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April 8, 2020

**-VIA ELECTRONIC FILING -**

Adam Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

**Re: Docket No. 20200001-EI**

Dear Mr. Teitzman:

Attached for electronic filing on behalf of Florida Power & Light Company are its responses to the Commission Staff's First Data Request (Nos. 1-15).

If there are any questions regarding this transmittal, please contact me at (561) 304-5795.

Sincerely,

s/ Maria Jose Moncada  
Maria Jose Moncada

Attachments

cc: Counsel for Parties of Record (w/ attachments)

**CERTIFICATE OF SERVICE**  
**Docket No. 20200001-EI**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished  
by electronic service on this 8th day of April 2020 to the following:

Suzanne Brownless  
Division of Legal Services  
**Florida Public Service Commission**  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
sbrownle@psc.state.fl.us

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Mireille Fall-Fry  
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**Attorneys for White Springs Agricultural  
Chemicals, Inc. d/b/a PCS Phosphate -  
White Springs**

By: s/ Maria Jose Moncada  
Maria Jose Moncada  
Florida Bar No. 0773301

**QUESTION:**

**Please specify both the numerator and denominator used to calculate the projected 8.4 percent over-recovery figure as shown on page 3, paragraph 6, of the Petition. Please also discuss the derivation of both figures used in the calculation.**

**RESPONSE:**

In Attachment I, Page 2, Column "2020", the sum of Lines 43 and 44 "True-Up Provision for the Month – Over/(Under) Recovery" and "Interest Provision for the Month," respectively, equal the numerator, \$206,083,515. This represents actual fuel costs and associated interest for January and February 2020 and revised cost and sales estimates and associated interest for March through December 2020.

In Attachment I, Page 2, Column "2020", Line 39, "Jurisdictional Fuel Revenues Applicable to Period" equal the denominator, \$2,452,203,804. This represents actual jurisdictional revenues collected for January and February 2020 and revised estimates of jurisdictional fuel revenues to be collected during March through December 2020.

**QUESTION:**

Please refer to pages 2-3, paragraph 5, of the Petition and the Company's 2019 Ten-Year Site Plan.

a. Please confirm the system average delivered natural gas cost that is embedded in the Company's currently-approved fuel factor is \$4.06 per MMBtu. If this is not the system average delivered natural gas cost that is embedded in the Company's currently-approved fuel factor, please specify what that figure is and how it compares to the projected figure provided by FPL in response to Staff's Supplemental Data Request No. 1, Question No. 72, for the year 2020, in staff's review of the Company's 2019 TYSP.

b. Is the estimated average cost of natural gas, based on data at March 17, 2020, of \$3.53 per MMBtu, now representative of the Company's estimated effective cost of natural gas for the remainder of 2020 (May through Dec. 2020)? If not, please provide the estimated effective cost of natural gas for May through Dec. 2020.

**RESPONSE:**

- a. Yes, the average cost of natural gas that was used in the calculation of the currently approved fuel factor is \$4.06 per MMBtu.
- b. Attachment I, Page 12, Line 53, Column 15 provides the estimated average cost of natural gas, based on March 17, 2020 prices for the period January through December 2020, which is \$3.53 per MMBtu. The estimated average cost of natural gas, based on March 17, 2020 prices, for the period May 2020 through December 2020 is \$3.55 per MMBtu.

**QUESTION:**

**Has the Company revised any planned power purchases due to any possible updated pricing and availability of market power purchases? If so, please discuss.**

**RESPONSE:**

FPL updated its projections for purchased power (Schedule E7), purchases from qualifying facilities (Schedule E8), and economy purchases (Schedule E9) as part of the mid-course correction filing as these schedules were impacted by updated fuel prices and input assumptions.

