FPL

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May 21, 2010

VIA HAND DELIVERY

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 100143-EI

Dear Ms. Cole

Enclosed for filing on behalf of Florida Power & Light Company are the original and five (5) copies of its responses to Staff's Data Request No. 1 dated April 22, 2010.

Please contact me if you or your Staff has any questions regarding this filing.

Sincerely,

Lynne A. Adams
for John T. Butler

Enclosures

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1. **What is the appropriate discount rate to use in the proposed prepay program? In your response, please provide the rationale for your answer, and include any work papers and pro-forma financial data used to determine the discount rate.**

A. Since a discounted prepayment program displaces only short-term cash flows, it is appropriate to use the short-term debt rate for any discounted prepayment program. FPL's short-term funding rate is currently 2.11% in 2010. Attached is a copy of FPL Minimum Filing Requirement D-3 from FPL's 2009 rate case (Attachment 1) which details the basis for and use of short term debt. As explained in the MFR, short term debt is used for temporary working capital arrangements and to allow a reasonable time between long term financings. Short term debt is used to meet near term needs on a year to year basis, while long term debt and equity are used for long term commitments by investors for long-lived requirements such as the construction of a new power plant.

2. **Is the discount rate in the proposed prepay program the same or similar to the internal rate of return used in capital budgeting that makes the net present value of all cash flows from a particular project equal to zero? In your response, please provide the rationale for your answer.**

A. The discount rate recommended for any discounted prepayment program is equivalent to the current short-term cost of debt and is not the same as the internal rate of return used in capital budgeting. The long-term weighted average cost of capital is used in the capital budgeting process and is appropriate for these types of projects because the underlying capital expenditures are long-lived assets financed at FPL's overall cost of capital.

It is inappropriate to use FPL's long-term cost of capital as the discount rate for a discounted prepayment program. Determination of the appropriate discount rate is driven by the class of FPL funding that the prepayment is displacing. Since the discounted prepayment revenue stream is short-term in nature, i.e. less than one year, and encompassing payments that would otherwise be due in consecutive periods commencing in one month and ending 12 months later, it is only displacing short-term sources of funding.

3. Is it appropriate to use the interest rate on customer deposits described in Rule 25-6.097, Florida Administrative Code, Customer Deposits, as the discount rate in the proposed prepay program? In your response, please provide the rationale for you answer.

A. FPL does not believe that the interest rate paid on customer deposits should be used in a discounted prepayment program. Rule 25-6.097, Customer Deposits, provides that an electric utility which requires customer deposits shall pay a minimum interest on such deposits of 6% per annum. After a customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the utility shall refund the residential customer's deposits and shall, at its option, either refund or pay 7% interest for qualified nonresidential deposits.

The interest rate paid under Rule 25-6.097 was last revised in 1994, when it was lowered from 8% to 6% for residential deposits and from 9% to 7% for non-residential deposits. In the Staff recommendation that was adopted by the Commission at that time, Staff noted that "interest rates have declined significantly over the past years." Staff included a chart that showed the interest rates for a 30-year Treasury bond, a one-year T-bill and a 90-day T-bill. The rates as of December 1993 for those three forms of investment were cited as 6.28%, 3.58% and 3.17%, respectively.

Two points about the inappropriateness of using the customer deposit interest rate for a discounted prepayment program can be inferred from this 1994 review. First, the Commission clearly chose to set the customer deposit rate closer to the then-current rate for 30-year Treasury bonds than it did for the shorter term T-bills. As discussed in response to Question 2 above, long-term interest rates are not appropriate for a discounted prepayment program, because the prepayments would be displacing short-term sources of funding only. Second, rates for the three types of investment cited by Staff have declined considerably since 1994. As of December 2009, the interest rates for a 30-year Treasury bond, a one-year T-bill and a 90-day T-bill were 4.49%, 0.37% and 0.05%, respectively. Those current rates would not justify paying the 6% or 7% customer deposit interest rate under a discounted prepayment program.

