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March 3, 2015

-VIA ELECTRONIC FILING -

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 150001-EI

Dear Ms. Stauffer:

I enclose for electronic filing in the above docket (i) Florida Power & Light Company's ("FPL") Petition for Approval of Fuel Cost Recovery and Capacity Cost Recovery True-Ups for the Period Ending December 2014, (ii) the prefiled testimony and exhibits of FPL witness Terry J. Keith (iii) the prefiled testimony and exhibit of FPL witness Gerard J. Yupp and (iv) the prefiled testimony of FPL witness Don Grissette.

Exhibit TJK-2 to Mr. Keith's testimony and Exhibit GJY-1 to Mr. Yupp's testimony contain confidential information. This electronic filing includes only the redacted version of Exhibits TJK-2 and GJY-1. Contemporaneous herewith, FPL will file via hand-delivery a Request for Confidential Classification.

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

Sincerely,

s/ John T. Butler
John T. Butler

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Fuel and Purchase Power Cost Recovery Clause with Generating Performance Incentive Factor	Docket No: 150001-EI Filed: March 3, 2015

PETITION FOR APPROVAL OF FUEL COST RECOVERY AND CAPACITY COST RECOVERY NET TRUE-UPS FOR THE PERIOD ENDING <u>DECEMBER 2014, AND 2014 INCENTIVE MECHANISM RESULTS</u>

Florida Power & Light Company ("FPL") hereby petitions this Commission for approval of (1) FPL's Net Fuel and Purchased Power Cost Recovery ("FCR") true-up amount of $10,088,837 over-recovery and Net Capacity Cost Recovery ("CCR") true-up amount of $2,951,171 under-recovery, both for the period ending December 2014; and (2) FPL's retention and recovery of $12,976,120 as its 60% share of incremental gains above $46 million in 2014 as provided by the Incentive Mechanism that was approved by Order No. PSC-13-0023-S-EI, dated January 14, 2013 in Docket No. 120015-EI. FPL incorporates the prepared written testimony and exhibits of FPL witnesses Terry J. Keith, Gerard J. Yupp and Don Grissette, and FPL states as follows:

1. The $10,088,837 net FCR true-up over-recovery for the period January 2014 through December 2014 was calculated in accordance with the methodology set forth in Schedule 1, page 2 of 2, attached to Order No. 10093, dated June 19, 1981. This calculation and the supporting documentation are contained in the prepared testimony and exhibits of Mr. Keith.

2. By Order No. PSC-14-0701-FOF-EI, the Commission approved FCR Factors for the period commencing January 2, 2015. These factors reflected an actual/estimated true-up under-recovery, including interest, for the period January 2014 through December 2014 of $266,562,206, which was also approved in Order No. PSC-14-0701-FOF-EI. The actual under-

recovery, including interest, for the period January 2014 through December 2014 is $256,473,369. The $256,473,369 actual under-recovery, less the actual/estimated under-recovery of $266,562,206, which is currently reflected in charges for the period beginning January 2, 2015, results in a net FCR true-up over-recovery of $10,088,837 that is to be included in the calculation of the FCR factors for the period beginning January 2016.

3. The $2,951,171 net CCR true-up under-recovery for the period January 2014 through December 2014 was calculated in accordance with the methodology set forth in Order No. 25773, dated February 24, 1992. This calculation and the supporting documentation are contained in the prepared testimony and exhibits of Mr. Keith.

4. By Order No. PSC-14-0701-FOF-EI, the Commission approved CCR Factors for the period commencing January 2, 2015. These factors reflected an actual/estimated true-up over-recovery, including interest, for the period January 2014 through December 2014 of $10,299,210, which was also approved in Order No. PSC-14-0701-FOF-EI. The actual over-recovery, including interest, for the period January 2014 through December 2014 is $7,348,039. The $7,348,039 actual over-recovery, less the actual/estimated over-recovery of $10,299,210, results in a net CCR true-up under-recovery of $2,951,171 that is to be included in the calculation of the CCR Factors for the period beginning January 2016.

5. By Order No. PSC-13-0023-S-EI, issued January 14, 2013, in Docket No. 120015-EI, In re: Petition for increase in rates by Florida Power & Light Company, the Commission ordered that, as part of the fuel cost recovery clause, FPL annually file a final true-up schedule showing its gains in the prior calendar year on short-term wholesale sales, short-term wholesale purchases, and all forms of asset optimization it undertook in that calendar year. Consistent with this order, the results of its Incentive Mechanism for the period January 2014 through December 2014 are provided in the testimony and exhibit of Mr. Yupp. The total gains

for the Incentive Mechanism during that period were $67,626,867. This exceeded the sharing threshold of $46 million. Therefore, the incremental gains above $46 million will be shared between customers and FPL, 40% and 60%, respectively. FPL's 60% share of the incremental gains above $46 million is $12,976,120, which is to be included in the calculation of the FCR Factors for the period beginning January 2016.

WHEREFORE, Florida Power & Light Company respectfully requests the Commission to approve for the period ending December 2014: (1) FPL's net FCR true-up amount of $10,088,837 over-recovery and authorize the inclusion of this amount in the calculation of the FCR Factors for the period beginning January 2016, (2) FPL's net CCR true-up amount of $2,951,171 under-recovery and authorize the inclusion of this amount in the calculation of the CCR Factors for the period beginning January 2016, (3) total gains of $67,626,867 for the Incentive Mechanism during the period January 2014 through December 2014, and (4) FPL's retention of $12,976,120 as its 60% share of the incremental Incentive Mechanism gains above $46 million in 2014, and authorize the inclusion of this amount in the calculation of the FCR Factors for the period beginning January 2016.

Respectfully submitted,

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By: *s/ John T. Butler*
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CERTIFICATE OF SERVICE
Docket No. 150001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic service on this 3rd day of March 2015, to the following persons:

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By: *s/ John T. Butler*
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BEFORE THE FLORIDA
PUBLIC SERVICE COMMISSION

DOCKET NO. 150001-EI
FLORIDA POWER & LIGHT COMPANY

MARCH 3, 2015

LEVELIZED FUEL COST RECOVERY
AND CAPACITY COST RECOVERY
FINAL TRUE-UP

INCENTIVE MECHANISM RESULTS

JANUARY 2014 THROUGH DECEMBER 2014

TESTIMONY & EXHIBITS OF:

TERRY J. KEITH
GERARD J. YUPP
DON GRISSETTE

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

TESTIMONY OF TERRY J. KEITH

DOCKET NO. 150001-EI

MARCH 3, 2015

Q. Please state your name, business address, employer and position.

A. My name is Terry J. Keith and my business address is 9250 West Flagler Street, Miami, Florida, 33174. I am employed by Florida Power & Light Company (FPL or the Company) as the Director, Cost Recovery Clauses, in the Regulatory & State Governmental Affairs Department.

Q. Have you previously testified in predecessors to this docket?

A. Yes.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to present the schedules necessary to support the actual Fuel Cost Recovery (FCR) Clause and Capacity Cost Recovery (CCR) Clause Net True-Up amounts for the period January 2014 through December 2014. The Net True-Up for the FCR is an over-recovery, including interest, of $10,088,837. The Net True-Up for the CCR is an under-recovery, including interest, of $2,951,171. FPL is requesting Commission approval to include the FCR true-up over-recovery of $10,088,837 in the calculation of the FCR factors for the period January 2016 through December 2016. FPL is also requesting Commission approval to include the CCR true-up under-recovery of $2,951,171 in the calculation of the CCR factors for the period January 2016 through

December 2016. Finally, FPL is requesting Commission approval to include $12,976,120 in the calculation of the FCR factors for the period January 2016 through December 2016, which represents FPL's share of the 2014 Incentive Mechanism gain described in the testimony of FPL witness Yupp.

Q. Have you prepared or caused to be prepared under your direction, supervision or control an exhibit in this proceeding?

A. Yes, I have. It consists of two appendices. Appendix I contains the FCR related schedules and Appendix II contains the CCR related schedules. In addition, FCR Schedules A1 through A12 for the January 2014 through December 2014 period have been filed monthly with the Commission and served on all parties of record in this docket. Those schedules are incorporated herein by reference.

Q. What is the source of the data you present?

A. Unless otherwise indicated, the data are taken from the books and records of FPL. The books and records are kept in the regular course of the Company's business in accordance with generally accepted accounting principles and practices, and with the applicable provisions of the Uniform System of Accounts as prescribed by the Commission.

FUEL COST RECOVERY CLAUSE

Q. Please explain the calculation of the FCR net true-up amount.

A. Appendix I, page 1, titled "Summary of Net True-Up," shows the calculation of the Net True-Up for the period January 2014 through December 2014, an over-recovery of $10,088,837.

The Summary of the Net True-up amount shows the actual End-of-Period True-Up under-recovery for the period January 2014 through December 2014 of $256,473,369 on line 1. The Actual/Estimated True-Up under-recovery for the same period of $266,562,206 is shown on line 2. Line 1 less line 2 results in the Net Final True-Up for the period January 2014 through December 2014, an over-recovery of $10,088,837 on line 3.

The calculation of the true-up amount for the period follows the procedures established by this Commission as set forth on Commission Schedule A2 "Calculation of True-Up and Interest Provision."

Q. Have you provided a schedule showing the calculation of the 2014 FCR actual true-up by month?

A. Yes. Appendix I, page 2, titled "Calculation of Final True-up Amount," shows the calculation of the FCR actual true-up by month for January 2014 through December 2014.

Q. Have you provided schedules showing the variances between actual and actual/estimated FCR costs and applicable revenues for 2014?

A. Yes. Appendix I, page 3, provides a comparison of jurisdictional fuel costs and revenues on a dollar per MWh basis. Appendix I, page 4, compares the actual End-of-Period True-up under-recovery of $256,571,851 to the Actual/Estimated End-of-Period True-up under-recovery of $266,660,688. Both comparisons result in a net over-recovery of $10,088,837.

Q. Please describe the variance analysis on page 3 of Appendix I.

A. Appendix I, page 3, provides a comparison of Jurisdictional Total Fuel Revenues and Jurisdictional Total Fuel Costs (including Net Power Transactions) on a dollar per MWh basis.

The $10,088,837 over-recovery is primarily due to a decrease in fuel prices resulting in a variance of $9,054,297 and a decrease in consumption resulting in a variance of $1,045,445.

Actual jurisdictional fuel revenues collected were $36,014,173 lower than projected and actual consumption was 1,125,767 MWh lower than projected, yet revenues collected per MWh were $0.00787 higher than projected. Of the $36,014,173 decrease in fuel revenues collected, $36,835,405 was due to the decrease in consumption, partly offset by a slight increase in price (revenues per MWh) of $821,232.

Actual jurisdictional fuel costs were $46,113,915 lower than projected, jurisdictional fuel costs per MWh were $0.07887 lower than projected, and actual consumption was 1,125,767 MWh lower than projected. Of the $46,113,915 decrease in jurisdictional fuel costs, $37,880,850 was due to the decrease in consumption and $8,233,065 was due to the decrease in price (fuel costs incurred per MWh).

The decrease in fuel revenues due to consumption of $36,835,405 minus the decrease in jurisdictional fuel costs due to consumption of $37,880,850 resulted in a variance due to consumption of $1,045,445. The increase in fuel revenues due to price of $821,232 minus the decrease in fuel costs due to price of $8,233,065 resulted in a variance due to price of $9,054,297. The variance due to consumption of $1,045,445 and the variance due to price of $9,054,297 resulted in an over-recovery of $10,099,742. This over-recovery of $10,099,742 plus the decrease of $10,905 in interest associated with the 2014 final true-up amount resulted in a total true up over-recovery of $10,088,837.

