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August 19, 2009

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COMMISSION  
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Ms. Ann Cole, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: Docket Nos. 080677-EI & 090130-EI

Dear Ms. Cole:

I am enclosing for filing and appropriate distribution the Supplemental Testimony Incorporating Corrections of OPC witness Sheree Brown, together with certain revised exhibits.

OPC apprised parties of these corrections during the Prehearing Conference of August 17, 2009, and the changes that Ms. Brown addresses in the enclosed testimony have been reflected in OPC's position statements.

COM 5  
ECR Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

GCL 2

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SGA

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CLK 1 Ct R pr.  
JAS:bsr

Sincerely,

*Joseph A. McGlothlin*  
Joseph A. McGlothlin  
Associate Public Counsel

cc: All parties of record

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Petition for increase in rates )  
by Florida Power & Light Company. )

Docket No. 080677-EI

In Re: 2009 depreciation and dismantlement )  
study by Florida Power & Light Company. )

Docket No. 090130-EI

FILED: August 19, 2009

**SUPPLEMENTAL TESTIMONY TO INCORPORATE CORRECTIONS**

**OF**

**SHEREE L. BROWN**

**ON BEHALF OF THE CITIZENS OF THE STATE OF FLORIDA**

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## EXHIBITS

Uncollectible Accounts Adjustment .....	SLB-5-REVISED
Uncollectible Accounts Expense .....	SLB-6-REVISION 2
Load Forecast Analysis.....	SLB-9-REVISED
Load Forecast Adjustment .....	SLB-10-REVISED
OPC Consolidated Revenue Impact.....	SLB-26-REVISION 2

1           **SUPPLEMENTAL TESTIMONY TO INCORPORATE CORRECTIONS**

2   **OF**

3   **Sheree L. Brown**

4   On Behalf of the Office of Public Counsel

5   Before the

6   Florida Public Service Commission

7   Docket Nos. 080677-EI and 090130-EI

8

9   **Q.   PLEASE STATE YOUR NAME, EMPLOYER, AND BUSINESS ADDRESS.**

10  **A.**   My name is Sheree L. Brown. I am employed by Utility Advisors' Network, Inc.  
11       ("UAN"). My business address is 530 Mandalay Rd., Orlando, Florida 32809.

12

13  **Q.   DID YOU SUBMIT DIRECT TESTIMONY IN THIS PROCEEDING ON**  
14       **JULY 16, 2009?**

15  **A.**   Yes. On July 16, 2009, I submitted direct testimony on behalf of the citizens of the  
16       State of Florida represented by the Office of Public Counsel ("OPC").

17

18  **Q.   WHAT IS THE PURPOSE OF THIS SUPPLEMENTAL TESTIMONY?**

19  **A.**   The purpose of this supplemental testimony is to correct and modify the load  
20       forecast and bad debt adjustments contained in my direct testimony, and to correct  
21       an error in the value shown for accumulated depreciation in one of my schedules.

22

23  **Q.   PLEASE SUMMARIZE THE ADJUSTMENTS YOU ARE MAKING IN THIS**  
24       **SUPPLEMENTAL TESTIMONY.**

1 A. I am revising my load forecast adjustment to correct an error in the calculation of the  
2 re-anchoring percentage in 2008 and an error in the loss factors used to calculate the  
3 change in sales due to the revised load forecast.

4  
5 I am also revising my bad debt adjustment to modify my calculation of the impact of  
6 remote control switches (“RCS”) based on information provided by FPL witness,  
7 Marlene Santos, who clarified the purpose of the RCS adjustment to bad debt.  
8 Lastly, I am providing a revised consolidated revenue impact of all the OPC  
9 witnesses’ adjustments incorporating the changes noted herein.

10

11 **Q. PLEASE EXPLAIN YOUR ADJUSTMENTS TO THE LOAD FORECAST.**

12 A. In my Exhibit\_\_ (SLB-9), page 1 of 3, the adjustment for energy efficiency and  
13 wholesale sales in 2008 was taken in error from the 2009 adjustments. This error  
14 caused an understatement of the model error, which was used for the re-anchoring  
15 adjustment. In addition, there was an error in the application of the loss factors used  
16 to derive the adjustment in sales from the change in the load forecast. My  
17 corrections of these errors have been reflected in the recalculation of the adjusted  
18 revenues and revenue impacts on the following exhibits, which are attached.

