BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to determine need for West County Energy Center Unit 3 electrical power plant, by Florida Power & Light Company.	DOCKET NO. 080203-EI
In re: Petition for determination of need for conversion of Riviera Plant in Palm Beach County, by Florida Power & Light Company.	DOCKET NO. 080245-EI
In re: Petition for determination of need for conversion of Cape Canaveral Plant in Brevard County, by Florida Power & Light Company.	DOCKET NO. 080246-EI ORDER NO. PSC-08-0399-PHO-EI ISSUED: June 17, 2008

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on June 9, 2008, in Tallahassee, Florida, before Commissioner Lisa Polak Edgar, as Prehearing Officer.

APPEARANCES:

BRYAN S. ANDERSON, ESQUIRE and JESSICA CANO, ESQUIRE, 700 Universe Boulevard, Juno Beach, Florida 33408-0420; R. WADE LITCHFIELD, ESQUIRE, 215 South Monroe Street, Suite 810, Tallahassee, Florida 32301-1859
On behalf of FLORIDA POWER & LIGHT COMPANY (FPL).

MARTHA CARTER BROWN, ESQUIRE and CAROLINE KLANCKE, ESQUIRE, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the FLORIDA PUBLIC SERVICE COMMISSION (Staff).

PREHEARING ORDER

I. CASE BACKGROUND

On April 8, 2008, Florida Power & Light Company (FPL) filed a petition for a determination of need for an additional combined cycle generating unit (Unit 3) at FPL's existing West County Energy Center electrical power plant site, pursuant to Section 403.519, Florida Statutes (F.S.), and Rule 25-22.080, F.A.C. The Commission issued a Notice of Commencement of Proceedings to the appropriate agencies, local governments, and interested persons on April 15, 2008. This matter has been scheduled for a formal administrative hearing on June 23-24, 2008.

On April 30, 2008, FPL filed petitions for a determination of need for the conversion of the Riviera Plant in Palm Beach County and for the conversion of the Cape Canaveral Plant in Brevard County, pursuant to Section 403.519, F.S., and Rule 25-22.080, F.A.C. The Commission issued Notices of Commencement of Proceedings to the appropriate agencies, local governments, and interested persons on May 1, 2008. These matters were consolidated with the petition regarding West County Energy Center Unit 3 and have been scheduled for a formal administrative hearing on June 23-24, 2008.

II. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

III. JURISDICTION

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapter 120, 366, and 403, F.S. This hearing will be governed by said Chapter and Chapters 25-6, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

(1) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in

the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.

(2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties (and Staff) has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to five minutes.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer. After all parties and Staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

VI. ORDER OF WITNESSES

Each witness whose name is preceded by an asterisk (*) has been excused from this hearing if no Commissioner assigned to this case seeks to cross-examine the particular witness. Parties shall be notified by Thursday, June 18, as to whether any such witness shall be required to be present at the hearing. The testimony of excused witnesses will be inserted into the record as though read, and all exhibits submitted with those witnesses' testimony shall be identified as shown in Section X of this Prehearing Order and be admitted into the record.

Witness	Proffered By	Issues #
Direct		
Rene Silva	FPL	1, 2, 4, 5, 7, 8, 9, 10, 12, 13, 15, 16, 17, 18, 20, 21, 23, and 24
John C. Gnecco IV	FPL	3
Cindy Tindell	FPL	11 and 19
Dr. Rosemary Morley	FPL	2, 10, and 18
Heather C. Stubblefield	FPL	4, 6, 12, 14, 20 and 22
Kennard F. Kosky	FPL	6, 14, 15, 22, and 23
Dr. Steven R. Sim	FPL	1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, and 23
Alan S. Taylor	FPL	1, 6, 9, 14, 17, and 22

VII. BASIC POSITIONS

FPL: FPL proposes adding West County Energy Center Unit 3 (WCEC 3) in 2011 at an existing generating plant site in Palm Beach County. Due to its very high efficiency, WCEC 3 is expected to save FPL's customers about $460 million dollars CPVRR in electricity costs, while operating with excellent environmental performance – the operation of WCEC 3 will actually reduce FPL's total electric system emissions. FPL's Request for Proposals process showed that WCEC 3 will result in about $606 million CPVRR in lower electricity costs compared to purchasing electricity from other companies. The addition of WCEC 3 in 2011 is also more cost-effective than the addition of a similar unit by FPL in 2012 by approximately $137 million CPVRR, or a similar unit in 2013 by approximately $460 million CPVRR. Adding WCEC 3 in 2011 also makes it possible, from an electric system reliability perspective, for FPL to consider converting generating units at two existing plants in 2013 and 2014 to new, cleaner, highly efficient units.

FPL also proposes to convert its Cape Canaveral plant (Cape Canaveral Conversion) and its Riviera plant (Riviera Conversion) by removing the 1960s era steam electric generating units currently operating at those sites and installing at each site one highly efficient combined cycle power plant. The Cape Canaveral Conversion will go into service in 2013, and the Riviera Conversion will go into

service in 2014. Each conversion project will provide needed and very efficient generation capacity to FPL's system, reduce customer's electricity costs, and reduce CO_2 and other air emissions without requiring new land for the converted units of their associated transmission facilities. When the Cape Canaveral Conversion and Riviera Conversion are evaluated together, customer savings are expected to be $457 million CPVRR as compared to the Resource Plan without Conversions. Additionally, the two conversions will reduce FPL's system cumulative CO_2 emissions through 2040 by more than 15.7 million tons.

With the addition of WCEC 3 in 2011, the Cape Canaveral Conversion in 2013, and the Riviera Conversion in 2014, customers should save more than an estimated $1,193 million CPVRR and an even greater reduction in CO_2 emissions will be realized, making great progress toward achieving the CO_2 reduction targets reflected in Governor Crist's Executive Order No. 07-127 and whatever specific legal requirements may be implemented as a result of that Order or pursuant to federal law.

Each project satisfies the statutory elements for granting an affirmative determination of need pursuant to Section 403.519, F.S. FPL has complied with Rule 25-22.082, F.A.C., (Bid Rule) with respect to the decision to construct WCEC 3 by issuing a Request for Proposals in December of 2007. The Cape Canaveral Conversion and the Riviera Conversion should be granted an exemption from the Bid Rule pursuant to subsection 18 of that rule. Each conversion project meets the criteria for receiving such an exemption because it will result in a lower cost supply of electricity to customers, increase the reliable supply of electricity, and otherwise serve the public welfare by, for example, reducing CO_2 emissions.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

VIII. ISSUES AND POSITIONS

West County Energy Center Unit 3 (WCEC 3)

ISSUE 1: Has FPL met the requirements of Rule 25-22.082, Florida Administrative Code, with respect to the selection of building WCEC 3?