Q. Turning to page 4 in Appendix I, what was the variance in Adjusted Total Fuel Costs and Net Power Transactions?

A. The variance in Adjusted Total Fuel Costs and Net Power Transactions was a decrease of $38,030,582. This decrease was primarily due to a $44.8 million decrease in Fuel Cost of System Net Generation, a $15.7 million decrease in Energy Payments to Qualifying Facilities (QFs), a $3.2 million increase in Gains from Off-System Sales, a $1.0 million increase in the Fuel Cost of Power Sold, a $0.8 million increase in Energy Imbalance Fuel Revenues, and a $0.2 million decrease in Inventory Adjustments. These amounts were partially offset by a $19.1 million increase in Fuel Cost of Purchased Power, a $7.0 million increase in Energy Cost of Economy Purchases, a $1.2 million increase in Non-Recoverable Oil/Tank Bottoms, and a $0.4 million increase in the Variable Power Plant O&M Costs.

<u>Fuel Cost of System Net Generation ($44.8 million decrease)</u>

FPL's coal cost averaged $2.92 per MMBtu, which was $0.14 per MMBtu or 5.1% higher than projected during the period. However, FPL consumed 8,292,018 less MMBtus (14.7%) than projected during the period. Of the total

$16.3 million decrease for coal, $23.1 million was due to lower than projected consumption, partially offset by a $6.8 million increase due to higher than projected unit costs.

FPL's natural gas cost averaged $5.29 per MMBtu, which was $0.13 per MMBtu or 2.49% lower than projected during the period. However, FPL consumed 12,046,706 more MMBtus (2.11%) than projected during the period. Of the total $13.3 million decrease for natural gas, $78.7 million was due to lower than projected unit costs, partially offset by a $65.3 million increase due to higher than projected consumption.

FPL's heavy oil cost averaged $14.70 per MMBtu, which was $0.01 per MMBtu or 0.05% higher than projected during the period. However, FPL consumed 845,951 less MMBtus (24.7%) than projected during the period. Of the total $12.4 million decrease for heavy oil, $12.4 million was due to lower than projected consumption, slightly offset by a $17,190 increase due to higher than projected unit costs.

FPL's light oil cost averaged $20.84 per MMBtu, which was $0.21 per MMBtu or 0.98% lower than projected during the period. Additionally, FPL consumed 90,989 less MMBtus (7.4%) than projected during the period. Of the total $2.2 million decrease for light oil, $1.9 million was due to lower than projected consumption and $0.2 million was due to lower than projected unit costs.

FPL's nuclear fuel cost averaged $0.63 per MMBtu, which was $0.01 per MMBtu or 1.4% lower than projected during the period. However, FPL consumed 3,219,898 more MMBtus (1.1%) than projected during the period. Of the total $0.7 million decrease for nuclear, $2.7 million was due to lower than projected unit costs, partially offset by a $2.0 million increase due to higher than projected consumption.

Energy Payments to Qualifying Facilities ($15.7 million decrease)

The variance for Energy Payments to QFs was attributable to both lower than projected QF purchases and lower than projected unit costs for those purchases. FPL purchased approximately 315,000 MWh less from QF facilities. Lower purchases resulted in a variance of approximately $12.8 million or 82% of the total variance. The fuel cost of QF purchases was approximately $1.15/MWh less than projected. Lower than projected fuel costs resulted in a variance of approximately $2.9 million, or 18% of the total variance. The combination of lower volume and lower fuel costs resulted in a total variance of $15.7 million lower than projected QF energy costs.

Gains from Off-System Sales ($3.2 million increase)

The variance for Gains from Off-System Sales was primarily due to higher than projected economy sales. FPL sold approximately 396,500 MWh more of economy power than projected, which resulted in a variance of approximately $8.1 million. This variance was partially offset by a lower than projected average margin on economy sales of $1.98/MWh which resulted in a variance of approximately $4.9 million.

Fuel Cost of Power Sold ($1.0 million increase)

The variance for Fuel Cost of Power Sold was primarily due to higher than projected economy sales, partially offset by lower than projected fuel costs for economy sales. FPL sold approximately 396,500 MWh more of economy power than projected, which resulted in a variance of approximately $14.6 million. The lower fuel costs of economy sales, $31.22/MWh versus a projection of $36.86/MWh, resulted in a partially offsetting variance of approximately $14.1 million. This variance is increased by $0.4 million primarily due to higher than projected sales related to the St. Lucie Reliability Exchange. FPL sold approximately 67,000 more MWh through the agreement than originally projected.

Fuel Cost of Purchased Power ($19.1 million increase)

The variance for Fuel Cost of Purchased Power is primarily due to higher than projected utilization of the UPS power agreements. Total costs for UPS purchases were approximately $21.9 million higher than projected. Of the $21.9 million variance, approximately $19.8 million was due to approximately 455,000 MWh higher UPS purchases and approximately $2.1 million was due to higher fuel costs, $44.18/MWh versus a projection of $43.44/MWh. FPL executed a power purchase agreement with Seminole Electric in August, which was not included in the previous projections and resulted in a variance of approximately $0.5 million. St. Lucie purchases resulted in a total cost variance of approximately $0.2 million.

FPL purchased approximately 17,000 more MWh than projected, while the overall unit cost was $0.13/MWh higher than originally projected. The UPS variance was partially offset by lower than projected purchases from SJRPP. The total costs for SJRPP purchases were approximately $3.4 million lower than projected. FPL purchased approximately 106,000 MWh lower than projected, while the overall unit cost was $0.17/MWh higher than projected.

Energy Cost of Economy Purchases ($7.0 million increase)

The variance for Energy Cost of Economy Purchases is primarily attributable to higher than projected economy purchases. FPL purchased approximately 141,000 MWh more of economy energy than projected. Higher economy purchases resulted in a volume variance of approximately $7.0 million, or 101% of the total variance. The costs of economy purchases were on average $0.21/MWh lower than projected, resulting in an offsetting variance of approximately $88,000, or 1% of the total variance.

Variable Power Plant O&M Costs ($0.4 million increase)

Variable Power Plant O&M Costs are driven by sales volumes in excess of the 514,000 MW threshold applicable to the Incentive Mechanism. The variance is primarily due to higher sales of economy power. FPL sold approximately 396,500 MWh more economy power than originally projected.

Q. What was the variance in retail (jurisdictional) FCR revenues?

A. As shown on Appendix I, page 4, line 30, actual jurisdictional FCR revenues, net of revenue taxes, were approximately $36.0 million or 1.0% lower than the actual/estimated projection. This was primarily due to lower than projected jurisdictional sales, which were approximately 1,125,767,272 kWh, or 1.1% lower than the actual/estimated projection.

Q. FPL witness Yupp calculates in his testimony that FPL is entitled to retain $12,976,120 as its 60% share of 2014 Incentive Mechanism gains over the $46 million threshold. When is FPL requesting to recover its share of the gains, and how will this be reflected in the FCR schedules?

A. FPL is requesting recovery of its share of the 2014 Incentive Mechanism gains through the 2016 FCR factors, consistent with its treatment of approved Generating Performance Incentive Factor (GPIF) amounts. FPL will include the approved Incentive Mechanism amount in the calculation of the 2016 FCR factors and will reflect recovery of one-twelfth of the approved amount, net of revenue taxes, in each month's Schedule A2 for the period January 2016 through December 2016 as a reduction to jurisdictional fuel revenues applicable to each period.

CAPACITY COST RECOVERY CLAUSE

Q. Please explain the calculation of the CCR net true-up amount.

A. Appendix II, page 1, titled "Summary of Net True-Up" shows the calculation of the CCR Net True-Up for the period January 2014 through December 2014, an under-recovery of $2,951,171, which FPL is requesting to be included in the calculation of the CCR factors for the January 2016 through December 2016 period.

The actual End-of-Period over-recovery for the period January 2014 through December 2014 of $7,348,039 shown on line 1 less the Actual/Estimated End-of-Period over-recovery for the same period of $10,299,210 shown on line 2 that was approved by the Commission in Order No. PSC-14-0701-FOF-EI, results in the Net True-Up under-recovery for the period January 2014 through December 2014 of $2,951,171 on line 3.

Q. Have you provided a schedule showing the calculation of the CCR actual true-up by month?

A. Yes. Appendix II, page 2, titled "Calculation of Final True-up" shows the calculation of the CCR End-of-Period true-up for the period January 2014 through December 2014 by month.

Q. Is this true-up calculation consistent with the true-up methodology used for the FCR clause?

A. Yes, it is. The calculation of the true-up amount follows the procedures established by this Commission set forth on Commission Schedule A2 "Calculation of True-Up and Interest Provision" for the FCR clause.

Q. Have you provided a schedule showing the variances between actual and actual/estimated capacity charges and applicable revenues for 2014?

A. Yes. Appendix II, page 3, titled "Calculation of Final True-up Variances," shows the actual capacity charges and applicable revenues compared to actual/estimated capacity charges and applicable revenues for the period January 2014 through December 2014.

Q. What was the variance in net capacity charges?

A. Appendix II, page 3, line 15 provides the variance in Jurisdictional Capacity Charges, which is a decrease of $4,892,590 or 0.9%. This $4.9 million decrease was primarily due to a $6.1 million decrease in Incremental Plant Security - O&M, a $1.6 million decrease in Transmission of Electricity by Others, and a $0.1 million decrease in Incremental Plant Security - Capital. These decreases were partially offset by a $2.0 million increase in Payments to Non-cogenerators, and an increase of $0.8 million in Incremental Nuclear NRC Compliance (Fukushima) - O&M.

<u>Incremental Power Plant Security Costs - O&M ($6.1 million decrease)</u>

The $6.1 million decrease was primarily due to the nuclear cyber security plan implementation date being deferred from December 2015 to December 2017. FPL requested approval of the extension from the Nuclear Regulatory Commission (NRC), which is anticipated in 2015. Industry representatives have developed better guidance on how to implement the NRC's cyber security rule and NRC endorsement of the additional guidance is expected in 2015. As a result, FPL deferred some of the cyber security work that was planned for 2014 pending finalization of that guidance. NERC Critical Infrastructure Protection (CIP) and Cyber Security Distributed Control System (DCS) upgrades were deferred to 2015 due to regulatory uncertainty and implementation logistics. Additionally, initiatives related to the development of procedures and processes for the implementation of CIP versions 4 and 5 were deferred due to regulatory changes and final rule development.

Transmission of Electricity by Others ($1.6 million decrease)

The approximately $1.6 million variance is due to higher than projected utilization of the UPS power agreements, resulting in lower than projected unutilized transmission costs. FPL utilized approximately 455,000 MWh more than projected for the last five months of 2014.

Incremental Power Plant Security Costs - Capital ($0.1 million decrease)

The $0.1 million decrease is primarily due to the deferral of in-service dates for the St. Lucie Force-On-Force modifications from December 2014 to December 2015. The modifications were delayed pending the results of the graded Force on Force exercise performed by the NRC in October 2014 in order to determine if any changes to the scope of the project are required. Additionally, savings were realized at the Manatee plant for infrastructure upgrades and a portion of the planned scope of work was deferred to 2015. Finally, milestone payments at the West County plant were deferred to 2015.

Payments to Non-Cogenerators ($2.0 million increase)

The $2.0 million increase was primarily due to costs associated with the SJRPP agreement. Approximately $1.7 million of the total variance was attributable to the SJRPP agreement. An increase in costs of approximately $3.3 million for Cumulative Capital Recovery Amount (CCRA) payments was partially offset by lower payments for property taxes $720,000, decommissioning $116,000, O&M $627,000, and inventory expense charges to FPL $185,000. There was a small increase in costs of approximately $122,000 due to a Capacity Availability

Performance Adjustment (CAPA) true-up payment related to the Harris unit in the UPS agreement. In addition, FPL executed a purchased power agreement with Seminole Electric Cooperative, Inc. in August. That transaction resulted in a variance of approximately $194,000 as the purchase was not included in 2014 projections.

<u>Incremental Nuclear NRC Compliance Costs (Fukushima) – O&M ($0.8 million increase)</u>

The $0.8 million increase was primarily due to higher than projected Regional Response Center program fees and additional scope to ensure potential flooding hazards do not impact plant safety equipment at the St. Lucie plant.