19 Exhibit\_\_ (SLB-9)-REVISED, Page 1 of 3

20 Exhibit\_\_ (SLB-9)-REVISED, Page 2 of 3

21 Exhibit\_\_ (SLB-9)-REVISED, Page 3 of 3

22 Exhibit\_\_ (SLB-10)-REVISED, Page 1 of 4

23 Exhibit\_\_ (SLB-10)-REVISED, Page 2 of 4

24 Exhibit\_\_ (SLB-10)-REVISED, Page 3 of 4

25 Exhibit\_\_ (SLB-10)-REVISED, Page 4 of 4

1 **Q. HAVE YOU ADJUSTED THE CONSOLIDATED OPC CASE TO REFLECT**  
2 **THIS REVISION?**

3 A. Yes. Although the original consolidated OPC adjustments incorporated the load  
4 forecast adjustment without re-anchoring, I have incorporated the re-anchoring  
5 adjustment in the revised consolidated OPC adjustment calculations. The revised  
6 adjustments have been incorporated into Exhibit\_\_(SLB-26)-Revision 2, pages 1 and  
7 2 of 2.

8  
9 **Q. WHAT IS THE REVENUE IMPACT OF THE REVISED LOAD FORECAST**  
10 **ADJUSTMENT WITH RE-ANCHORING?**

11 A. As shown on Exhibit\_\_(SLB-10)-REVISED, Pages 1 and 3 of 4, the revised revenue  
12 impact of this adjustment is a decrease to FPL's revenue requirements of \$36.969  
13 million in 2010 and \$30.727 million in 2011.

14  
15 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO THE BAD DEBT**  
16 **CALCULATIONS.**

17 A. In preparing my direct testimony, OPC did not have any information from FPL  
18 supporting its adjustment to the write-offs associated with "RCS". In her rebuttal  
19 testimony, FPL Witness Marlene Santos explained that the adjustment is associated  
20 with remote control switches which will enable remote disconnects. She noted that  
21 the deployment schedule was based on having the procedures and equipment in  
22 place to operate the system. I have modified my RCS adjustment to reflect FPL's  
23 deployment schedule and estimated savings percentage applied to the test year write-  
24 offs, rather than the 2007 write-offs used by FPL in its RCS adjustment. The revised

1 bad debt adjustments for 2010 and 2011 are shown in Exhibit\_\_(SLB-5)-REVISED  
2 and Exhibit\_\_(SLB-6)-REVISION 2, pages 1 and 2 of 2.

3  
4 **Q. WHAT IS THE REVENUE IMPACT OF THE REVISED ADJUSTMENT TO**  
5 **BAD DEBT?**

6 A. As explained in my direct testimony, FPL is requesting that the bad debt associated  
7 with clause revenues be removed from base rates. OPC is opposed to moving  
8 additional cost into the clauses; therefore, I have calculated the revenue impact of the  
9 revised adjustment assuming that the uncollectible accounts expenses will all be  
10 collected through base rates. As shown on Exhibit\_\_(SLB-6)-REVISION 2, page 1  
11 of 2, the uncollectible accounts expense should be reduced by \$6,573,534 in 2010  
12 and \$6,164,229 in 2011. Assuming that the uncollectible accounts expense is all  
13 collected through base rates, the adjustment reverses FPL's removal of uncollectible  
14 accounts expense, resulting in a net increase to uncollectible accounts expenses  
15 recovered through base rates of \$10,319,466 in 2010 and \$7,710,771. The total  
16 revenue impact of this adjustment, assuming that clause-related bad debt is  
17 recovered through base rates, is an increase of \$9.643 million in 2010 and \$6.978  
18 million in 2011. The total revenue impact reflects the associated change in the  
19 revenue expansion factor.

