Commissioners: Ronald A. Brisé, Chairman Lisa Polak Edgar Art Graham Eduardo E. Balbis Julie I. Brown

## STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL S. CURTIS KISER GENERAL COUNSEL (850) 413-6199

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Public Service Commission

September 17, 2012

## STAFF'S SECOND DATA REQUEST

Mr. John T. Butler Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420

## Re: Docket Number 120015-EI - Petition for increase in rates by Florida Power & Light Company.

Dear Mr. Butler:

By this letter, the Commission staff requests that Florida Power & Light Company (FPL) provide responses to the following data requests.

- 1. Please refer to FPL's response to item 9(f) of staff's first data request. Also refer to paragraph 12(a)(ii) and to the bullet on the Asset Management Agreement (AMA).
  - a. Will the third party be independent of FPL and Next Era Energy? Please explain and, as part of the response to this question, define "third party" as used in the stipulation and settlement.
  - b. The AMA would allow the optimization of functions such as gas storage, gas deliveries, upstream gas purchases, gas transportation, electric transmission, and possibly other functions to be outsourced to a third party. This suggests that efficiencies would be gained with this outsourcing. Why hasn't FPL already sought to take advantage of these efficiencies and pass the benefits on to customers?
  - c. In addition to the above, please refer to FPL's response to item 10(a) of staff's first data request. Why does FPL not currently sell gas out of storage for gains and credit the gain to fuel costs?
  - d. In addition to the above, please refer to FPL's response to item 10(b) of staff's first data request. Why does FPL not currently sell idle gas transportation and idle electric transmission and credit the gain to fuel costs?

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- 2. Please refer to paragraphs 12(a)(i) and (ii) of the proposed stipulation and settlement. For short-term wholesale sales, short-term wholesale purchases, gas storage utilization, delivered city-gate gas sales using existing transport, production (upstream) area sales, capacity release of gas transport, capacity release of electric transmission, and the AMA, please provide an estimate of the gains for 2013.
- 3. Please refer to paragraph 12(b) of the proposed stipulation and settlement. Please provide an estimate of total "incremental optimization costs" for 2013 by function, i.e., short-term wholesale purchases, short-term wholesale sales, etc. and, within each function, by expense category, i.e., incremental personnel, software, etc.

Please file the original and five copies of the requested information by Monday, September 24, 2012, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6220 if you have any questions.

Sincerely

Caroline Klancke Senior Attorney

CMK/ace

cc: Office of Commission Clerk All Parties in Docket No. 120015-EI