Q. What was the variance in CCR revenues?

A. As shown on page 3, line 16, actual Capacity Cost Recovery Revenues (Net of Revenue Taxes) were $7,844,243 or 1.3% lower than the actual/estimated projection. This was primarily due to lower than projected jurisdictional sales, which were approximately 1,125,767,272 kWh, or 1.1% lower than the actual/estimated projection.

Q. Have you provided Schedule A12 showing the actual monthly capacity payments by contract?

A. Yes. Schedule A12 consists of two pages that are included in Appendix II as pages 4 and 5. Page 4 shows the actual capacity payments for FPL's Purchase Power Agreements for the period January 2014 through December 2014. Page 5 provides the Short Term Capacity Payments for the period January 2014 through December 2014.

Q. Have you provided a schedule showing the capital structure components and cost rates relied upon by FPL to calculate the rate of return applied to all capital projects recovered through the FCR and CCR clauses?

A. Yes. The capital structure components and cost rates used to calculate the rate of return on the capital investments for the period January 2014 through December 2014 are included on pages 10 and 11 of Appendix II.

Q. Does this conclude your testimony?

A. Yes, it does.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

TESTIMONY OF GERARD J. YUPP

DOCKET NO. 150001-EI

MARCH 3, 2015

Q. Please state your name and address.

A. My name is Gerard J. Yupp. My business address is 700 Universe Boulevard, Juno Beach, Florida, 33408.

Q. By whom are you employed and what is your position?

A. I am employed by Florida Power and Light Company (FPL) as Senior Director of Wholesale Operations in the Energy Marketing and Trading Division.

Q. Have you previously testified in predecessors to this docket?

A. Yes.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present the 2014 results of FPL's activities under the Incentive Mechanism that was approved by Order No. PSC-13-0023-S-EI, dated January 14, 2013, in Docket No. 120015-EI.

Q. Have you prepared or caused to be prepared under your supervision, direction and control any exhibits in this proceeding?

A. Yes, I am sponsoring Exhibit GJY-1, consisting of four pages:

- Page 1 – Total Gains Schedule
- Page 2 – Wholesale Power Detail
- Page 3 – Asset Optimization Detail (Confidential)
- Page 4 – Incremental Optimization Costs

Q. Please provide an overview of the Incentive Mechanism.

A. The Incentive Mechanism is an expanded optimization program that is designed to create additional value for FPL's customers while also providing an incentive to FPL if certain customer-value thresholds are achieved. It was created by the Stipulation and Settlement that was approved in FPL's 2012 rate case by Order No. PSC-13-0023-S-EI. The Incentive Mechanism includes gains from wholesale power sales and savings from wholesale power purchases, as well as gains from other forms of asset optimization. These other forms of asset optimization include, but are not limited to, natural gas storage optimization, natural gas sales, capacity releases of natural gas transportation, capacity releases of electric transmission and potentially capturing additional value from a third party in the form of an Asset Management Agreement (AMA). Under the Incentive Mechanism, customers receive 100% of the gains up to $46 million.

Incremental gains above $46 million are to be shared between FPL and customers as follows: customers receive 40% and FPL receives 60% of the incremental gains between $46 million and $100 million; and customers receive 50% and FPL receives 50% of all incremental gains above $100 million. FPL is allowed to recover reasonable and prudent incremental O&M costs incurred in implementing the expanded optimization program under the Incentive Mechanism, including incremental personnel, software and associated hardware costs, as well as variable power plant O&M costs incurred to make wholesale sales above 514,000 MWh (the level of wholesale sales that were assumed in forecasting FPL's 2013 test year power plant O&M costs in the MFRs filed in FPL's 2012 rate case).

Q. Please summarize the activities and results of the Incentive Mechanism for 2014.

A. FPL's activities under the Incentive Mechanism in 2014 delivered nearly $67.63 million in total gains as described in my Exhibit GJY-1, page 1, Table 1, column 5. Of these total gains, and per the sharing parameters described above, FPL is allowed to retain $12.98 million (see Exhibit GJY-1, page 1, Table 2, column 9). FPL witness Keith describes how FPL's recovery of this amount will be handled in the Fuel Cost Recovery schedules. During 2014, FPL's activities under the Incentive Mechanism included wholesale power purchases and sales, natural gas sales in the market and production areas, gas storage utilization, and the capacity release of firm natural gas transportation and firm electric transmission. Additionally, FPL entered into an Asset Management Agreement related to a small portion of upstream gas transportation during 2014. The total gains of nearly $67.63 million exceeded the sharing threshold of $46 million. Therefore, the incremental gains above $46 million will be shared between customers and FPL, 40% and 60%, respectively. Exhibit GJY-1, Page 1, shows monthly gain totals, threshold levels and the final gains allocation for 2014.

Q. Please provide the details of FPL's wholesale power activities under the Incentive Mechanism for 2014.

A. The details of FPL's 2014 wholesale power sales and purchases are shown separately on Page 2 of Exhibit GJY-1. FPL had gains of $43,475,917 on wholesale sales and savings of $10,528,280 on wholesale purchases for the year.

Q. Please provide the details of FPL's asset optimization activities under the Incentive Mechanism for 2014.

A. The details of FPL's 2014 asset optimization activities are shown on Page 3 of Exhibit GJY-1. FPL had a total of $13,622,670 of gains that were the result of eight different forms of asset optimization.

Q. Did FPL incur incremental O&M expenses related to the operation of the Incentive Mechanism in 2014?

A. Yes. FPL incurred personnel expenses of $406,314 related to the costs associated with an additional two and one-half personnel required to support FPL's expanded activities under the Incentive Mechanism. FPL also incurred $54,114 in expenses related to the first stages of implementation of OATI WebTrader software. The features of WebTrader will help facilitate streamlined power trade entry, transmission procurement, power scheduling, and accounting checkout. FPL expects that the WebTrader software will help FPL deliver additional value to customers by facilitating speed and flexibility in power trading. In total, FPL incurred incremental O&M expenses related to the operation of the Incentive Mechanism of $460,428 in 2014.

Additionally, FPL's actual wholesale power sales from its own generation resources in 2014 totaled 2,040,082 MWh, or 1,526,082 MWh above the 514,000 MWh threshold, resulting in variable power plant O&M expenses of $2,259,986 (reflects the volume above the threshold multiplied by $1.51/MWh; the average variable power plant O&M cost per MWh reflected in the 2013 test year MFRs minus a true-up of $44,399 from 2013). Page 4 of Exhibit GJY-1 provides the details of FPL's Incremental Optimization Costs for

2014.

Q. Overall, were FPL's activities under the Incentive Mechanism successful in 2014?

A. Yes. FPL's activities under the Incentive Mechanism were highly successful in 2014. On the wholesale power side, suitable market conditions, predominantly related to cold weather in January, helped drive FPL's wholesale power sales to the highest level since 2004 and the second highest level in the last 14 years. Gains on power sales reached the highest level since 1999. Asset optimization activities related to natural gas that had not taken place prior to the inception of the Incentive Mechanism generated slightly more than $11.96 million in gains, and optimization of FPL's firm transmission service on the Southern Company system added another $1.66 million in gains. In total, these activities delivered $67,626,867 of gains, which contrasts very favorably to the total optimization expenses (personnel and variable power plant O&M) of $2,720,415.

Q. Does this conclude your testimony?

A. Yes it does.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

TESTIMONY OF DON GRISSETTE

DOCKET NO. 150001-EI

MARCH 3, 2015

Q. Please state your name and address.

A. My name is Don Grissette. My business address is 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. By whom are you employed and what is your position?

A. I am employed by Florida Power & Light (FPL) as General Manager of Change Management and Organizational Development in the Nuclear Business Unit.

Q. Have you previously filed testimony in this or a predecessor docket?

A. Yes, I have.

Q. Please describe your duties and responsibilities in your current position.

A. I am responsible for the continuous improvement process for improving fleet efficiency, organizational design and effectiveness of the nuclear fleet.

Q. What is the purpose of your testimony?

A. My testimony discusses the outage extension that occurred in April 2014 at FPL's Plant St. Lucie Unit 2.

Q. Please summarize the outage extension at St. Lucie Unit 2 in April 2014.

A. In April 2014, while Unit 2 was shut down to perform a scheduled refueling outage, the following events delayed the restart of the unit:

- During reactor coolant pump start-ups, a monitor alarm indicated the presence of foreign materials in the steam generator. The foreign material was located and removed from the primary side of the 2B steam generator.
- During the inspection of the Unit 2 Steam Generator Feed Rings, it was identified that repairs would be required for the feed ring supports.
- After completing repairs to the Hydrazine pump discharge isolation valve as part of the scheduled outage work, the pump failed its post maintenance test, which required additional repair work.
- While performing local leak rate testing, a containment purge valve penetration failed to pressurize and required repair.

Q. What was the source of foreign material in the steam generator?

A. There is no definitive conclusion as to how the material entered the steam generator. FPL and Westinghouse each conducted an extensive investigation into the possible source of the foreign material. However, neither investigation could determine from inspection of the foreign material where it originated, and an exhaustive review of the records for work performed during this most recent outage did not indicate any instance where it appeared that foreign material might have been introduced into the steam generator. FPL believes that the foreign material most likely entered the steam generator as a result of refueling activities, and most likely during a previous refueling outage.

Q. What corrective actions have been initiated to address this event?

A. FPL suspended plant restart to establish the conditions necessary to retrieve the foreign material from the steam generator. Because the source of the foreign material has not been definitively determined, FPL was not in a position to take corrective actions specific to the event. In an abundance of caution, however, FPL revised the maintenance procedure related to reinstallation of the permanent reactor head. Under the revised maintenance procedure, the reactor cavity will remain in Foreign Material Exclusion Area, Level 1 (FMEA1) status, which is more restrictive, while maintenance is being performed until the permanent reactor head is in place. There are three levels of controls applied to open systems that prevent foreign material from being introduced. Level 1 is highest, with the most controls. Previously, Level 1 has applied only until the temporary reactor head was in place. Nonetheless, FPL has elected to be even more conservative in order to further reduce foreign-material risk.

Q. How many days was St. Lucie Unit 2 out of service due to this event?

A. The Unit 2 outage was extended due to the retrieval of foreign material in the steam generator by approximately 12 days.

Q. Please describe the circumstances related to the Unit 2 Steam Generator Feed Ring repairs.

A. During steam generator secondary side visual inspections, one foreign object was found on the loose part trapping screen in each of the two steam generators. These two objects were determined to be parts of small locking components (referred to as "keys") that are part of the steam generator feed ring supports, which apparently were damaged during prior operating cycles. This event was unrelated to the foreign material found on the primary side of Steam Generator 2B.

Q. What corrective actions have been initiated to address this event?

A. FPL concluded that the feed ring support keys are susceptible to damage when there are high operational loads placed on the feed rings. Accordingly, FPL modified the feed ring supports to eliminate the keys.

FPL also took actions to limit the potential for the type of high operational loads on the supports that had caused the damage. Those loads can arise if leakage in the feed ring results in steam voids. These voids can rapidly collapse and result in high stresses. FPL replaced bolted end caps on the feed ring piping with welded caps, which eliminated the potential for leakage through the end caps. FPL will inspect the Unit 2 feed ring systems during the September 2015 refueling outage to verify that the modifications have addressed the conditions that were discovered in this event.

Q. How many days was St. Lucie Unit 2 out of service due to this event?

A. The Unit 2 outage was extended due to the Unit 2 Steam Generator Feed Ring modification by approximately 2 days.

Q. Please describe the circumstances related to the Hydrazine pump discharge isolation valve repair.

A. The Hydrazine pump discharge isolation valve repair failed its post-maintenance test. The valve was disassembled and found not to permit full valve closure.

Q. What corrective actions have been initiated to address this event?

A. The valve was reassembled and verified to be set up and stroked correctly in accordance with the Vendor Manual. FPL issued a new maintenance procedure to clarify how future solenoid valve disassembly, inspection, assembly and testing are to be performed.