20  
21 **Q. HAVE YOU CALCULATED THE REVISED UNCOLLECTIBLE**  
22 **ACCOUNTS EXPENSE, ASSUMING THAT THE COMMISSION ALLOWS**  
23 **FPL TO TRANSFER A PORTION OF THE UNCOLLECTIBLE ACCOUNTS**  
24 **EXPENSE TO CLAUSE RECOVERY?**



1 A. Yes. Exhibit\_\_(SLB-6)-Revision 2, pages 1 and 2 also provides the revised  
2 uncollectible accounts expense, assuming transfer of a portion of the uncollectible  
3 accounts expense to clause recovery. As shown on Exhibit\_\_(SLB-6)-Revision 2,  
4 page 1 of 2, the revised uncollectible accounts expense in base rates would be \$7.229  
5 million in 2010 and \$5.689 million in 2011, reflecting reductions of \$2.203 million  
6 in 2010 and \$2.166 million in 2011. The total base rate revenue impact of this  
7 adjustment, including the associated change in the revenue expansion factor, is a  
8 decrease in revenue requirements of \$2.913 million in 2010 and \$2.921 million in  
9 2011.

10

11 **Q. DID YOU MAKE ANY OTHER CORRECTIONS?**

12 A. Yes. In my original calculation of the 2010 consolidated revenue impacts contained  
13 in Exhibit\_\_(SLB-26), Page 2 of 2, the add-back of the West County Energy Center  
14 3 accumulated depreciation was entered as \$1.635 million. The correct amount is  
15 \$6.54 million.

16

17 **Q. HAVE YOU INCORPORATED THESE ADJUSTMENTS INTO THE OPC  
18 CONSOLIDATED REVENUE IMPACT EXHIBITS?**

19 A. Yes. Exhibit\_\_(SLB-26)-Revision 2, pages 1 and 2 of 2 are attached. These exhibits  
20 incorporate the following adjustments to OPC's original consolidated position filed  
21 in my direct testimony on July 16, 2009:

22

- the revised load forecast adjustment is included with the corrections noted  
23 herein and with the re-anchoring adjustment, as calculated after consideration  
24 of the minimum use accounts adjustment;

24

- 1           ● the bad debt adjustment as revised to correct the calculation of the impacts of
- 2           RCS; and
- 3           ● the correction to the add-back of West County Energy Center accumulated
- 4           depreciation.
- 5           ●

6   **Q.   WHAT IS THE REVISED TOTAL REVENUE IMPACT OF THE**  
7   **ADJUSTMENTS PROPOSED BY THE OPC WITNESSES?**

8   A.   As shown on Exhibit \_\_ (SLB-26)-Revision 2, page 1 of 2, the reduction in the 2010  
9   revenue deficiency is \$1.298 billion, resulting in a 2010 total jurisdictional revenue  
10   excess of \$254.51 million. When offset by an increase in miscellaneous service fees  
11   of \$100.352 million, the net base rate reduction required in 2010 is \$354.862 million,  
12   or a reduction of \$1.323 billion from the increase proposed by FPL.

13   As shown on Exhibit \_\_ (SLB-26)-Revision 2, page 2 of 2, the total jurisdictional  
14   revenue impact of the proposed adjustments is \$1.282 billion, resulting in a 2011  
15   total jurisdictional revenue deficiency of \$24.835 million. When offset by an  
16   increase of \$102.402 million in miscellaneous service fee revenues, the net base rate  
17   reduction required in 2011 is \$77.567 million, or a reduction of \$1.308 billion from  
18   the increase proposed by FPL.

19

20   **Q.   DOES THAT CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

21   A.   Yes.

CERTIFICATE OF SERVICE  
DOCKET NO. 080677-EI & 090130-EI

I HEREBY CERTIFY that a copy of the foregoing Supplemental Testimony To Incorporate Corrections of Sheree L. Brown has been furnished by U.S. Mail on the 19th day of August, 2009.