It is also important to note that if the discount rate associated with a discounted prepayment program were set above FPL's avoided cost of short-term debt, the participating customers would be subsidized by non-participating customers.

4. Identify the financial impact (benefits and detriments) to FPL if a prepay program is implemented. Please elaborate on the financial impact identified and provide any documentation supporting your response.

A. If FPL were to implement the proposed prepay program, the potential beneficial financial impacts would be as follows:

a. If participation in a discounted prepayment program generates enough cash to meet short-term funding requirements, FPL could avoid the associated borrowing costs.
b. If customers with higher default risk choose to participate in the program to receive the discount, FPL could reduce bad debt expense. This is unlikely, however, since the customers targeted by the consultant for participation in the program (e.g., governmental entities) are generally not at risk of defaulting on their electric bills.
c. In collecting a years' worth of billing up front FPL could improve its working capital position by reducing the days outstanding associated with normal Accounts Receivable. Currently, FPL provides services to customers in advance of customer payment for services. As a result, FPL effectively finances these services until customer payment is received. Under the prepay program FPL will have reduced the period between service billing and receipt of customer payment until the prepaid funds are depleted. The net result is the reduction of normal Accounts Receivable financing during the reduced collection periods.

If FPL were to implement the proposed prepay program, the potential detrimental financial impacts would be as follows:

a. FPL would incur significant incremental costs associated with developing and administering a new program. These costs are identified in responses to questions 8 and 9 below.
b. If participation in a discounted prepayment program generates funds beyond FPL's short-term funding requirements, FPL would essentially incur borrowing costs for funds that were not needed for ongoing business operation. Additionally, FPL would assume the risk of investing customer funds in excess of short-term funding requirements.

5. Identify the financial risks to FPL if a prepay program is implemented. Please elaborate on the financial risks identified and provide any documentation supporting your response.

A. FPL would experience significant financial risk unless it was allowed to fully recover all of its costs associated with the implementation and ongoing support of a discounted prepayment program and is permitted to use its actual current short term cost of debt as the appropriate discount rate.

As noted in the response to question 3, if the discount rate associated with a discounted prepayment program is set above FPL's avoided cost of short-term debt, the participating customers would be subsidized by non-participating customers. FPL's long term debt rate is used for long term capital funding projects, and customer prepayments would not be used for such projects due to their short term (12 months or less) commitments.

Additionally, because a discounted prepay program would be completely discretionary, at the customer's sole option, it is potentially a much more volatile source of funds than any of the Company's other sources, including short term debt.

6. If a prepay program is implemented, describe in detail how FPL would account for the revenue received as prepayment from customers. In your response, please provide the following:

   a. In what accounts would FPL book the payment for the entire year?

   b. In what accounts would FPL book the electric service owed to the customer for the entire year?

A. If a prepay program is implemented, FPL would account for the cash received as prepayment from customers as follows:

- The customer's discounted prepayment amount would result in a debit to cash (FERC Account 131) and a credit to a subaccount within customer deposits (FERC Account 235). It is important to note that receipt of customer's prepayment does not result in the recognition of revenue.
- Each month, FPL would record a credit to revenue (FERC Account 400) for the customer's actual bill amount (non-discounted) and a debit to customer accounts receivable (FERC Account 142) for the same amount.
- Assuming the discounted prepayment balance (i.e. balance in the customer deposits account) is sufficient to cover the current month's actual bill, FPL would record a credit to customer accounts receivable (FERC Account 142) and a debit to a subaccount within customer deposits (FERC Account 235) for the actual bill amount (non-discounted).
- Each month, FPL would determine the amount of discount/interest earned for the month based on actual billings along with the authorized interest rate determined in steps 1 – 3 above, and would record a debit to other interest expense (FERC Account 431) and a credit to a subaccount within customer deposits (FERC Account 235) for the calculated amount.
- The customer's payment of the nonrefundable administrative adder would result in a debit to cash (FERC Account 131) and a credit to Miscellaneous Service Revenues (FERC Account 451).