Q. How many days was St. Lucie Unit 2 out of service due to this event?

A. The Unit 2 outage was extended due to the Hydrazine pump discharge isolation valve repair by approximately 3 days.

Q. Please describe the circumstances related to the containment purge valve repair.

A. While performing local leak rate testing, a penetration failed to pressurize. Further inspection found air blowing out of a valve which indicates the containment purge valve was not seating properly.

Q. What corrective actions have been initiated to address this event?

A. FPL repaired the valve so that it could seat properly. FPL did not conclude that any further corrective actions were necessary.

Q. How many days was St. Lucie Unit 2 out of service due to this event?

A. The Unit 2 outage was extended due to the continment purge valve repair by approximately 1 day.

Q. Does this conclude your testimony?

A. Yes it does.

APPENDIX I

FUEL COST RECOVERY

2014 FINAL TRUE UP CALCULATION

TJK-1
DOCKET NO. 150001-EI
FPL WITNESS: TERRY J. KEITH
PAGES 1-4
EXHIBIT ____
MARCH 3, 2015

FLORIDA POWER & LIGHT COMPANY
FUEL COST RECOVERY CLAUSE
SUMMARY OF NET TRUE-UP

FOR THE PERIOD: JANUARY 2014 THROUGH DECEMBER 2014

	Total
1. End of Period True-up [1]	($256,473,369)
2. Less: Actual Estimated True-up for the same period [2]	($266,562,206)
3. Net True-up for the period	$10,088,837

[1] Page 2, Column (14) Lines 38 & 39

[2] Approved in FPSC Final Order PSC-14-0701-FOF-EI.

Note: Totals may not add due to rounding.

( ) Reflects Underrecovery

FLORIDA POWER & LIGHT COMPANY
CALCULATION OF FINAL TRUE-UP AMOUNT

FOR THE PERIOD: JANUARY 2014 THROUGH DECEMBER 2014

Line No.	(1)	(2) January Actual	(3) February Actual	(4) March Actual	(5) April Actual	(6) May Actual	(7) June Actual	(8) July Actual	(9) August Actual	(10) September Actual	(11) October Actual	(12) November Actual	(13) December Actual	(14) 12 Month Period
1	**Fuel Costs & Net Power Transactions**													
2	Fuel Cost of System Net Generation (Per A3) (1)	$249,704,921	$261,698,473	$276,728,131	$327,817,647	$318,300,543	$314,843,954	$326,439,785	$336,083,648	$295,997,373	$288,890,557	$233,906,503	$243,323,735	$3,473,735,271
3	Nuclear Fuel Disposal Costs (Per A2)	$2,459,404	$2,206,487	$1,581,888	$1,368,858	$2,328,964	$2,227,999	($3,383,888)	$0	$0	$0	$0	$0	$8,789,711
4	Fuel Cost of Power Sold (Per A6)	($17,551,697)	($13,007,326)	($10,682,154)	($3,087,997)	($3,490,214)	($2,666,273)	($2,776,716)	($2,246,228)	($3,048,684)	($4,264,371)	($12,481,194)	($7,611,418)	($82,914,272)
5	Gains from Off-System Sales (Per A6)	($27,898,389)	($3,489,980)	($3,185,661)	($703,559)	($713,114)	($1,666,239)	($705,488)	($482,731)	($753,154)	($868,452)	($3,551,312)	($2,046,251)	($46,064,330)
6	Fuel Cost of Purchased Power (Per A7)	$15,810,659	$11,965,752	$14,152,295	$11,187,597	$12,038,150	$20,546,899	$27,275,416	$27,356,660	$22,825,189	$18,348,421	$15,133,876	$7,309,736	$203,950,650
7	Energy Payments to Qualifying Facilities (Per A8)	$3,679,181	$3,211,873	$8,109,727	$8,318,554	$12,056,579	$12,462,904	$11,841,249	$12,174,094	$9,142,206	$7,320,445	$8,280,003	$2,548,711	$99,145,525
8	Energy Cost of Economy Purchases (Per A9)	$14,909	$1,307,551	$199,473	$1,519,318	$821,311	$2,584,878	$2,324,301	$10,058,351	$358,360	$866,550	$388,516	$560	$20,444,079
9	Total Fuel Costs & Net Power Transactions	$226,218,989	$263,892,830	$286,903,697	$346,420,418	$341,342,219	$348,334,121	$361,014,659	$382,943,794	$324,521,291	$310,293,150	$241,676,392	$243,525,073	$3,677,086,633
10														
11	**Incremental Optimization Costs**													
12	Incremental Personnel, Software, and Hardware Costs (Per A2)	$33,078	$28,764	$31,903	$33,006	$33,316	$32,338	$36,961	$33,043	$64,356	$40,497	$42,044	$51,122	$460,428
13	Variable Power Plant O&M Costs over 514,000 MWH Threshold (Per A6)	($44,399)	$17,182	$470,412	$134,512	$136,818	$129,944	$119,936	$88,783	$136,346	$175,249	$471,831	$423,371	$2,259,985
14	Total	($11,320)	$45,946	$502,315	$167,518	$170,134	$162,282	$156,897	$121,826	$200,702	$215,746	$513,875	$474,493	$2,720,413
15														
16	Dodd Frank Fees	$0	$0	$2,523	$375	$375	$375	$375	$375	$375	$375	$0	$750	$5,898
17														
18	**Adjustments to Fuel Cost**													
19	Energy Imbalance Fuel Revenues	($94,682)	($131,614)	($127,853)	($35,354)	($9,564)	($91,016)	($172,851)	($297,325)	($265,805)	($104,671)	($244,835)	$132,869	($1,442,700)
20	Inventory Adjustments	($8,471)	$48,367	($62,667)	$176,147	$337,707	($271,676)	$35,859	($481,307)	($20,483)	($106,004)	$184,951	$193,514	$25,937
21	Non Recoverable Oil/Tank Bottoms	($339,257)	$0	$0	$0	$0	($87,509)	($282,032)	$463,439	($64,458)	$465,773	$373,591	($62,676)	$466,871
22	Adjusted Total Fuel Costs & Net Power Transactions	$225,765,259	$263,855,528	$287,218,016	$346,729,104	$341,840,872	$348,046,576	$360,752,907	$382,750,803	$324,371,621	$310,764,370	$242,503,973	$244,264,023	$3,678,863,052
23	**Jurisdictional kWh Sales**													
24	Jurisdictional kWh Sales	8,186,450,133	7,489,358,283	7,265,742,238	7,662,815,846	8,998,820,709	9,353,399,776	9,899,277,406	10,481,712,030	10,546,902,755	9,132,361,361	7,851,861,286	7,520,349,923	104,389,051,746
25	Sales for Resale	159,075,376	379,930,801	355,050,303	379,293,900	394,998,170	454,639,060	566,197,562	601,597,158	640,703,938	544,003,345	514,076,111	385,273,615	5,374,839,339
26	Sub-Total Sales	8,345,525,509	7,869,289,084	7,620,792,541	8,042,109,746	9,393,818,879	9,808,038,836	10,465,474,968	11,083,309,188	11,187,606,693	9,676,364,706	8,365,937,397	7,905,623,538	109,763,891,085
27														
28	**Jurisdictional % of Total Sales (Line 24/26)**	98.09388%	95.17198%	95.34103%	95.28365%	95.79513%	95.36463%	94.58985%	94.57204%	94.27309%	94.37802%	93.85513%	95.12659%	95.10327%
29	**True-up Calculation**													
30	Jurisdictional Fuel Revenues (Net of Revenue Taxes)	$272,959,294	$248,228,786	$240,098,894	$245,679,724	$293,334,679	$305,444,193	$325,341,933	$346,614,092	$348,343,820	$297,995,772	$252,400,364	$240,017,282	$3,416,458,833
31	**Fuel Adjustment Revenues Not Applicable to Period**													
32	Prior Period True-up (Collected)/Refunded This Period (2)	($12,313,801)	($12,313,801)	($12,313,801)	($12,313,801)	($12,313,801)	($12,313,801)	($12,313,801)	($12,313,801)	($12,313,801)	($12,313,801)	($12,313,801)	($12,313,801)	($147,765,613)
33	GPIF, Net of Revenue Taxes (3)	($1,722,090)	($1,722,090)	($1,722,090)	($1,722,090)	($1,722,090)	($1,722,090)	($1,722,090)	($1,722,090)	($1,722,090)	($1,722,090)	($1,722,090)	($1,722,090)	($20,665,080)
34	Jurisdictional Fuel Revenues Applicable to Period	$258,923,403	$234,192,895	$226,063,003	$231,643,833	$279,298,788	$291,408,302	$311,306,042	$332,578,201	$334,307,928	$283,959,880	$238,364,473	$225,981,391	$3,248,028,140
35	Adjusted Total Fuel Costs & Net Power Transactions	$225,765,259	$263,855,528	$287,218,016	$346,729,104	$341,840,872	$348,046,576	$360,752,907	$382,750,803	$324,371,621	$310,764,370	$242,503,973	$244,264,023	$3,678,863,052
36	Jurisdictional Sales % of Total kWh Sales (Line 28)	98.09388%	95.17198%	95.34103%	95.28365%	95.79513%	95.36463%	94.58985%	94.57204%	94.27309%	94.37802%	93.85513%	95.12659%	95.10327%
37	Juris. Total Fuel Costs & Net Power Trans. (Line 35xLine36x1.00169)	$221,836,172	$251,540,918	$274,299,398	$330,934,481	$328,020,326	$332,474,263	$341,812,322	$362,586,981	$306,311,944	$293,788,925	$227,987,067	$232,752,724	$3,504,345,523
38	True-up Provision for the Month - Over/(Under) Recovery (Line 34 - Line 37)	$37,087,231	($17,348,022)	($48,236,395)	($99,290,648)	($48,721,539)	($41,065,960)	($30,506,280)	($30,008,780)	$27,995,984	($9,829,045)	$10,377,405	($6,771,333)	($256,317,383)
39	Interest Provision for the Month	($7,698)	($5,474)	($6,584)	($11,433)	($12,232)	($11,560)	($15,035)	($17,272)	($16,660)	($15,501)	($17,089)	($19,449)	($155,986)
40	True-up & Interest Provision Beg. of Period - Over/(Under) Recovery	($147,765,613)	($98,372,279)	($103,411,974)	($139,341,152)	($226,329,432)	($262,749,401)	($291,513,121)	($309,720,635)	($327,432,886)	($287,139,761)	($284,670,506)	($261,996,388)	($147,765,613)
41	Deferred True-up Beginning of Period - Over/(Under) Recovery (4)	($98,482)	($98,482)	($98,482)	($98,482)	($98,482)	($98,482)	($98,482)	($98,482)	($98,482)	($98,482)	($98,482)	($98,482)	($98,482)
42	Prior Period True-up Collected/(Refunded) This Period (2)	$12,313,801	$12,313,801	$12,313,801	$12,313,801	$12,313,801	$12,313,801	$12,313,801	$12,313,801	$12,313,801	$12,313,801	$12,313,801	$12,313,801	$147,765,613
43	End of Period Net True-up Amount Over/(Under) Recovery (Lines 38 through 42)	($98,470,761)	($103,510,456)	($139,439,634)	($226,427,914)	($262,847,883)	($291,611,603)	($309,819,117)	($327,531,368)	($287,238,243)	($284,768,988)	($262,094,870)	($256,571,851)	($256,571,851)
44														
45														
46	(1) Actuals include various adjustments as noted on the A-Schedules.													
47	(2) Prior Period 2012/2013 True-up.													
48	(3) Generating Performance Incentive Factor is ((20,679,970 / 12) x 99.9280%) - See Order No. PSC-13-0665-FOF-EI.													
49	(4) Deferred 2013 Final True-up.													
50														
51	Note: Amounts may not agree to Actual/Estimated Filing or A-Schedules due to rounding.													