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**FPSC Docket 080677-EI  
Uncollectible Accounts Adjustment  
Exhibit\_\_(SLB-5) -REVISED**

**Florida Power & Light Company  
Incremental Write-Off Savings Due to Automatic Bill Payments**

<u>Line</u>	<u>Calculation of ABP Increase</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 [2]</u>	<u>2011[2]</u>
1	Year end estimated number of ABP Customers [1]	8,676	21,808	50,128	81,013	109,527	128802.0107	151469.1168
2	Percent Increase		151.36%	129.86%	61.61%	35.20%	17.60%	17.60%
3	Estimated savings per account per year[1]	\$ 8.97	\$ 18.44	\$ 19.71	\$ 19.71	\$ 19.71	\$ 19.71	\$ 19.71
4	Estimated total write-off savings	\$ 77,805	\$ 402,144	\$ 987,942	\$ 1,596,625	\$ 2,158,588	\$ 2,538,688	\$ 2,985,456
5	2008 Savings reflected in Write-off regression [3]				\$ 1,064,417			
6	Incremental savings					\$ 1,094,171	\$ 1,474,271	\$ 1,921,040
7	Incremental Savings used by FPL [1]					\$ 561,963	\$ 561,963	\$ 561,963
8	Additional savings					\$ 532,208	\$ 912,308	\$ 1,359,077
<u>RCS Avoided Write-offs [4]</u>							<u>2010</u>	<u>2011</u>
9	Write-off before adjustments					24,534,447	24,091,925	
10	Residential Write-offs avoided (50%)					\$ 12,267,224	\$ 12,045,963	
11	Deployment Rate					4%	30%	
12	RCS Adjustment for Test year					\$ 490,689	\$ 3,613,789	

Notes:

[1] Per the response to OPC's Second POD No. 12.

[2] Increase in ABP customers is assumed to be one-half of the 2009 increase rate.

[3] Regression used actual data from January through August. Assume 8/12 of the annual savings.

[4] Per the response to OPC's Second POD No. 12, file "OPC's 2nd POD No 12 - FPL 131322 - Write\_off\_with\_RCS\_in\_2010.xls.

Florida Power & Light Company  
 Revenue Impact of Proposed Adjustments to Uncollectible Accounts Expense

Line	Description	FPL	OPC	Adjustment
1	Uncollectible Accounts Expense [1]	26,325,000	19,751,466	(6,573,534)
2	Remove Uncollectible Accounts Expense to Clause Recovery [2]	(16,893,000)	-	(16,893,000)
3	Uncollectible Accounts Expense in Base Rates	9,432,000	19,751,466	10,319,466
	If Commission allows Uncollectible Accounts Expense to be transferred to clause recovery			
4	Uncollectible Accounts Expense [1]	26,325,000	19,751,466	(6,573,534)
5	Remove Uncollectible Accounts Expense to Clause Recovery [3]	(16,893,000)	(12,522,905)	4,370,095
6	Uncollectible Accounts Expense in Base Rates	9,432,000	7,228,561	(2,203,439)
7	Bad Debt Factor	0.0026	0.001927	
8	Revenue Expansion Factor	1.633424598	1.632322352	
9	Total Revenue Impact of Change in Uncollectible Accounts Expense and Revenue Expansion Factor [4]			\$ 9,642,671
10	Total Revenue Impact of Change in Uncollectible Accounts Expense and Revenue Expansion Factor, assuming Commission allows transfer to clause recovery [5]			\$ (2,913,470)

[1] Per Exhibit\_\_(SLB-6)-Revision 2, page 2 of 2, Line 19, columns c and d.

[2] Per Exhibit\_\_(SLB-6)-Revision 2, page 2 of 2, Line 20, columns c and d.

[3] Per Exhibit\_\_(SLB-6)-Revision 2, page 2 of 2, Line 20, columns c and e.

[4] Per Exhibit\_\_(SLB-6)-Revision 2, Page 2 of 2, Line 41, column d.

[5] Per Exhibit\_\_(SLB-6)-Revision 2, Page 2 of 2, Line 41, column e.

