2009 Budget	2009 Actual	Reduction
January-09	235	167	(68)
February-09	200	127	(73)
March-09	237	242	5
April-09	225	191	(34)
Total First Four Months	897	727	(170)
Percentage Reduction First Four Months			-19.0%
Total Annual Budget for 2009			2,790
	2009	2010	Total
Total Annual Capital Reduction for 2009	(529)	-	(529)
Average Capital Reduction for 2010		(264)	(264)
Total Test Year Capital Reduction	(529)	(264)	(793)
Jurisdictional Allocation for Gross Plant - Schedule B-1	0.988940	0.988940	
Jurisdictional Test Year Capital Reduction	(523)	(261)	(784)
FPL Filed Grossed Up Rate of Return	11.80%	11.80%	
Revenue Requirement Effect of Capital Expenditure Reduction-Gross Plant	(61,719)	(30,801)	(92,520)
Composite Depreciation Rate - Based on FPL Remaining Life Method	3.39%	3.39%	
Reduction in Depreciation Expense - Total Company	(17,933)	(8,950)	(26,883)
Jurisdictional Allocation for Gross Plant - Schedule C-1	0.990615	0.990615	0.990615
Jurisdictional Reduction in Depreciation Expense	(17,765)	(8,866)	(26,630)
Annual Accumulated Depreciation Reduction	17,765	8,866	
Time Period To Apply Reduction	1.5 Years	.5 Years	
Accumulated Depreciation Reduction - Increase to Rate Base	26,647	4,433	31,080
FPL Filed Grossed Up Rate of Return	11.80%	11.80%	
Revenue Requirement Effect of Accumulated Depreciation Reduction	3,145	0,523	3,668
Total Revenue Requirement Effect of Capital Cost Reductions	(76,340)	(39,143)	(115,483)

EXHIBIT__ (LK-26)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI **EXHIBIT 316**
COMPANY South FL Hospital & Healthcare Assoc. (Direct)
WITNESS Lane Kollen (LK-26)
DATE 09/03/09

Docket No. 080677-EI
Depreciation Study
Exhibit CRC-1, Page 53 of 720

Florida Power & Light Company

Table 5. Comparison of Theoretical Reserve and Book Reserve based on Plant in Service as of December 31, 2009

	Original Cost (1)	Theoretical Reserve (2)	Book Reserve (3)	Reserve Variance (4) = (3) - (2)
Steam				
311 Structures & Improvements	607,363,884	371,032,445	450,480,572	79,448,127
312 Boiler Plant Equipment	1,520,058,000	827,286,045	1,022,923,266	195,637,221
314 Turbogenerator Units	656,903,762	324,858,642	420,826,473	95,967,831
315 Accessory Electric Equipment	215,129,268	118,935,460	150,422,294	31,486,834
316 Miscellaneous Equipment	37,208,440	20,480,939	28,051,100	7,570,161
Total Steam	3,036,663,354	1,662,593,531	2,072,703,705	418,110,174
Nuclear				
321 Structures & Improvements	1,174,690,191	563,046,279	661,926,379	98,880,100
322 Reactor Plant Equipment	1,862,733,318	894,863,703	855,060,882	160,397,179
323 Turbogenerator Units	282,505,066	126,028,876	186,406,688	60,377,812
324 Accessory Electric Equipment	581,096,429	322,433,151	362,767,426	40,324,275
325 Miscellaneous Equipment	88,467,913	37,498,895	55,026,788	17,527,893
Total Nuclear	3,970,492,937	1,743,670,904	2,121,178,163	377,507,259
Combined Cycle				
341 Structures & Improvements	368,040,843	179,839,429	159,404,481	(20,534,948)
342 Fuel Holders, Producers & Accessories	82,917,606	37,534,832	41,033,160	3,498,328
343 Prime Movers	2,893,397,511	753,421,499	801,742,016	48,320,517
344 Generators	322,410,125	136,588,910	105,796,420	(30,792,490)
345 Accessory Electric Equipment	399,746,476	153,152,145	172,286,784	19,134,639
346 Misc. Power Plant Equipment	48,873,002	16,965,625	23,284,289	6,318,664
Total Combined Cycle	4,116,385,564	1,277,602,440	1,303,547,150	25,944,710
Combustion Turbine				
341 Structures & Improvements	13,869,890	12,464,080	12,046,516	(417,564)
342 Fuel Holders, Producers & Accessories	15,203,834	10,513,390	15,585,942	5,072,552
343 Prime Movers	112,800,506	62,987,847	91,301,391	28,313,544
344 Generators	51,167,664	46,554,280	42,187,783	(4,366,497)
345 Accessory Electric Equipment	22,215,820	12,853,378	12,288,408	(566,972)
346 Misc. Power Plant Equipment	421,309	378,083	370,806	(7,277)
Total Combustion Turbine	215,678,824	145,751,058	173,778,844	28,027,786
T, D and G				
Transmission	3,122,536,022	1,048,319,348	1,032,681,912	(15,637,436)
Distribution	10,050,556,895	3,559,394,856	3,899,924,205	340,529,349
General	672,093,362	232,057,078	310,935,651	78,878,573
Total T, D and G	13,845,186,279	4,839,771,282	5,243,541,768	403,770,486
TOTAL PLANT IN SERVICE	25,184,406,958	9,669,389,215	10,914,749,630	1,245,360,415

Note: The book reserve shown includes the allocation of the \$500 M Depreciation Expense Credit

EXHIBIT ____ **(LK-27)**

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 317

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-27)

DATE 09/03/09

**FLORIDA POWER AND LIGHT
SFHHA AMORTIZATION OF DEPRECIATION RESERVE SURPLUS
TEST YEAR ENDING DECEMBER 31, 2010
(\$ MILLIONS)**

Source: Depreciation Study Exhibit CRC-1 Page 53 of 720

Depreciation Reserve Surplus at January 1, 2010	1,245.360
Amortization Period Recommended by SFHHA	<u>5 Years</u>
Annual Depreciation Expense Reduction	<u>(249.072)</u>
Jurisdictional Allocation for Depreciation - Schedule C-1	<u>0.990615</u>
Jurisdictional Depreciation Reduction	<u>(246.735)</u>
Annual Accumulated Depreciation Reduction	246.735
Time Period To Apply Reduction	<u>.5 Years</u>
Accumulated Depreciation Reduction - Increase to Rate Base	<u>123.367</u>
FPL Filed Grossed Up Rate of Return	<u>11.80%</u>
Revenue Requirement Effect of Accumulated Depreciation Reduction	<u>14.559</u>
Total Revenue Requirement Effect of Amortization of Depr Reserve Surplus	<u>(232.176)</u>

EXHIBIT __ (LK-28)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 318

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-28)

DATE 09/03/09

FLORIDA POWER AND LIGHT
SFHHA ADJUSTMENTS TO COMPANY PROPOSED CAPITAL COSTS RECOVERY OVER FOUR YEARS
TEST YEAR ENDING DECEMBER 31, 2010
(\$ MILLIONS)

Source: Depreciation Study Exhibit CRC-1 Pages 55 through 57 of 720 and page 39 of 720

	Unrecovered Costs	FPL's Amortization Period	FPL Annual Depr	SFHHA Amortization Period or Rate	SFHHA Annual Depr	SFHHA Depr Reduction
Unrecovered Costs of Cape Canaveral at January 1, 2010						
Cape Canaveral Common	3.539	4	0.885	0	-	(0.885)
Cape Canaveral Unit 1	23.148	4	5.787	0	-	(5.787)
Cape Canaveral Unit 2	8.616	4	2.154	0	-	(2.154)
Unrecovered Costs of Cape Canaveral at January 1, 2010						
Riviera Common	0.057	4	0.014	0	-	(0.014)
Riviera Unit 1	5.664	4	1.416	0	-	(1.416)
Riviera Unit 2	3.883	4	0.971	0	-	(0.971)
Unrecovered Costs of Nuclear Upgrades at January 1, 2010						
St. Lucie Unit 1	40.821	4	10.205	27	1.512	(8.693)
St. Lucie Unit 2	37.448	4	9.362	34	1.101	(8.261)
Turkey Point Common	2.149	4	0.537	24	0.090	(0.448)
Turkey Point Unit 3	43.931	4	10.983	23	1.910	(9.073)
Turkey Point Unit 4	43.886	4	10.972	24	1.829	(9.143)
Unrecovered Costs of Acct 370 Meters Made Obsolete by AMI	101.082	4	25.270	3.26%	8.120	(17.151)
Total Unrecovered Costs at January 1, 2010	<u>314.223</u>		<u>78.556</u>		<u>14.561</u>	<u>(63.994)</u>
Jurisdictional Allocation for Depreciation - Schedule C-1						<u>0.990615</u>
Jurisdictional Depreciation Reduction						<u>(63.394)</u>
Gross Cost of Meters Used in AMI Change Computation Above	<u>249.077</u>					

EXHIBIT__ (LK-29)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 319

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-29)

DATE 09/03/09

20090428-8052 FERC PDF (Unofficial) 04/17/2009
THIS FILING IS

Item 1: ☒ An Initial (Original) Submission OR ☐ Resubmission No. ____

Form 1 Approved
OMB No. 1902-0021
(Expires 2/29/2009)
Form 1-F Approved
OMB No. 1902-0029
(Expires 2/28/2009)
Form 3-Q Approved
OMB No. 1902-0205
(Expires 2/28/2009)



FERC FINANCIAL REPORT

FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

Florida Power & Light Company

Year/Period of Report

End of 2008/Q4

Name of Respondent 20090428-8052 FERC PDF (Unofficial) Florida Power & Light Company		This Report Is: (1) <input checked="" type="checkbox"/> Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 11		Year/Period of Report End of 2008/Q4	
STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)							
<p>1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a term basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.</p>							
Line No.	Item (a)	Plant Name: Putnam (b)	Plant Name: Sanford (c)				
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Combined Cycle		Combined Cycle			
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Full Outdoor		Conventional			
3	Year Originally Constructed	1977		2002			
4	Year Last Unit was Installed	1978		2003			
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	580.00		2378.00			
6	Net Peak Demand on Plant - MW (60 minutes)	506		2105			
7	Plant Hours Connected to Load	4268		8773			
8	Net Continuous Plant Capability (Megawatts)	0		0			
9	When Not Limited by Condenser Water	496		1907			
10	When Limited by Condenser Water	478		1788			
11	Average Number of Employees	36		55			
12	Net Generation, Exclusive of Plant Use - KWh	1168216000		10673778000			
13	Cost of Plant: Land and Land Rights	37983		2612675			
14	Structures and Improvements	11535532		73673781			
15	Equipment Costs	176618382		650920220			
16	Asset Retirement Costs	0		0			
17	Total Cost	188191897		727206676			
18	Cost per KW of Installed Capacity (line 17/5) Including	324.4688		305.8060			
19	Production Expenses: Oper, Supv, & Engr	1149870		1195533			
20	Fuel	122839246		808475919			
21	Coolants and Water (Nuclear Plants Only)	0		0			
22	Steam Expenses	0		0			
23	Steam From Other Sources	0		0			
24	Steam Transferred (Cr)	0		0			
25	Electric Expenses	839435		1113514			
26	Misc Steam (or Nuclear) Power Expenses	844136		1939060			
27	Rents	0		0			
28	Allowances	0		0			
29	Maintenance Supervision and Engineering	500366		776444			
30	Maintenance of Structures	592560		319115			
31	Maintenance of Boiler (or reactor) Plant	0		0			
32	Maintenance of Electric Plant	1336920		5253737			
33	Maintenance of Misc Steam (or Nuclear) Plant	57450		362630			
34	Total Production Expenses	128159983		819435952			
35	Expenses per Net KWh	0.1097		0.0768			
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Oil	Gas		Gas		
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Barrels	Mcf		Mcf		
38	Quantity (Units) of Fuel Burned	690	11371948	0	76417286	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	138310	1031325	0	1031885	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	66.296	10.798	0.000	10.580	0.000	0.000
41	Average Cost of Fuel per Unit Burned	66.296	10.798	0.000	10.580	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	11.413	10.798	0.000	10.580	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.000	0.105	0.000	0.076	0.000	0.000
44	Average BTU per KWh Net Generation	0.000	10043.000	0.000	7388.000	0.000	0.000

EXHIBIT __ (LK-30)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT 320**

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-30)

DATE 09/03/09

Florida Power & Light Company

Table 13. Comparison of Existing and Proposed Remaining Life Depreciation Rates based on Electric Generation Plant in Service as of December 31, 2009

	Original Cost	Book Reserve	Net Salvage	Existing Annual Depreciation		Life Span Date	Survivor Curve	Proposed		Increase/ Decrease	
				Rate	Amount			Net Salvage	Annual Depreciation		
									Rate		Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11) = (10) - (8)
COMBINED CYCLE PRODUCTION PLANT											
Putnam Combined Cycle Plant											
Putnam Common											
341 Structures & Improvements	12,728,938	9,449,327	(2)	4.10	521,886	6-2020	25 - R5	(12)	19.97	2,414,572	1,892,686
342 Fuel Holders, Producers & Accessories	11,435,670	8,470,029	0	3.70	423,120	6-2020	22 - R3	(3)	2.97	338,209	(83,911)
343 Prime Movers	20,148,555	11,834,806	0	6.30	1,269,233	6-2020	50 - R1 (a)	(2)	4.17	840,832	(428,401)
344 Generators	170,589	47,851	(1)	3.80	6,462	6-2020	30 - R5	(11)	8.04	13,712	7,230
345 Accessory Electric Equipment	1,523,348	1,111,862	(1)	4.20	83,981	6-2020	28 - R4	(3)	6.24	95,007	31,026
346 Misc. Power Plant Equipment	1,440,820	981,618	0	3.70	53,299	6-2020	22 - R4	0	7.08	102,082	48,763
Total Putnam Common	47,445,588	37,895,293			2,336,007					3,805,394	1,467,393
Putnam Unit 1											
341 Structures & Improvements	38,546	31,993	(2)	4.50	1,735	6-2020	25 - R5	(12)	17.72	6,532	5,097
342 Fuel Holders, Producers & Accessories	68,735	56,094	0	4.10	2,818	6-2020	22 - R3	(3)	3.64	2,499	(319)
343 Prime Movers	61,302,516	42,394,824	0	5.20	3,187,731	6-2020	60 - R1 (a)	(2)	3.03	1,869,369	(1,328,342)
344 Generators	7,708,123	5,576,593	(1)	6.40	416,239	6-2020	30 - R5	(11)	6.34	488,792	72,553
345 Accessory Electric Equipment	7,159,774	5,862,353	(1)	4.30	307,870	6-2020	28 - R4	(3)	3.32	237,861	(70,009)
346 Misc. Power Plant Equipment	407,803	332,744	0	4.10	16,720	6-2020	22 - R4	0	7.81	31,836	15,115
Total Putnam Unit 1	76,695,497	54,224,691			3,933,713					2,627,209	(1,305,904)
Putnam Unit 2											
341 Structures & Improvements	38,546	27,826	(2)	4.40	1,696	6-2020	25 - R5	(12)	28.44	10,964	8,288
342 Fuel Holders, Producers & Accessories	68,872	48,951	0	4.10	2,816	6-2020	22 - R3	(3)	7.19	4,936	2,119
343 Prime Movers	59,896,462	39,499,582	0	5.40	3,234,409	6-2020	50 - R1 (a)	(2)	3.47	2,078,665	(1,155,744)
344 Generators	7,979,237	6,074,889	(1)	6.60	526,630	6-2020	30 - R5	(11)	4.61	368,010	(158,620)
345 Accessory Electric Equipment	7,332,410	5,184,096	(1)	4.20	307,981	6-2020	28 - R4	(3)	7.92	581,088	273,107
346 Misc. Power Plant Equipment	392,893	278,918	0	4.10	16,078	6-2020	22 - R4	0	17.51	68,668	52,592
Total Putnam Unit 2	75,707,420	57,113,944			4,083,586					3,112,370	(977,278)
Total Putnam Combined Cycle Plant	199,838,515	137,233,928			10,760,702					9,544,913	(615,789)

Docket No. 080677-EI
Depreciation Study
Exhibit CRC-1, Page 132 of 720

EXHIBIT __ (LK-31)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 321

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-31)

DATE 09/03/09

Let's turn the answers



2008

Integrated Resource Plan

Volume I



May 28, 2009



A MIDAMERICAN ENERGY HOLDINGS COMPANY

Pacific Power | Rocky Mountain Power | PacifiCorp Energy

Table 6.2 – East Side Supply-Side Resource Options

Description	Location / Timing		Plant Details			Outage Information		Costs				Emissions			
	Installation	Earliest In-Service Date	Average Capacity	Design Plant Life	Annual Heat Rate	Minut. Outage	Equivalent Forced Outage	Low Estimate Capital Cost	High Estimate Capital Cost	Var. O&M	Fixed O&M	SO ₂	NO _x	Hg	CO ₂
	Location	Mid-Year	(MW)	in Years	BTU/kWh	Rate	Rate (EFO%)	(\$/kW)	(\$/kW)	(\$/kW-hr)	(\$/kW-yr)	(lbs/MWh TT)	(lbs/MWh TT)	lbs/Year	(lbs/MWh TT)
East Side Options (4500')															
Coal															
Utah PC without Carbon Capture & Sequestration	Utah	2020	600	40	9,186	5%	4%	3,788	3,521	\$ 0.96	\$ 34.40	0.100	0.070	0.40	305.35
Utah PC with Carbon Capture & Sequestration	Utah	2025	526	40	13,087	5%	5%	5,040	6,367	\$ 6.71	\$ 66.02	0.050	0.030	0.30	20.54
Utah KCC with Carbon Capture & Sequestration	Utah	2025	466	40	10,823	7%	8%	4,880	6,164	\$ 11.28	\$ 53.24	0.050	0.011	0.04	20.54
Wyoming PC without Carbon Capture & Sequestration	Wyoming	2020	790	40	9,214	5%	4%	3,156	3,087	\$ 1.27	\$ 36.00	0.100	0.070	0.60	205.35
Wyoming PC with Carbon Capture & Sequestration	Wyoming	2025	692	40	11,242	5%	5%	5,707	7,209	\$ 7.26	\$ 61.37	0.050	0.020	0.30	20.54
Wyoming KCC with Carbon Capture & Sequestration	Wyoming	2025	456	40	11,047	7%	8%	5,325	6,979	\$ 13.52	\$ 58.00	0.050	0.012	0.06	20.54
Existing PC with Carbon Capture & Sequestration (500 MW)	UT / WY	2025	(139)	20	14,372	5%	5%	1,253	1,583	\$ 6.71	\$ 66.07	0.050	0.011	0.30	20.54
Natural Gas															
Utility Cogeneration	Utah	2011	10	25	4,974	10%	8%	4,822	6,091	\$ 23.29	\$ 1.46	-	-	0.26	118.00
Fuel Cell - Large	Utah	2013	5	25	7,262	2%	3%	1,704	2,133	\$ 0.03	\$ 0.40	0.001	-	0.26	118.00
SCCT Aero	Utah	2012	118	30	9,773	4%	3%	1,070	1,351	\$ 5.63	\$ 9.95	0.001	0.011	0.26	118.00
Intercooled Aero SCCT	Utah	2012	174	30	9,402	4%	3%	999	1,262	\$ 2.71	\$ 4.04	0.001	0.011	0.26	118.00
Intercooled Aero SCCT	Utah	2012	261	30	9,402	4%	3%	999	1,262	\$ 2.71	\$ 4.04	0.001	0.011	0.26	118.00
Intercooled Aero SCCT	Wyoming	2012	241	30	9,402	4%	3%	1,063	1,358	\$ 2.94	\$ 4.39	0.001	0.011	0.26	118.00
Internal Combustion Engines	Utah	2009	152	30	8,500	5%	1%	1,258	1,589	\$ 5.20	\$ 12.30	0.001	0.017	0.26	118.00
SCCT Frame (2 Frame "F")	Utah	2012	302	35	11,658	4%	3%	710	897	\$ 4.47	\$ 3.74	0.001	0.050	0.26	118.00
SCCT Frame (2 Frame "F")	Wyoming	2012	275	35	11,659	4%	3%	770	972	\$ 4.85	\$ 4.05	0.001	0.050	0.26	118.00
CCCT (Wet "F" 1x1)	Utah	2013	222	40	7,302	4%	3%	1,258	1,640	\$ 2.94	\$ 12.79	0.001	0.011	0.26	118.00
CCCT Dual Firing (Wet "F" 1x1)	Utah	2013	50	40	8,869	4%	3%	530	669	\$ 0.39	\$ 1.60	0.001	0.011	0.26	118.00
CCCT (Wet "F" 2x1)	Utah	2013	506	40	7,098	4%	3%	1,182	1,483	\$ 2.94	\$ 7.77	0.001	0.011	0.26	118.00
CCCT Dual Firing (Wet "F" 2x1)	Utah	2013	64	40	8,337	4%	3%	596	753	\$ 0.39	\$ 1.60	0.001	0.011	0.26	118.00
CCCT (Dry "F" 2x1)	Utah	2017	438	40	7,368	4%	3%	1,212	1,520	\$ 3.35	\$ 9.69	0.001	0.011	0.26	118.00
CCCT Dual Firing (Dry "F" 2x1)	Utah	2017	98	40	8,950	4%	3%	611	772	\$ 0.11	\$ 1.60	0.001	0.011	0.26	118.00
CCCT (Wet "G" 1x1)	Utah	2013	333	40	6,884	4%	3%	1,227	1,550	\$ 4.36	\$ 6.75	0.001	0.011	0.26	118.00
CCCT Dual Firing (Wet "G" 1x1)	Utah	2013	72	40	9,021	4%	3%	520	656	\$ 0.36	\$ 1.63	0.001	0.011	0.26	118.00
CCCT Advanced (Wet)	Utah	2018	400	40	6,760	4%	3%	1,355	1,712	\$ 4.36	\$ 6.75	0.001	0.011	0.26	118.00
CCCT Advanced Dual Firing (Wet)	Utah	2018	75	40	9,021	4%	3%	665	840	\$ 0.36	\$ 1.63	0.001	0.011	0.26	118.00
Other - Renewables															
Roe (Wyoming) Wind (25% CF)	Wyoming	2010	100	25	n/a	n/a	n/a	2,215	2,954	-	\$ 31.43	-	-	-	-
East Side Geothermal (Bundell)	Utah	2013	35	40	n/a	5%	5%	5,782	7,304	\$ 5.94	\$ 110.85	-	-	-	-
East Side Geothermal (Green Field)	Utah	2013	35	40	n/a	5%	5%	5,783	7,304	\$ 5.94	\$ 110.85	-	-	-	-
Battery Storage	Utah	2014	5	10	12,000	2%	5%	1,980	2,501	\$ 10.00	\$ 1.60	0.100	0.400	3.00	205.35
Pumped Storage	Nevada	2018	250	50	13,000	5%	5%	1,684	2,127	\$ 4.20	\$ 4.30	0.100	0.400	3.00	205.35
Compressed Air Energy Storage (CAES)	Wyoming	2015	150	20	11,980	4%	3%	1,483	1,873	\$ 5.50	\$ 3.80	0.001	0.011	0.26	118.00
Recovered Energy Generation (CHP)	UT / WY	2011	12	30	-	8%	8%	5,500	5,500	-	\$ 91.92	-	-	-	-
Nuclear	Utah	2025	1,600	40	10,710	7%	8%	5,188	6,553	\$ 1.63	\$ 144.70	-	-	-	-
Solar Concentrating (PV) - 30% CF	Utah	2015	10	20	n/a	n/a	n/a	6,194	7,824	-	\$ 180.00	-	-	-	-
Solar Concentrating (natural gas backup) - 25% solar	Utah	2015	250	20	n/a	n/a	n/a	3,943	4,900	-	\$ 153.60	-	-	-	-
Solar Concentrating (thermal storage) - 30% solar	Utah	2012	250	30	n/a	n/a	n/a	4,418	5,980	-	\$ 139.50	-	-	-	-

Table 6.3 - West Side Supply-Side Resource Options

Description	Location / Timing		Plant Details			Outage Information		Costs				Emissions			
	Location	Earliest In-Service Date	Average Capacity	Design Plant Life	Annual Heat Rate	Must Outage	Equivalent Forced Outage	Low Estimate Capital Cost	High Estimate Capital Cost	Var O&M	Fixed O&M	SO ₂	NO _x	Hg	CO ₂
	Location	Mid-Year	(MW)	in Years	BTU/kWh	Rate	Rate (EFOR)	(\$/kW)	(\$/kW)	(\$/MWh)	(\$/MWh)	(lbs/MWh)	(lbs/MWh)	(lb/1000)	(lbs/MWh)
West Side Options (1500')															
Natural Gas															
Fuel Cell - Large	Northwest	2013	5	25	7,262	2%	3%	1,704	2,153	\$ 0.03	\$ 8.40	0.001	-	0.26	118.00
SCCT Aero	Northwest	2012	130	30	9,773	4%	3%	972	1,228	\$ 5.12	\$ 9.04	0.001	0.011	0.26	118.00
Intercooled Aero SCCT	Northwest	2012	297	30	9,402	4%	3%	909	1,147	\$ 2.46	\$ 3.68	0.001	0.011	0.26	118.00
Internal Combustion Engines	Northwest	2012	168	30	8,500	2%	1%	1,143	1,434	\$ 5.20	\$ 12.80	0.001	0.017	0.26	118.00
SCCT Frame (3 Frame "F")	Northwest	2012	338	35	11,659	4%	3%	645	815	\$ 4.07	\$ 3.40	0.001	0.011	0.26	118.00
CCCT (Wet "F" 1x1)	Northwest	2013	244	40	7,302	4%	3%	1,180	1,491	\$ 2.67	\$ 11.62	0.001	0.011	0.26	118.00
CCCT Dust Firing (Wet "F" 1x1)	Northwest	2013	55	40	8,869	4%	3%	483	606	\$ 0.36	\$ 1.35	0.001	0.011	0.26	118.00
CCCT (Wet "F" 2x1)	Northwest	2013	557	40	7,098	4%	3%	1,074	1,357	\$ 2.67	\$ 7.07	0.001	0.011	0.26	118.00
CCCT Dust Firing (Wet "F" 2x1)	Northwest	2013	70	40	8,557	4%	3%	542	685	\$ 0.36	\$ 1.45	0.001	0.011	0.26	118.00
CCCT (Wet "G" 1x1)	Northwest	2013	267	40	6,884	4%	3%	1,116	1,409	\$ 4.12	\$ 6.13	0.001	0.011	0.26	118.00
CCCT (Wet "G" 1x1)	Northwest	2013	367	40	6,884	4%	3%	472	597	\$ 0.33	\$ 1.44	0.001	0.011	0.26	118.00
CCCT Dust Firing (Wet "G" 1x1)	Northwest	2013	91	40	9,021	4%	3%	1,232	1,556	\$ 4.14	\$ 6.13	0.001	0.011	0.26	118.00
CCCT Advanced (Wet)	Northwest	2018	440	40	6,760	4%	3%	605	764	\$ 0.33	\$ 1.48	0.001	0.011	0.26	118.00
CCCT Advanced Dust Firing (Wet)	Northwest	2018	83	40	9,021	4%	3%								
Other - Renewables															
West Wind	Northwest	2010	50	25	n/a	n/a	n/a	2,350	3,134	-	\$ 31.43	-	-	-	205.39
Biomass	Northwest	2015	50	30	10,979	5%	4%	3,179	4,016	\$ 0.96	\$ 38.80	0.000	0.350	0.40	-
West Side Geothermal (Green Field)	Northwest	2013	35	40	n/a	n/a	n/a	5,782	7,304	\$ 5.94	\$ 110.65	-	-	-	-
Compressed Air Energy Storage (CAES)	Northwest	2015	385	30	11,980	4%	3%	1,483	1,873	\$ 5.00	\$ 3.43	0.001	0.011	0.26	118.00
Hydrokinetic (Wave) - 21% CF	Northwest	2015	100	20	n/a	n/a	n/a	5,700	7,200	-	\$ 180.00	-	-	-	-
West Side Options (Sea Level)															
Natural Gas															
Fuel Cell - Large	Northwest	2013	5	25	7,262	2%	3%	1,704	2,153	\$ 0.03	\$ 8.40	0.001	-	0.26	118.00
SCCT Aero	Northwest	2012	136	30	9,773	4%	3%	924	1,167	\$ 4.87	\$ 8.59	0.001	0.011	0.26	118.00
Intercooled Aero SCCT	Northwest	2012	302	30	9,402	4%	3%	863	1,090	\$ 2.33	\$ 3.49	0.001	0.017	0.26	118.00
Internal Combustion Engines	Northwest	2012	177	30	8,500	2%	1%	1,086	1,372	\$ 5.20	\$ 12.80	0.001	0.017	0.26	118.00
SCCT Frame (3 Frame "F")	Northwest	2012	356	35	11,659	4%	3%	613	774	\$ 3.87	\$ 3.23	0.001	0.011	0.26	118.00
CCCT (Wet "F" 1x1)	Northwest	2013	257	40	7,302	4%	3%	1,121	1,416	\$ 2.55	\$ 11.07	0.001	0.011	0.26	118.00
CCCT Dust Firing (Wet "F" 1x1)	Northwest	2013	58	40	8,869	4%	3%	458	578	\$ 0.34	\$ 1.38	0.001	0.011	0.26	118.00
CCCT (Wet "F" 2x1)	Northwest	2013	585	40	7,098	4%	3%	1,020	1,289	\$ 2.55	\$ 6.73	0.001	0.011	0.26	118.00
CCCT Dust Firing (Wet "F" 2x1)	Northwest	2013	74	40	8,557	4%	3%	515	650	\$ 0.34	\$ 1.38	0.001	0.011	0.26	118.00
CCCT (Wet "G" 1x1)	Northwest	2013	306	40	6,884	4%	3%	1,060	1,339	\$ 3.91	\$ 5.81	0.001	0.011	0.26	118.00
CCCT (Wet "G" 1x1)	Northwest	2013	366	40	6,884	4%	3%	449	567	\$ 0.31	\$ 1.41	0.001	0.011	0.26	118.00
CCCT Dust Firing (Wet "G" 1x1)	Northwest	2018	84	40	9,021	4%	3%	1,120	1,479	\$ 3.94	\$ 5.84	0.001	0.011	0.26	118.00
CCCT Advanced (Wet)	Northwest	2018	461	40	6,760	4%	3%	574	725	\$ 0.31	\$ 1.41	0.001	0.011	0.26	118.00
CCCT Advanced Dust Firing (Wet)	Northwest	2018	87	40	9,021	4%	3%								

EXHIBIT __ (LK-32)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 322

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-32)

DATE 09/03/09

FLORIDA POWER AND LIGHT
SFHHA ADJUSTMENTS TO COMPANY PROPOSED SERVICE LIVES FOR COMBINED CYCLE GAS TURBINE UNITS
TEST YEAR ENDING DECEMBER 31, 2010
(\$ MILLIONS)

Source: Depreciation Study Exhibit CRC-1 Page 60 of 720 for WCEC Units 1 and 2
Depreciation Study Exhibit CRC-1 Pages 129-133 of 720 for All Other Units

	FPL's Remaining Service Life	FPL Annual Depr	SFHHA Remaining Service Life	SFHHA Annual Depr	SFHHA Depr Reduction
Comined Cycle Units					
West County Unit 1	25	36.032	40	22.520	(13.512)
West County Unit 2	25	30.625	40	19.140	(11.484)
Lauderdale Units 4, 5 and Common	10	25.657	25	10.263	(15.394)
Ft. Meyers Units 2, 3 and Common	18	35.040	33	19.113	(15.927)
Manatee Unit 3	20	22.551	35	12.886	(9.665)
Martin Units 3, 4, Common and Pipeline	10	25.650	25	10.260	(15.390)
Martin Unit 8	20	21.028	35	12.016	(9.012)
Putnam Units 1, 2 and Common	10	9.545	25	3.818	(5.727)
Samford Unit 4 and Common	18	22.110	33	12.060	(10.050)
Samford Unit 5 and Common	17	17.318	32	9.200	(8.118)
Turkey Point Unit 5	22	25.180	37	14.972	(10.208)
Total		<u>270.736</u>		<u>146.249</u>	<u>(124.488)</u>
Jurisdictional Allocation for Depreciation - Schedule C-1					<u>0.990615</u>
Jurisdictional Depreciation Reduction					<u>(123.319)</u>
Annual Accumulated Depreciation Reduction		123.319			
Time Period To Apply Reduction		<u>.5 Years</u>			
Accumulated Depreciation Reduction - Increase to Rate Base		<u>61.660</u>			
FPL Filed Grossed Up Rate of Return		<u>11.80%</u>			
Revenue Requirement Effect of Accumulated Depreciation Reduction		<u>7.276</u>			
Total Revenue Requirement Effect of Capital Cost Recovery Adjustment		<u>(116.043)</u>			

EXHIBIT __ (LK-33)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT 323**

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-33)

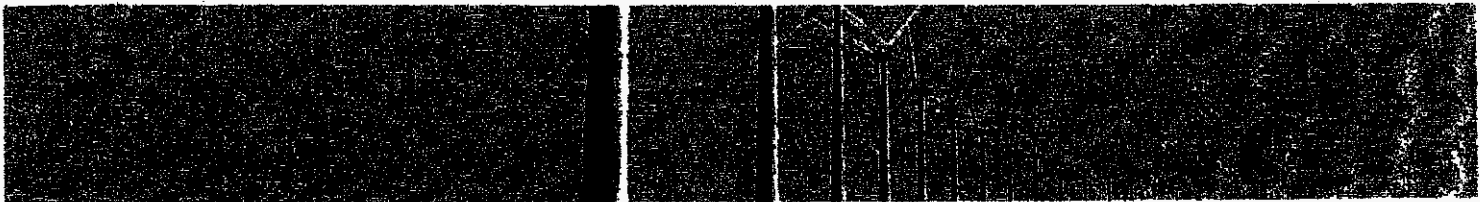
DATE 09/03/09

Major players team up for Florida SmartMeter project

Page 1 of 2

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Major players team up for Florida SmartMeter project

Monday, 20 April 2009 22:19

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The city of Miami announced on April 20 that it is installing a million fully-functioning smart meters for all residents within the next two years. Once carried out, the smart meter program will be the most comprehensive in the entire country.

Digg

Mayor Manny Diaz announced the plans, titled Energy Smart Miami, at a press conference hosted by Miami Dade College. The first phase, which involves the smart meter installations, will cost an estimated \$200 million. Also present at the press conference were the CEOs of the major contributors to the project including Lewis Hay of Florida Power & Light (FPL), John Chambers of Cisco, Jeffery Immelt of GE, and Scott Lang of Silver Spring Networks.

submit

"To me these are prudent and smart investments that will easily pay for themselves," said Diaz. "It will show the nation how to address environmental, energy, and economic challenges all at the same time."

The smart meters will be able to communicate wirelessly over the internet. FPL's customers will be able to get detailed information describing their energy usage and use it to lower their consumption, said FPL CEO Hay.

Around 1000 consumers will get an EcoDashBoard - a central in-home energy display and control unit - that will allow for appliances and the thermostat to be controlled by the smart meter. This group of consumers will be enrolled in a demand response program that allows FPL to adjust how appliances use energy during peak times of demand.

Across Florida the project will add Internet connectivity to power substations and other hardware along the distribution grid. Hay said that the \$700 million effort will allow FPL to prevent and quickly determine the source of power outages.

The utility is applying for a matching grant from the stimulus package that Hay says will allow FPL to complete the project within two years. Without the funding it will take five. Around 100,000 FPL customer in the Miami area have already been provided with smart meters that are equipped with networking technology provided by Silver Spring Networks.

Additional investments will be made to provide solar power at schools and universities and to purchase 300 plug-in electric vehicles accompanied by 50 charging stations. FPL will have the ability to better integrate distributed renewable power sources and will be able to run the entire system efficiently.

"We have 100,000 of the meters deployed already and customers are seeing real savings," said Hay. "It's an open architecture based system that will allow new applications to be developed to automate home energy monitoring."

GE CEO Immelt said that the project will involve technologies that cover the power grid from end to end - from the power generation source to where it is consumed within the home.

"The most important word to come away with from today isn't 'green.' It's 'now,'" said Immelt. "The technologies are available now, the investments need to take place, the jobs need to be created now. This is the kind of project the country should be doing."

Mayor Diaz said that between 800 and 1000 jobs will be created and that \$5 to \$7 billion will be pumped into the general economy by 2015 as a result of the savings realized by consumers. Diaz added that climate concerns are at the forefront in Miami - a city that would be underwater should

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Major players team up for Florida SmartMeter project

the seas rise a few feet.

Cisco will be providing the network infrastructure for the project. CEO Chambers said that countries around the world are recognising the importance of investing in a smart grid.

"This is an instant replay of the Internet," said Chambers. "Instead of moving zeros and ones, we're moving electricity."

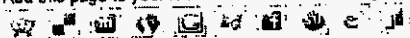
Florida Power & Light
P.O. Box 025576
Miami, FL 33102
<http://www.fpl.com>

Cisco Systems, Inc.
170 West Tasman Dr.
San Jose, CA 95134
<http://www.cisco.com>

General Electric
3135 Easton Turnpike
Fairfield, CT 06828
<http://www.ge.com>

Silver Spring Networks
575 Broadway Street
Redwood City, CA 94063
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EXHIBIT __ (LK-34)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 324

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-34)

DATE 09/03/09

**FLORIDA POWER AND LIGHT
SFHHA ADJUSTMENT TO REFLECT EFFECTS OF ECONOMIC STIMULUS BILL
TEST YEAR ENDING DECEMBER 31, 2010
(\$ MILLIONS)**

Source: Depreciation Study Exhibit CRC-1 Page 54 of 720

Economic Stimulus Expected for AMI Deployment	(20.000)
Remaining Life Depr Rate Proposed by FPL Acct 370.1 (Meters-AMI)	<u>7.97%</u>
Annual Depreciation Expense Reduction	<u>(1.594)</u>
Jurisdictional Allocation for Depreciation - Schedule C-1	<u>0.990615</u>
Jurisdictional Depreciation Reduction	<u>(1.579)</u>
 Reduction to Gross Plant in Rate Base	 (20.000)
Annual Accumulated Depreciation Reduction	1.579
Time Period To Apply Reduction	<u>5 Years</u>
Accumulated Depreciation Reduction - Increase to Rate Base	<u>0.790</u>
 Net Reduction to Rate Base	 (19.210)
 FPL Filed Grossed Up Rate of Return	 <u>11.80%</u>
 Revenue Requirement Effect of Reduction in Rate Base	 <u>(2.267)</u>
 Total Revenue Requirement Effect	 <u>(3.846)</u>

EXHIBIT __ (LK-35)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 325

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-35)

DATE 09/03/09

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Ninth Set of Interrogatories
Interrogatory No. 279
Page 1 of 1

Q.
Regarding Testimony of FPL Witness Barrett:

Regarding Exhibit REB-16. Please provide the 2009 budget capital expenditure information by month and provide the 2009 actual information by month for all months for which actual information is available.

A.
See Attachment No. 1.

Florida Power and Light Company
Docket No. 080677-EI
SFHHA's Ninth Set of Interrogatories
Interrogatory No. 279
Attachment No. 1, Page 1 of 2

Regarding Testimony of FPL Witness Barrett:

Regarding Exhibit REB-16. Please provide the 2009 budget capital expenditure information by month and provide the 2009 actual information by month for all months for which actual information is available.

2009 Approved Capital Budget
Excludes New England Division
(\$millions)

<u>Business Unit</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Power Generation	\$ 22	\$ 24	\$ 38	\$ 33	\$ 35	\$ 34	\$ 35	\$ 31	\$ 41	\$ 40	\$ 37	\$ 47	\$ 417
Nuclear	53	34	64	35	63	34	34	46	30	33	63	42	533
Transmission	33	19	22	24	18	14	20	14	14	18	22	7	225
Distribution	30	31	39	32	32	31	25	31	26	24	22	22	345
Customer Service	1	0	1	1	1	2	4	3	5	8	9	10	45
Engineering & Construction and Project Development	81	74	53	82	105	96	91	91	95	102	80	85	1,034
Other	16	17	20	19	15	16	16	17	17	15	11	13	192
Total	\$ 235	\$ 200	\$ 237	\$ 225	\$ 269	\$ 226	\$ 224	\$ 234	\$ 229	\$ 241	\$ 244	\$ 226	\$ 2,790

Actuals for 2009 Approved Capital Budget
Excludes New England Division
(\$millions)

<u>Business Unit</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>
Power Generation	\$ 14	\$ 24	\$ 23	\$ 32
Nuclear	24	23	38	43
Transmission	16	13	35	20
Distribution	32	28	35	30
Customer Service	0	0	0	0
Engineering & Construction and Project Development	67	26	95	50
Other *	14	13	17	16
Total	\$ 167	\$ 127	\$ 242	\$ 191

* Other for month of April excludes \$83 million credit for DOE settlement relative to spent nuclear fuel storage not included in budget

Florida Power and Light Company
Docket No. 080677-EI
SFHHA's Ninth Set of Interrogatories
Interrogatory No. 279
Attachment No. 1, Page 2 of 2

2009 Approved Capital Bud
Excludes New England Division
(\$millions)

Reference
Exhibit REB-16
2009

<u>Business Unit</u>	<u>Approved Budget</u>	<u>Difference</u>	<u>Comment</u>
Power Generation	\$ 417	\$ (0)	
Nuclear	533	(0)	
Transmission	225	(0)	
Distribution	345	(0)	
Customer Service	54	(9)	During year budget transfer
Engineering & Construction and Project Development	1,025	9	During year budget transfer
Other	191	1	Net rounding differences
Total	\$ 2,790	\$ (0)	

Actuals for 2009 Approved
Excludes New England Division
(\$millions)

Business Unit

Power Generation
Nuclear
Transmission
Distribution
Customer Service
Engineering & Construction and Project Development
Other *
Total

* Other for month of April excludes

EXHIBIT__ (LK-36)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 326

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-36)

DATE 09/03/09

FLORIDA POWER AND LIGHT COST OF CAPITAL
TEST YEAR ENDING DECEMBER 31, 2010
(\$ MILLIONS)

FPL Cost of Capital Per Filing

	Jurisdictional Adjusted Capital	Capital Ratio	Cost Rate	Weighted Avg Cost	(1) Grossed Up Cost
Long Term Debt	5,377.787	31.52%	5.55%	1.75%	1.75%
Customer Deposits	564.652	3.31%	5.98%	0.20%	0.20%
Short Term Debt	161.857	0.95%	2.96%	0.03%	0.03%
Deferred Income Tax	2,723.327	15.96%	0.00%	0.00%	0.00%
Investment Tax Credits	56.983	0.33%	9.74%	0.03%	0.03%
Common Equity	8,178.980	47.93%	12.50%	5.99%	9.79%
Total Capital	17,063.587	100.00%		8.00%	11.80%

II. FPL Cost of Capital Adjusted to Restate Common Equity and Debt Capital Structure as Recommended by Mr. Baudino

	Jurisdictional Capital Before Adjustment	Jurisdictional Adjustment	Jurisdictional Adjusted Capital	Capital Ratio	Cost Rate	Weighted Avg Cost	(1) Grossed Up Cost
Long Term Debt	5,377.787	845.038	6,222.825	36.47%	5.55%	2.02%	2.03%
Customer Deposits	564.652		564.652	3.31%	5.98%	0.20%	0.20%
Short Term Debt	161.857		161.857	0.95%	2.96%	0.03%	0.03%
Deferred Income Tax	2,723.327		2,723.327	15.96%	0.00%	0.00%	0.00%
Investment Tax Credits	56.983		56.983	0.33%	9.74%	0.03%	0.03%
Common Equity	8,178.980	(845.038)	7,333.942	42.98%	12.50%	5.37%	8.78%
Total Capital	17,063.587	-	17,063.587	100.00%		7.65%	11.07%

Incremental Grossed Up ROR	-0.74%
SFHHA Rate Base	16,511.804
SFHHA Revenue Requirement Effect	(121.424)

**FLORIDA POWER AND LIGHT COST OF CAPITAL
TEST YEAR ENDING DECEMBER 31, 2010
(\$ MILLIONS)**

V. FPL Cost of Capital Adjusted to Reallocate Pro Rata Adjustments

	Jurisdictional Capital Before Adjustment	Jurisdictional Adjustment	Jurisdictional Adjusted Capital	Capital Ratio	Cost Rate	Weighted Avg Cost	(1) Grossed Up Cost
Long Term Debt	5,784.682	(176.958)	5,607.724	32.54%	5.55%	1.81%	1.81%
Customer Deposits	564.652	61.731	626.383	3.64%	5.98%	0.22%	0.22%
Short Term Debt	600.000	(4.369)	595.631	3.46%	2.96%	0.10%	0.10%
Deferred Income Tax	2,890.721	334.472	3,225.193	18.72%	0.00%	0.00%	0.00%
Investment Tax Credits	56.983	6.229	63.212	0.37%	9.74%	0.04%	0.04%
Common Equity	7,333.942	(221.105)	7,112.837	41.28%	12.50%	5.16%	8.43%
Total Capital	17,230.981	-	17,230.981	100.00%		7.32%	10.60%
Incremental Grossed Up ROR							-0.29%
SFHHA Rate Base							16,511.804
SFHHA Revenue Requirement Effect							(48.695)

VI. FPL Cost of Capital Adjusted to Increase ADIT for Depreciation Changes

	Jurisdictional Capital Before Adjustment	Jurisdictional Adjustment	Jurisdictional Adjusted Capital	Capital Ratio	Cost Rate	Weighted Avg Cost	(1) Grossed Up Cost
Long Term Debt	5,607.724		5,607.724	32.38%	5.55%	1.80%	1.80%
Customer Deposits	626.383		626.383	3.62%	5.98%	0.22%	0.22%
Short Term Debt	595.631		595.631	3.44%	2.96%	0.10%	0.10%
Deferred Income Tax	3,225.193	88.180	3,313.373	19.13%	0.00%	0.00%	0.00%
Investment Tax Credits	63.212		63.212	0.36%	9.74%	0.04%	0.04%
Common Equity	7,112.837		7,112.837	41.07%	12.50%	5.13%	8.39%
Total Capital	17,230.981	88.180	17,319.161	100.00%		7.28%	10.54%
Incremental Grossed Up ROR							-0.05%
SFHHA Rate Base							16,511.804
SFHHA Revenue Requirement Effect							(8.909)

FLORIDA POWER AND LIGHT COST OF CAPITAL
TEST YEAR ENDING DECEMBER 31, 2010
(\$ MILLIONS)

III. FPL Cost of Capital Adjusted to Restate ROE at 10.4% as Recommended by Mr. Baudino

	Jurisdictional Capital Before Adjustment	Jurisdictional Adjustment	Jurisdictional Adjusted Capital	Capital Ratio	Cost Rate	Weighted Avg Cost	(1) Grossed Up Cost
Long Term Debt	5,607.724		5,607.724	32.38%	5.55%	1.80%	1.80%
Customer Deposits	626.383		626.383	3.62%	5.98%	0.22%	0.22%
Short Term Debt	595.631		595.631	3.44%	2.96%	0.10%	0.10%
Deferred Income Tax	3,313.373		3,313.373	19.13%	0.00%	0.00%	0.00%
Investment Tax Credits	63.212		63.212	0.36%	9.74%	0.04%	0.04%
Common Equity	7,112.837		7,112.837	41.07%	10.40%	4.27%	6.98%
Total Capital	17,319.161	-	17,319.161	100.00%		6.42%	9.13%
Incremental Grossed Up ROR							-1.41%
SFHHA Rate Base							16,511.804
SFHHA Revenue Requirement Effect							(232.610)

**FLORIDA POWER AND LIGHT COST OF CAPITAL
TEST YEAR ENDING DECEMBER 31, 2010
(\$ MILLIONS)**

III. FPL Cost of Capital Adjusted to Restate Short Term Debt Rate as Recommended by Mr. Baudino

	Jurisdictional Capital Before Adjustment	Jurisdictional Adjustment	Jurisdictional Adjusted Capital	Capital Ratio	Cost Rate	Weighted Avg Cost	(1) Grossed Up Cost
Long Term Debt	5,607.724		5,607.724	32.38%	5.55%	1.80%	1.80%
Customer Deposits	626.383		626.383	3.62%	5.98%	0.22%	0.22%
Short Term Debt	595.631		595.631	3.44%	0.60%	0.02%	0.02%
Deferred Income Tax	3,313.373		3,313.373	19.13%	0.00%	0.00%	0.00%
Investment Tax Credits	63.212		63.212	0.36%	9.74%	0.04%	0.04%
Common Equity	7,112.837		7,112.837	41.07%	10.40%	4.27%	6.98%
Total Capital	17,319.161	-	17,319.161	100.00%		6.34%	9.05%
Incremental Grossed Up ROR							-0.08%
SFHHA Rate Base							<u>16,511.804</u>
SFHHA Revenue Requirement Effect Before Adding Back Facility and Administrative Fees							<u>(13.446)</u>
Facility and Administrative Fees Added to Revenue Requirement as Interest Expense							<u>1.661</u>
Net SFHHA Revenue Requirement Effect							<u>(11.785)</u>

(1) Grossed up costs include effects of federal and state income taxes, bad debt expense and regulatory assessment fee found on Schedule C-44.

Federal Income Tax Rate	35.00000%
State Income Tax Rate	5.50000%
Bad Debt	0.00260%
Regulatory Assessment Fee	0.00072%

EXHIBIT__ (LK-37)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET No. 080677-EI & 090130-EI **EXHIBIT** 327

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-37)

DATE 09/03/09

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Ninth Set of Interrogatories
Interrogatory No. 278
Page 1 of 1

Q.

Regarding Schedule D-1A for the 2010 test year. Please provide the FIN 48 net ADIT amount, by temporary difference, included in each of the ADIT amounts for the Company total per books, specific adjustments, system adjusted and jurisdictional adjusted. If these amounts cannot be provided by temporary difference due to privilege concerns, then provide the net aggregate amount. Positive signs should indicate asset ADIT amounts and negative signs should indicate liability ADIT amounts.

A.

For the 2010 test year, there was no forecast made applicable to changes in the temporary differences for which a FIN 48 uncertain tax positions had been recognized in prior periods. As of the end of December 2008, the total Accumulated Deferred Tax Liabilities for which FIN 48 liability was recognized was \$168,598,172. Since uncertain tax positions relate to future potential liabilities, the deferred taxes associated with the temporary differences related to the FIN 48 liabilities were included in the accumulated deferred income taxes in the capital structure, rather than including them with long-term liabilities in rate base. This presentation is consistent with the treatment of the deferred taxes and FIN 48 liabilities established for FERC reporting. There were no FIN 48 uncertain tax positions related to any Accumulated Deferred Tax Assets.

EXHIBIT__ (LK-38)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 328

COMPANY South FL Hospital & Healthcare Assoc. (Direct)

WITNESS Lane Kollen (LK-38)

DATE 09/03/09

Florida Power & Light Company
Docket No. 080677-EI
SFHHA's Ninth Set of Interrogatories
Interrogatory No. 280
Page 1 of 1.

Q.
Regarding Testimony of FPL Witness Pimentel:

Regarding page 13:14-20. Regarding the Company's credit facility and available loan term, please provide a more detailed description of each source, including, but not limited to, the pricing terms, duration, and other terms.

A.
On April 3, 2007, FPL renewed the credit facility of \$2.5B with participation from 38 banks, expiring in April, 2012. It was subsequently extended an additional year to expire in 2013, with the exception of \$17M expiring in 2012. On May 28, 2009, the credit facility was revised to exclude the participation of Lehman Brothers. Currently the credit facility size is \$2.473B. In addition, FPL has a \$250M term loan facility expiring in May, 2011. There are currently no borrowings outstanding under either facility

The annual costs for the credit facility are \$1,535,938. This includes an annual facility fee of 4.5 basis points (\$1,125,000) and annual amortization of upfront commitment, arrangement and administrative fees paid in the amount of \$410,938. The annual costs for the term loan facility are \$125,000 for facility fees.

In the event that FPL would borrow against the credit facility the interest charged is dependent on FPL's credit ratings and priced as a spread over LIBOR.

DOCKET NO. 080677-EI Petition for increase in rates by Florida
Power and Light Company.

WITNESS: Direct Testimony of Rhonda L. Hicks, Florida Public
Service Commission; Appearing on Behalf of the Staff of the
Florida Public Service Commission.

DATE FILED: July 27, 2009

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 329

COMPANY FL Public Service Commission Staff

WITNESS Rhonda L. Hicks (RH-1)

DATE 09/02/09

DIRECT TESTIMONY OF RHONDA L. HICKS

Q. Please state your name and address.

A. My name is Rhonda L. Hicks. My address is 2540 Shumard Oak Boulevard;
Tallahassee, Florida; 32399-0850.

Q. By whom are you employed and in what capacity?

A. I am employed by the Florida Public Service Commission (FPSC) as Chief of the
Bureau of Consumer Assistance in the Division of Service, Safety, and Consumer
Assistance.

Q. Please give a brief description of your educational background and professional
experience.

A. I graduated from Florida A&M University in 1986 with a Bachelor of Science degree
in Accounting. I have worked for the Florida Public Service Commission for 23 years.
I have varied experience in the electric, gas, telephone, and water and wastewater
industries. My work experience includes rate cases, cost recovery clauses,
depreciation studies, tax, audit, consumer outreach and consumer complaints. I
currently work in the Bureau of Consumer Assistance within the Division of Service,
Safety, and Consumer Assistance where I manage consumer complaints and inquiries.

Q. What is the function of the Bureau of Consumer Assistance?

A. The bureau's function is to resolve disputes between regulated companies and their
customers as quickly, effectively, and inexpensively as possible.

Q. Do all consumers, who have disputes with their regulated company, contact the Bureau
of Consumer Assistance?

A. No. Consumers may initially file their complaint with the regulated company and
reach resolution without the bureau's intervention. In fact, consumers are encouraged
to allow the regulated company the opportunity to resolve the dispute prior to any

1 Commission involvement.

2 Q. What is the purpose of your testimony?

3 A. The purpose of my testimony is to advise the Commission of the number of consumer

4 complaints logged against Florida Power and Light Company under Rule 25-22.032,

5 Florida Administrative Code, Consumer Complaints, from July 1, 2007 through June

6 30, 2009. My testimony will also provide information on the type of complaints

7 logged and those complaints that appear to be rule violations.

8 Q. What do your records indicate concerning the number of complaints logged against

9 Florida Power and Light Company?

10 A. From July 1, 1007, through June 30, 2009, the Florida Public Service Commission

11 logged 14,700 complaints against Florida Power and Light Company. Of those,

12 12,236 complaints were transferred directly to the company for resolution via the

13 Commission's Transfer-Connect Program.

14 Q. What have been the most common types of complaints logged against Florida Power

15 and Light Company?

16 A. During the specified time period, approximately seventy-one (71%) percent of the

17 complaints logged with the Florida Public Service Commission concerned billing

18 issues, while approximately twenty-nine (29%) of the complaints involved quality of

19 service issues.

20 Q. Do you have any exhibits attached to your testimony?

21 A. Yes. I am sponsoring Exhibit RLH-1.

22 Q. Would you explain Exhibit RLH-1?

23 A. Yes. Exhibit RLH-1 is a summary listing of complaints logged against Florida Power

24 and Light Company under Rule 25-22.032, Florida Administrative Code. The

25 complaints, received July 1, 2007 through June 30, 2009, were captured in the

1 Commission's Consumer Activity Tracking System (CATS). The summary groups the
2 complaints by Close Type and within each Close Type, the complaints are segregated
3 by Pre-Close Type. The first grouping is Pre-Close types that are still pending. The
4 remaining groupings are categorized by Close Type codes such as ES-08, ES-14, GI-
5 02, etc.

6 Q. What is a Pre-Close Type?

7 A. A Pre-Close Type is an internal categorization code that is applied to each complaint
8 upon receipt. A complaint is assigned a Pre-Close Type based solely on the initial
9 information provided by the consumer.

10 Q. What is a Close Type?

11 A. A Close Type is also an internal categorization code. It is assigned to each complaint
12 once staff completes its investigation and a proposed resolution is provided to the
13 consumer. In some instances, the Pre-Close Type will differ from the Close Type
14 because staff's investigation reveals facts that were not available upon receipt of the
15 complaint.

16 Q. A great majority of complaints were resolved as Close Type GI-02, Courtesy
17 Call/Warm Transfer. Can you explain this Close-Type?

18 A. Yes. Florida Power and Light Company participates in the Commission's Transfer-
19 Connect (Warm Transfer) System. This system allows the Commission to directly
20 transfer a customer to the company's customer service personnel. Once the call is
21 transferred to Florida Power and Light Company, it provides the customer with a
22 proposed resolution. Customers who are not satisfied with the company's proposed
23 resolution have the option of recontacting the Commission. While the Commission is
24 able to assign a Pre-Close Type to each of the complaints in this category, a specific
25 Close Type is not assigned because the proposed resolution is provided by Florida

1 Power and Light Company. Consequently, the assigned Close Type allows staff to
2 monitor the number of complaints resolved via the Commission's Transfer-Connect
3 System.

4 Q. How many of the complaints summarized on your exhibit has staff determined may be
5 a violation of Commission rules?

6 A. Of the 14,700 complaints, staff determined that two appear to be violations of
7 Commission rules.

8 Q. What was the nature of the apparent rule violations?

9 A. The apparent rule violations were failure to respond to the customer and improperly
10 disconnecting service.

11 Q. Does this conclude your testimony?

12 A. Yes, it does.

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07/24/2009



FLORIDA PUBLIC SERVICE COMMISSION
COMPLAINTS BY CLOSE TYPE FOR SINGLE COMPANY
RECEIVED BETWEEN 07/01/2007 AND 06/30/2009
FOR FLORIDA POWER & LIGHT COMPANY

Docket No. 080677-EI
Summary of Complaints
Exhibit RLH-1, Page 1 of 6

TYPE:

Total Cases For PreClose Type: DEPOSIT	1
Total Cases For PreClose Type: IMPROPER BILLS	14
Total Cases For PreClose Type: IMPROPER DISCONNECTS	3
Total Cases For PreClose Type: OUTAGES	11
Total Cases For PreClose Type: QUALITY OF SERVICE	5
Total Cases For PreClose Type: REPAIR	1
Total Cases For PreClose Type: SAFETY ISSUE	1
Total Cases For Type	36

TYPE: ES-08 FAILURE TO RESPOND TO CUSTOMER

Total Cases For PreClose Type: QUALITY OF SERVICE	1
Total Cases For Type ES-08	1

TYPE: ES-14 SERVICE IMPROPERLY DISCONNECTED

Total Cases For PreClose Type: QUALITY OF SERVICE	1
Total Cases For Type ES-14	1

TYPE: GI-02 COURTESY CALL/WARM TRANSFER

Total Cases For PreClose Type: DELAY IN CONNECTION	467
Total Cases For PreClose Type: DEPOSIT	896
Total Cases For PreClose Type: IMPROPER BILLS	1671
Total Cases For PreClose Type: IMPROPER DISCONNECTS	423
Total Cases For PreClose Type: OUTAGES	300
Total Cases For PreClose Type: PAYMENT ARRANGEMENT	6710
Total Cases For PreClose Type: QUALITY OF SERVICE	1473
Total Cases For PreClose Type: REPAIR	145
Total Cases For PreClose Type: SAFETY ISSUE	151
Total Cases For Type GI-02	12236

TYPE: GI-03 PAYMENT ARRANGEMENTS			Docket No. 080677-EI Summary of Complaints Exhibit RLH-1, Page 2 of 6
Total Cases For PreClose Type: IMPROPER BILLS		4	
Total Cases For PreClose Type: PAYMENT ARRANGEMENT		1	
Total Cases For Type GI-03		5	
TYPE: GI-05 HIGH BILL			
Total Cases For PreClose Type: IMPROPER BILLS		92	
Total Cases For PreClose Type: IMPROPER DISCONNECTS		1	
Total Cases For PreClose Type: OUTAGES		1	
Total Cases For PreClose Type: QUALITY OF SERVICE		12	
Total Cases For PreClose Type: REPAIR		1	
Total Cases For Type GI-05		107	
TYPE: GI-06 CURRENT DIVERSION			
Total Cases For PreClose Type: IMPROPER BILLS		48	
Total Cases For PreClose Type: IMPROPER DISCONNECTS		9	
Total Cases For PreClose Type: PAYMENT ARRANGEMENT		1	
Total Cases For PreClose Type: QUALITY OF SERVICE		4	
Total Cases For Type GI-06		62	
TYPE: GI-08 RULES & TARIFFS			
Total Cases For PreClose Type: DEPOSIT		3	
Total Cases For PreClose Type: IMPROPER BILLS		9	
Total Cases For PreClose Type: QUALITY OF SERVICE		5	
Total Cases For PreClose Type: SAFETY ISSUE		1	
Total Cases For Type GI-08		18	
TYPE: GI-11 HIGH BILL			
Total Cases For PreClose Type: IMPROPER BILLS		1	
Total Cases For PreClose Type: OUTAGES		1	
Total Cases For PreClose Type: QUALITY OF SERVICE		1	
Total Cases For PreClose Type: REPAIR		11	
Total Cases For PreClose Type: SAFETY ISSUE		2	
Total Cases For Type GI-11		16	

TYPE:	GI-15	OUTAGES (All Industries)		
Total Cases For PreClose Type:	DEPOSIT		1	
Total Cases For PreClose Type:	OUTAGES		84	
Total Cases For PreClose Type:	QUALITY OF SERVICE		5	
Total Cases For PreClose Type:	REPAIR		1	
Total Cases For PreClose Type:	SAFETY ISSUE		1	
Total Cases For Type	GI-15	92		
TYPE:	GI-17	SAFETY ISSUES		
Total Cases For PreClose Type:	OUTAGES		2	
Total Cases For PreClose Type:	SAFETY ISSUE		10	
Total Cases For Type	GI-17	12		
TYPE:	GI-18	TREE TRIMMING		
Total Cases For PreClose Type:	QUALITY OF SERVICE		1	
Total Cases For Type	GI-18	1		
TYPE:	GI-19	MOMENTARY ELECTRIC OUTAGES(LESS		
Total Cases For PreClose Type:	OUTAGES		9	
Total Cases For PreClose Type:	QUALITY OF SERVICE		2	
Total Cases For PreClose Type:	REPAIR		2	
Total Cases For Type	GI-19	13		
TYPE:	GI-25	IMPROPER BILLING (ADDED 7/03)		
Total Cases For PreClose Type:	DELAY IN CONNECTION		4	
Total Cases For PreClose Type:	DEPOSIT		1	
Total Cases For PreClose Type:	IMPROPER BILLS		335	
Total Cases For PreClose Type:	IMPROPER DISCONNECTS		19	
Total Cases For PreClose Type:	PAYMENT ARRANGEMENT		1	
Total Cases For PreClose Type:	QUALITY OF SERVICE		22	
Total Cases For PreClose Type:	REPAIR		1	
Total Cases For Type	GI-25	383		

Docket No. 080677-EI
Summary of Complaints
Exhibit RLH-1, Page 3 of 6

TYPE:	GI-26	BILLING WRONG CUSTOMER (ADDED 7/03)
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Total Cases For PreClose Type: IMPROPER BILLS	2
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Total Cases For Type GI-26	2
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Docket No. 080677-EI
Summary of Complaints
Exhibit RLH-1, Page 4 of 6

TYPE:	GI-28	IMPROPER DISCONNECT (ADDED 7/03)
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Total Cases For PreClose Type: DELAY IN CONNECTION	1
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Total Cases For PreClose Type: IMPROPER BILLS	1
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Total Cases For PreClose Type: IMPROPER DISCONNECTS	33
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Total Cases For PreClose Type: QUALITY OF SERVICE	1
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Total Cases For Type GI-28	36
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TYPE:	GI-29	DELAY IN CONNECTION (ADDED 7/03)
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Total Cases For PreClose Type: DELAY IN CONNECTION	16
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Total Cases For PreClose Type: IMPROPER DISCONNECTS	4
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Total Cases For PreClose Type: QUALITY OF SERVICE	1
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Total Cases For Type GI-29	21
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TYPE:	GI-30	QUALITY OF SERVICE (ADDED 7/03)
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Total Cases For PreClose Type: DELAY IN CONNECTION	4
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Total Cases For PreClose Type: IMPROPER BILLS	6
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Total Cases For PreClose Type: IMPROPER DISCONNECTS	3
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Total Cases For PreClose Type: QUALITY OF SERVICE	78
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Total Cases For PreClose Type: REPAIR	2
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Total Cases For PreClose Type: SAFETY ISSUE	2
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Total Cases For Type GI-30	95
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TYPE:	GI-31	ESTIMATED METER READINGS (ADDED 7/03)
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Total Cases For PreClose Type: QUALITY OF SERVICE	2
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Total Cases For Type GI-31	2
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TYPE:	GI-32	PROCESS REVIEW CASE
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Total Cases For PreClose Type: IMPROPER BILLS	34
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Total Cases For PreClose Type: IMPROPER DISCONNECTS	1
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Total Cases For PreClose Type: QUALITY OF SERVICE	3
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Total Cases For PreClose Type: SAFETY ISSUE	1
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Total Cases For Type GI-32	39
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TYPE: GI-72 72 HOUR RULE			Docket No. 080677-EI Summary of Complaints Exhibit RLH-1, Page 5 of 6
Total Cases For PreClose Type: DELAY IN CONNECTION		61	
Total Cases For PreClose Type: DEPOSIT		121	
Total Cases For PreClose Type: IMPROPER BILLS		498	
Total Cases For PreClose Type: IMPROPER DISCONNECTS		54	
Total Cases For PreClose Type: OUTAGES		379	
Total Cases For PreClose Type: PAYMENT ARRANGEMENT		2	
Total Cases For PreClose Type: QUALITY OF SERVICE		196	
Total Cases For PreClose Type: REPAIR		101	
Total Cases For PreClose Type: SAFETY ISSUE		41	
Total Cases For Type GI-72 1453			
TYPE: GI-99 OTHER			
Total Cases For PreClose Type: QUALITY OF SERVICE		2	
Total Cases For Type GI-99 2			
TYPE: NJ-03 ELECTRIC COOPERATIVE			
Total Cases For PreClose Type: DELAY IN CONNECTION		1	
Total Cases For Type NJ-03 1			
TYPE: NJ-04 DAMAGE CLAIM			
Total Cases For PreClose Type: IMPROPER DISCONNECTS		2	
Total Cases For PreClose Type: QUALITY OF SERVICE		3	
Total Cases For PreClose Type: REPAIR		3	
Total Cases For Type NJ-04 8			
TYPE: NJ-99 OTHER			
Total Cases For PreClose Type: QUALITY OF SERVICE		2	
Total Cases For Type NJ-99 2			
TYPE: PR-03 DEPOSITS			
Total Cases For PreClose Type: DELAY IN CONNECTION		1	
Total Cases For PreClose Type: DEPOSIT		29	
Total Cases For PreClose Type: IMPROPER BILLS		11	
Total Cases For PreClose Type: IMPROPER DISCONNECTS		1	
Total Cases For PreClose Type: PAYMENT ARRANGEMENT		1	
Total Cases For Type PR-03 43			

TYPE:	PR-05	BACKBILLING
Total Cases For PreClose Type:	IMPROPER BILLS	5
Total Cases For Type	PR-05	5

Docket No. 080677-EI
Summary of Complaints
Exhibit RLH-1, Page 6 of 6

TYPE:	PR-06	RULES & TARIFFS
Total Cases For PreClose Type:	DEPOSIT	1
Total Cases For PreClose Type:	IMPROPER BILLS	4
Total Cases For PreClose Type:	QUALITY OF SERVICE	3
Total Cases For Type	PR-06	8

Total Complaints Late Responding: 31

Total Complaints Infraction: 2

Grand Total: 14700

****Category**
***I = INFRACTION**
***C=NON-INFRACTION**

**History of Testimony
Provided by Kathy L. Welch**

- In re: Application for approval of rate increase in Lee County by Tamiami Village Utility, Inc., Docket No. 910560-WS
- In re: Application for transfer of territory served by Tamiami Village Utility, Inc. in Lee County to North Fort Myers Utility, Inc., cancellation of Certificate No. 332-S and amendment of Certificate 247-S; and for a limited proceeding to impose current rates, charges, classifications, rules and regulations, and service availability policies, Docket No. 940963-SU
- In re: Application for a rate increase by General Development Utilities, Inc. (Port Malabar Division) in Brevard County, Docket No. 911030-WS
- In re: Dade County Circuit Court referral of certain issues in Case No. 92-11654 (Transcall America, Inc. d/b/a ATC Long Distance vs. Telecommunications Services, Inc., and Telecommunications Services, Inc. vs. Transcall America, Inc. d/b/a ATC Long Distance) that are within the Commission's jurisdiction, Docket No. 951232-TI
- In re: Application for transfer of Certificates Nos. 404-W and 341-S in Orange County from Econ Utilities Corporation to Wedgefield Utilities, Inc., Docket No. 960235-WS
- In re: Application for increase in rates and service availability charges in Lee County by Gulf Utility Company, Docket No. 960329-WS
- In re: Fuel and purchased power cost recovery clause and generating performance incentive factor, Docket No. 010001-EI
- In re: Application for staff-assisted rate case in Highlands County by The Woodlands of Lake Placid, L.P., Docket No. 020010-WS
- In re: Application for rate increase in Marion, Orange, Pasco, Pinellas, and Seminole Counties by Utilities, Inc. of Florida, Docket No. 020071-WS
- In re: Petition for rate increase by Florida Power & Light Company, Docket No. 050045-EI
- In re: Petition for issuance of a storm recovery financing order, by Florida Power & Light Company, Docket No. 060038-EI
- In re: Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp., Docket No. 070293-SU

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 330
COMPANY FL Public Service Commission Staff
WITNESS Dale Mailhot (Kathy L. Welch) (KLW-1)
DATE 09/02/09

- In re: Petition for rate increase by Florida Public Utilities Company, Docket No. 070304-EI
- In re: Natural gas conservation cost recovery, Docket No. 080004-GU
- In re: Nuclear cost recovery clause, Docket No. 080009-EI



FLORIDA PUBLIC SERVICE COMMISSION

DIVISION OF REGULATORY COMPLIANCE
Bureau of Auditing

Miami District Office

FLORIDA POWER AND LIGHT COMPANY

RATE CASE

YEAR ENDED DECEMBER 31, 2008

DOCKET NO. 080677-EI
AUDIT CONTROL NO. 09-110-4-1

Iliana Piedra
Audit Manager

Gabriela Leon
Audit Staff

Bety Maitre
Audit Staff

Yen Ngo
Audit Staff

Kathy Welch
Public Utilities Supervisor

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 331

COMPANY FL Public Service Commission Staff

WITNESS Dale Mailhot (Kathy L. Welch) (KLW-2)

DATE 09/02/09

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Audit Report

**DIVISION OF REGULATORY COMPLIANCE
AUDITOR'S REPORT**

July 9, 2009

TO: FLORIDA PUBLIC SERVICE COMMISSION

We have performed the procedures enumerated later in this report to meet the agreed upon objectives set forth by the Division of Economic Regulation in its audit service request. We have applied these procedures to the attached schedules prepared by Florida Power and Light Company in support of its Rate Case Filing for the 2008 test year, Docket No. 080677-EI.

This audit is performed following general standards and field work standards found in the AICPA Statements on Standards for Attestation Engagements. Our report is based on agreed upon procedures and the report is intended only for internal Commission use.

OBJECTIVES AND PROCEDURES:

Objective: The objective was to verify the amounts shown as the "per books" balances for rate base, net operating income, and capital structure for the historical base year.

Procedure: We obtained a 13-month trial balance and reconciled it to the general ledger and to the filing for rate base, net operating income and capital structure.

Objective: The objective was to verify that the adjustments to rate base and net operating income for the historic base year were consistent with the Commission's findings in prior cases and are calculated correctly.

Procedures: We reconciled the adjustments to the ledger or other supporting documentation. We verified that the adjustments were necessary based on past orders or rules. Audit findings 2 and 3 discuss corrections to both rate base and net operating income adjustments for 2008.

Objective: The objective of the audit was to review the allocation methodology between FPL and its affiliates for rate base and NOI items. We were also to determine whether the original amounts to be allocated and the methodology was reasonable and were to check the basis for accuracy and consistent application. The objective of the audit was also to review intercompany charges to and from divisions, affiliated companies, and non-regulated operations to determine if an appropriate amount of costs were allocated pursuant to Rule 25-6.1351, F.A.C.

Procedures: We reviewed the methodology used to allocate the management fee, the generation division allocation, the nuclear division allocation and the energy marketing and trading allocation for reasonableness and traced amounts to source documents. We compared the methodology to the allocation methodology in the last rate case. We obtained supporting documentation for the factors used. We reviewed other budget units to determine if other costs should have been included. We selected a sample of the entries charged from FPL to affiliates and from affiliates to FPL and reviewed the source documentation supporting the entries. We reviewed samples of work orders, working capital accounts and expense accounts to determine if they contained rate base or expense items that should have been allocated but were not.

Objective: The objective of the audit was to verify the 13-month average plant balances, reserve balances and depreciation expense for each plant account for the historical base year. In addition, we were to verify the plant additions, retirements and adjustments from the last field audit through the most recent actual data.

Procedures: We obtained 13-month average trial balances and reconciled them to the general ledger and to the filing. We reconciled the last rate case trial balance to the beginning balance for plant and the reserve balances. We selected work orders added since the last rate case and tested the additions to supporting documentation. We also

Audit Report

selected retirement work orders and verified the service years of the assets to the Commission Order.

Objective: The objective of the audit was to verify that the depreciation rates used for the historical base year are those approved in Orders No. PSC-05-0902-S-EI and PSC-08-0095-PAA-EI.

Procedures: We obtained the depreciation schedules, reconciled them to the ledgers and the filing and compared the rates used to the above orders.

Objective: The objective of the audit was to determine if pursuant to Rule 25-6.0141, F.A.C., FPL has included any construction work in progress projects in rate base that are eligible for the allowance for funds during construction (AFUDC).

Procedure: We obtained the list of projects included in construction work in progress in rate base and determined if they were eligible for AFUDC according to the rule. AFUDC was recalculated for the work order tested.

Objective: The objective of the audit was to determine if any working capital accounts are interest-bearing and if they were to provide the corresponding interest revenue or expense, how it was calculated, and its location in the filing.

Procedures: The accounts included in working capital were obtained and reviewed for items that may earn interest. The interest income and expense accounts were reviewed and we verified that the accounts associated with interest were not included in working capital unless the interest also was.

Objective: The objective of the audit was to review transactions in clearing accounts, stores expense, prepayments, deferred debits, deferred credits, and accrued liabilities to determine if they were proper, utility in nature, and that expenses were not overstated. We also were to review materials and supplies and other accounts receivable for non-utility items.

Procedures: We determined which of these accounts were included in working capital and selected the material accounts. We sampled these accounts and traced the items to source documentation to determine if they were related to the utility and appropriately charged to working capital.

Objective: The objective of the audit was to determine whether the Company is in compliance with the provisions of Rule 25-6.0143, F.A.C. for account 228.1 Accumulated Provision for Property Insurance, 228.2 Accumulated Provision for Injuries and Damages, and 228.4 Accumulated Miscellaneous Operating Provisions.

Procedures: We sampled these accounts and traced the items to source documentation to determine if they were related to the utility and appropriately charged to working capital.

Objective: The objective of the audit was to verify that unbilled revenues were correctly calculated.

Procedures: The unbilled revenue calculation was reviewed for reasonableness and traced to the filing.

Objective: The objective of the audit was to verify that historical base year operation and maintenance transactions were prudent, adequately supported by documentation, recorded in compliance with the Uniform System of Accounts and in the correct amounts.

Procedure: We prepared an analytical review of expenses. We compared the expenses in 2008 to 2007 and to 2002 and determined accounts that appeared to have increased higher than inflation. We obtained computerized ledger data for these accounts and reviewed all entries to these accounts that were over \$150,000. We sampled most of these entries. In addition, we wrote programs to develop statistics for the dollars between \$1,000 and \$150,000. Based on those statistics, we selected samples of those dollar ranges. We obtained source documentation for all sample items selected. The source documentation was reviewed to determine if the amounts were for the proper period, were in the correct account, were re-occurring, and were not related to the affiliates. Audit findings 1, 4, 5 and 6 discuss items that need to be followed up in the review of the forecast.

Objective: The objective of the audit was to review the types of ads included in historical operating expenses to determine if they are image enhancing in nature, promotional, related to non-utility operations or one of the recovery clauses.

Procedures: We selected a sample of the advertising account and reviewed the sample ads.

Objective: The objective of the audit was to review the detail of 2008 legal fees and other outside service expenses, sales expenses, customer service expenses, office supplies and expense, and miscellaneous general expenses.

Procedures: Sales expense and miscellaneous expense were sampled based on the analytical review. We obtained a list of all legal cases and the dollars expended. We reviewed the list to determine if any of the cases related to affiliates and questioned the utility on cases that could not be determined based on the titles. The other accounts did not significantly increase and were discussed with the analyst. He agreed that we would not pursue these expenses.

Objective: The objective of the audit was to review liability and health and life insurance expense during and subsequent to the test period to determine if FPL received refunds based on loss experience. The allocations to the affiliate companies were also reviewed.

Procedures: Since insurance is charged to affiliates in the "ER 99" entries, we reviewed insurance entries in the review of affiliate transactions. Refunds were included in the test year expenses.

Objective: The objective of the audit was to verify that sales tax collection discounts are recorded above the line.

Procedures: We obtained the sales tax reports and compared them to the sales tax accounts to determine where the discounts were reported.

Objective: The objective of the audit was to reconcile gross receipts tax and regulatory assessment fees to the tax return and/or allocation schedules and to the ledger. The objective was also to reconcile the federal and state income taxes to the company's schedules and to the ledger.

Procedures: The above taxes in the 2008 filing were traced to the returns and the ledger. The 2008 state and federal income tax returns have not been filed yet.

Objective: The objective of the audit was to verify deferred income tax expense and deferred tax balances, to include proper bonus depreciation treatment of property additions.

Procedures: We traced the deferred income tax balances to the company's schedules and tax reports.

Objective: The objective of the audit was to follow the standard audit program for taxes other than income tax.

Procedures: We traced the 2008 filing for taxes other than income taxes to the ledger and reconciled to the tax returns.

Objective: The objective of the audit was to verify how any nonutility assets supported by the utility's capital structure are removed from the capital structure in the rate base/capital structure reconciliation by obtaining a list of all non-regulated/nonutility services that FPL is currently providing.

Procedures: We obtained the rate base/capital structure reconciliation and determined that the non-utility adjustments removed in rate base were removed in the capital structure.

Objective: The objective of the audit was to verify that FPL's book amounts for average balance sheet items included in the capital structure agree with the general ledger.

Audit Report

Procedures: We obtained a 13-month average trial balance and reconciled it to the general ledger and to the cost of capital filings.

Objective: The objective of the audit was to verify that the cost rates being used in the computation of cost of capital are appropriate.

Procedures: We reconciled the cost of capital cost rates for 2008 to the debt documentation, prior audits, and external audit workpapers.

Objective: The objective of the audit was to obtain a reconciliation indicating how each rate base adjustment was adjusted in the capital structure and reconcile it to the general ledger and the filing.

Procedures: We obtained a reconciliation indicating how each rate base adjustment was adjusted in the capital structure and reconciled it to the general ledger and the filing.

Objective: The objective of the audit was to follow-up on exceptions and disclosures noted in the last Federal Energy Regulatory Commission (FERC) audit and the last outside accounting audit to determine if they are applicable to this case.

Procedures: We reviewed the internal and external audits to determine if there were any adjustments that materially affected the 2008 test year. We read the FERC audit and determined that the adjustments were made and that FPL changed its procedures.

AUDIT FINDING NO. 1

SUBJECT: STORAGE FEES

AUDIT ANALYSIS: Account 549, Miscellaneous Other Power Generation Expense, included \$810,000 in 2008 for storage expenses for two combustion turbines. FPL Group had a master agreement with General Electric to purchase two combustion turbines. According to FPL, this agreement resulted in pricing that was less than the current market value. FPL claims that at the time the agreement was made, the industry was experiencing failures of critical components in the combustion turbine units. If one of the existing units were to fail, parts from these units would significantly reduce the time required to return the unit to service. Therefore, they had the units built and are keeping them in storage. The cost of the units was recorded on the books of FPL Group in 2007.

EFFECT ON THE GENERAL LEDGER: For informational purposes only.

EFFECT ON THE FILING: Tallahassee staff needs to determine if this storage continues to the 2010 and 2011 forecasts.

AUDIT FINDING NO. 2

SUBJECT: RATE BASE ADJUSTMENTS

AUDIT ANALYSIS: FPL did not remove three construction projects that were recovered in the Environmental Cost Recovery Clause from construction work in progress in the 2008 adjustments to Rate Base. The 13-month average for the three projects was \$1,325,098. This amount should be removed from construction work in progress in 2008.

EFFECT ON THE GENERAL LEDGER: The adjustment was made for the filing only and has no effect on the ledger.

EFFECT ON THE FILING: Tallahassee staff needs to determine if this error continues to the 2010 and 2011 forecasts.

AUDIT FINDING NO. 3

SUBJECT: NET OPERATING INCOME ADJUSTMENTS

AUDIT ANALYSIS: FPL did not remove a revenue account that was included in the Fuel Cost Recovery Clause. The Fuel account that should be excluded was account 456.23 for \$1,512,367.96. Revenue needs to be decreased by \$1,512,367.96 to remove this account.

EFFECT ON THE GENERAL LEDGER: The adjustment was made for the filing only and has no effect on the ledger.

EFFECT ON THE FILING: Tallahassee staff needs to determine if this error continues to the 2010 and 2011 forecasts.

AUDIT FINDING NO. 4

SUBJECT: GREEN POWER CONSERVATION EXPENSE

AUDIT ANALYSIS: In 2008, FPL included in account 908.000 – Customer Assistance Expense, a total of \$625,812 related to the Green Power Conservation Program. Commission Order No. PSC-08-0600-PAA-EI terminated the utility's Sunshine Energy Program. The utility transferred the net costs of the program for 2007 and 2008 from Account 908.265 – Green Power Program to Account 908.000. The charges related to 2007 and 2008 are \$14,100 and \$611,712, respectively. These are not recurring expenses.

EFFECT ON GENERAL LEDGER: For informational purposes only.

EFFECT ON THE FILING: Tallahassee staff needs to determine if this amount continues to the 2010 and 2011 forecasts.

AUDIT FINDING NO. 5

SUBJECT: OIL SPILL EXPENSE

AUDIT ANALYSIS: During the test of expenses, it was determined that cost of emergency oil spill cleanups were being booked in Account 512 – Maintenance of Boiler Plant.

We found three invoices totaling \$618,673 in the sample selection, which related to oil spill cleanup by SWS First Response.

This is not a recurring expense and the Tallahassee staff should determine how it was handled in the forecasts.

EFFECT ON GENERAL LEDGER: The finding is for informational purposes only.

EFFECT ON FILING: Tallahassee staff needs to determine if the item is reoccurring and included in the 2010 and 2011 forecasts.

AUDIT FINDING NO. 6

SUBJECT: ECONOMIC RECOVERY WRITE OFF TO EXPENSE

AUDIT ANALYSIS: During the test of expenses, we found an economic recovery write off for Holtec Metamic Material booked in Account 524 – Miscellaneous Nuclear Power Expenses in the sum of \$350,000.

The metamic materials are utilized in the internal baskets that hold the spent fuel assemblies within the canister and function as neutron absorbers. The project was cancelled and FPL booked the estimated recovery to sell the scrap metal. The \$350,000 write off is the difference between the \$750,000 economic recovery estimate recorded in Fall 2006 and the \$400,000 actual realized through the Holtec purchase orders executed in Fall 2008.

This is not a recurring expense and the Tallahassee staff should determine how it was handled in the forecasts.

EFFECT ON GENERAL LEDGER: The finding is for informational purposes only.

EFFECT ON FILING: Tallahassee staff needs to determine if the item is reoccurring and included in the 2010 and 2011 forecasts.

COMPANY EXHIBITS

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

DOCKET NO.: 080677-EI

EXPLANATION:
PROVIDE A SCHEDULE OF THE 13-MONTH AVERAGE
ADJUSTED RATE BASE FOR THE TEST YEAR, THE
PRIOR YEAR AND THE MOST RECENT HISTORICAL
YEAR. PROVIDE THE DETAILS OF ALL ADJUSTMENTS
ON SCHEDULE B-2.

TYPE OF DATA SHOWN:

☐ PROJECTED TEST YEAR ENDED 12/31/10

☐ PRIOR YEAR ENDED 12/31/09

☒ HISTORICAL TEST YEAR ENDED 12/31/08

☐ PROJ. SUBSEQUENT YR ENDED 12/31/11

(\$000)

WITNESS: Kim Ousdahl

LINE NO.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		PLANT IN SERVICE	ACCUMULATED PROVISION FOR DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE (1 - 2)	CWIP	PLANT HELD FOR FUTURE USE	NUCLEAR FUEL	NET UTILITY PLANT	WORKING CAPITAL ALLOWANCE	OTHER RATE BASE ITEMS	TOTAL RATE BASE
1	UTILITY PER BOOK	25,926,025	11,930,886	13,995,139	1,335,736	132,603	315,560	15,779,039	(638,807)	0	15,140,232
2	SEPARATION FACTOR	0.993838	0.993477	0.994146	0.990508	0.994816	0.995219	0.993865	0.994477	0.000000	0.993839
3	JURIS UTILITY	25,766,274	11,853,060	13,913,214	1,323,057	131,916	314,052	15,682,239	(635,279)	0	15,046,960
4	COMMISSION ADJUSTMENTS	(378,898)	(304,801)	(74,097)	(882,767)	0	(314,052)	(1,270,915)	995,951	0	(274,965)
5	COMPANY ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0
6	TOTAL ADJUSTMENTS	(378,898)	(304,801)	(74,097)	(882,767)	0	(314,052)	(1,270,915)	995,951	0	(274,965)
7	JURIS ADJ UTILITY	25,387,376	11,548,259	13,839,117	440,291	131,916	0	14,411,323	360,672	0	14,771,995
8											
9											
10											
11											
12											
13											
14											
15											
16											
17	NOTE: TOTALS MAY NOT ADD DUE TO ROUNDING.										

SUPPORTING SCHEDULES: B-2, B-3, B-6

RECAP SCHEDULES: A-1

Docket No. 080667-EI
Exhibit KLW-2 (Page 16 of 18)
Audit Report

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

EXPLANATION:
PROVIDE THE CALCULATION OF JURISDICTIONAL NET OPERATING INCOME
FOR THE TEST YEAR, THE PRIOR YEAR AND THE MOST RECENT HISTORICAL
YEAR.

TYPE OF DATA SHOWN:

PROJECTED TEST YEAR ENDED / /

PRIOR YEAR ENDED / /

☒ HISTORICAL TEST YEAR ENDED 12/31/08

PROJECTED SUBSEQUENT YEAR ENDED / /

WITNESS: Kim Ousdahl

DOCKET NO.: 080677-EI

(\$000)

LINE NO.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		TOTAL COMPANY PER BOOKS	NON- ELECTRIC UTILITY	TOTAL ELECTRIC (1)-(2)	JURISDICTIONAL FACTOR	JURISDICTIONAL AMOUNT (3)X(4)	JURISDICTIONAL COMMISSION ADJUSTMENTS (SCHEDULE C-2)	JURISDICTIONAL ADJUSTED PER COMMISSION (5)+(6)	JURISDICTIONAL COMPANY ADJUSTMENTS	JURISDICTIONAL ADJUSTED AMOUNT (7) + (8)
1										
2	REVENUE FROM SALES	11,444,676	0	11,444,676	0.992193	11,355,329	(7,617,507)	3,737,822	0	3,737,822
3										
4	OTHER OPERATING REVENUES	202,115	0	202,115	0.951669	192,346	(16,505)	175,841	0	175,841
5										
6	TOTAL OPERATING REVENUES	11,646,791	0	11,646,791	0.991490	11,547,675	(7,834,012)	3,913,664	0	3,913,664
7										
8	OTHER	1,455,699	0	1,455,699	0.990910	1,442,467	(135,514)	1,306,953	0	1,306,953
9										
10	FUEL & INTERCHANGE	5,676,453	0	5,676,453	0.989137	5,614,791	(5,594,705)	20,086	0	20,086
11										
12	PURCHASED POWER	1,152,234	0	1,152,234	0.988367	1,138,830	(1,075,932)	62,898	0	62,898
13										
14	DEFERRED COSTS	(103,867)	0	(103,867)	1.000226	(103,890)	103,890	0	0	0
15										
16	DEPRECIATION & AMORTIZATION	837,395	0	837,395	0.993965	832,341	(76,061)	756,280	0	756,280
17										
18	TAXES OTHER THAN INCOME TAXES	1,074,683	0	1,074,683	0.998514	1,073,066	(785,255)	287,812	0	287,812
19										
20	INCOME TAXES	454,704	0	454,704	0.997693	453,655	(6,439)	447,216	0	447,216
21										
22	(GAIN)/LOSS ON DISPOSAL OF PLANT	(2,866)	0	(2,866)	0.995676	(2,854)	905	(1,949)	0	(1,949)
23										
24	TOTAL OPERATING EXPENSES	10,544,416	0	10,544,416	0.990895	10,448,406	(7,569,112)	2,879,295	0	2,879,295
25										
26	NET OPERATING INCOME	1,102,375	0	1,102,375	0.997182	1,099,269	(64,900)	1,034,369	0	1,034,369
27										
28										
29										
30	NOTE: TOTALS MAY NOT ADD DUE TO ROUNDING.									

SUPPORTING SCHEDULES: C-2, C-3, C-4

RECAP SCHEDULES: A-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

EXPLANATION:

PROVIDE THE COMPANY'S 13-MONTH AVERAGE
COST OF CAPITAL FOR THE TEST YEAR, THE PRIOR
YEAR, AND HISTORICAL BASE YEAR.

TYPE OF DATA SHOWN:

☐ PROJECTED TEST YEAR ENDED 12/31/10☐ PRIOR YEAR ENDED 12/31/08☒ HISTORICAL YEAR ENDED 12/31/08☐ PROJECTED SUBSEQUENT YEAR ENDED 12/31/11

DOCKET NO. 080677-EI

WITNESS: Kim Ousdahl

(000)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
LINE NO. CLASS OF CAPITAL	COMPANY TOTAL PER BOOKS	SPECIFIC ADJUSTMENTS	PRO RATA ADJUSTMENTS	SYSTEM ADJUSTED	JURISDICTIONAL FACTOR	JURISDICTIONAL ADJUSTED	RATIO	COST RATE	WEIGHTED COST RATE
1 LONG TERM DEBT	5,883,670	(920,604)	(528,797)	4,434,269	0.993871	4,407,093	29.83%	5.43%	1.62%
2 PREFERRED STOCK					0.000000		0.00%	0.00%	0.00%
3 CUSTOMER DEPOSITS	550,566		(43,645)	506,921	1.000000	506,921	3.43%	5.91%	0.20%
4 COMMON EQUITY	7,628,141	(11,239)	(605,470)	7,011,432	0.993871	6,968,462	47.17%	12.50%	5.90%
5 SHORT TERM DEBT	353,370		(28,013)	325,357	0.993871	323,363	2.19%	2.52%	0.06%
6 DEFERRED INCOME TAX	3,132,202	(302,659)	(268,808)	2,560,735	0.993871	2,545,041	17.23%	0.00%	0.00%
7 INVESTMENT TAX CREDITS	<u>23,075</u>		<u>(1,829)</u>	<u>21,246</u>	0.993871	<u>21,116</u>	<u>0.14%</u>	9.30%	<u>0.01%</u>
8 TOTAL	17,571,024	(1,234,501)	(1,476,563)	14,859,960		14,771,995	100.00%		7.79%
9									
10									
11 NOTE: TOTALS MAY NOT ADD DUE TO ROUNDING									

SUPPORTING SCHEDULES: D-6, D-5, D-4A, D-3, D-1B

RECAP SCHEDULES: A-1

FPL Provides Reliable, Clean Industry-Leading Service

Industry Leader in Fossil Generating Efficiency

- 10% improvement since 2002
- \$3 billion in fuel savings since 2002
- \$1 billion savings per year starting in 2014

Superior Distribution Reliability as Measured by SAIDI

- 45% better than national average
- Best among Florida major IOUs 4 of the last 6 years

Industry Leader in Customer Service Performance

- Top quartile for Care Center, Billing and Payment Processing
- ServiceOne Award – 5th year in a row
- Interactive Voice Response System best in industry

Reliable, Safe and Cost Effective Nuclear Energy

- Excellent safety record – 2007 SEE Award
- Consistent NRC “green band” performance since 2000

Top Performer in Productive Efficiency

- First among regional utilities for 10 years for O&M efficiency
- Top performer industry wide across many operational metrics

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 332

COMPANY Florida Power & Light (Rebuttal)

WITNESS Armando J. Olivera (AJO-3)

DATE 09/02/09

Despite Dramatic Changes Since 1985, FPL Bills Compare Favorably in Florida and the U.S.

Changes Since 1985

- Almost 2 million new customers
- Peak demand has nearly doubled
- FPL has invested \$26 billion
- Inflation of almost 100%
- 2009 base bill is 17% lower
- O&M cost per kWh decreased by 22%

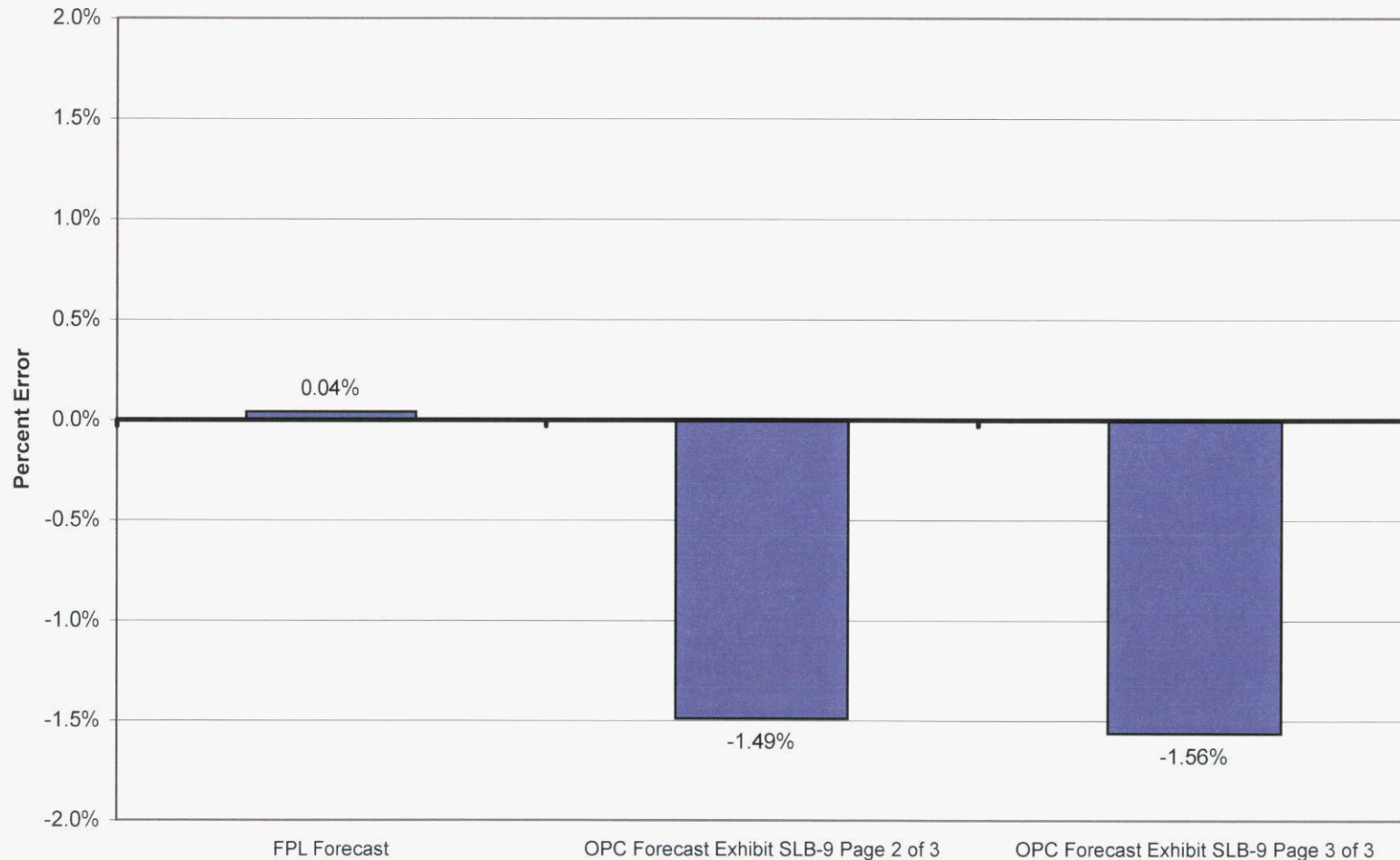
FPL Rates Compare Favorably in Florida and Nationally

- Lowest among Florida investor-owned utilities
- Lowest of 54 Florida electric utilities
- 21% below Florida average; \$340 per year savings (*Typical residential customer*)
- 6% below the national average

Most Customer Bills Will Decrease in 2010

- Even with a base rate increase, a typical residential bill will go down

Net Energy for Load Cumulative Forecast Variance YTD Through June (Weather Normalized)



Docket No. 080677-EI
 Summary of Forecasting
 Variance to Date
 Exhibit RM-12, Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 333

COMPANY Florida Power & Light (Rebuttal)

WITNESS Rosemary Morley (RM-12)

DATE 10/22/09

Month	Output of the Econometric Model	Actual	Forecasting Error
Mar-08	8,488,468	8,257,888	-2.7%
Apr-08	8,952,665	8,815,270	-1.5%
May-08	10,233,625	9,814,090	-4.1%
Jun-08	11,034,889	10,835,527	-1.8%
Jul-08	10,935,058	10,374,157	-5.1%
Aug-08	11,366,842	11,090,312	-2.4%
Sep-08	11,368,201	11,113,521	-2.2%
Oct-08	9,637,791	9,267,678	-3.8%
Nov-08	8,231,215	7,895,270	-4.1%
Dec-08	7,935,368	7,506,932	-5.4%
Average Forecasting Error (March 2008 - December 2008)			-3.33%
Average Forecasting Error (July 2008 - December 2008)			-3.85%
Average Forecasting Error (October 2008 - December 2008)			-4.44%

<u>Adjustments to Forecast*</u>	
Adjustment for Mandated Energy Efficiency	-1.37%
Adjustment for Re-anchoring	-1.29%
Adjustment for Empty Homes	-0.77%
Sum	-3.43%

* Based on March 2008 through December 2008 levels.
Note: Totals may not sum due to rounding.

Calculation of the Adjustment for Minimum Use Customers

	As Filed	100 kWh Usage Scenario	Difference from As Filed	Updated for actuals through June 2009	Difference from As Filed
average % of RS-1 customer using 1-200 KWH					
Long-term Average	7.00%	7.00%		7.00%	
Oct-08	8.44%	8.44%		8.44%	
Estimated 2009 (trended)	8.68%	8.68%		9.16%	
Estimated 2010 (trended)	8.96%	8.96%		9.44%	
Delta for 2009	1.68%	1.68%		2.16%	
Delta for 2010	1.96%	1.96%		2.44%	
average usage of customers more than 200 KWh	1,200	1,200		1,200	
Average usage of customers less than 200 kWh		(100)		(100)	
usage decline	(1,200)	(1,100)		(1,100)	
 Total Number of Residential Customers 2009	3,994,173	3,994,173		3,994,173	
Increase in Very Low Usage Customers in 2009	67,295	67,295		86,467	
Impact on 2009 sales	(969,047,488)	(888,293,530)	80,753,957	(1,141,364,305)	(172,316,817)
Billed Sales Jan - Dec 2009 (preliminary)	102,605,337,611	102,605,337,611		102,605,337,611	
2009 Adjustment for Minimum use customers	-0.94%	-0.87%	0.08%	-1.11%	-0.17%
 Total Number of Residential Customers 2010	4,010,837	4,010,837		4,010,837	
Increase in Very Low Usage Customers in 2010	78,646	78,646		97,898	
Impact on 2010 sales	(1,132,508,319)	(1,038,132,626)	94,375,693	(1,292,259,281)	(159,750,962)
Billed Sales Jan - Dec 2010 (preliminary)	102,033,943,256	102,033,943,256		102,033,943,256	
2010 Adjustment for Minimum use customers	-1.11%	-1.02%	0.09%	-1.27%	-0.16%
 2011 Adjustment for Minimum use customers	-0.55%	-0.51%	0.05%	-0.63%	-0.08%

FLORIDA PUBLIC SERVICE COMMISSION

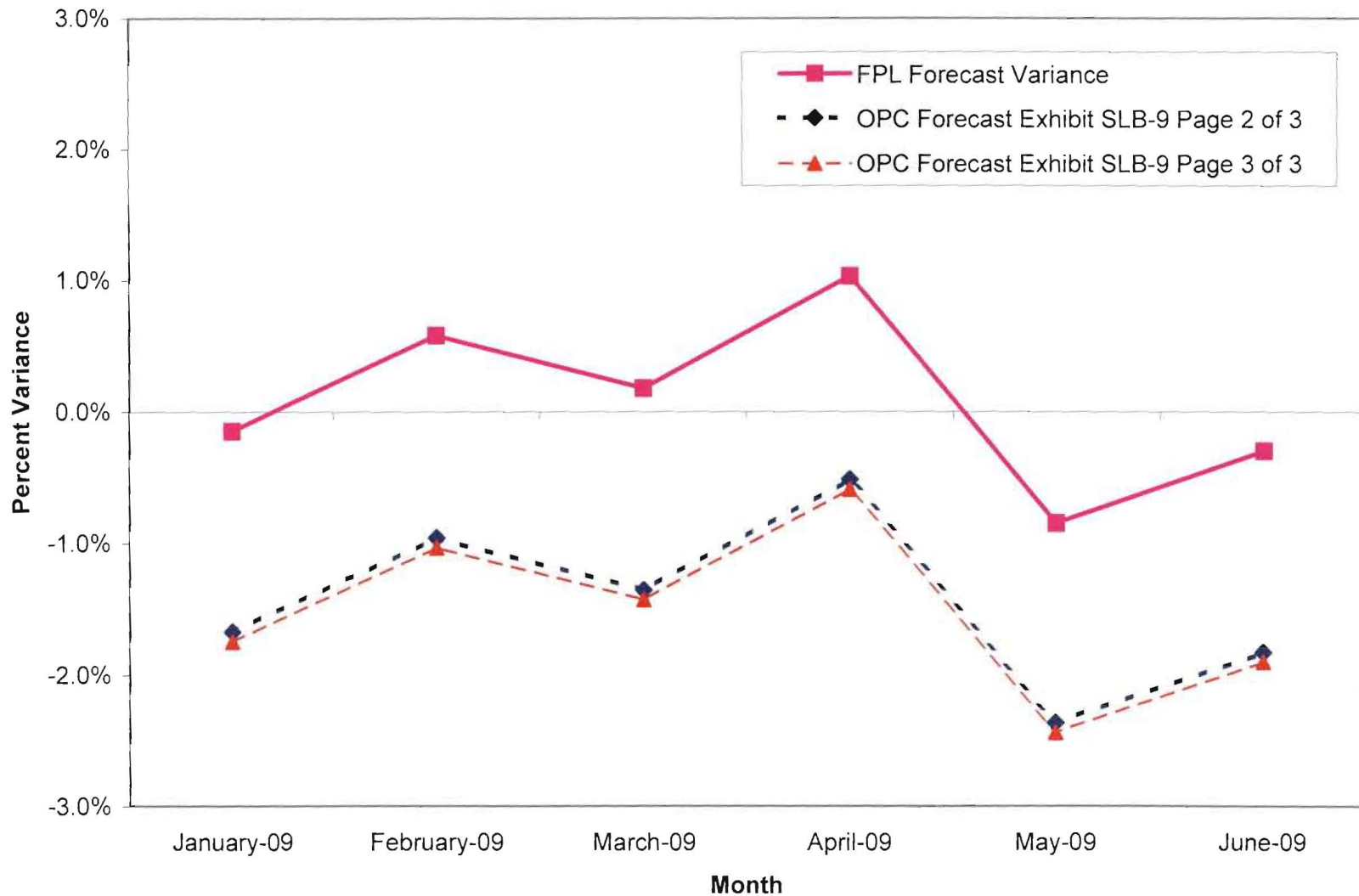
DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 335

COMPANY Florida Power & Light (Rebuttal)

WITNESS Rosemary Morley (RM-14)

DATE 10/22/09

Net Energy For Load Monthly Forecast Variance Through June 2009 (Weather Normalized)



Docket No. 080677-EI
Monthly Forecast Variance
Exhibit RM-15, Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 336
COMPANY Florida Power & Light (Rebuttal)
WITNESS Rosemary Morley (RM-15)
DATE 10/22/09

2009 O&M Variances to Budget

Line	O&M Activities	Notes	Better / (Worse) than Budget (\$millions)		
			YTD April Variance	May-Dec Projected Variance	Year-End Projected Variance
1	Nuclear Spent Fuel DOE Settlement	(1)	10	(9)	1
2	Transmission & Distribution	(2)	13	(1)	12
3	Fossil and Nuclear Generation	(3)	4	2	5
4	Customer Service	(4)	3	(2)	2
5	Injuries & Damages Reserve	(4)	2	(1)	1
6	NERC Dues	(4)	1	(1)	0
7	Corporate Services	(4)	1	(1)	0
8	Other	(4)	5	(7)	(2)
9	Total variances - Better / (Worse)		38	(19)	19
10					
11	Notes				
12	(1) Budget assumed \$9.0 million refund in December; received \$9.7 million refund in March				
13	(2) Projected savings on field operations and support activities and other productivity improvements				
14	(3) Primarily revised commercial operations date for West County 3; \$2.5 by year end				
15	(4) Primarily timing, scheduling and minor revisions to expected resource requirements				
16					
17	Note: Column and row totals may not add due to rounding				

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 337

COMPANY Florida Power & Light (Rebuttal)

WITNESS Robert E. Barrett, Jr. (REB-21)

DATE 10/22/09

2009 Capital Variances to Budget

Line	Capital Project	Notes	Better / (Worse) than Budget (\$millions)		
			YTD April Variance	May-Dec Projected Variance	Year-End Projected Variance
1	West County Project	(1)	39	(60)	(21)
2	Solar	(2)	(1)	42	41
3	Nuclear Upgrades	(3)	52	(44)	7
4	All Other Clauses	(3)	23	(28)	(5)
5	Subtotal GBRA and Clause		113	(91)	23
6					
7	Other Generation	(4)	10	9	18
8	Transmission & Distribution	(5)	19	(19)	0
9	Automated Metering Initiative	(5)	2	(2)	0
10	Information Management Projects	(5)	6	(6)	0
11	Other	(5)	19	(23)	(5)
12	Subtotal Retail Rate Base		55	(42)	14
13					
14	Total variances - Better / (Worse)		169	(132)	36

Notes

- (1) YTD variances are primarily the timing of equipment payments for Unit 2 within the year; YE variances attributable to schedule changes between years for Unit 3.
- (2) Projected savings on solar projects during the balance of year. ECRC recoverable; no impact on 2010 retail rate base
- (3) Primarily timing within 2009
- (4) Primarily related to expected \$22 million recovery pursuant to the DOE settlement not budgeted
- (5) Timing within 2009
- Note: Column and row totals may not add due to rounding

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 338

COMPANY Florida Power & Light (Rebuttal)

WITNESS Robert E. Barrett, Jr. (REB-22)

DATE 10/22/09

2008 - 2010 O&M Expense Analysis

Line	Total Company Non-Fuel O&M Expense	Notes	(a) 2008 (\$millions)	(b) 2009 (\$millions)	(c) Growth vs 2008	(d) 2010 (\$millions)	(e) Growth vs 2009	(f) Avg Annual Growth 2008-2010
1	MFR C-1 Jurisdictional Adjusted Amount	(1)	1,307	1,453	11.2%	1,694	16.6%	13.9%
2								
3	MFR C-1 Jurisdictional Adjusted Amount per Commission	(2)	1,307	1,454	11.3%	1,566	7.7%	9.5%
4	Remove Revenue Enhancement	(3)	(16)	(28)		(30)		
5	O&M Expense excluding Rev Enh		1,291	1,426	10.5%	1,536	7.7%	9.1%
6								
7	Adjustments to "normalize" comparisons							
8	Projects deferred from 2008 to 2009 budget	(6)	11	(11)				
9	Aegis environmental insurance policy commutation	(4)	44					
10	Other one-time items in 2008	(5)	14					
11	2009 expected cost reductions	(7)		(19)				
12	DOE settlement	(8)		10				
13	Remove inflation to put in 2008 dollars	(9)		(27)		(55)		
14	Subtotal of normalization adjustments		69	(47)		(55)		
15	"Normalized" O&M Expense		1,360	1,379	1.4%	1,481	7.4%	4.4%
16								
17	Other Items Relative to 2008							
18	Growth in Pension FAS 87			10		30		
19	Incremental Storm Secure			6		12		
20	Incremental Operations of West County			7		19		
21	Incremental Medical /Dental Expenses			5		17		
22	Nuclear Spent Fuel Disposal			-		6		
23	Nuclear NRC/INPO Fees			-		7		
24	Total Other Items			28		91		
25	"Normalized" O&M Expense with Other Items Removed		1,360	1,351	-0.6%	1,390	2.9%	1.1%
26	Amount Over / (Under) "Normalized" 2008 O&M			(9)		30		

Notes

- (1) SFHHA Witness Kollen, Page 15, lines 11-13
(2) Reflects the projected O&M Expenses before proposed Company adjustments discussed by FPL witness Ousdahl
(3) Revenue Enhancements are substantially offset in Other Revenues rendering year to year comparisons not meaningful
(4) One time expense reduction
(5) One-time expense reductions including incentive compensation, medical plan credits; favorable injuries and damage reserve adjustments; and miscellaneous other items
(6) Projects not budgeted in 2009 but shifted from late 2008. No impact on 2010 test year
(7) Cost reductions identified for 2009 at April YTD (see REB-21)
(8) DOE settlement proceeds of \$9.7 million are a one-time item
(9) Company inflation assumption per MFR C-36 is 2.00% in 2009 and 1.98% in 2010

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 339

COMPANY Florida Power & Light (Rebuttal)

WITNESS Robert E. Barrett, Jr. (REB-23)

DATE 10/22/09

Please see attached interrogatory responses addressing the Staff's concern with the
MFR audit.
issues 4 and 6

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 340
COMPANY Florida Power & Light (Rebuttal)
WITNESS Robert E. Barrett, Jr. (REB-24)
DATE 10/22/09

Florida Power & Light Company
Docket No. 080677-EI
Staff's Thirteenth Set of Interrogatories
Interrogatory No. 267
Page 1 of 1

Q.

According to Staff Audit Report Finding 4, in 2008, FPL included in account 908.000 – Customer Assistance Expense, a total of \$625,812 related to the Green Power Conservation Program.

- A. Do you agree with the above-referenced audit finding? If you disagree with the audit finding, please explain why you disagree.
- B. How were the Green Power Conservation Program expenses treated in the 2010 and 2011 forecasts? If FPL believes that the 2008 audit findings have no significant effect on the 2010 and 2011 test years, please explain why.

A.

A. FPL's position is that this is not an audit finding but rather a statement of fact. FPL agrees that it included in account 908.000 – Customer Assistance Expense, a total of \$625,812 related to the Green Power Conservation Program.

B. Expenses related to the Green Power Conservation Program are not included in the 2010 and 2011 forecasts. The expenses recorded in 2008 were a result of the FPSC Order in 2008 to terminate the program and are non-recurring. Because the program was terminated and the related expenses are non-recurring, there is no effect on in the 2010 and 2011 test years.

Florida Power & Light Company
Docket No. 080677-EI
Staff's Thirteenth Set of Interrogatories
Interrogatory No. 269
Page 1 of 1

Q.

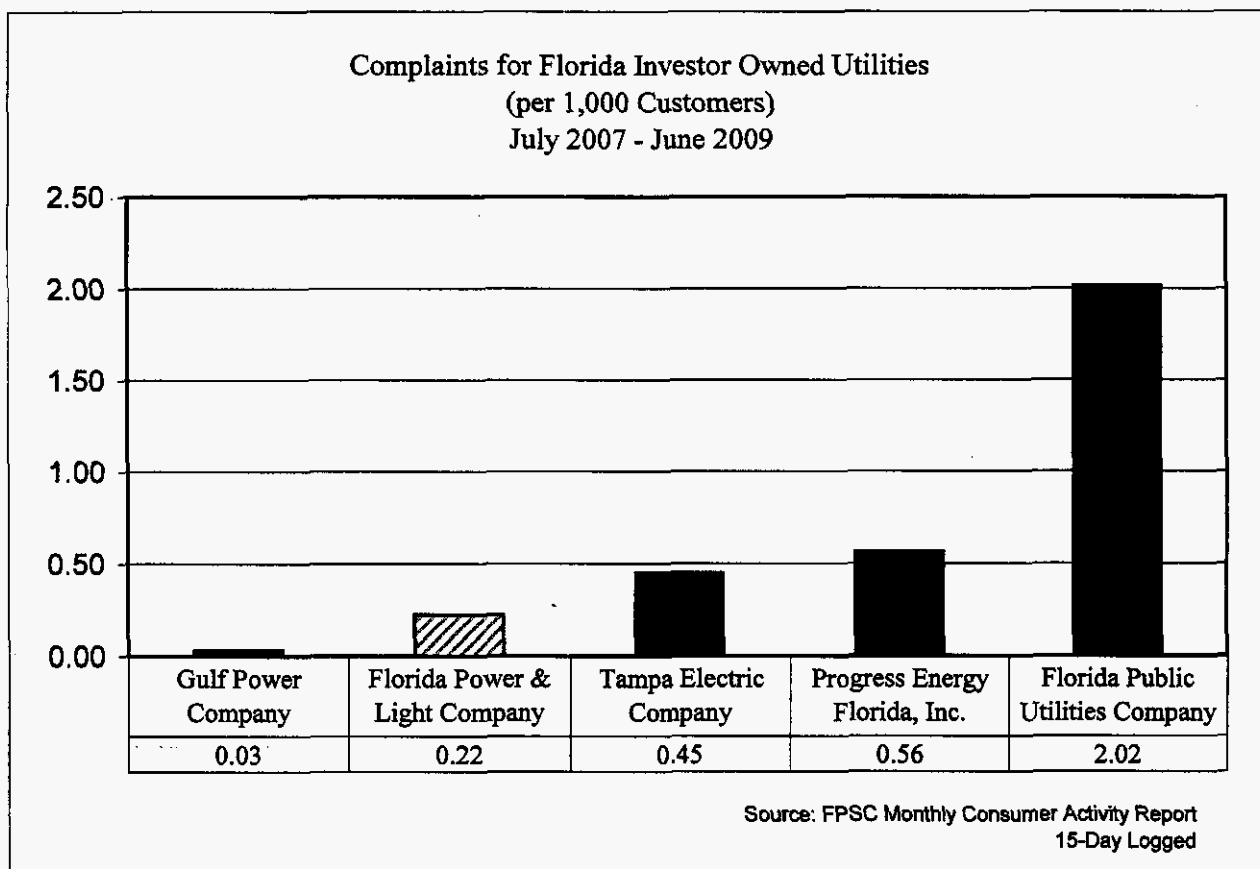
According to Staff Audit Report Finding 6, a write off of \$350,000 for Holtec Metamic Material was booked in account 524 – Miscellaneous Nuclear Power Expenses.

- A. Do you agree with the above-referenced audit finding? If you disagree with the audit finding, please explain why you disagree.
- B. Were these or similar expenses in account 524 included in the 2010 and 2011 forecasts? If FPL believes that the 2008 audit findings have no significant effect on the 2010 and 2011 test years, please explain why

A.

A. FPL's position is that this is not an audit finding but rather a statement of fact. FPL agrees that a write off of \$350,000 for metamic material was booked in account 524 - Miscellaneous Nuclear Power Expenses, in 2008.

B. There are no expenses for this project included in account 524 in the 2010 and 2011 forecasts. FPL believes that the 2008 audit finding had no significant effect on the 2010 and 2011 test years since this item was a non-recurring item and these expenses are not included in the test year forecasts.



FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 342

COMPANY Florida Power & Light (Rebuttal)

WITNESS George K. Hardy (GKH-10)

DATE 10/23/09

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 342

COMPANY Florida Power & Light (Rebuttal)

WITNESS George K. Hardy (GKH-10)

DATE 10/23/09

FPL Estimated Combined Cycle (CC) Technology Asset Life vs. Industry Actual CC Retirements*



* Units greater than 150MW

Source: Ventyx - Energy Velocity Power Industry Database - North America - 2009
(Basis: 5 CC Retirements to date in North America)

FLORIDA PUBLIC SERVICE COMMISSION

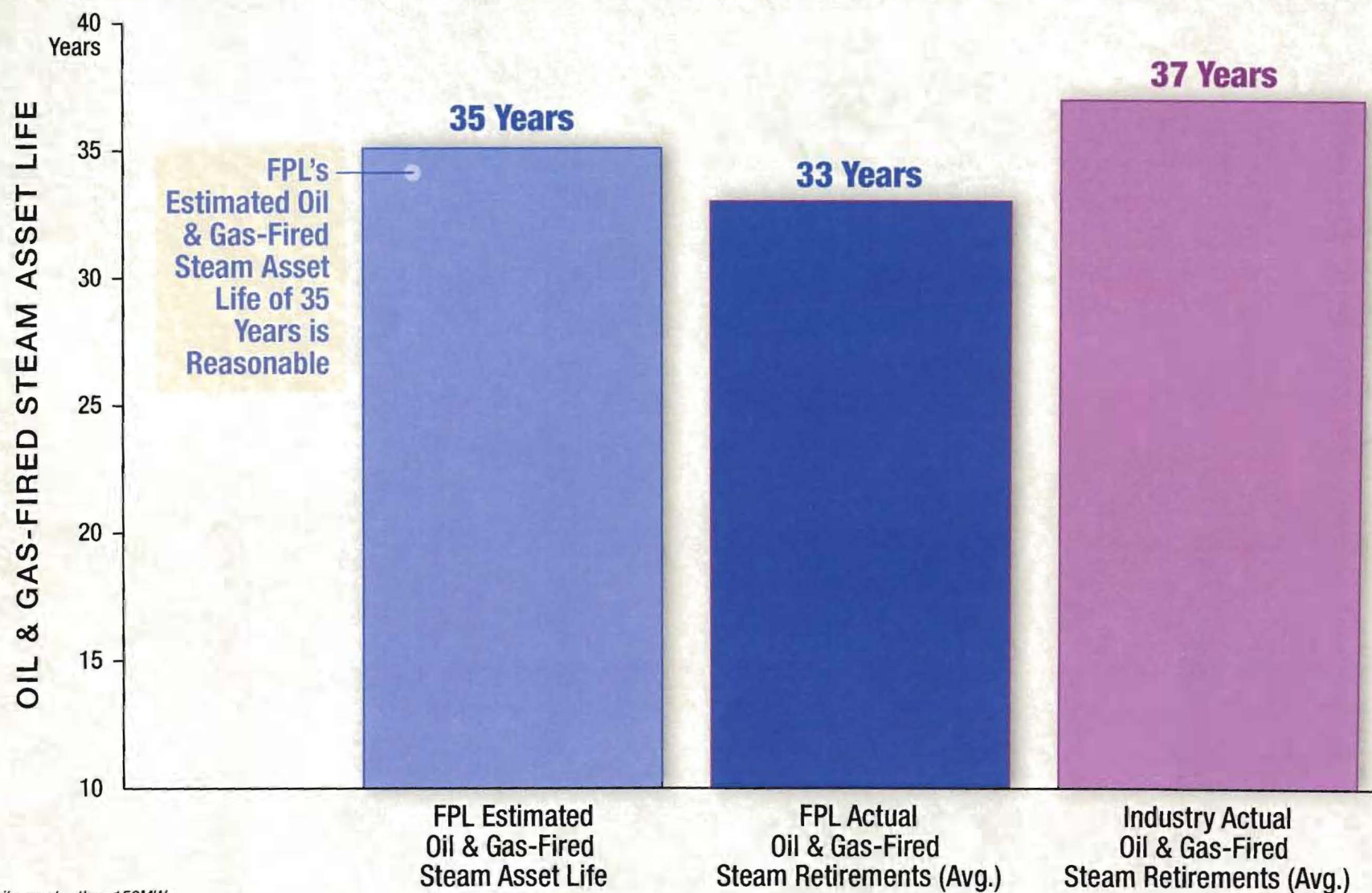
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 343

COMPANY Florida Power & Light (Rebuttal)

WITNESS George K. Hardy (GKH-11)

DATE 10/23/09

FPL Estimated Oil & Gas-Fired Steam Technology Asset Life vs. Industry Actual Oil & Gas-Fired Steam Retirements*



* Units greater than 150MW

Source: Ventyx - Energy Velocity Power Industry Database - North America - 2009

(Basis: 57 Oil & Gas-Fired Steam Retirements to date in North America)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 344

COMPANY Florida Power & Light (Rebuttal)

WITNESS George K. Hardy (GKH-12)

DATE 10/23/09

EXHIBIT KS-10

ENDNOTES TO REBUTTAL TESTIMONY OF KATHLEEN SLATTERY

¹ See e.g., Application of Suburban Water Systems (U339W) for Authority to Increase Rates Charged for Water Service, Decision 09-03-007; Application 08-01-004, California Public Utilities Commission 2009 Cal. PUC LEXIS 148 (March 13, 2009, Issued; March 12, 2009, Dated; January 2, 2008, Filed); WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. PACIFICORP D/B/A PACIFIC POWER & LIGHT COMPANY, Respondent, In the Matter of the Petition of PACIFIC POWER & LIGHT COMPANY For an Accounting Order Approving Deferral of Certain Costs Related to the MidAmerican Energy Holdings Company Transition, DOCKET UE-061546; ORDER 08; DOCKET UE-060817; ORDER 08, Washington Utilities and Transportation Commission, 2007 Wash. UTC LEXIS 387; 257 P.U.R.4th 380 (June 21, 2007); WEST VIRGINIA-AMERICAN WATER COMPANY, Tariff Rule 42 application to increase water rates and charges, CASE NO. 03-0353-W-42T, West Virginia Public Service Commission, 2004 W. Va. PUC LEXIS 6; 231 P.U.R.4th 423 (January 2, 2004); IN THE MATTER OF THE APPLICATION OF ARKANSAS WESTERN GAS COMPANY FOR APPROVAL OF A GENERAL RATE CHANGE IN RATES AND TARIFFS, DOCKET NO. 02-227-U; ORDER NO. 17, Arkansas Public Service Commission, (2003 Ark. PUC LEXIS 397) Consumers Pennsylvania Company -- Roaring Creek Division, PENNSYLVANIA PUBLIC UTILITY COMMISSION, 1997 Pa. PUC LEXIS 141 (October 14, 1997) In the Matter of the Application of The Cincinnati Gas & Electric Company for an Increase in its Electric Rates for its Entire Service Area.