FLORIDA POWER & LIGHT COMPANY
REVENUE/COST VARIANCE ANALYSIS

FOR THE PERIOD: JANUARY 2014 THROUGH DECEMBER 2014

Line No.	(1) Revenue/Cost Final Variance Analysis	(2) FINAL TRUE-UP	(3) ACTUAL/ESTIMATED	(4) DIFFERENCE
1	**Jurisdictional Total Fuel Revenues**			
2	Revenues	$3,416,458,833	$3,452,473,007	($36,014,173)
3	MWH	104,389,052	105,514,819	(1,125,767)
4	$ per MWH	32.72813	32.72027	0.00787
5				
6	Variance due to Consumption			($36,835,405)
7	Variance due to Price			$821,232
8	Total Variance			($36,014,173)
9				
10	**Jurisdictional Total Fuel Costs**			
11	Costs	$3,504,345,523	$3,550,459,438	($46,113,915)
12	MWH	104,389,052	105,514,819	(1,125,767)
13	$ per MWH	33.57005	33.64892	(0.07887)
14				
15	Variance due to Consumption			($37,880,850)
16	Variance due to Price			($8,233,065)
17	Total Variance			($46,113,915)
18				
19	**Total Variance**			
20	Variance due to Consumption			$1,045,445
21	Variance due to Price			$9,054,297
22	Total Variance			$10,099,742
23	Interest			($10,905)
24	Total True-up			$10,088,837
25				
26				
27	( ) Reflects Underrecovery			
28				
29	Note: Totals may not add down due to rounding.			
30				
31				
32				
33				
34				
35				
36				
37				

FLORIDA POWER & LIGHT COMPANY
FUEL COST RECOVERY CLAUSE
CALCULATION OF VARIANCE - FINAL TRUE-UP VS. ACTUAL/ESTIMATED TRUE-UP

FOR THE PERIOD: JANUARY 2014 THROUGH DECEMBER 2014

Line No.	(1)	(2) FCR - 2014 Final True-up	(3) FCR - 2014 Actual/Estimated True-up	(4) Dif. FCR - 2014 Actual/Estimated True-up	(5) % Dif. FCR - 2014 Actual/Estimated True-up
1	**Fuel Costs & Net Power Transactions**				
2	Fuel Cost of System Net Generation (Per A3)	$3,473,735,271	$3,518,574,876	($44,839,605)	(1.3%)
3	Nuclear Fuel Disposal Costs (Per A2)	$8,789,711	$8,789,711	$0	0.0%
4	Fuel Cost of Power Sold (Per A6)	($82,914,272)	($81,950,190)	($964,083)	1.2%
5	Gains from Off-System Sales (Per A6)	($46,064,330)	($42,893,430)	($3,170,900)	7.4%
6	Fuel Cost of Purchased Power (Per A7)	$203,950,650	$184,849,403	$19,101,246	10.3%
7	Energy Payments to Qualifying Facilities (Per A8)	$99,145,525	$114,866,688	($15,721,163)	(13.7%)
8	Energy Cost of Economy Purchases (Per A9)	$20,444,079	$13,469,741	$6,974,337	51.8%
9	Total Fuel Costs & Net Power Transactions	$3,677,086,633	$3,715,706,800	($38,620,167)	(1.0%)
10					
11	**Incremental Optimization Costs**				
12	Incremental Personnel, Software, and Hardware Costs (Per A2)	$460,428	$464,747	($4,319)	(0.9%)
13	Variable Power Plant O&M Costs over 514,000 MWH Threshold (Per A6)	$2,259,985	$1,832,655	$427,330	23.3%
14	Total	$2,720,413	$2,297,402	$423,012	18.4%
15					
16	Dodd Frank Fees	$5,898	$5,898	$0	0.0%
17					
18	**Adjustments to Fuel Cost**				
19	Energy Imbalance Fuel Revenues	($1,442,700)	($662,934)	($779,766)	117.6%
20	Inventory Adjustments	$25,937	$255,267	($229,330)	(89.8%)
21	Non Recoverable Oil/Tank Bottoms	$466,871	($708,798)	$1,175,669	(165.9%)
22	Adjusted Total Fuel Costs & Net Power Transactions	$3,678,863,052	$3,716,893,634	($38,030,582)	(1.0%)
23	**Jurisdictional kWh Sales**				
24	Jurisdictional kWh Sales	104,389,051,746	105,514,819,018	(1,125,767,272)	(1.1%)
25	Sales for Resale	5,374,839,339	5,099,313,468	275,525,871	5.4%
26	Sub-Total Sales	109,763,891,085	110,614,132,486	(850,241,401)	(0.8%)
27					
28	**Jurisdictional % of Total Sales (Line 24/26)**	N/A	N/A	N/A	N/A
29	**True-up Calculation**				
30	Jurisdictional Fuel Revenues (Net of Revenue Taxes)	$3,416,458,833	$3,452,473,007	($36,014,173)	(1.0%)
31	**Fuel Adjustment Revenues Not Applicable to Period**				
32	Prior Period True-up (Collected)/Refunded This Period	($147,765,613)	($147,765,613)	$0	0.0%
33	GPIF, Net of Revenue Taxes (1)	($20,665,080)	($20,665,080)	($0)	0.0%
34	Jurisdictional Fuel Revenues Applicable to Period	$3,248,028,140	$3,284,042,313	($36,014,174)	(1.1%)
35	Adjusted Total Fuel Costs & Net Power Transactions	$3,678,863,052	$3,716,893,634	($38,030,582)	(1.0%)
36	Jurisdictional Sales % of Total kWh Sales (Line 28)	N/A	N/A	N/A	N/A
37	Juris. Total Fuel Costs & Net Power Trans. (Line 35xLine36x1.00169)	$3,504,345,523	$3,550,459,438	($46,113,915)	(1.3%)
38	True-up Provision for the Month - Over/(Under) Recovery (Line 34 - Line 37)	($256,317,383)	($266,417,125)	$10,099,742	(3.8%)
39	Interest Provision for the Month	($155,986)	($145,081)	($10,905)	7.5%
40	True-up & Interest Provision Beg. of Period - Over/(Under) Recovery	($147,765,613)	($147,765,613)	$0	0.0%
41	Deferred True-up Beginning of Period - Over/(Under) Recovery (2)	($98,482)	($98,482)	$0	0.0%
42	Prior Period True-up Collected/(Refunded) This Period (3)	$147,765,613	$147,765,613	$0	0.0%
43	End of Period Net True-up Amount Over/(Under) Recovery (Lines 38 through 42)	($256,571,851)	($266,660,688)	$10,088,837	(3.8%)
44					

45 (1) Generating Performance Incentive Factor is ((20,679,970 / 12) x 99.9280%) - See Order No. PSC-13-0665-FOF-EI.

46 (2) Deferred 2013 Final True-up.

47 (3) Prior Period 2012/2013 Net True-up.

48

49 Note: Amounts may not agree to A-Schedules due to rounding.

APPENDIX II

CAPACITY COST RECOVERY

2014 FINAL TRUE UP CALCULATION

TJK-2
DOCKET NO. 150001-EI
FPL WITNESS: TERRY J. KEITH
PAGES 1-11
EXHIBIT ____
MARCH 3, 2015

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
SUMMARY OF NET TRUE-UP
FOR THE PERIOD: JANUARY 2014 THROUGH DECEMBER 2014

Line No.		Total
1	End of Period True-up for the period (1)	$7,348,039
2	Less - Estimated/Actual True-up for the same period (2)	$10,299,210
3	Net True-up for the period	($2,951,171)
4		
5	(1) From Page 2, Column (14), Lines 19 & 20	
6	(2) Approved in FPSC Final Order PSC-14-0701-FOF-EI.	
7		
8	Note: Totals may not add due to rounding	
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10	( ) Reflects Under-recovery	
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FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP
FOR THE PERIOD JANUARY 2014 THROUGH DECEMBER 2014

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.		January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	Total
1	Payments to Non-cogenerators	$15,981,900	$16,233,234	$16,358,713	$16,555,580	$16,366,782	$15,991,037	$16,262,201	$16,357,770	$18,065,229	$14,327,837	$13,524,020	$13,664,413	$189,688,716
2	Payments to Co-generators	$23,244,820	$23,622,928	$23,623,265	$23,628,645	$23,617,296	$23,628,851	$23,625,996	$23,636,729	$23,639,375	$23,633,321	$23,661,673	$23,087,398	$282,650,298
3	SJRPP Suspension Accrual	($763,761)	($763,761)	($763,761)	($681,721)	($743,251)	($743,251)	($743,251)	($743,251)	($743,251)	($743,251)	($743,251)	($743,251)	($8,919,012)
4	Return on SJRPP Suspension Liability	($364,800)	($358,703)	($352,605)	($346,835)	($341,147)	($335,213)	($324,533)	($318,685)	($312,837)	($306,988)	($301,140)	($295,291)	($3,958,776)
5	Incremental Plant Security Costs O&M	$2,812,089	$2,361,141	$3,121,461	$2,577,033	$3,021,100	$3,500,438	$2,763,956	$3,273,372	$3,521,219	$3,522,280	$4,587,244	$4,356,995	$39,418,329
6	Incremental Plant Security Costs Capital	$0	$8	$498	$1,556	$3,997	$7,539	$17,598	$24,434	$25,931	$34,512	$44,182	$58,340	$218,596
7	Incremental Nuclear NRC Compliance Costs O&M	$0	$0	$417,452	$57,564	$86,790	$45,317	$8,880	$71,186	$2,073,352	$77,090	$38,786	$303,221	$3,179,640
8	Incremental Nuclear NRC Compliance Costs Capital	$22,579	$31,025	$36,604	$44,186	$53,653	$63,646	$79,726	$101,208	$124,861	$147,076	$168,517	$197,451	$1,070,531
9	Transmission of Electricity by Others	$1,594,907	$2,075,397	$2,025,711	$1,887,221	$2,165,572	$618,359	$936,268	$785,079	$876,565	$1,550,843	$2,026,839	$2,508,320	$19,051,081
10	Transmission Revenues from Capacity Sales	($796,807)	($666,444)	($390,253)	($190,943)	($283,539)	($273,311)	($219,499)	($148,036)	($241,059)	($356,000)	($610,779)	($500,958)	($4,677,629)
11	Total (Lines 1 through 10)	$41,730,927	$42,534,826	$44,077,085	$43,532,287	$43,947,254	$42,503,412	$42,407,343	$43,039,805	$47,029,386	$41,886,720	$42,396,090	$42,636,638	$517,721,772
12	Jurisdictional Separation Factor [(a)]	95.20688%	95.20688%	95.20688%	95.20688%	95.20688%	95.20688%	95.20688%	95.20688%	95.20688%	95.20688%	95.20688%	95.20688%	N/A
13	Jurisdictional CCR Charges	$39,730,715	$40,496,082	$41,964,419	$41,445,734	$41,840,811	$40,466,174	$40,374,710	$40,976,858	$44,775,213	$39,879,041	$40,363,997	$40,593,014	$492,906,767
14	Nuclear Cost Recovery Costs [(a)]	$3,489,048	$3,133,366	$3,699,553	$3,404,690	$3,511,264	$3,747,873	$3,300,047	$3,243,053	$3,715,196	$3,280,069	$3,093,881	$5,843,207	$43,461,248
15	Jurisdictional CCR Charges	$43,219,763	$43,629,448	$45,663,972	$44,850,424	$45,352,074	$44,214,048	$43,674,757	$44,219,911	$48,490,409	$43,159,110	$43,457,877	$46,436,221	$536,368,015
16	CCR Revenues (Net of Revenue Taxes)	$45,101,409	$42,451,927	$40,975,966	$42,967,824	$49,497,111	$51,123,371	$53,946,292	$57,182,571	$57,368,989	$50,503,207	$43,709,548	$42,162,192	$576,990,405
17	Prior Period True-up Provision	($2,772,556)	($2,772,556)	($2,772,556)	($2,772,556)	($2,772,556)	($2,772,556)	($2,772,556)	($2,772,556)	($2,772,556)	($2,772,556)	($2,772,556)	($2,772,556)	($33,270,675)
18	CCR Revenues Applicable to Current Period (Net of Revenue Taxes)	$42,328,852	$39,679,371	$38,203,410	$40,195,268	$46,724,555	$48,350,814	$51,173,735	$54,410,015	$54,596,432	$47,730,651	$40,936,991	$39,389,636	$543,719,730
19	True-up Provision for Month - Over/(Under) Recovery (Line 18 - Line 15)	($890,911)	($3,950,077)	($7,460,562)	($4,655,156)	$1,372,480	$4,136,767	$7,498,978	$10,190,104	$6,106,023	$4,571,541	($2,520,886)	($7,046,586)	$7,351,716
20	Interest Provision for Month	($1,330)	($1,134)	($1,293)	($1,697)	($1,301)	($854)	($595)	($15)	$577	$1,016	$1,409	$1,540	($3,677)
21	True-up & Interest Provision Beginning of Month - Over/(Under) Recovery	($33,270,675)	($31,390,359)	($32,569,014)	($37,258,313)	($39,142,610)	($34,998,874)	($28,090,405)	($17,819,466)	($4,856,821)	$4,022,335	$11,367,448	$11,620,528	($33,270,675)
22	Deferred True-up - Over/(Under) Recovery	$11,054,159	$11,054,159	$11,054,159	$11,054,159	$11,054,159	$11,054,159	$11,054,159	$11,054,159	$11,054,159	$11,054,159	$11,054,159	$11,054,159	$11,054,159
23	Prior Period True-up Provision - Collected/(Refunded) this Month	$2,772,556	$2,772,556	$2,772,556	$2,772,556	$2,772,556	$2,772,556	$2,772,556	$2,772,556	$2,772,556	$2,772,556	$2,772,556	$2,772,556	$33,270,675
24	End of Period True-up - Over/(Under) Recovery (Sum of Lines 19 through 23)	($20,336,200)	($21,514,855)	($26,204,154)	($28,088,451)	($23,944,715)	($17,036,246)	($6,765,307)	$6,197,338	$15,076,494	$22,421,607	$22,674,687	$18,402,198	$18,402,198
25														
26	[(a)] As approved on Order No PSC-13-0665-FOF-EI													
27														
28	Total may not add due to rounding													
29														
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FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP VARIANCES
FOR THE PERIOD: JANUARY 2014 THROUGH DECEMBER 2014