FPSC Docket 080677-EI  
 Uncollectible Accounts Expense  
 Exhibit (SLB-6)-Revision 2  
 Page 2 of 2

Florida Power & Light Company  
 Revenue Impact of Proposed Adjustments to Uncollectible Accounts Expense

Line	Description	2010			2011		
		FPL 11/30/2008	12/1/2008 Revenue Factor Move Clause back to Base Rates	12/1/2008 Apply Rev Factor to TY revenues	FPL 11/30/2008	12/1/2008 Revenue Factor Move Clause back to Base Rates	12/1/2008 Apply Rev Factor to TY revenues
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Rev 12MOE Dec	12,003,993,341	12,003,993,341	12,003,993,341	12,774,402,027	12,774,402,027	12,774,402,027
2	Rev 12MOE Aug	11,834,906,031	11,834,906,031	11,834,906,031	12,505,161,419	12,505,161,419	12,505,161,419
3	Net Write-offs (Regression Frcts)	28,400,000	24,534,447	24,534,447	25,600,000	24,091,925	24,091,925
4	RCS Bus Case Net WO Savings		-490,689	(490,689)	(2,607,692)	-3,613,789	(3,613,789)
5	ABP Savings	(383,506)	-912,308	(912,308)	-	-1,359,077	(1,359,077)
6	Net WOs Adj'd for RCS Savings	28,016,494	23,131,450	23,131,450	22,992,308	19,119,060	19,119,060
7	Reg Prov Adj'ts	(1,600,000)	-1,167,595	(1,167,595)	(1,300,000)	-1,197,920	(1,197,920)
8	Other Prov Adj'ts	0	0	0	0	0	0
9	UAR	26,416,494	21,963,855	21,963,855	21,692,308	17,921,140	17,921,140
	Net WO Rate Excl RCS Savings						
10	Unlagged Rev	0.237%	0.204%	0.204%	0.200%	0.189%	0.189%
11	Lagged Rev	0.240%	0.207%	0.207%	0.205%	0.193%	0.193%
	Net WO Rate Adj'd for RCS Savings						
12	Unlagged Rev	0.233%	0.193%	0.193%	0.180%	0.150%	0.150%
13	Lagged Rev	0.237%	0.195%	0.195%	0.184%	0.153%	0.153%
14	Adjusted Revenue per Schedule C-4 (440-446, 451)		10,855,881,000	\$ 10,855,881,000	\$ 11,200,662,000	\$ 11,200,662,000	\$ 11,200,662,000
15	Clause Revenues		6,882,890,000	\$ 6,882,890,000	\$ 7,107,281,000	\$ 7,107,281,000	\$ 7,107,281,000
16	Base Rate Revenues		3,972,991,000	\$ 3,972,991,000	\$ 4,093,381,000	\$ 4,093,381,000	\$ 4,093,381,000
17	Adjusted net WO rate	0.260%	0.193%	0.193%	0.207%	0.150%	0.150%
18	Revised Net Write-off [1]	28,017,000	20,919,061	\$ 20,919,061	\$ 22,992,308	\$ 16,763,691	\$ 16,763,691
19	Revised UAR [2]	26,325,000	19,751,466	\$ 19,751,466	\$ 21,730,000	\$ 15,565,771	\$ 15,565,771
20	Amount allocated to clauses [3]	16,893,000	-	\$ 12,522,905	\$ 13,875,000	-	\$ 9,877,122
21	Amount allocated to Base Rates	9,432,000	19,751,466	\$ 7,228,561	7,855,000	15,565,771	5,688,649
22	Amount allocated to Base Rates per FPL	\$ 9,432,000	\$ 9,432,000	\$ 9,432,000	\$ 7,855,000	\$ 7,855,000	\$ 7,855,000
23	Adjustment		\$ 10,319,466	\$ (2,203,439)	\$ -	\$ 7,710,771	\$ (2,166,351)
	<u>Change to Revenue Expansion Factor</u>						
24	Revenue Requirement	1	1	1	1	1	1
25	Regulatory Assessment Rate	0.00072	0.00072	0.00072	0.00072	0.00072	0.00072
26	Bad Debt Rate	0.260%	0.193%	0.193%	0.00207	0.00150	0.00150
27	Net before Income Taxes	0.99668	0.99735302	0.99735302	0.99721	0.99778333	0.99778333
28	State Income Tax	0.0548174	0.054854416	0.054854416	0.05484655	0.054878083	0.054878083
29	Federal Income Tax	0.32985191	0.329874512	0.329874512	0.329827208	0.330016837	0.330016837
30	Revenue Expansion Factor	0.61221069	0.612624093	0.612624093	0.612536243	0.612888411	0.612888411
31	Net Operating Income Multiplier	1.63342	1.63232	1.63232	1.63256	1.63162	1.63162
	<u>Recalculation of Revenue Deficiency</u>						
32	Net Operating Income after taxes	725,883,909	\$ 719,545,178	727,237,372	\$ 662,776,000	\$ 658,039,659	\$ 664,106,681
33	Rate Base	\$ 17,063,590,000	\$ 17,063,590,000	\$ 17,063,590,001	\$ 17,880,402,000	\$ 17,880,402,000	\$ 17,880,402,000
34	Return on Rate Base	4.25%	4.22%	4.26%	3.71%	3.68%	3.71%
35	Proposed Return on Rate Base	8.00%	8.00%	8.00%	8.18%	8.18%	8.18%
36	Deficiency at Proposed Return	\$ 638,862,019	\$ 645,200,751	\$ 637,508,556	\$ 799,840,884	\$ 804,577,225	\$ 798,510,202
37	Revenue Expansion Factor	1.63342	1.63232	1.63232	1.63256	1.63162	1.63162
38	Revenue Deficiency at Proposed Return	\$ 1,043,532,936	\$ 1,053,175,607	\$ 1,040,619,466	\$ 1,305,785,402	\$ 1,312,762,993	\$ 1,302,863,928
39	Less Increase in Miscellaneous Service Fee	\$ 75,328,000	\$ 75,328,000	\$ 75,328,000	\$ 76,367,000	\$ 76,367,000	\$ 76,367,000
40	Revenue Deficiency to be collected from Sa	\$ 968,204,936	\$ 977,847,607	\$ 965,291,466	\$ 1,229,418,402	\$ 1,236,395,993	\$ 1,226,496,928
41	Total Adjustment		\$ 9,642,671	\$ (2,913,470)	\$ -	\$ 6,977,592	\$ (2,921,474)