FPL: Yes. FPL issued a Request for Proposals (RFP) consistent with the requirements of Rule 25-22.082, F.A.C., (Bid Rule) on December 13, 2007. Specific content required by the Bid Rule was included in the RFP, and the RFP process was conducted in accordance with the guidelines provided by the Bid Rule. FPL's

analysis of the proposals showed that WCEC 3 was more than $600 million CPVRR less costly than the next best alternative proposed in the RFP. An independent evaluator also conducted an economic evaluation and review of FPL's RFP evaluation process, and confirmed the significant cost advantage of WCEC 3 over the competing alternatives proposed. (Silva, Sim, Taylor)

STAFF: Yes. FPL issued a Request for Proposals (RFP) consistent with the requirements of Rule 25-22.082, F.A.C., (Bid Rule) on December 13, 2007. Specific content required by the Bid Rule was included in the RFP, and the RFP process was conducted in accordance with guidelines provided by the Bid Rule. FPL's analysis of the proposals showed that WCEC 3 was more than $600 million CPVRR less costly than the next best alternative proposed in the RFP. An independent evaluator also conducted an economic evaluation and review of FPL's RFP evaluation process. The RFP evaluation was done using fuel and economic forecasts developed in 2007. FPL updated its fuel and economic forecast assumptions on March 13, 2008. Since all the proposals were based on either natural gas or oil generation alternatives, the change in fuel and economic assumptions would not affect the relative ranking of proposals compared to constructing WCEC 3 in 2011.

ISSUE 2: **Is there a need for WCEC 3, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?**

FPL: Yes. There is a need for WCEC 3, taking into account the need for electric system reliability and integrity. From 2011 through 2017, FPL will need to add 4,844 MW of new generating capacity, after accounting for all identified cost-effective DSM. WCEC 3 will provide 1,219 MW of highly efficient capacity to help satisfy this need. Furthermore, WCEC 3 will be a highly reliable source of energy, with an equivalent availability factor of approximately 97%. (Silva, Morley, Sim)

STAFF: Yes. FPL has demonstrated a reliability need in the summer of 2013 based on maintaining a 20% reserve margin planning criterion after accounting for all identified cost-effective DSM and renewable generation. WCEC 3 will supply approximately 1,219 MW of this need. FPL's base case plan would add new combined-cycle generation in the years 2013, 2014, and 2016 in order to maintain a 20% reserve margin. If a 15% reserve margin planning criterion was assumed, FPL's initial reliability need could be delayed until 2014. Under normal circumstances, FPL would not file a petition for a determination of need until sometime in 2010. The decision to build WCEC in 2011, which is in advance of the identified reliability need, is driven by unique economic opportunities and site specific circumstances.

ISSUE 3: **Is there a need for WCEC 3, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519, Florida Statutes?**

FPL: Yes. There is a need for WCEC 3, taking into account the need for adequate electricity at a reasonable cost. The estimated total installed cost for WCEC 3 is $864.7 million, in 2011 dollars. WCEC 3 will take advantage of an existing site and existing infrastructure, with considerably less cost uncertainty than building a unit at a new Greenfield site at a later time. Furthermore, FPL's analyses show that the resource plan that includes WCEC 3 in 2011 will save customers $137 to $460 million CPVRR as compared to the other available self-build alternatives, and more than $600 million CPVRR as compared to the alternatives provided in response to FPL's 2007 RFP, as described below in Issue 6. Accordingly, the addition of WCEC 3 in 2011 will provide needed electricity at a reasonable cost. (Gnecco, Sim)

STAFF: Yes. The estimated total installed cost for WCEC 3 is $709/kW. This cost estimate includes the benefits associated with utilizing an existing site and infrastructure. FPL has demonstrated that the cost of WCEC 3 is less than the cost of a new greenfield combined-cycle generating unit which is estimated to be $1,076/kW. If the decision to build any new generation is delayed until 2013, the WCEC site may not be feasible for expansion due to cooling water costs and availability as well as increased costs due to re-mobilization of construction crews.

ISSUE 4: **Is there a need for WCEC 3, taking into account the need for fuel diversity and supply reliability, as this criterion is used in Section 403.519, Florida Statutes?**

FPL: Yes. There is a need for WCEC 3, taking into account the need for fuel diversity and supply reliability. WCEC 3 will be fueled by natural gas, and to enhance fuel supply reliability, it will use light oil as a backup fuel. Light oil will be stored on site in sufficient quantities to allow the entire West County Energy Center to operate at full capacity for approximately 72 hours.

With the addition of WCEC 3 in 2011, FPL's overall system fuel efficiency will improve by 1.4% in the period of June 2011 through June 2013, reducing FPL's use of natural gas by about 18 million MMBtu and fuel oil by about 13.6 million MMBTu. The fuel oil reduction alone amounts to 2.1 million fewer barrels of oil used to provide electric service during that time period. (Silva, Stubblefield, Sim)

STAFF: Building additional coal or nuclear generation by 2013 is not feasible because of the construction and permitting lead times required for these types of generation

alternatives. Therefore, adding WCEC 3 in 2011 will not change FPL's generation as a percentage of net energy for load, which will remain predominantly natural gas. However, the addition of WCEC 3 in 2011 will improve FPL's overall fuel efficiency by approximately 1.4% resulting in a reduction of total oil and gas consumption by approximately 29 million mmBTU through 2017.

ISSUE 5: **Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to FPL which might mitigate the need for WCEC 3?**

FPL: No. Neither renewable resources nor conservation and DSM can mitigate the need for WCEC 3. FPL's forecasted need already accounts for all the cost-effective DSM identified through the year 2014 plus a projection of continued DSM at planned implementation rates for the years 2015-2017. This DSM includes FPL's current Commission-approved DSM goals and a significant amount of additional DSM that FPL has identified as cost-effective, and the Commission has approved, since the current DSM goals were approved.

Similarly, with respect to renewable energy sources, FPL's forecasted need already accounts for the planned renewal of its existing firm renewable capacity purchase contracts, as well as another 126 MW of new capacity from renewable resources as an estimate of cost-effective firm renewable capacity that is likely to be provided by responses to a Renewables RFP and/or FPL's development efforts. Any additional cost-effective DSM and renewable energy that may be identified in the future are complementary – not competing – options. (Silva, Sim)

STAFF: No. As discussed in Issue 2, the decision to build WCEC 3 in advance of the identified reliability need is driven by unique economic opportunities and site specific circumstances. FPL's forecasted reliability need already accounts for all the identified cost-effective DSM and renewable generation. The amount of DSM and renewable generation included is the same as the Commission approved as reasonable in Docket No. 070650-EI, and no new information has been presented in the instant docket.

