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August 26, 2011

-VIA HAND DELIVERY -

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

RECEIVED - FPSC
11 AUG 26 PM 12:50
COMMISSION
CLERK

Re: Docket No. 110007-EI

Dear Ms. Cole:

I am enclosing for filing in the above docket the original and seven (7) copies of Florida Power & Light Company's ("FPL's") Petition for Approval of Environmental Cost Recovery Factors for the Period January 2012 Through December 2012, Approval of a revised 2011 Actual/Estimated True-up Amount and Approval of the Industrial Boiler MACT Project, together with a CD containing the electronic version of same.

Also enclosed for filing are the original and fifteen (15) copies of the prefiled testimony and exhibits of FPL witnesses T.J. Keith and R.R. LaBauve.

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

Sincerely,

John T. Butler

Enclosures

cc: Counsel for Parties of Record (w/encl.)

COM
AFA
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13 + 100 containing petition

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**IN RE: Environmental Cost)
Recovery Clause)**

**DOCKET No. 110007-EI
Filed: August 26, 2011**

**PETITION FOR APPROVAL OF ENVIRONMENTAL COST RECOVERY FACTORS
FOR THE PERIOD JANUARY 2012 THROUGH DECEMBER 2012 AND APPROVAL
OF THE INDUSTRIAL BOILER MACT PROJECT**

Florida Power & Light Company ("FPL") pursuant to Order No. PSC-93-1580-FOF-EI and Order No. PSC-98-0691-FOF-PU, hereby petitions this Commission (1) to approve the Environmental Cost Recovery ("ECR") Factors submitted as Attachment I to this Petition for the January 2012 through December 2012 billing period, (2) to approve FPL's revised actual/estimated ECR true-up over-recovery of \$8,708,682 for the period of January 2011 through December 2011, and (3) to approve the Industrial Boiler MACT (IB MACT) Project, such that the reasonable costs incurred by FPL in connection with this project subsequent to the date of this petition may be recovered through the ECR Clause. All ECR Factors are to become effective starting with meter readings scheduled to be read on or after Cycle Day 1, and will remain in effect until modified by subsequent order of this Commission. In support of this Petition, FPL incorporates the prepared written testimony and exhibits of FPL witnesses T.J. Keith and R.R. LaBauve, and states as follows:

1. Section 336.8255 of the Florida Statutes authorizes the Commission to review and approve the recovery of prudently incurred Environmental Compliance Costs.
2. FPL seeks Commission approval of the ECR Factors for the period January 2012 through December 2012 as set forth in the testimony and documents of Mr. Keith, and in Attachment I to this Petition. FPL is requesting recovery of total projected jurisdictional environmental costs, adjusted for revenue taxes, in the amount of \$182,053,636, representing \$195,667,760 of 2012

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FPSC-COMMISSION CLERK

environmental project costs decreased by the revised actual/estimated true-up over-recovery of \$8,708,682 for the period January 2011 through December 2011 and by the final over-recovery of \$5,036,426 for the period January 2010 through December 2010, as filed on April 1, 2011. The calculations of environmental costs for the period January 2012 through December 2012 are contained in Commission Forms 42-1P through 42-8P which are attached as Appendix I to Mr. Keith's prepared testimony.

3. The actual/estimated over-recovery of \$8,708,682 for the period January 2011 through December 2011 was revised from that filed on August 1, 2011 to reflect a formula correction on Form 42-8E, Page 58.

4. FPL witness R.R. LaBauve's prepared testimony and documents present and support a new environmental compliance activity for recovery through the ECR Clause: the IB MACT Project. Mr. LaBauve's testimony includes a description of this project, an identification of the environmental laws or regulations requiring FPL to undertake the project, the forecasted costs associated with the project, a description of the steps FPL is taking to ensure that the environmental compliance costs to be incurred by FPL pursuant to the project are prudent, and a demonstration of the appropriateness of the project. This information shows that the IB MACT Project meets the requirements for recovery set forth in section 366.8255 of the Florida Statutes and that the forecasted environmental compliance costs associated with the project are reasonable.

5. The IB MACT Project is required by the United States Environmental Protection Agency (EPA), which regulates Hazardous Air Pollutants (HAPs) under Section 112 of the Clean Air Act (CAA) and promulgates emission standards for HAPs under 40 CFR Part 63 for stationary source categories. On February 21, 2011, the final Industrial/Commercial/Institutional Boiler


Maximum Achievable Control Technology (IB MACT) rules were signed by the EPA Administrator. EPA's two rules address boilers and process heaters under Subpart DDDDD (40 CFR 63.7480) for affected units at major sources and Subpart JJJJJ (40 CFR 63.11193) for affected units at area sources. The IB MACT rules impose new emission limitations, work practice standards, and operating limits on the affected source categories to reduce the emissions of HAPs. FPL's plans to comply with the requirements of these rules include developing site specific monitoring plans, conducting emission stack testing, performing fuel oil sampling and analyses, conducting biennial tune-up practices, performing one-time energy assessment, and installing emission controls or replacing existing units. Subpart JJJJJ became effective on March 21, 2011. EPA has stayed the effectiveness of Subpart DDDDD, but FPL anticipates that the stay will be lifted no later than Spring 2012. FPL expects to begin incurring compliance costs under Subpart JJJJJ in the near future and to begin incurring compliance costs under Subpart DDDDD promptly after the stay is lifted.