[1] 2010 amounts rounded per Schedule C-11.

[2] Adjusted per Schedule C-4, page 6 of 12, Lines 30 and 31 for 2010 and 2011.

[3] Columns c and f from MFR Schedule C-2, page 4 of 4, line 8 for 2010 and 2011. Columns e and h are Line 19 x (Line 15/Line 14).

Florida Power & Light Company  
 Load Forecast Analysis  
 Recalculation of Minimum Use Customer and Re-anchoring Adjustments

Year	Customers[1]	Min Use Customers[1]	% Min Use Customers (d)=(c)/(b)	Incremental Min Use Customers [2] (e)=(d-fn[2])* (b)	Lost kWh Sales [3] (f)=(e)*fn[3]*12	Lost NEL[4] (g)=(f)/(1-fn[4])	NEL Before Adjustment[5] (h)	Min Use Adjustment % (i)=(g)/(h)	Revised NEL before and wholesale (j)=(h)-(g)	NEPAC and wholesale [5] (k)	Revised NEL before Re-anchoring (l)=(j)+(k)	Actual NEL[5] (m)	Revised NEL Model Error (n)=(m)/(l)-1	Revised NEL with Re-anchoring (o)=(l)*(1+n)
(a)	(b)	(c)	(d)=(c)/(b)	(e)=(d-fn[2])* (b)	(f)=(e)*fn[3]*12	(g)=(f)/(1-fn[4])	(h)	(i)=(g)/(h)	(j)=(h)-(g)	(k)	(l)=(j)+(k)	(m)	(n)=(m)/(l)-1	(o)=(l)*(1+n)
200812	3,990,512	348,127	8.72%	51,978	684,574,700	730,244,949	114,127,730,998	-0.64%	113,397,486,048	(1,568,228,958)	111,829,257,091	111,043,736,000	-0.702%	111,043,736,000
200912	3,993,641	347,000	8.69%	50,619	666,670,478	711,146,277	114,205,884,474	-0.62%	113,494,738,197	(2,270,684,789)	111,224,053,408	110,442,783,444	-0.702%	110,442,783,444
201012	4,010,837	359,000	8.95%	61,342	807,907,591	861,805,787	114,958,196,644	-0.75%	114,096,390,857	(2,009,402,523)	112,086,988,335	111,299,656,865	-0.702%	111,299,656,865
201112	4,056,428	182,000	4.49%				116,917,570,199	-0.37%	116,479,322,899	(2,845,696,106)	113,633,626,793	112,835,431,286	-0.702%	112,835,431,286