**Florida Power & Light Company**  
**Docket No. 20200001-EI**  
**Staff's First Data Request**  
**Question No. 4**  
**Page 1 of 1**

**QUESTION:**

**Please briefly discuss how this petition effects the Company's non-residential classes of service. Are there "typical" levels of credit these rate classes should expect to receive?**

**RESPONSE:**

FPL's petition to decrease the current fuel factor impacts all FPL retail customer rate classes, including the Company's non-residential rate classes. For the average residential customer using 1,000 kWh per month, the reduction to the fuel factor will result in a one-time decrease of about 24% on their May bills. Commercial and Industrial rate classes will see a significant one-time decrease to their May 2020 bills, with typical bill decreases ranging from about 24% to 53% as illustrated below:

Typical Bill	Jan - Apr 2020	May 2020 MidCourse Correction	\$ Decrease	% Decrease
SMALL COMMERCIAL (GS-1); 1,500 kWh Example Customers: Store Front Office	\$144.86	\$110.72	(\$34.14)	-24%
SMALL COMMERCIAL (GSD-1); 50 kW, 48% Load Factor (17,520 kWh) Example Customers: Bank Branch Office, Small Retail Store (7-11)	\$1,419.66	\$1,018.78	(\$400.88)	-28%
MEDIUM COMMERCIAL (GSLD-1); 600 kW, 50% Load Factor (219,000 kWh) Example Customers: Schools, Department Stores	\$17,601.23	\$12,596.63	(\$5,004.60)	-28%
LARGE COMMERCIAL (GSLD-2); 2,800 kW, 55% Load Factor (1,124,200 kWh) Example Customers: Hospitals, Large Hotels	\$85,266.39	\$59,675.78	(\$25,590.61)	-30%
LARGE INDUSTRIAL (CILC1-T); 10,000 kW, 75% Load Factor (5,475,000 kWh), 26% On-Peak kWh, transmission voltage Example Customers: FPL's largest manufacturing/mining customers	\$232,921.65	\$110,632.24	(\$122,289.41)	-53%

**QUESTION:**

**Please describe any other Company efforts in notifying its customers of the proposed action it has requested through its Petition. Please also provide copies of any notifications that were previously or will be sent to customers regarding the actions requested in the Petition.**

**RESPONSE:**

Copies of notifications that were previously sent or will be sent to customers are attached to this Data Request response as Attachments I through VI.

The Company has also used TV advertising, which can be viewed at [https://youtu.be/rQ\\_-ugNTFNY](https://youtu.be/rQ_-ugNTFNY), to reach customers.



**Facebook**



**FPL Connect**

Posted by Sprinklr

March 30 at 9:36 AM · 🌐



We're working to fast-track new fuel savings to you through a one-time bill decrease of nearly 25% in May. While these savings are normally spread out over time, we think it's important to get more money in your pocket as quickly as possible. [www.FPL.com/Help](http://www.FPL.com/Help) #PoweringThruTogether



**COVID-19** Update



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**FPL**

@insideFPL



We're working to fast-track new fuel savings to you through a one-time bill decrease of nearly 25% in May. We think it's important to get more money in your pocket as quickly as possible.

[spr.ly/60131apEL](https://spr.ly/60131apEL) #PoweringThruTogether



**COVID-19** Update

9:19 AM · Mar 30, 2020 · [Sprinklr](#)





A message from FPL President and CEO, Eric Silagy

[View in Browser](#)

[Update Email](#)

## Bill decrease coming in May

I hope you and your family are safe and well.

As we continue to navigate the coronavirus (COVID-19) crisis together, I wanted to share a bit of good news with you.

This week, we are taking the unprecedented step of asking the Florida Public Service Commission to allow us to fast-track a significant bill decrease beginning in May. Due to our efficiency and lower fuel prices, we have significantly reduced the amount of money we spend on fuel and plan to pass these savings on to you as soon as possible.

Normally, changes in fuel costs, whether savings or cost increases, are spread out over the balance of the year. However, our plan would give you the total annual savings in a single month's bill. For the average residential customer who currently pays about \$96 each month, this will result in a one-time decrease of nearly 25% on your May bill. Business customers will also see a significant one-time decrease in May.

Challenging times must be met with exceptional measures, and this unconventional and unprecedented action will provide you with the opportunity to save as much money as possible during this uncertain economic time.