ISSUE 6: **Is WCEC 3 the most cost-effective alternative available, as this criterion is used in Section 403.519, Florida Statutes?**

FPL: Yes. WCEC 3 is the most cost-effective alternative available, as this criterion is used in Section 403.519, F.S. FPL's economic analysis utilized a reasonable range of fuel and environmental costs, and shows that adding WCEC 3 in 2011 will result in customer savings of about $460 million CPVRR compared to adding a similar unit in 2013, and savings of about $137 million CPVRR compared to adding WCEC 3 in 2012.

Additionally, a resource plan incorporating the next best alternative provided in response to FPL's RFP is over $600 million CPVRR more expensive than the resource plan based on the addition of WCEC 3 in 2011. As a result, the addition of WCEC 3 in 2011 is more cost-effective than the alternative self-build options and more cost-effective than the alternatives proposed in response to FPL's RFP.

When combined with the addition of the Cape Canaveral Conversion in 2013 and Riviera Conversion in 2014, FPL's analysis demonstrates that customers will save more than $1,193 million CPVRR in electricity costs as compared to the Resource Plan without Conversions. (Stubblefield, Kosky, Sim, Taylor)

STAFF: Yes. FPL's economic analysis utilized a reasonable range of fuel and environmental costs. As part of the discovery process, FPL provided an updated analysis based upon 2008 fuel and environmental cost estimates. When compared to adding a greenfield unit in 2013, the updated analyses indicate that adding WCEC 3 in 2011 would result in a reduction of approximately 21,069 tons of SO2 (4.6%); 11,555 tons of NOx (7.0%); and 3 million tons of CO2 (0.6%) by the year 2017. In addition, the updated analysis indicates that adding WCEC 3 in 2011 would save approximately 29,510 million mmBTUs of oil and natural gas over the same time period. These environmental and fuel reduction benefits continue into the future and combine to result in an estimated savings to FPL's customers of approximately $735 million in present value savings by the year 2040.

ISSUE 7: **Based on the resolution of the foregoing issues, should the Commission grant Florida Power & Light Company's petition to determine need for WCEC 3?**

FPL: Yes. The addition of WCEC 3 in 2011 is the most cost-effective choice among the many alternatives considered and will provide needed electricity at a reasonable cost. Additionally, it will reduce FPL's system oil and natural gas fuel usage and make it possible, from a system reliability perspective, to pursue the Cape Canaveral Conversion and the Riviera Conversion. (Silva, Sim)

STAFF: Yes. The addition of WCEC 3 in 2011 will reduce FPL's system oil and natural gas fuel usage. In addition, the construction of WCEC 3 in 2011 will provide adequate generating capacity to allow for the removal from service of the Cape Canaveral and Riviera generating units in order to pursue the conversion projects of these facilities and not adversely impact system reliability.

ISSUE 8: **If an affirmative determination of need is granted, should FPL be required to annually report the budgeted and actual cost compared to the estimated total in-service cost of the proposed WCEC 3?**

FPL: FPL will annually report the budgeted and actual cost compared to the estimated total in-service cost of the proposed WCEC 3, Cape Canaveral Conversion, and Riviera Conversion. In addition, if FPL decides to utilize a different combustion turbine design from the one analyzed in its testimony for the two conversion projects, FPL will report to the Commission the comparative cost advantage of the alternate design chosen. Such a selection would only be made if the projected costs to FPL's customers measured in terms of system CPVRR would be lower as a result of the use of an alternate design. (Silva)

STAFF: Yes. FPL should annually report, to the Director of Economic Regulation, the budgeted and actual cost compared to the estimated total in-service cost of the proposed WCEC 3, Cape Canaveral Conversion, and Riviera Conversion relied upon in these proceedings. In addition, if FPL decides to utilize a different combustion turbine design from the one presented in these proceedings, FPL will report to the Commission the comparative cost advantage of the alternate design chosen. Such a selection would only be made if the projected cost to FPL's customers would be lower as a result of the use of an alternate design. Costs in addition to those identified in this need determination proceeding shall not be recoverable unless FPL can demonstrate that such costs were prudently incurred and due to extraordinary circumstances.

Riviera Plant

ISSUE 9: Should FPL be granted an exemption from Rule 25-22.082, Florida Administrative Code, with respect to the conversion of the Riviera plant?

FPL: Yes. Subsection 18 of Rule 24-22.082, F.A.C., provides an exemption for proposals which will likely (i) result in a lower cost supply of electricity, (ii) increase the reliable supply of electricity to the utility's ratepayers, or (iii) otherwise serve the public welfare. Each of these conversions satisfies all three available bases for an exemption by (i) providing CPVRR savings to customers, (ii) providing highly reliable capacity, and (iii) serving the public welfare by reducing CO_2 emissions. (Silva, Sim, Taylor)

STAFF: Yes. FPL issued a Request for Proposals (RFP) consistent with the requirements of Rule 25-22.082, F.A.C., (Bid Rule) on December 13, 2007. Specific content required by the Bid Rule was included in the RFP, and the RFP process was conducted in accordance with guidelines provided by the Bid Rule. FPL's analysis of the proposals showed that WCEC 3 was more than $600 million CPVRR less costly than the next best alternative proposed in the RFP. An independent evaluator also conducted an economic evaluation and review of FPL's RFP evaluation process. The RFP evaluation was done using fuel and economic forecasts developed in 2007. FPL updated its fuel and economic

forecasts assumptions on March 13, 2008. Since all the proposals were based on either natural gas or oil generation alternatives, the change in fuel and economic assumptions would not affect the relative ranking of proposals compared to constructing WCEC 3 in 2011.

As discussed in Issues 14 and 22, FPL's plan with the conversions is more cost-effective than the plan that was compared to the RFP responses. Therefore, FPL has demonstrated that the conversion projects will likely result in a lower cost supply of electricity and should be granted an exemption from the requirements of Rule 25-22.082(18), F.A.C. As discussed in Issue 8, FPL will be required to annually report the budgeted vs. actual construction expenses for all three projects. Costs in addition to those identified in this need determination proceeding shall not be recoverable unless FPL can demonstrate that such costs were prudently incurred and due to extraordinary circumstances.