Assumptions:

- [1] Information provided in the response to OPC's 3rd set of interrogatories, question 175. Customers are averaged for the year. Minimum Use Customers were shown as 12 months ending
  - [2] Percent of residential customers with minimum use (Aug 2003-Dec 2007 12 month averages), 7.42%
  - [3] Average Use per customer for customers greater than 200 kWh, 1,200  
 Average use per customers less than 200 kWh
- | empty_homes_history file | 200812  | Avg Use | Total      |
|--------------------------|---------|---------|------------|
| 0-50 kWh                 | 77,231  | 25      | 1,930,765  |
| 51-100 kWh               | 91,035  | 75      | 6,827,613  |
| 101-150 kWh              | 91,289  | 125     | 11,411,177 |
| 151-200 kWh              | 88,572  | 175     | 15,500,173 |
|                          | 348,127 |         | 35,669,727 |
- Average Use for Customers < 200 kWh, 102.46
  - kWh sales lost if Customer shifts from average use > 200 kWh to minimum use, 1,097.54
  - [4] Residential loss factor from E-19c, 6.25%
  - [5] Per the response to OPC's Second Request for Production of Documents, file "OPC's 2nd Request for Production of Documents No 14."



Florida Power & Light Company  
 Load Forecast Analysis  
 Revenue Calculations - Minimum Use Correction Only