Doing the right thing is a core value for FPL, which is why we will always do the right thing for our customers. From expanding our [Care To Share®](#) program and donating millions to local charities across the state, to suspending electrical disconnections, providing payment extensions and waiving late fees for customers in a hardship situation – policies that will remain in effect while Florida is under a state of emergency – FPL is committed to helping us all get through this difficult and unsettling time together.

Our focus on delivering clean, reliable and affordable electricity demands that we must continue working to improve the energy grid, particularly as hurricane season quickly approaches. This means, from a safe distance from you and other members of the community, our crews will still be out trimming trees, flying drones to assess equipment, putting power lines underground and installing new, stronger and more efficient facilities.

As fellow Floridians, we're all in this together and you have my promise that we will continue to work safely and tirelessly to keep the lights on so you and your families have one less thing to worry about.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric Silagy'.

Eric Silagy  
President and CEO, Florida Power & Light Company



Florida Power & Light Company  
Media Line: 561-694-4442  
March 30, 2020  
@FPL\_Newsroom

**FOR IMMEDIATE RELEASE**

**FPL responds to ongoing COVID-19 pandemic by lowering customer bills for the second time this year**

- *Lower fuel costs are enabling FPL to issue a one-time decrease of nearly 25% for the typical residential customer bill, beginning May 1*
- *FPL plans to issue the savings through a one-time bill decrease in order to accelerate savings to customers amid the ongoing COVID-19 pandemic, rather than the standard practice of spreading out savings over the remainder of the year*
- *FPL previously lowered customer bills approximately 4% in January; bills remain among the lowest in Florida and the nation*

JUNO BEACH, Fla. – Florida Power & Light Company today announced its plan to significantly lower bills for the second time this year and fast-track savings to customers amid the ongoing coronavirus (COVID-19) pandemic. Subject to Florida Public Service Commission approval, beginning May 1, FPL plans to issue a one-time decrease of nearly 25% for the typical residential customer bill as a result of lower fuel costs.

In Florida, FPL and other electric providers traditionally refund any fuel savings to customers over many months. However, given the abrupt financial challenges facing many customers due to COVID-19, FPL will instead request permission to give customers the total annual savings in a single month's bill. Business customers will also see a significant one-time decrease in May, that will vary by rate class.

"Everyone at FPL understands how critical it is to continue to provide reliable electricity and to keep as much money as possible in our customers' pockets," said FPL President and CEO Eric Silagy. "Traditionally, our regulators expect these types of savings to be spread out over the balance of the year. However, challenging times call for exceptional measures. I believe this one-time bill decrease is the most effective way to infuse customers with much-needed money as we all navigate through this difficult and unsettling time together."

FPL's Typical 1,000-kWh Residential Customer Bill		
December 2019	Current	May 2020 <i>with one-time decrease</i>
\$99.90	\$96.04	~\$74*
<p><b>Before this proposed decrease, FPL's typical bill was about 30% lower than the U.S. average, according to the latest available data.**</b></p> <p><i>*Preliminary estimate subject to final calculations; FPL May bills also include a Solar Base Rate Adjustment, reflecting four new solar power plants entering service and generating clean, emissions-free energy for customers</i></p> <p><i>**U.S. average (\$141.56) is based on Summer 2019 bills from 175 utilities, published by the Edison Electric Institute</i></p>		

FPL's typical monthly residential customer bill is already among the lowest in the state and nation and decreased nearly 4% in January, primarily due to lower fuel costs as a result of low natural gas prices. FPL has also invested in new, ultra-efficient natural gas power plants, large-scale solar energy facilities and a variety of cutting-edge technologies – all of which helped FPL reduce the amount of fuel it needs to provide electricity. Just like driving a new car instead of one built in the 1970s, FPL's smart investments in modern technology have helped the company reduce operating and fuel expenses, which is why FPL is now the most cost-efficient electric utility in the United States and one of the nation's most fuel-efficient and cleanest energy providers.