ISSUE 10: **Is there a need for the conversion of the Riviera plant, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?**

FPL: Yes. There is a need for the Riviera Conversion, taking into account the need for electric system reliability and integrity. From 2011 through 2017, FPL will need to add 4,844 MW of new generating capacity, after accounting for all identified cost-effective DSM. The Riviera Conversion will provide 642 MW of net generating capacity to help satisfy that need, and will be a highly reliable unit with an equivalent availability factor of approximately 97%. Without the two proposed conversions, or comparable other capacity, FPL will not maintain a 20% reserve margin starting in 2014, even after the addition of WCEC 3 in 2011. Accordingly, adding the Riviera Conversion is needed for system reliability and integrity. (Silva, Morley, Sim)

STAFF: Yes. FPL has demonstrated a reliability need beginning in the summer of 2013 based on maintaining a 20% reserve margin planning criterion after accounting for all identified cost-effective DSM and renewable generation. Conversion of the Cape Canaveral and Riviera units would add approximately 1,069 MW to FPL's system. FPL's base case plan would add new combined-cycle generation in the years 2013, 2014, and 2016 in order to maintain a 20% reserve margin. If a 15% reserve margin planning criterion was assumed, FPL's initial reliability need could be delayed until 2014. Under normal circumstances, FPL would not file a petition for a determination of need until sometime in 2010. The decision to convert the Cape Canaveral and Rivera generating units is driven by unique economic opportunities and site specific circumstances. After the addition of WCEC 3 in 2011, FPL's reserve margin will be approximately 27.9%. The construction of WCEC 3 in 2011 will provide adequate generating capacity to allow for the removal from service the existing Cape Canaveral and Riviera

generating units in order to pursue the conversion of these facilities and not adversely impact system reliability. When the Canaveral and Rivera units are removed from service, FPL's reserve margin would drop to approximately 21.7% in the year 2011. As discussed in Issues 14 & 22, the decision to convert the existing Cape Canaveral and Riviera units is more cost effective than FPL's base case plan of adding new greenfield generation in 2013 and 2014.

ISSUE 11: Is there a need for the conversion of the Riviera plant, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519, Florida Statutes?

FPL: Yes. There is a need for the Riviera Conversion, taking into account the need for adequate electricity at a reasonable cost. The estimated total installed cost for the Riviera Conversion is $1,276 million in 2014 dollars. The Riviera Conversion will take advantage of an existing site and existing infrastructure, with considerably less cost uncertainty than building a unit at a new Greenfield site. Furthermore, FPL's analyses show that the resource plan that includes the Riviera Conversion along with the Cape Canaveral Conversion is projected to save customers $457 million CPVRR, as described below in Issue 14. Accordingly, the Riviera Conversion will provide needed electricity at a reasonable cost. (Tindell, Sim)

STAFF: The total estimated installed cost for the conversion of the Riviera plant is $1,057/kW. The total cost for conversion of the Cape Canaveral plant is $914/kW. These cost estimates are comparable to a new greenfield combined cycle unit but do not include the impact of retiring the existing Riviera and Cape Canaveral generating units. Any future recovery of costs for the Cape Canaveral and Riviera conversions should account for the retirement of the existing units.

ISSUE 12: Is there a need for the conversion of the Riviera plant, taking into account the need for fuel diversity and supply reliability, as this criterion is used in Section 403.519, Florida Statutes?

FPL: Yes. There is a need for the conversion of the Riviera plant, taking into account the need for fuel diversity and supply reliability. The Riviera Conversion will be fueled by natural gas, and to enhance fuel supply reliability, it will use light oil as a backup fuel. Light oil will be stored on site in sufficient quantities to allow the Cape Canaveral Conversion to operate at full capacity for approximately 105 hours.

The Riviera Conversion will improve FPL's average system heat rate, and when combined with the Cape Canaveral Conversion, FPL's system average heat rate will improve by about 1.1% as compared to the Resource Plan without

Conversions. As a result, in 2013 through 2017, the two conversions will reduce FPL's use of natural gas by about 10.6 million MMBtu and fuel oil by about 47.8 million MMBtu. The fuel oil reduction alone amounts to approximately 7.5 million barrels of oil saved, as compared to the Resource Plan without Conversions. (Silva, Stubblefield, Sim)

STAFF: Building additional coal or nuclear generation by 2013 is not feasible because of the construction and permitting lead times required for these types of generation alternatives. The conversions of the Cape Canaveral and Rivera generating units will not change FPL's generation as a percentage of net energy for load, which will remain predominantly natural gas. However, the conversions will improve FPL's overall fuel efficiency by approximately 1.1% after the addition of WCEC 3 in 2011. The conversion projects are projected to result in a reduction of total oil and gas consumption by approximately 58.3 million mmBTU through 2017 compared to a plan that adds WCEC 3 in 2011 followed by a greenfield generating unit in 2014. Compared to FPL's base plan, adding WCEC 3 in 2011 followed by the conversion projects is projected to reduce total oil and gas consumption by approximately 87.8 million mmBTUs through 2017.

ISSUE 13: Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to FPL which might mitigate the need for the conversion of the Riviera plant?

FPL: No. Neither renewable resources nor conservation and DSM can mitigate the need for the Riviera Conversion. FPL's forecasted need already accounts for all the cost-effective DSM identified through the year 2014 plus a projection of continued DSM at planned implementation rates for the years 2015-2017. This DSM includes FPL's current Commission-approved DSM goals and a significant amount of additional DSM that FPL has identified as cost-effective, and the Commission has approved, since the current DSM goals were approved.

Similarly, with respect to renewable energy sources, FPL's forecasted need already accounts for the planned renewal of its existing firm renewable capacity purchase contracts, as well as another 126 MW of new capacity from renewable resources as an estimate of cost-effective firm renewable capacity that is likely to be provided by responses to a Renewables RFP and/or FPL's development efforts. Any additional cost-effective DSM and renewable energy that may be identified in the future are complementary – not competing – options. (Silva, Sim)

STAFF: No. As discussed in Issue 2, the decision to build WCEC 3 in advance of the identified reliability need is driven by unique economic opportunities and site specific circumstances. FPL's forecasted reliability need already accounts for all the identified cost-effective DSM and renewable generation. The amount of DSM and renewable generation included is the same as the Commission approved as

reasonable in Docket No. 070650-EI, and no new information has been presented in the instant docket.

ISSUE 14: **Is the conversion of the Riviera plant the most cost-effective alternative available, as this criterion is used in Section 403.519, Florida Statutes?**

FPL: Yes. The conversion of the Riviera plant is the most cost-effective alternative available, as this criterion is used in Section 403.519, F.S. FPL's economic analysis utilized a reasonable range of fuel and environmental costs, and shows that combining the Cape Canaveral Conversion in 2013 with the Riviera Conversion in 2014 will result in customer cost savings of about $457 million CPVRR as compared to the Resource Plan without Conversions. If environmental costs and fuel costs were to be at the high end of FPL's projected range, the economic benefits to customers would be even greater.

Additionally, an independent analysis shows that a resource plan including both proposed conversions is more than $480 million less costly than an alternative resource plan including the lowest market proposals offered in response to FPL's RFP.