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 345

COMPANY Florida Power & Light (Rebuttal)

WITNESS Kathleen M. Slattery (KS-10)

DATE 10/21/09

Florida Power & Light Company
Life Spans of Retired US Coal Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>AES CORP</u>			
AES GREENIDGE 1	1938	1985	47
AES GREENIDGE 2	1943	1985	42
AES WESTOVER 5	1924	1975	51
AES WESTOVER 6	1927	1972	45
<u>ALABAMA POWER CO</u>			
GORGAS TWO 04	1929	1977	48
GORGAS TWO 05	1944	1989	45
<u>ALLEGHENY ENERGY SUPPLY CO LLC</u>			
CELANESE (MD) 1	1937	1978	41
CUMBERLAND (MD) HP1	1938	1970	32
RP SMITH 1	1923	1970	47
RP SMITH 2	1927	1970	43
SPRINGDALE WPP 1	1920	1973	53
SPRINGDALE WPP 2	1920	1973	53
SPRINGDALE WPP 3	1924	1973	49
SPRINGDALE WPP 4	1924	1973	49
SPRINGDALE WPP 5	1926	1973	47
SPRINGDALE WPP 6	1935	1971	36
<u>AMERENCILCO</u>			
LIBERTY STREET 5	1920	1971	51
RS WALLACE 1	1925	1976	51
RS WALLACE 2	1925	1976	51
RS WALLACE 3	1939	1985	46
RS WALLACE 4	1941	1985	44
RS WALLACE 5	1949	1985	36
RS WALLACE 6	1952	1985	33
RS WALLACE 7	1958	1985	27
<u>AMERENERGY GENERATING CO</u>			
GRAND TOWER 1	1922	1972	50
GRAND TOWER 2	1923	1972	49
<u>AMERENUE</u>			
CAHOKIA 1	1923	1975	52
CAHOKIA 2	1924	1975	51
CAHOKIA 3	1925	1975	50
CAHOKIA 4	1927	1975	48
CAHOKIA 5	1929	1976	47
CAHOKIA 6	1937	1976	39
MEXICO 2	1950	1980	30
<u>AMES MUNI ELEC SYSTEM (IA)</u>			
AMES (IA) TWO 6	1958	1986	28
<u>APPALACHIAN POWER CO</u>			
CABIN CREEK (WV) 3	1919	1974	55
CABIN CREEK (WV) 4	1921	1974	53
CABIN CREEK (WV) 5	1925	1974	49
CABIN CREEK (WV) 6	1927	1974	47
CABIN CREEK (WV) 8HP	1943	1981	38
CABIN CREEK (WV) 8LP	1942	1981	39
CABIN CREEK (WV) 9HP	1943	1981	38
CABIN CREEK (WV) 9LP	1943	1981	38
GLEN LYN 2	1920	1974	54
GLEN LYN 3	1924	1974	50
GLEN LYN 4	1927	1974	47
<u>BALTIMORE GAS & ELEC CO</u>			
PRATT STREET 11	1919	1972	53

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 346

COMPANY Florida Power & Light (Rebuttal)

WITNESS C. Richard Clarke (CRC-3)

DATE 09/02/09

Florida Power & Light Company
Life Spans of Retired US Coal Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>BEECHBOTTOM POWER CO</u>			
WINDSOR (WV) 1	1918	1973	55
WINDSOR (WV) 2	1918	1975	57
WINDSOR (WV) 3	1919	1975	56
WINDSOR (WV) 4	1919	1973	54
WINDSOR (WV) 5	1919	1975	56
WINDSOR (WV) 6	1919	1973	54
WINDSOR (WV) 7	1939	1975	36
WINDSOR (WV) 8	1941	1973	32
<u>BLACK HILLS POWER INC</u>			
KIRK (SD) 4	1956	1996	40
<u>BURLINGTON ELECTRIC DEPT</u>			
MORAN 2	1954	1986	32
<u>CELINA MUNI UTILITIES</u>			
CELINA 4	1971	1973	2
<u>CLEVELAND PUBLIC POWER</u>			
LAKE ROAD (OH) 04	1918	1970	52
LAKE ROAD (OH) 05	1922	1970	48
LAKE ROAD (OH) 06	1928	1970	42
LAKE ROAD (OH) 07	1942	1970	28
LAKE ROAD (OH) 08	1941	2003	62
LAKE ROAD (OH) 09	1953	2003	50
<u>COLUMBUS DIV OF ELEC (OH)</u>			
COLUMBUS (OH) 6	1950	1977	27
<u>COLUMBUS SOUTHERN POWER (OH)</u>			
CONESVILLE 1	1959	2005	46
CONESVILLE 2	1957	2005	48
PICWAY 1	1926	1972	46
PICWAY 2	1926	1972	46
PICWAY 3	1943	1980	37
PICWAY 4	1949	1980	31
POSTON 1	1949	1987	38
POSTON 2	1950	1987	37
POSTON 3	1952	1987	35
POSTON 4	1954	1987	33
<u>COMMONWEALTH EDISON CO</u>			
DIXON 4	1945	1978	33
DIXON 5	1953	1978	25
FORDAM 01	1919	1971	52
FORDAM 04	1924	1971	47
FORDAM 09	1947	1971	24
FORDAM 10	1947	1971	24
JOLIET CECO 1	1917	1970	53
JOLIET CECO 2	1918	1970	52
JOLIET CECO 3	1924	1970	46
JOLIET CECO 4	1941	1970	29
JOLIET CECO 5	1950	1978	28
NORTHWEST 1	1912	1970	58
NORTHWEST 2	1912	1970	58
NORTHWEST 3	1915	1970	55
NORTHWEST 4	1917	1970	53
NORTHWEST 5	1917	1970	53
NORTHWEST 6	1918	1970	52
NORTHWEST 7	1942	1970	28
WAUKEGAN CECO 1	1923	1972	49
WAUKEGAN CECO 2	1925	1972	47
WAUKEGAN CECO 3	1927	1972	45
WAUKEGAN CECO 4	1930	1978	48
WAUKEGAN CECO 5	1932	1978	46

Florida Power & Light Company
Life Spans of Retired US Coal Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>CON EDISON CO OF NY INC</u>			
EAST RIVER 1	1927	1975	48
EAST RIVER 2	1927	1974	47
EAST RIVER 4	1929	1975	46
HELL GATE CECO 1	1946	1974	28
KENT AVENUE 10	1938	1972	34
KENT AVENUE 11	1938	1972	34
SHERMAN CREEK 01	1913	1972	59
SHERMAN CREEK 02	1913	1972	59
SHERMAN CREEK 03	1913	1972	59
SHERMAN CREEK 04	1919	1972	53
SHERMAN CREEK 05	1921	1972	51
SHERMAN CREEK 07	1938	1972	34
SHERMAN CREEK 08	1938	1972	34
SHERMAN CREEK 09	1943	1972	29
SHERMAN CREEK 10	1947	1972	25
<u>CONNECTIV ENERGY</u>			
DEEPWATER (NJ) 5	1942	1994	52
DEEPWATER (NJ) 7	1957	1994	37
MISSOURI AVENUE 6	1941	1975	34
MISSOURI AVENUE 7	1946	1973	27
<u>CONSTELLATION ENERGY POWER GEN</u>			
GOULD STREET 1	1927	1977	50
GOULD STREET 2	1928	1977	49
<u>CONSUMERS ENERGY CO (MI)</u>			
ELM STREET 1	1913	1973	60
ELM STREET 4	1937	1973	36
KALAMAZOO 1	1927	1972	45
SAGINAW RIVER 3	1928	1972	44
SAGINAW RIVER 4	1930	1972	42
SAGINAW RIVER 5	1930	1972	42
WEALTHY STREET 1	1929	1972	43
<u>DANVILLE ELECTRIC DIV</u>			
BRANTLY 2	1952	1979	27
BRANTLY 3	1953	1979	26
<u>DAYTON POWER & LIGHT CO (OH)</u>			
FM TAIT 4	1958	1987	29
FM TAIT 5	1959	1987	28
TROY (OH) 6	1964	1974	10
<u>DETROIT EDISON CO</u>			
CONNERS CREEK 02	1935	1973	38
CONNERS CREEK 04	1918	1972	54
MARYSVILLE 2	1922	1972	50
MARYSVILLE 3	1923	1972	49
MARYSVILLE 4	1928	1973	45
MARYSVILLE 5	1928	1972	44
PENNSALT 16	1948	1986	38
PENNSALT 17	1949	1986	37
TRENTON CHANNEL 1	1926	1973	47
TRENTON CHANNEL 2	1926	1974	48
TRENTON CHANNEL 3	1927	1973	46
TRENTON CHANNEL 5	1928	1973	45
TRENTON CHANNEL 6	1929	1973	44
<u>DOMINION ENERGY INC</u>			
STATE LINE 1	1929	1977	48
STATE LINE 2	1938	1979	41

Florida Power & Light Company
Life Spans of Retired US Coal Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>DOMINION VIRGINIA POWER</u>			
BREMO 1	1931	1972	41
BREMO 2	1931	1972	41
REEVES AVENUE 6	1941	1975	34
REEVES AVENUE 7	1951	1975	24
<u>DUKE ENERGY CAROLINAS LLC</u>			
BUCK (NC) 1	1926	1979	53
BUCK (NC) 2	1926	1979	53
BUZZARD ROOST 5	1948	1974	26
RIVERBEND (NC) 1	1929	1979	50
RIVERBEND (NC) 2	1929	1979	50
RIVERBEND (NC) 3	1938	1976	38
TIGER 1	1924	1974	50
TIGER 2	1924	1974	50
<u>DUKE ENERGY INDIANA INC</u>			
DRESSER 1	1924	1971	47
DRESSER 2	1924	1971	47
DRESSER 3	1925	1971	46
DRESSER 4	1943	1975	32
DRESSER 5	1944	1975	31
DRESSER 6	1945	1975	30
<u>DUKE ENERGY OHIO INC</u>			
MIAMI FORT 3	1938	1982	44
MIAMI FORT 4	1942	1982	40
WEST END 1	1918	1976	58
WEST END 2	1918	1976	58
WEST END 3	1920	1976	56
WEST END 4	1921	1976	55
WEST END 5	1939	1976	37
WEST END 6	1948	1976	28
<u>DUQUESNE LIGHT CO</u>			
COLFAX (PA) 1	1922	1973	51
COLFAX (PA) 2	1922	1973	51
COLFAX (PA) 3	1925	1973	48
COLFAX (PA) 4	1927	1973	46
JH REED 1	1930	1975	45
JH REED 2	1938	1975	37
JH REED 3	1941	1973	32
<u>EMPIRE DISTRICT ELEC CO</u>			
RIVERTON 1	1910	1977	67
RIVERTON 2	1910	1974	64
<u>EXELON POWER</u>			
BARBADOES 3	1949	1978	29
BARBADOES 4	1949	1978	29
CHESTER 1	1918	1973	55
CHESTER 2	1918	1975	57
CHESTER 3	1924	1975	51
CHESTER 4	1924	1975	51
L STREET 03	1908	1970	62
L STREET 06	1911	1971	60
L STREET 08	1914	1970	56
RICHMOND (PA) 12	1935	1980	45
RICHMOND (PA) A	1926	1975	49

Florida Power & Light Company
Life Spans of Retired US Coal Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>FIRSTENERGY GENERATION CORP</u>			
ACME 2	1951	2000	49
ACME 3	1923	1971	48
ACME 5	1941	1992	51
ACME 6	1949	1992	43
ASHTABULA 7	1949	2003	54
ASHTABULA 8	1948	2003	55
ASHTABULA 9	1948	2003	55
EDGEWATER (OH) 3	1949	1993	44
GORGE (OH) 6	1943	1991	48
GORGE (OH) 7	1948	1991	43
MAD RIVER 1	1927	1980	53
MAD RIVER 2	1938	1985	47
MAD RIVER 3	1949	1985	36
NORWALK (OH) 5	1969	1981	12
RE BURGER 1	1944	1995	51
RE BURGER 2	1947	1995	48
TORONTO (OH) 1	1925	1971	46
TORONTO (OH) 2	1925	1971	46
TORONTO (OH) 3	1927	1971	44
TORONTO (OH) 4	1928	1971	43
TORONTO (OH) 5	1940	1993	53
TORONTO (OH) 6	1949	1993	44
TORONTO (OH) 7	1949	1993	44
<u>FORT WAYNE ELECTRIC</u>			
LAWTON PARK 2	1934	1975	41
LAWTON PARK 3	1941	1975	34
<u>FRANKFORT CITY LIGHT & POWER</u>			
FRANKFORT 3	1952	1978	26
FRANKFORT 4	1964	1978	14
<u>FREMONT DEPT OF UTILITIES</u>			
LD WRIGHT 5	1950	1976	26
<u>GEORGIA POWER CO</u>			
ARKWRIGHT 1	1941	2002	61
ARKWRIGHT 2	1942	2002	60
ARKWRIGHT 3	1943	2002	59
ARKWRIGHT 4	1948	2002	54
MITCHELL (GA) 1	1948	2002	54
MITCHELL (GA) 2	1949	2002	53
<u>GRAND HAVEN BD LT & PWR</u>			
JB SIMS 1	1961	1986	25
JB SIMS 2	1961	1986	25
<u>HAGERSTOWN LIGHT DEPT (MD)</u>			
HAGERSTOWN 1	1957	1992	35
HAGERSTOWN 2	1960	1992	32
<u>HAMILTON MUNICIPAL UTILITIES</u>			
HAMILTON (OH) 4	1938	1986	48
HAMILTON (OH) 6	1960	1976	16
<u>INDIANA MICHIGAN POWER CO</u>			
BREED 1	1960	1994	34
TWIN BRANCH 1	1925	1974	49
TWIN BRANCH 2	1925	1974	49
TWIN BRANCH 3HP	1941	1974	33
TWIN BRANCH 3LP	1940	1974	34
<u>INDIANAPOLIS POWER & LIGHT CO</u>			
PERRY (IN) 7	1966	1997	31

Florida Power & Light Company
Life Spans of Retired US Coal Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>INTERSTATE POWER AND LIGHT CO</u>			
BOONE (IA) 1	1946	1986	40
BOONE (IA) 2	1953	1986	33
BRIDGEPORT (IA) 1	1953	1982	29
BRIDGEPORT (IA) 2	1953	1982	29
BRIDGEPORT (IA) 3	1957	1982	25
DUBUQUE 1	1926	1974	48
LANSING 1	1948	2004	56
SIXTH STREET (IA) 6	1925	2008	83
SIXTH STREET (IA) 7	1945	2008	63
SIXTH STREET (IA) 8	1950	2008	58
<u>JAMESTOWN BD OF PUB UTIL</u>			
CARLSON 4	1930	1978	48
<u>KANSAS CITY BD PUB UTIL</u>			
QUINDARO TWO 6	1932	1971	39
<u>KANSAS CITY POWER & LIGHT CO</u>			
GRAND AVENUE 5	1929	1997	68
GRAND AVENUE 8	1936	1982	46
HAWTHORN 1	1951	1984	33
HAWTHORN 2	1951	1984	33
HAWTHORN 3	1953	1984	31
NORTHEAST (MO) 3	1929	1982	53
NORTHEAST (MO) 6	1940	1982	42
<u>KENTUCKY UTILITIES CO</u>			
GREEN RIVER (KY) 1	1950	2004	54
GREEN RIVER (KY) 2	1950	2004	54
KU PARK 3	1951	2002	51
<u>KEYSPAN GENERATION LLC</u>			
GLENWOOD (NY) 2	1930	1978	48
GLENWOOD (NY) 3	1938	1978	40
<u>KINSTON DEPT OF PUBLIC SVCS</u>			
KINSTON 4	1956	1970	14
<u>LANSDALE BOROUGH UTILITIES</u>			
LANSDALE 4	1959	1972	13
<u>LANSING BD WATER & LIGHT</u>			
OTTAWA STREET 1	1940	1982	42
OTTAWA STREET 2	1949	1990	41
OTTAWA STREET 3	1951	1990	39
<u>LOUISVILLE GAS & ELEC CO (KY)</u>			
CANAL (KY) 3	1937	1974	37
CANAL (KY) 4	1941	1974	33
CANE RUN 1	1954	1985	31
CANE RUN 2	1956	1985	29
PADDYS RUN 1	1942	1979	37
PADDYS RUN 2	1942	1979	37
PADDYS RUN 5	1950	1984	34
PADDYS RUN 6	1952	1984	32
<u>MANITOWOC PUBLIC UTILITIES</u>			
MANITOWOC 7	1964	1970	6
<u>MARSHFIELD ELEC & WATER</u>			
WILDWOOD 4	1962	1994	32
WILDWOOD 5	1968	1994	26
<u>MASSACHUSETTS ELEC CO</u>			
WEBSTER STREET 8	1950	1972	22

Florida Power & Light Company
Life Spans of Retired US Coal Generating Units, 10 MW or Greater

Unit (1)	Installation Year (2)	Retirement Year (3)	Life Span (4)
<u>METROPOLITAN EDISON CO</u>			
CRAWFORD (PA) 3	1947	1978	31
EYLER 4	1919	1971	52
<u>MIDAMERICAN ENERGY CO</u>			
DES MOINES 01	1925	1975	50
DES MOINES 02	1926	1975	49
DES MOINES 03	1938	1982	44
DES MOINES 10	1954	1986	32
DES MOINES 11	1964	1986	22
HAWKEYE 2	1954	1981	27
MAYNARD 4	1938	1976	38
MAYNARD 5	1947	1976	29
MOLINE 3	1913	1983	70
MOLINE 4	1913	1974	61
RIVERSIDE (IA) 1	1925	1983	58
RIVERSIDE (IA) 2	1929	1972	43
RIVERSIDE (IA) 4	1949	1988	39
<u>MIDWEST GENERATION EME LLC</u>			
CALUMET 7	1947	1975	28
FISK 18	1949	1978	29
POWERTON 1	1927	1974	47
POWERTON 2	1929	1974	45
POWERTON 3	1930	1974	44
POWERTON 4	1940	1974	34
SABROOKE 3	1955	1976	21
SABROOKE 4	1961	1976	15
<u>MINNKOTA POWER COOP INC</u>			
FP WOOD 3	1951	1985	34
<u>MIRANT CORP</u>			
LOVETT 4	1966	2007	41
LOVETT 5	1969	2008	39
<u>MONONGAHELA POWER CO</u>			
RIVESVILLE 1	1919	1973	54
RIVESVILLE 2	1921	1973	52
RIVESVILLE 3	1921	1973	52
RIVESVILLE 4	1937	1973	36
<u>MOORHEAD PUB SER</u>			
MOORHEAD 7	1970	1999	29
<u>MUSCATINE POWER & WATER</u>			
MUSCATINE 6	1946	1985	39
<u>NATIONAL ENERGY & GAS TRANSM</u>			
LYNNWAY 1	1921	1972	51
LYNNWAY 2	1942	1972	30
LYNNWAY 6	1945	1972	27
SOUTH STREET 07	1921	1970	49
SOUTH STREET 08	1926	1974	48
<u>NEBRASKA PUBLIC POWER DIST</u>			
KRAMER 1	1949	1987	38
KRAMER 2	1949	1987	38
KRAMER 3	1951	1987	36
<u>NO INDIANA PUBLIC SERVICE CO</u>			
MICHIGAN CITY 01	1930	1978	48

Florida Power & Light Company
Life Spans of Retired US Coal Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>NORTHERN STATES POWER CO (MN)</u>			
HIGH BRIDGE 1	1924	1974	50
HIGH BRIDGE 2	1928	1974	46
HIGH BRIDGE 3	1942	1989	47
LAWRENCE (SD) 1	1948	1977	29
LAWRENCE (SD) 2	1949	1977	28
LAWRENCE (SD) 3	1951	1977	26
MINNESOTA VALLEY 1	1930	1972	42
MINNESOTA VALLEY 2	1930	1972	42
RIVERSIDE (MN) 1	1938	1987	49
RIVERSIDE (MN) 2	1931	1987	56
RIVERSIDE (MN) 6	1949	1987	38
RIVERSIDE (MN) 7A	1950	1971	21
WHITNEY (MN) 2	1948	1974	26
WINONA 3	1951	1974	23
<u>NRG ENERGY INC</u>			
DEVON 1	1924	1977	53
HUNTLEY 63	1942	2006	64
HUNTLEY 64	1948	2006	58
MONTVILLE 1	1948	1978	30
MONTVILLE 2	1948	1978	30
MONTVILLE 3	1924	1971	47
SOMERSET (MA) 3	1942	1994	52
<u>OHIO POWER CO</u>			
PHILO 1	1925	1974	49
PHILO 2	1925	1974	49
PHILO 3	1928	1974	46
PHILO 3-1	1929	1974	45
PHILO 3-2	1929	1974	45
PHILO 3-3	1929	1974	45
PHILO 4	1942	1979	37
PHILO 4HP	1942	1979	37
PHILO 4LP	1941	1979	38
PHILO 5HP	1942	1979	37
PHILO 5LP	1942	1979	37
PHILO 6	1957	1979	22
TIDD 1	1945	1979	34
TIDD 2	1948	1979	31
WOODCOCK 4	1947	1979	32
WOODCOCK 5	1950	1979	29
<u>OTTER TAIL POWER CO</u>			
KIDDER 4	1939	1975	36
ORTONVILLE 1	1950	1988	38
<u>OWENSBORO MUNICIPAL UTIL</u>			
OWENSBORO 4	1954	1978	24
<u>PACIFICORP</u>			
HALE (UT) 1	1936	1979	43
JORDAN 3	1925	1985	60
<u>PAINESVILLE MUNI UTIL SYS</u>			
PAINESVILLE 6	1976	1989	13
<u>PENNSYLVANIA ELEC CO</u>			
FRONT STREET 1	1952	1991	39
FRONT STREET 2	1952	1991	39
FRONT STREET 3	1928	1991	63
FRONT STREET 4	1942	1991	49
FRONT STREET 5	1942	1991	49
SAXTON 1	1923	1974	51
SAXTON 2	1923	1974	51
SAXTON 3	1926	1974	48

Florida Power & Light Company
Life Spans of Retired US Coal Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>PEPCO ENERGY SERVICES INC</u>			
BENNING 04	1922	1972	50
BENNING 05	1923	1972	49
BENNING 06	1917	1972	55
BENNING 07	1918	1972	54
BENNING 08	1919	1972	53
BENNING 09	1924	1972	48
<u>POWERSOUTH ENERGY COOP</u>			
MCWILLIAMS 3	1959	1996	37
<u>PPL ELECTRIC UTILITIES CORP</u>			
STANTON (PA) 1	1927	1972	45
STANTON (PA) 2	1927	1972	45
STANTON (PA) 3	1953	1972	19
<u>PPL GENERATION LLC</u>			
PPL HOLTWOOD 15	1925	1972	47
PPL HOLTWOOD 16	1925	1972	47
PPL HOLTWOOD 17	1954	1999	45
PPL MARTINS CREEK 1	1954	2007	53
PPL MARTINS CREEK 2	1956	2007	51
<u>PROGRESS ENERGY CAROLINAS</u>			
CAPE FEAR 3	1942	1994	52
CAPE FEAR 4	1943	1994	51
<u>PSEG FOSSIL LLC</u>			
BURLINGTON (NJ) 1	1915	1974	59
BURLINGTON (NJ) 2	1919	1974	55
BURLINGTON (NJ) 3	1922	1974	52
BURLINGTON (NJ) 4	1933	1974	41
ESSEX 7	1938	1974	36
KEARNY (NJ) 1	1924	1974	50
KEARNY (NJ) 2	1926	1974	48
KEARNY (NJ) 3	1925	1974	49
KEARNY (NJ) 4	1926	1974	48
KEARNY (NJ) 5	1926	1974	48
KEARNY (NJ) 6	1932	1974	42
KEARNY (NJ) A	1933	1974	41
<u>PUBLIC SERVICE CO OF OKLAHOMA</u>			
TULSA 1	1947	1978	31
<u>PUBLIC SERVICE COLORADO</u>			
ARAPAHOE 1	1950	2003	53
ARAPAHOE 2	1951	2003	52
<u>PUBLIC SVC CO OF NEW HAMPSHIRE</u>			
SCHILLER 4	1952	2006	54
SCHILLER 5	1955	2005	50
<u>RICHMOND POWER & LIGHT</u>			
JOHNSON STREET 3	1934	1970	36
<u>ROCHESTER GAS & ELEC CORP (NY)</u>			
BEEBEE 04	1916	1971	55
BEEBEE 12	1959	1999	40

Florida Power & Light Company
Life Spans of Retired US Coal Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>RRI ENERGY INC</u>			
AVON LAKE 8	1959	1987	28
NEW CASTLE 1	1939	1993	54
NEW CASTLE 2	1947	1993	46
SEWARD 2	1921	1980	59
SEWARD 3	1941	1979	38
SEWARD 4	1950	2003	53
SEWARD 5	1957	2003	46
WERNER 1	1930	1982	52
WERNER 2	1930	1982	52
WILLIAMSBURG 5	1944	1991	47
<u>SE TECHNOLOGIES INC</u>			
MARION (NJ) 10	1942	1974	32
MARION (NJ) 7	1920	1974	54
MARION (NJ) 8	1924	1974	50
MARION (NJ) 9	1941	1974	33
<u>SMURFIT-STONE CONTAINER CORP</u>			
ALTON CONTAINERBOARD 5	1958	1998	40
<u>SOLID WASTE AUTH CENTRAL OHIO</u>			
COLUMBUS WTE 1	1983	1995	12
COLUMBUS WTE 2	1983	1995	12
<u>SOUTH CAROLINA ELEC & GAS CO</u>			
PARR 1	1925	1973	48
PARR 2	1926	1973	47
PARR 3	1929	1973	44
<u>SOUTHERN CALIF EDISON CO</u>			
MOHAVE 1	1970	2006	36
MOHAVE 2	1971	2006	35
<u>TAMPA ELECTRIC CO</u>			
BAYSIDE (FL) GANNON 1	1957	2003	46
BAYSIDE (FL) GANNON 2	1958	2003	45
BAYSIDE (FL) GANNON 3	1960	2003	43
BAYSIDE (FL) GANNON 4	1963	2003	40
BAYSIDE (FL) GANNON 5	1965	2003	38
BAYSIDE (FL) GANNON 6	1967	2003	36
<u>TAUNTON MUNI LIGHT CO</u>			
WATER STREET 2	1917	1971	54
<u>TRAVERSE CITY LT & POWER</u>			
BAYSIDE (MI) 4	1968	2002	34
<u>UGI DEVELOPMENT CO</u>			
HUNLOCK CREEK 1	1925	1975	50
HUNLOCK CREEK 2	1947	1975	28
<u>US POWER GENERATING CO LLC</u>			
MYSTIC 1	1944	1975	31
MYSTIC 2	1945	1975	30
MYSTIC 3	1946	1975	29
<u>VECTREN ENERGY INDIANA SOUTH</u>			
FB CULLEY 1	1955	2006	51

Florida Power & Light Company
Life Spans of Retired US Coal Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>WE ENERGIES</u>			
EAST WELLS B1	1939	1982	43
OAK CREEK (WI) 1	1953	1989	36
OAK CREEK (WI) 2	1954	1989	35
OAK CREEK (WI) 3	1955	1988	33
OAK CREEK (WI) 4	1957	1988	31
PORT WASHINGTON 1	1935	2002	67
PORT WASHINGTON 2	1943	2002	59
PORT WASHINGTON 3	1948	2002	54
PORT WASHINGTON 5	1950	1991	41
PRESQUE ISLE 1	1955	2006	51
PRESQUE ISLE 2	1962	2007	45
<u>WESTAR ENERGY INC</u>			
NEOSHO 1	1924	1985	61
NEOSHO 2	1928	1985	57
<u>WESTERN MASSACHUSETTS ELECTRIC</u>			
STATE STREET 1	1917	1971	54
STATE STREET 4	1921	1971	50
<u>WISCONSIN POWER & LIGHT CO</u>			
EDGEWATER (WI) 1	1931	1985	54
EDGEWATER (WI) 2	1942	1985	43
<u>WISCONSIN PUBLIC SERVICE CORP</u>			
JP PULLIAM 2	1927	1980	53
<u>WOLVERINE POWER COOP INC</u>			
ADVANCE 3	1967	2000	33
<u>WYANDOTTE MUNI SERVICES</u>			
WYANDOTTE NORTH 5	1948	1977	29
WYANDOTTE NORTH 9	1968	1977	9
TOTAL LIFE SPAN YEARS			19,789
TOTAL NUMBER OF UNITS		+	464
AVERAGE LIFE SPAN, YEARS			<u>42.65</u>

Source: Platts World Electric Power Plants Database, Jun 2009

Florida Power & Light Company

Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

Unit (1)	Installation Year (2)	Retirement Year (3)	Life Span (4)
<u>AEP TEXAS NORTH CO</u>			
ABILENE (TX) 4	1949	2005	56
CONCHO 3	1930	1990	60
CONCHO 4	1953	1988	35
PAINT CREEK 1	1953	2005	52
PAINT CREEK 2	1954	2005	51
PAINT CREEK 3	1959	2005	46
PAINT CREEK 4	1971	2005	34
<u>AES CORP</u>			
RIVERSIDE CANAL 1	1952	2002	50
RIVERSIDE CANAL 2	1952	2002	50
RIVERSIDE CANAL 3	1953	2002	49
RIVERSIDE CANAL 4	1955	2002	47
<u>ALABAMA POWER CO</u>			
CHICKASAW 1	1941	1979	38
CHICKASAW 2	1943	1979	36
CHICKASAW 3	1951	1999	48
<u>ALEXANDRIA MUNI UTILS (LA)</u>			
DG HUNTER 1	1957	2005	48
DG HUNTER 2	1957	2005	48
<u>ALLEGHENY ENERGY SUPPLY CO LLC</u>			
MILESBURG 1	1950	1984	34
MILESBURG 2	1950	1984	34
MITCHELL (PA) 1	1948	2002	54
<u>AMERENCILCO</u>			
KEYSTONE (IL) 4	1967	1975	8
KEYSTONE (IL) 5	1949	1975	26
KEYSTONE (IL) 6	1956	1975	19
<u>AMERENENERGY GENERATING CO</u>			
HUTSONVILLE 1	1940	1982	42
HUTSONVILLE 2	1941	1982	41
<u>AMERENUE</u>			
MOUND STREET 6	1940	1971	31
VENICE-1 NO 1	1924	1973	49
VENICE-1 NO 2	1929	1973	44
VENICE-2 NO 1	1942	2000	58
VENICE-2 NO 2	1942	2000	58
VENICE-2 NO 3	1943	2002	59
VENICE-2 NO 4	1948	2002	54
VENICE-2 NO 5	1950	2002	52
VENICE-2 NO 6	1950	2002	52
<u>ARIZONA PUBLIC SERVICE CO</u>			
WEST PHOENIX 4	1948	2002	54
WEST PHOENIX 5	1949	2002	53
WEST PHOENIX 6	1950	2002	52
<u>ATLANTIC CITY ELECTRIC CO (NJ)</u>			
GREENWICH ACE 1	1953	1975	22

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 347

COMPANY Florida Power & Light (Rebuttal)

WITNESS C. Richard Clarke (CRC-4)

DATE 09/02/09

Florida Power & Light Company
Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

<u>Unit</u>	<u>Installation Year</u>	<u>Retirement Year</u>	<u>Life Span</u>
(1)	(2)	(3)	(4)
<u>AUSTIN ENERGY</u>			
HOLLY STREET 1	1960	2004	44
HOLLY STREET 2	1964	2004	40
HOLLY STREET 3	1966	2007	41
HOLLY STREET 4	1974	2007	33
SEAHOLM 5	1951	1994	43
SEAHOLM 6	1951	1994	43
SEAHOLM 7	1955	1994	39
SEAHOLM 8	1955	1994	39
SEAHOLM 9	1958	1994	36
<u>BANGOR HYDRO-ELEC CO</u>			
EM GRAHAM 3	1954	1992	38
<u>BHP MINERALS INTERNATIONAL</u>			
SAN MANUEL SMELTER	1954	2005	51
<u>BIOFUELS POWER CORP</u>			
HIRAM O CLARKE 1	1943	1985	42
HIRAM O CLARKE 2	1947	1985	38
HIRAM O CLARKE 3	1950	1985	35
HIRAM O CLARKE 4	1951	1985	34
<u>BOSTON EDISON CO</u>			
EDGAR 1	1927	1971	44
EDGAR 2	1925	1971	46
EDGAR 3	1927	1978	51
EDGAR 4	1949	1978	29
EDGAR 5	1952	1978	26
EDGAR 6	1954	1978	24
<u>BRAINTREE ELEC LIGHT DEPT</u>			
POTTER 1	1959	2003	44
<u>BRAZOS ELECTRIC COOP INC</u>			
WR POAGE 1	1950	1990	40
WR POAGE 2	1952	1990	38
<u>BROCKTON EDISON CO</u>			
EAST BRIDGEWATER 3	1917	1973	56
<u>BURBANK WATER AND POWER</u>			
MAGNOLIA 1	1941	1983	42
MAGNOLIA 3	1949	2002	53
MAGNOLIA 4	1953	2002	49
<u>CLECO MIDSTREAM RESOURCES LLC</u>			
EVANGELINE 3	1949	1984	35
EVANGELINE 4	1952	1984	32
EVANGELINE 5	1958	1998	40
<u>COFFEYVILLE MUNI LIGHT & POWER</u>			
COFFEYVILLE 5	1949	1992	43
<u>COMMONWEALTH EDISON CO</u>			
RIDGELAND 1	1951	1982	31
RIDGELAND 2	1950	1982	32
RIDGELAND 3	1953	1982	29
RIDGELAND 4	1955	1982	27
<u>COMMONWEALTH ELECTRIC CO</u>			
CANNON STREET 1	1947	1993	46
CANNON STREET 2	1950	1993	43
CANNON STREET 4	1917	1973	56
CANNON STREET 8	1923	1971	48

Florida Power & Light Company

Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

Unit (1)	Installation Year (2)	Retirement Year (3)	Life Span (4)
<u>CON EDISON CO OF NY INC</u>			
59TH STREET 07	1918	1977	59
59TH STREET 08	1918	1977	59
59TH STREET 13	1952	1990	38
59TH STREET 14	1962	1994	32
74TH STREET 03	1915	1982	67
74TH STREET 04	1918	1972	54
74TH STREET 10	1956	1992	36
EAST RIVER 5	1951	1996	45
HELL GATE CECO 2	1921	1974	53
HELL GATE CECO 3	1921	1974	53
HELL GATE CECO 4	1922	1972	50
HELL GATE CECO 5	1923	1974	51
HELL GATE CECO 6	1925	1971	46
HELL GATE CECO 7	1928	1971	43
HELL GATE CECO 8	1928	1972	44
HELL GATE CECO 9	1929	1974	45
HUDSON AVENUE 01	1924	1972	48
HUDSON AVENUE 02	1924	1979	55
HUDSON AVENUE 03	1924	1979	55
HUDSON AVENUE 04	1926	1970	44
HUDSON AVENUE 05	1928	1981	53
HUDSON AVENUE 06	1928	1981	53
HUDSON AVENUE 08	1932	1986	54
WATERSIDE (NY) 01	1891	1972	81
WATERSIDE (NY) 04	1937	1994	57
WATERSIDE (NY) 05	1938	1995	57
WATERSIDE (NY) 06	1941	2005	64
WATERSIDE (NY) 07	1941	1992	51
WATERSIDE (NY) 09	1949	2005	56
WATERSIDE (NY) 10	1924	1976	52
WATERSIDE (NY) 11	1919	1977	58
WATERSIDE (NY) 12	1924	1976	52
WATERSIDE (NY) 13	1919	1977	58
WATERSIDE (NY) 14	1948	1992	44
WATERSIDE (NY) 15	1949	1992	43
<u>CONNECTIV ENERGY</u>			
DEEPWATER (NJ) 3	1930	1991	61
<u>CONNECTICUT LIGHT AND POWER CO</u>			
STAMFORD 7	1928	1978	50
STAMFORD 8	1941	1978	37
<u>CONSTELLATION ENERGY POWER GEN</u>			
RIVERSIDE (MD) 1	1942	1991	49
RIVERSIDE (MD) 2	1944	1994	50
RIVERSIDE (MD) 3	1948	1994	46
RIVERSIDE (MD) 5	1953	1994	41
WESTPORT 01	1940	1984	44
WESTPORT 03	1941	1994	53
WESTPORT 04	1950	1994	44
WESTPORT 13	1942	1984	42
WESTPORT 14	1942	1984	42
<u>CONSUMERS ENERGY CO (MI)</u>			
BE MORROW 1	1939	1982	43
BE MORROW 2	1939	1982	43
BE MORROW 3	1941	1982	41
BE MORROW 4	1949	1982	33
JC WEADOCK 1	1940	1983	43
JC WEADOCK 2	1941	1983	42
JC WEADOCK 3	1943	1983	40
JC WEADOCK 4	1948	1983	35
JC WEADOCK 5	1949	1983	34
JC WEADOCK 6	1949	1983	34

Florida Power & Light Company
Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>CPS ENERGY</u>			
LEON CREEK 1	1949	1988	39
LEON CREEK 2	1951	1988	37
MISSION ROAD 1	1945	1977	32
MISSION ROAD 2	1948	1977	29
MISSION ROAD 3	1958	2003	45
<u>DAIRYLAND POWER COOP</u>			
GENOA-1 NO 1	1941	1987	46
<u>DAYTON POWER & LIGHT CO (OH)</u>			
FM TAIT 1	1944	1987	43
FM TAIT 2	1942	1987	45
FM TAIT 3	1951	1987	36
FM TAIT 7	1937	1987	50
FM TAIT 8	1940	1987	47
<u>DETROIT EDISON CO</u>			
CONNERS CREEK 10	1935	1983	48
CONNERS CREEK 12	1939	1983	44
CONNERS CREEK 13	1937	1983	46
CONNERS CREEK 14	1936	1983	47
DELRAY 11	1929	1983	54
DELRAY 12	1929	1983	54
DELRAY 13	1933	1983	50
DELRAY 14	1938	1988	50
DELRAY 15	1940	1988	48
DELRAY 16	1942	1983	41
FERMI FOSSIL 1	1966	1983	17
TRENTON CHANNEL 4	1928	1974	46
<u>DETROIT PUBLIC LIGHTING</u>			
MISTERSKY 1	1927	1977	50
MISTERSKY 2	1927	1977	50
MISTERSKY 3	1927	1977	50
MISTERSKY 4	1927	1977	50
<u>DOMINION VIRGINIA POWER</u>			
CHESTERFIELD 1	1944	1981	37
CHESTERFIELD 2	1949	1981	32
POSSUM POINT 1	1948	2003	55
POSSUM POINT 2	1951	2003	52
TWELFTH STREET 4	1923	1975	52
TWELFTH STREET 5	1919	1975	56
TWELFTH STREET 6	1936	1975	39
TWELFTH STREET 7	1940	1975	35

Florida Power & Light Company
Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>DUKE ENERGY CAROLINAS LLC</u>			
GREENWOOD (SC) 1	1956	1974	18
<u>DYNEGY GENERATION</u>			
MOSS LANDING 1	1950	1994	44
MOSS LANDING 2	1950	1994	44
MOSS LANDING 3	1951	1994	43
MOSS LANDING 4	1952	1994	42
MOSS LANDING 5	1952	1994	42
<u>EAGLE CONSTR & ENV SVCS</u>			
FORT PHANTOM 1	1974	2007	33
FORT PHANTOM 2	1977	2007	30
LAKE PAULINE 1	1928	2005	77
LAKE PAULINE 2	1951	2005	54
OAK CREEK (TX) 1	1962	2005	43
RIO PECOS ST 6	1959	2005	46
<u>EL PASO ELECTRIC CO</u>			
RIO GRANDE 1	1929	1980	51
RIO GRANDE 2	1929	1980	51
RIO GRANDE 3	1946	1985	39
RIO GRANDE 4	1951	1985	34
RIO GRANDE 5	1954	1985	31
<u>EMPIRE DISTRICT ELEC CO</u>			
RIVERTON 3	1918	1990	72
RIVERTON 4	1926	1990	64
RIVERTON 6	1939	1995	56
<u>ENTERGY ARKANSAS INC</u>			
JIM HILL 1	1950	1984	34
<u>ENTERGY GULF STATES LOUISIANA</u>			
LOUISIANA ONE 3	1930	1986	56
LOUISIANA ONE 4	1938	1989	51
NECHES 3	1937	1987	50
NECHES 7	1956	1983	27
<u>ENTERGY LOUISIANA LLC</u>			
STERLINGTON 3	1929	1972	43
STERLINGTON 4	1929	1972	43
STERLINGTON 5	1943	1985	42
<u>ENTERGY MISSISSIPPI INC</u>			
REX BROWN 2	1949	1984	35
<u>ENTERGY NEW ORLEANS INC</u>			
MARKET STREET 11	1938	1984	46
MARKET STREET 12	1943	1984	41
MARKET STREET 13	1952	1984	32

Florida Power & Light Company

Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

Unit (1)	Installation Year (2)	Retirement Year (3)	Life Span (4)
<u>EXELON POWER</u>			
BARBADOES 1	1923	1973	50
CHESTER 5	1940	1981	41
CHESTER 6	1941	1982	41
DELAWARE 3	1920	1975	55
DELAWARE 4	1924	1975	51
DELAWARE 5	1924	1975	51
DELAWARE 6	1924	1971	47
DELAWARE 7	1953	2004	51
DELAWARE 8	1953	2004	51
L STREET 09	1919	1972	53
L STREET 10	1920	1973	53
L STREET 11	1922	1973	51
L STREET 12	1939	1980	41
L STREET TOP	1939	1976	37
MOUNTAIN CREEK 1	1938	1977	39
MOUNTAIN CREEK 4	1949	1970	21
MOUNTAIN CREEK 5	1950	1970	20
NEW BOSTON 2	1967	2003	36
RICHMOND (PA) 10	1925	1975	50
RICHMOND (PA) 11	1926	1975	49
RICHMOND (PA) 9	1950	1985	35
SCHUYLKILL 3	1938	1987	49
SCHUYLKILL 5	1913	1975	62
SCHUYLKILL 8	1913	1975	62
SCHUYLKILL 9	1916	1981	65
SOUTHWARK 1	1947	1985	38
SOUTHWARK 2	1948	1985	37
<u>FIRSTENERGY GENERATION CORP</u>			
ACME 1	1918	1989	71
ACME 4	1929	1989	60
ASHTABULA 1	1930	1983	53
ASHTABULA 2	1930	1983	53
ASHTABULA 3	1930	1983	53
ASHTABULA 4	1930	1983	53
EDGEWATER (OH) 4	1957	2002	45
LAKE SHORE 14	1941	1992	51
LAKE SHORE 15	1942	1992	50
LAKE SHORE 16	1951	1992	41
LAKE SHORE 17	1951	1992	41
<u>FIRSTLIGHT POWER RESOURCES INC</u>			
SOUTH MEADOW 1	1921	1976	55
SOUTH MEADOW 2	1923	1976	53
SOUTH MEADOW 3	1929	1976	47
SOUTH MEADOW 4	1938	1976	38
SOUTH MEADOW 5	1942	1976	34
SOUTH MEADOW 6	1950	1976	26
<u>FITCHBURG GAS AND ELECT CO</u>			
SAWYER PASSWAY 6	1965	1978	13
<u>FLORIDA POWER & LIGHT CO</u>			
CUTLER (FL) 3	1949	1975	26
CUTLER (FL) 4	1952	1980	28
FORT MYERS 1	1958	2002	44
FORT MYERS 2	1969	2002	33
MIAMI 8	1948	1975	27
PALATKA 1	1951	1983	32
PALATKA 2	1956	1983	27
RIVIERA BEACH 1	1946	1983	37
<u>FORT PIERCE UTILS AUTH</u>			
HD KING 6	1958	2008	50
HD KING 7	1964	2008	44
HD KING 8	1976	2008	32

Florida Power & Light Company
Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>GAINESVILLE REGIONAL UTIL</u>			
JR KELLY 5	1955	1976	21
<u>GEORGIA POWER CO</u>			
ATKINSON 1	1930	1993	63
ATKINSON 2	1941	2002	61
ATKINSON 3	1945	2002	57
ATKINSON 4	1948	2002	54
RIVERSIDE (GA) 4	1926	2005	79
RIVERSIDE (GA) 6	1949	2005	56
RIVERSIDE (GA) 7	1954	2005	51
RIVERSIDE (GA) 8	1956	2005	49
<u>GRAND RIVER DAM AUTH</u>			
CHOUTEAU STEAM 5	1950	1982	32
CHOUTEAU STEAM 6	1951	1982	31
<u>HAWAIIAN ELECTRIC CO INC</u>			
HONOLULU 5	1930	1982	52
HONOLULU 7	1944	1983	39
WAI'AU 2	1940	1982	42
<u>HOLYOKE GAS & ELECTRIC (MA)</u>			
RIVERSIDE (MA) 02	1936	1977	41
RIVERSIDE (MA) 10	1948	1977	29
<u>INDIANA MICHIGAN POWER CO</u>			
TWIN BRANCH 4	1944	1981	37
TWIN BRANCH 5	1949	1981	32
<u>INDIANAPOLIS POWER & LIGHT CO</u>			
HARDING STREET 1	1931	1986	55
HARDING STREET 2	1931	1986	55
<u>INTERSTATE POWER AND LIGHT CO</u>			
MASON CITY 3	1929	1977	48
<u>JEA</u>			
JD KENNEDY 05	1924	1972	48
JD KENNEDY 06	1929	1972	43
JD KENNEDY 07	1939	1972	33
JD KENNEDY 08	1955	1998	43
JD KENNEDY 09	1958	1998	40
SOUTHSIDE 3	1955	1998	43
SOUTHSIDE 4	1958	2001	43
SOUTHSIDE 5	1964	2001	37
<u>JONESBORO CITY WATER & LT</u>			
JONESBORO (AR) 6	1958	1983	25
<u>KANSAS CITY BD PUB UTIL</u>			
QUINDARO TWO 7	1938	1982	44
QUINDARO TWO 8	1947	1982	35
QUINDARO TWO 9	1952	1983	31
<u>KANSAS CITY POWER & LIGHT CO</u>			
EDMOND STREET 4	1965	1986	21
EDMOND STREET 5	1963	1986	23
EDMOND STREET 7	1950	1983	33
GRAND AVENUE 1	1949	1997	48
NORTHEAST (MO) 1	1920	1982	62
NORTHEAST (MO) 11	1950	1982	32
NORTHEAST (MO) 2	1920	1982	62

Florida Power & Light Company

Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>KANSAS GAS & ELECTRIC CO</u>			
RIPLEY 1	1938	1985	47
RIPLEY 2	1948	1985	37
RIPLEY 3	1949	1985	36
WICHITA 2	1919	1986	67
<u>KCP&L GREATER MISSOURI OPER</u>			
RALPH GREEN 1	1954	1982	28
RALPH GREEN 2	1958	1982	24
<u>KEYS ENERGY SERVICES</u>			
STOCK ISLAND 3	1957	1990	33
STOCK ISLAND 4	1962	1990	28
STOCK ISLAND 5	1966	1987	21
<u>LAFAYETTE UTIL SYSTEM</u>			
CA RODEMACHER 3	1956	1994	38
CA RODEMACHER 4	1960	2001	41
<u>LAKE WORTH UTIL AUTH</u>			
TG SMITH 4	1971	2003	32
<u>LAKELAND ELECTRIC (FL)</u>			
LARSEN MEMORIAL 4	1950	1994	44
LARSEN MEMORIAL 5	1956	1992	36
<u>LINCOLN ELECTRIC SYSTEM (NE)</u>			
K STREET 3	1950	1983	33
<u>LOS ANGELES DEPT WTR & PWR</u>			
HARBOR 1	1943	1988	45
HARBOR 2	1947	1988	41
<u>LOUISVILLE GAS & ELEC CO (KY)</u>			
CANE RUN 3	1958	1995	37
<u>LOWER COLORADO RIVER AUTH</u>			
COMAL 1	1927	1973	46
COMAL 2	1929	1973	44

Florida Power & Light Company

Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>LUMINANT POWER CO LLC</u>			
DALLAS 0	1930	1977	47
DALLAS 1	1924	1977	53
DALLAS 2	1927	1977	50
DALLAS 3	1954	1998	44
DALLAS 9	1951	1998	47
MORGAN CREEK 1	1950	1976	26
MORGAN CREEK 2	1950	2004	54
MORGAN CREEK 3	1952	2004	52
MORGAN CREEK 4	1954	2004	50
MORGAN CREEK 5	1959	2009	50
MORGAN CREEK 6	1966	2009	43
NORTH LAKE 1	1959	2009	50
NORTH LAKE 2	1961	2009	48
NORTH LAKE 3	1964	2009	45
NORTH MAIN (TX) 1	1919	2004	85
NORTH MAIN (TX) 2	1922	2004	82
NORTH MAIN (TX) 4	1952	2004	52
PARKDALE 1	1953	2004	51
PARKDALE 2	1955	2004	49
PARKDALE 3	1957	2004	47
PERMIAN BASIN 1	1948	1983	35
PERMIAN BASIN 2	1948	1983	35
PERMIAN BASIN 3	1949	1983	34
PERMIAN BASIN 4	1949	1983	34
PERMIAN BASIN 5	1958	2009	51
RIVER CREST 1	1954	2004	50
TRADINGHOUSE CREEK 1	1970	2009	39
TRINIDAD (TX) 1	1926	1981	55
TRINIDAD (TX) 2	1926	1981	55
TRINIDAD (TX) 3	1931	1981	50
TRINIDAD (TX) 4	1943	1981	38
TRINIDAD (TX) 5	1949	1994	45
WACO 3	1949	1972	23
WICHITA FALLS 6	1949	1980	31
WICHITA FALLS 7	1949	1980	31
<u>MADISON GAS AND ELECTRIC CO</u>			
BLOUNT STREET 1	1925	2006	81
<u>MCPHERSON BD OF PUB UTIL</u>			
MCPHERSON ONE (KS) 3	1958	1995	37
MCPHERSON TWO (KS) 1	1963	2006	43
<u>METROPOLITAN EDISON CO</u>			
CRAWFORD (PA) 1	1924	1978	54
CRAWFORD (PA) 2	1926	1978	52
EYLER 5	1919	1976	57
EYLER 6	1923	1976	53
EYLER 7	1941	1976	35
<u>MIDAMERICAN ENERGY CO</u>			
BIG SIOUX 1	1925	1975	50
BIG SIOUX 2	1925	1975	50
BIG SIOUX 3	1927	1975	48
BIG SIOUX 4	1949	1975	26
DES MOINES 09	1950	1982	32
MAYNARD 6	1951	1983	32
MAYNARD 7	1958	1988	30
MOLINE 5	1952	1985	33
MOLINE 6	1953	1986	33
MOLINE 7	1954	1986	32

Florida Power & Light Company

Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

Unit (1)	Installation Year (2)	Retirement Year (3)	Life Span (4)
<u>MIDWEST ENERGY INC (KS)</u>			
ROSS BEACH 1	1954	1994	40
ROSS BEACH 2	1960	1994	34
<u>MIDWEST GENERATION EME LLC</u>			
COLLINS 1	1978	2004	26
COLLINS 2	1977	2004	27
COLLINS 3	1977	2004	27
COLLINS 4	1978	2004	26
COLLINS 5	1979	2004	25
CRAWFORD 6	1928	1976	48
<u>MIRANT CORP</u>			
CONTRA COSTA 1	1951	1994	43
CONTRA COSTA 2	1951	1994	43
CONTRA COSTA 3	1951	1994	43
CONTRA COSTA 4	1953	1994	41
CONTRA COSTA 5	1953	1994	41
KENDALL SQUARE 1	1949	2002	53
KENDALL SQUARE 2	1951	2002	51
KENDALL SQUARE 3	1958	2002	44
LOVETT 1	1949	1995	46
LOVETT 2	1951	1995	44
PITTSBURG 1	1954	2003	49
PITTSBURG 2	1954	2003	49
PITTSBURG 3	1954	2003	49
PITTSBURG 4	1954	2003	49
POTRERO 1	1931	1981	50
POTRERO 2	1931	1981	50
<u>MOUNTAINVIEW POWER CO LLC</u>			
MOUNTAINVIEW POWER 1	1957	2002	45
MOUNTAINVIEW POWER 2	1958	2002	44
<u>NARRAGANSETT ELECTRIC CO</u>			
PAWTUCKET ONE 5	1920	1975	55
<u>NATIONAL ENERGY & GAS TRANSM</u>			
SOUTH STREET 12	1955	1992	37
<u>NEBRASKA PUBLIC POWER DIST</u>			
BLUFFS 4	1963	1989	26
<u>NEXTERA ENERGY RESOURCES LLC</u>			
MASON 1	1942	1994	52
MASON 2	1947	1994	47
<u>NORTH AMERICAN ENERGY ALLIANCE</u>			
WEST SPRINGFIELD 1	1949	1991	42
WEST SPRINGFIELD 2	1952	1991	39
<u>NORTH AMERICAN POWER GRP</u>			
KERN 1	1948	1994	46
KERN 2	1950	1994	44
<u>NORTHERN STATES POWER CO (MN)</u>			
ISLAND 1	1924	1974	50
RIVERSIDE (MN) 3	1916	1975	59
RIVERSIDE (MN) 4	1919	1975	56
RIVERSIDE (MN) 5	1925	1975	50
SOUTHEAST 4	1946	1974	28
SOUTHEAST 5	1946	1974	28

Florida Power & Light Company

Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

Unit (1)	Installation Year (2)	Retirement Year (3)	Life Span (4)
<u>NRG ENERGY INC</u>			
DEVON 3	1951	1991	40
DEVON 4	1942	1991	49
DEVON 5	1947	1991	44
DEVON 6	1949	1991	42
EL SEGUNDO 1	1955	2002	47
EL SEGUNDO 2	1956	2002	46
LONG BEACH 10	1928	2005	77
LONG BEACH 11	1930	2005	75
MIDDLETOWN 1	1954	1998	44
MONTVILLE 4	1937	1977	40
OSWEGO 1	1940	1995	55
OSWEGO 2	1941	1995	54
OSWEGO 3	1948	1995	47
OSWEGO 4	1951	1995	44
SOMERSET (MA) 1	1925	1994	69
SOMERSET (MA) 2	1928	1994	66
SOMERSET (MA) 4	1947	1994	47
VIENNA 5	1948	1980	32
VIENNA 6	1949	1980	31
VIENNA 7	1951	1980	29
<u>NRG TEXAS LLC</u>			
DEEPWATER (TX) 1	1924	1986	62
DEEPWATER (TX) 2	1924	1986	62
DEEPWATER (TX) 3	1927	1986	59
DEEPWATER (TX) 4	1928	1986	58
DEEPWATER (TX) 5	1932	1986	54
DEEPWATER (TX) 6	1931	1986	55
DEEPWATER (TX) 9	1955	2005	50
GABLE STREET 3	1922	1971	49
GABLE STREET 6	1939	1983	44
GABLE STREET 7	1950	1983	33
GREENS BAYOU 1	1949	1985	36
GREENS BAYOU 2	1949	1985	36
GREENS BAYOU 3	1953	1984	31
GREENS BAYOU 4	1953	1984	31
PH ROBINSON 1	1966	2005	39
PH ROBINSON 3	1968	2005	37
TH WHARTON 1	1958	1985	27
TH WHARTON 2	1960	2005	45
WEBSTER (TX) 1	1954	1985	31
WEBSTER (TX) 2	1955	1985	30
WEBSTER (TX) 3	1965	2005	40
<u>OG&E ELECTRIC SERVICES INC</u>			
ARBUCKLE 1	1953	2002	49
BELLE ISLE 1	1930	1980	50
BELLE ISLE 2	1943	1980	37
HORSESHOE LAKE 1	1924	1981	57
HORSESHOE LAKE 2	1927	1981	54
HORSESHOE LAKE 3	1928	1981	53
HORSESHOE LAKE 4	1947	1981	34
HORSESHOE LAKE 5	1923	1981	58
MUSKOGEE 2	1924	1980	56
OSAGE (OK) 1	1928	1981	53
OSAGE (OK) 2	1948	1981	33
<u>OMAHA PUBLIC POWER DIST</u>			
JONES STREET 06	1917	1974	57
JONES STREET 07	1921	1974	53
JONES STREET 08	1925	1974	49
JONES STREET 09	1929	1974	45
JONES STREET 10	1937	1974	37
JONES STREET 11	1949	1988	39
JONES STREET 12	1951	1988	37
SOUTH OMAHA 2	1948	1975	27

Florida Power & Light Company
Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>ORLANDO UTILITIES COMM (FL)</u>			
LAKE HIGHLAND 1	1949	1984	35
LAKE HIGHLAND 2	1954	1984	30
LAKE HIGHLAND 3	1956	1984	28
<u>PACIFIC GAS AND ELECTRIC CO</u>			
AVON 1	1940	1986	46
HUNTERS POINT 1	1929	1973	44
HUNTERS POINT 2	1948	1994	46
HUNTERS POINT 3	1949	1994	45
HUNTERS POINT 4	1958	2006	48
MARTINEZ 1	1941	1985	44
OLEUM 1	1942	1988	46
OLEUM 2	1943	1988	45
<u>PASADENA WATER AND POWER DEPT</u>			
BROADWAY (CA) B1	1954	2002	48
BROADWAY (CA) B2	1957	2002	45
GLENARM 8	1932	1979	47
GLENARM 9	1949	1984	35
<u>PEPCO ENERGY SERVICES INC</u>			
BENNING 10	1927	1973	46
BENNING 11	1929	1981	52
BENNING 12	1931	1981	50
BENNING 13	1947	1981	34
BENNING 14	1952	1981	29
BUZZARD POINT 1	1933	1981	48
BUZZARD POINT 2	1948	1981	33
BUZZARD POINT 3	1940	1981	41
BUZZARD POINT 4	1942	1981	39
BUZZARD POINT 5	1943	1981	38
BUZZARD POINT 6	1945	1981	36
<u>PNM</u>			
PERSON 1	1952	1987	35
PERSON 2	1953	1987	34
PERSON 3	1954	1987	33
PERSON 4	1957	1987	30
PRAGER 9	1948	1986	38
<u>PORTLAND GENERAL ELECTRIC CO</u>			
STATION L 1	1921	1975	54
STATION L 4	1926	1975	49
STATION L 6	1930	1975	45
<u>PPL MONTANA LLC</u>			
FRANK BIRD 1	1951	1996	45
<u>PROGRESS ENERGY FLORIDA</u>			
AVON PARK 1	1928	1975	47
BAYBORO 2	1926	1974	48
BAYBORO 3	1944	1974	30
BAYBORO 4	1949	1974	25
GE TURNER 1	1926	1975	49
GE TURNER 2	1948	1977	29
GE TURNER 3	1955	1994	39
GE TURNER 4	1959	1994	35
HIGGINS 1	1951	1994	43
HIGGINS 2	1953	1994	41
HIGGINS 3	1953	1994	41
INGLIS 1	1926	1974	48
INGLIS 2	1926	1974	48
INGLIS 3	1947	1974	27

Florida Power & Light Company

Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

Unit (1)	Installation Year (2)	Retirement Year (3)	Life Span (4)
<u>PSEG FOSSIL LLC</u>			
ALBANY (NY) 1	1952	2005	53
ALBANY (NY) 2	1952	2005	53
ALBANY (NY) 3	1953	2005	52
ALBANY (NY) 4	1954	2005	51
BERGEN 2	1960	1995	35
BURLINGTON (NJ) 5	1940	1978	38
BURLINGTON (NJ) 6	1943	1984	41
BURLINGTON (NJ) 7	1955	1997	42
ESSEX 1	1947	1984	37
ESSEX 2	1916	1974	58
ESSEX 3	1918	1974	56
ESSEX 4	1924	1974	50
ESSEX 5	1924	1974	50
ESSEX 6	1924	1972	48
KEARNY (NJ) 7	1953	2005	52
KEARNY (NJ) 8	1953	2005	52
LINDEN 4	1972	1996	24
SEWAREN 5	1962	1992	30
<u>PUBLIC SERVICE CO OF OKLAHOMA</u>			
LAWTON 4	1948	1971	23
WELEETKA 1	1928	1977	49
WELEETKA 2	1931	1977	46
WELEETKA 3	1950	1977	27
<u>PUBLIC SERVICE COLORADO</u>			
VALMONT (CO) 1	1924	1987	63
VALMONT (CO) 2	1926	1987	61
VALMONT (CO) 3	1937	1987	50
VALMONT (CO) 4	1941	1987	46
<u>PUBLIC SVC CO OF NEW HAMPSHIRE</u>			
KELLYS FALLS 2	1922	1972	50
MANCHESTER 1	1938	1981	43
SCHILLER 3	1949	1991	42
<u>PUGET SOUND ENERGY INC</u>			
SHUFFLETON 1	1929	1994	65
<u>QUINNIPIAC ENERGY LLC</u>			
ENGLISH 1	1929	1981	52
ENGLISH 2	1929	1981	52
ENGLISH 3	1930	1981	51
ENGLISH 4	1930	1981	51
ENGLISH 5	1930	1981	51
ENGLISH 6	1931	1981	50
<u>RENU POWER LLC</u>			
LA PALMA 3	1928	1973	45
VICTORIA (TX) 3	1952	1986	34
VICTORIA (TX) 4	1955	2006	51
VICTORIA (TX) 5	1963	2006	43
VICTORIA (TX) 6	1968	2006	38
<u>ROCHELLE MUNI UTILITIES</u>			
ROCHELLE S1	1962	2003	41

Florida Power & Light Company

Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

Unit (1)	Installation Year (2)	Retirement Year (3)	Life Span (4)
<u>ROCHESTER GAS & ELEC CORP (NY)</u>			
BEEBEE 01	1927	1980	53
BEEBEE 02	1927	1977	50
BEEBEE 06	1941	1986	45
BEEBEE 10	1938	1986	48
BEEBEE 11	1943	1986	43
<u>RRI ENERGY INC</u>			
AVON LAKE 1	1926	1983	57
AVON LAKE 2	1926	1983	57
AVON LAKE 3	1928	1983	55
AVON LAKE 4	1929	1983	54
AVON LAKE 5	1943	1983	40
ETIWANDA 1	1953	2003	50
ETIWANDA 2	1953	2003	50
GILBERT 1	1930	1995	65
GILBERT 2	1930	1995	65
GILBERT 3	1949	1996	47
SAYREVILLE 1	1930	1994	64
SAYREVILLE 2	1930	1995	65
SAYREVILLE 3	1949	1995	46
SAYREVILLE 4	1955	2005	50
SAYREVILLE 5	1958	2005	47
WERNER 4	1953	1996	43
<u>SAN DIEGO GAS & ELECTRIC</u>			
SILVER GATE 1	1943	1984	41
SILVER GATE 2	1948	1984	36
SILVER GATE 3	1950	1984	34
SILVER GATE 4	1952	1984	32
STATION B (CA) 21	1923	1983	60
STATION B (CA) 22	1927	1983	56
STATION B (CA) 24	1928	1983	55
STATION B (CA) 25	1938	1983	45
<u>SE TECHNOLOGIES INC</u>			
MARION (NJ) 6	1913	1974	61
<u>SEATTLE CITY LIGHT</u>			
LAKE UNION 12	1918	1987	69
LAKE UNION 13	1921	1987	66
<u>SOUTH CAROLINA ELEC & GAS CO</u>			
HAGOOD 1	1947	1993	46
HAGOOD 2	1950	1993	43
HAGOOD 3	1952	1993	41
<u>SOUTHWESTERN ELEC POWER CO</u>			
ARSENAL HILL 1	1938	1978	40
ARSENAL HILL 2	1926	1978	52
ARSENAL HILL 3	1927	1978	51
ARSENAL HILL 4	1927	1978	51
KNOX LEE 1	1950	1987	37
<u>SOUTHWESTERN PUB SERV CO (TX)</u>			
CARLSBAD (NM) 3	1949	1983	34
CARLSBAD (NM) 4	1952	1983	31
DENVER CITY 2	1946	1981	35
DENVER CITY 3	1948	1981	33
DENVER CITY 4	1955	1984	29
EAST PLANT (TX) 3	1930	1980	50
EAST PLANT (TX) 4	1942	1980	38
EAST PLANT (TX) 5	1951	1980	29
MOORE COUNTY 2	1950	1984	34
RIVERVIEW (TX) 3	1927	1970	43
RIVERVIEW (TX) 4	1919	1970	51
RIVERVIEW (TX) 5	1948	1983	35
TUCO 3	1949	1974	25

Florida Power & Light Company
Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

Unit (1)	Installation Year (2)	Retirement Year (3)	Life Span (4)
<u>SUNFLOWER ELECTRIC COOP</u>			
FORT DODGE 3	1957	1983	26
GREAT BEND 1	1953	1983	30
GREAT BEND 2	1955	1983	28
<u>SUPERIOR WTR LT & POWER</u>			
WINSLOW 2	1942	1993	51
WINSLOW 3	1952	1993	41
<u>TAMPA ELECTRIC CO</u>			
HOOKEERS POINT 1	1948	2003	55
HOOKEERS POINT 2	1950	2003	53
HOOKEERS POINT 3	1950	2003	53
HOOKEERS POINT 4	1953	2003	50
HOOKEERS POINT 5	1955	2003	48
PO KNIGHT 6	1945	1970	25
SEBRING 1	1966	2003	37
<u>TOPAZ POWER GROUP LLC</u>			
NUECES BAY 3	1942	1978	36
NUECES BAY 4	1943	1978	35
<u>TUCSON ELECTRIC POWER CO</u>			
DE MOSS PETRIE 1	1949	1990	41
DE MOSS PETRIE 2	1949	1990	41
DE MOSS PETRIE 3	1953	1991	38
DE MOSS PETRIE 4	1954	1991	37
<u>UNITED ILLUMINATING CO</u>			
STEEL POINT 01	1923	1981	58
STEEL POINT 02	1923	1981	58
STEEL POINT 03	1924	1981	57
STEEL POINT 04	1926	1981	55
STEEL POINT 05	1927	1981	54
STEEL POINT 06	1930	1981	51
STEEL POINT 07	1931	1981	50
STEEL POINT 09	1941	1992	51
STEEL POINT 11	1950	1992	42
<u>US POWER GENERATING CO LLC</u>			
ASTORIA (NY) 1	1953	1993	40
<u>VECTREN ENERGY INDIANA SOUTH</u>			
OHIO RIVER 2	1936	1981	45
OHIO RIVER 3	1938	1981	43
OHIO RIVER 4	1938	1984	46
OHIO RIVER 5	1945	1984	39
OHIO RIVER 6	1949	1984	35
OHIO RIVER 7	1951	1984	33
<u>WE ENERGIES</u>			
COMMERCE STREET 15	1941	1988	47
LAKESIDE (WI) 1	1920	1983	63
LAKESIDE (WI) 11	1930	1983	53
LAKESIDE (WI) 2	1921	1983	62
LAKESIDE (WI) 3	1922	1983	61
LAKESIDE (WI) 4	1924	1983	59
LAKESIDE (WI) 5	1924	1983	59
LAKESIDE (WI) 6	1926	1983	57
LAKESIDE (WI) 9	1928	1983	55

Florida Power & Light Company
Life Spans of Retired US Oil and Gas Steam Generating Units, 10 MW or Greater

<u>Unit</u> (1)	<u>Installation Year</u> (2)	<u>Retirement Year</u> (3)	<u>Life Span</u> (4)
<u>WESTAR ENERGY INC</u>			
ABILENE (KS) 1	1940	1986	46
ABILENE (KS) 2	1947	1986	39
HUTCHINSON (KS) 1	1950	2007	57
HUTCHINSON (KS) 2	1950	2007	57
HUTCHINSON (KS) 3	1951	2007	56
LAWRENCE (KS) 1	1939	1994	55
TECUMSEH (KS) 03	1927	1979	52
TECUMSEH (KS) 04	1930	1979	49
TECUMSEH (KS) 07	1948	1983	35
TECUMSEH (KS) 08	1951	1983	32
<u>WISCONSIN PUBLIC SERVICE CORP</u>			
JP PULLIAM 1	1927	1980	53
<u>WORTHINGTON PUB UTILS</u>			
WORTHINGTON (MN) 3	1953	1980	27
TOTAL LIFE SPAN YEARS			29,798
TOTAL NUMBER OF UNITS			÷ 670
AVERAGE LIFE SPAN, YEARS			44.47

Source: Platts World Electric Power Plants Database, Jun 2009

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of Sierra Pacific Power Company for authority)
to increase its annual revenue requirement for general rates)
charged to all classes of electric customers and for relief) Docket No. 05-10003
properly related thereto.)
_____)

Application of Sierra Pacific Power Company for approval)
of new and revised depreciation rates for electric operations)
based on its 2005 depreciation study.) Docket No. 05-10004
_____)

At a general session of the Public
Utilities Commission of Nevada, held
at its offices on April 26, 2006.

PRESENT: Chairman Donald L. Soderberg
Commissioner Carl B. Linvill
Commissioner Jo Ann P. Kelly
Commission Secretary Crystal Jackson

ORDER

The Public Utilities Commission of Nevada ("Commission") makes the following
findings of fact and conclusions of law:

I. PROCEDURAL HISTORY

1. On October 3, 2005, Sierra Pacific Power Company ("Sierra" or the
"Company") filed an Application with the Public Utilities Commission of Nevada
("Commission") for authority to increase its annual revenue requirement for general rates
charged to all classes of electric customers within its service territory in the amount of
\$27,098,000 and for relief properly related thereto. This Application has been designated
by the Commission as Docket No. 05-10003.

2. On October 3, 2005, Sierra filed an additional Application with the
Commission seeking approval of the new and revised depreciation rates for electric
operations. This Application is based on Sierra's 2005 depreciation study and has been
designated Docket No. 05-10004 by the Commission.

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 348

COMPANY Florida Power & Light (Rebuttal)

WITNESS C. Richard Clarke (CRC-5)

DATE 09/02/09

Sierra's estimates derived from its remaining life study. On rebuttal, Sierra stated that the Transportation Department has detailed records for each vehicle that include the remaining life based upon when the vehicle was purchased and when its sale is planned. Sierra believes that it is more precise to use this data to develop a remaining life for the entire account instead of performing a life analysis. While Sierra stated that it had all the detailed information to develop a better estimate, it did not make clear what it actually intends to do with its fleet. Sierra was not certain when or if it would switch to a capital lease program for its transportation equipment. The Commission believes that Sierra has not justified its position for departing from normal depreciation accounting for the transportation accounts. The Commission finds that Sierra shall continue to use depreciation accounting for its transportation accounts.

271. BCP objects to Sierra's approach to interim retirements because it is cumbersome and inappropriate for application in Sierra's depreciation application. Sierra stated that its outside expert, Gannett Fleming, has been using this approach for years to calculate interim retirements for all of its studies across the U.S. and Canada including NPC's last depreciation case. Sierra explained that there are two different methods used to calculate interim retirements. Both are based upon historical data and informed judgment and neither method is superior. The Commission is convinced that Sierra's proposed methodology for calculating interim retirements is adequate and widely accepted in the industry. The Commission accepts Sierra's approach to calculating interim retirements.

272. BCP does not agree with Sierra's method for calculating remaining life. BCP stated that Sierra's proposed modification to the remaining life calculation is not only unnecessary, but produces incorrect results. Sierra explained its remaining life methodology, its application in studies it has completed, and addressed each of BCP's criticisms. Sierra noted that the remaining life approach used is the same approach that has been used by Gannett Fleming in 80-90 depreciation studies including NPC's last depreciation study. The Commission is convinced that Sierra's proposed methodology

for calculating remaining life is adequate and widely accepted in the industry. The Commission accepts Sierra's method for calculating remaining life.

273. BCP stated that Gannett Fleming's Summary Statement contains an error at A(1)(a) at page 2 for Account 366-Distribution, Underground Conduit. Sierra indicated that there was in fact an error in the recording of future accruals for this account. However, Sierra explained that the future accrual rate was derived separately. Therefore, it was not affected by the error and does not require an adjustment to Sierra's proposed depreciation rates. The Commission is convinced that the error noted by BCP does not result in any required adjustment to Sierra's accrual rate for Account 366 or its depreciation expense. The Commission rejects BCP's proposed Account 366 adjustment.

274. A summary of the Commission's positions on the proposed adjustments is listed below.

Summary of Adjustments		
Proposed Adjustments	Position Accepted	Estimated Depreciation Expense Impact (Millions)
IRP Retirement Dates For Steam Production Plant	Staff	\$10.00
Net Salvage Values for Various Accounts (Staff)	Staff	\$1.40
Net Salvage Values For Steam Production Plant	Staff	(\$6.00)
Net Salvage Rate for Hydroelectric Prod. Plant	Staff	(\$0.05)
Average Service Lives (Staff, BCP)	Staff, BCP	(\$4.40)
Amortization Accounting (Staff, BCP)	Sierra	\$0.00
Sierra's ASLs For Transportation Equipment	Staff	(\$0.12)
Interim Retirement (BCP)	Sierra	\$0.00
Remaining Life Methodology (BCP)	Sierra	\$0.00
Accounting Error (BCP)	Sierra	\$0.00
Balance		\$0.83

The Company shall calculate the approved depreciation rates based on the narrative above and file them as a compliance item so that rates may go into effect May 1, 2006.

The one item that has not been listed in the table above is the depreciation expense associated with the removal of the Farad hydroelectric plant from rate base. The Company is to calculate that adjustment and include it with its compliance item.

Statistical Analyses of Industrial Property Retirements

by
Robley Winfrey



BULLETIN 125
REVISED

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FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI
COMPANY Florida Power & Light (Rebuttal)
WITNESS C. Richard Clarke (CRC-6)
DATE 09/02/09
EXHIBIT 349

Statistical Analyses of Industrial Property Retirements

by Robley Winfrey

(Revised April, 1967 by Harold
A. Cowles, Professor, Department
of Industrial Engineering)

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Dockets No. 080677-EI, No. 090130-EI
Statistical Analysis, Bulletin 125
Exhibit CRC-6, Page 1 of 2

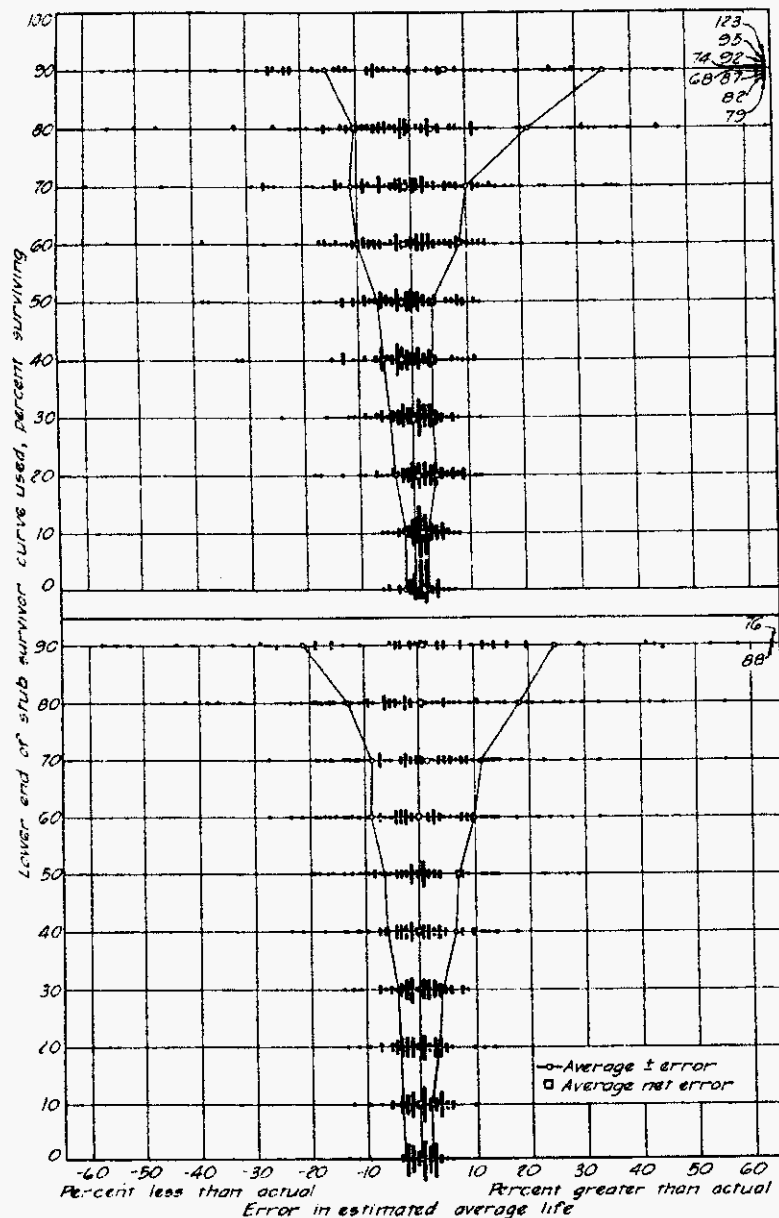


Fig. 30.—(Lower) Errors in estimating the probable average lives of the first 65 original curves by comparing stub curves of different lengths with the type survivor curves in the form shown in Fig. 29. (Upper) Same for curves 66 to 176.

and L_2 , the S_1 and S_2 , the R_2 and R_3 , or other two adjacent curves in the same family. Another reason why the classifications are not the same is that the survivor curves for the high-modal curves are quite steep, and, therefore, these types when plotted as survivor curves appear to be about the same, except at the ends. The frequency curves emphasize the differences and are the better guides to classification.

The frequency curves are difficult to use in this method because of the scattering of the original data, which makes the location of the curve doubtful. In the case of original data well graduated, sets of the type frequency curves, plotted to definite average lives as is done in Fig. 29, were used successfully in a test similar to the two just described on a group selected from the first 65 curves. Ordinarily, this step is not warranted, for the probable average life estimated from the survivor curves is likely to be within the limits of error as controlled by the quantity and reliability of the original data.

The estimation of the probable average life of a group of units by comparing their survivor curve (completed curve or stub curve) with the type curves should not be done without the exercise of judgment in the interpretation of the original data. Any of the methods of constructing survivor curves frequently result in curves which do not exhibit regularity. An examination of the information from which the curves are calculated may show that the irregularity is produced by small groups, infrequent observations of the property, or the retirement of an unusually large number of units for a very special cause. Best practice in these instances is to smooth the data according to the path most likely to be established by regular observations on large numbers of the units and one in accordance with the most likely future rate of retirement.

When survivor curves are to be classified according to the 18 types and the probable average life determined, it is recommended that more weight be given to the middle portion of the survivor curve, say that between 80 and 20 percent surviving, than to the forepart or extreme lower end of the curve. This inner section is a result of greater numbers of retirements and also it covers the period of most likely normal operation of the property.

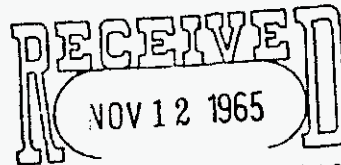
This method of estimating average life by comparing stub curves with the 18 type survivor curves is remarkably accurate when the many factors are taken into consideration which tend to change the curve from time to time. The simplicity of the method is also a strong recommendation for it.

An alternate method of determining the probable average life of a group of units from a stub survivor curve developed from the experience of the first units to be retired is to extend the curve by eye and judgment. Obviously, the method presented above is much to be preferred for it allows the use of judgment as well as offering the experience of the general law of distribution of retirement followed by all industrial properties.

819

CALIFORNIA PUBLIC UTILITIES COMMISSION
UTILITIES DIVISION

DETERMINATION
OF
STRAIGHT-LINE REMAINING LIFE
DEPRECIATION ACCRUALS



GANNETT, FLEMING, CORDDRY &
CARPENTER, INC.

STANDARD PRACTICE U-4

SAN FRANCISCO, CALIFORNIA
Revised January 3, 1961

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 350

COMPANY Florida Power & Light (Rebuttal)

WITNESS C. Richard Clarke (CRC-7)

DATE 09/02/09

Accounting Records of Gross Additions and Plant Balances

9. Where mortality summary data and age distribution data are not developed, considerable information on which to base estimates may be developed from the plant accounting records maintained in conformance with the uniform systems of accounts. Some caution must be exercised, however, to eliminate the distortion caused by transfers and adjustments to accounts, by changes in accounting classification, and by abnormally large retirements or replacements of units. Use of these data yields more reliable results in accounts with stable plant or plant with uniform growth where no noticeable trend toward longer or shorter service lives is evident. With these precautions in mind the following may be developed:
- a. A representative survivor curve is obtainable by simulated plant balance methods.
 - b. Indications of average service life may be obtained by turnover methods.
 - c. From a selected applicable average service life indications of the remaining life may be calculated.

Details of procedure to accomplish items a and b are beyond the scope of this practice. Where a utility has used these methods, the staff engineer in his review should check the period of years used in relation to anticipated future conditions. He should also check to insure reasonable adjustment of the accounting data for transfers, changes in classification and other abnormal experience when applicable. Details of procedure to accomplish Item c are presented in Paragraph 16 below.

C—METHODS OF WEIGHTING

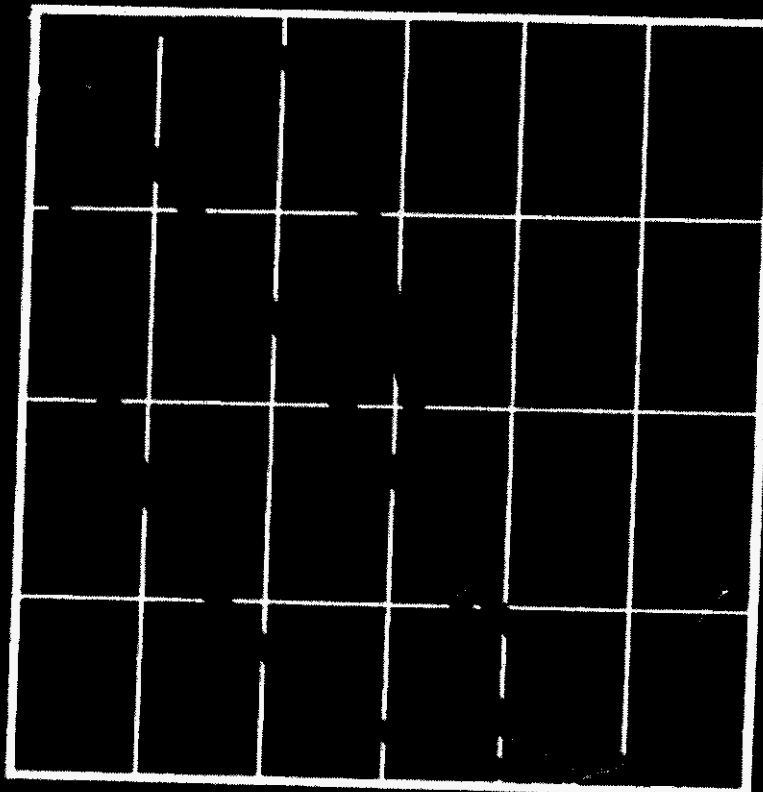
Types of Weighting

10. Before considering the methods for obtaining remaining life it is well to consider the means by which estimates for separate classes of property or separate age groups may be weighted to afford a composite value. Three types of weighting are used as follows:
- a. *Direct weighting* or weighting by future dollar years. This calculation requires that the book dollars for each age group or class of property be multiplied by the remaining life applicable to those dollars. The composite remaining life is then obtained by dividing the total of the products by the total plant dollars. The products under this method of weighting are spoken of as future dollar years. The last three columns of standard form D3 may be used for this calculation as illustrated in Tables 5-A and 5-B.
 - b. *Reciprocal weighting*. This is accomplished by dividing the book dollars by the remaining life for each age group or class of property, totalling these quotients and dividing the total into the total book dollars.
 - c. *Average service life weighting*. In this method the book cost for each class of property is divided by the average service life and the result is multiplied by the remaining life. The composite remaining life for all classes then equals the sum of these products divided by the sum of these quotients.

Selecting a Method of Weighting

11. In selecting a method of weighting, several considerations apply. First, it is desired that the method of weighting used shall produce the same results as though the book reserve had been prorated to the various age groups or classes of property on the basis of the applicable reserve requirement. Secondly, it is desirable that the result obtained by weighting be in conformance with the provisions of certain of the uniform systems of accounts, that the accrual computed for an account as a whole shall be the same as if separate accruals had been computed for each class of property and the total obtained. Under these considerations, direct weighting produces proper results if the average service life of each age group or class of property weighted is approximately the same. Reciprocal weighting produces proper results if the reserve for the various classes of property or groups weighted is distributed in proportion to the plant dollars, a condition which is more likely in stable plant with slow growth. Average service life weighting produces proper results if the book reserve and the reserve requirement are closely the same. From these considerations it is concluded that direct or future dollar weighting is the proper method to use between age groups, whereas either reciprocal weighting or average service life weighting will usually yield the better approximation between classes of property. In very large accounts where individual classes of property exceed \$100,000 of plant, occasionally a utility may prefer to prorate the book reserve within the account according to a reserve requirement between each class of property rather than to attempt any of the other weighting methods. Such a proration is used only infrequently, is made only at the time of a periodic review for weighting purposes within a very large account, and is normally not carried forward from the date of the calculation.

PUBLIC UTILITY DEPRECIATION PRACTICES



FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 351

COMPANY Florida Power & Light (Rebuttal)

WITNESS C. Richard Clarke (CRC-8)

DATE 09/02/09

Public Utility

Depreciation Practices

August 1996



Compiled and Edited by
Staff Subcommittee on Depreciation of
The NARUC Finance and Technology Committee
of the
National Association of Regulatory Utility Commissioners

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Fitting with Type Curves

Curve fitting is the process of determining the trend or pattern developed from the known historical facts. Once data have been assembled, an observed interim retirement life table can be developed. This observed curve can be fitted to generalized life curves, e.g., Iowa curves or curves based on the Gompertz-Makeham formula. These curves and curve fitting processes are described in detail in Appendix A, parts 1-3.

The techniques used in curve fitting may be mathematical, graphical matching techniques with type curves, and/or visual inspection. Mathematical curve fitting is advantageous because the interim retirement curve may be based on broad experience bands.

The choice of the curve fitting technique could depend on the ease of handling the data and the ease of interpreting the results. The mathematical techniques may yield significantly better results, compared to graphical matching or the visual inspection process.

The Generation Arrangement

The generation arrangement is applicable even in cases where obsolescence is being experienced and no new installations are made but substantial sums of money are still being invested just to keep the plant. For life span categories the generation arrangement provides a sound basis for determining the average service life and average remaining life.

Vintage remaining lines are developed using an interim retirement rate and the AYFR to compute vintage average life expectancies. These remaining lives are combined with historical experience in the age distribution of the surviving investment, which is derived from actual or computed mortality experience, to develop the average service life.

Tables 10-5 and 10-6 are examples of interim retirement life and generation arrangement tables. The AYFR and survivor curve are based on the estimated retirement schedule in Table 10-1 and the interim retirement rate developed in Table 10-2.

Florida Power & Light Company
Docket No. 080677-EI
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Interrogatory No. 55
Page 1 of 1

Q.

Transmission Towers & Fixtures. Please explain why FPL decreased the average service life from 45 years to 40 years for Account 354 – Transmission Towers & Fixtures, as set forth on Exhibit CRC – 1, page 510. The response should specifically address references made to the industry data suggesting a 40 to 70-year average service life and why FPL thought that it was appropriate to move to the lowest level of the identified industry range. The response should include a step by step analysis identifying each factor and how each factor interacted with other factors that were employed to arrive at the proposed 40-year average service life.

A.

Account 354 Towers and Fixtures should have a 45-R5 curve and life. There was not enough data to perform a complete life analysis and therefore the curve and life were left unchanged from the current approved. The information in the Depreciation Report (Exhibit CRC-1) that discusses the change to a 40-R5 life and curve is incorrect and should be changed. The Depreciation Report and associated work papers will be revised to reflect the 45-R5 life and curve. The impact of this revision would be approximately \$1.5 million decrease in annual depreciation expense.

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 352

COMPANY Florida Power & Light (Rebuttal)

WITNESS C. Richard Clarke (CRC-9)

DATE 09/02/09

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 353

COMPANY Florida Power & Light (Rebuttal)

WITNESS Kim Ousdahl (KO-11)

DATE 09/04/09

FPSC

CITE as 84 FPSC 7:136

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of FLORIDA POWER)	DOCKET NO. 830465-EI
AND LIGHT COMPANY for an increase)	ORDER NO. 13537
in its rates and charges.)	ISSUED: 7-24-84

The following Commissioners participated in the disposition of this matter:

GERALD L. GUNTER, Chairman
JOSEPH P. CRESSE
JOHN R. MARKS, III
KATIE NICHOLS
SUSAN W. LEISNER

Pursuant to duly given Notice, the Florida Public Service Commission held public hearings in this docket on January 30, 1984, in Miami, Florida; February 3, 1984 in Fort Lauderdale, Florida; February 13, 1984, in Sarasota, Florida; February 16, 1984, in Daytona Beach, Florida; February 20, 1984, in Fort Myers, Florida; March 30, 1984, in Palm Beach Gardens, Florida, and in Tallahassee, Florida, on April 9-13, 16, and 18-20, 1984. Having considered the record herein, the Commission now enters its final order.

APPEARANCES: MATTHEW M. CHILDS, Esquire, JOHN T. BUTLER, Esquire, and CHARLES GUYTON, Esquire, Steel, Hector and Davis, Suite 320, Barnett Bank Building, 315 South Calhoun Street, Tallahassee, Florida 32301, and MORRIS SHELKOPSKY, Esquire, 9250 West Flagler Street, Miami, Florida 33152, for Florida Power and Light Company

JACK SHREVE, Esquire, Public Counsel, STEVE BURGESS, Esquire, CAROLYN OLIVE, Esquire, and STEPHEN FOGEL, Esquire, Office of Public Counsel, Room 4, Holland Building, Tallahassee, Florida 32301, for the Citizens of the State of Florida

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GEORGE B. STALLINGS, JR., Esquire, P. O. Box 13, Ortega Station, 5411 Ortega Boulevard, Jacksonville, Florida 32210, for Florida Retail Federation

MILDRED E. V. PITTS, Esquire, Office of General Counsel - LK, Room 4002, 18th & F Streets, N.W., Washington, D.C. 20405, for General Services Administration

MARK H. RICHARD, Esquire, Law Offices of Neil Chonin, P.A., 304 Palermo Avenue, Coral Gables, Florida 33134, for Floridians United for Safe Energy, Inc.

IRA DANIEL TOKAYER, Esquire, 1626 Dade County Courthouse, 73 West Flagler Street, Miami, Florida 33130, for Metropolitan Dade County

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CITE as 84 FPSC 7:161

FPSC

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Capital Structure

The ultimate goal of providing a fair return is to allow an appropriate return on equity investment in rate base. Because, as a general rule, sources of capital cannot be clearly associated with specific utility property, the Commission has traditionally considered all sources of capital (with appropriate adjustments) in establishing a fair rate of return.

The establishment of a utility's capital structure serves to identify the sources of capital employed by a utility, together with the amounts and cost rates associated with each. After establishing the sources of capital, all capital costs, including the cost of equity capital, are allocated according to their relative proportion to total cost of capital. The weighted components are then added to provide a composite or overall cost of capital. The weighted cost of capital multiplied by the net utility rate base produces an appropriate return on rate base, including a return on equity capital in rate base. The return is also sufficient to recover the annual cost of other types of capital, including debt.

Since a return on all sources of capital is provided by this treatment, actual debt and similar capital costs are not included in test year operating expenses, but are treated "below the line." This assures that such capital costs are not double-counted for ratemaking purposes.

An appropriate capital structure is both economical and efficient. Such a capital structure should minimize the cost of capital by obtaining capital through an appropriate balance of equity and the other components. The capital structure used for ratemaking purposes for a particular company should bear an appropriate relationship to the actual sources of capital to the Company.

Consistent with our decision to employ projected test periods in this case, we have decided to utilize the capital structures projected by the Company to be in place in the years 1984 and 1985. We have adjusted the system capital structure to remove capital that is not being utilized to fund the jurisdictional rate base. Such adjustments are necessary to reconcile rate base with capital structure. The types and proportions of capital will be developed in a following schedule.

We have also determined to use 13-month average capital structures with average cost rates.

Approved Capital Structure and Fair Rate of Return

Based upon our review of the record, we approve the following capital structures for 1984 and 1985:

CITE as 84 FPSC 7:167

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ORDER NO. 13537
DOCKET NO. 830465-EI

the investment horizon and solving for the investor required rate of return, Mr. Clinger concluded the Electric Utility Index's DCF cost of common equity to be 15.0%.

To support his DCF analysis, Mr. Clinger presented a Capital Asset Pricing Model. The risk free rates used were the then current yields of long term treasury bonds. The market return was estimated by adding an equity-debt risk premium of 6.1% to the risk free rate. The 6.1% risk premium, representing the earned returns on long-term U.S. Treasury Bonds over the earned returns on common stock for the period 1926-1981, was obtained from the 1982 edition of Stocks, Bonds, Bills, and Inflation: The Past and Future by Ibbotson and Sinquefeld. The beta values were obtained from Value Line. The CAPM indicated a cost of equity to the Electric Utility Index of 15.6%.

As a further check of his DCF analysis, Mr. Clinger presented an Earnings/Price Analysis. Using an expected earnings-per-share amount (current earnings adjusted for one period's growth) and the then current market price, the model yielded a cost of common equity to the index of 14.6%.

In addition to the DCF, CAPM, and E/P Analyses, Mr. Clinger presented an independently developed Risk Premium Regression Analysis. This approach assumes the cost of common equity is a function of the Company's cost of debt. Applying Eggert Economic Enterprises' consensus forecast of 1984 A+/A1 bond yields to his regression equation, Mr. Clinger determined FPL's 1984 cost of common equity to be 15.7%.

Based on his analyses, Mr. Clinger concluded the cost of common equity capital for FPL to be in the range of 15.1% - 15.7% with a midpoint of 15.4%. Mr. Clinger updated his testimony at the hearing, resulting in a recommended cost of common equity range of 15.1% - 15.8% with a midpoint of 15.45%.

We discount the use of the results of Dr. Langum's DCF analyses due to his use of expected dividend growth rates that do not reflect investors' long-term dividend growth expectations. We discount the use of Mr. Howard's DCF results because his quarterly DCF model is misspecified and misapplied. It fails to consider reinvestment (the time value of money), and does not produce a yield equivalent to the annual model. We discount Dr. Langum's, Mr. Howard's and Mr. Rothschild's use of the Comparable Earnings technique due to the inherent practical and conceptual problems associated with this technique which none of these witnesses were able to overcome. Based on the evidence in the record and a review of the equity costing methodologies presented, we adopt an allowed rate of return on common equity capital for Florida Power and Light Company of 15.60% for 1984 and 1985.

6. & 7. Tax Credits and Deferred Taxes

Certain tax credits are recognized as a source of capital having no cost to the utility, thereby reducing the overall cost of capital. Other tax credits are apparently required by the Internal Revenue Code to be allowed to earn the overall cost of capital calculated without regard to the existence of the tax credits. Deferred taxes arise from depreciation book-tax timing differences and are also treated as zero-cost capital. Public Counsel proposed that tax credits and deferred taxes be treated similarly to his suggestion for customer deposits: these balances should be unaffected by any disallowance of items in rate base that did not give rise to the credits or deferred taxes when rate base is reconciled with the capital structure. We believe tax credits and deferred taxes should be construed as supporting all assets on a pro rata basis. We therefore include

FPSC

CITE as 84 FPSC 12:150

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Power and) DOCKET NO. 830465-EI
Light Company for an increase in its) ORDER NO. 13948
and charges.) ISSUED: 12-28-84
)

The following Commissioners participated in the disposition of this matter:

GERALD L. GUNTER, Chairman
JOSEPH P. CRESSE
JOHN R. MARKS, III
SUSAN W. LEISNER
KATIE NICHOLS

ORDER GRANTING IN PART AND DENYING IN PART
PETITIONS FOR RECONSIDERATION

BY THE COMMISSION:

By Order No. 13537, issued in this docket on July 24, 1984, we determined that Florida Power and Light Company (FPL or Company) should be authorized an increase in gross revenues of \$81,464,000 for the test year 1984 and \$114,984,000 for the 1985 "subsequent year" adjustment. FPL's request was for increases of \$335,274,000 and \$120,279,000 for 1984 and 1985, respectively.

By its Petition for Reconsideration Florida Power and Light Company has requested our reconsideration of the basis and method for applying the CPI and customer growth benchmark in this proceeding, our decisions on eleven specific operation and maintenance (O&M) issues, three working capital issues and the accounting treatment for the Turkey Point Spent Fuel Pits Litigation Items. The Office of Public Counsel filed a Cross Motion for Reconsideration and Response to FPL's Motion for Reconsideration. By his cross motion, Public Counsel alleged that the Commission had confiscated customer funds by its treatment of FPL's capital structure and that the Commission had failed to address Issue No. 31 related to unbilled revenues receiving a return as working capital. In his response to FPL's petition, Public Counsel supported the Commission's use of the CPI and customer growth benchmark in general and two specific adjustments to FPL's working capital. Additionally, the Commission Staff brought to our attention certain technical and mathematical errors in Order No. 13537, which were considered and resulted in increases to the final award.

After hearing oral argument on the petitions for reconsideration and considering the petitions and our Staff's recommendation on the matter, we have made certain adjustments which result in the 1984 test year gross annual revenue increase being raised to \$84,103,000 and the 1985 subsequent year adjustment being increased to \$120,447,000. The various issues on reconsideration and our resolution of them are described below.

Use of a Consumer Price Index and Customer Growth Index in
Reviewing O&M Expenses

FPL asserts that the application of a CPI and customer growth benchmark is not a proper basis for quantifying the level of direct O&M expense to be allowed in setting rates for a utility. The utility argues that the use of such a benchmark is an abandonment of cost-based ratemaking and an inappropriate and arbitrary shifting of the burden of proof. We reject FPL's assertion.

CITE as 84 FPSC 12:153

FPSC

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We find that the remainder of the points raised by FPL have been adequately treated in Order No. 13537 and decline to restate the basis for our decisions. We reaffirm our order on those points and deny FPL's request that they be reconsidered.

Treatment of Capital Structure

Public Counsel contends that the Commission's treatment of deferred taxes, customer deposits and tax credits in the capital structure was improper and resulted in the confiscation of customer supplied funds. It is Public Counsel's argument that the proper treatment of deferred taxes, customer deposits, and tax credits is to fully reflect the per books amount of these sources in the jurisdictional capital structure.

We believe that Public Counsel's position is deficient in several important respects. First, the adjustments required to accurately reflect the forecasted jurisdictional capital structure are more detailed than simply prorating them over investor sources. The proper methodology would appear to be to have the Company reforecast its balance sheet, however, this is a time consuming process for which we presently have no procedure in place. Secondly, Public Counsel's methodology ignores the fact that customer deposits, deferred taxes and tax credits were part of the sources of funds used to finance CWIP, which was the subject of the largest rate base adjustment in this case. Thirdly, since it is generally agreed that funds cannot be traced, there is a concern that the IRS might look upon a reconciliation process that makes adjustments to all but the low-cost sources of funds as a method of reducing the return on JDIC.

Notwithstanding the above comments, there is some merit to Public Counsel's position. If we disallow something as an imprudent investment and remove it from rate base, then it should also be removed from the books of the Company. Whether an item is an imprudent investment should be clearly indicated by the Commission and will depend upon the reason it was disallowed. A clear example in this Company's previous rate cases was the removal from rate base of the atrium at FPL's general office for not being used in the provision of electric service. The atrium should be written off from equity and equity alone because it would clearly not be appropriate to prorate the atrium to customer deposits or other sources of funds. Thus, where it can be determined that a specific capital structure component may be adjusted for a disallowed item we will do so. Where such a determination cannot be made, we shall continue our practice of making prorata adjustments when reconciling capital structure to rate base, except for the removal of non-utility property and nonregulated subsidiaries directly from equity, and the use of a jurisdictional factor of 100% for customer deposits.

Treatment of Unbilled Revenues in Working Capital

Per Issue No. 31 in Prehearing Order No. 13176 in this docket, the issue was raised whether unbilled revenues should be excluded from the working capital allowance. The Company contended that unbilled revenues were utility related current assets that did not earn a separate return and, therefore, should be included in working capital. The Public Counsel, however, asserted that any amounts of the accrued unbilled revenues that were not previously recognized as revenues for regulatory purposes, or that accrued during a period in which those revenues

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for rate increase
by Gulf Power Company.

DOCKET NO. 010949-EI
ORDER NO. PSC-02-0787-FOF-EI
ISSUED: June 10, 2002

The following Commissioners participated in the disposition of
this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY

APPEARANCES:

JEFFREY A. STONE, Esquire, RUSSELL A. BADDERS, Esquire,
and R. ANDREW KENT of Beggs & Lane, 700 Blount Building,
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Florida 32576-2950 and RICHARD D. MELSON, Esquire of
Hopping Green & Sams, P.A. 123 South Calhoun Street, Post
Office Box 6526, Tallahassee, Florida 32314
On behalf of Gulf Power Company.

ALLEN ERICKSON, Major, DOUGLAS A. SHROPSHIRE, Lieutenant
Colonel, USAFR, c/o USAF Utility Litigation Team
AFCEA/ULT, 139 Barnes Drive, Tyndall AFB, Florida 32403
On behalf of Federal Executive Agencies.

MICHAEL A. GROSS, Vice President, Regulatory Affairs &
Regulatory Counsel, 246 E. 6th Avenue, Tallahassee,
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On behalf of Florida Cable Telecommunications
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VICKI GORDON KAUFMAN and TIMOTHY J. PERRY, McWhirter
Reeves McGlothlin Davidson Decker Kaufman Arnold & Steen,

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FPSC-COMMISSION CLERK

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ending May 31, 2003, is \$22,113,000 and the cost rate is 9.70%. To the \$22,113,000, the Company made adjustments to remove \$4,201,000 of investment tax credits specifically identified with unit power sales contracts and to remove \$920,000 of investment tax credits for the appropriate portion of other rate base adjustments which were made on a pro rata basis over all sources of capital. The result is total system adjusted investment tax credits of \$16,992,000. The Company then applied a jurisdictional factor of .9760026 to this amount, resulting in adjusted jurisdictional investment tax credits of \$16,584,000 with a cost rate of 9.70%. The cost rate is derived from long-term debt, preferred stock, and common equity.

On January 18, 2002, the Company revised its projected capital structure in Exhibit 2 to Mr. Labrato's deposition. The revised capital structure also reflects jurisdictional investment tax credits of \$16,584,000, but alters the cost rate from 9.70% to 9.48%.

OPC's position is that the actual dollar amount is dependent on the adjustments to rate base and the cost rate is dependent upon the allowed return on equity.

We agree with OPC, but do not believe that there are any rate base adjustments that would affect investment tax credits. The result is that no adjustment is necessary and the balance therefore remains at \$16,584,000. We recalculated the investment tax credit cost rate based on other adjustments and the return on equity, resulting in a 8.99% weighted average cost rate for the investment tax credits. Accordingly, we find that the adjusted jurisdictional investment tax credits of \$16,584,000 with a weighted average cost of 8.99% for the May 31, 2003 projected test year is appropriate.

C. RECONCILING RATE BASE AND CAPITAL STRUCTURE

The Company presented its reconciliation of rate base and capital structure on MFR Schedules D-12a and D-12b. On January 18, 2002, the Company revised its projected capital structure in Exhibit 2 to Mr. Labrato's deposition. The Company made a specific adjustment to remove non-utility investment from equity and made specific adjustments to remove the unit power sales capital

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structure amounts from the per books capital structure balances. The Company also properly removed dividends declared from its capital structure. The remaining rate base adjustments required to reconcile the rate base and capital structure were made on a pro rata basis over all sources of capital. Finally, the jurisdictional factors were applied to these balances, resulting in the reconciliation of rate base and capital structure.

As stated, the Company removed all other rate base adjustments on a pro rata basis from all sources of capital. It has been our practice to make specific adjustments where possible and to prorate other rate base adjustments over investor sources only. However, Gulf's per books capital structure includes deferred taxes and investment tax credits that are being considered, along with the related assets, in cost recovery clauses. We believe that it is appropriate for the Company, in this case, to make pro rata adjustments for the remaining rate base items over all sources. This will allow the Company to match the related deferred taxes and investment tax credits with the assets being recovered through these clauses. For this reason it is appropriate to recognize the recovery clause treatment so as not to penalize the Company through the double counting of lower cost capital items.

OPC did not take issue with the methodology of reconciliation, but it did state that the actual reconciled amounts will depend on the rate base allowed. We agree with OPC and have also made a pro rata adjustment over all investor's sources of capital. We also agree with the revised capital structure provided in Mr. Labrato's deposition Exhibit 2. Accordingly, we find that with the specific capital structure adjustments and the pro rata adjustment, capital structure and rate base have been reconciled appropriately.

D. RETURN ON EQUITY TO USE FOR ESTABLISHING GULF'S REVENUE REQUIREMENT

For the reasons provided below, we find that the appropriate ROE to use in establishing Gulf's revenue requirement is 11.75%.

Mr. Benore, the Company's primary witness on cost of capital, based his ROE analysis on a group of 8 companies involved in the regulated electric utility business. He employed 9 risk measures to select this comparable risk group. These measures included a

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 354

COMPANY Florida Power & Light (Rebuttal)

WITNESS Kim Ousdahl (KO-12)

DATE 09/04/09

Assumptions:

- The only adjustment to total utility (System) rate base is clause net plant, which is equal to \$700 million.
- The clause rate of return is calculated using total utility capital structure ratios and cost rates and equals 8.0%.
- Implicit in the rate of return on clause assets is a capital structure that supports the clause assets and rate of return.

Capital Structure Sources	(1) Total Utility Cap Struct			(2) Clause Cap Struct	
	Ratio	Cost Rate	Wtd COC		
Long Term Debt	5,358	31.52%	5.55%	221	1.75%
Preferred Stock	0	0.00%	0.00%	0	0.00%
Common Equity	8,148	47.93%	12.50%	336	5.99%
Short Term Debt	161	0.95%	2.96%	7	0.03%
Customer Deposits	563	3.31%	5.98%	23	0.20%
Investment Tax Credits	57	0.33%	9.74%	2	0.03%
Deferred Income Tax	2,713	15.96%	0.00%	112	0.00%
Total	17,000	100.00%		700	8.00%

Base Rate Capital Structure = Total Utility Capital Structure - Clause Capital Structure

Capital Structure Sources	Pro Rata Adjustment Over All Sources				Pro Rata Adjustment Over Investor Sources			
	(1) Total Utility (System) Cap Struct	(3) Rate Base Adjustment	(4) Adjusted Base Rate Cap Struct	Wtd COC	(1) Total Utility (System) Cap Struct	(5) Rate Base Adjustment	(6) Adjusted Base Rate Cap Struct	Wtd COC
Long Term Debt	5,358	(221)	5,137	1.75%	5,358	(274)	5,083	1.73%
Preferred Stock	0	0	0	0.00%	0	0	0	0.00%
Common Equity	8,148	(336)	7,813	5.99%	8,148	(417)	7,731	5.93%
Short Term Debt	161	(7)	155	0.03%	161	(8)	153	0.03%
Customer Deposits	563	(23)	539	0.20%	563	0	563	0.21%
Investment Tax Credits	57	(2)	54	0.03%	57	0	57	0.03%
Deferred Income Tax	2,713	(112)	2,601	0.00%	2,713	0	2,713	0.00%
Total	17,000	(700)	16,300	8.00%	17,000	(700)	16,300	7.93%

Total Utility Capital Structure = Base Rate Capital Structure + Clause Capital Structure

Capital Structure Sources	Pro Rata Adjustment Over All Sources			Pro Rata Adjustment Over Investor Sources		
	(4) Adjusted Base Rate Cap Str	(2) Clause Cap Struct	(7)= (4)+(2) Total Utility Cap Struct	(6) Adjusted Base Rate Cap Str	(2) Clause Cap Struct	(8)=(6)+(2) Total Utility Cap Struct
Long Term Debt	5,137	221	5,358	5,083	221	5,304
Preferred Stock	0	0	0	0	0	0
Common Equity	7,813	336	8,148	7,731	336	8,067
Short Term Debt	155	7	161	153	7	160
Customer Deposits	539	23	563	563	23	586
Investment Tax Credits	54	2	57	57	2	59
Deferred Income Tax	2,601	112	2,713	2,713	112	2,825
Total	16,300	700	17,000	16,300	700	17,000

Correct Result

Deferred Taxes only counted once

Incorrect Result

Deferred Taxes counted twice

There are \$2713K of deferred taxes available to FPL. Properly done, these are divided between base and clauses as follows:
\$2601K (base) + \$112K (clauses) = \$2713K. OPC's adjustment would result, however, in taking the entire \$2713K (\$2601K + \$112K)
for base rates while still reflecting \$112K for clauses. In other words, OPC's adjustment would result in the cost of capital reflecting \$2825K
of deferred taxes (i.e., (\$2601K + \$112K = \$2713K)(base) + \$112K (clauses) = \$2825K), which is \$112K more deferred taxes than FPL
actually has (i.e., \$2825K (reflected in cap structure)- \$2713K (FPL actually has) = \$112K).

Pro Rata Capital Structure
Adjustment - AFUDC-Eligible
CWIP Example
(Millions of Dollars)

Docket No. 080677-EI, 090130-EI
Capital Structure Adjustments
Exhibit KO-12 Page 2 of 2

Assumptions:

- The only adjustment to total utility (System) rate base is AFUDC eligible CWIP, which is equal to \$1.8 billion.
- The CWIP AFUDC rate is calculated using total utility capital structure ratios and cost rates and equals 8.0%.
- Implicit in the AFUDC rate of return on CWIP balances is a capital structure that supports the CWIP asset and AFUDC rate of return.

Capital Structure Sources	(1) Total Utility		
	Cap Struct	Ratio	Cost Rate
Long Term Debt	5,358	31.52%	5.55%
Preferred Stock	0	0.00%	0.00%
Common Equity	8,148	47.93%	12.50%
Short Term Debt	161	0.95%	2.96%
Customer Deposits	563	3.31%	5.98%
Investment Tax Credits	57	0.33%	9.74%
Deferred Income Tax	2,713	15.96%	0.00%
Total	17,000	100.00%	

Capital Structure Sources	(2) CWIP	
	Cap Struct	Wtd COC
Long Term Debt	567	1.75%
Preferred Stock	0	0.00%
Common Equity	863	5.99%
Short Term Debt	17	0.03%
Customer Deposits	60	0.20%
Investment Tax Credits	6	0.03%
Deferred Income Tax	287	0.00%
Total	1,800	8.00%

Base Rate Capital Structure = Total Utility Capital Structure - CWIP Capital Structure

Capital Structure Sources	Pro Rata Adjustment Over All Sources				Pro Rata Adjustment Over Investor Sources			
	(1) Total Utility Cap Struct	(3) Rate Base Adjustment	(4) Base Rate Cap Struct	Wtd COC	(1) Total Utility Cap Struct	(5) Rate Base Adjustment	(6) Base Rate Cap Struct	Wtd COC
Long Term Debt	5,358	(567)	4,790	1.75%	5,358	(706)	4,652	1.70%
Preferred Stock	0	0	0	0.00%	0	0	0	0.00%
Common Equity	8,148	(863)	7,286	5.99%	8,148	(1,073)	7,075	5.82%
Short Term Debt	161	(17)	144	0.03%	161	(21)	140	0.03%
Customer Deposits	563	(60)	503	0.20%	563	0	563	0.22%
Investment Tax Credits	57	(6)	51	0.03%	57	0	57	0.04%
Deferred Income Tax	2,713	(287)	2,426	0.00%	2,713	0	2,713	0.00%
Total	17,000	(1,800)	15,200	8.00%	17,000	(1,800)	15,200	7.80%

Total Utility Capital Structure = Base Rate Capital Structure + CWIP Capital Structure

Capital Structure Sources	Pro Rata Adjustment Over All Sources			Pro Rata Adjustment Over Investor Sources		
	(4) Base Rate Cap Struct	(2) CWIP Cap Struct	(7) = (4) + (2) Total Utility Cap Struct	(6) Base Rate Cap Str	(2) CWIP Cap Struct	(8) = (6) + (2) Total Utility Cap Struct
Long Term Debt	4,790	567	5,358	4,652	567	5,219
Preferred Stock	0	0	0	0	0	0
Common Equity	7,286	863	8,148	7,075	863	7,938
Short Term Debt	144	17	161	140	17	157
Customer Deposits	503	60	563	563	60	622
Investment Tax Credits	51	6	57	57	6	63
Deferred Income Tax	2,426	287	2,713	2,713	287	3,000
Total	15,200	1,800	17,000	15,200	1,800	17,000

Correct Result

Deferred Taxes only counted once

Incorrect Result

Deferred Taxes counted twice

There are \$2713K of deferred taxes available to FPL. Properly done, these are divided between base and AFUDC-eligible CWIP as follows:
\$2426K (base) + \$287K (CWIP) = \$2713K. OPC's adjustment would result, however, in taking the entire \$2713K (\$2426K + \$287K)
for base rates while still reflecting \$287K for CWIP. In other words, OPC's adjustment would result in the cost of capital reflecting \$3000K
of deferred taxes (i.e., (\$2426K + \$287K = \$2713K)(base) + \$287K (CWIP) = \$3000K), which is \$287K more deferred taxes than FPL
actually has (i.e., \$3000K (reflected in cap structure) - \$2426K (FPL actually has) = \$287K).

Dismantlement Productivity Factors Comparison

Comparison of Power Stations Fossil Fuels per R.S. Means Building Construction Data 2008 with NUS Productivity Factors

Structural Steel	range	Unit	Installation [1] MH per ton	Demolition Adjustment [2]	R.S. Means Demolition MH per ton	Productivity Factors Used in FPL's Study
Extra Heavy/Heavy	minimum	per ton	11.636	30%	3.49	2.50 - 3.30
General or Light	maximum	per ton	22.456	30%	6.74	4.40 - 7.10

Reinforced Concrete	square footage 2' X 3' ft slab	Convert to CY 6 sq ft/27	Demolition MH per .222 CY [3]	Convert to CY (1/.222)	MH per CY factor (.32 X 4.5)	Productivity Factors Used in FPL's Study
Foundations	6	0.222	0.32	4.5	1.45	1.20

R.S. Means productivity factors support those used in FPL's fossil dismantlement study.

[1] These productivity factors are for installation of structural steel for fossil power plants from R.S. Means Building Construction Data, 2008.

[2] R.S. Means conversion factor for installation productivity factors to demolition productivity factors.

[3] R.S. Means demolition factor for footings and foundations.

Docket No. 080677-EI, 090130-EI
RS Means/NUS Productivity Factor Comparison
Exhibit KO-13, Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 355

COMPANY Florida Power & Light (Rebuttal)

WITNESS Kim Ousdahl (KO-13)

DATE 09/04/09

Florida Power & Light Company
Affiliate Management Fee Specific Cost Drivers

Specific Drivers	Description	Test Year's Drivers	Updated Drivers	Difference	Notes
c4	Headcount Incl. Affiliates	29.18%	29.98%	0.80%	
c5	Headcount Excl. Affiliates	1.37%	1.37%	0.00%	(1)
c6	Sq Ft Avg Incl. Subs	13.78%	16.83%	3.05%	
c7	Sq Ft - GO	7.19%	5.61%	-1.58%	
c8	Sq Ft - JB	22.11%	29.03%	6.92%	
c9	Average of Shared Benefit Capitalized Software Drivers	23.01%	22.00%	-1.01%	
c10	Average of Shared Benefit Capitalized Hardware Drivers	15.99%	14.93%	-1.06%	
ec1	FTEs of cafeteria bldgs JB, GO, LFO, CSE, PTN, & PSL	9.45%	9.45%	0.00%	(3)
hr2	GO Building Affiliate FTE %	9.11%	8.08%	-1.03%	
hr3	JB Building Affiliate FTE %	30.08%	35.92%	5.84%	
hr4	LFO Building Affiliate FTE%	3.73%	5.86%	2.13%	
hr5	Well Program FTE%	8.25%	11.99%	3.74%	
X1	Adjusted number of workstations per business unit for Desktop support (W/S Model #1)	1.98%	2.20%	0.22%	
X2	Actual number of workstations per business unit. (includes Subsidiaries) (W/S Model #2)	24.61%	26.50%	1.89%	
X4	Actual number of mainframe MVS CPU hours by business unit.	5.61%	8.40%	2.79%	
X7	Actual number of workstations per business unit. (includes Subsidiaries), excludes ECCR charges	24.61%	26.50%	1.89%	
XF	Actual number of workstations per business unit. (includes subsidiaries in FPL utility facilities)	5.92%	6.10%	0.18%	
XN1	SAP Volume of Trans by Business Unit (FPLE Support)	24.16%	24.20%	0.04%	
XS1	Based on server ownership information - IM percent allocated out by total workstation count	28.58%	32.20%	3.62%	
XS2	Datacenter alloc. based on server located in GO and JB - IM percent alloc. by total workstation count	25.92%	20.20%	-5.72%	
XS3	Shared DASD allocation based on server and datacenter models	26.58%	23.40%	-3.18%	
Y2	Actual number of workstations per business unit. (includes Subsidiaries) (W/S Model #2)	22.00%	23.90%	1.90%	
Y3	Based on documents processed by BU	8.14%	18.80%	10.66%	
Y7	Actual number of workstations per business unit (Inc subs in FPL facilities) (W/S Model #4)	5.15%	6.00%	0.85%	
Y8	Actual number of mainframe MVS CPU hours by business unit.	5.44%	8.10%	2.66%	
YK	Actual % of FPL's subsidiaries workforce as a % of total FPL workforce for subs allocation.	19.94%	26.20%	6.26%	
YN	Actual % of FPL's subsidiaries SAP transacts. as a % of total FPL transacts. for subs allocation.	1.30%	1.30%	0.00%	(2)
YS1	Based on server ownership information - IM percent allocated out by total workstation count	23.75%	27.90%	4.15%	
YS2	Datacenter alloc. based on server located in GO and JB - IM percent alloc. by total workstation count	21.46%	16.30%	-5.16%	
YS3	Shared DASD allocation based on server and datacenter models	22.03%	19.20%	-2.83%	

Notes:

- (1) Driver was set up but was never used to allocate costs.
 - (2) Driver was updated and did not change
 - (3) Driver was not updated but the impact is immaterial.
- The EC1 Driver is applied to about \$0.5M of the cost pool and represents about \$0.05M of the 2010 AMF

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 356
COMPANY Florida Power & Light (Rebuttal)
WITNESS Kim Ousdahl (KO-14)
DATE 09/04/09

Florida Power & Light Company
Updated PGD MW Capacity & Allocated Payroll

<u>FPL Capacity Adjustments</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
MW Capacity per Forecast	19,753	19,753	19,753
Adjustments to Existing Capacity	(31)		
Add Prior Year Corrections		(31)	1,188
Additions Per Latest Forecast:			
West County Energy Center 2		1,219	
West County Energy Center 3			1,219
Latest Forecasted Capacity for Year	<u>19,722</u>	<u>20,941</u>	<u>22,160</u>

<u>NextEra Capacity Adjustments</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
MW Capacity per Forecast	14,841	14,841	14,841
Adjustments to Existing Capacity	34		
Add Prior Year Corrections		1,009	2,009
Additions Per Latest Forecast:			
Unidentified Wind	975		
Unidentified Wind		1,000	
Unidentified Wind			1,400
Latest Forecasted Capacity for Year	<u>15,850</u>	<u>16,850</u>	<u>18,250</u>

<u>Updated MW's and Allocation Factor</u>			
FPL MW	19,722	20,941	22,160
NextEra MW	<u>15,850</u>	<u>16,850</u>	<u>18,250</u>
Total	35,572	37,791	40,410
FPL MW Ratio	55.4%	55.4%	54.8%
NextEra MW Ratio	44.6%	44.6%	45.2%

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 357
COMPANY Florida Power & Light (Rebuttal)
WITNESS Kim Ousdahl (KO-15)
DATE 10/23/09

**FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
SUMMARY OF 2010 TEST YEAR & 2011 SUBSEQUENT YEAR ADJUSTMENTS**

Category Affected	Item No.	Adjustments/Corrections Affecting Company Per Book Amounts	Impact on 2010 Retail Revenue Requirements Increase/(Decrease) (\$000)	Impact on 2011 Retail Revenue Requirements Increase/(Decrease) (\$000)
CAP STR	1	Adjustment to reflect the impact of the American Recovery and Reinvestment Act of 2009 (Stimulus Bill) that were not known at the time of filing of the MFRs. This adjustment results in an increase in zero cost accumulated deferred income taxes in the amount of \$288,261,000 in 2010 and \$257,087,000 in 2011. See discussion in rebuttal testimony of FPL witness Kim Ousdahl.	(\$40,068)	(\$35,860)
NOI	2	O&M expenses are understated due to the forecast of NEIL Insurance Distributions budgeted at \$11M. The forecast should not have included any distributions. Correction of this oversight reduces pretax NOI in the amount of \$11,093,959 in 2010 and 2011. See discussion in rebuttal testimony of FPL witness Kim Ousdahl.	\$11,019	\$11,013
NOI	3	Adjustment for anticipated operating expenses expected to be reimbursed by the DOE pursuant to the nuclear spent fuel settlement agreement. The adjustment is an increase to pretax NOI resulting from a decrease in operating expenses (O&M, property taxes and depreciation expense) of \$7,022,000 in 2010 and \$7,892,000 in 2011. See discussion in rebuttal testimony of FPL witness Kim Ousdahl. See item 4 for rate base impact.	(\$6,962)	(\$7,819)
RB	4	Adjustment for anticipated capital expenditures expected to be reimbursed by the DOE in 2010 and 2011 pursuant to the nuclear fuel settlement agreement. The adjustment results in a decrease in rate base of \$26,759,000 in 2010 and \$53,205,000 in 2011. See discussion in rebuttal testimony of FPL witness Kim Ousdahl. See item 3 for NOI impact.	(\$3,124)	(\$6,314)
NOI	5	Affiliate payroll loadings were understated, resulting in an overstatement of O&M expense. The payroll amounts were not affected, as Forecasting used data from the BUs to get the final payroll dollars. Correction of this error results in an increase in pretax NOI of \$3,915,580 in 2010 and \$4,169,643 in 2011.	(\$3,896)	(\$4,147)
NOI	6a	Late payment fee revenues at the current rate of 1.5% are calculated based on a percent of total revenue and are overstated because they were based on older version of the revenue forecast than what was used to develop the final projections of the Test Years forecast. As a result, late payment fee revenues at current rates are overstated by \$7.4 million in 2010 and 7.0 million in 2011.	\$7,386	\$7,001
NOI	6b	Bad debt expense and Working Capital are understated (since the accumulated provision for uncollectible accounts is overstated) because bad debt was calculated on an older version of the revenue forecast and economic variables than those used to develop the final projections for the Test Years. Correction results in a decrease to pretax NOI (increase to O&M expense) of \$3,805,000 in 2010 and \$1,984,000 in 2011. See item 8 for rate base impact and item 7 for revenue expansion factor impact. Note that this NOI impact has been adjusted for the portion related to clauses which is removed by company adjustment.	\$1,481	\$756
REV EXP FACTOR	7	Bad debt expense and Working Capital are understated (since the accumulated provision for uncollectible accounts is overstated) because bad debt was calculated on an older version of the revenue forecast and economic variables than those used to develop the final projections for the Test Years. This correction results in an increase in the revenue expansion factor of 0.042% in 2010 and 0.014% in 2011. See item 8 for rate base impact and item 6 for NOI impact.	(\$441)	(\$184)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 358
COMPANY Florida Power & Light (Rebuttal)
WITNESS Kim Ousdahl (KO-16)
DATE 10/23/09

RB	8	Bad debt expense and Working Capital are misstated (since the accumulated provision for uncollectible accounts is misstated) because bad debt was calculated on an older version of the revenue forecast and economic variables than those used to develop the final projections for the Test Years. Correction results in an increase to rate base of \$584,000 in 2010 and a decrease of \$398,000 in 2011. See item 6 for NOI impact and item 7 for revenue expansion factor impact.	\$69	(\$48)
NOI	9	Adjustment to reflect increase in expected state unemployment tax rates that was inadvertently not reflected in MFRs. Correction of this error results in a decrease to pretax NOI (increase to taxes other than income) in the amount of \$980,000 in 2010 and \$979,000 in 2011.	\$975	\$974
NOI	10	Forecast service charge revenues were inadvertently reduced by expected bad debts on the full amount of late payment revenues rather than on the incremental change in late payment revenues resulting from the proposed change to the late payment charge. Correction of service charge revenues results in an increase in pretax NOI of \$751,895 in 2010 and \$775,931 in 2011.	(\$752)	(\$776)
NOI	11	Correction of error in projection of plant in service and depreciation exp related to CIS III that resulted in an overstatement of depreciation expense and an understatement of net plant in service. Correction of these errors result in an increase to pretax NOI (decrease to depreciation expense) of \$504,000 in 2010 and \$4,881,000 in 2011. See item 12 for rate base impact.	(\$437)	(\$4,228)
RB	12	Correction of error in projection of plant in service and depreciation exp related to CIS III that resulted in an overstatement of depreciation expense and an understatement of net plant in service. Correction of these errors result in an increase to rate base of \$151,000 in 2010 and \$2,267,000 in 2011. See item 11 for NOI impact.	\$15	\$235
RB	13	Correction of error in the original forecast of the storm liability for 2004 storms (account 253.186) results in an decrease in the working capital liability and therefore an increase in per book rate base of \$1,825,000 in each of 2010 and 2011.	\$214	\$217
RB	14	Correction of an understatement of Fuel stock account FERC account 151. The forecast was not updated to reflect the most recent estimate of fuel stock. MFR B-18 is correct, but B-17, B-6, B-5, B-3, B-1 are not. Correction results in an increase to per book rate base of \$1,716,000 in 2010 and a decrease of \$10,694,000 in 2011.	\$199	(\$1,261)

Category Affected	Item No.	Adjustments/Corrections Affecting Company Adjustments	Impact on 2010 Retail Revenue Requirements Increase/(Decrease) (\$000)	Impact on 2011 Retail Revenue Requirements Increase/(Decrease) (\$000)
NOI	15	Overstatement of depreciation rate for account 354 by 0.9% (from 3.58% to 2.68%) resulted in an overstatement of depreciation expense and an understatement of net plant due to the accumulated depreciation effect. Correction of this error results in an increase to pretax NOI (decrease to depreciation expense) of \$3,487,000 in 2010 and \$3,631,000 in 2011. See item 16 for rate base impact.	(\$3,430)	(\$3,621)
RB	16	Overstatement of depreciation rate for account 354 by 0.9% (from 3.58% to 2.68%) resulted in an overstatement of depreciation expense and an understatement of net plant due to the accumulated depreciation effect. Correction of this error results in an increase to rate base of \$1,743,500 in 2010 and \$5,302,500 for 2011. See item 15 for NOI impact.	\$205	\$633
CAP STR	17	The Company inadvertently excluded the impact to accumulated deferred income taxes resulting from the company adjustment to include the impact of the change in depreciation rates indicated by its depreciation filing. Correction of this error resulted in a decrease in the accumulated deferred income tax liability for the test year in the amount of \$16,508,000 in 2010 and \$50,938,000 in 2011.	\$1,928	\$6,050

CAP STR	18	The company adjustment to remove solar plant amounts from base rates for clause recovery did not include the removal of the related investment tax credit from the base rates capital structure. Correction of this error results in a decrease to ITC in the amount of \$57,622,486 in 2010 and \$188,709,329 in 2011.	(\$1,544)	(\$3,988)
RB	19	Correction of overstatement to working capital resulting from an error in the amount of spent fuel inventory used in company adjustment # 41 to eliminate the nuclear fuel lease and bring the nuclear fuel inventory back onto FPL's books. The correction results in a reduction of rate base in the amount of \$3,810,820 in 2010 and \$3,835,125 in 2011.	(\$446)	(\$455)
NOI	20	Incremental Hedging Costs Error. The MFR C-2 company adjustment adding incremental hedging back to base rates from clause recovery moved too much expense in base rates, resulting in an overstatement of O&M in the amount of \$52,908. Amount on C-42 is correct. Correction of this error results in an increase to pretax NOI of \$52,908 in each of 2010 and 2011.	(\$52)	(\$52)
SUBTOTAL ADJUSTMENT IMPACTS - NET DECREASE IN REVENUE REQUIREMENTS			(\$37,661)	(\$41,874)
NOI & RB	21	Adjustment to account for the effects of removing the costs and revenues associated with FPL's firm long-term transmission service contracts from the retail jurisdiction. Jurisdictional rate base is overstated by \$261,720,000 in 2010 and \$286,794,000 in 2011. Jurisdictional pretax NOI is overstated by \$7,924,000 in 2010 and \$7,812,000 in 2011. See Exhibit JAE-11 in rebuttal testimony of FPL Witness Ender.	(\$22,975)	(\$26,615)
TOTAL ADJUSTMENT IMPACTS - NET DECREASE IN REVENUE REQUIREMENTS			(\$60,636)	(\$68,489)

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
EFFECT OF THEORETICAL RESERVE SURPLUS ON 2010 REVENUE REQUIREMENTS
(IN MILLIONS)

Line No.		
1	Theoretical Reserve Surplus as reported in the Depreciation Study	\$ 1,245
2		
3	Less one half year of amortization	28
4		
5	Net Rate Base Effect (Line 1 - Line 3)	<u>1,217</u>
6		
7	Overall Cost of Capital (1)	<u>8.00%</u>
8		
9	Return Requirements (Line 5 x Line 7)	97
10		
11	Revenue Expansion Factor (2)	1.63342
12		
13	Revenue Equivalent Amount (Line 9 x Line 11)	<u>159</u>
14		
15	Embedded Amortization of the Theoretical Reserve Surplus Over the	57
16	Remaining Lives of the Assets	
17		
18	Total Reduction in 2010 Revenue Requirements (Line 13 + Line 15)	<u>\$ 216</u>

NOTES:

- (1) Represents 2010 proposed rate of return on rate base as requested in FPL's Rate Case Docket No. 080677-EI.
(2) Represents 2010 proposed expansion factor calculation as requested in FPL's Rate Case Docket No. 080677-EI.
(3) Totals may not add due to rounding.

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 359

COMPANY Florida Power & Light (Rebuttal)

WITNESS K. Michael Davis (KMD-1)

DATE 10/23/09

**FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
REVENUE REQUIREMENT IMPACT OF PROPOSED AMORTIZATION
ILLUSTRATION BASED ON MR. POLLOCK'S FOUR YEAR FLOW BACK
(\$000's)**

Line No.		2010	2011	2012	2013	2014
1	<u>Impact if Amortization of Theoretical Reserve Surplus is \$500,000,000</u>					
2						
3	Annual Amortization of the Theoretical Reserve Surplus	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ -
4						
5	Elimination of Capital Recovery Schedules (6)	\$ 78,556	\$ 78,556	\$ 78,556	\$ 78,556	\$ -
6						
7	Decrease in Accumulated Reserve/Reg Liability (cumulative)	\$ 203,556	\$ 407,112	\$ 610,667	\$ 814,223	\$ 814,223
8						
9	Increase in Average Rate Base due to Amortization	\$ 101,778	\$ 305,334	\$ 508,889	\$ 712,445	\$ 814,223
10						
11	Return Requirement on Increased Rate Base (1)					8.18%
12						66,616
13						
14	Revenue Expansion Factor (2)					1.63256
15	Rev Req on return on Rate Base Increase					108,755
16						
17	Effect on Rev Req of Completing Amort of Theoretical Rsv					125,000
18	Total Increase in Annual Revenue Requirement (7)					\$ 233,755
19						
20	Cents per kWh Impact (3)					0.2183
21	Typical 1,000 kWh bill Impact (4)					\$ 2.18
22	% of Average Bill (5)					1.9%

Notes:

- (1) Represents 2011 proposed rate of return on rate base as requested in FPL's Rate Case Docket No. 080677-EI.
- (2) Represents 2011 proposed expansion factor calculation as requested in FPL's Rate Case Docket No. 080677-EI.
- (3) kWh used in the calculation is based on retail sales forecasted for 2010 and 2011 as requested in FPL's Rate Case Docket No. 080677-EI. 2014 was estimated using an average growth rate of 1.47% (average increase between 2010 and 2011).
- (4) Assumes cents per kWh impact is spread evenly over each rate class.
- (5) Represents % of 2011 typical 1,000 kWh residential bill under proposed rates as requested in FPL's Rate Case Docket No. 080677-EI.
- (6) Represents the effect of Mr. Pollock's recommendation to offset the theoretical reserve surplus against the capital recovery schedules.
- (7) This increase would continue over the remaining life of the affected assets in gradually declining amounts.
- (8) Totals may not add due to rounding.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 360
COMPANY Florida Power & Light (Rebuttal)
WITNESS K. Michael Davis (KMD-2)
DATE 10/23/09

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
REVENUE REQUIREMENT IMPACT OF PROPOSED AMORTIZATION
ILLUSTRATION BASED ON MR. POUS' FOUR YEAR FLOW BACK
(\$000's)

Line No.		2010	2011	2012	2013	2014
1	<u>Impact If Amortization of Theoretical Reserve Surplus is \$931,137,415</u>					
2						
3	Annual Amortization of the Theoretical Reserve Surplus	\$ 232,784	\$ 232,784	\$ 232,784	\$ 232,784	\$ -
4						
5	Elimination of Capital Recovery Schedules (6)	\$ 78,556	\$ 78,556	\$ 78,556	\$ 78,556	\$ -
6						
7	Decrease in Accumulated Reserve/Reg Liability (cumulative)	\$ 311,340	\$ 622,680	\$ 934,020	\$ 1,245,360	\$ 1,245,360
8						
9	Increase in Average Rate Base due to Amortization	\$ 155,670	\$ 467,010	\$ 778,350	\$ 1,089,690	\$ 1,245,360
10						
11	Return Requirement on Increased Rate Base (1)					8.18%
12						101,890
13						
14	Revenue Expansion Factor (2)					1.63256
15	Rev Req on return on Rate Base Increase					166,341
16						
17	Effect on Rev Req of Completing Amort of Theoretical Rsv					232,784
18	Total Increase in Annual Revenue Requirement (7)					\$ 399,126
19						
20	Cents per kWh Impact (3)					0.3727
21	Typical 1,000 kWh bill Impact (4)					\$ 3.73
22	% of Average Bill (5)					3.2%

Notes:

- (1) Represents 2011 proposed rate of return on rate base as requested in FPL's Rate Case Docket No. 080677-EI.
- (2) Represents 2011 proposed expansion factor calculation as requested in FPL's Rate Case Docket No. 080677-EI.
- (3) kWh used in the calculation is based on retail sales forecasted for 2010 and 2011 as requested in FPL's Rate Case Docket No. 080677-EI. 2014 was estimated using an average growth rate of 1.47% (average increase between 2010 and 2011).
- (4) Assumes cents per kWh impact is spread evenly over each rate class.
- (5) Represents % of 2011 typical 1,000 kWh residential bill under proposed rates as requested in FPL's Rate Case Docket No. 080677-EI.
- (6) Represents the effect of Mr. Pous' recommendation to offset the theoretical reserve surplus against the capital recovery schedules.
- (7) This increase would continue over the remaining life of the affected assets in gradually declining amounts.
- (8) Totals may not add due to rounding.

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
REVENUE REQUIREMENT IMPACT OF PROPOSED AMORTIZATION
ILLUSTRATION BASED ON FULL AMORTIZATION OVER FOUR YEARS
(\$000's)

Line No.		2010	2011	2012	2013	2014
1	<u>Impact if Amortization of Theoretical Reserve Surplus is \$1.245 Billion</u>					
2						
3	Annual Amortization of the Theoretical Reserve Surplus	\$ 311,340	\$ 311,340	\$ 311,340	\$ 311,340	\$ -
4						
5	Decrease in Accumulated Reserve/Reg Liability (cumulative)	\$ 311,340	\$ 622,680	\$ 934,020	\$ 1,245,360	\$ 1,245,360
6						
7	Increase in Average Rate Base due to Amortization	\$ 155,670	\$ 467,010	\$ 778,350	\$ 1,089,690	\$ 1,245,360
8						
9	Return Requirement on Increased Rate Base (1)					8.18%
10						101,890
11						
12	Revenue Expansion Factor (2)					1.63256
13	Rev Req on return on Rate Base Increase					166,341
14						
15	Effect on Rev Req of Completing Amort of Theoretical Rsv					311,340
16	Total Increase in Annual Revenue Requirement (6)					\$ 477,681
17						
18	Cents per kWh Impact (3)					0.4460
19	Typical 1,000 kWh bill Impact (4)					\$ 4.46
20	% of Average Bill (5)					3.8%

Notes:

- (1) Represents 2011 proposed rate of return on rate base as requested in FPL's Rate Case Docket No. 080677-EI.
- (2) Represents 2011 proposed expansion factor calculation as requested in FPL's Rate Case Docket No. 080677-EI.
- (3) kWh used in the calculation is based on retail sales forecasted for 2010 and 2011 as requested in FPL's Rate Case Docket No. 080677-EI.
2014 was estimated using an average growth rate of 1.47% (average increase between 2010 and 2011).
- (4) Assumes cents per kWh impact is spread evenly over each rate class.
- (5) Represents % of 2011 typical 1,000 kWh residential bill under proposed rates as requested in FPL's Rate Case Docket No. 080677-EI.
- (6) This increase would continue over the remaining life of the affected assets in gradually declining amounts.
- (7) Totals may not add due to rounding.

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
REVENUE REQUIREMENT IMPACT OF PROPOSED AMORTIZATION
ILLUSTRATION BASED ON MR. KOLLEN'S FIVE YEAR FLOW BACK
(\$000's)

Line No.	2010	2011	2012	2013	2014	2015
1	<u>Impact If Amortization of Theoretical Reserve Surplus is \$1.245 Billion</u>					
2						
3	Annual Amortization of the Theoretical Reserve Surplus	\$ 249,072	\$ 249,072	\$ 249,072	\$ 249,072	\$ -
4						
5	Decrease in Accumulated Reserve/Reg Liability (cumulative)	\$ 249,072	\$ 498,144	\$ 747,216	\$ 996,288	\$ 1,245,360
6						
7	Increase in Average Rate Base due to Amortization	\$ 124,536	\$ 373,608	\$ 622,680	\$ 871,752	\$ 1,120,824
8						
9	Return Requirement on Increased Rate Base (1)					8.18%
10						101,890
11						
12	Revenue Expansion Factor (2)					1.63256
13	Rev Req on return on Rate Base Increase					166,341
14						
15	Effect on Rev Req of Completing Amort of Theoretical Rsv					249,072
16	Total Increase in Annual Revenue Requirement (6)					\$ 415,413
17						
18	Cents per kWh Impact (3)					0.3823
19	Typical 1,000 kWh bill Impact (4)					\$ 3.82
20	% of Average Bill (5)					3.3%

Notes:

- (1) Represents 2011 proposed rate of return on rate base as requested in FPL's Rate Case Docket No. 080677-EI.
- (2) Represents 2011 proposed expansion factor calculation as requested in FPL's Rate Case Docket No. 080677-EI.
- (3) kWh used in the calculation is based on retail sales forecasted for 2010 and 2011 as requested in FPL's Rate Case Docket No. 080677-EI.
2015 was estimated using an average growth rate of 1.47% (average increase between 2010 and 2011).
- (4) Assumes cents per kWh impact is spread evenly over each rate class.
- (5) Represents % of 2011 typical 1,000 kWh residential bill under proposed rates as requested in FPL's Rate Case Docket No. 080677-EI.
- (6) This increase would continue over the remaining life of the affected assets in gradually declining amounts.
- (7) Totals may not add due to rounding.

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
COMPARISON OF BOOK DEPRECIATION RESERVE AND THEORETICAL RESERVE FOR NUCLEAR
CALCULATED AS OF DECEMBER 31, 2013

<u>Vintage</u> (1)	<u>Original Cost</u> (2)	<u>Book Reserve</u> (3)	<u>Theoretical Reserve</u> (4)	<u>Surplus/ (Deficit)</u> (5)=(3)-(4)
2010	\$ 260,643,135	\$ 14,864,584	\$ 37,053,025	\$ (22,188,441)
2011	491,864,404	20,948,824	46,728,189	(25,779,366)
2012	589,057,539	17,912,076	37,971,545	(20,059,469)
2013	15,499,635	170,964	386,573	(215,609)
	<u>\$ 1,357,064,713</u>	<u>\$ 53,896,448</u>	<u>\$ 122,139,332</u>	<u>\$ (68,242,884)</u>

NOTES:

- (1) Year upgrades go in service
- (2) Estimated additions (FPL forecast model)
- (3) Assumes upgrades go in service midyear
- (4) Estimated theoretical reserve as of December 31, 2013

NOTE: TOTALS MAY NOT ADD DUE TO ROUNDING.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 361
COMPANY Florida Power & Light (Rebuttal)
WITNESS K. Michael Davis (KMD-3)
DATE 10/23/09

**STRANDED INVESTMENT RECOVERED FROM
CUSTOMERS IN OTHER STATES
(MILLIONS)**

STATE	UTILITY	Amount Approved	YEAR
CT	CT Light & Pwr	\$ 3,600	1999
CT	United Illuminating	801	1999
DE	Delmarva	16	2000
MA	Boston Edison	800	1999
MA	Western MA Elec	155	1999
MA	NSTAR	675	2005
MD	Baltimore Gas & Elec	528	2000
MD	Delmarva	8	2000
MI	Consumer's Energy	333	2005
NJ	PSEG	2,940	1999
NJ	Jersey City P&L	600	2003
NJ	Atlantic City Electric	125	2003
NJ	Rockland Electric	84	2003
OH	Dayton Power & Light	600	2001
PA	PECO	5,260	2000
PA	Duquesne Electric	1,480	2000
PA	PPL Electric Utilities	2,970	2000
PA	Metropolitan Edison	658	2000
PA	Pennsylvania Electric	332	2000
PA	West Penn Power	670	2000
PA	UGI Utilities	35	2000
PA	Pike County Electric	0.169	2000
TX	Center Point Energy	2,300	2004
TX	Texas - New Mexico Power	72	2004
TX	AEP Texas Central	1,720	2006

SOURCE: Regulatory Research Associates (RRA)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 362

COMPANY Florida Power & Light (Rebuttal)

WITNESS K. Michael Davis (KMD-4)

DATE 10/23/09

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

REBUTTAL TESTIMONY OF WILLIAM E. AVERA

DOCKET NO. 080667-EI

AUGUST 6, 2009

EXHIBIT WEA-18

REBUTTAL TO TECHNICAL ARGUMENTS

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 363

COMPANY Florida Power & Light (Rebuttal)

WITNESS William E. Avera (WEA-18)

DATE 09/16/09

EXHIBIT WEA-18
REBUTTAL TO TECHNICAL ARGUMENTS

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1 **Q. What is the purpose of this exhibit to your rebuttal testimony?**

2 A. The purpose of this exhibit is to rebut the key technical arguments made by Mr.
3 Baudino and Dr. Woolridge concerning a fair ROE for FPL. In addition, I also
4 demonstrate that their criticisms of my applications and conclusions are
5 misguided and should be rejected.

6

7 **PROXY GROUP REVENUE TEST IS UNSUPPORTED**

8

9 **Q. Do you agree with Mr. Baudino and Dr. Woolridge that the source of a**
10 **utility's revenues is a valid criteria in selecting a proxy group for FPL?**

11 A. No. Mr. Baudino selected proxy companies with at least 50 percent of their
12 revenues from electric operations, while Dr. Woolridge argued for the elimination
13 of companies if less than 70 percent of total revenues were attributable to electric
14 utility service.¹ However, both witnesses failed to demonstrate how this
15 subjective criterion translates into differences in the investment risks perceived by
16 investors. As I amply demonstrated in my direct testimony,² a comparison of
17 objective indicators demonstrates that investment risks for the firms in my proxy
18 groups are relatively homogeneous and comparable to FPL. Moreover, there are
19 significant errors and inconsistencies associated with the approach adopted by Mr.

¹ Baudino Direct at 19; Woolridge Direct at 14.

² Pages 39-41.

1 Baudino and Dr. Woolridge that justify rejecting their proposed proxy group
2 criteria.

3 **Q. Did Mr. Baudino or Dr. Woolridge demonstrate a nexus between their**
4 **subjective revenue criterion and objective measures of investment risk?**

5 A. No. Under the regulatory standards established by *Hope* and *Bluefield*, the salient
6 criterion in establishing a meaningful proxy group to estimate investors' required
7 return is relative risk, not the source of the revenue stream. Mr. Baudino and Dr.
8 Woolridge presented no evidence to demonstrate a connection between the
9 subjective revenue criterion that they employed and the views of real-world
10 investors in the capital markets.

11
12 Moreover, due to differences in business segment definition and reporting
13 between utilities, it is often impossible to accurately apportion financial measures,
14 such as total revenues, between utility segments (*e.g.*, electric and natural gas) or
15 regulated and non-regulated sources. As a result, even if one were to ignore the
16 fact that there is no clear link between the source of a utility's revenues and
17 investors' risk perceptions, it is generally not possible to accurately and
18 consistently apply revenue-based criteria. In fact, other regulators have rebuffed
19 these notions, with the Federal Energy Regulatory Commission (FERC) rejecting
20 attempts to restrict a proxy group to companies based on sources of revenues. As
21 FERC recently concluded:

1 This is inconsistent with Commission precedent in which we have
2 rejected proposals to restrict proxy groups based on narrow
3 company attributes.³

4 Similarly, FERC has specifically rejected arguments analogous to those of Mr.
5 Baudino and Dr. Woolridge that utilities “should be excluded from the proxy
6 group given the risk factors associated with its unregulated, non-utility business
7 operations.”⁴

8 **Q. What objective evidence can be evaluated to confirm the conclusion that**
9 **these subjective criteria are not synonymous with comparable risk in the**
10 **minds of investors?**

11 A. Bond ratings are perhaps the most objective guide to utilities' overall investment
12 risks and they are widely cited in the investment community and referenced by
13 investors. While the bond rating agencies are primarily focused on the risk of
14 default associated with the firm's debt securities, bond ratings and the risks of
15 common stock are closely related. As noted in *Regulatory Finance: Utilities'*
16 *Cost of Capital*:

17 Concrete evidence supporting the relationship between bond
18 ratings and the quality of a security is abundant. ... The strong

³ *Pepco Holdings, Inc.*, 124 FERC ¶ 61,176 at P 118 (2008) (footnote omitted).

⁴ *Bangor Hydro-Elec. Co.*, 117 FERC ¶ 61,129 at PP 19, 26 (2006).

1 association between bond ratings and equity risk premiums is well
2 documented in a study by Brigham and Shome (1982).⁵

3
4 Indeed, Mr. Baudino (p. 18) and Dr. Woolridge (Exhibit JRW-4) also reviewed the
5 bond ratings of the companies in their alternative proxy groups. Mr. Baudino (p.
6 16) testified that bond ratings are based on “detailed analyses of factors that
7 contribute to the risks of an investment” and “quantify the total risk of a
8 company.”

9
10 While credit ratings provide the most widely referenced benchmark for
11 investment risks, other quality rankings published by investment advisory services
12 and rating agencies also provide relative assessments of risk that are considered
13 by investors in forming their expectations. For example, Value Line’s Safety
14 Rank, which ranges from “1” (Safest) to “5” (Riskiest), is intended to capture the
15 total risk of a stock, and incorporates elements of stock price stability and
16 financial strength. Mr. Baudino (p. 21) stated that Value Line “probably
17 represents the most comprehensive and widely used of all investment information
18 services.”

19
20 As I noted in my direct testimony (p. 24), FPL has been assigned a corporate
21 credit rating of “A” by S&P. Meanwhile, the credit ratings for my proxy utilities

⁵ Morin, Roger A., “Regulatory Finance: Utilities’ Cost of Capital,” *Public Utility Reports* (1994) at 81.

1 that would be excluded by Mr. Baudino and Dr. Woolridge based on their
2 subjective revenue tests range from “BBB+” to “A-” and average “A-” and
3 “BBB+”, respectively. Considering that credit ratings provide one of the most
4 widely referenced benchmarks for investment risks, a comparison of this
5 objective indicator demonstrates that the range of risks for the companies
6 eliminated under the subjective criterion proposed by Mr. Baudino and Dr.
7 Woolridge are entirely comparable to those of the other firms in my Utility Proxy
8 Group. In fact, the credit ratings assigned to the firms included in the reference
9 groups proposed by Mr. Baudino and Dr. Woolridge fall in an even wider range
10 from “BBB” to “AA-”

11
12 Similarly, the Value Line Safety Rank assigned to the utilities in my proxy group
13 that would have been excluded under the revenue tests proposed by Mr. Baudino
14 and Dr. Woolridge ranged from “1” to “2”. This is identical to the balance of the
15 Utility Proxy Group and generally comparable to the Safety Rank of “1” that
16 Value Line has assigned to FPL’s parent, FPL Group. Meanwhile, the Value Line
17 Safety Ranks for the reference groups proposed by Mr. Baudino and Mr.
18 Woolridge fell in a wider range of “1” to “3”.

19 **Q. What do you conclude from the analysis of different independent, objective**
20 **risk factors used by the investment community?**

21 **A.** Contrary to the allegations of Mr. Baudino, comparisons of objective, published
22 indicators that incorporate consideration of a broad spectrum of risks, confirm that
23 there is no link between the subjective test he applied to define his proxy groups

1 and the risk perceptions of investors. Similarly, Dr. Woolridge has presented no
2 evidence to demonstrate any link between his proxy group criteria and investment
3 risk. In other words, a comparison of these objective risk indicators demonstrates
4 that there is no factual basis to distinguish between the risks that investors
5 associate with FPL and those for the companies that Mr. Baudino and Dr.
6 Woolridge would eliminate under their subjective revenue criteria.

7 **Q. What inconsistencies and errors are associated with the revenue tests**
8 **proposed by Mr. Baudino and Dr. Woolridge?**

9 A. While Mr. Baudino and Dr. Woolridge screened all electric and combination
10 electric and gas utilities followed by Value Line, their revenue tests were based
11 solely on electric revenues and ignored the impact of gas utility operations. For
12 example, despite the fact that Vectren Corporation reported in its 2008 Form 10-K
13 Report that its regulated utility segment accounted for approximately 79 percent
14 of total revenues, both Mr. Baudino and Dr. Woolridge excluded this firm under
15 their revenues tests. Similarly, while Wisconsin Energy's utility segment posted
16 2008 revenues equal to 99.9 percent of the total consolidated revenues, Dr.
17 Woolridge eliminated this firm from his proxy group. Considering the similarities
18 in the regulatory and business environments for regulated electric and gas utility
19 operations, the failure of Mr. Baudino and Dr. Woolridge to incorporate gas utility
20 revenues in implementing their test makes no sense.

21
22 The subjective nature of the revenue criteria proposed by Mr. Baudino and Dr.
23 Woolridge is further illustrated by the wide disparity between the thresholds

1 imposed by these respective witnesses. Apart from the absence of any objective
2 evidence to link revenues with investors' risk perceptions, the fact that one
3 witness would impose a 70 percent electric revenue criteria (Dr. Woolridge) while
4 the other would set the bar at 50 percent (Mr. Baudino) reveals the lack of any
5 underlying basis for their tests.

6
7 In fact, Dr. Woolridge cannot seem to decide for himself what the correct cutoff
8 should be. For example, in his November 2008 testimony in Case No. 080317-EI
9 before the FPSC involving Tampa Electric Company, Dr. Woolridge argued to
10 exclude companies with less than 75 percent of revenues attributable to electric
11 operations. Similarly, Dr. Woolridge's artificial revenue threshold for his electric
12 utility group here is inconsistent with his findings for gas utilities included in his
13 analyses presented in Case No. 2008-00252 before the Kentucky Public Service
14 Commission, where he testified that, on average, his gas utility group "receives
15 68% of revenues from regulated gas operations."⁶ If Dr. Woolridge finds it
16 acceptable for certain gas utilities to have less than 68 percent of revenues from
17 gas utility operations, why then did he exclude comparably situated electric
18 utilities? Alternatively, why did he not hold gas utilities to the same 70 percent
19 (or 75 percent) revenue threshold imposed on his electric utility groups if this is a
20 meaningful indicator of comparable risk? The answer, of course, is that Dr.
21 Woolridge's revenue statistic has no demonstrable link to risk and his internal

⁶ Direct Testimony of J. Randall Woolridge at p. 10, *An Adjustment of the Electric Rates, Terms, and Conditions of Louisville Gas and Electric*, Case No. 2008-00252.

1 inconsistency merely highlights the entirely subjective and baseless nature of his
2 “test”.

3
4 **NO BASIS TO DISREGARD NON-UTILITY PROXY GROUP**
5

6 **Q. Do Mr. Baudino or Dr. Woolridge raise any meaningful criticisms regarding**
7 **the use of your Non-Utility Proxy Group?**

8 A. No. Mr. Baudino simply noted (p. 50) that utilities “have protected markets ...
9 enjoy full recovery of prudently incurred costs, and may increase their rates to
10 cover increases in costs.” Based on this, Mr. Baudino summarily concluded,
11 “Obviously, the non-utility companies have higher overall risk structures.”
12 Similarly, Dr. Woolridge observed (p. 67) that my Non-Utility Proxy Group
13 “includes such companies as Abbott Labs, Coca-Cola, General Mills, Hewlett
14 Packard, IBM, Johnson & Johnson, McDonalds, Medtronic, Microsoft, and
15 NIKE,” and concluded these companies are “vastly different” from utilities and
16 do not operate in a “highly regulated environment.”⁷

17
18 In fact, however, the simple observation that a firm operates in non-utility
19 businesses says nothing at all about the overall investment risks perceived by
20 investors, which is the very basis for a fair rate of return. For example, consider
21 (1) an electric utility operating in regulated markets that has experienced an

⁷ Woolridge Direct at 60.

1 inability to recover the costs incurred to provide service, and (2) Wal-Mart Stores,
2 Inc. (Wal-Mart), which faces competition on numerous fronts. Despite its lack of
3 a regulated monopoly, with a double-A bond rating, the highest Value Line Safety
4 Rank, and a beta of 0.65, the investment community would undoubtedly regard
5 Wal-Mart as the less risky alternative.

6 **Q. Is there any merit to the view of Mr. Baudino and Dr. Woolridge that**
7 **required returns for non-utility companies should be ignored?**

8 A. No. The implication that an estimate of the required return for firms in the
9 competitive sector of the economy is not useful in determining the appropriate
10 return to be allowed for rate-setting purposes is wrong. In fact, returns in the
11 competitive sector of the economy form the very underpinning for utility ROEs
12 because regulation purports to serve as a substitute for the actions of competitive
13 markets. The Supreme Court has recognized that it is the degree of risk, not the
14 nature of the business, which is relevant in evaluating an allowed ROE for a
15 utility.⁸

16 Consistent with this view, Mr. Baudino noted (pp. 14-15) that the notion of
17 “opportunity cost” underlies the Supreme Court’s economic standards, and that:

18 [O]ppportunity cost is measured by what she or he could have
19 invested in as the next best alternative. That alternative could have
20 been another utility stock, a utility bond, a mutual fund, a money

⁸ *Fed. Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591 (1944).

1 market fund, or any other number of investment vehicles.

2 (emphasis added)

3
4 Similarly, Dr. Woolridge recognized (p. 30) that allowed returns to utility
5 stockholders “should be commensurate with returns on investments in other
6 enterprises having comparable risks.” As Mr. Baudino correctly observed, “The
7 key determinant in deciding whether to invest, however, is based on comparative
8 levels of risk,” and he concluded, “[T]he task for the rate of return analyst is to
9 estimate a return that is equal to the return being offered by other risk-comparable
10 firms.” In other words, Mr. Baudino granted that investors gauge their required
11 returns from utilities against those available from non-utility firms of comparable
12 risk. My reference to a comparable-risk Non-Utility Proxy Group is entirely
13 consistent with the guidance of the Supreme Court and the principles outlined in
14 Mr. Baudino’s and Dr. Woolridge’s own testimony.

15 **Q. Did either Mr. Baudino or Dr. Woolridge present any objective evidence to**
16 **support their contention that your Non-Utility Proxy Group is riskier than**
17 **FPL or your proxy group of electric utilities?**

18 **A.** No. Apart from sweeping generalizations about the risk differences between
19 regulated and non-regulated companies, neither witness provided any support
20 whatsoever for their contention. In fact, the objective risk measures specifically
21 cited by Mr. Baudino and Dr. Woolridge as being relevant indicia of overall
22 investment risks contradict their assertions. As noted earlier, Mr. Baudino
23 testified that bond ratings reflect a detailed and comprehensive analysis of the key

1 factors contributing to a firm's overall investment risk, concluding (p. 16), "Bond
2 ratings are tools that investors use to assess the risk comparability of firms."
3 Contradicting Mr. Baudino's unsupported assertion (p. 50) that the companies in
4 my Non-Utility Proxy Group "have higher overall risk structures," my direct
5 testimony (p. 11 and Exhibit WEA-6) conclusively demonstrated that the average
6 corporate credit rating for the Non-Utility Proxy Group of "A" is higher than the
7 "A-" average for the Utility Proxy Group and identical that assigned to FPL.

8
9 Similarly, Dr. Woolridge's evaluation of relative investment risks between electric
10 utilities and other industry groups supports the comparability of my Non-Utility
11 Proxy Group. Dr. Woolridge noted (p. 29) that under modern capital market
12 theory, beta is the only relevant measure of investment risk, with his average beta
13 value of 0.88 for the electric utility industry exceeding the 0.84 average beta for
14 my Non-Utility Proxy Group. In fact, the review of objective indicators of
15 investment risk presented in my direct testimony – which consider the impact of
16 competition and market share – demonstrated that, if anything, the Non-Utility
17 Proxy Group is less risky in the minds of investors than the common stock of
18 electric utilities, and entirely comparable to FPL.

DCF RESULTS FAIL TO REFLECT INVESTORS' EXPECTATIONS

Q. What are the fundamental differences between your DCF analysis and that of Dr. Woolridge?

A. There are four key distinctions between my DCF analysis and that of Dr. Woolridge: 1) whereas Dr. Woolridge incorporates historical results as being indicative of what investors expect, my analysis focuses directly on forward-looking data; 2) Dr. Woolridge discounts reliance on analysts' growth forecasts for earnings per share (EPS) as somehow biased, while my application of the DCF model recognizes that it is investors' *perceptions and expectations* that must be considered in applying the DCF model; 3) rather than looking to the capital markets for guidance as to investors' forward-looking expectations, Dr. Woolridge applies the DCF model based on his own personal views; and, 4) whereas my analysis explicitly excludes data that results in illogical cost of equity estimates, Dr. Woolridge essentially assumes that any resulting bias will be eliminated through averaging.

Q. Do you believe that the results of Dr. Woolridge's DCF analysis mirror investors' long-term expectations in the capital markets?

A. No. There is every indication that his DCF results are biased downward and fail to reflect investors' required rate of return. As I explained in my direct testimony (pp. 45-50), historical growth rates (such as those referenced by Dr. Woolridge to apply the DCF model) are colored by the structural changes and numerous challenges faced in the utility industry. Moreover, given recent financial trends in

1 the utility industry and the importance of earnings in determining future cash
2 flows and stock prices, growth rates in dividends per share (DPS) and book value
3 per share (BVPS) are not likely to be indicative of investors' long-term
4 expectations. As a result, DCF estimates based on these growth rates do not
5 capture investors' required rate of return for the industry.

6
7 Consider Dr. Woolridge's reference to historical growth rates, for example. If past
8 trends in EPS, DPS, and BVPS are to be representative of investors' expectations
9 for the future, then the historical conditions giving rise to these growth rates
10 should be expected to continue. That is clearly not the case for utilities, where
11 structural and industry changes have led to declining dividends, earnings pressure,
12 and, in many cases, significant write-offs. As Dr. Woolridge noted (p. 39):

13 [T]o best estimate the cost of common equity capital using the
14 conventional DCF model, one must look to long-term growth rate
15 expectations.

16
17 While past conditions for utilities serve to depress historical growth measures,
18 they are not representative of long-term expectations for the electric utility
19 industry. Moreover, to the extent historical trends for electric utilities are
20 meaningful, they are also captured in projected growth rates, such as those
21 published by Value Line, IBES, First Call, and Zacks since securities analysts also
22 routinely examine and assess the impact and continued relevance (if any) of
23 historical trends.

1 **Q. Did Mr. Baudino also recognize the pitfalls associated with historical growth**
2 **rates?**

3 A. Yes. Mr. Baudino noted (p. 22) that the analysis of investors' cost of equity "is a
4 forward-looking process," and that historical growth rates "may not accurately
5 represent investors expectations." Mr. Baudino concluded that analysts' forecasts
6 "provide better proxies for the expected growth components in the DCF model
7 than historical growth rates."