### Responding to COVID-19 pandemic

FPL has had a pandemic plan in place for many years and regularly trains and drills for unplanned events and crises. The company understands the critical role electricity plays in the economy and daily lives of Floridians, and regardless of the circumstances FPL remains steadfastly committed to continuously delivering the reliable and affordable electricity that everyone relies on.

For customers experiencing hardship as a result of COVID-19, FPL has resources available at [FPL.com/Help](https://www.fpl.com/help), or the company can connect customers with resources available from federal, state and local authorities. To further assist customers, FPL is also implementing the same policies that it does during crises and has suspended electrical disconnections, is providing payment extensions and is waiving late payment fees for customers in a hardship situation. All of these policies will remain in effect while Florida is under a state of emergency.

Additionally, FPL, its fellow NextEra Energy companies and employees have so far committed nearly \$2.75 million in COVID-19 emergency assistance funds that will be distributed directly to those in need and to partner organizations working on the frontlines of the crisis to provide critical support to the most vulnerable members of the community.

### Florida Power & Light Company

Florida Power & Light Company is the largest energy company in the United States as measured by retail electricity produced and sold, serving more than 5 million customer accounts or an estimated 10 million+ people across the state of Florida. FPL's typical 1,000-kWh residential customer bill is approximately 30% lower than the latest national average and among the lowest in the U.S. FPL's service reliability is better than 99.98%, and its highly fuel-efficient power plant fleet is one of the cleanest among all electric companies nationwide. The company was recognized in 2019 as one of the most trusted U.S. electric utilities by Escalent for the sixth consecutive year. A leading Florida employer with approximately 8,900 employees, FPL is a

subsidiary of Juno Beach, Florida-based NextEra Energy, Inc. (NYSE: NEE), a clean energy company widely recognized for its efforts in sustainability, ethics and diversity, and has been ranked No. 1 in the electric and gas utilities industry in Fortune's 2020 list of "World's Most Admired Companies." NextEra Energy is also the parent company of Gulf Power Company, which serves more than 470,000 customers in eight counties throughout northwest Florida, and NextEra Energy Resources, LLC, which, together with its affiliated entities, is the world's largest generator of renewable energy from the wind and sun and a world leader in battery storage. For more information about NextEra Energy companies, visit these websites: [www.NextEraEnergy.com](http://www.NextEraEnergy.com), [www.FPL.com](http://www.FPL.com), [www.GulfPower.com](http://www.GulfPower.com), [www.NextEraEnergyResources.com](http://www.NextEraEnergyResources.com).



/ 3\* FPL AUTOMATIC BILL PAY - DO NOT PAY \*

Please request changes on the back.  
Notes on the front will not be detected.

The amount enclosed includes the following donation:

FPL Care To Share \$

B 5 4501 7

1 076883



Make check payable to FPL in U.S. funds  
and mail along with this coupon to:

FPL  
GENERAL MAIL FACILITY  
MIAMI FL 33188-0001

Account number	Do not pay	New charges due by	Amount enclosed
	\$556.31	Apr 22 2020	\$

Your electric statement

For: Mar 02 2020 to Apr 01 2020 (30 days)

Customer name:  
Service address:

Account number:

Statement date: Apr 01 2020  
Next meter reading: May 01 2020

Amount of your last bill	Payments (-)	Additional activity (+ or -)	Balance before new charges (=)	New charges (+)	DO NOT PAY (-)	New charges due by
472.20	472.20 CR	0.00	0.00	556.31	\$556.31	Apr 22 2020

Meter reading - Meter KL30506

Current reading 27512  
Previous reading - 24058  
kWh used 3454

Demand reading 25.72  
Demand kW 26

Energy usage  
kWh this month 3454  
Service days 30  
kWh per day 115

\*\*The electric service amount includes the following charges:

Customer charge: \$26.31  
Fuel: \$76.99  
( \$0.022290 per kWh)  
Non-fuel: \$81.00  
( \$0.023450 per kWh)  
Demand: \$289.38  
( \$11.13 per kW)

Amount of your last bill 472.20  
Payment received - Thank you 472.20 CR  
Balance before new charges \$0.00