When combined with the addition of WCEC 3 in 2011 and the Cape Canaveral Conversion in 2013, FPL's analysis demonstrates that customers will save more than $1,193 million CPVRR in electricity costs as compared to the Resource Plan without Conversions. (Stubblefield, Kosky, Sim, Taylor)

STAFF: Yes. FPL's economic analyses utilized a reasonable range of fuel and environmental costs. As part of the discovery process, FPL provided an updated analysis based upon 2008 fuel and environmental costs estimates. When compared to adding greenfield units in 2013 and 2014, the updated analyses indicate that adding WCEC 3 in 2011 followed by the conversion projects would result in a reduction of approximately 44,298 tons of SO2 (9.8%); 31,188 tons of NOx (18.8%); and 8 million tons of CO2 (1.6%) by the year 2017. In addition, the updated analyses indicate that adding WCEC 3 in 2011 followed by the conversion projects would save approximately 87,849 million mmBTUs of oil and natural gas over the same time period. These environmental and fuel reduction benefits continue into the future and combine to result in an estimated savings to FPL's customers of approximately $1.2 billion in present value savings by the year 2040.

ISSUE 15: **Based on the resolution of the foregoing issues, should the Commission grant Florida Power & Light Company's petition to determine need for the conversion of the Riviera plant?**

FPL: Yes. The Riviera Conversion will result in the addition of highly efficient and reliable capacity, customer savings on a CPVRR basis, and a significant reduction in CO_2 emissions. When combined, the two proposed conversions will result in an estimated $457 million CPVRR of savings and a reduction in FPL's system cumulative CO_2 emissions of more than 15.7 million tons through 2040. (Silva, Kosky, Sim)

STAFF: Yes.

ISSUE 16: **If an affirmative determination of need is granted, should FPL be required to annually report the budgeted and actual cost compared to the estimated total in-service cost of the proposed Riviera Conversion?**

FPL: FPL will annually report the budgeted and actual cost compared to the estimated total in-service cost of the proposed WCEC 3, Cape Canaveral Conversion, and Riviera Conversion. In addition, if FPL decides to utilize a different combustion turbine design from the one analyzed in its testimony for the two conversion projects, FPL will report to the Commission the comparative cost advantage of the alternate design chosen. Such a selection would only be made if the projected costs to FPL's customers measured in terms of system CPVRR would be lower as a result of the use of an alternate design. (Silva)

STAFF: Yes. FPL should annually report, to the Director of Economic Regulation, the budgeted and actual cost compared to the estimated total in-service cost of the proposed WCEC 3, Cape Canaveral Conversion, and Riviera Conversion relied upon in these proceedings. In addition, if FPL decides to utilize a different combustion turbine design from the one presented in these proceedings, FPL should report to the Commission the comparative cost advantage of the alternate design chosen. Such a selection would only be made if the projected cost to FPL's customers would be lower as a result of the use of an alternate design. Costs in addition to those identified in this need determination proceeding should not be recoverable unless FPL can demonstrate that such costs were prudently incurred and due to extraordinary circumstances.

Cape Canaveral Plant

ISSUE 17: **Should FPL be granted an exemption from Rule 25-22.082, Florida *Administrative Code, with respect to the conversion of the Cape Canaveral* plant?**

FPL: Yes. Subsection 18 of Rule 24-22.082, F.A.C., provides an exemption for proposals which will likely (i) result in a lower cost supply of electricity, (ii) increase the reliable supply of electricity to the utility's ratepayers, or (iii)

otherwise serve the public welfare. Each of these conversions satisfies all three available bases for an exemption by (i) providing CPVRR savings to customers, (ii) providing highly reliable capacity, and (iii) serving the public welfare by reducing CO_2 emissions. (Silva, Sim, Taylor)

STAFF: Yes. FPL issued a Request for Proposals (RFP) consistent with the requirements of Rule 25-22.082, F.A.C., (Bid Rule) on December 13, 2007. Specific content required by the Bid Rule was included in the RFP, and the RFP process was conducted in accordance with guidelines provided by the Bid Rule. FPL's analysis of the proposals showed that WCEC 3 was more than $600 million CPVRR less costly than the next best alternative proposed in the RFP. An independent evaluator also conducted an economic evaluation and review of FPL's RFP evaluation process. The RFP evaluation was done using fuel and economic forecasts developed in 2007. FPL updated its fuel and economic forecasts assumptions on March 13, 2008. Since all the proposals were based on either natural gas or oil generation alternatives, the change in fuel and economic assumptions would not affect the relative ranking of proposals compared to constructing WCEC 3 in 2011.

As discussed in Issues 14 and 22, FPL's plan with the conversions is more cost-effective than the plan that was compared to the RFP responses. Therefore, FPL has demonstrated that the conversion projects will likely result in a lower cost supply of electricity and should be granted an exemption from the requirements of Rule 25-22.082, F.A.C. As discussed in Issue 8, FPL should be required to annually report the budgeted vs. actual construction expenses for all three projects. Costs in addition to those identified in this need determination proceeding should not be recoverable unless FPL can demonstrate that such costs were prudently incurred and due to extraordinary circumstances.

ISSUE 18: Is there a need for the conversion of the Cape Canaveral plant, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?

FPL: Yes. There is a need for the Cape Canaveral Conversion, taking into account the need for electric system reliability and integrity. From 2011 through 2017, FPL will need to add 4,844 MW of new generating capacity, after accounting for all identified cost-effective DSM. The Cape Canaveral Conversion will provide 427 MW of net generating capacity to help satisfy that need, and will be a highly reliable unit with an equivalent availability factor of approximately 97%. Without the two proposed conversions, or comparable other capacity, FPL would not maintain a 20% reserve margin starting in 2014, even after the addition of WCEC 3 in 2011. Accordingly, the Cape Canaveral Conversion is needed for system reliability and integrity. (Silva, Morley, Sim)

STAFF: Yes. FPL has demonstrated a reliability need beginning in the summer of 2013 based on maintaining a 20% reserve margin planning criterion after accounting for all identified cost-effective DSM and renewable generation. Conversion of the Cape Canaveral and Riviera units would add approximately 1,069 MW to FPL's system. FPL's base case plan would add new combined-cycle generation in the years 2013, 2014, and 2016 in order to maintain a 20% reserve margin. If a 15% reserve margin planning criterion was assumed, FPL's initial reliability need could be delayed until 2014. Under normal circumstances, FPL would not file a petition for a determination of need until sometime in 2010. The decision to convert the Cape Canaveral and Rivera generating units is driven by unique economic opportunities and site specific circumstances. After the addition of WCEC 3 in 2011, FPL's reserve margin will be approximately 27.9%. The construction of WCEC 3 in 2011 will provide adequate generating capacity to allow for the removal from service the existing Cape Canaveral and Riviera generating units in order to pursue the conversion of these facilities and not adversely impact system reliability. When the Canaveral and Rivera units are removed from service, FPL's reserve margin would drop to approximately 21.7% in the year 2011. As discussed in Issues 14 & 22, the decision to convert the existing Cape Canaveral and Riviera units is more cost effective than FPL's base case plan of adding new greenfield generation in 2013 and 2014.