8 **Q. Is the downward bias inherent in historical growth measures for electric**
9 **utilities evident in Dr. Woolridge's DCF analyses?**

10 A. Yes, it is. For example, consider the historical growth measures displayed on
11 page 3 of Dr. Woolridge's Exhibit JRW-10. As shown there, approximately one-
12 quarter of the individual historical growth rates reported by Dr. Woolridge for the
13 companies in his electric proxy group were zero or negative, with almost one-half
14 being 2.0 percent or less. Combining a growth rate of 2.0 percent with Dr.
15 Woolridge's dividend yield of 4.7 percent implies a DCF cost of equity of
16 approximately 6.7 percent. This implied cost of equity barely exceeds the average
17 yield on public utility bonds reported by Moody's for June 2009 of approximately
18 6.5 percent. Clearly, the risks associated with an investment in public utility
19 common stocks exceeds those of long-term bonds. As Mr. Baudino noted (p. 24),
20 "it is not plausible for investors to expect negative future growth rates for electric
21 utilities," and Dr. Woolridge's historical growth measures result in a built-in
22 downward bias to his DCF conclusions, which provide no meaningful information
23 regarding the expectations and requirements of investors.

1 **Q. Did Dr. Woolridge make any effort to test the reasonableness of the**
2 **individual growth estimates he relied on to apply the constant growth DCF**
3 **model?**

4 **A.** No. Despite recognizing (p. 39) that “one must use historical growth numbers as
5 measures of investors’ expectations with caution,” Dr. Woolridge simply
6 calculated the average and median of the individual growth rates with no
7 consideration for the reasonableness of the underlying data. In fact, many of the
8 DCF cost of equity estimates implied by Dr. Woolridge’s application of this
9 method make no economic sense.

10

11 For example, consider the 5-year historical BVPS growth rates included in Dr.
12 Woolridge’s evaluation. As shown on page 3 of Exhibit JRW-10, the individual
13 values for the firms in his proxy group ranged from 1.0 percent to 18.0 percent.
14 Combining these growth rates referenced by Dr. Woolridge with his average
15 dividend yield suggests a DCF cost of equity range of 5.7 percent to 22.7 percent.
16 Clearly, DCF estimates that imply a cost of equity below the yield on public
17 utility bonds or in excess of 20 percent violate economic logic and hardly
18 represent an informed evaluation of investors’ expectations. Moreover, reliance
19 on the median value for a series of illogical values does not correct for the
20 inability of individual cost of equity estimates to pass fundamental tests of
21 economic logic.

1 **Q. Has Dr. Woolridge recognized the importance of evaluating model inputs in**
2 **other forums?**

3 A. Yes. As Dr. Woolridge noted in his testimony (Appendix A, p. 1), he is a founder
4 and managing director *ValuePro*, which is an online valuation service largely
5 based on application of the DCF model. *ValuePro* confirmed the importance of
6 evaluating the reasonableness of inputs to the DCF model:

7 Garbage in, Garbage out! Like any other computer program, if the
8 inputs into our Online Valuation Service are garbage, the resulting
9 valuation also will be garbage.⁹

10

11 Unlike his approach here, Dr. Woolridge advised investors to use common sense
12 in interpreting the results of valuation models, such as the DCF:

13 If a figure comes up for a certain input that is either highly
14 implausible or looks wrong, indeed it may be. If a valuation is
15 way out of line, figure out where the Service may have strayed on
16 a valuation, and correct it. [*Id.*]

17

18 Given the fact that many of the growth rates relied on by Dr. Woolridge result in
19 illogical cost of equity estimates, it is appropriate to take the same critical
20 viewpoint when evaluating inputs to the DCF model in this proceeding.

⁹ <http://www.valuepro.net/abtonline/abtonline.shtml>.

1 **Q. Do you agree with Mr. Baudino that you “erred” by ignoring Value Line’s**
2 **DPS growth projections in your application of the DCF model?**

3 A. No. As I explained in my direct testimony (pp. 45-47), specific trends in dividend
4 policies for utilities and evidence from the investment community fully supports
5 my conclusion that earnings growth projections are likely to provide a superior
6 guide to investors’ expectations. Indeed, while Mr. Baudino claims (p. 53) that
7 reference to Value Line’s DPS growth rates for the firms in my Utility Proxy
8 Group result in an average growth rate of approximately 5 percent, he failed to
9 heed his own advice (p. 25) to evaluate the individual values. As shown on Mr.
10 Baudino’s Exhibit__(RAB-11), the DPS growth rates referenced by Mr. Baudino
11 ranged from 1.0 percent to 13.5 percent. But as Mr. Baudino testified (p. 25):

12 Including growth rates of 1% or less may understate expected
13 growth for the comparison group. Regarding double-digit growth
14 rates, it is highly unlikely that investors would expect such high
15 growth rates over the long-run for utilities.

16 Moreover, I disagree with Mr. Baudino’s assertion (p. 52) that because Value
17 Line’s projected DPS growth rates “are widely available to investors,” they can
18 “reasonably be assumed to influence their expectation with respect to growth.”
19 Value Line also publishes a wide variety of financial information, including
20 growth rates in revenues and cash flows, but simply because a statistic is included
21 in Value Line’s report does not mean that investors would rely on it in
22 determining their growth expectations. Indeed, Value Line makes a number of

1 historical growth rates available to investors, including historical growth in DPS,
2 which Mr. Baudino nevertheless recognized as implausible.

3 **Q. Do Mr. Baudino's projected DPS growth rates exhibit similar problems?**

4 A. Yes. As shown on page 1 of Mr. Baudino's Exhibit__(RAB-5), DPS growth rates
5 for three of the firms in his reference group were equal to 1.0 percent or less, and
6 his average dividend growth rate of 4.4 percent was over 160 basis points below
7 the growth rate indicated from his review of analysts' earnings growth
8 projections. This mirrors the trend towards a more conservative payout ratio for
9 electric utilities and the need to conserve financial resources to provide a hedge
10 against heightened uncertainties. However, while utilities have significantly
11 altered their dividend policies in response to more accentuated business risks in
12 the industry, this is not necessarily indicative of investors' long-term growth
13 expectations. In fact, as discussed in my direct testimony and earlier in response
14 to Dr. Woolridge, growth in earnings is far more likely to provide a meaningful
15 guideline to investors' expected growth rate.

16 **Q. Do you agree that the screening criteria Mr. Baudino applied resulted in a**
17 **reasonable growth estimate?**

18 A. No. While I certainly agree that it is appropriate to evaluate the reasonableness of
19 inputs to the DCF model, I take issue with the specific criteria applied by Mr.
20 Baudino. After a review of the individual growth rates for the companies in his
21 reference group, Mr. Baudino speculated (p. 25) that no growth rate of 10 percent
22 or above is reasonable. Mr. Baudino's "Method 3" results omitted all double-digit
23 growth rates, as well as those below 1 percent.

1 But the growth expectations relevant to the DCF model are those of investors, not
2 his personal assessment, and he has presented no meaningful evidence to support
3 his claim that the growth expectations that investors build into current stock prices
4 could never equal 10 percent or above. Moreover, while I agree with Mr. Baudino
5 that growth rates below 1 percent cannot be considered reasonable, his criterion
6 retains numerous other low-end growth estimates that produce illogical cost of
7 equity estimates. For example, in his "Method 3" analysis, Mr. Baudino excluded
8 the 10.0 percent Value Line EPS growth rate for FPL Group while retaining Value
9 Line's 3.5 percent projected EPS growth rate for Edison International, Inc.
10 (Edison). But adding Edison's 4.2 percent dividend yield (Exhibit__(RAB-4), p.
11 1) to the 3.5 percent growth rate from Value Line results in an implied cost of
12 equity of 7.7 percent, which falls far below a meaningful estimate of investors'
13 required return for an electric utility. In other words, while Mr. Baudino was
14 quick to discard growth estimates at the upper end of his range as being
15 "excessive", he retained other low-end growth rates that are simply illogical.

16 **Q. Have other regulators approved DCF estimates based on growth rates that**
17 **exceed single digits?**

18 A. Yes. For example, FERC recently approved a DCF cost of equity range with an
19 upper bound of 15.9 percent, based on a consensus analyst growth estimate of
20 10.0 percent.¹⁰ Similarly, FERC approved an ROE zone of reasonableness of 9.21
21 percent to 15.96 percent for the utility participants in the Midwest Independent

¹⁰ *Pepco Holding, Inc.*, 124 FERC ¶ 61,176 at ¶ 116 (2008).

1 Transmission System Operator, Inc., with the high-end of the DCF range being
2 based on a growth rate of 11.00 percent.¹¹ These authorized DCF results
3 contradict Mr. Baudino's suggestion that double-digit growth rates are *per se*
4 illogical.

5
6 **CRITICISMS OF ANALYSTS' GROWTH RATES ARE MISGUIDED**
7

8 **Q. Please respond to Dr. Woolridge's criticisms regarding reliance on EPS**
9 **growth projections in applying the DCF model.**

10 A. In applying the DCF model to estimate the cost of equity, the only relevant
11 growth rate is the forward-looking expectations of investors that are captured in
12 current stock prices. Dr. Woolridge's claim that analysts' estimates are not relied
13 upon by investors is illogical given the reality of a competitive market for
14 investment advice. If financial analysts' forecasts do not add value to investors'
15 decision making, it would be irrational for investors to pay for these estimates.
16 Similarly, those financial analysts who fail to provide reliable forecasts will lose
17 out in competitive markets relative to those analysts whose forecasts investors
18 find more credible. The reality that analyst estimates are routinely referenced in
19 the financial media and in investment advisory publications implies that investors
20 use them as a basis for their expectations.

21

¹¹ *Midwest Independent Transmission System Operator, Inc.*, 99 FERC ¶ 63,011 at Appendix A (2002).

1 The continued success of investment services such as IBES and Value Line, and
2 the fact that projected growth rates from such sources are widely referenced,
3 provides strong evidence that investors give considerable weight to analysts'
4 earnings projections in forming their expectations for future growth. Earnings
5 growth projections of security analysts provide the most frequently referenced
6 guide to investors' views and are widely accepted in applying the DCF model. As
7 explained in *Regulatory Finance: Utilities' Cost of Capital*:

8 Because of the dominance of institutional investors and their
9 influence on individual investors, analysts' forecasts of long-run
10 growth rates provide a sound basis for estimating required returns.
11 Financial analysts also exert a strong influence on the expectations
12 of many investors who do not possess the resources to make their
13 own forecasts, that is, they are a cause of g [growth]. ...
14 Published studies in the academic literature demonstrate that
15 growth forecasts made by securities analysts represent an
16 appropriate source of DCF growth rates, are reasonable indicators
17 of investor expectations and are more accurate than forecasts based
18 on historical growth. ... Cragg and Malkiel (1982) presented
19 detailed empirical evidence that the average analyst's expectation
20 is more similar to expectations being reflected in the marketplace

than are historical growth rates, and that they represent the best possible source of DCF growth rates.¹²

Q. Does the fact that analysts' EPS projections may deviate from actual results hamper their use in applying the DCF model, as Dr. Woolridge contends?

A. No. Investors, just like securities analysts and others in the investment community, do not know how the future will actually turn out. They can only make investment decisions based on their best estimate of what the future holds in the way of long-term growth for a particular stock, and securities prices are constantly adjusting to reflect their assessment of available information. While the projections of securities analysts may be proven optimistic or pessimistic in hindsight, this is irrelevant in assessing the expected growth that investors have incorporated into current stock prices, and any bias in analysts' forecasts – whether pessimistic or optimistic – is irrelevant if investors share analysts' views. While I did not rely solely on EPS projections in applying the DCF model (as shown on Exhibits WEA-8 and WEA-10, I also examined the “br+sv”, sustainable growth rates for the companies in my proxy groups), my evaluation clearly supports greater reliance on EPS growth rate projections than other alternatives. Moreover, there is every indication that expectations for earnings growth are instrumental in investors' evaluation and the fact that analysts' projections deviate from actual results provides no basis to ignore this relationship.

¹² Morin, Roger A., “Regulatory Finance: Utilities' Cost of Capital,” Public Utilities Reports, Inc. (1994) at 154-155.

1 **Q. Do the selected articles referenced by Dr. Woolridge in support of his**
2 **contention that analysts are overly optimistic paint a complete picture of the**
3 **financial research in this area?**

4 A. No. In contrast to Dr. Woolridge's assertions, peer-reviewed empirical studies do
5 not uniformly support his contention that analysts' growth projections are
6 optimistically biased. For example, a study reported in "Analyst Forecasting
7 Errors: Additional Evidence" found no optimistic bias in earnings projections for
8 large firms (market capitalization of \$500-\$3,000 million), with data for the
9 largest firms (market capitalization > \$3,000 million) demonstrating a *pessimistic*
10 bias.¹³ Similarly, a 2005 article that examined analyst growth forecasts over the
11 period 1990 through 2001 illustrated that Wall Street's forecasting is not
12 inherently optimistic:

13 The pessimism associated with profit firms is astonishing. Near
14 the end of the sample period, almost three quarters of the quarterly
15 forecasts for profit firms are pessimistic.¹⁴

16

17 Other research on this topic also concludes that there is no clear support for the
18 contention that analyst forecasts contain upside bias:

19 Our examples do demonstrate how some widely held beliefs about
20 analysts' proclivity to commit systematic errors (e.g., the common

¹³ Brown, Lawrence D., "Analyst Forecasting Errors: Additional Evidence," *Financial Analysts Journal* (November/December 1997).

¹⁴ Ciccone, Stephen, "Trends in analyst earnings forecast properties," *International Review of Financial Analysis*, 14:2-3 (2005).

1 belief that analysts generally produce optimistic forecasts) are not
2 well supported by a broader analysis of the distribution of forecast
3 errors. After four decades of research on the rationality of
4 analysts' forecasts it is somewhat disconcerting that the most
5 definitive statements observers and critics of earnings forecasters
6 are willing to agree on are ones for which there is only tenuous
7 empirical support.¹⁵

8
9 More importantly, however, comparisons between forecasts of future growth
10 expectations and the historical trend in actual earnings are largely irrelevant in
11 evaluating the use of analysts' projections in the DCF model. For example, Dr.
12 Woolridge references a paper he authored that reported that analysts' earnings
13 growth rate estimates are overly optimistic, based on just such a historical
14 comparison.¹⁶ But as noted earlier, the investment community can only make
15 decisions based on their best estimate of what the future holds in the way of long-
16 term growth for a particular stock, and the fact that projections deviate from
17 actual results says nothing about whether investors rely on analysts' estimates. In
18 using the DCF model to estimate investors' required returns, the purpose is not to
19 prejudge the accuracy or rationality of investors' growth expectations. Instead, to

¹⁵ Abarbanell, Jeffery and Reuven Lehavy, "Biased forecasts or biased earnings? The role of reported earnings in explaining apparent bias and over/under reaction in analysts earnings forecasts," *Journal of Accounting and Economics*, 36: 142 (2003).

¹⁶ Woolridge, Randall J. and Custatis, Patrick, "The Accuracy of Analysts' Long-Term Earnings Per Share Growth Rate Forecasts" (January 24, 2008).

1 accurately estimate the cost of equity we must base our analyses on the growth
2 expectations investors actually used in determining the price they are willing to
3 pay for common stocks – even if we do not agree with their assumptions. Indeed,
4 despite the findings of his research, Dr. Woolridge reportedly “remains somewhat
5 puzzled that so many continue to put great weight in what [analysts] have to
6 say.”¹⁷ As Robert Harris and Felicia Marston noted in their article in *Journal of*
7 *Applied Finance*:

8 ...Analysts’ optimism, if any, is not necessarily a problem for the
9 analysis in this paper. If investors share analysts’ views, our
10 procedures will still yield unbiased estimates of required returns
11 and risk premia.¹⁸
12

13 Similarly, there is no logical foundation for criticisms such as those raised by Dr.
14 Woolridge that the purported upward bias of analysts’ growth rates limits their
15 usefulness in applying the DCF model. If investors’ base their expectations on
16 these growth rates, then they are useful in inferring investors’ required returns –
17 even if the analysts’ forecasts prove to be wrong in hindsight.¹⁹

¹⁷ Boselovic, Len, “Study Finds Analysts’ Forecasts Have Been Too Sunny,” *Pittsburgh Post-Gazette* (Mar. 30, 2008).

¹⁸ Harris, Robert S. and Marston, Felicia C., “The Market Risk Premium: Expectational Estimates Using Analysts’ Forecasts,” *Journal of Applied Finance* 11 (2001) at 8.

¹⁹ I began my military career in the Navy in the weather office at a Naval Air Station. Using the best available methods then available, we provided pilots with weather forecasts for their flight plans. In hindsight we were not very accurate, but I do not recall any pilot ignoring our forecast in planning a mission. In finance, as in weather, no one knows the future. But no one can afford to ignore the best available forecasts.

1 **Q. Is the \$1.5 billion settlement negotiated in 2002 by the Securities Exchange**
2 **Commission and the New York Attorney General over stock research**
3 **conflicts relevant to the present case?**

4 A. No. Dr. Woolridge refers to this 6-year-old investigation (p. 70) in support of his
5 decision to downplay analysts' growth rates in applying the DCF model. The
6 Global Settlement of Conflicts of Interest Between Research and Investment
7 Banking (Global Settlement) followed joint investigations by multiple regulators
8 of allegations of undue influence of investment banking interests on securities
9 research of sell-side analysts at brokerage firms.²⁰ In addition to monetary
10 payments, the Global Settlement also required compliance with significant
11 requirements that dramatically reformed their future practices. The firms were
12 required to sever the links between research and investment banking, including
13 prohibiting analysts from receiving compensation for investment banking
14 activities, and prohibiting analysts' involvement in investment banking "pitches"
15 and "roadshows." These important reforms included physically separating
16 research and investment banking departments, eliminating any connections
17 between research analysts' compensation and investment banking revenues,
18 prohibiting research analysts from participating in efforts to solicit investment
19 banking business, and creating and enforcing firewalls restricting interaction
20 between investment banking and research. In addition, for a five-year period,

²⁰ The research in question did not pertain specifically to utilities; rather, it was largely related to allegations that stock prices were inflated by biased investment advice of affiliated brokerage firms in order to "spin" initial public offerings of stock.

1 each of the firms was required to contract with no fewer than three independent
2 research firms to make independent research available to the firm's customers.

3
4 Of course, the analysts' growth projections referenced in my testimony were
5 developed years after these measures were instituted. In contrast to Dr.
6 Woolridge's assertions, the reforms resulting from this 2003 settlement support
7 greater – not less – reliance on analysts' forecasts. At the conclusion of the
8 settlement, the New York Attorney General concluded that "[t]he wide-ranging
9 structural reforms to firms' research operations will empower investors to use
10 securities research in a practical and meaningful way when making investment
11 decisions."²¹ Similarly, a recent study reported in *Financial Analysts' Journal*
12 concluded that buy-side analysts actually made more optimistic and less accurate
13 forecasts than their counterparts on the sell-side.²²

14 **Q Did Dr. Woolridge provide any meaningful support for his allegation (p. 73)**
15 **that Value Line forecasts are “upwardly biased”?**

16 **A.** No. Dr. Woolridge asserted his belief (p. 73-74) that Value Line projections have
17 “a decidedly positive bias,” based only on his personal belief that Value Line does
18 not report a sufficient number of negative growth rates. But as Mr. Baudino noted
19 (p. 24), negative growth rates are not likely to be representative of investors'
20 expectations. Dr. Woolridge's personal opinions are irrelevant to a determination

²¹ *Financial Industry Regulatory Authority*, News Release (Apr. 28, 2003).

²² Groyberg, Boris, Paul Healy, and Craig Chapman, “Buy-Side vs. Sell-Side Analysts' Earnings Forecasts,” *Financial Analysts Journal* (July/August 2008).

1 of what investors expect. and, contrary to his conclusion, Value Line is a well-
2 recognized source in the investment and regulatory communities. For example,
3 *Cost of Capital – A Practitioners’ Guide*, published by the Society of Utility and
4 Financial Analysts, noted that:

5 [A] number of studies have commented on the relative accuracy of
6 various analysts’ forecasts. Brown and Rozeff (1978) found that
7 Value Line was superior to other forecasts. Chatfield, Hein and
8 Moyer (1990, 438) found, further “Value Line to be more accurate
9 than alternative forecasting methods” and that “investors place the
10 greatest weight on the forecasts provided by Value Line”.²³

11
12 Given the fact that Value Line is perhaps the most widely available source of
13 information on common stocks, the projections of Value Line analysts provide an
14 important guide to investors’ expectations.

15
16 Moreover, in contrast to Dr. Woolridge’s unsupported assertion, the fact that Value
17 Line is not engaged in investment banking or other relationships with the
18 companies that it follows reinforces its impartiality in the minds of investors.

²³ Parcell, David C., “The Cost of Capital – A Practitioner’s Guide,” *Society of Utility and Regulatory Financial Analysts* (1997) at 8-28.

1 Indeed, Value Line was among the providers of “independent research” that
2 benefited from the Global Settlement cited by Dr. Woolridge.²⁴

3
4 **DOWNWARD BIAS IN SUSTAINABLE DCF GROWTH RATES**

5
6 **Q. Is there a downward bias inherent in Mr. Baudino’s and Dr. Woolridge’s**
7 **application of the DCF model based on the internal, “br” growth rate?**

8 A. Yes. Mr. Baudino and Dr. Woolridge based their calculations of the internal,
9 “br+sv” retention growth rate on data from Value Line, which reports end-of-
10 period results. If the rate of return, or “r” component of the “br+sv” growth rate is
11 based on end-of-year book values, such as those reported by Value Line, it will
12 understate actual returns because of growth in common equity over the year. This
13 downward bias, which has been recognized by regulators,²⁵ is illustrated in the
14 table below.

15
16 Consider a hypothetical firm that begins the year with a net book value of
17 common equity of \$100. During the year the firm earns \$15 and pays out \$5 in
18 dividends, with the ending net book value being \$110. Using the year-end book
19 value of \$110 to calculate the rate of return produces an “r” of 13.6 percent. As
20 the FERC has recognized, however, this year-end return “must be adjusted by the

²⁴ Tsao, Amy, “The New Era of Indie Research,” *Business Week Online Edition* (June 12, 2003).

²⁵ See, e.g., *Southern California Edison Company*, Opinion No. 445 (Jul. 26, 2000), 92 FERC ¶ 61,070.

growth in common equity for the period to derive an average yearly return.”²⁶ In the example below, this can be accomplished by using the average net book value over the year (\$105) to compute the rate of return, which results in a value for “r” of 14.3 percent. Use of the average rate of return over the year is consistent with the theory of this approach to estimating investors’ growth expectations, and as illustrated below, it can have a significant impact on the calculated retention growth rate:

Beginning Net Book Value	\$100	
Earnings	<u>15</u>	
Dividends	5	
Retained Earnings	<u>10</u>	
Ending Net Book Value	\$110	
“b x r” Growth	<u>End-of Year</u>	<u>Average</u>
Earnings	\$ 15	\$ 15
Book Value	<u>\$110</u>	<u>\$105</u>
“r”	13.6%	14.3%
“b”	<u>66.7%</u>	<u>66.7%</u>
“b x r” Growth	9.1%	9.5%

Because Mr. Baudino and Dr. Woolridge did not adjust to account for this reality in their analyses, the “internal” growth rates that they considered are downward-biased.

Q. What other consideration leads to a downward bias in Mr. Baudino’s and Dr. Woolridge’s DCF analyses using internal, “br” growth?

A. Mr. Baudino and Dr. Woolridge completely ignored the impact of additional issuances of common stock in their analysis of the sustainable growth rate. Under DCF theory, the “sv” factor is a component designed to capture the impact on

²⁶ *Id.*

1 growth of issuing new common stock at a price above, or below, book value. As
2 noted by Myron J. Gordon in his 1974 study:

3 When a new issue is sold at a price per share $P = E$, the equity of
4 the new shareholders in the firm is equal to the funds they
5 contribute, and the equity of the existing shareholders is not
6 changed. However, if $P > E$, part of the funds raised accrues to the
7 existing shareholders. Specifically...[v] is the fraction of the funds
8 raised by the sale of stock that increases the book value of the
9 existing shareholders' common equity. Also, "v" is the fraction of
10 earnings and dividends generated by the new funds that accrues to
11 the existing shareholders.²⁷

12
13 In other words, the "sv" factor recognizes that when new stock is sold at a price
14 above (below) book value, existing shareholders experience equity accretion
15 (dilution). In the case of equity accretion, the increment of proceeds above book
16 value ($P > E$ in Professor Gordon's example) leads to higher growth because it
17 increases the book value of the existing shareholders' equity. In short, the "sv"
18 component is entirely consistent with DCF theory, and the fact that Mr. Baudino
19 and Dr. Woolridge failed to consider the incremental impact on growth results in
20 another downward bias to their "internal" growth rates.

21

²⁷ Gordon, Myron J., "The Cost of Capital to a Public Utility," MSU Public Utilities
Studies (1974), at 31-32.

ILLOGICAL DATA UNDERLYING CAPM ANALYSES

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Q. What is the fundamental problem associated with Dr. Woolridge’s approach to applying the CAPM?

A. Like the DCF model, the CAPM is an *ex-ante*, or forward-looking model based on expectations of the future. As a result, in order to produce a meaningful estimate of investors’ required rate of return, the CAPM must be applied using data that reflects the expectations of actual investors in the market. However, while Dr. Woolridge recognized (P. 48) that “ex post returns are not the same as ex ante expectations” and noted that “market risk premiums can change over time; increasing when investors become more risk-averse,”²⁸ his application of the CAPM method was based entirely on *historical* – not projected – rates of return. The primacy of current expectations was recognized by Morningstar:

The cost of capital is always an expectational or forward-looking concept. While the past performance of an investment and other historical information can be good guides and are often used to estimate the required rate of return on capital, the expectations of future events are the only factors that actually determine cost of capital.²⁹

²⁸ Woolridge Direct at 38-39.
²⁹ Morningstar, *Ibbotson SBBI, 2008 Valuation Yearbook* at 23.

1 Because he failed to look directly at the returns investors are currently requiring
2 in the capital markets, Dr. Woolridge's CAPM estimate significantly understates
3 investors' required rate of return.

4 **Q. Is there anything forward-looking about the academic studies referenced by**
5 **Dr. Woolridge?**

6 A. No. As Dr. Woolridge summarized (Exhibit JRW-11, p. 5), his CAPM analysis
7 was based on risk premiums derived from various academic studies and other
8 publications. Rather than looking directly at the returns investors might currently
9 be requiring in today's capital markets, Dr. Woolridge predicated his CAPM study
10 on a summary of *historical* results from selected sources in the academic and
11 trade literature. These studies reflect historical data, not the current expectations
12 of the future that form the basis of investors' required returns today. This critical
13 distinction was recognized in a survey of risk premium research:

14 The debate surrounding the equity risk premium arises because
15 theoretically such premia are concerned with the extent to which
16 risky stocks are "expected" to outperform a (relatively) safe
17 investment, whereas excess returns are estimated values of this
18 outperformance derived from observed data. The lack of consensus
19 regarding the true value of the equity risk premium arises from the
20 fact that expectations are unobservable hence can only be

1 estimated, and that such estimates will vary over time depending,
2 in part at least, on the sample period used.³⁰

3
4 In other words, instead of directly considering requirements in today's capital
5 markets, Dr. Woolridge is implicitly asserting that events and expectations for the
6 time periods covered by his subset of studies are more representative of what is
7 likely to occur going forward. This assertion runs counter to the assumptions
8 underlying the use of the CAPM to estimate investors' required return, which is a
9 purely forward-looking model. As Dr. Woolridge granted (p. 48), "The use of
10 historical returns as market expectations has been criticized in numerous
11 academic studies." Similarly, Mr. Baudino concluded (p. 31), "There is no real
12 support for the proposition that an unchanging, mechanically applied historical
13 risk premium is representative of current investor expectations and return
14 requirements.

15
16 Moreover, even if historical studies were relevant in this context, there are other
17 such studies of equity risk premiums published in academic journals that imply
18 required rates of return considerably in excess of those selected by Dr. Woolridge.
19 For example, a study of equity risk premiums over the period 1889 through 2000
20 reported in the *Financial Analysts' Journal* directly contradicted Dr. Woolridge's

³⁰ Oyefeso, Oluwatobi, "Would There Ever Be Consensus Value and Source of the Equity Risk Premium? A Review of the Extant Literature," *International Journal of Theoretical and Applied Finance*, Vol. 9, No. 2 (2006) 199-215.

1 assertion that investors are likely to anticipate sharp declines in the equity risk
2 premium for U.S. stocks:

3 Over the long term, the equity risk premium is likely to be similar
4 to what it has been in the past and returns to investment in equity
5 will continue to substantially dominate returns to investments in T-
6 bills for investors with a long planning horizon.³¹

7 Similarly, based on a study of *ex-ante* expected returns for a sample of S&P 500
8 firms over the 1983-1998 period, a 2003 article in *Financial Management* found
9 an expected market risk premium of 7.2 percent.³²

10
11 In contrast to the conclusions that Dr. Woolridge draws from his review of
12 selected studies, other researchers are less sanguine and recognize that the
13 shortcomings of academic methods can produce results that deviate from
14 investors' actual expectations and requirements:

15 The above discussion suggests that the equity premium debate is
16 far from over, and that the use of excess returns as a proxy for such
17 premiums, while convenient, may capture a substantial amount of

³¹ Mehra, Ranjish, "The Equity Premium: Why Is It a Puzzle?," *Financial Analysts' Journal* (January/February 2003).

³² Harris, R.S., Marston, F. C., Mishra, D. R., and O'Brian, T. J., "Ex Ante Cost of Equity Estimates of S&P 500 Firms: The Choice Between Global and Domestic CAPM," *Financial Management* (Autumn 2003) at Table I.

1 noise and be uncorrelated with equity risk premia particularly over
2 the short-run.³³

3 In fact, no selected historical study, or group of studies, is a substitute for an
4 analysis of investors' current expectations in the capital markets, such as that
5 incorporated in my CAPM analysis shown on Exhibits WEA-11 and WEA-12.

6 **Q. What is the second indication that the studies referenced by Dr. Woolridge do**
7 **not reflect investors' expectations?**

8 A. Many of the results of the equity risk premium studies reported by Dr. Woolridge
9 do not make economic sense. As shown on page 3 of Dr. Woolridge's Exhibit
10 JRW-7, seventeen of the thirty-nine historical studies included in Dr. Woolridge's
11 assessment found market equity risk premiums of 4.3 percent or below. But
12 multiplying a market equity risk premium of 4.3 percent by Dr. Woolridge's beta
13 of 0.70 for his proxy group, and combining the resulting 3.0 percent risk premium
14 with his 4.5 percent risk-free rate, results in an indicated cost of equity of 7.5
15 percent, which is only 100 basis points above the average yield that investors can
16 earn by investing in utility bonds. As FERC recognized in its March 27, 2009
17 decision in *Pioneer*, cost of equity estimates "within about 100 basis points above
18 the cost of debt" are illogical outliers and should be given no weight.³⁴ By any
19 objective measure, such results fall woefully short of required returns from an

³³ Oyefeso, Oluwatobi, "Would There Ever Be Consensus Value and Source of the Equity Risk Premium? A Review of the Extant Literature," *International Journal of Theoretical and Applied Finance*, Vol. 9, No. 2 (2006) 199-215.

³⁴ *Pioneer Transmission, LLC*, 126 FERC ¶ 61,281 at P 94 (2009) ("*Pioneer*").

1 investment in common equity and confirm that Dr. Woolridge's CAPM cost of
2 equity has little relation to the expectation of real-world investors.

3 **Q. Are the results of Dr. Woolridge's "building block" approach (p. 49-54) any**
4 **more indicative of forward-looking, *ex-ante* expectations?**

5 A. No. Dr. Woolridge applied his "building block" approach based on backward-
6 looking, historical data for certain key variables. For example, Dr. Woolridge
7 noted (p. 52) that one key component of his estimated market return was based on
8 "the *historical* real earnings growth rate for the S&P 500."

9 **Q. What evidence demonstrates that Dr. Woolridge's "building block" approach**
10 **rests on a weak foundation?**

11 A. Dr. Woolridge based his "building block" analysis of the market equity risk
12 premium on an article by Roger G. Ibbotson and Peng Chen, published in
13 *Financial Analysts' Journal*. But Dr. Woolridge's conclusions differ markedly
14 from those of the authors of the article on which his "building blocks" approach
15 was based. Based on the results of their study, Ibbotson and Chen concluded that:

16 Our forecast of the equity risk premium is only slightly lower than
17 the pure historical return estimate. We estimate the expected long-
18 term equity risk premium ... to be about 6 percentage points
19 arithmetically...³⁵

20

³⁵ Ibbotson, Roger G. and Peng Chen, "Long-Run Stock Returns: Participating in the Real Economy," *Financial Analysts' Journal* at 88 (January/February 2003).]

1 Meanwhile, Dr. Woolridge asserted that the methods outlined by Ibbotson and
2 Chen currently suggest a market risk premium of approximately 3.1 percent (a 7.6
3 percent expected return minus a risk-free rate of 4.5 percent). In other words, Dr.
4 Woolridge is contending that the market equity risk premium has been cut
5 virtually in half since the time Ibbotson and Chen published their study in early
6 2003. Of course, there is no underlying capital market evidence for such a
7 tremendous downward shift in the market equity risk premium at a time when
8 investors' sensitivity to risk is widely understood to have increased dramatically.
9 The fact that the results of Dr. Woolridge's "building blocks" approach cannot be
10 reconciled to observable capital market trends or the results of the original study
11 demonstrates the fatal flaws inherent in his method.

12
13 Similarly, the 7.6 percent rate of return on the stock market as a whole that results
14 from Dr. Woolridge's "building blocks" approach falls 190 basis points below his
15 recommended ROE for FPL in this case, despite the fact that his beta values
16 indicate a lower level of investment risk for utilities. This violates the risk-return
17 tradeoff that is fundamental to finance and further illustrates the frailty of Dr.
18 Woolridge's analyses.

19 **Q. Does the *Survey of Professional Forecasters*, cited by Dr. Woolridge (p. 54),**
20 **provide any meaningful corroboration or guidance as to investors' required**
21 **rate of return?**

22 **A.** No. The *Survey of Professional Forecasters* is not an investment advisory
23 publication; nor is this report focused on serving as a resource for stock market

1 investors. Rather, this survey primarily targets broad indicators of
2 macroeconomic performance, such as GDP and its components, unemployment
3 rates, industrial production, and inflation. While the survey may provide a useful
4 resource for policymakers and in general business planning, it is not widely
5 referenced by investment professionals as a guide to stock market performance or
6 routinely used in estimating investors' required rate of return.

7
8 Indeed, according to Dr. Woolridge, the *Survey of Professional Forecasters*
9 apparently predicts that equity returns for the S&P 500 will amount to 6.6 percent.
10 Meanwhile, Moody's reported that the average yield on triple-B corporate bonds
11 was 7.5 percent during June 2009.³⁶ Why would rational investors buy a basket
12 of common stocks, and assume all the inherent risk, in exchange for an expected
13 return that falls 90 basis points *below* the return they could earn with certainty by
14 buying a bond? The answer, of course, is that rational investors would not.
15 Considering that this 6.6 percent implied return falls 290 basis points below even
16 Dr. Woolridge's downward biased 9.5 percent cost of equity recommendation for
17 FPL, this result is clearly nonsensical. Similarly, Dr. Woolridge's reference (p.
18 55) to a 7.31 percent market rate of return from a 2009 CFO survey implies a cost
19 of equity to his utility group of approximately 6.5 percent, which is barely equal
20 to current yields on long-term utility bonds.

³⁶ Moody's Investors Service, www.credittrends.com (retrieved Dec. 4, 2008).

1 Q. What about Dr. Woolridge's reference (p. 57) to the risk premiums of
2 "leading consulting firms"?

3 A. Dr. Woolridge's reference to a 2002 McKinsey & Co. study demonstrates the
4 fallacy of his focus on selected historical information to apply the CAPM. As Dr.
5 Woolridge noted, in an effort to explain their observations regarding the behavior
6 of equity risk premiums, McKinsey & Co. concluded that equities had not become
7 less risky. Rather, they surmised that investors' required returns on government
8 bonds had increased due to concerns over the potential impacts of "inflation
9 shocks." But just the opposite is true today. Long-term government bonds have
10 been largely viewed as a safe haven as stock market volatility and a resulting
11 "flight to quality" have driven bond yields sharply lower. Moreover, with the
12 economy in decline and dramatic plunges in the prices of commodities, there is no
13 evidence that an anticipated "inflation shock" similar to those of the 1970s would
14 suggest a secular decline in the equity risk premium going forward. Considering
15 that the historical premise underlying the conclusions of the McKinsey study does
16 not reflect current capital market expectations, this reference provides no useful
17 information in gauging investors' current required rates of return.

18
19 Similarly, Dr. Woolridge's observation (p. 13) that McKinsey & Co. continues to
20 advocate for an equity risk premium "in the 3.5 to 4 percent range" has no bearing
21 on a reasonable ROE for FPL. Multiplying the midpoint of this range by Dr.
22 Woolridge's 0.70 beta for his proxy group and adding his 4.5 percent risk-free
23 rate results in a cost of equity estimate of 7.1 percent, which provides the

1 Commission with no meaningful information.

2 **Q. Dr. Avera, are you in any way alleging that all these studies and surveys are**
3 **inherently flawed?**

4 A. No, not at all. The point that I am making is that there is more than one way to
5 define and calculate an equity risk premium. The problem with Dr. Woolridge's
6 approach is that, instead of looking directly at an equity risk premium based on
7 current expectations – which is what is required in order to properly apply the
8 CAPM – he undertakes an unrelated exercise of compiling a list of selected
9 computations culled from the historical record. Average realized risk premiums
10 computed over some selected time period may be an accurate representation of
11 what was actually earned in the past, but they don't answer the question as to
12 what risk premium investors were actually expecting to earn on a forward-looking
13 basis during these same time periods. Similarly, calculations of the equity risk
14 premium developed at a point in history – whether based on actual returns in prior
15 periods or contemporaneous projections – are not the same as the forward-looking
16 expectations of today's investors, which are premised on an entirely different set
17 of capital market and economic expectations.

18
19 Likewise, surveys of selected corporate executives or economists, or building
20 blocks based on academic research, are not equivalent to investors' required
21 returns in the coming period. Since the benchmark for a fair ROE requires that
22 the utility be able to compete for capital in the current capital market, the relevant
23 inquiry is to determine the return that real world investors in today's markets

1 require from FPL in order to compete for capital with other comparable risk
2 alternatives. In short, while there are many potential definitions of the equity risk
3 premium, the only relevant issue for application of the CAPM in a regulatory
4 context is what return investors currently expect to earn on money invested today
5 in the risky market portfolio versus the risk-free U.S. Treasury alternative. In
6 contrast to Dr. Woolridge, my approach represents a straightforward and direct
7 approach to answer this very question. As the old saying goes, "If all you have is
8 a hammer, everything looks like a nail." All the pounding in the world will not
9 turn the historical data cited by Dr. Woolridge into the forward-looking
10 expectations required by the CAPM.

11 **Q. Are there other reasons why Dr. Woolridge's CAPM result falls below**
12 **investors' forward-looking rate of return?**

13 **A.** Yes. Applying the CAPM by adding an historical risk premium to current
14 Treasury bond yields, as Dr. Woolrdige has done, is complicated by the impact of
15 the unprecedented financial crisis on investors' risk perceptions and required
16 returns. Dr. Woolridge's backward-looking approach incorrectly assumes that
17 investors' assessment of the relative risk differences, and their required risk
18 premium, between Treasury bonds and common stocks is constant and equal to
19 some historical average. At no time in recent history has the fallacy of this
20 assumption been demonstrated more concretely.

21
22 As discussed in my direct testimony, while the required returns for common
23 stocks and public utility bonds have moved sharply higher to compensate for

1 increased perceptions of risk, the yields on Treasury securities have fallen
2 significantly or remained flat. This “flight to quality” has caused the spread
3 between the yields on utility bonds and Treasury bonds to rise, as Dr. Woolridge
4 granted (pp. 6-7). As documented in my direct testimony (Exhibit WEA-5),
5 spreads between 20-year government bonds and triple-B utility bonds began to
6 widen in mid-2007, with the disparity becoming more pronounced as the extent of
7 the challenges facing the financial system and economy became increasingly clear
8 to investors. During 2007, this yield spread averaged 121 basis points, versus 283
9 basis point in 2009 year-to-date.

10 **Q. What does this imply with respect to Dr. Woolridge’s CAPM analysis?**

11 A. Because Dr. Woolridge’s analysis consisted of adding a fixed, historical risk
12 premium to current yields on government bonds, it fails to account for the impact
13 of the “flight to quality” and the significantly higher risk premiums over Treasury
14 bonds that investors now require to hold utility bonds and common stocks. This
15 is yet another indication that Dr. Woolridge’s results ignore the view of real-world
16 investors in today’s capital markets and fail the standards underlying a fair rate of
17 return, which require that the ROE allow FPL the opportunity to earn a return
18 commensurate with other investments of comparable risk.

19 **Q. What other considerations result in a downward bias to Dr. Woolridge’s risk
20 premium?**

21 A. As noted on page 5 of Dr. Woolridge’s Exhibit JRW-11, many of the historical
22 studies included in his analysis reported equity risk premiums based on geometric
23 averages. While both the arithmetic and geometric means are legitimate measures

1 of average return, they provide different information. Each may be used correctly,
2 or misused, depending upon the inferences being drawn from the numbers. The
3 geometric mean of a series of returns measures the constant rate of return that
4 would yield the same change in the value of an investment over time. The
5 arithmetic mean measures what the expected return would have to be each period
6 to achieve the realized change in value over time.

7
8 In estimating the cost of equity, the goal is to replicate what investors expect
9 going forward, not to measure the average performance of an investment over an
10 assumed holding period. When referencing realized rates of return in the past,
11 investors consider the equity risk premiums in each year independently, with the
12 arithmetic average of these annual results providing the best estimate of what
13 investors might expect in future periods. *Regulatory Finance: Utilities' Cost of*
14 *Capital* had this to say:

15 One major issue relating to the use of realized returns is whether to
16 use the ordinary average (arithmetic mean) or the geometric mean
17 return. *Only arithmetic means are correct for forecasting purposes*
18 *and for estimating the cost of capital.* When using historical risk
19 premiums as a surrogate for the expected market risk premium, the

1 relevant measure of the historical risk premium is the arithmetic
2 average of annual risk premiums over a long period of time.³⁷

3 Similarly, Morningstar concluded that:

4 For use as the expected equity risk premium in either the CAPM or
5 the building block approach, the arithmetic mean or the simple
6 difference of the arithmetic means of stock market returns and
7 riskless rates is the relevant number. ... The geometric average is
8 more appropriate for reporting past performance, since it
9 represents the compound average return.³⁸

10
11 I certainly agree that both geometric and arithmetic means are useful, since my
12 Ph.D. dissertation was on the usefulness of the geometric mean.³⁹ But the issue is
13 not whether both measures can be useful; it is which one best fits the use for a
14 forward-looking CAPM in this case. One does not have to get deep into finance
15 theory to see why the arithmetic mean is more consistent with the facts of this
16 case. The Commission is not setting a constant return that FPL is guaranteed to
17 earn over a long period. Rather, the exercise is to set an expected return based on
18 test year data. In the real world, FPL's yearly return will be volatile, depending
19 on a variety of economic and industry factors, and investors do not expect to earn

³⁷ Morin, Roger A., "Regulatory Finance: Utilities' Cost of Capital," Public Utilities Reports (1994) at 275, (emphasis added).

³⁸ Morningstar, *Ibbotson SBBI 2008 Valuation Yearbook* at 77.

³⁹ William E. Avera, *The Geometric Mean Strategy as a Theory of Multiperiod Portfolio Choice* (1972).

1 the same return each year. The usefulness of the arithmetic mean for making
2 forward-looking estimates was confirmed in *Quantitative Investment Analysis*
3 (2007), one of the textbooks included in the study curriculum for the Chartered
4 Financial Analyst designation, which concluded that the arithmetic mean is the
5 appropriate measure when calculating an expected equity risk premium in a
6 forward-looking context.⁴⁰ Just as importantly, by relying directly on
7 expectations and estimates of investors' required rate of return, as incorporated in
8 the CAPM analysis presented on my Exhibits WEA-11 and WEA-12, there is no
9 need to debate the merits of geometric versus arithmetic means, since neither is
10 required to apply this forward-looking approach.

11 **Q. What does this imply with respect to the conclusions of Dr. Woolridge's**
12 **CAPM analysis?**

13 A. For a variable series, such as stock returns, the geometric average will always be
14 less than the arithmetic average. Accordingly, Dr. Woolridge's reference to
15 geometric average rates of return provides yet another element of systemic
16 downward bias.

17 **Q. What about Dr. Woolridge's view that the market return used in your**
18 **forward-looking CAPM analysis (Exhibits WEA-11 and WEA-12) is**
19 **"excessive"?**

20 A. As explained earlier and in my direct testimony, I estimated the current equity risk
21 premium by first applying the DCF model to estimate investors' current required

⁴⁰ DeFusco, Richard A., Dennis W. McLeavey, Jerald E. Pinto, and David E. Runkle, *Quantitative Investment Analysis*, John Wiley & Sons, Inc. (2007) at 128.

1 rate of return for the firms in the S&P 500 and then subtracting the yield on
2 government bonds. Dr. Woolridge contends that this CAPM analysis is flawed
3 because of an alleged upward bias in the analysts' growth estimates used to
4 estimate investors' expected return on the S&P 500.

5
6 The fallacy of these arguments was addressed earlier in my discussion of the
7 growth rates used in the DCF model. Moreover, Dr. Woolridge also relied on
8 analysts' estimates in applying the DCF model and, as indicated earlier, the use of
9 forward-looking expectations in estimating the market risk premium is well
10 accepted in the financial literature. For example, the table on page 4 of
11 Dr. Woolridge's Exhibit JRW-11 noted that:

12 Current financial market prices (simple valuation ratios or DCF-
13 based measures) can give most objective estimates of feasible ex
14 ante equity-bond risk premium.

15
16 I grant that my forward-looking CAPM approach produces an equity risk
17 premium for the S&P 500 that is significantly higher than his unrealistic
18 benchmarks. But rather than look backwards to a select subset of academic
19 studies, or a "building blocks" risk premium based largely on historical data, as
20 Dr. Woolridge advocates, my analysis appropriately focused on the expectations
21 of actual investors in today's capital markets.

1 **Q. Apart from your earlier discussion, what other evidence indicates that the**
2 **market return used in your CAPM analysis is not inflated?**

3 A. While Dr. Woolridge argues that the 9.6 percent expected growth rate and
4 resulting 13.2 percent market return that I used to apply the CAPM are
5 “overstated,” his own exhibits and sources contradict his personal view. Consider
6 Exhibit JRW-15, for example, which presents historical earnings for the S&P 500.
7 In 21 of the years included in Dr. Woolridge’s table, growth in earnings exceeded
8 the 9.6 percent forward-looking estimate used to compute my market rate of
9 return. Similarly, Morningstar reported that since 1926 the actual realized return
10 on large-company stocks exceeded the 13.3 percent forward-looking estimate
11 used in my CAPM analysis in half those years, in many cases by a considerable
12 margin.⁴¹

13 **Q. Is there any reason that the growth rates used in a DCF analysis must be**
14 **constrained by the overall growth of the economy, as Dr. Woolridge asserts**
15 **(p. 77)?**

16 A. No. Dr. Woolridge suggested that it would be illogical for investors to expect
17 long-term growth for market as a whole to exceed the rate of growth of the
18 economy. The real issue here is not Dr. Woolridge’s sense of logic, but rather the
19 expectations of investors. As a practical matter, investors do not look to that
20 distant horizon where all companies must grow at the rate of the economy. Not
21 only is it impossible to predict the distant future, it simply doesn’t matter. In

⁴¹ Morningstar, *Ibbotson SBBI 2008 Valuation Yearbook* at Table B-1.

1 terms of the DCF model, the present value of cash flows in far distant years --
2 beyond the foreseeable future -- is so small as to have little effect on investment
3 decisions today.

4 **Q. Is there any merit to Mr. Baudino's argument that your analysis of the**
5 **market rate of return should not have been limited solely to the dividend**
6 **paying firms in the S&P 500?**

7 A. No. As Mr. Baudino recognized (pp. 17-18), under the constant growth form of
8 the DCF model, investors' required rate of return is computed as the sum of the
9 dividend yield over the coming year plus investors' long-term growth
10 expectations. Because the dividend yield is a key component in applying the DCF
11 model, its usefulness is hampered for firms that do not pay common dividends.
12 Accordingly, my DCF analysis of the market rate of return properly focused on
13 the dividend paying firms included in the S&P 500.

14
15 Meanwhile, Mr. Baudino (p. 29) predicated his DCF analysis of the market rate of
16 return on the companies followed by Value Line. Of these approximately 1,700
17 companies, roughly 900 do not pay common dividends. In other words, over one-
18 half of the companies that underpin Mr. Baudino's DCF analysis do not have the
19 data necessary to implement this approach. Further, many of these firms are
20 relatively small and lack a meaningful operating history. As a result, there is also
21 greater uncertainty associated with estimating the future growth expectations that
22 are central to the application of the DCF method. Taken together, these factors
23 impugn the reliability of Mr. Baudino's market risk premium and confirm my

1 decision to restrict my analysis to the established, dividend paying firms in the
2 S&P 500

3 **Q. Do the 5-year Treasury bills rates referenced by Mr. Baudino (p. 31) provide**
4 **an appropriate basis to estimate the cost of equity using the CAPM?**

5 A. No. Common equity is a perpetuity and as a result, any application of the CAPM
6 to estimate the return that investors require must be predicated on their
7 expectations for the firm's long-term risks and prospects. This does not mean that
8 every investor will buy and hold a particular common stock into perpetuity.
9 Rather, it recognizes that even an investor with a relatively short holding period
10 will consider the long-term, because of its influence on the price that he or she
11 ultimately receives from the stock when it is sold. This is also the basic
12 assumption underpinning the DCF model, which in theory considers the present
13 value of all future dividends expected to be received by a share of stock.

14
15 Shannon P. Pratt, a leading authority in business valuation and cost of capital,
16 recognized in "Cost of Capital, Estimation and Applications," (1998) that the cost
17 of equity is a long-term cost of capital and that the appropriate instrument to use
18 in applying the CAPM is a long-term bond:

19 The consensus of financial analysts today is to use the 20-year U.S.
20 Treasury yield to maturity as of the effective date of valuation for
21 the following reasons:

- 22 • It most closely matches the often-assumed perpetual lifetime
23 horizon of an equity investment.

- 1 • The longest-term yields to maturity fluctuate considerably less
2 that short-term rates and thus are less likely to introduce
3 unwarranted short-term distortions into the actual cost of
4 capital.
- 5 • People generally are willing to recognize and accept the fact
6 that the maturity risk is impounded into this base, or otherwise
7 risk-free rate.
- 8 • It matches the longest-term bond over which the equity risk
9 premium is measured in the Ibbotson Associates data series. p.
10 60

11 Similarly, in applying the CAPM Ibbotson Associates recognized that the cost of
12 equity is a long-term cost of capital and the appropriate interest rate to use is a
13 long-term bond yield:

14 The horizon of the chosen Treasury security should match the
15 horizon of whatever is being valued. ... Note that the horizon is a
16 function of the investment, not the investor. If an investor plans to
17 hold a stock in a company for only five years, the yield on a five-
18 year Treasury note would not be appropriate since the company
19 will continue to exist beyond those five years.⁴²

⁴² Ibbotson Associates, *2003 Yearbook* (Valuation Edition) at 53.

1 Accordingly, proper application of the CAPM should focus on long-term
2 government bonds and Mr. Baudino's analysis based on 5-year Treasury notes
3 should be ignored.

4
5 **EXPECTED EARNINGS METHOD IS AN ACCEPTED APPROACH**
6

7 **Q. Is there any basis for Mr. Baudino's and Dr. Woolridge's contention that the**
8 **expected earnings is not a valid ROE benchmark?**

9 A. No. My expected earnings approach is predicated on the comparable earnings
10 test, which developed as a direct result of the Supreme Court decisions in
11 *Bluefield*⁴³ and *Hope*⁴⁴. From my understanding as a regulatory economist, not as
12 a legal interpretation, these cases required that a utility be allowed an opportunity
13 to earn the same return as companies of comparable risk. The cases recognized
14 that a utility must compete with other companies for capital. Unless the utility
15 offers a return that is similar to that available from other opportunities of similar
16 risk, capital will not be forthcoming to the utility. Moreover, if the utility
17 investment is not earning what is available from other similar risk alternatives,
18 then the utility is not earning its opportunity cost of capital.

19
20 Economists consider opportunity cost as the earnings forgone by not being
21 invested in the next best opportunity. If a utility is not allowed to earn its

⁴³ *Bluefield Water Works & Improvement Co. v. Pub. Serv. Comm'n*, 262 U.S. 679 (1923).

⁴⁴ *Fed. Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591 (1944).

1 opportunity cost of capital, then the government is taking the value of the utility's
2 capital without adequate compensation. The traditional comparable earnings test
3 identifies a group of companies that are believed to be comparable in risk to the
4 utility. Then the actual earnings of those companies on their investment are
5 compared to the allowed return of the utility. The measure of return in the
6 traditional comparable earnings test is taken from the accounting records of the
7 comparable companies. It is also common to use reasonable projections of
8 accounting earnings, such as those published by recognized investment advisory
9 publications (e.g., Value Line). Since the earnings on book value equity as
10 reported in companies' accounting records are similar to the allowed return on
11 utility rate base, the two concepts of earnings are comparable so there can be an
12 "apples to apples" comparison.

13 **Q. Is the traditional comparable earnings method an accepted approach to**
14 **finding a fair rate of return on equity?**

15 A. Yes. In fact, a textbook prepared for the Society of Utility and Regulatory
16 Analysts labels the comparable earnings approach the "granddaddy of cost of
17 equity methods", and notes the comparable earning approach is based on the
18 opportunity cost concept and consistent with both sound regulatory economics
19 and the legal standards set forth in the landmark *Bluefield* and *Hope* cases.⁴⁵ I
20 have used the comparable earnings approach in my consulting, teaching, and

⁴⁵ Parcell, David C., *The Cost of Capital—a Practitioner's Guide* (1997).

1 testimony for 35 years, and it has been widely referenced in regulatory decision-
2 making.⁴⁶

3 **Q. Do you agree with Mr. Baudino (pp. 55-56) and Dr. Woolridge (pp. 79-80)**
4 **that it is necessary to examine market-to-book ratios in applying the**
5 **expected earnings approach?**

6 A. No. Traditional applications of the expected earnings approach do not involve a
7 market-to-book adjustment. I have never made a market-to-book adjustment, nor
8 is such an adjustment recommended in recognized texts such as *Regulatory*
9 *Finance: Utilities' Cost of Capital*.⁴⁷

10 **Q. Is there a clear link between market-to-book ratios for electric utilities and**
11 **allowed rates of return?**

12 A. No. Underlying Mr. Baudino's and Dr. Woolridge's criticism is the supposition
13 that regulators should set a required rate of return to produce a market-to-book
14 value of approximately 1.0. This is fallacious. For example, *Regulatory Finance:*
15 *Utilities Cost of Capital* noted that:

16 The stock price is set by the market, not by regulators. The M/B
17 ratio is the end result of regulation, and not its starting point. The
18 view that regulation should set an allowed rate of return so as to

⁴⁶ For example, a NARUC survey reported that 19 regulatory jurisdictions cited the comparable earnings test as a primary method favored in determining the allowed rate of return. "Utility Regulatory Policy in the U.S. and Canada, 1995-1996," National Association of Regulatory Utility Commissioners (December 1996). In my experience, while a few Commissions have explicitly rejected comparable earnings, most regard it as a useful tool.

⁴⁷ Morin, Roger A., "Regulatory Finance: Utilities' Cost of Capital," *Public Utilities Reports, Inc.* (1994).

1 produce a M/B of 1.0, presumes that investors are masochistic.

2 They commit capital to a utility with a M/B in excess of 1.0,

3 knowing full well that they will be inflicted a capital loss by

4 regulators. This is not a realistic or accurate view of regulation.⁴⁸

5 With market-to-book ratios for most electric utilities above 1.0, Mr. Baudino and
6 Dr. Woolridge are suggesting that, unless book value grows rapidly, regulators
7 should establish equity returns that will cause share prices to fall. Given the
8 regulatory imperative of preserving a utility's ability to attract capital, this would
9 be a truly nonsensical result.

10 **Q. Is there anything unusual about a stock price exceeding book value?**

11 A. No. In fact the majority of stocks currently sell substantially above book value.
12 For example, Value Line reports that, even after the unprecedented decline
13 recently experienced in stock market prices, roughly 1,500 of the approximately
14 1,700 stocks it follows (including utilities and other industries) sell for prices in
15 excess of book value.⁴⁹

16
17 Moreover, regulators previously recognized the fallacy of relying on market-to-
18 book ratios in evaluating cost of equity estimates. For example, the Presiding
19 Judge in *Orange & Rockland* concluded, and the FERC affirmed that:

20 The presumption that a market-to-book ratio greater than 1.0 will
21 destroy the efficacy of the DCF formula disregards the realities of

⁴⁸ *Id.* at 256.

⁴⁹ www.valueline.com (retrieved Jan. 23, 2009).

the market place principally because the market-to-book ratio is rarely equal to 1.0.⁵⁰

The Initial Decision found that there was no support in Commission precedent for the use of market-to-book ratios to adjust market derived cost of equity estimates based on the DCF model and concluded that such arguments were to be treated as “academic rhetoric” unworthy of consideration.

NO BASIS TO IGNORE FLOTATION COSTS

Q. Please respond to the argument that there is no basis for including a flotation cost adjustment.

A. The need for a flotation cost adjustment to compensate for past equity issues is recognized in the financial literature. In a *Public Utilities Fortnightly* article, for example, Brigham, Aberwald, and Gapenski demonstrated that even if no further stock issues are contemplated, a flotation cost adjustment in all future years is required to keep shareholders whole, and that the flotation cost adjustment must consider total equity, including retained earnings.⁵¹ Similarly, *Regulatory Finance: Utilities' Cost of Capital* contains the following discussion:

Another controversy is whether the underpricing allowance should still be applied when the utility is not contemplating an imminent

⁵⁰ *Orange & Rockland Utilities, Inc.*, Initial Decision, 40 FERC ¶ 63,053, 1987 WL 118,352 (F.E.R.C.).

⁵¹ Brigham, E.F., Aberwald, D.A., and Gapenski, L.C., “Common Equity Flotation Costs and Rate Making,” *Public Utilities Fortnightly*, May, 2, 1985.

1 common stock issue. Some argue that flotation costs are real and
2 should be recognized in calculating the fair rate of return on equity,
3 but only at the time when the expenses are incurred. In other
4 words, the flotation cost allowance should not continue
5 indefinitely, but should be made in the year in which the sale of
6 securities occurs, with no need for continuing compensation in
7 future years. This argument implies that the company has already
8 been compensated for these costs and/or the initial contributed
9 capital was obtained freely, devoid of any flotation costs, which is
10 an unlikely assumption, and certainly not applicable to most
11 utilities. ... The flotation cost adjustment cannot be strictly
12 forward-looking unless all past flotation costs associated with past
13 issues have been recovered. (p. 175)

14 **Q. Can you provide a simple numerical example illustrating why a flotation cost**
15 **adjustment is necessary to account for past flotation costs?**

16 **A.** Yes. The following example demonstrates that investors will not have the
17 opportunity to earn their required rate of return (*i.e.*, dividend yield plus expected
18 growth) unless an allowance for past flotation costs is included in the allowed rate
19 of return on equity. Assume a utility sells \$10 worth of common stock at the
20 beginning of year 1. If the utility incurs flotation costs of \$0.48 (5 percent of the
21 net proceeds), then only \$9.52 is available to invest in rate base. Assume that
22 common shareholders' required rate of return is 11.5 percent, the expected
23 dividend in year 1 is \$0.50 (*i.e.*, a dividend yield of 5 percent), and that growth is

expected to be 6.5 percent annually. As developed below, if the allowed rate of return on common equity is only equal to the utility's 11.5 percent "bare bones" cost of equity, common stockholders will not earn their required rate of return on their \$10 investment, since growth will really only be 6.25 percent, instead of 6.5 percent:

Year	Common Stock	Retained Earnings	Total Equity	Market Price	M/B Ratio	Allowed ROE	Earnings Per Share	Dividends Per Share	Payout Ratio
1	\$ 9.52	\$ -	\$ 9.52	\$10.00	1.050	11.50%	\$ 1.09	\$ 0.50	45.7%
2	\$ 9.52	\$ 0.59	\$10.11	\$10.62	1.050	11.50%	\$ 1.16	\$ 0.53	45.7%
3	\$ 9.52	\$ 0.63	<u>\$10.75</u>	<u>\$11.29</u>	1.050	11.50%	<u>\$ 1.24</u>	<u>\$ 0.56</u>	45.7%
Growth			6.25%	6.25%			6.25%	6.25%	

The reason that investors never really earn 11.5 percent on their investment in the above example is that the \$0.48 in flotation costs initially incurred to raise the common stock is not treated like debt issuance costs (*i.e.*, amortized into interest expense and therefore increasing the embedded cost of debt), nor is it included as an asset in rate base.

Q. Can you illustrate how the flotation cost adjustment allows investors to be fully compensated for the impact of past issuance costs?

A. Yes. As discussed in my direct testimony, one method for calculating the flotation cost adjustment is to multiply the dividend yield by a flotation cost percentage. Thus, with a 5 percent dividend yield and a 5 percent flotation cost percentage, the flotation cost adjustment in the above example would be approximately 25 basis points. As shown below, by allowing a rate of return on common equity of 11.75 percent (an 11.5 percent cost of equity plus a 25 basis point flotation cost

adjustment), investors earn their 11.5 percent required rate of return, since actual growth is now equal to 6.5 percent:

Year	Common Stock	Retained Earnings	Total Equity	Market Price	M/B Ratio	Allowed ROE	Earnings Per Share	Dividends Per Share	Payout Ratio
1	\$ 9.52	\$ -	\$ 9.52	\$10.00	1.050	11.75%	\$ 1.12	\$ 0.50	44.7%
2	\$ 9.52	\$ 0.62	\$10.14	\$10.65	1.050	11.75%	\$ 1.19	\$ 0.53	44.7%
3	\$ 9.52	\$ 0.66	<u>\$10.80</u>	<u>\$11.34</u>	1.050	11.75%	<u>\$ 1.27</u>	<u>\$ 0.57</u>	44.7%
Growth			6.50%	6.50%			6.50%	6.50%	

The only way for investors to be fully compensated for issuance costs is to include an ongoing adjustment to account for past flotation costs when setting the return on common equity. This is the case regardless of whether or not the utility is expected to issue additional shares of common stock in the future.

Q. Please respond to Mr. Baudino's and Dr. Woolridge's specific criticisms of your flotation cost adjustment.

A. First, while both Mr. Baudino and Dr. Woolridge suggest that flotation costs should be ignored because my adjustment was not predicated on a precise accounting for FPL, this belies the point of the adjustment. As discussed in my direct testimony, in contrast to debt issuance costs, which are specifically accounted for on the books of the utility, there is no comparable method for equity flotation costs. The approach outlined in my direct testimony is supported by recognized regulatory textbooks and based on research reported in the academic literature, and the lack of a precise accounting of FPL's past issuance expenses provides no basis to ignore a flotation cost adjustment.

1 Meanwhile, Dr. Woolridge mistakenly claims (p. 80) that a flotation cost
2 adjustment “is necessary to prevent dilution of the existing shareholders.” In fact,
3 a flotation cost adjustment is required in order to allow the utility the opportunity
4 to recover the issuance costs associated with selling common stock. Dr.
5 Woolridge’s observation about the level of market-to-book ratios may be factually
6 correct, but it says nothing about whether or not a flotation cost adjustment is
7 warranted for FPL. That market prices are above book value does not alter the
8 fact that a portion of the capital contributed by equity investors is not available to
9 earn a return because it is paid out as flotation costs. Even if FPL is not expected
10 to issue additional common stock, a flotation cost adjustment is necessary to
11 compensate for flotation costs incurred in connection with past issues of common
12 stock.

13
14 Dr. Woolridge’s argument (p. 81) that flotation costs “are not an out-of-pocket
15 expense” is simply wrong. Dr. Woolridge apparently believes that if investors in
16 past common stock issues had paid the full issuance price directly to FPL and FPL
17 had then paid underwriters’ fees by issuing a check to its investment bankers, that
18 flotation cost would be a legitimate expense. Dr. Woolridge’s observation merely
19 highlights the absence of an accounting convention to properly accumulate and
20 recover these legitimate and necessary costs.

1 With respect to Mr. Baudino's contention (p. 56-57) that flotation costs "are
2 already accounted for in current stock prices," *Regulatory Finance: Utilities' Cost*
3 *of Capital* has this to say:

4 A third controversy centers around the argument that the omission
5 of flotation cost is justified on the grounds that, in an efficient
6 market, the stock price already reflects any accretion or dilution
7 resulting from new issuances of securities and that a flotation cost
8 adjustment results in a double counting effect. The simple fact of
9 the matter is that whatever stock price is set by the market, the
10 company issuing stock will always net an amount less than the
11 stock price due to the presence of intermediation and flotation
12 costs. As a result, the company must earn slightly more on its
13 reduced rate base in order to produce a return equal to that required
14 by shareholders.⁵²

15
16 Similarly, the need to consider past flotation costs has been recognized in the
17 financial literature, including sources that Mr. Baudino and Dr. Woolridge relied
18 on in their testimony. Specifically, Ibbotson Associates concluded that:

19 Although the cost of capital estimation techniques set forth later in
20 this book are applicable to rate setting, certain adjustments may be
21 necessary. One such adjustment is for flotation costs (amounts that

⁵² Morin, Roger A., "Regulatory Finance: Utilities' Cost of Capital," *Public Utilities Reports, Inc.* (1994) at 174.

1 must be paid to underwriters by the issuer to attract and retain
2 capital).⁵³

3
4 **FPL'S SUPERIOR PERFORMANCE SHOULD BE CONSIDERED**

5
6 **Q. In evaluating the fair rate of return for FPL, is it appropriate to consider a
7 performance adder to recognize and encourage superior performance?**

8 **A.** Yes. As discussed in greater detail in the testimony of FPL's witnesses, FPL has
9 distinguished itself in numerous measures of operating efficiency and
10 effectiveness while maintaining rates at relatively low levels. As a result,
11 consumers and the service area economy have benefited from a climate of
12 efficient and cost-effective operations, excellent customer service, and moderate
13 cost. Considering these results in establishing an ROE recognizes that FPL's
14 superior management continues to be instrumental in achieving these results.

15 **Q. Do you agree with Mr. Baudino (pp. 34-35) that considering exemplary
16 performance would harm customers or violate regulatory standards?**

17 **A.** No. Considering superior performance performance in establishing FPL's ROE is
18 entirely consistent with fostering an environment in which customers are assured
19 reliable service at reasonable rates and stockholders are fairly treated. Moreover,
20 an ROE that recognizes the successes of FPL's management is entirely consistent

⁵³ Ibbotson Associates, *Stocks, Bonds, Bills, and Inflation, Valuation Edition, 2006 Yearbook*, at 35.

1 with the economic rational underlying traditional rate of return / rate base
2 regulation.

3
4 The goal of regulation is to achieve the same result that would prevail in a
5 competitive market, where the actions of buyers and sellers serve to effectively
6 regulate price and quality of service. In competitive markets, high-performing
7 companies that combine outstanding service with reasonable prices are able to
8 benefit from efficient operations by realizing higher rates of return for their
9 shareholders. However, traditional regulation departs from this competitive
10 market ideal when the prices charged by well-managed, efficient utilities that
11 improve operations through productivity and other programs are lowered during
12 rate proceedings, thereby lessening the incentive for exceptional performance. As
13 FPL's witnesses document, the Company has provided customer benefits in the
14 form of reliability, safe and efficient operations, customer satisfaction, and below-
15 average rates. In keeping with these results, it is consistent with sound regulatory
16 policy to allow FPL the opportunity to earn a rate of return above that of the
17 average electric utility.

OPC'S RECOMMENDED ROE SHOULD NOT BE

APPLIED TO FIBERNET

Q. Do you agree with Ms. Dismukes that Dr. Woolridge's cost of capital should be used as the basis for the costs charged to FPL by FiberNet?

A. No. First, Dr. Woolridge's ROE and the resulting cost of capital is not an acceptable estimate of the overall rate of return for FPL for the reasons I have discussed above. Moreover, the services being priced are telecommunications services, not electric utility services. The risks and cost of capital for telecommunications services is generally regarded as higher than for electric utility services, particularly for competitive local exchange companies such as FiberNet. This proposition is demonstrated by Dr. Woolridge's own testimony. As noted earlier, Dr. Woolridge relied on beta to evaluate the relative risks of the electric utility industry. A review of Exhibit JRW-18 reveals that the average beta for the Telecommunications Services industry was 1.43, versus the 0.88 beta value cited by Dr. Woolridge for the electric utility industry and a beta of 1.00 for the overall market. In other words, this comparison indicates that the risks associated with FiberNet are well in excess of those associated with electric utilities and far exceed those for the stock market as a whole. As a result, apart from the downward-bias inherent in Dr. Woolridge's recommended overall rate of return for FPL, this cost of capital is entirely unrelated to the services provided by FiberNet and Ms. Dismukes' recommendation should be summarily rejected.

Strong Financial Position Required to Address Inherent Regulated Business Risks and Specific Company Risks

**\$16B of Capital
Expenditures**

2009 2010 2011 2012 2013

**Significant
Storm Risk**

**Natural Gas
Volatility**



FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 364

COMPANY Florida Power & Light (Rebuttal)

WITNESS Armando Pimentel (AP-8)

DATE 10/21/09

Unique FPL Risks That Are Material to Investors

FPL Risk	Addressed By Investor Rating Agency?	Addressed By Intervenor Witnesses?		
		Woolridge	Baudino	Pollock
Hurricane/Geographic Position	YES (Moody's, Fitch)	X NO	X NO	X NO
Large Capital Expenditures	YES (Moody's, Fitch, S&P)	NO	NO	NO
Gas Price Volatility/Fuel Mix	YES (Moody's, Fitch, S&P)	X NO	X NO	X NO
Dependence on Natural Gas	YES (Moody's, Fitch)	NO	NO	NO
Existing Nuclear Generation	YES (Fitch)	X NO	X NO	X NO
Developing Nuclear Generation	YES (Moody's, Fitch)	NO	NO	NO
Florida Economy/ Customer Growth	YES (Moody's, Fitch, S&P)	X NO	X NO	X NO

Intervenors Ignore Every FPL Company Specific Risk

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET No. 080677-EI & 090130-EI **EXHIBIT** 365

COMPANY Florida Power & Light (Rebuttal)

WITNESS Armando Pimentel (AP-9)

DATE 10/21/09

FPL's Risks Are Greater Than Tampa Electric Co.'s

GREATER BUSINESS RISK

Business Risk

Hurricane/Geographic
Position

Large Capital
Expenditures

Gas Price Volatility/Fuel
Mix

Dependence on Natural
Gas

Existing Nuclear
Generation

Developing Nuclear
Generation

Florida Economy/
Customer Growth

Environmental
Compliance Costs

FPL

Tampa Electric



FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 366

COMPANY Florida Power & Light (Rebuttal)

WITNESS Armando Pimentel (AP-10)

DATE 10/21/09

FPL Test Year Capitalization

	GAAP*	Regulatory: All Sources	Regulatory: Investor Sources	Test Year Capitalization
Short-Term Debt	3.5%	1.0%	1.2%	1.1%
Long-Term Debt	40.9%	31.5%	39.2%	43.1%
Common Equity	55.6%	47.9%	59.6%	55.8%
Customer Deposits		3.3%		
Deferred Income Taxes		16.0%		
Investment Tax Credits		0.3%		

- Include all regulatory sources of capital
- Remove storm bonds
- Remove items recovered outside base rates

- Exclude non-investor sources

- Add significant obligations considered by investors

* Book capital structure prepared in accordance with Generally Accepted Accounting Principles (GAAP)

**Florida Power & Light Company Capital Structure from Investor Sources
(\$000's)**

Investor View (Year-End)						Regulatory View (13-Month Average)				
	Amount	Ratio	S&P Adjustments		Adjusted Capital Structure		Jurisdictional Adjusted[1]	Imputed Debt for PPAs	Adjusted Capital Structure	
			Storm Recovery Bonds	Imputed Debt for PPAs	Amount	Ratio			Amount	Ratio
Projected 12/31/2010										
Short-term Debt	549,207	3.09%			549,207	3.02%	161,857		161,857	1.10%
Long-term Debt	7,670,689	43.14%	(530,958)	949,260	8,088,991	44.45%	5,377,787	949,260	6,327,047	43.14%
Equity	9,559,882	53.77%			9,559,882	52.53%	8,178,980		8,178,980	55.76%
Total	17,779,778	100.00%	(530,958)	949,260	18,198,080	100.00%	13,718,624	949,260	14,667,884	100.00%
Projected 12/31/2009										
Short-term Debt	710,087	4.53%			710,087	4.40%	217,274		217,274	1.62%
Long-term Debt	6,312,418	40.28%	(572,743)	1,046,766	6,786,441	42.04%	4,668,864	1,046,766	5,715,630	42.67%
Equity	8,648,116	55.19%			8,648,116	53.57%	7,461,658		7,461,658	55.71%
Total	15,670,621	100.00%	(572,743)	1,046,766	16,144,644	100.00%	12,347,796	1,046,766	13,394,562	100.00%
Actual 12/31/2008										
Short-term Debt	772,934	5.35%			772,934	5.17%	323,363		323,363	2.52%
Long-term Debt	5,574,297	38.61%	(611,218)	1,111,353	6,074,432	40.67%	4,407,093	1,111,353	5,518,446	43.08%
Equity	8,089,654	56.03%			8,089,654	54.16%	6,968,462		6,968,462	54.40%
Total	14,436,885	100.00%	(611,218)	1,111,353	14,937,020	100.00%	11,698,918	1,111,353	12,810,271	100.00%
Actual 12/31/2007										
Short-term Debt	842,300	6.32%			842,300	6.08%	361,850		361,850	2.96%
Long-term Debt	5,216,622	39.12%	(652,000)	1,169,728	5,734,350	41.40%	3,941,416	1,169,728	5,111,144	41.81%
Equity	7,275,308	54.56%			7,275,308	52.52%	6,752,431		6,752,431	55.23%
Total	13,334,230	100.00%	(652,000)	1,169,728	13,851,958	100.00%	11,055,697	1,169,728	12,225,425	100.00%
Actual 12/31/2006										
Short-term Debt	630,100	5.09%			630,100	4.63%	643,567		643,567	5.51%
Long-term Debt	4,213,715	34.03%	-	1,223,915	5,437,630	39.96%	3,486,292	1,223,915	4,710,207	40.31%
Equity	7,539,303	60.88%			7,539,303	55.41%	6,331,843		6,331,843	54.18%
Total	12,383,118	100.00%	-	1,223,915	13,607,033	100.00%	10,461,702	1,223,915	11,685,617	100.00%

[1] Note, FPL's Storm Recovery Bonds have already been excluded from Jurisdictional adjusted amounts.

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 367

COMPANY Florida Power & Light (Rebuttal)

WITNESS Armando Pimentel (AP-11)

DATE 10/21/09

Docket No. 080677-EI
Historical and Projected
Capital Structure
Exhibit AP-11, Page 1 of 1

Florida Power & Light Company and Subsidiaries
Projected Book Capital Structure

	MFR D-2 12/31/2009	1/31/2010	2/28/2010	3/31/2010	4/30/2010	5/31/2010	6/30/2010	7/31/2010	8/31/2010	9/30/2010	10/31/2010	11/30/2010	MFR D-2 12/31/2010	13-Month Avg.
Short-term Debt	710,087	476,969	406,881	701,218	736,777	858,182	517,849	499,051	491,505	486,130	497,352	517,632	549,207	572,986
Long-term Debt	6,312,417	6,312,549	6,290,549	6,290,681	6,290,812	6,290,943	7,091,074	7,091,205	7,071,684	7,071,815	7,070,427	7,070,558	7,670,668	6,763,492
Equity	8,648,116	8,947,747	8,957,119	8,987,575	9,025,892	9,083,882	9,166,322	9,253,463	9,350,713	9,435,500	9,497,235	9,533,994	9,559,882	9,188,265
Total	15,670,621	15,737,264	15,654,550	15,979,474	16,053,480	16,233,007	16,775,245	16,843,718	16,913,902	16,993,445	17,065,014	17,122,184	17,779,777	16,524,745
Short-term Debt	4.5%	3.0%	2.6%	4.4%	4.6%	5.3%	3.1%	3.0%	2.9%	2.9%	2.9%	3.0%	3.1%	3.5%
Long-term Debt	40.3%	40.1%	40.2%	39.4%	39.2%	38.8%	42.3%	42.1%	41.8%	41.6%	41.4%	41.3%	43.1%	40.9%
Equity	55.2%	56.9%	57.2%	56.2%	56.2%	56.0%	54.6%	54.9%	55.3%	55.5%	55.7%	55.7%	53.8%	55.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Reconciliation of Thirteen-month Average to Company Total Per Books (Column 2 on Schedule D-1A)

	13-Month Avg per GAAP-Books	Nuclear Fuel Lease[1]	Unamort. Debt Issue Costs[2]	Company per Books on Sched. D-1A
Short-term Debt	572,986	(391,373)		181,615
Long-term Debt	6,763,492	374,698	(66,014)	7,072,376
Equity	9,188,265			9,188,265
Total	16,524,745	(16,475)	(66,014)	16,442,256

[1] Removes FPL Fuels Company and reclassifies as a capital lease obligation.

[2] Reclassifies unamortized debt issuance costs from rate base to capital structure (amount from D-4a).

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 368

COMPANY Florida Power & Light (Rebuttal)

WITNESS Armando Pimentel (AP-12)

DATE 10/21/09

Florida Power & Light Company
Impact of 2010 Commission Specific Adjustments
(\$ 000's)

	Company per Books on Schedule D-1A		Commission Specific Adjustments per Schedule D-1B				Company per Books after Commission Specific Adj.	
	Amount	Ratio	Nuclear Fuel Lease	Storm Recovery Bonds	Prepaid Interest on Comm. Paper	Non-Utility Property	Amount	Ratio
Short-term Debt	181,615	1.1%					181,615	1.2%
Long-term Debt	7,072,376	43.0%	(374,898)	(531,855)	(1,110)		6,164,513	39.7%
Equity	9,188,265	55.9%				(9,519)	9,178,746	59.1%
Total	16,442,256	100.0%	(374,898)	(531,855)	(1,110)	(9,519)	15,524,874	100.0%

	Dr. Woolridge's Recommended Book Capital Structure		Commission Specific Adjustments per Schedule D-1B				Company per Books after Commission Specific Adj.	
	Amount	Ratio	Nuclear Fuel Lease	Storm Recovery Bonds	Prepaid Interest on Comm. Paper	Non-Utility Property	Amount	Ratio
Short-term Debt	629,647	3.8%					629,647	4.0%
Long-term Debt	6,991,553	41.8%	(374,898)	(531,855)	(1,110)		6,083,690	38.5%
Equity	9,103,999	54.4%				(9,519)	9,094,480	57.5%
Total	16,725,199	100.0%	(374,898)	(531,855)	(1,110)	(9,519)	15,807,817	100.0%

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 369

COMPANY Florida Power & Light (Rebuttal)

WITNESS Armando Pimentel (AP-13)

DATE 10/21/09

Florida Power & Light Company
Impact of Witness Baudino's Proposed Equity Adjustment
(000's)

	FPL's 2010 Projected GAAP Book Capital Structure (Thirteen-Month Average)		Mr. Baudino's Recommended Equity Adjustment	Mr. Baudino's Recommended Book Capital Structure	
	Amount	Ratio		Amount	Ratio
Short-term Debt	572,988	3.5%		572,988	3.5%
Long-term Debt	6,763,492	40.9%	845,038	7,608,530	46.0%
Equity	9,188,265	55.6%	(845,038)	8,343,227	50.5%
Total	16,524,745	100.0%	-	16,524,745	100.0%

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 370

COMPANY Florida Power & Light (Rebuttal)

WITNESS Armando Pimentel (AP-14)

DATE 10/21/09

Florida Power & Light Company
PROJECTED CAPACITY PAYMENTS THROUGH END OF CONTRACT

YEAR	\$ SoCo	MW	\$ SJRPP	MW	\$ QF's	MW	\$ Other electricity suppliers	\$ TOTAL
2007	123,531,703	930	71,653,975	381	316,149,792	738		511,335,469
2008	131,648,871	931	69,431,282	375	323,621,134	738	11,515,380	536,216,667
2009	143,586,622	931	77,100,048	375	322,150,477	740	47,841,168	590,678,315
2010	138,073,947	945	86,590,720	375	291,970,539	690	8,342,400	524,977,606
2011	119,493,980	955	86,786,338	375	264,468,545	595	8,342,400	479,091,263
2012	119,493,980	955	86,233,473	375	269,659,845	595	2,127,312	477,514,609
2013	119,493,980	955	83,582,306	375	248,470,252	595		451,546,537
2014	119,493,980	955	63,046,694	375	250,655,749	595		433,196,422
2015	119,493,980	955	39,773,108	375	255,327,098	595		414,594,186
2016			39,756,243	375	214,443,805	595		254,200,048
2017			37,700,388	375	218,238,931	595		255,939,319
2018			34,864,003	375	222,217,419	595		257,081,422
2019			28,151,068	375	226,428,814	595		254,579,881
2020			18,606,060	375	230,811,757	595		249,417,818
2021			14,943,190	375	235,384,813	595		250,328,004
2022					240,129,425	595		240,129,425
2023					245,225,816	595		245,225,816
2024					250,480,209	595		250,480,209
2025					77,240,707	345		77,240,707
2026					6,993,060	15		6,993,060
TOTAL	\$1,010,779,337		\$766,564,920		\$4,393,918,396		\$78,168,660	\$8,249,431,313

Interest Rate	6%
Risk Factor	25%
2007	\$1,169,728,109
2008	\$1,111,353,062
2009	\$1,046,766,160
2010	\$949,259,875

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 371

COMPANY Florida Power & Light

WITNESS Armando Pimentel (AP-15)

DATE 10/21/09

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 372

COMPANY Florida Power & Light (Rebuttal)

WITNESS Armando Pimentel (AP-16)

DATE _____

Short-Term Debt Cost – 30-Day LIBOR Curve

Current LIBOR curve is steeper indicating increasing rates



Florida Power & Light Company
Weighted Average Cost of Long-Term Debt
(\$000s)

	Long-Term Debt 13-Month Average	Long-Term Debt Cost Rate	Total Annual Cost
		As Proposed by Woolridge	
Long-Term Debt Per D1A for Test Year 2010	7,072,377	5.14%	363,520
		Per D1-A	
Long-Term Debt Per D1A for Historical Year 2008	5,883,670	5.43%	319,483
Difference in Long-Term Debt Requirements	1,188,707	3.70%	44,037

Lower than the
rate for 30-year
US Treasury
securities

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 373

COMPANY Florida Power & Light (Rebuttal)

WITNESS Armando Pimentel (AP-17)

DATE 09/05/09

Florida Power & Light Company
Allocation of 2010 Projected Production Plant In Service
Using Summer Coincident Peak Methodology

	Summer Peak		12CP & 1/13th	
	Factor	Allocation	Factor	Allocation
CILC-1D	1.899%	245,619,161	2.319%	299,881,872
CILC-1G	0.129%	16,657,995	0.155%	20,033,871
CILC-1T	0.882%	114,032,665	1.074%	138,932,807
CS(T)-1	0.139%	18,021,338	0.154%	19,911,835
CS(T)-2	0.057%	7,314,416	0.058%	7,551,463
GS(T)-1	6.640%	858,769,289	6.062%	784,020,882
GSCU-1	0.019%	2,484,744	0.023%	2,920,419
GSD(T)-1	21.170%	2,738,138,367	21.119%	2,731,554,375
GSLD(T)-1	4.717%	610,030,712	4.799%	620,661,998
GSLD(T)-2	0.607%	78,566,801	0.676%	87,389,114
GSLD(T)-3	0.147%	18,979,695	0.178%	22,964,491
HLFT-1	0.970%	125,409,120	1.075%	139,051,537
HLFT-2	3.925%	507,708,117	4.284%	554,027,918
HLFT-3	0.792%	102,496,222	0.862%	111,519,476
METRO	0.072%	9,320,503	0.086%	11,140,181
OL-1	0.000%	-	0.039%	5,070,620
OS-2	0.004%	509,756	0.013%	1,702,767
RS(T)-1	56.964%	7,367,631,889	55.756%	7,211,337,652
SDTR-1	0.298%	38,557,523	0.424%	54,787,431
SDTR-2	0.399%	51,655,331	0.497%	64,216,806
SDTR-3	0.047%	6,095,149	0.053%	6,876,378
SL-1	0.000%	-	0.203%	26,203,582
SL-2	0.018%	2,274,802	0.022%	2,791,598
SST-1D	0.007%	947,837	0.007%	881,401
SST-1T	0.097%	12,599,902	0.065%	8,390,860
TOTAL	100.000%	12,933,821,334	100.000%	12,933,821,334

NOTES: TOTAL MAY NOT ADD DUE TO ROUNDING.

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 374

COMPANY Florida Power & Light (Rebuttal)

WITNESS Joseph A. Ender (JAE-7)

DATE 09/05/09

Florida Power & Light Company
Allocation of 2011 Projected Production Plant In Service
Using Summer Coincident Peak Methodology

	Summer Peak		12CP & 1/13th	
	Factor	Allocation	Factor	Allocation
CILC-1D	1.875%	249,758,761	2.299%	306,210,926
CILC-1G	0.127%	16,938,082	0.153%	20,407,593
CILC-1T	0.871%	115,975,146	1.064%	141,786,104
CS(T)-1	0.141%	18,716,630	0.155%	20,709,422
CS(T)-2	0.056%	7,497,954	0.058%	7,748,499
GS(T)-1	6.720%	895,114,222	6.221%	828,751,512
GSCU-1	0.019%	2,589,487	0.023%	3,056,328
GSD(T)-1	21.422%	2,853,608,081	21.742%	2,896,269,522
GSLD(T)-1	4.743%	631,796,424	4.899%	652,589,901
GSLD(T)-2	0.625%	83,267,714	0.701%	93,324,412
GSLD(T)-3	0.147%	19,573,519	0.178%	23,758,738
HLFT-1	0.981%	130,704,707	1.100%	146,508,429
HLFT-2	4.014%	534,649,557	4.426%	589,582,745
HLFT-3	0.797%	106,222,798	0.880%	117,266,993
METRO	0.071%	9,478,282	0.085%	11,367,611
OL-1	0.000%	-	0.039%	5,157,566
OS-2	0.004%	482,254	0.012%	1,580,890
RS(T)-1	56.516%	7,528,498,267	54.676%	7,283,468,095
SDTR-1	0.305%	40,585,475	0.435%	57,898,372
SDTR-2	0.402%	53,578,108	0.507%	67,562,197
SDTR-3	0.047%	6,225,537	0.053%	7,031,716
SL-1	0.000%	-	0.205%	27,309,598
SL-2	0.015%	2,035,154	0.019%	2,501,236
SST-1D	0.007%	963,882	0.007%	901,651
SST-1T	0.096%	12,814,534	0.062%	8,324,516
TOTAL	100.000%	13,321,074,573	100.000%	13,321,074,573

NOTES: TOTAL MAY NOT ADD DUE TO ROUNDING.

Impact of Summer Coincident Peak Methodology on Rate Class Revenue Requirements

For the Test Year 2010
(\$ Millions)

(1) Rate Class	(2) Summer CP Target Revenue Requirements	(3) As Filed Target Revenue Requirements ⁽¹⁾	(4) Increase (Decrease) In Revenue Requirements (2) - (3)	(5) Percent Increase (Decrease) (4) / (3)
RS(T)-1	\$2,822.3	\$2,798.7	\$23.6	0.8%
GSD(T)-1	\$956.8	\$955.7	\$1.1	0.1%
GS(T)-1	\$319.3	\$308.2	\$11.1	3.6%
GSLD(T)-1	\$210.0	\$211.5	(\$1.5)	-0.7%
HLFT-2	\$181.9	\$188.7	(\$6.8)	-3.6%
CILC-1D	\$93.7	\$101.7	(\$8.0)	-7.9%
SL-1	\$78.3	\$82.2	(\$3.9)	-4.7%
HLFT-1	\$45.6	\$47.6	(\$2.0)	-4.2%
CILC-1T	\$31.2	\$35.2	(\$4.0)	-11.4%
HLFT-3	\$36.8	\$38.2	(\$1.3)	-3.5%
GSLD(T)-2	\$28.8	\$30.1	(\$1.3)	-4.3%
SDTR-2	\$21.9	\$23.8	(\$1.9)	-7.8%
SDTR-1	\$17.9	\$20.3	(\$2.4)	-11.8%
All Other (12 Classes)	44.6	47.2	(\$2.6)	-5.5%
Total Revenues from Sales	<u>\$4,889.1</u>	<u>\$4,889.1</u>	<u>(\$0.0)</u>	<u>0.0%</u>
Misc. Service Charges	151.6	151.6	\$0.0	0.0%
Other Operating Revenues	117.6	117.6	\$0.0	0.0%
Total Operating Revenues	<u>\$5,158.3</u>	<u>\$5,158.3</u>	<u>(\$0.0)</u>	<u>0.0%</u>

Notes:

(1) As provided in the direct testimony of Joseph A. Ender Exhibit JAE-6, Column (3)

Totals may not add due to rounding.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 375
COMPANY Florida Power & Light (Rebuttal)
WITNESS Joseph A. Ender (JAE-8)
DATE 09/05/09

Impact of Summer Coincident Peak Methodology on Rate Class Revenue Requirements

For the Subsequent Year Adjustment 2011
(\$ Millions)

(1) Rate Class	(2) Summer CP Target Revenue Requirements	(3) As Filed Target Revenue Requirements ⁽¹⁾	(4) Increase (Decrease) In Revenue Requirements (2) - (3)	(5) Percent Increase (Decrease) (4) / (3)
RS(T)-1	\$2,992.0	\$2,955.2	\$36.8	1.2%
GSD(T)-1	\$1,026.4	\$1,032.6	(\$6.2)	-0.6%
GS(T)-1	\$343.8	\$333.9	\$9.9	3.0%
GSLD(T)-1	\$224.1	\$227.1	(\$3.0)	-1.3%
HLFT-2	\$197.4	\$205.5	(\$8.1)	-3.9%
CILC-1D	\$98.0	\$106.4	(\$8.4)	-7.9%
SL-1	\$81.3	\$85.3	(\$4.1)	-4.7%
HLFT-1	\$48.9	\$51.2	(\$2.3)	-4.6%
CILC-1T	\$32.4	\$36.5	(\$4.2)	-11.4%
HLFT-3	\$39.7	\$41.3	(\$1.6)	-3.9%
GSLD(T)-2	\$31.4	\$32.9	(\$1.5)	-4.5%
SDTR-2	\$23.6	\$25.7	(\$2.1)	-8.1%
SDTR-1	\$19.4	\$22.0	(\$2.6)	-11.7%
All Other (12 Classes)	46.4	49.1	(\$2.7)	-5.4%
Total Revenues from Sales	<u>\$5,204.8</u>	<u>\$5,204.8</u>	<u>(\$0.0)</u>	<u>0.0%</u>
Misc. Service Charges	153.8	153.8	\$0.0	0.0%
Other Operating Revenues	122.6	122.6	\$0.0	0.0%
Total Operating Revenues	<u>\$5,481.3</u>	<u>\$5,481.3</u>	<u>(\$0.0)</u>	<u>0.0%</u>

Notes:

(1) As provided in the direct testimony of Joseph A. Ender Exhibit JAE-6, Column (3)

Totals may not add due to rounding.

Impact of Summer Coincident Peak and MDS Methodologies on Rate Class Revenue Requirements

For the Test Year 2010
(\$ Millions)

(1) Rate Class	(2) Summer CP & MDS Target Revenue Requirements	(3) As Filed Target Revenue Requirements(1)	(4) Increase (Decrease) In Revenue Requirements (2) - (3)	(5) Percent Increase (Decrease) (4) / (3)
RS(T)-1	\$2,956.6	\$2,798.7	\$157.9	5.6%
GSD(T)-1	\$872.5	\$955.7	(\$83.1)	-8.7%
GS(T)-1	\$332.9	\$308.2	\$24.7	8.0%
GSLD(T)-1	\$188.9	\$211.5	(\$22.7)	-10.7%
HLFT-2	\$164.6	\$188.7	(\$24.2)	-12.8%
CILC-1D	\$84.9	\$101.7	(\$16.8)	-16.6%
SL-1	\$75.3	\$82.2	(\$6.8)	-8.3%
HLFT-1	\$41.4	\$47.6	(\$6.2)	-13.1%
CILC-1T	\$31.2	\$35.2	(\$4.0)	-11.4%
HLFT-3	\$33.4	\$38.2	(\$4.8)	-12.5%
GSLD(T)-2	\$25.9	\$30.1	(\$4.2)	-14.0%
SDTR-2	\$19.2	\$23.8	(\$4.6)	-19.2%
SDTR-1	\$15.7	\$20.3	(\$4.6)	-22.4%
All Other (12 Classes)	46.6	47.2	(\$0.6)	-1.2%
Total Revenues from Sales	<u>\$4,889.1</u>	<u>\$4,889.1</u>	<u>\$0.0</u>	<u>0.0%</u>
Misc. Service Charges	151.6	151.6	\$0.0	0.0%
Other Operating Revenues	117.6	117.6	\$0.0	0.0%
Total Operating Revenues	<u>\$5,158.3</u>	<u>\$5,158.3</u>	<u>\$0.0</u>	<u>0.0%</u>

Notes:

(1) As provided in the direct testimony of Joseph A. Ender Exhibit JAE-6, Column (3)

Totals may not add due to rounding.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 376
COMPANY Florida Power & Light (Rebuttal)
WITNESS Joseph A. Ender (JAE-9)
DATE 09/05/09

Impact of Summer Coincident Peak and MDS Methodologies on Rate Class Revenue Requirements

For the Subsequent Year Adjustment 2011
(\$ Millions)

(1) Rate Class	(2) Summer CP & MDS Target Revenue Requirements	(3) As Filed Target Revenue Requirements(1)	(4) Increase (Decrease) In Revenue Requirements (2) - (3)	(5) Percent Increase (Decrease) (4) / (3)
RS(T)-1	\$3,135.0	\$2,955.2	\$179.8	6.1%
GSD(T)-1	\$936.8	\$1,032.6	(\$95.7)	-9.3%
GS(T)-1	\$358.0	\$333.9	\$24.1	7.2%
GSLD(T)-1	\$201.8	\$227.1	(\$25.3)	-11.2%
HLFT-2	\$178.7	\$205.5	(\$26.8)	-13.0%
CILC-1D	\$88.9	\$106.4	(\$17.5)	-16.5%
SL-1	\$78.1	\$85.3	(\$7.2)	-8.4%
HLFT-1	\$44.4	\$51.2	(\$6.8)	-13.3%
CILC-1T	\$32.4	\$36.5	(\$4.2)	-11.4%
HLFT-3	\$36.0	\$41.3	(\$5.4)	-13.0%
GSLD(T)-2	\$28.3	\$32.9	(\$4.6)	-14.0%
SDTR-2	\$20.7	\$25.7	(\$5.0)	-19.3%
SDTR-1	\$17.1	\$22.0	(\$4.9)	-22.2%
All Other (12 Classes)	48.5	49.1	(\$0.5)	-1.1%
Total Revenues from Sales	<u>\$5,204.8</u>	<u>\$5,204.8</u>	<u>(\$0.0)</u>	<u>0.0%</u>
Misc. Service Charges	153.8	153.8	\$0.0	0.0%
Other Operating Revenues	122.6	122.6	\$0.0	0.0%
Total Operating Revenues	<u>\$5,481.3</u>	<u>\$5,481.3</u>	<u>(\$0.0)</u>	<u>0.0%</u>

Notes:

(1) As provided in the direct testimony of Joseph A. Ender Exhibit JAE-6, Column (3)

Totals may not add due to rounding.

FACTORS CONTRIBUTING TO CHANGES IN RATE CLASS PARITIES FROM 2007 TO 2010

RATE OF RETURN (ROR)						PARITY						PARITY VARIANCE					
2007 Actual	2007 Adjusted to Reflect 2010				2010 Test Year As Filed	2007 Actual	Demand Allocation Factors	Billing Determi- nants	GBRA Rate Incr- ases	Change in Rate Base & Expenses	2010 Test Year As Filed	Demand Allocation Factors	Billing Determi- nants	GBRA Rate Incr- ases	Change in Rate Base & Expenses	Total	
	Demand Allocation Factors (2)	Billing Determi- nants (3)	GBRA Rate Incr- ases (4)	Rate Base & Exps (5)													
Above Parity -																	
RS(T)-1	8.16%	8.11%	7.49%	9.15%	4.55%	4.55%	1.05	1.05	1.04	1.04	1.07	1.07	(0.01)	(0.01)	(0.00)	0.03	0.02
GS(T)-1	9.79%	10.25%	9.77%	11.82%	6.36%	6.36%	1.26	1.32	1.36	1.34	1.50	1.50	0.06	0.04	(0.01)	0.15	0.23
SL-1	3.70%	3.78%	4.57%	6.01%	4.33%	4.33%	0.48	0.49	0.64	0.68	1.02	1.02	0.01	0.15	0.05	0.33	0.54
All Other (5 Classes)	12.09%	8.99%	9.86%	12.18%	7.57%	7.57%	1.56	1.16	1.37	1.38	1.78	1.78	(0.40)	0.21	0.01	0.40	0.22
Below Parity -																	
GSD(T)-1	7.47%	7.65%	7.10%	8.68%	4.09%	4.09%	0.96	0.99	0.99	0.99	0.96	0.96	0.02	0.00	0.00	(0.03)	(0.00)
GSLD(T)-1	5.86%	5.42%	5.12%	6.35%	2.48%	2.48%	0.78	0.70	0.71	0.72	0.58	0.58	(0.06)	0.01	0.01	(0.14)	(0.17)
HLFT-2	4.71%	4.56%	4.11%	5.14%	1.46%	1.46%	0.61	0.59	0.57	0.58	0.34	0.34	(0.02)	(0.02)	0.01	(0.24)	(0.26)
CILC-1D	6.46%	6.23%	5.97%	7.08%	2.87%	2.87%	0.83	0.80	0.83	0.81	0.67	0.67	(0.03)	0.03	(0.02)	(0.13)	(0.16)
HLFT-1	6.88%	6.55%	6.54%	7.96%	3.34%	3.34%	0.89	0.84	0.91	0.91	0.79	0.79	(0.04)	0.06	(0.00)	(0.12)	(0.10)
CILC-1T	7.78%	7.83%	7.00%	8.26%	2.72%	2.72%	1.00	1.01	0.97	0.94	0.64	0.64	0.01	(0.04)	(0.03)	(0.30)	(0.36)
HLFT-3	4.65%	4.69%	3.96%	5.03%	1.51%	1.51%	0.60	0.61	0.55	0.57	0.35	0.35	0.01	(0.05)	0.02	(0.22)	(0.25)
GSLD(T)-2	6.54%	6.72%	6.11%	7.38%	2.83%	2.83%	0.84	0.87	0.85	0.84	0.66	0.66	0.02	(0.02)	(0.01)	(0.18)	(0.18)
SDTR-2	2.56%	4.99%	4.66%	5.82%	2.25%	2.25%	0.33	0.64	0.65	0.66	0.53	0.53	0.31	0.00	0.01	(0.13)	0.20
SDTR-1	4.93%	6.58%	6.66%	8.15%	3.83%	3.83%	0.64	0.85	0.93	0.93	0.90	0.90	0.21	0.08	0.00	(0.03)	0.27
GSLD(T)-3	7.84%	8.41%	7.74%	9.59%	3.60%	3.60%	1.01	1.08	1.08	1.09	0.85	0.85	0.07	(0.01)	0.02	(0.25)	(0.16)
All Other (6 Classes)	6.60%	6.41%	6.22%	7.50%	3.34%	3.27%	0.85	0.83	0.86	0.85	0.79	0.77	(0.02)	0.04	(0.01)	(0.07)	(0.07)
Total	7.76%	7.76%	7.19%	8.79%	4.25%	4.25%											

Notes:

- (1) 2007 actual cost of service study.
- (2) **Demand Allocation Factors** → Reflects 2010 load (CP, GNCP & NCP) factors, line loss factors and meter costs by rate class.
- (3) **Billing Determinants** → Reflects 2010 projected revenues excluding the GBRA increase, KWH sales, number of customers, load (CP, GNCP & NCP), line loss factors and meter costs by rate class.
- (4) **GBRA Rate Increases** → Reflects a 6.7% rate increase for the WCEC # 1 & 2 plant additions (GBRA) in 2009 and 2010. The 6.7% increase is applied equally to all base charges.
- (5) **Change in Rate Base and Expenses** → Reflects actual and projected net plant additions and additional operating expenses of \$3.5 billion and \$735 million respectively from 2007 to 2010.
- (6) 2010 Test Year at present rates as filed in Docket 080677-EI. Includes tariffs changes due to GBRA which were applied equally to all base charges.

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 377

COMPANY Florida Power & Light (Rebuttal)

WITNESS Joseph A. Ender (JAE-10)

DATE 09/05/09

Florida Power & Light Company
Impact of Jurisdictional Transmission Adjustment on
Projected 2010 Retail Revenue Requirements

	2010 <u>As Filed</u> (\$000)	2010 <u>As Adjusted</u> (\$000)	2010 <u>Impact</u> (\$000)
<u>Jurisdictional Adjusted Utility</u>			
<u>Rate Base</u>			
Plant in Service	28,288,080	27,901,184	(386,896)
Accumulated Depreciation	(12,590,521)	(12,446,222)	144,299
Net Plant in Service	15,697,559	15,454,962	(242,597)
Plant Held for Future Use	74,502	70,302	(4,200)
Construction Work in Progress	707,530	688,907	(18,623)
Net Nuclear Fuel	374,733	374,733	-
Net Utility Plant	16,854,324	16,588,904	(265,420)
Working Capital Assets	3,393,188	3,383,788	(9,400)
Working Capital Liabilities	(3,183,926)	(3,170,826)	13,100
Total Rate Base	17,063,586	16,801,866	(261,720)
<u>Net Operating Income</u>			
Sales of Electricity	3,920,872	3,920,872	-
Other Operating Revenues	193,855	160,216	(33,639)
Total Operating Revenues	4,114,727	4,081,087	(33,639)
<u>Expenses</u>			
Operating & Maintenance Expenses	1,721,872	1,711,410	(10,462)
Depreciation & Amortization	1,075,373	1,065,021	(10,352)
Taxes Other Than Income Taxes	350,370	345,452	(4,918)
Amortization of Regulatory Asset	(1,108)	(1,091)	17
Gain or Loss on Sale of Plant	(1,002)	(1,002)	-
Total Expenses before Income Taxes	3,145,505	3,119,790	(25,715)
Net Operating Income Before Taxes	969,222	961,297	(7,924)
Less Income Taxes	(243,338)	(242,281)	1,057
Jurisdictional Adjusted Net Operating Income	725,884	719,016	(6,867)
Earned Rate of Return	4.25%	4.28%	
Jurisdictional Adjusted Rate Base	17,063,586	16,801,866	(261,720)
Rate of Return on Rate Base Requested	8.00%	8.00%	8.00%
Jurisdictional Net Operating Income Requested	1,364,748	1,343,816	(20,932)
Jurisdictional Adjusted Net Operating Income	725,884	719,016	(6,867)
Net Operating Income Deficiency (Excess)	638,864	624,799	(14,065)
Net Operating Income Multiplier	1.63342	1.63342	1.63342
Revenue Increase (Decrease) Requested	1,043,533	1,020,559	(22,975)
Revenue Impact of Adjustment			
NOTES: TOTAL MAY NOT ADD DUE TO ROUNDING.			

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 378

COMPANY Florida Power & Light (Rebuttal)

WITNESS Joseph A. Ender (JAE-11)

DATE 09/05/09

Florida Power & Light Company
Impact of Jurisdictional Transmission Adjustment on
Projected 2011 Retail Revenue Requirements

	2011	2011	2011
	<u>As Filed</u>	<u>As Adjusted</u>	<u>Impact</u>
	(\$000)	(\$000)	(\$000)
1 <u>Jurisdictional Adjusted Utility</u>			
2			
3 <u>Rate Base</u>			
4 Plant in Service	29,599,965	29,189,701	(410,264)
5 Accumulated Depreciation	(13,306,984)	(13,152,560)	154,424
6 Net Plant in Service	16,292,981	16,037,141	(255,840)
7 Plant Held for Future Use	71,452	67,518	(3,934)
8 Construction Work in Progress	772,484	741,655	(30,829)
9 Net Nuclear Fuel	408,125	408,125	-
10 Net Utility Plant	17,545,042	17,254,438	(290,603)
11 Working Capital Assets	3,473,466	3,464,964	(8,502)
12 Working Capital Liabilities	(3,138,107)	(3,125,796)	12,311
13 Total Rate Base	17,880,401	17,593,607	(286,794)
14			
15 <u>Net Operating Income</u>			
16 Sales of Electricity	3,974,908	3,974,908	-
17 Other Operating Revenues	200,116	165,458	(34,658)
18 Total Operating Revenues	4,175,024	4,140,366	(34,658)
19			
20 Expenses			
21 Operating & Maintenance Expenses	1,810,183	1,800,122	(10,061)
22 Depreciation & Amortization	1,139,657	1,128,379	(11,278)
23 Taxes Other Than Income Taxes	393,042	387,631	(5,411)
24 Amortization of Regulatory Asset	(696)	(792)	(96)
25 Gain or Loss on Sale of Plant	(951)	(951)	-
26 Total Expenses before Income Taxes	3,341,235	3,314,389	(26,846)
27			
28 Net Operating Income Before Taxes	833,789	825,977	(7,812)
29 Less Income Taxes	(171,013)	(170,362)	651
30 Jurisdictional Adjusted Net Operating Income	662,776	655,615	(7,161)
31			
32 Earned Rate of Return	3.71%	3.73%	
33			
34			
35 Jurisdictional Adjusted Rate Base	17,880,401	17,593,607	(286,794)
36 Rate of Return on Rate Base Requested	8.18%	8.18%	8.18%
37 Jurisdictional Net Operating Income Requested	1,462,895	1,439,431	(23,464)
38 Jurisdictional Adjusted Net Operating Income	662,776	655,615	(7,161)
39 Net Operating Income Deficiency (Excess)	800,119	783,816	(16,303)
40 Net Operating Income Multiplier	1.63256	1.63256	1.63256
41 Revenue Increase (Decrease) Requested	1,306,243	1,279,627	(26,615)
42 Revenue Impact of Adjustment			
43			
44			
45 NOTES: TOTAL MAY NOT ADD DUE TO ROUNDING.			

Impacts of Imposing Rule-of Thumb Limits To 2010 Revenue Increases

	Revenue From Sales of Electricity Current Rates	Revenue From Sales of Electricity Proposed Rates	Difference (b) - (a) (c)	% Difference (c)/(a) (d)	Adjustments Required If Increases Are Capped at 1.5x System Average ⁽¹⁾	Combined Impacts (d) + (c) (f)	% Difference (f)/(a) (g)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
C/I Classes That Benefit from 1.5x Limit	\$1,556,661,140	\$1,505,423,048	(\$51,238,092)	-3.3%	(\$42,520,489)	(\$93,758,581)	-6.0%
C/I Classes That Do Not Benefit from 1.5x Limit	\$3,224,084,409	\$3,028,054,793	(\$196,029,615)	-6.1%	\$13,890,518	(\$182,139,097)	-5.6%
Residential Customers	\$5,944,921,910	\$5,686,219,816	(\$258,702,094)	-4.4%	\$28,071,140	(\$230,630,955)	-3.9%
Total	\$10,725,667,459	\$10,219,697,657	(\$505,969,802)	-4.7%	(\$558,831)	(\$506,528,633)	-4.7%

(1) \$558,831 balance captured by MET, OL-1, OS-2, SL-1, SL-2, and SST rate classes. The majority of this balance is allocated to SL-1

CLAUSE FACTORS ESTIMATED BASED ON ESTIMATES AND FUEL PRICES AS OF FEBRUARY 9, 2009.

CURRENT RATES AS APPROVED FOR WCEC#2 (PSC-08-0825-PCO-EI).

EXCLUDES TR, CDR, AND OTHER CURTAILABLE CREDITS.

TOTAL SYSTEM BILLING UNITS BY CLASS AS UTILIZED IN MFR E-14 ATTACHMENT#2, FOR THE 12 MONTHS ENDING 12/31/2010.

Benefiting C/I Classes Include: CILC-1D, CILC-1T, CS-1, CS-2, GSLD-1, GSLD-2, HLFT-2, HLFT-3, SDTR-2, and SDTR-3

Non-Benefiting C/I Classes Include: CILC-1G, GSLD-3, SDTR-1, HLFT-1, GS-1, and GSD-1

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 379

COMPANY Florida Power & Light (Rebuttal)

WITNESS Renae B. Deaton (RBD-9)

DATE 09/05/09

Impacts of Imposing Rule-of Thumb Limits To 2010 Revenue Increases

	Revenue From Sales of Electricity Current Rates	Revenue From Sales of Electricity Proposed Rates	Difference (b) - (a)	% Difference (c)/(a)	Adjustments Required If Increases Are Capped at 1.5x System Average ⁽¹⁾	Combined Impacts (d) + (c)	% Difference (f)/(a)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
HLFT-2	\$467,905,129	\$453,413,623	(\$14,491,506)	-3.1%	(\$18,358,317)	(\$32,849,822)	-7.0%
GSLD-1	\$487,008,584	\$485,108,519	(\$1,900,065)	-0.4%	(\$15,335,605)	(\$17,235,671)	-3.5%
HLFT-3	\$97,444,062	\$92,701,443	(\$4,742,619)	-4.9%	(\$2,542,303)	(\$7,284,921)	-7.5%
CILC-1D	\$236,397,719	\$222,001,323	(\$14,396,396)	-6.1%	(\$2,272,147)	(\$16,668,543)	-7.1%
SDTR-2	\$55,414,542	\$54,659,249	(\$755,293)	-1.4%	(\$1,875,263)	(\$2,630,556)	-4.7%
GSLD-2	\$75,387,374	\$72,904,714	(\$2,482,660)	-3.3%	(\$1,088,132)	(\$3,570,792)	-4.7%
CS-1	\$18,140,348	\$18,039,329	(\$101,020)	-0.6%	(\$665,317)	(\$766,337)	-4.2%
CS-2	\$7,539,429	\$7,265,840	(\$273,589)	-3.6%	(\$183,460)	(\$457,049)	-6.1%
SDTR-3	\$6,367,236	\$6,102,117	(\$265,119)	-4.2%	(\$118,338)	(\$383,456)	-6.0%
CILC-1T	\$105,056,719	\$93,226,892	(\$11,829,827)	-11.3%	(\$81,607)	(\$11,911,434)	-11.3%
Subtotal	\$1,556,661,140	\$1,505,423,048	(\$51,238,092)	-3.3%	(\$42,520,489)	(\$93,758,581)	-6.0%
CILC-1G	\$16,403,885	\$14,550,821	(\$1,853,064)	-11.3%	\$55,842	(\$1,797,222)	-11.0%
GSLD-3	\$19,607,442	\$17,684,490	(\$1,922,951)	-9.8%	\$75,032	(\$1,847,919)	-9.4%
SDTR-1	\$48,472,762	\$46,826,549	(\$1,646,213)	-3.4%	\$288,139	(\$1,358,074)	-2.8%
HLFT-1	\$124,369,193	\$112,477,964	(\$11,891,229)	-9.6%	\$447,492	(\$11,443,737)	-9.2%
GS-1	\$705,345,429	\$636,850,816	(\$68,494,613)	-9.7%	\$1,294,133	(\$67,200,480)	-9.5%
GSD-1	\$2,309,885,697	\$2,199,664,153	(\$110,221,544)	-4.8%	\$11,729,879	(\$98,491,665)	-4.3%
Subtotal	\$3,224,084,409	\$3,028,054,793	(\$196,029,615)	-6.1%	\$13,890,518	(\$182,139,097)	-5.6%
RS-1	\$5,944,921,910	\$5,686,219,816	(\$258,702,094)	-4.4%	\$28,071,140	(\$230,630,955)	-3.9%
Total	\$10,725,667,459	\$10,219,697,657	(\$505,969,802)	-4.7%	(\$558,831)	(\$506,528,633)	-4.7%

(1) \$558,831 balance captured by MET, OL-1, OS-2, SL-1, SL-2, and SST rate classes. The majority of this balance is allocated to SL-1

CLAUSE FACTORS ESTIMATED BASED ON ESTIMATES AND FUEL PRICES AS OF FEBRUARY 9, 2009.

CURRENT RATES AS APPROVED FOR WCEC#2 (PSC-08-0825-PCO-EI).

EXCLUDES TR, CDR, AND OTHER CURTAILABLE CREDITS.

TOTAL SYSTEM BILLING UNITS BY CLASS AS UTILIZED IN MFR E-14 ATTACHMENT#2, FOR THE 12 MONTHS ENDING 12/31/2010.

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 380

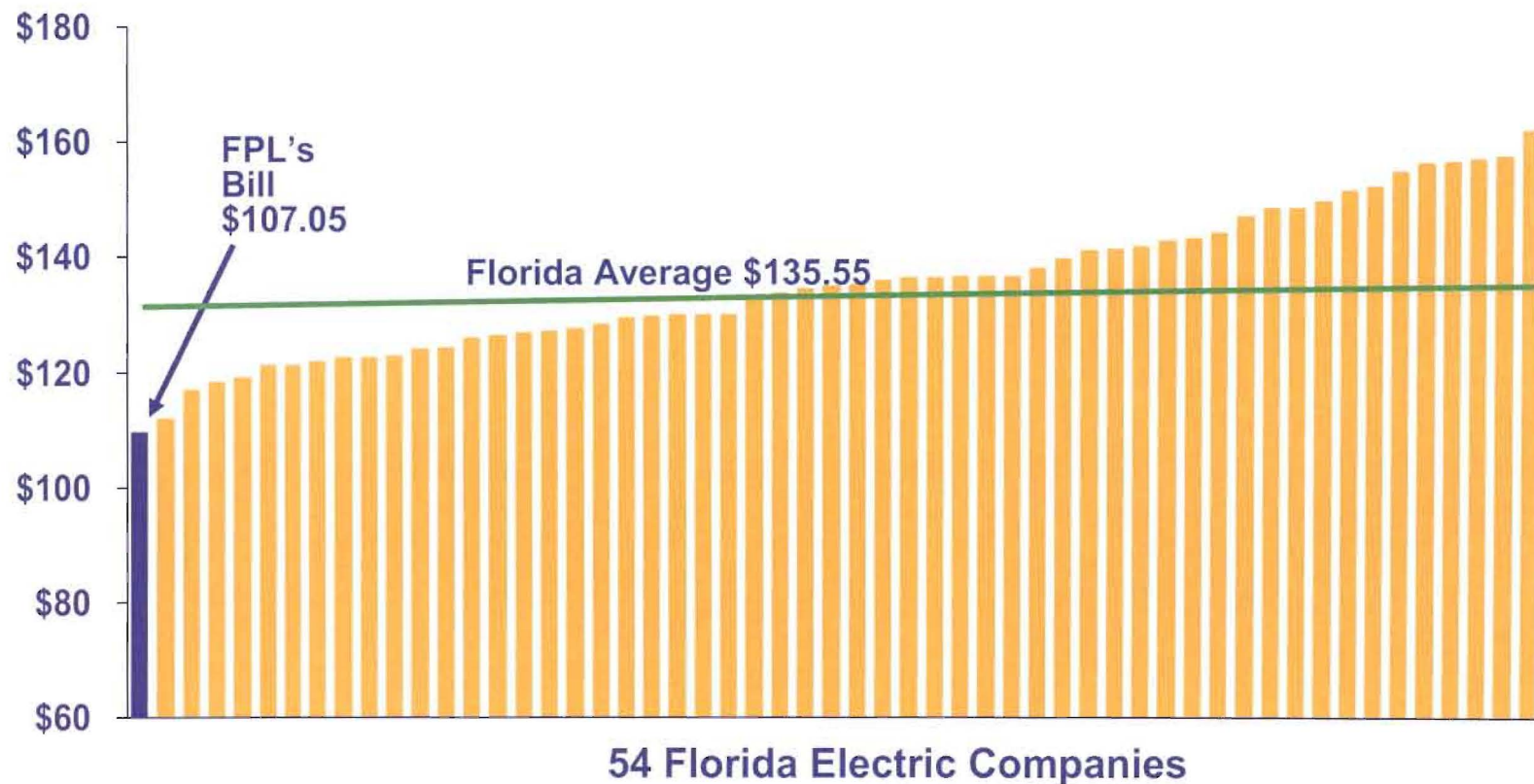
COMPANY Florida Power & Light (Rebuttal)

WITNESS Renae B. Deaton (RBD-10)

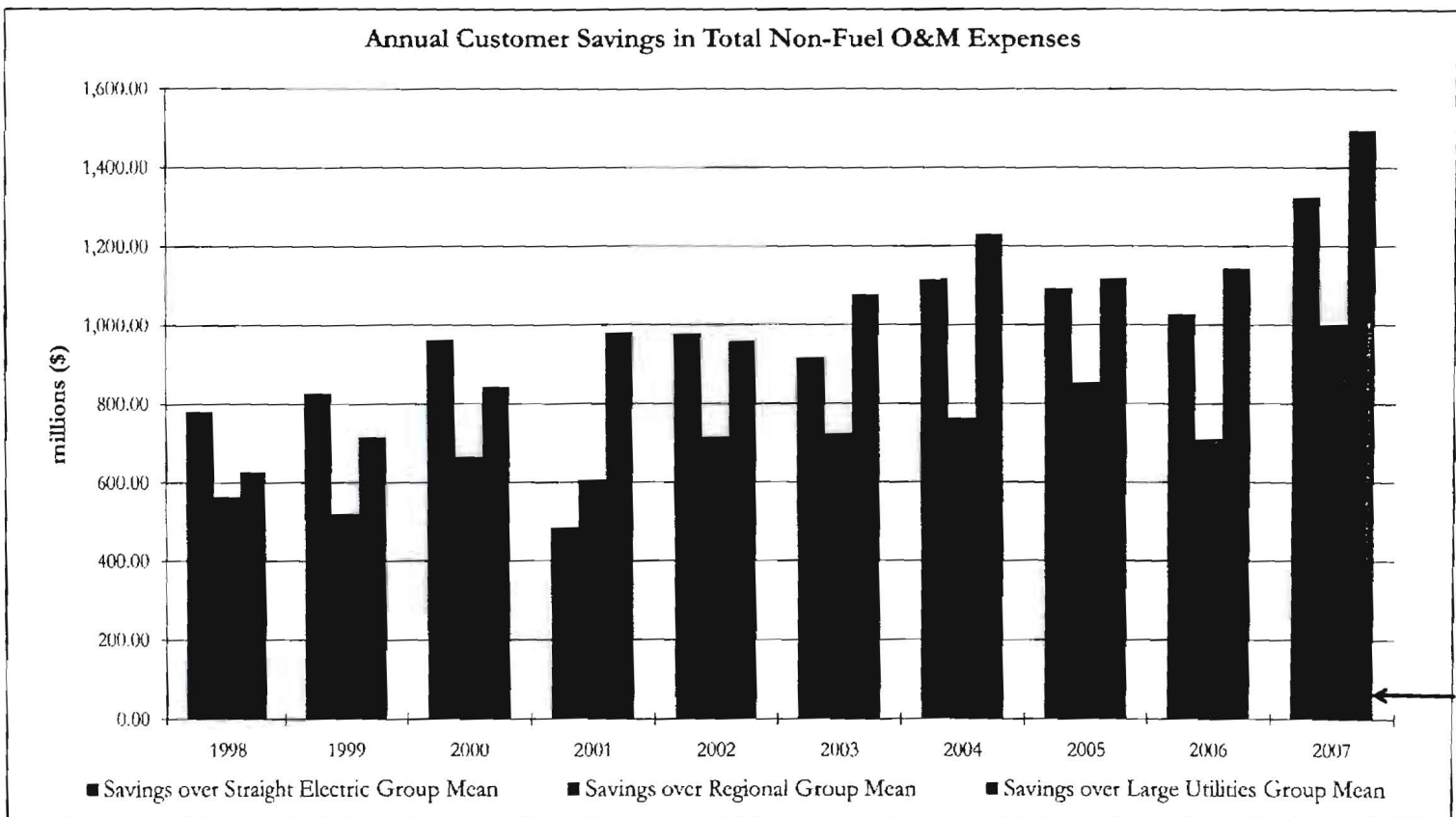
DATE 09/05/09

FPL's typical residential customer bill is the lowest in Florida, and is projected to decrease further in January 2010

FPL's Bill is the Lowest in Florida June 2009 Data



1,000 kilowatt-hour residential customer bill. Data reported from Fla. Public Service Commission and Florida Municipal Electric Association. Municipal and co-op bills adjusted to include Florida gross receipts tax.



50 basis
points in
ROE
impact

Annual Customer Savings in Total Non-Fuel O&M Expenses											
Annual Savings (millions \$)											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total
Savings over Straight Electric Group Mean	782.64	828.07	963.87	485.65	978.24	917.59	1,115.75	1,091.93	1,027.41	1,323.33	9,514.49
Savings over Regional Group Mean	563.93	521.73	666.00	607.52	717.09	725.18	762.82	854.30	711.25	998.93	7,128.74
Savings over Large Utilities Group Mean	627.53	717.08	843.90	982.64	959.47	1,077.78	1,231.12	1,118.54	1,144.95	1,497.20	10,200.20

Source: SNL Interactive, FERC Form 1

Total O&M Expenses less Fuel, Purchased Power, and Other; Total Ultimate Customers
Based on Calculation of Total Non-Fuel O&M per Customer Expense

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 381

COMPANY Florida Power & Light (Rebuttal)

WITNESS John J. Reed (JJR-13)

DATE 10/23/09

Docket No. 080677-EI
Average Customer Savings
Exhibit JJR-13, Page 1 of 1

RADEY | THOMAS | YON | CLARK

Attorneys & Counselors at Law



Terry Deason*

Special Consultant (Non-lawyer)

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Practice Areas:

- Energy, Telecommunications, Water and Wastewater and Public Utilities

Education:

- United States Military Academy at West Point, 1972
- Florida State University, B.S., 1975, Accounting, summa cum laude
- Florida State University, Master of Accounting, 1989

Professional Experiences:

- Florida Public Service Commission, Commissioner, 1991 - 2007
- Florida Public Service Commission, Chairman, 1993 - 1995, 2000 - 2001
- Office of the Public Counsel, Chief Regulatory Analyst, 1987 - 1991
- Florida Public Service Commission, Executive Assistant to the Commissioner, 1981 - 1987
- Office of the Public Counsel, Legislative Analyst II and III, 1979 - 1981
- Ben Johnson Associates, Inc., Research Analyst, 1978 - 1979
- Office of the Public Counsel, Legislative Analyst I, 1977 - 1978
- Quincy State Bank Trust Department, Staff Accountant and Trust Assistant, 1976 - 1977

Professional Associations and Memberships:

- National Association of Regulatory Utility Commissioners (NARUC), 1993 - 1998,
Member, Executive Committee
- National Association of Regulatory Utility Commissioners (NARUC), 1999 - 2006,
Board of Directors

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 382

COMPANY Florida Power & Light (Rebuttal)

WITNESS Terry Deason (TD-1)

DATE 10/23/09

Terry Deason, Special Consultant (Non-lawyer)

- National Association of Regulatory Utility Commissioners (NARUC), 2005-2006,
Member, Committee on Electricity
- National Association of Regulatory Utility Commissioners (NARUC), 2004 – 2005,
Member, Committee on Telecommunications
- National Association of Regulatory Utility Commissioners (NARUC), 1991 – 2004,
Member, Committee on Finance and Technology
- National Association of Regulatory Utility Commissioners (NARUC), 1995 – 1998,
Member, Committee on Utility Association Oversight
- National Association of Regulatory Utility Commissioners (NARUC) 2002 Member,
Rights-of-Way Study
- Nuclear Waste Strategy Coalition, 2000 – 2006, *Board Member*
- Federal Energy Regulatory Commission (FERC) South Joint Board on Security
Constrained Economic Dispatch, 2005 – 2006, *Member*
- Southeastern Association of Regulatory Utility Commissioners, 1991 – 2006, *Member*
- Florida Energy 20/20 Study Commission, 2000 – 2001, *Member*
- FCC Federal/State Joint Conference on Accounting, 2003 – 2005, *Member*
- Joint NARUC/Department of Energy Study Commission on Tax and Rate
Treatment of Renewable Energy Projects, 1993, *Member*
- Bonbright Utilities Center at the University of Georgia, 2001, *Bonbright Distinguished
Service Award Recipient*

EXHIBIT NO. 383

DOCKET NO: 080677-EI

WITNESS: Armando J. Olivera

PARTY: FLORIDA POWER & LIGHT

DESCRIPTION:

DOCUMENTS: FPSC Comparative Rate Statistics 12/31/08

Interrogatories

Request for Production of Documents

Additional Items

PROFFERED BY: SFHHA

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 383

COMPANY FL Hospital & Healthcare Assoc.

WITNESS FPSC Comparative Rate Statistics, 12-31-09

DATE 08/26/09



FLORIDA PUBLIC SERVICE COMMISSION

COMPARATIVE RATE STATISTICS

**Regulated Industries
Electric - Gas - Telephone - Water & Wastewater
December 31, 2008**

This report was prepared by the Florida Public Service Commission
from tariffs filed with the Florida Public Service Commission and information provided by the utilities.

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FLORIDA PUBLIC SERVICE COMMISSION
Comparative Rate Statistics

SECTION A
Regulated Electric Utilities

December 31, 2008

Investor-Owned Electric Utilities
Typical Electric Bill Comparisons* - Residential Service
December 31, 2008

UTILITY	Minimum Bill or Customer Charge	kWh					
		100	250	500	750	1,000	1,500
Florida Power & Light Company	\$5.33	\$15.64	\$31.07	\$56.82	\$82.56	\$108.28	\$169.93
Progress Energy Florida, Inc.	\$8.03	\$18.01	\$32.99	\$57.96	\$82.92	\$107.87	\$167.80
Tampa Electric Company	\$8.50	\$18.80	\$34.26	\$60.02	\$85.78	\$111.52	\$163.04
Gulf Power Company	\$10.00	\$20.14	\$35.33	\$60.67	\$85.99	\$111.31	\$161.98
<u>Florida Public Utilities Company</u>							
Northwest	\$12.00	\$19.38	\$30.44	\$48.87	\$67.30	\$85.73	\$122.60
Northeast	\$12.00	\$20.39	\$32.96	\$53.91	\$74.85	\$95.80	\$137.71

* Excludes local taxes, franchise fees, and gross receipts taxes that are billed as a separate line item. Includes cost recovery clause factors effective December 2008.

Municipal Electric Utilities
Typical Electric Bill Comparisons* - Residential Service

December 31, 2008

UTILITY	Minimum Bill or Customer Charge	kWh					
		100	250	500	750	1,000	1,500
Alachua	\$8.00	\$20.42	\$39.05	\$70.10	\$101.15	\$132.20	\$194.30
Bartow	\$6.70	\$19.14	\$37.81	\$68.90	\$100.01	\$131.10	\$193.30
Blountstown	\$3.50	\$16.32	\$35.55	\$67.61	\$99.66	\$131.71	\$195.82
Bushnell	\$7.40	\$21.37	\$42.31	\$77.23	\$112.14	\$147.05	\$216.88
Chattahoochee	\$6.50	\$17.47	\$33.92	\$61.34	\$88.75	\$116.17	\$171.01
Clewiston	\$6.50	\$17.35	\$33.63	\$60.75	\$87.87	\$114.99	\$169.24
Fort Meade	\$12.96	\$26.95	\$47.94	\$82.91	\$117.89	\$152.86	\$222.81
Fort Pierce	\$6.01	\$17.53	\$34.82	\$63.62	\$92.43	\$123.84	\$186.66
Gainesville	\$7.60	\$16.30	\$29.35	\$61.10	\$92.85	\$132.60	\$212.10
Green Cove Springs	\$6.00	\$18.50	\$37.26	\$68.51	\$101.02	\$133.53	\$198.54
Havana	\$6.00	\$19.23	\$39.08	\$72.14	\$105.22	\$138.28	\$204.42
Homestead	\$5.50	\$16.67	\$33.42	\$61.33	\$89.24	\$117.15	\$172.98
JEA	\$8.05	\$19.05	\$35.55	\$63.05	\$90.55	\$118.04	\$173.04
Jacksonville Beach	\$4.50	\$15.98	\$33.18	\$61.87	\$90.55	\$119.23	\$176.60
Key West	\$6.47	\$21.39	\$43.78	\$81.07	\$118.38	\$155.67	\$230.27
Kissimmee	\$10.17	\$22.36	\$40.65	\$71.12	\$101.59	\$132.06	\$199.34
Lake Worth	\$8.25	\$20.79	\$39.60	\$70.95	\$102.30	\$133.65	\$196.35
Lakeland	\$8.00	\$19.47	\$36.69	\$65.36	\$94.05	\$122.72	\$147.67
Leesburg	\$10.41	\$24.03	\$44.45	\$78.50	\$112.53	\$146.58	\$214.67
Moore Haven	\$8.50	\$19.91	\$37.03	\$65.55	\$94.08	\$122.60	\$179.65
Mount Dora	\$6.06	\$18.69	\$37.65	\$69.24	\$100.83	\$132.42	\$195.60
New Smyrna Beach	\$5.65	\$17.47	\$35.19	\$64.73	\$94.27	\$123.80	\$182.88
Newberry	\$7.50	\$20.85	\$40.88	\$74.25	\$107.63	\$141.00	\$207.75
Ocala	\$9.33	\$22.38	\$41.96	\$74.59	\$107.22	\$139.84	\$205.10
Orlando	\$7.00	\$16.72	\$31.30	\$55.60	\$79.90	\$104.19	\$157.79
Quincy	\$6.00	\$16.87	\$33.18	\$60.36	\$87.54	\$114.72	\$169.08
Reedy Creek	\$2.85	\$14.96	\$33.11	\$63.39	\$93.65	\$123.91	\$184.45
Starke	\$6.45	\$19.47	\$39.00	\$71.54	\$104.08	\$136.62	\$212.71
St. Cloud	\$7.28	\$17.39	\$32.55	\$57.82	\$83.09	\$108.35	\$164.09
Tallahassee	\$6.32	\$21.47	\$44.19	\$82.06	\$119.93	\$157.80	\$233.54
Vero Beach	\$7.21	\$20.59	\$40.67	\$74.11	\$107.57	\$141.01	\$207.91
Wauchula	\$8.62	\$20.53	\$38.40	\$68.18	\$97.95	\$127.73	\$187.29
Williston	\$8.00	\$22.36	\$43.91	\$79.82	\$115.73	\$151.64	\$223.46
Winter Park	\$8.03	\$18.01	\$32.98	\$57.94	\$82.88	\$107.83	\$162.74

* Local taxes, franchise fees, and gross receipts taxes not embedded in rates are excluded. December 2008 Fuel and Purchased Power Costs are included.

Cooperative Electric Utilities
Typical Electric Bill Comparisons* - Residential Service

December 31, 2008

UTILITY	Minimum Bill or Customer Charge	kWh					
		100	250	500	750	1,000	1,500
Central Florida	\$10.50	\$20.26	\$34.91	\$59.30	\$83.71	\$108.10	\$156.90
Choctawhatchee	\$24.00	\$34.56	\$50.38	\$76.76	\$103.14	\$129.52	\$182.28
Clay	\$9.00	\$19.03	\$34.08	\$59.15	\$84.23	\$109.30	\$164.45
Escambia River	\$25.00	\$37.10	\$55.25	\$85.50	\$115.75	\$146.00	\$206.50
Florida Keys	\$10.00	\$21.82	\$39.54	\$69.09	\$98.63	\$128.17	\$187.26
Glades	\$15.50	\$26.56	\$43.15	\$70.80	\$98.45	\$126.10	\$181.40
Gulf Coast	\$19.45	\$29.29	\$44.04	\$68.63	\$93.22	\$117.80	\$166.98
Lee County	\$15.00	\$25.02	\$40.04	\$65.08	\$90.12	\$115.16	\$165.24
Okefenoke	\$10.00	\$20.35	\$35.88	\$61.75	\$87.63	\$113.50	\$165.25
Peace River	\$12.25	\$23.70	\$40.87	\$69.50	\$98.12	\$126.74	\$183.99
Sumter	\$11.50	\$22.64	\$39.34	\$67.18	\$95.01	\$122.85	\$178.53
Suwannee Valley	\$12.00	\$21.93	\$36.83	\$61.66	\$86.49	\$111.32	\$160.98
Talquin	\$10.00	\$22.09	\$40.23	\$70.45	\$100.68	\$130.90	\$191.35
Tri-County	\$12.50	\$24.20	\$41.75	\$71.00	\$100.25	\$129.50	\$188.00
West Florida	\$13.90	\$25.85	\$43.78	\$73.65	\$103.53	\$133.40	\$193.15
Withlacoochee River	\$11.50	\$21.37	\$36.17	\$60.85	\$85.52	\$110.19	\$159.54

* Local taxes, franchise fees, and gross receipts taxes not embedded in rates are excluded. December 2008 Fuel and Purchased Power Costs are included.

Investor-Owned Electric Utilities
Typical Electric Bill Comparisons * - Commercial / Industrial
December 31, 2008

UTILITY	kW Demand						
		75	150	500	1,000	2,000	
	kWh						
	750	1,500	15,000	45,000	150,000	400,000	800,000
Florida Power & Light Company	\$92	\$175	\$1,738	\$4,645	\$15,561	\$38,781	\$71,229
Progress Energy Florida, Inc.	\$89	\$168	\$1,520	\$4,260	\$14,176	\$36,549	\$73,087
Tampa Electric Company	\$86	\$163	\$1,665	\$4,367	\$14,460	\$35,997	\$71,739
Gulf Power Company	\$86	\$158	\$1,398	\$3,717	\$12,527	\$30,229	\$60,303
Florida Public Utilities Company							
Northwest	\$73	\$127	\$1,086	\$2,945	\$9,780	\$24,580	\$49,060
Northeast	\$80	\$141	\$1,219	\$3,342	\$11,436	\$28,996	\$57,892

* Excludes local taxes, franchise fees, and gross receipts taxes that are billed as a separate line item. Includes cost recovery clause factors effective December 2008.

Municipal Electric Utilities
Typical Electric Bill Comparisons* - Commercial / Industrial
December 31, 2008

UTILITY	kW Demand						
		75	150	500	1,000	2,000	
	kWh						
	750	1,500	15,000	45,000	150,000	400,000	800,000
Alachua	\$107	\$207	\$1,999	\$5,505	\$18,298	\$46,773	\$93,523
Bartow	\$102	\$198	\$1,991	\$5,272	\$17,530	\$43,773	\$87,527
Blountstown	\$115	\$222	\$2,161	\$6,469	\$21,547	\$57,447	\$114,887
Bushnell	\$122	\$237	\$2,420	\$6,655	\$22,130	\$56,493	\$112,963
Chattahoochee	\$83	\$160	\$1,539	\$4,710	\$15,684	\$40,137	\$80,266
Clewiston	\$99	\$191	\$1,857	\$5,232	\$17,359	\$45,031	\$90,027
Fort Meade	\$127	\$237	\$2,212	\$6,705	\$22,140	\$55,750	\$111,410
Fort Pierce	\$100	\$193	\$1,933	\$5,212	\$18,597	\$45,152	\$90,266
Gainesville	\$108	\$201	\$2,058	\$5,433	\$18,033	\$44,465	\$88,665
Green Cove Springs	\$107	\$207	\$2,185	\$5,906	\$19,629	\$46,985	\$93,846
Havana	\$105	\$204	\$1,990	\$5,959	\$19,848	\$52,918	\$105,830
Homestead	\$97	\$186	\$1,958	\$5,335	\$17,703	\$45,065	\$90,095
JEA	\$87	\$167	\$1,813	\$4,770	\$15,736	\$40,037	\$79,799
Jacksonville Beach	\$92	\$178	\$2,160	\$5,811	\$19,331	\$48,688	\$97,360
Key West	\$119	\$231	\$2,388	\$6,624	\$22,034	\$56,489	\$112,959
Kissimmee	\$111	\$211	\$1,720	\$4,381	\$19,920	\$48,970	\$97,884
Lake Worth	\$124	\$231	\$2,575	\$6,761	\$22,350	\$55,900	\$111,720
Lakeland	\$98	\$186	\$1,846	\$4,954	\$16,522	\$41,092	\$81,854
Leesburg	\$118	\$225	\$2,212	\$5,907	\$19,639	\$49,297	\$98,572
Moore Haven	\$104	\$199	\$2,026	\$5,333	\$17,699	\$44,124	\$88,214
Mount Dora	\$99	\$181	\$1,562	\$4,235	\$14,078	\$35,656	\$71,296
New Smyrna Beach	\$93	\$180	\$2,140	\$5,848	\$19,414	\$49,464	\$98,894
Newberry	\$115	\$223	\$2,285	\$6,074	\$20,210	\$48,645	\$97,245
Ocala	\$110	\$208	\$2,076	\$5,648	\$19,213	\$49,495	\$97,545
Orlando	\$85	\$162	\$1,545	\$4,117	\$13,689	\$33,179	\$66,343
Quincy	\$98	\$179	\$1,494	\$4,084	\$13,471	\$34,588	\$68,068
Reedy Creek	\$125	\$248	\$2,130	\$5,470	\$18,188	\$44,556	\$89,092
Starke	\$122	\$235	\$2,269	\$6,789	\$22,610	\$60,278	\$120,547
St. Cloud	\$88	\$169	\$1,607	\$4,282	\$14,236	\$35,324	\$70,632
Tallahassee	\$110	\$211	\$2,428	\$6,449	\$21,309	\$53,487	\$106,921
Vero Beach	\$109	\$211	\$2,094	\$5,923	\$19,641	\$51,021	\$101,971
Wauchula	\$117	\$207	\$2,101	\$5,759	\$19,047	\$48,839	\$97,613
Williston	\$125	\$236	\$2,317	\$6,525	\$21,470	\$55,170	\$110,290
Winter Park	\$86	\$166	\$1,468	\$4,105	\$13,660	\$35,173	\$70,335

* Local taxes, franchise fees, and gross receipts taxes not embedded in rates are excluded. December 2008 Fuel and Purchased Power Costs are included.

Cooperative Electric Utilities
Typical Electric Bill Comparisons* - Commercial / Industrial
 December 31, 2008

UTILITY	kW Demand						
			75	150	500	1,000	2,000
	kWh						
	750	1,500	15,000	45,000	150,000	400,000	800,000
Central Florida	\$90	\$163	\$1,745	\$4,524	\$14,893	\$36,705	\$73,330
Choctawhatchee	\$99	\$173	\$1,667	\$4,465	\$14,151	\$36,034	\$72,027
Clay	\$88	\$167	\$1,608	\$4,426	\$14,625	\$37,625	\$73,590
Escambia River	\$110	\$204	\$2,193	\$5,935	\$19,690	\$49,940	\$99,840
Florida Keys	\$110	\$198	\$1,826	\$5,373	\$17,791	\$47,348	\$94,645
Glades	\$20	\$20	\$1,895	\$5,270	\$17,365	\$23,535	\$46,895
Gulf Coast	\$91	\$159	\$1,857	\$4,638	\$15,378	\$36,993	\$73,943
Lee County	\$85	\$157	\$1,527	\$4,097	\$13,488	\$33,038	\$66,052
Okefenoke	\$88	\$165	\$1,690	\$4,398	\$14,425	\$36,200	\$72,300
Peace River	\$100	\$186	\$1,735	\$4,607	\$15,229	\$38,351	\$76,647
Sumter	\$97	\$181	\$1,675	\$4,485	\$14,822	\$37,517	\$74,979
Suwannee Valley	\$90	\$168	\$1,675	\$4,480	\$9,509	\$22,489	\$44,937
Talquin	\$83	\$158	\$1,516	\$4,183	\$14,130	\$33,080	\$65,860
Tri-County	\$104	\$195	\$1,825	\$4,720	\$15,500	\$38,700	\$77,300
West Florida	\$104	\$193	\$1,847	\$5,140	\$17,017	\$23,106	\$46,112
Withlacoochee River	\$82	\$155	\$1,499	\$4,035	\$13,393	\$33,841	\$67,657

* Local taxes, franchise fees, and gross receipts taxes not embedded in rates are excluded. December 2008 Fuel and Purchased Power Costs are included.