Cash – Account 131

1	
5	

Customer Deposits – Account 235.X

3	1
	4

Customer Accounts Receivable – Account 142

2	3

Revenues – Account 400

	2

Misc. Service Revenues – Account 451

	5

Other Interest Expense – Account 431

4	

7. **FPL identified legal contracting as an additional cost that would need to be funded by participants in the program. Please explain the nature of the legal costs.**

A. Legal costs were one of the types of additional administrative costs that may be incurred as a result of a discounted prepay program. Dependent on the final structure, the program may require various contracts with the customer and perhaps a third party financier, which would require legal assistance in drafting and negotiating. Certainly a program such as this would involve considerable financial commitments and associated risks for the company and its general body of customers, so a thorough and in-depth legal review and analysis would be appropriate before entering into any agreements.

8. Please provide documentation to support the operational costs FPL referred to on page 12 of the study and provide an explanation of the type of costs included.

A. The initial set up cost of $134,000 in Year 1 covers the cost of a billing project manager and an employee with specialized skills in the areas of billing, finance, and customer service through the implementation and post-implementation periods.

The billing project manager responsibilities would include:

- Providing direction to technical project team to ensure program adheres to requirements;
- Planning and coordination of effort to ensure project is delivered according to required timeline;
- Creating and documenting complex business processes designed to support long term management and scalability of discounted prepayment program;
- Establishing controls to ensure billing is completed accurately and in a timely manner.

The ongoing operational cost of $54,000 per year covers the cost of an additional employee to provide ongoing support of the discounted prepayment program. The ongoing cost estimate assumes a maximum of 10 customers and/or 10,000 accounts. It is important to note that a single governmental customer typically has hundreds of individual billing accounts, all of which would have to be reconciled against the prepayment and, as a result, the management of a prepay program would likely be very complex.

The additional operational employee responsibilities would include:

- Managing customer requests related to program participation and operational details including billing calculation and individual account statuses;
- Completing regular reconciliation to ensure all participating accounts are reconciled correctly against the prepayment;
- Adherence to controls and established business processes;
- Addressing any system and/or customer related issues pertaining to managing the program.

A detailed breakdown of the cost estimate is included in Attachment 2

9. On page 12 of the study, FPL referred to billing system costs between $817,000 and $917,000. Please provide documentation to support the billing system costs and provide an explanation of the type of costs included. Are these billing system cost included in the prepayment revenue requirements calculation shown in appendix 3, page 2 of 2?

A. Of the $817,000 to $917,000 billing cost, $134,000 is associated with the initial set up cost as outlined in the response to question 8. The remaining $683,000 to $783,000 is related to Customer Information System changes.

FPL's Customer Information System is complex, and changes are required to the core financial programs in order to calculate, display, maintain, track, reconcile, and apply the prepayment amount and to bill prepaid accounts, including

- New screen and program to calculate and display projected prepayment amount at the account level
- Identification and display of prepayment participation at the account level
- Three new screens to display and maintain program details for participating accounts
- Modifications to the core financial system within the Customer Information System including four new financial transactions, balancing and general ledger entries
- Application of the prepayment amount and discount to the bill, including separate detailed billing attachments
- Reversal and reapplication of prepayment amount(s) in the case of rebilling
- New prepayment program reports as well as changes to existing financial and billing reports
- System calculated refund/true-up at year end or upon account closure

FPL's billing department prepares many billing change estimates each year as an integral part of the analysis of any new or proposed customer initiative, and such estimates are generally very accurate. The estimate reflected above for a prepayment offering is consistent with the estimates prepared for other comparable billing changes. A detailed breakdown of the cost estimate is included in Attachment 2.

This cost estimate does not account for the inclusion of the prepayment participation fee in the Customer Information System or including the fee on the customer bill statement. Incorporating that functionality would increase the cost estimate for system changes by approximately $500,000.

Billing system costs of $733,000, the midpoint of the billing system changes cost estimate, are included in the prepayment revenue requirements (note that Attachment 2 reflects the upper end of the cost range, i.e., $783,000).