ISSUE 19: Is there a need for the conversion of the Cape Canaveral plant, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519, Florida Statutes?

FPL: Yes. There is a need for the Cape Canaveral Conversion, taking into account the need for adequate electricity at a reasonable cost. The estimated total installed cost for the Cape Canaveral Conversion is $1,115 million in 2013 dollars. The Cape Canaveral Conversion will take advantage of an existing site and existing infrastructure, with considerably less cost uncertainty than building a unit at a new Greenfield site. Furthermore, FPL's analyses show that the resource plan that includes the Cape Canaveral Conversion along with the Riviera Conversion is projected to save customers $457 million CPVRR, as described below in Issue 22. Accordingly, the Cape Canaveral Conversion will provide needed electricity at a reasonable cost. (Tindell, Sim)

STAFF: The total estimated installed cost for the conversion of the Riviera plant is $1,057/kW. The total cost for conversion of the Cape Canaveral plant is $914/kW. These cost estimates are comparable to a new greenfield combined cycle unit but do not include the impact of retiring the existing Riviera and Cape Canaveral generating units. Any future recovery of costs for the Cape Canaveral and Riviera conversions should account for the retirement of the existing units.

ISSUE 20: **Is there a need for the conversion of the Cape Canaveral plant, taking into account the need for fuel diversity and supply reliability, as this criterion is used in Section 403.519, Florida Statutes?**

FPL: Yes. There is a need for the Cape Canaveral Conversion, taking into account the need for fuel diversity and supply reliability. The Cape Canaveral Conversion will be fueled by natural gas, and to enhance fuel supply reliability, it will use light oil as a backup fuel. Light oil will be stored on site in sufficient quantities to allow the Cape Canaveral Conversion to operate at full capacity for approximately 188 hours.

The Cape Canaveral Conversion will improve FPL's average system heat rate, and when combined with the Riviera Conversion, FPL's system average heat rate will improve by about 1.1% as compared to the Resource Plan without Conversions. As a result, in 2013 through 2017, the two conversions will reduce FPL's use of natural gas by about 10.6 million MMBtu and fuel oil by about 47.8 million MMBtu. The fuel oil reduction alone amounts to approximately 7.5 million barrels of oil saved, as compared to the Resource Plan without Conversions. (Silva, Stubblefield, Sim)

STAFF: Building additional coal or nuclear generation by 2013 is not feasible because of the construction and permitting lead times required for these types of generation alternatives. The conversions of the Cape Canaveral and Rivera generating units will not change FPL's generation as a percentage of net energy for load, which will remain predominantly natural gas. However, the conversions will improve FPL's overall fuel efficiency by approximately 1.1% after the addition of WCEC 3 in 2011. The conversion projects are projected to result in a reduction of total oil and gas consumption by approximately 58.3 million mmBTU through 2017 compared to a plan that adds WCEC 3 in 2011 followed by a greenfield generating unit in 2014. Compared to FPL's base plan, adding WCEC 3 in 2011 followed by the conversion projects is projected to reduce total oil and gas consumption by approximately 87.8 million mmBTUs through 2017.

ISSUE 21: **Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to FPL which might mitigate the need for the conversion of the Cape Canaveral plant?**

FPL: No. Neither renewable resources nor conservation and DSM can mitigate the need for the Cape Canaveral Conversion. FPL's forecasted need already accounts for all the cost-effective DSM identified through the year 2014 plus a projection of continued DSM at planned implementation rates for the years 2015-2017. This DSM includes FPL's current Commission-approved DSM goals and a significant amount of additional DSM that FPL has identified as cost-effective, and the Commission has approved, since the current DSM goals were approved.

Similarly, with respect to renewable energy sources, FPL's forecasted need already accounts for the planned renewal of its existing firm renewable capacity purchase contracts, as well as another 126 MW of new capacity from renewable resources as an estimate of cost-effective firm renewable capacity that is likely to be provided by responses to a Renewables RFP and/or FPL's development efforts. Any additional cost-effective DSM and renewable energy that may be identified in the future are complementary – not competing – options. (Silva, Sim)

STAFF: No. As discussed in Issue 2, the decision to build WCEC 3 in advance of the identified reliability need is driven by unique economic opportunities and site specific circumstances. FPL's forecasted reliability need already accounts for all the identified cost-effective DSM and renewable generation. The amount of DSM and renewable generation included is the same as the Commission approved as reasonable in Docket No. 070650-EI, and no new information has been presented in the instant docket.

ISSUE 22: Is the conversion of the Cape Canaveral plant the most cost-effective alternative available, as this criterion is used in Section 403.519, Florida Statutes?

FPL: Yes. The conversion of the Cape Canaveral plant is the most cost-effective alternative available, as this criterion is used in Section 403.519, F.S. FPL's economic analysis utilized a reasonable range of fuel and environmental costs, and shows that combining the Cape Canaveral Conversion in 2013 with the Riviera Conversion in 2014 will result in customer cost savings of about $457 million CPVRR as compared to the Resource Plan without Conversions. If environmental costs and fuel costs were to be at the high end of FPL's projected range, the economic benefits to customers would be even greater.

Additionally, an independent analysis shows that a resource plan including both proposed conversions is more than $480 million less costly than an alternative resource plan including the lowest market proposals offered in response to FPL's RFP.

When combined with the addition of WCEC 3 in 2011 and Riviera Conversion in 2014, FPL's analysis demonstrates that customers will save more than $1,193 million CPVRR in electricity costs as compared to the Resource Plan without Conversions. (Stubblefield, Kosky, Sim, Taylor)

STAFF: Yes. FPL's economic analyses utilized a reasonable range of fuel and environmental costs. As part of the discovery process, FPL provided an updated analysis based upon 2008 fuel and environmental costs estimates. When compared to adding greenfield units in 2013 and 2014, the updated analyses

indicate that adding WCEC 3 in 2011 followed by the conversion projects would result in a reduction of approximately 44,298 tons of SO2 (9.8%); 31,188 tons of NOx (18.8%); and 8 million tons of CO2 (1.6%) by the year 2017. In addition, the updated analyses indicate that adding WCEC 3 in 2011 followed by the conversion projects would save approximately 87,849 million mmBTUs of oil and natural gas over the same time period. These environmental and fuel reduction benefits continue into the future and combine to result in an estimated savings to FPL's customers of approximately $1.2 billion in present value savings by the year 2040.