Investor-Owned Electric Utilities
Miscellaneous Service Charges
December 31, 2008

UTILITY	Initial Connect (1)	Normal Reconnect (2)	Violation Reconnect (3)	Collection Charge (4)	Late Payment Fee (5)	Returned Check Charge (6)	Temporary Service (7)	
							Underground	Overhead
Florida Power & Light Company	\$14.88	\$14.88	\$17.66	\$5.11	1.5%	\$23.24 or 5%	\$110.00	\$145.00
<u>Progress Energy Florida, Inc.</u>								
During Hours	\$61.00	\$28.00	\$40.00	N/A	1.5% or \$5.00	\$25.00 (8)	\$227.00	\$227.00
After Hours			\$50.00			\$30.00 \$40.00 or 5%		
Tampa Electric Company	\$38.00	\$16.00	\$35.00	\$8.00	1.5%	\$25.00 (8) \$30.00 \$40.00 or 5%	\$115.00	\$115.00
<u>Gulf Power Company</u>								
During Hours	\$27.00	\$27.00	\$35.00	\$20.00	None	\$25.00 (8)	\$110.00	\$110.00
After Hours			\$55.00			\$30.00 \$40.00 or 5%		
<u>Florida Public Utilities Company</u>								
During Hours	\$53.00	\$23.00	\$44.00	\$14.00	1.5% or \$5.00	\$25.00 (8)	\$110.00	\$150.00
After Hours			\$95.00			\$30.00 \$40.00 or 5%		

(1) Initial connection of service to premises without prior service.

(2) Connection of service to premises with prior service.

(3) Reconnection of service during normal business hours to customer who has been disconnected due to nonpayment or violation of Commission rule, e.g., meter tampering, bad check, etc.

(4) Collection charge made in the event a service representative visits the premises for the purpose of disconnecting for nonpayment, and the customer pays or arranges to pay the past due amount in lieu of disconnection.

(5) Late payment fee is assessed to amounts that are past due. The fee may be either a fixed amount or a percentage of the past due amount, whichever is greater.

(6) Returned check charge is assessed when a check is dishonored by the bank. The charge may be either a fixed amount or a percentage of the dishonored check amount, whichever is greater.

(7) Charge for installing and removing a temporary service drop.

(8) In accordance with Section 68.065, Florida Statutes, the following charges apply to returned checks: \$25.00 charge for checks \$50.00 or less, \$30.00 charge for checks \$50.01 - \$300.00, and the greater of 5% or \$40.00 for checks in excess of \$300.00.

Investor-Owned Electric Utilities
Growth and Use Statistics
December 31, 2008

UTILITY	RESIDENTIAL				ANNUAL REVENUES				
	Average Annual Consumption		Number of Customers		Residential			Total Retail Operating	
	kWh	Percent Increase	As of 12/31/2008	Percent Increase	Total Revenue	Percent Increase	Avg. Revenue per kWh Sold (cents)	Revenue	Percent Increase
Florida Power & Light Co.	13,333	-3.70%	3,992,262	0.30%	\$6,216,864,898	-1.10%	11.68	\$11,295,886,437	0.30%
Progress Energy Florida, Inc.	13,339	-3.34%	1,448,933	-2.00%	\$2,273,649,802	-3.79%	11.76	\$4,002,713,138	-3.28%
Tampa Electric Co.	14,545	-3.80%	586,611	-0.40%	\$981,713,435	-3.60%	11.49	\$2,021,557,803	-4.60%
Gulf Power Co.	14,274	-3.26%	373,595	0.15%	\$562,922,559	2.67%	10.52	\$1,080,601,719	5.10%
Florida Public Utilities Co.									
Northwest	13,876	-6.48%	10,295	-0.54%	\$17,497,244	53.38%	12.17	\$37,020,481	53.85%
Northeast	13,872	-5.95%	13,573	1.39%	\$20,334,469	28.85%	10.94	\$41,553,202	32.09%

Municipal & Cooperative Electric Utilities
Growth and Use Statistics
December 31, 2008

UTILITY	RESIDENTIAL				ANNUAL REVENUES				
	Average Annual Consumption		Number of Customers		Residential			Total Retail Operating	
	kWh	Percent Increase	As of 12/31/2008	Percent Increase	Total Revenue	Percent Increase	Avg. Revenue per kWh Sold (cents)	Revenue	Percent Increase
<u>Municipals</u>									
Gainesville Regional Utilities	9,969	-7.80%	82,271	1.40%	\$102,579,390	10.20%	12.51	\$218,551,379	7.60%
JEA	14,209	-3.79%	394,722	11.81%	\$579,686,987	14.77%	9.21	\$1,218,200,941	20.97%
City of Lakeland	13,786	-3.57%	100,664	29.00%	\$178,267,201	-59.00%	12.46	\$340,978,481	1.25%
Orlando Utilities Commission	11,932	-2.53%	150,680	0.05%	\$210,641,021	18.27%	11.72	\$508,004,610	7.62%
City of Tallahassee	11,203	-5.03%	94,044	96.00%	\$156,839,470	2.28%	14.89	\$352,194,332	3.38%
<u>Cooperatives</u>									
Clay Electric	14,640	-0.03%	138,182	0.01%	\$228,969,671	0.05%	0.11	\$318,318,894	0.06%
Lee County Electric	13,197	-4.98%	174,232	-98.00%	\$249,734,567	-1.39%	10.78	\$372,893,985	96.00%
Withlacoochee River Electric	14,343	-2.73%	180,592	-0.10%	\$281,972,081	4.42%	10.87	\$395,533,065	5.59%

Note: Above Revenues Include Fuel and Purchased Power Costs.

1,000 kWh Residential Monthly Bills for All Florida Electric Utilities

December 31, 2008

RANK	UTILITY	TYPE	TOTAL BILL	RANK	UTILITY	TYPE	TOTAL BILL
1	Tallahassee	M	\$157.80	29	Reedy Creek	M	\$123.91
2	Key West	M	\$155.67	30	Fort Pierce	M	\$123.84
3	Fort Meade	M	\$152.86	31	New Smyrna Beach	M	\$123.80
4	Williston	M	\$151.64	32	Sumter	C	\$122.85
5	Bushnell	M	\$147.05	33	Lakeland	M	\$122.72
6	Leesburg	M	\$146.58	34	Moore Haven	M	\$122.60
7	Escambia River	C	\$146.00	35	Jacksonville Beach	M	\$119.23
8	Vero Beach	M	\$141.01	36	JEA	M	\$118.04
9	Newberry	M	\$141.00	37	Gulf Coast	C	\$117.80
10	Ocala	M	\$139.84	38	Homestead	M	\$117.15
11	Havana	M	\$138.28	39	Chattahoochee	M	\$116.17
12	Starke	M	\$136.62	40	Lee County	C	\$115.16
13	Lake Worth	M	\$133.65	41	Clewiston	M	\$114.99
14	Green Cove Springs	M	\$133.53	42	Quincy	M	\$114.72
15	West Florida	C	\$133.40	43	Okefenoke	C	\$113.50
16	Gainesville	M	\$132.60	44	Tampa Electric Company	I	\$111.52
17	Mount Dora	M	\$132.42	45	Suwannee Valley	C	\$111.32
18	Alachua	M	\$132.20	46	Gulf Power Company	I	\$111.31
19	Kissimmee	M	\$132.06	47	Withlacoochee River	C	\$110.19
20	Blountstown	M	\$131.71	48	Clay	C	\$109.30
21	Bartow	M	\$131.10	49	St. Cloud	M	\$108.35
22	Talquin	C	\$130.90	50	Florida Power & Light Company	I	\$108.28
23	Choctawhatchee	C	\$129.52	51	Central Florida	C	\$108.10
24	Tri-County	C	\$129.50	52	Progress Energy Florida, Inc.	I	\$107.87
25	Florida Keys	C	\$128.17	53	Winter Park	M	\$107.83
26	Wauchula	M	\$127.73	54	Orlando	M	\$104.19
27	Peace River	C	\$126.74	55	Florida Public Utilities Company - Northeast Division	I	\$95.80
28	Glades	C	\$126.10	56	Florida Public Utilities Company - Northwest Division	I	\$85.73

I - Investor-owned M - Municipal C - Cooperative

Note: Rates do not include any local taxes, franchise fees, or separately billed gross receipts taxes.

EXHIBIT NO. 384

DOCKET NO: 080677-EI

WITNESS: Armando J. Olivera

PARTY: FLORIDA POWER & LIGHT

DESCRIPTION: Demonstrative
Natural Gas Futures Trading - Chart with Historical Prices
www.tradingeconomics.com

DOCUMENTS:

Interrogatories

Request for Production of Documents

Additional Items

PROFFERED BY: SFHHA

Natural Gas Futures Trading - Chart With Historical Prices

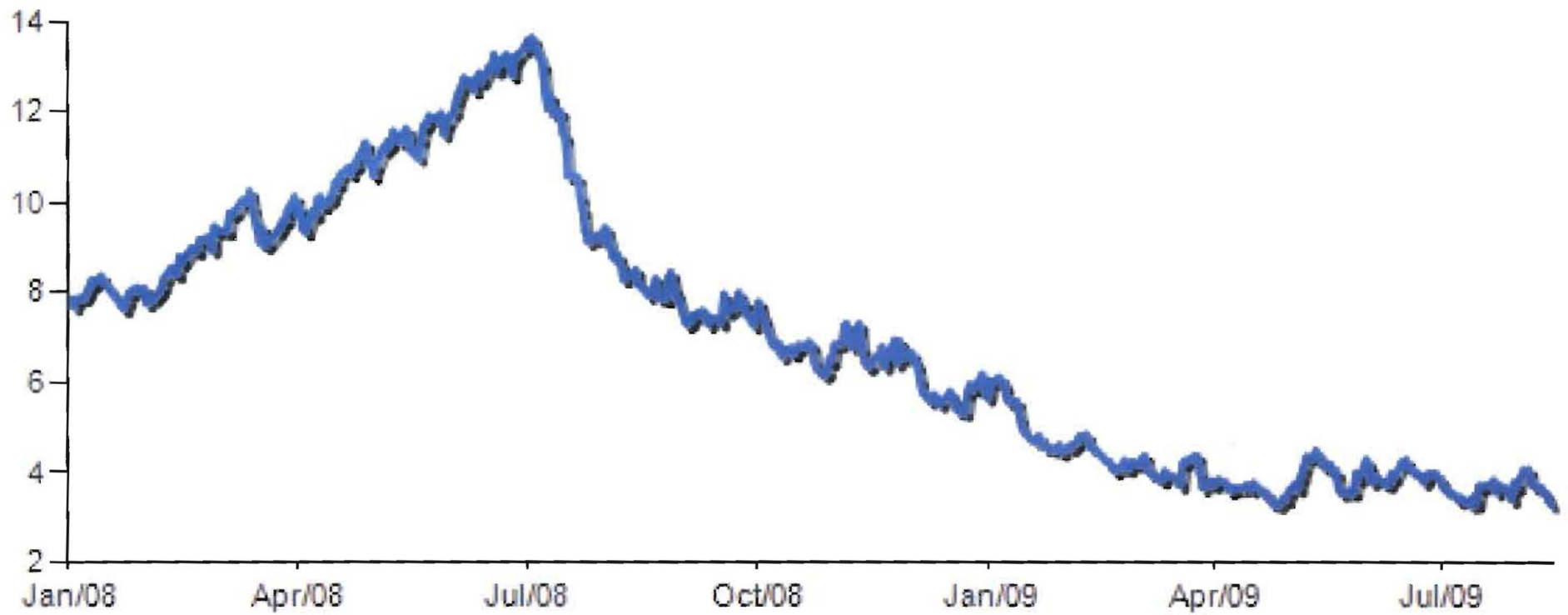


EXHIBIT NO. 385

DOCKET NO: 080677-EI

WITNESS: Armando J. Olivera

PARTY: FLORIDA POWER & LIGHT

DESCRIPTION: 10K

DOCUMENTS:

Interrogatories

Request for Production of Documents

FPL Response to OPC's 2nd Request No. 83
Bates FPL 087595 to 087716

Additional Items

PROFFERED BY: SFHHA

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 385

COMPANY FL Hospital & Healthcare Assoc.

WITNESS FPL 2008 10K

DATE 08/26/09



UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2008**

Commission File Number	Exact name of registrants as specified in their charters, address of principal executive offices and registrants' telephone number	IRS Employer Identification Number
1-8841	FPL GROUP, INC.	59-2449419
2-27612	FLORIDA POWER & LIGHT COMPANY 700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	59-0247775

State or other jurisdiction of incorporation or organization: Florida

Name of exchange
on which registered

Securities registered pursuant to Section 12(b) of the Act:

FPL Group, Inc.: Common Stock, \$0.01 Par Value

New York Stock Exchange

Florida Power & Light Company: None

Indicate by check mark if the registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act of 1933.

FPL Group, Inc. Yes ☒ No ☐ Florida Power & Light Company Yes ☒ No ☐

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934.

FPL Group, Inc. Yes ☐ No ☒ Florida Power & Light Company Yes ☐ No ☒

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) have been subject to such filing requirements for the past 90 days.

FPL Group, Inc. Yes ☒ No ☐ Florida Power & Light Company Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrants' knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrants are a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934.

FPL Group, Inc. Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐
Florida Power & Light Company Large Accelerated Filer ☐ Accelerated Filer ☐ Non-Accelerated Filer ☒ Smaller Reporting Company ☐

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☒

Aggregate market value of the voting and non-voting common equity of FPL Group, Inc. held by non-affiliates as of June 30, 2008 (based on the closing market price on the Composite Tape on June 30, 2008) was \$26,714,502,227.

There was no voting or non-voting common equity of Florida Power & Light Company held by non-affiliates as of June 30, 2008.

The number of shares outstanding of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, \$0.01 par value, outstanding at January 31, 2009: 408,946,823 shares.

As of January 31, 2009, there were issued and outstanding 1,000 shares of Florida Power & Light Company common stock, without par value, all of which were held, beneficially and of record, by FPL Group, Inc.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of FPL Group, Inc.'s Proxy Statement for the 2009 Annual Meeting of Shareholders are incorporated by reference in Part III hereof.

This combined Form 10-K represents separate filings by FPL Group, Inc. and Florida Power & Light Company. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Florida Power & Light Company makes no representations as to the information relating to FPL Group, Inc.'s other operations.

Florida Power & Light Company meets the conditions set forth in General Instruction I.(1)(a) and (b) of Form 10-K and is therefore filing this Form with the reduced disclosure format.

FPL 087595

DEFINITIONS

Acronyms and defined terms used in the text include the following:

<u>Term</u>	<u>Meaning</u>
AFUDC	allowance for funds used during construction
AFUDC – equity	equity component of allowance for funds used during construction
BART	Best Available Retrofit Technology
capacity clause	capacity cost recovery clause, as established by the FPSC
charter	restated articles of incorporation, as amended, of FPL Group or FPL, as the case may be
CO ₂	carbon dioxide
DOE	U.S. Department of Energy
Duane Arnold	Duane Arnold Energy Center
EMF	electric and magnetic field(s)
EMT	Energy Marketing & Trading
environmental clause	environmental compliance cost recovery clause, as established by the FPSC
EPA	U.S. Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas
Exchange Act	Securities Exchange Act of 1934, as amended
FAS	Statement of Financial Accounting Standards No.
FASB	Financial Accounting Standards Board
FDEP	Florida Department of Environmental Protection
FERC	Federal Energy Regulatory Commission
FGT	Florida Gas Transmission Company
FIN	FASB Interpretation No.
FMPA	Florida Municipal Power Agency
FPL	Florida Power & Light Company
FPL FiberNet	FPL FiberNet, LLC
FPL Group	FPL Group, Inc.
FPL Group Capital	FPL Group Capital Inc
FPSC	Florida Public Service Commission
fuel clause	fuel and purchased power cost recovery clause, as established by the FPSC
Gulfstream	Gulfstream Natural Gas System, L.L.C.
Holding Company Act	Public Utility Holding Company Act of 2005
IRS	Internal Revenue Service
kv	kilovolt(s)
kwh	kilowatt-hour(s)
LIBOR	London InterBank Offered Rate
LTIP	FPL Group, Inc. Amended and Restated Long Term Incentive Plan
Management's Discussion mortgage	Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations mortgage and deed of trust dated as of January 1, 1944, from FPL to Deutsche Bank Trust Company Americas, as supplemented and amended
mw	megawatt(s)
NEPOOL	New England Power Pool
NextEra Energy Resources	NextEra Energy Resources, LLC, formerly known as FPL Energy, LLC
Note ____	note ____ to consolidated financial statements
NOx	nitrogen oxide
NRC	U.S. Nuclear Regulatory Commission
Nuclear Waste Policy Act	Nuclear Waste Policy Act of 1982, as amended
O&M expenses	other operations and maintenance expenses in the consolidated statements of income
PJM	PJM Interconnection, L.L.C.
PMI	FPL Energy Power Marketing, LLC
Point Beach	Point Beach Nuclear Power Plant
PTCs	production tax credits
PURPA	Public Utility Regulatory Policies Act of 1978, as amended
qualifying facilities	non-utility power production facilities meeting the requirements of a qualifying facility under the PURPA
RFP	request for proposal
ROE	return on common equity
Seabrook	Seabrook Station
SEC	U.S. Securities and Exchange Commission
SEGS	Solar Electric Generating System
SO ₂	sulfur dioxide
VIE	variable interest entity

FPL Group, FPL, FPL Group Capital and NextEra Energy Resources each have subsidiaries and affiliates with names that include FPL, NextEra Energy Resources, FPL Energy, FPLE and similar references. For convenience and simplicity, in this report the terms FPL Group, FPL, FPL Group Capital and NextEra Energy Resources are sometimes used as abbreviated references to specific subsidiaries, affiliates or groups of subsidiaries or affiliates. The precise meaning depends on the context.

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FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events or performance, climate change strategy or growth strategies (often, but not always, through the use of words or phrases such as will, will likely result, are expected to, will continue, is anticipated, aim, believe, could, should, would, estimated, may, plan, potential, projection, target, outlook, predict and intend or words of similar meaning) are not statements of historical facts and may be forward-looking. Forward-looking statements involve estimates, assumptions and uncertainties. Accordingly, any such statements are qualified in their entirety by reference to important factors included in Part I, Item 1A. Risk Factors (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could have a significant impact on FPL Group's and/or FPL's operations and financial results, and could cause FPL Group's and/or FPL's actual results to differ materially from those contained or implied in forward-looking statements made by or on behalf of FPL Group and/or FPL in this combined Form 10-K, in presentations, on their respective websites, in response to questions or otherwise.

Any forward-looking statement speaks only as of the date on which such statement is made, and FPL Group and FPL undertake no obligation to update any forward-looking statement to reflect events or circumstances, including unanticipated events, after the date on which such statement is made, unless otherwise required by law. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained or implied in any forward-looking statement.

PART I

Item 1. Business

FPL GROUP

FPL Group was incorporated in 1984 under the laws of Florida. FPL Group has two principal operating subsidiaries, FPL and NextEra Energy Resources (formerly known as FPL Energy, LLC). FPL is a rate-regulated utility engaged primarily in the generation, transmission, distribution and sale of electric energy. NextEra Energy Resources is FPL Group's competitive energy subsidiary which produces the majority of its electricity from clean and renewable fuels. FPL Group Capital, a wholly-owned subsidiary of FPL Group, holds the capital stock of, or has equity interests in, FPL Group's operating subsidiaries, other than FPL, and provides funding for those subsidiaries, including NextEra Energy Resources. At December 31, 2008, FPL Group and its subsidiaries employed approximately 15,300 people. For a discussion of FPL's and NextEra Energy Resources' businesses, see FPL Operations and NextEra Energy Resources Operations. For financial information regarding FPL Group's business segments, see Note 16.

In February 2009, the American Recovery and Reinvestment Act of 2009 (Recovery Act) was signed into law. It includes approximately \$787 billion in tax incentives and new spending, a portion of which relates to renewable energy, energy efficiency and energy reliability. The Recovery Act includes, among other things, provisions that allow companies building wind facilities the option to choose between three investment cost recovery mechanisms: (i) PTCs which were extended for wind facilities through 2012, (ii) investment tax credits of 30% of the cost for qualifying wind facilities placed in service prior to 2013, or (iii) an election to receive a cash grant of 30% of the cost of qualifying wind facilities placed in service in 2009 or 2010, or if construction began prior to December 31, 2010 and the wind facility is placed in service prior to 2013. An election to receive a cash grant of 30%, in lieu of the 30% investment tax credit allowable under present law, also applies to the cost of qualifying solar facilities placed in service in either 2009 or 2010, or if construction began prior to December 31, 2010 and the solar facility is placed in service prior to 2017. In addition, 50% bonus depreciation was extended on most types of property placed in service in 2009, and certain property placed in service in 2010. FPL Group and FPL are in the process of evaluating the effect of the Recovery Act on their businesses.

Website Access to SEC Filings. FPL Group and FPL make their SEC filings, including the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, available free of charge on FPL Group's internet website, www.fplgroup.com, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Information on FPL Group's website (or any of its subsidiaries' websites) is not incorporated by reference in this annual report on Form 10-K. The SEC maintains an internet website at www.sec.gov that contains reports, proxy and other information about FPL Group and FPL filed electronically with the SEC.

FPL OPERATIONS

General. FPL was incorporated under the laws of Florida in 1925 and is a wholly-owned subsidiary of FPL Group. FPL supplies electric service to a population of more than 8.7 million throughout most of the east and lower west coasts of Florida. During 2008, FPL served approximately 4.5 million customer accounts. The percentage of FPL's operating revenues by customer class was as follows:

	Years Ended December 31,		
	2008	2007	2006
Residential	53%	54%	54%
Commercial	40	39	39
Industrial	3	3	3
Other, including deferred or recovered clause revenues, the net change in unbilled revenues, transmission and wholesale sales and customer-related fees	4	4	4
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Over the last ten years, FPL's average annual customer growth has been 2.1%. However, beginning in 2007, FPL has experienced a slowdown in retail customer growth and a decline in non-weather related usage per retail customer. Retail customer growth in 2008 was 0.3%, although during the fourth quarter of 2008 FPL experienced a decline in customer accounts of 0.2%. FPL believes that the economic slowdown, the downturn in the housing market and the credit crisis that have affected the country and the state of Florida have contributed to the slowdown in customer growth and to the decline in non-weather related usage per retail customer. In 2008, FPL experienced an increase in inactive accounts (accounts with installed meters without corresponding customer names) and in low-usage customers (customers using less than 200 kwh per month), which have contributed to the decline in retail customer growth and non-weather related usage per retail customer.

Regulation. FPL's retail operations provided approximately 99% of FPL's 2008 operating revenues. Retail operations are regulated by the FPSC, which has jurisdiction over retail rates, service territory, issuances of securities, planning, siting and construction of facilities and other matters. FPL is also subject to regulation by the FERC with respect to certain aspects of its operations, including, but not limited to, the acquisition and disposition of facilities, interchange and transmission services and wholesale purchases and sales of electric energy. In addition, FPL's nuclear power plants are subject to the jurisdiction of the NRC. NRC regulations govern the granting of licenses for the construction, operation and retirement of nuclear power plants and subject these plants to continuing review and regulation.

Retail Ratemaking. The underlying concept of utility ratemaking is to set rates at a level that allows the utility the opportunity to collect from customers total revenues (revenue requirements) equal to its cost of providing service, including a reasonable rate of return on invested capital. To accomplish this, the FPSC uses various ratemaking mechanisms, including, among other things, base rates and cost recovery clauses.

In general, the basic costs of providing electric service, other than fuel and certain other costs, are recovered through base rates, which are designed to recover the costs of constructing, operating and maintaining the utility system. These basic costs include O&M expenses, depreciation and taxes, as well as a return on FPL's investment in assets used and useful in providing electric service (rate base). At the time base rates are determined, the allowed rate of return on rate base approximates FPL's estimated weighted-average cost of capital, which includes its costs for outstanding debt and, typically, an allowed ROE. The FPSC monitors FPL's actual regulatory ROE through a surveillance report that is filed monthly by FPL with the FPSC. The FPSC does not provide assurance that an allowed ROE will be achieved. Base rates are determined in rate proceedings or through negotiations, which occur at irregular intervals at the initiative of FPL, the FPSC, the State of Florida Office of Public Counsel or a substantially affected party.

Base Rates – In 2005, the FPSC approved a stipulation and settlement agreement regarding FPL's retail base rates (2005 rate agreement), signed by FPL and all of the interveners in its 2005 base rate proceeding. FPL expects the 2005 rate agreement to be in effect through December 31, 2009; thereafter, it shall remain in effect until terminated on the date new retail base rates become effective pursuant to an FPSC order.

The 2005 rate agreement provides that retail base rates will not increase during the term of the agreement except to allow recovery of the revenue requirements of any power plant approved pursuant to the Florida Power Plant Siting Act (Siting Act) that achieves commercial operation during the term of the 2005 rate agreement. Retail base rates increased on May 1, 2007 when a 1,144 mw natural gas-fired plant at FPL's Turkey Point site (Turkey Point Unit No. 5) was placed in service. As approved by the FPSC, FPL's retail base revenues will increase in 2009 when two natural gas-fired combined-cycle units (West County Energy Center Units Nos. 1 and 2), each with approximately 1,220 mw of net generating capacity, are placed in service, which is expected to occur by the third quarter of 2009 and fourth quarter of 2009, respectively (see Fossil Operations below). The 2005 rate agreement also has a revenue sharing mechanism, whereby revenues from retail base operations in excess of certain thresholds will be shared with customers on the basis of two-thirds refunded to customers and one-third retained by FPL. Revenues from retail base operations in excess of a second, higher threshold (cap) will be refunded 100% to customers. The revenue sharing threshold and cap are established by increasing the prior year's threshold and cap by the sum of the following: (i) the average annual growth rate in retail kwh sales for the ten-year period ending December 31 of the preceding year multiplied by the prior year's retail base rate revenue sharing threshold and cap and (ii) the amount of any incremental base rate increases for power plants approved pursuant to the Siting Act that achieve commercial operation during the term of the 2005 rate agreement. The revenue sharing threshold and cap for 2009 are estimated to be \$4,534 million and \$4,713 million, respectively. For the year ended December 31, 2008, revenues from retail base operations did not exceed the 2008 thresholds.

Under the terms of the 2005 rate agreement: (i) FPL's electric property depreciation rates are based upon the comprehensive depreciation studies it filed with the FPSC in March 2005; however, FPL may reduce depreciation by up to \$125 million annually, (ii) FPL has the ability to recover prudently incurred storm restoration costs, either through securitization provisions pursuant to the Florida Statutes or through surcharges, and (iii) FPL will be allowed to recover through a cost recovery clause prudently incurred incremental costs associated with complying with an FPSC or FERC order regarding a regional transmission organization.

FPL does not have an authorized regulatory ROE under the 2005 rate agreement for the purpose of addressing earnings levels. For all other regulatory purposes, FPL has an ROE of 11.75%. Under the 2005 rate agreement, the revenue sharing mechanism described above is the appropriate and exclusive mechanism to address earnings levels. However, if FPL's regulatory ROE, as reported to the FPSC in FPL's monthly earnings surveillance report, falls below 10% during the term of the 2005 rate agreement, FPL may petition the FPSC to amend its base rates.

In November 2008, FPL notified the FPSC that it intends to initiate a base rate proceeding in March 2009. In the notification, FPL stated that it expects to request an \$800 million to \$950 million annual increase in base rates beginning on January 1, 2010 and an additional annual base rate increase beginning on January 1, 2011. These amounts exclude the effects of depreciation, which depend in part on the results of a detailed depreciation study that FPL is currently finalizing. Further, FPL expects to request that the FPSC continue to allow FPL to use the mechanism for recovery of the revenue requirements of any new power plant approved pursuant to the Siting Act that was established in FPL's 2005 rate agreement. Hearings on the base rate proceeding are expected during the third quarter of 2009 and a final decision is expected by the end of 2009. The final decision may approve rates that are different from those that FPL will request.

Cost Recovery Clauses – Fuel costs are recovered from customers through levelized charges per kwh established under the fuel clause. These charges are calculated annually based on estimated fuel costs and estimated customer usage for the following year, plus or minus a true-up adjustment to reflect the variance of actual costs and usage from the estimates used in setting the fuel adjustment charges for prior periods. An adjustment to the levelized charges may be approved during the course of a year to reflect a projected variance based on actual costs and usage. In 2008, approximately \$6.1 billion of costs were recovered through the fuel clause. FPL uses a risk management fuel procurement program which was approved by the FPSC at the program's inception. The FPSC reviews the program activities and results for prudence on an annual basis as part of its annual review of fuel costs. The program is intended to manage fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements. See Energy Marketing and Trading, Management's Discussion – Results of Operations, Note 1 – Regulation and Note 3.

Capacity payments to other utilities and generating companies for purchased power are recovered from customers through the capacity clause and base rates. In 2008, approximately \$517 million of these costs were recovered through the capacity clause. Beginning in 2009, FPL will recover pre-construction costs and carrying charges (equal to the pretax AFUDC rate) on construction costs for new nuclear capacity through the capacity clause. Once the new capacity goes into service, construction costs will be recovered through base rate increases. See Nuclear Operations below.

Costs associated with implementing energy conservation programs totaled approximately \$182 million in 2008 and were recovered from customers through the energy conservation cost recovery clause. Costs of complying with federal, state and local environmental regulations enacted after April 1993 are recovered through the environmental clause to the extent not included in base rates. In 2008, approximately \$40 million of these costs were recovered through the environmental clause. Beginning in 2009, FPL will recover costs associated with its proposed solar generating facilities through the environmental clause. See Solar Operations below.

Other Recovery Mechanisms – FPL maintains a funded storm and property insurance reserve. Four hurricanes in 2005 and three hurricanes in 2004 caused major damage in parts of FPL's service territory. Storm restoration costs incurred by FPL during 2005 and 2004 exceeded the amount in the storm and property insurance reserve, resulting in a storm reserve deficiency. In 2007, FPL formed a wholly-owned bankruptcy remote special purpose subsidiary for the purpose of issuing storm-recovery bonds, pursuant to the securitization provisions of the Florida Statutes and an FPSC financing order. In May 2007, the FPL subsidiary issued \$652 million aggregate principal amount of senior secured bonds (storm-recovery bonds), primarily for the after-tax equivalent of the total of FPL's unrecovered balance of the 2004 storm restoration costs, the 2005 storm restoration costs and approximately \$200 million to reestablish FPL's storm and property insurance reserve. The storm-recovery bonds, including interest and bond issuance costs, are being repaid through a surcharge to retail customers. Prior to the issuance of these storm-recovery bonds, FPL had been recovering the 2004 storm restoration costs from retail customers through a storm damage surcharge. See Management's Discussion – Results of Operations – FPL and Note 9 – FPL.

In 2007, the FPSC denied FPL's need petition for two ultra super critical pulverized coal generating units in Glades County, Florida. In December 2008, the FPSC approved the recovery of approximately \$34 million of pre-construction costs associated with these units over a five-year period beginning January 2010.

The FPSC has the authority to disallow recovery of costs that it considers excessive or imprudently incurred. Such costs may include, among others, fuel and O&M expenses, the cost of replacing power lost when fossil and nuclear units are unavailable, storm restoration costs and costs associated with the construction or acquisition of new facilities.

Competition. FPL currently holds 176 franchise agreements to provide electric service in various municipalities and counties in Florida with varying expiration dates through 2039. Of the 176 franchise agreements, three expire in 2009, 14 expire in 2010 and 159 expire during the period 2011 through 2039. Negotiations are ongoing to renew franchises with upcoming expirations. FPL also provides service to 13 other municipalities and to 22 unincorporated areas within its service area without franchise agreements. FPL considers its franchises to be adequate for the conduct of its business.

FPL currently faces competition from other suppliers of electrical energy to wholesale customers and from alternative energy sources and self-generation for other customer groups, primarily industrial customers. The FERC has jurisdiction over potential changes that could affect competition in wholesale transactions. In 2008, operating revenues from wholesale and industrial customers combined represented less than 4% of FPL's total operating revenues. Various states, other than Florida, have enacted legislation or have state commissions that have issued orders designed to allow retail customers to choose their electricity supplier. Management believes it is unlikely there will be any state actions to restructure the retail electric industry in Florida in the near future. If the basis of regulation for some or all of FPL's business changes from cost-based regulation, existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. Further, other aspects of the business, such as generation assets and long-term power purchase commitments, would need to be reviewed to assess their recoverability in a changed regulatory environment. See Management's Discussion – Critical Accounting Policies and Estimates – Regulatory Accounting.

The FPSC promotes cost competitiveness in the building of new steam generating capacity by requiring investor-owned electric utilities, such as FPL, to issue an RFP. The RFP process allows independent power producers and others to bid to supply the new generating capacity. If a bidder has the most cost-effective alternative, meets other criteria such as financial viability and demonstrates adequate expertise and experience in building and/or operating generating capacity of the type proposed, the investor-owned electric utility would seek to negotiate a power purchase agreement with the selected bidder and request that the FPSC approve the terms of the power purchase agreement and, if appropriate, provide the required authorization for the construction of the bidder's generating capacity. In 2007, the FPSC eliminated the requirement for utilities to issue an RFP for new nuclear power plants sited after June 2006. See Nuclear Operations below regarding the approval by the FPSC for two additional nuclear units.

Environmental. FPL is subject to environmental laws and regulations and is affected by some of the emerging issues included in the Environmental Matters section below. FPL expects to seek recovery through the environmental clause for compliance costs associated with any new environmental laws and regulations.

During 2008, FPL spent approximately \$181 million on capital additions to comply with existing environmental laws and regulations. FPL's capital expenditures to comply with existing environmental laws and regulations are estimated to be \$1.2 billion for 2009 through 2011, including approximately \$632 million in 2009, and are included in estimated capital expenditures set forth in Capital Expenditures below. These amounts include the capital expenditures associated with three solar generating facilities currently under construction. See Solar Operations below.

System Capability and Load. At December 31, 2008, FPL's resources for serving load consisted of 24,997 mw, of which 22,087 mw were from FPL-owned facilities (see Item 2 – Generating Facilities) and 2,910 mw were available through purchased power contracts (see Note 15 – Contracts). FPL's projected reserve margin for the summer of 2009 is approximately 28%. This reserve margin is expected to be achieved through the combination of output from FPL's active generating units, purchased power contracts and the capability to reduce peak demand through the implementation of load management, which was estimated to be capable of reducing demand by 1,734 mw at December 31, 2008. Occasionally, unusually cold temperatures during the winter months result in significant increases in electricity usage for short periods of time. However, customer usage and operating revenues are typically higher during the summer months, largely due to the prevalent use of air conditioning in FPL's service territory. The highest peak load FPL has served to date was 22,361 mw, which occurred on August 17, 2005. FPL had adequate resources available at the time of this peak to meet customer demand. See Fossil Operations, Nuclear Operations and Solar Operations below regarding additional capacity currently under construction.

Fuel Mix. FPL's generating plants use a variety of fuels. The diverse fuel options, along with purchased power, enable FPL to shift between sources of generation to achieve a more economical fuel mix. See Fossil Operations, Nuclear Operations and Item 2 – Generating Facilities.

FPL's 2008 fuel mix based on kwh produced was as follows:

<u>Fuel Source</u>	<u>Percentage of kwh Produced</u>
Natural gas	53%
Nuclear	22%
Purchased power	14%
Coal	6%
Oil	5%

Fossil Operations. FPL owns and operates 83 units that use fossil fuels such as natural gas and/or oil, and has a joint-ownership interest in three coal units. FPL's fossil units are out of service from time to time for routine maintenance or on standby during periods of reduced demand. FPL is currently constructing three natural gas-fired combined-cycle units of approximately 1,220 mw each at its West County Energy Center, which units are expected to be placed in service by the third quarter of 2009, fourth quarter of 2009 and mid-2011. The estimated total cost (including AFUDC) of the two units expected to be placed into service in 2009 is approximately \$1.3 billion and the estimated total cost (including AFUDC) of the third unit is approximately \$900 million. In 2008, the FPSC approved FPL's plan to modernize its Cape Canaveral and Riviera power plants to high-efficiency natural gas-fired units. Each modernized plant is expected to provide approximately 1,200 mw of capacity and be placed into service by 2013 and 2014 at an estimated total cost (including AFUDC) of \$1.1 billion and \$1.3 billion, respectively. Approval by the Florida Power Plant Siting Board (Siting Board), comprised of the Florida governor and cabinet, is pending and is expected in early 2010. The construction costs of the three new units and power plant modernizations (through early 2010) yet to be incurred as of December 31, 2008 are included in estimated capital expenditures set forth in Capital Expenditures below. See Note 15 – Commitments.

FPL has four firm transportation contracts in place with FGT, two firm transportation contracts with Gulfstream and one firm transportation contract with Southeast Supply Header, LLC, that together are expected to satisfy substantially all of the anticipated needs for natural gas transportation at its existing units. The four existing FGT contracts expire between 2021 and 2025, while both Gulfstream contracts expire in 2032. The Southeast Supply Header contract expires in 2020. To the extent desirable, FPL can also purchase interruptible natural gas transportation service from FGT and Gulfstream based on pipeline availability. FPL has several short- and medium-term natural gas supply contracts to provide a portion of FPL's anticipated needs for natural gas. The remainder of FPL's natural gas requirements is purchased under other contracts and in the spot market. FPL has a long-term agreement for the storage of natural gas that expires in 2013. In addition, FPL has entered into several long-term agreements for storage capacity and transportation of natural gas from facilities that have not yet started construction, or if started, have not yet completed construction. These agreements range from 15 to 25 years in length and contain firm commitments by FPL totaling up to approximately \$209 million annually or \$5.1 billion over the terms of the agreements. These firm commitments are contingent upon the occurrence of certain events, including approval by the FERC and/or completion of construction of the facilities from June 2009 to 2011. See Note 15 – Contracts. FPL's oil requirements are obtained under short-term contracts and in the spot market.

FPL has, through its joint ownership interest in St. Johns River Power Park (SJRPP) Units Nos. 1 and 2, a coal supply and transportation contract for all of the 2009 fuel needs and a portion of the 2010 and 2011 fuel needs for those units. All of the transportation requirements and a portion of the coal supply needs for Scherer Unit No. 4 are covered by a series of annual and long-term contracts. FPL's remaining fuel requirements for these units will be obtained in the spot market. See Note 15 – Contracts.

Nuclear Operations. FPL owns, or has undivided interests in, and operates four nuclear units, two at Turkey Point and two at St. Lucie, with a total net generating capability of 2,939 mw. The nuclear units are periodically removed from service to accommodate normal refueling and maintenance outages, repairs and certain other modifications. Scheduled nuclear refueling outages typically require the unit to be removed from service for approximately 30 days. The following table summarizes certain information related to FPL's nuclear units:

Facility	Unit	Net Capability (mw)	Operating License Expiration Dates	Next Scheduled Refueling Outage
St. Lucie	1	839	2036	April 2010
St. Lucie	2	714	2043	April 2009
Turkey Point	3	693	2032	March 2009
Turkey Point	4	693	2033	October 2009

FPL is in the process of adding approximately 400 mw of baseload capacity at its existing nuclear units at St. Lucie and Turkey Point, which additional capacity is projected to be placed in service by the end of 2012 at an estimated total cost (including carrying charges) of approximately \$1.6 billion. The construction costs relating to the 400 mw of baseload capacity yet to be incurred as of December 31, 2008 are included in estimated capital expenditures set forth in Capital Expenditures below. In 2008, the FPSC approved FPL's need petition for two additional nuclear units at its Turkey Point site with projected in-service dates between 2018 and 2020, which units are expected in the aggregate to add between 2,200 mw and 3,040 mw of baseload capacity. Additional approvals from other regulatory agencies will be required later in the process. See Note 15 – Commitments.

During 2003, nuclear utilities other than FPL identified pressurizer heater sleeves made with a particular material (alloy 600) that were experiencing penetration cracks and leaks as a result of primary water stress corrosion cracking. As a result, in 2004, the NRC issued a bulletin requesting utilities to identify and inspect all alloy 600 and weld materials in all pressurizer locations and connected steam space piping. Due to the amount of time and cost associated with correcting potential leaks, FPL replaced St. Lucie Unit No. 1's pressurizer during its fall 2005 outage. FPL began the modification of St. Lucie Unit No. 1's non-pressurizer penetrations that have alloy 600 weld materials during its fall 2008 outage and expects to complete the modifications by 2010. The St. Lucie Unit No. 2 pressurizer has 30 heater sleeves as compared to 120 heater sleeves in the St. Lucie Unit No. 1 pressurizer. Accordingly, FPL has decided to modify rather than replace St. Lucie Unit No. 2's alloy 600 pressurizer heater sleeves during its fall 2010 outage. During St. Lucie Unit No. 2's scheduled refueling outage in the fall of 2007, FPL inspected the pressurizer heater sleeves and began modifications of other pressurizer and non-pressurizer penetrations that have alloy 600 weld materials. The modifications to St. Lucie Unit No. 2's other penetrations are scheduled to be completed by 2010. The estimated cost of modifications for the St. Lucie units is included in estimated capital expenditures set forth in Capital Expenditures below. See Note 15 – Commitments. All pressurizer penetrations and welds at Turkey Point Units Nos. 3 and 4 use a different material.

FPL leases nuclear fuel for all four of its nuclear units. See Note 1 – Nuclear Fuel. FPL Group and FPL consolidate the lessor entity in accordance with FIN 46, "Consolidation of Variable Interest Entities," as revised (FIN 46(R)). See Note 9 – FPL. The contracts for the supply, conversion, enrichment and fabrication of FPL's nuclear fuel have expiration dates ranging from 2009 through 2022. Under the Nuclear Waste Policy Act, the DOE is responsible for the development of a repository for the disposal of spent nuclear fuel and high-level radioactive waste. As required by the Nuclear Waste Policy Act, FPL is a party to contracts with the DOE to provide for disposal of spent nuclear fuel from its Turkey Point and St. Lucie nuclear units. The DOE was required to construct permanent disposal facilities and take title to and provide transportation and disposal for spent nuclear fuel by January 31, 1998 for a specified fee based on current generation from nuclear power plants. Through December 2008, FPL has paid approximately \$607 million in such fees to the DOE's nuclear waste fund. The DOE did not meet its statutory obligation for disposal of spent nuclear fuel under the Nuclear Waste Policy Act. In 1997, a federal appeals court ruled, in response to petitions filed by utilities, state governments and utility commissions, that the DOE could not assert a claim that its delay was unavoidable in any defense against lawsuits by utilities seeking money damages arising out of the DOE's failure to perform its obligations. In 1998, FPL filed a lawsuit against the DOE seeking damages caused by the DOE's failure to dispose of spent nuclear fuel from FPL's nuclear power plants. The matter is pending. In October 2006, a federal claims court ruled in another utility's case that the 1997 court decision regarding the DOE's unavoidable delay defense was not binding on that federal court. An appeal is pending in that case. The DOE filed a license application for a permanent disposal facility for spent nuclear fuel with the NRC in June 2008, and a licensing proceeding is ongoing before the NRC. However, it is uncertain when a permanent disposal facility will be constructed and when it would be ready to begin receiving spent nuclear fuel shipments.

FPL uses both on site storage pools and dry storage casks to store spent nuclear fuel generated by St. Lucie Units Nos. 1 and 2, which should allow FPL to store all spent nuclear fuel generated by these units through license expiration. FPL currently stores all spent nuclear fuel generated by Turkey Point Units Nos. 3 and 4 in on site storage pools. These spent nuclear fuel storage pools do not have sufficient storage capacity for the life of the respective units. Beginning in 2011, FPL plans to begin using dry storage casks to store spent nuclear fuel at the Turkey Point facility. Costs for the dry storage casks yet to be incurred are included in estimated capital expenditures set forth in Capital Expenditures below.

The NRC's regulations require FPL to submit a plan for decontamination and decommissioning five years before the projected end of plant operation. FPL's current plans, under the operating licenses, provide for prompt dismantlement of Turkey Point Units Nos. 3 and 4 with decommissioning activities commencing in 2032 and 2033, respectively. Current plans provide for St. Lucie Unit No. 1 to be mothballed beginning in 2036 with decommissioning activities to be integrated with the prompt dismantlement of St. Lucie Unit No. 2 at the end of its useful life in 2043. See estimated decommissioning cost data in Note 1 – Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs – FPL.

Solar Operations. In 2008, the FPSC approved FPL's proposal to construct three solar generating facilities, which are expected to have a capacity totaling 110 mw. The solar generating facilities are expected to be placed into service by the end of 2010 at an estimated total cost (including carrying charges) of approximately \$728 million. The construction costs of these new solar generating facilities yet to be incurred as of December 31, 2008 are included in estimated capital expenditures set forth in Capital Expenditures below. See Note 15 – Commitments.

Energy Marketing and Trading. EMT, a division of FPL, buys and sells wholesale energy commodities, such as natural gas, oil and electricity. EMT procures natural gas and oil for FPL's use in power generation and sells excess natural gas, oil and electricity. EMT also uses derivative instruments, such as swaps, options and forwards, to manage the commodity price risk inherent in the purchase and sale of fuel and electricity. Substantially all of the results of EMT's activities are passed through to customers in the fuel or capacity clauses. See Retail Ratemaking, Management's Discussion – Results of Operations – FPL and Energy Marketing and Trading and Market Risk Sensitivity and Note 3.

Capital Expenditures. Capital expenditures at FPL include, among other things, the cost for construction or acquisition of additional facilities and equipment to meet customer demand, as well as capital improvements to and maintenance of existing facilities. FPL's capital expenditures totaled \$2.3 billion in 2008 (including AFUDC of approximately \$53 million), \$1.9 billion in 2007 (including AFUDC of approximately \$36 million) and \$1.7 billion in 2006 (including AFUDC of approximately \$32 million). Planned capital expenditures that are conditional on obtaining regulatory approvals are not included in the table below until such approvals are received.

At December 31, 2008, planned capital expenditures for 2009 through 2013 were estimated as follows:

	2009	2010	2011	2012	2013	Total
	(millions)					
Generation: ^(a)						
New ^{(b) (c) (d)}	\$ 1,350	\$ 1,355	\$ 760	\$ 355	\$ 40	\$ 3,860
Existing	665	680	610	515	430	2,900
Transmission and distribution	615	865	925	930	975	4,310
Nuclear fuel	125	205	215	220	265	1,030
General and other	170	290	315	300	235	1,310
Total	<u>\$ 2,925</u>	<u>\$ 3,395</u>	<u>\$ 2,825</u>	<u>\$ 2,320</u>	<u>\$ 1,945</u>	<u>\$ 13,410</u>

^(a) Includes AFUDC of approximately \$63 million, \$53 million, \$32 million and \$4 million in 2009 to 2012, respectively.

^(b) Includes land, generating structures, transmission interconnection and integration and licensing.

^(c) Includes pre-construction costs and carrying charges (equal to the pretax AFUDC rate) on construction costs recoverable through the capacity clause of approximately \$72 million, \$201 million, \$323 million, \$50 million and \$19 million in 2009 to 2013, respectively.

^(d) Excludes capital expenditures of approximately \$2.2 billion for the modernization of the Cape Canaveral and Riviera power plants for the period from early-2010 (when approval by the Siting Board is expected) through 2013. Also excludes construction costs of approximately \$2.5 billion during the period 2012 to 2013 for the two additional nuclear units at FPL's Turkey Point site. Construction costs will not begin until license approval is received from the NRC, which is expected in 2012.

These estimates are subject to continuing review and adjustment and actual capital expenditures may vary from these estimates. See Management's Discussion - Liquidity and Capital Resources - Contractual Obligations and Planned Capital Expenditures and Note 15 - Commitments.

Electric and Magnetic Fields. EMF are present around electrical facilities, including, but not limited to, appliances, power lines and building wiring. Since the 1970s, there has been public, scientific and regulatory attention given to the question of whether EMF causes or contributes to adverse health effects. U.S. and international scientific organizations have evaluated the EMF research. Their reviews have generally concluded that while some epidemiology studies report an association with childhood leukemia, controlled laboratory studies do not support that association and the scientific studies overall have not demonstrated that EMF cause or contribute to any type of cancer or other disease.

The FDEP established EMF standards for electricity facilities in 1989. The FDEP regularly reviews the EMF science and has not made any changes in the state's EMF standards. FPL facilities comply with the FDEP standards. Future changes in the FDEP regulations could require additional capital expenditures by FPL for such things as increasing the width of right of ways or relocating or reconfiguring transmission facilities. It is not presently known whether any such expenditures will be required. Currently, there are no such changes proposed to the FDEP regulations.

Employees. FPL had approximately 10,700 employees at December 31, 2008. Approximately 32% of the employees are represented by the International Brotherhood of Electrical Workers (IBEW) under a collective bargaining agreement with FPL, which has been extended until October 31, 2009. FPL and the IBEW are discussing a proposal for a new agreement.

NEXTERA ENERGY RESOURCES OPERATIONS

General. NextEra Energy Resources, a wholly-owned subsidiary of FPL Group Capital, was formed in 1998 to aggregate FPL Group's existing competitive energy business. It is a limited liability company organized under the laws of Delaware. Through its subsidiaries, NextEra Energy Resources currently owns, develops, constructs, manages and operates primarily domestic electric-generating facilities in wholesale energy markets. NextEra Energy Resources also provides full energy and capacity requirements services primarily to distribution utilities in certain markets and owns a retail electric provider based in Texas.

At December 31, 2008, NextEra Energy Resources managed or participated in the management of approximately 96% of its projects, which represented approximately 99% of the net generating capacity in which NextEra Energy Resources has an ownership interest. NextEra Energy Resources had ownership interests in operating independent power projects with a net generating capability totaling 16,928 mw (see Item 2 - Generating Facilities). Generation capacity spans various regions and is produced using a variety of fuel sources, thereby reducing overall volatility related to varying market conditions and seasonality on a portfolio basis. At December 31, 2008, the percentage of capacity by geographic region was:

Geographic Region	Percentage of Generation Capacity
ERCOT	30%
Northeast	30%
Midwest	18%
West	15%
Other South	7%

At December 31, 2008, fuel sources for these projects were as follows:

Fuel Source	Percentage of Generation Capacity
Natural Gas	39%
Wind	38%
Nuclear	15%
Oil	5%
Hydro	2%
Other	1%

NextEra Energy Resources seeks to expand its portfolio through project development and acquisitions where economic prospects are attractive. NextEra Energy Resources expects its future portfolio capacity growth to come primarily from wind and solar development and from asset acquisitions. NextEra Energy Resources plans to add a total of 7,000 mw to 9,000 mw of new wind generation over the 2008 – 2012 period, of which approximately 1,300 mw were added in 2008. NextEra Energy Resources expects to add approximately 1,100 mw in 2009, of which approximately 480 mw are either under construction or have obtained applicable internal approvals for construction. In addition, NextEra Energy Resources intends to pursue opportunities for new solar generating facilities. The wind and solar expansions are subject to, among other things, continued public policy support.

NextEra Energy Resources' capital expenditures and investments totaled approximately \$2.8 billion, \$3.1 billion and \$1.8 billion in 2008, 2007 and 2006, respectively. At December 31, 2008, planned capital expenditures for 2009 through 2013 were estimated as follows:

	2009	2010	2011	2012	2013	Total
	(millions)					
Wind ^(a)	\$ 2,035	\$ 20	\$ 20	\$ 15	\$ 10	\$ 2,100
Nuclear ^(a)	370	430	295	275	305	1,675
Natural gas	105	70	75	85	50	385
Other	70	60	45	35	30	240
Total	<u>\$ 2,580</u>	<u>\$ 580</u>	<u>\$ 435</u>	<u>\$ 410</u>	<u>\$ 395</u>	<u>\$ 4,400</u>

^(a) Includes capital expenditures for new wind projects that have been identified and related transmission. NextEra Energy Resources expects to add approximately 1,100 mw in 2009 and 1,000 mw to 2,000 mw of new wind generation per year from 2010 through 2012, subject to, among other things, continued public policy support, which includes, but is not limited to, support for the construction and availability of sufficient transmission facilities and capacity, and access to reasonable capital and credit markets. The cost of the planned wind additions for the 2010 through 2012 period is estimated to be approximately \$2.5 billion to \$4.5 billion in each year, which is not included in the table above.

^(b) Includes nuclear fuel.

These estimates are subject to continuing review and adjustment and actual capital expenditures may vary from these estimates. See Management's Discussion – Liquidity and Capital Resources – Contractual Obligations and Planned Capital Expenditures and Note 15 – Commitments.

In July 2008, the Public Utility Commission of Texas (PUCT) approved a \$4.92 billion transmission grid improvement program that would add approximately 2,300 miles of 345 kv lines to deliver wind power from the Competitive Renewable Energy Zones (CREZ) in west Texas and the Texas Panhandle to the Dallas/Fort Worth area and other population centers in Texas. In January 2009, Lone Star Transmission, LLC, a wholly-owned subsidiary of NextEra Energy Resources, was allocated \$565 million in projects by the PUCT under the CREZ program. The January 2009 determination is subject to, among other things, reconsideration, appeal and receipt of all applicable regulatory approvals. Due to these contingencies, the estimated costs associated with this project are not included in the capital expenditures table above.

Regulation. At December 31, 2008, NextEra Energy Resources had ownership interests in operating independent power projects that have received exempt wholesale generator status as defined under the Holding Company Act, which represent approximately 95% of NextEra Energy Resources' net generating capacity. Exempt wholesale generators own or operate a facility exclusively to sell electricity to wholesale customers. They are barred from selling electricity directly to retail customers. NextEra Energy Resources' exempt wholesale generators produce electricity from wind, hydropower, fossil fuels and nuclear facilities. In addition, approximately 5% of NextEra Energy Resources' net generating capacity has qualifying facility status under PURPA. NextEra Energy Resources' qualifying facilities generate electricity from wind, solar, fossil fuels or waste-product combustion. Qualifying facility status exempts the projects from, among other things, many of the provisions of the Federal Power Act, as well as state laws and regulations relating to rates and financial or organizational regulation of electric utilities. While projects with qualifying facility and/or exempt wholesale generator status are exempt from various restrictions, each project must still comply with other federal, state and local laws, including, but not limited to, those regarding siting, construction, operation, licensing, pollution abatement and other environmental laws.

Each of the markets in which NextEra Energy Resources operates is subject to regulation and specific rules. NextEra Energy Resources continues to evaluate regional market redesigns of existing operating rules for the purchase and sale of energy commodities. California is scheduled to implement a locational marginal price (LMP) market design, which is a market-pricing approach used to manage the efficient use of the transmission system when congestion occurs on the electricity grid, in the second quarter of 2009. ERCOT is also implementing an LMP market design currently scheduled to be implemented in late 2010. In the California and ERCOT markets, the final market design is not fully known at this time and NextEra Energy Resources is currently unable to determine the effects, if any, on its operations resulting from the implementation of the anticipated revised market designs.

Competition. Competitive wholesale markets in the United States continue to evolve and vary by geographic region. Revenues from electricity sales in these markets vary based on the prices obtainable for energy, capacity and other ancillary services. Some of the factors affecting success in these markets include the ability to operate generating assets efficiently and reliably, the price and supply of fuel, transmission constraints, wind, solar and hydro resources (weather conditions), competition from new sources of generation, effective risk management, demand growth and exposure to legal and regulatory changes.

Expanded competition in a frequently changing regulatory environment presents both opportunities and risks for NextEra Energy Resources. Opportunities exist for the selective acquisition of generation assets and for the construction and operation of efficient plants that can sell power in competitive markets. NextEra Energy Resources seeks to reduce its market risk by having a diversified portfolio by fuel type and location, as well as by contracting for the future sale of a significant amount of the electricity output of its plants. The combination of new wind projects, expected increase in contribution from existing merchant assets and asset acquisitions are expected to be the key drivers supporting NextEra Energy Resources' growth over the next few years.

Environmental. NextEra Energy Resources is subject to environmental laws and regulations and is affected by some of the emerging issues included in the Environmental Matters section below.

During 2008, NextEra Energy Resources spent approximately \$4 million on capital additions to comply with existing environmental laws and regulations. NextEra Energy Resources' capital additions to comply with existing environmental laws and regulations are estimated to be \$11 million for 2009 through 2011, including approximately \$5 million in 2009, and are included in estimated capital expenditures set forth in General above.

Portfolio by Category. NextEra Energy Resources' assets can be categorized into the following three groups: wind, contracted and merchant.

Wind Assets – At December 31, 2008, NextEra Energy Resources had ownership interests in wind plants with a combined capacity of approximately 6,375 mw (net ownership), of which approximately 69% have long-term contracts with utilities and power marketers, predominantly under fixed-price agreements with expiration dates ranging from 2011 to 2033. The expected output of the remaining 31% is substantially hedged through 2010 and partially hedged through 2013 against changes in commodity prices. NextEra Energy Resources operates substantially all of these wind facilities. Approximately 91% of NextEra Energy Resources' net ownership in wind facilities has received exempt wholesale generator status as defined under the Holding Company Act. Essentially all of the remaining facilities have qualifying facility status under PURPA. NextEra Energy Resources' wind facilities are located in 16 states and Canada. NextEra Energy Resources expects to add approximately 1,100 mw of new wind generation in 2009, of which approximately 480 mw are either under construction or have obtained applicable internal approvals for construction.

Contracted Assets – At December 31, 2008, NextEra Energy Resources had 3,537 mw of non-wind contracted assets. The contracted category includes all projects, other than wind, with contracts for substantially all of their output. Essentially all of these contracted assets were under power sales contracts with utilities, with contract expiration dates ranging from 2010 to 2033 and have firm fuel and transportation agreements with expiration dates ranging from 2009 to 2018. See Note 15 – Contracts. Approximately 1,825 mw of this capacity is natural gas-fired generation. The remaining 1,712 mw uses a variety of fuels and technologies such as nuclear, waste-to-energy, oil, solar, coal and petroleum coke. As of December 31, 2008, approximately 92% of NextEra Energy Resources' contracted generating capacity is from power plants that have received exempt wholesale generator status under the Holding Company Act, while the remaining 8% has qualifying facility status under PURPA.

Merchant Assets – At December 31, 2008, NextEra Energy Resources' portfolio of merchant assets includes 7,016 mw of owned nuclear, natural gas, oil and hydro generation, of which 2,789 mw is located in the ERCOT region, 2,751 mw in the NEPOOL region and 1,476 mw in other regions. The merchant assets include 965 mw of peak generating facilities. Merchant assets are plants that do not have long-term power sales agreements to sell their output and therefore require active marketing and hedging. Approximately 85% (based on net mw capability) of the natural gas fueled merchant assets have natural gas supply agreements or a combination of natural gas supply and transportation agreements to provide for on-peak natural gas requirements. See Note 15 – Contracts. Derivative instruments (primarily swaps, options and forwards) are used to lock in pricing and manage the commodity price risk inherent in power sales and fuel purchases. Managing market risk through these instruments introduces other types of risk, primarily counterparty and operational risks. See Energy Marketing and Trading below.

Nuclear Operations. NextEra Energy Resources wholly owns, or has undivided interests in, three nuclear power plants with a total net generating capability of 2,545 mw. NextEra Energy Resources is responsible for all plant operations and the ultimate decommissioning of the plants, the cost of which is shared on a pro-rata basis by the joint owners for the jointly owned plants. See estimated decommissioning cost data in Note 1 – Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs – NextEra Energy Resources. The nuclear units are periodically removed from service to accommodate normal refueling and maintenance outages, repairs and certain other modifications. The following table summarizes certain information related to NextEra Energy Resources' nuclear units.

Facility	Location	Net Capability (mw)	Portfolio Category	Operating License Expiration Dates	Next Scheduled Refueling Outage
Seabrook	New Hampshire	1,098	Merchant	2030 ^(a)	October 2009
Duane Arnold	Iowa	424	Contracted ^(b)	2014 ^(c)	October 2010
Point Beach Unit No. 1	Wisconsin	509	Contracted ^(d)	2030	March 2010
Point Beach Unit No. 2	Wisconsin	514	Contracted ^(d)	2033	October 2009

^(a) NextEra Energy Resources intends to seek approval from the NRC to renew Seabrook's operating license for an additional 20 years.

^(b) NextEra Energy Resources sells substantially all of its share of the output of Duane Arnold under a long-term contract expiring in 2014.

^(c) In September 2008, NextEra Energy Resources filed an application with the NRC to renew Duane Arnold's operating license for an additional 20 years.

^(d) NextEra Energy Resources sells 100% of the output of Point Beach Units Nos. 1 and 2 under a long-term contract through the current license terms.

In 2004, the NRC issued a bulletin requesting utilities to identify and inspect all alloy 600 and weld materials in all pressurizer locations and connected steam space piping. This issue impacts some pressurizer and reactor vessel penetrations at Seabrook. In order to meet industry requirements, NextEra Energy Resources modified Seabrook's pressurizer penetrations that have alloy 600 weld materials during its April 2008 outage and plans to begin inspections of the reactor vessel alloy 600 penetrations during the scheduled fall 2009 outage. The estimated cost of modifications is included in NextEra Energy Resources' estimated capital expenditures set forth in General above. All pressurizer penetrations at Point Beach Units Nos. 1 and 2 use a different material except for the Point Beach Unit No. 2 steam generator nozzles, which have been modified to address the degradation concern. Duane Arnold, which is a boiling water reactor, is not affected by this issue.

NextEra Energy Resources' nuclear facilities have several contracts for the supply, conversion, enrichment and fabrication of nuclear fuel with expiration dates ranging from 2009 to 2018. See Note 15 – Contracts. Under the Nuclear Waste Policy Act, the DOE is responsible for the development of a repository for the disposal of spent nuclear fuel and high-level radioactive waste. As required by the Nuclear Waste Policy Act, subsidiaries of NextEra Energy Resources are parties to contracts with the DOE to provide for disposal of spent nuclear fuel from its Seabrook, Duane Arnold and Point Beach nuclear units. The DOE was required to construct permanent disposal facilities and take title to and provide transportation and disposal for spent nuclear fuel by January 31, 1998 for a specified fee based on current generation from nuclear power plants. The total cumulative amount of such fees paid to the DOE's nuclear waste fund for Seabrook, Duane Arnold and Point Beach, including amounts paid by all joint owners, since the start of the plants' operations through December 2008, is approximately \$491 million, of which NextEra Energy Resources has paid approximately \$75 million since the date of the plants' acquisition. NextEra Energy Resources, through its ownership interest in Seabrook, Duane Arnold and Point Beach, is involved in litigation against the DOE seeking damages caused by the DOE's failure to dispose of spent nuclear fuel from the Seabrook, Duane Arnold and Point Beach facilities. The matter is pending. The DOE filed a license application for a permanent disposal facility for spent nuclear fuel with the NRC in June 2008, and a licensing proceeding is ongoing before the NRC. However, it is uncertain when a permanent disposal facility will be constructed and when it would be ready to begin receiving spent nuclear fuel shipments. All of NextEra Energy Resources' nuclear facilities use both on site storage pools and dry storage casks to store spent nuclear fuel generated by these facilities, which should allow NextEra Energy Resources to store spent nuclear fuel at these facilities through license expiration.

Energy Marketing and Trading. PMI, a subsidiary of NextEra Energy Resources, buys and sells wholesale energy commodities, such as natural gas, oil and electricity. Its primary role is to manage the commodity risk of NextEra Energy Resources' portfolio and to sell the output from NextEra Energy Resources' plants that has not been sold under long-term contracts. PMI procures natural gas and oil for NextEra Energy Resources' use in power generation, as well as substantially all of the electricity needs for NextEra Energy Resources' retail operations conducted primarily in Texas, which at December 31, 2008 served approximately 1,200 mw of peak load to approximately 160,000 customers. PMI uses derivative instruments such as swaps, options and forwards to manage the risk associated with fluctuating commodity prices and to optimize the value of NextEra Energy Resources' power generation assets. PMI also provides full energy and capacity requirements services primarily to distribution utilities in certain markets and engages in energy trading activities to take advantage of expected future favorable price movements. Full energy and capacity requirements services include load-following services, which require the supplier of energy to vary the quantity delivered based on the load demand needs of the customer, as well as various ancillary services. At December 31, 2008, PMI provided full energy and capacity requirements services totaling approximately 3,300 mw of peak load in the NEPOOL, PJM and ERCOT markets. The results of PMI's activities are included in NextEra Energy Resources' operating results. See Management's Discussion – Energy Marketing and Trading and Market Risk Sensitivity, Note 1 – Energy Trading and Note 3.

Employees. NextEra Energy Resources had approximately 4,350 employees at December 31, 2008. Subsidiaries of NextEra Energy Resources have collective bargaining agreements with various unions which are summarized in the table below.

Union	Location	Contract Expiration Date	% of NextEra Energy Resources Employees Covered
IBEW	Wisconsin	June 2009 – August 2010 ^(a)	11%
Utility Workers Union of America	New Hampshire	December 2013	5
IBEW	Iowa	May 2012	4
IBEW	Maine	February 2013	2
Security Police and Fire Professionals of America	Iowa	July 2012	2
Total			<u>24%</u>

^(a) Various employees at Point Beach are represented by the IBEW under four separate contracts with different expiration dates.

In addition, the employees of an operating project in California, constituting less than 1% of NextEra Energy Resources' employees, are represented by the IBEW, which is currently negotiating its first collective bargaining agreement.

OTHER FPL GROUP OPERATIONS

FPL Group's Corporate and Other segment represents other business activities, primarily FPL FiberNet, that are not separately reportable. See Note 15.

FPL FiberNet. FPL FiberNet, a wholly-owned subsidiary of FPL Group Capital, was formed in 2000 to enhance the value of FPL Group's fiber-optic network assets that were originally built to support FPL operations. Accordingly, in 2000, FPL's existing fiber-optic lines were transferred to FPL FiberNet. FPL FiberNet is a limited liability company organized under the laws of Delaware. FPL FiberNet leases wholesale fiber-optic network capacity and dark fiber to FPL and other customers, primarily telephone, wireless carriers, Internet and other telecommunications companies. FPL FiberNet's primary business focus is the Florida metropolitan (metro) market. Metro networks cover Miami, Fort Lauderdale, West Palm Beach, Tampa, St. Petersburg, Orlando and Jacksonville. FPL FiberNet also has a long-haul network within Florida that leases bandwidth at wholesale rates. At December 31, 2008, FPL FiberNet's network consisted of approximately 2,745 route miles, which interconnect major cities throughout Florida.

In 2006, as a result of significant changes in the business climate, FPL FiberNet performed an impairment analysis and concluded that an impairment charge related to its metro market assets was necessary. The business climate changes included customer consolidations, migration to a more efficient form of networking technology and lack of future benefits to be achieved through competitive pricing, all of which had a negative impact on the value of FPL FiberNet's metro market assets. While the metro market business was expected to continue to generate positive cash flows, management's expectation of the rate of future growth in cash flows was reduced as a result of these business climate changes. Accordingly, FPL FiberNet recorded an impairment charge of approximately \$98 million (\$60 million after-tax) in 2006. See Note 5 – Corporate and Other. Currently, the wireless sector is experiencing growth, which has been offset by consolidations, price declines and loss of customers in the wire line sector.

At December 31, 2008, FPL Group's investment in FPL FiberNet totaled approximately \$130 million. FPL FiberNet invested approximately \$28 million during 2008 and plans to invest a total of approximately \$140 million over the next five years primarily to meet customers' specific requirements under contract.

ENVIRONMENTAL MATTERS

Federal, state and local environmental laws and regulations cover air and water quality, land use, power plant and transmission line siting, EMF from power lines and substations, oil discharge from transformers, lead paint, asbestos, noise and aesthetics, solid waste, natural resources, wildlife mortality and other environmental matters. Compliance with these laws and regulations increases the cost of electric service by requiring, among other things, changes in the design and operation of existing facilities and changes or delays in the location, design, construction and operation of new facilities. Environmental laws and regulations are subject to change. The following is a discussion of emerging federal and state initiatives and rules that could potentially affect FPL Group and its subsidiaries, including FPL and NextEra Energy Resources.

Climate Change – The U.S. Congress and certain states and regions are considering several legislative and regulatory proposals that would establish new regulatory requirements and reduction targets for greenhouse gases. Based on current reference data available from government sources, FPL Group is among the lowest emitters of greenhouse gases in the United States measured by its rate of emissions to generation in pounds per megawatt-hour. However, these legislative and regulatory proposals have differing methods of implementation and the impact on FPL's and NextEra Energy Resources' generating units and/or the financial impact (either positive or negative) to FPL Group and FPL could be material, depending on the eventual structure of any legislation enacted or specific implementation rules adopted.

In anticipation of the potential for further imposition of greenhouse gas emission limits on the electric industry in the future, FPL Group is involved in several climate change initiatives, including, but not limited to, the following:

- participation in various groups, including working with the Governor of Florida on the Governor's Action Team on Energy and Climate Change, the FDEP, the Florida Energy and Climate Commission and the FPSC in addressing executive orders issued in 2007 by the Governor of Florida (see below for additional information);
- voluntary reporting of its greenhouse gas emissions to the DOE under the Energy Policy Act of 1992;
- voluntary reporting of its greenhouse gas emissions and climate change strategy through the Carbon Disclosure Project (an investor-led initiative to identify climate change impacts on publicly-traded companies);
- participation in the U.S. Climate Action Partnership (an alliance made up of a diverse group of U.S.-based businesses and environmental organizations, which in January 2009 issued the Blueprint for Legislative Action, a set of legislative principles and recommendations to address global climate change and the reduction of greenhouse gas emissions);
- participation in the Clinton Global Initiative (an organization which seeks to foster shared commitment by individuals, businesses and governments to confront major world issues and achieve real change);
- participation in the EPA's Climate Leaders Program to reduce greenhouse gas intensity in the United States 18% by 2012, including reporting of emissions data annually. During 2008, FPL Group met its commitment to achieve a 2008 target emissions rate reduction of 18% below a 2001 baseline emission rate measured in pounds per megawatt-hour; and
- supporting Edison Electric Institute's climate change framework, which supports the concept of mandatory legislation capping carbon emissions economy wide and recommends, among other things, an 80% reduction of carbon emissions from current levels by 2050.

In July 2007, the Governor of Florida issued three executive orders aimed at reducing Florida greenhouse gas emissions and improving Florida's energy efficiency. The orders state, among other things, that Florida utilities will be required to reduce emissions to 2000 levels by 2017; to 1990 levels by 2025; and to 20% of 1990 levels by 2050, and that the FPSC should begin the process of adopting a renewable portfolio standard (RPS) that would require utilities to produce at least 20% of their energy from renewable sources, with an emphasis on wind and solar energy. In May 2008, the Florida legislature passed an energy bill which required the FPSC to develop an RPS and to provide a draft of an RPS rule to the legislature by February 1, 2009. The FPSC's draft rule, submitted to the legislature in late January 2009, requires, among other things, Florida investor-owned utilities, including FPL, to meet certain renewable energy standards. The standards are to be met through the production or the purchase of renewable energy credits and are defined as percentages of the prior year's retail megawatt-hour electricity sales, beginning with a standard of 7% by January 1, 2013 and culminating with a standard of 20% by January 1, 2021. The draft rule authorizes recovery of the costs associated with the construction and operation of new renewable energy resources, purchase of renewable energy credits and the purchase of capacity and energy from existing and new renewable energy resources through a new renewable energy cost recovery clause. As proposed by the FPSC, renewable energy resources would include new solar and wind generation. The FPSC's submission to the legislature also provides reasons supporting expansion of the 2008 legislation through new legislation to include clean energy resources such as new nuclear facilities and uprates approved by the FPSC since 2006, energy savings from energy efficiency and energy savings from demand side management programs in meeting the RPS. The FPSC's draft rule also addresses the cost of compliance by providing a cap on the increase to customer revenue requirements due to the purchase of renewable energy credits and/or the construction of renewable energy resources of up to 2% of the utility's total annual revenues from retail sales of electricity. The May 2008 energy legislation also authorizes the FDEP to develop a cap and trade rule (a system by which affected generators buy and trade allowances under a set cap) to reduce greenhouse gas emissions, but provides that the rule will not be adopted until after January 1, 2010 and will not be effective until ratified by the legislature. The final requirements and their impact on FPL and FPL Group cannot be determined at this time.

NextEra Energy Resources' plants operate in many states and regions that are in the process of developing legislation to reduce greenhouse gas emissions, including, but not limited to, the following:

- The Regional Greenhouse Gas Initiative (RGGI) is a greenhouse gas reduction initiative whereby ten Northeast and Mid-Atlantic member states have established a cap and trade program for covered electric generating units in Connecticut, Delaware, Maine, New Hampshire, New Jersey, New York, Vermont, Maryland, Massachusetts and Rhode Island. RGGI members have agreed to stabilize power plant CO₂ emissions at 2009 levels through the end of 2014 and to further reduce the sector's emissions another 10% by the end of 2018. The RGGI greenhouse gas reduction requirements will affect 12 NextEra Energy Resources fossil electric generating units, requiring those electric generating units to reduce emissions or to acquire CO₂ allowances for emissions of CO₂ beginning in 2009. All RGGI states have enacted legislation and regulations. Based on NextEra Energy Resources' clean generating portfolio in the RGGI marketplace, NextEra Energy Resources expects that the requirement will have a positive overall impact on NextEra Energy Resources' earnings in 2009.

- The Western Climate Initiative (WCI) is a greenhouse gas reduction initiative with a goal of reducing CO₂ emissions by 15% below 2005 levels by 2020 for participants (Arizona, California, Oregon, Montana, New Mexico, Washington and Utah, as well as British Columbia, Manitoba, Ontario and Quebec, Canada).
- California Greenhouse Gas Regulation – California has enacted legislation to reduce greenhouse gas emissions in the state to 1990 emissions levels by 2020. Pursuant to the legislation, the California Air Resources Board (CARB) must implement multi-sector greenhouse gas reduction measures by January 1, 2012. The CARB has recommended that California not implement a state-only greenhouse gas reduction program but instead participate in the regional WCI program.
- The Midwestern Greenhouse Gas Reduction Accord (MGGRA) is an initiative to reduce greenhouse gas emissions through the establishment of targets for greenhouse gas reductions and the development of a cap and trade program. Participants in MGGRA are Illinois, Iowa, Kansas, Michigan, Minnesota, Wisconsin and Manitoba, Canada. The final Model Rule is expected in September 2009, with a cap and trade program beginning in January 2012. MGGRA is a multi-sector program that will initially be focused on the electricity generation and imports, industrial combustion and industrial processes sectors. NextEra Energy Resources does not have any fossil-fired generation in the MGGRA region.

Except as discussed above regarding the RGGI, the final requirements to be enacted in connection with these initiatives are uncertain and the financial and operational impacts on FPL Group cannot be determined at this time. However, NextEra Energy Resources' portfolio in these regions is heavily weighted toward non-CO₂ emitting and low CO₂ emitting generation sources (wind, hydro, solar, nuclear and natural gas).

Clean Air Act Mercury/Nickel Rule – During 2005, the EPA determined that new data indicated that nickel emissions from oil-fired units and mercury emissions from coal-fired units should not be regulated under Section 112 of the Clean Air Act, which set Maximum Achievable Control Technology standards (MACT), and as a result the EPA published a final rule delisting nickel and mercury from the requirements of regulation under Section 112. In lieu of regulation under Section 112, the EPA issued a final rule (Clean Air Mercury Rule) to regulate mercury emissions from coal-fired electric utility steam generating units under Section 111 of the Clean Air Act. The mercury and nickel delisting rule, as well as the Clean Air Mercury Rule, were challenged by various states and environmental groups. In February 2008, the U.S. Court of Appeals for the District of Columbia vacated both the EPA's mercury and nickel delisting rule and the Clean Air Mercury Rule and in May 2008, denied EPA's request for rehearing. Several petitioners, including the EPA, requested review of the delisting decision by the U.S. Supreme Court, however, their requests were denied after the EPA requested withdrawal of its petition. The EPA will now proceed with MACT rulemaking under Section 112. Depending upon the final outcome of the EPA's rulemaking, it is possible that certain FPL oil-fired units, Scherer Unit No. 4, SJRPP Units Nos. 1 and 2, certain coal-fired units from which FPL purchases power and three of NextEra Energy Resources' oil-fired units in Maine may be required to add additional pollution control equipment.

Clean Air Interstate Rule (CAIR) – In 2005, the EPA published a final rule that requires SO₂ and NO_x emissions reductions from electric generating units in 28 states, where the emissions from electric generating units are deemed to be transported to downwind states, allegedly resulting in fine particulate (PM 2.5) and ozone non-attainment areas. In July 2008, the U.S. Court of Appeals for the District of Columbia issued an opinion vacating the CAIR and remanded the rule to the EPA for further rulemaking. In September 2008, the EPA and three other parties petitioned for rehearing of that order. In December 2008, the U.S. Court of Appeals for the District of Columbia remanded the CAIR back to EPA for further rulemaking without vacating the rule. Because the U.S. Court of Appeals for the District of Columbia chose not to vacate the rule, FPL Group and FPL were required to begin complying with the current version of the CAIR on January 1, 2009 and must continue to comply until the EPA rewrites the rule. FPL Group and FPL do not expect the impact of complying with the current version of the CAIR to have a material effect on their financial statements.

Clean Air Visibility Rule – In 2005, the EPA issued the Clean Air Visibility Rule to address regional haze in areas which include certain national park and wilderness areas through the installation of BART for electric generating units. BART eligible units include those built between 1962 and 1977 that have the potential to emit more than 250 tons of visibility-impairing pollution per year. The rule requires states to complete BART determinations and allows for a five-year period to implement pollution controls. While the impact of the final BART requirements of the Clean Air Visibility Rule are uncertain, FPL's Turkey Point Fossil Units Nos. 1 and 2 and one of NextEra Energy Resources' units located in Maine may be required to add additional emissions controls or switch fuels to meet the BART compliance requirements.

In 2007, the FDEP began the process to expand the number of units covered under the "Reasonable Further Progress" provision of the Clean Air Visibility Rule in an effort to reduce emissions of SO₂ in areas which include certain national park and wilderness areas. The provision requires that control measures be in place by 2017. Six of FPL's generating facilities are affected under the Reasonable Further Progress provision (Manatee Units Nos. 1 and 2, Port Everglades Units Nos. 3 and 4 and Turkey Point Fossil Units Nos. 1 and 2). While the final requirements of the Reasonable Further Progress provision are uncertain, it is possible that these units may be required to add additional emission controls or switch fuels to meet the provision's emissions requirements.

Clean Water Act Section 316(b) – In 2004, the EPA issued a rule under Section 316(b) of the Clean Water Act to address the location, design, construction and capacity of intake structures at existing power plants with once-through cooling water systems. The rule would have required FPL Group to demonstrate that it had met or would meet new impingement mortality (the loss of organisms against screens and other exclusion devices) and/or entrainment (the loss of organisms by passing through the cooling water system) reductions by complying with one of several alternatives, including the use of technology and/or operational measures. In 2007, the U.S. Court of Appeals for the Second Circuit ruled on a challenge to the rule by a number of environmental groups and six northeastern states. In its ruling, the court eliminated several of the compliance alternatives, including the use of a "cost-benefit test" and restoration measures, from consideration and remanded the rule to the EPA for further rulemaking. As a result of the 2007 court decision, the EPA has suspended its rule under Section 316(b) of the Clean Water Act and directed its jurisdictions to address Section 316(b) compliance based on best professional judgment when issuing and renewing permits. In December 2008, the U.S. Supreme Court heard oral arguments with respect to the portion of the rule related to the cost-benefit test in determining the best technology available for minimizing adverse environmental impacts from the use of large cooling water intake systems at existing power plants. Although the EPA has initiated new Section 316(b) rulemaking consistent with the ruling of the U.S. Court of Appeals for the Second Circuit, a new rule may be delayed until after the U.S. Supreme Court makes its decision, which is not expected until June 2009. Depending upon the final outcome of the litigation, additional rulemaking by the EPA could impact eight of FPL's generating facilities (Cape Canaveral, Cutler, Fort Myers, Lauderdale, Port Everglades, Sanford, Riviera and St. Lucie) and three NextEra Energy Resources plants (Seabrook, Point Beach and an oil-fired plant in Maine).

Revisions to the National Ambient Air Quality Standards for Ozone – In March 2008, the EPA issued a final rule establishing a new standard for ground-level ozone at 75 parts per billion. States are required to (i) obtain designation of non-attainment areas by 2010, (ii) develop plans to meet the attainment standard by 2013 and (iii) begin meeting the attainment standard between 2013 and 2030 based on non-attainment severity. Generating facilities located in areas designated as non-attainment may be required to add additional pollution control equipment. A review of recent ozone monitoring data indicates that some or all of FPL's generating facilities may be located in or affected by non-attainment areas, or areas projected to be in non-attainment.

EXECUTIVE OFFICERS OF FPL GROUP ^(a)

Name	Age	Position	Effective Date
Christopher A. Bennett	50	Executive Vice President & Chief Strategy, Policy & Business Process Improvement Officer of FPL Group	February 15, 2008 ^(b)
Paul I. Cutler	49	Treasurer of FPL Group	February 19, 2003
		Assistant Secretary of FPL Group	December 10, 1997
		Treasurer of FPL	February 18, 2003
		Assistant Secretary of FPL	December 10, 1997
F. Mitchell Davidson	46	Chief Executive Officer of NextEra Energy Resources	July 29, 2008
		President of NextEra Energy Resources	December 15, 2006
K. Michael Davis	62	Controller and Chief Accounting Officer of FPL Group	May 13, 1991
		Vice President, Accounting and Chief Accounting Officer of FPL	July 1, 1991
Lewis Hay, III	53	Chief Executive Officer of FPL Group	June 11, 2001
		Chairman of FPL Group	January 1, 2002
		Chairman of FPL	January 1, 2002
Robert L. McGrath	55	Executive Vice President, Engineering, Construction & Corporate Services of FPL Group	February 21, 2005 ^(b)
		Executive Vice President, Engineering, Construction & Corporate Services of FPL	February 21, 2005 ^(c)
Armando J. Olivera	59	Chief Executive Officer of FPL	July 17, 2008
		President of FPL	June 24, 2003
Armando Pimentel, Jr.	46	Chief Financial Officer of FPL Group	May 3, 2008
		Executive Vice President, Finance of FPL Group	February 15, 2008 ^(b)
		Chief Financial Officer of FPL	May 3, 2008
		Executive Vice President, Finance of FPL	February 15, 2008 ^(c)
James W. Poppell, Sr.	58	Executive Vice President, Human Resources of FPL Group and FPL	December 12, 2008
		Assistant Secretary of FPL Group and FPL	January 28, 2005
James L. Robo	46	President and Chief Operating Officer of FPL Group	December 15, 2006
Antonio Rodriguez	66	Executive Vice President, Power Generation Division of FPL Group	January 1, 2007 ^(b)
		Executive Vice President, Power Generation Division of FPL	July 1, 1999 ^(c)
Charles E. Sieving	36	Executive Vice President and General Counsel of FPL Group	December 1, 2008
		Executive Vice President and General Counsel of FPL	January 1, 2009
John A. Stall	54	President, Nuclear Division of FPL Group	January 1, 2009
		Executive Vice President, Nuclear Division of FPL	June 4, 2001 ^(c)

^(a) Information is as of February 26, 2009. Executive officers are elected annually by, and serve at the pleasure of, their respective boards of directors. Except as noted below, each officer has held his present position for five years or more and his employment history is continuous. Mr. Bennett was vice president, business strategy & policy of FPL Group from July 2007 to February 15, 2008. Prior to that, Mr. Bennett was vice president of Dean & Company, a management consulting and investment firm. Mr. Davidson was senior vice president of business management of NextEra Energy Resources from March 2005 to December 2006. He was vice president of business management of NextEra Energy Resources from June 2004 to March 2005. Mr. Davis was also controller of FPL from July 1991 to September 2007. Mr. Hay was also chief executive officer of FPL from January 2002 to July 2008. Mr. Hay was president of FPL Group from June 2001 to December 2006. Mr. McGrath was senior vice president, engineering and construction of FPL from November 2002 to February 2005. Mr. Pimentel was a partner of Deloitte & Touche LLP, an independent registered public accounting firm, from June 1998 to February 2008. Mr. Poppell was vice president, human resources of FPL from November 2006 to December 2008. He was director, employee relations of FPL from January 2005 to November 2006. From March 2003 to January 2005, Mr. Poppell was a senior attorney of FPL. Mr. Robo was president of NextEra Energy Resources from July 2002 to December 2006. He was also vice president, corporate development and strategy of FPL Group from March 2002 to December 2006. Mr. Sieving was executive vice president, general counsel and secretary of PAETEC Holding Corp., a communications services and solutions provider, from February 2007 to November 2008 and was primarily responsible for all legal and regulatory matters. From January 2005 to February 2007, Mr. Sieving was a partner in the corporate, securities and finance practice group of Hogan & Hartson LLP, an international law firm, with which he had been associated since October 1998. Mr. Stall was also executive vice president, nuclear division of FPL Group from January 2007 to December 2008 ^(b).

^(b) Title changed from vice president to executive vice president effective May 23, 2008.

^(c) Title changed from senior vice president to executive vice president effective July 17, 2008.

Item 1A. Risk Factors

Risks Relating to FPL Group's and FPL's Business

FPL Group and FPL are subject to complex laws and regulations and to changes in laws and regulations as well as changing governmental policies and regulatory actions. FPL holds franchise agreements with local municipalities and counties, and must renegotiate expiring agreements. These factors may have a negative impact on the business and results of operations of FPL Group and FPL.

- FPL Group and FPL are subject to complex laws and regulations, and to changes in laws or regulations, with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, construction and operation of generation facilities, construction and operation of transmission and distribution facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, ROE and equity ratio limits, transmission reliability and present or prospective wholesale and retail competition. This substantial and complex framework exposes FPL Group and FPL to increased compliance costs and potentially significant monetary penalties for non-compliance. The FPSC has the authority to disallow recovery by FPL of any and all costs that it considers excessive or imprudently incurred. The regulatory process generally restricts FPL's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.
- FPL Group and FPL also are subject to extensive federal, state and local environmental statutes, rules and regulations, as well as the effect of changes in or additions to applicable statutes, rules and regulations that relate to, or in the future may relate to, for example, air quality, water quality, climate change, greenhouse gas emissions, CO₂ emissions, waste management, marine and wildlife mortality, natural resources, health, safety and renewable portfolio standards that could, among other things, restrict or limit the output of certain facilities or the use of certain fuels required for the production of electricity and/or require additional pollution control equipment and otherwise increase costs. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future.
- FPL Group and FPL operate in a changing market environment influenced by various legislative and regulatory initiatives regarding regulation, deregulation or restructuring of the energy industry, including, for example, deregulation or restructuring of the production and sale of electricity, as well as increased focus on renewable and clean energy sources and reduction of carbon emissions. FPL Group and its subsidiaries will need to adapt to these changes and may face increasing costs and competitive pressure in doing so.
- FPL Group's and FPL's results of operations could be affected by FPL's ability to negotiate or renegotiate franchise agreements with municipalities and counties in Florida.

The operation and maintenance of power generation, transmission and distribution facilities involve significant risks that could adversely affect the results of operations and financial condition of FPL Group and FPL.

- The operation and maintenance of power generation, transmission and distribution facilities involve many risks, including, for example, start up risks, breakdown or failure of equipment, transmission and distribution lines or pipelines, the inability to properly manage or mitigate known equipment defects throughout FPL Group's and FPL's generation fleets and transmission and distribution systems, use of new or unproven technology, the dependence on a specific fuel source, failures in the supply or transportation of fuel, the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes, floods and droughts), and performance below expected or contracted levels of output or efficiency. This could result in lost revenues and/or increased expenses, including, for example, lost revenues due to prolonged outages and increased expenses due to monetary penalties or fines, replacement equipment costs or an obligation to purchase or generate replacement power at potentially higher prices to meet contractual obligations. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses. Breakdown or failure of an operating facility of NextEra Energy Resources may, for example, prevent the facility from performing under applicable power sales agreements which, in certain situations, could result in termination of the agreement or subject NextEra Energy Resources to incurring a liability for liquidated damages.

The operation and maintenance of nuclear facilities involves inherent risks, including environmental, health, regulatory, terrorism and financial risks, that could result in fines or the closure of nuclear units owned by FPL or NextEra Energy Resources, and which may present potential exposures in excess of insurance coverage.

- FPL and NextEra Energy Resources own, or hold undivided interests in, nuclear generation facilities in four states. These nuclear facilities are subject to environmental, health and financial risks such as on-site storage of spent nuclear fuel, the ability to dispose of spent nuclear fuel, the ability to maintain adequate reserves for decommissioning, potential liabilities arising out of the operation of these facilities, and the threat of a possible terrorist attack. Although FPL and NextEra Energy Resources maintain decommissioning trusts and external insurance coverage to minimize the financial exposure to these risks, it is possible that the cost of decommissioning the facilities could exceed the amount available in the decommissioning trusts, and that liability and property damages could exceed the amount of insurance coverage.

- The NRC has broad authority to impose licensing and safety-related requirements for the construction and operation and maintenance of nuclear generation facilities. In the event of non-compliance, the NRC has the authority to impose fines or shut down a unit, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. NRC orders or new regulations related to increased security measures and any future safety requirements promulgated by the NRC could require FPL and NextEra Energy Resources to incur substantial operating and capital expenditures at their nuclear plants. In addition, if a serious nuclear incident were to occur at an FPL or NextEra Energy Resources plant, it could result in substantial costs. A major incident at a nuclear facility anywhere in the world could cause the NRC to limit or prohibit the operation or licensing of any domestic nuclear unit.
- In addition, potential terrorist threats and increased public scrutiny of utilities could result in increased nuclear licensing or compliance costs which are difficult or impossible to predict.

The construction of, and capital improvements to, power generation and transmission facilities involve substantial risks. Should construction or capital improvement efforts be unsuccessful or delayed, the results of operations and financial condition of FPL Group and FPL could be adversely affected.

- The ability of FPL Group and FPL to complete construction of, and capital improvement projects for, their power generation and transmission facilities on schedule and within budget are contingent upon many variables that could delay completion, increase costs or otherwise adversely affect operational and financial results, including, for example, limitations related to transmission interconnection issues, escalating costs for materials and labor and environmental compliance, delays with respect to permits and other approvals, and disputes involving third parties, and are subject to substantial risks. Should any such efforts be unsuccessful or delayed, FPL Group and FPL could be subject to additional costs, termination payments under committed contracts, loss of tax credits and/or the write-off of their investment in the project or improvement.

The use of derivative contracts by FPL Group and FPL in the normal course of business could result in financial losses or the payment of margin cash collateral that adversely impact the results of operations or cash flows of FPL Group and FPL.

- FPL Group and FPL use derivative instruments, such as swaps, options, futures and forwards, some of which are traded in the over-the-counter markets or on exchanges, to manage their commodity and financial market risks, and for FPL Group to engage in trading and marketing activities. FPL Group could recognize financial losses as a result of volatility in the market values of these derivative instruments, or if a counterparty fails to perform or make payments under these derivative instruments and could suffer a reduction in operating cash flows as a result of the requirement to post margin cash collateral. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these derivative instruments involves management's judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these derivative instruments. In addition, FPL's use of such instruments could be subject to prudence challenges and, if found imprudent, cost recovery could be disallowed by the FPSC.
- FPL Group provides full energy and capacity requirement services, which include load-following services and various ancillary services, primarily to distribution utilities to satisfy all or a portion of such utilities' power supply obligations to their customers. The supply costs for these transactions may be affected by a number of factors, such as weather conditions, fluctuating prices for energy and ancillary services, and the ability of the distribution utilities' customers to elect to receive service from competing suppliers, which could negatively affect FPL Group's results of operations from these transactions.

FPL Group's competitive energy business is subject to risks, many of which are beyond the control of FPL Group, including, but not limited to, the efficient development and operation of generating assets, the successful and timely completion of project restructuring activities, the price and supply of fuel and equipment, transmission constraints, competition from other generators, including those using new sources of generation, excess generation capacity and demand for power, that may reduce the revenues and adversely impact the results of operations and financial condition of FPL Group.

- There are various risks associated with FPL Group's competitive energy business. In addition to risks discussed elsewhere, risk factors specifically affecting NextEra Energy Resources' success in competitive wholesale markets include, for example, the ability to efficiently develop and operate generating assets, the successful and timely completion of project restructuring activities, maintenance of the qualifying facility status of certain projects, the price and supply of fuel (including transportation) and equipment, transmission constraints, the ability to utilize PTCs, competition from other and new sources of generation, excess generation capacity and shifting demand for power. There can be significant volatility in market prices for fuel, electricity and renewable and other energy commodities, and there are other financial, counterparty and market risks that are beyond the control of NextEra Energy Resources. NextEra Energy Resources' inability or failure to effectively hedge its assets or positions against changes in commodity prices, interest rates, counterparty credit risk or other risk measures could significantly impair FPL Group's future financial results. In keeping with industry trends, a portion of NextEra Energy Resources' power generation facilities operate wholly or partially without long-term power purchase agreements. As a result, power from these facilities is sold on the spot market or on a short-term contractual basis, which may increase the volatility of FPL Group's financial results. In addition, NextEra Energy Resources' business depends upon power transmission and natural gas transportation facilities owned and operated by others; if transmission or transportation is disrupted or capacity is inadequate or unavailable, NextEra Energy Resources' ability to sell and deliver its wholesale power or natural gas may be limited.

FPL Group's ability to successfully identify, complete and integrate acquisitions is subject to significant risks, including, but not limited to, the effect of increased competition for acquisitions resulting from the consolidation of the power industry.

- FPL Group is likely to encounter significant competition for acquisition opportunities that may become available as a result of the consolidation of the power industry in general. In addition, FPL Group may be unable to identify attractive acquisition opportunities at favorable prices and to complete and integrate them successfully and in a timely manner.

FPL Group and FPL participate in markets that are often subject to uncertain economic conditions, which makes it difficult to estimate growth, future income and expenditures.

- FPL Group and FPL participate in markets that are susceptible to uncertain economic conditions, which complicate estimates of revenue growth. Because components of budgeting and forecasting are dependent upon estimates of revenue growth in the markets FPL Group and FPL serve, the uncertainty makes estimates of future income and expenditures more difficult. As a result, FPL Group and FPL may make significant investments and expenditures but never realize the anticipated benefits, which could adversely affect results of operations. The future direction of the overall economy also may have a significant effect on the overall performance and financial condition of FPL Group and FPL.

Customer growth and customer usage in FPL's service area affect FPL Group's and FPL's results of operations.

- FPL Group's and FPL's results of operations are affected by the growth in customer accounts in FPL's service area and by customer usage. Customer growth can be affected by population growth. Customer growth and customer usage can be affected by economic factors in Florida and elsewhere, including, for example, job and income growth, housing starts and new home prices. Customer growth and customer usage directly influence the demand for electricity and the need for additional power generation and power delivery facilities at FPL.

Weather affects FPL Group's and FPL's results of operations, as can the impact of severe weather. Weather conditions directly influence the demand for electricity and natural gas, affect the price of energy commodities, and can affect the production of electricity at power generating facilities.

- FPL Group's and FPL's results of operations are affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas, affect the price of energy commodities, and can affect the production of electricity at power generating facilities, including, but not limited to, wind, solar and hydro-powered facilities. FPL Group's and FPL's results of operations can be affected by the impact of severe weather which can be destructive, causing outages and/or property damage, may affect fuel supply, and could require additional costs to be incurred. At FPL, recovery of these costs is subject to FPSC approval.

Adverse capital and credit market conditions may adversely affect FPL Group's and FPL's ability to meet liquidity needs, access capital and operate and grow their businesses, and increase the cost of capital. Disruptions, uncertainty or volatility in the financial markets can also adversely impact the results of operations and financial condition of FPL Group and FPL, as well as exert downward pressure on the market price of FPL Group's common stock.

- Having access to the credit and capital markets, at a reasonable cost, is necessary for FPL Group and FPL to fund their operations, including their capital requirements. Those markets have provided FPL Group and FPL with the liquidity to operate and grow their businesses that is not otherwise provided from operating cash flows. Disruptions, uncertainty or volatility in those markets can increase FPL Group's and FPL's cost of capital. If FPL Group and FPL are unable to access the credit and capital markets on terms that are reasonable, they may have to delay raising capital, issue shorter-term securities and/or bear an unfavorable cost of capital, which, in turn, could adversely impact their ability to grow their businesses, decrease earnings, significantly reduce financial flexibility and/or limit FPL Group's ability to sustain its current common stock dividend level.
- The market price and trading volume of FPL Group's common stock could be subject to significant fluctuations due to, among other things, general stock market conditions and changes in market sentiment regarding FPL Group and its subsidiaries' operations, business, growth prospects and financing strategies.

FPL Group's, FPL Group Capital's and FPL's inability to maintain their current credit ratings may adversely affect FPL Group's and FPL's liquidity, limit the ability of FPL Group and FPL to grow their businesses, and would likely increase interest costs.

- FPL Group and FPL rely on access to capital and credit markets as significant sources of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL Group, FPL Group Capital and FPL to maintain their current credit ratings could affect their ability to raise capital or obtain credit on favorable terms, which, in turn, could impact FPL Group's and FPL's ability to grow their businesses and would likely increase their interest costs.

FPL Group and FPL are subject to credit and performance risk from third parties under supply and service contracts.

- FPL Group and FPL rely on contracts with vendors for the supply of equipment, materials, fuel and other goods and services required for the construction and operation of, and for capital improvements to, their facilities, as well as for business operations. If vendors fail to fulfill their contractual obligations, FPL Group and FPL may need to make arrangements with other suppliers, which could result in higher costs, untimely completion of power generation facilities and other projects, and/or a disruption to their operations.

FPL Group and FPL are subject to costs and other potentially adverse effects of legal and regulatory proceedings, as well as regulatory compliance and changes in or additions to applicable tax laws, rates or policies, rates of inflation, accounting standards, securities laws, corporate governance requirements and labor and employment laws.

- FPL Group and FPL are subject to costs and other potentially adverse effects of legal and regulatory proceedings, settlements, investigations and claims, as well as regulatory compliance and the effect of new, or changes in, tax laws, rates or policies, rates of inflation, accounting standards, securities laws, corporate governance requirements and labor and employment laws.
- FPL and NextEra Energy Resources, as owners and operators of bulk power transmission systems and/or critical assets within various regions throughout the United States, are subject to mandatory reliability standards promulgated by the North American Electric Reliability Corporation and enforced by the FERC. These standards, which previously were being applied on a voluntary basis, became mandatory in June 2007. Noncompliance with these mandatory reliability standards could result in sanctions, including substantial monetary penalties, which likely would not be recoverable from customers.

Threats of terrorism and catastrophic events that could result from terrorism, cyber attacks, or individuals and/or groups attempting to disrupt FPL Group's and FPL's business may impact the operations of FPL Group and FPL in unpredictable ways.

- FPL Group and FPL are subject to direct and indirect effects of terrorist threats and activities, as well as cyber attacks and disruptive activities of individuals and/or groups. Infrastructure facilities and systems, including, for example, generation, transmission and distribution facilities, physical assets and information systems, in general, have been identified as potential targets. The effects of these threats and activities include, but are not limited to, the inability to generate, purchase or transmit power, the delay in development and construction of new generating facilities, the risk of a significant slowdown in growth or a decline in the U.S. economy, delay in economic recovery in the United States, and the increased cost and adequacy of security and insurance.

The ability of FPL Group and FPL to obtain insurance and the terms of any available insurance coverage could be adversely affected by international, national, state or local events and company-specific events.

- FPL Group's and FPL's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be adversely affected by international, national, state or local events as well as company-specific events.

FPL Group and FPL are subject to employee workforce factors that could adversely affect the businesses and financial condition of FPL Group and FPL.

- FPL Group and FPL are subject to employee workforce factors, including, for example, loss or retirement of key executives, availability of qualified personnel, inflationary pressures on payroll and benefits costs and collective bargaining agreements with union employees and work stoppage that could adversely affect the businesses and financial condition of FPL Group and FPL.

The risks described herein are not the only risks facing FPL Group and FPL. Additional risks and uncertainties also may materially adversely affect FPL Group's or FPL's business, financial condition and/or future operating results.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

FPL Group and its subsidiaries maintain properties which are adequate for their operations. At December 31, 2008, the electric generating, transmission, distribution and general facilities of FPL represented approximately 45%, 13%, 38% and 4%, respectively, of FPL's gross investment in electric utility plant in service.

Generating Facilities. At December 31, 2008, FPL Group had the following generating facilities:

FPL Facilities	Location	No. of Units	Fuel	Net Capability (mw) ^(a)
Nuclear				
St. Lucie	Hutchinson Island, FL	2	Nuclear	1,553 ^(b)
Turkey Point	Florida City, FL	2	Nuclear	1,386
Steam turbines				
Cape Canaveral	Cocoa, FL	2	Oil/Gas	792
Cutler	Miami, FL	2	Gas	204
Manatee	Parrish, FL	2	Oil/Gas	1,624
Martin	Indiantown, FL	2	Oil/Gas	1,652
Port Everglades	Port Everglades, FL	4	Oil/Gas	1,205
Riviera	Riviera Beach, FL	2	Oil/Gas	565
St. Johns River Power Park	Jacksonville, FL	2	Coal/Petroleum Coke	254 ^(c)
Sanford	Lake Monroe, FL	1	Oil/Gas	138
Scherer	Monroe County, GA	1	Coal	646 ^(d)
Turkey Point	Florida City, FL	2	Oil/Gas	788
Combined-cycle				
Fort Myers	Fort Myers, FL	1	Gas	1,440
Lauderdale	Dania, FL	2	Gas/Oil	884
Manatee	Parrish, FL	1	Gas	1,111
Martin	Indiantown, FL	1	Gas/Oil	1,105
Martin	Indiantown, FL	2	Gas	944
Putnam	Palatka, FL	2	Gas/Oil	498
Sanford	Lake Monroe, FL	2	Gas	1,912
Turkey Point	Florida City, FL	1	Gas/Oil	1,148
Simple-cycle combustion turbines				
Fort Myers	Fort Myers, FL	1	Gas/Oil	318
Gas turbines/diesels				
Fort Myers	Fort Myers, FL	12	Oil	648
Lauderdale	Dania, FL	24	Oil/Gas	840
Port Everglades	Port Everglades, FL	12	Oil/Gas	420
Turkey Point	Florida City, FL	5	Oil	12
TOTAL				82,087^(e)

^(a) Represents FPL's net ownership interest in plant capacity.

^(b) Excludes Orlando Utilities Commission's and the FMPA's combined share of approximately 15% of St. Lucie Unit No. 2.

^(c) Represents FPL's 20% ownership interest in each of SJRPP Units Nos. 1 and 2, which are jointly owned with JEA.

^(d) Represents FPL's approximately 76% ownership of Scherer Unit No. 4, which is jointly owned with JEA.

^(e) Substantially all of FPL's properties are subject to the lien of FPL's mortgage.

NextEra Energy Resources Facilities	Location	No. of Units	Fuel	Net Capability (mw) ^(a)
Wind				
Ashtabula Wind	Barnes County, ND	99	Wind	148
Cabazon ^(a)	Riverside County, CA	53	Wind	40
Callahan Divide ^(a)	Taylor County, TX	76	Wind	114
Capricorn Ridge	Sterling & Coke Counties, TX	208	Wind	364
Capricorn Ridge Expansion	Sterling & Coke Counties, TX	199	Wind	298
Cerro Gordo ^(a)	Cerro Gordo County, IA	55	Wind	41
Crystal Lake I ^(a)	Hancock County, IA	100	Wind	150
Crystal Lake II	Winnebago County, IA	76	Wind	190
Delaware Mountain	Culberson County, TX	38	Wind	28
Diablo Wind ^(a)	Alameda County, CA	31	Wind	21
Endeavor Wind	Osceola County, IA	40	Wind	100
Endeavor Wind II	Osceola County, IA	20	Wind	50
Gray County	Gray County, KS	170	Wind	112
Green Mountain ^(a)	Somerset County, PA	8	Wind	10
Green Power	Riverside County, CA	22	Wind	17
Green Ridge Power ^(a)	Alameda & Contra Costa Counties, CA	1,463	Wind	159
Hancock County ^(a)	Hancock County, IA	148	Wind	98
High Winds ^(a)	Solano County, CA	90	Wind	162
Horse Hollow Wind ^(a)	Taylor County, TX	142	Wind	213
Horse Hollow Wind II ^(a)	Taylor & Nolan Counties, TX	130	Wind	299
Horse Hollow Wind III ^(a)	Nolan County, TX	149	Wind	224
Indian Mesa	Pecos County, TX	125	Wind	83
King Mountain ^(a)	Upton County, TX	214	Wind	278
Lake Benton II ^(a)	Pipestone County, MN	138	Wind	104
Langdon Wind ^(a)	Cavalier County, ND	79	Wind	118
Langdon Wind II ^(a)	Cavalier County, ND	27	Wind	41
Logan Wind ^(a)	Logan County, CO	134	Wind	201
Meyersdale ^(a)	Somerset County, PA	20	Wind	30
Mill Run ^(a)	Fayette County, PA	10	Wind	15
Montfort ^(a)	Iowa County, WI	20	Wind	30
Mount Copper ^(a)	Murdochville, Quebec, Canada	30	Wind	54
Mountaineer ^(a)	Preston & Tucker Counties, WV	44	Wind	66
Mower County Wind ^(a)	Mower County, MN	43	Wind	99
New Mexico Wind ^(a)	Quay & DeBaca Counties, NM	136	Wind	204
North Dakota Wind ^(a)	LaMoure County, ND	41	Wind	62
Oklahoma / Sooner Wind ^(a)	Harper & Woodward Counties, OK	68	Wind	102
Oliver County Wind I ^(a)	Oliver County, ND	22	Wind	51
Oliver County Wind II ^(a)	Oliver County, ND	32	Wind	48
Peetz Table Wind ^(a)	Logan County, CO	133	Wind	199
Pubnico Point ^(a)	Yarmouth, Nova Scotia, Canada	17	Wind	31
Red Canyon Wind Energy ^(a)	Borden, Garza & Scurry Counties, TX	56	Wind	84
Sky River ^(a)	Kern County, CA	342	Wind	77
Somerset Wind Power ^(a)	Somerset County, PA	6	Wind	9
South Dakota Wind ^(a)	Hyde County, SD	27	Wind	41
Southwest Mesa ^(a)	Upton & Crockett Counties, TX	106	Wind	74
Stateline ^(a)	Umatilla County, OR and Walla Walla County, WA	454	Wind	300
Story County Wind	Story County, IA	100	Wind	150
Vansycle ^(a)	Umatilla County, OR	38	Wind	25
Victory Garden ^(a)	Kern County, CA	96	Wind	22
Waymart ^(a)	Wayne County, PA	43	Wind	65
Weatherford Wind ^(a)	Custer & Yashita Counties, OK	98	Wind	147
Wilton Wind ^(a)	Burleigh County, ND	33	Wind	49
Windpower Partners 1991-92	Alameda & Contra Costa Counties, CA	279	Wind	28
Windpower Partners 1992	Alameda & Contra Costa Counties, CA	300	Wind	30
Windpower Partners 1993	Riverside County, CA	115	Wind	41
Windpower Partners 1993	Lincoln County, MN	73	Wind	26
Windpower Partners 1994	Culberson County, TX	107	Wind	39
Wolf Ridge Wind	Cooke County, TX	75	Wind	112
Woodward Mountain	Upton & Pecos Counties, TX	242	Wind	160
Wyoming Wind ^(a)	Uinta County, WY	80	Wind	144
Investments in joint ventures ^(a)	Various	969	^(a)	98
Total Wind				6,375

NextEra Energy Resources Facilities	Location	No. of Units	Fuel	Net Capability (mw) ^(a)
Contracted				
Bayswater ^(a)	Far Rockaway, NY	2	Gas	56
Calhoun	Eastaboga, AL	4	Gas	668
Cherokee ^(a)	Gaffney, SC	2	Gas/Oil	98
Doswell ^(a)	Ashland, VA	6	Gas/Oil	708
Duane Arnold	Palo, IA	1	Nuclear	424 ^(a)
Jamaica Bay ^(a)	Far Rockaway, NY	2	Oil/Gas	54
Point Beach	Two Rivers, WI	2	Nuclear	1,023
Port of Stockton	Stockton, CA	1	Coal/Petroleum Coke	44
Investments in joint ventures:				
SEGS III-IX	Kramer Junction and Harper Lake, CA	7	Solar	148
Other	Various	9	^(b)	314
Total Contracted				3,537
Merchant				
Blythe Energy	Blythe, CA	3	Gas	507
Doswell – Expansion ^(a)	Ashland, VA	1	Gas/Oil	171
Forney	Forney, TX	8	Gas	1,789
Lamar Power Partners	Paris, TX	6	Gas	1,000
Maine – Cape, Wyman	Various – ME	6	Oil	744 ^(a)
Maine ^(a)	Various – ME	81	Hydro	359
Marcus Hook 50	Marcus Hook, PA	1	Gas	50
Marcus Hook 750 ^(a)	Marcus Hook, PA	4	Gas	744
RISEP	Johnston, RI	3	Gas	550
Seabrook	Seabrook, NH	1	Nuclear	1,098 ^(a)
Investment in joint venture	Frackville, PA	1	Waste coal	4
Total Merchant				7,016
TOTAL				16,928

^(a) Represents NextEra Energy Resources' net ownership interest in plant capacity.

^(b) These consolidated generating facilities are encumbered by liens against their assets securing various financings.

^(c) NextEra Energy Resources owns these wind facilities together with third party investors with differential membership interests. See Note 11 – Sale of Differential Membership Interests.

^(d) Represents plants with no more than 50% ownership using wind technology. Certain facilities, totaling 57 mw, are encumbered by liens against their assets securing a financing.

^(e) Excludes Central Iowa Power Cooperative and Combett Power Cooperative's combined share of 30%.

^(f) Represents plants with no more than 50% ownership using fuels and technologies such as natural gas, waste-to-energy and coal.

^(g) Excludes seven other energy-related partners' combined share of 24%.

^(h) Excludes Massachusetts Municipal Wholesale Electric Company's, Taunton Municipal Lighting Plant's and Hudson Light & Power Department's combined share of 11.77%.

Transmission and Distribution. At December 31, 2008, FPL owned and operated the following electric transmission and distribution lines:

Nominal Voltage	Overhead Lines Pole Miles	Trench and Submarine Cables Miles
500kv	1,106 ^(a)	-
230kv	2,997	25
138kv	1,519	50
115kv	733	-
69kv	164	14
Less than 69 kv	41,668	24,981
Total	48,287	25,070

^(a) Includes approximately 75 miles owned jointly with JEA.

In addition, at December 31, 2008, FPL owned and operated 581 substations, one of which is jointly owned. See Note 8.

Character of Ownership. Substantially all of FPL's properties are subject to the lien of FPL's mortgage, which secures most debt securities issued by FPL. The majority of FPL Group's principal properties are held by FPL in fee and are free from other encumbrances, subject to minor exceptions, none of which is of such a nature as to substantially impair the usefulness to FPL of such properties. Some of FPL's electric lines are located on land not owned in fee but are covered by necessary consents of governmental authorities or rights obtained from owners of private property. The majority of NextEra Energy Resources' generating facilities are held in fee and a number of those facilities are encumbered by liens against their assets securing various financings. Additionally, some of NextEra Energy Resources' wind turbines are located on land leased from owners of private property. See *Generating Facilities* and Note 1 – Electric Plant, Depreciation and Amortization.

Item 3. Legal Proceedings

FPL Group and FPL are parties to various legal and regulatory proceedings in the ordinary course of their respective businesses. For information regarding legal and regulatory proceedings that could have a material effect on FPL Group or FPL, see Note 15 – Legal and Regulatory Proceedings. Such descriptions are incorporated herein by reference.

Item 4. Submission of Matters to a Vote of Security Holders

None

PART II

Item 5. Market for Registrants' Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Common Stock Data. All of FPL's common stock is owned by FPL Group. FPL Group's common stock is traded on the New York Stock Exchange under the symbol "FPL." The high and low sales prices for the common stock of FPL Group as reported in the consolidated transaction reporting system of the New York Stock Exchange and the cash dividends per share declared for each quarter during the past two years are as follows:

Quarter	2008			2007		
	High	Low	Cash Dividends	High	Low	Cash Dividends
First	\$ 73.75	\$ 57.21	\$ 0.445	\$ 63.07	\$ 53.72	\$ 0.41
Second	\$ 68.98	\$ 62.75	\$ 0.445	\$ 66.52	\$ 56.18	\$ 0.41
Third	\$ 68.76	\$ 49.74	\$ 0.445	\$ 64.20	\$ 54.61	\$ 0.41
Fourth	\$ 51.87	\$ 33.81	\$ 0.445	\$ 72.77	\$ 60.26	\$ 0.41

The amount and timing of dividends payable on FPL Group's common stock are within the sole discretion of FPL Group's Board of Directors. The Board of Directors reviews the dividend rate at least annually (generally in February) to determine its appropriateness in light of FPL Group's financial position and results of operations, legislative and regulatory developments affecting the electric utility industry in general and FPL in particular, competitive conditions and any other factors the board deems relevant. The ability of FPL Group to pay dividends on its common stock is dependent upon, among other things, dividends paid to it by its subsidiaries. There are no restrictions in effect that currently limit FPL's ability to pay dividends to FPL Group. In February 2009, FPL Group announced that it would increase its quarterly dividend on its common stock from \$0.445 to \$0.4725 per share. See Management's Discussion – Liquidity and Capital Resources – Covenants with respect to dividend restrictions and Note 12 – Common Stock Dividend Restrictions regarding dividends paid by FPL to FPL Group.

As of the close of business on January 31, 2009, there were 28,774 holders of record of FPL Group's common stock.

Issuer Purchases of Equity Securities. Information regarding purchases made by FPL Group of its common stock is as follows:

Period	Total Number of Shares Purchased ^(a)	Average Price Paid Per Share ^(a)	Total Number of Shares Purchased as Part of a Publicly Announced Program	Maximum Number of Shares that May Yet be Purchased Under the Program ^(a)
10/1/08 – 10/31/08	106	\$ 48.40	-	20,000,000
11/1/08 – 11/30/08	52,205	\$ 46.94	-	20,000,000
12/1/08 – 12/31/08	1,774	\$ 50.33	-	20,000,000
Total	54,085		-	

^(a) Represents shares of common stock withheld from employees to pay certain withholding taxes upon the vesting of stock awards granted to such employees under the LTIP.

^(a) In February 2005, FPL Group's Board of Directors authorized a common stock repurchase plan of up to 20 million shares of common stock over an unspecified period, which authorization was ratified and confirmed by the Board of Directors in December 2005.

Item 6. Selected Financial Data

	Years Ended December 31,				
	2008	2007	2006	2005	2004
SELECTED DATA OF FPL GROUP (millions, except per share amounts):					
Operating revenues	\$ 16,410	\$ 15,283	\$ 15,710	\$ 11,848	\$ 10,522
Net income	\$ 1,639 ^(a)	\$ 1,312 ^(a)	\$ 1,281 ^(a)	\$ 901 ^(a)	\$ 896 ^(a)
Earnings per share of common stock – basic	\$ 4.10 ^(a)	\$ 3.30 ^(a)	\$ 3.25 ^(a)	\$ 2.37 ^(a)	\$ 2.50 ^(a)
Earnings per share of common stock – assuming dilution	\$ 4.07 ^(a)	\$ 3.27 ^(a)	\$ 3.23 ^(a)	\$ 2.34 ^(a)	\$ 2.48 ^(a)
Dividends paid per share of common stock	\$ 1.78	\$ 1.64	\$ 1.50	\$ 1.42	\$ 1.30
Total assets	\$ 44,821	\$ 40,123	\$ 35,822	\$ 32,599	\$ 28,324
Long-term debt, excluding current maturities	\$ 13,833	\$ 11,280	\$ 9,591	\$ 8,039	\$ 8,027
SELECTED DATA OF FPL (millions):					
Operating revenues	\$ 11,649	\$ 11,622	\$ 11,988	\$ 9,528	\$ 8,734
Net income available to FPL Group	\$ 789	\$ 838	\$ 802	\$ 748	\$ 749
Total assets	\$ 26,175	\$ 24,044	\$ 22,970	\$ 22,347	\$ 19,114
Long-term debt, excluding current maturities	\$ 5,311	\$ 4,976	\$ 4,214	\$ 3,271	\$ 2,813
Energy sales (kwh)	105,406	108,536	107,513	105,648	103,635
Energy sales:					
Residential	50.5%	50.8%	50.8%	51.4%	50.7%
Commercial	43.2	42.3	41.4	41.1	40.8
Industrial	3.4	3.5	3.8	3.7	3.8
Interchange power sales	1.6	1.8	2.1	2.0	2.9
Other ^(e)	1.3	1.6	1.9	1.8	2.0
Total	100%	100.0%	100.0%	100.0%	100.0%
Approximate 60-minute peak load (mw): ^(f)					
Summer season	21,060	21,962	21,819	22,361	20,545
Winter season	20,031	18,055	17,260	19,683	18,108
Average number of customer accounts (thousands):					
Residential	3,992	3,981	3,906	3,828	3,745
Commercial	501	493	479	470	458
Industrial	13	19	21	20	19
Other	4	4	4	4	3
Total	4,510	4,497	4,410	4,322	4,225
Average price billed to customers (cents per kwh)	10.96	10.63	11.14	8.88	8.36

^(a) Includes net unrealized mark-to-market gains or losses associated with non-qualifying hedges and other than temporary impairment losses.

^(b) Includes expenses related to a terminated merger, net unrealized mark-to-market gains associated with non-qualifying hedges, impairment charges and an Indonesian project gain.

^(c) Includes net unrealized mark-to-market gains or losses associated with non-qualifying hedges.

^(d) Includes impairment and restructuring charges and net unrealized mark-to-market losses associated with non-qualifying hedges.

^(e) Includes the net change in unbilled sales.

^(f) Winter season includes November and December of the current year and January to March of the following year (for 2008, through February 26, 2009).

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion should be read in conjunction with the Notes to Consolidated Financial Statements contained herein. In the discussion of Results of Operations below, all comparisons are with the corresponding items in the prior year.

Overview

FPL Group is one of the nation's largest providers of electricity-related services. It has two principal operating subsidiaries, FPL and NextEra Energy Resources. FPL serves more than 8.7 million people throughout most of the east and lower west coasts of Florida. NextEra Energy Resources, FPL Group's competitive energy subsidiary, produces electricity primarily using natural gas, wind and nuclear resources. Together, FPL's and NextEra Energy Resources' generating assets represented approximately 39,000 mw of capacity at December 31, 2008. See Item 2 – Generating Facilities. Another of FPL Group's operating subsidiaries, FPL FiberNet, provides fiber-optic services to FPL, telecommunications companies and other customers throughout Florida.

FPL obtains its operating revenues primarily through the sale of electricity to retail customers at rates established as part of the 2005 rate agreement and through cost recovery clause mechanisms. See Note 1 – Revenues and Rates. Over the last ten years, FPL's average annual customer growth has been 2.1%. However, beginning in 2007, FPL has experienced a slowdown in retail customer growth and a decline in non-weather related usage per retail customer. Retail customer growth in 2008 was 0.3%, although during the fourth quarter of 2008 FPL experienced a decline in customer accounts of 0.2%. FPL believes that the economic slowdown, the downturn in the housing market and the credit crisis that have affected the country and the state of Florida have contributed to the slowdown in customer growth and to the decline in non-weather related usage per retail customer. In 2008, FPL experienced an increase in inactive accounts (accounts with installed meters without corresponding customer names) and in low-usage customers (customers using less than 200 kwh per month), which have contributed to the decline in retail customer growth and non-weather related usage per retail customer. In November 2008, FPL notified the FPSC that it intends to initiate a base rate proceeding in March 2009. In the notification, FPL stated that it expects to request an \$800 million to \$950 million annual increase in base rates beginning on January 1, 2010 and an additional annual base rate increase beginning on January 1, 2011. These amounts exclude the effects of depreciation, which depend in part on the results of a detailed depreciation study that FPL is currently finalizing. Further, FPL expects to request that the FPSC continue to allow FPL to use the mechanism for recovery of the revenue requirements of any new power plant approved pursuant to the Siting Act that was established in FPL's 2005 rate agreement. Hearings on the base rate proceeding are expected during the third quarter of 2009 and a final decision is expected by the end of 2009. The final decision may approve rates that are different from those that FPL will request. FPL's business strategy is to provide customers clean, reliable energy at rates among the lowest in the state and nation.

NextEra Energy Resources is in the competitive energy business with the majority of its operating revenues derived from wholesale electricity sales. Its business strategy is to maximize the value of its current portfolio, expand its U.S. market-leading wind position and build its portfolio through asset acquisitions. NextEra Energy Resources plans to add a total of 7,000 mw to 9,000 mw of new wind generation over the 2008 to 2012 period, of which approximately 1,300 mw were added in 2008. NextEra Energy Resources expects to add approximately 1,100 mw in 2009, of which approximately 480 mw are either under construction or have obtained applicable internal approvals for construction. In addition, NextEra Energy Resources intends to pursue opportunities for new solar generating facilities. The wind and solar expansions are subject to, among other things, continued public policy support, which includes, but is not limited to, support for the construction and availability of sufficient transmission facilities and capacity, and access to reasonable capital and credit markets. If capital and credit market conditions change, this could alter spending plans at NextEra Energy Resources.

NextEra Energy Resources' market is diversified by region as well as by fuel source. NextEra Energy Resources sells a large percentage of its expected output to hedge against price volatility. Consequently, if NextEra Energy Resources' plants do not perform as expected, NextEra Energy Resources could be required to purchase power at potentially higher market prices to meet its contractual obligations. NextEra Energy Resources' energy marketing and trading business is focused on managing commodity price risk and extracting maximum value from its assets.

FPL Group and its subsidiaries segregate into two categories unrealized mark-to-market gains and losses on energy derivative transactions which are used to manage commodity price risk. The first category, referred to as trading activities, represents the net unrealized effect of actively traded positions entered into to take advantage of market price movements and to optimize the value of generation assets and related contracts. The second category, referred to as non-qualifying hedges, represents the net unrealized effect of derivative transactions entered into as economic hedges (but which do not qualify for hedge accounting under FAS 133, "Accounting for Derivative Instruments and Hedging Activities," as amended) and the ineffective portion of transactions accounted for as cash flow hedges. In addition, at FPL substantially all changes in the fair value of energy derivative transactions are deferred as a regulatory asset or liability until the contracts are settled, and, upon settlement, any gains or losses are passed through the fuel clause or the capacity clause.

FPL Group's management uses earnings excluding certain items (adjusted earnings) internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and as inputs in determining whether performance targets are met for performance-based compensation under FPL Group's employee incentive compensation plans. FPL Group also uses adjusted earnings when communicating its earnings outlook to investors. Adjusted earnings exclude the unrealized mark-to-market effect of non-qualifying hedges and other than temporary impairment (OTTI) losses on securities held in NextEra Energy Resources' nuclear decommissioning funds, net of the reversal of previously recognized OTTI losses on securities sold and losses on securities where price recovery was deemed unlikely (collectively, OTTI reversals) and, in 2006 also excluded merger-related costs. FPL Group's management believes adjusted earnings provide a more meaningful representation of the company's fundamental earnings power. Although the excluded amounts are properly included in the determination of net income in accordance with generally accepted accounting principles, management believes that the amount and/or nature of such items make period to period comparisons of operations difficult and potentially confusing.

In February 2009, the Recovery Act was signed into law. It includes approximately \$787 billion in tax incentives and new spending, a portion of which relates to renewable energy, energy efficiency and energy reliability. The Recovery Act includes, among other things, provisions that allow companies building wind facilities the option to choose between three investment cost recovery mechanisms: (i) PTCs which were extended for wind facilities through 2012, (ii) investment tax credits of 30% of the cost for qualifying wind facilities placed in service prior to 2013, or (iii) an election to receive a cash grant of 30% of the cost of qualifying wind facilities placed in service in 2009 or 2010, or if construction began prior to December 31, 2010 and the wind facility is placed in service prior to 2013. An election to receive a cash grant of 30%, in lieu of the 30% investment tax credit allowable under present law, also applies to the cost of qualifying solar facilities placed in service in either 2009 or 2010, or if construction began prior to December 31, 2010 and the solar facility is placed in service prior to 2017. In addition, 50% bonus depreciation was extended on most types of property placed in service in 2009, and certain property placed in service in 2010. FPL Group and FPL are in the process of evaluating the effect of the Recovery Act on their businesses.

Results of Operations

Summary – Presented below is a summary of net income (loss) by reportable segment (see Note 16):

	Years Ended December 31,		
	2008	2007	2006
	(millions)		
FPL	\$ 789	\$ 836	\$ 802
NextEra Energy Resources	915	540	610
Corporate and Other	(65)	(64)	(131)
FPL Group Consolidated	<u>\$ 1,639</u>	<u>\$ 1,312</u>	<u>\$ 1,281</u>

The decrease in 2008 in FPL's results reflects lower retail customer usage, higher depreciation and interest expenses and provisions taken in 2008 for regulatory matters, partly offset by a retail base rate increase associated with Turkey Point Unit No. 5 commencing commercial operation, lower O&M expenses and higher other revenues and AFUDC – equity. FPL's 2007 improved results benefited from a retail base rate increase associated with Turkey Point Unit No. 5 and retail customer growth, partly offset by higher O&M and depreciation and amortization expenses recovered through base rates, a slight decline in retail customer usage and lower interest income on underrecovered fuel and storm costs. Disallowed storm costs, net of certain interest, reduced 2006 net income by approximately \$27 million.

NextEra Energy Resources' 2008 and 2007 results reflect additional earnings from the existing portfolio, from new investments and from full energy and capacity requirements services and trading, partially offset by higher expenses to support the growth in the business. NextEra Energy Resources' results in 2007 also reflect higher interest expense and the absence of an approximately \$97 million gain (\$63 million after-tax) recorded in 2006 resulting from a court judgment relating to an Indonesian project that was suspended in 1998. In addition, FPL Group's and NextEra Energy Resources' net income for 2008 and 2006 reflects net unrealized after-tax gains from non-qualifying hedges of \$170 million and \$92 million, respectively, while 2007 net income reflects net unrealized after-tax losses from such hedges of \$86 million. The change in unrealized mark-to-market activity is primarily attributable to changes in forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains/losses as the underlying transactions are realized. As a general rule, a gain (loss) in the non-qualifying hedge category is offset by decreases (increases) in the fair value of related physical asset positions in the portfolio or contracts, which are not marked to market under generally accepted accounting principles. In 2008, 2007 and 2006, NextEra Energy Resources recorded \$82 million, \$6 million and \$1 million, respectively, of after-tax OTTI losses on securities held in NextEra Energy Resources' nuclear decommissioning funds. In 2008, NextEra Energy Resources had approximately \$6 million after-tax of OTTI reversals; there were no such OTTI reversals in 2007 or 2006.

Results for Corporate and Other in 2008 reflect higher interest expense offset by additional consolidating income tax adjustments. Results for Corporate and Other in 2007 reflect lower interest costs and higher interest income, partly offset by lower federal and state tax benefits. Results for Corporate and Other in 2006 reflect a \$98 million (\$60 million after-tax) impairment charge related to FPL FiberNet's metro market assets as a result of significant changes in the business climate in which FPL FiberNet operates and \$14 million of after-tax merger costs associated with the proposed merger between FPL Group and Constellation Energy Group, Inc. (Constellation Energy), which was terminated in October 2006. See Note 5 – Corporate and Other for FPL FiberNet impairment charges and Note 16 for segment information.

FPL Group's effective income tax rate for all periods presented reflects PTCs for wind projects at NextEra Energy Resources. PTCs can significantly affect FPL Group's effective income tax rate depending on the amount of pretax income and wind generation. See Note 1 – Income Taxes, Note 6 and Note 11 – Sale of Differential Membership Interests.

FPL – FPL's net income for 2008, 2007 and 2006 was \$789 million, \$836 million and \$802 million, respectively, a decrease in 2008 of \$47 million and an increase in 2007 of \$34 million. The decrease in 2008 reflects lower retail customer usage, higher depreciation and interest expenses and provisions taken in 2008 for regulatory matters, partly offset by a retail base rate increase associated with Turkey Point Unit No. 5 commencing commercial operation, lower O&M expenses and higher other revenues and AFUDC – equity. FPL's 2007 results benefited from a retail base rate increase associated with Turkey Point Unit No. 5 and retail customer growth. These factors were partly offset by higher O&M and depreciation and amortization expenses recovered through base rates, a slight decline in usage per retail customer and lower interest income on underrecovered fuel and storm costs. Disallowed storm costs, net of interest income recorded on 2005 storm restoration costs approved for recovery by the FPSC, reduced FPL's 2006 net income by approximately \$27 million. In 2006, when considering FPL's petition to recover 2005 storm costs, the FPSC applied a different standard for recovery of 2005 costs than was used for recovery of the 2004 storm costs. This resulted in certain adjustments and disallowances of storm costs that FPL sought to recover.

FPL's current retail base rates were approved by the FPSC in 2005 and are expected to be in effect through December 31, 2009. The 2005 rate agreement provides that retail base rates will not increase during the term of the agreement except to allow recovery of the revenue requirements of any power plant approved pursuant to the Siting Act that achieves commercial operation during the term of the 2005 rate agreement. Retail base rates increased in 2007 when Turkey Point Unit No. 5 commenced commercial operation on May 1, 2007. FPL expects that retail base revenues will increase approximately \$65 million in 2009 when retail base rates are changed pursuant to the 2005 rate agreement to reflect the placement in service of two West County Energy Center units, which is expected to occur by the third quarter of 2009 and fourth quarter of 2009. The 2005 rate agreement has a revenue sharing mechanism, whereby revenues from retail base operations in excess of certain thresholds will be shared with customers on the basis of two-thirds refunded to customers and one-third retained by FPL. Revenues from retail base operations in excess of a second, higher threshold (cap) will be refunded 100% to customers. The revenue sharing threshold and cap are adjusted each year. For the years ended December 31, 2008, 2007 and 2006, revenues from retail base operations did not exceed the thresholds for those years and FPL does not expect 2009 revenues to exceed the thresholds. See Note 1 – Revenues and Rates for information on the calculation of the threshold and cap and for information on FPL's regulatory ROE.

In November 2008, FPL notified the FPSC that it intends to initiate a base rate proceeding in March 2009. In the notification, FPL stated that it expects to request an \$800 million to \$950 million annual increase in base rates beginning on January 1, 2010 and an additional annual base rate increase beginning on January 1, 2011. These amounts exclude the effects of depreciation, which depend in part on the results of a detailed depreciation study that FPL is currently finalizing. Further, FPL expects to request that the FPSC continue to allow FPL to use the mechanism for recovery of the revenue requirements of any new power plant approved pursuant to the Siting Act that was established in FPL's 2005 rate agreement. Hearings on the base rate proceeding are expected during the third quarter of 2009 and a final decision is expected by the end of 2009. The final decision may approve rates that are different from those that FPL will request.

FPL's operating revenues consisted of the following:

	Years Ended December 31,		
	2008	2007	2006
	(millions)		
Retail base	\$ 3,738	\$ 3,796	\$ 3,657
Fuel cost recovery	6,202	6,162	6,573
Other cost recovery clauses and pass-through costs	1,505	1,490	1,588
Other, primarily pole attachment rentals, transmission and wholesale sales and customer-related fees	204	174	170
Total	<u>\$ 11,649</u>	<u>\$ 11,622</u>	<u>\$ 11,988</u>

For the year ended December 31, 2008, an increase in the average number of customers of 0.3% increased retail base revenues by approximately \$9 million while a 2.7% decrease in usage per retail customer, reflecting weather conditions and other factors, decreased retail base revenues by approximately \$95 million. Partly offsetting the usage decrease was an extra day of sales in 2008, as it was a leap year. In addition, a base rate increase resulting from Turkey Point Unit No. 5 commencing commercial operation on May 1, 2007 increased retail base revenues by approximately \$28 million. FPL experienced a decline in retail customer growth in the latter half of 2007 and throughout 2008 as well as a decline in non-weather related retail customer usage, which FPL believes is reflective of the economic slowdown and housing crisis that has affected the country and the state of Florida. FPL is unable to predict if growth in customers and non-weather related customer usage will return to previous trends.

For the year ended December 31, 2007, an increase in the average number of customers of 2.0% increased retail base revenues by approximately \$71 million. During this period, usage per retail customer decreased 0.4%. This usage decrease, as well as other factors, decreased retail base revenues by approximately \$18 million. In addition, the base rate increase resulting from Turkey Point Unit No. 5 commencing commercial operation on May 1, 2007 increased 2007 retail base revenues by approximately \$86 million.

Revenues from fuel and other cost recovery clauses and pass-through costs, such as franchise fees, revenue taxes and storm-related surcharges do not significantly affect net income; however, underrecovery or overrecovery of such costs can significantly affect FPL Group's and FPL's operating cash flows. Fluctuations in fuel cost recovery revenues are primarily driven by changes in fuel and energy charges which are included in fuel, purchased power and interchange expense in the consolidated statements of income, as well as by changes in energy sales. Fluctuations in revenues from other cost recovery clauses and pass-through costs are primarily driven by changes in storm-related surcharges, capacity charges, franchise fee costs, the impact of changes in O&M and depreciation expenses on the underlying cost recovery clause, as well as changes in energy sales. Capacity charges and franchise fee costs are included in fuel, purchased power and interchange and taxes other than income taxes, respectively, in the consolidated statements of income.

FPL uses a risk management fuel procurement program which was approved by the FPSC at the program's inception. The FPSC reviews the program activities and results for prudence on an annual basis as part of its annual review of fuel costs. The program is intended to manage fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements. The current regulatory asset for the change in fair value of derivative instruments used in the fuel procurement program amounted to approximately \$1,109 million and \$117 million at December 31, 2008 and 2007, respectively. The increase in fuel revenues in 2008 reflects approximately \$230 million related to a higher average fuel factor partly offset by approximately \$190 million attributable to lower energy sales. The decrease in fuel revenues in 2007 reflects approximately \$484 million related to a lower average fuel factor partly offset by approximately \$73 million attributable to higher energy sales.

In May 2007, a wholly owned subsidiary of FPL issued \$652 million aggregate principal amount of storm-recovery bonds primarily for the after-tax equivalent of the total of FPL's unrecovered balance of 2004 storm restoration costs, the 2005 storm restoration costs and approximately \$200 million to reestablish FPL's storm and property insurance reserve. The storm-recovery bonds, including interest and bond issuance costs, are being repaid through a surcharge to retail customers. Prior to the issuance of these storm-recovery bonds, FPL had been recovering from retail customers, since February 2005, the 2004 storm restoration costs through a storm damage surcharge. Both the revenues from the 2004 storm damage surcharge and the storm-recovery bonds surcharge are included in other cost recovery clauses and pass-through costs and amounted to approximately \$97 million, \$94 million and \$151 million for the years ended December 31, 2008, 2007 and 2006, respectively. See Note 9 – FPL. Revenues from other cost recovery clauses and pass-through costs also declined in 2007 due to the absence in 2007 of the recovery of a portion of litigation costs that FPL had been recovering since 2002 through the capacity clause. See discussion below of depreciation and amortization expense. Beginning in 2009, revenues from the nuclear cost recovery rule will be included in revenues from other cost recovery clauses and pass-through costs.

The major components of FPL's fuel, purchased power and interchange expense are as follows:

	Years Ended December 31,		
	2008	2007	2006
	(millions)		
Fuel and energy charges during the period	\$ 6,289	\$ 6,259	\$ 5,662
Net collection of previously deferred retail fuel costs	-	-	906
Net deferral of retail fuel costs	(55)	(56)	-
Other, primarily capacity charges net of any capacity deferral	515	523	548
Total	<u>\$ 6,749</u>	<u>\$ 6,726</u>	<u>\$ 7,116</u>

The increase in fuel and energy charges in 2008 reflects higher fuel and energy prices of approximately \$224 million partly offset by approximately \$194 million attributable to lower energy sales. The increase in fuel and energy charges in 2007 reflects higher fuel and energy prices of approximately \$532 million and approximately \$65 million attributable to higher energy sales. At December 31, 2008, approximately \$256 million of retail fuel costs were deferred pending collection from retail customers in a subsequent period. The increase from December 31, 2007 to December 31, 2008 in deferred clause and franchise expenses and the decrease in deferred clause and franchise revenues (current and noncurrent, collectively) on FPL Group's and FPL's consolidated balance sheets totaled approximately \$110 million and negatively affected FPL Group's and FPL's cash flows from operating activities for the year ended December 31, 2008.

FPL's O&M expenses decreased \$16 million in 2008 reflecting lower insurance, employee benefit and distribution costs of approximately \$47 million, \$11 million and \$10 million, respectively. These decreases were partly offset by higher nuclear generation, fossil generation, transmission and customer service costs of approximately \$21 million, \$4 million, \$3 million and \$20 million, respectively, as well as a reserve for ongoing regulatory matters. The decline in insurance costs was primarily due to the termination by mutual agreement of an environmental insurance policy. The decline in employee benefit costs reflects a higher pension credit as well as lower benefits due to declining market conditions, partly offset by higher medical costs. The decline in distribution costs reflects cost reduction efforts and efficiencies as well as reduced work load due to the decline in customer growth partly offset by severance costs incurred in 2008. The increase in nuclear generation costs reflects plant improvement initiatives to ensure long-term reliable operations. The fossil generation increase reflects costs associated with plant maintenance, while the transmission increase reflects additional improvement activities. The customer service cost increase is primarily due to higher uncollectible accounts. Other changes in O&M expenses were primarily driven by pass-through costs which did not significantly affect net income. Management expects O&M expenses in 2009 to exceed the 2008 level primarily due to the absence of the environmental insurance policy termination as well as higher expected nuclear, fossil generation, transmission, customer service and employee benefit costs.

FPL's O&M expenses increased \$80 million in 2007 reflecting higher nuclear, fossil generation, distribution, customer service and employee benefits costs of approximately \$23 million, \$11 million, \$11 million, \$7 million and \$17 million, respectively. The increase in nuclear costs reflects plant improvement initiatives to ensure long-term reliable operations while the fossil generation increase reflects costs associated with placing Turkey Point Unit No. 5 in service as well as costs associated with plant repair and a performance payment made to an owner of a jointly-owned plant. The distribution increase reflects higher storm preparation costs partly offset by lower new service account costs reflecting a decline in housing starts in FPL's territory. The customer service increase reflects staffing increases related to customer growth and higher uncollectible accounts. Other changes in O&M expenses were primarily driven by pass-through costs which did not significantly affect net income.

Depreciation and amortization expense in 2008 increased \$23 million, reflecting higher depreciation on transmission and distribution facilities (collectively, approximately \$20 million) and higher depreciation on fossil generation assets of \$10 million, primarily Turkey Point Unit No. 5 which was placed in service in May 2007. In addition, depreciation on nuclear assets was higher by approximately \$4 million primarily due to the steam generator and reactor vessel head replacements at St. Lucie Unit No. 2, which were substantially completed by late 2007. The remaining change in 2008 depreciation and amortization expense is primarily due to the absence of amortization of software and other property that has been fully amortized. Depreciation and amortization expense in 2007 decreased \$14 million. Depreciation and amortization expense in 2006 included approximately \$45 million of amortization of litigation costs that FPL had been recovering through cost recovery clauses over a five-year period that began January 1, 2002 and ended December 31, 2006. Depreciation and amortization expense in 2007 reflects higher depreciation on transmission and distribution facilities (approximately \$25 million) to support customer growth and demand and depreciation on Turkey Point Unit No. 5 (approximately \$18 million). The remaining change in depreciation and amortization expense is primarily due to lower amortization of software that has been fully amortized.

Taxes other than income taxes increased \$41 million in 2008, primarily due to changes in franchise fees and revenue taxes, which are pass-through costs, and higher property taxes (\$15 million), reflecting growth in plant in service balances. The increase in franchise fees was primarily driven by higher average franchise rates. Taxes other than income taxes decreased \$13 million in 2007 primarily due to lower franchise fees and revenue taxes reflecting lower retail base and fuel and other cost recovery clause revenues, which are discussed above under the operating revenue table. Taxes other than income taxes in 2007 also reflect lower property taxes of approximately \$2 million primarily due to a property tax reduction enacted by the Florida legislature partly offset by higher property taxes due to growth in plant in service balances.

Interest expense for 2008 reflects higher average debt balances partly offset by a decline in average interest rates of approximately 34 basis points. Interest expense for 2007 increased primarily due to higher average debt balances. Interest expense on storm-recovery bonds, as well as certain other interest expense (collectively, clause interest), are essentially pass-through amounts and do not significantly affect net income, as the clause interest is recovered either under cost recovery clause mechanisms or through the storm-recovery bond surcharge. Clause interest for 2008, 2007 and 2006 amounted to approximately \$44 million, \$32 million and \$10 million, respectively. For both 2008 and 2007, higher allowance for borrowed funds used during construction (see AFUDC – equity explanation below) partly offset the increase in interest expense.

The increase in AFUDC – equity for 2008 is primarily attributable to additional AFUDC – equity on three natural gas-fired combined-cycle units of approximately 1,220 mw each at FPL's West County Energy Center in western Palm Beach County, Florida, partly offset by the absence of AFUDC – equity on Turkey Point Unit No. 5, which was placed in service in May 2007 and the absence of AFUDC – equity on the steam generator and reactor vessel head replacement projects at St. Lucie Unit No. 2, which were substantially completed by late 2007. The increase in AFUDC in 2007 is primarily attributable to additional AFUDC – equity on two of the West County Energy Center units, the steam generator and reactor vessel head replacement projects at St. Lucie Unit No. 2 and nuclear spent fuel storage projects, partially offset by lower AFUDC on Turkey Point Unit No. 5.

Interest income declined in both 2008 and 2007 reflecting the cessation of interest on FPL's unrecovered balance of the storm reserve deficiency, which balance was collected upon the issuance of the storm-recovery bonds in May 2007, partly offset by higher interest income earned on higher average cash balances.

FPL currently faces competition from other suppliers of electrical energy to wholesale customers and from alternative energy sources and self-generation for other customer groups, primarily industrial customers. The FERC has jurisdiction over potential changes that could affect competition in wholesale transactions. In 2008, operating revenues from wholesale and industrial customers combined represented less than 4% of FPL's total operating revenues. Various states, other than Florida, have enacted legislation or have state commissions that have issued orders designed to allow retail customers to choose their electricity supplier. Management believes it is unlikely there will be any state actions to restructure the retail electric industry in Florida in the near future. If the basis of regulation for some or all of FPL's business changes from cost-based regulation, existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. Further, other aspects of the business, such as generation assets and long-term power purchase commitments, would need to be reviewed to assess their recoverability in a changed regulatory environment. See Critical Accounting Policies and Estimates – Regulatory Accounting.