10. Appendix 3, page 2 of 2, identifies capital costs as part of the prepayment revenue requirements calculation. Please provide documentation to support the capital costs and provide an explanation of the type of costs included.

A. The capital costs identified in Appendix 3, page 2 of 2, are the billing system costs of $733,000 (the midpoint of the billing system changes cost estimate of $683,000 to $783,000) as described above in our response to question 9. A detailed breakdown of the cost estimate is included in Attachment 2.

11. On page 13 of the study, FPL states that it developed many customer-focused initiatives that made sense for both the customers and FPL. Please provide a list of those initiatives FPL has developed.

A. Customer-focused initiatives that FPL has developed for its customers include:

- Demand side management programs to provide customers with incentives to improve energy efficiency and reduce energy costs - specific programs are noted in response to question number 12. FPL's DSM efforts through 2009 have resulted in a cumulative summer peak reduction of approximately 4,257 MW at the generator. Accounting for reserve margin requirements, FPL's DSM efforts through 2009 have eliminated the need to construct approximately 13 new 400 MW generating units.
- Annual rate and technical reviews for business customers to ensure they are on the most beneficial rate and to identify energy efficiency opportunities for their facilities.
- Customers with an energy demand greater than 500 KW have an assigned account manager, who develops an annual plan and conducts technical reviews for their facilities, including energy efficiency recommendations, applicable technologies and methodologies, and applicable incentives.

12. Please provide a discussion as to what programs or assistance FPL currently offers its commercial accounts to lower their electric bill.

A. FPL offers the following rates/riders and programs that may assist customers in lowering their electric bill

- Optional Rates/Riders, including the following:
    - Time of Use Rate,
    - Seasonal Demand Time of Use Rider,
    - High Load Factor Time of Use Rate, and
    - Commercial Demand Reduction Rider
- Annual rate and technical reviews for business customers to ensure they are on the most beneficial rate and to identify energy efficiency opportunities for their facilities.
- Demand Side Management Programs for Business customers
    - Business Energy Evaluations
    - Business Heating, Ventilation and Air Conditioning - Chillers, Split/Packaged DX Air Conditioning, Thermal Energy Storage, Energy Recovery Ventilation, Demand Control Ventilation
    - Business Lighting
    - Business Building Envelope – Ceiling or Roof Insulation, Window Treatments, Reflective Roofing
    - Business Water Heating
    - Business Refrigeration
    - Cogeneration & Small Power Production
    - Business On Call
    - Commercial/Industrial Demand Reduction
    - Commercial/Industrial Load Control
    - The recently filed Business Motors program (pending FPSC approval)

13. What customer payment options does FPL currently offer?

A. The following payment options are currently offered:

- Payment Remittance Options
    - Pay by mail (PPC)
    - Automatic Bill Pay (ABP)
    - Electronic Data Interchange (EDI)
        - Includes payments initiated from the customer's bank sites, unauthorized walk in pay agents, businesses, and other miscellaneous payments
    - Pay Online (POL)
    - Pay in person at On-Line Pay Agent Locations (OPAL)
    - Pay by Phone
    - Credit Card (Using a 3rd party)
    - Western Union - Quick Collect
- Payment/Billing Programs
    - Budget Billing
    - Summary Billing

14. Did FPL investigate a similar concept in the 1990s as alleged by the consultants Mr. Morgan and Mr. Balogh? If yes, please describe the outcome of that investigation, and state whether FPL internally investigated the concept, or whether it was a matter brought before the Commission.

A. FPL conducted a feasibility analysis of a municipal discounted prepay concept but was never able to convert it into a feasible prepayment option. The theory behind this concept required prepayment of 75% to 80% of the projected usage for a 7-year period to a third party that would be able to offer a tax exempt borrowing rate to the municipality; the third party financial services company would then pay FPL. By having a prepayment for the 7 year projected usage FPL theoretically would have been able to substitute the prepayment for long-term borrowing rates and thus long-term interest rates would define the economically justified discount rate. This program concept was shared with a sample of governmental customers in order obtain feedback on the initial concept, but was not formally offered to any customers. The concept was deemed not to be feasible when the financial services company with which FPL investigated the concept was not able to qualify the prepayment loans for the "tax exempt borrowing rate" that was essential to creating the arbitrage opportunity.