New charges (Rate: GSD-1 GENERAL SERVICE DEMAND)

Electric service amount 473.68\*\*  
Gross receipts tax 12.15  
Franchise charge 29.51  
Florida sales tax 35.82  
Discretionary sales surtax 5.15  
Total new charges \$556.31

Total amount you owe \$556.31

FPL automatic bill pay - DO NOT PAY

- Payments received after April 22, 2020 are considered late; a late payment charge, the greater of \$5.00 or 1.5% of your past due balance will apply. Your account may also be billed a deposit adjustment.
- The amount due on your account will be drafted automatically on or after April 12, 2020. If a partial payment is received before this date, only the remaining balance due on your account will be drafted automatically.
- A rate adjustment will take effect in May due to four new solar plants entering service. FPL also has asked the Public Service Commission to approve a fuel charge credit, lowering May bills. Visit FPL.com/rates to learn more about your energy bill.

Please have your account number ready when contacting FPL.

Customer service: (561) 478-6399  
Outside Florida: 1-800-226-3545  
To report power outages: 1-800-4OUTAGE (468-8243)  
Hearing/speech impaired: 711 (Relay Service)  
Online at: www.FPL.com



ServicesExploreSupport

Log in

Email/User ID

Password

LOG IN

Remember my User ID ☐

Forgot Email/User ID or Password | Register

# COVID-19 Updates

We are here for you and with our communities

For customers experiencing hardship as a result of COVID-19, we have resources from FPL available to help and we'll continue to connect customers with resources from federal, state and local agencies. We have also implemented measures to help during this crisis, such as suspending electrical disconnections, providing payment extensions and waiving certain late payment fees for customers in a hardship situation – policies that will remain in effect while Florida is under a state of emergency.

Customers are encouraged to pay their electric bill balance each month to avoid building up a large balance, which they will continue to bear responsibility for. However, if you are having difficulty paying your monthly bill, we encourage you to view available resources online at <https://www.fpl.com/help.html> or contact us directly at 1-800-226-3545. We will work with your personal situation and come up with a solution to ensure that you can fulfill your personal responsibility for your FPL balance.



### Bills Going Down

Look for a lower bill in May, reflecting a year's worth of fuel savings, to help you during this uncertain time.

LEARN MORE



### View Letters to Customers

Read the latest from FPL president and CEO to customers.

VIEW NOW



### Help your Neighbors

Donate to Care to Share and help a family keep their lights on.

LEARN MORE





Services Explore Support



Log In

Email/User ID

Password

LOG IN

Remember my User ID ☐

Forgot [Email/User ID](#) or [Password](#) | [Register](#)

## We are here for you and with our communities

- For customers experiencing hardship as a result of COVID-19, we have resources from FPL available to help and we'll continue to connect customers with resources from federal, state and local agencies. We have also implemented measures to help during this crisis, such as suspending electrical disconnections, providing payment extensions and waiving certain late payment fees for customers in a hardship situation – policies that will remain in effect while Florida is under a state of emergency.
- Customers are encouraged to pay their electric bill balance each month to avoid building up a large balance, which they will continue to bear responsibility for. However, if you are having difficulty paying your monthly bill, we encourage you to view available resources online at <https://www.fpl.com/help.html> or contact us directly at 1-800-226-3545. We will work with your personal situation and come up with a solution to ensure that you can fulfill your personal responsibility for your FPL balance.

### March 30 letter to customers from FPL President and CEO, Eric Silagy

I hope you and your family are safe and well.

As we continue to navigate the coronavirus (COVID-19) crisis together, I wanted to share a bit of good news with you.

This week, we are taking the unprecedented step of asking the Florida Public Service Commission to allow us to fast-track a significant bill decrease beginning in May. Due to our efficiency and lower fuel prices, we have significantly reduced the amount of money we spend on fuel and plan to pass these savings on to you as soon as possible.