In 2007, the FPSC denied FPL's need petition for two ultra super critical pulverized coal generating units in Glades County, Florida. In December 2008, the FPSC approved the recovery of approximately \$34 million of pre-construction costs associated with these units over a five-year period beginning January 2010.

FPL is currently constructing three natural gas-fired combined-cycle units of approximately 1,220 mw each at its West County Energy Center, which units are expected to be placed in service by the third quarter of 2009, fourth quarter of 2009 and mid-2011. In addition, FPL is in the process of adding approximately 400 mw of baseload capacity at its existing nuclear units at St. Lucie and Turkey Point, which additional capacity is projected to be placed in service by the end of 2012. In 2008, the FPSC approved FPL's plan to modernize its Cape Canaveral and Riviera power plants to high-efficiency natural gas-fired units. Each modernized plant is expected to provide approximately 1,200 mw of capacity and be placed in service by 2013 and 2014, respectively. Siting Board approval is pending and is expected in early 2010.

In March 2008, the FPSC approved FPL's need petition for two additional nuclear units at its Turkey Point site with projected in-service dates between 2018 and 2020, which units are expected in the aggregate to add between 2,200 mw and 3,040 mw of baseload capacity. Additional approvals from other regulatory agencies will be required later in the process. The FPSC's nuclear cost recovery rule provides for the recovery of prudently incurred pre-construction costs and carrying charges (equal to the pretax AFUDC rate) on construction costs for new nuclear capacity through levelized charges under the capacity clause. The same rule provides for the recovery of construction costs, once the new capacity goes into service, through a base rate increase. In October 2008, the FPSC approved FPL's first annual request under the nuclear cost recovery rule for recovery of pre-construction costs associated with FPL's planned nuclear units and carrying charges on construction costs associated with the addition of approximately 400 mw of baseload capacity to FPL's existing nuclear units; substantially all of these costs are still subject to a prudence review by the FPSC.

In 2008, the FPSC approved eligibility for recovery of prudently incurred costs for FPL's proposed solar generating facilities through the environmental clause. The proposed solar generating facilities are expected to have a capacity totaling 110 mw and to be placed into service by the end of 2010.

NextEra Energy Resources – NextEra Energy Resources' net income for 2008, 2007 and 2006 was \$915 million, \$540 million and \$610 million, respectively, an increase in 2008 of \$375 million and a decrease in 2007 of \$70 million. The primary drivers, on an after-tax basis, of these changes were as follows:

	Increase (Decrease)	
	Years Ended	
	December 31,	
	2008	2007
	(millions)	
New investments ^(a)	\$ 155	\$ 78
Existing assets ^(a)	48	117
Full energy and capacity requirements services and trading	6	56
Restructuring activities and asset sales	5	(14)
Indonesian project gain	-	(63)
Interest expense, differential membership costs and other	(25)	(61)
Change in unrealized mark-to-market non-qualifying hedge activity ^(a)	256	(178)
Change in OTTI losses on securities held in nuclear decommissioning funds, net of OTTI reversals	(70)	(5)
Net income increase (decrease)	\$ 375	\$ (70)

^(a) Includes PTCs on wind projects but does not include allocation of interest expense or corporate general and administrative expenses. See Note 1 – Income Taxes. Results from new projects are included in new investments during the first twelve months of operation. A project's results are included in existing assets beginning with the thirteenth month of operation.

^(b) For discussion of derivative instruments, see Note 3 and Overview.

The increase in NextEra Energy Resources' 2008 results from new investments reflects the addition of over 3,200 mw of wind and nuclear generation during or after 2007. The increase in NextEra Energy Resources' 2007 results from new investments reflects the addition of over 3,400 mw of wind and nuclear generation during or after 2006.

In 2008, results from NextEra Energy Resources' existing asset portfolio increased primarily due to favorable market conditions in the NEPOOL, ERCOT and PJM regions and higher wind resource partially offset by the impact of planned and unplanned outages at the Seabrook nuclear facility and lower results from NextEra Energy Resources' retail energy provider primarily due to unfavorable commodity margins. Results in 2008 in PJM benefited from a new FERC-approved forward capacity market that began in June 2007. In 2007, NextEra Energy Resources' existing asset portfolio benefited from improved market conditions in the NEPOOL and ERCOT regions and the absence of a refueling outage at the Seabrook nuclear facility. This was partially offset by lower wind resource, by the effect of the completion, in January 2007, of the amortization of deferred income under a power purchase agreement related to a combined-cycle plant in the NEPOOL region and by the reduction in the contracted capacity price at a combined-cycle plant in the PJM region. Results in the NEPOOL and PJM regions also benefited from new FERC-approved forward capacity markets that began in December 2006 and June 2007, respectively.

NextEra Energy Resources' 2008 and 2007 financial results benefited from increased gains from its full energy and capacity requirements services and trading activities. Full energy and capacity requirements services include load-following services, which require the supplier of energy to vary the quantity delivered based on the load demand needs of the customer, as well as various ancillary services.

The increase in 2008 of restructuring activities and asset sales is primarily due to a gain on the sale of development rights on a natural gas project while the decrease in 2007 is primarily due to the absence of a \$12 million after-tax gain recorded in 2006 on the sale of wind development rights. The decrease in the Indonesian project gain reflects the absence of a \$63 million after-tax gain (\$97 million pretax) recorded by NextEra Energy Resources in 2006 as the result of a court judgment.

In both 2008 and 2007, interest expense, differential membership costs and other reflects increased costs due to growth of the business partially offset, in 2008, by certain state income tax benefits.

In 2008 and 2006, NextEra Energy Resources recorded after-tax net unrealized mark-to-market gains on non-qualifying hedges of approximately \$170 million and \$92 million, respectively. During 2007, NextEra Energy Resources recorded after-tax net unrealized mark-to-market losses of approximately \$86 million. The change in unrealized mark-to-market activity for 2008 compared to 2007 is primarily attributable to decreased forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market losses as the underlying transactions were realized during 2008. The change in unrealized mark-to-market activity for 2007 compared to 2006 is primarily attributable to increased forward power and natural gas prices, as well as the reversal of previously recognized unrealized mark-to-market gains as the underlying transactions were realized during 2007. In 2008, 2007 and 2006, NextEra Energy Resources recorded \$82 million, \$6 million and \$1 million, respectively, of after-tax OTTI losses on securities held in NextEra Energy Resources' nuclear decommissioning funds. In 2008, NextEra Energy Resources had approximately \$6 million after-tax of OTTI reversals; there were no such OTTI reversals in 2007 or 2006.

Operating revenues for the year ended December 31, 2008 increased \$1,096 million primarily due to gains of \$232 million on unrealized mark-to-market non-qualifying hedge activity in 2008 compared to losses on such hedges of \$342 million in 2007. Excluding this mark-to-market activity, revenues benefited from project additions, favorable market conditions in the NEPOOL, ERCOT and PJM regions, and favorable wind and hydro resources partially offset by nuclear planned and unplanned outages. NextEra Energy Resources' operating revenues for the year ended December 31, 2007 decreased \$84 million reflecting \$342 million of unrealized mark-to-market losses from non-qualifying hedges compared to \$496 million of gains on such hedges in 2006. Excluding this mark-to-market activity, revenues benefited from project additions, favorable market conditions in the NEPOOL and ERCOT regions, the absence of a refueling outage at the Seabrook nuclear facility and increased gains from its full energy and capacity requirements services, partially offset by unfavorable wind resource.

NextEra Energy Resources' operating expenses for the year ended December 31, 2008 increased \$522 million, reflecting \$53 million of unrealized mark-to-market gains from non-qualifying hedges compared to \$198 million of gains on such hedges in 2007. Excluding these mark-to-market changes which are reflected in fuel, purchased power and interchange expense in FPL Group's consolidated statements of income, operating expenses increased primarily due to project additions, higher fuel costs and higher corporate general and administrative expenses to support the growth in the business. NextEra Energy Resources' operating expenses for the year ended December 31, 2007 decreased \$50 million, reflecting \$198 million of unrealized mark-to-market gains from non-qualifying hedges compared to \$318 million of losses on such hedges in 2006. Excluding these mark-to-market changes, operating expenses increased primarily due to project additions, higher fuel costs and higher corporate general and administrative expenses to support the growth in the business.

Equity in earnings of equity method investees in 2008 increased \$25 million due to improved market conditions in the PJM region. Equity in earnings of equity method investees decreased \$113 million in 2007 primarily due to the absence of the \$97 million Indonesian project gain discussed above and due to the effect of the completion, in January 2007, of the amortization of deferred income under a power purchase agreement related to a combined-cycle plant in the NEPOOL region, partially offset by unrealized mark-to-market losses on non-qualifying hedges of \$26 million in 2006.

NextEra Energy Resources' interest expense for the year ended December 31, 2008 decreased \$1 million. Interest expense for 2007 increased \$43 million reflecting higher average debt balances to support growth in the business and higher average interest rates. Gains on disposal of assets – net in FPL Group's consolidated statements of income for 2008 reflect an approximately \$10 million gain on the sale of development rights related to a natural gas project and \$8 million of gains on sales of securities held in nuclear decommissioning funds and in 2006 reflect a \$20 million gain for the sale of wind development rights.

PTCs from NextEra Energy Resources' wind projects are reflected in NextEra Energy Resources' earnings. PTCs are recognized as wind energy is generated and sold based on a per kwh rate prescribed in applicable federal and state statutes, and amounted to approximately \$262 million, \$219 million and \$167 million for the years ended December 31, 2008, 2007 and 2006, respectively.

In September 2007, NextEra Energy Resources completed the acquisition of Point Beach, a two-unit, 1,023 mw nuclear power plant located in Wisconsin from Wisconsin Electric Power Company (We Energies). NextEra Energy Resources purchased the plant, including nuclear fuel, inventory and other items, for a total of approximately \$933 million. All of the power from Point Beach is being sold under a long-term power purchase contract to We Energies through the current NRC license terms of 2030 for Unit No. 1 and 2033 for Unit No. 2. NextEra Energy Resources is responsible for management and operation of the plant, as well as for the ultimate decommissioning of the facility, and received \$390 million of decommissioning funds at closing.

NextEra Energy Resources expects its future portfolio capacity growth to come primarily from wind and solar development and from asset acquisitions. NextEra Energy Resources plans to add a total of 7,000 mw to 9,000 mw of new wind generation over the 2008 to 2012 period, of which approximately 1,300 mw were added in 2008. NextEra Energy Resources expects to add approximately 1,100 mw in 2009, of which approximately 480 mw are either under construction or have obtained applicable internal approvals for construction. In addition, NextEra Energy Resources intends to pursue opportunities for new solar generating facilities. The wind and solar expansions are subject to, among other things, continued public policy support, which includes, but is not limited to, support for the construction and availability of sufficient transmission facilities and capacity, and access to reasonable capital and credit markets.

In July 2008, the PUCT approved a \$4.92 billion transmission grid improvement program that would add approximately 2,300 miles of 345 kv lines to deliver wind power from the CREZ in west Texas and the Texas Panhandle to the Dallas/Fort Worth area and other population centers in Texas. In January 2009, Lone Star Transmission, LLC, a wholly-owned subsidiary of NextEra Energy Resources, was allocated \$565 million in projects by the PUCT under the CREZ program. The January 2009 determination is subject to, among other things, reconsideration, appeal and receipt of all applicable regulatory approvals.

Competitive wholesale markets in the United States continue to evolve and vary by geographic region. Revenues from electricity sales in these markets vary based on the prices obtainable for energy, capacity and other ancillary services. Some of the factors affecting success in these markets include the ability to operate generating assets efficiently and reliably, the price and supply of fuel, transmission constraints, wind, solar and hydro resources (weather conditions), competition from new sources of generation, effective risk management, demand growth and exposure to legal and regulatory changes.

Expanded competition in a frequently changing regulatory environment presents both opportunities and risks for NextEra Energy Resources. Opportunities exist for the selective acquisition of generation assets and for the construction and operation of efficient plants that can sell power in competitive markets. NextEra Energy Resources seeks to reduce its market risk by having a diversified portfolio by fuel type and location, as well as by contracting for the future sale of a significant amount of the electricity output of its plants. The combination of new wind projects, expected increase in contribution from existing merchant assets and asset acquisitions are expected to be the key drivers supporting NextEra Energy Resources' growth over the next few years.

NextEra Energy Resources' earnings are subject to variability due to, among other things, operational performance, commodity price exposure, counterparty performance, weather conditions and project restructuring activities. NextEra Energy Resources' exposure to commodity price risk is reduced by the degree of contract coverage obtained for 2009 and 2010. Therefore, if NextEra Energy Resources' plants do not perform as expected, NextEra Energy Resources could be required to purchase power at potentially higher market prices to meet its contractual obligations.

NextEra Energy Resources' results are affected by fluctuations in weather. In addition to the effect of temperature, which is reflected in commodity prices and demand, changes in weather affect production levels of the wind portfolio as well as the hydro units in Maine and the solar units in California. In managing its exposure to commodity prices, NextEra Energy Resources is dependent upon its counterparties to perform under their contractual obligations. NextEra Energy Resources actively manages the trade-off between market risk and credit risk, as well as exposure with individual counterparties as a function of their creditworthiness. Substantially all of NextEra Energy Resources' 2009 contracted revenues are with investment grade counterparties.

Corporate and Other – Corporate and Other is primarily comprised of interest expense, the operating results of FPL FiberNet and other business activities as well as corporate interest income and expenses. Corporate and Other allocates interest expense to NextEra Energy Resources based on a deemed capital structure at NextEra Energy Resources of 50% debt for operating projects and 100% debt for projects under construction. For these purposes, the deferred credit associated with differential membership interests sold by a NextEra Energy Resources subsidiary in December 2007 is included with debt. Each subsidiary's income taxes are calculated based on the "separate return method," except that tax benefits that could not be used on a separate return basis, but are used on the consolidated tax return, are recorded by the subsidiary that generated the tax benefits. Any remaining consolidated income tax benefits or detriments are recorded at Corporate and Other. The major components of Corporate and Other's results, on an after-tax basis, are as follows:

	Years Ended December 31,		
	2008	2007	2006
	(millions)		
Interest expense, net of allocations	\$ (103)	\$ (90)	\$ (97)
Interest income	22	22	6
FPL FiberNet impairment charges	-	(2)	(60)
Merger costs	-	-	(14)
Federal and state tax benefits	18	3	30
Other	(2)	3	4
Net loss	<u>\$ (65)</u>	<u>\$ (64)</u>	<u>\$ (131)</u>

The increase in interest expense in 2008 reflects additional debt outstanding partly offset by lower average interest rates of approximately 91 basis points. Interest expense decreased in 2007 primarily due to lower average debt balances. Interest income in 2008 reflects lower interest rates on temporary investments offset by additional earnings on energy-related loans made to third parties by FPL Group Capital subsidiaries. In the latter half of 2008, temporary investments were accumulated in response to volatility and disruption in the credit and capital markets while in 2007 temporary investments had been accumulated to purchase Point Beach. Interest income in 2007 reflects earnings on temporary investments accumulated to purchase Point Beach as well as interest recorded on unrecognized tax benefits in accordance with FIN 48, "Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109." For discussion of FPL FiberNet's impairment charges, see Note 5 – Corporate and Other. The 2006 merger costs represent costs associated with the proposed merger between FPL Group and Constellation Energy, which was terminated in October 2006. The federal and state tax benefits are primarily due to NextEra Energy Resources' growth throughout the United States and other consolidating income tax adjustments. Other includes all other corporate income and expenses, as well as other business activities.

Liquidity and Capital Resources

FPL Group and its subsidiaries, including FPL, require funds to support and grow their businesses. These funds are used for working capital, capital expenditures, investments in or acquisitions of assets and businesses, to pay maturing debt obligations and, from time to time, to redeem or repurchase outstanding debt or equity securities. It is anticipated that these requirements will be satisfied through a combination of internally generated funds, borrowings, and the issuance, from time to time, of debt and equity securities, consistent with FPL Group's and FPL's objective of maintaining, on a long-term basis, a capital structure that will support a strong investment grade credit rating. FPL Group, FPL and FPL Group Capital access the credit and capital markets as significant sources of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL Group, FPL and FPL Group Capital to maintain their current credit ratings could affect their ability to raise short- and long-term capital, their cost of capital and the execution of their respective financing strategies, and could require the posting of additional collateral under certain agreements.

The global and domestic credit and capital markets have been experiencing unprecedented levels of volatility and disruption. This has significantly affected the cost and available sources of liquidity in the financial markets. FPL and FPL Group Capital have continued to have access to commercial paper and short- and long-term credit and capital markets. If capital and credit market conditions change, this could alter spending plans at FPL and NextEra Energy Resources.

Available Liquidity – At December 31, 2008, FPL Group's total net available liquidity was approximately \$4.6 billion, of which FPL's portion was approximately \$1.6 billion. The components of each company's net available liquidity at December 31, 2008 were as follows:

				Maturity Date	
	FPL	FPL Group Capital (millions)	FPL Group Consolidated	FPL	FPL Group Capital
Bank revolving lines of credit ^(a)	\$ 2,500	\$ 4,000	\$ 6,500	(b)	(b)
Less letters of credit	(545)	(316)	(861)		
	<u>1,955</u>	<u>3,684</u>	<u>5,639</u>		
Revolving term loan facility	250	-	250	2011	
Less borrowings	-	-	-		
	<u>250</u>	<u>-</u>	<u>250</u>		
Subtotal	2,205	3,684	5,889		
Cash and cash equivalents	120	415	535		
Less commercial paper and short-term notes payable	<u>(773)</u>	<u>(1,092)</u>	<u>(1,865)</u>		
Net available liquidity	<u>\$ 1,552</u>	<u>\$ 3,007</u>	<u>\$ 4,559</u>		

^(a) Provide for the issuance of letters of credit up to \$6.5 billion (\$2.5 billion for FPL) and are available to support FPL's and FPL Group Capital's commercial paper programs and short-term borrowings and to provide additional liquidity in the event of a loss to the companies' or their subsidiaries' operating facilities (including, in the case of FPL, a transmission and distribution property loss), as well as for general corporate purposes. FPL's bank revolving lines of credit are also available to support the purchase of \$633 million of pollution control, solid waste disposal and industrial development revenue bonds (tax exempt bonds) in the event they are tendered by individual bond holders and not remarketed prior to maturity. FPL's and FPL Group Capital's bank revolving lines of credit include commitments of approximately \$27 million and \$83 million, respectively, from Lehman Brothers Bank, FSB (Lehman). In September 2008, Lehman's parent, Lehman Brothers Holdings Inc., filed for protection under Chapter 11 of the U.S. Bankruptcy Code. As of late January 2009, Lehman must receive a notice of non-objection from the Office of Thrift Supervision before funding any commercial loan commitment, including this commitment.

^(b) \$17 million of FPL's and \$40 million of FPL Group Capital's bank revolving lines of credit expire in 2012. The remaining portion of bank revolving lines of credit for FPL and FPL Group Capital expire in 2013.

At February 26, 2009, 38 banks participate in FPL's and FPL Group Capital's credit facilities, with no one bank providing more than 8% of the total in either credit facility. In order for FPL Group Capital to borrow under the terms of its credit facility, FPL Group (which guarantees the payment of FPL Group Capital's credit facility pursuant to a 1998 guarantee agreement) is required to maintain a ratio of funded debt to total capitalization that does not exceed a stated ratio. The FPL Group Capital credit facility also contains default and related acceleration provisions relating to, among other things, failure of FPL Group to maintain a ratio of funded debt to total capitalization at or below the specified ratio. Similarly, in order for FPL to borrow under the terms of its credit facility and revolving term loan facility, FPL is required to maintain a ratio of funded debt to total capitalization that does not exceed a stated ratio. The FPL credit facility and revolving term loan facility also contain default and related acceleration provisions relating to, among other things, failure of FPL to maintain a ratio of funded debt to total capitalization at or below the specified ratio. At December 31, 2008, each of FPL Group and FPL was in compliance with its respective required ratio.

In addition, at December 31, 2008, FPL had the capacity to absorb up to approximately \$188 million in future prudently incurred storm restoration costs without seeking recovery through a rate adjustment from the FPSC. Also, an indirect wholly-owned subsidiary of NextEra Energy Resources has established a \$100 million letter of credit facility which expires in 2017 and serves as security for certain obligations under commodity hedge agreements entered into by the subsidiary.

In January 2009, FPL Group entered into an agreement under which FPL Group may offer and sell, from time to time, FPL Group common stock having a gross sales price of up to \$400 million. As of February 26, 2009, FPL Group had received proceeds of approximately \$40 million through the issuance of common stock under this agreement consisting of 760,000 shares at an average price of \$52.10 per share.

Shelf Registration – In September 2006, FPL Group, FPL Group Capital, FPL and certain affiliated trusts filed a shelf registration statement with the SEC for an unspecified amount of securities. The amount of securities issuable by the companies is established from time to time by their respective board of directors. As of February 26, 2009, securities that may be issued under the registration statement, as subsequently amended, which became effective upon filing, include, depending on the registrant, senior debt securities, subordinated debt securities, first mortgage bonds, preferred trust securities, common stock, stock purchase contracts, stock purchase units, preferred stock and guarantees related to certain of those securities. At February 26, 2009, FPL Group and FPL Group Capital had \$3.5 billion (issuable by either or both of them up to such aggregate amount) of board-authorized available capacity, and FPL had \$900 million of board-authorized available capacity.

Credit Ratings – At February 26, 2009, Moody's Investors Service, Inc. (Moody's), Standard & Poor's Ratings Services (S&P) and Fitch Ratings (Fitch) had assigned the following credit ratings to FPL Group, FPL and FPL Group Capital:

	Moody's ^(a)	S&P ^(a)	Fitch ^(a)
FPL Group: ^(a)			
Corporate credit rating	A2	A	A
FPL: ^(a)			
Corporate credit rating	A1	A	A
First mortgage bonds	Aa3	A	AA-
Pollution control, solid waste disposal and industrial development revenue bonds	Aa3/VMIG-1	A	A+
Commercial paper	P-1	A-1	F1
FPL Group Capital: ^(a)			
Corporate credit rating	A2	A	A
Debentures	A2	A-	A
Junior subordinated debentures	A3	BBB+	A-
Commercial paper	P-1	A-1	F1

^(a) A security rating is not a recommendation to buy, sell or hold securities and should be evaluated independently of any other rating. The rating is subject to revision or withdrawal at any time by the assigning rating organization.

^(a) The outlook indicated by each of Moody's, S&P and Fitch is stable.

FPL Group and its subsidiaries, including FPL, have no credit rating downgrade triggers that would accelerate the maturity dates of outstanding debt. A change in ratings is not an event of default under applicable debt instruments, and while there are conditions to drawing on the credit facilities maintained by FPL and FPL Group Capital, the maintenance of a specific minimum credit rating is not a condition to drawing upon those credit facilities. Commitment fees and interest rates on loans under the credit facilities' agreements are tied to credit ratings. A ratings downgrade also could reduce the accessibility and increase the cost of commercial paper and other short-term debt issuances and additional or replacement credit facilities, and could result in the requirement that FPL Group subsidiaries, including FPL, post collateral under certain agreements, including those related to fuel procurement, power sales and purchases, nuclear decommissioning funding, debt-related reserves and trading activities. FPL's and FPL Group Capital's bank revolving lines of credit are available to support these potential requirements. See Available Liquidity above.

Cash Flow – The changes in cash and cash equivalents are summarized as follows:

	FPL Group			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2008	2007	2006	2008	2007	2006
	(millions)					
Net cash provided by operating activities	\$ 3,403	\$ 3,593	\$ 2,498	\$ 2,180	\$ 2,163	\$ 1,668
Net cash used in investing activities	(5,808)	(4,578)	(3,807)	(2,427)	(2,214)	(1,933)
Net cash provided by financing activities	2,650	655	1,399	304	50	273
Net increase (decrease) in cash and cash equivalents	\$ 245	\$ (330)	\$ 90	\$ 57	\$ (1)	\$ 8

FPL Group's cash and cash equivalents increased for the year ended December 31, 2008, reflecting cash generated by operating activities and net issuances of both long- and short-term debt. These inflows were partially offset by capital investments by FPL and NextEra Energy Resources, the payment of common stock dividends to FPL Group shareholders and the funding of a \$500 million loan.

FPL Group's cash flows from operating activities for the year ended December 31, 2008 reflect cash generated by net income, the receipt of distributions from equity method investees, the underrecovery by FPL of cost recovery clause costs and an increase in fuel inventory at NextEra Energy Resources.

FPL Group's cash flows from investing activities for the year ended December 31, 2008 reflect capital investments, including nuclear fuel purchases, of approximately \$2.4 billion by FPL to expand and enhance its electric system and generating facilities to continue to provide reliable service to meet the power needs of present and future customers and investments in independent power projects of approximately \$2.8 billion, and the funding of a \$500 million loan by an FPL Group Capital subsidiary to a third party for an energy-related project. FPL Group's cash flows from investing activities also include amounts related to the purchase and sale of restricted securities held in the special use funds, including the reinvestment of fund earnings and new contributions by NextEra Energy Resources, as well as other investment activity, primarily at FPL Group Capital.

During the year ended December 31, 2008, FPL Group generated proceeds from financing activities, net of related issuance costs, of approximately \$4.7 billion, including a net increase in short-term debt of \$848 million (comprised of \$917 million increase at FPL Group Capital and \$69 million decrease at FPL) and the following long-term debt issuances and borrowings:

Date Issued	Company	Debt Issued	Interest Rate(s)	Principal Amount (millions)	Maturity Date(s)
January 2008	FPL	First mortgage bonds	5.95%	\$ 600	2038
March 2008	FPL Group Capital	Term loans	variable	500	2009 – 2011
June 2008	FPL Group Capital	Debentures	5.35%	250	2013
June 2008	FPL Group Capital	Debentures	variable	250	2011
June 2008	NextEra Energy Resources subsidiary	Canadian dollar denominated term loan	variable	153	2011
July 2008	NextEra Energy Resources subsidiary	Limited-recourse senior secured notes	7.59%	525	2018 ^(*)
September 2008	FPL Group Capital	Term loans	variable	320	2011
December 2008	FPL Group Capital	Debentures	7 7/8%	500	2015
December 2008	FPL Group Capital	Japanese yen denominated term loan	variable	141	2011
December 2008	FPL Group Capital	Term loan	variable	50	2011
December 2008	NextEra Energy Resources subsidiary	Limited-recourse senior secured notes	7.5%	202	2013 ^(*)
December 2008	NextEra Energy Resources subsidiary	Limited-recourse senior secured notes	variable	373	2016 ^(*)
				<u>\$ 3,864</u>	

(*) Partially amortizing with a balloon payment at maturity.

During the year ended December 31, 2008, FPL Group paid approximately \$2.1 billion in connection with financing activities, including \$506 million for FPL Group Capital debt maturities, \$327 million for a NextEra Energy Resources subsidiary construction term loan maturity, \$200 million for maturing FPL first mortgage bonds, \$284 million principal repayments on NextEra Energy Resources subsidiary debt, \$41 million principal repayment on FPL subsidiary storm-recovery bonds and \$714 million for the payment of common stock dividends to FPL Group shareholders. In January 2009, an indirect wholly-owned subsidiary of NextEra Energy Resources borrowed Canadian \$94.6 million (US \$75.4 million) under a limited-recourse senior secured variable rate term loan agreement maturing in 2023 and entered into an interest rate swap agreement to pay a fixed rate of 2.5775%, plus applicable margin, to limit cash flow exposure. The proceeds from the loan were used to repay a portion of the amount borrowed in June 2008 under the Canadian dollar denominated term loan included in the table above. Also, in January 2009, another indirect wholly-owned subsidiary of NextEra Energy Resources entered into an interest rate swap agreement to pay a fixed rate of 2.68%, plus applicable margin, until 2016 on its \$373 million variable rate limited-recourse senior secured note that is partially amortizing with a balloon payment due in 2016. This same wholly-owned subsidiary entered into a second interest rate swap agreement to pay a fixed rate of 3.725%, plus applicable margin, beginning in 2016 to limit the cash flow exposure of refinancing the balloon payment of approximately \$124 million due on this note in 2016. Additionally, in January 2009, FPL Group Capital borrowed \$72 million under a variable rate term loan agreement maturing in 2011.

FPL Group's cash and cash equivalents decreased for the year ended December 31, 2007, reflecting capital investments by FPL and NextEra Energy Resources, the payment of common stock dividends to FPL Group shareholders and an increase in customer receivables. These outflows were partially offset by cash generated by operating activities, net issuances of both long- and short-term debt, the sale of independent power investments, the return of margin cash collateral from counterparties and a distribution relating to an Indonesian project.

FPL Group's cash flows for the year ended December 31, 2006 benefited from net issuances of debt, the issuance of common stock and the recovery from customers of previously incurred fuel and storm costs at FPL, which were offset by an increase in FPL's customer receivables and the return of margin cash collateral to counterparties and payment of margin cash collateral to counterparties. The funds generated were used to pay for capital expenditures at FPL, additional investments at NextEra Energy Resources, common stock dividends, storm-related costs at FPL and to carry an increase in fossil fuel inventory.

Contractual Obligations and Planned Capital Expenditures – FPL Group's and FPL's commitments at December 31, 2008 were as follows:

	2009	2010	2011	2012	2013	Thereafter	Total
	(millions)						
Long-term debt, including interest: ^(a)							
FPL	\$ 542	\$ 311	\$ 312	\$ 314	\$ 705	\$ 9,354 ^(b)	\$ 11,538
NextEra Energy Resources	544	549	656	548	582	3,397	6,276
Corporate and Other	1,195	533	1,874	187	430	9,343	13,562
Purchase obligations:							
FPL ^(c)	6,270	5,425	4,120	3,360	2,920	7,545	29,640
NextEra Energy Resources ^(d)	1,760	120	75	75	60	665	2,755
Asset retirement activities: ^(e)							
FPL ^(f)	-	-	-	-	-	11,610	11,610
NextEra Energy Resources ^(g)	1	-	-	2	-	7,247	7,250
Other Commitments:							
NextEra Energy Resources ^(h)	-	-	-	-	69	260	329
Total	\$ 10,312	\$ 6,938	\$ 7,037	\$ 4,486	\$ 4,766	\$ 49,421	\$ 82,960

^(a) Includes principal, interest and interest rate swaps. Variable rate interest was computed using December 31, 2008 rates.

^(b) Includes \$633 million of tax exempt bonds that permit individual bond holders to tender the bonds for purchase at any time prior to maturity. In the event bonds are tendered for purchase, they would be remarketed by a designated remarketing agent in accordance with the related indenture. If the remarketing is unsuccessful, FPL would be required to purchase the tax exempt bonds. As of December 31, 2008, all tax exempt bonds tendered for purchase have been successfully remarketed. FPL's bank revolving lines of credit are available to support the purchase of tax exempt bonds.

^(c) Represents required capacity and minimum payments under long-term purchased power and fuel contracts, the majority of which are recoverable through various cost recovery clauses (see Note 15 – Contracts), and projected capital expenditures through 2013. See Note 15 – Commitments.

^(d) Represents firm commitments primarily in connection with the purchase of wind turbines and towers, natural gas transportation, purchase and storage, firm transmission service, nuclear fuel and a portion of its projected capital expenditures. See Note 15 – Commitments and Contracts.

^(e) Represents expected cash payments adjusted for inflation for estimated costs to perform asset retirement activities.

^(f) At December 31, 2008, FPL had approximately \$2.035 million in restricted trust funds for the payment of future expenditures to decommission FPL's nuclear units, which are included in FPL Group's and FPL's special use funds.

^(g) At December 31, 2008, NextEra Energy Resources' 88.23% portion of Seabrook's and 70% portion of Duane Arnold's and its Point Beach's restricted trust funds for the payment of future expenditures to decommission its nuclear units totaled approximately \$789 million and are included in FPL Group's special use funds.

^(h) Represents estimated cash distributions related to certain membership interests. See Note 11 – Sale of Differential Membership Interests.

Guarantees and Letters of Credit – FPL Group and FPL obtain letters of credit and issue guarantees to facilitate commercial transactions with third parties and financings. At December 31, 2008, FPL Group had standby letters of credit of approximately \$1.2 billion (\$557 million for FPL) and approximately \$8.6 billion notional amount of guarantees (\$648 million for FPL), of which approximately \$6.6 billion (\$567 million for FPL) have expirations within the next five years. An aggregate of approximately \$861 million of the standby letters of credit at December 31, 2008 were issued under FPL's and FPL Group Capital's credit facilities. See Available Liquidity above. Letters of credit and guarantees support the buying and selling of wholesale energy commodities, debt and related reserves, nuclear activities, capital expenditures for wind development, the commercial paper program of FPL's consolidated VIE from which it leases nuclear fuel and other contractual agreements. Each of FPL Group and FPL believe it is unlikely that it would incur any liabilities associated with these letters of credit and guarantees. At December 31, 2008, FPL Group and FPL did not have any liabilities recorded for these letters of credit and guarantees. In addition, FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most of its debt and all of its debentures and commercial paper issuances, as well as most of its payment guarantees, and FPL Group Capital has guaranteed certain debt and other obligations of NextEra Energy Resources and its subsidiaries. See Note 15 – Commitments.

Certain subsidiaries of NextEra Energy Resources have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the NextEra Energy Resources subsidiary becoming liable for liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that it is unlikely to experience a material exposure as a result of these liquidated damages.

Covenants – FPL Group's charter does not limit the dividends that may be paid on its common stock. As a practical matter, the ability of FPL Group to pay dividends on its common stock is dependent upon, among other things, dividends paid to it by its subsidiaries. During the first quarter of 2008, FPL Group increased its quarterly dividend on its common stock from \$0.41 to \$0.445 per share. In February 2009, FPL Group announced that it would increase its quarterly dividend on its common stock from \$0.445 to \$0.4725 per share. FPL pays dividends to FPL Group in a manner consistent with FPL's long-term targeted capital structure. The mortgage securing FPL's first mortgage bonds contains provisions which, under certain conditions, restrict the payment of dividends to FPL Group and the issuance of additional first mortgage bonds. In light of FPL's current financial condition and level of earnings, management does not expect that planned financing activities or dividends would be affected by these limitations.

Under the mortgage, in some cases, the amount of retained earnings that FPL can use to pay cash dividends on its common stock is restricted. The restricted amount may change based on factors set out in the mortgage. Other than this restriction on the payment of common stock dividends, the mortgage does not restrict FPL's use of retained earnings. As of December 31, 2008, no retained earnings were restricted by these provisions of the mortgage.

FPL may issue first mortgage bonds under its mortgage subject to its meeting an adjusted net earnings test set forth in the mortgage, which generally requires adjusted net earnings to be at least twice the annual interest requirements on, or at least 10% of the aggregate principal amount of, FPL's first mortgage bonds including those to be issued and any other non-junior FPL indebtedness. As of December 31, 2008, coverage for the 12 months ended December 31, 2008 would have been approximately 6.4 times the annual interest requirements and approximately 3.7 times the aggregate principal requirements. New first mortgage bonds are also limited to an amount equal to the sum of 60% of unfunded property additions after adjustments to offset property retirements, the amount of retired first mortgage bonds or qualified lien bonds and the amount of cash on deposit with the mortgage trustee. As of December 31, 2008, FPL could have issued in excess of \$6.5 billion of additional first mortgage bonds based on the unfunded property additions and in excess of \$5.5 billion based on retired first mortgage bonds. As of December 31, 2008, no cash was deposited with the mortgage trustee for these purposes.

In September 2006, FPL Group and FPL Group Capital executed a Replacement Capital Covenant (September 2006 RCC) in connection with FPL Group Capital's offering of \$350 million principal amount of Series A Enhanced Junior Subordinated Debentures due 2066 and \$350 million principal amount of Series B Enhanced Junior Subordinated Debentures due 2066 (collectively, Series A and Series B junior subordinated debentures). The September 2006 RCC is for the benefit of persons that buy, hold or sell a specified series of long-term indebtedness (covered debt) of FPL Group Capital (other than the Series A and Series B junior subordinated debentures) or, in certain cases, of FPL Group. FPL Group Capital Trust I's 5 7/8% Preferred Trust Securities have been initially designated as the covered debt under the September 2006 RCC. The September 2006 RCC provides that FPL Group Capital may redeem, and FPL Group or FPL Group Capital may purchase, any Series A and Series B junior subordinated debentures on or before October 1, 2036, only to the extent that the redemption or purchase price does not exceed a specified amount of proceeds from the sale of qualifying securities, subject to certain limitations described in the September 2006 RCC. Qualifying securities are securities that have equity-like characteristics that are the same as, or more equity-like than, the Series A and Series B junior subordinated debentures at the time of redemption or purchase, which are sold within 180 days prior to the date of the redemption or repurchase of the Series A and Series B junior subordinated debentures.

In June 2007, FPL Group and FPL Group Capital executed a Replacement Capital Covenant (June 2007 RCC) in connection with FPL Group Capital's offering of \$400 million principal amount of its Series C Junior Subordinated Debentures due 2067 (Series C junior subordinated debentures). The June 2007 RCC is for the benefit of persons that buy, hold or sell a specified series of covered debt of FPL Group Capital (other than the Series C junior subordinated debentures) or, in certain cases, of FPL Group. FPL Group Capital Trust I's 5 7/8% Preferred Trust Securities have been initially designated as the covered debt under the June 2007 RCC. The June 2007 RCC provides that FPL Group Capital may redeem or purchase, or satisfy, discharge or defease (collectively, defease), and FPL Group and any majority-owned subsidiary of FPL Group or FPL Group Capital may purchase, any Series C junior subordinated debentures on or before June 15, 2037, only to the extent that the principal amount defeased or the applicable redemption or purchase price does not exceed a specified amount raised from the issuance, during the 180 days prior to the date of that redemption, purchase or defeasance, of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the Series C junior subordinated debentures at the time of redemption, purchase or defeasance, subject to certain limitations described in the June 2007 RCC.

In September 2007, FPL Group and FPL Group Capital executed a Replacement Capital Covenant (September 2007 RCC) in connection with FPL Group Capital's offering of \$250 million principal amount of its Series D Junior Subordinated Debentures due 2067 and \$350 million principal amount of Series E Junior Subordinated Debentures due 2067 (collectively, Series D and Series E junior subordinated debentures). The September 2007 RCC is for the benefit of persons that buy, hold or sell a specified series of covered debt of FPL Group Capital (other than the Series D and Series E junior subordinated debentures) or, in certain cases, of FPL Group. FPL Group Capital Trust I's 5 7/8% Preferred Trust Securities have been initially designated as the covered debt under the September 2007 RCC. The September 2007 RCC provides that FPL Group Capital may redeem, purchase, or defease, and FPL Group and any majority-owned subsidiary of FPL Group or FPL Group Capital may purchase, any Series D and Series E junior subordinated debentures on or before September 1, 2037, only to the extent that the principal amount defeased or the applicable redemption or purchase price does not exceed a specified amount raised from the issuance, during the 180 days prior to the date of that redemption, purchase or defeasance, of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the Series D and Series E junior subordinated debentures at the time of redemption, purchase or defeasance, subject to certain limitations described in the September 2007 RCC.

New Accounting Rules and Interpretations

Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities – In June 2008, the FASB issued FASB Staff Position (FSP) Emerging Issues Task Force (EITF) No. 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities." See Note 12 – Earnings Per Share.

Accounting for Business Combinations – In December 2007, the FASB issued FAS 141(R), "Business Combinations." This statement retains the fundamental requirements in FAS 141 that the acquisition method of accounting (which FAS 141 called the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. This statement also establishes principles and requirements for how the acquirer (i) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree, (ii) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase and (iii) discloses the nature and financial effects of the business combination; and requires restructuring and acquisition-related costs to be expensed. FPL Group and FPL are required to adopt FAS 141(R) for business combinations for which the acquisition date is on or after January 1, 2009.

Accounting for Noncontrolling Interests – In December 2007, the FASB issued FAS 160, "Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51," to establish accounting and reporting standards for the noncontrolling (minority) interest in a subsidiary and for the deconsolidation of a subsidiary. The standard clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements and establishes a single method of accounting for changes in a parent's ownership interest in a subsidiary that do not result in deconsolidation. FAS 160 requires retroactive adoption of the presentation and disclosure requirements for existing minority interests. All other requirements of FAS 160 will be applied prospectively. The adoption of FAS 160 on January 1, 2009 did not have a material effect on FPL Group's or FPL's financial statements.

Critical Accounting Policies and Estimates

FPL Group's and FPL's significant accounting policies are described in Note 1 to the consolidated financial statements, which were prepared in accordance with accounting principles generally accepted in the United States. Critical accounting policies are those that FPL Group and FPL believe are both most important to the portrayal of their financial condition and results of operations, and require complex, subjective judgments, often as a result of the need to make estimates and assumptions about the effect of matters that are inherently uncertain. Judgments and uncertainties affecting the application of those policies may result in materially different amounts being reported under different conditions or using different assumptions.

FPL Group and FPL consider the following policies to be the most critical in understanding the judgments that are involved in preparing their consolidated financial statements:

Accounting for Derivatives and Hedging Activities – FPL Group and FPL use derivative instruments (primarily swaps, options and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as interest rate and foreign currency exchange rate risk associated with long-term debt. In addition, FPL Group, through NextEra Energy Resources, uses derivatives to optimize the value of power generation assets. NextEra Energy Resources provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, in certain markets and engages in energy trading activities to take advantage of expected future favorable price movements. Accounting pronouncements, which require the use of fair value accounting if certain conditions are met, apply not only to traditional financial derivative instruments, but to any contract having the accounting characteristics of a derivative.

Derivative instruments, when required to be marked to market under FAS 133, as amended, are recorded on the balance sheet at fair value. Fair values for some of the longer-term contracts where liquid markets are not available are based on internally developed models based on the forward prices for electricity and fuel. Forward prices represent the price at which a buyer or seller could contract today to purchase or sell a commodity at a future date. In general, the models estimate the fair value of a contract by calculating the present value of the difference between the contract price and the forward prices. The near term forward market for electricity is generally liquid and therefore the prices in the early years of the forward curves reflect observable market quotes. However, in the later years, the market is much less liquid and forward price curves must be developed using factors including the forward prices for the commodities used as fuel to generate electricity, the expected system heat rate (which measures the efficiency of power plants in converting fuel to electricity) in the region where the purchase or sale takes place, and a fundamental forecast of expected spot prices based on modeled supply and demand in the region. The assumptions in these models are critical since any changes therein could have a significant impact on the fair value of the contract. Substantially all changes in the fair value of derivatives held by FPL are deferred as a regulatory asset or liability until the contracts are settled. Upon settlement, any gains or losses will be passed through the fuel or capacity clauses. In FPL Group's non-rate regulated operations, predominantly NextEra Energy Resources, changes in derivative fair values are recognized in current earnings, unless the criteria for hedge accounting are met and the company elects to account for the derivative as a hedge. For those transactions accounted for as cash flow hedges, much of the effects of changes in fair value are reflected in other comprehensive income (OCI), a component of common shareholders' equity, rather than being recognized in current earnings. For those transactions accounted for as fair value hedges, the effects of changes in fair value are reflected in current earnings offset by changes in the fair value of the item being hedged.

Since FAS 133 became effective in 2001, the FASB has discussed and from time to time issued implementation guidance related to FAS 133. In particular, much of the interpretive guidance affects when certain contracts for the purchase and sale of power and certain fuel supply contracts can be excluded from the provisions of FAS 133. Despite the large volume of implementation guidance, FAS 133 and the supplemental guidance do not provide specific guidance on all contract issues. As a result, significant judgment must be used in applying FAS 133 and its interpretations. A result of changes in interpretation could be that contracts that currently are excluded from the provisions of FAS 133 would have to be recorded on the balance sheet at fair value, with changes in fair value recorded in the statement of income.

Certain economic hedging transactions at NextEra Energy Resources do not meet the requirements for hedge accounting treatment. Changes in the fair value of those transactions are marked to market and reported in the statement of income, often resulting in earnings volatility. These changes in fair value are captured in the non-qualifying hedge category in computing adjusted earnings. This could be significant to NextEra Energy Resources' results because often the economic offset to the positions which are required to be marked to market (such as the physical assets from which power is generated) are not marked to market. As a consequence, net income reflects only the movement in one part of economically linked transactions. Because of this, FPL Group's management views results expressed excluding the unrealized mark-to-market impact of the non-qualifying hedges as a meaningful measure of current period performance. For additional information regarding derivative instruments, see Note 3 and also see Energy Marketing and Trading and Market Risk Sensitivity.

Accounting for Pensions and Other Postretirement Benefits – FPL Group sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of FPL Group and its subsidiaries. FPL Group also has a supplemental executive retirement plan which includes a non-qualified supplemental defined benefit pension component that provides benefits to a select group of management and highly compensated employees. In addition to pension benefits, FPL Group sponsors a contributory postretirement plan for health care and life insurance benefits (other benefits plan) for retirees of FPL Group and its subsidiaries meeting certain eligibility requirements. The qualified pension plan has a fully funded trust dedicated to providing the benefits under the plan. The other benefits plan has a partially funded trust dedicated to providing benefits related to life insurance. FPL Group allocates net periodic benefit income or cost associated with the pension and other benefits plans to its subsidiaries annually using specific criteria.

FPL Group adopted the recognition and disclosure provisions of FAS 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans," effective December 31, 2006 and the measurement date provisions of FAS 158 effective December 31, 2008. Prior to 2008, FPL Group used a measurement date of September 30. In lieu of remeasuring plan assets and obligations as of January 1, 2008, FPL Group elected to calculate the net periodic benefit (income) cost for the fifteen-month period from September 30, 2007 to December 31, 2008 using the September 30, 2007 measurement date. Upon adoption of the measurement date provisions, FPL Group recorded an adjustment to increase 2008 beginning retained earnings by approximately \$13 million representing three-fifteenths of net periodic benefit (income) cost for the fifteen-month period from September 30, 2007 to December 31, 2008. Included in the adjustment to retained earnings is approximately \$1 million related to the reduction in accumulated other comprehensive income (AOCI) and approximately \$3 million related to the reduction in net regulatory liabilities.

Since FPL Group is the plan sponsor, and its subsidiaries do not have separate rights to the plan assets or direct obligations to their employees, the results of implementing all provisions of FAS 158 are reflected at FPL Group and not allocated to the subsidiaries. The portion of previously unrecognized actuarial gains and losses, prior service costs or credits and transition assets or obligations related to the recognition provision of FAS 158 that were estimated to be allocable to FPL as net periodic benefit (income) cost in future periods and that otherwise would have been recorded in AOCI were classified as regulatory assets and liabilities at FPL Group in accordance with regulatory treatment. In addition, adjustments to AOCI as a result of implementing the measurement date provisions of FAS 158 that were estimated to be allocable to FPL were recorded as an adjustment to the previously established regulatory assets and liabilities.

FPL Group's income from its pension plan, net of the cost of the other benefits plan, was approximately \$86 million, \$69 million and \$65 million for the years ended December 31, 2008, 2007 and 2006, respectively. The corresponding amounts allocated to FPL were \$60 million, \$51 million and \$52 million, respectively. Pension income and the cost of the other benefits plan are included in O&M expenses, and are calculated using a number of actuarial assumptions. Those assumptions include an expected long-term rate of return on qualified plan assets of 7.75% for all years for the pension plan and 8.00%, 8.00% and 7.75% for the other benefits plan for the years ended December 31, 2008, 2007, and 2006, respectively, assumed increases in future compensation levels of 4% for all years, and weighted-average discount rates of 6.25%, 5.85% and 5.50% for the pension plan and 6.35%, 5.90% and 5.50% for the other benefits plan for the years ended December 31, 2008, 2007 and 2006, respectively. Based on current health care costs (as related to other benefits), the projected 2009 trend assumption used to measure the expected cost of health care benefits covered by the plans for all age groups are 7.0% for medical benefits and 9.0% for prescription drug benefits. These rates are assumed to decrease over the next seven years to the ultimate trend rate of 5.5% and remain at that level thereafter. The ultimate trend rate is assumed to be reached in 2015 for medical and prescription drug costs. In developing these assumptions, FPL Group evaluated input from its actuaries, as well as information available in the marketplace. For the expected long-term rate of return on fund assets, FPL Group considered 10-year and 20-year historical median returns for a portfolio with an equity/bond asset mix similar to its funds. FPL Group also considered its funds' historical compounded returns. FPL Group believes that 7.75% and 8.00% are reasonable long-term rates of return on its pension plan and other benefits plan assets, respectively. FPL Group will continue to evaluate all of its actuarial assumptions, including its expected rate of return, at least annually, and will adjust them as necessary.

FPL Group bases its determination of pension and other benefits plan expense or income on a market-related valuation of assets, which reduces year-to-year volatility. This market-related valuation recognizes investment gains or losses over a five-year period from the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return realized on those assets. Since the market-related value of assets recognizes gains or losses over a five-year period, the future value of assets will be affected as previously deferred gains or losses are recognized. Such gains and losses together with other differences between actual results and the estimates used in the actuarial valuations are deferred and recognized in determining pension and other benefits plan expense and income only when they exceed 10% of the greater of projected benefit obligations or the market-related value of assets.

The following table illustrates the effect on net periodic benefit income of changing the critical actuarial assumptions discussed above, while holding all other assumptions constant:

	Change in Assumption	Decrease in 2008 Net Periodic Benefit Income	
		FPL Group	FPL
		(millions)	
Expected long-term rate of return	(0.5)%	\$ 17	\$ 12
Discount rate	(0.5)%	\$ 4	\$ 3
Salary increase	0.5%	\$ 2	\$ 1
Health care cost trend rate ^(a)	1.0%	\$ -	\$ -

^(a) Assumed health care cost trend rates can have a significant effect on the amounts reported for postretirement plans providing health care benefits. However, this effect is somewhat mitigated by the retiree cost sharing structure incorporated in FPL Group's other benefits plan.

The fair value of plan assets has decreased from \$3.6 billion at September 30, 2007 to \$2.5 billion at December 31, 2008 for the pension plan and decreased from \$49 million at September 30, 2007 to \$29 million at December 31, 2008 for the other benefits plan. Management believes that, based on the actuarial assumptions and the well funded status of the pension plan, FPL Group will not be required to make any cash contributions to the qualified pension plan in the near future. In December 2008, \$26 million was transferred from the qualified pension plan as reimbursement for eligible retiree medical expenses paid by FPL Group during the year pursuant to the provisions of the Internal Revenue Code. FPL Group anticipates paying approximately \$29 million for eligible retiree medical expenses on behalf of the other benefits plan during 2009 with substantially all of that amount being reimbursed through a transfer of assets from the qualified pension plan. See Note 2.

Carrying Value of Long-Lived Assets – FPL Group evaluates on an ongoing basis the recoverability of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable as described in FAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets."

Under that standard, an impairment loss is required to be recognized if the carrying value of the asset exceeds the undiscounted future net cash flows associated with that asset. The impairment loss to be recognized is the amount by which the carrying value of the long-lived asset exceeds the asset's fair value. In most instances, the fair value is determined by discounting estimated future cash flows using an appropriate interest rate.

The amount of future net cash flows, the timing of the cash flows and the determination of an appropriate interest rate all involve estimates and judgments about future events. In particular, the aggregate amount of cash flows determines whether an impairment exists, and the timing of the cash flows is critical in determining fair value. Because each assessment is based on the facts and circumstances associated with each long-lived asset, the effects of changes in assumptions cannot be generalized.

In 2006, FPL FiberNet performed an impairment analysis and concluded that an impairment charge related to its metro market assets was necessary. The critical assumptions and estimates used in the analysis include revenue additions, projected capital expenditures and a discount rate. A 10% increase in the revenue growth rate or a 10% decrease in projected capital expenditures would have resulted in no impairment, while a 10% decrease in the revenue growth rate or a 10% increase in projected capital expenditures would increase the impairment charge by less than \$5 million. An increase or decrease of 1% in the discount rate would have a corresponding change to the impairment charge of approximately \$3 million. See Note 5 – Corporate and Other.

Nuclear Decommissioning and Fossil Dismantlement – FPL Group and FPL each account for asset retirement obligations and conditional asset retirement obligations (collectively, AROs) under FAS 143, "Accounting for Asset Retirement Obligations" and FIN 47, "Accounting for Conditional Asset Retirement Obligations." FAS 143 and FIN 47 require that a liability for the fair value of an ARO be recognized in the period in which it is incurred with the offsetting associated asset retirement costs capitalized as part of the carrying amount of the long-lived assets. See Note 1 – Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs and Note 14.

For ratemaking purposes, FPL accrues and funds for nuclear plant decommissioning costs over the expected service life of each unit based on studies that are filed with the FPSC at least every five years. The most recent studies, filed in 2005, indicate that FPL's portion of the future cost of decommissioning its four nuclear units, including spent fuel storage, is approximately \$10.9 billion, or \$2.3 billion in 2008 dollars. The studies reflect, among other things, the 20-year license extensions of FPL's nuclear units. At December 31, 2008, \$2,332 million was accrued for nuclear decommissioning, of which \$1,713 million was recorded as an ARO, \$52 million was recorded as a capitalized net asset related to the ARO, \$495 million was recorded as a regulatory liability and \$176 million was included in accrued asset removal costs (a regulatory liability) on the consolidated balance sheets.

FPL accrues the cost of dismantling its fossil plants over the expected service life of each unit based on studies filed with the FPSC. Unlike nuclear decommissioning, fossil dismantlement costs are not funded. The most recent studies, which became effective January 1, 2007, indicated that FPL's portion of the ultimate cost to dismantle its fossil units is \$707 million. The majority of the dismantlement costs are not considered AROs. At December 31, 2008, \$349 million was accrued for fossil dismantlement costs, of which \$26 million was recorded as an ARO, \$8 million was recorded as a capitalized net asset related to the ARO, \$25 million was recorded as a regulatory liability and \$306 million was included in accrued asset removal costs (a regulatory liability) on the consolidated balance sheets.

NextEra Energy Resources records a liability for the present value of its expected decommissioning costs in accordance with FAS 143 and FIN 47 which is determined using various internal and external data. NextEra Energy Resources' portion of the ultimate cost of decommissioning its nuclear plants, including costs associated with spent fuel storage, is approximately \$6.6 billion, or \$1.4 billion expressed in 2008 dollars. The liability is being accreted using the interest method through the date decommissioning activities are expected to be complete. At December 31, 2008, the ARO for nuclear decommissioning of NextEra Energy Resources' nuclear plants totaled approximately \$487 million.

The calculation of the future cost of retiring long-lived assets, including nuclear decommissioning and fossil dismantlement costs, involves estimating the amount and timing of future expenditures and making judgments concerning whether or not such costs are considered a legal obligation under FAS 143 and FIN 47. Estimating the amount and timing of future expenditures includes, among other things, making projections of when assets will be retired and how costs will escalate with inflation. In addition, FPL Group and FPL also make interest rate and rate of return projections on their investments in determining recommended funding requirements for nuclear decommissioning costs. Periodically, FPL Group and FPL will be required to update these estimates and projections which can affect the annual expense amounts recognized, the liabilities recorded and the annual funding requirements for nuclear decommissioning costs. For example, an increase of 0.25% in the assumed escalation rates would increase FPL Group's and FPL's ARO as of December 31, 2008 by \$223 million and \$174 million, respectively.

Regulatory Accounting – FPL follows the accounting practices set forth in FAS 71, "Accounting for the Effects of Certain Types of Regulation." FAS 71 indicates that regulators can create assets and impose liabilities that would not be recorded by non-regulated entities. Regulatory assets and liabilities represent probable future revenues that will be recovered from or refunded to customers through the ratemaking process. If FPL were no longer subject to cost-based rate regulation, the existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. In addition, the FPSC has the authority to disallow recovery of costs that it considers excessive or imprudently incurred. Such costs may include, among others, fuel and O&M expenses, the cost of replacing power lost when fossil and nuclear units are unavailable, storm restoration costs and costs associated with the construction or acquisition of new facilities. The continued applicability of FAS 71 is assessed at each reporting period.

FPL Group's and FPL's regulatory assets and liabilities are as follows:

	FPL Group		FPL	
	December 31,		December 31,	
	2008	2007	2008	2007
	(millions)			
Regulatory assets:				
Current:				
Deferred clause and franchise expenses	\$ 248	\$ 103	\$ 248	\$ 103
Securitized storm-recovery costs	\$ 64	\$ 59	\$ 64	\$ 59
Derivatives	\$ 1,109	\$ 117	\$ 1,109	\$ 117
Pension	\$ 19	\$ -	\$ -	\$ -
Other	\$ 4	\$ 2	\$ -	\$ -
Noncurrent:				
Securitized storm-recovery costs	\$ 697	\$ 756	\$ 697	\$ 756
Deferred clause expenses	\$ 79	\$ 121	\$ 79	\$ 121
Pension	\$ 100	\$ -	\$ -	\$ -
Unamortized loss on reacquired debt	\$ 32	\$ 36	\$ 32	\$ 36
Other	\$ 138	\$ 95	\$ 133	\$ 72
Regulatory liabilities:				
Current:				
Deferred clause and franchise revenues	\$ 11	\$ 18	\$ 11	\$ 18
Pension	\$ -	\$ 24	\$ -	\$ -
Noncurrent:				
Accrued asset removal costs	\$ 2,142	\$ 2,098	\$ 2,142	\$ 2,098
Asset retirement obligation regulatory expense difference	\$ 520	\$ 921	\$ 520	\$ 921
Pension	\$ -	\$ 696	\$ -	\$ -
Other	\$ 218	\$ 236	\$ 218	\$ 235

See Note 1 for a discussion of FPL Group's and FPL's other significant accounting policies.

Energy Marketing and Trading and Market Risk Sensitivity

Energy Marketing and Trading – Certain of FPL Group's subsidiaries, including FPL and NextEra Energy Resources, use derivative instruments (primarily swaps, options and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity. In addition, FPL Group, through NextEra Energy Resources, uses derivatives to optimize the value of power generation assets. NextEra Energy Resources provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, in certain markets and engages in energy trading activities to take advantage of expected future favorable price movements.

Derivative instruments, when required to be marked to market under FAS 133, as amended, are recorded on FPL Group's and FPL's consolidated balance sheets as either an asset or liability measured at fair value. At FPL, substantially all changes in fair value are deferred as a regulatory asset or liability until the contracts are settled. Upon settlement, any gains or losses are passed through the fuel clause or the capacity clause. For FPL Group's non-rate regulated operations, predominantly NextEra Energy Resources, essentially all changes in the derivatives' fair value for power purchases and sales and trading activities are recognized on a net basis in operating revenues; fuel purchases and sales are recognized on a net basis in fuel, purchased power and interchange expense; and the equity method investees' related activity is recognized in equity in earnings of equity method investees in FPL Group's consolidated statements of income unless hedge accounting is applied. See Note 3.

The changes in the fair value of FPL Group's consolidated subsidiaries' energy contract derivative instruments were as follows:

	Hedges on Owned Assets				FPL Group Total
	Trading	Non-Qualifying	OCI (millions)	FPL Cost Recovery Clauses	
Fair value of contracts outstanding at December 31, 2006	\$ 5	\$ 8	\$ (56)	\$ (921)	\$ (964)
Reclassification to realized at settlement of contracts	(8)	(95)	39	870	806
Value of contracts purchased/previously not consolidated	-	23	-	-	23
Effective portion of changes in fair value recorded in OCI	-	-	(92)	-	(92)
Ineffective portion of changes in fair value recorded in earnings	-	3	-	-	3
Changes in fair value excluding reclassification to realized	5	(77)	-	(68)	(140)
Fair value of contracts outstanding at December 31, 2007	2	(138)	(109)	(119)	(364)
Reclassification to realized at settlement of contracts	20	(30)	147	(658)	(521)
Effective portion of changes in fair value recorded in OCI	-	-	76	-	76
Ineffective portion of changes in fair value recorded in earnings	-	25	-	-	25
Changes in fair value excluding reclassification to realized	34	286	-	(331)	(11)
Fair value of contracts outstanding at December 31, 2008	56	143	114	(1,108)	(795)
Net option premium payments (receipts)	(12)	18	-	-	6
Net margin cash collateral paid	-	(2)	-	-	(2)
Total mark-to-market energy contract net assets (liabilities) at December 31, 2008	\$ 44	\$ 159	\$ 114	\$ (1,108)	\$ (791)

FPL Group's total mark-to-market energy contract net assets (liabilities) at December 31, 2008 shown above are included in the consolidated balance sheets as follows:

	December 31, 2008 (millions)
Current derivative assets	\$ 433
Noncurrent other assets	192
Current derivative liabilities	(1,271)
Noncurrent derivative liabilities	(145)
FPL Group's total mark-to-market energy contract net liabilities	\$ (791)

The sources of fair value estimates and maturity of energy contract derivative instruments at December 31, 2008 were as follows:

	Maturity					
	2009	2010	2011	2012 (millions)	2013	Thereafter Total
Trading:						
Quoted prices in active markets for identical assets	\$ (38)	\$ (43)	\$ 1	\$ (11)	\$ (7)	\$ (98)
Significant other observable inputs	(36)	(29)	2	5	1	(57)
Significant unobservable inputs	148	41	43	2	7	211
Total	74	(31)	16	(4)	1	56
Owned Assets – Non-Qualifying:						
Quoted prices in active markets for identical assets	7	18	(5)	(2)	-	18
Significant other observable inputs	(7)	(5)	(13)	(12)	(12)	(69)
Significant unobservable inputs	158	34	(1)	-	1	194
Total	158	47	(19)	(14)	(11)	143
Owned Assets – OCI:						
Quoted prices in active markets for identical assets	4	14	8	(1)	-	25
Significant other observable inputs	65	21	2	1	-	89
Significant unobservable inputs	-	-	-	-	-	-
Total	69	35	10	-	-	114
Owned Assets – FPL Cost Recovery Clauses:						
Quoted prices in active markets for identical assets	-	-	-	-	-	-
Significant other observable inputs	(1,108)	-	-	-	-	(1,108)
Significant unobservable inputs	(1)	1	-	-	-	-
Total	(1,109)	1	-	-	-	(1,108)
Total sources of fair value	\$ (808)	\$ 52	\$ 7	\$ (18)	\$ (10)	\$ (795)

Market Risk Sensitivity – Financial instruments and positions affecting the financial statements of FPL Group and FPL described below are held primarily for purposes other than trading. Market risk is measured as the potential loss in fair value resulting from hypothetical reasonably possible changes in commodity prices, interest rates or equity prices over the next year. In December 2008, FPL Group Capital entered into a cross currency basis swap to hedge against currency movements with respect to both interest and principal payments on a loan; the fair value of the cross currency basis swap was not material at December 31, 2008. Management has established risk management policies to monitor and manage market risks. With respect to commodities, FPL Group's Exposure Management Committee (EMC), which is comprised of certain members of senior management, is responsible for the overall approval of market risk management policies and the delegation of approval and authorization levels. The EMC receives periodic updates on market positions and related exposures, credit exposures and overall risk management activities.

FPL Group and its subsidiaries are also exposed to credit risk through their energy marketing and trading operations. Credit risk is the risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligation. FPL Group manages counterparty credit risk for its subsidiaries with energy marketing and trading operations through established policies, including counterparty credit limits, and in some cases credit enhancements, such as cash prepayments, letters of credit, cash and other collateral and guarantees. Credit risk is also managed through the use of master netting agreements. FPL Group's credit department monitors current and forward credit exposure to counterparties and their affiliates, both on an individual and an aggregate basis.

Commodity price risk – FPL Group uses a value-at-risk (VaR) model to measure market risk in its trading and mark-to-market portfolios. The VaR is the estimated nominal loss of market value based on a one-day holding period at a 95% confidence level using historical simulation methodology. As of December 31, 2008 and 2007, the VaR figures are as follows:

	Trading			Non-Qualifying Hedges and Hedges in OCI and FPL Cost Recovery Clauses ^(a)			Total		
	FPL	NextEra Energy Resources	FPL Group	FPL	NextEra Energy Resources (millions)	FPL Group	FPL	NextEra Energy Resources	FPL Group
December 31, 2007	\$ -	\$ 6	\$ 6	\$ 51	\$ 31	\$ 37	\$ 51	\$ 28	\$ 39
December 31, 2008	\$ -	\$ 5	\$ 5	\$ 88	\$ 54	\$ 31	\$ 88	\$ 58	\$ 30
Average for the period ended December 31, 2008	\$ -	\$ 4	\$ 4	\$ 82	\$ 50	\$ 35	\$ 82	\$ 48	\$ 36

^(a) Non-qualifying hedges are employed to reduce the market risk exposure to physical assets or contracts which are not marked to market. The VaR figures for the non-qualifying hedges and hedges in OCI and FPL cost recovery clauses category do not represent the economic exposure to commodity price movements.

Interest rate risk – FPL Group and FPL are exposed to risk resulting from changes in interest rates as a result of their respective issuances of debt, investments in special use funds and other investments. FPL Group and FPL manage their respective interest rate exposure by monitoring current interest rates, entering into interest rate swaps and adjusting their variable rate debt in relation to total capitalization.

The following are estimates of the fair value of FPL Group's and FPL's financial instruments:

	December 31, 2008		December 31, 2007	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
FPL Group:				
Fixed income securities:				
Other current assets	\$ 8	\$ 8 ^(a)	\$ 3	\$ 3 ^(a)
Special use funds	\$ 1,867	\$ 1,867 ^(a)	\$ 2,025	\$ 2,025 ^(a)
Other investments	\$ 97	\$ 97 ^(a)	\$ 108	\$ 108 ^(a)
Long-term debt, including current maturities	\$ 15,221	\$ 15,152 ^(a)	\$ 12,681	\$ 12,642 ^(a)
Interest rate swaps – net unrealized losses	\$ (78)	\$ (78) ^(a)	\$ (28)	\$ (28) ^(a)
FPL:				
Fixed income securities – special use funds	\$ 1,510	\$ 1,510 ^(a)	\$ 1,436	\$ 1,436 ^(a)
Long-term debt, including current maturities	\$ 5,574	\$ 5,652 ^(a)	\$ 5,217	\$ 5,185 ^(a)

^(a) Based on quoted market prices for these or similar issues.

^(b) Based on market prices provided by external sources.

^(c) Based on market prices modeled internally.

The special use funds of FPL Group and FPL consist of restricted funds set aside to cover the cost of storm damage for FPL and for the decommissioning of FPL Group's and FPL's nuclear power plants. A portion of these funds is invested in fixed income debt securities carried at their market value. At FPL, adjustments to market value result in a corresponding adjustment to the related liability accounts based on current regulatory treatment. The market value adjustments of FPL Group's non-rate regulated operations result in a corresponding adjustment to OCI, except for impairments deemed to be other than temporary which are reported in current period earnings. Because the funds set aside by FPL for storm damage could be needed at any time, the related investments are generally more liquid and, therefore, are less sensitive to changes in interest rates. The nuclear decommissioning funds, in contrast, are generally invested in longer-term securities, as decommissioning activities are not scheduled to begin until at least 2014 (2032 at FPL).

FPL Group and its subsidiaries use a combination of fixed rate and variable rate debt to manage interest rate exposure. Interest rate swaps are used to adjust and mitigate interest rate exposure when deemed appropriate based upon market conditions or when required by financing agreements. At December 31, 2008, the estimated fair value for FPL Group interest rate swaps was as follows:

Notional Amount (millions)	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value (millions)
Fair value hedge – FPL Group Capital:					
\$ 300	June 2008	September 2011	Variable ^(a)	5.625%	\$ 21
Cash flow hedges – NextEra Energy Resources:					
\$ 61	December 2003	December 2017	4.245%	Variable ^(a)	(5)
\$ 20	April 2004	December 2017	3.845%	Variable ^(a)	(1)
\$ 189	December 2005	November 2019	4.905%	Variable ^(a)	(23)
\$ 480	January 2007	January 2022	5.390%	Variable ^(a)	(65)
\$ 160	January 2008	September 2011	3.2050%	Variable ^(a)	(5)
Total cash flow hedges					(99)
Total interest rate hedges					<u>\$ (78)</u>

(a) Three-month LIBOR plus 1.18896%.

(a) Three-month LIBOR

(a) Six-month LIBOR

Based upon a hypothetical 10% decrease in interest rates, which is a reasonable near-term market change, the net fair value of FPL Group's net liabilities would increase by approximately \$671 million (\$304 million for FPL) at December 31, 2008.

Equity price risk – Included in the nuclear decommissioning reserve funds of FPL Group are marketable equity securities carried at their market value of approximately \$1,080 million and \$1,456 million (\$648 million and \$1,063 million for FPL) at December 31, 2008 and 2007, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a \$108 million (\$65 million for FPL) reduction in fair value and corresponding adjustments to the related liability accounts based on current regulatory treatment for FPL, or adjustments to OCI for FPL Group's non-rate regulated operations, at December 31, 2008.

Credit risk – For all derivative and contractual transactions, FPL Group's energy marketing and trading operations, which includes FPL's energy marketing and trading division, are exposed to losses in the event of nonperformance by counterparties to these transactions. Relevant considerations when assessing FPL Group's energy marketing and trading operations' credit risk exposure include:

- Operations are primarily concentrated in the energy industry.
- Trade receivables and other financial instruments are predominately with energy, utility and financial services related companies, as well as municipalities, cooperatives and other trading companies in the United States.
- Overall credit risk is managed through established credit policies.
- Prospective and existing customers are reviewed for creditworthiness based upon established standards, with customers not meeting minimum standards providing various credit enhancements or secured payment terms, such as letters of credit or the posting of margin cash collateral.
- The use of master netting agreements to offset cash and non-cash gains and losses arising from derivative instruments with the same counterparty. FPL Group's policy is to have master netting agreements in place with significant counterparties.

Based on FPL Group's policies and risk exposures related to credit, FPL Group and FPL do not anticipate a material adverse effect on their financial positions as a result of counterparty nonperformance. As of December 31, 2008, approximately 92% of FPL Group's and 100% of FPL's energy marketing and trading counterparty credit risk exposure is associated with companies that have investment grade credit ratings.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

See Management's Discussion – Energy Marketing and Trading and Market Risk Sensitivity – Market Risk Sensitivity.

Item 8. Financial Statements and Supplementary Data

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

FPL Group, Inc.'s (FPL Group) and Florida Power & Light Company's (FPL) management are responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The consolidated financial statements, which in part are based on informed judgments and estimates made by management, have been prepared in conformity with generally accepted accounting principles applied on a consistent basis.

To aid in carrying out this responsibility, we, along with all other members of management, maintain a system of internal accounting control which is established after weighing the cost of such controls against the benefits derived. In the opinion of management, the overall system of internal accounting control provides reasonable assurance that the assets of FPL Group and FPL and their subsidiaries are safeguarded and that transactions are executed in accordance with management's authorization and are properly recorded for the preparation of financial statements. In addition, management believes the overall system of internal accounting control provides reasonable assurance that material errors or irregularities would be prevented or detected on a timely basis by employees in the normal course of their duties. Any system of internal accounting control, no matter how well designed, has inherent limitations, including the possibility that controls can be circumvented or overridden and misstatements due to error or fraud may occur and not be detected. Also, because of changes in conditions, internal control effectiveness may vary over time. Accordingly, even an effective system of internal control will provide only reasonable assurance with respect to financial statement preparation and reporting.

The system of internal accounting control is supported by written policies and guidelines, the selection and training of qualified employees, an organizational structure that provides an appropriate division of responsibility and a program of internal auditing. FPL Group's written policies include a Code of Business Conduct & Ethics that states management's policy on conflict of interest and ethical conduct. Compliance with the Code of Business Conduct & Ethics is confirmed annually by key personnel.

The Board of Directors pursues its oversight responsibility for financial reporting and accounting through its Audit Committee. This Committee, which is comprised entirely of outside directors, meets regularly with management, the internal auditors and the independent auditors to make inquiries as to the manner in which the responsibilities of each are being discharged. The independent auditors and the internal audit staff have free access to the Committee without management's presence to discuss auditing, internal accounting control and financial reporting matters.

Management assessed the effectiveness of FPL Group's and FPL's internal control over financial reporting as of December 31, 2008, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in the Internal Control – Integrated Framework. Based on this assessment, management believes that FPL Group's and FPL's internal control over financial reporting was effective as of December 31, 2008.

FPL Group's and FPL's independent registered public accounting firm, Deloitte & Touche LLP, is engaged to express an opinion on FPL Group's and FPL's consolidated financial statements and an opinion on FPL Group's and FPL's internal control over financial reporting. Their reports are based on procedures believed by them to provide a reasonable basis to support such opinions. These reports appear on the following pages.

LEWIS HAY, III

Lewis Hay, III
Chairman and Chief Executive Officer of FPL Group
and Chairman of FPL

ARMANDO J. OLIVERA

Armando J. Olivera
President and Chief Executive Officer of FPL

ARMANDO PIMENTEL, JR.

Armando Pimentel, Jr.
Executive Vice President, Finance and Chief
Financial Officer of FPL Group and FPL

K. MICHAEL DAVIS

K. Michael Davis
Controller and Chief Accounting Officer
of FPL Group and Vice President,
Accounting and Chief Accounting Officer of FPL

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders

FPL Group, Inc. and Florida Power & Light Company:

We have audited the internal control over financial reporting of FPL Group, Inc. and subsidiaries (FPL Group) and Florida Power & Light Company and subsidiaries (FPL) as of December 31, 2008, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. FPL Group's and FPL's management are responsible for maintaining effective internal control over financial reporting and for their assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on FPL Group's and FPL's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audits included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, FPL Group and FPL maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2008 of FPL Group and FPL and our report dated February 26, 2009 expressed an unqualified opinion on those financial statements.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Miami, Florida
February 26, 2009

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
FPL Group, Inc. and Florida Power & Light Company:

We have audited the accompanying consolidated balance sheets of FPL Group, Inc. and subsidiaries (FPL Group) and the separate consolidated balance sheets of Florida Power & Light Company and subsidiaries (FPL) as of December 31, 2008 and 2007, and the related consolidated statements of income, of FPL Group's common shareholders' equity, of FPL's common shareholder's equity and of cash flows for each of the three years in the period ended December 31, 2008. These financial statements are the responsibility of the respective company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of FPL Group and of FPL at December 31, 2008 and 2007, and the respective results of their operations and their cash flows for each of the three years in the period ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), FPL Group's and FPL's internal control over financial reporting as of December 31, 2008, based on the criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2009 expressed an unqualified opinion on FPL Group's and FPL's internal control over financial reporting.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Miami, Florida
February 26, 2009

FPL GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME
(millions, except per share amounts)

	Years Ended December 31,		
	2008	2007	2006
OPERATING REVENUES	<u>\$ 16,410</u>	<u>\$ 15,263</u>	<u>\$ 15,710</u>
OPERATING EXPENSES			
Fuel, purchased power and interchange	8,412	8,192	8,943
Other operations and maintenance	2,527	2,314	2,022
Impairment charges	-	4	105
Disallowed storm costs	-	-	52
Storm cost amortization	64	74	151
Merger-related	-	-	23
Depreciation and amortization	1,378	1,261	1,185
Taxes other than income taxes	<u>1,204</u>	<u>1,135</u>	<u>1,132</u>
Total operating expenses	<u>13,585</u>	<u>12,980</u>	<u>13,613</u>
OPERATING INCOME	<u>2,825</u>	<u>2,283</u>	<u>2,097</u>
OTHER INCOME (DEDUCTIONS)			
Interest expense	(813)	(762)	(706)
Equity in earnings of equity method investees	93	68	181
Gains on disposal of assets - net	18	2	29
Allowance for equity funds used during construction	35	23	21
Interest income	72	89	62
Other than temporary impairment losses on securities held in nuclear decommissioning funds	(148)	(10)	(2)
Other - net	<u>7</u>	<u>(13)</u>	<u>(4)</u>
Total other deductions - net	<u>(736)</u>	<u>(603)</u>	<u>(419)</u>
INCOME BEFORE INCOME TAXES	2,089	1,680	1,678
INCOME TAXES	<u>450</u>	<u>368</u>	<u>397</u>
NET INCOME	<u>\$ 1,639</u>	<u>\$ 1,312</u>	<u>\$ 1,281</u>
Earnings per share of common stock:			
Basic	\$ 4.10	\$ 3.30	\$ 3.25
Assuming dilution	\$ 4.07	\$ 3.27	\$ 3.23
Dividends per share of common stock	\$ 1.78	\$ 1.64	\$ 1.50
Weighted-average number of common shares outstanding:			
Basic	400.1	397.7	393.5
Assuming dilution	402.7	400.6	396.5

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FPL GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31,	
	2008	2007
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	\$ 41,838	\$ 38,231
Nuclear fuel	1,260	1,096
Construction work in progress	2,630	1,713
Less accumulated depreciation and amortization	(13,117)	(12,368)
Total property, plant and equipment - net	<u>32,411</u>	<u>28,652</u>
CURRENT ASSETS		
Cash and cash equivalents	535	290
Customer receivables, net of allowances of \$29 and \$24, respectively	1,443	1,496
Other receivables, net of allowances of \$2 and \$8, respectively	264	225
Materials, supplies and fossil fuel inventory - at average cost	968	657
Regulatory assets:		
Deferred clause and franchise expenses	248	103
Securitized storm-recovery costs	64	59
Derivatives	1,109	117
Pension	19	-
Other	4	2
Derivatives	433	182
Other	305	448
Total current assets	<u>5,392</u>	<u>3,779</u>
OTHER ASSETS		
Special use funds	2,947	3,482
Prepaid benefit costs	914	1,911
Other investments	923	391
Regulatory assets:		
Securitized storm-recovery costs	607	756
Deferred clause expenses	79	121
Pension	100	-
Unamortized loss on reacquired debt	32	36
Other	138	95
Other	1,188	900
Total other assets	<u>7,018</u>	<u>7,692</u>
TOTAL ASSETS	<u>\$ 44,821</u>	<u>\$ 40,123</u>
CAPITALIZATION		
Common shareholders' equity	\$ 11,681	\$ 10,735
Long-term debt	13,833	11,280
Total capitalization	<u>25,514</u>	<u>22,015</u>
CURRENT LIABILITIES		
Commercial paper	1,835	1,017
Notes payable	30	-
Current maturities of long-term debt	1,388	1,401
Accounts payable	1,062	1,204
Customer deposits	575	539
Accrued interest and taxes	374	351
Regulatory liabilities:		
Deferred clause and franchise revenues	11	18
Pension	-	24
Derivatives	1,300	289
Other	1,114	915
Total current liabilities	<u>7,689</u>	<u>5,758</u>
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	2,283	2,157
Accumulated deferred income taxes	4,231	3,821
Regulatory liabilities:		
Accrued asset removal costs	2,142	2,098
Asset retirement obligation regulatory expense difference	520	921
Pension	-	696
Other	218	236
Derivatives	218	351
Other	2,006	2,070
Total other liabilities and deferred credits	<u>11,618</u>	<u>12,350</u>
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	<u>\$ 44,821</u>	<u>\$ 40,123</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FPL GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)

	Years Ended December 31,		
	2008	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 1,639	\$ 1,312	\$ 1,281
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,378	1,261	1,143
Nuclear fuel amortization	201	144	127
Impairment charges	-	4	105
Recoverable storm-related costs of FPL	17	(3)	(364)
Storm cost amortization	64	74	151
Unrealized (gains) losses on marked to market energy contracts	(337)	134	(173)
Deferred income taxes	569	402	393
Cost recovery clauses and franchise fees	(111)	(75)	940
Change in prepaid option premiums and derivative settlements	(12)	159	(66)
Equity in earnings of equity method investees	(93)	(88)	(181)
Distributions of earnings from equity method investees	124	175	104
Changes in operating assets and liabilities:			
Customer receivables	49	(216)	(215)
Other receivables	(26)	(14)	62
Material, supplies and fossil fuel inventory	(106)	(14)	(203)
Other current assets	(31)	(14)	8
Other assets	(166)	(100)	(142)
Accounts payable	(120)	93	(202)
Customer deposits	37	29	76
Margin cash collateral	49	86	(546)
Income taxes	(17)	(75)	(46)
Interest and other taxes	30	49	49
Other current liabilities	189	113	50
Other liabilities	(61)	(52)	32
Other - net	137	219	115
Net cash provided by operating activities	<u>3,403</u>	<u>3,593</u>	<u>2,498</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures of FPL	(2,234)	(1,826)	(1,763)
Independent power investments	(2,715)	(2,852)	(1,701)
Nuclear fuel purchases	(247)	(310)	(212)
Other capital expenditures	(40)	(31)	(63)
Sale of independent power investments	25	700	20
Loan repayments and capital distributions from equity method investees	-	11	-
Proceeds from sale of securities in special use funds	2,235	2,211	3,135
Purchases of securities in special use funds	(2,315)	(2,440)	(3,217)
Proceeds from sale of other securities	28	138	96
Purchases of other securities	(84)	(156)	(109)
Funding of loan	(500)	-	-
Other - net	39	(23)	7
Net cash used in investing activities	<u>(5,808)</u>	<u>(4,578)</u>	<u>(3,807)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuances of long-term debt	3,827	3,199	3,408
Retirements of long-term debt	(1,358)	(1,866)	(1,665)
Proceeds from purchased Corporate Units	-	-	210
Payments to terminate Corporate Units	-	-	(258)
Net change in short-term debt	848	(80)	(62)
Issuances of common stock	41	46	333
Dividends on common stock	(714)	(554)	(593)
Change in funds held for storm-recovery bond payments	-	(42)	-
Other - net	6	52	25
Net cash provided by financing activities	<u>2,650</u>	<u>655</u>	<u>1,399</u>
Net increase (decrease) in cash and cash equivalents	245	(330)	90
Cash and cash equivalents at beginning of year	290	620	530
Cash and cash equivalents at end of year	<u>\$ 535</u>	<u>\$ 290</u>	<u>\$ 620</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest (net of amount capitalized)	\$ 764	\$ 686	\$ 648
Cash paid for income taxes - net	\$ 4	\$ 48	\$ 30
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Assumption of debt in connection with the purchase of independent power project	\$ 31	\$ 55	\$ -

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FPL GROUP, INC.
CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY
(millions)

	Common Stock ^(a)	Additional Paid-In Capital	Unearned ESOP Compensation	Accumulated Other Comprehensive Income (Loss) ^(b)	Retained Earnings	Common Shareholders' Equity
	Shares	Aggregate Par Value				
Balances, December 31, 2005	395	\$ 4	\$ 4,322	\$ (140)	\$ (193)	\$ 4,568
Net income	-	-	-	-	1,281	-
Issuances of common stock, net of issuance cost of less than \$1	9	-	307	4	-	-
Exercise of stock options and other incentive plan activity	1	-	64	-	-	-
Dividends on common stock	-	-	-	-	(593)	-
Earned compensation under ESOP	-	-	21	11	-	-
Termination of Corporate Units, net of tax benefit of \$15	-	-	(33)	-	-	-
Other comprehensive income	-	-	-	210	-	-
Implementation of FAS 158	-	-	-	98	-	-
Other	-	-	(1)	-	-	-
Balances, December 31, 2006	405 ^(c)	4	4,680	(125)	115	5,256
Net income	-	-	-	-	1,312	-
Issuances of common stock, net of issuance cost of less than \$1	1	-	33	3	-	-
Exercise of stock options and other incentive plan activity	1	-	59	-	-	-
Dividends on common stock	-	-	-	-	(654)	-
Earned compensation under ESOP	-	-	27	8	-	-
Other comprehensive loss	-	-	-	(44)	-	-
Defined benefit pension and other benefits plans	-	-	-	45	-	-
Implementation of FIN 48	-	-	(15)	-	31	-
Balances, December 31, 2007	407 ^(c)	4	4,784	(114)	116	5,945
Net income	-	-	-	-	1,639	-
Issuances of common stock, net of issuance cost of less than \$1	1	-	38	4	-	-
Exercise of stock options and other incentive plan activity	1	-	53	-	-	-
Dividends on common stock	-	-	-	-	(714)	-
Earned compensation under ESOP	-	-	30	10	-	-
Other comprehensive income	-	-	-	40	-	-
Defined benefit pension and other benefits plans	-	-	-	(167)	-	-
Implementation of FAS 158 & FAS 159	-	-	-	(2)	15	-
Balances, December 31, 2008	409 ^(c)	\$ 4	\$ 4,905	\$ (100)	\$ (13)	\$ 6,885
						\$ 11,681

^(a) \$0.01 par value, authorized - 800,000,000 shares; outstanding shares 408,915,305, 407,344,972 and 405,404,438 at December 31, 2008, 2007 and 2006, respectively.

^(b) Comprehensive income, which includes net income and other comprehensive income (loss), totaled approximately \$1,512 million, \$1,313 million and \$1,491 million for 2008, 2007 and 2006, respectively.

^(c) Outstanding and unallocated shares held by the Employee Stock Ownership Plan (ESOP) Trust totaled approximately 7 million, 8 million and 9 million at December 31, 2008, 2007 and 2006, respectively; the original number of shares purchased and held by the ESOP Trust was approximately 25 million shares.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(millions)

	Years Ended December 31,		
	2008	2007	2006
OPERATING REVENUES	\$ 11,649	\$ 11,622	\$ 11,988
OPERATING EXPENSES			
Fuel, purchased power and interchange	6,749	6,726	7,116
Other operations and maintenance	1,438	1,454	1,374
Disallowed storm costs	-	-	52
Storm cost amortization	64	74	151
Depreciation and amortization	796	773	787
Taxes other than income taxes	1,073	1,032	1,045
Total operating expenses	<u>10,120</u>	<u>10,059</u>	<u>10,525</u>
OPERATING INCOME	<u>1,529</u>	<u>1,563</u>	<u>1,463</u>
OTHER INCOME (DEDUCTIONS)			
Interest expense	(334)	(304)	(278)
Allowance for equity funds used during construction	35	23	21
Interest income	11	17	30
Other – net	(9)	(12)	(10)
Total other deductions – net	<u>(297)</u>	<u>(276)</u>	<u>(237)</u>
INCOME BEFORE INCOME TAXES	1,232	1,287	1,226
INCOME TAXES	<u>443</u>	<u>451</u>	<u>424</u>
NET INCOME	<u>\$ 789</u>	<u>\$ 836</u>	<u>\$ 802</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31,	
	2008	2007
ELECTRIC UTILITY PLANT		
Plant in service	\$ 26,497	\$ 25,585
Nuclear fuel	613	565
Construction work in progress	1,862	1,101
Less accumulated depreciation and amortization	(10,189)	(10,081)
Electric utility plant – net	<u>18,783</u>	<u>17,170</u>
CURRENT ASSETS		
Cash and cash equivalents	120	63
Customer receivables, net of allowances of \$19 and \$13, respectively	796	807
Other receivables, net of allowances of \$1 and \$1, respectively	143	178
Materials, supplies and fossil fuel inventory – at average cost	563	583
Regulatory assets:		
Deferred clause and franchise expenses	248	103
Securitized storm-recovery costs	64	59
Derivatives	1,109	117
Derivatives	4	83
Other	125	260
Total current assets	<u>3,172</u>	<u>2,253</u>
OTHER ASSETS		
Special use funds	2,158	2,499
Prepaid benefit costs	968	907
Regulatory assets:		
Securitized storm-recovery costs	697	756
Deferred clause expenses	79	121
Unamortized loss on reacquired debt	32	36
Other	133	72
Other	153	230
Total other assets	<u>4,220</u>	<u>4,621</u>
TOTAL ASSETS	<u>\$ 26,175</u>	<u>\$ 24,044</u>
CAPITALIZATION		
Common shareholder's equity	\$ 8,089	\$ 7,275
Long-term debt	5,311	4,976
Total capitalization	<u>13,400</u>	<u>12,251</u>
CURRENT LIABILITIES		
Commercial paper	773	842
Current maturities of long-term debt	263	241
Accounts payable	645	708
Customer deposits	570	531
Accrued interest and taxes	449	225
Regulatory liabilities – deferred clause and franchise revenues	11	18
Derivatives	1,114	182
Other	598	531
Total current liabilities	<u>4,423</u>	<u>3,276</u>
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,743	1,853
Accumulated deferred income taxes	3,105	2,716
Regulatory liabilities:		
Accrued asset removal costs	2,142	2,098
Asset retirement obligation regulatory expense difference	520	921
Other	218	235
Other	624	894
Total other liabilities and deferred credits	<u>8,352</u>	<u>8,517</u>
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	<u>\$ 26,175</u>	<u>\$ 24,044</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)

	Years Ended December 31,		
	2008	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 789	\$ 836	\$ 802
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	796	773	745
Nuclear fuel amortization	108	83	89
Recoverable storm-related costs	17	(3)	(364)
Storm cost amortization	64	74	151
Deferred income taxes	307	346	27
Cost recovery clauses and franchise fees	(111)	(75)	940
Change in prepaid option premiums and derivative settlements	3	142	(73)
Changes in operating assets and liabilities:			
Customer receivables	11	65	(219)
Other receivables	(11)	(32)	40
Material, supplies and fossil fuel inventory	20	(25)	(110)
Other current assets	(19)	(12)	9
Other assets	(96)	(50)	(83)
Accounts payable	(71)	(80)	(124)
Customer deposits	39	31	77
Margin cash collateral	26	75	(485)
Income taxes	175	(138)	157
Interest and other taxes	9	26	24
Other current liabilities	138	41	16
Other liabilities	(19)	(2)	10
Other – net	7	88	39
Net cash provided by operating activities	<u>2,180</u>	<u>2,163</u>	<u>1,668</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(2,234)	(1,826)	(1,763)
Nuclear fuel purchases	(133)	(181)	(105)
Proceeds from sale of securities in special use funds	1,454	1,978	2,673
Purchases of securities in special use funds	(1,512)	(2,186)	(2,738)
Other – net	(2)	1	-
Net cash used in investing activities	<u>(2,427)</u>	<u>(2,214)</u>	<u>(1,933)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuances of long-term debt	589	1,230	937
Retirements of long-term debt	(241)	(250)	(135)
Net change in short-term debt	(69)	212	(529)
Capital contribution from FPL Group	75	-	-
Dividends	(50)	(1,100)	-
Change in funds held for storm-recovery bond payments	-	(42)	-
Net cash provided by financing activities	<u>304</u>	<u>50</u>	<u>273</u>
Net increase (decrease) in cash and cash equivalents	57	(1)	8
Cash and cash equivalents at beginning of year	63	64	56
Cash and cash equivalents at end of year	<u>\$ 120</u>	<u>\$ 63</u>	<u>\$ 64</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest (net of amount capitalized)	\$ 320	\$ 267	\$ 257
Cash paid (received) for income taxes – net	\$ (11)	\$ 246	\$ 339

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDER'S EQUITY ^(a)
(millions)

	<u>Common Stock ^(b)</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Common Shareholder's Equity</u>
Balances, December 31, 2005	\$ 1,373	\$ 4,318	\$ 1,046	\$ 6,737
Net income	-	-	802	
Balances, December 31, 2006	1,373	4,318	1,848	\$ 7,539
Net income	-	-	836	
Dividends to FPL Group	-	-	(1,100)	
Balances, December 31, 2007	1,373	4,318	1,584	\$ 7,275
Net income	-	-	789	
Capital contributions from FPL Group	-	75	-	
Dividends to FPL Group	-	-	(50)	
Balances, December 31, 2008	<u>\$ 1,373</u>	<u>\$ 4,393</u>	<u>\$ 2,323</u>	<u>\$ 8,089</u>

^(a) FPL's comprehensive income is the same as reported net income.

^(b) Common stock, no par value, 1,000 shares authorized, issued and outstanding.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2008, 2007 and 2006

1. Summary of Significant Accounting and Reporting Policies

Basis of Presentation – FPL Group, Inc.'s (FPL Group) operations are conducted primarily through its wholly-owned subsidiary Florida Power & Light Company (FPL) and its wholly-owned indirect subsidiary NextEra Energy Resources, LLC (NextEra Energy Resources) formerly known as FPL Energy, LLC. FPL, a rate-regulated public utility, supplies electric service to approximately 4.5 million customer accounts throughout most of the east and lower west coasts of Florida. NextEra Energy Resources invests in independent power projects through both controlled and consolidated entities and non-controlling ownership interests in joint ventures essentially all of which are accounted for under the equity method.

The consolidated financial statements of FPL Group and FPL include the accounts of their respective majority-owned and controlled subsidiaries. In September 2007, NextEra Energy Resources acquired Point Beach Nuclear Power Plant (Point Beach), a two-unit, 1,023 megawatt (mw) nuclear facility located in Wisconsin. Since the date of acquisition, Point Beach's results have been included in FPL Group's consolidated financial statements. All significant intercompany balances and transactions have been eliminated in consolidation. Certain amounts included in prior years' consolidated financial statements have been reclassified to conform to the current year's presentation. The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Regulation – FPL is subject to regulation by the Florida Public Service Commission (FPSC) and the Federal Energy Regulatory Commission (FERC). Its rates are designed to recover the cost of providing electric service to its customers including a reasonable rate of return on invested capital. As a result of this cost-based regulation, FPL follows the accounting practices set forth in Statement of Financial Accounting Standards No. (FAS) 71, "Accounting for the Effects of Certain Types of Regulation." FAS 71 indicates that regulators can create assets and impose liabilities that would not be recorded by non-rate regulated entities. Regulatory assets and liabilities represent probable future revenues that will be recovered from or refunded to customers through the ratemaking process.

Cost recovery clauses, which are designed to permit full recovery of certain costs and provide a return on certain assets allowed to be recovered through the various clauses, include substantially all fuel, purchased power and interchange expenses, conservation and certain environmental-related expenses, certain revenue taxes and franchise fees. Beginning in 2009, pre-construction costs and carrying charges on construction costs for new nuclear capacity and costs incurred for FPL's proposed solar generating facilities will also be recovered through cost recovery clauses. Revenues from cost recovery clauses are recorded when billed; FPL achieves matching of costs and related revenues by deferring the net underrecovery or overrecovery. Any underrecovered costs or overrecovered revenues are collected from or returned to customers in subsequent periods. Although clause revenues and expenses do not significantly affect net income, the underrecoveries or overrecoveries can significantly affect FPL Group's and FPL's operating cash flows.

In 2007, the FPSC denied FPL's need petition for two ultra super critical pulverized coal generating units in Glades County, Florida. In December 2008, the FPSC approved the recovery of approximately \$34 million in pre-construction costs associated with these units over a five-year period beginning January 2010. At December 31, 2008 and 2007, these costs are reflected in regulatory assets – other and other assets, respectively, on FPL Group's and FPL's consolidated balance sheets.

If FPL were no longer subject to cost-based rate regulation, the regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. In addition, the FPSC has the authority to disallow recovery of costs that it considers excessive or imprudently incurred. The continued applicability of FAS 71 is assessed at each reporting period.

Revenues and Rates – FPL's retail and wholesale utility rate schedules are approved by the FPSC and the FERC, respectively. FPL records unbilled base revenues for the estimated amount of energy delivered to customers but not yet billed. Unbilled base revenues are included in customer receivables and amounted to approximately \$114 million and \$119 million at December 31, 2008 and 2007, respectively. FPL's operating revenues also include amounts resulting from cost recovery clauses (see Regulation), franchise fees, gross receipts taxes and surcharges related to the recovery of storm restoration costs associated with hurricanes and storm-recovery bonds (see Note 9 – FPL). Franchise fees and gross receipts taxes are imposed on FPL; however, the FPSC allows FPL to include in the amounts charged to customers the amount of the gross receipts tax for all customers and the franchise amount for those customers located in the jurisdiction that imposes the fee. Accordingly, franchise fees and gross receipts taxes are reported gross in operating revenues and taxes other than income taxes on FPL Group's and FPL's consolidated statements of income and were approximately \$781 million, \$755 million and \$773 million in 2008, 2007 and 2006, respectively. FPL also collects municipal utility taxes which are reported gross in customer receivables and accounts payable on FPL Group's and FPL's consolidated balance sheets.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In 2005, the FPSC approved a stipulation and settlement agreement regarding FPL's retail base rates (2005 rate agreement), signed by FPL and all of the interveners in its 2005 base rate proceeding. FPL expects the 2005 rate agreement to be in effect through December 31, 2009; thereafter, it shall remain in effect until terminated on the date new retail base rates become effective pursuant to an FPSC order.

The 2005 rate agreement provides that retail base rates will not increase during the term of the agreement except to allow recovery of the revenue requirements of any power plant approved pursuant to the Florida Power Plant Siting Act (Siting Act) that achieves commercial operation during the term of the 2005 rate agreement. Retail base rates increased approximately \$86 million in 2007 when a 1,144 mw natural gas-fired plant at FPL's Turkey Point site (Turkey Point Unit No. 5) was placed in service on May 1, 2007. As approved by the FPSC, FPL's retail base revenues will increase in 2009 when two natural gas-fired combined-cycle units (West County Energy Center Units Nos. 1 and 2), each with approximately 1,220 mw of net generating capacity, are placed in service, which is expected to occur by the third quarter of 2009 and fourth quarter of 2009. The 2005 rate agreement also has a revenue sharing mechanism, whereby revenues from retail base operations in excess of certain thresholds will be shared with customers on the basis of two-thirds refunded to customers and one-third retained by FPL. Revenues from retail base operations in excess of a second, higher threshold (cap) will be refunded 100% to customers. The revenue sharing threshold and cap are established by increasing the prior year's threshold and cap by the sum of the following: (i) the average annual growth rate in retail kilowatt-hour (kwh) sales for the ten-year period ending December 31 of the preceding year multiplied by the prior year's retail base rate revenue sharing threshold and cap and (ii) the amount of any incremental base rate increases for power plants approved pursuant to the Siting Act that achieve commercial operation during the term of the 2005 rate agreement. The revenue sharing threshold and cap for 2009 are estimated to be \$4,534 million and \$4,713 million, respectively.

Under the 2005 rate agreement, the accrual for the refund associated with the revenue sharing mechanism is required to be computed monthly for each twelve-month period of the rate agreement. At the beginning of each twelve-month period, planned revenues are reviewed to determine if it is probable that the thresholds will be exceeded. If so, an accrual is recorded each month for a portion of the anticipated refund based on the relative percentage of year-to-date planned revenues to the total estimated revenues for the twelve-month period, plus accrued interest. In addition, if in any month actual revenues are above or below planned revenues, the accrual is increased or decreased as necessary to recognize the effect of this variance on the expected refund amount. Under the 2005 rate agreement, the annual refund (including interest) is required to be paid to customers as a credit to their February electric bill. For the years ended December 31, 2008, 2007 and 2006, there were no refunds due to customers.

Under the terms of the 2005 rate agreement: (i) FPL's electric property depreciation rates are based upon the comprehensive depreciation studies it filed with the FPSC in March 2005; however, FPL may reduce depreciation by up to \$125 million annually, (ii) FPL has the ability to recover prudently incurred storm restoration costs, either through securitization provisions pursuant to the Florida Statutes or through surcharges, and (iii) FPL will be allowed to recover through a cost recovery clause prudently incurred incremental costs associated with complying with an FPSC or FERC order regarding a regional transmission organization.

FPL does not have an authorized regulatory return on common equity (ROE) under the 2005 rate agreement for the purpose of addressing earnings levels. For all other regulatory purposes, FPL has an ROE of 11.75%. Under the 2005 rate agreement, the revenue sharing mechanism described above is the appropriate and exclusive mechanism to address earnings levels. However, if FPL's regulatory ROE, as reported to the FPSC in FPL's monthly earnings surveillance report, falls below 10% during the term of the 2005 rate agreement, FPL may petition the FPSC to amend its base rates.

In November 2008, FPL notified the FPSC that it intends to initiate a base rate proceeding in March 2009. In the notification, FPL stated that it expects to request an \$800 million to \$950 million annual increase in base rates beginning on January 1, 2010 and an additional annual base rate increase beginning on January 1, 2011. These amounts exclude the effects of depreciation, which depend in part on the results of a detailed depreciation study that FPL is currently finalizing. Further, FPL expects to request that the FPSC continue to allow FPL to use the mechanism for recovery of the revenue requirements of any new power plant approved pursuant to the Siting Act that was established in FPL's 2005 rate agreement. Hearings on the base rate proceeding are expected during the third quarter of 2009 and a final decision is expected by the end of 2009. The final decision may approve rates that are different from those that FPL will request.

NextEra Energy Resources' revenue is recorded as electricity is delivered, which is when revenue is earned. NextEra Energy Resources' retail energy business records unbilled revenues for the estimated amount of energy delivered to customers but not yet billed. Unbilled revenues are included in customer receivables and amounted to approximately \$41 million and \$26 million at December 31, 2008 and 2007, respectively.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Electric Plant, Depreciation and Amortization – The cost of additions to units of property of FPL and NextEra Energy Resources is added to electric utility plant. In accordance with regulatory accounting, the cost of FPL's units of utility property retired, less estimated net salvage value, is charged to accumulated depreciation. Maintenance and repairs of property as well as replacements and renewals of items determined to be less than units of utility property are charged to other operations and maintenance (O&M) expenses. At December 31, 2008, the electric generating, transmission, distribution and general facilities of FPL represented approximately 45%, 13%, 38% and 4%, respectively, of FPL's gross investment in electric utility plant in service. Substantially all of FPL's properties are subject to the lien of FPL's mortgage, which secures most debt securities issued by FPL. A number of NextEra Energy Resources' generating facilities are encumbered by liens against their assets securing various financings. The net book value of NextEra Energy Resources' assets serving as collateral was approximately \$5.3 billion at December 31, 2008.

Depreciation of FPL's electric property is primarily provided on a straight-line average remaining life basis. FPL includes in depreciation expense a provision for fossil plant dismantlement and nuclear plant decommissioning (see Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs). For substantially all of FPL's property, depreciation studies are performed and filed with the FPSC at least every four years. Pursuant to the 2005 rate agreement, FPL implemented new depreciation rates on January 1, 2006 based on depreciation studies filed with the FPSC in March 2005. Under the 2005 rate agreement (see Revenues and Rates), FPL reduced depreciation by \$125 million annually in 2008, 2007 and 2006. The weighted annual composite depreciation rate for FPL's electric plant in service, including capitalized software, but excluding the effects of decommissioning, dismantlement and the depreciation adjustments discussed above, was approximately 3.6%, 3.6% and 3.7% for 2008, 2007 and 2006, respectively. NextEra Energy Resources' electric plants in service less salvage value, if any, are depreciated primarily using the straight-line method over their estimated useful lives. NextEra Energy Resources' effective depreciation rates, excluding decommissioning, were 4.3%, 4.4% and 4.1% for 2008, 2007 and 2006, respectively.

Nuclear Fuel – FPL leases nuclear fuel for all four of its nuclear units. FPL Group and FPL consolidate the lessor entity in accordance with Financial Accounting Standards Board (FASB) interpretation No. (FIN) 46, "Consolidation of Variable Interest Entities," as revised (FIN 46(R)). See Note 9 – FPL.

NextEra Energy Resources' nuclear units have several contracts for the supply, conversion, enrichment and fabrication of nuclear fuel. See Note 15 – Contracts. NextEra Energy Resources' nuclear fuel costs are charged to fuel expense on a unit of production method.

Construction Activity – Allowance for funds used during construction (AFUDC) is a non-cash item which represents the allowed cost of capital, including an ROE, used to finance FPL construction projects. The portion of AFUDC attributable to borrowed funds is recorded as a reduction of interest expense and the remainder is recorded as other income. FPSC rules limit the recording of AFUDC to projects that cost in excess of 0.5% of a utility's plant in service balance and require more than one year to complete. FPSC rules allow construction projects below the 0.5% threshold as a component of rate base. During 2008, 2007 and 2006, AFUDC was capitalized at a rate of 7.65%, 7.42% and 7.42%, respectively, and amounted to approximately \$53 million, \$36 million and \$32 million, respectively. See Note 15 – Commitments.

FPL's construction work in progress includes construction materials, progress payments on major equipment contracts, third party engineering costs, AFUDC and other costs directly associated with the construction of various projects. Upon completion of the projects, these costs are transferred to electric utility plant in service. At December 31, 2008 and 2007, FPL recorded approximately \$194 million and \$188 million, respectively, of construction accruals, which are included in other current liabilities on FPL Group's and FPL's consolidated balance sheets.

NextEra Energy Resources capitalizes project development costs once it is probable that such costs will be realized through the ultimate construction of a power plant. At December 31, 2008 and 2007, NextEra Energy Resources' capitalized development costs totaled approximately \$40 million and \$26 million, respectively, which are included in other assets on FPL Group's consolidated balance sheets. These costs include land rights and other third party costs directly associated with the development of a new project. Upon commencement of construction, these costs either are transferred to construction work in progress or remain in other assets, depending upon the nature of the cost. Capitalized development costs are charged to O&M expenses when recoverability is no longer probable.

NextEra Energy Resources' construction work in progress includes construction materials, prepayments on turbine generators, third party engineering costs, capitalized interest and other costs directly associated with the construction and development of the project. Interest capitalized on construction projects amounted to \$55 million, \$39 million and \$17 million during 2008, 2007 and 2006, respectively. NextEra Energy Resources' interest expense is based on a deemed capital structure of 50% debt for operating projects and 100% debt for projects under construction. Upon commencement of plant operation, costs associated with construction work in progress are transferred to electric utility plant in service and other property. At December 31, 2008 and 2007, NextEra Energy Resources recorded approximately \$74 million and \$106 million, respectively, of construction accruals, which are included in other current liabilities on FPL Group's consolidated balance sheets.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Asset Retirement Obligations – FPL Group and FPL each account for asset retirement obligations and conditional asset retirement obligations (collectively, AROs) under FAS 143, "Accounting for Asset Retirement Obligations" and FIN 47, "Accounting for Conditional Asset Retirement Obligations." See Note 14.

Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs – The components of FPL Group's and FPL's decommissioning of nuclear plants, dismantlement of plants and other accrued asset removal costs are as follows:

	FPL									
	Nuclear Decommissioning		Fossil Dismantlement		Interim Removal Costs and Other		NextEra Energy Resources		FPL Group	
	December 31,		December 31,		December 31,		December 31,		December 31,	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	(millions)									
ARO's	\$ 1,713	\$ 1,624	\$ 26	\$ 24	\$ 4	\$ 5	\$ 540	\$ 504	\$ 2,283	\$ 2,157
Less capitalized ARO asset net of accumulated depreciation	52	54	8	8	1	-	-	-	61	62
Accrued asset removal costs ^(a)	176	201	306	285	1,660	1,612	-	-	2,142	2,098
Asset retirement obligation regulatory expense difference ^(a)	495	887	25	34	-	-	-	-	520	921
Accrued decommissioning, dismantlement and other accrued asset removal costs	<u>\$ 2,332^(a)</u>	<u>\$ 2,656^(a)</u>	<u>\$ 349^(a)</u>	<u>\$ 335^(a)</u>	<u>\$ 1,663^(a)</u>	<u>\$ 1,617^(a)</u>	<u>\$ 540</u>	<u>\$ 504</u>	<u>\$ 4,884</u>	<u>\$ 5,114</u>

^(a) Regulatory liability on FPL Group's and FPL's consolidated balance sheets.

^(a) Represents total amount accrued for ratemaking purposes.

FPL – For ratemaking purposes, FPL accrues for the cost of end of life retirement and disposal of its nuclear and fossil plants over the expected service life of each unit based on nuclear decommissioning and fossil dismantlement studies periodically filed with the FPSC. In addition, FPL accrues for interim removal costs over the life of the related assets based on depreciation studies approved by the FPSC. For financial reporting purposes, FPL recognizes decommissioning and dismantlement liabilities in accordance with FAS 143 and FIN 47. Any differences between expense recognized under FAS 143 and FIN 47 and the amount recoverable through rates are reported as a regulatory liability in accordance with FAS 71. See Electric Plant, Depreciation and Amortization and Note 14.

Nuclear decommissioning studies are performed at least every five years and are submitted to the FPSC for approval. FPL filed updated nuclear decommissioning studies with the FPSC in December 2005. These studies reflect FPL's current plans, under the operating licenses, for prompt dismantlement of Turkey Point Units Nos. 3 and 4 following the end of plant operation with decommissioning activities commencing in 2032 and 2033, respectively, and provide for St. Lucie Unit No. 1 to be mothballed beginning in 2036 with decommissioning activities to be integrated with the prompt dismantlement of St. Lucie Unit No. 2 at the end of its useful life in 2043. These studies also assume that FPL will be storing spent fuel on site pending removal to a U.S. government facility. The studies indicate FPL's portion of the ultimate costs of decommissioning its four nuclear units, including costs associated with spent fuel storage, to be approximately \$10.9 billion. FPL's portion of the ultimate cost of decommissioning its four units, expressed in 2008 dollars, is estimated by the studies to aggregate \$2.3 billion.

During 2008, with respect to costs associated with nuclear decommissioning, FPL recognized approximately \$89 million related to ARO accretion expense, approximately \$2 million related to depreciation of the capitalized ARO asset and approximately \$91 million to adjust the total accrual to reflect the suspension of an annual decommissioning accrual by the FPSC effective in 2005. During 2007, with respect to costs associated with nuclear decommissioning, FPL recognized approximately \$84 million related to ARO accretion expense, approximately \$2 million related to depreciation of the capitalized ARO asset and approximately \$86 million to adjust the total accrual to reflect the suspension of the annual decommissioning accrual. During 2006, with respect to costs associated with nuclear decommissioning, FPL recognized approximately \$80 million related to ARO accretion expense, approximately \$2 million related to depreciation of the capitalized ARO asset and approximately \$82 million to adjust the total accrual to reflect the suspension of the annual decommissioning accrual.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Restricted trust funds for the payment of future expenditures to decommission FPL's nuclear units are included in nuclear decommissioning reserve funds, which are included in special use funds on FPL Group's and FPL's consolidated balance sheets. Consistent with regulatory treatment, marketable securities held in the decommissioning funds are classified as available for sale and are carried at market value with market adjustments, including any other-than-temporary impairment losses, resulting in a corresponding adjustment to the related regulatory liability accounts. See Note 10. Contributions to the funds were suspended in 2005. Fund earnings, net of taxes, are reinvested in the funds. Earnings are recognized as income/loss and an offset is recorded to reflect a corresponding increase/decrease in the related regulatory liability accounts. As a result, there is no effect on net income. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

FPL's latest fossil fuel plant dismantlement studies became effective January 1, 2007 and indicate that FPL's portion of the ultimate cost to dismantle its fossil units is \$707 million. FPL's next fossil fuel plant dismantlement study is required to be filed with the FPSC concurrently with its next depreciation study in March 2009. During 2008, with respect to costs associated with fossil dismantlement, FPL recognized approximately \$2 million related to ARO accretion expense and depreciation of the capitalized ARO asset and approximately \$13 million related to the non-legal obligation included in accrued asset removal costs, which equaled the \$15 million accrual approved by the FPSC for dismantlement expense (Included in depreciation and amortization expense in FPL Group's and FPL's consolidated statements of income). During 2007, with respect to costs associated with fossil dismantlement, FPL recognized approximately \$2 million related to ARO accretion expense and depreciation of the capitalized ARO asset, approximately \$14 million related to the non-legal obligation included in accrued asset removal costs and approximately \$1 million credit to adjust the total accrual to the \$15 million approved by the FPSC for dismantlement expense (included in depreciation and amortization expense in FPL Group's and FPL's consolidated statements of income). During 2006, with respect to costs associated with fossil dismantlement, FPL recognized approximately \$1 million related to ARO accretion expense and depreciation of the capitalized ARO asset, approximately \$17 million related to the non-legal obligation included in accrued asset removal costs and approximately \$1 million to adjust the total accrual to the \$19 million approved by the FPSC for dismantlement expense (included in depreciation and amortization expense in FPL Group's and FPL's consolidated statements of income).

NextEra Energy Resources – NextEra Energy Resources records nuclear decommissioning liabilities for Seabrook Station (Seabrook), Duane Arnold Energy Center (Duane Arnold) and Point Beach in accordance with FAS 143 and FIN 47. See Note 14. At December 31, 2008 and 2007, NextEra Energy Resources' ARO related to nuclear decommissioning totaled approximately \$487 million and \$456 million, respectively, and was determined using various internal and external data. NextEra Energy Resources' portion of the ultimate cost of decommissioning its nuclear plants, including costs associated with spent fuel storage, is approximately \$6.6 billion, or \$1.4 billion expressed in 2008 dollars. The liability is being accreted using the interest method through the date decommissioning activities are expected to be complete.

Seabrook's decommissioning funding plan is based on a comprehensive nuclear decommissioning study filed with the New Hampshire Nuclear Decommissioning Financing Committee (NDFC) in 2007 and is effective for four years. There are ongoing minimum decommissioning funding requirements for Duane Arnold and Point Beach with the U.S. Nuclear Regulatory Commission (NRC), which NextEra Energy Resources either meets or intends to meet in the form of a guarantee for each plant. NextEra Energy Resources' portion of Seabrook's, Duane Arnold's and Point Beach's restricted trust funds for the payment of future expenditures to decommission these plants is included in nuclear decommissioning reserve funds, which are included in special use funds on FPL Group's consolidated balance sheets. Marketable securities held in the decommissioning funds are classified as available for sale and are carried at market value. Market adjustments result in a corresponding adjustment to other comprehensive income (OCI), except for unrealized losses associated with marketable securities considered to be other-than-temporary, which are recognized as an expense in FPL Group's consolidated statements of income. Fund earnings are recognized in income and are reinvested in the funds either on a pretax or after-tax basis. See Note 10. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Major Maintenance Costs – FPL uses the accrue-in-advance method for recognizing costs associated with planned major maintenance, in accordance with regulatory treatment, and records the related accrual as a regulatory liability. NextEra Energy Resources uses the deferral method to account for certain planned major maintenance costs.

FPL's estimated nuclear maintenance costs for each nuclear unit's next planned outage are accrued over the period from the end of the last outage to the end of the next planned outage. Any difference between the estimated and actual costs is included in O&M expenses when known. The accrued liability for nuclear maintenance costs at December 31, 2008 and 2007 totaled approximately \$58 million and \$39 million, respectively, and is included in regulatory liabilities – other. For the years ended December 31, 2008, 2007 and 2006, FPL recognized approximately \$75 million, \$77 million and \$72 million, respectively, in nuclear maintenance costs which are included in O&M expenses in FPL Group's and FPL's consolidated statements of income.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NextEra Energy Resources' major maintenance costs for its combustion turbines are capitalized and amortized on a unit of production method over the period from the end of the last outage to the beginning of the next planned outage. NextEra Energy Resources' major maintenance costs for its nuclear generating units are capitalized and amortized on a straight-line basis over the period from the end of the last outage to the beginning of the next planned outage. NextEra Energy Resources' deferred major maintenance costs, net of accumulated amortization, totaled approximately \$81 million and \$47 million at December 31, 2008 and 2007, respectively, and are included in other assets. For the years ended December 31, 2008, 2007 and 2006, NextEra Energy Resources recognized approximately \$57 million, \$43 million and \$49 million in major maintenance costs which are included in O&M expenses in FPL Group's consolidated statements of income.

Cash Equivalents – Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less.

Restricted Cash – At December 31, 2008 and 2007, FPL Group had approximately \$140 million (\$40 million for FPL) and \$146 million (\$58 million for FPL), respectively, of restricted cash included in other current assets on FPL Group's and FPL's consolidated balance sheets, essentially all of which is restricted for margin cash collateral, debt service and escrow payments. Where offsetting positions exist, restricted cash related to margin cash collateral is netted against derivative instruments. See Note 3.

Allowance for Doubtful Accounts – FPL maintains an accumulated provision for uncollectible customer accounts receivable that is estimated using a percentage, derived from historical revenue and write-off trends, of the previous five months of revenue. Additional amounts are included in the provision to address specific items that are not considered in the calculation described above. NextEra Energy Resources regularly reviews collectibility of its receivables and establishes a provision for losses estimated as a percentage of accounts receivable based on the historical bad debt write-off trends for its retail energy business and, when necessary, using the specific identification method for all other receivables.

Inventory – FPL values materials, supplies and fossil fuel inventory using a weighted-average cost method. NextEra Energy Resources' materials, supplies and fossil fuel inventories are carried at the lower of weighted-average cost or market, unless evidence indicates that the weighted-average cost (even if in excess of market) will be recovered with a normal profit upon sale in the ordinary course of business.

Energy Trading – FPL Group provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, in certain markets and engages in energy trading activities to optimize the value of electricity and fuel contracts and generating facilities, as well as to take advantage of expected favorable commodity price movements. Trading contracts that meet the definition of a derivative are accounted for at market value and realized gains and losses from all trading contracts, including those where physical delivery is required, are recorded net for all periods presented. See Note 3.

Impairment of Long-Lived Assets – FPL Group evaluates on an ongoing basis the recoverability of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable as described in FAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." See Note 5.

Goodwill and Other Intangible Assets – FPL Group's goodwill and other intangible assets are as follows:

	Weighted Average Useful Lives (Years)	December 31, 2008 2007 (millions)	
Goodwill:			
Merchant reporting unit		\$ 72	\$ 72
Wind reporting unit		38	17
Total goodwill		<u>\$ 110</u>	<u>\$ 89</u>
Other intangible assets:			
Purchase power agreements	17	\$ 70	\$ 68
Customer lists	8	28	28
Other, primarily transmission and land rights, permits and licenses	28	105	87
Total		203	183
Less accumulated amortization		65	51
Total other intangible assets – net		<u>\$ 138</u>	<u>\$ 132</u>

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NextEra Energy Resources has recorded goodwill in its merchant reporting unit related to the acquisition of Gexa Corp. in 2005 and in its wind reporting unit related to the acquisition of a wind modeling and analysis business in 2006 and two Canadian wind projects in 2008. The acquisitions were accounted for using the purchase method of accounting. NextEra Energy Resources' other intangible assets are amortized, primarily on a straight-line basis, over their estimated useful lives. For the years ended December 31, 2008, 2007 and 2006, amortization expense was approximately \$13 million, \$12 million and \$12 million, respectively, and is expected to be approximately \$13 million, \$12 million, \$11 million, \$10 million and \$7 million for 2009, 2010, 2011, 2012 and 2013, respectively.

NextEra Energy Resources' goodwill and other intangible assets are included in other assets on FPL Group's consolidated balance sheets. In accordance with FAS 142, "Goodwill and Other Intangible Assets," goodwill is assessed for impairment at least annually by applying a fair value-based test. Other intangible assets are periodically reviewed when impairment indicators are present to assess recoverability from future operations using undiscounted future cash flows in accordance with FAS 144.

Stock-Based Compensation – FPL Group accounts for share-based payment transactions based on grant-date fair value in accordance with FAS 123(R), "Share-Based Payment." See Note 12 – Stock-Based Compensation.

Retirement of Long-Term Debt – Gains and losses that result from differences in FPL's reacquisition cost and the book value of long-term debt which is retired are deferred and amortized to interest expense ratably over the remaining life of the original issue, which is consistent with its treatment in the ratemaking process. FPL Group Capital Inc (FPL Group Capital) recognizes such differences as other income (deductions) at time of retirement.

Income Taxes – Deferred income taxes are provided on all significant temporary differences between the financial statement and tax bases of assets and liabilities. In connection with the tax sharing agreement between FPL Group and its subsidiaries, the income tax provision at each subsidiary reflects the use of the "separate return method," except that tax benefits that could not be used on a separate return basis, but are used on the consolidated tax return, are recorded by the subsidiary that generated the tax benefits. Any remaining consolidated income tax benefits or detriments are recorded at the corporate level. Included in other regulatory assets on FPL Group's and FPL's consolidated balance sheets is the revenue equivalent of the difference in accumulated deferred income taxes computed under FAS 109, "Accounting for Income Taxes," as compared to regulatory accounting rules. This amount totaled \$92 million and \$61 million at December 31, 2008 and 2007, respectively, and is being amortized in accordance with the regulatory treatment over the estimated lives of the assets or liabilities for which the deferred tax amount was initially recognized. Investment tax credits (ITCs) for FPL are deferred and amortized to income over the approximate lives of the related property in accordance with the regulatory treatment. At December 31, 2008 and 2007, deferred ITCs were approximately \$18 million and \$31 million, respectively, and are included in other regulatory liabilities on FPL Group's and FPL's consolidated balance sheets. NextEra Energy Resources recognizes ITCs as a reduction to income tax expense when the related energy property is placed into service. Production tax credits (PTCs) are recognized as wind energy is generated and sold based on a per kwh rate prescribed in applicable federal and state statutes. PTCs generated by certain wind operations of NextEra Energy Resources are recorded as a reduction of current income taxes payable, unless limited by tax law in which instance they are recorded as deferred tax assets. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless it is more likely than not that such assets will be realized. All tax positions taken by FPL Group in its income tax returns that are recognized in the financial statements must satisfy a more-likely-than-not threshold established under FIN 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109." See Note 6.

Guarantees – FPL Group and FPL each account for payment guarantees and related contracts, for which it or a subsidiary is the guarantor, under FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees Including Indirect Guarantees of Indebtedness of Others," which requires that the fair value of guarantees provided to unconsolidated entities entered into after December 31, 2002 be recorded on the balance sheet. See Note 15 – Commitments.

Variable Interest Entities (VIEs) – FIN 46(R) requires FPL Group and FPL to assess the variable interests they hold and determine if those entities are VIEs. See Note 9.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Employee Retirement Benefits

Employee Benefit Plans and Other Postretirement Plan – FPL Group sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of FPL Group and its subsidiaries, including Point Beach since September 2007. FPL Group allocates net periodic pension benefit income to its subsidiaries based on the pensionable earnings of the subsidiaries' employees. FPL Group also has a supplemental executive retirement plan (SERP), which includes a non-qualified supplemental defined benefit pension component that provides benefits to a select group of management and highly compensated employees. FPL Group allocates net periodic SERP benefit costs to its subsidiaries based upon actuarial calculations by participant. The impact of this SERP component is included within pension benefits in the following tables, and was not material to FPL Group's financial statements for the years ended December 31, 2008, 2007 and 2006. In addition to pension benefits, FPL Group sponsors a contributory postretirement plan for health care and life insurance benefits (other benefits) for retirees of FPL Group and its subsidiaries meeting certain eligibility requirements. FPL Group allocates other benefits net periodic benefit costs to its subsidiaries based upon the number of eligible employees at each subsidiary.

Implementation of FAS 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" – FPL Group adopted the recognition and disclosure provisions of FAS 158 effective December 31, 2006 and the measurement date provisions of FAS 158 effective December 31, 2008. Prior to 2008, FPL Group used a measurement date of September 30. In lieu of remeasuring plan assets and obligations as of January 1, 2008, FPL Group elected to calculate the net periodic benefit (income) cost for the fifteen-month period from September 30, 2007 to December 31, 2008 using the September 30, 2007 measurement date. Upon adoption of the measurement date provisions, FPL Group recorded an adjustment to increase 2008 beginning retained earnings by approximately \$13 million representing three-fifteenths of net periodic benefit (income) cost for the fifteen-month period from September 30, 2007 to December 31, 2008. Included in the adjustment to retained earnings is approximately \$1 million related to the reduction in accumulated other comprehensive income (AOCI) and approximately \$3 million related to the reduction in net regulatory liabilities.

Since FPL Group is the plan sponsor, and its subsidiaries do not have separate rights to the plan assets or direct obligations to their employees, the results of implementing all provisions of FAS 158 are reflected at FPL Group and not allocated to the subsidiaries. The portion of previously unrecognized actuarial gains and losses, prior service costs or credits and transition assets or obligations related to the recognition provision of FAS 158 that were estimated to be allocable to FPL as net periodic benefit (income) cost in future periods and that otherwise would have been recorded in AOCI were classified as regulatory assets and liabilities at FPL Group in accordance with regulatory treatment. In addition, adjustments to AOCI as a result of implementing the measurement date provisions of FAS 158 that were estimated to be allocable to FPL were recorded as an adjustment to the previously established regulatory assets and liabilities.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Plan Assets, Benefit Obligations and Funded Status – The changes in assets and benefit obligations of the plans and a reconciliation of the plans' funded status to the amounts on the consolidated balance sheets are as follows:

	Pension Benefits		Other Benefits	
	2008	2007	2008	2007
	(millions)			
Change in plan assets:				
Fair value of plan assets at October 1 of prior year	\$ 3,577	\$ 3,243	\$ 49	\$ 48
Actual return on plan assets	(873)	445	(15)	6
Employer contributions ^(a)	-	-	35	27
Transfers for retiree medical expenses ^(a)	(54)	(26)	-	-
Acquisitions	-	33	-	-
Participant contributions	-	-	8	5
Benefit payments ^(a)	(147)	(118)	(48)	(37)
Fair value of plan assets at December 31, 2008 and September 30, 2007, respectively	<u>\$ 2,503</u>	<u>\$ 3,577</u>	<u>\$ 29</u>	<u>\$ 49</u>
Change in benefit obligation:				
Obligation at October 1 of prior year	\$ 1,652	\$ 1,621	\$ 406	\$ 425
Service cost	67	50	7	5
Interest cost	127	94	31	24
Participant contributions	-	-	8	5
Plan amendments ^(a)	12	(1)	-	-
Acquisitions	-	42	-	5
Actuarial gains – net	(107)	(36)	(37)	(21)
Benefit payments	(147)	(118)	(48)	(37)
Obligation at December 31, 2008 and September 30, 2007, respectively ^(a)	<u>\$ 1,604</u>	<u>\$ 1,652</u>	<u>\$ 367</u>	<u>\$ 406</u>
Funded status at December 31, 2008 and September 30, 2007, respectively	\$ 899	\$ 1,925	\$ (338)	\$ (357)
Other	-	(28)	-	8
Prepaid (accrued) benefit cost at FPL Group at December 31	<u>\$ 899</u>	<u>\$ 1,897</u>	<u>\$ (338)</u>	<u>\$ (349)</u>
Prepaid (accrued) benefit cost at FPL at December 31	<u>\$ 961</u>	<u>\$ 901</u>	<u>\$ (286)</u>	<u>\$ (286)</u>

^(a) Employer contributions and benefits paid include only those amounts contributed directly to, or paid directly from, plan assets. FPL's portion of contributions related to other benefits was \$32 million and \$25 million for the 2008 and 2007 plan years presented, respectively.

^(b) Represents amounts that were transferred from the qualified pension plan as reimbursement for eligible retiree medical expenses paid by FPL Group pursuant to the provisions of the Internal Revenue Code (IRC).

^(c) Primarily relates to union negotiated credits, IRC transfers and various SERP amendments.

^(d) FPL Group's accumulated benefit obligation, which includes no assumption about future compensation levels, for its pension plans at December 31, 2008 and September 30, 2007 was \$1,559 million and \$1,601 million, respectively.

FPL Group's and FPL's prepaid (accrued) benefit cost shown above are included in the consolidated balance sheets as follows:

	FPL Group				FPL			
	Pension Benefits		Other Benefits		Pension Benefits		Other Benefits	
	2008	2007	2008	2007	2008	2007	2008	2007
	(millions)							
Prepaid benefit costs	\$ 914	\$ 1,911	\$ -	\$ -	\$ 968	\$ 907	\$ -	\$ -
Accrued benefit cost included in other current liabilities	(1)	(1)	(29)	(30)	(1)	(1)	(24)	(25)
Accrued benefit cost included in other liabilities	(14)	(13)	(309)	(319)	(6)	(5)	(262)	(261)
Prepaid (accrued) benefit cost at December 31	<u>\$ 899</u>	<u>\$ 1,897</u>	<u>\$ (338)</u>	<u>\$ (349)</u>	<u>\$ 961</u>	<u>\$ 901</u>	<u>\$ (286)</u>	<u>\$ (286)</u>

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FPL Group's unrecognized amounts included in accumulated other comprehensive income (loss) yet to be recognized as components of prepaid (accrued) benefit cost are as follows:

	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	(millions)			
Components of AOCI:				
Unrecognized prior service benefit (cost) (net of \$1 tax benefit in 2008)	\$ (1)	\$ 1	\$ -	\$ -
Unrecognized transition obligation (net of \$1 and \$1 tax benefit, respectively)	-	-	(1)	(2)
Unrecognized gain (loss) (net of \$17 tax benefit, \$90 tax expense, none and \$2 tax benefit, respectively)	(27)	142	4	2
Total	<u>\$ (28)^(a)</u>	<u>\$ 143</u>	<u>\$ 3^(a)</u>	<u>\$ -</u>

^(a) Approximately \$7 million of gains and \$1 million of prior service benefits will be reclassified into earnings within the next 12 months.

^(b) Approximately \$1 million of transition obligations will be reclassified into earnings within the next 12 months.

FPL Group's unrecognized amounts included in regulatory assets (liabilities) yet to be recognized as components of net prepaid (accrued) benefit cost are as follows:

	<u>Regulatory Assets (Liabilities) (Pension)</u>		<u>Regulatory Assets (SERP and Other)</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	(millions)			
Unrecognized prior service (benefit) cost	\$ 6	\$ (7)	\$ 2	\$ 2
Unrecognized transition obligation	-	-	11	14
Unrecognized (gain) loss	113	(714)	(4)	10
Total	<u>\$ 119^(a)</u>	<u>\$ (721)</u>	<u>\$ 9^(b)</u>	<u>\$ 26</u>

^(a) Approximately \$3 million of prior service benefits and \$16 million of gains will be reclassified into earnings within the next 12 months.

^(b) Approximately \$2 million of transition obligations will be reclassified into earnings within the next 12 months.

The following table provides the weighted-average assumptions used to determine benefit obligations for the plans. These rates are used in determining net periodic benefit cost in the following year.

	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Discount rate	6.90%	6.25%	6.90%	6.35%
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%

A 7.00% annual rate of increase in the per capita cost of covered medical benefits and a 9.00% annual rate of increase in the per capita cost of covered prescription drug benefits were assumed for 2009. The rates are assumed to decrease gradually to 5.50% by 2015 for medical and prescription drug benefits, and remain at that level thereafter. Assumed health care cost trend rates have an effect on the amounts reported for postretirement plans providing health care benefits. An increase or decrease of one percentage point in assumed health care cost trend rates would have a corresponding effect on the other benefits accumulated obligation of approximately \$5 million and \$4 million, respectively, at December 31, 2008.

FPL Group's current investment policy for the pension plan recognizes the benefit of protecting the plan's funded status, thereby avoiding the necessity of future employer contributions. Its broad objectives are to achieve a high rate of total return with a prudent level of risk taking while maintaining sufficient liquidity and diversification to avoid large losses and preserve capital over the long term.

FPL Group's pension plan fund has a strategic asset allocation that currently targets a mix of 45% equity investments, 45% fixed income investments and 10% convertible bonds. The fund's investment strategy emphasizes traditional investments, broadly diversified across the global equity and fixed income markets, using a combination of different investment styles and vehicles. The pension fund's equity investments include direct equity holdings and assets classified as equity commingled vehicles. Similarly, its fixed income investments include direct debt security holdings and assets classified as debt security commingled vehicles. These equity and debt security commingled vehicles include common and collective trusts, pooled separate accounts, registered investment companies or other forms of pooled investment arrangements.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

With regard to its other benefits plans, FPL Group's policy is to fund claims as incurred during the year through FPL Group contributions, participant contributions and plan assets. The other benefits plans' assets are invested with a focus on assuring the availability of funds to pay benefits while maintaining sufficient diversification to avoid large losses and preserve capital. The other benefits plans' fund has a strategic asset allocation that currently targets a mix of 60% equity investments and 40% fixed income investments. The fund's investment strategy emphasizes traditional investments, diversified across the global equity and fixed income markets. The fund's equity investments are comprised of assets classified as equity commingled vehicles. Similarly, its fixed income investments are comprised of assets classified as debt security commingled vehicles. These equity and debt commingled vehicles include common and collective trusts, pooled separate accounts, registered investment companies or other forms of pooled investment arrangements.

At December 31, 2008 and September 30, 2007, the asset allocation for FPL Group's pension and other benefits funds were as follows:

Asset Category	Pension Fund		Other Benefits Fund	
	2008	2007	2008	2007
Equity	11%	11%	-%	-%
Equity commingled vehicles	26	34	57	62
Debt securities	31	27	-	-
Debt security commingled vehicles	23	18	43	38
Convertible bonds	9	10	-	-
Total	100%	100%	100%	100%

Expected Cash Flows – FPL Group anticipates paying approximately \$29 million for eligible retiree medical expenses on behalf of the other benefits plan during 2009 with substantially all amounts being reimbursed through a transfer of assets from the qualified pension plan.

The following table provides information about benefit payments expected to be paid by the plans, net of government drug subsidy, for each of the following calendar years:

	Pension Benefits	Other Benefits
	(millions)	
2009	\$ 150	\$ 32
2010	\$ 150	\$ 31
2011	\$ 155	\$ 30
2012	\$ 159	\$ 28
2013	\$ 161	\$ 27
2014–2018	\$ 783	\$ 138

Net Periodic Cost – The components of net periodic benefit (income) cost for the plans are as follows:

	Pension Benefits			Other Benefits		
	2008	2007	2006	2008	2007	2006
	(millions)					
Service cost	\$ 54	\$ 50	\$ 51	\$ 5	\$ 5	\$ 6
Interest cost	102	94	86	25	24	23
Expected return on plan assets	(240)	(221)	(213)	(3)	(3)	(3)
Amortization of transition obligation	-	-	-	4	4	4
Amortization of prior service benefit	(4)	(4)	(5)	-	-	-
Amortization of gains	(29)	(18)	(16)	-	-	-
Other	-	-	-	-	-	2
Net periodic benefit (income) cost at FPL Group	\$ (117)	\$ (99)	\$ (97)	\$ 31	\$ 30	\$ 32
Net periodic benefit (income) cost at FPL	\$ (84)	\$ (76)	\$ (80)	\$ 24	\$ 25	\$ 28

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Other Comprehensive Income – The components of net periodic benefit income (cost) recognized in OCI for the plans are as follows:

	Pension Benefits		Other Benefits	
	2008	2007	2008	2007
	(millions)			
Prior service cost (net of \$1 tax benefit for 2008)	\$ (2)	\$ -	\$ -	\$ -
Net gains (losses) (net of \$102 tax benefit and \$28 tax expense and \$2 and \$2 tax expense, respectively)	(162)	45	2	3
Amortization of prior service benefit	(1)	(1)	-	-
Amortization of net gains (net of \$3 and \$2 tax benefit, respectively)	(5)	(2)	-	-
Amortization of transition obligation	-	-	1	-
Total	<u>\$ (170)</u>	<u>\$ 42</u>	<u>\$ 3</u>	<u>\$ 3</u>

Regulatory Assets (Liabilities) – The components of net periodic benefit (income) cost recognized during the year in regulatory assets (liabilities) for the plans are as follows:

	Regulatory Assets (Liabilities) (Pension)		Regulatory Assets (SERP and Other)	
	2008	2007	2008	2007
	(millions)			
Prior service cost	\$ 9	\$ -	\$ -	\$ -
Unrecognized (gains) losses	801	(190)	(14)	(17)
Amortization of prior service benefit	3	3	-	-
Amortization of gains	21	14	-	-
Amortization of transition obligation	-	-	(3)	(3)
Total	<u>\$ 834</u>	<u>\$ (173)</u>	<u>\$ (17)</u>	<u>\$ (20)</u>

The weighted-average assumptions used to determine net periodic benefit (income) cost for the plans are as follows:

	Pension Benefits			Other Benefits		
	2008	2007	2006	2008	2007	2006
Discount rate	6.25%	5.85%	5.50%	6.35%	5.90%	5.50%
Salary increase	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Expected long-term rate of return ^(a)	7.75%	7.75%	7.75%	8.00%	8.00%	7.75%

^(a) In developing the expected long-term rate of return on assets assumption for its plans, FPL Group evaluated input from its actuaries as well as information available in the marketplace. FPL Group considered the 10-year and 20-year historical median returns for a portfolio with an equity/bond asset mix similar to its funds. FPL Group also considered its funds' historical compounded returns. No specific adjustments were made to reflect expectations of future returns.

Assumed health care cost trend rates have an effect on the amounts reported for postretirement plans providing health care benefits. An increase or decrease of one percentage point in assumed health care cost trend rates would have affected the total service and interest cost recognized at December 31, 2008 by less than \$1 million.

Employee Contribution Plans – FPL Group offers employee retirement savings plans which allow eligible participants to contribute a percentage of qualified compensation through payroll deductions. FPL Group makes matching contributions to participants' accounts. Defined contribution expense pursuant to these plans was approximately \$37 million, \$35 million and \$32 million for FPL Group (\$28 million, \$27 million and \$26 million for FPL) for the years ended December 31, 2008, 2007 and 2006, respectively. See Note 12 – Employee Stock Ownership Plan.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Derivative Instruments

Derivative instruments, when required to be marked to market under FAS 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, are recorded on FPL Group's and FPL's consolidated balance sheets as either an asset or liability measured at fair value.

FPL Group's and FPL's mark-to-market derivative instrument assets (liabilities) are included in the consolidated balance sheets as follows:

	FPL Group		FPL	
	December 31,		December 31,	
	2008	2007	2008	2007
	(millions)			
Current derivative assets ^(a)	\$ 433	\$ 182	\$ 4	\$ 83
Noncurrent other assets	212	99	2	-
Current derivative liabilities ^(a)	(1,300)	(289)	(1,114)	(182)
Noncurrent derivative liabilities ^(a)	(218)	(351)	(1) ^(d)	(5) ^(d)
Total mark-to-market derivative instrument liabilities	\$ (873)	\$ (359)	\$ (1,109)	\$ (104)

^(a) At December 31, 2008 and 2007, FPL Group balances reflect the netting of \$60 million and \$4 million (none at FPL), respectively, in obligations to return margin cash collateral.

^(b) At December 31, 2008 and 2007, FPL Group balances reflect the netting of \$33 million and \$43 million (none and \$16 million at FPL), respectively, in rights to reclaim margin cash collateral.

^(c) At December 31, 2008 and 2007, FPL Group balances reflect the netting of \$25 million and \$1 million (none at FPL), respectively, in rights to reclaim margin cash collateral.

^(d) Included in other liabilities on FPL's consolidated balance sheets.

At December 31, 2008 and 2007, FPL Group had approximately \$66 million and \$18 million (none at FPL), respectively, in margin cash collateral received from counterparties that was not offset against derivative assets. These amounts are included in other current liabilities in the consolidated balance sheets. Additionally, at December 31, 2008 and 2007, FPL Group had approximately \$98 million and \$57 million (none and \$11 million at FPL), respectively, in margin cash collateral provided to counterparties that was not offset against derivative liabilities. These amounts are included in other current assets in the consolidated balance sheets.

FPL Group and FPL use derivative instruments (primarily swaps, options and forwards) to manage the commodity price risk inherent in the purchase and sale of fuel and electricity, as well as interest rate and foreign currency exchange rate risk associated with long-term debt. In addition, FPL Group, through NextEra Energy Resources, uses derivatives to optimize the value of power generation assets. NextEra Energy Resources provides full energy and capacity requirements services primarily to distribution utilities, which include load-following services and various ancillary services, in certain markets and engages in energy trading activities to take advantage of expected future favorable price movements. At FPL, substantially all changes in fair value are deferred as a regulatory asset or liability until the contracts are settled, and, upon settlement, any gains or losses are passed through the fuel and purchased power cost recovery clause (fuel clause) or the capacity cost recovery clause (capacity clause). For FPL Group's non-rate regulated operations, predominantly NextEra Energy Resources, essentially all changes in the derivatives' fair value for power purchases and sales and trading activities are recognized on a net basis in operating revenues; fuel purchases and sales are recognized on a net basis in fuel, purchased power and interchange expense; and the equity method investees' related activity is recognized in equity in earnings of equity method investees in FPL Group's consolidated statements of income unless hedge accounting is applied. While most of NextEra Energy Resources' derivative transactions are entered into for the purpose of managing commodity price risk, hedge accounting is only applied where specific criteria are met and it is practicable to do so. In order to apply hedge accounting, the transaction must be designated as a hedge at inception and it must be highly effective in offsetting the hedged risk. Additionally, for hedges of commodity price risk, physical delivery for forecasted commodity transactions must be probable. FPL Group believes that where offsetting positions exist at the same location for the same time, the transactions are considered to have been netted and therefore physical delivery has been deemed not to have occurred for financial reporting purposes. Transactions for which physical delivery is deemed not to have occurred are presented on a net basis. Generally, the hedging instrument's effectiveness is assessed using regression analysis at the inception of the hedge and on at least a quarterly basis throughout its life.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

At December 31, 2008, FPL Group had cash flow hedges with expiration dates through December 2012 for energy contract derivative instruments, and interest rate cash flow hedges with expiration dates through January 2022. The effective portion of the gain or loss on a derivative instrument designated as a cash flow hedge is reported as a component of OCI and is reclassified into earnings in the period(s) during which the transaction being hedged affects earnings. The ineffective portion of net unrealized gains (losses) on these hedges is reported in earnings in the current period and amounted to \$25 million, \$3 million and \$31 million for the years ended December 31, 2008, 2007 and 2006, respectively. Settlement gains and losses are included within the line items in the statements of income to which they relate.

FPL Group's net unrealized mark-to-market gains (losses) on derivative transactions reflected in the consolidated statements of income for both consolidated subsidiaries and equity method investees are as follows:

	Years Ended December 31,		
	2008	2007	2006
	(millions)		
Consolidated subsidiaries	\$ 337	\$ (134)	\$ 173
Equity method investees	\$ (2)	\$ 1	\$ (24)

4. Fair Value Measurements

Effective January 1, 2008, FPL Group and FPL adopted FAS 157, "Fair Value Measurements," which clarifies how to measure fair value and requires expanded fair value measurement disclosures. The standard emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy intended to disclose information about the relative reliability of fair value measurements, with the highest priority being quoted prices in active markets for identical assets or liabilities. FAS 157 was effective January 1, 2008 for financial assets and liabilities and any other fair value measurements made on a recurring basis, and on January 1, 2009 for non-financial assets and liabilities that are not remeasured on a recurring basis. The adoption of the recognition provisions of FAS 157 did not have a material effect on FPL Group's or FPL's financial statements.