	(1)	(2)	(3)	(4)	(5)
Line No.	CCR - Final True-up Variance	CCR - 2014 Final True-up	CCR - 2014 Actual/Estimated True-up	Dif. CCR - 2014 Actual/Estimated True-up	% Dif. CCR - 2014 Actual/Estimated True-up
1	Payments to Non-cogenerators	$189,688,716	$187,704,429	$1,984,286	1.1%
2	Payments to Co-generators	$282,650,298	$282,720,257	($69,960)	(0.0%)
3	SJRPP Suspension Accrual	($8,919,012)	($8,919,012)	$0	0.0%
4	Return on SJRPP Suspension Liability	($3,958,776)	($3,958,776)	$0	0.0%
5	Incremental Plant Security Costs O&M	$39,418,329	$45,490,594	($6,072,266)	(13.3%)
6	Incremental Plant Security Costs Capital	$218,596	$335,236	($116,640)	(34.8%)
7	Incremental Nuclear NRC Compliance Costs O&M	$3,179,640	$2,412,143	$767,496	31.8%
8	Incremental Nuclear NRC Compliance Costs Capital	$1,070,531	$1,051,178	$19,353	1.8%
9	Transmission of Electricity by Others	$19,051,081	$20,679,425	($1,628,344)	(7.9%)
10	Transmission Revenues from Capacity Sales	($4,677,629)	($4,654,797)	($22,832)	0.5%
11	Total (Lines 1 through 10)	$517,721,772	$522,860,678	($5,138,905)	(1.0%)
12	Jurisdictional Separation Factor [(a)]	95.20688%	95.20688%	0.00000%	0.0%
13	Jurisdictional CCR Charges	$492,906,767	$497,799,358	($4,892,591)	(1.0%)
14	Nuclear Cost Recovery Costs [(a)]	$43,461,248	$43,461,246	$1	0.0%
15	Jurisdictional CCR Charges	$536,368,015	$541,260,604	($4,892,590)	(0.9%)
16	CCR Revenues (Net of Revenue Taxes)	$576,990,405	$584,834,648	($7,844,243)	(1.3%)
17	Prior Period True-up Provision	($33,270,675)	($33,270,675)	$0	0.0%
18	CCR Revenues Applicable to Current Period (Net of Revenue Taxes)	$543,719,730	$551,563,973	($7,844,243)	(1.4%)
19	True-up Provision for Month - Over/(Under) Recovery (Line 18 - Line 15)	$7,351,716	$10,303,369	($2,951,653)	(28.6%)
20	Interest Provision for Month	($3,677)	($4,159)	$482	(11.6%)
21	True-up & Interest Provision Beginning of Month - Over/(Under) Recovery	($33,270,675)	($33,270,675)	$0	0.0%
22	Deferred True-up - Over/(Under) Recovery	$11,054,159	$11,054,159	$0	0.0%
23	Prior Period True-up Provision - Collected/(Refunded) this Month	$33,270,675	$33,270,675	$0	0.0%
24	End of Period True-up - Over/(Under) Recovery (Sum of Lines 19 through 23)	$18,402,198	$21,353,369	($2,951,171)	(13.8%)
25					
26	[(a)] As approved on Order No PSC-13-0665-FOF-EI				
27					
28	Columnns and rows may not add due to rounding				
29					
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Florida Power & Light Company
Schedule A12 - Capacity Costs

For the Month of **Dec-14**

Contract	Capacity MW	Term Start	Term End	Contract Type
Cedar Bay	250	1/25/1994	12/31/2024	QF
Indiantown	330	12/22/1995	12/1/2025	QF
Broward North - 1991 Agreement	11	1/1/1993	12/31/2026	QF
Broward South - 1991 Agreement	3.5	1/1/1993	12/31/2026	QF
SWAPC	40	1/1/2012	4/1/2032	QF

QF = Qualifying Facility

	January	February	March	April	May	June	July	August	September	October	November	December	Year-to-date
Cedar Bay	10,239,420	10,600,322	10,609,262	10,614,642	10,604,425	10,580,380	10,577,525	10,575,640	10,584,595	10,578,541	10,581,658	10,020,000	126,166,409
ICL	11,539,795	11,557,002	11,548,399	11,548,399	11,547,266	11,547,266	11,547,266	11,559,884	11,553,575	11,553,575	11,578,811	11,566,193	138,647,429
BN-NEG '91	324,390	324,390	324,390	324,390	324,390	324,390	324,390	324,390	324,390	324,390	324,390	324,390	3,892,680
BS-NEG '91	103,215	103,215	103,215	103,215	103,215	103,215	103,215	103,215	103,215	103,215	103,215	103,215	1,238,580
SWAPC	1,038,000	1,038,000	1,038,000	1,038,000	1,038,000	1,073,600	1,073,600	1,073,600	1,073,600	1,073,600	1,073,600	1,073,600	12,705,200
Total	23,244,820	23,622,928	23,623,265	23,628,645	23,617,296	23,628,851	23,625,996	23,636,729	23,639,375	23,633,321	23,661,673	23,087,398	282,650,298

Florida Power & Light Company
Schedule A12 - Capacity Costs

For the Month of **Dec-14**

Contract	Counterparty	Identification	Contract Start Date	Contract End Date
1	Southern Co. - UPS Scherer	Other Entity	June, 2010	December 31, 2015
2	Southern Co. - UPS Harris	Other Entity	June, 2010	December 31, 2015
3	Southern Co. - UPS Franklin	Other Entity	June, 2010	December 31, 2015
4	JEA - SJRPP	Other Entity	April, 1982	September 30, 2021
5	Seminole Electrive Cooperative	Other Entity	August, 2014	August 31, 2014

2014 Capacity in MW

Contract	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	163	163	163	163	163	163	163	163	163	163	163	163
2	600	600	600	600	600	600	600	600	600	600	600	600
3	190	190	190	190	190	190	190	190	190	190	190	190
4	375	375	375	375	375	375	375	375	375	375	375	375
5								150				
Total	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,478	1,328	1,328	1,328	1,328

2014 Capacity in Dollars

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total	15,981,900	16,233,234	16,358,713	16,555,580	16,366,782	15,991,037	16,262,201	16,357,770	18,065,228	14,327,837	13,524,020	13,664,413

Year-to-date Short Term Capacity Payments	189,688,716

Contract	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
4	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
True ups												
1		[redacted]			[redacted]							
2						[redacted]				[redacted]		
3						[redacted]	[redacted]					
4	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
5									[redacted]			

Florida Power & Light Company
Capacity Cost Recovery Clause
For the Period January through June 2014

Return on Capital Investments, Depreciation and Taxes
Incremental Security
(in Dollars)

Line		Beginning of Period Amount	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	Six Month Amount
1.	Investments								
	a. Expenditures/Additions		$0	$2,124	$120,574	$144,376	$467,198	$419,988	$1,154,260
	b. Clearings to Plant		$0	$0	$0	$0	$0	$0	$0
	c. Retirements		$0	$0	$0	$0	$0	$0	$0
	d. Other		$0	$0	$0	$0	$0	$0	$0
2.	Plant-In-Service/Depreciation Base	$0	$0	$0	$0	$0	$0	$0	n/a
3.	Less: Accumulated Depreciation	$0	$0	$0	$0	$0	$0	$0	n/a
4.	CWIP - Non Interest Bearing	$0	$0	$2,124	$122,698	$267,074	$734,272	$1,154,260	n/a
5.	Net Investment (Lines 2 - 3 + 4)	$0	$0	$2,124	$122,698	$267,074	$734,272	$1,154,260	n/a
6.	Average Net Investment		$0	$1,062	$62,411	$194,886	$500,673	$944,266	n/a
7.	Return on Average Net Investment								
	a. Equity Component grossed up for taxes (a)		$0	$7	$417	$1,302	$3,344	$6,307	$11,376
	b. Debt Component (Line 6 x debt rate x 1/12) (b)		$0	$1	$81	$254	$653	$1,232	$2,222
8.	Investment Expenses								
	a. Depreciation		$0	$0	$0	$0	$0	$0	$0
	b. Amortization		$0	$0	$0	$0	$0	$0	$0
	c. Other								
9.	Total System Recoverable Expenses (Lines 7 & 8)		$0	$8	$498	$1,556	$3,997	$7,539	$13,599

[a] The Gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%. The monthly Equity Component is 4.9230%, which is based on the May 2013 ROR Surveillance Report and reflects a 10.5% return on equity, per FPSC Order No. PSC-12-0425-PAA-EU.
[b] The Debt Component is 1.5658%, which is based on the May 2013 ROR Surveillance Report, per FPSC Order No. PSC-12-0425-PAA-EU.

Totals may not add due to rounding.

Florida Power & Light Company
Capacity Cost Recovery Clause
For the Period July through December 2014

Return on Capital Investments, Depreciation and Taxes
Incremental Security
(in Dollars)

Line		Beginning of Period Amount	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	Twelve Month Amount
1.	Investments								
	a. Expenditures/Additions		$2,164,567	($427,078)	$807,434	$1,367,691	$1,083,789	$1,954,980	$6,951,383
	b. Clearings to Plant		$0	$0	$0	$31,522	$2,095	$492,316	$525,932
	c. Retirements		$0	$0	$0	$0	$0	$0	$0
	d. Other		$0	$0	$0	$0	$0	$0	$0
2.	Plant-In-Service/Depreciation Base	$0	$0	$0	$0	$31,522	$33,616	$525,932	n/a
3.	Less: Accumulated Depreciation	$0	$0	$0	$0	$24	$72	$2,333	n/a
4.	CWIP - Non Interest Bearing	$1,154,260	$3,318,826	$2,891,748	$3,699,182	$5,035,352	$6,117,046	$7,579,711	n/a
5.	Net Investment (Lines 2 - 3 + 4)	$1,154,260	$3,318,826	$2,891,748	$3,699,182	$5,066,850	$6,150,590	$8,103,309	n/a
6.	Average Net Investment		$2,236,543	$3,105,287	$3,295,465	$4,383,016	$5,608,720	$7,126,949	n/a
7.	Return on Average Net Investment								
	a. Equity Component grossed up for taxes (a)		$14,849	$20,617	$21,880	$29,100	$37,238	$47,318	$182,378
	b. Debt Component (Line 6 x debt rate x 1/12) (b)		$2,749	$3,817	$4,051	$5,388	$6,895	$8,761	$33,884
8.	Investment Expenses								
	a. Depreciation		$0	$0	$0	$24	$49	$2,261	$2,333
	b. Amortization		$0	$0	$0	$0	$0	$0	$0
	c. Other								
9.	Total System Recoverable Expenses (Lines 7 & 8)		$17,598	$24,434	$25,931	$34,512	$44,182	$58,340	$218,596

(a) The Gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%. The monthly Equity Component is 4.8938%, which is based on the May 2014 ROR Surveillance Report and reflects a 10.5% return on equity, per FPSC Order No. PSC-12-0425-PAA-EU.