Normally, changes in fuel costs, whether savings or cost increases, are spread out over the balance of the year. However, our plan would give you the total annual savings in a single month's bill. For the average residential customer who currently pays about \$96 each month, this will result in a one-time decrease of nearly 25% on your May bill. Business customers will also see a significant one-time decrease in May.

Challenging times must be met with exceptional measures, and this unconventional and unprecedented action will provide you with the opportunity to save as much money as possible during this uncertain economic time.

Doing the right thing is a core value for FPL, which is why we will always do the right thing for our customers. From expanding our [Care to Share](#) program and donating millions to local charities across the state, to suspending electrical disconnections, providing payment extensions and waiving late fees for customers in a hardship situation – policies that will remain in effect while Florida is under a state of emergency – FPL is committed to helping us all get through this difficult and unsettling time together.

Our focus on delivering clean, reliable and affordable electricity demands that we must continue working to improve the energy grid, particularly as hurricane season quickly approaches. This means, from a safe distance from you and other members of the community, our crews will still be out trimming trees, flying drones to assess equipment, putting power lines underground and installing new, stronger and more efficient facilities.

As fellow Floridians, we're all in this together and you have my promise that we will continue to work safely and tirelessly to keep the lights on so you and your families have one less thing to worry about.

Sincerely,

Eric Silagy

President and CEO, Florida Power & Light Company

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SunSentinel

Navigate the crisis in FL with our online guide

YOUR GUIDE TO LIVING THROUGH THE CORONAVIRUS CRISIS IN SOUTH FLORIDA

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Florida's coronavirus outbreak may peak by late April, updated model says

Kelly: G willing jockey!

VIEWPOINTS OPINION

## Why we are proposing to reduce your electric bill by 25% next month | FPL CEO Eric Silagy

By ERIC SILAGY  
SPECIAL TO THE SUN SENTINEL | MAR 30, 2020 | 11:54 AM



ADVERTISEMENT



"These are far from normal times and I believe it's incredibly important to infuse Floridians with as much money in their pockets as quickly as possible during this uncertain economic time," Florida Power & Light CEO Eric Silagy writes in an op-ed in announcing the utility plans a one-time, 25 percent bill reduction next month for its customers. (Joe Caananella / South Florida Sun Sentinel)

Amid the uncertainty of the developing coronavirus (COVID-19) pandemic, I want Floridians to have confidence that Florida Power & Light Company is here to continue delivering reliable and affordable energy to our great state, no matter how challenging the task.

Electricity serves as the very foundation of our communities and our way of life, and FPL takes our responsibility and our duty to serve seriously.

Reliable electricity is also at the core of the COVID-19 response, enabling our doctors and first responders to fight the virus, manufacturing facilities to stay open and produce vital supplies, food providers to feed our communities, students to learn online, and so many in the workforce to shelter at home and do their jobs remotely – all of which is essential to keeping our economy moving.

This is why we work so hard to ensure Floridians shouldn't have to think twice about flipping the light switch, plugging in their laptop or turning on the air conditioner.

As fellow Floridians, FPL is also committed to doing our part to support those most in need, just as we've done many times over the decades through countless hurricanes.

From expanding our Care to Share program and donating millions to local charities across the state, to suspending electrical disconnections, providing payment extensions and waiving late fees for customers in a hardship situation – policies that will remain in effect while Florida is under a state of emergency – FPL is committed to helping us all get through this difficult time together.

### LATEST VIEWPOINTS

There's no place for 'virus vigilantes' in Florida | Opinion  
7:00 AM



Column: Unprepared for a crisis, America's response to pandemic economics falls short  
APR 6, 2020

Use part of federal pandemic recovery money to combat climate crisis, create new jobs | Opinion  
APR 6, 2020



BSO Sheriff Gregory Tony is failing all of us during the coronavirus crisis | Opinion  
APR 6, 2020



Column: Social distancing in the coronavirus pandemic is a nuisance



Challenging times must be met with exceptional measures.