There may have been other barriers to implementation of the 1990s study; however, records from the conceptual program feasibility analysis have for the most part been eliminated as part of normal records retention practices so we are unable to address other potential obstacles that precluded approval of the program.

Note that the 2003 IRS ruling referenced by Mr. Balogh applies to wholesale purchases of electricity for resale by government owned utilities, a type of transaction not contemplated by the discounted prepayment proposal, and specifically excludes arbitrage transactions.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO.: 080677-EI

EXPLANATION: 1) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
_X_ Projected Test Year Ended 12/31/10
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Armando Pimentel

Line No.	(1) Maturity Date	(2) Interest Rate	(3) Interest Expense ($000)	(4) 13-month Average Amount Outstanding During the Year (000)	(5) Weighted Average Cost of Short-term Debt
1	Projected Year Ended 12/31/10				
2	Various	Various	$3,847	$181,615	2.12%
3	Commitment fees		1,536		
4	Total		$5,383		2.96%

1) RATIO OF SHORT-TERM DEBT TO TOTAL CAPITAL.

THE MAXIMUM AMOUNT OF SHORT-TERM DEBT WHICH THE COMPANY CAN ISSUE IS LIMITED BY FLORIDA STATUTE, COMMISSION ORDER AND THE COMPANY'S CHARTER. SECTION 366.04 OF THE FLORIDA STATUTES PROVIDES FOR THE COMMISSION TO REGULATE UTILITIES' FINANCINGS EXCEPT FOR SHORT-TERM DEBT NOT EXCEEDING 5% OF THE PAR VALUE OF OTHER SECURITIES OUTSTANDING. IN DOCKET NO. 080621-EI, ORDER NO. PSC-08-0801-FOF-EI ISSUED ON DECEMBER 3, 2008, THE COMMISSION AUTHORIZED THE COMPANY TO ISSUE AND SELL SHORT-TERM SECURITIES DURING 2009 AND 2010 IN AN AMOUNT OR AMOUNTS SUCH THAT THE AGGREGATE PRINCIPAL AMOUNT OF SHORT-TERM SECURITIES OUTSTANDING AT THE TIME OF AND INCLUDING ANY SUCH SALE SHALL NOT EXCEED $3.0 BILLION. THE COMPANY'S CHARTER LIMITS THE AMOUNT OF UNSECURED DEBT WHICH MAY BE INCURRED BY THE COMPANY TO 20% OF THE AGGREGATE OF SECURED INDEBTEDNESS AND CAPITAL AND SURPLUS. THE ABOVE CONSTRAINTS DEFINE THE COMPANY'S DISCRETION WITH REGARD TO THE MAXIMUM USE OF SHORT-TERM FINANCING. THE COMPANY DOES NOT HAVE A STATED POLICY WITH REGARD TO THE RATIO OF SHORT-TERM DEBT TO TOTAL CAPITAL. IN PRACTICE, PRUDENT FINANCIAL MANAGEMENT DICTATES THAT, UNLESS ABSOLUTELY NECESSARY, A MUCH LOWER LEVEL BE PLACED ON THE AMOUNT OF SHORT-TERM DEBT OUTSTANDING.

THE PLANNED USES OF SHORT-TERM DEBT ARE FOR TEMPORARY WORKING CAPITAL REQUIREMENTS AND TO ALLOW FOR A REASONABLE TIME PERIOD BETWEEN LONG-TERM FINANCINGS. THE COMPANY ALSO USES SHORT-TERM DEBT EXTENSIVELY TO MANAGE SHORT-TERM CASH NEEDS SUCH AS UNEXPECTED FUEL UNDERRECOVERIES. THESE USES CAUSE THE COMPANY TO MAINTAIN SHORT-TERM DEBT BALANCES FROM TIME TO TIME DURING THE YEAR. WHEN SHORT-TERM DEBT BALANCES ARE USED, THE COMPANY TRIES TO KEEP THESE BALANCES AT A LEVEL WHICH PROVIDES THE MAXIMUM FINANCIAL FLEXIBILITY AND SAFETY IN THE EVENT THAT LONG-TERM CAPITAL MARKETS SHOULD BECOME TEMPORARILY UNAVAILABLE.