(b) The Debt Component is 1.4751%, which is based on the May 2014 ROR Surveillance Report, per FPSC Order No. PSC-12-0425-PAA-EU.

Totals may not add due to rounding.

Florida Power & Light Company
Capacity Cost Recovery Clause
For the Period January through June 2014

Return on Capital Investments, Depreciation and Taxes
Incremental Nuclear NRC Compliance
(in Dollars)

Line			Beginning of Period Amount	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	Six Month Amount
1.	Investments									
	a.	Expenditures/Additions		$1,217,478	$898,407	$499,076	$1,400,274	$971,446	$1,531,920	$6,518,600
	b.	Clearings to Plant		$0	$0	$0	$0	$0	$0	$0
	c.	Retirements		$0	$0	$0	$0	$0	$0	$0
	d.	Other		$0	$0	$0	$0	$0	$0	$0
2.	Incremental Plant-In-Service/Depreciation Base (a)		$0	$0	$0	$0	$0	$0	$0	n/a
3.	Less: Accumulated Depreciation		$0	$0	$0	$0	$0	$0	$0	n/a
4.	CWIP - Non Interest Bearing		$12,219,384	$13,436,862	$14,335,269	$14,834,345	$16,234,618	$17,206,064	$18,737,984	n/a
5.	Net Investment (Lines 2 - 3 + 4)		$12,219,384	$13,436,862	$14,335,269	$14,834,345	$16,234,618	$17,206,064	$18,737,984	n/a
6.	Total Estimated Capital Expenditures Included in Base Rates (b)		$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	
7.	Base Rate Capital Expenditures Closed to Plant-in-Service (c)		$0	$0	$0	$0	$0	$0	$0	
8.	Remaining Amount Included in Base Rates (Lines 6 - 7)		$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	
9.	Adjusted Net Investment (Lines 5 - 8)		$2,219,384	$3,436,862	$4,335,269	$4,834,345	$6,234,618	$7,206,064	$8,737,984	
10.	Average Net Investment			$2,828,123	$3,886,066	$4,584,807	$5,534,481	$6,720,341	$7,972,024	n/a
11.	Return on Average Net Investment									
	a.	Equity Component grossed up for taxes (d)		$18,889	$25,955	$30,621	$36,964	$44,884	$53,244	$210,557
	b.	Debt Component (Line 10 x debt rate x 1/12) (e)		$3,690	$5,071	$5,982	$7,221	$8,769	$10,402	$41,135
12.	Investment Expenses									
	a.	Depreciation		$0	$0	$0	$0	$0	$0	$0
	b.	Amortization		$0	$0	$0	$0	$0	$0	$0
	c.	Other								
13.	Total System Recoverable Expenses (Lines 11 & 12)			$22,579	$31,025	$36,604	$44,186	$53,653	$63,646	$251,692

Notes:

[a] Represents nuclear NRC compliance plant-in-service in excess of the total estimated capital expenditures included in FPL's 2013 Test Year rate base (Docket No. 120015-EI) on line 6.

[b] Represents forecasted nuclear NRC compliance capital expenditures included in FPL's 2013 Test Year rate base (Docket No. 120015-EI).

[c] Represents base rate recoverable nuclear NRC compliance capital expenditures closed to plant-in-service.

[d] The Gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%. The monthly Equity Component is 4.9230%, which is based on the May 2013 ROR Surveillance Report and reflects a 10.5% return on equity, per FPSC Order No. PSC-12-0425-PAA-EU.

[e] The Debt Component is 1.5658%, which is based on the May 2013 ROR Surveillance Report, per FPSC Order No. PSC-12-0425-PAA-EU.

Totals may not add due to rounding.

Florida Power & Light Company
Capacity Cost Recovery Clause
For the Period June through December 2014

Return on Capital Investments, Depreciation and Taxes
Incremental Nuclear NRC Compliance
(in Dollars)

Line		Beginning of Period Amount	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	Twelve Month Amount
1.	Investments								
	a. Expenditures/Additions		$2,788,328	$2,671,738	$3,340,463	$2,305,893	$3,143,787	$4,210,652	$18,460,860
	b. Clearings to Plant		$0	$0	$0	$0	$0	$0	$0
	c. Clearings to Plant - Base		$0	$0	$1,792,660	$988,500	$1,152,629	$1,943,520	$5,877,309
	d. Retirements		$0	$0	$0	$0	$0	$0	$0
	e. Other		$0	$0	$0	$0	$0	$0	$0
2.	Incremental Plant-In-Service/Depreciation Base (a)	-	$0	$0	$0	$0	$0	$0	n/a
3.	Less: Accumulated Depreciation	$0	$0	$0	$0	$0	$0	$0	n/a
4.	CWIP - Non Interest Bearing	$18,737,984	$21,526,312	$24,198,050	$25,745,852	$27,063,245	$29,054,403	$31,321,536	n/a
5.	Net Investment (Lines 2 - 3 + 4)	$18,737,984	$21,526,312	$24,198,050	$25,745,852	$27,063,245	$29,054,403	$31,321,536	n/a
6.	Total Estimated Capital Expenditures Included in Base Rates (b)	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	
7.	Base Rate Capital Expenditures Closed to Plant-in-Service (c)	$0	$0	$0	$1,792,660	$2,781,160	$3,933,789	$5,877,309	
8.	Remaining Amount Included in Base Rates (Lines 6 - 7)	$10,000,000	$10,000,000	$10,000,000	$8,207,340	$7,218,840	$6,066,211	$4,122,691	
9.	Adjusted Net Investment (Lines 5 - 8)	$8,737,984	$11,526,312	$14,198,050	$17,538,512	$19,844,405	$22,988,192	$27,198,844	
10.	Average Net Investment		$10,132,148	$12,862,181	$15,868,281	$18,691,459	$21,416,299	$25,093,518	n/a
11.	Return on Average Net Investment								
	a. Equity Component grossed up for taxes (d)		$67,271	$85,396	$105,355	$124,099	$142,190	$166,604	$901,470
	b. Debt Component (Line 10 x debt rate x 1/12) (e)		$12,455	$15,811	$19,507	$22,977	$26,327	$30,847	$169,061
12.	Investment Expenses								
	a. Depreciation		$0	$0	$0	$0	$0	$0	$0
	b. Amortization		$0	$0	$0	$0	$0	$0	$0
	c. Other								
13.	Total System Recoverable Expenses (Lines 11 & 12)		$79,726	$101,208	$124,861	$147,076	$168,517	$197,451	$1,070,531

Notes:

[a] Represents nuclear NRC compliance plant-in-service in excess of the total estimated capital expenditures included in FPL's 2013 Test Year rate base (Docket No. 120015-EI) on line 6.

[b] Represents forecasted nuclear NRC compliance capital expenditures included in FPL's 2013 Test Year rate base (Docket No. 120015-EI).

[c] Represents base rate recoverable nuclear NRC compliance capital expenditures closed to plant-in-service.

[d] The Gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%. The monthly Equity Component is 4.8938%, which is based on the May 2014 ROR Surveillance Report and reflects a 10.5% return on equity, per FPSC Order No. PSC-12-0425-PAA-EU.

[e] The Debt Component is 1.4751%, which is based on the May 2013 ROR Surveillance Report, per FPSC Order No. PSC-12-0425-PAA-EU.

Totals may not add due to rounding.

FLORIDA POWER & LIGHT COMPANY
COST RECOVERY CLAUSES

Equity @ 10.50%

CAPITAL STRUCTURE AND COST RATES PER MAY 2013 EARNINGS SURVEILLANCE REPORT

	ADJUSTED RETAIL	RATIO	MIDPOINT COST RATES	WEIGHTED COST	PRE-TAX WEIGHTED COST
LONG_TERM_DEBT	6,416,467,850	29.591%	4.981%	1.474%	1.474%
SHORT_TERM_DEBT	431,179,727	1.989%	1.833%	0.036%	0.036%
PREFERRED_STOCK	0	0.000%	0.000%	0.000%	0.000%
CUSTOMER_DEPOSITS	428,779,347	1.977%	2.796%	0.055%	0.055%
COMMON_EQUITY	10,165,729,253	46.882%	10.500%	4.923%	8.014%
DEFERRED_INCOME_TAX	4,240,131,465	19.555%	0.000%	0.000%	0.000%
INVESTMENT_TAX_CREDITS					
ZERO COST	0	0.000%	0.000%	0.000%	0.000%
WEIGHTED COST	1,324,684	0.006%	8.364%	0.001%	0.001%
TOTAL	$21,683,612,327	100.00%		6.489%	9.580%

CALCULATION OF THE WEIGHTED COST FOR CONVERTIBLE INVESTMENT TAX CREDITS (C-ITC) (a)

	ADJUSTED RETAIL	RATIO	COST RATE	WEIGHTED COST	PRE TAX COST
LONG TERM DEBT	$6,416,467,850	38.69%	4.981%	1.927%	1.927%
PREFERRED STOCK	0	0.00%	0.000%	0.000%	0.000%
COMMON EQUITY	10,165,729,253	61.31%	10.500%	6.437%	10.480%
TOTAL	$16,582,197,103	100.00%		8.364%	12.407%
RATIO					

DEBT COMPONENTS:	
LONG TERM DEBT	1.4740%
SHORT TERM DEBT	0.0364%
CUSTOMER DEPOSITS	0.0553%
TAX CREDITS -WEIGHTED	0.0001%
TOTAL DEBT	**1.5658%**
EQUITY COMPONENTS:	
PREFERRED STOCK	0.0000%
COMMON EQUITY	4.9226%
TAX CREDITS -WEIGHTED	0.0004%
TOTAL EQUITY	**4.9230%**
TOTAL	6.4889%
PRE-TAX EQUITY	8.0147%
PRE-TAX TOTAL	9.5805%

Note:

(a) This capital structure applies only to Convertible Investment Tax Credit (C-ITC)

FLORIDA POWER & LIGHT COMPANY
COST RECOVERY CLAUSES

Equity @ 10.50%	**CAPITAL STRUCTURE AND COST RATES PER MAY 2014 EARNINGS SURVEILLANCE REPORT**				
					PRE-TAX
	ADJUSTED		MIDPOINT	WEIGHTED	WEIGHTED
	RETAIL	RATIO	COST RATES	COST	COST
LONG_TERM_DEBT	7,260,190,891	29.609%	4.77%	1.41%	1.41%
SHORT_TERM_DEBT	303,811,216	1.239%	2.18%	0.03%	0.03%
PREFERRED_STOCK	0	0.000%	0.00%	0.00%	0.00%
CUSTOMER_DEPOSITS	422,415,505	1.723%	2.04%	0.04%	0.04%
COMMON_EQUITY	11,427,411,916	46.604%	10.50%	4.89%	7.97%
DEFERRED_INCOME_TAX	5,104,824,995	20.819%	0.00%	0.00%	0.00%
INVESTMENT_TAX_CREDITS					
ZERO COST	0	0.000%	0.00%	0.00%	0.00%
WEIGHTED COST	1,326,963	0.005%	8.27%	0.00%	0.00%
TOTAL	$24,519,981,486	100.00%		6.37%	9.44%