That's why we're also taking the unprecedented step of asking the Florida Public Service Commission to allow us to fast-track a significant bill decrease beginning in May. Instead of spreading these savings over the balance of this year, which is normal practice for Florida electric utilities, we're proposing to provide customers a one-time decrease in May of nearly 25% on the typical residential bill.

While our proposal is unconventional and unprecedented, these are far from normal times and I believe it's incredibly important to infuse Floridians with as much money in their pockets as quickly as possible during this uncertain economic time.

Helping our customers get through this very difficult time is a top priority, as is making sure everyone at FPL stays intensely focused on safely delivering the clean, reliable and affordable electricity expected from us, day in and day out.

As the COVID-19 situation continues to unfold and hurricane season quickly approaches, FPL will continue working to improve the energy grid. This means we'll still be out trimming trees, flying drones to assess equipment, putting power lines underground and building new, stronger and more cost-efficient facilities. And, we promise to do it in a way that protects our employees and contractors while keeping a safe distance from members of the community. All of this work is critical to keeping our system running smoothly and in helping Florida's economy recover.

Floridians are storm-tested and no strangers to crises, which is why I'm confident that we will become even stronger as we go through this crisis together.

***Eric Silagy is the president and chief executive officer for Florida Power & Light Company***

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**QUESTION:**

**Please specify the exact range/beginning and ending dates of FPL's May 2020 billing cycle.**

**RESPONSE:**

FPL billing cycles for the month of May begin May 1 and end on May 29.

**QUESTION:**

**Although the Petition does not address coal, has the Company's projected costs for this type of fuel meaningfully/significantly changed for 2020? If so, please explain.**

**RESPONSE:**

FPL's projected costs for coal in the mid-course correction filing have not significantly changed from its original 2020 Projection Filing. There was, however, a significant variance in the January and February actual coal costs versus the original 2020 Projection Filing. FPL's actual combined coal costs in January and February were nearly \$5.8 million lower than originally projected. This variance was largely driven by lower gas prices that resulted in lower cost gas-fired generation displacing coal generation.

**QUESTION:**

**Please clarify whether the one-time refund will be shown as a separate line item on customers' bills or as a reduction in the fuel factor.**

**RESPONSE:**

The one-time refund will be shown as a reduction in the fuel factor.

**QUESTION:**

**Please discuss whether the Company plans on instituting any different processes, procedures, and/or measures related to fuel cost and fuel revenue forecasting as a result of requiring a mid-course correction of its fuel-related charges. If so, please explain.**

**RESPONSE:**

FPL does not plan on instituting any different processes, procedures, or measures related to fuel costs and fuel revenue forecasting as a result of the mid-course correction filing. FPL believes that the current processes, procedures, and measures it employs in developing its fuel cost projections are appropriate and have been successfully utilized for many years.

**QUESTION:**

**Please identify the sources and dates of FPL's underlying fuel price forecast used in support of its currently-approved system fuel factor.**

**RESPONSE:**

FPL utilized forward curve prices for New York Harbor 0.7% sulfur heavy oil, WTI Crude Oil, Ultra-Low Sulfur Diesel (ULSD) fuel oil, and Henry Hub natural gas commodity prices from the close of business on July 26, 2019 for its 2020 Projection Filing. For the mid-course correction, FPL utilized the same forward curve sources for commodity prices from the close of business on March 17, 2020. For coal prices, FPL used JD Energy's coal price forecast provided to FPL on June 18, 2019 for the 2020 Projection Filing and on March 2, 2020 for the mid-course correction.



**QUESTION:**

**Please discuss FPL's fuel forecasting methodology. Please also remark on the approximate length of time the Company has employed this same or very similar fuel forecasting methodology for business planning purposes.**

**RESPONSE:**

For natural gas commodity prices, FPL's forecast methodology relies upon the NYMEX Natural Gas Futures contract prices (forward curve). For light and heavy fuel oil prices, FPL utilizes Over-The-Counter ("OTC") forward market prices. Projections for the price of coal are based on actual coal purchases and price forecasts developed by J.D. Energy. Forecasts for the availability of natural gas are developed internally at FPL and are based on contractual commitments and market experience. Transportation and storage costs are based on FPL's contractual commitments. FPL has utilized this methodology for its fuel cost projections in the Fuel Clause since 2004.