FPL Group and FPL use several different valuation techniques to measure the fair value of assets and liabilities, relying primarily on the market approach of using prices and other market information for identical and/or comparable assets and liabilities for those assets and liabilities that are measured on a recurring basis. Certain derivatives and financial instruments are valued using option pricing models and take into consideration multiple inputs including commodity prices, volatility factors and discount rates, as well as counterparty credit ratings and credit enhancements. Additionally, when observable market data is not sufficient, valuation models are developed that incorporate FPL Group's and FPL's proprietary views of market factors and conditions. FPL Group's and FPL's assessment of the significance of any particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FPL Group's and FPL's financial assets and liabilities and other fair value measurements made on a recurring basis by fair value hierarchy level are as follows:

As of December 31, 2008					
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Netting ^(a)	Total
	(millions)				
Assets:					
Cash equivalents:					
FPL Group	\$ 109	\$ -	\$ -	\$ -	\$ 109
FPL	\$ 27	\$ -	\$ -	\$ -	\$ 27
Other current assets:					
FPL Group	\$ -	\$ 17	\$ -	\$ -	\$ 17
Special use funds:					
FPL Group	\$ 536	\$ 2,411 ^(b)	\$ -	\$ -	\$ 2,947
FPL	\$ 149	\$ 2,009 ^(b)	\$ -	\$ -	\$ 2,158
Other investments:					
FPL Group	\$ 6	\$ 101	\$ -	\$ -	\$ 107
Net derivative assets (liabilities):					
FPL Group	\$ (55)	\$ (1,227)	\$ 404	\$ 5	\$ (873) ^(c)
FPL	\$ -	\$ (1,108)	\$ (1)	\$ -	\$ (1,109) ^(c)

^(a) Includes amounts for margin cash collateral and net option premium payments and receipts.

^(b) At FPL Group, approximately \$712 million (\$650 million at FPL) are invested in commingled funds whose underlying investments would be Level 1 if those investments were held directly by FPL Group or FPL. The remaining investments are primarily comprised of fixed income securities including municipal, mortgage-backed, corporate and governmental bonds.

^(c) See Note 3 for a reconciliation of net derivatives to FPL Group's and FPL's consolidated balance sheets.

The reconciliation of changes in the fair value of derivatives that are based on significant unobservable inputs is as follows:

			Year Ended December 31, 2008	
			FPL Group	FPL
			(millions)	
Fair value of derivatives based on significant unobservable inputs at January 1, 2008			\$ (127)	\$ (10)
Unrealized gains (losses):				
Included in earnings ^(a)			196	(1)
Included in regulatory assets and liabilities			5	5
Settlements			152	4
Net transfers out			178	1
Fair value of derivatives based on significant unobservable inputs at December 31, 2008			<u>\$ 404</u>	<u>\$ (1)</u>
The amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to derivatives still held at the reporting date ^(a)			<u>\$ 410</u>	<u>\$ (1)</u>

^(a) Amounts are reflected in operating revenues in the consolidated statements of income.

Effective January 1, 2008, a subsidiary of FPL Group Capital adopted FAS 159, "The Fair Value Option for Financial Assets and Financial Liabilities," for its investments in debt securities. The fair values of these debt securities at December 31, 2008 and 2007 were approximately \$105 million and \$111 million, respectively, and are primarily included in other investments in FPL Group's consolidated balance sheets. The adoption of FAS 159 did not have a material effect on FPL Group's financial statements.

5. Restructuring and Impairment Charges

NextEra Energy Resources – During the fourth quarter of 2006, NextEra Energy Resources recorded an impairment charge of approximately \$8 million (\$4 million after-tax), related to a coal plant in California, the fair value of which was determined based on a discounted cash flow analysis. The impairment charge was related to unfavorable market pricing and accelerated equipment deterioration due to a design flaw in the steam boiler and fluctuations in output requirements.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Corporate and Other – In 2007, as a result of an impending migration to a more efficient form of networking technology for FPL, FPL FiberNet, LLC (FPL FiberNet) performed an impairment analysis of existing assets used to provide long-haul services to FPL. Due to the reduction in revenue associated with the significant change in the expected useful life of these assets, FPL FiberNet recorded an impairment charge of approximately \$4 million (\$2 million after-tax).

In 2006, as a result of significant changes in the business climate, FPL FiberNet performed an impairment analysis and concluded that an impairment charge related to its metropolitan (metro) market assets, primarily property, plant and equipment and inventory, was necessary. The business climate changes included customer consolidations, migration to a more efficient form of networking technology and lack of future benefits to be achieved through competitive pricing, all of which had a negative impact on the value of FPL FiberNet's metro market assets. While the metro market business was expected to continue to generate positive cash flows, management's expectation of the rate of future growth in cash flows was reduced as a result of these business climate changes. Accordingly, FPL FiberNet recorded an impairment charge of approximately \$98 million (\$60 million after-tax) based on a discounted cash flow analysis.

6. Income Taxes

The components of income taxes are as follows:

	FPL Group			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2008	2007	2006	2008	2007	2006
	(millions)					
Federal:						
Current	\$ (132) ^(a)	\$ (35) ^(a)	\$ 4	\$ 117	\$ 98	\$ 360
Deferred	557	356	376	274	302	12
Amortization of ITCs – FPL	(15)	(15)	(16)	(15)	(15)	(16)
Total federal	410	306	364	376	385	356
State:						
Current	29 ^(a)	16 ^(a)	15	34	22	53
Deferred	11	46	18	33	44	15
Total state	40	62	33	67	66	68
Total income taxes	\$ 450	\$ 368	\$ 397	\$ 443	\$ 451	\$ 424

^(a) Includes FIN 48 income taxes.

A reconciliation between the effective income tax rates and the applicable statutory rates is as follows:

	FPL Group			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2008	2007	2006	2008	2007	2006
Statutory federal income tax rate	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Increases (reductions) resulting from:						
State income taxes – net of federal income tax benefit	1.3	2.4	1.3	3.5	3.4	3.6
Allowance for other funds used during construction	(0.6)	(0.6)	(0.5)	(1.1)	(0.8)	(0.7)
Amortization of ITCs – FPL	(0.7)	(0.9)	(0.9)	(1.2)	(1.2)	(1.3)
PTCs and ITCs – NextEra Energy Resources	(12.7)	(13.7)	(9.9)	-	-	-
Manufacturers' deduction	-	-	(0.6)	-	(0.1)	(1.0)
Amortization of deferred regulatory credit – income taxes	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.4)
Other – net	(0.5)	(0.1)	(0.4)	-	(0.9)	(0.6)
Effective income tax rate	21.6%	21.9%	23.7%	35.9%	35.1%	34.6%

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The income tax effects of temporary differences giving rise to consolidated deferred income tax liabilities and assets are as follows:

	FPL Group		FPL	
	December 31,		December 31,	
	2008	2007	2008	2007
	(millions)			
Deferred tax liabilities:				
Property-related	\$ 5,650	\$ 4,833	\$ 3,687	\$ 3,295
Investment-related	139	156	-	-
Pension	354	737	373	350
Regulatory asset – pension and other benefits	49	10	-	-
Deferred fuel costs	99	77	99	77
Storm reserve deficiency	312	321	312	321
Other	451	344	199	162
Total deferred tax liabilities	<u>7,054</u>	<u>6,478</u>	<u>4,670</u>	<u>4,205</u>
Deferred tax assets and valuation allowance:				
Decommissioning reserves	297	289	297	289
Regulatory liability – pension and other benefits	-	278	-	-
Postretirement benefits	157	159	131	132
Net operating loss carryforwards	60	68	-	-
Tax credit carryforwards	899 ^(a)	509 ^(a)	-	-
ARO and accrued asset removal costs	874	837	776	752
Other	605	652	353	353
Valuation allowance ^(b)	(137)	(48)	-	-
Net deferred tax assets	<u>2,755</u>	<u>2,744</u>	<u>1,557</u>	<u>1,526</u>
Net accumulated deferred income taxes	<u>\$ 4,299</u>	<u>\$ 3,734</u>	<u>\$ 3,113</u>	<u>\$ 2,679</u>

^(a) Amount is presented net of \$49 million and \$149 million, respectively, of tax carryforwards that are available to offset the FPL Group FIN 48 liability.

^(b) Amount relates to deferred state tax credits and state operating loss carryforwards.

Deferred tax assets and liabilities are included in the consolidated balance sheets as follows:

	FPL Group		FPL	
	December 31,		December 31,	
	2008	2007	2008	2007
	(millions)			
Other current assets	\$ -	\$ 87	\$ -	\$ 37
Other current liabilities	68	-	8	-
Accumulated deferred income taxes	4,231	3,821	3,105	2,716
Net accumulated deferred income taxes	<u>\$ 4,299</u>	<u>\$ 3,734</u>	<u>\$ 3,113</u>	<u>\$ 2,679</u>

The components of FPL Group's deferred tax assets relating to net operating loss carryforwards and tax credit carryforwards at December 31, 2008 are as follows:

	Amount (millions)	Expiration Dates
Net operating loss carryforwards – state	\$ 60	2009–2028
Tax credit carryforwards:		
Federal	\$ 760 ^(a)	2024–2028
State	139	2009–2017
Net tax credit carryforwards	<u>\$ 899</u>	

^(a) Amount is presented net of \$49 million of tax carryforwards that are available to offset the FIN 48 liability.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

On January 1, 2007, FPL Group and FPL adopted FIN 48. The interpretation prescribes a more-likely-than-not recognition threshold and establishes new measurement requirements for financial statement reporting of an entity's income tax positions. The adoption of FIN 48 did not have a significant cumulative effect on FPL Group's and FPL's beginning retained earnings or other components of common shareholders' equity. The majority of the liabilities for unrecognized tax benefits represent tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. A disallowance of the shorter deductibility period for these tax positions would not affect the annual effective income tax rate. Included in the liabilities for unrecognized tax benefits at December 31, 2008 is approximately \$6 million at FPL Group (\$1 million at FPL) that, if disallowed, could impact the annual effective income tax rate.

FPL Group recognizes interest income (expense) related to unrecognized tax benefits (liabilities) in interest income and interest expense, respectively, net of the amount deferred at FPL. At FPL, the offset to accrued interest receivable (payable) on income taxes is classified as a regulatory liability (regulatory asset) which will be amortized to income (expense) over a five-year period upon settlement in accordance with regulatory treatment. At December 31, 2008 and 2007, FPL Group accrued approximately \$111 million and \$91 million for net interest receivable (\$23 million and \$28 million for FPL), respectively. For the years ended December 31, 2008 and 2007, FPL Group recorded \$10 million and \$24 million of interest, \$14 million and \$13 million of which was recognized as interest income in FPL Group's consolidated statements of income and \$(4) million and \$11 million, respectively, in regulatory liabilities on FPL Group's and FPL's consolidated balance sheets.

A reconciliation of unrecognized tax benefits is as follows:

	FPL Group		FPL	
	2008	2007	2008	2007
	(millions)			
Balance at beginning of year	\$ 320	\$ 316	\$ 281	\$ 274
Additions based on tax positions related to the current year	14	71	13	71
Reductions based on tax positions related to the current year	(44)	-	(44)	-
Additions for tax positions of the prior years	91	13	89	13
Reductions for tax positions of the prior years	(40)	(80)	(30)	(77)
Reductions relating to settlements with taxing authorities	(92)	-	(92)	-
Balance at end of year	249	320	217	281
Tax carryforwards, deposits and other receivables	(219)	(249)	(176)	-
Balance at end of year, net	\$ 30	\$ 71	\$ 41	\$ 281

FPL Group and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various states, the most significant of which is Florida. FPL Group and FPL are effectively no longer subject to U.S. federal, state and local examinations by taxing authorities for years before 2000. FPL Group is planning to appeal an adverse court decision related to FPL Group's and FPL's method for deducting certain repairs related to years prior to 2000 and the denial of a refund claim related to ITCs. FPL Group is disputing certain adjustments proposed by the Internal Revenue Service (IRS) to its U.S. income tax returns for 2000 through 2005. These IRS proposed adjustments primarily relate to FPL Group's and FPL's method for certain deductions for repairs, casualty losses and capitalizing indirect service costs. Additionally, income tax returns for 2006 and 2007 are still subject to examination. As such, the amount of unrecognized tax benefits and related interest accruals may change within the next twelve months. FPL Group and FPL do not expect these changes to have a significant impact on FPL Group's or FPL's financial statements.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Comprehensive Income

The components of FPL Group's comprehensive income and accumulated other comprehensive income (loss) are as follows:

	Net Income	Accumulated Other Comprehensive Income (Loss)			Total	Comprehensive Income
		Net Unrealized Gains (Losses) On Cash Flow Hedges	Pension and Other Benefits	Other		
				(millions)		
Balances, December 31, 2005		\$ (215)	\$ -	\$ 22	\$ (193)	
Net income of FPL Group	\$ 1,281					\$ 1,281
Net unrealized gains (losses) on commodity cash flow hedges:						
Effective portion of net unrealized gains (net of \$106 tax expense)		155	-	-	155	155
Reclassification from OCI to net income (net of \$23 tax expense)		34	-	-	34	34
Net unrealized gains (losses) on interest rate cash flow hedges:						
Reclassification from OCI to net income (net of \$0.6 tax expense)		1	-	-	1	1
Net unrealized gains on available for sale securities (net of \$12 tax expense)		-	-	19	19	19
SERP liability adjustment (net of \$1 tax expense)		-	-	1	1	1
Defined benefit pension and other benefit plans (net of \$59 tax expense)		-	98	-	98	-
Balances, December 31, 2006		(25)	98	42	115	\$ 1,491
Net income of FPL Group	\$ 1,312					\$ 1,312
Net unrealized gains (losses) on commodity cash flow hedges:						
Effective portion of net unrealized losses (net of \$37 tax benefit)		(55)	-	-	(55)	(55)
Reclassification from OCI to net income (net of \$16 tax expense)		23	-	-	23	23
Net unrealized gains (losses) on interest rate cash flow hedges:						
Effective portion of net unrealized losses (net of \$13 tax benefit)		(19)	-	-	(19)	(19)
Reclassification from OCI to net income (net of \$2 tax benefit)		(5)	-	-	(5)	(5)
Net unrealized gains on available for sale securities (net of \$8 tax expense)		-	-	12	12	12
Defined benefit pension and other benefit plans (net of \$28 tax expense)		-	45	-	45	45
Balances, December 31, 2007		(61)	143	54	116	\$ 1,313
Net income of FPL Group	\$ 1,639					\$ 1,639
Net unrealized gains (losses) on commodity cash flow hedges:						
Effective portion of net unrealized gains (net of \$31 tax expense)		45	-	-	45	45
Reclassification from OCI to net income (net of \$62 tax expense)		84	-	-	84	84
Net unrealized gains (losses) on interest rate cash flow hedges:						
Effective portion of net unrealized losses (net of \$31 tax benefit)		(49)	-	-	(49)	(49)
Reclassification from OCI to net income (net of \$4 tax expense)		6	-	-	6	6
Net unrealized losses on available for sale securities (net of \$30 tax benefit)		-	-	(46)	(46)	(46)
Reclassification from AOCI to retained earnings		-	-	(1)	(1)	-
Defined benefit pension and other benefit plans (net of \$104 tax benefit)		-	(168)	-	(168)	(167)
Balances, December 31, 2008		\$ 5 ^(a)	\$ (25) ^(b)	\$ 7	\$ (13)	\$ 1,512

- ^(a) Approximately \$27 million of gains will be reclassified into earnings within the next 12 months as either the hedged fuel is consumed, electricity is sold or interest payments are made. Such amount assumes no change in fuel prices, power prices or interest rates.
- ^(b) Approximately \$7 million of gains will be reclassified into earnings within the next 12 months.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Jointly-Owned Electric Plants

Certain FPL Group subsidiaries own undivided interests in the jointly-owned facilities described below, and are entitled to a proportionate share of the output from those facilities. FPL and NextEra Energy Resources are responsible for their share of the operating costs, as well as providing their own financing. Accordingly, each subsidiary includes its proportionate share of the facilities and related revenues and expenses in the appropriate balance sheet and statement of income captions. FPL Group's and FPL's respective shares of direct expenses for these facilities are included in fuel, purchased power and interchange, O&M expenses, depreciation and amortization expense and taxes other than income taxes on FPL Group's and FPL's consolidated statements of income.

FPL Group's and FPL's proportionate ownership interest in jointly-owned facilities is as follows:

	Ownership Interest	December 31, 2008		Construction Work in Progress
		Gross Investment ^(a)	Accumulated Depreciation ^(a)	
		(millions)		
FPL:				
St. Lucie Unit No. 2	85%	\$ 1,327	\$ 662	\$ 43
St. Johns River Power Park units and coal terminal	20%	\$ 334	\$ 211	\$ 48
Scherer Unit No. 4	76%	\$ 597	\$ 394	\$ 80
Transmission substation assets located in Seabrook, New Hampshire	88.23%	\$ 31	\$ 13	\$ 5
NextEra Energy Resources:				
Duane Arnold	70%	\$ 324	\$ 35	\$ 40
Seabrook	88.23%	\$ 804	\$ 104	\$ 38
Wyman Station Unit No. 4	76%	\$ 96	\$ 34	\$ 3

^(a) Excludes nuclear fuel.

9. Variable Interest Entities

FIN 46(R) requires the consolidation of entities which are determined to be VIEs when the reporting company determines that it will absorb a majority of the VIE's expected losses, receive a majority of the VIE's residual returns, or both. The company that is required to consolidate the VIE is called the primary beneficiary. Conversely, the reporting company would not consolidate VIEs in which it has a majority ownership interest when the company is not considered to be the primary beneficiary. Variable interests are contractual, ownership or other monetary interests in an entity that change as the fair value of the entity's net assets, excluding variable interests, change. An entity is considered to be a VIE when its capital is insufficient to permit it to finance its activities without additional subordinated financial support or its equity investors, as a group, lack the characteristics of having a controlling financial interest. As of December 31, 2008, FPL Group has two VIEs which it consolidates.

FPL – FPL is considered the primary beneficiary of, and therefore consolidates, a VIE from which it leases nuclear fuel for its nuclear units. FPL is considered the primary beneficiary of this VIE because in the case of default by the VIE on its debt, FPL would be required to purchase the VIE's nuclear fuel and because FPL guarantees the VIE's debt. For ratemaking purposes, these leases are treated as operating leases. For financial reporting, the cost of nuclear fuel is capitalized and amortized to fuel expense on a unit of production method except for the interest component, which is recorded as interest expense. These charges, as well as a charge for spent nuclear fuel, are recovered through the fuel clause. FPL makes quarterly payments to the lessor for the lease commitments. The lessor has issued commercial paper to fund the procurement of nuclear fuel and FPL has provided a \$600 million guarantee to support the commercial paper program. Under certain lease termination circumstances, the associated debt, which consists primarily of commercial paper (approximately \$347 million and \$313 million at December 31, 2008 and 2007, respectively) would become due. The consolidated assets of the VIE consist primarily of nuclear fuel, which had a net carrying value of approximately \$338 million and \$314 million at December 31, 2008 and 2007, respectively.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FPL is considered the primary beneficiary of and therefore consolidates a wholly-owned bankruptcy remote special purpose subsidiary that it formed in 2007 for the sole purpose of issuing storm-recovery bonds pursuant to the securitization provisions of the Florida Statutes and an FPSC financing order. Four hurricanes in 2005 and three hurricanes in 2004 caused major damage in parts of FPL's service territory. Storm restoration costs incurred by FPL during 2005 and 2004 exceeded the amount in FPL's funded storm and property insurance reserve, resulting in a storm reserve deficiency. In May 2007, the FPL subsidiary issued \$652 million aggregate principal amount of senior secured bonds (storm-recovery bonds), primarily for the after-tax equivalent of the total of FPL's unrecovered balance of the 2004 storm restoration costs, the 2005 storm restoration costs and approximately \$200 million to reestablish FPL's storm and property insurance reserve. The storm-recovery bonds were issued in four tranches with interest rates ranging from 5.0440% to 5.2555% and final maturity dates ranging from 2013 to 2021. Principal on the storm-recovery bonds is due on the final maturity date (the date by which the principal must be repaid to prevent a default) for each tranche, however, it began being paid semiannually and sequentially February 1, 2008, when the first semiannual interest payment became due. See Note 13.

In connection with this financing, net proceeds, after debt issuance costs, to the FPL subsidiary (approximately \$644 million) were used to acquire the storm-recovery property, which includes the right to impose, collect and receive a storm-recovery charge from all customers receiving electric transmission or distribution service from FPL under rate schedules approved by the FPSC or under special contracts, certain other rights and interests that arise under the financing order issued by the FPSC and certain other collateral pledged by the FPL subsidiary that issued the bonds. The storm-recovery bonds are payable only from and secured by the storm-recovery property. FPL, as the servicer, collects storm-recovery charges on behalf of the subsidiary through a surcharge to retail customers and remits them to the trustee under the indenture pursuant to which the storm-recovery bonds were issued for payment of fees and expenses and payment of principal and interest on the storm-recovery bonds. The revenues from the storm-recovery bonds surcharge and a 2004 storm damage surcharge through which FPL had been recovering underrecovered 2004 storm restoration costs prior to the issuance of these storm-recovery bonds are included in operating revenues on FPL Group's and FPL's consolidated statements of income. For the years ended December 31, 2008, 2007 and 2006, both the amount billed to retail customers related to the 2004 storm damage surcharge and/or the storm-recovery bonds surcharge amounted to approximately \$97 million, \$94 million and \$151 million, respectively. The FPL subsidiary is consolidated for financial reporting purposes; however, the storm-recovery bonds do not constitute a debt, liability or other legal obligation of, or interest in, FPL or any of its affiliates other than the FPL subsidiary that issued the storm-recovery bonds. The assets of the FPL subsidiary that issued the storm-recovery bonds, including the storm-recovery property, are not available to pay creditors of FPL or any of its affiliates other than the subsidiary that issued the storm-recovery bonds. The consolidated assets of the VIE were approximately \$628 million and \$676 million at December 31, 2008 and 2007, respectively, and consisted primarily of storm-recovery property, which is included in securitized storm-recovery costs on FPL Group's and FPL's balance sheets.

In connection with this financing, the net proceeds to FPL from the sale of the storm-recovery property were used primarily to reimburse FPL for its estimated net of tax storm reserve deficiency as of May 31, 2007 (approximately \$517 million) and provide for a storm and property insurance reserve fund of approximately \$127 million net of tax. Securities held in the storm and property insurance reserve fund are carried at market value with market adjustments resulting in a corresponding adjustment to the storm and property insurance reserve. Fund earnings, net of taxes, are reinvested in the fund. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes. The storm and property insurance reserve fund is included in special use funds on FPL Group's and FPL's consolidated balance sheets and was approximately \$123 million and \$129 million at December 31, 2008 and 2007, respectively. Upon the issuance of the storm-recovery bonds, the storm reserve deficiency was reclassified to securitized storm-recovery costs on FPL Group's and FPL's consolidated balance sheets. As storm-recovery charges are billed to customers, the securitized storm-recovery costs are amortized, the amount of which is included in storm cost amortization on FPL Group's and FPL's consolidated statements of income.

The storm and property insurance reserve of approximately \$200 million that was reestablished in the FPSC financing order is not reflected in FPL Group's and FPL's consolidated balance sheets as of December 31, 2008 or 2007 because the associated regulatory asset does not meet the specific recognition criteria under FAS 71. As a result, the storm and property insurance reserve will be recognized as a regulatory liability as the storm-recovery charges are billed to customers and charged to storm cost amortization on FPL Group's and FPL's consolidated statements of income. Although FPL Group's and FPL's consolidated balance sheets as of December 31, 2008 reflect a storm and property insurance reserve of less than \$1 million (included in regulatory liabilities – other on FPL Group's and FPL's consolidated balance sheets), FPL has the capacity to absorb up to approximately \$188 million in future prudently incurred storm restoration costs without seeking recovery through a rate adjustment from the FPSC.

In 2006, when considering FPL's petition to recover 2005 storm costs, the FPSC applied a different standard for recovery of 2005 costs than was used for recovery of the 2004 storm costs. These adjustments and disallowances, net of interest income, reduced FPL Group's and FPL's net income for the year ended December 31, 2006 by approximately \$27 million.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FPL identified two potential VIEs, both of which are considered qualifying facilities as defined by the Public Utility Regulatory Policies Act of 1978, as amended (PURPA). PURPA requires FPL to purchase the electricity output of the projects. FPL entered into a power purchase agreement (PPA) with one of the projects in 1990 to purchase substantially all of the project's electrical output over a substantial portion of its estimated useful life. For each megawatt-hour (mwh) provided, FPL pays a per mwh price (energy payment) based upon FPL's avoided cost, which was determined at the time the PPA was executed, and was based on the cost of avoiding the construction and operation of a coal unit. The energy component is primarily based on the cost of coal at an FPL jointly-owned coal-fired facility. The avoided cost is the incremental cost to the utility of the electric energy or capacity, or both, which is avoided by neither generating the electricity nor purchasing it from another source. The project has a capacity of 250 mw. After making exhaustive efforts, FPL was unable to obtain the information from the project necessary to determine whether the project is a VIE or whether FPL is the primary beneficiary of the project. The PPA with the project contains no provision which legally obligates the project to release this information to FPL. The energy payments paid by FPL will fluctuate as coal prices change. This does not expose FPL to losses since the energy payments paid by FPL to the project are passed on to FPL's customers through the fuel clause as approved by the FPSC. Notwithstanding the fact that FPL's energy payments are recovered through the fuel clause, if the project was determined to be a VIE, the absorption of some of the project's fuel price variability might cause FPL to be considered the primary beneficiary. During the years ended December 31, 2008, 2007 and 2006, FPL purchased 1,725,798 mwh, 1,694,810 mwh and 1,672,106 mwh, respectively, from the project at a total cost of approximately \$158 million, \$153 million and \$147 million, respectively. FPL will continue to make exhaustive efforts to obtain the necessary information from the project in order to determine if it is a VIE and, if so, whether FPL is the primary beneficiary. FPL also entered into a PPA with a 330 mw coal-fired cogeneration facility (the Facility) in 1995 to purchase substantially all of the Facility's electrical output through 2025. During the fourth quarter of 2007, a change in ownership of the Facility occurred, triggering the need to reevaluate whether the Facility is still a VIE and, if so, whether FPL is the Facility's primary beneficiary. After making exhaustive efforts, FPL was unable to obtain the information necessary to perform this reevaluation. The PPA with the Facility contains no provisions which legally obligate the Facility to release this information to FPL. During the years ended December 31, 2008, 2007 and 2006, FPL purchased 2,317,345 mwh, 2,320,991 mwh and 2,090,088 mwh, respectively, from the Facility at a total cost of approximately \$227 million, \$220 million and \$200 million, respectively. Additionally, the PPA does not expose FPL to losses since the energy payments made by FPL to the Facility are passed on to FPL's customers through the fuel clause as approved by the FPSC. FPL will continue to make exhaustive efforts to obtain the necessary information from the Facility in order to determine if it is still a VIE and, if so, whether FPL is the Facility's primary beneficiary.

FPL Group – In 2004, a trust created by FPL Group sold 12 million 5 7/8% preferred trust securities to the public and common trust securities to FPL Group. The trust is considered a VIE because FPL Group's investment through the common trust securities is not considered equity at risk in accordance with FIN 46(R). The proceeds from the sale of the preferred and common trust securities were used to buy 5 7/8% junior subordinated debentures maturing in March 2044 from FPL Group Capital. The trust exists only to issue its preferred trust securities and common trust securities and to hold the junior subordinated debentures of FPL Group Capital as trust assets. Since FPL Group, as the common security holder, is not considered to have equity at risk and will therefore not absorb any variability of the trust, FPL Group is not the primary beneficiary and does not consolidate the trust in accordance with FIN 46(R). FPL Group includes the junior subordinated debentures issued by FPL Group Capital on its consolidated balance sheets. The junior subordinated debentures are FPL Group's maximum exposure to loss. See Note 11 – FPL Group and Note 13.

10. Financial Instruments

The carrying amounts of cash equivalents, notes payable and commercial paper approximate their fair values. At December 31, 2008 and 2007, other investments of FPL Group, not included in the table below, included financial instruments of approximately \$39 million and \$30 million, respectively, which primarily consist of notes receivable that are carried at estimated fair value or cost, which approximates fair value. See Note 11.

The following estimates of the fair value of financial instruments have been made using available market information. However, the use of different market assumptions or methods of valuation could result in different estimated fair values.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	December 31, 2008		December 31, 2007	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
FPL Group:				
Other current assets	\$ 17	\$ 17 ^(a)	\$ 3	\$ 3 ^(a)
Special use funds	\$ 2,947	\$ 2,947 ^(a)	\$ 3,482	\$ 3,482 ^(a)
Other investments:				
Notes receivable	\$ 534	\$ 524 ^(a)	\$ -	\$ -
Debt securities	\$ 97	\$ 97 ^(a)	\$ 108	\$ 108 ^(a)
Equity securities	\$ 27	\$ 43 ^(a)	\$ -	\$ -
Long-term debt, including current maturities	\$ 15,221	\$ 15,152 ^(a)	\$ 12,681	\$ 12,642 ^(a)
Interest rate swaps – net unrealized losses	\$ (78)	\$ (78) ^(a)	\$ (28)	\$ (28) ^(a)
Foreign currency swap – net unrealized loss	\$ (4)	\$ (4) ^(a)	\$ -	\$ -
FPL:				
Special use funds	\$ 2,158	\$ 2,158 ^(a)	\$ 2,499	\$ 2,499 ^(a)
Long-term debt, including current maturities	\$ 5,574	\$ 5,652 ^(a)	\$ 5,217	\$ 5,185 ^(a)

^(a) Based on quoted market prices for these or similar issues.

^(b) Classified as held to maturity, of which \$500 million is carried at cost which approximates fair value, and the balance is based on market prices provided by external sources. Additionally, includes maturity dates ranging from 2014 to 2033.

^(c) Based on market prices modeled internally.

^(d) Based on market prices provided by external sources.

Special Use Funds and Other Investments – The special use funds consist of FPL's storm fund assets and FPL Group's and FPL's nuclear decommissioning fund assets. Securities held in the special use funds and other investments in debt and equity securities are carried at estimated fair value based on quoted market prices. FPL Group's nuclear decommissioning funds consist of approximately 38% equity securities and 62% municipal, government, corporate and mortgage- and other asset-backed debt securities (32% and 68% for FPL, respectively) with a weighted-average maturity at December 31, 2008 of approximately six years at FPL Group and seven years at FPL. FPL's storm fund primarily consists of municipal debt securities with a weighted-average maturity of approximately three years. The cost of securities sold is determined on the specific identification method.

The approximate realized gains and losses and proceeds from the sale of available for sale securities are as follows:

	FPL Group			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2008	2007	2006	2008	2007	2006
	(millions)					
Realized gains	\$ 50	\$ 59	\$ 51	\$ 38	\$ 52	\$ 39
Realized losses	\$ 54	\$ 40	\$ 38	\$ 50	\$ 37	\$ 35
Proceeds from sale of securities	\$ 2,235	\$ 2,349	\$ 3,231	\$ 1,454	\$ 1,978	\$ 2,673

The unrealized gains on available for sale securities are as follows:

	FPL Group		FPL	
	December 31,		December 31,	
	2008	2007	2008	2007
	(millions)			
Unrealized gains				
Equity securities	\$ 103	\$ 577	\$ 95	\$ 491
Debt securities	\$ 83	\$ 25	\$ 72	\$ 18

Regulations issued by the FERC and the NRC provide general risk management guidelines to protect nuclear decommissioning trust funds and to allow such funds to earn a reasonable return. The FERC regulations prohibit investments in any securities of FPL Group or its subsidiaries, affiliates or associates, excluding investments tied to market indices or other mutual funds. Similar restrictions applicable to the decommissioning trust funds for NextEra Energy Resources' nuclear plants are contained in the NRC operating licenses for those facilities or in NRC regulations applicable to NRC licensees not in cost-of-service environments. With respect to the decommissioning trust fund for NextEra Energy Resources' Seabrook nuclear plant, decommissioning trust fund contributions and withdrawals are also regulated by the NDRC pursuant to New Hampshire law.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The nuclear decommissioning reserve funds are managed by investment managers who must comply with the guidelines and rules of the applicable regulatory authorities, FPL Group and FPL. The funds' assets are invested in order to optimize the after-tax earnings of these funds, giving consideration to liquidity, risk, diversification and other prudent investment objectives.

Interest Rate and Foreign Currency Swaps – FPL Group and its subsidiaries use a combination of fixed rate and variable rate debt to manage interest rate exposure. Interest rate swaps are used to adjust and mitigate interest rate exposure when deemed appropriate based upon market conditions or when required by financing agreements. In addition, FPL Group Capital entered into a cross currency basis swap to hedge against currency movements with respect to both interest and principal payments on a loan. At December 31, 2008, the estimated fair value for FPL Group interest rate and foreign currency swaps was as follows:

Notional Amount (millions)	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value (millions)
Fair value hedge – FPL Group Capital:					
\$ 300	June 2008	September 2011	Variable ^(a)	5.625%	\$ 21
Cash flow hedges – NextEra Energy Resources:					
\$ 61	December 2003	December 2017	4.245%	Variable ^(a)	(5)
\$ 20	April 2004	December 2017	3.845%	Variable ^(a)	(1)
\$ 189	December 2005	November 2019	4.905%	Variable ^(a)	(23)
\$ 480	January 2007	January 2022	5.390%	Variable ^(a)	(65)
\$ 160	January 2008	September 2011	3.2050%	Variable ^(a)	(5)
Total cash flow hedges					(99)
Total interest rate hedges					<u>\$ (78)</u>
Foreign currency swap – FPL Group Capital:					
\$ 141	December 2008	December 2011	Variable ^(a)	Variable ^(a)	<u>\$ (4)</u>

^(a) Three-month London InterBank Offered Rate (LIBOR) plus 1.18898%

^(b) Three-month LIBOR

^(c) Six-month LIBOR

^(d) Three-month LIBOR plus 2.14%

^(e) Three-month Japanese yen LIBOR plus 1.75%

In January 2009, an indirect wholly-owned subsidiary of NextEra Energy Resources entered into an interest rate swap agreement to pay a fixed rate of 2.5775%, plus applicable margin, to limit cash flow exposure on its Canadian \$94.6 million (US \$75.4 million) limited-recourse senior secured variable rate term loan agreement maturing in 2023. Also, in January 2009, another indirect wholly-owned subsidiary of NextEra Energy Resources entered into an interest rate swap agreement to pay a fixed rate of 2.68%, plus applicable margin, until 2016 on its \$373 million variable rate limited-recourse senior secured note that is partially amortizing with a balloon payment due in 2016. This same wholly-owned subsidiary entered into a second interest rate swap agreement to pay a fixed rate of 3.725%, plus applicable margin, beginning in 2016 to limit the cash flow exposure of refinancing the balloon payment of approximately \$124 million due on this note in 2016.

11. Investments in Partnerships and Joint Ventures

NextEra Energy Resources – NextEra Energy Resources has non-controlling non-majority owned interests in various partnerships and joint ventures, essentially all of which are electricity producers. At December 31, 2008 and 2007, NextEra Energy Resources' investment in partnerships and joint ventures totaled approximately \$189 million and \$216 million, respectively, which is included in other investments on FPL Group's consolidated balance sheets. NextEra Energy Resources' interest in these partnerships and joint ventures range from approximately 5.5% to 50%. At December 31, 2008, the principal operating entities included in NextEra Energy Resources' investments in partnerships and joint ventures were Northeast Energy, LP, Mojave 16/17/18 LLC, Luz Solar Partners Ltd., V, Luz Solar Partners Ltd., III, and TPC Windfarms LLC and in 2007 also included Luz Solar Partners Ltd., IX.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Summarized combined information for these principal entities is as follows:

	2008	2007
	(millions)	
Net income	\$ 145	\$ 109
Total assets	\$ 815	\$ 991
Total liabilities	\$ 420	\$ 539
Partners'/members' equity	\$ 395	\$ 452
NextEra Energy Resources' share of underlying equity in the principal entities	\$ 197	\$ 226
Difference between investment carrying amount and underlying equity in net assets ^(a)	(18)	(24)
NextEra Energy Resources' investment carrying amount for the principal entities	<u>\$ 179</u>	<u>\$ 202</u>

^(a) The majority of the difference between the investment carrying amount and the underlying equity in net assets is being amortized over the remaining life of the investee's assets.

Certain subsidiaries of NextEra Energy Resources provide services to the partnerships and joint ventures, including operations and maintenance and business management services. FPL Group's operating revenues for the years ended December 31, 2008, 2007 and 2006 include approximately \$21 million, \$20 million and \$20 million, respectively, related to such services. The net receivables at December 31, 2008 and 2007, for these services, as well as for affiliate energy commodity transactions, payroll and other payments made on behalf of these investees, were approximately \$33 million and \$31 million, respectively, and are included in other current assets on FPL Group's consolidated balance sheets.

Notes receivable (long- and short-term) include approximately \$24 million and \$33 million at December 31, 2008 and 2007, respectively, due from partnerships and joint ventures in which NextEra Energy Resources has an ownership interest. Approximately \$11 million of the notes receivable balance at December 31, 2008 mature in 2011 and bear interest at a fixed rate of 8.5%. The remaining \$13 million mature in 2014 and bear interest at a variable rate which averaged approximately 13.4% in 2008. The notes receivable balance at December 31, 2007 mature in 2008 through 2011 and the majority bear interest at a variable rate which averaged approximately 15.3% in 2007. Interest income related to notes receivable totaled approximately \$4 million, \$4 million and \$2 million for the years ended December 31, 2008, 2007 and 2006, respectively, and is included in interest income in FPL Group's consolidated statements of income. Interest receivable associated with these notes as of December 31, 2008 and 2007 was not material.

Sale of Differential Membership Interests – In December 2007, an indirect wholly-owned subsidiary of NextEra Energy Resources sold its Class B membership interests in a subsidiary that owns five wind facilities totaling 598 mw of wind generation for approximately \$705 million. In exchange for the cash received, the holders of the Class B membership interests will receive a portion of the economic attributes of the facilities, including tax attributes, for a variable period. Recognition of the proceeds from the sale of the differential membership interests was deferred and is recorded in other liabilities on FPL Group's consolidated balance sheets. The deferred amount totaled \$706 million and \$704 million at December 31, 2008 and 2007, respectively, and is being recognized as an adjustment to operating expenses as the members receive their portion of the economic attributes. FPL Group continues to operate and manage the wind facilities, and consolidates the entity that owns the wind facilities.

FPL Group – In 2004, a trust created by FPL Group sold \$300 million of preferred trust securities to the public and \$9 million of common trust securities to FPL Group. The trust is an unconsolidated 100%-owned finance subsidiary. The trust used the proceeds to purchase \$309 million of 5 7/8% junior subordinated debentures maturing in March 2044 from FPL Group Capital. FPL Group has fully and unconditionally guaranteed the preferred trust securities and the junior subordinated debentures.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Common and Preferred Stock

Earnings Per Share – The reconciliation of FPL Group's basic and diluted earnings per share of common stock is as follows:

	Years Ended December 31,		
	2008	2007	2006
	(millions, except per share amounts)		
Numerator – net income	\$ 1,639	\$ 1,312	\$ 1,281
Denominator:			
Weighted-average number of common shares outstanding – basic	400.1	397.7	393.5
Restricted stock, performance share awards, options and warrants ^(a)	2.6	2.9	3.0
Weighted-average number of common shares outstanding – assuming dilution	402.7	400.6	396.5
Earnings per share of common stock:			
Basic	\$ 4.10	\$ 3.30	\$ 3.25
Assuming dilution	\$ 4.07	\$ 3.27	\$ 3.23

^(a) Performance share awards are included in diluted weighted-average number of shares outstanding based upon what would be issued if the end of the reporting period was the end of the term of the award. Restricted stock, performance share awards, options and warrants are included in diluted weighted-average number of common shares outstanding by applying the treasury stock method.

Restricted stock, performance share awards and common shares issuable upon the exercise of stock options which were not included in the denominator above due to their antidilutive effect were approximately 0.5 million, 0.2 million and 0.3 million for the years ended December 31, 2008, 2007 and 2006, respectively.

On January 1, 2009, FPL Group adopted FASB Staff Position (FSP) Emerging Issues Task Force (EITF) No. 03-6-1 (FSP EITF 03-6-1), "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities." FSP EITF 03-6-1 requires companies to treat unvested share-based payment awards that have non-forfeitable rights to dividends or dividend equivalents as participating securities. Therefore, these participating securities must be included in the computation of earnings per share, pursuant to the two-class method described in FAS 128, "Earnings Per Share." The effect of the retrospective application of FSP EITF 03-6-1 will be a reduction of less than \$0.01 per share on FPL Group's earnings per share, assuming dilution, for the years ended December 31, 2008, 2007 and 2006.

Common Stock Dividend Restrictions – FPL Group's charter does not limit the dividends that may be paid on its common stock. FPL's mortgage securing FPL's first mortgage bonds contains provisions which, under certain conditions, restrict the payment of dividends and other distributions to FPL Group. These restrictions do not currently limit FPL's ability to pay dividends to FPL Group.

Employee Stock Ownership Plan – The employee retirement savings plans of FPL Group include a leveraged ESOP feature. Shares of common stock held by the trust for the employee retirement savings plans (Trust) are used to provide all or a portion of the employers' matching contributions. Dividends received on all shares, along with cash contributions from the employers, are used to pay principal and interest on an ESOP loan held by a subsidiary of FPL Group Capital. Dividends on shares allocated to employee accounts and used by the Trust for debt service are replaced with shares of common stock, at prevailing market prices, in an equivalent amount. For purposes of computing basic and fully diluted earnings per share, ESOP shares that have been committed to be released are considered outstanding.

ESOP-related compensation expense of approximately \$40 million, \$35 million and \$32 million in 2008, 2007 and 2006, respectively, was recognized based on the fair value of shares allocated to employee accounts during the period. Interest income on the ESOP loan is eliminated in consolidation. ESOP-related unearned compensation included as a reduction of common shareholders' equity at December 31, 2008 was approximately \$100 million, representing unallocated shares at the original issue price. The fair value of the ESOP-related unearned compensation account using the closing price of FPL Group common stock at December 31, 2008 was approximately \$348 million.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Stock-Based Compensation – FPL Group accounts for share-based payment transactions based on grant-date fair value in accordance with FAS 123(R). Net income for the years ended December 31, 2008, 2007 and 2006 includes approximately \$47 million, \$39 million and \$34 million, respectively, of compensation costs and \$18 million, \$15 million and \$13 million, respectively, of income tax benefits related to stock-based compensation arrangements. Compensation cost capitalized as part of the cost of an asset for the year ended December 31, 2008 was approximately \$2 million. No compensation cost was capitalized in the years ended December 31, 2007 and 2006. As of December 31, 2008, there were approximately \$62 million of unrecognized compensation costs related to nonvested/nonexercisable share-based compensation arrangements. These costs are expected to be recognized over a weighted-average period of 1.6 years. For awards granted subsequent to December 31, 2005, compensation costs for awards with graded vesting are recognized on a straight-line basis over the requisite service period for the entire award. For awards granted prior to that date, compensation costs for awards with graded vesting are recognized using the graded vesting attribution method.

At December 31, 2008, approximately 26 million shares of common stock were authorized and approximately 15 million were available for awards (including outstanding awards) to officers, employees and non-employee directors of FPL Group and its subsidiaries under FPL Group's amended and restated long-term incentive plan and non-employee directors stock plans. FPL Group satisfies restricted stock and performance share awards by issuing new shares of its common stock or by purchasing shares of its common stock in the open market. FPL Group satisfies stock option exercises by issuing new shares of its common stock and grants most of its stock options in the first quarter of each year.

Restricted Stock and Performance Share Awards – Restricted stock typically vests within three years after the date of grant and is subject to, among other things, restrictions on transferability prior to vesting. The fair value of restricted stock is measured based upon the closing market price of FPL Group common stock as of the date of grant. Performance share awards are typically payable at the end of a three-year performance period if the specified performance criteria are met. The fair value of performance share awards is estimated based upon the closing market price of FPL Group common stock as of the date of grant less the present value of expected dividends, multiplied by an estimated performance multiple determined on the basis of historical experience, which is subsequently trueed up at vesting based on actual performance.

The activity in restricted stock and performance share awards for the year ended December 31, 2008 was as follows:

	Shares	Weighted-Average Grant Date Fair Value Per Share
Restricted Stock:		
Nonvested balance, January 1, 2008	1,181,812	\$ 48.50
Granted	454,663	\$ 62.66
Vested	(585,478)	\$ 45.19
Forfeited	(94,300)	\$ 53.38
Nonvested balance, December 31, 2008	<u>956,697</u>	\$ 57.51
Performance Share Awards:		
Nonvested balance, January 1, 2008	1,050,923	\$ 41.66
Granted	589,999	\$ 51.48
Vested	(535,933)	\$ 35.12
Forfeited	(60,503)	\$ 50.98
Nonvested balance, December 31, 2008	<u>1,044,486</u>	\$ 50.31

The weighted-average grant date fair value per share of restricted stock granted for the years ended December 31, 2007 and 2006 was \$61.08 and \$41.98, respectively. The weighted-average grant date fair value per share of performance share awards granted for the years ended December 31, 2007 and 2006 was \$45.04 and \$34.08, respectively.

The total fair value of restricted stock and performance share awards vested was \$64 million, \$51 million and \$40 million for the years ended December 31, 2008, 2007 and 2006, respectively.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Options – Options typically vest within three years after the date of grant and have a maximum term of ten years. The exercise price of each option granted equals the closing market price of FPL Group common stock on the date of grant. The fair value of the options is estimated on the date of the grant using the Black-Scholes option-pricing model and based on the following assumptions:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expected volatility ^(a)	17.33%	16.60%	19.56%
Expected dividends	2.75%	2.54%	3.40%
Expected term (years) ^(b)	6	6	6
Risk-free rate	3.24%	4.64%	4.60%

^(a) Based on historical experience.

^(b) FPL Group uses the "simplified" method to calculate the expected term.

Option activity for the year ended December 31, 2008 was as follows:

	Shares Underlying Options	Weighted- Average Exercise Price Per Share	Weighted- Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (millions)
Balance, January 1, 2008	5,777,624	\$ 31.72		
Granted	335,452	\$ 64.69		
Exercised	(478,716)	\$ 28.66		
Forfeited	(47,386)	\$ 61.45		
Expired	(5,760)	\$ 29.18		
Balance, December 31, 2008	<u>5,581,214</u>	\$ 33.71	4.4	\$ 99
Exercisable, December 31, 2008	5,037,482	\$ 30.97	4.0	\$ 98

The weighted-average grant date fair value of options granted was \$9.90, \$10.96 and \$7.46 per share for the years ended December 31, 2008, 2007 and 2006, respectively. The total intrinsic value of stock options exercised was approximately \$17 million, \$26 million and \$21 million for the years ended December 31, 2008, 2007 and 2006, respectively.

Cash received from option exercises was approximately \$14 million, \$23 million and \$34 million for the years ended December 31, 2008, 2007 and 2006, respectively. The tax benefits realized from options exercised were approximately \$6 million for each of the years ended December 31, 2008, 2007 and 2006, respectively.

Continuous Offering of FPL Group Common Stock – In January 2009, FPL Group entered into an agreement under which FPL Group may offer and sell, from time to time, FPL Group common stock having a gross sales price of up to \$400 million. As of February 26, 2009, FPL Group had received proceeds of approximately \$40 million through the issuance of common stock under this agreement consisting of 760,000 shares at an average price of \$52.10 per share.

Other – In 2005, a wholly-owned subsidiary of FPL Group completed the acquisition of Gexa Corp., a retail electric provider in Texas. Each share of Gexa Corp.'s outstanding common stock was converted into 0.1682 of a share of FPL Group common stock. Assuming the exercise of Gexa Corp.'s options and warrants net of cash to be received upon exercise, the aggregate value of the consideration for the acquisition of Gexa Corp. was approximately \$73 million, payable in shares of FPL Group common stock. At December 31, 2008, there were Gexa Corp. options and warrants outstanding for a total of 49,030 shares of FPL Group common stock.

Preferred Stock – FPL Group's charter authorizes the issuance of 100 million shares of serial preferred stock, \$0.01 par value, none of which are outstanding. FPL's charter authorizes the issuance of 10,414,100 shares of preferred stock, \$100 par value; 5 million shares of subordinated preferred stock, no par value and 5 million shares of preferred stock, no par value, none of which are outstanding.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Debt

Long-term debt consists of the following:

	December 31,	
	2008	2007
	(millions)	
FPL:		
First mortgage bonds:		
Maturing 2009 through 2017 – 4.85% to 5 7/8%	\$ 925	\$ 1,125
Maturing 2033 through 2038 – 4.95% to 6.20%	3,440	2,840
Storm-recovery bonds – maturing 2013 through 2021 – 5.0440% to 5.2555% ^(a)	611	652
Pollution control, solid waste disposal and industrial development revenue bonds – maturing 2020 through 2029 – variable, 1.3% and 3.7% weighted-average interest rates, respectively ^(a)	633	633
Unamortized discount	(35)	(33)
Total long-term debt of FPL	5,574	5,217
Less current maturities of long-term debt	263	241
Long-term debt of FPL, excluding current maturities	5,311	4,976
FPL Group Capital:		
Debentures – maturing 2009 through 2015 – 5.35% to 7 7/8%	1,975	1,225
Debentures – maturing 2011 – variable, 2.8% ^(a)	250	-
Debentures, related to FPL Group's equity units – matured 2008 – 5.551%	-	506
Junior Subordinated Debentures – maturing 2044 through 2067 – 5 7/8% to 7.45%	2,009	2,009
Term loans – maturing 2009 through 2011 – variable, 1.5% and 5.4% weighted-average interest rate, respectively ^(a)	1,070	200
Japanese yen denominated term loan – maturing 2011 – variable, 3.7% ^(a)	138	-
Fair value swap (see Note 10)	21	-
Unamortized premium (discount)	1	(3)
Total long-term debt of FPL Group Capital	5,464	3,937
Less current maturities of long-term debt	835	506
Long-term debt of FPL Group Capital, excluding current maturities	4,629	3,431
NextEra Energy Resources:		
Senior secured limited recourse bonds – maturing 2017 through 2024 – 5.608% to 7.52%	903	988
Senior secured limited recourse notes – maturing 2013 through 2037 – 6.31% to 7.59%	1,702	992
Other long-term debt – maturing 2010 through 2022 – primarily limited recourse and variable, 4.1% and 6.0% weighted-average interest rates, respectively ^(a)	1,449	1,546
Canadian dollar denominated term loan – maturing 2011 – variable, 2.3% ^(a)	126	-
Unamortized premium	-	1
Total long-term debt of NextEra Energy Resources	4,182	3,527
Less current maturities of long-term debt	289	654
Long-term debt of NextEra Energy Resources, excluding current maturities	3,893	2,873
Total long-term debt	\$ 13,833	\$ 11,280

^(a) Principal on the storm-recovery bonds is due on the final maturity date (the date by which the principal must be repaid to prevent a default) for each tranche, however, it began being paid semiannually and sequentially on February 1, 2008, when the first semiannual interest payment became due.

^(b) Tax exempt bonds that permit individual bond holders to tender the bonds for purchase at any time prior to maturity. In the event bonds are tendered for purchase, they would be remarketed by a designated remarketing agent in accordance with the related indenture. If the remarketing is unsuccessful, FPL would be required to purchase the tax exempt bonds. As of December 31, 2008, all tax exempt bonds tendered for purchase have been successfully remarketed. FPL's bank revolving lines of credit are available to support the purchase of tax exempt bonds.

^(c) Variable rate is based on an underlying index plus a margin. Interest rate swap agreements have been entered into for some of these debt issuances. See Note 10.

Minimum annual maturities of long-term debt for FPL Group are approximately \$1,388 million, \$547 million, \$2,133 million, \$391 million and \$1,098 million for 2009, 2010, 2011, 2012 and 2013, respectively. The respective amounts for FPL are approximately \$263 million, \$42 million, \$45 million, \$48 million and \$452 million.

At December 31, 2008 and December 31, 2007, commercial paper and short-term borrowings had a weighted-average interest rate of 2.10% and 4.39% for FPL Group (0.92% and 4.41% for FPL), respectively. Available lines of credit aggregated approximately \$6.5 billion (\$4.0 billion for FPL Group Capital and \$2.5 billion for FPL) at December 31, 2008 and were available to support FPL's and FPL Group Capital's commercial paper programs. These facilities provide for the issuance of letters of credit of up to \$6.5 billion. The issuance of letters of credit is subject to the aggregate commitment under the applicable facility. While no direct borrowings were outstanding at December 31, 2008, letters of credit totaling \$316 million and \$545 million were outstanding under the FPL Group Capital and FPL credit facilities, respectively.

FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most of those under FPL Group Capital's debt, including all of its debentures and commercial paper issuances, as well as most of its guarantees. FPL Group Capital has guaranteed certain debt and other obligations of NextEra Energy Resources and its subsidiaries.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In June 2002, FPL Group sold 10.12 million 8% Corporate Units. In connection with the 8% Corporate Units financing, FPL Group Capital issued \$506 million principal amount of 5% debentures due February 16, 2008, which were absolutely, irrevocably and unconditionally guaranteed by FPL Group. During 2005, FPL Group Capital remarketed these debentures and the annual interest rate was reset to 5.551%. Each 8% Corporate Unit initially consisted of a \$50 FPL Group Capital debenture and a purchase contract pursuant to which the holder was required to purchase \$50 of FPL Group common shares on or before February 16, 2006, and FPL Group made payments of 3% of each unit's \$50 stated value until the shares were purchased. In February 2006, FPL Group paid approximately \$48 million net to cancel approximately 4.2 million of its 8% Corporate Units. Also in February 2006, FPL Group issued approximately 8.7 million shares of common stock in return for approximately \$296 million in proceeds upon settlement of the stock purchase contracts issued in connection with the remainder of the 8% Corporate Units.

Prior to the issuance of FPL Group's common stock, the purchase contracts were reflected in FPL Group's diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of FPL Group common stock used in calculating diluted earnings per share was deemed to be increased by the excess, if any, of the number of shares that would be issued upon settlement of the purchase contracts over the number of shares that could be purchased by FPL Group in the market, at the average market price during the period, using the proceeds receivable upon settlement.

Subsidiaries of FPL Group had the following debt issuances and borrowings from January 1, 2009 through February 26, 2009:

<u>Date Issued</u>	<u>Company</u>	<u>Debt Issued</u>	<u>Interest Rate(s)</u>	<u>Principal Amount (millions)</u>	<u>Maturity Date(s)</u>
January 2009	NextEra Energy Resources subsidiary	Canadian dollar denominated limited-recourse senior secured term loan	variable	\$ 75	2023
January 2009	FPL Group Capital	Term loan	variable	\$ 72	2011

14. Asset Retirement Obligations

FPL Group and FPL each account for AROs and conditional AROs under FAS 143 and FIN 47. FAS 143 and FIN 47 require that a liability for the fair value of an ARO be recognized in the period in which it is incurred if it can be reasonably estimated, with the offsetting associated asset retirement costs capitalized as part of the carrying amount of the long-lived assets. The asset retirement cost is subsequently allocated to expense using a systematic and rational method over its useful life. Changes in the ARO resulting from the passage of time are recognized as an increase in the carrying amount of the liability and as accretion expense, which is included in depreciation and amortization expense in the consolidated statements of income. Changes resulting from revisions to the timing or amount of the original estimate of cash flows are recognized as an increase or a decrease in the asset retirement cost and ARO.

FPL Group and FPL have identified but not recognized ARO liabilities related to electric transmission and distribution and telecommunications assets resulting from easements over property not owned by FPL Group or FPL. In addition, FPL Group has identified but not recognized ARO liabilities related to the majority of NextEra Energy Resources' hydro facilities. These easements are generally perpetual and, along with the hydro facilities, only require retirement action upon abandonment or cessation of use of the property or facility for its specified purpose. The ARO liability is not estimable for such easements and hydro facilities as FPL Group and FPL intend to use these properties and facilities indefinitely. In the event FPL Group and FPL decide to abandon or cease the use of a particular easement and/or hydro facility, an ARO liability would be recorded at that time.

FPL's ARO relates primarily to the nuclear decommissioning obligation of its nuclear units. FPL's AROs other than nuclear decommissioning are not significant. The provisions of FAS 143 and FIN 47 result in timing differences in the recognition of legal asset retirement costs for financial reporting purposes and the method the FPSC allows FPL to recover in rates. Accordingly, any differences between the ongoing expense recognized under FAS 143 and FIN 47 and the amount recoverable through rates are deferred in accordance with FAS 71. See Note 1 – Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs.

NextEra Energy Resources' ARO relates primarily to the nuclear decommissioning obligation of its nuclear plants and obligations for the dismantlement of its wind facilities located on leased property. See Note 1 – Decommissioning of Nuclear Plants, Dismantlements of Plants and Other Accrued Asset Removal Costs.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

A rollforward of FPL Group's and FPL's ARO from December 31, 2006 to December 31, 2008 is as follows:

	<u>FPL</u>	<u>NextEra Energy Resources (millions)</u>	<u>FPL Group</u>
Balance, December 31, 2006	\$ 1,572	\$ 248	\$ 1,820
Liabilities incurred:			
Point Beach acquisition	-	225	225
Other	-	9	9
Accretion expense	86	21	107
Revision in estimated cash flows – net	<u>(5)</u>	<u>1</u>	<u>(4)</u>
Balance, December 31, 2007	1,653	504	2,157
Liabilities incurred	-	6	6
Accretion expense	91	33	124
Liabilities settled	-	(2)	(2)
Revision in estimated cash flows – net	<u>(1)</u>	<u>(1)</u>	<u>(2)</u>
Balance, December 31, 2008	<u>\$ 1,743</u>	<u>\$ 540</u>	<u>\$ 2,283</u>

Restricted trust funds for the payment of future expenditures to decommission FPL Group's and FPL's nuclear units included in special use funds on FPL Group's and FPL's consolidated balance sheets are as follows (see Note 10):

	<u>FPL</u>	<u>NextEra Energy Resources (millions)</u>	<u>FPL Group</u>
Balance, December 31, 2008	\$ 2,035	\$ 789	\$ 2,824
Balance, December 31, 2007	\$ 2,371	\$ 982	\$ 3,353

15. Commitments and Contingencies

Commitments – FPL Group and its subsidiaries have made commitments in connection with a portion of their projected capital expenditures. Capital expenditures at FPL include, among other things, the cost for construction or acquisition of additional facilities and equipment to meet customer demand, as well as capital improvements to and maintenance of existing facilities. At NextEra Energy Resources, capital expenditures include, among other things, the cost, including capitalized interest, for construction of wind projects and the procurement of nuclear fuel. FPL FiberNet's capital expenditures primarily include costs to meet customer-specific requirements and sustain its fiber-optic network.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

At December 31, 2008, planned capital expenditures for 2009 through 2013 were estimated as follows:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Total</u>
	(millions)					
FPL:						
Generation: ^(a)						
New ^{(a) (c) (d)}	\$ 1,350	\$ 1,355	\$ 760	\$ 355	\$ 40	\$ 3,860
Existing	665	680	610	515	430	2,900
Transmission and distribution	615	865	925	930	975	4,310
Nuclear fuel	125	205	215	220	265	1,030
General and other	170	290	315	300	235	1,310
Total	\$ 2,925	\$ 3,395	\$ 2,825	\$ 2,320	\$ 1,945	\$ 13,410
NextEra Energy Resources:						
Wind ^(e)	\$ 2,035	\$ 20	\$ 20	\$ 15	\$ 10	\$ 2,100
Nuclear ^(f)	370	430	295	275	305	1,675
Natural gas	105	70	75	85	50	385
Other	70	60	45	35	30	240
Total	\$ 2,580	\$ 580	\$ 435	\$ 410	\$ 395	\$ 4,400
FPL FiberNet	\$ 60	\$ 20	\$ 20	\$ 20	\$ 20	\$ 140

^(a) Includes AFUDC of approximately \$63 million, \$53 million, \$32 million and \$4 million in 2009 to 2012, respectively.

^(b) Includes land, generating structures, transmission interconnection and integration and licensing.

^(c) Includes pre-construction costs and carrying charges (equal to the pretax AFUDC rate) on construction costs recoverable through the capacity clause of approximately \$72 million, \$201 million, \$323 million, \$50 million and \$19 million in 2009 to 2013, respectively.

^(d) Excludes capital expenditures of approximately \$2.2 billion for the modernization of the Cape Canaveral and Riviera power plants for the period from early-2010 (when approval by the Florida Power Plant Siting Board (Siting Board), comprised of the Florida governor and cabinet is expected) through 2013. Also excludes construction costs of approximately \$2.5 billion during the period 2012 to 2013 for the two additional nuclear units at FPL's Turkey Point site. Construction costs will not begin until license approval is received from the NRC, which is expected in 2012.

^(e) Includes capital expenditures for new wind projects that have been identified and related transmission. NextEra Energy Resources expects to add approximately 1,100 mw in 2009 and 1,000 mw to 2,000 mw of new wind generation per year from 2010 through 2012, subject to, among other things, continued public policy support, which includes, but is not limited to, support for the construction and availability of sufficient transmission facilities and capacity, and access to reasonable capital and credit markets. The cost of the planned wind additions for the 2010 through 2012 period is estimated to be approximately \$2.5 billion to \$4.5 billion in each year, which is not included in the table above.

^(f) Includes nuclear fuel.

FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most payment obligations under FPL Group Capital's debt and guarantees. FPL Group and FPL each account for payment guarantees and related contracts, for which it or a subsidiary is the guarantor, under FIN 45, which requires that the fair value of guarantees provided to unconsolidated entities entered into after December 31, 2002 be recorded on the balance sheet. At December 31, 2008, subsidiaries of FPL Group, other than FPL, have guaranteed debt service payments relating to agreements that existed at December 31, 2002. The terms of the guarantees are equal to the terms of the related debt, with remaining terms ranging from 1 year to 10 years. The maximum potential amount of future payments that could be required under these guarantees at December 31, 2008 was approximately \$17 million. At December 31, 2008, FPL Group did not have any liabilities recorded for these guarantees. In certain instances, FPL Group can seek recourse from third parties for 50% of any amount paid under the guarantees. Guarantees provided to unconsolidated entities entered into subsequent to December 31, 2002, and the related fair value, were not material as of December 31, 2008.

Certain subsidiaries of NextEra Energy Resources have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the NextEra Energy Resources subsidiary becoming liable for liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that it is unlikely to experience a material exposure as a result of these liquidated damages.

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Contracts – In addition to the planned capital expenditures included in the table in Commitments above, FPL has commitments under long-term purchased power and fuel contracts. FPL is obligated under take-or-pay purchased power contracts with JEA and with subsidiaries of The Southern Company (Southern subsidiaries) to pay for approximately 1,300 mw of power annually through mid-2010, approximately 1,330 mw annually from mid-2010 to mid-2015 and 375 mw annually thereafter through 2021, and one of the Southern subsidiaries' contracts is subject to minimum quantities. FPL also has various firm pay-for-performance contracts to purchase approximately 740 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from August 2009 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. FPL has various agreements with several electricity suppliers to purchase an aggregate of up to approximately 870 mw of power with expiration dates ranging from April 2009 through 2012. In general, the agreements require FPL to make capacity payments and supply the fuel consumed by the plants under the contracts. FPL has contracts with expiration dates through 2032 for the purchase and transportation of natural gas and coal, and storage of natural gas.

NextEra Energy Resources has entered into several contracts primarily for the purchase of wind turbines and towers and related construction activities, approximately \$1.7 billion of which is included in the planned capital expenditures table in Commitments above. In addition, NextEra Energy Resources has contracts primarily for the purchase, transportation and storage of natural gas and firm transmission service with expiration dates ranging from 2009 through 2036, as well as for the supply, conversion, enrichment and fabrication of nuclear fuel with expiration dates ranging from 2009 through 2018.

The required capacity and minimum payments under these contracts as of December 31, 2008 were estimated as follows:

	2009	2010	2011	2012	2013	Thereafter
	(millions)					
FPL:						
Capacity payments: ^(a)						
JEA and Southern subsidiaries ^(b)	\$ 220	\$ 230	\$ 210	\$ 210	\$ 210	\$ 550
Qualifying facilities ^(a)	\$ 320	\$ 290	\$ 260	\$ 270	\$ 250	\$ 2,670
Other electricity suppliers ^(a)	\$ 50	\$ 10	\$ 10	\$ 5	\$ -	\$ -
Minimum payments, at projected prices:						
Southern subsidiaries – energy ^(a)	\$ 90	\$ 40	\$ -	\$ -	\$ -	\$ -
Natural gas, including transportation and storage ^(c)	\$ 2,575	\$ 1,400	\$ 800	\$ 555	\$ 515	\$ 4,325
Coal ^(d)	\$ 90	\$ 60	\$ 15	\$ -	\$ -	\$ -
NextEra Energy Resources ^(a)	\$ 1,760	\$ 120	\$ 75	\$ 75	\$ 60	\$ 665

^(a) Capacity payments under these contracts, the majority of which are recoverable through the capacity clause, totaled approximately \$584 million, \$578 million and \$610 million for the years ended December 31, 2008, 2007 and 2006, respectively.

^(b) Energy payments under these contracts, which are recoverable through the fuel clause, totaled approximately \$510 million, \$447 million and \$421 million, respectively.

^(c) Recoverable through the fuel clause.

^(d) Includes termination payments primarily associated with wind turbine contracts beyond 2009.

In addition, FPL has entered into several long-term agreements for storage capacity and transportation of natural gas from facilities that have not yet started construction, or if started, have not yet completed construction. These agreements range from 15 to 25 years in length and contain firm commitments by FPL totaling up to approximately \$209 million annually or \$5.1 billion over the terms of the agreements. These firm commitments are contingent upon the occurrence of certain events, including approval by the FERC and/or completion of construction of the facilities from June 2009 to 2011.

Insurance – Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of insurance available from both private sources and an industry retrospective payment plan. In accordance with this Act, FPL Group maintains \$300 million of private liability insurance per site, which is the maximum obtainable, and participates in a secondary financial protection system, which provides up to \$12.2 billion of liability insurance coverage per incident at any nuclear reactor in the United States. Under the secondary financial protection system, FPL Group is subject to retrospective assessments of up to \$940 million (\$470 million for FPL), plus any applicable taxes, per incident at any nuclear reactor in the United States, payable at a rate not to exceed \$140 million (\$70 million for FPL) per incident per year. FPL Group and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook, Duane Arnold and St. Lucie Unit No. 2, which approximates \$14 million, \$35 million and \$18 million, plus any applicable taxes, per incident, respectively.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FPL Group participates in nuclear insurance mutual companies that provide \$2.75 billion of limited insurance coverage per occurrence per site for property damage, decontamination and premature decommissioning risks at its nuclear plants. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL Group also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service for an extended period of time because of an accident. In the event of an accident at one of FPL Group's or another participating insured's nuclear plants, FPL Group could be assessed up to \$177 million (\$103 million for FPL), plus any applicable taxes, in retrospective premiums. FPL Group and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook, Duane Arnold and St. Lucie Unit No. 2, which approximates \$2 million, \$5 million and \$4 million, plus any applicable taxes, respectively.

Due to the high cost and limited coverage available from third-party insurers, FPL does not have insurance coverage for a substantial portion of its transmission and distribution property and FPL Group has no insurance coverage for FPL FiberNet's fiber-optic cable located throughout Florida. Should FPL's future storm restoration costs exceed the reserve amount established through the May 2007 issuance of storm-recovery bonds, FPL may recover storm restoration costs, subject to prudence review by the FPSC, either through securitization provisions pursuant to Florida law or through surcharges approved by the FPSC.

In the event of a loss, the amount of insurance available might not be adequate to cover property damage and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered from customers in the case of FPL, would be borne by FPL Group and FPL and could have a material adverse effect on FPL Group's and FPL's financial condition and results of operations.

Legal and Regulatory Proceedings – In November 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA), brought an action in the U.S. District Court for the Northern District of Georgia against Georgia Power Company and other subsidiaries of The Southern Company for certain alleged violations of the Prevention of Significant Deterioration (PSD) provisions and the New Source Performance Standards (NSPS) of the Clean Air Act. In May 2001, the EPA amended its complaint to allege, among other things, that Georgia Power Company constructed and is continuing to operate Scherer Unit No. 4, in which FPL owns a 76% interest, without obtaining a PSD permit, without complying with NSPS requirements, and without applying best available control technology for nitrogen oxides, sulfur dioxides and particulate matter as required by the Clean Air Act. It also alleges that unspecified major modifications have been made at Scherer Unit No. 4 that require its compliance with the aforementioned Clean Air Act provisions. The EPA seeks injunctive relief requiring the installation of best available control technology and civil penalties of up to \$25,000 per day for each violation from an unspecified date after June 1, 1975 through January 30, 1997 and \$27,500 per day thereafter for each violation. The EPA further revised its civil penalty rule in February 2004, such that the maximum penalty is \$32,500 per day for each violation after March 15, 2004. Georgia Power Company has answered the amended complaint, asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses. In June 2001, a federal district court stayed discovery and administratively closed the case and the EPA has not yet moved to reopen the case. In April 2007, the U.S. Supreme Court in a separate unrelated case rejected an argument that a "major modification" occurs at a plant only when there is a resulting increase in the hourly rate of air emissions. Georgia Power Company has made a similar argument in defense of its case, but has other factual and legal defenses that are unaffected by the Supreme Court's decision.

In August 2001, Florida Municipal Power Agency (FMPA) filed a petition for review with the U.S. Court of Appeals for the District of Columbia (DC Circuit) asking the DC Circuit to reverse and remand orders of the FERC denying FMPA's request for certain credits for transmission facilities owned by FMPA members. This matter arose from a 1993 FPL filing of a comprehensive restructuring of its then-existing tariff structure. All issues in this case have been closed except for FMPA's request for exclusions from FPL's transmission rates of the costs of FPL's facilities that fail to meet the same integration test that was used to deny credits for certain FMPA facilities (integration test). In May 2004, FPL made a compliance filing with the FERC of a proposed rate schedule that does not include those FPL facilities that fail to meet the same integration test. In January 2005, the FERC issued an order on FPL's compliance filing and required FPL to make an additional compliance filing removing the cost of all radial transmission lines from transmission rates, analyzing the FPL transmission system to remove the cost of any transmission facilities that provide only "unneeded redundancy," and calculating rate adjustments using 1993 data rather than 1998 data. FPL made this compliance filing in April 2005, under which FPL's current rate would be reduced by \$0.04 per kilowatt (kw) per month. In May 2005, FMPA protested FPL's compliance filing and argued that FPL's rates should be reduced by an additional \$0.20 per kw per month. Any reduction in FPL's network service rate also would apply effective January 1, 2004 to Seminole Electric Cooperative Inc. (Seminole), FPL's other network customer. In February 2008, the FERC accepted FPL's April 2005 compliance filing in full and, in March 2008, FPL issued refunds of approximately \$4 million to FMPA and \$2 million to Seminole in accordance with the FERC's February 2008 order. Subsequently, FMPA sought rehearing of the FERC's February 2008 order, which was denied by the FERC in December 2008. FMPA has sought review of the FERC's February 2008 order at the DC Circuit. FMPA's position is that FPL's rates should be reduced by an additional \$0.20 per kw per month, which, if upheld, would result in an additional refund obligation to FMPA of approximately \$24 million, and approximately \$14 million to Seminole, at December 31, 2008.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In 1995 and 1996, FPL Group, through an indirect subsidiary, purchased from Adelphia Communications Corporation (Adelphia) 1,091,524 shares of Adelphia common stock and 20,000 shares of Adelphia preferred stock (convertible into 2,358,490 shares of Adelphia common stock) for an aggregate price of approximately \$35,900,000. On January 29, 1999, Adelphia repurchased all of these shares for \$149,213,130 in cash. On June 24, 2004, Adelphia, Adelphia Cablevision, L.L.C. and the Official Committee of Unsecured Creditors of Adelphia filed a complaint against FPL Group and its indirect subsidiary in the U.S. Bankruptcy Court, Southern District of New York. The complaint alleges that the repurchase of these shares by Adelphia was a fraudulent transfer, in that at the time of the transaction Adelphia (i) was insolvent or was rendered insolvent, (ii) did not receive reasonably equivalent value in exchange for the cash it paid, and (iii) was engaged or about to engage in a business or transaction for which any property remaining with Adelphia had unreasonably small capital. The complaint seeks the recovery for the benefit of Adelphia's bankruptcy estate of the cash paid for the repurchased shares, plus interest. FPL Group has filed an answer to the complaint. FPL Group believes that the complaint is without merit because, among other reasons, Adelphia will be unable to demonstrate that (i) Adelphia's repurchase of shares from FPL Group, which repurchase was at the market value for those shares, was not for reasonably equivalent value, (ii) Adelphia was insolvent at the time of the repurchase, or (iii) the repurchase left Adelphia with unreasonably small capital. The case is in discovery and has been scheduled for trial in June 2010.

In August 2003, Pedro C. and Emilia Roig brought an action on behalf of themselves and their son, Pedro Anthony Roig, in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida (the state court), which was removed in October 2003 to the U.S. District Court for the Southern District of Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies and FPL, alleging that their son has suffered toxic neurological effects from mercury poisoning. The sources of mercury exposure are alleged to be vaccines containing a preservative called thimerosal that were allegedly manufactured and distributed by the drug companies, mercury amalgam dental fillings, and emissions from FPL power plants in southeast Florida. The complaint includes counts against all defendants for civil battery and against FPL for alleged negligence in operating the plants such that the son was exposed to mercury and other heavy metals emissions. The damages demanded from FPL are for injuries and losses allegedly suffered by the son as a result of his exposure to the plants' mercury emissions and the parents' alleged pain and suffering, medical expenses, loss of wages, and loss of their son's services and companionship. No amount of damages is specified. The U.S. District Court remanded the action back to the state court. The drug manufacturing and distribution companies have moved to dismiss the action. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until requested by the plaintiffs.

In December 2003, Edward and Janis Shiflett brought an action on behalf of themselves and their son, Phillip Benjamin Shiflett, in the Circuit Court of the Eighteenth Judicial Circuit in and for Brevard County, Florida (the state court), which was removed in January 2004 to the U.S. District Court for the Middle District of Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies, FPL and the Orlando Utilities Commission, alleging that their son has suffered toxic neurological effects from mercury poisoning. The allegations, counts and damages demanded in the complaint with respect to FPL are virtually identical to those contained in the Roig lawsuit described above. FPL's motion to dismiss the complaint was denied. The U.S. District Court subsequently remanded the action back to the state court. The state court subsequently dismissed the drug manufacturing and distribution companies from the action. Plaintiffs' appeal of that order is pending before the Florida Fifth District Court of Appeal. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until requested by the plaintiffs.

In October 2004, TXU Portfolio Management Company (TXU) served FPL Energy Pecos Wind I, LP, FPL Energy Pecos Wind II GP, LLC, FPL Energy Pecos Wind II, LP, FPL Energy Pecos Wind II GP, LLC and Indian Mesa Wind Farm, LP (NextEra Energy Resources Affiliates) as defendants in a civil action filed in the District Court in Dallas County, Texas. FPL Energy, LLC, now known as NextEra Energy Resources, was added as a defendant in 2005. The petition alleged that the NextEra Energy Resources Affiliates had a contractual obligation to produce and sell to TXU a minimum quantity of renewable energy credits each year and that the NextEra Energy Resources Affiliates failed to meet this obligation. The plaintiff asserted claims for breach of contract and declaratory judgment and sought damages of approximately \$34 million. The NextEra Energy Resources Affiliates filed their answer and counterclaim in November 2004, denying the allegations. The counterclaim, as amended, asserted claims for conversion, breach of fiduciary duty, breach of warranty, conspiracy, breach of contract and fraud and sought termination of the contract and damages. Following a jury trial in June 2007, among other findings, both TXU and the NextEra Energy Resources Affiliates were found to have breached the contract. In August 2008, the judge issued a final judgment pursuant to which the contract is not terminated and neither party will recover any damages. TXU has appealed the final judgment to the Fifth District Court of Appeals in Dallas, Texas.

FPL Group and FPL are vigorously defending, and believe that they or their affiliates have meritorious defenses to, the lawsuits described above. While management is unable to predict with certainty the outcome of these lawsuits, based on current knowledge it is not expected that their ultimate resolution, individually or collectively, will have a material adverse effect on the financial statements of FPL Group or FPL.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In February 2008, a fault occurred at an FPL substation causing a system loss of about 3,400 mw of generating capacity, which left approximately 596,000 FPL customers without power. Power was restored to approximately two-thirds of affected customers within one hour and all customers were restored within three hours. FPL's investigation into the root cause of the problem determined the fault occurred as a result of human error. In March 2008, the Florida Reliability Coordinating Council (FRCC) initiated an investigation of the event and the FERC opened a nonpublic formal investigation to determine whether the event involved any violations of mandatory reliability standards. The North American Electric Reliability Corporation (NERC) is participating in both investigations. In November 2008, the FRCC's event analysis team issued its final report on the outage, which did not identify any potential violations of NERC reliability standards by FPL. FPL provided this report to the FERC staff conducting the FERC investigation. Following a period of fact finding and written correspondence by and between FPL and the FERC enforcement staff, FPL and the FERC staff have been engaged in discussions to determine whether the investigation can be resolved by settlement. FPL believes that, absent settlement, the FERC staff will pursue formal enforcement proceedings in which FPL expects the FERC may assert up to 25 or more violations of the reliability standards. The statutory penalty for any violation of a reliability standard is up to \$1 million per day. FPL believes that, in any such enforcement proceeding, the FERC may assert that some of the alleged violations have continued from January 1, 2008, or earlier.

In addition to the legal proceedings and regulatory investigations discussed above, FPL Group and its subsidiaries, including FPL, are involved in other legal and regulatory proceedings, actions and claims in the ordinary course of their businesses. Generating plants in which FPL Group or FPL have an ownership interest are also involved in legal and regulatory proceedings, actions and claims, the liabilities from which, if any, would be shared by FPL Group or FPL. In the event that FPL Group and FPL, or their affiliates, do not prevail in these legal and regulatory proceedings, actions and claims, there may be a material adverse effect on their financial statements. While management is unable to predict with certainty the outcome of these legal and regulatory proceedings, actions and claims, based on current knowledge it is not expected that their ultimate resolution, individually or collectively, will have a material adverse effect on the financial statements of FPL Group or FPL.

16. Segment Information

FPL Group's reportable segments include FPL, a rate-regulated utility, and NextEra Energy Resources, a competitive energy business. Corporate and Other represents other business activities, other segments that are not separately reportable and eliminating entries. FPL Group's operating revenues derived from the sale of electricity represented approximately 96%, 98% and 97% of FPL Group's operating revenues for the years ended December 31, 2008, 2007 and 2006. Less than 1% of operating revenues were from foreign sources for each of the three years ended December 31, 2008, 2007 and 2006. At December 31, 2008 and 2007, less than 1% of long-lived assets were located in foreign countries.

FPL Group's segment information is as follows:

	2008				2007				2006			
	FPL	NextEra Energy Resources ^(a)	Corp. and Other	Total	FPL	NextEra Energy Resources ^(a)	Corp. and Other	Total	FPL	NextEra Energy Resources ^(a)	Corp. and Other	Total
	(millions)											
Operating revenues	\$11,649	\$ 4,570	\$ 191	\$16,410	\$11,822	\$ 3,474	\$ 167	\$15,253	\$11,988	\$ 3,558	\$ 164	\$15,710
Operating expenses	\$10,120	\$ 3,275	\$ 190	\$13,585	\$10,059	\$ 2,753	\$ 168	\$12,980	\$10,525	\$ 2,803	\$ 285 ^(b)	\$13,613
Interest expense	\$ 334	\$ 311	\$ 168	\$ 813	\$ 304	\$ 312	\$ 146	\$ 762	\$ 278	\$ 268	\$ 159	\$ 706
Interest income	\$ 11	\$ 27	\$ 34	\$ 72	\$ 17	\$ 40	\$ 32	\$ 89	\$ 30	\$ 25	\$ 7	\$ 62
Depreciation and amortization	\$ 796	\$ 565	\$ 17	\$ 1,378	\$ 773	\$ 473	\$ 15	\$ 1,261	\$ 787	\$ 375	\$ 23	\$ 1,185
Equity in earnings of equity method investees	\$ -	\$ 93	\$ -	\$ 93	\$ -	\$ 68	\$ -	\$ 68	\$ -	\$ 181 ^(c)	\$ -	\$ 181
Income tax expense (benefit) ^(d)	\$ 443	\$ 80	\$ (73)	\$ 450	\$ 451	\$ (35)	\$ (48)	\$ 368	\$ 424	\$ 110	\$ (137)	\$ 397
Net income (loss)	\$ 789	\$ 915	\$ (65)	\$ 1,639	\$ 836	\$ 540	\$ (64)	\$ 1,312	\$ 802	\$ 610 ^(c)	\$ (131) ^(b)	\$ 1,281
Capital expenditures, independent power investments and nuclear fuel purchases	\$ 2,367	\$ 2,829	\$ 40	\$ 5,236	\$ 2,007	\$ 2,981	\$ 31	\$ 5,019	\$ 1,868	\$ 1,809	\$ 62	\$ 3,739
Property, plant and equipment	\$28,972	\$16,268	\$ 288	\$45,528	\$27,251	\$13,534	\$ 255	\$41,040	\$25,686	\$10,224	\$ 242	\$36,152
Accumulated depreciation and amortization	\$10,189	\$ 2,771	\$ 157	\$13,117	\$10,081	\$ 2,167	\$ 140	\$12,388	\$ 9,848	\$ 1,679	\$ 126	\$11,653
Total assets	\$26,175	\$17,157	\$ 1,489	\$44,821	\$24,044	\$14,505	\$ 1,574	\$40,123	\$22,970	\$11,305	\$ 1,547	\$35,822
Investment in equity method investees	\$ -	\$ 189	\$ 9	\$ 198	\$ -	\$ 216	\$ 9	\$ 225	\$ -	\$ 361	\$ 9	\$ 370

^(a) NextEra Energy Resources' interest expense is based on a deemed capital structure of 50% debt for operating projects and 100% debt for projects under construction. Residual non-utility interest expense is included in Corporate and Other.

^(b) Includes a \$98 million (\$80 million after-tax) impairment charge recorded at FPL FiberNet. See Note 5 - Corporate and Other.

^(c) Includes an Indonesian project gain of \$97 million (\$63 million after-tax).

^(d) NextEra Energy Resources' tax expense (benefit) includes PTCs that were recognized based on its tax sharing agreement with FPL Group. See Note 1 - Income Taxes.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Summarized Financial Information of FPL Group Capital

FPL Group Capital, a 100% owned subsidiary of FPL Group, provides funding for and holds ownership interest in FPL Group's operating subsidiaries other than FPL. Most of FPL Group Capital's debt, including its debentures, and payment guarantees are fully and unconditionally guaranteed by FPL Group. Condensed consolidating financial information is as follows:

Condensed Consolidating Statements of Income

	Year Ended December 31, 2008				Year Ended December 31, 2007				Year Ended December 31, 2006			
	FPL Group (Guaran- tor)	FPL Group Capital	Other ^(a)	FPL Group Consoli- dated	FPL Group (Guaran- tor)	FPL Group Capital	Other ^(a)	FPL Group Consoli- dated	FPL Group (Guaran- tor)	FPL Group Capital	Other ^(a)	FPL Group Consoli- dated
	(millions)											
Operating revenues	\$ -	\$ 4,770	\$ 11,640	\$ 16,410	\$ -	\$ 3,646	\$ 11,617	\$ 15,263	\$ -	\$ 3,728	\$ 11,982	\$ 15,710
Operating expenses	-	(3,474)	(10,111)	(13,585)	-	(2,926)	(10,054)	(12,980)	(23)	(3,070)	(10,520)	(13,613)
Interest expense	(18)	(479)	(316)	(813)	(19)	(458)	(285)	(762)	(21)	(428)	(257)	(706)
Other income (deductions) – net	1,663	44	(1,630)	77	1,322	133	(1,296)	159	1,292	263	(1,268)	287
Income (loss) before income taxes	1,645	861	(417)	2,089	1,303	395	(18)	1,680	1,248	493	(63)	1,678
Income tax expense (benefit)	6	2	442	450	(9)	(75)	452	368	(33)	7	423	397
Net income (loss)	\$ 1,639	\$ 859	\$ (859)	\$ 1,639	\$ 1,312	\$ 470	\$ (470)	\$ 1,312	\$ 1,281	\$ 486	\$ (486)	\$ 1,281

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Condensed Consolidating Statements of Cash Flows

	Year Ended December 31, 2008				Year Ended December 31, 2007				Year Ended December 31, 2006			
	FPL Group (Guar- antor)	FPL Group Capital	Other ^(a)	FPL Group Consoli- dated	FPL Group (Guar- antor)	FPL Group Capital	Other ^(a)	FPL Group Consoli- dated	FPL Group (Guar- antor)	FPL Group Capital	Other ^(a)	FPL Group Consoli- dated
	(millions)											
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 766	\$ 1,182	\$ 1,455	\$ 3,403	\$ 1,031	\$ 1,499	\$ 1,063	\$ 3,593	\$ 353	\$ 791	\$ 1,354	\$ 2,498
CASH FLOWS FROM INVESTING ACTIVITIES												
Capital expenditures, independent power investments and nuclear fuel purchases	(12)	(2,857)	(2,367)	(5,236)	(12)	(3,000)	(2,007)	(5,019)	(40)	(1,833)	(1,866)	(3,739)
Capital contribution to FPL	(75)	-	75	-	-	-	-	-	-	-	-	-
Sale of independent power investments	-	25	-	25	-	700	-	700	-	20	-	20
Loan repayments and capital distributions from equity method investees	-	-	-	-	-	11	-	11	-	-	-	-
Funding of loan	-	(500)	-	(500)	-	-	-	-	-	-	-	-
Other - net	-	(25)	(72)	(97)	(405)	(58)	193	(270)	-	(7)	(81)	(88)
Net cash used in investing activities	(87)	(3,357)	(2,364)	(5,808)	(417)	(2,347)	(1,814)	(4,578)	(40)	(1,820)	(1,947)	(3,807)
CASH FLOWS FROM FINANCING ACTIVITIES												
Issuances of long-term debt	-	3,238	589	3,827	-	1,969	1,230	3,199	-	2,470	938	3,408
Retirements of long-term debt	-	(1,118)	(240)	(1,358)	-	(1,616)	(250)	(1,866)	-	(1,530)	(135)	(1,665)
Proceeds from purchased Corporate Units	-	-	-	-	-	-	-	-	210	-	-	210
Payments to terminate Corporate Units	-	-	-	-	-	-	-	-	(258)	-	-	(258)
Net change in short-term debt	-	917	(69)	848	-	(292)	212	(80)	-	467	(529)	(62)
Issuances of common stock	41	-	-	41	46	-	-	46	333	-	-	333
Dividends on common stock	(714)	-	-	(714)	(654)	-	-	(654)	(593)	-	-	(593)
Other - net	(6)	(675)	687	6	(8)	458	(442)	10	(12)	(289)	327	26
Net cash provided by (used in) financing activities	(679)	2,362	967	2,650	(614)	519	750	655	(320)	1,118	601	1,399
Net increase (decrease) in cash and cash equivalents	-	187	56	245	-	(329)	(1)	(330)	(7)	89	* 8	90
Cash and cash equivalents at beginning of year	-	227	63	290	-	556	64	620	7	467	56	530
Cash and cash equivalents at end of year	\$ -	\$ 414	\$ 121	\$ 535	\$ -	\$ 227	\$ 63	\$ 290	\$ -	\$ 556	\$ 64	\$ 620

^(a) Represents FPL and consolidating adjustments.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Concluded)

18. Quarterly Data (Unaudited)

Condensed consolidated quarterly financial information is as follows:

	March 31 ^(a)	June 30 ^(a)	September 30 ^(a)	December 31 ^(a)
	(millions, except per share amounts)			
FPL GROUP:				
2008				
Operating revenues ^(b)	\$ 3,434	\$ 3,585	\$ 5,387	\$ 4,003
Operating income ^(b)	\$ 443	\$ 313	\$ 1,316	\$ 752
Net income ^(b)	\$ 249	\$ 209	\$ 774	\$ 408
Earnings per share ^(c)	\$ 0.62	\$ 0.52	\$ 1.93	\$ 1.02
Earnings per share – assuming dilution ^(c)	\$ 0.62	\$ 0.52	\$ 1.92	\$ 1.01
Dividends per share	\$ 0.445	\$ 0.445	\$ 0.445	\$ 0.445
High-low common stock sales prices	\$ 73.75-57.21	\$ 68.98-62.75	\$ 68.76-49.74	\$ 51.87-33.81
2007				
Operating revenues ^(b)	\$ 3,075	\$ 3,929	\$ 4,575	\$ 3,683
Operating income ^(b)	\$ 298	\$ 664	\$ 900	\$ 421
Net income ^(b)	\$ 150	\$ 405	\$ 533	\$ 224
Earnings per share ^(c)	\$ 0.38	\$ 1.02	\$ 1.34	\$ 0.56
Earnings per share – assuming dilution ^(c)	\$ 0.38	\$ 1.01	\$ 1.33	\$ 0.56
Dividends per share	\$ 0.41	\$ 0.41	\$ 0.41	\$ 0.41
High-low common stock sales prices	\$ 63.07-53.72	\$ 66.52-56.18	\$ 64.20-54.61	\$ 72.77-60.26
FPL:				
2008				
Operating revenues ^(b)	\$ 2,534	\$ 2,871	\$ 3,423	\$ 2,820
Operating income ^(b)	\$ 244	\$ 416	\$ 549	\$ 320
Net income ^(b)	\$ 108	\$ 217	\$ 314	\$ 151
2007				
Operating revenues ^(b)	\$ 2,448	\$ 2,905	\$ 3,445	\$ 2,824
Operating income ^(b)	\$ 247	\$ 383	\$ 591	\$ 342
Net income ^(b)	\$ 126	\$ 211	\$ 326	\$ 173

^(a) In the opinion of FPL Group and FPL, all adjustments, which consist of normal recurring accruals necessary to present a fair statement of the amounts shown for such periods, have been made. Results of operations for an interim period generally will not give a true indication of results for the year.

^(b) The sum of the quarterly amounts may not equal the total for the year due to rounding.

^(c) The sum of the quarterly amounts may not equal the total for the year due to rounding and changes in weighted-average number of common shares outstanding.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

As of December 31, 2008, each of FPL Group and FPL had performed an evaluation, under the supervision and with the participation of its management, including FPL Group's and FPL's chief executive officer and chief financial officer, of the effectiveness of the design and operation of each company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) or 15d-15(e)). Based upon that evaluation, the chief executive officer and chief financial officer of each of FPL Group and FPL concluded that the company's disclosure controls and procedures are effective in timely alerting them to material information relating to the company and its consolidated subsidiaries required to be included in the company's reports filed or submitted under the Exchange Act and ensuring that information required to be disclosed in the company's reports filed or submitted under the Exchange Act is accumulated and communicated to management, including its principal executive and principal financial officers, to allow timely decisions regarding required disclosure. FPL Group and FPL each have a Disclosure Committee, which is made up of several key management employees and reports directly to the chief executive officer and chief financial officer of each company, to monitor and evaluate these disclosure controls and procedures. Due to the inherent limitations of the effectiveness of any established disclosure controls and procedures, management of FPL Group and FPL cannot provide absolute assurance that the objectives of their respective disclosure controls and procedures will be met.

Internal Control Over Financial Reporting

(a) **Management's Annual Report on Internal Control Over Financial Reporting**

See Item 8. Financial Statements and Supplementary Data.

(b) **Attestation Report of the Independent Registered Public Accounting Firm**

See Item 8. Financial Statements and Supplementary Data.

(c) **Changes in Internal Control Over Financial Reporting**

FPL Group and FPL are continuously seeking to improve the efficiency and effectiveness of their operations and of their internal controls. This results in refinements to processes throughout FPL Group and FPL. However, there has been no change in FPL Group's or FPL's internal control over financial reporting that occurred during FPL Group's and FPL's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, FPL Group's or FPL's internal control over financial reporting.

Item 9B. Other Information

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be included under the headings "Business of the Annual Meeting," "Corporate Governance and Board Matters" and "Information About FPL Group and Management" in FPL Group's Proxy Statement which will be filed with the SEC in connection with the 2009 Annual Meeting of Shareholders (FPL Group's Proxy Statement) and is incorporated herein by reference, or is included in Item 1. Business -- Executive Officers of FPL Group.

Item 11. Executive Compensation

The information required by this item will be included in FPL Group's Proxy Statement under the headings "Executive Compensation" and "Corporate Governance and Board Matters" and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item will be included in FPL Group's Proxy Statement under the heading "Business of the Annual Meeting" and "Information About FPL Group and Management" and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item, to the extent applicable, will be included in FPL Group's Proxy Statement under the heading "Corporate Governance and Board Matters" and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

FPL Group – The information required by this item will be included in FPL Group's Proxy Statement under the heading "Audit-Related Matters" and is incorporated herein by reference.

FPL – The following table presents fees billed for professional services rendered by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, Deloitte & Touche) for the fiscal years ended December 31, 2008 and 2007. The amounts presented below reflect allocations from FPL Group for FPL's portion of the fees, as well as amounts billed directly to FPL.

	2008	2007
Audit fees ^(a)	\$ 2,559,000	\$ 2,426,000
Audit-related fees ^(a)	39,000	169,000
Tax fees ^(c)	33,000	38,000
All other fees ^(d)	-	-
Total	<u>\$ 2,631,000</u>	<u>\$ 2,633,000</u>

^(a) Audit fees consist of fees billed for professional services rendered for the audit of FPL's and FPL Group's annual consolidated financial statements for the fiscal year, the reviews of the financial statements included in FPL's and FPL Group's Quarterly Reports on Form 10-Q for the fiscal year and the audit of the effectiveness of internal control over financial reporting, comfort letters, consents, and other services related to SEC matters, services in connection with annual and semi-annual filings of FPL Group's financial statements with the Japanese Ministry of Finance and accounting consultations to the extent necessary for Deloitte & Touche to fulfill its responsibility under Public Company Accounting Oversight Board standards.

^(b) Audit-related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of FPL's and FPL Group's consolidated financial statements and are not reported under audit fees. These fees primarily related to audits of subsidiary financial statements, comfort letters, consents and other services related to subsidiary (non-SEC registrant) financing activities, audits of employee benefit plans and consultation on accounting standards and on transactions.

^(c) Tax fees consist of fees billed for professional services rendered for tax compliance, tax advice and tax planning. In 2008 and 2007, all tax fees paid related to tax compliance services.

^(d) All other fees consist of fees for products and services other than the services reported under the other named categories. In 2008 and 2007, there were no other fees incurred in this category.

In accordance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley), FPL Group's Audit Committee's pre-approval policy for services provided by the independent auditor to FPL and the Charter of the Audit Committee, all services performed by Deloitte & Touche are approved in advance by the Audit Committee. Audit and audit-related services specifically identified in an appendix to the pre-approval policy are pre-approved by the Audit Committee each year. This pre-approval allows management to request the specified audit and audit-related services on an as-needed basis during the year, provided any such services are reviewed with the Audit Committee at its next regularly scheduled meeting. Any audit or audit-related service for which the fee is expected to exceed \$250,000, or that involves a service not listed on the pre-approval list, must be specifically approved by the Audit Committee prior to commencement of such work. In addition, the Audit Committee approves all services other than audit and audit-related services performed by Deloitte & Touche in advance of the commencement of such work or, in cases which meet the de minimus pre-approval exception established by Sarbanes-Oxley, prior to completion of the audit. The Audit Committee has delegated to the chairman of the committee the right to approve audit, audit-related, tax and other services, within certain limitations, between meetings of the Audit Committee, provided any such decision is presented to the Audit Committee at its next regularly scheduled meeting. The Audit Committee reviews on a quarterly basis a schedule of all services for which Deloitte & Touche has been engaged and the estimated fees for those services.

PART IV

Item 15. Exhibits, Financial Statement Schedules

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2. Financial Statement Schedules – Schedules are omitted as not applicable or not required.	
3. Exhibits (including those incorporated by reference)	

Exhibit Number	Description	FPL Group	FPL
3(i)a	Restated Articles of Incorporation of FPL Group filed December 31, 1984, as amended through July 3, 2006	x	
*3(i)b	Restated Articles of Incorporation of FPL dated March 23, 1992 (filed as Exhibit 3(i)a to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)c	Amendment to FPL's Restated Articles of Incorporation dated March 23, 1992 (filed as Exhibit 3(i)b to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)d	Amendment to FPL's Restated Articles of Incorporation dated May 11, 1992 (filed as Exhibit 3(i)c to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)e	Amendment to FPL's Restated Articles of Incorporation dated March 12, 1993 (filed as Exhibit 3(i)d to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)f	Amendment to FPL's Restated Articles of Incorporation dated June 16, 1993 (filed as Exhibit 3(i)e to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)g	Amendment to FPL's Restated Articles of Incorporation dated August 31, 1993 (filed as Exhibit 3(i)f to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)h	Amendment to FPL's Restated Articles of Incorporation dated November 30, 1993 (filed as Exhibit 3(i)g to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)i	Amendment to FPL's Restated Articles of Incorporation dated January 20, 2004 (filed as Exhibit 3(i)h to Form 10-K dated December 31, 2003, File No. 2-27612)		x

Exhibit Number	Description	FPL Group	FPL
*3(i))	Amendment to FPL's Restated Articles of Incorporation dated January 20, 2004 (filed as Exhibit 3(i)k to Form 10-K dated December 31, 2003, File No. 2-27612)		x
*3(i)k	Amendment to FPL's Restated Articles of Incorporation dated February 11, 2005 (filed as Exhibit 3(i)m to Form 10-K for the year ended December 31, 2004, File No. 2-27612)		x
*3(ii)a	Amended and Restated Bylaws of FPL Group, as amended through October 17, 2008 (filed as Exhibit 3(ii)a to Form 10-Q for the quarter ended September 30, 2008, File No. 1-8841)	x	
*3(ii)b	Amended and Restated Bylaws of FPL, as amended through October 17, 2008 (filed as Exhibit 3(ii)b to Form 10-Q for the quarter ended September 30, 2008, File No. 2-27612)		x
*4(a)	Mortgage and Deed of Trust dated as of January 1, 1944, and One hundred and thirteen Supplements thereto, between FPL and Deutsche Bank Trust Company Americas, Trustee (filed as Exhibit B-3, File No. 2-4845; Exhibit 7(a), File No. 2-7126; Exhibit 7(a), File No. 2-7523; Exhibit 7(a), File No. 2-7990; Exhibit 7(a), File No. 2-9217; Exhibit 4(a)-5, File No. 2-10093; Exhibit 4(c), File No. 2-11491; Exhibit 4(b)-1, File No. 2-12900; Exhibit 4(b)-1, File No. 2-13255; Exhibit 4(b)-1, File No. 2-13705; Exhibit 4(b)-1, File No. 2-13925; Exhibit 4(b)-1, File No. 2-15088; Exhibit 4(b)-1, File No. 2-15677; Exhibit 4(b)-1, File No. 2-20501; Exhibit 4(b)-1, File No. 2-22104; Exhibit 2(c), File No. 2-23142; Exhibit 2(c), File No. 2-24195; Exhibit 4(b)-1, File No. 2-25677; Exhibit 2(c), File No. 2-27612; Exhibit 2(c), File No. 2-29001; Exhibit 2(c), File No. 2-30542; Exhibit 2(c), File No. 2-33038; Exhibit 2(c), File No. 2-37679; Exhibit 2(c), File No. 2-39006; Exhibit 2(c), File No. 2-41312; Exhibit 2(c), File No. 2-44234; Exhibit 2(c), File No. 2-46502; Exhibit 2(c), File No. 2-48679; Exhibit 2(c), File No. 2-49726; Exhibit 2(c), File No. 2-50712; Exhibit 2(c), File No. 2-52826; Exhibit 2(c), File No. 2-53272; Exhibit 2(c), File No. 2-54242; Exhibit 2(c), File No. 2-56228; Exhibits 2(c) and 2(d), File No. 2-60413; Exhibits 2(c) and 2(d), File No. 2-65701; Exhibit 2(c), File No. 2-66524; Exhibit 2(c), File No. 2-67239; Exhibit 4(c), File No. 2-69716; Exhibit 4(c), File No. 2-70767; Exhibit 4(b), File No. 2-71542; Exhibit 4(b), File No. 2-73799; Exhibits 4(c), 4(d) and 4(e), File No. 2-75762; Exhibit 4(c), File No. 2-77629; Exhibit 4(c), File No. 2-79557; Exhibit 99(a) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669; Exhibit 99(a) to Post-Effective Amendment No. 1 to Form S-3, File No. 33-46076; Exhibit 4(b) to Form 10-K for the year ended December 31, 1993, File No. 1-3545; Exhibit 4(l) to Form 10-Q for the quarter ended June 30, 1994, File No. 1-3545; Exhibit 4(b) to Form 10-Q for the quarter ended June 30, 1995, File No. 1-3545; Exhibit 4(a) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3545; Exhibit 4 to Form 10-Q for the quarter ended June 30, 1998, File No. 1-3545; Exhibit 4 to Form 10-Q for the quarter ended March 31, 1999, File No. 1-3545; Exhibit 4(f) to Form 10-K for the year ended December 31, 2000, File No. 1-3545; Exhibit 4(g) to Form 10-K for the year ended December 31, 2000, File No. 1-3545; Exhibit 4(o), File No. 333-102169; Exhibit 4(k) to Post-Effective Amendment No. 1 to Form S-3, File No. 333-102172; Exhibit 4(l) to Post-Effective Amendment No. 2 to Form S-3, File No. 333-102172; Exhibit 4(m) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102172; Exhibit 4(a) to Form 10-Q for the quarter ended September 30, 2004, File No. 2-27612; Exhibit 4(f) to Amendment No. 1 to Form S-3, File No. 333-125275; Exhibit 4(y) to Post-Effective Amendment No. 2 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(z) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-116300, 333-116300-01 and 333-116300-02; Exhibit 4(b) to Form 10-Q for the quarter ended March 31, 2006, File No. 2-27612; Exhibit 4(a) to Form 8-K dated April 17, 2007, File No. 2-27612; Exhibit 4 to Form 8-K dated October 10, 2007, File No. 2-27612; and Exhibit 4 to Form 8-K dated January 16, 2008, File No. 2-27612)	x	x
*4(b)	Indenture, dated as of June 1, 1999, between FPL Group Capital and The Bank of New York Mellon, as Trustee (filed as Exhibit 4(a) to Form 8-K dated July 16, 1999, File No. 1-8841)	x	

Exhibit Number	Description	FPL Group	FPL
*4(c)	Guarantee Agreement between FPL Group (as Guarantor) and The Bank of New York Mellon (as Guarantee Trustee) dated as of June 1, 1999 (filed as Exhibit 4(b) to Form 8-K dated July 16, 1999, File No. 1-8841)	x	
*4(d)	Officer's Certificate of FPL Group Capital, dated June 29, 1999, creating the 7 3/8% Debentures, Series due June 1, 2009 (filed as Exhibit 4(d) to Form 8-K dated July 16, 1999, File No. 1-8841)	x	
*4(e)	Officer's Certificate of FPL Group Capital, dated August 18, 2006, creating the 5 5/8% Debentures, Series due September 1, 2011 (filed as Exhibit 4 to Form 8-K dated August 18, 2006, File No. 1-8841)	x	
*4(f)	Officer's Certificate of FPL Group Capital dated June 17, 2008, creating the 5.35% Debentures, Series due June 15, 2013 (filed as Exhibit 4(a) to Form 8-K dated June 17, 2008, File No. 1-8841)	x	
*4(g)	Officer's Certificate of FPL Group Capital dated June 17, 2008, creating the Floating Rate Debentures, Series due June 17, 2011 (filed as Exhibit 4(b) to Form 8-K dated June 17, 2008, File No. 1-8841)	x	
*4(h)	Officer's Certificate of FPL Group Capital dated December 12, 2008, creating the 7 7/8% Debentures, Series due December 15, 2015 (filed as Exhibit 4 to Form 8-K dated December 12, 2008, File No. 1-8841)	x	
*4(i)	Indenture (For Unsecured Subordinated Debt Securities relating to Trust Securities) dated as of March 1, 2004 among FPL Group Capital, FPL Group (as Guarantor) and The Bank of New York Mellon (as Trustee) (filed as Exhibit 4(a) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(j)	Preferred Trust Securities Guarantee Agreement between FPL Group (as Guarantor) and The Bank of New York Mellon (as Guarantee Trustee) relating to FPL Group Capital Trust I, dated as of March 15, 2004 (filed as Exhibit 4(aw) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(k)	Amended and Restated Trust Agreement relating to FPL Group Capital Trust I, dated as of March 15, 2004 (filed as Exhibit 4(at) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(l)	Agreement as to Expenses and Liabilities of FPL Group Capital Trust I, dated as of March 15, 2004 (filed as Exhibit 4(ax) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(m)	Officer's Certificate of FPL Group Capital and FPL Group, dated March 15, 2004, creating the 5 7/8% Junior Subordinated Debentures, Series due March 15, 2044 (filed as Exhibit 4(av) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(n)	Indenture (For Unsecured Subordinated Debt Securities) dated as of September 1, 2006, among FPL Group Capital, FPL Group (as Guarantor) and The Bank of New York Mellon (as Trustee) (filed as Exhibit 4(a) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(o)	Officer's Certificate of FPL Group Capital and FPL Group dated September 19, 2006, creating the Series A Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(b) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(p)	Officer's Certificate of FPL Group Capital and FPL Group dated September 19, 2006, creating the Series B Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(c) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	

Exhibit Number	Description	FPL Group	FPL
*4(q)	Replacement Capital Covenant dated September 19, 2006 by FPL Group Capital and FPL Group relating to FPL Group Capital's Series A and Series B Enhanced Junior Subordinated Debentures due 2066 (filed as Exhibit 4(d) to Form 8-K dated September 19, 2006, File No. 1-8841)	x	
*4(r)	Officer's Certificate of FPL Group Capital and FPL Group dated June 12, 2007, creating the Series C Junior Subordinated Debentures due 2067 (filed as Exhibit 4(a) to Form 8-K dated June 12, 2007, File No. 1-8841)	x	
*4(s)	Replacement Capital Covenant, dated June 12, 2007, by FPL Group Capital and FPL Group relating to FPL Group Capital's Series C Junior Subordinated Debentures due 2067 (filed as Exhibit 4(b) to Form 8-K dated June 12, 2007, File No. 1-8841)	x	
*4(t)	Officer's Certificate of FPL Group Capital and FPL Group dated September 17, 2007, creating the Series D Junior Subordinated Debentures due 2067 (filed as Exhibit 4(a) to Form 8-K dated September 17, 2007, File No. 1-8841)	x	
*4(u)	Officer's Certificate of FPL Group Capital and FPL Group dated September 18, 2007, creating the Series E Junior Subordinated Debentures due 2067 (filed as Exhibit 4(b) to Form 8-K dated September 17, 2007, File No. 1-8841)	x	
*4(v)	Replacement Capital Covenant, dated September 18, 2007, by FPL Group Capital and FPL Group relating to FPL Group Capital's Series D and Series E Junior Subordinated Debentures due 2067 (filed as Exhibit 4(c) to Form 8-K dated September 17, 2007, File No. 1-8841)	x	
*4(w)	Indenture (for Securing Senior Secured Bonds, Series A), dated May 22, 2007, between FPL Recovery Funding LLC (as Issuer) and The Bank of New York Mellon (as Trustee and Securities Intermediary) (filed as Exhibit 4.1 to Form 8-K dated May 22, 2007 and filed June 1, 2007, File No. 333-141357)		x
*4(x)	Warrant Agreement by and between Gexa Corp. and Highbridge/Zwim Special Opportunities Fund, L.P., dated as of July 8, 2004, assumed by FPL Group effective June 17, 2005 (filed by Gexa Corp. as Exhibit 4.1 to Form 8-K dated July 8, 2004, File No. 1-31435)	x	
*4(y)	Warrant Agreement by and between Gexa Corp. and Prospect Street Ventures Ltd., dated as of July 19, 2004, assumed by FPL Group effective June 17, 2005 (filed as Exhibit 4(d) to Form 10-Q for the quarter ended June 30, 2005, File No. 1-8841)	x	
*4(z)	Warrant Agreement by and between Gexa Corp. and Prospect Street Ventures I LLC, dated as of September 9, 2004, assumed by FPL Group effective June 17, 2005 (filed as Exhibit 4(e) to Form 10-Q for the quarter ended June 30, 2005, File No. 1-8841)	x	
*4(aa)	Form of Warrant Agreement to Purchase Shares of Common Stock of Gexa Corp., dated as of November 23, 2004, assumed by FPL Group effective June 17, 2005 (filed as Exhibit 4(f) to Form 10-Q for the quarter ended June 30, 2005, File No. 1-8841)	x	
*10(a)	FPL Group Supplemental Executive Retirement Plan, amended and restated effective January 1, 2005 (Restated SERP) (filed as Exhibit 10(b) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(b)	FPL Group Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997 (SERP) (filed as Exhibit 10(a) to Form 10-K for the year ended December 31, 1999, File No. 1-8841)	x	x

Exhibit Number	Description	FPL Group	FPL
*10(c)	Amended and Restated Supplement to the Restated SERP as it applies to Lewis Hay, III effective January 1, 2005 (filed as Exhibit 10(c) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(d)	Supplement to the SERP as it applies to Lewis Hay, III effective March 22, 2002 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 2001, File No. 1-8841)	x	x
*10(e)	Supplement to the Restated SERP relating to a special credit to certain executive officers and other officers effective February 15, 2008 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 2007, File No. 1-8841)	x	x
10(f)	Appendix A1 and A2 (revised as of December 12, 2008) to the Restated SERP	x	x
*10(g)	Supplement to the Restated SERP effective February 15, 2008 as it applies to Armando Pimentel, Jr. (filed as Exhibit 10(l) to Form 10-K for the year ended December 31, 2007, File No. 1-8841)	x	x
*10(h)	FPL Group Amended and Restated Long-Term Incentive Plan, effective December 12, 2008 (filed as Exhibit 10(e) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(i)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Performance Share Award Agreement (filed as exhibit 10(a) to Form 8-K dated December 29, 2004, File No. 1-8841)	x	x
*10(j)	Form of FPL Group Amended and Restated Long Term Incentive Plan Performance Share Award Agreement effective February 15, 2007 (filed as Exhibit 10(i) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x
*10(k)	Form of FPL Group Amended and Restated Long Term Incentive Plan Performance Share Award Agreement effective February 15, 2008 (filed as Exhibit 10(c) to Form 8-K dated February 15, 2008, File No. 1-8841)	x	x
10(l)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Performance Share Award Agreement effective February 13, 2009	x	x
*10(m)	Form of FPL Group Amended and Restated Long Term Incentive Plan Restricted Stock Award Agreement (filed as Exhibit 10(b) to Form 8-K dated December 29, 2004, File No. 1-8841)	x	x
*10(n)	Form of FPL Group Amended and Restated Long Term Incentive Plan Restricted Stock Award Agreement (filed as Exhibit 10 to Form 8-K dated January 28, 2005, File No. 1-8841)	x	x
*10(o)	Form of FPL Group Amended and Restated Long Term Incentive Plan Restricted Stock Award Agreement effective February 15, 2007 (filed as Exhibit 10(l) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x
*10(p)	Form of FPL Group Amended and Restated Long Term Incentive Plan Restricted Stock Award Agreement effective February 15, 2008 (filed as Exhibit 10(a) to Form 8-K dated February 15, 2008, File No. 1-8841)	x	x
10(q)	Form of FPL Group Amended and Restated Long-Term Incentive Plan Restricted Stock Award Agreement effective February 13, 2009	x	x
*10(r)	Form of FPL Group Amended and Restated Long Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement (filed as Exhibit 10(c) to Form 8-K dated December 29, 2004, File No. 1-8841)	x	x

Exhibit Number	Description	FPL Group	FPL
*10(s)	Form of FPL Group Amended and Restated Long Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement (filed as Exhibit 10(d) to Form 8-K dated December 29, 2004, File No. 1-8841)	x	x
*10(t)	Form of FPL Group Amended and Restated Long Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement effective February 15, 2008 (filed as Exhibit 10(b) to Form 8-K dated February 15, 2008, File No. 1-8841)	x	x
10(u)	Form of FPL Group Amended and Restated Long Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement effective February 13, 2009	x	x
*10(v)	Form of FPL Group Amended and Restated Long Term Incentive Plan Deferred Stock Award Agreement (filed as Exhibit 10(dd) to Form 10-K for the year ended December 31, 2005, File No. 1-8841)	x	x
*10(w)	2007 FPL Group Annual Incentive Plan (filed as Exhibit 10(q) to Form 10-K for the year ended December 31, 2006, File No. 1-8841)	x	x
*10(x)	FPL Group Executive Annual Incentive Plan as amended and restated on December 12, 2008 (filed as Exhibit 10(a) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(y)	FPL Group Deferred Compensation Plan effective January 1, 2005 (filed as Exhibit 10(d) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(z)	FPL Group Deferred Compensation Plan, amended and restated effective January 1, 2003 (filed as Exhibit 10(k) to Form 10-K for the year ended December 31, 2002, File No. 1-8841)	x	x
*10(aa)	FPL Group Executive Long Term Disability Plan effective January 1, 1995 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	x
*10(bb)	FPL Group Amended and Restated Non-Employee Directors Stock Plan, as amended and restated October 13, 2006 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended September 30, 2006, File No. 1-8841)	x	
*10(cc)	FPL Group 2007 Non-Employee Directors Stock Plan (filed as Exhibit 99 to Form S-8, File No. 333-143739)	x	
*10(dd)	Non-Employee Director Compensation Summary effective January 1, 2009 (filed as Exhibit 10(a) to Form 10-Q for the quarter ended September 30, 2008, File No. 1-8841)	x	
*10(ee)	Form of Amended and Restated Executive Retention Employment Agreement between FPL Group and each of Lewis Hay, III, James L. Robo, Armando J. Olivera, Armando Pimentel, Jr., John A. Stall, F. Mitchell Davidson, Christopher A. Bennett, Robert L. McGrath, James W. Poppell, Antonio Rodriguez and Charles E. Steving (filed as Exhibit 10(g) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(ff)	Amended and Restated Employment Agreement with Lewis Hay, III dated December 12, 2008 (filed as Exhibit 10(f) to Form 8-K dated December 12, 2008, File No. 1-8841)	x	x
*10(gg)	Restricted Stock Award and Retention Agreement between FPL Group and K. Michael Davis dated August 28, 2008 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended September 30, 2008, File No. 1-8841)	x	x
*10(hh)	Guarantee Agreement between FPL Group and FPL Group Capital, dated as of October 14, 1998 (filed as Exhibit 10(y) to Form 10-K for the year ended December 31, 2001, File No. 1-8841)	x	

<u>Exhibit Number</u>	<u>Description</u>	<u>FPL Group</u>	<u>FPL</u>
12(a)	Computation of Ratios	x	
12(b)	Computation of Ratios		x
21	Subsidiaries of FPL Group	x	
23	Consent of Independent Registered Public Accounting Firm	x	x
31(a)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL Group	x	
31(b)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL Group	x	
31(c)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL		x
31(d)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL		x
32(a)	Section 1350 Certification of FPL Group	x	
32(b)	Section 1350 Certification of FPL		x

* Incorporated herein by reference

FPL Group and FPL agree to furnish to the SEC upon request any instrument with respect to long-term debt that FPL Group and FPL have not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

FPL GROUP, INC. SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FPL Group, Inc.

JAMES L. ROBO

James L. Robo

President and Chief Operating Officer

Date: February 26, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature and Title as of February 26, 2009:

LEWIS HAY, III

Lewis Hay, III

Chairman and Chief Executive Officer
and Director
(Principal Executive Officer)

ARMANDO PIMENTEL, JR.

Armando Pimentel, Jr.

Executive Vice President, Finance
and Chief Financial Officer
(Principal Financial Officer)

Directors:

SHERRY S. BARRAT

Sherry S. Barrat

ROBERT M. BEALL, II

Robert M. Beall, II

J. HYATT BROWN

J. Hyatt Brown

JAMES L. CAMAREN

James L. Camaren

J. BRIAN FERGUSON

J. Brian Ferguson

TONI JENNINGS

Toni Jennings

K. MICHAEL DAVIS

K. Michael Davis

Controller and Chief Accounting Officer
(Principal Accounting Officer)

OLIVER D. KINGSLEY, JR.

Oliver D. Kingsley, Jr.

RUDY E. SCHUPP

Rudy E. Schupp

MICHAEL H. THAMAN

Michael H. Thaman

HANSEL E. TOOKES, II

Hansel E. Tookes, II

PAUL R. TREGURTHA

Paul R. Tregurtha

FLORIDA POWER & LIGHT COMPANY SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Florida Power & Light Company

ARMANDO J. OLIVERA

Armando J. Olivera
President and Chief Executive Officer
and Director
(Principal Executive Officer)

Date: February 26, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature and Title as of February 26, 2009:

ARMANDO PIMENTEL, JR.

Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer and Director
(Principal Financial Officer)

K. MICHAEL DAVIS

K. Michael Davis
Vice President, Accounting and Chief
Accounting Officer
(Principal Accounting Officer)

Directors:

LEWIS HAY, III

Lewis Hay, III

JAMES L. ROBO

James L. Robo

ANTONIO RODRIGUEZ

Antonio Rodriguez

JOHN A. STALL

John A. Stall

EDWARD F. TANCER

Edward F. Tancer

Supplemental Information to be Furnished With Reports Filed Pursuant to Section 15(d) of the Exchange Act by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Exchange Act

No annual report, proxy statement, form of proxy or other proxy soliciting material has been sent to securities holders of FPL during the period covered by this Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

Exhibit 12(a)

FPL GROUP, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS^(a)

	Years Ended December 31,				
	2008	2007	2006	2005	2004
	(millions of dollars)				
Earnings, as defined:					
Net income	\$ 1,639	\$ 1,312	\$ 1,281	\$ 901	\$ 896
Income taxes	450	368	397	282	272
Fixed charges included in the determination of net income, as below	859	799	732	622	516
Amortization of capitalized interest	15	12	11	11	8
Distributed income of equity method investees	124	175	104	86	83
Less: Equity in earnings of equity method investees	93	68	181	124	96
Total earnings, as defined	<u>\$ 2,994</u>	<u>\$ 2,598</u>	<u>\$ 2,344</u>	<u>\$ 1,778</u>	<u>\$ 1,679</u>
Fixed charges, as defined:					
Interest expense	\$ 813	\$ 762	\$ 706	\$ 593	\$ 489
Rental interest factor	28	23	15	16	16
Allowance for borrowed funds used during construction	18	14	11	13	11
Fixed charges included in the determination of net income	859	799	732	622	516
Capitalized interest	55	40	18	8	43
Total fixed charges, as defined	<u>\$ 914</u>	<u>\$ 839</u>	<u>\$ 750</u>	<u>\$ 630</u>	<u>\$ 559</u>
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends ^(a)	<u>3.28</u>	<u>3.10</u>	<u>3.13</u>	<u>2.82</u>	<u>3.00</u>

^(a) FPL Group, Inc. has no preference equity securities outstanding; therefore, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

Exhibit 12(b)

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS ^(a)

	Years Ended December 31,				
	2008	2007	2006	2005	2004
	(millions of dollars)				
RATIO OF EARNINGS TO FIXED CHARGES					
Earnings, as defined:					
Net income	\$ 789	\$ 836	\$ 802	\$ 748	\$ 750
Income taxes	443	451	424	408	409
Fixed charges, as below	359	325	296	244	202
Total earnings, as defined	<u>\$ 1,591</u>	<u>\$ 1,612</u>	<u>\$ 1,522</u>	<u>\$ 1,400</u>	<u>\$ 1,361</u>
Fixed charges, as defined:					
Interest expense	\$ 334	\$ 304	\$ 278	\$ 224	\$ 183
Rental interest factor	7	7	7	7	8
Allowance for borrowed funds used during construction	18	14	11	13	11
Total fixed charges, as defined	<u>\$ 359</u>	<u>\$ 325</u>	<u>\$ 296</u>	<u>\$ 244</u>	<u>\$ 202</u>
Ratio of earnings to fixed charges	<u>4.43</u>	<u>4.96</u>	<u>5.14</u>	<u>5.74</u>	<u>6.74</u>
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS					
Earnings, as defined:					
Net income	\$ 789	\$ 836	\$ 802	\$ 748	\$ 750
Income taxes	443	451	424	408	409
Fixed charges, as below	359	325	296	244	202
Total earnings, as defined	<u>\$ 1,591</u>	<u>\$ 1,612</u>	<u>\$ 1,522</u>	<u>\$ 1,400</u>	<u>\$ 1,361</u>
Fixed charges, as defined:					
Interest expense	\$ 334	\$ 304	\$ 278	\$ 224	\$ 183
Rental interest factor	7	7	7	7	8
Allowance for borrowed funds used during construction	18	14	11	13	11
Total fixed charges, as defined	<u>359</u>	<u>325</u>	<u>296</u>	<u>244</u>	<u>202</u>
Non-tax deductible preferred stock dividends	-	-	-	-	1
Ratio of income before income taxes to net income	<u>1.56</u>	<u>1.54</u>	<u>1.53</u>	<u>1.55</u>	<u>1.55</u>
Preferred stock dividends before income taxes	-	-	-	-	2
Combined fixed charges and preferred stock dividends	<u>\$ 359</u>	<u>\$ 325</u>	<u>\$ 296</u>	<u>\$ 244</u>	<u>\$ 204</u>
Ratio of earnings to combined fixed charges and preferred stock dividends	<u>4.43</u>	<u>4.96</u>	<u>5.14</u>	<u>5.74</u>	<u>6.67</u>

^(a) Florida Power & Light Company's preference equity securities were redeemed in January 2005. For the year ended December 31, 2005, preferred stock dividends were less than \$1 million. Therefore, for the years ended December 31, 2008, 2007, 2006 and 2005, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

Exhibit 21

SUBSIDIARIES OF FPL GROUP, INC.

FPL Group, Inc.'s principal subsidiaries as of December 31, 2008 are listed below.

<u>Subsidiary</u>	<u>State or Jurisdiction of Incorporation</u>
1. Florida Power & Light Company (100%-owned)	Florida
2. FPL Group Capital Inc (100%-owned)	Florida
3. NextEra Energy Resources, LLC ^{(a) (b)}	Delaware
4. Bay Loan and Investment Bank ^(b)	Rhode Island
5. Palms Insurance Company, Limited ^(b)	Cayman Islands

^(a) Includes 398 subsidiaries that operate in the United States and 33 subsidiaries that operate in foreign countries in the same line of business as NextEra Energy Resources, LLC

^(b) 100%-owned subsidiary of FPL Group Capital Inc

Exhibit 23**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the following Registration Statements of our reports dated February 26, 2009, relating to the consolidated financial statements of FPL Group, Inc. and subsidiaries (FPL Group) and Florida Power & Light Company and subsidiaries (FPL) and the effectiveness of FPL Group's and FPL's internal control over financial reporting, appearing in this Annual Report on Form 10-K of FPL Group and FPL for the year ended December 31, 2008:

FPL Group, Inc.

Form S-8	No. 33-11631
Form S-8	No. 33-57673
Form S-8	No. 333-27079
Form S-8	No. 333-88067
Form S-8	No. 333-114911
Form S-8	No. 333-116501
Form S-3	No. 333-125275
Form S-8	No. 333-125954
Form S-3	No. 333-129482
Form S-8	No. 333-130479
Form S-3	No. 333-137120
Form S-8	No. 333-143739

FPL Group Trust I

Form S-3	No. 333-137120-04
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FPL Group Trust II

Form S-3	No. 333-137120-03
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Florida Power & Light Company

Form S-3	No. 333-137120-07
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Florida Power & Light Company Trust I

Form S-3	No. 333-137120-02
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Florida Power & Light Company Trust II

Form S-3	No. 333-137120-01
----------	-------------------

FPL Group Capital Inc

Form S-3	No. 333-137120-08
----------	-------------------

FPL Group Capital Trust II

Form S-3	No. 333-137120-06
----------	-------------------

FPL Group Capital Trust III

Form S-3	No. 333-137120-05
----------	-------------------

DELOITTE & TOUCHE LLP

Miami, Florida
February 26, 2009

Exhibit 31(a)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, certify that:

1. I have reviewed this Form 10-K for the annual period ended December 31, 2008 of FPL Group, Inc. (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2009

LEWIS HAY, III

Lewis Hay, III
Chairman and Chief Executive Officer
of FPL Group, Inc.

Rule 13a-14(a)/15d-14(a) Certification

I, Armando Pimentel, Jr., certify that:

1. I have reviewed this Form 10-K for the annual period ended December 31, 2008 of FPL Group, Inc. (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2009

ARMANDO PIMENTEL, JR.

Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer
of FPL Group, Inc.

Rule 13a-14(a)/15d-14(a) Certification

I, Armando J. Olivera, certify that:

1. I have reviewed this Form 10-K for the annual period ended December 31, 2008 of Florida Power & Light Company (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2009

ARMANDO J. OLIVERA

Armando J. Olivera
President and Chief Executive Officer
of Florida Power & Light Company

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Armando Pimentel, Jr., certify that:

1. I have reviewed this Form 10-K for the annual period ended December 31, 2008 of Florida Power & Light Company (the registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2009

ARMANDO PIMENTEL, JR.

Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer of
Florida Power & Light Company

Section 1350 Certification

We, Lewis Hay, III and Armando Pimentel, Jr., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Annual Report on Form 10-K of FPL Group, Inc. (FPL Group) for the annual period ended December 31, 2008 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL Group.

Dated: February 26, 2009

LEWIS HAY, III

Lewis Hay, III
Chairman and Chief Executive Officer
of FPL Group, Inc.

ARMANDO PIMENTEL, JR.

Armando Pimentel, Jr.
Executive Vice President, Finance and
Chief Financial Officer of FPL Group, Inc.

A signed original of this written statement required by Section 906 has been provided to FPL Group and will be retained by FPL Group and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of FPL Group under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Section 1350 Certification

We, Armando J. Olivera and Armando Pimentel, Jr., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Annual Report on Form 10-K of Florida Power & Light Company (FPL) for the annual period ended December 31, 2008 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL.

Dated: February 26, 2009

ARMANDO J. OLIVERA

Armando J. Olivera
President and Chief Executive Officer of
Florida Power & Light Company

ARMANDO PIMENTEL, JR.

Armando Pimentel, Jr.
Executive Vice President, Finance
and Chief Financial Officer of
Florida Power & Light Company

A signed original of this written statement required by Section 906 has been provided to FPL and will be retained by FPL and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of FPL under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Docket No. 080677-EI (FPL Rate Case)

Exhibit No. 386

Witness: Olivera/Barrett

Description: Proposed Versus Approved 2010 and 2011 Capital Expenditure
Budgets
(Barrett Deposition: Late Filed Exhibit Number 4)

Offered into Evidence by: FIPUG

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 386

COMPANY Florida Power & Light

WITNESS Proposed vs Approved '10 & '11 Cap. Exp. Budget

DATE 10/23/09

Capital Expenditure Reductions
Excludes New England Division
 (\$millions)

	<u>Notes</u>	<u>2010 Proposed Budget</u>	<u>2010 Approved Budget</u>	<u>2010 Increase (Decrease)</u>
Power Generation		\$ 449	\$ 410	\$ (39)
Nuclear		679	682	3
Transmission		397	314	(83)
Distribution		669	491	(178)
Customer Service		171	181	10
Engineering & Construction and Project Development (E&C/PD)				
GBRA, pipeline and clauses	(1)	859	983	124
Other E&C/PD		55	72	17
Other	(2)	115	170	55
Total		<u>\$ 3,394</u>	<u>\$ 3,303</u>	<u>\$ (91)</u>

		<u>2011 Proposed Budget</u>	<u>2011 Approved Budget</u>	<u>2011 Increase (Decrease)</u>
Power Generation		\$ 474	\$ 428	\$ (46)
Nuclear		427	484	57
Transmission		389	339	(50)
Distribution		721	538	(183)
Customer Service		216	170	(46)
Engineering & Construction and Project Development (E&C/PD)				
GBRA, pipeline and clauses	(1)	771	1,007	236
Other E&C/PD		52	48	(4)
Other	(2)	119	243	124
Total		<u>\$ 3,169</u>	<u>\$ 3,257</u>	<u>\$ 88</u>

Notes:

(1) Includes solar projects recoverable through the environmental clause, new nuclear expenditures through the nuclear rule, and the EnergySecure pipeline, which will be CWIP earning AFUDC.

None of these projects impacts ratebase during the test years 2010 and 2011.

(2) Primarily Information Management projects, AFUDC and capitalized overheads.

EXHIBIT NO. 387

DOCKET NO: 080677-EI

WITNESS: Armando J. Olivera

PARTY: FLORIDA POWER & LIGHT

DESCRIPTION:

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 387

COMPANY Florida Retail Federation

WITNESS 2005 Testimony by AO

DATE 08/26/09

**BEFORE THE FLORIDA
PUBLIC SERVICE COMMISSION**

**DOCKET NO. 050045-EI
FLORIDA POWER & LIGHT COMPANY**

MARCH 22, 2005

**IN RE: PETITION FOR RATE INCREASE BY
FLORIDA POWER & LIGHT COMPANY**

TESTIMONY & EXHIBITS OF:

ARMANDO J. OLIVERA

DOCUMENT NUMBER-DATE

02771 MAR 22 '05

FPSC-COMMISSION CLERK

- 1 • Steven P. Harris, ABS Consulting – Storm reserve;
- 2 • William E. Avera, Ph. D., Financial Concepts and Applications, Inc. – ROE,
- 3 capital structure and adjustment to ROE to reflect superior performance; and
- 4 • Rosemary Morley – Cost of service and rate design.

5 **Q. Please summarize the Company's position in this case.**

6 A. FPL has worked extremely hard over the years to avoid a base rate increase while
7 providing safe and reliable electric service. At the same time, FPL has invested
8 billions of dollars in new generating facilities, transmission lines, distribution
9 lines and other infrastructure necessary to meet huge increases in demand for
10 electricity associated with Florida's burgeoning population and expanding
11 economy. FPL's accomplishments in this respect have been remarkable. As Ms.
12 Morley discusses, FPL has reduced base rates in the last six years by \$600 million
13 per year, and provided customers additional refunds of more than \$200 million,
14 for total savings of nearly \$4 billion (through the end of 2005). Mr. Yeager's
15 testimony reflects that FPL has been able to successfully defer the need for new
16 generating units by improving the performance and availability of the Company's
17 existing fossil fleet. Ms. Williams addresses the superior reliability, customer
18 service and effective cost management provided by the Distribution business unit.
19 And Mr. Stall's testimony reflects that FPL's performance in operating its nuclear
20 units has ranked among the best in the U.S.

21
22 We are proud of our record in these and other areas and, therefore, do not take
23 lightly the decision to request an increase in base rates. However, as Dr. Green

1 describes, the needs of FPL's customers for electricity have dramatically
2 expanded since 1985, the last time FPL sought an increase in its base rates. Since
3 1985, FPL has added 1.6 million new customers. Further, customer usage itself
4 has increased, with today's residential customer consuming approximately 30%
5 more electricity on average than a customer in 1985, even taking into account the
6 efficiency improvements in today's household appliances and other electronic
7 devices. As Mr. Stamm testifies, FPL has invested more than \$18 billion in new
8 plant and infrastructure to meet these growing needs. It is this continued growth
9 in the demand for electricity and the infrastructure needs associated with meeting
10 that growth in the manner customers expect that require the Company to seek
11 such an increase at this time -- the first such request in 20 years.

12
13 In establishing an appropriate rate of return for FPL, the testimonies of Dr. Avera
14 and Mr. Dewhurst reflect that a fair ROE is 11.8%. This assessment is based on
15 the various capital market oriented analyses described in Dr. Avera's testimony,
16 and also considers the potential exposures faced by FPL as well as the economic
17 requirements necessary to maintain access to capital even under adverse
18 circumstances. In addition, the Commission should also consider FPL's
19 significant accomplishments in meeting sustained customer growth with safe,
20 reliable, and reasonably priced electric service. As discussed in the testimony of
21 several FPL witnesses, the Company's performance has been strong over an
22 extended period, and in many instances it has been among the very best in the
23 industry. To recognize the superior performance that FPL has provided and

EXHIBIT NO. 388

DOCKET NO. 080677-EI - FPL RATE CASE

WITNESS: _____

DESCRIPTION: CROSS-EXAMINATION EXHIBIT

DOCUMENT:

Summary Pages from FPL Earnings Surveillance
Reports, 1996 - 2008

PROFFERED BY: THE FLORIDA RETAIL FEDERATION

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 388

COMPANY Florida Retail Federation

WITNESS FPL Earnings Surveillance. Reports for 1996 - 2006

DATE 08/26/09



February 10, 1997

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report


Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for ~~December 1996~~. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 930612-EI, Order No. PSC-93-1024-FOF-EI.

This report also includes certain pro forma adjustments to rate base and net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 11.96% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.
- Annualized effect of the increase in depreciation expense resulting from the Combined Cycle depreciation studies filed in April 1996.
- Annualized effect of including Construction Work in Process in ratebase, that FPL is no longer accruing AFUDC on, but is eligible for AFUDC under FPSC rules.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,


D. L. Babka
Manager Regulatory
and Tax Accounting
DLB:jls

Enclosures

Copy: B. D. Smith, Office of Public Counsel

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COMMISSION
DIVISION OF AUDITING &
FINANCIAL ANALYSIS

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COMMISSION

an FPL Group Company

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER 31, 1996

SCHEDULE 1, PAGE 4 OF 1

	(1) ACTUAL PER BOOKS	(2) FP&C ADJUSTMENTS	(3) FP&C ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 844,842,247 (A)	\$ (19,611,441) (B)	\$ 825,230,806	\$ (555,490)	\$ 824,675,316
AVERAGE RATE BASE	\$ 9,641,403,391	\$ 321,940,970	\$ 9,319,393,361	\$ 67,505,775	\$ 9,450,898,136
AVERAGE RATE OF RETURN	9.32%		8.79%		8.73%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 844,842,247 (A)	\$ (12,964,662) (B)	\$ 831,877,585	\$ (379,293)	\$ 831,298,293
YEAR END RATE BASE	\$ 8,820,840,281	\$ 481,670,817	\$ 9,302,547,098	\$ 66,798,592	\$ 9,347,345,690
YEAR END RATE OF RETURN	9.57%		8.84%		8.79%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FP&C ADJUSTED BASIS)

LOW	6.25%
MIDPOINT	6.74%
HIGH	9.33%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	4.00	(SYSTEM PER BOOKS BASIS)
B. TIE WITHOUT AFUDC	4.00	(SYSTEM PER BOOKS BASIS)
C. AFUDC TO NET INCOME	0.27%	(SYSTEM PER BOOKS BASIS)
D. INTERNALLY GENERATED FUNDS	74.77%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	38.94%	(FP&C ADJUSTED BASIS)
F. LTD TO TOTAL INVESTOR FUNDS	0.99%	(FP&C ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	12.09%	(FP&C ADJUSTED)
H. RETURN ON COMMON EQUITY	11.96%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830443-B1, ORDER NOS. 13337 AND 13940. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 817.06, FLORIDA STATUTES, PROVIDES:

WHOSOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

R. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)

Ronald H. Davis 3/10/97
(SIGNATURE) (DATE)
For R M Davis



RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION

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AUDITING &
FINANCIAL ANALYSIS DIV

February 12, 1998

Mr. John Slenkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slenkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for December 1997. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 930612-EI, Order No. PSC-93-1024-POF-EI.

This report also includes certain pro forma adjustments to rate base and net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 11.69% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.
- Annualized effect of including Construction Work in Process in ratebase, that FPL is no longer accruing AFUDC on, but is eligible for AFUDC under FPSC rules.
- Annualized effect of interim depreciation rate change effective June 1997.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

D. L. Babka
Manager Regulatory
and Tax Accounting
DLB:TTK

Enclosures

Copy: B. D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER 31, 1997

SCHEDULE 1: PAGE 1 OF 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 844,169,762 (A)	\$ (20,666,665) (B)	\$ 823,503,097	\$ (22,830,061)	\$ 800,673,036
AVERAGE RATE BASE	\$ 8,623,432,756	\$ 441,429,468	\$9,064,862,224	\$ 69,211,138	\$ 9,134,073,362
AVERAGE RATE OF RETURN	9.79%		9.08%		8.77%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 844,169,762 (A)	\$ (26,032,929) (B)	\$ 818,136,833	\$ (23,489,789)	\$ 794,647,044
YEAR END RATE BASE	\$ 8,440,450,499	\$ 618,918,324	\$9,059,368,823	0	\$ 9,059,368,823
YEAR END RATE OF RETURN	10.00%		9.03%		8.77%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	8.40%				
MIDPOINT	8.92%				
HIGH	9.44%				
IV. FINANCIAL INTEGRITY INDICATORS					
A. TIE WITH AFUDC	5.18	(SYSTEM PER BOOKS BASIS)			
B. TIE WITHOUT AFUDC	5.18	(SYSTEM PER BOOKS BASIS)			
C. AFUDC TO NET INCOME	-0.06%	(SYSTEM PER BOOKS BASIS)			
D. INTERNALLY GENERATED FUNDS	68.64%	(SYSTEM PER BOOKS BASIS)			
E. LTD TO TOTAL INVESTOR FUNDS	34.01%	(FPSC ADJUSTED BASIS)			
F. STD TO TOTAL INVESTOR FUNDS	0.04%	(FPSC ADJUSTED BASIS)			
G. RETURN ON COMMON EQUITY (AVERAGE)	12.32%	(FPSC ADJUSTED)			
H. RETURN ON COMMON EQUITY	11.69%	(PROFORMA ADJUSTED)			

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830465-BI, ORDER NOS. 13537 AND 13948. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:
WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)

Kim Davis
(SIGNATURE)
2/12/98
(DATE)
KIM DAVIS



FLORIDA
PUBLIC SERVICE
COMMISSION

DATE: 1/13/99

BY: [Signature]

February 12, 1999

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for December 1998. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 930612-EI, Order No. PSC-93-1024-FOF-EI.

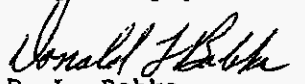
This report also includes certain pro forma adjustments to rate base and net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 11.59% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.
- Annualized effect of including Construction Work in Process in ratebase, that FPL is no longer accruing AFUDC on, but is eligible for AFUDC under FPSC rules.
- Annualized effect of interim depreciation rate change effective June 1998.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Also attached are the calculations of amortization of investment tax credits and flowback of excess deferred taxes requested in Order No. PSC-99-0073-FOF-EI.

Very truly yours,


D. L. Babka
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures

Copy: B. D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER 31, 1998

SCHEDULE 1: PAGE 1 OF 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 820,935,941 (A)	\$ (8,623,537) (B)	\$ 812,312,405	\$ (47,096,182)	\$ 765,216,223
AVERAGE RATE BASE	\$ 8,110,577,679	\$ 786,550,255	\$8,897,127,934	\$ (15,815)	\$ 8,897,112,119
AVERAGE RATE OF RETURN	10.12%		9.13%		8.60%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 820,935,941 (A)	\$ (11,094,760) (B)	\$ 809,841,181	\$ (47,009,303)	\$ 762,831,878
YEAR END RATE BASE	\$ 7,805,003,109	\$ 916,918,494	\$8,721,921,602	\$ 10,531,430	\$ 8,732,453,032
YEAR END RATE OF RETURN	10.52%		9.29%		8.74%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	8.28%
MIDPOINT	8.82%
HIGH	9.36%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	5.99	(SYSTEM PER BOOKS BASIS)
B. TIE WITHOUT AFUDC	6.00	(SYSTEM PER BOOKS BASIS)
C. AFUDC TO NET INCOME	-0.14%	(SYSTEM PER BOOKS BASIS)
D. INTERNALLY GENERATED FUNDS	109.14%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	31.27%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	0.11%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	12.60%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.59%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830465-HI, ORDER NOS. 13537 AND 13949. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S.775.082, S.775.083, OR S.775.084.

K. H. DAVIS
(VICE PRESIDENT AND CONTROLLER)

Kenneth H. Davis
(SIGNATURE)
2/12/99
(DATE)
KM Davis



RECEIVED

FEB 18 2000

Office of
Public Counsel

February 14, 2000

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for December 1999. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI. The report includes additional depreciation expense of \$69.6 million and potential retail refunds of \$19.7 million recorded pursuant to the settlement agreement approved by the Commission in Order NO. PSC-99-0519-AS-EI. In addition, the report includes the retail portion of the amounts recorded resulting from the settlement reached with the Florida Municipal Power Agency on October 21, 1999.

This report also includes certain pro forma adjustments to rate base and net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 10.94% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.
- Annualized effect of \$350 million decrease in base revenues approved March 17, 1999 in order No. PSC-99-0519-AS-EI.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Donald F. Babka', is written over the typed name.