ISSUE 23: **Based on the resolution of the foregoing issues, should the Commission grant Florida Power & Light Company's petition to determine need for the conversion of the Cape Canaveral plant?**

FPL: Yes. The Cape Canaveral Conversion will result in the addition of highly efficient and reliable capacity, customer savings on a CPVRR basis, and a significant reduction in CO_2 emissions. When combined, the two proposed conversions will result in an estimated $457 million CPVRR of savings and a reduction in FPL's system cumulative CO_2 emissions of more than 15.7 million tons through 2040. (Silva, Kosky, Sim)

STAFF: Yes.

ISSUE 24: **If an affirmative determination of need is granted, should FPL be required to annually report the budgeted and actual cost compared to the estimated total in-service cost of the proposed Cape Canaveral Conversion?**

FPL: FPL will annually report the budgeted and actual cost compared to the estimated total in-service cost of the proposed WCEC 3, Cape Canaveral Conversion, and Riviera Conversion. In addition, if FPL decides to utilize a different combustion turbine design from the one analyzed in its testimony for the two conversion projects, FPL will report to the Commission the comparative cost advantage of the alternate design chosen. Such a selection would only be made if the projected costs to FPL's customers measured in terms of system CPVRR would be lower as a result of the use of an alternate design. (Silva)

STAFF: Yes. FPL should annually report, to the Director of Economic Regulation, the budgeted and actual cost compared to the estimated total in-service cost of the proposed WCEC 3, Cape Canaveral Conversion, and Riviera Conversion relied upon in these proceedings. In addition, if FPL decides to utilize a different combustion turbine design from the one presented in these proceedings, FPL should report to the Commission the comparative cost advantage of the alternate design chosen. Such a selection would only be made if the projected cost to

FPL's customers would be lower as a result of the use of an alternate design. Costs in addition to those identified in this need determination proceeding should not be recoverable unless FPL can demonstrate that such costs were prudently incurred and due to extraordinary circumstances.

STIPULATED
ISSUE 25: Should these three dockets be closed?

STAFF: Yes. Upon issuance of an order granting FPL's petitions to determine the need for WCEC3, the Cape Canaveral Conversion, and the Riviera Conversion, each of these three dockets should be closed.

IX. EXHIBIT LISTS

DOCKET NO. 080203-EI

Witness	Proffered By		Description
Direct			
Rene Silva	FPL	RS-1	Summary of Benefits of West County Energy Center Unit 3 (WCEC 3) in 2011
Rene Silva	FPL	RS-2	FPL's Flexibility to Incorporate Increased DSM and Renewable Resources into Its Resource Plan
John C. Gnecco IV	FPL	JCG-1	Typical 3x1 CC Unit Process Diagram
John C. Gnecco IV	FPL	JCG-2	FPL Operational Combined Cycle Plants & FPL Combined Cycle Construction Projects in Progress
John C. Gnecco IV	FPL	JCG-3	WCEC Vicinity Map
John C. Gnecco IV	FPL	JCG-4	WCEC Aerial Map
John C. Gnecco IV	FPL	JCG-5	WCEC 3 Proposed Power Block Area
John C. Gnecco IV	FPL	JCG-6	WCEC 3 Fact Sheet

Witness	Proffered By		Description
John C. Gnecco IV	FPL	JCG-7	WCEC 3 Overall Water Balance
John C. Gnecco IV	FPL	JCG-8	WCEC 3 Expected Construction Schedule
John C. Gnecco IV	FPL	JCG-9	WCEC 3 Construction Cost Components
Dr. Rosemary Morley	FPL	RM-1	Total Average Customers
Dr. Rosemary Morley	FPL	RM-2	Summer Peak Load Per Customer (KW)
Dr. Rosemary Morley	FPL	RM-3	Summer Peak Weather
Dr. Rosemary Morley	FPL	RM-4	Florida Real Personal Income
Dr. Rosemary Morley	FPL	RM-5	Real Price of Electricity
Dr. Rosemary Morley	FPL	RM-6	Impact of the 2005 Energy Policy Act
Dr. Rosemary Morley	FPL	RM-7	Lee County Electric Cooperative – Summer PeaK
Dr. Rosemary Morley	FPL	RM-8	Summer Peak Load (MW)
Dr. Rosemary Morley	FPL	RM-9	Winter Peak Load Per Customer (KW)
Dr. Rosemary Morley	FPL	RM-10	Winter Peak Load (MW)
Dr. Rosemary Morley	FPL	RM-11	Net Energy for Load Use Per Customer (KWH)
Dr. Rosemary Morley	FPL	RM-12	Lee County Electric Cooperative – Net Energy for Load
Dr. Rosemary Morley	FPL	RM-13	Net Energy for Load (GWh)
Heather C. Stubblefield	FPL	HCS-1	FPL's Fuel Cost Forecast
Kennard F. Kosky	FPL	KFK-1	Curriculum vitae of Kennard F. Kosky

Witness	Proffered By		Description
Kennard F. Kosky	FPL	KFK-2	Reductions in carbon dioxide (CO_2) emissions for 2001 through 2017 in FPL's system with WCEC 3
Kennard F. Kosky	FPL	KFK-3	2017 CO_2 emissions in FPL's system without WCEC 3, with WCEC 3 and with WCEC 3 and the opportunity to convert existing units
Dr. Steven R. Sim	FPL	SRS-1	Initial Projection of FPL's 2011 – 2017 Capacity Needs
Dr. Steven R. Sim	FPL	SRS-2	Evaluation of FPL Self-Build Options; Resource Plans Analyzed
Dr. Steven R. Sim	FPL	SRS-3	Evaluation of FPL Self-Build Options: Economic Analysis Results
Dr. Steven R. Sim	FPL	SRS-4	FPL's 2007 request for Proposals Resource Need: 2001 & 2012
Dr. Steven R. Sim	FPL	SRS-5	List of Organizations Submitting Proposals
Dr. Steven R. Sim	FPL	SRS-6	Proposal Details
Dr. Steven R. Sim	FPL	SRS-7	FPL's Ten Year Power Plant Site Plan: 2008 – 2017
Dr. Steven R. Sim	FPL	SRS-8	Revised Projection of FPL's 2011 - 2017 Capacity Needs
Dr. Steven R. Sim	FPL	SRS-9	Summary of Resource Plans Evaluated
Dr. Steven R. Sim	FPL	SRS-10	Economic Evaluation Results for Resource Plans – Generation System Costs Only