Florida Power & Light Company
Docket No. 100143-EI
Staff's 4/22/2010 Data Request No. 1
Attachment 1, Page 1 of 2

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

DOCKET NO.: 080677-EI

EXPLANATION: 1.) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year

2.) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.), and other uses of short-term financing.

Type of Data Shown:
_X_ Projected Test Year Ended 12/31/10
____ Prior Year Ended ___/___/___
____ Historical Test Year Ended ___/___/___
Witness: Armando Pimentel

Line No.	(1) Maturity Date	(2) Interest Rate	(3) Interest Expense	(4) 13-month Average Amount Outstanding During the Year (000)	(5) Weighted Average Cost of Short-term Debt

2) PLANT EXPANSION.

THE COMPANY DOES NOT USE SHORT-TERM DEBT FOR THE PERMANENT FINANCING OF PLANT EXPANSION.

3) WORKING CAPITAL.

SHORT-TERM DEBT IS USED TO A LIMITED EXTENT TO FINANCE TEMPORARY WORKING CAPITAL REQUIREMENTS.
THE COMPANY DOES NOT USE A SHORT-TERM DEBT BALANCE AS A SOURCE OF CAPITAL TO FINANCE PERMANENT WORKING CAPITAL REQUIREMENTS.

4) TIMING OF LONG-TERM FINANCINGS.

THE COMPANY ATTEMPTS TO PLACE LONG-TERM SECURITIES WHEN MARKET CONDITIONS ARE EXPECTED TO BE MOST FAVORABLE, AND IN CONJUNCTION WITH PRACTICAL SHORT-TERM DEBT LIMITS DESCRIBED IN (1) ABOVE. THE COMPANY'S ABILITY TO FINANCE WITH LONG-TERM SECURITIES IS CONSTRAINED BY SECURITIES AND EXCHANGE COMMISSION RULES AND THE FINANCIAL MARKET'S ABILITY TO ABSORB THE COMPANY'S SECURITIES ISSUES. TO THE EXTENT THAT THESE CONSTRAINTS OR THE COMPANY'S PLANNING PROCESS RESULTS IN A DELAY IN THE ISSUANCE OF LONG-TERM SECURITIES, SHORT-TERM DEBT IS USED TO PROVIDE THE NEEDED CAPITAL. SHORT-TERM DEBT PROVIDES THE FLEXIBILITY NEEDED TO ENSURE THAT THE COMPANY CAN DEFER A LONG-TERM DEBT ISSUANCE FOR A SHORT PERIOD IF THE CIRCUMSTANCES WARRANT. SHORT-TERM DEBT IS NOT USED AS A SOURCE OF PERMANENT CAPITAL, BUT ONLY TO BRIDGE BETWEEN LONG-TERM ISSUES.

5) METHOD OF SHORT-TERM FINANCING.

THE COMPANY TYPICALLY USES COMMERCIAL PAPER FOR SHORT-TERM FINANCING AND HAS ACCESS TO ADDITIONAL SHORT-TERM FINANCING THROUGH OUR BANK LINES.

6) OTHER USES OF SHORT-TERM FINANCING.

SHORT-TERM DEBT IS USED TO PROVIDE FOR TEMPORARY WORKING CAPITAL REQUIREMENTS OR TO ALLOW FOR SOME REASONABLE TIME LAPSE BETWEEN LONG-TERM FINANCINGS. THERE ARE NO OTHER PLANNED USES OF SHORT-TERM FINANCING BY THE COMPANY.