**QUESTION:**

**Please identify the date, if known, of FPL's next/updated fuel price forecast that will be used for business planning purposes.**

**RESPONSE:**

Following the filing of the April 1 Mid-Course Correction, FPL generated an updated fuel price forecast on April 7, 2020 using forward curve prices from the close of business on April 6, 2020.

**QUESTION:**

**Does FPL compare its fuel price forecast to any other publicly available source of forecasted fuel prices, such as the Energy Information Administration? If so, please discuss the results of any analysis performed.**

**RESPONSE:**

FPL utilizes forward commodity price curves for fuel oil and natural gas to project fuel costs in its annual filings in the Fuel Clause. The basic assumption made with respect to using the forward curves is that all available data that could impact the price of natural gas and fuel oil in the short-term is incorporated into the curves at all times. FPL believes that forward curves are a valid representation of expected fuel prices in the short-term and, consequently, FPL believes that comparisons to other forecasts are not necessary.

**QUESTION:**

**Did FPL perform a sensitivity analysis of its fuel price forecast for the purposes of determining the validity of its expected annual fuel cost? If the response is negative, please explain why the Company did not perform such an analysis.**

**RESPONSE:**

FPL did not perform a sensitivity analysis of the fuel price forecast that was utilized to develop its expected fuel costs for this mid-course correction filing. Overall, fuel cost projections that FPL develops for the purpose of calculating Fuel Cost Recovery Clause factors are short-term in nature. The forward curves for both natural gas and fuel oil that FPL uses in developing its fuel cost projections represent expected future prices at a given point in time. The basic assumption made with respect to using the forward curves is that all available data that could impact the price of natural gas and fuel oil in the short-term is incorporated into the curves at all times. FPL believes that forward curves are a valid representation of expected fuel prices in the short-term and therefore, the fuel cost projections FPL develops using the forward curves are valid. FPL's standard practice is to utilize forward curve prices from the close of business on the latest possible date that allows FPL to perform all of the necessary work related to calculating factors while allowing the company to meet the applicable filing deadline. Furthermore, to the extent that fuel prices change dramatically in the short-term, the mid-course correction mechanism provides the opportunity for a utility to correct its factors to more accurately reflect current market conditions.

**QUESTION:**

Please provide the percent error in FPL's delivered natural gas price forecasts out 3 to 5 years for 2017 through 2019, using the data found in the Company's Ten-Year Site Plans, by populating the following tables:

**RESPONSE:**

As discussed in the Company's Ten-Year Site Plan, the natural gas price forecasts included in these tables represent FPL's long term price projections and therefore are not pertinent to either mid-course correction filings or the annual fuel clause projection filings. The price forecast projections included in the Company's Ten-Year Site Plans utilize FPL's long term forecast methodology which forecasts prices beyond 40 years. In contrast, the fuel price forecast methodology used to develop natural gas price projections for the fuel clause relies on short-term forward curves. These forward curves reflect market closing prices that are typically within a few months of the applicable period for which FPL is developing fuel cost projections.

Year	Natural Gas Price Annual Forecast (\$/MMbtu)		
	Years Prior		
	5	4	3
2017	\$6.39	\$5.03	\$4.93
2018	\$5.86	\$5.99	\$4.34
2019	\$6.15	\$4.68	\$3.71
Average	\$6.13	\$5.24	\$4.33

Year	Natural Gas Price Annual Actuals (\$/MMbtu)		
	Years Prior		
	5	4	3
2017	\$3.14	\$3.14	\$3.14
2018	\$3.12	\$3.12	\$3.12
2019	\$2.54	\$2.54	\$2.54
Average	\$2.93	\$2.93	\$2.93

Year	Natural Gas Price Annual Forecast Variance (%)		
	Years Prior		
	5	4	3
2017	51%	38%	36%
2018	47%	48%	28%
2019	59%	46%	32%
Average	52%	44%	32%