	CALCULATION OF THE WEIGHTED COST FOR CONVERTIBLE INVESTMENT TAX CREDITS (C-ITC) (a)				
	ADJUSTED		COST	WEIGHTED	PRE TAX
	RETAIL	RATIO	RATE	COST	COST
LONG TERM DEBT	$7,260,190,891	38.85%	4.772%	1.854%	1.854%
PREFERRED STOCK	0	0.00%	0.000%	0.000%	0.000%
COMMON EQUITY	11,427,411,916	61.15%	10.500%	6.421%	10.453%
TOTAL	$18,687,602,807	100.00%		8.275%	12.307%
RATIO					

DEBT COMPONENTS:	
LONG TERM DEBT	1.4129%
SHORT TERM DEBT	0.0270%
CUSTOMER DEPOSITS	0.0352%
TAX CREDITS -WEIGHTED	0.0001%
TOTAL DEBT	**1.4751%**
EQUITY COMPONENTS:	
PREFERRED STOCK	0.0000%
COMMON EQUITY	4.8935%
TAX CREDITS -WEIGHTED	0.0003%
TOTAL EQUITY	**4.8938%**
TOTAL	6.3690%
PRE-TAX EQUITY	7.9671%
PRE-TAX TOTAL	9.4423%

Note:

(a) This capital structure applies only to Convertible Investment Tax Credit (C-ITC)

APPENDIX III

FUEL COST RECOVERY

2014 INCENTIVE MECHANISM RESULTS

GJY-1
DOCKET NO. 150001-EI
FPL WITNESS: GERARD J. YUPP
PAGES 1-4
EXHIBIT ____
MARCH 3, 2015

TOTAL GAINS SCHEDULE
Actual for the Period of: January 2014 through December 2014

TABLE 1

(1) Month	(2) Wholesale Sales Gains ($)	(3) Wholesale Purchases Savings ($)	(4) Asset Optimization Gains ($)	(5) Total Monthly Gains ($) (2)+(3)+(4)	(6) **Threshold 1** Gains ≤ $36M ($)	(7) **Threshold 2** $36M > Gains ≤ $46M ($)	(8) **Threshold 3** $46M > Gains ≤ $100M ($)	(9) **Threshold 4** Gains > $100M ($)
January	27,823,211	13,357	2,046,044	29,882,613	29,882,613	0	0	0
February	3,352,736	786,831	1,064,077	5,203,644	5,203,644	0	0	0
March	2,678,809	30,488	1,411,207	4,120,503	913,743	3,206,760	0	0
April	550,375	954,701	826,424	2,331,500	0	2,331,500	0	0
May	576,164	204,793	961,429	1,742,385	0	1,742,385	0	0
June	1,531,243	1,339,907	1,709,376	4,580,527	0	2,719,354	1,861,173	0
July	586,289	2,680,445	933,564	4,200,298	0	0	4,200,298	0
August	393,890	3,606,081	906,071	4,906,042	0	0	4,906,042	0
September	616,203	45,509	923,907	1,585,619	0	0	1,585,619	0
October	712,311	598,817	895,393	2,206,521	0	0	2,206,521	0
November	3,063,243	267,209	960,785	4,291,237	0	0	4,291,237	0
December	1,591,443	141	984,394	2,575,978	0	0	2,575,978	0
Total	**43,475,917**	**10,528,279**	**13,622,670**	**67,626,867**	**36,000,000**	**10,000,000**	**21,626,867**	**0**

TABLE 2

(1) Month	(2) **Threshold 1** Gains ≤ $36M 100% Customer Benefit ($)	(3) **Threshold 2** $36M > Gains ≤ $46M 100% Customer Benefit ($)	(4) **Threshold 3** $46M > Gains ≤ $100M 40% Customer Benefit ($)	(5) **Threshold 3** $46M > Gains ≤ $100M 60% FPL Benefit ($)	(6) **Threshold 4** Gains > $100M 50% Customer Benefit ($)	(7) **Threshold 4** Gains > $100M 50% FPL Benefit ($)	(8) **Total** Customer Benefits ($)	(9) **Total** FPL Benefits ($)
January	29,882,613	0	0	0	0	0	29,882,613	0
February	5,203,644	0	0	0	0	0	5,203,644	0
March	913,743	3,206,760	0	0	0	0	4,120,503	0
April	0	2,331,500	0	0	0	0	2,331,500	0
May	0	1,742,385	0	0	0	0	1,742,385	0
June	0	2,719,354	744,469	1,116,704	0	0	3,463,823	1,116,704
July	0	0	1,680,119	2,520,179	0	0	1,680,119	2,520,179
August	0	0	1,962,417	2,943,625	0	0	1,962,417	2,943,625
September	0	0	634,248	951,371	0	0	634,248	951,371
October	0	0	882,608	1,323,913	0	0	882,608	1,323,913
November	0	0	1,716,495	2,574,742	0	0	1,716,495	2,574,742
December	0	0	1,030,391	1,545,587	0	0	1,030,391	1,545,587
Total	**36,000,000**	**10,000,000**	**8,650,747**	**12,976,120**	**0**	**0**	**54,650,747**	**12,976,120**

WHOLESALE POWER DETAIL
Actual for the Period of: January 2014 through December 2014

Wholesale Sales - Table 1

(1) Month	(2) OS Wholesale Sales (MWh)	(3) FCBBS Wholesale Sales (MWh)	(4) Total Wholesale Sales (MWh)	(5) OS Gross Gains ($)	(6) FCBBS Gross Gains ($)	(7) Third-Party Transmission Costs ($)	(8) Incremental GT O&M Costs ($)	(9) Variable Power Plant O&M Costs ($)	(10) Power Option Premiums ($)	(11) Total Net Wholesale Sales Gains ($)
	Schedule A6	Schedule A6	(2) + (3)	Schedule A6	Schedule A6	Schedule A6	Schedule A6	Schedule A6	*CCRC	(5)+(6)+(7)+(8)+(9)
January	504,081	223	504,304	27,896,875	1,514	(75,177)	0	0	0	27,823,211
February	347,594	891	348,485	3,486,205	7,186	(120,063)	(3,411)	(17,182)	0	3,352,736
March	311,119	412	311,531	3,183,340	2,321	(36,441)	0	(470,412)	0	2,678,809
April	86,059	570	86,629	706,637	4,613	(18,672)	(7,692)	(134,512)	0	550,375
May	95,290	794	96,084	733,178	6,914	(133)	(26,978)	(136,818)	0	576,164
June	89,893	326	90,219	1,664,449	1,789	(5,051)	0	(129,944)	0	1,531,243
July	83,804	1,776	85,580	701,249	12,177	737	(7,938)	(119,936)	0	586,289
August	65,108	594	65,702	478,986	3,745	(58)	(0)	(88,783)	0	393,890
September	88,939	1,356	90,295	747,377	8,254	(605)	(2,476)	(136,346)	0	616,203
October	131,356	1,268	132,624	976,600	6,931	(113)	(115,079)	(175,249)	19,221	712,311
November	393,614	841	394,455	3,580,641	6,521	(25,625)	(35,850)	(471,831)	9,387	3,063,243
December	288,104	278	288,382	2,044,493	1,759	(41,272)	0	(423,371)	9,834	1,591,443
Total	**2,484,961**	**9,329**	**2,494,290**	**46,200,030**	**63,725**	**(322,471)**	**(199,424)**	**(2,304,384)**	**38,442**	**43,475,917**

Wholesale Purchases - Table 2

(1) Month	(2) OS Wholesale Purchases (MWh)	(3) FCBBS Wholesale Purchases (MWh)	(4) Total Wholesale Purchases (MWh)	(5) OS Savings ($)	(6) FCBBS Savings ($)	(7) Total Schedule A9 Savings ($)	(8) Capacity Purchases (MWh)	(9) Net Capacity Purchases Savings ($)	(10) Total Wholesale Purchases Savings ($)
	Schedule A9	Schedule A9	Schedule A9	Schedule A9	Schedule A9	Schedule A9	Schedule A7/A12		(7) + (9)
January	645	0	645	13,357	0	13,357	0	0	13,357
February	26,021	292	26,313	785,015	1,816	786,831	0	0	786,831
March	4,485	69	4,554	30,199	289	30,488	0	0	30,488
April	27,116	174	27,290	953,876	825	954,701	0	0	954,701
May	14,755	97	14,852	203,622	1,172	204,793	0	0	204,793
June	49,169	69	49,238	1,339,497	410	1,339,907	0	0	1,339,907
July	46,159	73	46,232	2,680,173	271	2,680,445	0	0	2,680,445
August	211,454	79	211,533	3,375,177	532	3,375,709	8,400	230,372	3,606,081
September	7,698	0	7,698	45,509	0	45,509	0	0	45,509
October	14,407	24	14,431	598,702	115	598,817	0	0	598,817
November	10,249	0	10,249	267,209	0	267,209	0	0	267,209
December	35	0	35	141	0	141	0	0	141
Total	**412,193**	**877**	**413,070**	**10,292,478**	**5,429**	**10,297,907**	**8,400**	**230,372**	**10,528,280**

*Capacity Cost Recovery Clause - Option premium gains are included under Transmission Revenues from Capacity Sales line item.

ASSET OPTIMIZATION DETAIL
Actual for the Period of: January 2014 through December 2014

(1) Month	(2) Natural Gas Delivered City-Gate Sales ($)	(3) Natural Gas Production Area Sales ($)	(4) Natural Gas Capacity Release Firm Transport ($)	(5) Natural Gas Option Premiums ($)	(6) Natural Gas Storage Optimization ($)	(7) Natural Gas AMA Gains ($)	(8) Coal Sales Gains ($)	(9) Electric Transmission Capacity Release Firm Transmission ($)	(10) Total Asset Optimization Gains ($)
January	[redacted]								2,046,044
February	[redacted]								1,064,077
March	[redacted]								1,411,207
April	[redacted]								826,424
May	[redacted]								961,429
June	[redacted]								1,709,376
July	[redacted]								933,564
August	[redacted]								906,071
September	[redacted]								923,907
October	[redacted]								895,393
November	[redacted]								960,785
December	[redacted]								984,394
Total	**744,104**	**964,123**	**1,006,558**	**5,895,600**	**1,030,023**	**2,302,331**	**20,000**	**1,659,932**	**13,622,670**

INCREMENTAL OPTIMIZATION COSTS
Actual for the Period of: January 2014 through December 2014

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Month	Personnel Expenses ($)	Other Expenses* ($)	Wholesale Sales (MWh)	Cumulative Wholesale Sales (MWh)	Wholesale Sales Threshold (MWh)	Wholesale Sales Above Threshold (MWh)	Incremental Variable O&M ($)	Total Incremental O&M Expenses ($)
	Schedule A2						Schedule A2	(2) + (3) + (8)
January	33,078	0	277,606	277,606	514,000	0	(44,399)	(11,320)
February	28,764	0	247,773	525,379	514,000	11,379	17,182	45,946
March	31,903	0	311,531	836,910	514,000	311,531	470,412	502,315
April	33,006	0	86,629	923,539	514,000	86,629	134,512	167,518
May	33,316	0	93,060	1,016,599	514,000	93,060	136,818	170,134
June	32,338	0	86,055	1,102,654	514,000	86,055	129,944	162,282
July	34,561	2,400	79,428	1,182,082	514,000	79,428	119,936	156,897
August	31,848	1,195	58,797	1,240,879	514,000	58,797	88,783	121,827
September	32,866	31,490	90,295	1,331,174	514,000	90,295	136,346	200,702
October	37,567	2,930	116,059	1,447,233	514,000	116,059	175,249	215,746
November	33,614	8,430	312,471	1,759,704	514,000	312,471	471,831	513,875
December	43,453	7,669	280,378	2,040,082	514,000	280,378	423,371	474,493
Total	**406,314**	**54,114**	**2,040,082**			**1,526,082**	**2,259,986**	**2,720,415**

*Includes software and hardware expenses