D. L. Babka
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures

Copy: B. D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER 31, 1999

SCHEDULE 1: PAGE 1 OF 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 754,677,323 (A)	\$ (6,291,336) (B)	\$ 748,385,987	\$ (51,296,000)	\$ 697,089,987
AVERAGE RATE BASE	\$ 7,739,434,029	\$ 943,212,220	\$8,682,646,249	\$ 0	\$ 8,682,646,249
AVERAGE RATE OF RETURN	9.75%		8.62%		8.03%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 754,677,323 (A)	\$ (6,062,641) (B)	\$ 748,614,682	\$ (51,296,000)	\$ 697,318,682
YEAR END RATE BASE	\$ 7,718,992,093	\$ 1,043,822,593	\$8,762,814,686	\$ 0	\$ 8,762,814,686
YEAR END RATE OF RETURN	9.78%		8.54%		7.96%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	7.51%				
MIDPOINT	8.06%				
HIGH	8.61%				
IV. FINANCIAL INTEGRITY INDICATORS					
A. TIE WITH AFUDC	6.58	(SYSTEM PER BOOKS BASIS)			
B. TIE WITHOUT AFUDC	6.58	(SYSTEM PER BOOKS BASIS)			
C. AFUDC TO NET INCOME	0.00%	(SYSTEM PER BOOKS BASIS)			
D. INTERNALLY GENERATED FUNDS	54.32%	(SYSTEM PER BOOKS BASIS)			
E. LTD TO TOTAL INVESTOR FUNDS	31.46%	(FPSC ADJUSTED BASIS)			
F. STD TO TOTAL INVESTOR FUNDS	0.10%	(FPSC ADJUSTED BASIS)			
G. RETURN ON COMMON EQUITY (AVERAGE)	12.04%	(FPSC ADJUSTED)			
H. RETURN ON COMMON EQUITY	10.94%	(PROFORMA ADJUSTED)			

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830465-EI, ORDER NOS. 13537 AND 13948. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:
WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)

K. M. Davis
(SIGNATURE)
For K M Davis

2/14/00
(DATE)



February 12, 2001

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for December 2000. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI. The report includes additional depreciation expense of \$100.6 million and potential retail refunds of \$83.3 million recorded pursuant to the settlement agreement approved by the Commission in Order NO. PSC-99-0519-AS-EI. In addition, the report includes the retail portion of the amounts recorded resulting from the settlement reached with the Florida Municipal Power Agency on October 21, 1999.

This report also includes certain pro forma adjustments to rate base and net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 11.09% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

D. L. Babka
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures

Copy: B. D. Smith, Office of Public Counsel

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ECONOMIC REGULATION

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FLORIDA PUBLIC SERVICE
COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER 31, 2000

SCHEDULE 1: PAGE 1 OF 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 804,297,699 (A)	\$ (16,895,652) (B)	\$ 787,402,048	\$ (9,393,809)	\$ 778,008,239
AVERAGE RATE BASE	\$ 7,746,467,919	\$ 1,217,932,716	\$8,964,400,635	\$49,867,403	\$ 9,514,268,038
AVERAGE RATE OF RETURN	10.38%		8.78%		8.18%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 804,297,699 (A)	\$ (4,636,752) (B)	\$ 799,660,948	\$ (8,753,464)	\$ 790,907,483
YEAR END RATE BASE	\$ 7,903,342,273	\$ 1,277,452,398	\$9,180,794,672	\$49,867,403	\$ 9,730,662,074
YEAR END RATE OF RETURN	10.18%		8.71%		8.13%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7.50%
MIDPOINT	8.13%
HIGH	8.68%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	6.47	(SYSTEM PER BOOKS BASIS)
B. TIE WITHOUT AFUDC	6.47	(SYSTEM PER BOOKS BASIS)
C. AFUDC TO NET INCOME	0.00%	(SYSTEM PER BOOKS BASIS)
D. INTERNALLY GENERATED FUNDS	26.29%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	28.64%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	3.72%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	12.21%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.09%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830465-EI, ORDER NOS. 11517 AND 12948. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S.775.082, S.775.083, OR S.775.084.

K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)

K. M. Davis
(SIGNATURE)
4/2/01
(DATE)

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FLORIDA PUBLIC SERVICE
COMMISSION

01 FEB 14 PM 3:40

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ECONOMIC REGULATION



0177.15 - 10112

0177.15 - 10112

February 14, 2002

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for December 2001. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI. The report includes additional depreciation expense of \$0.0 million and potential retail refunds of \$4.5 million recorded pursuant to the settlement agreement approved by the Commission in Order NO. PSC-99-0519-AS-EI.

This report also includes certain pro forma adjustments to net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 12.17% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

D. L. Babka
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures

Copy: B. D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER 31, 2001

SCHEDULE 1: PAGE 1 OF 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 883,580,138 (A)	\$ (7,067,931) (B)	\$ 875,713,207	\$ (6,849,048)	\$ 868,863,159
AVERAGE RATE BASE	\$ 8,424,770,311	\$ 1,554,376,081	\$9,979,146,392	\$	\$ 9,979,146,392
AVERAGE RATE OF RETURN	10.49%		8.78%		8.71%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 883,580,138 (A)	\$ (8,111,953) (B)	\$ 875,468,185	\$ (8,849,048)	\$ 866,619,137
YEAR END RATE BASE	\$ 8,516,243,514	\$ 1,627,072,337	\$10,143,314,85	\$	\$10,143,314,851
YEAR END RATE OF RETURN	10.38%		8.63%		8.56%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7.52%
MIDPOINT	8.07%
HIGH	8.62%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	6.75	(SYSTEM PER BOOKS BASIS)
B. TIE WITHOUT AFUDC	6.75	(SYSTEM PER BOOKS BASIS)
C. AFUDC TO NET INCOME	0.00%	(SYSTEM PER BOOKS BASIS)
D. INTERNALLY GENERATED FUNDS	84.34%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	30.62%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.62%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	12.30%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	12.17%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. #30465-HI, ORDER NOS. 13537 AND 13948. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 817.06, FLORIDA STATUTES, PROVIDES:
WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)

K M Davis
(SIGNATURE) 2/14/02
(DATE)



RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
03 FEB 14 PM 3:13
DIVISION OF
ECONOMIC REGULATION

February 13, 2003

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for December 2002. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI. The report includes a provision for retail refund amount of \$-50.8 million recorded pursuant to the settlement agreement approved by the Commission in Order NO. PSC-99-0519-AS-EI and PSC-02-0501-AS-EI.

This report also includes certain pro forma adjustments to net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 11.79% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.
- Annualization of current settlement rate decrease

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'D. L. Babka', is written over the typed name and title.
D. L. Babka
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures

Copy: B. D. Smith, Office of Public Counsel

A TRUE COPY
ATTEST A handwritten signature in dark ink, appearing to read 'Kay [unclear]', is written over the typed title.
Chief Bureau of Records

Exhibit No. _____
Docket 041291-EI
Page 2 of 73

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER 31, 2002

SCHEDULE 1: PAGE 1 OF 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 901,086,719 (A)	\$ (8,745,189) (B)	\$ 892,341,530	\$ (81,592,949)	\$ 810,748,581
AVERAGE RATE BASE	\$ 8,257,628,713	\$ 1,513,986,996	\$9,771,615,709	0	\$ 9,771,615,709
AVERAGE RATE OF RETURN	10.91%		9.13%		8.30%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 901,103,199 (A)	\$ (12,765,985) (B)	\$ 888,337,214	\$ (81,592,949)	\$ 806,744,265
YEAR END RATE BASE	\$ 8,601,596,468	\$ 1,543,526,496	\$10,145,122,964	0	\$10,145,122,964
YEAR END RATE OF RETURN	10.48%		8.76%		7.95%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7.32%	
MIDPOINT	7.87%	
HIGH	8.42%	
IV. FINANCIAL INTEGRITY INDICATORS		
A. TIE WITH AFUDC	7.88	(SYSTEM PER BOOKS BASIS)
B. TIE WITHOUT AFUDC	7.88	(SYSTEM PER BOOKS BASIS)
C. AFUDC TO NET INCOME	0.00%	(SYSTEM PER BOOKS BASIS)
D. INTERNALLY GENERATED FUNDS	39.11%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	29.13%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	4.13%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	13.33%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.79%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830465-EI, ORDER NOS. 13537 AND 13948. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:
WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S.775.082, S.775.083, OR S.775.084.

K. M. Davis
K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)

[Signature]
(SIGNATURE)

2/13/03
(DATE)



February 11, 2004

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for December 2003. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948 and Docket No. 001148-EI, Order No. PSC-02-0501-AS-EI. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI.

This report also includes certain pro forma adjustments to net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 12.80% and includes the following adjustment:

- Revenue normalization due to abnormal weather conditions.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

A handwritten signature in dark ink, appearing to read "H. Antonio Cuba", is written over the typed name.

H. Antonio Cuba
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures

Copy: B. D. Smith, Office of Public Counsel

A TRUE COPY
ATTEST

A handwritten signature in dark ink, appearing to read "Kay Flynn", is written over the typed name.
Chief Bureau of Records

Exhibit No. _____
Docket 041291-EI
Page 26 of 73

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER, 2003

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 932,435,442 (A)	(25,926,903) (B)	906,508,540	(41,670,825)	\$ 864,837,715
RATE BASE	\$ 9,236,004,033	1,112,988,898	10,348,992,931	0	\$ 10,348,992,931
AVERAGE RATE OF RETURN	10.10%		8.76%		8.36%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 932,435,442 (A)	(25,895,128) (B)	906,540,314	(41,670,825)	\$ 864,869,490
RATE BASE	\$ 10,039,030,135	473,005,178	10,512,035,313	0	\$ 10,512,035,313
YEAR END RATE OF RETURN	9.29%		8.62%		8.23%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	6.91%
MIDPOINT	7.43%
HIGH	7.95%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	7.64	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	7.54	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PER CENT OF NET INCOME	2.20%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	39.00%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	30.17%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	5.72%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	13.58%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	12.80%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830465-EI, ORDER NOS. 13537 AND 13948 AND DOCKET NO. 001148-EI, ORDER NO. PSC-02-05-01-A9-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)

(SIGNATURE)

(DATE)

Exhibit No. _____
Docket 041291-EI
Page 27 of 73

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11/20/03 PM 1:40
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FEB 21 2005

February 9, 2005

Office Of
Public Counsel

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for December 2004. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948 and Docket No. 001148-EI, Order No. PSC-02-0501-AS-EI. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI.

This report also includes certain pro forma adjustments to net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 12.81% and includes the following adjustment:

- Revenue normalization due to abnormal weather conditions.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

A handwritten signature in dark ink, appearing to read "H. Antonio Cuba", is written over a horizontal line.

H. Antonio Cuba
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures

Copy: B. D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER, 2004

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 947,581,034 (A)	(55,353,459) (B)	892,227,575	7,001,491	\$ 899,229,066
RATE BASE	\$ 5,583,425,881	1,095,540,838	10,678,966,719	0	\$ 10,678,966,719
AVERAGE RATE OF RETURN	9.89%		8.35%		8.43%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 947,581,034 (A)	(55,228,822) (B)	892,352,212	7,001,491	\$ 899,353,703
RATE BASE	\$ 6,043,313,081	985,588,348	10,011,902,029	0	\$ 10,011,902,029
YEAR END RATE OF RETURN	9.53%		8.18%		8.28%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	0.38%
MIDPOINT	7.48%
HIGH	8.01%

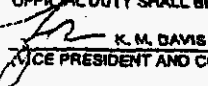
IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	7.08	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	8.84	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PER CENT OF NET INCOME	6.83%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	109.36%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	33.12%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.73%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	12.88%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	12.81%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830486-EL, ORDER NOS. 13837 AND 13848 AND DOCKET NO. 001148-EL, ORDER NO. PSC-02-05-01-AS-EL. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 337.06, FLORIDA STATUTES, PROVIDES:

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

 K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)


(SIGNATURE)


(DATE)



February 14, 2006

Mr. John Slenkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED

FEB 16 2006

Dear Mr. Slenkewicz,

Office of
Public Counsel

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for December 2005. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948; Docket No. 001148-EI, Order No. PSC-02-0501-AS-EI; Docket No. 050045-EI, Order No. PSC-05-0902-S-EI. The required rate of return was calculated using the return on common equity as authorized in Docket No. 990067-EI, Order No. PSC-99-0519-AS-EI.

This report also includes certain pro forma adjustments to net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 11.34% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.
- Annualizing of NOI and rate base effects of Martin Unit 8 and Manatee Unit 3 going into service in June 2005.
- Reclassification of storm restoration capital costs as per Order No. PSC-05-0937-FOF-EI, Docket No. 041291-EI.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours

A handwritten signature in black ink, appearing to read "H. Antonio Cuba", written over the typed name.

H. Antonio Cuba
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures

Copy: B. D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER, 2005

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 979,084,770 (A)	(88,004,541) (B)	913,080,229	(23,266,708)	\$ 889,813,521
RATE BASE	\$ 10,983,329,233	574,713,811	11,558,040,044	434,111,881	\$ 11,992,151,925
AVERAGE RATE OF RETURN	8.91%		7.90%		7.42%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 979,084,770 (A)	(82,388,658) (B)	916,676,212	(25,388,421)	\$ 891,287,791
RATE BASE	\$ 11,427,581,922	844,017,688	12,371,579,588	0	\$ 12,371,579,588
YEAR END RATE OF RETURN	8.57%		7.41%		7.20%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	6.75%
MIDPOINT	7.25%
HIGH	7.75%


IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	5.97 (SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.80 (SYSTEM PER BOOKS BASIS)
C. AFUDC AS PER CENT OF NET INCOME	4.82% (SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	75.19% (SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	32.71% (FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	4.42% (FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	12.31% (FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.34% (PROFORMA ADJUSTED)

NOTE. THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830485-EI, ORDER NOS. 13637 AND 13648 AND DOCKET NO. 001148-EI, ORDER NO. PSC-02-05-01-AS-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.


K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)


(SIGNATURE)

2/14/06
(DATE)



February 12, 2006

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED
FEB 23 2007

Office Of
Public Counsel

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for December 2006. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948; Docket No. 001148-EI, Order No. PSC-02-0501-AS-EI; Docket No. 050045-EI, Order No. PSC-05-0902-AS-EI. The required rate of return was calculated using the return on common equity as authorized in Docket No. 050045-EI, Order No. PSC-05-0902-AS-EI.

This report also includes certain pro forma adjustments to net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 12.07% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'H. Antonio Cuba'.

H. Antonio Cuba
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures

Copy: B. D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER, 2008

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 1,086,692,854 (A)	(75,029,446) (B)	1,011,663,409	4,176,544	\$ 1,015,839,953
RATE BASE	\$ 12,745,257,318	454,131,203	13,199,388,521	0	\$ 13,199,388,521
AVERAGE RATE OF RETURN	8.53%		7.66%		7.70%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 1,086,692,854 (A)	(72,288,278) (B)	1,014,404,576	4,176,544	\$ 1,018,581,120
RATE BASE	\$ 13,242,944,324	271,590,656	13,514,534,980	0	\$ 13,514,534,980
YEAR END RATE OF RETURN	8.21%		7.51%		7.54%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7.06%
MIDPOINT	7.54%
HIGH	8.02%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	5.35	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.24	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PER CENT OF NET INCOME	3.49%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	159.45%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	33.32%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	6.16%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	12.01%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	12.07%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830465-EI, ORDER NOS. 13537 AND 13948 AND DOCKET NO. 001148-EI, ORDER NO. PSC-02-05-01-AS-EI AND DOCKET NO. 050045-EI, ORDER NO. PSC-05-0902-S-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.08, FLORIDA STATUTES, PROVIDES:

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

 K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)


(SIGNATURE)

 2/12/07
(DATE)



February 13, 2008

Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for December 2007. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948; Docket No. 001148-EI, Order No. PSC-02-0501-AS-EI; Docket No. 050045-EI, Order No. PSC-05-0902-AS-EI. The required rate of return was calculated using the return on common equity as authorized in Docket No. 050045-EI, Order No. PSC-05-0902-AS-EI.

This report also includes certain pro forma adjustments to net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 11.96% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

A handwritten signature in black ink, appearing to read 'H. Antonio Cuba', is written over a horizontal line.

H. Antonio Cuba
Director Regulatory
and Tax Accounting
DLB:TTK

Enclosures

Copy: B. D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER, 2007

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 1,151,885,779 (A)	(77,678,062) (B)	1,074,207,717	2,848,147	\$ 1,077,055,864
RATE BASE	\$ 13,125,661,812	727,957,976	13,854,649,288	0	\$ 13,854,649,288
AVERAGE RATE OF RETURN	8.78%		7.75%		7.77%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 1,151,885,779 (A)	(88,452,789) (B)	1,063,432,990	2,848,147	\$ 1,066,281,137
RATE BASE	\$ 13,824,810,598	592,350,422	14,416,961,019	0	\$ 14,416,961,019
YEAR END RATE OF RETURN	8.33%		7.51%		7.53%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	7.16%
MIDPOINT	7.67%
HIGH	8.16%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	5.16	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.04	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PER CENT OF NET INCOME	3.71%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	43.03%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	35.65%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	3.27%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.92%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.96%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830485-EI, ORDER NOS. 13537 AND 13948 AND DOCKET NO. 001148-EI, ORDER NO. PSC-02-05-01-AS-EI AND DOCKET NO. 050045-EI, ORDER NO. PSC-05-0902-S-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)

(SIGNATURE)

(DATE)

2/13/08



February 12, 2009
Mr. John Slemkewicz
Public Utilities Supervisor of Electric and Gas Accounting
Division of Auditing and Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Slemkewicz,

Re: Rate of Return Report

Enclosed is a copy of Florida Power & Light Company's (Company) Rate of Return Surveillance Report to the Florida Public Service Commission for December 2008. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 830465-EI, Order Nos. 13537 and 13948; Docket No. 001148-EI, Order No. PSC-02-0501-AS-EI; Docket No. 050045-EI, Order No. PSC-05-0902-AS-EI. The required rate of return was calculated using the return on common equity as authorized in Docket No. 050045-EI, Order No. PSC-05-0902-AS-EI.

This report also includes certain pro forma adjustments to net operating income which reflect the annual effect of known future events. The pro forma return on common equity is 10.58% and includes the following adjustments:

- Revenue normalization due to abnormal weather conditions.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Very truly yours,

A handwritten signature in black ink, appearing to read "H. Antonio Cuba", written over a horizontal line.

H. Antonio Cuba
Director of Regulatory Accounting

Enclosures

Copy: B. D. Smith, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER, 2008

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 1,152,320,559 (A)	(117,951,988) (B)	1,034,368,571	(17,890,320)	\$ 1,016,478,251
RATE BASE	\$ 15,046,960,115	(274,964,739)	14,771,995,376	0	\$ 14,771,995,376
AVERAGE RATE OF RETURN	7.66%		7.00%		6.88%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 1,152,320,559 (A)	(122,952,071) (B)	1,030,258,488	(17,890,320)	\$ 1,012,368,168
RATE BASE	\$ 15,861,820,044	(873,133,447)	15,008,686,597	0	\$ 15,008,686,597
YEAR END RATE OF RETURN	7.26%		6.86%		6.75%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	6.98%
MIDPOINT	7.43%
HIGH	7.91%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	4.56	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	4.40	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PER CENT OF NET INCOME	5.85%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	79.69%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	37.67%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.76%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	10.83%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.58%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 830485-EI, ORDER NOS. 13537 AND 13948 AND DOCKET NO. 001148-EI, ORDER NO. PSC-02-05-01-AS-EI AND DOCKET NO. 050045-EI, ORDER NO. PSC-05-0902-S-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.08, FLORIDA STATUTES, PROVIDES:

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

 K. M. DAVIS
(VICE PRESIDENT AND CONTROLLER)


(SIGNATURE)

2/12/09
(DATE)

EXHIBIT NO. 389

DOCKET NO. 080677-EI - FPL RATE CASE

WITNESS: _____

DESCRIPTION: CROSS-EXAMINATION EXHIBIT

DOCUMENT:

Florida Unemployment Articles - Miami Herald and
Jacksonville Business Journal

PROFFERED BY: THE FLORIDA RETAIL FEDERATION

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 389

COMPANY Florida Retail Federation

WITNESS FL unemployment articles

DATE 08/26/09

The Miami Herald

Posted on Fri, Aug. 21, 2009

Miami-Dade jobless rate ticks up again

BY SCOTT ANDRON
sandron@MiamiHerald.com

Miami-Dade's unemployment rate ticked up again in July, hitting 11.1 percent, according to statistics released Friday.

The county's jobless rate rose from 9.9 percent in May to 10.7 percent in June to pass the 11 percent mark in July, after adjustment to remove the effects of normal seasonal changes, such as summer hotel layoffs.

Because of the relatively small sample size, the June-to-July change could be due to measurement error, although the repeated monthly increases seem to suggest a real trend.

The unadjusted rate was 11.6 percent.

The U.S. Bureau of Labor Statistics doesn't adjust numbers for any other Florida counties, but Broward's raw number was 9.4. Monroe's was 6.6.

The statewide adjusted rate was 10.7 percent, which was the same as June's revised number.

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The Miami Herald

Posted on Fri, Aug. 21, 2009

Florida's July unemployment worsens slightly

By BRENT KALLESTAD
Associated Press Writer

Nearly one million Floridians are now out of work.

Some 10.7 percent of Florida's eligible work force, or 987,000 people, were jobless in July, state economists said Friday. Although another 17,000 workers lost jobs in the state last month, the 10.7 percent is the same as June's revised unemployment rate.

Florida's unemployment rate is at its highest in 34 years, and 1.3 percent above the national average of 9.4 percent.

The Agency for Workforce Innovation said the July numbers continue a trend that began in August 2007.

In the last 12 months, Florida's unemployment has jumped by 4.4 percent with more than 401,000 workers losing jobs. Private education and health services were the lone employment sectors gaining jobs in July.

Rural Liberty County in the Florida Panhandle recorded the lowest unemployment rate at 5.9 percent while Hendry County in southwest Florida had the highest at 16.4 percent and neighboring Lee County (Fort Myers) reported an unemployment rate of 13.2 percent.

Most counties with fewer unemployed workers had a high percentage of government workers or increased summer tourism.

Florida was one of 16 states nationally to record double-digit unemployment in July.

Cynthia Lorenzo, director of the Agency for Workforce Innovation, said Friday that 752,377 unemployed workers have collected \$944.5 million in federal stimulus benefits. The number of unemployed have depleted the state's trust fund to pay claims, but it won't interfere with making the payments.

"There will be no delay and no interruption in service," AWI spokesman Robby Cunningham said. "As the economy recovers certainly the trust fund will begin to build up again and as soon as the money starts building up, we'll begin to pay the federal government back for the loan." ?

Florida's most visible cheerleader, Gov. Charlie Crist, was in Orlando speaking to real estate agents when the numbers were announced.

"It's important to me as governor to continue to get out and encourage people to do better and work harder," Crist said. "And Floridians are and it will make a difference soon."

Despite the ongoing employment and housing woes in Florida, there have been some recent signs that the economic issues may have bottomed out. Last week, state economists only had to reduce their general revenue collection estimate by \$147.1 million, rather than the billions in shortfalls seen over the past two years.

Employment is considered a lagging indicator of recovery, and takes longer to rebound than other segments of the economy.

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Jacksonville Business Journal - August 21, 2009
[/jacksonville/stories/2009/08/17/daily47.html](http://jacksonville/stories/2009/08/17/daily47.html)

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Friday, August 21, 2009, 11:48am EDT | Modified: Friday, August 21, 2009, 2:13pm

Florida unemployment stuck at 10.7%

Jacksonville Business Journal

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Florida's seasonally adjusted unemployment rate for July 2009 is 10.7 percent, unchanged from June.

The **Florida Agency for Workforce Innovation** released the figures Friday morning. The number represents 987,000 jobless out of a labor force of 9.2 million.

The July rate is 4.4 percentage points higher than a year ago, and 1.3 percentage points higher than the national unemployment rate of 9.4 percent. The last time the unemployment rate was higher was October 1975, when it was 11 percent.

The unemployment rate in the Jacksonville area was 10.5 percent, down slightly from 10.6 percent in June but up sharply from 6.4 percent a year earlier. At 11.2 percent, Duval County had the highest rate among Northeast Florida counties, while St. Johns had the lowest at 8.5 percent.

In a news release, the agency said Florida's total nonagricultural employment in July was 7.4 million, representing a job loss of 401,100, or 5.2 percent, compared to July 2008. This is steeper than the national rate of decline for July, which was 4.2 percent over the year. The July job loss continues the trend of annual declines that began in August 2007. The downturn started with declines in construction jobs, but has now spread to almost all other major industries.

Agency Director Cynthia R. Lorenzo said in a news release that the agency continues to infuse federal stimulus funds through unemployment compensation and other services such as job training. She said the stimulus package has already funded \$944.5 million in benefits to 752,377 Floridians.

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EXHIBIT NO. 390

DOCKET NO. 080677-EI - FPL RATE CASE

WITNESS: _____

DESCRIPTION: CROSS-EXAMINATION EXHIBIT

DOCUMENT:

"Florida foreclosures on rise," The Miami Herald
August 21, 2009

PROFFERED BY: THE FLORIDA RETAIL FEDERATION

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 390

COMPANY Florida Retail Federation

WITNESS FL foreclosure article

DATE 08/26/09

The Miami Herald

Posted on Fri, Aug. 21, 2009

Florida foreclosures on rise

BY MONICA HATCHER

mhatcher@MiamiHerald.com

As home prices fell and the job picture worsened, the percentage of Florida home loans either past due or in foreclosure hit 23 percent in the second quarter, outpacing any other state in the nation.

The figure represents 807,000 loans, a staggering sum of the roughly 3.5 million mortgages outstanding in Florida.

"Florida deserves special mention as the worst state in the country," said Jay Brinkmann, chief economist of the Mortgage Bankers Association that released the numbers Thursday. "Nevada is a close second, but everyone else is far behind."

Florida, along with California, Arizona and Nevada -- states that saw some of the headiest home price increases during the boom -- represented 44 percent of the total number of loans in foreclosure nationally.

Twelve percent of all Florida loans were in some stage of the foreclosure process as of June 30, with 10.8 percent past due by a month or more.

Nationwide, 4.3 percent were in foreclosure and 9.2 percent were 30 or more days delinquent.

Barring loan modifications that would help homeowners stay in their properties, the high number of foreclosures will likely result in more homes being put on the market for resale by lenders, potentially contributing to further price declines.

Florida's mortgage hardships swept across all loan categories, with so-called prime borrowers, or those with good credit, showing the biggest increases in delinquencies. This indicates job losses and falling home prices are taking a toll on a new set of homeowners.

Between the first and second quarter, the percentage increase in delinquencies and foreclosures among borrowers with fixed loans even outpaced borrowers with subprime loans -- or those sold to borrowers with spotty credit histories and staggering default rates.

Delinquencies and foreclosures among prime borrowers rose from 10.7 percent to 12.42 percent in the second quarter.

Among subprime loans, 52 percent of roughly 536,000 subprime loans tracked by the MBA were past due or in foreclosure in the second quarter, up from 51 percent in the previous three-month period.

Delinquencies among prime-fixed borrowers are key because they reflect problems with the underlying economy rather than problems arising from the structure or underwriting of loans.

"This is further confirmation of what we have been saying and expecting for the last year or more," that these problems are being driven by fundamental issues in the economy, Brinkmann said.

Falling real estate values often lead borrowers to walk away from their homes rather than continue to pay off loans worth far more than the properties. Until the employment picture improves -- sometime in the middle of next year, Brinkmann predicted -- delinquencies will continue to rise.

Foreclosures should start tapering off about six months after that as the foreclosures cases are worked through the system and the homes are taken back by lenders or sold at auction.

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EXHIBIT NO. 391

DOCKET NO. 080677-EI - FPL RATE CASE

WITNESS: _____

DESCRIPTION: CROSS-EXAMINATION EXHIBIT

DOCUMENT:

Miami Herald article, August 6, 2009,
"Miami-Dade school chief's contract extended"

PROFFERED BY: THE FLORIDA RETAIL FEDERATION

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 391
COMPANY Florida Retail Federation
WITNESS Miami-Dade Superintendent compensation article
DATE 08/26/09

The Miami Herald

Posted on Thu, Aug. 06, 2009

Miami-Dade school chief's contract extended

BY KATHLEEN McGRORY
kmcgrory@MiamiHerald.com

In a show of support for Schools Superintendent Alberto Carvalho, the Miami-Dade School Board voted Wednesday to extend his contract through June 2013.

Carvalho's contract had been scheduled to run through October 2010.

Board Chairman Solomon Stinson proposed lengthening it, saying an extension would bring stability to the school district.

"I understand that he hasn't completed his first year, but he's done such a magnificent job that I don't want him looking around for other opportunities," Stinson said.

Eight of the nine board members agreed, including Renier Diaz de la Portilla, who last year voted against Carvalho's contract.

"Mr. Carvalho, you are our Dwyane Wade," he said, referencing the Miami Heat's star basketball player.

The lone vote against the extension came from Vice Chairwoman Marta Pérez, who questioned the need to change the existing contract.

Pérez said she was happy with Carvalho's performance as superintendent so far. "I would like to be able to extend his contract when it is appropriate in the appropriate fashion," she said.

Carvalho's salary and benefits will remain the same.

Carvalho, a school district veteran, was named superintendent last September.

The next month, he signed a two-year contract with the School Board. The salary: \$275,000 plus benefits.

At the time, three board members voted against the contract: Diaz de la Portilla, Pérez and Ana Rivas Logan.

Each raised questions about the process by which Carvalho had been selected and called for an open search.

Over the past year, Carvalho earned widespread support for stabilizing the district's \$4.8 billion budget.

He also drew praise for spurring improvement at several of the county's worst-performing public schools.

Before Wednesday's vote, more than two dozen members of the community addressed the School Board on the issue of his contract.

A handful of teachers spoke against extending it, calling the proposed action "premature."

"I think [the vote] should be postponed another eight to 10 months," teacher Steve New said.

Those speaking in favor of extending the contract included Democratic state Sen. Frederica Wilson, Republican state Sen. Rudy Garcia, Miami Gardens Mayor Shirley Gibson and local PTA President Mindy Gould.

Many spoke about Carvalho's successes as schools chief.

Miami Mayor Manny Diaz called Carvalho the "country's greatest superintendent."

Carvalho also got a glowing endorsement from seventh-grader Max Lucas, who described Carvalho as "an awesome educator."

"I think he's made really good decisions," said Max, who attends Palmetto Middle School.

There was some confusion during the vote. Though the district's recording secretary tallied a 9-0 vote, Pérez said she voted against the extension.

After the vote, Carvalho said he hadn't asked for the contract extension, but that he was grateful for the vote of confidence from the board and the community.

"To lead the district through these difficult times, we need stability at the helm," he said.

In other business Wednesday, the board:

- Offered new School Board attorney Walter Harvey a three-year contract. His salary will be \$205,000 plus benefits.

Harvey's attorney said his client would accept the offer. Harvey has yet to sign the paperwork.

"I'm very excited about this," Harvey told the board. "You will not be disappointed."

- Offered new chief auditor Jose Montes de Oca a three-year contract with a \$130,000 salary.

Montes de Oca, who had previously retired from the school system, said he would accept.

Said Stinson: "Wow. Three contracts in one night."

<http://www.miamiherald.com>

EXHIBIT NO. 392

DOCKET NO. 080677-EI - FPL RATE CASE

WITNESS: _____

DESCRIPTION: CROSS-EXAMINATION EXHIBIT

DOCUMENT:

Excerpt from Schedule 14A for
Publix Super Markets, Inc., March 2, 2009,
EXECUTIVE COMPENSATION - Summary Compensation Table

PROFFERED BY: THE FLORIDA RETAIL FEDERATION

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 392
COMPANY Florida Retail Federation
WITNESS Publix executive compensation table
DATE 08/26/09

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. __)**

Filed by the Registrant ☒ x

Filed by a Party other than the Registrant ☐ "

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to §240.14a-12

PUBLIX SUPER MARKETS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

(5) Total fee paid:

EXECUTIVE COMPENSATION (Continued)**Summary Compensation Table**

The following Summary Compensation Table provides information concerning the compensation of the Company's Chief Executive Officer and the four other named executive officers for 2008, 2007 and 2006. However, information for Mr. Jones is not provided for 2007 and 2006 as he was not a named executive officer of the Company during those years.

Name and Principal Positions, () Years of Service	Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation (1)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
William E. Crenshaw (34) Chief Executive Officer	2008	\$754,000	—	—	—	\$ 21,166	—	\$ 20,300 (2)	\$ 795,466
	2007	657,180	—	—	—	95,313	—	22,608 (2)	775,101
	2006	590,155	—	—	—	121,709	—	25,118 (2)	736,982
Randall T. Jones, Sr. (29) President	2008	609,140	—	—	—	17,099	—	20,300 (2)	646,539
David P. Phillips (24) Chief Financial Officer and Treasurer	2008	596,950	—	—	—	16,757	—	20,300 (2)	634,007
	2007	542,930	—	—	—	78,743	—	22,608 (2)	644,281
	2006	472,115	—	—	—	97,366	—	25,118 (2)	594,599
Laurie Z. Douglas (3) Senior Vice President and Chief Information Officer	2008	505,600	—	—	—	14,193	—	20,300 (2)	540,093
	2007	465,650	—	—	—	67,535	—	22,608 (2)	555,793
	2006	405,046	—	—	—	89,814	—	145,083 (3)	639,943
John A. Attaway, Jr. (11) Senior Vice President, General Counsel and Secretary	2008	404,380	—	—	—	11,351	—	40,300 (4)	456,031
	2007	363,055	—	—	—	52,655	—	22,608 (2)	438,318
	2006	315,700	—	—	—	65,108	—	25,118 (2)	405,926
Charles H. Jenkins, Jr. (39) Chief Executive Officer to March 2008	2008	213,957	—	—	—	—	—	20,300 (2)	234,257
	2007	860,092	—	—	—	124,742	—	22,608 (2)	1,007,442
	2006	735,900	—	—	—	151,767	—	25,118 (2)	912,785

(1) Amounts in this column include incentive bonus plan payments earned in the applicable year but paid in the subsequent year.

(2) Amounts represent the Company's estimated contributions to the ESOP and 401(k) Plan for 2008 and the actual contributions for 2007 and 2006.

(3) Amount represents a relocation bonus of \$143,902 and a bonus for the cost of COBRA health insurance coverage of \$1,181.

(4) Amount represents the Company's estimated contributions to the ESOP and 401(k) Plan and a special bonus of \$20,000.

EXECUTIVE COMPENSATION (Continued)**Grants of Plan-Based Awards**

Name	Grant Date	Actual Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)
		Threshold (\$)	Target (\$)	Max (\$)	Threshold (#)	Target (#)	Max (#)			
William E. Crenshaw Chief Executive Officer	2008	—	\$ 21,166	—	—	—	—	—	—	—
	2007	—	95,313	—	—	—	—	—	—	—
	2006	—	121,709	—	—	—	—	—	—	—
Randall T. Jones President	2008	—	17,099	—	—	—	—	—	—	—
David P. Phillips Chief Financial Officer and Treasurer	2008	—	16,757	—	—	—	—	—	—	—
	2007	—	78,743	—	—	—	—	—	—	—
	2006	—	97,366	—	—	—	—	—	—	—
Laurie Z. Douglas Senior Vice President and Chief Information Officer	2008	—	14,193	—	—	—	—	—	—	—
	2007	—	67,535	—	—	—	—	—	—	—
	2006	—	89,814	—	—	—	—	—	—	—
John A. Attaway, Jr. Senior Vice President, General Counsel and Secretary	2008	—	11,351	—	—	—	—	—	—	—
	2007	—	52,655	—	—	—	—	—	—	—
	2006	—	65,108	—	—	—	—	—	—	—
Charles H. Jenkins, Jr. Chief Executive Officer to March 2008	2008	—	—	—	—	—	—	—	—	—
	2007	—	124,742	—	—	—	—	—	—	—
	2006	—	151,767	—	—	—	—	—	—	—

(1) Amounts in this column include incentive bonus plan payments earned in the applicable year but paid in the subsequent year. These incentive bonus plan payments are the same payments disclosed in the Summary Compensation Table as Non-Equity Incentive Plan Compensation.

The Company does not have any stock or option award plans that are applicable for inclusion in this table.

EXHIBIT NO. 393

DOCKET NO. 080677-EI - FPL RATE CASE

WITNESS: Olivera

DESCRIPTION: CROSS-EXAMINATION EXHIBIT

DOCUMENT:

Fortune 500 2009: Fortune 1000 Companies 101-200

PROFFERED BY: THE FLORIDA RETAIL FEDERATION

FLORIDA PUBLIC SERVICE COMMISSION
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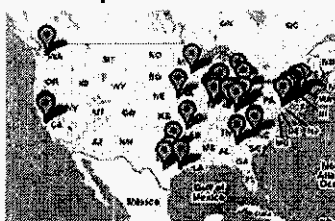
2009

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Fortune 1000

Current view: 101-200

Rank	Company	Revenues (\$ millions)	Profits (\$ millions)
101	Publix Super Markets	24,109.6	1,089.8
102	Tech Data	24,080.5	123.6
103	Merck	23,850.3	7,808.4
104	AMR	23,766.0	-2,071.0
105	United States Steel	23,754.0	2,112.0
106	Nucor	23,663.3	1,831.0
107	McDonald's	23,522.4	4,313.2
108	Raytheon	23,174.0	1,672.0
109	Staples	23,083.8	805.3
110	Wyeth	22,833.9	4,417.8
111	Delta Air Lines	22,697.0	-8,922.0
112	Fannie Mae	22,652.0	-58,707.0
113	Oracle	22,430.0	5,521.0
114	Fluor	22,325.9	720.5
115	Express Scripts	22,022.7	776.1
116	Coca-Cola Enterprises	21,807.0	-4,394.0
117	Google	21,795.6	4,226.9
118	Northwestern Mutual	21,734.4	483.2
119	Manpower	21,552.8	218.9
120	Bristol-Myers Squibb	21,366.0	5,247.0
121	Delphi	20,383.0	3,037.0

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122	Eli Lilly	20,378.0	-2,071.9
123	UAL	20,194.0	-5,348.0
124	Nationwide	19,848.0	-342.0
125	Constellation Energy	19,818.3	-1,314.4
126	DirectTV Group	19,693.0	1,521.0
127	Goodyear Tire & Rubber	19,488.0	-77.0
128	Kimberly-Clark	19,415.0	1,690.0
129	U.S. Bancorp	19,229.0	2,946.0
130	Amazon.com	19,166.0	645.0
131	TJX	19,147.5	880.6
132	Cigna	19,101.0	292.0
133	Whirlpool	18,907.0	418.0
134	Exelon	18,859.0	2,737.0
135	Massachusetts Mutual Life Insurance	18,744.6	-923.8
136	Nike	18,627.0	1,883.4
137	World Fuel Services	18,509.4	105.0
138	Schering-Plough	18,502.0	1,903.0
139	J.C. Penney	18,486.0	572.0
140	International Assets Holding	18,358.9	27.8
141	Halliburton	18,279.0	1,538.0
142	Burlington Northern Santa Fe	18,018.0	2,115.0
143	Union Pacific	17,970.0	2,338.0
144	Avnet	17,952.7	499.1
145	Capital One Financial	17,868.5	-46.0
146	Freeport-McMoRan Copper & Gold	17,796.0	-11,067.0
147	Xerox	17,608.0	230.0
148	Illinois Tool Works	17,217.9	1,519.0
149	Southern	17,127.0	1,742.0
150	Merrill Lynch	16,784.0	-27,612.0
151	Arrow Electronics	16,761.0	-613.7
152	AFLAC	16,554.0	1,254.0
153	Computer Sciences	16,499.5	544.6
154	FPL Group	16,410.0	1,639.0
155	Kohl's	16,389.0	885.0
156	Bank of New York Mellon Corp.	16,355.0	1,419.0
157	Dominion Resources	16,290.0	1,834.0
158	AES	16,170.0	1,234.0

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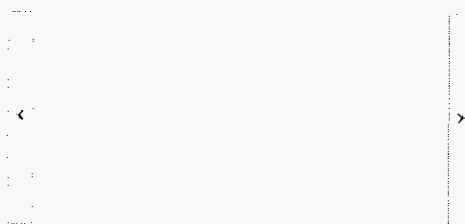
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Video (3 of 6)**Ending blackouts faster**

Centerpoint, a partner of IBM, No. 14 on the Fortune 500, is using technology to make the power grid smarter.

159	Oneok	16,157.4	311.9
160	Altria Group	15,957.0	4,930.0
161	PPG Industries	15,849.0	538.0
162	Anadarko Petroleum	15,723.0	3,261.0
163	Devon Energy	15,560.0	-2,148.0
164	Eaton	15,376.0	1,058.0
165	Health Net	15,366.6	95.0
166	Colgate-Palmolive	15,329.9	1,957.2
167	Continental Airlines	15,241.0	-585.0
168	Amgen	15,003.0	4,196.0
169	TRW Automotive Holdings	14,995.0	-779.0
170	Paccar	14,972.5	1,017.9
171	L-3 Communications	14,901.0	949.0
172	EMC	14,876.2	1,345.6
173	Textron	14,806.0	486.0
174	Loews	14,733.0	4,530.0
175	Navistar International	14,724.0	134.0
176	PG&E Corp.	14,628.0	1,338.0
177	Viacom	14,625.0	1,251.0
178	Gap	14,526.0	967.0
179	Office Depot	14,495.5	-1,478.9
180	American Electric Power	14,442.0	1,380.0
181	Cummins	14,342.0	755.0
182	AutoNation	14,288.0	-1,243.1
183	Smithfield Foods	14,264.1	128.9
184	Edison International	14,112.0	1,215.0
185	Integrys Energy Group	14,047.8	126.4
186	CBS	13,950.4	-11,673.4
187	Sun Microsystems	13,880.0	403.0
188	ConAgra Foods	13,808.7	930.6
189	Pepsi Bottling	13,796.0	162.0
190	Public Service Enterprise Group	13,741.0	1,188.0
191	Consolidated Edison	13,725.9	1,195.7
192	Toys "R" Us	13,724.0	218.0
193	General Mills	13,652.1	1,294.7
194	FirstEnergy	13,627.0	1,342.0
195	Lear	13,570.5	-689.9

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200	National Oilwell Varco	13,431.4	1,952.0

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EXHIBIT NO. 394

DOCKET NO. 080677-EI - FPL RATE CASE

WITNESS: _____

DESCRIPTION: CROSS-EXAMINATION EXHIBIT

DOCUMENT:

J.D. Power and Associates, Press Release,
July 16, 2009 & 2009 Electric Utility
Residential Customer Satisfaction Study (SM)

PROFFERED BY: THE FLORIDA RETAIL FEDERATION

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 394
COMPANY Florida Retail Federation
WITNESS J. D. Power Study - 2009
DATE 08/26/09



Press Release

J.D. Power and Associates Reports:

Despite Tough Economic Times, Residential Customer Satisfaction with Electric Utilities Increases

Improved Outage Performance and Perceived Lower Bill Amounts Drive Satisfaction Improvement

WESTLAKE VILLAGE, Calif.: 16 July 2009 — Residential customers of electric utility companies report lower bills and improved handling of power outages, resulting in an increase in overall satisfaction from 2008, according to the J.D. Power and Associates 2009 Electric Utility Residential Customer Satisfaction StudySM released today.

The study measures customer satisfaction with electric utility companies by examining six key factors: power quality and reliability; price; billing and payment; corporate citizenship; communications; and customer service.

The study finds that customer satisfaction with utility companies in 2009 averages 618 on a 1,000-point scale—up from 614 in 2008. Driving this improvement are customer reports of lower bill amounts (\$130 in 2009 from \$132 in 2008, on average) and fewer power outages (an average of 1.9 in 2009 vs. 2.1 in 2008)¹.

In addition, electric utility companies have improved notably from 2008 in three key aspects of power outage communications: availability of information; accuracy of outage restoration estimates; and follow-up contacts.

“Even in a challenging economic climate, electric utility companies have improved power reliability and enhanced communications with their customers, especially when outages occur,” said Alan Destribats, vice president of the energy and utility practice at J.D. Power and Associates. “This investment in communication technologies and processes is key to the industry’s overall improvement.”

The study also finds that satisfaction with utility companies’ corporate citizenship improves considerably—by 130 points or more—when customers are aware of their utility company’s community involvement and outreach efforts.

Average Corporate Citizenship Index Scores According to Customer Awareness (based on a 1,000-point scale)

Community involvement efforts undertaken by electric utility companies	Customer is not aware of utility’s activities in this area	Customer is aware of utility’s activities in this area	Difference
Donations or sponsorships	531	679	+148
New energy conservation programs	523	662	+139
Improving impact on environment	514	658	+144

The study ranks large and midsize utility companies in four geographic regions: East, Midwest, South and West. Companies in the midsize utility segments serve between 125,000 and 499,999 residential customers, while companies in the large utility segment serve 500,000 or more residential customers.

East Region

Among large utilities in the East region, Central Maine Power ranks highest for a second consecutive year. Following in the segment rankings are PPL Electric Utilities, and Penelec, respectively.

¹ Although the 2009 study was fielded from July 2008 to May 2009, these figures represent data from April and May 2009, to allow for direct comparison with the 2008 study.

In the East Region midsize utility segment, Southern Maryland Electric Cooperative ranks highest for a second consecutive year, followed by Central Vermont Public Service and Rochester Gas & Electric, respectively.

Midwest Region

MidAmerican Energy leads among large utility companies in the Midwest region for a second consecutive year. Kansas City Power & Light follows MidAmerican Energy, while We Energies ranks third in the segment.

Omaha Public Power District ranks highest among midsize utility companies in the Midwest region for a second consecutive year. Kentucky Utilities follows Omaha Public Power District in the segment, while Indianapolis Power and Light follows Kentucky Utilities to rank third.

South Region

CPS Energy ranks highest among large utility companies in the South region. Following CPS Energy in the rankings are Duke Energy—Carolinas and Progress Energy Carolinas, respectively.

Santee Cooper ranks highest among midsize utility companies in the South region, followed by Jackson EMC and NOVEC, respectively.

West Region

Salt River Project ranks highest in the West region large utility segment for a third consecutive year, followed by Sacramento Municipal Utility District. Portland General Electric ranks third in the segment.

Clark Public Utilities ranks highest among midsize utility companies in the West region for a second consecutive year, followed by Intermountain Rural Electric Association and Colorado Springs Utilities, respectively.

The 2009 Electric Utility Residential Customer Satisfaction Study is based on responses from more than 79,500 online interviews conducted from July 2008 through May 2009 among residential customers of the 121 largest electric utility brands across the United States, which collectively represent more than 92 million households.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, Web intelligence and customer satisfaction. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit JDPower.com. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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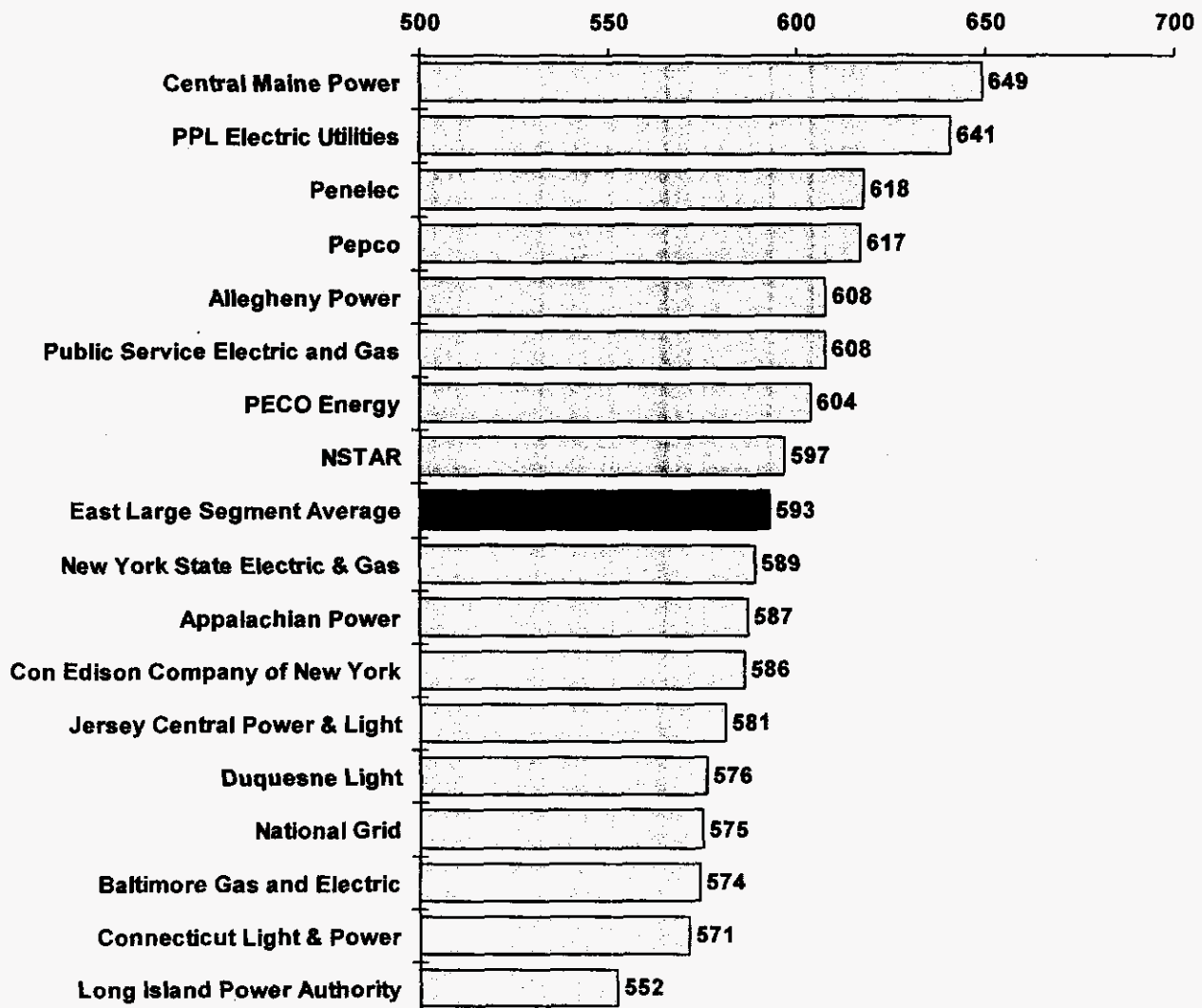
(Page 2 of 2)

NOTE: Eight charts follow.

J.D. Power and Associates 2009 Electric Utility Residential Customer Satisfaction StudySM

Customer Satisfaction Index Ranking

East Region: Large Segment
(Based on a 1,000-point scale)



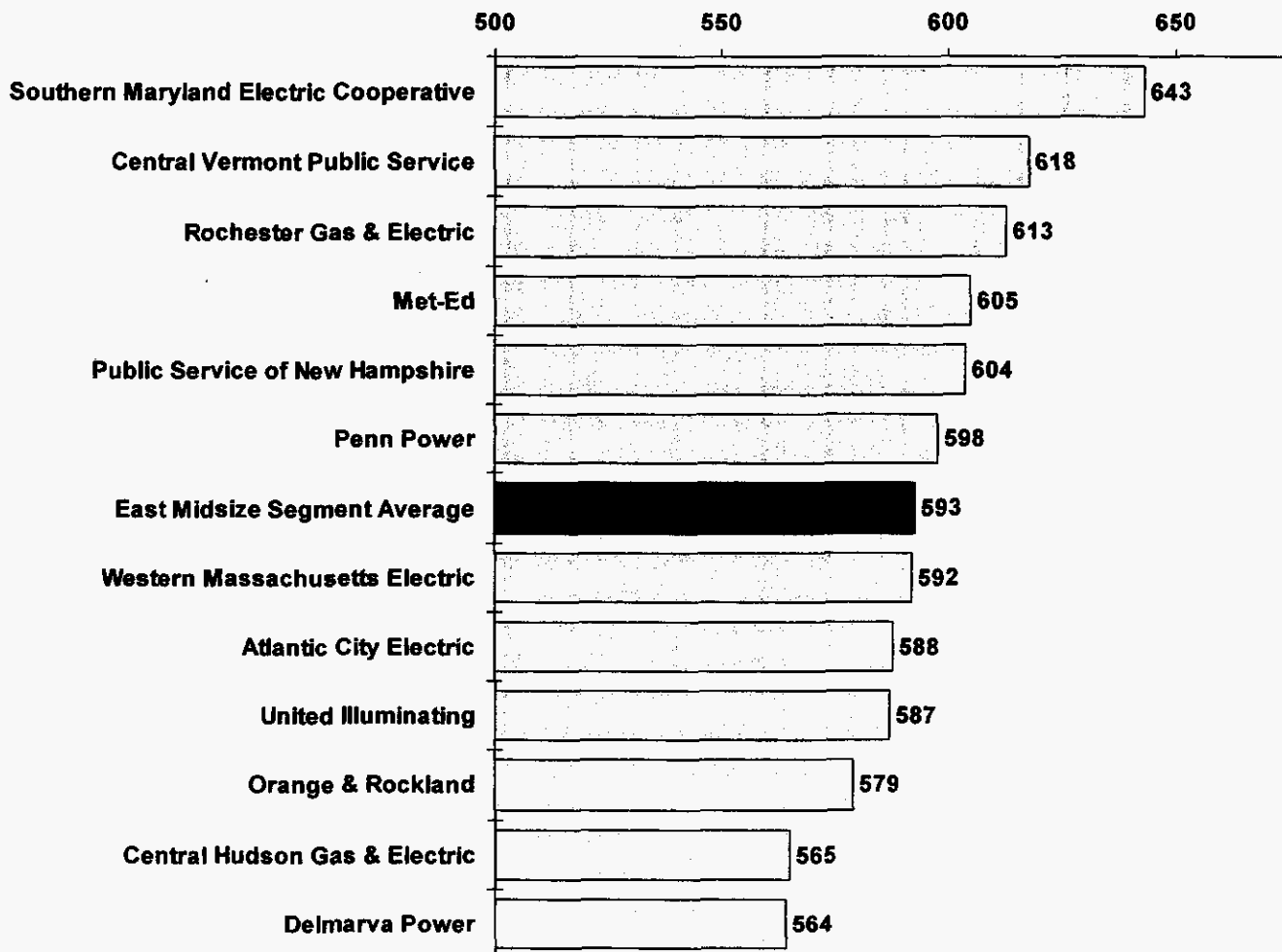
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J.D. Power and Associates 2009 Electric Utility Residential Customer Satisfaction StudySM

Customer Satisfaction Index Ranking

East Region: Midsize Segment (Based on a 1,000-point scale)



Source: J.D. Power and Associates 2009 Electric Utility Residential Customer Satisfaction StudySM

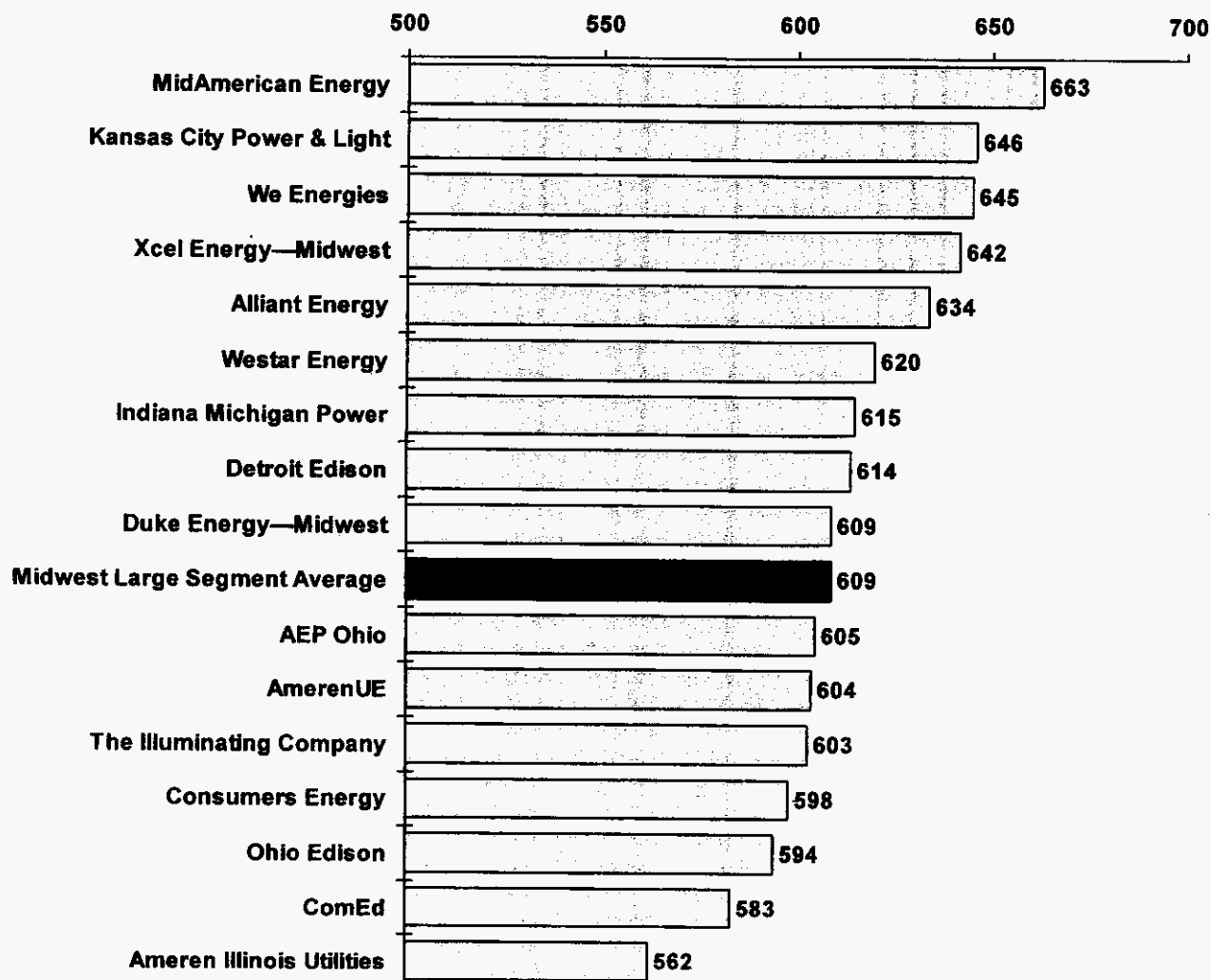
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Customer Satisfaction Index Ranking

Midwest Region: Large Segment

(Based on a 1,000-point scale)

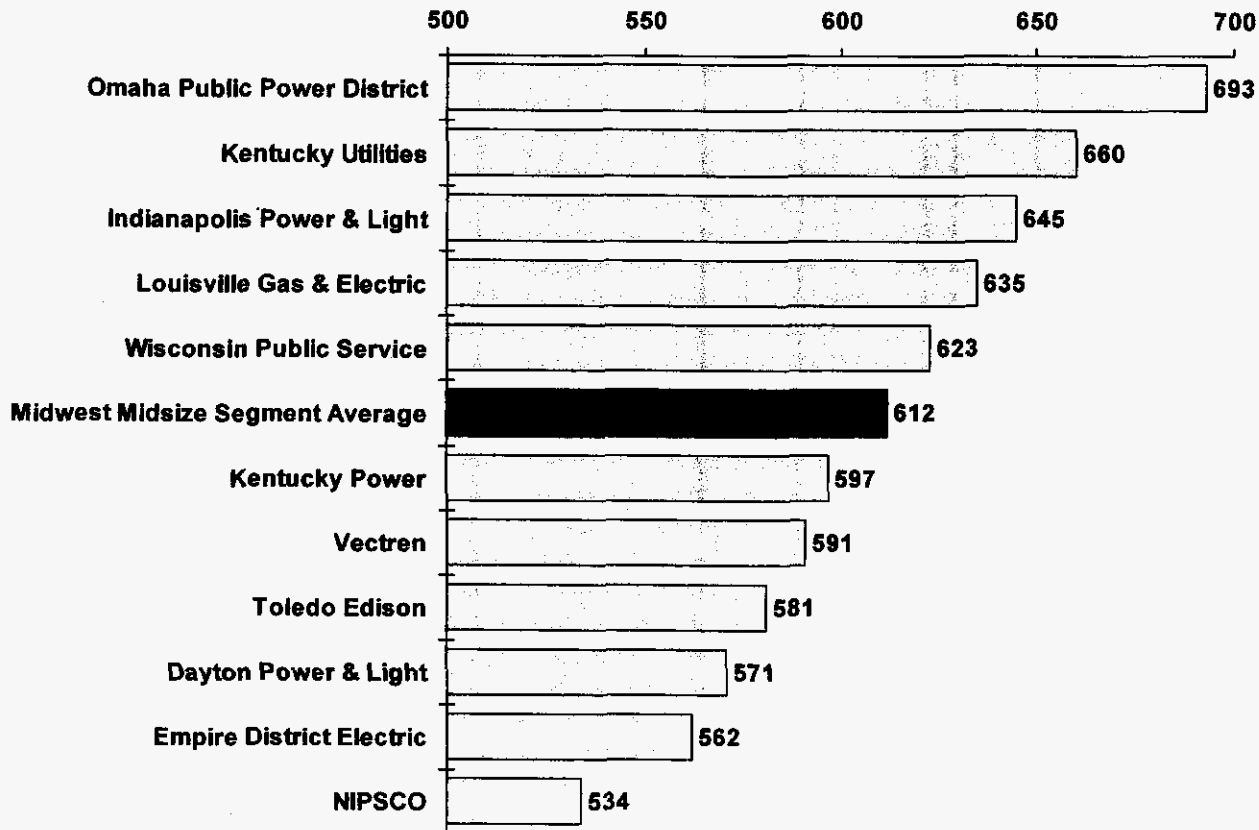


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Customer Satisfaction Index Ranking **Midwest Region: Midsize Segment** (Based on a 1,000-point scale)

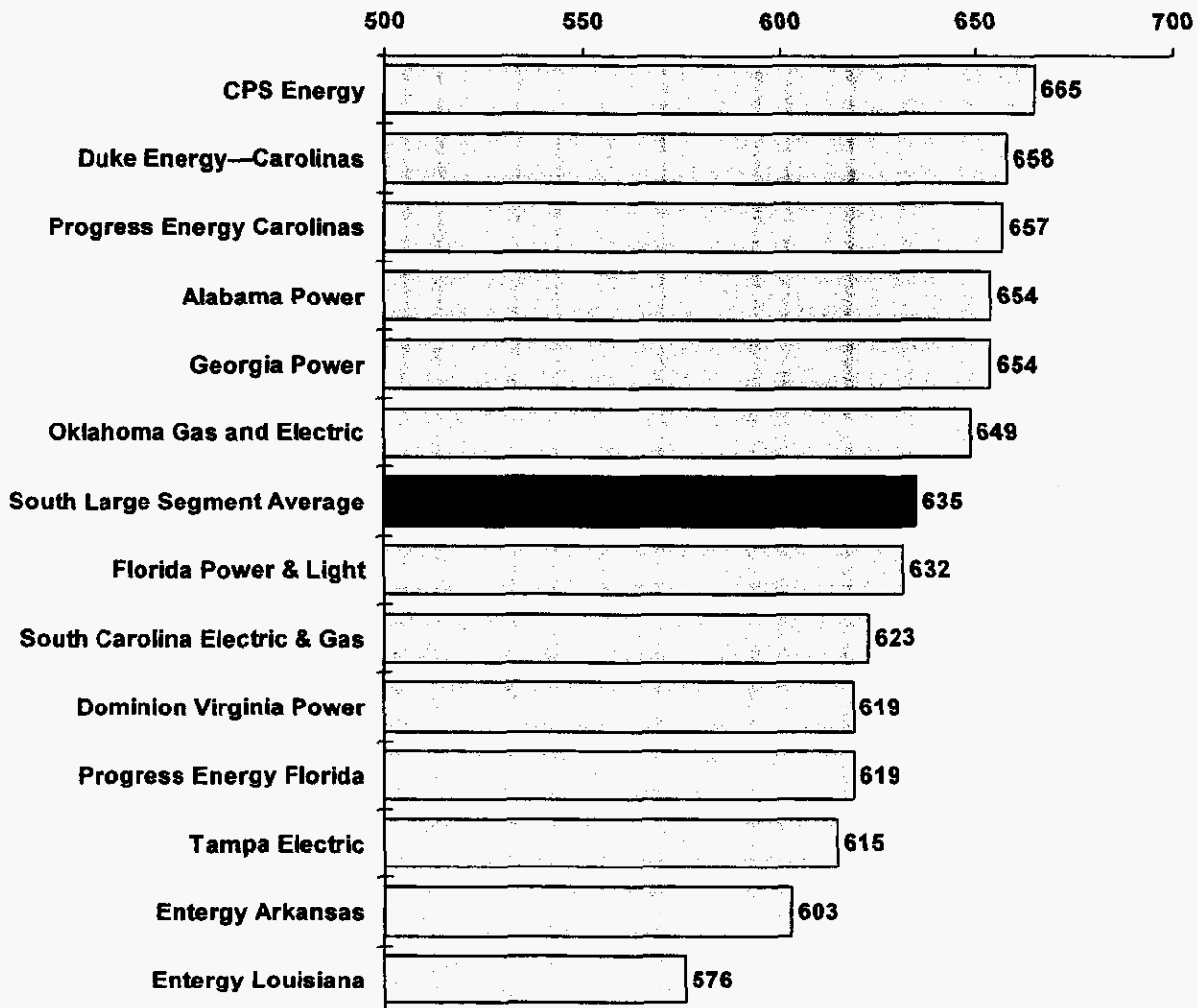


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Customer Satisfaction Index Ranking South Region: Large Segment (Based on a 1,000-point scale)



Source: J.D. Power and Associates 2009 Electric Utility Residential Customer Satisfaction StudySM

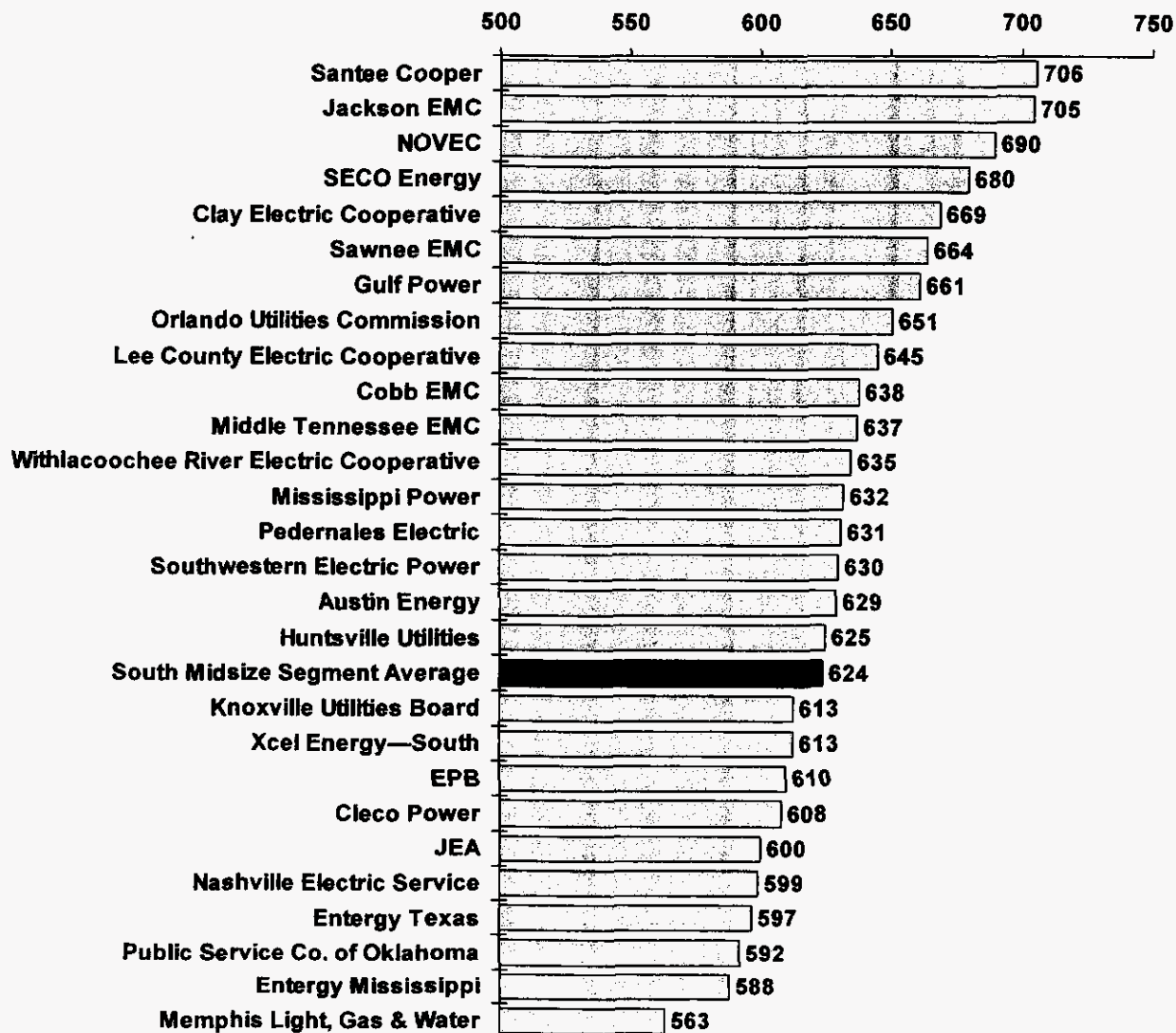
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Customer Satisfaction Index Ranking

South Region: Midsize Segment

(Based on a 1,000-point scale)



Source: J.D. Power and Associates 2009 Electric Utility Residential Customer Satisfaction StudySM

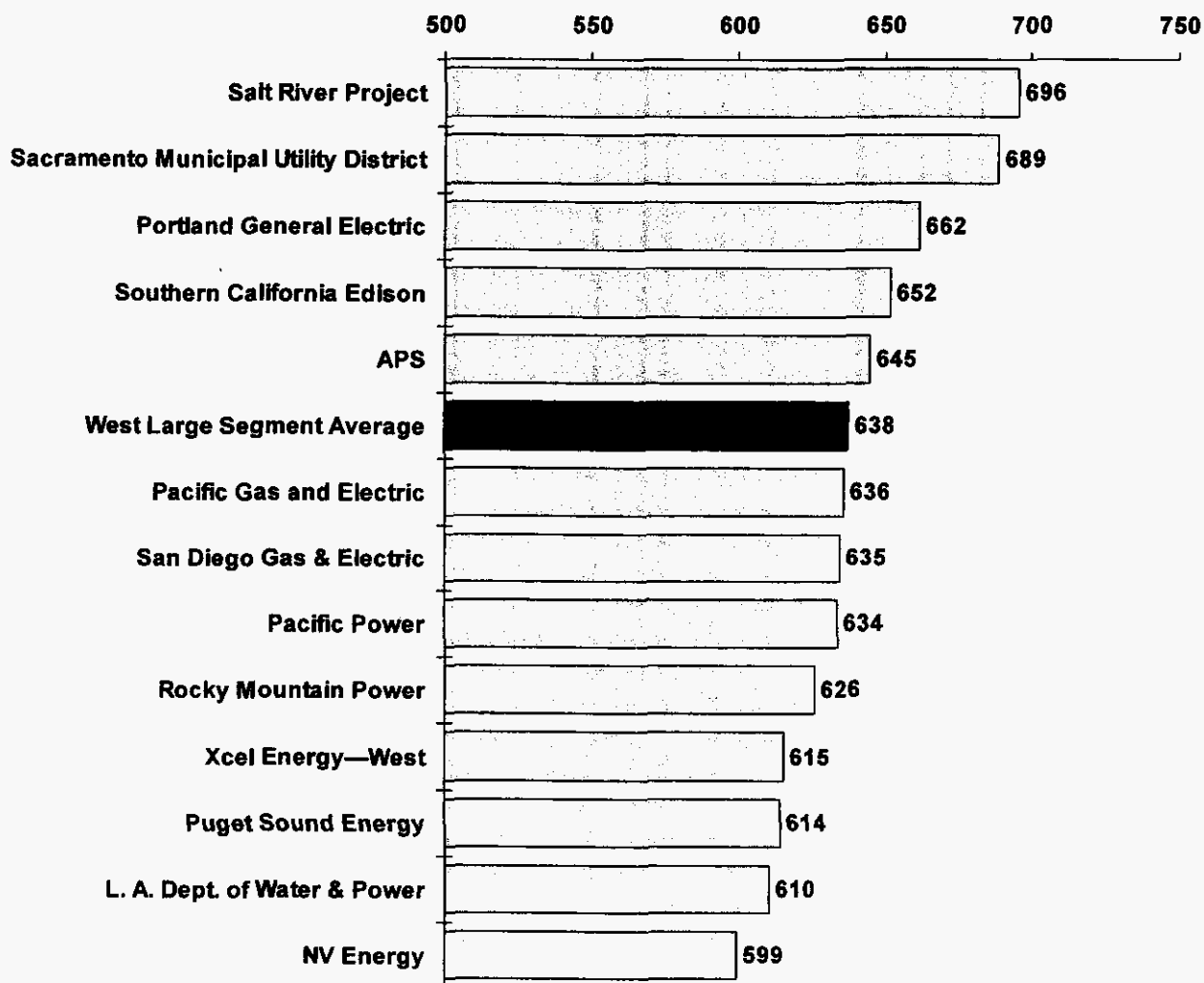
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Customer Satisfaction Index Ranking

West Region: Large Segment

(Based on a 1,000-point scale)



Source: J.D. Power and Associates 2009 Electric Utility Residential Customer Satisfaction StudySM

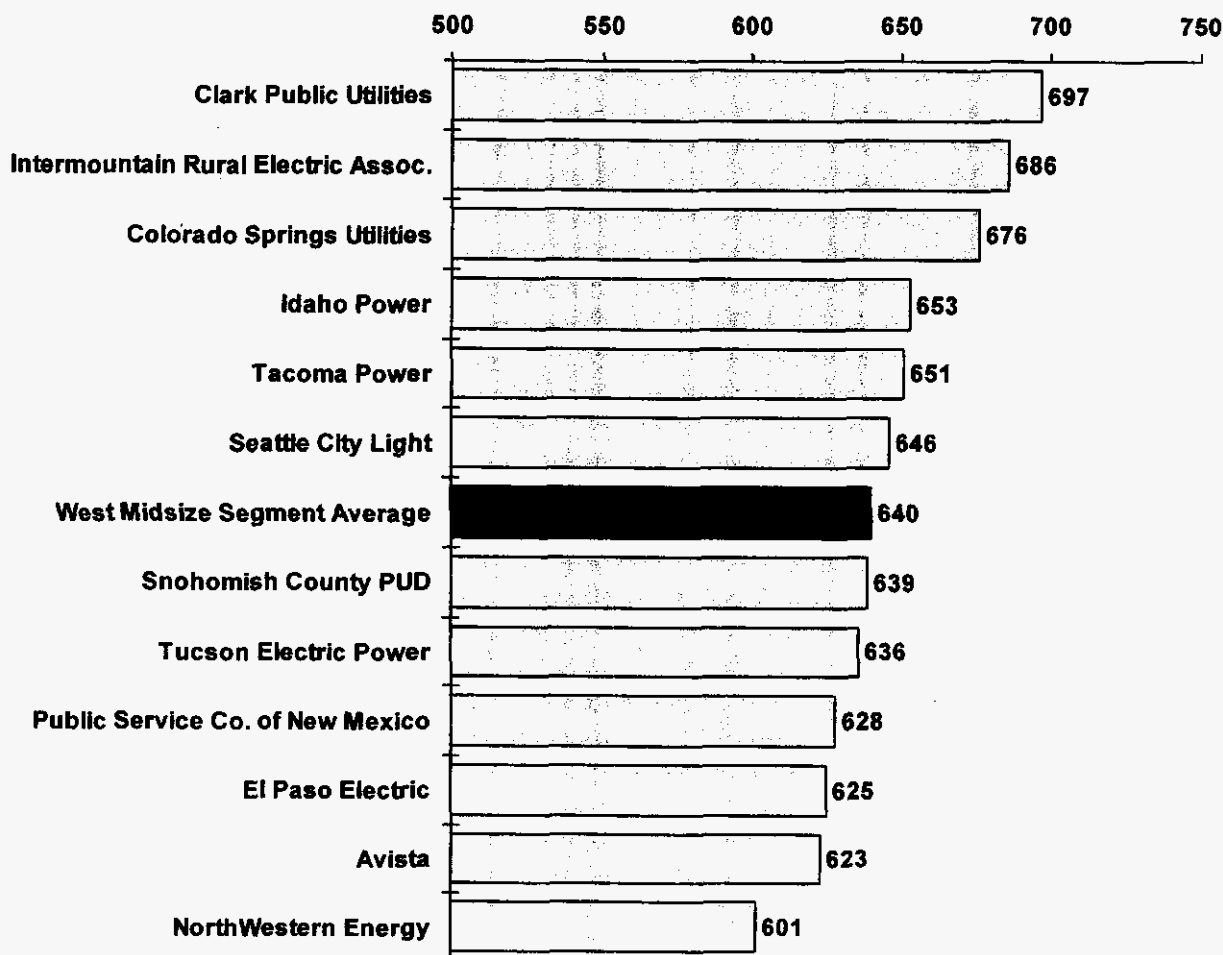
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J.D. Power and Associates 2009 Electric Utility Residential Customer Satisfaction StudySM

Customer Satisfaction Index Ranking

West Region: Midsize Segment

(Based on a 1,000-point scale)



Source: J.D. Power and Associates 2009 Electric Utility Residential Customer Satisfaction StudySM

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EXHIBIT NO. 395

DOCKET NO. 080677-EI - FPL RATE CASE

WITNESS: _____

DESCRIPTION: CROSS-EXAMINATION EXHIBIT

DOCUMENT:

U.S. Energy Information Administration, Average
Retail Price of Electricity to Customers,
By End-Use Sector, 1995 - present and May 2009

PROFFERED BY: THE FLORIDA RETAIL FEDERATION

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 395
COMPANY Florida Retail Federation
WITNESS EIA Retail Price Data - 2009
DATE 08/26/09



Energy Information Administration

Official Energy Statistics from the U.S. Government

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Average Retail Price of Electricity to Ultimate Customers by End-Use Sector, by State

Electric Power Monthly with data for May 2009
Report Released: August 14, 2009
Next Release Date: Mid-September 2009

 Table 5.6.A. [xls](#) format [Electric Power Monthly](#)

Table 5.6.A. Average Retail Price of Electricity to Ultimate Customers by End-Use Sector, by State, May 2009 and 2008
(Cents per kilowatthour)

Census Division and State	Residential		Commercial ¹		Industrial ¹		Transportation ^[1]		All Sectors	
	May-09	May-08	May-09	May-08	May-09	May-08	May-09	May-08	May-09	May-08
New England	17.86	17.92	14.64	15.87	12.82	13.39	8.51	11.67	15.23	16.02
Connecticut	20.85	19.63	15.49	15.85	13.57	13.85	15.19	12.76	17.12	16.74
Maine	15.19	15.8	11.88	12.29	9.31	11.75	--	--	12.22	13.3
Massachusetts	17.67	17.62	15.02	16.5	13.64	14.15	5.2	11	15.34	16.37
New Hampshire	16.59	15.76	15.16	14.05	13.72	12.75	--	--	15.44	14.39
Rhode Island	14.91	22.15	12.95	19.69	12.16	17.98	--	--	13.43	20.31
Vermont	15.21	14.96	13.09	12.66	9.22	8.77	--	--	12.82	12.32
Middle Atlantic	15.19	15.36	13.11	13.8	8.39	8.63	13.39	12.48	12.84	13.12
New Jersey	16.15	14.56	13.71	13.69	11.67	12.82	18.42	16.34	14.21	13.86
New York	17.84	19.45	14.84	16.55	10.86	11.58	14.42	13.58	15.43	16.8
Pennsylvania	12.07	11.8	9.84	9.54	6.96	6.93	8.72	7.5	9.6	9.26
East North Central	11.53	10.89	9.09	8.8	6.84	6.19	9.29	7.25	9.07	8.38
Illinois	12.17	11.51	8.31	8.38	7.37	7.47	8.94	6.78	9.24	9.03
Indiana	10.1	9.74	8.3	7.76	5.82	5.24	9.77	9.66	7.66	6.93
Michigan	12.03	10.44	9.64	9.19	7.89	6.47	10.87	13.03	9.86	8.61
Ohio	11.27	10.86	10.03	9.41	7.02	6.13	12.72	11.35	9.3	8.4
Wisconsin	12.1	11.94	9.43	9.26	6.64	6.44	--	--	9.18	8.89
West North Central	9.62	9.19	7.45	7.25	5.67	5.2	6.72	6.53	7.61	7.13
Iowa	10.5	10.29	7.37	7.2	4.92	4.79	--	--	7.1	6.79
Kansas	10.01	9.19	8.11	7.6	6.31	5.68	--	--	8.22	7.52
Minnesota	10.21	9.95	7.68	7.96	6.31	5.71	7.66	7.92	8.04	7.66
Missouri	9.3	8.88	7.15	6.94	5.45	4.91	5.56	5.02	7.57	7.07
Nebraska	8.62	7.91	7.26	6.46	5.51	4.77	--	--	7.05	6.27
North Dakota	8.22	7.64	6.95	6.7	5.8	5.33	--	--	6.98	6.51
South Dakota	8.81	8.52	7.08	6.94	5.67	5.35	--	--	7.42	7.16
South Atlantic	11.42	10.68	9.67	9	6.71	5.93	11.52	11.14	9.84	8.97
Delaware	14.74	14.41	12.49	11.77	9.12	9.68	--	--	12.36	11.97
District of Columbia	12.72	11.01	13.64	13.21	9	10.11	12.29	13.36	13.37	12.88
Florida	12.2	11.38	10.77	9.97	9.29	7.93	10.56	9.88	11.36	10.46
Georgia	10.07	9.78	8.76	8.74	5.98	6.12	6.75	6.59	8.59	8.39
Maryland	15	13.85	12.44	11.91	10.26	9.97	13.59	13.1	13.16	12.4
North Carolina	10.36	9.94	7.88	7.47	5.86	5.32	6.81	6.4	8.39	7.78
South Carolina	10.48	10.25	8.55	8.36	5.88	5.17	--	--	8.26	7.64
Virginia	11.19	9.56	8.37	6.69	7	5.19	8.74	7.12	9.16	7.34
West Virginia	8.06	7.25	6.81	6.04	5.44	4.17	7.41	5.72	6.68	5.47
East South Central	9.73	9.33	9.11	8.65	5.82	5.33	11.18	10.92	8.02	7.38
Alabama	10.41	9.93	9.67	9.15	6	5.57	--	--	8.56	7.86
Kentucky	8.52	8.2	7.47	7.1	4.87	4.54	--	--	6.4	5.9
Mississippi	10.51	10.37	9.66	9.53	6.7	6.1	--	--	8.93	8.51
Tennessee	9.56	9.01	9.54	8.87	6.61	5.81	11.18	10.92	8.6	7.77
West South Central	11.67	11.85	9.07	9.87	6.29	8.02	9.8	8.82	9.21	9.88
Arkansas	9.62	9.86	7.39	7.75	5.88	5.99	15.87	--	7.62	7.65
Louisiana	8.76	10.4	8.11	10.1	5.69	7.9	9.28	11.66	7.48	9.37
Oklahoma	8.93	9.31	6.59	7.67	4.98	5.75	--	--	6.98	7.65
Texas	12.96	12.78	9.89	10.41	6.76	8.67	9.85	8.62	10.19	10.61

Mountain	10.37	10.24	8.6	8.57	5.86	5.95	8.17	8.43	8.35	8.21
Arizona	11.33	11.02	9.69	9.19	7.05	6.52	--	--	10.02	9.42
Colorado	9.72	10.42	7.92	8.85	5.95	6.78	7.37	8.19	7.97	8.76
Idaho	7.37	6.84	6.29	5.49	4.88	4.16	--	--	6.02	5.27
Montana	8.94	9.39	8.27	8.67	5.24	5.88	--	--	7.2	7.52
Nevada	12.46	12.36	10.05	10.2	7.15	7.7	9.53	9.53	9.6	9.75
New Mexico	9.6	10.09	8.1	8.48	5.46	6.2	--	--	7.69	8.14
Utah	8.63	8.36	7.38	7.1	4.83	4.49	8.84	8.48	6.9	6.48
Wyoming	8.85	8.5	7.46	6.78	4.79	4.78	--	--	6.02	5.83
Pacific Contiguous	12.49	11.54	11.81	10.93	8.02	7.88	7.84	7.67	11.2	10.42
California	15.23	14.14	13.51	12.39	10.01	10.09	7.87	7.69	13.37	12.45
Oregon	8.86	8.51	7.68	7.37	5.41	5.06	6.74	6.99	7.51	7.16
Washington	7.79	7.14	7.02	6.57	5.24	4.92	6.17	5.85	6.84	6.31
Pacific Noncontiguous	20.34	26.18	17.47	22.15	14.99	22.45	--	--	17.56	23.46
Alaska	17.51	17.37	14.83	13.72	12.62	15.19	--	--	15.18	15.2
Hawaii	22.04	31.4	19.52	28.49	15.81	24.86	--	--	18.92	28
U.S. Total	11.86	11.48	10.12	10.05	6.89	6.8	11.61	11.1	9.87	9.54

[1] See Technical notes for additional information on the Commercial, Industrial, and Transportation sectors.

Notes: See Glossary for definitions. Values for 2007 are final. Values for 2008 are preliminary estimates based on a cutoff model sample.

See Technical Notes for a discussion of the sample design for the Form EIA-826. Utilities and energy service providers may classify commercial and industrial customers based on either NAICS codes or demands or usage falling within specified limits by rate schedule. Changes from year to year in consumer counts, sales and revenues, particularly involving the commercial and industrial consumer sectors, may result from respondent implementation of changes in the definitions of consumers, and reclassifications. Retail sales and net generation may not correspond exactly for a particular month for a variety of reasons (i.e., sales data may include imported electricity). Net generation is for the calendar month while retail sales and associated revenue accumulate from bills collected for periods of time (28 to 35 days) that vary dependent upon customer class and consumption occurring in and outside the calendar month. Totals may not equal sum of components because of independent rounding.

Source: Energy Information Administration, Form EIA-826, "Monthly Electric Sales and Revenue Report with State Distributions Report."

More Tables on the Average Retail Price of Electricity

Formats

Table ES. Summary Statistics for the United States	html	pdf	xls
Table 5.3. Average Retail Price of Electricity to Ultimate Customers: Total by End-Use Sector	html		xls
Table 5.6.B. Average Retail Price of Electricity to Ultimate Customers by End-Use Sector, by State, Year-to-Date	html		xls
Table ES1.A. Total Electric Power Industry Summary Statistics,	html		xls
Table ES1.B. Total Electric Power Industry Summary Statistics, Year-to-Date	html		xls
Average Price by State by Provider (EIA-861)			xls
Current and Historical Monthly Retail Sales, Revenues and Average Revenue per Kilowatthour by State and by Sector (Form EIA-826)			xls
Form EIA-861 Database			DBF
Table 7.4. Average Retail Price of Electricity to Ultimate Customers by End-Use Sector	html	pdf	xls
"Electric Sales, Revenue and Average Price"	html		

see also:

Electric Power Monthly

Electric Power Annual

annual electricity statistics back to 1949

projected electricity capacity to 2030

international electricity statistics

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Energy Information Administration

Official Energy Statistics from the U.S. Government

[Glossary](#)

[Home](#) > [Electricity](#) > [EPM](#) > Average Retail Price of Electricity to Ultimate Customers: Total by End-Use Sector

Average Retail Price of Electricity to Ultimate Customers: Total by End-Use Sector

Electric Power Monthly with data for May 2009
Report Released: August 14, 2009
Next Release Date: Mid-September 2009

 Table 5.3. [xls format](#) [Electric Power Monthly](#)

Table 5.3. Average Retail Price of Electricity to Ultimate Customers: Total by End-Use Sector, 1995 through May 2009
(Cents per Kilowatthour)

Period	Residential	Commercial ¹	Industrial ¹	Transportation[1]	Other	All Sectors
1995	8.4	7.69	4.66	NA	6.88	6.89
1996	8.36	7.64	4.6	NA	6.91	6.86
1997	8.43	7.59	4.53	NA	6.91	6.85
1998	8.26	7.41	4.48	NA	6.63	6.74
1999	8.16	7.26	4.43	NA	6.35	6.64
2000	8.24	7.43	4.64	NA	6.56	6.81
2001	8.58	7.92	5.05	NA	7.2	7.29
2002	8.44	7.89	4.88	NA	6.75	7.2
2003	8.72	8.03	5.11	7.54	--	7.44
2004	8.95	8.17	5.25	7.18	--	7.61
2005	9.45	8.67	5.73	8.57	--	8.14
2006	10.4	9.46	6.16	9.54	--	8.9
2007						
January	10.06	9.12	6.13	8.92	--	8.71
February	9.89	9.34	6.16	9.38	--	8.74
March	10.27	9.35	6.22	11.04	--	8.8
April	10.63	9.38	6.19	9.42	--	8.82
May	10.77	9.51	6.27	9.84	--	8.96
June	11.09	9.95	6.59	9.88	--	9.45
July	11.07	10.14	6.71	10.57	--	9.64
August	11.07	10.07	6.84	9.98	--	9.68
September	10.96	9.9	6.52	9.76	--	9.43
October	10.82	9.77	6.46	9.61	--	9.17
November	10.7	9.5	6.28	8.76	--	8.94
December	10.33	9.42	6.26	9.19	--	8.91
Total	10.65	9.65	6.39	9.7	--	9.13
2008						
January	10.24	9.4	6.39	9.69	--	8.99
February	10.28	9.47	6.38	10.43	--	8.98
March	10.57	9.62	6.54	10.7	--	9.11
April	11.02	9.86	6.64	10.49	--	9.3
May	11.48	10.05	6.8	11.1	--	9.54
June	11.84	10.88	7.4	11.79	--	10.34
July	12.14	11.11	7.78	12.28	--	10.73
August	12.15	11.08	7.63	12.59	--	10.66
September	11.99	10.77	7.35	13.82	--	10.34
October	11.91	10.5	7.23	10.9	--	10.04
November	11.52	10.13	7.04	10.6	--	9.75
December	11	9.95	6.88	11.21	--	9.64
Total	11.36	10.28	7.01	11.28	--	9.82

2009						
January	11.03	10.03	6.9	11.32	--	9.75
February	11.23	10.16	6.98	11.13	--	9.83
March	11.38	10.07	6.84	12.02	--	9.75
April	11.59	9.99	6.78	11.36	--	9.69
May	11.86	10.12	6.89	11.61	--	9.87
Total	11.38	10.08	6.88	11.48	--	9.78
Year to Date						
2007	10.29	9.34	6.19	9.72	--	8.8
2008	10.66	9.68	6.55	10.45	--	9.18
2009	11.38	10.08	6.88	11.48	--	9.78
Rolling 12 Months Ending in May						
2008	10.79	9.78	6.54	9.99	--	9.28
2009	11.64	10.43	7.17	11.72	--	10.06

{1} See Technical notes for additional information on the Commercial, Industrial, and Transportation sectors.

NA = Not available.

Notes: See Glossary for definitions. Prices are calculated by dividing revenue by sales. Revenue may not correspond to sales for a particular month because of energy service provider billing and accounting procedures. That lack of correspondence could result in uncharacteristic increases or decreases in the monthly prices. Geographic coverage is the 50 States and the District of Columbia. Average Revenue values for 1996-2007 include energy service provider (power marketer) data. Values for 2008 and 2009 are preliminary estimates based on a cutoff model sample. See Technical Notes for a discussion of the sample design for the Form EIA-826. Values for 2007 and prior years are final. Utilities and energy service providers may classify commercial and industrial customers based on either NAICS codes or demands or usage falling within specified limits by rate schedule. Values for 1996 in the commercial and industrial sectors reflect an electric utility's reclassification for this information by Standard Industrial Classification. Changes from year to year in consumer counts, sales and revenues, particularly involving the commercial and industrial consumer sectors, may result from respondent implementation of changes in the definitions of consumers, and reclassifications. Retail sales and net generation may not correspond exactly for a particular month for a variety of reasons (i.e., sales data may include imported electricity). Totals may not equal sum of components because of independent rounding.

Sources: 2006-2008: Energy Information Administration, Form EIA-826, "Monthly Electric Sales and Revenue Report with State Distributions Report;" 1992-2005: Form EIA-861, "Annual Electric Power Industry Report."

More Tables on the Average Retail Price of Electricity

Formats

Table ES. Summary Statistics for the United States	html	pdf	xls
Table 5.6.A. Average Retail Price of Electricity to Ultimate Customers by End-Use Sector, by State	html		xls
Table 5.6.B. Average Retail Price of Electricity to Ultimate Customers by End-Use Sector, by State, Year-to-Date	html		xls
Table ES1.A. Total Electric Power Industry Summary Statistics,	html		xls
Table ES1.B. Total Electric Power Industry Summary Statistics, Year-to-Date	html		xls
Average Price by State by Provider (EIA-861)			xls
Current and Historical Monthly Retail Sales, Revenues and Average Revenue per Kilowatthour by State and by Sector (Form EIA-826)			xls
Form EIA-861 Database			DBF
Table 7.4. Average Retail Price of Electricity to Ultimate Customers by End-Use Sector	html	pdf	xls
"Electric Sales, Revenue and Average Price"	html		

see also:

Electric Power Monthly

Electric Power Annual

annual electricity statistics back to 1949

projected electricity capacity to 2030

international electricity statistics

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EXHIBIT NO. 396

DOCKET NO. 080677-EI - FPL RATE CASE

WITNESS: _____

DESCRIPTION: CROSS-EXAMINATION EXHIBIT

DOCUMENT:

Excerpt from FPL Ten Year Power Plant Site Plan,
2009-2018 -- History & Forecast of Energy
Consumption and Number of Customers

PROFFERED BY: THE FLORIDA RETAIL FEDERATION

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 396
COMPANY Florida Retail Federation
WITNESS FPL TYSP Excerpt - Energy & Customers
DATE 08/26/09

Ten Year Power Plant Site Plan 2009 – 2018



FPL

DOCUMENT NUMBER-DATE

12906 APR-18

**Schedule 2.1
History and Forecast of Energy Consumption
And Number of Customers by Customer Class**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Year	Population 1/	Members per Household	Rural & Residential			Commercial		
			Average GWH 2/	Average No. of Customers	Average KWH Consumption Per Customer	Average GWH 2/	Average No. of Customers	Average KWH Consumption Per Customer
1999	7,412,744	2.22	44,187	3,332,422	13,280	35,524	404,942	87,725
2000	7,603,964	2.23	48,320	3,414,002	13,568	37,001	415,295	89,086
2001	7,754,848	2.22	47,588	3,490,541	13,633	37,980	426,573	88,989
2002	7,898,628	2.21	50,885	3,566,167	14,263	40,029	435,313	91,955
2003	8,079,316	2.21	53,485	3,652,663	14,843	41,425	444,650	93,163
2004	8,247,442	2.20	52,502	3,744,915	14,020	42,084	458,053	91,632
2005	8,469,802	2.21	54,348	3,828,374	14,196	43,488	469,973	92,490
2006	8,620,855	2.21	54,570	3,906,201	13,970	44,487	478,930	92,689
2007	8,729,806	2.19	55,138	3,981,451	13,949	45,921	493,130	93,121
2008	8,771,694	2.20	53,229	3,992,257	13,333	45,581	500,748	90,987
2009	8,775,903	2.20	52,041	3,994,173	13,029	44,878	509,881	88,016
2010	8,812,518	2.20	51,427	4,010,837	12,822	45,417	521,804	87,039
2011	8,912,688	2.20	51,654	4,056,428	12,734	46,620	534,717	87,187
2012	9,100,508	2.20	52,438	4,141,910	12,660	48,480	548,319	88,380
2013	9,287,417	2.20	52,638	4,226,978	12,453	49,537	562,200	88,113
2014	9,472,518	2.20	52,818	4,311,223	12,251	51,273	576,580	88,924
2015	9,656,158	2.20	53,087	4,394,802	12,080	52,822	591,382	88,319
2016	9,838,819	2.20	53,614	4,477,937	11,973	54,515	606,467	88,899
2017	10,020,376	2.20	54,249	4,560,569	11,895	56,233	621,955	90,414
2018	10,200,558	2.20	55,175	4,642,575	11,885	58,198	637,980	91,222

Historical Values (1999 - 2008):

1/ Population represents only the area served by FPL.

2/ Actual energy sales include the impacts of existing conservation. These values are at the meter.

3/ Average No. of Customers is the annual average of the twelve month values.

Projected Values (2009 - 2018):

1/ Population represents only the area served by FPL.

2/ Forecasted energy sales do not include the impact of incremental conservation. These values are at the meter.

3/ Average No. of Customers is the annual average of the twelve month values.

Schedule 2.2
History and Forecast of Energy Consumption
And Number of Customers by Customer Class

(1)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
		<u>Industrial</u>		<u>Railroads</u>	<u>Street &</u>	<u>Other</u>	<u>Total</u>
		<u>Average</u> ^{3/}	<u>Average KWH</u>	<u>&</u>	<u>Highway</u>	<u>Sales to</u>	<u>Sales to</u>
		<u>No. of</u>	<u>Consumption</u>	<u>Railways</u>	<u>Lighting</u>	<u>Public</u>	<u>Ultimate</u>
<u>Year</u>	<u>GWH</u> ^{2/}	<u>Customers</u>	<u>Per Customer</u>	<u>GWH</u>	<u>GWH</u> ^{2/}	<u>Authorities</u>	<u>Consumers</u>
						<u>GWH</u>	<u>GWH</u>
1999	3,948	16,040	246,135	79	473	465	84,676
2000	3,768	16,410	229,616	81	408	381	87,960
2001	4,091	15,445	264,875	86	419	67	90,212
2002	4,057	15,533	261,186	89	420	63	95,523
2003	4,004	17,029	235,128	93	425	64	99,498
2004	3,984	18,512	214,139	93	413	58	99,095
2005	3,913	20,392	191,673	95	424	49	102,296
2006	4,036	21,216	190,232	94	422	49	103,659
2007	3,774	18,732	201,499	91	437	53	105,415
2008	3,587	13,377	268,166	81	423	37	102,919
2009	3,584	12,527	286,133	91	446	37	101,078
2010	3,606	12,686	284,271	91	451	36	101,029
2011	3,656	12,980	281,675	91	457	35	102,614
2012	3,690	13,257	278,319	91	464	34	105,177
2013	3,687	13,397	275,187	91	474	33	106,461
2014	3,676	13,497	272,380	91	484	33	106,375
2015	3,662	13,575	269,744	91	494	33	110,188
2016	3,645	13,604	267,928	91	504	33	112,401
2017	3,631	13,604	266,896	91	515	33	114,752
2018	3,622	13,610	266,117	91	525	33	117,644

Historical Values (1999 - 2008):

2/ Actual energy sales include the impacts of existing conservation.

3/ Average No. of Customers is the annual average of the twelve month values.

4/ GWH Col. (16) = Col. (4) + Col. (7) + Col. (10) + Col. (13) + Col. (14) + Col. (15).

Projected Values (2009 - 2018):

2/ Forecasted energy sales do not include the impact of incremental conservation.

3/ Average No. of Customers is the annual average of the twelve month values.

4/ GWH Col. (16) = Col. (4) + Col. (7) + Col. (10) + Col. (13) + Col. (14) + Col. (15).

EXHIBIT NO. 397

DOCKET NO. 080677-EI - FPL RATE CASE

WITNESS: _____

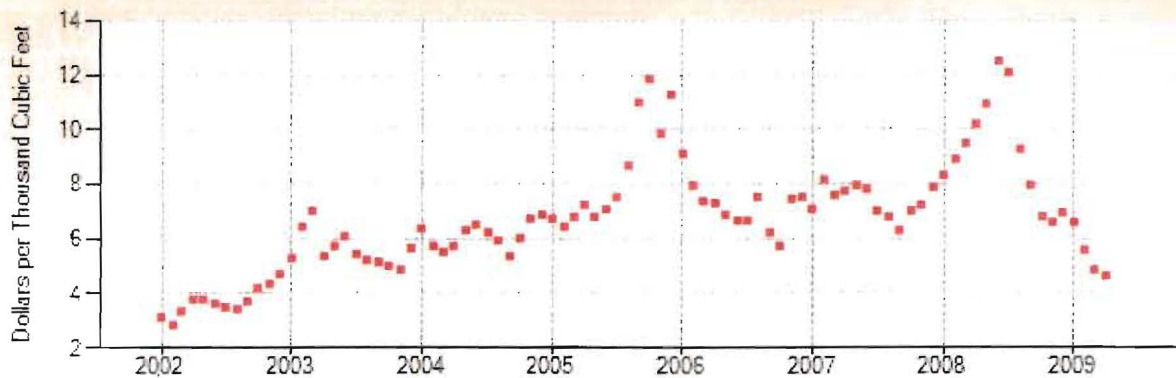
DESCRIPTION: CROSS-EXAMINATION EXHIBIT

DOCUMENT:

U.S. Energy Information Administration, U.S.
Natural Gas Electric Power Price (\$/Mcf), 2002-2009

PROFFERED BY: THE FLORIDA RETAIL FEDERATION

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080677-EI & 090130-EI EXHIBIT 397
COMPANY Florida Retail Federation
WITNESS EIA Natural Gas Prices, 2002-2009
DATE 08/26/09

Monthly U.S. Natural Gas Electric Power Price

Source: U.S. Energy Information Administration

U.S. Natural Gas Electric Power Price (Dollars per Thousand Cubic Feet)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	3.10	2.86	3.37	3.80	3.78	3.61	3.49	3.42	3.71	4.19	4.35	4.72
2003	5.33	6.47	7.05	5.38	5.70	6.08	5.45	5.23	5.12	4.98	4.85	5.69
2004	6.37	5.76	5.50	5.74	6.30	6.52	6.24	5.97	5.39	6.05	6.71	6.88
2005	6.72	6.42	6.84	7.27	6.83	7.08	7.57	8.67	10.99	11.84	9.87	11.26
2006	9.15	8.00	7.36	7.32	6.89	6.69	6.69	7.56	6.27	5.76	7.48	7.57
2007	7.08	8.18	7.64	7.77	7.96	7.80	7.03	6.83	6.33	7.00	7.28	7.93
2008	8.33	8.93	9.47	10.22	10.93	12.50	12.05	9.30	7.94	6.80	6.62	6.96
2009	6.60	5.59	4.90	4.62	NA							

- = No Data Reported; -- = Not Applicable; NA = Not Available; W = Withheld to avoid disclosure of individual company data.

Release Date: 7/29/2009

Next Release Date: 8/31/2009

Referring Pages:

- [Natural Gas Electric Power Price](#)
- [U.S. Natural Gas Prices](#)
- [Natural Gas Electric Power Price](#)

EXHIBIT NO. 398

DOCKET NO: 080677-EI

WITNESS: VARIOUS

PARTY: ~~FLORIDA POWER & LIGHT~~
CITY OF SOUTH DAYTONA

DESCRIPTION:

DOCUMENTS:

Interrogatories

FPL SUPPLEMENTAL RESPONSES TO
SOUTH DAYTONA'S FIRST SET
OF INTERROGATORIES NUMBERED
1 through 17

Request for Production of Documents

Additional Items

PROFFERED BY:

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 398

COMPANY City of South Daytona

WITNESS FPL's Supplemental responses to S. Dayt. Interrog.

DATE 08/26/09

Q.

Interrogatories 1-3 address Mr. Michael G. Spoor's testimony on FPL's Pole Inspection Program at page 12, line 19 to page 13, line 6.

Mr. Spoor states that FPL has completed one third of its initial eight year cycle of pole inspections.

- a. Has FPL inspected poles in the City of South Daytona as part of this program yet? If so:
 - i. when were the inspections conducted;
 - ii. where were the inspections conducted;
 - iii. when was each pole inspected placed into service;
 - iv. what was the condition of each pole inspected; and
 - v. what was the cost incurred to inspect, and repair or replace the poles inspected?
- b. If not, when are inspections in the City expected to be conducted?

A.

Note: Pole inspection information is maintained at the feeder/lateral level, not by city boundaries. FPL's response to this interrogatory contains pole inspection results for all poles on feeders/latentials that serve the City. As a result, some of these poles are, by definition, outside the city limits.

- a. Yes.
 - i. Inspections were conducted from October – December 2006.
 - ii. The inspections were conducted on all feeders and laterals serving the City.
 - iii. This information is not available as FPL does not maintain its records in this manner.
 - iv. For the poles on feeders and laterals serving the City (over 5,500 poles), 95% passed inspection, 4% failed the strength test and 1% failed the loading test.
 - v. Total costs to inspect, repair, and replace poles on feeders and laterals serving the City were \$662K.
- b. Not applicable.

Q.

Interrogatories 1-3 address Mr. Michael G. Spoor's testimony on FPL's Pole Inspection Program at page 12, line 19 to page 13, line 6

Please describe all the types of information that are recorded in association with pole inspection, repair and replacement, including information put into the Asset Management System and the Work Management System.

A.

Information collected during pole inspections: GPS coordinate of pole; brand year; class and length; wood species; original treatment; pole supplier; ground line circumference; condition of pole at and above ground line; previous treatment or inspection information; decay during current cycle; evaluation results; work performed; leaning poles; certain types of distribution equipment; loading assessment; number of phases; addresses of poles that may need follow-up; pictures of poles identified for replacement; and pole attributes.

Inspection information collected for pole reinforcement: type and size of reinforcement installed and date work completed.

Inspection information collected for pole replacement: length, class and type of pole installed; and date work completed.

Inspection information stored in AMS: FPL ID installation; material; height; class; treatment; accessible; brand year; manufacturer; wind rating date; owner type; owner name; inspection date; inspected by; pole usage; proposed follow-up; follow-up date completed; remarks; pole; treatment; primary reject; primary reject reason; strength; overloaded; pole inspection images; and maximum wind speed.

Inspection information stored in WMS: feeder; substation; management area; job print (image, address, GPS coordinates, etc.); pole ID; and additional information to facilitate replacement.

Q.

Interrogatories 1-3 address Mr. Michael G. Spoor's testimony on FPL's Pole Inspection Program at page 12, line 19 to page 13, line 6

Please describe all analyses that FPL conducts using information gathered from the Pole Inspection Program in order to assess the costs and/or benefits of the program.

A.

To date, analyses conducted include: researching contracted rates for billable inspection items; find rates for inspections and repairs; regional cost comparisons; and CCA pole excavation cost-effectiveness.

Q.

Interrogatory questions 4-9 address Mr. Michael G. Spoor's testimony on FPL's Feeder/Lateral Cable Program at page 13, lines 8-17.

Has FPL inspected, replaced or rehabilitated any direct buried feeder or lateral cable in the City of South Daytona?

- a. If so, when were inspections conducted, where were they conducted, and what were the costs of inspection and rehabilitation or replacement at each site?
- b. If not, when are inspections expected to be conducted?

A.

Note: Pole inspection information is maintained at the feeder/lateral level, not by city boundaries. FPL's response to this interrogatory contains pole inspection results for all poles on feeders/laternals that serve the City. As a result, some of these poles are, by definition, outside the city limits.

Yes. Certain failed direct buried feeder and lateral cable serving the City were inspected and sections of these feeder and lateral cable were replaced. No direct buried feeders or laterals were rehabilitated.

- a. During the period January 2006 - May 2009, FPL inspected and replaced sections of direct buried feeder and lateral cable serving the City. Replacement of failed direct buried lateral cable sections: September 2006 - Feeder 100936, Rad 3-7902-3364, Section 2-PH-TX - \$5,342; October 2007 - Feeder 100834, Loop 1000120, Section 9-10 - \$6,593; September 2008 - Feeder 106533, Rad 3-7901-9226, Section PH-Tx - \$4554. Replacement of failed direct buried feeder cable: January 2006, Feeder 100837, Section: Breaker-10210 - \$19,100.
- b. Not applicable.

Q.

Interrogatory questions 4-9 address Mr. Michael G. Spoor's testimony on FPL's Feeder/Lateral Cable Program at page 13, lines 8-17.

Please describe all the measures FPL takes to identify direct buried feeder or lateral cable in need of inspection, replacement or rehabilitation as part of the Feeder/Lateral Cable Program.

A.

For direct buried laterals experiencing a failure that is not a splice failure, and the cable has been previously injected, after inspection and location of the fault, FPL will repair the first fault. If the lateral cable experiences a second failure, the cable section will be replaced. Direct buried lateral failures with an available spare conduit, will be replaced after the first failure. For direct buried lateral cable failures without an available spare conduit and not previously injected, FPL will inspect and repair the first fault. If this direct buried lateral cable fails a second time, the cable will either be injected, if the neutral is good and the injection flow can be achieved, or the cable section will be replaced. If the direct buried lateral cable fails and is inaccessible, the cable section is replaced. For direct buried feeder cable, all failures require inspection and then replacement of the feeder cable section.

Q.

Interrogatory questions 4-9 address Mr. Michael G. Spoor's testimony on FPL's Feeder/Lateral Cable Program at page 13, lines 8-17.

Please describe each type of information that is recorded in association with inspection, rehabilitation and replacement under the Feeder/Lateral Cable Program, including information put into the Asset Management System and the Work Management System.

A.

The following information is recorded in association with replacement or rehabilitation of direct-buried cable in FPL's Feeder and Lateral Cable Programs: (AMS) Unique Loop #; Section; Work Request #; Cable Phase; Completion Date; Type work performed; Replacement or Repair; (WMS) Work Request #; Job Type; Job Code; Work or Program Description; Management Area; Contact Person; Required Date; Status; Job Address; Materials; and Cost.

Q.

Interrogatory questions 4-9 address Mr. Michael G. Spoor's testimony on FPL's Feeder/Lateral Cable Program at page 13, lines 8-17.

Please describe all analyses that FPL conducts using information obtained from the Feeder/Lateral Cable Program to assess the costs and/or benefits of the program.

A.

Analyses conducted include: tracking/analyses of the number of cable failures; footage of cable rehabilitated; footage not rehabilitated; programs' budget/actual O&M expenses and capital expenditures; and customer interruptions avoided.

Q.

Interrogatory questions 4-9 address Mr. Michael G. Spoor's testimony on FPL's Feeder/Lateral Cable Program at page 13, lines 8-17.

Has FPL undertaken any storm hardening activities in the City of South Daytona?

- a. If so, please describe each measure taken, when it was taken, where it was taken, and the cost incurred.
- b. If not, when will FPL undertake storm hardening in the City of South Daytona?

A.

No, not yet.

- a. Not applicable.
- b. Current plans indicate that hardening activities (like those addressed in FPSC Docket No. 070301-EI) in the City will be initiated in 2012.

Q.

Interrogatory questions 4-9 address Mr. Michael G. Spoor's testimony on FPL's Feeder/Lateral Cable Program at page 13, lines 8-17.

If storm hardening has occurred in the City of South Daytona, please describe each type of information that was recorded in association with the activity, including information put into the Asset Management System and the Work Management System.

A.

Not applicable. See FPL's response to CSD's First Set of Interrogatories No. 8.

Q.

Where, in the City of South Daytona, has FPL installed new feeders and laterals within the past five (5) years?

A.

Note: Pole inspection information is maintained at the feeder/lateral level, not by city boundaries. FPL's response to this interrogatory contains pole inspection results for all poles on feeders/laterals that serve the City. As a result, some of these poles are, by definition, outside the city limits.

No new feeders and six new laterals (two added to Feeder No. 931, one added to Feeder No. 937, and three added to Feeder No. 6531) have been installed since December 2005.

Q.

Please identify the individuals responsible for maintaining the records for work conducted under the Pole Inspection Program, the Feeder/Lateral Program, the Storm Hardening Program and the installation of new feeders and laterals in the City.

A.

Program "owners" responsible for each program, which includes oversight of maintaining records are:

Pole Inspection Program	Christina Lopez
Feeder/Lateral Program	Rogery Adams
Storm Hardening	Rick Teigland
New Feeders/Laterals	Jim Bush

Q.

In Docket No. 050045-EI, FPL's 2005 rate case, Geisha Williams' testimony on distribution infrastructure informed the Commission that customer service was being enhanced by the new Asset Management System. She explained that the Asset Management System:

houses records of all existing and proposed facilities with their precise location and other relevant information displayed in a geographical format. Besides daily operational benefits, direct savings are expected from reduced drafting labor costs.

See Docket No. 0500045, Petition for rate increase by Florida Power & Light Company, Document No. 02775-05 at page 14, lines 12-16.

In response to Staff's Interrogatory 182, in Docket No. 050045-EI, FPL informed the Commission that:

FPL utilizes a work management system to estimate the scope of work to be performed on a work order. The work management system interfaces with FPL's fixed assets system nightly to provide retirement unit number, description, asset location, in-service year, quantity, and original cost. The project engineer responsible for the work scope identifies the assets that are to be removed and retired as part of the work order estimating process.

Please explain why FPL informed the City of South Daytona that it did not maintain records of any existing facilities, with their precise location and other relevant information, despite the fact that it included the cost for the Asset Management System in its base rates paid by the City and its residents.

A.

FPL believes this question results from previous franchise agreement discussions between FPL and the City. First, FPL notes that its response to Staff's Tenth Set of Interrogatories No. 182 describes ~~FPL's work management system~~, and how it interfaces with FPL's fixed asset system, and not the Asset Management System (AMS) discussed in Geisha Williams' testimony. Second, it is true that ~~FPL's AMS maintains the location of facilities (e.g., GPS and TLN) as well as other information (e.g., pole inspection results)~~. However, FPL is in the midst of the on-going process of gathering data to populate and verify data within AMS (e.g., 8-year pole inspection data is being captured/input into AMS). Additionally, not all facilities are maintained in AMS (e.g., secondary conductor), cost information is not maintained in AMS, and like many other systems within FPL (including FPL's continuing property records), AMS records are not currently maintained at the city/municipality level.

Q.

Please identify the persons, other than attorneys, who assisted in preparing the responses to these interrogatories, specifying as to each such person, which interrogatories he or she assisted in answering and what specific information that person provided.

A.

H. Tony Cuba provided FPL's response to CSD's First Set of Interrogatories No. 15.
Bryan Olnick provided FPL's response to CSD's First Set of Interrogatories No. 12.
Rena Deaton provided FPL's responses to CSD's First Set of Interrogatories Nos. 13 and 14.
Christina Lopez provided FPL's responses to CSD's First Set of Interrogatories Nos. 1-6.
Eduardo Prieto provided FPL's responses to CSD's First Set of Interrogatories Nos. 7-11.
David Bromley provided FPL's responses to CSD's First Set of Interrogatories No. 16.

EXHIBIT NO. _____

DOCKET NO: 080677-EI and 090130-EI

WITNESS: Olivera

PARTY: FLORIDA POWER & LIGHT

DESCRIPTION: STAFF'S

DOCUMENTS:

Reliability Complaints and Responses

PROFFERED BY: STAFF

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI EXHIBIT 399

COMPANY FL PSC Staff

WITNESS Reliability Complaints & Responses

DATE 08/26/09



Customer Inquiry Response

Customer's First Name: DANIEL
Last / Business Name: LEWIS
Alternate Name:
Service Address: 4784 WIGGINS RD
LAKE WORTH, FL 33463

FPSC Log:	R404670	Received From:	Rate Case Docket 09
Account #:	50429-14100	Response Type:	Final

Response Comments:

On August 14, 2009, Mr. Jason Sanchez, FPL's Distribution Complaint Resolution Specialist, contacted Mr. Lewis to discuss his concerns regarding trees in the rear of his property that had not been trimmed in years. Mr. Sanchez apologized and advised Mr. Lewis that his concern would be referred to FPL's Vegetation Department for further investigation and response. Mr. Sanchez provided his contact information should Mr. Lewis have any additional questions or concerns.

FPL records do not reflect any Service Interruptions from February 1, 2009 through August 13, 2009.

FPL records indicate the following Momentary Power Interruptions from February 1, 2009 through August 13, 2009:

	February	March	April	May	June	July	August
MPI's	0	0	0	3	5	0	0

On August 14, 2009, Mr. Robert Lozano, FPL's Utility Arborist, made an unsuccessful attempt to contact Mr. Lewis, but did speak with his son who mentioned he was unfamiliar with the situation. Mr. Lozano provided his contact information and requested that Mr. Lewis return his call in order to discuss his concerns. FPL records do not indicate any prior tree trimming reports from Mr. Lewis. FPL's Vegetation department will continue to contact Mr. Lewis in order to address his concerns.

On August 17, 2009, Mr. Lozano met with Mr. Lewis to discuss his concerns. Mr. Lewis pointed out a certain area where vegetation had grown onto the power lines. Mr. Lozano agreed to have the trees trimmed by September 4, 2009, barring any unforeseen circumstances. Mr. Lewis expressed his satisfaction with FPL's response and action plan.

Lewis
R404670
Page 2 of 2

In addition, the reasons for FPL's rate request was provided to the customer.

For further information contact: Roseanne Lucas, (305)552-3372) or
FPL_FPSC_Complaints@fpl.com)

Approval Signature:	<u>Jason Sanchez</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist</u>
Date of Approval:	<u>08/14/2009</u>



Customer Inquiry Response

Customer's First Name: STEVEN
Last / Business Name: DOUGLAS
Alternate Name:
Service Address: 11420 NW 32ND MNR
SUNRISE, FL 33323

FPSC Log:	R593213	Received From:	Rate Case Docket 09
Account #:	15294-92041	Response Type:	Final

Response Comments:

On August 11, 2009, Mr. Jason Sanchez, FPL's Distribution Complaint Resolution Specialist, contacted Mr. Douglas regarding his service reliability concerns. Mr. Sanchez informed Mr. Douglas that his concern would be referred to the appropriate department for further investigation and response. Mr. Sanchez provided his contact information should Mr. Douglas have any additional questions or concerns.

FPL records do not reflect any Service Interruptions from February 1, 2009 through August 13, 2009:

FPL records indicate the following Momentary Power Interruptions from February 1, 2009 through August 13, 2009:

	February	March	April	May	June	July	August
MPI's	0	0	2	6	3	11	0

On August 12, 2009, FPL conducted a visual inspection of the lines serving the area and will follow up with the customer regarding results. FPL's Service Center has made several unsuccessful attempts to contact Mr. Douglas, but the recording states that he is not accepting any incoming calls.

On August 18, 2009, Mr. Sanchez mailed a letter requesting that Mr. Douglas contact FPL's Service Center to further discuss his concerns.

In addition, the reasons for FPL's rate request was provided to the customer.

Douglas
R593213
Page 2 of 2

For further information contact: Roseanne Lucas, (305)552-3372 or
FPL_FPSC_Complaints@fpl.com

Approval Signature:	<u>Jason Sanchez</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist</u>
Date of Approval:	<u>08/17/2009</u>

R 593213



FPL

POWERING TODAY.
EMPOWERING TOMORROW.®

Florida Power & Light Company, P O Box 025209, Miami, FL 33102-5209

08/18/2009

Steven Douglas
11420 NW 32nd Mnr
Sunrise, FL 33323

Dear Mr Douglas:

FPL's Service Center has made several unsuccessful attempts to contact you at (954) 748-0177 to discuss your concerns regarding the frequent interruptions in your area. Please contact Ms Kristine Del Sol at (954) 717-2078 at your earliest convenience. If you have any questions for me, please feel free to contact me at (800) 361-5163 Extension 3.

We at Florida Power & Light Company value you as a customer, and strive for ways to better serve you in the future.

Sincerely,

Jason Sanchez
Florida Power and Light Executive Office



Customer Inquiry Response

Customer's First Name: P
Last / Business Name: FRASCHETTI
Alternate Name:
Service Address: 5229 BODEGA PL # MODEL
DELRAY BEACH, FL 33484

FPSC Log:	R684138	Received From:	Lynne Adams - FPL
Account #:	67009-85580	Response Type:	Final

Response Comments:

On July 13, 2009, Mr. Jason Sanchez, FPL's Distribution Complaint Resolution Specialist, contacted Mr. Peter Frascchetti and acknowledged receipt of his FPSC inquiry (869232E) regarding street lights not working in the area. Mr. Sanchez informed Mr. Frascchetti that his concern would be referred to the area's Service Center for further investigation and response. Mr. Sanchez provided his contact information should Mr. Frascchetti have any additional questions or concerns.

On July 14, 2009, Mr. Bill Childers, FPL's Production Lead, contacted Mr. Frascchetti to further discuss his concerns. Mr. Childers informed Mr. Frascchetti that a contractor will be repairing the lights in the area and should be completed by July 15, 2009. Mr. Childers advised Mr. Frascchetti that he would follow up with him once the repairs were completed.

On July 16, 2009, Mr. Childers contacted Mr. Frascchetti to advise him that the lights had been repaired. Mr. Frascchetti expressed his satisfaction with FPL's response and the actions taken to repair the lights.

A 3 Day Response was submitted to the FPSC.

On August 13, 2009, FPL received an inquiry from the FPSC from FPL's Rate Case Correspondence mailbox. The customer's correspondence was the same one that FPL had received on July 13, 2009, with the logged complaint.

Mr. Jason Sanchez, contacted Mr. Frascchetti who confirmed his satisfaction with the street lights being repaired. In addition, Mr. Sanchez discussed the rate case and advised Mr. Frascchetti that he would mail him some information within the next couple of days regarding FPL's proposed rate increase. Mr. Sanchez provided his contact information should Mr. Frascchetti have any additional questions or concerns.

Fraschetti
Page 2 of 2

Approval Signature:	<u>Jason Sanchez</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist,</u>
Date of Approval:	<u>08/14/2009</u>

STATE OF FLORIDA

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
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KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP



OFFICE OF PUBLIC INFORMATION
CYNTHIA L. MUIR
DIRECTOR
(850) 413-6482

Public Service Commission

August 12, 2009

Mr. Peter A. Fraschetti
5229 Bodega Place
Delray Beach, Florida 33484

Re: Docket No. 080677-EI – Florida Power & Light

Dear Mr. Fraschetti:

Thank you for your letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

A handwritten signature in cursive script that reads "Bev DeMello".

Bev DeMello
Assistant Director

CLM/jmb

cc: Cheryl Bulecza-Banks, Division of Economic Regulation
Marshall Willis, Division of Economic Regulation
Office of Commission Clerk

Peter A. Frascchetti
5229 Bodega Place
Delray Beach, FL 33484

The Honorable Robert Wexler
United States House of Representatives
Washington, DC 20515

July 1, 2009

Dear Mr. Wexler;

Each morning at 4:30 am I walk south on Military Road to Clint Moore Road then turn around and return home (5229 Bodega Pl. Bel Aire). Naturally it is very dark at that time. I have been completing this trek for the past six years. During these many walks I have noticed how dark it is when a street light is out. Believing it to be citizen's obligation to report a burned-out bulb I called FPL's power outage phone number printed on my monthly statement.

I feel it appropriate to express to you my frustration trying to have FPL replace burned-out bulbs on their light poles. Two of the lights have been out approximately one year and since my last request (May 26) four more are not working. I have tried in vain to have this problem resolved. Code numbers have been given for each light reported out. I asked the FPL employee if FPL went out at night looking for lights needing to be replaced. The reply was they don't have the time nor manpower. So lights do not get replaced unless a customer reports it? Is that why they need to increase their profits?

I believe it inappropriate for Florida Power and Light to seek a twelve (12) dollars rate increase at this time. Our utilities assessments include paying for the street lights provided for safety and lighting.

It smacks of General Motors, Chrysler, Big bank Bail-Outs and their Retreat bonuses. If FPL can't provide the services required by their customers are they going to cut-back the high salaries of their executives? It is a public utility and is guaranteed to be profitable.

I greatly appreciate your interest in my situation and for all your service you have provided to your constituency and my family.

Thank you;


Peter A. Frascchetti

RECEIVED

JUL 13 2009

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515



Customer Inquiry Response

Customer's First Name: BARBARA
Last / Business Name: ADLER
Alternate Name:
Service Address: 10338 UTOPIA CIR N
BOYNTON BEACH, FL 33437

FPSC Log: R564012 **Received From:** Lynne Adams - FPL
Account #: 98761-99366 **Response Type:** Final

Response Comments:

On August 14, 2009, Mr. Richard Paraiso, Distribution Complaint Resolution Specialist, contacted Ms. Barbara Adler, by telephone to acknowledge the receipt of her protest comments to the FPSC and also her concern relating to service reliability. Mr. Paraiso explained that he would refer the reliability issues to the Service Center to investigate and that someone would be contacting her regarding the investigation. He also provided his contact information for any further concerns.

Later that same day, Ms. Cynthia Guido, Corporate Resolution Specialist, contacted Mrs. Adler regarding her concern with FPL's rate proposal. Ms. Guido discussed the reason for the increase. In addition, Ms. Guido offered to issue, via regular mail, additional information regarding the rate case, which the customer accepted. The customer indicated she was satisfied.

FPL records do not reflect any sustained Service Interruptions from February 1, 2009 through August 18, 2009

FPL records reflect the following momentary power interruptions (MPI's) During the same time period

	Feb' 2009	Mar' 2009	Apr' 2009	May' 2009	Jun' 2009	Jul' 2009	Aug' 2009
# of MPI's	1	0	7	4	4	10	4

On August 18, 2009, Mr. Charles Arthus, Service Planning Engineer, contacted Ms Adler by telephone to discuss her electric reliability concerns. Mr. Arthus apologized for the MPI's her area has been experiencing. He explained that the Service Center will schedule a Thermovision inspection to be completed on the feeder line serving her area, to identify any improvement opportunities. He advised the customer that the Thermovision and any resulting improvement opportunities that may be identified will have a target completion date of October 14, 2009, barring any unforeseen circumstances.

Adler
Page 2 of 2

Mr. Arthus provided his contact information and asked her to telephone him if she experiences any service interruptions in the future. Mr. Arthus also agreed to provide her with periodic updates of the Service Center's efforts to improve the reliability of electric service in her area. Ms. Adler stated to Mr. Artus that she is very satisfied with his explanation and the action plan that he provided.

Approval Signature:	<u>Richard Paraiso</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist,</u>
Date of Approval:	<u>08/19/2009</u>

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
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NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF PUBLIC INFORMATION
CYNTHIA L. MUIR
DIRECTOR
(850) 413-6482

Public Service Commission

August 12, 2009

Ms. Barbara Adler
10338 Utopia Circle North
Boynton Beach, Florida 33437

Re: Docket No. 080677-EI – Florida Power & Light

Dear Ms. Adler:

Thank you for your letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

A handwritten signature in cursive script that reads "Bev DeMello".

Bev DeMello
Assistant Director

CLM/jmb

cc: Cheryl Bulecza-Banks, Division of Economic Regulation
Marshall Willis, Division of Economic Regulation
Office of Commission Clerk

Katie Ely

From: Barbara Adler [bbadler@galactic-trading.com]
Sent: Monday, June 22, 2009 12:05 PM
To: Consumer Contact
Subject: FPL rates

I don't understand why FPL feels it needs to raise consumers' rates. The company made a VERY large profit this past year and our service hasn't exactly been stellar.

Most weeks we have power surges 2 or 3 times and often loose power for more than just seconds.

The profit should be put back into the company to improve the system so that there are no surges and no outages. Where does this money go?

Please say 'NO' to FPL. No rate increases.

Thank you,

Barbara Adler

10338 Utopia Circle North

Boynton Beach, FL 33437

6/25/2009



Customer Inquiry Response

Customer's First Name: CHARLIE

Last / Business Name: RESTA

Alternate Name:

Service Address: N/A
N/A, N/A N/A

FPSC Log: R705318

Account #: 00000-00000

Received From:

Lynne Adams - FPL

Response Type:

Final

Response Comments:

On August 17, 2009, Ms. Michelle Vega, FPL's Complaint Resolution Specialist, sent an e-mail to Mr. Charlie Resta, at CResta@flitelineusa.com. to acknowledge receipt of his protest comments to the Florida Public Service Commission (FPSC) regarding service reliability and maintenance of FPL facilities. Ms. Vega requested contact information and a service address in order to begin an investigation and address his concerns.

In addition, the reasons for FPL's rate request was provided to the customer.

No further contact has been made from the customer.

Approval Signature: Michelle Vega

Approver's Title: Complaint Resolution Specialist

Date of Approval: 08/20/2009

Janet Brunson

From: Charlie Resta [CResta@flitelineusa.com]
Sent: Thursday, August 13, 2009 10:51 AM
To: Janet Brunson
Subject: RE: Docket No. 080677-EI - Florida Power & Light

Dear Janet, Thank you for your efforts. I find it ironic I am getting a reply the day after we suffered a 37 min. loss of power on a clear and beautiful moonlit night ? FPL is NOT providing reliable service and is taking advantage of it's customers every way they can get away with ! Thank you again for your efforts, C. Resta

From: Janet Brunson [mailto:JBrunson@PSC.STATE.FL.US]
Sent: Thursday, August 13, 2009 10:36 AM
To: Charlie Resta
Cc: Cheryl Bulecza-Banks; Marshall Willis
Subject: Docket No. 080677-EI - Florida Power & Light

Thank you for your e-mail to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

Bev DeMello
Assistant Director
Office of Public Information

8/13/2009

Janet Brunson

From: Janet Brunson
Sent: Thursday, August 13, 2009 10:36 AM
To: 'CResta@flitelineusa.com'
Cc: Cheryl Bulecza-Banks; Marshall Willis
Subject: Docket No. 080677-EI - Florida Power & Light

Thank you for your e-mail to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

Bev DeMello
Assistant Director
Office of Public Information

8/13/2009

Katie Ely

From: Charlie Resta [CResta@flitelineusa.com]
Sent: Monday, June 22, 2009 11:38 AM
To: Consumer Contact
Subject: RATE INCREASE docket 080677-EI

Dear Sirs, Please DO NOT grant any increases to FPL. The return to the investors is at our expense, a 12% return is better than almost anything that is legal..Madoff only promised 18% !! FPL has no competition and has bee and continues to be derelict in development of SOLAR, WIND AND HYDRO sources of power. The FPL grid is a disgrace with power poles and support structures left unmaintained until they fail. I live within 3 miles of a major power plant and experience a power failure ANYTIME IT RAINS or we have any windy conditions! I have had to replace a TV and refrigerator and now have every appliance in our home protected by an upgraded surge protector. The fuel charge is a scam, our bill shows we pay MORE for the fuel charge than the actual Electric we use !! Our electric consumption is down 1/3 but our fuel charge reflects no such reduction. The economy is down, people are struggling and FPL is not happy with 12%...please consider the people of Florida !

Thank you,

C. Resta



Customer Inquiry Response

Customer's First Name: JOAN
Last / Business Name: TERRY
Alternate Name:
Service Address: 12058 NAPOLI LN
BOYNTON BEACH, FL 33437

FPSC Log: R207667 **Received From:** Rate Case Docket
09
Account #: 80454-07031 **Response Type:** Final

Response Comments:

On August 10, 2009, Mr. Owen Christie, FPL's Distribution Complaint Resolution Specialist, contacted Ms. Terry in response to her concern about service reliability. Mr. Christie discussed the customer's service interruption history during the past six months and common causes of MPI's. Mr. Christie explained that FPL cannot guarantee continuity of service and explained how momentary power interruptions are part of FPL's operating system. Ms. Terry expressed her understanding with the explanation provided and thanked Mr. Christie for the follow up call. Mr. Christie provided his contact information and asked Ms. Terry to contact him should he have any additional concerns.

Note: FPL records do not reflect any contacts from the customer prior to the receipt of this inquiry.

FPL records indicate the following service interruptions from February 10, 2009 through August 10, 2009:

Date	Time Off	Time On	Device	Remarks
6/6/2009	6:11AM	6:12 AM	Feeder	Equipment Failed

FPL records indicate the following Momentary Power Interruptions during the same period of time

	Aug '08	Sep '08	Oct '08	Nov '08	Dec' 08	Jan '09	Feb '09	Mar '09	Apr '09	May '09	Jun '09	Jul '09	Aug '09
# MPI's	0	0	1	0	1	1	2	0	2	3	4	1	0

Terry
R187394
Page 2 of 2

In addition, the reasons for FPL's rate request was provided to the customer.

For further information contact: Roseanne Lucas, (305)552-3372) or
FPL_FPSC_Complaints@fpl.com

Approval Signature:	<u>Owen Christie</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist</u>
Date of Approval:	<u>08/17/2009</u>

Janet Brunson

From: Janet Brunson
Sent: Tuesday, August 04, 2009 10:53 AM
To: 'joanellenterry@bellsouth.net'
Cc: Cheryl Bulecza-Banks; Marshall Willis
Subject: Docket No. 080677-EI - Florida Power and Light

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

Bev DeMello, Assistant Director
Office of Public Information

8/4/2009

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Friday, July 31, 2009 4:40 PM
To: Janet Brunson
Cc: Cindy Muir; Bev DeMello
Subject: FW: Docket 080677-EI

Would you please send this customer a "D" response? FPL will have to contact them by e-mail.

Thanks, Cheryl

From: joanellenterry@bellsouth.net [mailto:joanellenterry@bellsouth.net]
Sent: Sunday, June 21, 2009 11:15 AM
To: Consumer Contact
Subject: RE: Docket 080677-EI

I can thank Michael Mayo for his insightful information. Since I will be out of town for the meetings regarding the proposed 30% base rate increase over the next two years, I would like to comment. If in fact what Mr. Mayo informs us is true(which as a reporter it had best be) this request is outrageous and flies in the face of having more nerve than brains. I have been a Florida resident now for over 6 years. Having lived in upstate New York for over 28 years, with it's freezing and icy winter conditions, I would be hard pressed to think of how many times in 28 years that I was without power. That being said, I would be hard pressed to remember a day that goes by here in South Florida where my power isn't "interrupted" on a daily basis. Perhaps, before one asks the public for a 30% base rate increase, one needs to get ones ducks in a row and provide good, reliable service. Until this is accomplished, this increase should not be allowed

Hopefull the Public Service Commission should consider this before allowing this increase .

Respectfully,
Joan E. Terry
Boynton Beach

8/3/2009



FPL

Customer Inquiry Response

Customer's First Name: SUE
Last / Business Name: SUE1949@bellsouth
Alternate Name:
Service Address: N/A
N/A, N/A N/A

FPSC Log:	R758945	Received From:	Rate Case Docket 09
Account #:	00000-00000	Response Type:	Final

Response Comments:

On August 17, 2009, Ms. Michelle Vega, FPL's Complaint Resolution Specialist, sent an e-mail to Sue at sue1949@bellsouth.net to acknowledge receipt of concern to the Florida Public Service Commission (FPSC) regarding service reliability. Ms. Vega requested contact information and a service address in order to begin an investigation regarding her service reliability.

In addition, the reasons for FPL's rate request was provided to the customer.

For further information contact: Roseanne Lucas, (305)552-3372 or
FPL_FPSC_Complaints@fpl.com.

Approval Signature:	Michelle Vega
Approver's Title:	Complaint Resolution Specialist,
Date of Approval:	08/17/2009

SUE1949@bellsouth.net

R 758945

From: Vega, Michelle
Sent: Monday, August 17, 2009 10:34 AM
To: 'SUE1949@bellsouth.net'
Subject: Docket No. 080677-EI - Florida Power and Light.

I am writing in response to your recent inquiry with the Florida Public Service Commission regarding service reliability. We at FPL realize that any service interruption, regardless of its duration, can be difficult and at times frustrating. Please accept our apologies for any inconvenience we may have caused you.

In efforts to further assist you and investigate your inquiry I need your account information. Please call me at your earliest convenience so that we may properly address your concerns. I can be reached at 1 (800) 361-5162, extension 6.

Thank you,

Michelle Vega
Florida Power and Light Executive Office

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential, proprietary, and/or privileged material. Any review, re-transmission, dissemination or other use of, or taking of any action in reliance upon this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and delete the material from all computers.

Janet Brunson

From: Janet Brunson
Sent: Tuesday, August 04, 2009 10:52 AM
To: 'sue1949@bellsouth.net'
Cc: Cheryl Bulecza-Banks; Marshall Willis
Subject: Docket No. 080677-EI - Florida Power and Light

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

Bev DeMello, Assistant Director
Office of Public Information

8/4/2009

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Friday, July 31, 2009 2:44 PM
To: Janet Brunson
Cc: Cindy Muir; Bev DeMello
Subject: FW: FPL rate hike

Please send this customer a "D" response. Thanks, Cheryl

From: sue1949@bellsouth.net [mailto:sue1949@bellsouth.net]
Sent: Friday, June 26, 2009 12:38 PM
To: Consumer Contact
Subject: FPL rate hike

This proposed rate hike is at the wrong time for this economy. We have not had a hurricane, thankfully, and they are charging enough to begin with. My power goes out at least daily for brief moments. These outages affect my tv and computer. We have had to purchase expensive surge protectors because of these so called "brown outs". They do supply a much needed service, but they should not raise rates at this high percentage at this time. We are already "paying" for upgrades and a solar facility and repairs which will just be brought to the ground if we have another hurricane. FPL should examine the economic impact on the already hurting public and put off this increase until the economy improves. Then it should not be allowed to increase rates beyond a 10% hike in any one calendar year.

8/3/2009



FPL

Customer Inquiry Response

Customer's First Name: ADRIANNE
Last / Business Name: ROBERTS
Alternate Name:
Service Address: 19979 VILLA LANTE PL
BOCA RATON, FL 33434

FPSC Log: R185642 **Received From:** Rate Case Docket
09
Account #: 57795-00031 **Response Type:** Final

Response Comments:

On August 10, 2009, Mr. Richard Parasio, Distribution Complaint Resolution Specialist, made several unsuccessful attempts to contact Ms. Adrienne Roberts concerning the service reliability of her area. A e-mail and letter were sent to Ms. Roberts on August 14, 2009 requesting a return call to discuss her reliability concerns. Mr. Parasio referred the customer's concerns to the area Service Center for further investigation.

FPL records reflect the following sustained Service Interruptions from February 1, 2009 through August 13, 2009:

Date	Time Off	Time On	Device	Remarks
03/18/2009	08:34 PM	09:17 PM	Feeder	Equipment Failure
03/19/2009	06:16 AM	02:03 PM	Feeder	Equipment failure
07/01/2009	05:28 AM	09:50 AM	Lateral	Equipment Failure

FPL records reflect the following Momentary Power Interruptions (MPI's) during the same time period

	Feb' 2009	Mar' 2009	Apr' 2009	May' 2009	Jun' 2009	Jul' 2009	Aug' 2009
# of MPI's	3	*10	0	1	7	3	2

* 3 MPI's were associated with outage on 3/18/2009 and 4 MPI's were associated with outage on 3/19/2009

An inspection was completed on the customer's Feeder in June and the following work was identified: tree trimming, replacement of lightning arrestors and insulators. All work was completed on June 16, 2009.

Roberts
R185642
Page 2 of 2

FPL records reflect only one contact to FPL on July 1, 2009 to report an outage.

August 2009, another inspection of the feeder was just performed. Various improvement opportunities were identified and all has been completed.

To date, there has been no response from customer.

In addition, the reasons for FPL's rate request was provided to the customer.

For further information contact: Roseanne Lucas, (305)552-3372 or
FPL_FPSC_Complaints@fpl.com

Approval Signature:	<u>Richard Paraiso</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist,</u>
Date of Approval:	<u>08/17/2009</u>

Roberts
R185642

Richard Paraiso
08/14/2009 11:08 AM

To: adrianneroberts@comcast.net
cc:
Subject: FPL's Executive offices responding to reliability issues

August 14, 2009

Adrienne Roberts
19979 Villa Lante Place
Boca Raton, FL, 33434

Dear Ms Roberts:

We have received your inquiry to the Florida Public Service Commission. We appreciate the opportunity to address your concern and please accept my apology for any inconvenience we may have caused you.

We have made several attempts to contact you at (561)218-2968, however we have not been successful in reaching you. Please call me at your earliest convenience so that we may properly address your concerns. I can be reached at (800)361-5162 extension (1)

We at Florida Power & Light Company value you as a customer, and strive for ways to better serve you in the future

Sincerely

Richard Paraiso
Florida Power & Light Executive offices

Janet Brunson

From: Janet Brunson
Sent: Tuesday, August 04, 2009 10:54 AM
To: 'ADRIANNEROBERTS@comcast.net'
Cc: Cheryl Bulecza-Banks; Marshall Willis
Subject: Docket No. 080677-EI - Florida Power and Light

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

Bev DeMello, Assistant Director
Office of Public Information

8/4/2009

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Friday, July 31, 2009 4:41 PM
To: Janet Brunson
Cc: Cindy Muir; Bev DeMello
Subject: FW: Docket 080677 - FPL rate increase

Would you please send this customer a "D" letter? Thanks, Cheryl

From: ADRIANNEROBERTS@comcast.net [mailto:ADRIANNEROBERTS@comcast.net]
Sent: Sunday, June 21, 2009 11:06 AM
To: Consumer Contact
Subject: Docket 080677 - FPL rate increase

As a long-time citizen of Florida, I would like to express my opposition to the requested rate hike for FPL. FPL is already making a more than reasonable profit. In these times of belt-tightening at all levels, I think it very unfair to the people of Florida to raise the rates for FPL so they can make even more money. Some of the money they are already making should be put into making the system more reliable. In the last week alone, I have experienced three power dips and surges that have cause all my electronics to reboot.

Adrianne Roberts
Boca Raton



Customer Inquiry Response

Customer's First Name: JEFFREY
Last / Business Name: PARIS
Alternate Name:
Service Address: 11350 NW 23RD ST
PEMBROKE PINES, FL 33026

FPSC Log: R286130 **Received From:** Rate Case Docket
09
Account #: 83821-55797 **Response Type:** Final

Response Comments:

On August 10, 2009, Mr. Jason Sanchez, Distribution Complaint Resolution Specialist, made an unsuccessful attempt to contact Mr. Jeff Paris to discuss his concerns regarding the quality of his service. A telephone message was left advising him of his most recent outage on April 21, 2009. Mr. Sanchez provided his contact information and requested a return call. A letter was also mailed informing Mr. Paris of the outage and requesting a return call should he have any additional questions.

FPL records do not reflect any contacts from the customer..

FPL records indicate the following service interruptions from February 1, 2009 through August 13, 2009:

Date	Time Off	Time On	Device	Remarks
4/21/2009	7:55am	7:58am	Feeder	Cleared Palm Tree

FPL records indicate the following Momentary Power Interruptions from February 1, 2009 through August 13, 2009:

	February	March	April	May	June	July	August
MPI's	0	0	5*	0	0	2	0

* 3 MPI's were related to the outage on April 21, 2009.

In addition, the reasons for FPL's rate request was provided to the customer.