WHEREFORE, FPL respectfully requests the Commission (1) to approve the ECR Factors set forth in Attachment I to this Petition for the January 2012 through December 2012 billing period, effective starting with meter readings scheduled to be read on or after Cycle Day 1, and to continue these charges in effect until modified by subsequent order of this Commission, (2) to approve FPL's revised actual/estimated ECR true-up of \$8,708,682 over-recovery for the period of January 2011 through December 2011, and (3) to approve the IB MACT Project, such that the reasonable costs incurred by FPL in connection with this project subsequent to the date of this petition may be recovered through the ECR Clause.

Respectfully submitted,

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BY:



John T. Butler
Fla. Bar No. 283479

CERTIFICATE OF SERVICE

Docket No. 110007-EI

I HEREBY CERTIFY that a true and correct copy of Florida Power and Light Company's Petition for Approval of Environmental Cost Recovery Factors for the Period January 2012 through December 2012, and the Industrial Boiler MACT Project has been furnished by hand delivery (*) or U.S. Mail this 26th day of August, 2011 to the following:

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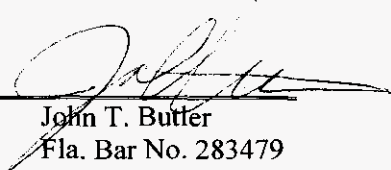
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BY:


John T. Butler
Fla. Bar No. 283479

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of Environmental Cost Recovery Clause Factors
January 2012 to December 2012

Rate Class	(1) Percentage of KWH Sales at Generation (%)	(2) Percentage of 12 CP Demand at Generation (%)	(3) Percentage of GCP Demand at Generation (%)	(4) Energy Related Cost (\$)	(5) CP Demand Related Cost (\$)	(6) GCP Demand Related Cost (\$)	(7) Total Environmental Costs (\$)	(8) Projected Sales at Meter (KWH)	(9) Environmental Cost Recovery Factor (\$/KWH)
RS1/RST1	53.93428%	62.42542%	59.12277%	\$18,924,454	\$90,264,681	\$1,400,976	\$110,590,111	55,179,030,324	0.00200
GS1/GST1	5.31359%	4.67834%	5.08365%	\$1,864,433	\$6,764,694	\$120,462	\$8,749,589	5,436,225,128	0.00161
GSD1/GSDT1/HLTF(21-499 kW)	23.26687%	19.74926%	20.52940%	\$8,163,878	\$28,556,643	\$486,466	\$37,206,987	23,806,124,732	0.00156
OS2	0.01176%	0.00491%	0.04572%	\$4,126	\$7,100	\$1,083	\$12,309	12,458,252	0.00099
GSLD1/GSLDT1/CS1/CST1/HLTF(500-1,999 kW)	10.15434%	8.67939%	9.42633%	\$3,562,952	\$12,550,051	\$223,367	\$16,336,370	10,401,423,229	0.00157
GSLD2/GSDT2/CS2/CST2/HLTF(2,000+ kW)	2.13756%	1.51193%	1.65121%	\$750,028	\$2,186,190	\$39,127	\$2,975,345	2,211,649,384	0.00135
GSLD3/GSLDT3/CS3/CST3	0.20383%	0.14437%	0.17243%	\$71,521	\$208,748	\$4,086	\$284,355	218,123,888	0.00130
ISST1D	0.00000%	0.00000%	0.00000%	\$0	\$0	\$0	\$0	0	0.00101
ISST1T	0.00000%	0.00000%	0.00000%	\$0	\$0	\$0	\$0	0	0.00179
SST1T	0.09391%	0.09832%	0.19311%	\$32,953	\$142,162	\$4,576	\$179,691	100,498,031	0.00179
SST1D1/SST1D2/SST1D3	0.00687%	0.00328%	0.00860%	\$2,409	\$4,749	\$204	\$7,362	7,272,632	0.00101
CILC D/CILC G	2.90401%	1.81478%	2.06840%	\$1,018,957	\$2,624,107	\$49,013	\$3,692,077	3,006,093,828	0.00123
CILC T	1.24495%	0.76233%	0.87060%	\$436,829	\$1,102,293	\$20,630	\$1,559,752	1,332,228,131	0.00117
MET	0.07523%	0.06888%	0.07576%	\$26,396	\$89,599	\$1,795	\$127,790	79,693,587	0.00160
OL1/SL1/PL1	0.57586%	0.00769%	0.70524%	\$202,056	\$11,113	\$16,711	\$229,880	589,146,032	0.00039
SL2, GSCU1	0.07594%	0.05112%	0.04678%	\$26,996	\$73,914	\$1,108	\$102,018	78,713,822	0.00130
TOTAL				\$35,087,989	\$144,596,043	\$2,369,605	\$182,053,636	102,458,681,000	0.00178

Note: There are currently no customers taking service on Schedules ISST1(D) or ISST1(T). Should any customer begin taking service on these schedules during the period, they will be billed using the applicable SST1 Factor.

- (1) From Form 42-6P, Col 11
- (2) From Form 42-6P, Col 12
- (3) From Form 42-6P, Col 13
- (4) Total Energy \$ from Form 42-1P, Line 5b x Col 1
- (5) Total CP Demand \$ from Form 42-1P, Line 5b x Col
- (6) Total GCP Demand \$ from Form 42-1P, Line 5b x Col
- (7) Col 4 + Col 5 + Col 6
- (8) Projected KWH sales for the period January 2012 through December 2012.
- (9) Col 7 / Col 8 x 100

Totals may not add due to rounding.