Witness	Proffered By		Description
Dr. Steven R. Sim	FPL	SRS-11	Economic Evaluation Results for Resource plans – Generation System and Transmission-Related Costs Only
Dr. Steven R. Sim	FPL	SRS-12	Calculation of Peak Hour Loss Cost for Resource Plan 2
Dr. Steven R. Sim	FPL	SRS-13	Calculation of Annual Energy Loss Cost for Resource Plan 2
Dr. Steven R. Sim	FPL	SRS-14	Economic Evaluation Results for Resource Plans – All Costs
Dr. Steven R. Sim	FPL	SRS-15	Non-Economic Evaluation Results
Dr. Steven R. Sim	FPL	SRS-16	Eligibility Determination Evaluation Results
Alan S. Taylor	FPL	AST-1	Resume of Alan S. Taylor
Alan S. Taylor	FPL	AST-2	Sedway Consulting's Independent Evaluation Report
DOCKET NOS. 080245-EI AND 080246-EI			
Rene Silva	FPL	RS-1	Summary of Benefits of Canaveral and Riviera Conversions
Rene Silva	FPL	RS-2	FPL's Flexibility to Incorporate Increased DSM & Renewable Resources
Rene Silva	FPL	RS-3	Calculation of FPL's Reserve Margin
Rene Silva	FPL	RS-4	Example Why 15% Reserve Margin is Inadequate

Witness	Proffered By		Description
Cindy Tindell	FPL	CT-1	FPL Operational Combined Cycle Plants & FPL Combined Cycle Construction Projects in Projects
Cindy Tindell	FPL	CT-2	Cape Canaveral Plant Vicinity Map
Cindy Tindell	FPL	CT-3	CCEC Site Layout with Power Block
Cindy Tindell	FPL	CT-4	Cape Canaveral Energy Center Fact Sheet
Cindy Tindell	FPL	CT-5	CCEC Expected Construction Schedule
Cindy Tindell	FPL	CT-6	CCEC Construction Cost Components
Cindy Tindell	FPL	CT-7	Riviera Plant Vicinity Map
Cindy Tindell	FPL	CT-8	RBEC Site Layout with Power Block
Cindy Tindell	FPL	CT-9	RBEC Fact Sheet
Cindy Tindell	FPL	CT-10	RBEC Expected Construction Schedule
Cindy Tindell	FPL	CT-11	RBEC Construction Cost Components
Dr. Rosemary Morley	FPL	RM-1	Total Average Customers
Dr. Rosemary Morley	FPL	RM-2	Summer Peak Load Per Customer
Dr. Rosemary Morley	FPL	RM-3	Summer Peak Weather
Dr. Rosemary Morley	FPL	RM-4	Florida Real Personal Income
Dr. Rosemary Morley	FPL	RM-5	Real Price of Electricity
Dr. Rosemary Morley	FPL	RM-6	Impact of the 2005 Energy Policy Act

Witness	Proffered By		Description
Dr. Rosemary Morley	FPL	RM-7	Lee County Electric Cooperative – Summer Peak
Dr. Rosemary Morley	FPL	RM-8	Summer Peak Load
Dr. Rosemary Morley	FPL	RM-9	Winter Peak Load Per Customer
Dr. Rosemary Morley	FPL	RM-10	Winter Peak Load
Dr. Rosemary Morley	FPL	RM-11	Net Energy for Load Use Per Customer
Dr. Rosemary Morley	FPL	RM-12	Lee County Electric Cooperative – Net Energy for Load
Dr. Rosemary Morley	FPL	RM-13	Net Energy for Load
Heather C. Stubblefield	FPL	HCS-1	FPL's Fuel Cost Forecast
Kennard F. Kosky	FPL	KFK-1	KRK Curriculum Vitae
Kennard F. Kosky	FPL	KFK-2	Sulfur dioxide (SO2), nitrogen oxides (NOx) and Particulate Matter emissions (tons/year) for Riviera Plant (before and after conversion)
Kennard F. Kosky	FPL	KFK-3	SO2, NOx and Particulate Matter emissions (tons/year) for Cape Canaveral Plant (before and after conversion)
Kennard F. Kosky	FPL	KFK-4	SO2, NOx and Particulate Matter emission rate (1b/MWh) for Riviera Plant before and after conversion
Kennard F. Kosky	FPL	KFK-5	SO2, NOx and Particulate Matter emission rate (1b/MWh) for Cape Canaveral Plant (before and after conversion)

Witness	Proffered By		Description
Kennard F. Kosky	FPL	KFK-6	Carbon dioxide (CO_2) emission rate (1b/MWh) for Riviera Plant (before and after conversion)
Kennard F. Kosky	FPL	KFK-7	Carbon dioxide (CO_2) emission rate (1b/MWh) for Cape Canaveral Plant (before and after conversion)
Kennard F. Kosky	FPL	KFK-8	Annual Emissions Comparison by Generation Type – CO_2 Emissions
Dr. Steven R. Sim	FPL	SRS-1	FPL's Ten-Year Power Plant Site Plan 2008-2017
Dr. Steven R. Sim	FPL	SRS-2	Projection of FPL's Capacity Needs: 2008-2017
Dr. Steven R. Sim	FPL	SRS-3	Resource Plans Utilized in the Analyses: 2010-2040
Dr. Steven R. Sim	FPL	SRS-4	Comparison of Two Resource Plans: Projection of Annual Summer Reserve Margins 2010-2017
Dr. Steven R. Sim	FPL	SRS-5	Economic Evaluation Results for Two Resource Plans – Generation System Costs Only
Dr. Steven R. Sim	FPL	SRS-6	Economic Evaluation Results for Two Resource Plans – All Costs
Dr. Steven R. Sim	FPL	SRS-7	Comparison of Two Resource Plans: Projection of System Emissions 2010-2017
Dr. Steven R. Sim	FPL	SRS-8	Comparison of Two Resource Plans: Projected 2017 System CO_2 Emission Levels

Witness	Proffered By		Description
Dr. Steven R. Sim	FPL	SRS-9	Comparison of Two Resource Plans: Projection of System Oil and Natural Gas Usage 2013-2017
Alan S. Taylor	FPL	AST-1	Resume of Alan S. Taylor
Alan S. Taylor	FPL	AST-2	Sedway Consulting, Inc. – *Independent Evaluation* Report for FPL Proposed Cape Canaveral and Riviera Conversion Projects

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

X. PROPOSED STIPULATIONS

At this time Issue 25 is stipulated.

XI. PENDING MOTIONS

There are no pending motions at this time.

XII. PENDING CONFIDENTIALITY MATTERS

On June 6, 2008, FPL filed a Notice of Intent to Request Confidential Classification of material provided in response to Commission Staff's First Set of Interrogatories No. 48, Fourth Set of Interrogatories No. 76, and Fifth Set of Interrogatories No. 97.

XIII. POST-HEARING PROCEDURES

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time.

XIV. RULINGS

Opening statements, if any, shall not exceed 7 minutes per party.

It is therefore,

ORDERED by Commissioner Lisa Polak Edgar, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Lisa Polak Edgar, as Prehearing Officer, this 17th day of June, 2008.

LISA POLAK EDGAR
Commissioner and Prehearing Officer

(SEAL)

MCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the

appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.