For further information contact: Roseanne Lucas, (305)552-3372) or
FPL_FPSC_Complaints@fpl.com

Paris
R286130
Page 2 of 2

Approval Signature:	<u>Jason Sanchez</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist</u>
Date of Approval:	<u>08/17/2009</u>

Janet Brunson

From: Janet Brunson
Sent: Tuesday, August 04, 2009 10:55 AM
To: 'JP11350@aol.com'
Cc: Cheryl Bulecza-Banks; Marshall Willis
Subject: Docket No. 080677-EI - Florida Power and Light

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

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I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

Bev DeMello, Assistant Director
Office of Public Information

8/4/2009

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Thursday, July 30, 2009 3:52 PM
To: Janet Brunson
Cc: Bev DeMello; Cindy Muir
Subject: FW: FPL Rates

Hi there,

I don't know if we have a "D" letter yet, but I have several coming your way that will require FPL to investigate.

Cheryl

From: Cheryl Bulecza-Banks
Sent: Thursday, July 02, 2009 8:30 AM
To: Cheryl Bulecza-Banks
Subject: FW: FPL Rates

From: JP11350@aol.com [mailto:JP11350@aol.com]
Sent: Wednesday, June 24, 2009 4:12 PM
To: Consumer Contact
Subject: FPL Rates

You have to be kidding. My power grid in Pembroke Pines is so bad I bought a natural gas powered generator for backup during NORMAL times. I can't tell you how many times my power flickers or goes off during the year. I am a retired teacher on a pension and at 67 had to get a part time sales job-limit FPL to the same 3% increase I get and no more. High quality of service? Today's headlines - 12,000 lost power yesterday, last night 7,900 still had no power -- and this was just in Broward County after a THUNDERSTORM. FPL already makes a profit, enough is enough.

Jeff Paris

Make your summer sizzle with fast and easy recipes for the grill.

8/4/2009



Customer Inquiry Response

Customer's First Name: DEBORAH
Last / Business Name: SHLIAN
Alternate Name:
Service Address: N/A
N/A, N/A N/A

FPSC Log:	R619891	Received From:	Rate Case Docket 09
Account #:	00000-00000	Response Type:	Final

Response Comments:

On August 14, 2009, Mr. Owen Christie, FPL's Distribution Complaint Resolution Specialist, sent an e-mail dshlian@earthlink.net to the customer asking her to provide the address of her service so her concern about service reliability can be investigated.

In addition, the reasons for FPL's rate request was provided to the customer.

For further information contact: Roseanne Lucas, (305)552-3372 or
FPL_FPSC_Complaints@fpl.com

Approval Signature:	Owen Christie
Approver's Title:	Distribution Complaint Resolution Specialist
Date of Approval:	08/17/2009

Janet Brunson

From: Janet Brunson
Sent: Tuesday, August 04, 2009 10:55 AM
To: 'dshlian@earthlink.net'
Cc: Cheryl Bulecza-Banks; Marshall Willis
Subject: Docket No. 080677-EI - Florida Power & Light

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

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I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

Bev DeMello, Assistant Director
Office of Public Information

8/4/2009

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Thursday, July 30, 2009 4:12 PM
To: Janet Brunson
Cc: Cindy Muir; Bev DeMello
Subject: FW: we can not afford this

This customer should receive a "D" letter. Thanks, Cheryl

-----Original Message-----

From: Deborah Shlian [<mailto:dshlian@earthlink.net>]
Sent: Thursday, June 25, 2009 8:25 AM
To: Consumer Contact
Subject: we can not afford this

Dear Sir or Madam:

I am appalled by the notion that FPL wants to raise rates any percent (let alone 30%) when the corporate officers have the nerve to waste taxpayers' money flying on corporate jets to get executive physicals. The state is in an economic downturn. I have no doubt that the unemployment rate in Florida is well above the stated 10% - my own community has 7 homes in foreclosure. FPL is one of the worst run companies. If anything, they need to change management. There is no excuse for not having spent money saved years ago in putting utilities underground. **Service is out on a regular basis even without storms.**

It's hard not to be cynical when you see companies in Florida flaunt their immorality.

But for what it is worth, here's my vote again a rate hike

Deborah Shlian, MBA



Customer Inquiry Response

Customer's First Name: BRUCE
Last / Business Name: WHITE
Alternate Name: PENNY
Service Address: 2661 NE 3RD ST
POMPANO BEACH, FL 33062

FPSC Log: R986508 **Received From:** Rate Case Docket
09
Account #: 25717-32508 **Response Type:** Final

Response Comments:

On June 26, 2009, FPSC complaint #864904E received from Ms. White regarding a rotten utility pole. An investigation was completed and it was determined the pole belonged to AT&T. FPL notified AT&T and the pole was replaced. FPL completed the transfer of facilities to the new pole. Customer was satisfied and a 3 day response was submitted on June 29, 2009..

On July 2, 2009, FPSC complaint #866854E received from Ms. White regarding service interruptions. An inspection of FPL facilities was completed and vegetation issues were identified. Line clearing work was completed as scheduled. Customer was satisfied and a 3 day response was submitted on July 8, 2009.

FPL records reflect the following sustained Service Interruptions from February 1, 2009 through August 12, 2009

Date	Time off	Time On	Device	Remarks
03/18/2009	04:15 PM	06:12 PM	Feeder	Wire Down
07/15/2009	03:06 PM	07:43 PM	Transformer	Prearranged

FPL records reflect the following Momentary Power Interruptions (MPI's) During the same time period:

	Feb' 2009	Mar' 2009	Apr' 2009	May' 2009	Jun' 2009	Jul' 2009	Aug' 2009
# of MPI's	0	*5	0	1	2	0	0

* 3 MPI's associated with outage on 3/18/2009

On August 10, 2009, Mr. Richard Paraiso, Distribution Complaint Resolution Specialist, followed up with Ms. White. Ms. White stated the crew that transferred the FPL facilities were very nice and did a great job. Line clearing work was also completed as scheduled. Ms. White was pleased with the work completed.

White
R986508
Page 2 of 2

In addition, the reasons for FPL's rate request was provided to the customer.

For further information contact: Roseanne Lucas, (305)552-3372 or
FPL_FPSC_Complaints@fpl.com

Approval Signature:	<u>Richard Paraiso</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist</u>
Date of Approval:	<u>08/17/2009</u>

Janet Brunson

From: Janet Brunson
Sent: Tuesday, August 04, 2009 10:56 AM
To: 'divemarc@bellsouth.net'
Cc: Cheryl Bulecza-Banks; Marshall Willis
Subject: Docket No. 080677-EI

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

Bev DeMello, Assistant Director
Office of Public Information

8/4/2009

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Thursday, July 30, 2009 4:36 PM
To: Janet Brunson
Cc: Bev DeMello; Cindy Muir
Subject: FW: FPL Increase

This customer should receive a "D" letter. Thanks, Cheryl

From: THE BEST CARPET CLEANER [mailto:divemarc@bellsouth.net]
Sent: Thursday, June 25, 2009 10:23 AM
To: Consumer Contact
Subject: FPL Increase

Dear Sirs:

I feel it is outrageous to allow FPL to increase it's base at this time. I think they should have to prove that they are worthy of this increase which at this time they are not.

Just a few months ago we had a small 15 minute squall come through and my power was out for **4 HOURS**. This is not the only instance of this happening. My electric goes out on a constant basis when it rains - and not for a small period of time but for **hours**. I had filed several complaints with you years ago about this problem.

After Wilma I was without power for 3 **WEEKS**.

Just recently , March 16, I called up because my service pole is rotted at the base. If we had a hurricane right now I would not trust it not to fall. I never heard back from FPL and had to call again June 23. I think that this is their consistent reaction to problems - they do not address them nor, do they take a proactive approach.

Before you award them an increase I would like to see The Public Service Commission hold them accountable to taking preventative measures to ensure that their company truly deserves this increase - i.e.: Consistent preventative measures (tree trimming & pole replacement) and a better response to outages. I feel that once they have proven that they can handle this aspect of their business **FOR 1 YEAR** then review their request for an increase at that time - not now.

Finally, with everyone having to cut back, businesses closing and many, many people out of work, is now the time to grant an increase to a company that is already making huge profits (127 million the 1st quarter)?

Please vote in a morally conscious way!

Respectfully submitted,
Penny White

8/4/2009



Customer Inquiry Response

Customer's First Name: MICHAEL
Last / Business Name: LEHNER
Alternate Name:
Service Address: 2296 BOUGAINVILLEA ST
SARASOTA, FL 34239

FPSC Log: R332763 **Received From:** Rate Case Docket
09
Account #: 03628-89404 **Response Type:** Final

Response Comments:

On August 11, 2009, Mr. Jason Sanchez, Distribution Complaint Resolution Specialist, contacted Mr. Michael Lehner to discuss his concerns regarding frequent outages. Mr. Sanchez informed Mr. Lehner that his concern would be referred to the appropriate department for further investigation and response.

FPL records indicate the following service interruptions from February 1, 2009 through August 13, 2009:

Date	Time Off	Time On	Device	Remarks
6/22/2009	7:01pm	11:05pm	Lateral	Trees
6/17/2009	8:40pm	8:00am on 6/18	Lateral	Wire Down due to Trees

FPL records indicate the following Momentary Power Interruptions from February 1, 2009 through August 13, 2009:

	February	March	April	May	June	July	August
MPI's	0	0	5*	0	0	2	0

On August 12, 2009, Mr. Joe Wolfe, FPL's Engineer, contacted Mr. Lehner to discuss his service reliability. Mr. Wolfe informed Mr. Lehner that he would be conducting a visual inspection of the lines in his area and would return his call with the outcome. In addition, Mr. Wolfe mentioned that FPL will be conducting line clearing on all the lateral lines in the area during the first quarter of 2010.

Lehner
R332763
Page 2 of 2

Mr. Lehner expressed his satisfaction with FPL's response and action plan provided.

In addition, the reasons for FPL's rate request was provided to the customer.

For further information contact: Roseanne Lucas, (305)552-3372 or
FPL_FPSC_Complaints@fpl.com.

Approval Signature:	<u>Jason Sanchez</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist,</u>
Date of Approval:	<u>08/17/2009</u>

Janet Brunson

From: sunswim1@netzero.net
Sent: Tuesday, August 04, 2009 3:41 PM
To: Janet Brunson
Subject: Re: FW: Docket No. 080677-EI - Florida Power & Light

Thank you for your note advising me of the oversight and subsequent forwarding of my comments.

[Click here for great quotes from top international movers!](#)

8/13/2009

Janet Brunson

From: Janet Brunson
Sent: Tuesday, August 04, 2009 10:32 AM
To: 'sunswim1@netzero.net'
Cc: Cheryl Bulecza-Banks
Subject: FW: Docket No. 080677-EI - Florida Power & Light

Ms. Lerner - My e-mail to you on July 13, 2009, said that we were forwarding your comments to FPL for their handling. In a mountain of comments from FPL customers, I inadvertently failed to provide your correspondence to FPL. I am forwarding it on to them today, so you should hear from them within 48 hours. Thank you and please excuse my oversight.

8/4/2009

Janet Brunson

To: 'sunswim1@netzero.net'
Cc: Cheryl Bulecza-Banks; Marshall Willis; Bev DeMello
Subject: RE: Docket 080677-EI - Florida Power and Light

Dear Ms. Lerner:

To quickly resolve the issue of power outages you have experienced, I am forwarding your e-mail to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your concerns and will provide a written report to PSC staff on how your casewas handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

Bev DeMello
Assistant Director

From: sunswim1@netzero.net [mailto:sunswim1@netzero.net]
Sent: Monday, July 13, 2009 11:35 AM
To: Janet Brunson
Subject: Re: Docket 080677-EI - Florida Power and Light

Dear Ms. Brunson,

Thank you for your response and explanation regarding my letter opposing the rate increase.

In the past three days I have experienced two power outages. One lasted for two hours, and the other was for one hour. I live in Deerfield Beach, FL, and this is a regular occurrence. Not only are we suffering from the financial crisis and having problems paying our bills, but we must also endure these outages.

I appreciate you bringing my letter to the attention of the decision makers regarding my protest against the FPL rate increase.

Sincerely,

Carol Lerner

[Discount Online Trading - Click Now!](#)

7/20/2009

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Monday, July 13, 2009 11:44 AM
To: Janet Brunson
Subject: RE: Docket 080677-EI - Florida Power and Light

Hey Janet,

Can we now send Ms. Lerner a "B" letter and have FPL investigate the outages? Thanks,
Cheryl

From: Janet Brunson
Sent: Monday, July 13, 2009 11:43 AM
To: Cheryl Bulecza-Banks; Marshall Willis; Bev DeMello
Subject: FW: Docket 080677-EI - Florida Power and Light

I'll make sure this gets down to the Clerk's office.

From: sunswim1@netzero.net [mailto:sunswim1@netzero.net]
Sent: Monday, July 13, 2009 11:35 AM
To: Janet Brunson
Subject: Re: Docket 080677-EI - Florida Power and Light

Dear Ms. Brunson,

Thank you for your response and explanation regarding my letter opposing the rate increase.

In the past three days I have experienced two power outages. One lasted for two hours, and the other was for one hour. I live in Deerfield Beach, FL, and this is a regular occurrence. Not only are we suffering from the financial crisis and having problems paying our bills, but we must also endure these outages.

I appreciate you bringing my letter to the attention of the decision makers regarding my protest against the FPL rate increase.

Sincerely,

Carol Lerner

[Discount Online Trading - Click Now!](#)

7/15/2009

Janet Brunson

From: sunswim1@netzero.net
Sent: Monday, July 13, 2009 11:35 AM
To: Janet Brunson
Subject: Re: Docket 080677-EI - Florida Power and Light

Dear Ms. Brunson,

Thank you for your response and explanation regarding my letter opposing the rate increase.

In the past three days I have experienced two power outages. One lasted for two hours, and the other was for one hour. I live in Deerfield Beach, FL, and this is a regular occurrence. Not only are we suffering from the financial crisis and having problems paying our bills, but we must also endure these outages.

I appreciate you bringing my letter to the attention of the decision makers regarding my protest against the FPL rate increase.

Sincerely,

Carol Lerner

[Discount Online Trading - Click Now!](#)

7/13/2009

Janet Brunson

To: 'sadams161@comcast.net'; 'Karenland2@yahoo.com'; 'frank@cfar.net'; 'ShaughnWebb@LWDD.net'; 'ann_perry@bellsouth.net'; 'pab@fifthamendment.com'; 'dmyers917@aol.com'; 'JoelSSlotnick@aol.com'; 'jeannette58@comcast.net'; 'smpis350m@gmail.com'; 'kidciero2@bellsouth.net'; 'pdh246@aol.com'; 'halsterne@msn.com'; 'smpis350m@gmail.com'; 'azsoto@acesinc.cc'; 'llazarus@AIXGroup.com'; 'ATrueGemni@aol.com'; 'SHEILAAO@aol.com'; 'mjmckinne@yahoo.com'; 'lhp001@comcast.net'; 'KCatalonotto@ediets.com'; 'rjgreer2@bellsouth.net'; 'sanchez1985@bellsouth.net'; 'islgrfla@comcast.net'; 'pattys.pets@yahoo.com'; 'Bob.Watkins@Airliquide.com'; 'sheila_jones@comcast.net'; 'rodr136@bellsouth.net'; 'James.Paul@westin.com'; 'loriannkase@gmail.com'; 'bhickey06@yahoo.com'; 'eddugan@aol.com'; 'Lindajboe@hotmail.com'; 'ronvoyager@gmail.com'; 'Ajsnana935@yahoo.com'; 'sunswim1@netzero.net'; 'llewis319@att.net'; 'kenkaufman@aol.com'; 'carlson.art.academic.communications@gmail.com'; 'SPIROJ@dor.state.fl.us'; 'orchidpat@aol.com'

Subject: FW: Docket 080677-EI - Florida Power and Light

From: Janet Brunson
Sent: Friday, July 10, 2009 3:45 PM
Cc: Cheryl Bulecza-Banks; Marshall Willis; Cindy Muir; Bev DeMello
Subject: Docket 080677-EI - Florida Power and Light

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed concerns about the rate increase petition filed by Florida Power & Light Company (FPL). To give the Commissioners and staff an opportunity to review and understand your concerns, I have placed your letter on the correspondence side of the docket file.

FPL's rate case hearing before the PSC will be in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced into the record, thus establishing the official case "record." Commissioners will review FPL's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to its customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

You are entitled to receive safe, reliable utility service at reasonable rates, and the Commissioners are charged with making sure that companies in Florida, including FPL, fulfill their service obligation. In its petition, FPL indicated its plan to make its infrastructure stronger, smarter, cleaner, more efficient, and less reliant on any single source of fuel. The PSC will ensure that final customer rates reflect only those costs that are prudent and necessary for FPL to deliver quality electric service to your home.

Thank you again for your letter, and if you have additional questions or need further assistance, please call our toll-free number, 1-800-342-3552.

Sincerely,

Bev DeMello
Assistant Director

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Friday, July 10, 2009 8:08 AM
To: Janet Brunson
Cc: Cindy Muir, Bev DeMello
Subject: FW: Please do not allow FPL to increase rates

Needs a "C" letter. Thanks, Cheryl

From: Cheryl Bulecza-Banks
Sent: Thursday, July 09, 2009 4:59 PM
To: Cheryl Bulecza-Banks
Subject: FW: Please do not allow FPL to increase rates

From: sunswim1@netzero.net [mailto:sunswim1@netzero.net]
Sent: Friday, June 26, 2009 12:39 PM
To: Consumer Contact
Subject: Please do not allow FPL to increase rates

This is definitely not the time in Florida to allow the FPL to increase their rates. We are all struggling to keep our heads above water with this terrible economy, including the rise in our assessment payments and homeowners insurance and taxes for condos and the increase in gas and food prices.

A big profitable company like FPL can certainly cut back on their bills, but the average person does not have that option.

Please do not allow FPL to increase our rates.

Thank you for listening.

Carol Lerner, Deerfield Beach, FL

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STATE OF FLORIDA



OFFICE OF PUBLIC INFORMATION
CYNTHIA L. MUIR
DIRECTOR
(850) 413-6482

Public Service Commission

August 4, 2009

Mr. Michael Lehner
2296 Bougainvillea Street
Sarasota, Florida 34239

Re: Docket No. 080677-EI – Florida Power & Light

Dear Mr. Lehner:

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

A handwritten signature in cursive script that reads "Bev DeMello".

Bev DeMello
Assistant Director

CLM/jmb

cc: Cheryl Bulecza-Banks, Division of Economic Regulation
Marshall Willis, Division of Economic Regulation
Office of Commission Clerk

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Friday, July 31, 2009 5:03 PM
To: Janet Brunson
Cc: Cindy Muir; Bev DeMello
Subject: FW: FPL Rate Hike

Would you please send this customer a "D" letter? Thanks, Cheryl

From: Michael Lehner [mailto:mklehn@hotmail.com]
Sent: Wednesday, June 24, 2009 6:04 AM
To: Consumer Contact
Subject: FPL Rate Hike

To Whom It May Concern:

I'm seriously opposed to FPL's proposed rate hike. I've lived on the same street in Sarasota, FL for 20 years and have had ongoing problems with power outages in my neighborhood and, specifically on my side of the street.

Last Wednesday, during an electrical storm, I lost power for 12 hours, from 8:30pm until the next morning. This is somewhat understandable due to the storm, but 12 hours? FPL attributed it to a downed limb on their transformer.

Then, Monday night, the power went off at 7pm. This time, it was a clear evening with a little wind. When I reported the problem, same response: downed limb on a transformer. This one they repaired in four hours, so I didn't have to spend a second sleepless night. During the repair time, I hear the sound of chain saws, so I assume they were cutting the offending tree.

Events like the above ones have been occurring in my neighborhood for the 20 years I've been here. Usually, it happens during stormy weather, but lots of times it's been under blue skies and clear weather.

Don't you think FPL would want to protect their transformers better and do a better job of serving their customers? I don't think they deserve a rate hike until they resolve these kinds of problems.

Michael Lehner
2296 Bougainvillea St
Sarasota, FL 34239

8/3/2009



Customer Inquiry Response

Customer's First Name: CHARLES
Last / Business Name: SONNEBORN
Alternate Name: ROBERTA SONNEBORN
Service Address: 9237 ISLES CAY DR
DELRAY BEACH, FL 33446

FPSC Log:	R220885	Received From:	Rate Case Docket 09
Account #:	58415-06164	Response Type:	Final

Response Comments:

On August 10, 2009, Mr. Owen Christie, FPL's Distribution Complaint Resolution Specialist, made an unsuccessful attempt to contact Mr. Charles Sonneborn to acknowledge receipt of his concerns regarding frequent Momentary Power Interruptions (MPI's). A telephone message was left advising his concern has been referred to the area's Service Center for further investigation and response. Mr. Christie provided his contact information should the customer have additional concerns.

FPL records do not reflect any sustained Service Interruptions from February 14, 2009 through August 14, 2009:

FPL records indicate the following Momentary Power Interruptions from February 14, 2009 through August 14, 2009:

	February	March	April	May	June	July	August
MPI's	0	1	0	*9	**11	***20	2

*3 MPI's were associated with weather conditions, **3 MPI's were associated with weather conditions, ***8 MPI's were associated with weather conditions.

FPL records reflect on June 22, 2009, a letter was received from Mr. Sonneborn concerning frequent MPI's. The customer's letter was referred to the appropriate department for further investigation and response.

On June 26, 2009, Mr. Robert Weese, FPL's Delivery Assurance Lead, contacted Mr. Sonneborn and explained how FPL's Distribution operates and common causes of MPI's. Mr. Weese informed Mr. Sonneborn in an effort to address his service reliability concerns, a thermovision inspection was scheduled to be completed by July 6, 2009 and any improvement opportunities identified would be addressed.

Sonneborn
R220885
Page 2 of 2

The Thermovision inspection was completed as scheduled and the following improvement opportunities were identified; removal of vines, damaged lightning arrester and disconnect switch. All repair work and vine removal was completed as of August 10, 2009

At this time, a visual inspection of the customer's Feeder and an associate Feeder is scheduled to be completed by August 21, 2009. If any improvement opportunities are identified, work will be scheduled and completed by September 14, 2009, barring any unforeseen circumstances.

Planned line clearance work is scheduled to be completed by March 31, 2010, on the customer's Feeder backbone and Lateral, barring any unforeseen circumstances

Between August 10, 2009 and August 14, 2009, Mr. Charles Blake, FPL's Technical Specialist, made several unsuccessful attempts to contact Mr. Sonneborn by telephone, e-mail and a field visit to his residence.

On August 14, 2009, Mr. Blake sent an e-mail to the customer informing him of FPL's efforts to address his Service Reliability concerns and provided his contact information should the customer have any additional questions or concerns.

In addition, the reasons for FPL's rate request was provided to the customer.

For further information contact: Roseanne Lucas, (305)552-3372) or
FPL_FPSC_Complaints@fpl.com

Approval Signature:	<u>Owen Christie</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist</u>
Date of Approval:	<u>08/17/2009</u>

Sonneborne
R220885

From: Christie, Owen
Sent: Tuesday, August 18, 2009 3:21 PM
To: Bruner, Cecelia
Subject: RE: Sonneborn R220885 Owen.. I need Blakes email response to sent to PSC

From: Blake, Charles
Sent: Friday, August 14, 2009 9:11 AM
To: rconne1@aol.com
Subject: Momentary Interruptions

Mr. Sonneborne:

I have made three of attempts to contact you via telephone (561) 495-3959 and a visit to your residence at 9237 Isles Cay Dr, Delray Beach with no success. Therefore I'm using this email to communicate to you of what Florida Power & Light Company have done and what we are doing to stop the momentary interruptions. Listed below are several work requests issued to address irregularities identified by using FPL SynerGEE- Fault Location Program, Telemovision Program and Feeder Patrolling.

Using FPL SynerGEE- Fault Location Program:

Work request # 3401840 issued to address several tree conditions on the feeder, completed on 2/20/09.
Work request # 3401112 issued to address several other tree conditions, several blown lightning arrestors, leaning pole condition with sagging wire and a couple of flashed insulators, completed on 2/25/09.
Work request # 3481950 issued to address several blown lightning arrestors and a vine condition, completed on 6/17/09.

Using FPL Telemovision Program:

Work request # 3537178 issued to address a blown lightning arrestor, a disconnect switch and a vine condition, completed on 8/10/09.

Using FPL Feeder Patrolling Program:

Work request # 3564349 issued to address several trees, vines, blown lightning arrestors, and flashed insulator conditions, job in construction, scheduled to be completed on or before 9/1/09.

Further investigation resulted that on 8/9/09 the three momentary interruptions were a result from feeder number 9961 & 9962. Both feeders are on the same buss in the Pinewood Substation. Both feeders are scheduled to be patrolled on or before 8/21/09. All irregularities identified will be addressed on or before 9/14/09.

Future scheduled work for Pinewood Feeder # 9963 in 2010.

Trimming trees on the feeder back bone and laterals are scheduled for the first quarter of 2010.
Will continue monitoring the feeder for a quicker response

Sincerely,
Charles Blake
Technical Specialist I
561-742-2008

Thanks
Owen

COMMISSIONERS:
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STATE OF FLORIDA



OFFICE OF PUBLIC INFORMATION
CYNTHIA L. MUIR
DIRECTOR
(850) 413-6482

Public Service Commission

August 4, 2009

Mr. & Mrs. Charles Sonneborn
9237 Isles Cay Drive
Delray Beach, Florida 33446

Re: Docket No. 080677-EI – Florida Power & Light

Dear Mr. & Mrs. Sonneborn:

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

A handwritten signature in cursive script that reads "Bev DeMello".

Bev DeMello
Assistant Director

CLM/jmb

cc: Cheryl Bulecza-Banks, Division of Economic Regulation
Marshall Willis, Division of Economic Regulation
Office of Commission Clerk

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Friday, July 31, 2009 5:02 PM
To: Janet Brunson
Cc: Cindy Muir; Bev DeMello
Subject: FW: FPL's REQUESTED RATE INCREASE

Would you please send this customer a "D" letter? Thanks, Cheryl

From: Cheryl Bulecza-Banks
Sent: Thursday, July 02, 2009 7:32 AM
To: Cheryl Bulecza-Banks
Subject: FW: FPL's REQUESTED RATE INCREASE

From: Chassonne@aol.com [mailto:Chassonne@aol.com]
Sent: Wednesday, June 24, 2009 9:53 AM
To: Consumer Contact
Cc: Board@ho-tivoli-isles.com
Subject: FPL's REQUESTED RATE INCREASE

Attention: PUBLIC SERVICE COMMISSION

We write to address the request by Florida Power & Light for a \$1,300,000,000 rate increase.

Initially, one must ask the question: What has FPL done for my wife and I, and our gated retirement community, since we retired to Florida 18 months ago? The answer: nothing much. Do we have reliable electric service? No. Does FPL respond to calls, emails, or letters addressing our constant and seemingly never ending electric disconnects? Not yet.

We and members of our Tivoli Isles community have been told that construction crews have been instructed to take vines off of poles, it has told several homeowners that it will connect a reader of sorts to their electric box to ascertain why air conditioners are dying, and others have been promised that a van-mounted electronic scanner will monitor our area to find the cause of daily disconnects. We wait.

We are therefore strongly opposed to any rate increase until FPL begins and continues to deliver reliable electric service. (In the meantime FPL has earned the moniker: Flicker Plunder & Loot.)

Who are we? A retired couple in our 70s. Since coming to Florida in late 2007 we have seen the appraised value of our home decline by upwards of 30 percent. We have watched our investment portfolio decline by an equal amount. This is not FPL's doing, but such unforeseen events have impacted us negatively. Yet FPL goes merrily along as if its boom town plus. They just don't get it.

To read that FPL wants a 12.5 percent return on equity is outlandish. While we would desire such a return on our investments, we are struggling in face of four percent. This might be a fair return for FPL if a compromise is in order.

A writer for the Sun-Sentinel reported that FPL "executives enjoy 10 percent increases in their pay packages and get to fly private jets to annual physicals." Is it not time to apply some reason and rationality to just how much a regulated monopoly can glean from its customers? We think so.

Please deny the FPL request.

Thank you,

Charles & Roberta Sonneborn
9237 Isles Cay Drive

8/3/2009

Delray Beach, FL 33446
rcsonne1@aol.com

Check all of your email inboxes from anywhere on the web. [Try the new Email Toolbar now!](#)

8/3/2009



Customer Inquiry Response

Customer's First Name: MELVIN
Last / Business Name: GLICKMAN
Alternate Name:
Service Address: 18578 BREEZY PALM WAY
BOCA RATON, FL 33496

FPSC Log:	R638351	Received From:	Rate Case Docket 09
Account #:	57779-95282	Response Type:	Final

Response Comments:

On August 3, 2009, FPL received FPSC complaint # 875155E concerning service momentary power interruptions and FPL's rate case. Mr. Owen Christie, FPL's Distribution Complaint Resolution Specialist, contacted Mr. Glickman to acknowledge receipt of his complaint and advised that his concerns have been referred to the area's Service Center for further investigation and response. Mr. Christie provided his contact information should the customer have additional concerns.

Later that day, Ms. Melissa Coile, FPL's Corporate Resolution Specialist, contacted Mr. Glickman in response to his concern about the proposed rate increase. Ms. Coile discussed the customer's concerns with the proposed rate increase and he expressed satisfaction with the explanation he was provided.

FPL records do not reflect any sustained Service Interruptions from March 6, 2009 through August 3, 2009.

FPL records reflect the following Momentary Power Interruption during the same period of time:

	Mar 09	Apr 09	May 09	Jun 09	July 09	Aug 09
MPI's	0	1	1	8	5	0

On August 4, 2009, Mr. Leonard Salamida, FPL's Distribution Engineer, contacted Mr. Glickman and informed him that FPL was already aware of the Momentary Power Interruptions (MPI's) he was experiencing. FPL recently completed an inspection of the FPL facilities in his area and replaced damaged lightnings on July 18, 2009. Vegetation issues were also identified on sections of the Feeder line and work is scheduled to be completed by September 30, 2009, barring any unforeseen circumstances. Mr. Salamida provided his contact information should the customer have any additional concerns. Mr. Glickman expressed his satisfaction with FPL's response and action plan. A 3-day response was submitted on August 6, 2009.

On August 6, 2009, Mr. Owen Christie, Distribution Complaint Resolution Specialist, spoke with Mr. Glickman and confirmed his satisfaction.

Glickman
R638351
Page 2 of 2

In addition, the reasons for FPL's rate request was provided to the customer.

For further information contact: Roseanne Lucas, (305)552-3372) or
FPL_FPSC_Complaints@fpl.com)

Approval Signature:	<u>Owen Christie</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist</u>
Date of Approval:	<u>08/17/2009</u>

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF PUBLIC INFORMATION
CYNTHIA L. MUIR
DIRECTOR
(850) 413-6482

Public Service Commission

August 4, 2009

Mr. Mel Glickman
18578 Breezy Palm Way
Boca Raton, Florida 33496

Re: Docket No. 080677-EI -- Florida Power & Light

Dear Mr. Glickman:

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

A handwritten signature in cursive script that reads "Bev DeMello".

Bev DeMello
Assistant Director

CLM/jmb

cc: Cheryl Bulecza-Banks, Division of Economic Regulation
Marshall Willis, Division of Economic Regulation
Office of Commission Clerk

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Friday, July 31, 2009 4:55 PM
To: Janet Brunson
Cc: Cindy Muir; Bev DeMello
Subject: FW: FPL Increase

Would you please send this customer a "D" letter? Thanks, Cheryl

From: MelG903@aol.com [mailto:MelG903@aol.com]
Sent: Monday, June 22, 2009 3:54 PM
To: Consumer Contact
Subject: FPL Increase

Att: Public Service Commission

I know I speak for the 1,446 unit owners in Whisper Walk, Boca Raton, who are vehemently against the proposed FPL increase (Docket 080677-EI). At many different association meetings, residents have spoken out against FPL's lack of service to Whisper Walk. This increase is untimely, undeserved, and unnecessary!

In Whisper Walk, we continually experience power outages, at least once a week, even in absolutely clear weather with no storms anywhere near the area. These outages may last for a second or two but computers and microwave clocks stop and have to be restarted. VCRs have to be reset. When there's a simple rainstorm, an electrical outage can last for an hour or more.

We urge you to vote against this 30% increase on basic rates. FPL has a guaranteed profit and is more interested in high returns for their shareholders than in providing the adequate services we all require.

Sincerely,

Mel Glickman
Summerwinds at Whisper Walk
18578 Breezy Palm Way, Boca Raton, FL 33496
561-477-9014 **E-mail: melg903@aol.com**

Make your summer sizzle with [fast and easy recipes](#) for the grill.



Customer Inquiry Response

Customer's First Name: SHERRIE
Last / Business Name: TARASKEVICH
Alternate Name: P. STEPHEN TARASKEVICH
Service Address: 8480 NW 21ST ST
SUNRISE, FL 33322

FPSC Log: R968517 **Received From:** Rate Case Docket
09
Account #: 45461-80490 **Response Type:** Final

Response Comments:

On August 10, 2009, Mr. Richard Paraiso, Distribution Complaint Resolution Specialist, contacted Mr. Stephen Taraskevich by telephone concerning service reliability in his area. Mr. Taraskevich indicated some months he may experience more interruptions than others. Mr. Taraskevich expressed a concern about a low wire across the street running in front of his neighbor's home. Mr. Paraiso advised he would refer his concerns to the area Service Center for further investigation. Mr. Paraiso provided his contact information if needed.

FPL records reflect the following sustained Service Interruptions from February 1, 2009 through August 12, 2009

Date	Time Off	Time On	Device	remarks
05/18/2009	07:24 AM	01:02 PM	Transformer	Equipment Failure
05/25/2009	08:06 PM	09:45 PM	Feeder	lightning
07/17/2009	03:06 AM	03:07 AM	Feeder	Crew request

FPL records reflect the following momentary power interruptions (MPI's) during the same period

	Feb' 2009	Mar' 2009	Apr' 2009	May' 2009	Jun' 2009	Jul' 2009	Aug' 2009
# of MPI's	1	0	2	3	3	3	0

On August 13, 2009, Ms. Jeanette Clover, from the area Service Center contacted Mr. Taraskevich and informed him that a Work Request was issued to resag the secondary service and is scheduled for completion by August 21, 2009, barring any unforeseen circumstances. Ms. Clover discussed the service interruption history and explained at this time, no improvement opportunities have been identified. Mr. Taraskevich indicated that he has not experienced any interruptions since July.

Taraskevich
R968517
Page 2 of 2

Customer is satisfied with FPL's response and action plan.

In addition, the reasons for FPL's rate request was provided to the customer.

For further information contact: Roseanne Lucas, (305)552-3372) or
FPL_FPSC_Complaints@fpl.com

Approval Signature:	<u>Richard Paraiso</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist,</u>
Date of Approval:	<u>08/17/2009</u>

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF PUBLIC INFORMATION
CYNTHIA L. MUIR
DIRECTOR
(850) 413-6482

Public Service Commission

August 4, 2009

Mr. P. Stephen Taraskevich
8480 NW 21st Street
Sunrise, Florida 33322

Re: Docket No. 080677-EI – Florida Power & Light

Dear Mr. Taraskevich:

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

A handwritten signature in cursive script that reads "Bev DeMello".

Bev DeMello
Assistant Director

CLM/jmb

cc: Cheryl Bulecza-Banks, Division of Economic Regulation
Marshall Willis, Division of Economic Regulation
Office of Commission Clerk

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Friday, July 31, 2009 4:43 PM
To: Janet Brunson
Cc: Cindy Muir; Bev DeMello
Subject: FW: FPL Rate Increase

Would you please send this customer a "D" letter? Thanks, Cheryl

-----Original Message-----

From: Steve Taraskevich [mailto:pstarask@comcast.net]
Sent: Sunday, June 21, 2009 5:04 PM
To: Consumer Contact
Subject: FPL Rate Increase

I am totally against the rate increase for FPL. I find it laughable that an increase should even be considered given FPL's substandard, pathetic performance. Are we now rewarding failure? Although I have not kept rigorous account of the outages we suffer, I would guess a minimum of 3-5 per week if there are NO storms. When rain storms role in an outage is guaranteed! Another point is maintenance. More than a month ago I reported a power line that had come unwound from the supporting steel cable and is now hanging down to and hitting against the telephone/cable wire. Nothing has been done.

Please DO NOT reward poor performance with a rate increase.

P. Stephen Taraskevich
8480 NW 21 Street
Sunrise, FL 33322



Customer Inquiry Response

Customer's First Name: DANIEL
Last / Business Name: LEWIS
Alternate Name:
Service Address: 4784 WIGGINS RD
LAKE WORTH, FL 33463

FPSC Log: R404670 **Received From:** Rate Case Docket
09
Account #: 50429-14100 **Response Type:** Final

Response Comments:

On August 14, 2009, Mr. Jason Sanchez, FPL's Distribution Complaint Resolution Specialist, contacted Mr. Lewis to discuss his concerns regarding trees in the rear of his property that had not been trimmed in years. Mr. Sanchez apologized and advised Mr. Lewis that his concern would be referred to FPL's Vegetation Department for further investigation and response. Mr. Sanchez provided his contact information should Mr. Lewis have any additional questions or concerns.

FPL records do not reflect any Service Interruptions from February 1, 2009 through August 13, 2009.

FPL records indicate the following Momentary Power Interruptions from February 1, 2009 through August 13, 2009:

	February	March	April	May	June	July	August
MPI's	0	0	0	3	5	0	0

On August 14, 2009, Mr. Robert Lozano, FPL's Utility Arborist, made an unsuccessful attempt to contact Mr. Lewis, but did speak with his son who mentioned he was unfamiliar with the situation. Mr. Lozano provided his contact information and requested that Mr. Lewis return his call in order to discuss his concerns. FPL records do not indicate any prior tree trimming reports from Mr. Lewis. FPL's Vegetation department will continue to contact Mr. Lewis in order to address his concerns.

On August 17, 2009, Mr. Lozano met with Mr. Lewis to discuss his concerns. Mr. Lewis pointed out a certain area where vegetation had grown onto the power lines. Mr. Lozano agreed to have the trees trimmed by September 4, 2009, barring any unforeseen circumstances. Mr. Lewis expressed his satisfaction with FPL's response and action plan.

Lewis
R404670
Page 2 of 2

In addition, the reasons for FPL's rate request was provided to the customer.

For further information contact: Roseanne Lucas, (305)552-3372) or
FPL_FPSC_Complaints@fpl.com)

Approval Signature:	<u>Jason Sanchez</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist</u>
Date of Approval:	<u>08/14/2009</u>

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF PUBLIC INFORMATION
CYNTHIA L. MUIR
DIRECTOR
(850) 413-6482

Public Service Commission

August 4, 2009

Mr. Daniel P. Lewis
P. O. Box 17499
West Palm Beach, Florida 33416

Re: Docket No. 080677-EI – Florida Power & Light

Dear Mr. Lewis:

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

A handwritten signature in cursive script that reads "Bev DeMello".

Bev DeMello
Assistant Director

CLM/jmb

cc: Cheryl Bulecza-Banks, Division of Economic Regulation
Marshall Willis, Division of Economic Regulation
Office of Commission Clerk

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Friday, July 31, 2009 2:57 PM
To: Janet Brunson
Cc: Cindy Muir; Bev DeMello
Subject: FW: 561 964 5551 1005, FAX 5 page(s)
Attachments: FAX.TIF

Please send this customer a "D" response. FPL needs to respond to the customer regarding cleaning of the powerline easement. Thanks, Cheryl

-----Original Message-----

From: Cheryl Bulecza-Banks
Sent: Friday, July 10, 2009 5:56:05 PM
To: Cheryl Bulecza-Banks
Subject: FW: 561 964 5551 1005, FAX 5 page(s)

-----Original Message-----

From: Fax Server [<mailto:FaxAdmins@psc.state.fl.us>]
Sent: Wednesday, June 24, 2009 12:03 AM
To: Consumer Contact
Subject: 561 964 5551 1005, FAX 5 page(s)

You have received a new fax. This fax was received by Fax Server. The fax is attached to the message. Open the attachment to view your fax.

Received Fax Details

Received On: 6/23/2009 11:59:42 PM
Number of Pages: 5
From (CSID): 561 964 5551
From (ANI): 1005
Sent to DID: 8504136362

Duration of Fax: 0:02:58
Transfer Speed: 14400

Received Status: Success
Number of Errors: 0
Port Received On: IPF_PORT_0012

8/3/2009

Daniel P. Lewis

080677

800 511-0809

To: contact@psc.state.fl.us
 Cc: Daniel P. Lewis; FPL_Correspondence@fpl.com
 Subject: No to FPL RATE INCREASE REQUEST
 Attachments: FPL Ltr dtd 9-14-04 revised 12-26-04.doc

Dear Ladies and Gentlemen of the PSC:

PLEASE, PLEASE, PLEASE, You are our only hope to curve this corporate giant from putting us all in the poor house without electricity.

The Bottom-line:

1. We do not have a choice who provides us electricity.
2. FPL infrastructure is horrible except in new developments
3. FPL refuse to adequately maintain the easements allowing trees and vegetation to dangerously grow under the power lines.
4. The consumer is too busy trying to make ends meet to adequately address this issue properly.

Attached is a letter dated September 11, 2004 and December 26, 2004. Please read the letter. It is more true today than when it was written in 2004. By the way no one answered my letter from FPL.

Not much has changed in my complaints and no one person from FPL responded to my repeated request to clean my powerline easement.

Just today, we had minor Thunder Storms and the power went out 3 times at about 5 minutes each. Why is to power going off? – The trees are hitting powerline because FPL will not maintain it.

The cost of electricity is excessive. The Rate of Return for their investors of 12% is excessive. Their Officers salaries are excessive. We are all cutting back and FPL can do the same. As a native to the Palm Beaches I hate to see Hurricane season come around because I know FPL will leave us in the dark because they have failed to maintain their infrastructure.

Please, Vote, "Not NO to Rate Increase request"; but HELL NO!!!! You are our only help.

★

September 11, 2004; revised December 26, 2004

COPY OF LETTER WRITTEN 2004

TO: All Members of the Florida Public Service Commission
 All Members of the Office of Public Council
 All Members of the FPL Group
 Florida Power and Light
 Bill Swank – FPL ; Pat Davis – FPL ; Steve Spegal – FPL
 Kevin Bloom – PSC
 FEMA

I am shocked. I am absolutely shocked to read in the newspapers on 11-10-04 and today that FPL has asked for and was granted an increase in rate because of fuel cost and in fact it was to cover the storms. More shocking is that the PSC would grant it and then the OPC blesses it without a full investigation of annual line/right of way maintenance and bonuses to executives. Shame on all of you, shame on all of the executives pulling bonuses, shame on the FPL stockholders and shame on the CONSUMERS of this monopoly for putting up with the PSC, OPC and FPL. Someone is blowing smoke up someone.

I have sent letters to the PSC asking questions. I would appreciate a response:

1. Does the ANY Government pay utility companies Disaster Relief Aid and money for any type of clean up and repair?
2. Does any private utility companies receive taxpayers dollars? If so, does the directors of these private companies have to disclosure their salaries, benefits and bonuses?
3. What were FPL directors and managers salaries, benefits and bonus for the past 3 years?
4. Did FPL turn off grids before, during or after weather events to store power?
5. Did FPL fail to maintain distribution easement adequately over the course of normal business operation during the past 3 years?
6. Or. Did the restoration after the recent storms do the work FPL was suppose to do during normal business practices and procedures?
7. Does the utility companies understand that South Florida growing season is 24/7 - 365 days a years.
8. Has the PSC or FPL spoken to any crew manager of the maintenance contractor for FPL to determine if they were told that FPL cut their work by 15% annually in the past 3 years in SOUTH FLORIDA? I am sure the Contractor may not tell you because they want to keep FPL as their sole employer but the employees of this contractor may have a different story - the truth.
9. Did any members of the PSC or the OPC receive any gifts, money trinkets or anything else of any value from any utility company or FPL in the past five years? If so, please detail these items for me.
10. Did the PSC or the OPC ask for VERIFIABLE records of easement maintenance by FPL and the Cost of maintenance over the past 5 years to determine if FPL has reduced or deminised their schedule in South Florida?
11. Can the customers withhold the increase until the PSC formally reviews this request without the threat of getting this monopolized power turned off? Is there an escrow account set-up for this type of fund?

The PSC and the customers need to demand honest accountability from all utility companies, ESPECIALLY if the companies are accepting any aid or money from the Government(s).

Every customer affected by lack of utilities before, during and after the lightweight Frances blew through Florida and every tax payer in the U.S should be given accurate accounting of any money given to any utility company fro the restoration of power, phones, cable and gas. FEMA should not pay utility companies who do not adequately maintain their equipment and distribution lines on a regular and consistence basis.

The FPL Zar, President Armando Olivera and their P.R. people mounted a public relation campaign that makes the spins from political campaigns seem innocence. The FPL spin from Olivera stating in ads that FPL has restored power to over 2 million customers does not go into detail about how many millions FPL turned off 12 hours before the storm hit; how many were on a grid and what is the wind load of the lines when they are covered in vegetation and overloaded with other utilities such as telephone and cable. The spin from other FPL spokes person like Pat Davis and Steve Spegal (SIC) is mostly hogwash, but they are only doing their job.



The FPL Emergency phone number 1-800-4-Outage goes unanswered by any live person. The customer is at the mercy of a touch-tone phone with no live person to answer specific questions. The customer's are at the mercy of a monopoly and the government refuses to protect the taxpayer from this monopoly. The new FPL phone number after the storm should be 1-800 FPL HONESTY HOTLINE.

When it is all said and done the taxpayer should not support utility companies who are ill prepared and who worship profit, executive bonuses and shareholder return over customer services.

Many cities and counties are picking up debris that utility companies should have been trimming on an adequate schedule this is taxpayer subsidy those of us who were born here know about our growing season.

If Government pays (directly or indirectly) any cost of clean-up restoration to these utility companies (directly or indirectly) the taxpayers should be told about it and the "Government in the Sunshine" should be observed.

I appreciate a reply for the PSC, OPC and FPL before any increase on any FPL bills. If I can not receive these

 <p>D.P. Lewis & Associates, Inc. Licensed Real Estate Broker</p>	<p>Daniel P. Lewis, SIOR, CCIM P.O. Box 17499, West Palm Beach, FL 33416 Ph: (561) 964-0700 Fax: (561) 964-5551 E-Mail: dplewis@dplewis.com www.dplewis.com <i>Corporate Real Estate Services</i></p>	
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answer by January 1, 2005 then my big mouth "for truth in taxes" will prevail.

Thank you and Have a wonderful New Year.

Sincerely,

Daniel P. Lewis
1495 Forest Hill Blvd. Ste G
West Palm Beach, FL 33406
561-366-1465 leave recorded message

Sincerely,

Dan Lewis



Daniel P. Lewis
~~1496 Forest Hill Blvd., #G~~
~~West Palm Beach, FL 33406~~
~~561-366-1465~~

 September 11, 2004; revised December 26, 2004

TO: All Members of the Florida Public Service Commission
All Members of the Office of Public Council
All Members of the FPL Group
Florida Power and Light
Bill Swank - FPL ; Pat Davis - FPL ; Steve Spegal - FPL
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FEMA

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I appreciate a reply for the PSC, OPC and FPL before any increase on any FPL bills. If I can not receive these answer by January 1, 2005 then my big mouth "for truth in taxes" will prevail.

Thank you and Have a wonderful New Year.

Sincerely,

Daniel P. Lewis
1495 Forest Hill Blvd. Ste G
West Palm Beach, FL 33406
561-366-1465 leave recorded message



Customer Inquiry Response

Customer's First Name: TOM
Last / Business Name: COTTONE
Alternate Name:
Service Address: 200 NE 14TH AVE APT 5
FORT LAUDERDALE, FL 33301

FPSC Log: R578786 **Received From:** Rate Case Docket
09
Account #: 33546-20191 **Response Type:** Final

Response Comments:

On August 12, 2009, Mr. Jason Sanchez, Distribution Complaint Resolution Specialist, sent an email to Mr. Madden at Pmaddendds@aol.com requesting contact information and a service address in order to begin an investigation regarding his service reliability. Later that day, Mr. Madden replied to the email with the information requested. Mr. Sanchez informed Mr. Madden that his concern would be referred to the appropriate department for further investigation and response. It was determined that Mr. Madden and Mr. Cottone, who also expressed concerns to the FPSC with the service reliability, are roommates. Mr. Madden agreed that any future communication could be handled by either Mr. Madden or Mr. Cottone.

FPL records indicate a call from Mr. Cottone on July 13, 2009, to report a damaged pole. On July 14, 2009, a telephone message was left requesting a return call from Mr. Cottone.

FPL records do not reflect any Service Interruptions from February 1, 2009 through August 13, 2009:

FPL records indicate the following Momentary Power Interruptions (MPI's) from February 1, 2009 through August 13, 2009:

	February	March	April	May	June	July	August
MPI's	0	0	2	1	3	0	1

On August 17, 2009, Ms. Krstiner Del Sol, FPL's Engineer contacted Mr. Cottone to discuss his concerns. Mr. Cottone believes the MPI's he has experienced are being caused by trees and vines that are growing near FPL poles. Ms. Del Sol agreed to meet with Mr. Cottone on August 18, 2009, in order to conduct a visual inspection. Any improvement opportunities identified will be addressed accordingly. Mr. Cottone expressed his satisfaction with FPL's response.

Cattone
R578786
Page 2 of 2

In addition, the reasons for FPL's rate request was provided to the customer.

For further information contact: Roseanne Lucas, (305)552-3372) or
FPL_FPSC_Complaints@fpl.com)

Approval Signature:	<u>Jason Sanchez</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist</u>
Date of Approval:	<u>08/17/2009</u>

COMMISSIONERS:
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STATE OF FLORIDA



OFFICE OF PUBLIC INFORMATION
CYNTHIA L. MUIR
DIRECTOR
(850) 413-6482

Public Service Commission

August 4, 2009

Mr. Thomas Cottone
200 NE 14th Avenue #5
Fort Lauderdale, Florida 33301

Re: Docket No. 080677-EI – Florida Power & Light

Dear Mr. Cottone:

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

A handwritten signature in cursive script that reads "Bev DeMello".

Bev DeMello
Assistant Director

CLM/jmb

cc: Cheryl Bulecza-Banks, Division of Economic Regulation
Marshall Willis, Division of Economic Regulation
Office of Commission Clerk

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Thursday, July 30, 2009 4:09 PM
To: Janet Brunson
Cc: Bev DeMello; Cindy Muir
Subject: FW: FPL RATE INCREASE

This customer should receive a "D" letter. Thanks, Cheryl

From: Cheryl Bulecza-Banks
Sent: Thursday, July 02, 2009 4:17 PM
To: Cheryl Bulecza-Banks
Subject: FW: FPL RATE INCREASE

From: TACOTTONE@aol.com [mailto:TACOTTONE@aol.com]
Sent: Thursday, June 25, 2009 8:00 AM
To: Consumer Contact
Subject: FPL RATE INCREASE

NO to the newly proposed rate increase request.

THEIR SERVICE IS POOR AT BEST WITH CONSTANT POWER SURGES AND BRIEF OUTAGES.

IT IS TIME FOR THE COMMISSION TO STOP BEING THE PAWNS OF THE ELECTRIC COMPANY AND STARTING THINKING OF THE CUSUMERS FIRST.

FPL NEEDS COMPETITION IN THE STATE NOT MORE PROFITS.

**Thomas Cottone
200 NE 14th Ave #5
Ft. Lauderdale, Fl. 3301**

[Shop Popular Dell Laptops now starting at \\$349!](#)

8/4/2009



Customer Inquiry Response

Customer's First Name: JAMES
Last / Business Name: BOGGESS
Alternate Name:
Service Address: 410 MIST CT SE
PALM BAY, FL 32909

FPSC Log: R189675 **Received From:** Rate Case Docket
09
Account #: 97707-10920 **Response Type:** Final

Response Comments:

On August 10, 2009, Mr. Owen Christie, FPL's Distribution Complaint Resolution Specialist, made an unsuccessful attempt to contact Mr. James Boggess to acknowledge receipt of his concern regarding frequent service interruptions. A telephone message was left advising his concern has been referred to the area's Service Center for further investigation and response. Mr. Christie provided his contact information should the customer have additional concerns.

FPL records do not reflect any contacts from the customer.

Between August 10, 2009 and August 14, 2009, Mr. Casey Sheffield, FPL's Delivery Assurance Lead, made several unsuccessful attempts to contact Mr. Boggess to further discuss his concern. Mr. Sheffield left a telephone message providing the customer with his contact information.

FPL records indicate the following service interruptions from February 14, 2009 through August 14, 2009:

Date	Time Off	Time On	Device	Remarks
12/8/2008	2:34 AM	2:37 AM	Substation	Transmission related
2/16/09	4:54 PM	4:57 PM	Feeder	Equipment Failed-Capacitor

FPL records indicate the following Momentary Power Interruptions during the same period of time

	February	March	April	May	June	July	August
MPI's	0	2	0	1	7	10	2

Boggess
R189675
Page 2 of 2

Line clearance on the customer's Feeder backbone is scheduled to be completed by December 31, 2009, barring any unforeseen circumstances.

On August 14, 2009, a letter was mailed to the customer.

In addition, the reasons for FPL's rate request was provided to the customer.

For further information contact: Roseanne Lucas, (305)552-3372) or
FPL_FPSC_Complaints@fpl.com)

Approval Signature:	Owen Christie
Approver's Title:	Distribution Complaint Resolution Specialist
Date of Approval:	08/17/2009

R 189675

Florida Power & Light Co., P.O. Box 029100, Miami, FL 33102-9100



August 14, 2009

James R Boggess
410 Mist Ct Se
Palm Bay FL 32909

Dear Mr. Boggess

We have received your inquiry to the Florida Public Service Commission regarding the reliability of service in your area. We appreciate the opportunity to address your concern and please accept my apology for any inconvenience we may have caused you.

We have made several attempts to contact you at (321) 984-4136; however, we have not been successful in reaching you. Please call me at your earliest convenience so that we may properly address your concerns. I can be reached at (800) 361-5162 Extension 9.

In an effort to increase the reliability of service to your area, FPL plans to trim the Feeder (main line serving the area) backbone by December 31, 2009, barring any unforeseen circumstances.

Mr. Boggess, we at Florida Power & Light Company value you as a customer, and strive for ways to better serve you in the future.

Sincerely,

Owen Christie
Distribution Complaint Resolution Specialist

an FPL Group company

3

COMMISSIONERS:
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NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF PUBLIC INFORMATION
CYNTHIA L. MUIR
DIRECTOR
(850) 413-6482

Public Service Commission

August 4, 2009

Mr. James R. Boggess
410 Mist Court, SE
Palm Bay, Florida 32909

Re: Docket No. 080677-EI – Florida Power & Light

Dear Mr. Boggess:

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

A handwritten signature in cursive script that reads "Bev DeMello".

Bev DeMello
Assistant Director

CLM/jmb

cc: Cheryl Bulecza-Banks, Division of Economic Regulation
Marshall Willis, Division of Economic Regulation
Office of Commission Clerk

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Thursday, July 30, 2009 4:34 PM
To: Janet Brunson
Cc: Cindy Muir; Bev DeMello
Subject: FW: FPL rate hike

This customer should receive a "D" letter. Thanks, Cheryl

From: James Boggess [mailto:russb50@mindspring.com]
Sent: Thursday, June 25, 2009 9:17 AM
To: Consumer Contact
Subject: FPL rate hike

Dear Sirs:

I ask you do not approve the recent request by FPL for a rate hike. As an utility, I cannot simply go to another provider for this essential service. I must pay whatever rates are determined and billed. I do ask you to do your jobs and regulate this essential service and it's rates. The state of the national economy, even the state and local economy are certainly factors to be considered. The fact I have been laid off from a job I held for over 7 years doesn't help my personal situation. I can ill afford any increase in my monthly expenses. The job of FPL (Frequent Power Loss) is to provide dependable and reasonably priced electrical service to it's customers. To date, they have failed to live up to that expectation much less warrant an increase in their earnings. The published plan for this increase is just that a plan and not a commitment to spend the money they receive as they have stated. There is seldom a week goes by without the power going out, at least momentarily. The response I receive after notifying them of this continuing problem is thunderstorms, some small animal committing suicide on their lines, tree branches touching the lines or some other lame excuse. It is my impression the power grid should be able to function during a thunderstorm. **After all we do live in an area where thunderstorms are frequent during the majority of the year. A small animal or bird committing suicide by electrical discharge does happen, but not to the frequency attributed by the utility in question. Tree branches? It is my impression they employee people to trim them back. Does this mean some one isn't doing the job they're paid for? This question, when posed to the utility is left unanswered.**

In summary, please deny the rate increase as my representative. A reasonable profit is fine, but this increase should fall within their operating budget as capitol investment if that is their stated plan. Please force them to manage their business and operate as a business. Rate increases may be needed from time to time, but nebulous promises associated with fuel charges to offset a basic rate increase is unacceptable to me. If the majority of the captive customers are having to cut back and economize, then the increase is certainly not justified.

Thank you,
James R Boggess
410 Mist Ct. S.E.
Palm Bay, FL 32909

8/4/2009



Customer Inquiry Response

Customer's First Name: NORMAN
Last / Business Name: WEISS
Alternate Name:
Service Address: 10099 CANOE BROOK CIR
BOCA RATON, FL 33498

FPSC Log: R768493 **Received From:** Rate Case Docket
09
Account #: 87111-15348 **Response Type:** Final

Response Comments:

On August 10, 2009, Mr. Richard Paraiso, Distribution Complaint Resolution Specialist, contacted Ms. Norman Weiss by telephone regarding his concerns with the reliability of his electric service. Mr. Weiss indicated that he experiences any Momentary Power Interruptions. Mr. Paraiso explained how FPL's Distribution System operates and related causes of MPI's. Mr. Paraiso provided his contact information and advised that his concerns would be referred to the Area Service Center for further investigation.

On August 13, 2009, Mr. Leonard Salamida, Service Center Engineer, contacted Mr. Weiss to discuss his reliability concerns. Mr. Salamida explained that a Thermovision Inspection of the Feeder line serving his area will be completed and any improvement opportunities identified will be addressed accordingly.

FPL records reflect the following sustained service interruptions from February 1, 2009 through August 9, 2009:

Date	Time Off	Time On	Device	Remarks
06/23/2009	06:59 PM	07:04 PM	Feeder	Lightning

FPL records reflect the following momentary power interruptions (MPI's) during the same time period

	Feb' 2009	Mar' 2009	Apr' 2009	May' 2009	Jun' 2009	Jul' 2009	Aug' 2009
# of MPI's	0	0	2	0	*3	8	0

* 2 MPI's caused by outage on June 23, 2009.

Every effort is being made to address the customer's service reliability concerns.

Weiss
R768493
Page 2 of 2

In addition, the reasons for FPL's rate request was provided to the customer.

For further information contact: Roseanne Lucas, (305)552-3372) or
FPL_FPSC_Complaints@fpl.com)

Approval Signature:	<u>Richard Paraiso</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist</u>
Date of Approval:	<u>08/17/2009</u>

COMMISSIONERS:
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NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF PUBLIC INFORMATION
CYNTHIA L. MUIR
DIRECTOR
(850) 413-6482

Public Service Commission

August 4, 2009

Mr. Norman L. Weiss
10099 Canoe Brook Circle
Boca Raton, Florida 33498

Re: Docket No. 080677-EI – Florida Power & Light

Dear Mr. Weiss:

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

Bev DeMello
Bev DeMello
Assistant Director

CLM/jmb

cc: Cheryl Bulecza-Banks, Division of Economic Regulation
Marshall Willis, Division of Economic Regulation
Office of Commission Clerk

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Thursday, July 30, 2009 4:43 PM
To: Janet Brunson
Cc: Cindy Muir; Bev DeMello
Subject: FW: Protest the request of FPL for Increased Electric Rates

This customer should receive a " D " letter. Thanks, Cheryl

From: Norman [mailto:normanlee1@bellsouth.net]
Sent: Thursday, June 25, 2009 1:08 PM
To: Consumer Contact
Subject: Protest the request of FPL for Increased Electric Rates

Dear PS Commission;

Add this E mail to the protests you have heard or received concerning the outrageous request for rate increase by FLP.

The service provided by FPL has been poor. Over the past two days, my power supply was interrupted four times. They do a poor job! In addition, the system depends heavily on overhead power distribution which is less costly than underground service, but tends to decrease power cost when compared with underground systems. Try not to accept our rates compared to other systems which might be all or partially underground as that would be grossly unfair to users in our FPL system.

I track the cost of my electric bills and they have escalated sharply. Furthermore the cost to users like me are further increased by governmental add on such as: storm charges, gross receipt tax, franchise charges, Utility tax and more recently by a charge to be passed to the County of Palm Beach. These tack-ons have grown over the years and constitute a significant portion of my bill. Consider if you grant FPL any increase these governmental add-ons with further increase the users burden.

I urge your Commission to reject the request completely!

Norman L. Weiss
10099 Canoe Brook Circle
Boca Raton, FL 33498

561-488-7020



Customer Inquiry Response

Customer's First Name: Stephanie
Last / Business Name: Nagel
Alternate Name: Helen Nagel
Service Address: 7440 NW 10TH PL
PLANTATION, FL 33313

FPSC Log: R530839 **Received From:** Lynne Adams - FPL
Account #: 89337-64659 **Response Type:** Final

Response Comments:

On August 17, 2009, Ms. Michelle Vega, FPL's Complaint Resolution Specialist, sent an e-mail to Ms. Stephanie Nagel, at stephfla954@aol.com, to acknowledge receipt of her protest comments to the Florida Public Service Commission (FPSC) regarding service reliability and tree conditions in her area. Ms. Vega requested that Ms. Nagel contact her to further discuss her concerns.

FPL records reflect the following Service Interruption from August 6, 2008 through August 20, 2009:

Date	Time Off	Time On	Device	Remarks
7/17/2009	9:49 PM	7/18/2009 7:25 AM	Service	Loose connection - Conductor damaged
6/30/2009	10:08 AM	12:49 PM	Feeder	Lightning - Conductor down
6/23/2009	10:54 AM	2:35 PM	Feeder	Storm - Conductor down

FPL records reflect the following Momentary Power Interruptions (MPI's) during the same time period:

	Aug '08	Sep '08	Oct '08	Nov'08	Dec '08	Jan '09	Feb '09	Mar '09	Apr '09	May '09	Jun '09	Jul '09	Aug '09
# of MPI's	2	2	0	2	1	0	6	0	0	1	15*	8**	0

*12 MPI's were related to the outage and weather conditions on 06/23/09, and 2 MPI's were related to weather conditions on 06/06/2009

**All 8 MPI's were related to lightning and weather conditions in the area.

Prior to receipt of Ms. Stephanie Nagel's protest comments to the FPSC, FPL had received a logged complaint (867704E) on July 7, 2009 regarding the same issue.

On June 26, 2009, Ms. Vega, and Ms. Yadelene Riesgo, FPL's Delivery Assurance Lead, spoke with Ms. Nagel at the FPSC's Service Quality Hearing in Plantation. Ms. Riesgo explained the common causes of Momentary Power Interruptions (MPI's), and agreed to conduct a visual inspection of the facilities serving Ms. Nagel's area.

On July 7, 2009, prior to the completion of the facilities inspection, FPSC 867704E was received regarding the customer's concerns.

On July 8, 2009, the Engineering Lead and Delivery Assurance Lead met with the customer, and conducted a visual inspection of the facilities.

On July 10, 2009, Ms. Vega contacted Ms. Nagel and informed her line clearing opportunities were identified, and scheduled for completion by July 31, 2009, barring any unforeseen circumstances. Ms. Nagel expressed satisfaction with the action plan provided.

Line clearance was completed as scheduled by July 31, 2009.

On July 31, 2009, FPL received an email from David Jopling, FPSC Analyst regarding his contact with Ms. Nagel concerning MPI's affecting her area.

That same day, Ms. Michelle Vega, FPL's Complaint Resolution Specialist, made an unsuccessful attempt to contact Ms. Nagel to acknowledge receipt of her concern regarding Momentary Power Interruptions (MPI's). A message was left advising her inquiry would be referred to the area's Service Center for further investigation and response.

During the weekend of July 31, 2009, a visual inspection of the lateral line was conducted. The inspection identified additional locations that require line clearance.

On August 4, 2009, Ms. Jeanette Clover, FPL's Associate Technical Specialist, contacted the customer in response to her additional concerns. Ms. Nagel requested a field visit to discuss the tree conditions. The customer was advised someone from FPL's Vegetation Management would be contacting her to schedule a meeting. The customer was advised tree trimming along the lateral line was recently completed.

On August 6, 2009, Ms. Nagel left Ms. Vega a message informing her that she met with someone from Vegetation Management on August 5, 2009. The Vegetation Management representative addressed all of the customer's concerns and pointed out the locations where trimming was completed. Ms. Nagel also mentioned she has not experienced any MPI's during the month of August. Customer was very thankful and stated she would contact Ms. Vega if she encounters any problems in the future.

That same day, Ms. Vega returned the customer's call. Ms. Nagel was very appreciative of FPL's efforts to address her concerns and was satisfied.

On August 13, 2009, FPL received the customer's e-mail to the FPSC regarding FPL's rate proposal and service reliability.

Nagel
Page 3 of 3

On August 18, 2009, FPL received an e-mail from Ms. Nagel. On her e-mail, the customer acknowledged that FPL completed tree trimming. She also mentioned that she experienced three MPI's, and that the grid in front of her home is in need of tree trimming.

On August 20, 2009, Ms. Vega contacted Ms. Nagel and acknowledged receipt of her e-mail. Ms. Vega informed the customer that FPL records do not reflect three MPI's on August 18, 2009; however, FPL records do reflect lightning in the area, which could have been the cause of the MPI's she experienced. Ms. Nagel stated she has noticed an improvement in service reliability and is satisfied with the work completed on her grid. Although the tree conditions in front of her home do not affect her service, Ms. Nagel suggested that someone further investigate them. Ms. Vega advised the customer she would refer the information to Vegetation Management for further investigation. She also provided her contact information should Ms. Nagel have any additional questions or concerns.

In addition, the reasons for FPL's rate request was provided to the customer.

Approval Signature:	<u>Michelle Vega</u>
Approver's Title:	<u>Complaint Resolution Specialist</u>
Date of Approval:	<u>08/20/2009</u>

Janet Brunson

From: stephfla954@aol.com
Sent: Thursday, August 13, 2009 7:28 PM
To: Janet Brunson
Subject: Re: Docket No. 080677-EI - Florida Power & Light

Thank you very much for your letter. July had a lot of power problems in my neighborhood. They cut down the trees in my grid. So far August has been great. My neighbors across the street have a bunch of trees that need to be cut, but since they do not complain, FPL has not cut them!

-----Original Message-----

From: Janet Brunson <JBrunson@PSC.STATE.FL.US>
To: stephfla954@aol.com
Cc: Cheryl Bulecza-Banks <CBulecza@PSC.STATE.FL.US>; Marshall Willis <MWillis@PSC.STATE.FL.US>
Sent: Thu, Aug 13, 2009 10:35 am
Subject: Docket No. 080677-EI - Florida Power & Light

Thank you for your e-mail to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

Sincerely,

Bev DeMello
Assistant Director
Office of Public Information

8/14/2009

Janet Brunson

From: Janet Brunson
Sent: Thursday, August 13, 2009 10:35 AM
To: 'stephfla954@aol.com'
Cc: Cheryl Bulecza-Banks; Marshall Willis
Subject: Docket No. 080677-EI - Florida Power & Light

Thank you for your e-mail to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers. All customer correspondence and comments during the recent FPL service hearings will be reviewed and considered when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

I hope you are satisfied once your case resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is overseeing FPL's case; she will further investigate your concerns.

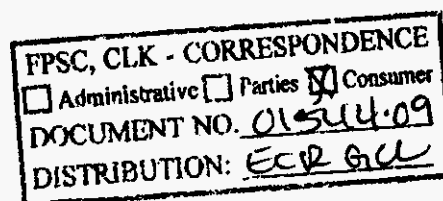
Sincerely,

Bev DeMello
Assistant Director
Office of Public Information

Katie Ely

080677

From: Ruth McHargue
 Sent: Tuesday, June 23, 2009 2:14 PM
 To: Katie Ely
 Cc: Dorothy Menasco; Ann Cole; Cheryl Bulecza-Banks
 Subject: FW: FPL Rate Increase



Please add to docket file.

Note - a complaint was filed regarding outages.

From: stephla954@aol.com [mailto:stephla954@aol.com]
 Sent: Tuesday, June 23, 2009 10:27 AM
 To: Consumer Contact
 Subject: FPL Rate Increase

PLEASE DO NOT ALLOW FPL TO GET A RATE INCREASE!!!

FPL HAS TERRIBLE SERVICE TO MY NEIGHBORHOOD WHICH IS 35 YEARS OLD- THE MIRROR LAKE AREA IN PLANTATION, FL.

FPL has LIED and said they have updated equipment and improved service. I have not experienced this. I woke up at 5AM to a lightening storm and a blackout. I had two blackouts last week.

I set the time on my clock, my VCR, the other 4 bedroom clocks and the stove clock, microwave clock and coffee clock this morning at 7 am, using my cell phone as the correct time. Since then I have had 3 addition blackouts!!!

IF IT RAINS OR THUNDERS I EXPERIENCE BLACKOUTS!

WHEN WE HAD THE THREE HURRICANES, I did not have power for two weeks after Hurricane Katrina, and 4 weeks after Hurricane Wilma. I am still traumatized by this. I had to vacate my house since I am older. When I think of the out of state power trucks going down the turnpike to help us, I cry.

APPARENTLY, THE RATES ARE HIGHER AND THE SERVICE IS SAME OLD TERRIBLE!! NOTHING HAS IMPROVED.

IF THEY IMPROVE THINGS AND WE SEE IT, ONLY THEN DO THEY DESERVE A RATE INCREASE.

FPL DOES NOT DESERVE MORE MONEY FOR INCOMPETENCE.

Please represent the people and deny them the increase.
 THANK YOU FOR READING THIS++++++

A Good Credit Score Is 700 or Above. See yours in just 2 easy steps!

6/23/2009



Customer Inquiry Response

Customer's First Name: REINHARD
Last / Business Name: KARBAS
Alternate Name:
Service Address: 19226 CLOISTER LAKE LN
BOCA RATON, FL 33498

FPSC Log:	R40001	Received From:	Carol
Account #:	13821-75014	Response Type:	Final

Response Comments:

Date Protest Received: 03/25/09

Date Customer was Contacted: 03/25/09

ACTIONS:

03/25/09 - Mr. Richard Paraiso, Distribution Complaint Resolution Specialist, spoke with Mr. Karbas. He was under the opinion that since 2005, FPL had strengthen its electrical facilities, throughout the whole system, to prevent outages caused by severe storms. On March 18 & 19, 2009 his area experienced an outage on both days and there was only rain.

Mr. Paraiso explained that the FPL system contains thousands of miles of poles and other facilities. The hardening of the FPL facilities is an ongoing process and even though FPL has made progress it will take many years for it to completely harden the whole system.

Mr. Paraiso explained FPL records reflect on March 18, 2009, the outage was caused by equipment failure of three lightning arrestors and other equipment. On March 19, 2009, the records reflect the outage was caused by a defective insulator and a pole that needed to be replaced. Mr. Karbas was advised his inquiry would be referred to the service center to investigate.

03/26/09 - Mr. Robert Weese, Service Center Assurance Lead, contacted Mr. Karbas by telephone, to discuss the FPSC inquiry. Mr. Weese explained that the interruptions on both March 18 & 19, 2009, were caused by equipment damage on the same pole and the pole and the equipment have since been replaced. Mr. Karbas was grateful for the explanation.

Reinhard Karbas
Page 2 of 2

Mr. Weese explained that the Service Center has made reliability initiatives to improve the reliability of the electric service. A visual and infrared inspection on the feeder line serving his area were completed in July 2008, and all follow up repairs or replacements that were identified by the inspections were completed in August 2008. Regular maintenance to clear vegetation from the main feeder line was completed in 2006.

Mr. Karbas stated that he is satisfied with Mr. Weese's explanation and that FPL replaced the equipment that caused the outages. He also stated that he is satisfied with Mr. Paraiso's explanation of FPL's Hardening project and has no further concerns at this time.

For further information contact: Roseanne Lucas, (305)552-3372) or
FPL_FPSC_Complaints@fpl.com)

Approval Signature:	<u>Richard Paraiso</u>
Approver's Title:	<u>Distribution Complaint Resolution Specialist</u>
Date of Approval:	<u>03/30/2009</u>

Email sent to Lynne Adams 3/31/09 

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF PUBLIC INFORMATION
CYNTHIA L. MUIR
DIRECTOR
(850) 413-6482

Public Service Commission

March 24, 2009

Mr. Reinhard Karbas
19226 Cloister Lake Lane
Boca Raton, Florida 33498

Re: Docket No. 080677-EI – Florida Power & Light

Dear Mr. Karbas:

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

The PSC will hold hearings in FPL's service territory this summer so that Commissioners can hear from customers about the proposed rate increase and service provided by the utility. Customers will have an opportunity to provide comments and sworn testimony. If you cannot attend a scheduled hearing, you can submit written comments, which will be included in the docket file. All customer comments will be reviewed when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

FPL's rate case hearing before the PSC will be held in Tallahassee. Witnesses from the utility, the Commission staff, and the Office of Public Counsel will present testimony and be cross-examined before the Commissioners. During the hearing, testimony and exhibits will also be introduced, thus establishing the official "record." Commissioners will review the utility's need for a rate increase, the utility's existing and proposed rate structure, and the utility's ability to provide safe and reliable service to FPL's customers.

PSC staff will review all complaints and customer comments and will use its findings when preparing a recommendation to the Commissioners on FPL's proposed final rates. I hope you are satisfied once a resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is managing FPL's case, and she will further investigate your concerns.

Sincerely,

A handwritten signature in cursive script that reads "Cynthia L. Muir".

Cynthia L. Muir
Director

CLM/jmb

cc: Cheryl Bulecza-Banks, Division of Economic Regulation
Marshall Willis, Division of Economic Regulation
Office of Commission Clerk

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An Affirmative Action / Equal Opportunity Employer

PSC Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Monday, March 23, 2009 4:20 PM
To: Janet Brunson
Cc: Cindy Muir; Marshall Willis
Subject: FPL Complaint - E-Form Service Outage TRACKING NUMBER: 18994

Hi Janet,

I think this customer should receive a "B" response. He indicated having two outages within 24 hours. I believe FPL needs to explain the reason the outages occurred.

Thanks, Cheryl

-----Original Message-----

From: contact@psc.state.fl.us [mailto:contact@psc.state.fl.us]
Sent: Thursday, March 19, 2009 12:09 PM
To: Consumer Contact
Subject: E-Form Service Outage TRACKING NUMBER: 18994

Complaint filed with PSC

CUSTOMER INFORMATION

Name: Reinhard Karbas
Telephone: 561-414-3875
Email: rkarbas@bellsouth.net
Address: 19226 Cloister Lake Ln Boca Raton 33498

BUSINESS INFORMATION

Business Account Name: Reinhard Karbas
Account Number: 1382175014
Address: 19226 Cloister Lake Ln Boca Raton Florida 33498

COMPLAINT INFORMATION

Complaint: Service Outage against Florida Power & Light Company
Details:

I think it is outrageous from FPL to request a rate increase claiming they improved their infrastructure when some rain like yesterday causes power outages all over South Florida We had one power outage last night, one again this morning and another short one later in the morning They should get their infrastructure working in the first place before asking for a rate hike!

Janet Brunson

From: Janet Brunson
Sent: Tuesday, August 04, 2009 10:38 AM
To: 'rkarbas@bellsouth.net'
Cc: Cheryl Bulecza-Banks; Marshall Willis
Subject: FW: FPL rate increase Docket 080677-EI

Thank you for your additional comments concerning Florida Power & Light. They have been added to the consumer correspondence side of the docket.

From: Reinhard Karbas [<mailto:rkarbas@bellsouth.net>]
Sent: Friday, June 26, 2009 2:06 PM
To: Consumer Contact
Subject: FPL rate increase Docket 080677-EI

Dear members of the PSC,

I am writing you today because I am appalled that FPL dares to ask for a rate increase.

The only reason for them to ask for more money is so they can give more to their stock holders instead of maintaining their equipment.

It is appalling in what bad shape the power supply is here in South Florida

If we would not have several UPS units to protect PCs and other important items and a power conditioner to protect the TV and the other entertainment items,
We would have to replace them every couple months.

This Monday it had 100 degrees outside; nevertheless some FPL equipment broke and left us without power. This started at 5:00 PM, the first repair truck showed up at 6:30 PM and at 7:30 PM we finally had power again. The real reason was never revealed, just that some of their equipment failed.

At the end of the mail you can see the statistics for the last 24 weeks collected from my UPS, this is below even the least service quality.

As long as FPL does not invest the additional money into maintenance they do not deserve any rate increase!!

Also Florida is called the Sunshine State, as of now the number of solar power plants in Florida is **zero!!**

As long as FPL does not invest money in future clean technologies I ask you not to approve any rate increase

They should only get a rate increase if the money is earmarked for maintenance and investments in a green future, not for their stockholders!!

Best regards

Reinhard Karbas
19226 Cloister Lake Ln
Boca Raton, FL 33498

<< OLE Object: Picture (Metafile) >>

Janet Brunson

From: Cheryl Bulecza-Banks
Sent: Friday, July 31, 2009 2:49 PM
To: Janet Brunson
Cc: Cindy Muir; Bev DeMello
Subject: FW: FPL rate increase Docket 080677-EI

Attachments: Picture (Metafile)

Please send this customer a "D" response. Thanks, Cheryl

From: Reinhard Karbas [<mailto:rkarbas@bellsouth.net>]
Sent: Friday, June 26, 2009 2:06 PM
To: Consumer Contact
Subject: FPL rate increase Docket 080677-EI

Dear members of the PSC,

I am writing you today because I am appalled that FPL dares to ask for a rate increase.

The only reason for them to ask for more money is so they can give more to their stock holders instead of maintaining their equipment.

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Also Florida is called the Sunshine State, as of now the number of solar power plants in Florida is **zero!!**

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They should only get a rate increase if the money is earmarked for maintenance and investments in a green future, not for their stockholders!!

Best regards

Reinhard Karbas
19226 Cloister Lake Ln
Boca Raton, FL 33498

FPL

12/16/08

David with FPL came out to look at the transformers on property. Louis(Maintenance) took him around to look at all transformer bases on property. Pictures attached were taken at this time. We were told we would be put on a work order list.

03/03/09

I spoke to Tom with FPL regarding the rusted transformer bases that had not been addressed. I informed him that in December we were put on a list for repairs or replacement of the transformer boxes. Tom said he would be out on Thursday 03/05.

03/05/09

Tom came to CL and after seeing the transformer bases he agreed that 2 were in need of replacement.

He said the waiting list was a year long.

03/09/09

4:45 pm I called FPL for Tom. I spoke to Sang La who informed me that Tom was out of the office. He said he would leave a message for him to return my call on 03/10/09. I got no call the next day.

03/12/09

Tom called to say that he had submitted the order for 2 transformer bases to be replaced. When I insisted on a specific time frame he said it would not be until the end of April and he would call back with a date.

04/21/09(Approx.)

I called Tom. He stated I had misunderstood regarding the date by which the work would be completed. I respectfully disagree.

04/29/09

Mr Riffel left Tom a message on his voice-mail that he was extremely unhappy with FPL's service and that if repairs were not made as promised he would contact the Public Service Commission.

05/01/09

Tom called to say he got that message and he didn't know if he could change anything about the time frame.

05/05/09

I spoke to Tom to check on a date and he said it would be awhile. I said that he told me it would be the end of April and no one showed. He informed me that they were replacing only transformers that were leaking because those were priority. I informed him that the owner would

notify the Public Utilities Commissioner's office and the County. He said that probably wouldn't change anything. He told me he would speak to his supervisor and call me back.

05/21/09

As of this date Tom has not called back..

Gale Leonard
Property Manager

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF PUBLIC INFORMATION
CYNTHIA L. MUIR
DIRECTOR
(850) 413-6482

Public Service Commission

June 8, 2009

Mr. Richard A. Riffel
1420 Deirdre Drive
Ruskin, Florida 33570

Re: Docket No. 080677-EI – Florida Power & Light

Dear Mr. Riffel:

Thank you for your recent letter to the Florida Public Service Commission (PSC) in which you expressed a complaint about Florida Power & Light Company (FPL). To quickly resolve your complaint, I am forwarding it to FPL's senior management for an expedited review and resolution. Within 48 hours, you should hear from an FPL representative who will be assigned to your case. FPL will investigate your complaint and will provide a written report to PSC staff on how your complaint was handled and the timeframe in which it was resolved.

The PSC will hold hearings in FPL's service territory this summer so that Commissioners can hear from customers about the proposed rate increase and service provided by the utility. Customers will have an opportunity to provide comments and sworn testimony. If you cannot attend a scheduled hearing, you can submit written comments, which will be included in the docket file. All customer comments will be reviewed when staff prepares its recommendation to the Commissioners on FPL's proposed final rates.

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PSC staff will review all complaints and customer comments and will use its findings when preparing a recommendation to the Commissioners on FPL's proposed final rates. I hope you are satisfied once a resolution is reached, but if not please call Cheryl Bulecza-Banks (850) 413-6642, who is managing FPL's case, and she will further investigate your concerns.

Sincerely,


Cynthia L. Muir
Director

CLM/jmb

cc: Cheryl Bulecza-Banks, Division of Economic Regulation
Marshall Willis, Division of Economic Regulation
Office of Commission Clerk

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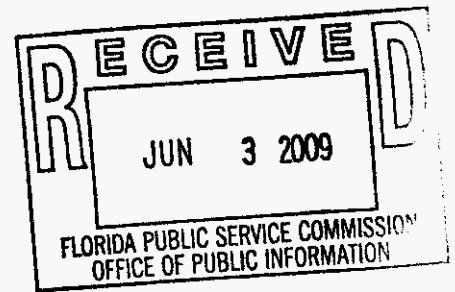
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PSC Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us

Richard A. Riffel

PO Box 177
1420 Deirdre Drive
Ruskin, FL 33570
(813) 645-2669
Fax (813) 645-1699



May 29, 2009

State of Florida, Public Service Commission
Beverlee DeMello, Director
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-8153

Re: Formal Complaint - Florida Power & Light

Dear Ms. DeMello:

I am the owner of Cimarron Lake Apartments, DeSoto Parkway, Sarasota, FL.

Enclosed are pictures of deteriorated and rusted through electric transformer bases. These hazardous and unsightly conditions should be addressed in a timely manner which, obviously, has not been the case. The date of initial contact with Florida Power & Light being December 16, 2008. To date Florida Power & Light continues to procrastinate even though their representative did give a date for completion, the end of April, which he now denies.

Also enclosed is a brief synopsis of the contacts with Florida Power & Light since December 16, 2008.

Your assistance in resolving this matter will be sincerely appreciated.

Yours truly,

A handwritten signature in black ink, appearing to read "Richard A. Riffel".

Richard A. Riffel
enclosures

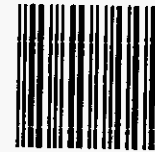
cc: Lew Hay, CEO, FP&L

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
09 JUN -4 AM 10:20
SECTION OF
ECONOMIC REGULATION

FIRST CLASS



1000



32399

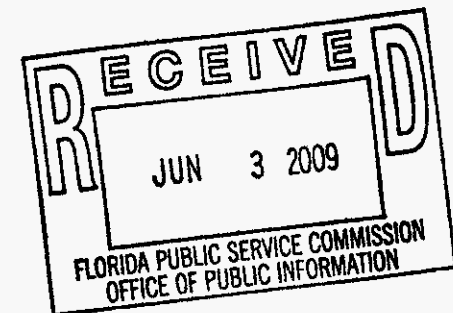
U.S. POSTAGE
PAID
RUSKIN, FL
33570
JUN 01 2009
AMOUNT

\$1.05
00075950-05

TLC MANAGEMENT, LLC

1420 Deirdre Drive
P.O. Box 177
Ruskin, FL 33570

To: State of Florida, Public Svce. Commission
Beverlee DeMello, Director
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-8153



FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080677-EI & 090130-EI **EXHIBIT** 400

COMPANY Florida Power & Light

WITNESS CEO Compensation Comparison

DATE 08/26/09

**Florida Retail Federation (FRF) Members
CEO Compensation Comparison**

Company	CEO Compensation¹	CEO Stock Holdings²	Total Revenue of Company (in \$ Millions)	Gross Profits of Company (in \$ Millions)
Publix	\$0.795 million	\$148,213,452 ³	\$24,109.6	\$1,089.8
Wal-Mart Stores Inc. (Retiring CEO)	\$30.156 million	\$228,209,907	\$405,607.0	\$13,400.0
Wal-Mart Stores Inc. (New CEO)	\$12.238 million	\$70,016,518	\$405,607.0	\$13,400.0
Target Corp.	\$5.861 million	\$60,868,264	\$64,948.0	\$2,214.0
Walt Disney Co.	\$30.617 million	\$153,438,717	\$37,843.0	\$4,427.0
Macy's Inc.	\$5.441 million	\$50,849,225	\$24,892.0	-\$4,803.0
Office Depot Inc.	\$9.361 million	\$21,182,742	\$14,495.5	-\$1,478.9
JC Penney Co.	\$10.024 million	\$21,611,828	\$18,486.0	\$572.0

**Other Companies
CEO Compensation Comparison**

Company	CEO Compensation¹	CEO Stock Holdings²	Total Revenue of Company (in \$ Millions)	Gross Profits of Company (in \$ Millions)
Yum! Brands, Inc.	\$18.363 million	\$265,503,535	\$11,279.0	\$964.0
Tenet Healthcare Corp.	\$11.431 million	\$22,413,515	\$9,494.0	\$25.0

¹ This value is equal to the total compensation published in "Summary Compensation Table" of each respective company's latest proxy filing with the Securities and Exchange Commission (SEC).

² This value is based on common stock owned, beneficially owned, or acquirable within 60 days of latest proxy filing multiplied by closing share price as of August 25, 2009.

³ Publix is not a publicly-traded stock; therefore, the value is based as of August 1, 2009 as reported by Publix.

Publix.

PUBLIX SUPER MARKETS, INC.

Corporate Office
3300 Publix Corporate Parkway
Lakeland, Florida 33811

Proxy Card Address
P.O. Box 32040
Lakeland, Florida 33802-2040

2009 NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON APRIL 14, 2009

To Our Stockholders:

Notice is hereby given that the Annual Meeting of Stockholders of Publix Super Markets, Inc., a Florida corporation (the Company), will be held at the corporate office of the Company, 3300 Publix Corporate Parkway, Lakeland, Florida, on Tuesday, April 14, 2009, at 9:30 a.m. for the following purposes:

1. To elect a Board of Directors;
2. To consider a stockholder proposal requesting that the Publix Board of Directors issue a report detailing any progress made toward adopting certain animal welfare policies; and
3. To transact such other business as may properly come before the meeting or any adjournments thereof.

Accompanying the Notice of Annual Meeting of Stockholders is a Proxy Statement and a proxy card. Whether or not you plan to attend this meeting, please vote your shares by completing, signing, dating and promptly mailing the enclosed proxy card in the envelope provided.

By order of the Board of Directors,



John A. Attaway, Jr.
Secretary

Lakeland, Florida
March 2, 2009

Publix.

BENEFICIAL OWNERSHIP OF SECURITIES

The following table sets forth certain information about the shares of the Company's common stock beneficially owned as of the close of business on February 6, 2009 by each of the Company's nominees for director, each executive officer named in the Summary Compensation Table and all directors and executive officers as a group. Additionally, the table includes the persons (including any group deemed a "person" under Rule 13d-3 of the Securities Exchange Act of 1934) known by the Company to be a beneficial owner of more than 5% of the Company's outstanding common stock.

Name of beneficial owner	Number of shares of common stock beneficially owned as of February 6, 2009 (1)		% of class
Carol Jenkins Barnett	48,022,397	(2)	6.09
Hoyt R. Barnett	8,466,378	(2) (3)	1.07
William E. Crenshaw	9,234,483	(4) (5) (6)	1.17
Jane B. Finley	---	---	---
Sherrill W. Hudson	15,000	(4)	*
Charles H. Jenkins, Jr.	8,645,689	(4) (5)	1.10
Howard M. Jenkins	23,471,488	(4) (5) (7)	2.98
E. Vane McClurg	5,345,690	(4) (7)	*
Maria A. Sastre	5,461	(4)	*
John A. Attaway, Jr.	40,216	(4) (5)	*
Laurie Z. Douglas	70,080	(4) (5)	*
Randall T. Jones, Sr.	51,648	(4) (5)	*
David P. Phillips	261,681	(4) (5)	*
Employee Stock Ownership Plan (ESOP)	245,106,683	(3)	31.09
401(k) Plan	51,844,965	(8)	6.58
All directors and executive officers as a group (35)	100,996,527	(4) (5) (6)	12.81

* Shares represent less than 1% of common stock.

- (1) "Beneficially owned" means the sole or shared voting or investment power with respect to the Company's common stock. Unless otherwise indicated, the individual has sole voting and investment power with respect to the shares shown as beneficially owned, which may be held directly and/or indirectly. In accordance with the beneficial ownership regulations, the same shares of common stock may be included as beneficially owned by more than one individual or entity. The address for all beneficial owners is 3300 Publix Corporate Parkway, Lakeland, Florida 33811 with a mailing address of P.O. Box 407, Lakeland, Florida 33802-0407.
- (2) Total shares beneficially owned by Ms. Barnett include 7,707,591 shares of common stock also shown as beneficially owned by her husband, Mr. Barnett, but exclude all other shares beneficially owned by Mr. Barnett as to which Ms. Barnett disclaims beneficial ownership. Total shares beneficially owned by Mr. Barnett exclude all other shares beneficially owned by Ms. Barnett, as to which Mr. Barnett disclaims beneficial ownership.
- (3) Total shares beneficially owned by Mr. Barnett exclude 244,857,001 shares of common stock also shown as beneficially owned by the Company's ESOP. Mr. Barnett is Trustee of the ESOP. He exercises sole voting power over approximately 4,965,327 shares owned by the ESOP because such shares have not been allocated to participants' accounts. For ESOP shares allocated to participants' accounts, Mr. Barnett will vote the shares as instructed by participants; however, he will vote in his discretion the shares for which no instruction is received from participants.
- (4) These shares include the following number of shares of common stock held directly or indirectly for which the individual has shared voting and investment power: Mr. Crenshaw, 90,996 shares; Mr. Hudson, 12,500 shares; Mr. C. Jenkins, Jr., 2,626,935 shares; Mr. H. Jenkins, 19,970,080 shares; Mr. McClurg, 502,260 shares; Ms. Sastre, 2,561 shares; Mr. Attaway, 23,465 shares; Ms. Douglas, 58,524 shares; Mr. Jones, 1,950 shares; Mr. Phillips, 43,075 shares; and the directors and executive officers as a group, 31,631,047 shares.
- (5) These shares include the following number of shares of common stock held indirectly for which the individual has sole voting and shared investment power: Mr. Crenshaw, 167,205 shares; Mr. C. Jenkins, Jr., 322,217 shares; Mr. H. Jenkins, 190,780 shares; Mr. Attaway, 16,751 shares; Ms. Douglas, 1,056 shares; Mr. Jones, 48,063 shares; Mr. Phillips, 59,616 shares; and the directors and executive officers as a group, 2,284,408 shares.

Publix.

EXECUTIVE COMPENSATION (Continued)

Summary Compensation Table

The following Summary Compensation Table provides information concerning the compensation of the Company's Chief Executive Officer and the four other named executive officers for 2008, 2007 and 2006. However, information for Mr. Jones is not provided for 2007 and 2006 as he was not a named executive officer of the Company during those years.

Name and Principal Positions, () Years of Service	Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation (1)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
William E. Crenshaw (34) Chief Executive Officer	2008	\$754,000	-	-	-	\$ 21,166	-	\$20,300 (2)	\$795,466
	2007	657,180	-	-	-	95,313	-	22,608 (2)	775,101
	2006	590,155	-	-	-	121,709	-	25,118 (2)	736,982
Randall T. Jones, Sr. (29) President	2008	609,140	-	-	-	17,099	-	20,300 (2)	646,539
David P. Phillips (24) Chief Financial Officer and Treasurer	2008	596,950	-	-	-	16,757	-	20,300 (2)	634,007
	2007	542,930	-	-	-	78,743	-	22,608 (2)	644,281
	2006	472,115	-	-	-	97,366	-	25,118 (2)	594,599
Laurie Z. Douglas (3) Senior Vice President and Chief Information Officer	2008	505,600	-	-	-	14,193	-	20,300 (2)	540,093
	2007	465,650	-	-	-	67,535	-	22,608 (2)	555,793
	2006	405,046	-	-	-	89,814	-	145,083 (3)	639,943
John A. Attaway, Jr. (11) Senior Vice President, General Counsel and Secretary	2008	404,380	-	-	-	11,351	-	40,300 (4)	456,031
	2007	363,055	-	-	-	52,655	-	22,608 (2)	438,318
	2006	315,700	-	-	-	65,108	-	25,118 (2)	405,926
Charles H. Jenkins, Jr. (39) Chief Executive Officer to March 2008	2008	213,957	-	-	-	-	-	20,300 (2)	234,257
	2007	860,092	-	-	-	124,742	-	22,608 (2)	1,007,442
	2006	735,900	-	-	-	151,767	-	25,118 (2)	912,785

(1) Amounts in this column include incentive bonus plan payments earned in the applicable year but paid in the subsequent year.

(2) Amounts represent the Company's estimated contributions to the ESOP and 401(k) Plan for 2008 and the actual contributions for 2007 and 2006.

(3) Amount represents a relocation bonus of \$143,902 and a bonus for the cost of COBRA health insurance coverage of \$1,181.

(4) Amount represents the Company's estimated contributions to the ESOP and 401(k) Plan and a special bonus of \$20,000.



702 Southwest 8th Street
Bentonville, Arkansas 72716-0215
(479) 273-4000

Corporate website: www.walmartstores.com

NOTICE OF 2009 ANNUAL SHAREHOLDERS' MEETING

To Be Held June 5, 2009

Please join us for the 2009 Annual Shareholders' Meeting of Wal-Mart Stores, Inc. The meeting will be held on Friday, June 5, 2009, at 7:00 a.m. Central time in Bud Walton Arena, University of Arkansas, Fayetteville, Arkansas.

The purposes of the 2009 Annual Shareholders' Meeting are:

- (1) to elect as directors the 15 nominees named in the attached proxy statement;
- (2) to ratify the appointment of Ernst & Young LLP as the independent accountants of Wal-Mart Stores, Inc. for the fiscal year ending January 31, 2010;
- (3) to vote on the six shareholder proposals described in the attached proxy statement; and
- (4) to transact other business properly brought before the 2009 Annual Shareholders' Meeting.

Important Notice Regarding the Availability of Proxy Materials for the 2009 Annual Shareholders' Meeting. This year, we will be taking advantage of the rules of the Securities and Exchange Commission that allow us to furnish our proxy materials over the internet. As a result, for the first time, we are mailing a notice of availability of the proxy materials over the internet, rather than a full paper set of the proxy materials, to many of our shareholders. The notice of availability contains instructions on how to access our proxy materials on the internet, as well as instructions on how shareholders may obtain a paper copy of the proxy materials. All shareholders who do not receive such a notice of availability, including shareholders who have previously requested to receive a paper copy of the materials, will receive a full set of paper proxy materials by U.S. mail. This distribution process will contribute to our sustainability efforts and will reduce the costs of printing and distributing our proxy materials.

You must be the holder of record of shares of Wal-Mart Stores, Inc. common stock at the close of business on April 9, 2009 to vote at the 2009 Annual Shareholders' Meeting. **If you plan to attend, please bring the admittance slip on the back of this proxy statement or other proof of ownership of Wal-Mart Stores, Inc. common stock on the record date (such as the notice of availability if you received one) and picture identification.** Regardless of whether you will attend, please vote as described on pages 4 and 5 of the proxy statement. Voting in any of the ways described will not prevent you from attending the 2009 Annual Shareholders' Meeting.

This proxy statement and our Annual Report to Shareholders for the fiscal year ended January 31, 2009 are available at the "Investors" section of our corporate website at www.walmartstores.com/annualmeeting. In accordance with the rules of the Securities and Exchange Commission, we do not use "cookies" or other software that identifies visitors accessing these materials on our website.

By Order of the Board of Directors

Thomas D. Hyde
Secretary

Bentonville, Arkansas
April 20, 2009

Admittance Requirements on Back Cover

SUMMARY COMPENSATION

This table shows the compensation for each of the Company's NEOs for the fiscal years shown.

Name and Principal Position	Fiscal year ended Jan. 31,	Salary (\$ (1))	Bonus (\$ (2))	Stock Awards (\$ (3))	Option Awards (\$ (4))	Non-Equity Incentive Plan Compensation (\$ (5))	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$ (6))	All Other Compensation (\$ (7))	Total (\$)
H. Lee Scott, Jr. President and CEO*	2009	1,456,000	0	17,403,219	4,382,214	5,824,000	438,572	652,485	30,156,490
	2008	1,400,000	0	14,075,468	6,839,918	8,400,000	450,592	431,446	31,597,424
	2007	1,300,000	0	15,274,351	8,081,272	4,285,840	308,390	422,680	29,672,533
Thomas M. Schoewe Executive Vice President and CFO	2009	780,000	249,600	5,757,415	820,215	1,560,000	104,494	205,860	9,477,584
	2008	740,000	0	4,039,849	1,285,596	2,220,592	114,653	117,198	8,517,888
	2007	700,385	0	3,989,665	1,534,178	1,162,122	85,603	135,101	7,607,054
Michael T. Duke Vice Chairman**	2009	1,050,000	0	6,456,876	1,076,205	3,064,951	209,834	380,343	12,238,209
	2008	975,000	0	5,212,916	2,217,537	4,459,668	160,223	264,404	13,289,748
	2007	900,000	0	4,648,859	2,358,174	2,462,670	94,793	169,900	10,634,396
Eduardo Castro-Wright Vice Chairman	2009	919,945	480,000	4,776,439	507,637	3,000,000	74,465	229,007	9,987,493
	2008	775,000	25,000	3,436,278	621,795	2,245,619	80,875	128,267	7,312,834
	2007	721,154	50,000	3,609,065	499,264	1,177,255	52,813	92,162	6,201,713
C. Douglas McMillon Executive Vice President***	2009	800,000	0	5,316,818	535,082	1,211,200	50,872	277,885	8,191,857

* Mr. Scott retired as the President and CEO of the Company effective January 31, 2009. He will continue to serve as Chairman of the Executive Committee at least through January 31, 2011.

** Mr. Duke became the President and CEO of the Company effective February 1, 2009.

*** Mr. McMillon was an NEO for the first time in fiscal 2009. Accordingly and as permitted by the SEC's rules, only information relating to Mr. McMillon's compensation for fiscal 2009 is disclosed in the Summary Compensation and other compensation tables, the footnotes to those tables and in the related discussions of the NEOs' compensation.

(1) The amounts shown in this column are amounts included in salaries during the fiscal years shown, with the following amounts being the amounts the NEOs elected to defer under the Deferred Compensation Plan:

Name	Fiscal 2009(\$)	Fiscal 2008(\$)	Fiscal 2007(\$)
H. Lee Scott, Jr.	443,077	376,923	300,000
Thomas M. Schoewe	196,731	0	72,000
Michael T. Duke	242,307	192,308	150,000
Eduardo Castro-Wright	362,000	200,000	192,000
C. Douglas McMillon	104,000	Not applicable	Not applicable

(2) The amounts shown in this column for Messrs. Schoewe and Castro-Wright for fiscal 2009 are discretionary incentive payments based on individual performance granted under our Management Incentive Plan. The amounts shown in this column for fiscal 2008 and fiscal 2007 are bonus payments made to Mr. Castro-Wright in fiscal 2008 and fiscal 2007 relating to his prior expatriate assignment as the President and CEO of Wal-Mart de Mexico, S.A. de C.V.

(3) The amounts included in this column are equal to the compensation expense recognized by the Company for financial reporting purposes in accordance with Statement of Financial Accounting Standards No. 123R ("SFAS 123R") for the fiscal years shown relating to outstanding equity awards, including restricted stock awards, performance-based restricted stock awards and performance share awards, granted prior to or during each such fiscal year. In accordance with the SEC's rules, the amounts in this column for each fiscal year disregard any estimated forfeitures related to service-based vesting conditions during that fiscal year. Amounts relating to portions of awards made in several years, including the fiscal years shown, are included.

- (2) Walton Enterprises, LLC holds a total of 1,680,506,739 Shares. Alice L. Walton, Jim C. Walton and S. Robson Walton share voting and dispositive power with respect to all Shares held by Walton Enterprises, LLC, individually as managing members of Walton Enterprises, LLC and in their capacities as the co-personal representatives of the Estate of Helen R. Walton and as co-trustees of the John T. Walton Estate Trust, which are also managing members of Walton Enterprises, LLC. The managing members have the power to sell and vote those Shares. The business address of each managing member is P.O. Box 1508, Bentonville, Arkansas 72712.
- (3) The number includes 2,174 Shares held by the John T. Walton Estate Trust, as to which Alice L. Walton, Jim C. Walton, and S. Robson Walton share voting and dispositive power (the John T. Walton Estate Trust is also shown as having sole voting and dispositive power over such Shares).
- (4) The number also includes 2,076,917 Shares held by a corporation organized and operated for charitable purposes of which Jim C. Walton and six other unrelated individuals are the directors.

HOLDINGS OF OFFICERS AND DIRECTORS

This table shows the number of Shares held by each director and each NEO on March 31, 2009. It also shows the Shares held by all of Wal-Mart's directors and Executive Officers as a group on that date.

Name of Beneficial Owner	Direct or Indirect with Sole Voting and Investment Power (1)	Indirect with Shared Voting and Investment Power	Total	Percent of Class
Aida M. Alvarez	8,673	290	8,963	*
James W. Breyer	81,111	45,876	126,987	*
M. Michele Burns	9,843	0	9,843	*
James I. Cash, Jr.	9,709	0	9,709	*
Eduardo Castro-Wright (2)	470,306	0	470,306	*
Roger C. Corbett	4,994	0	4,994	*
Douglas N. Daft	19,453	0	19,453	*
Michael T. Duke	1,355,071	0	1,355,071	*
David D. Glass (3)	612,788	300,000	912,788	*
C. Douglas McMillon	442,155	5,194	447,349	*
Gregory B. Penner	3,607	1,388,194	1,391,801	*
Allen I. Questrom	7,796	0	7,796	*
Thomas M. Schoewe	797,528	0	797,528	*
H. Lee Scott, Jr.	4,413,533	3,148	4,416,681	*
Arne M. Sorenson	2,728	0	2,728	*
Jim C. Walton (4)	10,486,911	1,682,585,830	1,693,072,741	43.25%
S. Robson Walton (4)	3,331,437	1,680,986,364	1,684,317,801	43.03%
Christopher J. Williams	20,558	0	20,558	*
Linda S. Wolf	11,788	2,675	14,463	*
Directors and Executive Officers as a Group (24 persons)	22,936,239	1,684,836,215	1,707,772,454	43.57%

* Less than one percent

- (1) These amounts include Shares of unvested restricted stock for certain Executive Officers and stock units deferred under the Director Compensation Plan for certain Non-Management Directors. These amounts also include Shares that the following



FORM PRER14A

TARGET CORP - TGT

Filed: March 30, 2009 (period:)

Proxy soliciting materials. Revised preliminary material

BENEFICIAL OWNERSHIP OF CERTAIN SHAREHOLDERS

Share Ownership of Directors and Officers

Set forth below is information regarding the shares of Target common stock (our only outstanding class of equity securities) owned beneficially on March 20, 2009 by all directors and nominees, each of the executive officers named in the Summary Compensation Table on page 29, and all Target directors and executive officers as a group. The column captioned "Total Shares Beneficially Owned" is the sum of issued shares and shares potentially issuable within 60 days. The column captioned "Common Stock Equivalents" is provided to present a more complete view of each person's economic interest in Target common stock.

Name of Individual or Number of Persons in Group	Issued Shares Beneficially Owned	Shares Potentially Issuable within 60 Days(1)	Total Shares Beneficially Owned(2)	Common Stock Equivalents(3)
Roxanne S. Austin	2,388	46,099	48,487	4,347
Calvin Darden	2,901	32,880	35,781	5,023
Mary N. Dillon	0	3,058	3,058	9,991
James A. Johnson	11,116	86,019	97,135	2,201
Richard M. Kovacevich	61,569	67,102	128,671	2,682
Mary E. Minnick	886	8,560	9,446	12,587
Anne M. Mulcahy	7,114	22,422	29,536	4,347
Derica W. Rice	0	3,058	3,058	9,991
Stephen W. Sanger	27,683	93,016	120,699	11,946
George W. Tamke	10,334	75,966	86,300	2,682
Solomon D. Trujillo	38,025	86,156	124,181	2,115
Gregg W. Steinhafel	429,424(4)(5)	880,416	1,309,840	352,984
Douglas A. Scovanner	79,913(4)(5)(6)	634,571	714,484	105,582
Michael R. Francis	25,124(5)	324,565	349,689	79,009
John D. Griffith	15,571(5)	342,343	357,914	54,357
Timothy R. Baer	11,152(5)	166,120	177,272	51,814
Robert J. Ulrich	725,646(5)	3,121,882	3,847,528	569,616
All directors and executive officers as a group (21 persons)	791,144(5)	3,369,769	4,160,913	833,165

- (1) Includes shares of common stock that the named individuals may acquire on or before May 19, 2009 pursuant to exercisable stock options and the conversion of restricted stock units into common stock.
- (2) All directors and executive officers as a group own less than 1% of Target's outstanding common stock. The persons listed have sole voting and investment power with respect to the shares listed except that Mr. Sanger has shared voting and investment power over 21,881 shares.
- (3) These amounts represent (i) the share equivalents of Target common stock held under Target's deferred compensation plans as of March 20, 2009, which are payable in cash and (ii) restricted stock units that are scheduled to convert into shares of our common stock more than 60 days after March 20, 2009.
- (4) Includes restricted stock awards that remain subject to forfeiture if the executive's employment terminates prior to age 55 or if the executive does not comply with advance notice of resignation requirements. These share totals are as follows: Mr. Steinhafel—106,016 and Mr. Scovanner—53,724.
- (5) Includes shares of common stock owned by executive officers in the Target 401(k) Plan as of March 20, 2009.
- (6) Includes 3,000 shares of common stock held in a trust of which Mr. Scovanner is the sole trustee. Mr. Scovanner disclaims beneficial ownership of such shares.

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Stock Awards(1)	Option Awards(2)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings(3)	All Other Compensation(4)	Total
Gregg W. Steinhafel Chairman, President & Chief Executive Officer	2008	\$ 1,345,769	\$ 447,680	\$ (1,861,911)	\$ 5,049,389	\$ 0	\$ 340,537	\$ 539,953	\$ 5,861,417
	2007	\$ 1,235,769	\$ 447,680	\$ 496,676	\$ 3,212,073	\$ 54,141	\$ 265,699	\$ 323,020	\$ 6,035,058
	2006	\$ 1,130,000	\$ 389,411	\$ 6,118,836	\$ 2,977,996	\$ 654,197	\$ 313,234	\$ 472,979	\$12,056,653
Douglas A. Scovanner Executive Vice President & Chief Financial Officer	2008	\$ 972,115	\$ 270,203	\$ 67,765	\$ 4,195,943	\$ 0	\$ 142,271	\$ 306,724	\$ 5,955,021
	2007	\$ 915,961	\$ 270,203	\$ 2,035,396	\$ 1,952,340	\$ 34,094	\$ 109,719	\$ 291,536	\$ 5,609,249
	2006	\$ 881,635	\$ 274,560	\$ 3,159,653	\$ 1,283,511	\$ 480,566	\$ 144,598	\$ 313,047	\$ 6,537,570
Michael R. Francis Executive Vice President— Chief Marketing Officer	2008	\$ 803,846	\$ 231,558	\$ (661,379)	\$ 1,705,806	\$ 0	\$ 27,536	\$ 147,318	\$ 2,454,685
	2007	\$ 710,769	\$ 231,558	\$ 1,060,642	\$ 1,928,357	\$ 29,219	\$ 16,050	\$ 201,272	\$ 4,177,867
	2006	\$ 665,770	\$ 201,920	\$ 2,291,595	\$ 1,322,070	\$ 353,423	\$ 30,785	\$ 269,677	\$ 5,135,240
John D. Griffith Executive Vice President— Property Development	2008	\$ 672,115	\$ 198,742	\$ (203,316)	\$ 1,049,442	\$ 0	\$ 12,323	\$ 200,115	\$ 1,929,421
	2007	\$ 598,077	\$ 198,742	\$ 774,181	\$ 774,595	\$ 25,077	\$ 2,815	\$ 165,904	\$ 2,539,391
	2006	\$ 549,039	\$ 187,200	\$ 1,620,404	\$ 624,646	\$ 327,659	\$ 11,799	\$ 180,117	\$ 3,500,864
Timothy R. Baer Executive Vice President, General Counsel & Corporate Secretary	2008	\$ 597,115	\$ 184,327	\$ 200,269	\$ 1,589,578	\$ 0	\$ 15,283	\$ 237,474	\$ 2,824,046
Robert J. Ulrich Former Chairman & Chief Executive Officer(5)	2008	\$ 1,600,000	\$ 0	\$ (7,058,609)	\$ 4,245,562	\$ 0	\$ 983,745	\$ 1,285,507	\$ 1,056,205
	2007	\$ 1,661,538	\$2,200,000	\$ (2,175,894)	\$ 7,741,804	\$ 685,440	\$ 833,618	\$ 1,238,898	\$12,185,404
	2006	\$ 1,659,616	\$3,000,000	\$ 16,648,572	\$ 8,562,650	\$ 3,128,960	\$ 892,414	\$ 2,536,479	\$36,428,691

(1) Amount expensed in fiscal 2008 pursuant to FAS 123(R) for performance share units and restricted stock units awarded in fiscal 2008 and prior years, offset for each named officer by reversals in fiscal 2008 and 2007 of a portion of the amounts expensed in 2006 and reported in the 2006 Summary Compensation Table, due to reductions in assumptions regarding payout levels. The amounts reported have been adjusted to eliminate service-based forfeiture assumptions and exclude reversals of amounts expensed but not reported in prior years' Summary Compensation Tables, both of which are used for financial reporting purposes. See Note 25, Share-Based Compensation, to our consolidated financial statements for each of fiscal 2008, 2007 and 2006 for a description of our accounting and the assumptions used.

(2) Amount expensed in fiscal 2008 pursuant to FAS 123(R) for stock options awarded in fiscal 2008 and prior years. The amounts reported have been adjusted to eliminate service-based forfeiture assumptions used for financial reporting purposes, and reflect accelerated expensing for named executive officers who are eligible for post-termination vesting extensions. Stock option values are based on the Black-Scholes option pricing model. See Note 25, Share-Based Compensation, to our consolidated financial statements for each of fiscal 2008, 2007 and 2006 for a description of our accounting and the assumptions used.

The *WALT DISNEY* Company

January 16, 2009

Dear Fellow Shareholder,

I am pleased to invite you to our 2009 Annual Meeting of shareholders, which will be held on Tuesday, March 10, 2009, at 10 a.m. at the Paramount Theatre in Oakland, California.

At the meeting, we will be electing all 12 members of our Board of Directors, as well as considering ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accountants, an amendment to our stock incentive plan, an amendment to our executive performance plan and up to three shareholder proposals.

We are pleased this year to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to their stockholders over the Internet. We believe that this e-proxy process expedites shareholders' receipt of proxy materials, while lowering the costs and reducing the environmental impact of our annual meeting.

You may vote your shares using the Internet or the telephone by following the instructions on page 76 of the proxy statement. Of course, you may also vote by returning a proxy card or voting instruction form if you received a paper copy of this proxy statement.

If you wish to attend the meeting in person, you will need to request an admission ticket in advance. You can request a ticket by following the instructions set forth on page 78 of the proxy statement. If you cannot attend the meeting, you can still listen to the meeting, which will be webcast and available on our Investor Relations website.

Thank you very much for your continued interest in The Walt Disney Company.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert A. Iger", with a stylized flourish at the end.

Robert A. Iger
President and Chief Executive Officer

The Walt Disney Company Notice of 2009 Annual Meeting and Proxy Statement

Compensation Tables

The following table provides information concerning total compensation earned or paid to the chief executive officer, the chief financial officer and the three other most highly compensated executive officers of the Company for services rendered in fiscal 2007 and fiscal 2008. These five officers are referred to as the named executive officers in this proxy statement. Information regarding the amounts in each column follows the table.

SUMMARY COMPENSATION TABLE								
Name and Principal Position	Year	Salary	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Robert A. Iger President and Chief Executive Officer	2008	\$2,000,000	\$7,766,676	\$5,975,332 ⁽¹⁾	\$13,945,493	\$ 156,761	\$773,090	\$30,617,352
	2007	2,000,000	7,931,660	2,243,180	13,670,686	1,108,498	745,177	27,699,201
Thomas O. Staggs Senior Executive Vice President and Chief Financial Officer	2008	1,187,019	2,834,839 ⁽²⁾	953,581	4,100,000	47,617	78,097	9,201,153
	2007	1,106,250	2,196,727	1,004,354	4,450,000	223,362	68,021	9,048,714
Alan N. Braverman Senior Executive Vice President, General Counsel and Secretary	2008	1,032,885	1,603,625	720,599	3,000,000	277,071	67,649	6,701,829
	2007	1,000,000	2,083,860	985,364	3,450,000	290,593	48,106	7,857,923
Kevin A. Mayer Executive Vice President, Corporate Strategy, Business Development and Technology	2008	646,442	495,937	447,396	1,025,000	52,824	18,956	2,686,554
	2007	610,000	368,520	355,816	1,200,000	82,725	16,618	2,633,679
Christine M. McCarthy Executive Vice President, Corporate Finance and Real Estate, and Treasurer	2008	563,221	459,451	260,357	800,000	56,238	26,119	2,165,386
	2007	530,000	438,602	277,406	875,000	87,141	18,682	2,226,831

¹ The amount recorded for fiscal 2008 includes \$3,281,055 relating to an award of options to purchase 3,000,000 shares at an exercise price of \$29.51 per share and scheduled to vest through 2013 awarded to Mr. Iger as an inducement to enter into an extended employment agreement.

² The amount recorded for fiscal 2008 includes \$942,544 relating to an award of 250,000 restricted stock units scheduled to vest in 2013 awarded to Mr. Staggs as an inducement to enter into a new employment agreement.

Salary. This column sets forth salary earned during each fiscal year, none of which was deferred.

Stock Awards. This column sets forth the dollar amount recognized for financial statement reporting purposes for compensation expense incurred by the Company in each fiscal year with respect to:

- restricted stock units awarded as part of the Company's long-term incentive compensation program, and
- restricted stock units awarded as compensate related to the dilutive effect of the ABC Radio spin-off.

This column does not include accounting charges related to restricted stock units that the Compensation Committee has elected to award in lieu of cash for a portion of the annual bonus awarded the executive officer under the Company's Management Incentive Bonus Program. The full dollar amount of the bonus (including restricted stock units valued at the average of the high and low trading prices on the date of award) is included in the "Non-Equity Incentive Plan Compensation" column when awarded.

The Walt Disney Company Notice of 2009 Annual Meeting and Proxy Statement

The following table shows the amount of Disney common stock beneficially owned (unless otherwise indicated) by our current Directors and named executive officers and by Directors and executive officers as a group. Except as otherwise indicated, all information is as of January 9, 2009.

Name	Shares ^{1,2}	Stock Units ^{3,4}	Shares Acquirable Within 60 Days ^{4,5}	Percent of Class
Susan E. Arnold	1,100	6,670	1,200	*
Alan N. Braverman	129,356	—	953,417	*
John E. Bryson	8,961	27,497	36,000	*
John S. Chen	11,740	11,275	18,000	*
Judith L. Estrin	34,766	4,326	48,000	*
Robert A. Iger	537,153	—	5,173,257	*
Steven P. Jobs	138,000,007	—	—	7.4%
Fred H. Langhammer	14,471	13,318	12,000	*
Aylwin B. Lewis	7,035	11,931	18,000	*
Monica C. Lozano	7,196	21,479	36,000	*
Robert W. Matschullat	14,009	24,547	24,000	*
Kevin A. Mayer	5,020	—	184,213	*
Christine M. McCarthy	24,811	—	310,256	*
John E. Pepper, Jr.	47,195	2,827	7,200	*
Orin C. Smith	5,140	4,325	7,200	*
Thomas O. Staggs	259,687	—	1,805,450	*
All Directors and executive officers as a group (17 persons)	139,107,647	128,195	8,614,192	7.9%

* Less than 1% of outstanding shares.

¹ The number of shares shown includes shares that are individually or jointly owned, as well as shares over which the individual has either sole or shared investment or voting authority. Some Directors and executive officers disclaim beneficial ownership of some of the shares included in the table, as indicated below:

- Mr. Chen—1,125 shares held for the benefit of children;
- Ms. Lozano—57 shares held for the benefit of a child;
- Mr. Mayer—65 shares held by a trust for the benefit of members of his family, of which he is trustee;
- Mr. Pepper—150 shares held for the benefit of a child; and
- Mr. Staggs—900 shares held by a trust for the benefit of members of his family, of which he is trustee.

All Directors and executive officers as a group disclaim beneficial ownership of a total of 2,297 shares.

² For executive officers, the number of shares listed includes interests in shares held in Company savings and investment plans as of December 31, 2008: Mr. Iger—16,913 shares; Mr. Staggs—6,615 shares; Mr. Braverman—7,147 shares; Ms. McCarthy—2,317 and all executive officers as a group—32,992 shares.

³ Reflects the number of stock units credited as of January 9, 2009 to the account of each non-employee Director participating in the Company's Amended and Restated 1997 Non-Employee Directors Stock and Deferred Compensation Plan. These units are payable solely in shares of Company common stock as described under "Corporate Governance and Board Matters—Board Compensation," but do not have current voting or investment power. Excludes unvested restricted stock units awarded to executives under the Company's Amended and Restated 2002 Executive Performance Plan which vest on a performance basis and other restricted stock units awarded to Directors and executives that have not vested under their vesting schedules.

⁴ Excludes dividends to be credited March 31, 2009 on restricted stock units held on December 31, 2008.

⁵ Reflects the number of shares that could be purchased by exercise of options exercisable at January 9, 2009, or within 60 days thereafter under the Company's stock option plans and the number of shares underlying restricted stock units that vest within 60 days of January 9, 2009.

Section 16(a) Beneficial Ownership Reporting Compliance

Based upon a review of filings with the Securities and Exchange Commission and written representations that no other reports were required, we believe that all of our Directors and executive officers complied during fiscal 2008 with the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934, with the exception of: Mr. Iger, Mr. Staggs and Brent Woodford who, due to an administrative error in reporting to them the vesting of restricted stock units, each filed one late report relating to the vesting of restricted stock units; and Mr. Langhammer who, due to an administrative error in reporting to him the form of his Director compensation, filed three late reports relating to the award of stock units.

Electronic Availability of Proxy Statement and Annual Report

As permitted by Securities and Exchange Commission rules, we are making this proxy statement and our annual report available to shareholders electronically via the Internet on the Company's website at www.disney.com/investors. On January 16, 2009, we began mailing to our shareholders a notice containing instructions on how to access this proxy statement and our annual report and how to vote online. If you received that notice, you will not receive a printed copy of the proxy materials unless you request it by following the instructions for requesting such materials contained on the notice or set forth in the following paragraph.

If you received a paper copy of this proxy statement by mail and you wish to receive a notice of availability of next year's proxy statement either in paper form or electronically via e-mail, you can elect to receive a paper notice of availability by



FORM DEFR14A

Macy's, Inc. - M

Filed: April 03, 2009 (period:)

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- (3) According to a Schedule 13G filed with the SEC by UBS AG, this reflects the Macy's common stock beneficially owned by the UBS Global Asset Management division of UBS AG and its subsidiaries and affiliates on behalf of its clients, and does not reflect Macy's common stock, if any, owned by any other division of UBS AG.

Stock Ownership of Directors and Executive Officers. The following table sets forth the shares of common stock beneficially owned (or deemed to be beneficially owned pursuant to the rules of the SEC), as of March 20, 2009 by each Macy's director who is not an employee of Macy's, referred to as a Non-Employee Director, by each executive named on the 2008 Summary Compensation Table, referred to as a Named Executive, and by Macy's directors and executive officers as a group. The business address of each of the individuals named in the table is 7 West Seventh Street, Cincinnati, Ohio 45202.

Name	Number of Shares		Percent of Class
	(1)	(2)	
Stephen F. Bollenbach	8,750	3,750	less than 1%
Deirdre P. Connelly	2,500	2,500	less than 1%
Meyer Feldberg	91,666	76,500	less than 1%
Sara Levinson	79,622	76,500	less than 1%
Joseph Neubauer	141,540	76,500	less than 1%
Joseph A. Pichler	85,300	76,500	less than 1%
Joyce M. Roche	16,992	15,000	less than 1%
Karl M. von der Heyden	96,344	76,500	less than 1%
Craig E. Weatherup	82,500	76,500	less than 1%
Marna C. Whittington	101,626	76,500	less than 1%
Terry J. Lundgren	3,208,153	3,008,806	less than 1%
Karen M. Hoguet	680,082	586,317	less than 1%
Thomas L. Cole	543,102	463,759	less than 1%
Janet E. Grove	588,130	530,177	less than 1%
Susan D. Kronick	724,619	639,561	less than 1%
All directors and executive officers as a group (26 persons)	8,255,381	7,095,583	1.96%

- (1) Aggregate number of shares of common stock currently held or which may be acquired within 60 days after March 20, 2009 through the exercise of options granted under Macy's 1995 Executive Equity Incentive Plan, referred to as the 1995 Equity Plan. Includes 17,314 shares pledged by Dr. Whittington as security in a brokerage firm customary margin account.
- (2) Number of shares of common stock which may be acquired within 60 days after March 20, 2009 through the exercise of options granted under the 1995 Equity Plan.

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COMPENSATION OF THE NAMED EXECUTIVES FOR 2008

The following table summarizes the compensation of Macy's principal executive officer, principal financial officer and the three other most highly compensated executive officers of Macy's, collectively referred to as the "Named Executives."

2008 SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus(1) (\$)	Stock Awards(2) (\$)	Option Awards(3) (\$)	Non-Equity Incentive Plan Compensation (\$)	Changes in Pension Value and Nonqualified Deferred Compensation Earnings(4) (\$)	All Other Compensation(5) (\$)	Total (\$)
T. Lundgren Chairman, President and Chief Executive Officer	2008	1,500,000	0	(2,485,714)	5,030,732	900,000	0	496,423	5,441,441
	2007	1,491,667	0	826,710	4,840,013	0	1,218,942	290,945	8,668,277
	2006	1,383,333	0	6,651,653	3,464,675	2,704,800	1,199,550	243,106	15,647,117
K. Hoguet Executive Vice President and CFO(6)	2008	800,000	0	218,929	1,098,469	240,000	0	80,517	2,437,915
	2007	791,667	0	521,825	1,113,982	0	372,011	77,280	2,876,765
	2006	741,667	25,000	1,235,294	877,552	724,500	296,471	79,848	3,980,332
T. Cole Vice Chair(6)	2008	975,000	0	(273,393)	1,242,844	292,500	0	82,482	2,319,433
	2007	962,500	0	376,722	1,283,933	0	808,340	67,579	3,499,074
	2006	883,333	25,000	1,691,762	1,023,142	869,400	444,407	58,045	4,995,089
J. Grove Vice Chair	2008	975,000	0	(271,777)	1,242,844	292,500	0	45,133	2,283,700
	2007	962,500	0	381,975	1,283,933	0	540,547	51,108	3,220,063
	2006	883,333	25,000	1,702,317	1,023,142	869,400	348,355	57,026	4,908,573
S. Kronick Vice Chair	2008	1,100,000	0	(273,154)	1,470,677	330,000	0	66,579	2,694,102
	2007	1,091,667	0	377,286	1,511,766	0	738,738	86,975	3,806,432
	2006	1,042,500	25,000	1,978,004	1,146,552	1,014,300	475,305	58,535	5,740,196

- (1) The amounts in this column represent discretionary bonus amounts paid to the Named Executives. Annual performance-based bonus amounts paid to the Named Executives pursuant to the 1992 Bonus Plan are reflected in the "Non-Equity Incentive Plan Compensation" column.
- (2) The amounts in this column for fiscal 2008 reflect the dollar amounts recognized for financial statement reporting purposes for fiscal 2008, in accordance with FAS 123R, for restricted stock awarded under the 1995 Equity Plan and for stock credits awarded under Macy's stock credit plans, and thus include amounts with respect to awards granted in and/or prior to fiscal 2008. In addition, with respect to stock credits, the amounts also reflect variable accounting treatment. The application of variable accounting and FAS 123R resulted in credits to compensation expense in 2008 due to declines in the market price for shares of Macy's common stock subsequent to the end of fiscal 2007. Assumptions used in the calculation of these amounts are included in footnote 16 to Macy's audited financial statements included in the 2008 10-K, in footnotes 1 and 14 to Macy's audited financial statements included in the 2007 10-K and in footnotes 1 and 15 to Macy's audited financial statements included in the 2006 10-K. In all cases, the amounts assume that the Named Executive remains with Macy's until all time-based restrictions have lapsed and that 100% of performance-based stock credits are earned.



FORM DEF 14A

OFFICE DEPOT INC - odp

Filed: March 11, 2009 (period: April 22, 2009)

Official notification to shareholders of matters to be brought to a vote (Proxy)

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SUMMARY COMPENSATION TABLE

The following table provides a summary of the annual and long-term compensation which we paid to (or deferred for, or that was attributable to/earned with respect to 2006, 2007 and 2008) for our NEOs for services rendered during the 2006, 2007 and 2008 fiscal years.

Summary Compensation Table for Fiscal Year 2006, 2007 & 2008

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Named Officers	Year	Salary	(1) Bonus	(2) Stock Awards	(2) Option Awards	(3) Non-Equity Incentive Plan Compensation	Change in Pension Value and NQ Deferred Compensation Earnings	All Other Compensation	Total
								Total Other	
Siege Odland	2008	\$ 1,000,000	—	\$ 1,221,444	\$ 6,851,280	—	—	\$ 288,700(4)	\$ 9,361,424
Chief Executive Officer	2007	\$ 1,000,000	—	\$ 1,912,000	\$ 9,432,737	—	—	\$ 518,309	\$ 12,863,046
	2006	\$ 1,000,000	—	\$ 1,912,000	\$ 6,220,532	\$ 2,220,840	—	\$ 395,709	\$ 11,749,081
Michael Newman*	2008	\$ 199,519	\$ 100,000	—	\$ 166,667	\$ 148,077	—	\$ 61,009(5)	\$ 675,272
Chief Financial Officer	2007	—	—	—	—	—	—	\$ 0	\$ —
	2006	—	—	—	—	—	—	\$ 0	\$ —
Charles Brown	2008	\$ 625,000	\$ 250,000	\$ 127,649	\$ 1,260,616	—	—	\$ 69,035(6)	\$ 2,332,300
President, International	2007	\$ 622,308	—	\$ 196,742	\$ 926,362	—	—	\$ 54,032	\$ 1,799,444
	2006	\$ 615,000	—	\$ 683,519	\$ 589,543	\$ 616,821	—	\$ 41,227	\$ 2,546,110
Carl (Chuck) Rubin	2008	\$ 625,000	—	\$ 855,550	\$ 475,043	—	—	\$ 74,568(7)	\$ 2,030,161
President, North American Retail	2007	\$ 611,539	—	\$ 502,679	\$ 584,276	—	—	\$ 61,550	\$ 1,760,044
	2006	\$ 568,615	—	\$ 876,338	\$ 650,388	\$ 569,866	—	\$ 48,370	\$ 2,713,577
Steve Schmidt	2008	\$ 625,000	—	\$ 888,888	\$ 333,351	—	—	\$ 278,767(8)	\$ 2,126,006
President, Business Solutions Division	2007	\$ 274,038	—	\$ 208,332	\$ 138,896	\$ 205,529	—	\$ 22,474	\$ 849,269
	2006	—	—	—	—	—	—	\$ 0	\$ —
Pat McKay**	2008	\$ 136,147	—	\$ (64,516)	\$ (131,412)	\$ 101,769	—	\$ 672,790(9)	\$ 714,778
Former Chief Financial Officer	2007	\$ 550,577	—	\$ 209,373	\$ 1,099,893	—	—	\$ 43,221	\$ 1,903,064
	2006	\$ 525,000	—	\$ 229,885	\$ 867,925	\$ 488,943	—	\$ 98,260	\$ 2,210,013

* Mr. Newman joined the Company on August 27, 2008.

** Ms. McKay's employment terminated effective March 1, 2008.

- (1) Column (d) is used to record non-equity discretionary (non-incentive based) bonuses made to our NEO's. Non-equity incentive-based bonuses paid under our Bonus Plan are disclosed in column (g). Amounts for Mr. Newman represent a new hire bonus and amounts for Mr. Brown represent a special bonus in recognition for serving as acting CFO from March 1, 2008 through August 27, 2008.
- (2) The dollar amounts in columns (e) and (f) represent the aggregate proportionate dollar amounts recognized for financial statement reporting purposes for the fiscal years ended 2006, 2007 and 2008 in accordance with proportionate fair value of stock and options granted in fiscal years 2006, 2007 and 2008 recognized as a compensation expense in the Company's financial statements for fiscal year 2008 in accordance with Statement of Financial Accounting Standards ("FAS") No. 123R, "Share-Based Payment" ("FAS 123R") disregarding estimates of forfeitures related to service-based vesting conditions. The negative balance shown for Ms. McKay in 2008 reflects the actual forfeiture of equity awards upon Ms. McKay's termination. These awards were being amortized over the 2007 & 2008 fiscal years. The cumulative reversal of the expense occurs at the time of her termination. See Note A of the consolidated financial statements in our Annual Report regarding assumptions underlying valuation of equity awards.
- (3) The amounts in column (g) reflect cash awards earned under the 2006, 2007 and 2008 Bonus Plans. Mr. Newman is entitled to a guaranteed pro rata bonus pursuant to the terms of his employment offer letter and Ms. McKay is entitled to a pro rata bonus pursuant to the terms of her severance agreement. In 2007 Steve Schmidt earned a guaranteed pro rata bonus pursuant to the terms of his employment offer letter.
- (4) All Other Compensation for Mr. Odland in 2008 included a Company matching contribution of \$25,754 to his account under our non-qualified deferred compensation plan and a matching contribution of \$13,650 under our 401(k) plan. The amount also includes

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STOCK OWNERSHIP INFORMATION

Our Largest Shareholders; Ownership by Our Directors and Executive Officers

We have provided a stock ownership table below that contains certain information about shareholders whom we believe are the "beneficial" owners of more than five percent (5%) of our outstanding common stock, as well as information regarding stock ownership by our Directors, NEOs and our Directors and executive officers as a group. Except as described below, we know of no person that beneficially owns more than 5% of our outstanding common stock, based solely upon filings made with the Securities and Exchange Commission.

Except as otherwise noted below, each person or entity named in the following table has the sole voting and investment power with respect to all shares of our common stock that he, she or it beneficially owns.

Name of Beneficial Owner (As of December 31, 2008)	Beneficial Ownership(1)	Percent of Class (Less than 1% not shown)(2)
Mackenzie Financial Corporation(3) 180 Queen Street West, Toronto, Ontario M5V 3K1 (Canada)	24,858,400	9.04%
Samana Capital, L.P. (formerly, Ziff Asset Management) and related entities: Morton Holdings, Inc. and Philip B. Korsant(4) 283 Greenwich Avenue, Greenwich, CT 06830	24,767,383	9.0%
Barclays Global Investors, NA(5) 400 Howard Street, San Francisco, CA 94105 USA	14,787,828	5.38%
Board of Directors and NEOs		
Lee A. Ault III	196,037	
Neil R. Austrian	302,306	
David W. Bernauer	145,151	
Marsha J. Evans	46,590	
David J. Fuente	164,975	
Brenda Gaines	143,410	
Myra M. Hart	128,784	
Scott Hedrick	252,448	
Kathleen Mason	70,455	
Michael J. Myers	258,692	
Steve Odland (Chair and Chief Executive Officer)	3,922,730	
Total of Board of Directors	5,632,578	
(Our NEOs, Other than our Chair and CEO)		
Charles Brown, President International	714,102	
Chuck Rubin, President North American Retail	592,114	
Steven M. Schmidt, President North American Business Solutions	213,783	
Michael D. Newman, EVP & Chief Financial Officer	0	
Directors and Executive Officers as a Group (20 Persons in Total)	8,320,286	3.03%

(1) Includes shares of common stock subject to options exercisable within 60 days of March 3, 2009. See table below for detail. Also included are unvested shares of restricted stock, as to which the holder has voting rights.

(2) Applicable percentage of ownership is based on 274,875,617 shares of common stock outstanding as of March 3, 2009 together with the exercisable stock options, for such stockholder or group of stockholders, as applicable. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, shares issuable upon the exercise of options that are exercisable within 60 days of March 3, 2009 are not deemed outstanding for purposes of computing the percentage of ownership of any other person.



FORM DEF 14A

J C PENNEY CO INC - jcp

Filed: March 31, 2009 (period: May 15, 2009)

Official notification to shareholders of matters to be brought to a vote (Proxy)

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BENEFICIAL OWNERSHIP OF COMMON STOCK

The following table shows, as of March 16, 2009, the beneficial ownership of shares of JCPenney common stock by (a) each stockholder known to the Company to beneficially own more than 5% of JCPenney common stock, (b) each present director, all of whom are nominees for re-election at the Annual Meeting, (c) the five most highly compensated executive officers serving during the last fiscal year, and (d) all present directors and executive officers of the Company as a group. Beneficial ownership means that the individual has or shares voting power or investment power with respect to the shares of common stock or the individual has the right to acquire the shares of common stock within 60 days of March 16, 2009.

Name	Number of shares beneficially owned	Number of shares included in previous column which the individual or group has/have the right to acquire within 60 days of March 16, 2009	Percent of outstanding common stock ⁽¹⁾
AXA Financial, Inc.	24,988,629 ⁽²⁾	—	11.2%
J. C. Penney Corporation, Inc. Savings, Profit-Sharing and Stock Ownership Plan	17,012,060 ⁽³⁾	—	7.7%
Pzena Investment Management, LLC	16,316,803 ⁽⁴⁾	—	7.3%
State Street Bank and Trust Company	26,165,615 ⁽⁵⁾	—	11.8%
UBS AG ⁽⁷⁾	12,433,679 ⁽⁶⁾	—	5.6%
Directors⁽⁷⁾			
Colleen C. Barrett	12,287	7,882	*
M. Anthony Burns	33,702 ⁽⁸⁾	16,682	*
Maxine K. Clark	12,716	7,882	*
Thomas J. Engibous	38,360	7,882	*
Kent B. Foster	22,370 ⁽⁹⁾	7,882	*
Ken C. Hicks	326,819	280,434	*
Burl Osborne	19,292	7,882	*
Leonard H. Roberts	32,685	7,882	*
Javier G. Teruel	5,834	3,734	*
R. Gerald Turner	29,464 ⁽¹⁰⁾	9,482	*
Myron E. Ullman, III	693,576	452,574	*
Mary Beth West	7,107	7,107	*
Named Executive Officers⁽⁷⁾⁽¹¹⁾			
Robert B. Cavanaugh	249,813	232,665	*
Thomas M. Nealon	36,815	19,907	*
Michael T. Theilmann	162,383	140,692	*
All present directors and executive officers as a group⁽¹⁾	1,717,697	1,229,203	*

* Less than 1%.

- (1) Calculated based on Rule 13d-3(d)(i) using the number of outstanding shares of common stock as of March 16, 2009.
- (2) Based on information set forth in Amendment No. 1 to Schedule 13G filed with the SEC on February 13, 2009 by AXA Financial, Inc. and certain related entities reporting sole power to vote or direct the vote of 18,601,146 shares of JCPenney common stock and sole power to dispose or direct the disposition of 24,988,629 shares of JCPenney common stock. The address of AXA Financial, Inc. is 1290 Avenue of the Americas, New York, New York 10104.
- (3) The trust maintained under the Savings Plan holds these shares. The address for the Savings Plan is 6501 Legacy Drive, Plano, Texas 75024. The trustee for the Savings Plan trust is State Street Bank and Trust Company, whose address is State Street Financial Center, Boston, Massachusetts 02111.

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SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (S)	Stock Awards (S)(1)	Option Awards (S)(1)	Non-Equity Incentive Plan Compensation (S)(2)	Change in Pension Value and Non-qualified Deferred Compensation Earnings (S)(3)	All Other Compensation (S)	Total (S)
Myron E. Ullman, III Chairman and Chief Executive Officer	2008	1,500,000	2,737,106	3,512,033	1,406,250	331,296	537,262(4)	10,023,947
	2007	1,500,000	3,113,725	2,182,482	0	587,422	601,986	7,985,615
	2006	1,500,000	4,392,817	870,439	2,673,750	155,455	791,153	10,383,614
Robert B. Cavanaugh Executive Vice President and Chief Financial Officer	2008	697,500	260,601	721,274	230,000	313,160	38,472(5)	2,261,007
	2007	685,000	367,547	406,136	0	507,109	16,657	1,982,449
	2006	667,125	611,945	867,117	723,575	742,451	13,869	3,626,082
Ken C. Hicks President and Chief Merchandising Officer	2008	885,000	731,100	1,846,727	675,000	190,299	21,530(6)	4,349,656
	2007	830,000	890,705	1,071,703	0	85,419	44,951	2,922,778
	2006	791,250	937,753	689,779	1,072,932	95,769	86,179	3,673,662
Michael T. Theilmann Executive Vice President, Chief Human Resources and Administration Officer	2008	587,500	585,424	848,564	337,500	29,419	24,032(7)	2,412,439
	2007	542,500	996,049	660,206	0	37,224	31,837	2,267,816
	2006	515,000	1,077,103	477,339	550,924	3,159	23,547	2,647,072
Thomas M. Nealon Executive Vice President and Chief Information Officer	2008	518,750	868,285	422,211	220,000	21,898	43,744(8)	2,094,888

- (1) See Note 13 to the Consolidated Financial Statements of J. C. Penney Company, Inc. and subsidiaries, as included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2009, for a discussion of the assumptions underlying the valuation of stock options. The value of stock awards is based on the market price of JCPenney common stock on the date of grant. As discussed in "Compensation Discussion and Analysis," none of the performance-based restricted stock unit awards granted in March 2008 were earned.
- (2) The amounts shown in this column reflect payments made under the Company's Management Incentive Compensation Program.
- (3) Effective with fiscal year 2008, the Company transitioned to a fiscal year-end measurement date with respect to its defined benefit pension and other postretirement plans in accordance with SFAS 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans – an amendment of FASB Statements No. 87, 88, 106 and 132(R)." As a result, the amounts shown in this column for 2008 reflect the aggregate change in the actuarial present value from October 31, 2007 to January 31, 2009 (the pension plan measurement date used for financial statement purposes) of the named executive officer's accumulated benefit under all defined benefit plans in which he or she participates. The Company does not provide above-market or preferential earnings on nonqualified deferred compensation.
- (4) The amount shown in this column for Mr. Ullman includes Company contributions or allocations to Mr. Ullman's account in the Savings Plan for fiscal 2008 of \$10,500. In addition, the amount shown reflects Company matching charitable contributions in the amount of \$10,000 on behalf of Mr. Ullman under the Directors' Matching Fund, which is discussed under "Director Compensation for Fiscal 2008." It also includes \$43,433 for amounts paid by the Company in respect of taxes imputed to Mr. Ullman for personal use of corporate aircraft and ground transportation. The amount shown further includes the value of the following perquisites received by Mr. Ullman: personal use of corporate aircraft, \$458,078; ground transportation, \$5,131; home security systems, \$740; and financial counseling, \$9,380. For a discussion of the valuation of perquisites, see "Compensation Discussion and Analysis."
- (5) The amount shown in this column for Mr. Cavanaugh includes Company contributions or allocations to Mr. Cavanaugh's accounts in the Savings Plan and Mirror Savings Plan for fiscal 2008 of \$12,525 and \$15,300, respectively. The amount shown also includes \$10,647 for financial counseling services received by Mr. Cavanaugh.

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to §240.14a-12

YUM! BRANDS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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YUM! Brands, Inc.
1441 Gardiner Lane
Louisville, Kentucky 40213

April 7, 2009

Dear Fellow Shareholders:

On behalf of your Board of Directors, we are pleased to invite you to attend the 2009 Annual Meeting of Shareholders of YUM! Brands, Inc. The meeting will be held Thursday, May 21, 2009, at 9:00 a.m., local time, in the YUM! Conference Center at 1900 Colonel Sanders Lane in Louisville, Kentucky.

This year we are pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to their shareholders over the Internet. We believe that this e-proxy process expedites shareholders' receipt of proxy materials, while also lowering the costs and reducing the environmental impact of our Annual Meeting.

Whether or not you plan to attend the meeting, your vote is important and we encourage you to vote promptly. You may vote your shares via a toll-free telephone number or over the Internet. If you received a paper copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided. Instructions regarding the three methods of voting are contained on the Notice or proxy card.

If you plan to attend the meeting, please bring your Notice, admission ticket from your proxy card or proof of your ownership of YUM common stock as of March 23, 2009 as well as a valid picture identification. Your vote is important. Whether or not you attend the meeting, we encourage you to consider the matters presented in the proxy statement and vote as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Novak".

David C. Novak
Chairman of the Board and Chief Executive Officer