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EXHIBIT B

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DOCUMENT NUMBER-DATE
8007 AUG-4 8
FPSC-COMMISSION CLERK

1 of FPL's commercial intentions to the market, thus helping to ensure favorable
2 pricing for FPL's hedges.

3 **2010 Hedging Strategy (TFB-4, Items 2 and 8)**

4 FPL plans to hedge a portion of its projected 2011 residual fuel oil and natural gas
5 requirements during 2010. Absent special circumstances (e.g. a hurricane that
6 FPL concludes will substantially impair market functions). FPL will implement
7 its hedging program within the following parameters:

8 **Natural Gas**

- 9 1) FPL will hedge approximately [REDACTED] of its projected 2011 natural gas
10 requirements within the Hedging Window during 2010. This hedge
11 percentage is consistent with 2010 hedge levels and is within FPL's
12 system base load requirements. FPL will hedge approximately [REDACTED] of
13 each individual month's projected natural gas requirements.
14 2) FPL will utilize [REDACTED] to
15 hedge its projected natural gas requirements.
16 3) FPL will execute its natural gas hedges for 2011 from [REDACTED]
17 through [REDACTED] as shown below:

18 **Hedging Window**

19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]
26 [REDACTED]
27 [REDACTED]
28 [REDACTED]
29 [REDACTED]
30 [REDACTED]
31 [REDACTED]
32 [REDACTED]

During each month of the Hedging Window, FPL will hedge the percentages shown of its projected 2011 natural gas requirements. FPL will have flexibility within any given month to determine the appropriate timing for executing hedges.

- 4) FPL intends to rebalance its natural gas hedge positions during the year based on changes in forecasted market prices, projected unit outage schedules or changes in FPL's load forecast. Once the initial monthly target volumes have been hedged, rebalancing will be executed to maintain the hedge percentages inside approved tolerance bands. The monthly tolerance bands for natural gas are +/- [REDACTED]. Therefore, the minimum and maximum monthly hedge percentages are [REDACTED] and [REDACTED] respectively.

Heavy Fuel Oil

- 1) FPL will hedge approximately [redacted] of its projected [redacted] through [redacted] heavy fuel oil requirements. FPL will hedge approximately [redacted] of each of these individual month's projected heavy fuel oil requirements.
This hedge percentage is different from 2010 hedge levels. Recent fuel oil projections by FPL indicate a low consumption of fuel oil [redacted].
[redacted] For example, projections based on July 13, 2009 market prices showed that the total fuel oil burns for the above-mentioned months of 2011 was approximately [redacted] of the total 2011 projected fuel oil burns. This can be attributed to the new natural gas combined cycle generation at West County Energy Center and natural gas being the fuel of choice for power generation. Projected fuel oil burns for these months are very sensitive to natural gas and fuel oil price changes. Hedging these months could create large swings in the hedge percentage which will require FPL to frequently rebalance although the actual hedged volumes are small. While it is possible in 2011 that FPL will burn more fuel oil in these months than currently projected, FPL believes it is more cost effective not to hedge these months based on the information currently available.
- 2) FPL will utilize [redacted] to hedge its projected heavy fuel oil requirements.
- 3) FPL will execute its heavy fuel oil hedges for [redacted] through [redacted] [redacted] as shown below:

Hedging Window



During each month of the Hedging Window, FPL will hedge the percentages shown of its projected [redacted] heavy fuel oil requirements. FPL will have flexibility within any given month to determine the appropriate timing for executing hedges.

- 4) FPL intends to rebalance its heavy oil hedge positions during the year based on changes in forecasted market prices, projected unit outage schedules or changes in FPL's load forecast. Once the initial monthly target volumes have been hedged, rebalancing will be executed to maintain the hedge percentages inside approved tolerance bands. The monthly tolerance bands for heavy fuel oil are +/- [redacted]. Therefore, the minimum and maximum monthly hedge percentages are [redacted] and [redacted] respectively.

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REDACTED VERSION OF CONFIDENTIAL DOCUMENTS

TRADING AND RISK MANAGEMENT PROCEDURES MANUAL

PAGES 2 THROUGH 80

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ENERGY TRADING AND RISK MANAGEMENT POLICY

PAGES 2 THROUGH 27

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PLANNED POSITION STRATEGY

PAGES 1 THROUGH 7