Florida Power & Light Company
Docket No. 100143-EI
Staff's 4/22/2010 Data Request No. 1
Attachment 1, Page 2 of 2

Florida Power & Light
Estimate of Operational Support Effort for Prepayment Program

Activity	Description of Activity	Manday Effort: Customer Billing	Cost per Manday	Recurring	Total Cost
Project Management	Providing direction to technical project team to ensure program adheres to requirements.	78	$ 317	No	$ 24,762
	Planning and coordination of effort to ensure project is delivered according to required timeline.	52	$ 317	No	$ 16,508
Process Design	Creating and documenting complex business processes designed to support long term management and scalability of prepayment program.	78	$ 317	No	$ 24,762
	Establishing controls to ensure billing is completed accurately and in a timely manner.	44	$ 317	No	$ 13,968
Billing Project Manager Subtotal:		**252**	**$ 317**		**$ 80,000**
Customer Requests/Issue Handling (10 customers and/or 10,000 accounts)	Managing customer requests related to program participation and operational details including billing calculation and individual account statuses. - Includes training, and preparation for new process in the first year.	78	$ 214	Yes	$ 16,714
Operational Support (10 customers and/or 10,000 accounts)	Operational activities including: completing regular reconciliation to ensure all participating accounts are reconciled correctly against the prepayment, adherence to controls and established business processes and addressing any system and/or customer related issues pertaining to managing the program. - Includes training, and preparation for new process in the first year.	174	$ 214	Yes	$ 37,286
Billing Ongoing Operational Support Subtotal:		**252**	**$ 214**		**$ 54,000**
TOTAL:		504			$ 134,000

Florida Power & Light
Estimate of Effort to Perform System Changes for Prepayment Program

Activity	Description of Activity	Manday Effort: Information Management	IM Cost per Manday	Manday Effort: Customer Billing	CB Cost per Manday	Total Mandays	Total Cost
Initiation and Analysis	Definition of initial project scope, objectives, timing, and costs. Finalization of all project requirements.	150	$ 375	50	$ 300	200	$ 71,250
Design	Design of system changes, including functional and technical design, according to approved requirements. This encompasses: - Identification and mapping of all processes - Definition of business rules and validations - Financial controls and accounting treatment - Online screen design - Reporting definition, design, and layout - Evaluation and design of programming changes needed, including determination of the need for new program modules and identification of changes to existing programs System changes required are: **Online Changes**: new screen and program to calculate and display the projected prepayment amount for each account; identification and display of prepayment participation at the account level; three new screens to display and update prepayment program details for participating accounts. **Financial Changes**: Modifications of the core financial system within CIS II, including four new financial transactions, balancing, and general ledger entries. **Billing/Rebilling**: Application of the prepayment amount to the bill, including separate detailed billing attachments, and reversal and reapplication of amounts in the event of rebilling. **Reporting**: New prepayment program reports as well as changes to existing billing and receivable reports. **True-Up/Refund**: System-calculated true-up or refund of prepayment amount at year end or closing of account.	270	$ 375	50	$ 300	320	$ 116,250
Construction	Programming, unit testing, and verification of system performance for all of the above activities	580	$ 375	50	$ 300	630	$ 232,500
System Testing	Includes beginning to end testing of all new and existing functions to ensure all requirements have been met, for all of the above activities	255	$ 375	300	$ 300	555	$ 185,625
Implementation	Migration and installation of all new components and programs into the existing CIS system, and verification that all functions work as designed in the Production environment	25	$ 375	50	$ 300	75	$ 24,375
Post-Implementation Support	Technical and functional staff required to monitor changes and ensure system contines to perform as planned	40	$ 375	125	$ 300	165	$ 52,500
Subtotal:		**1,320**		**625**		**1,945**	**$ 682,500**
Contingency	Due to uncertainty regarding the specific requirements of the prepayment program, a contingency of approximately 15% was added	200	$ 375	85	$ 300	285	$ 100,500
TOTAL:		1,520		710			$ 783,000