Month	FPL NEL	Loss Factors OPC3-166	Sales	FPL NEL with revised Minimum Use	Adjusted Sales Level	Change in Sales	Avg Base Energy Rate 0.036310
January-09	7,970,298	5.53%	7,529,541	8,043,081	7,598,299	68,758 \$	2,496,608
February-09	7,225,408	5.92%	6,797,664	7,291,567	6,859,906	62,242 \$	2,260,005
March-09	8,038,802	5.24%	7,617,569	8,112,313	7,687,227	69,659 \$	2,529,301
April-09	8,450,611	6.76%	7,879,350	8,528,097	7,951,597	72,247 \$	2,623,300
May-09	9,338,175	6.56%	8,725,591	9,423,778	8,805,578	79,987 \$	2,904,324
June-09	10,368,933	6.22%	9,723,985	10,464,106	9,813,239	89,254 \$	3,240,805
July-09	10,780,185	6.99%	10,026,650	10,879,156	10,118,703	92,053 \$	3,342,436
August-09	10,984,756	5.98%	10,327,868	11,085,679	10,422,755	94,887 \$	3,445,356
September-09	10,634,838	7.41%	9,846,796	10,732,491	9,937,214	90,417 \$	3,283,049
October-09	9,446,372	7.11%	8,774,735	9,533,072	8,855,270	80,536 \$	2,924,257
November-09	8,265,202	5.43%	7,816,402	8,340,919	7,888,007	71,606 \$	2,600,002
December-09	7,936,121	6.24%	7,440,907	8,008,525	7,508,793	67,886 \$	2,464,948
	109,439,702		102,507,057	110,442,783	103,446,589	939,532 \$	34,114,393
January-10	7,981,273	5.53%	7,539,909	8,059,704	7,614,002	74,093 \$	2,690,333
February-10	7,264,759	5.92%	6,834,685	7,336,389	6,902,074	67,389 \$	2,446,896
March-10	8,094,355	5.24%	7,670,211	8,174,032	7,745,713	75,501 \$	2,741,458
April-10	8,506,223	6.76%	7,931,203	8,590,373	8,009,664	78,461 \$	2,848,926
May-10	9,381,556	6.56%	8,766,126	9,474,547	8,853,017	86,891 \$	3,155,013
June-10	10,401,196	6.22%	9,754,242	10,504,992	9,851,581	97,340 \$	3,534,404
July-10	10,834,489	6.99%	10,077,159	10,942,705	10,177,810	100,652 \$	3,654,658
August-10	11,041,400	5.98%	10,381,125	11,151,754	10,484,879	103,755 \$	3,767,332
September-10	10,701,546	7.41%	9,908,562	10,808,366	10,007,466	98,904 \$	3,591,211
October-10	9,547,070	7.11%	8,868,273	9,641,764	8,956,235	87,961 \$	3,193,882
November-10	8,383,508	5.43%	7,928,283	8,466,334	8,006,612	78,329 \$	2,844,134
December-10	8,069,565	6.24%	7,566,024	8,148,697	7,640,218	74,194 \$	2,693,991
	110,206,941		103,225,801	111,299,657	104,249,272	1,023,471 \$	37,162,238
January-11	8,094,504	5.53%	7,646,878	8,159,360	7,708,147	61,269 \$	2,224,684
February-11	7,400,257	5.92%	6,962,162	7,459,846	7,018,223	56,061 \$	2,035,590
March-11	8,244,310	5.24%	7,812,308	8,310,536	7,875,064	62,756 \$	2,278,659
April-11	8,654,065	6.76%	8,069,050	8,724,094	8,134,346	65,295 \$	2,370,873
May-11	9,524,024	6.56%	8,899,248	9,601,397	8,971,546	72,297 \$	2,625,121
June-11	10,540,303	6.22%	9,884,697	10,626,719	9,965,737	81,040 \$	2,942,569
July-11	10,975,031	6.99%	10,207,877	11,065,144	10,291,690	83,813 \$	3,043,265
August-11	11,189,308	5.98%	10,520,187	11,281,277	10,606,657	86,469 \$	3,139,705
September-11	10,846,535	7.41%	10,042,806	10,935,526	10,125,203	82,397 \$	2,991,835
October-11	9,685,122	7.11%	8,996,510	9,763,880	9,069,668	73,158 \$	2,656,384
November-11	8,544,317	5.43%	8,080,361	8,613,323	8,145,620	65,259 \$	2,369,544
December-11	8,228,558	6.24%	7,715,096	8,294,330	7,776,763	61,667 \$	2,239,133
	111,926,335		104,837,180	112,835,431	105,688,664	851,483 \$	30,917,361

Florida Power & Light Company  
Load Forecast Analysis

Revenue Calculations - Minimum Use Correction and Remove Re-anchoring Adjustment

Month	FPL NEL	Loss Factors OPC3-166	Sales	FPL NEL with revised Minimum Use and No Reanchoring	Adjusted Sales Level	Change in Sales	\$	Avg Base Energy Rate 0.036310
January-09	7,970,298	5.53%	7,529,541	8,099,978	7,652,049	122,508	\$	4,448,278
February-09	7,225,408	5.92%	6,797,664	7,343,147	6,908,433	110,769	\$	4,022,015
March-09	8,038,802	5.24%	7,617,569	8,169,699	7,741,607	124,038	\$	4,503,813
April-09	8,450,611	6.76%	7,879,350	8,588,424	8,007,847	128,497	\$	4,665,717
May-09	9,338,175	6.56%	8,725,591	9,490,441	8,867,868	142,277	\$	5,166,091
June-09	10,368,933	6.22%	9,723,985	10,538,129	9,882,658	158,672	\$	5,761,397
July-09	10,780,185	6.99%	10,026,650	10,956,114	10,190,282	163,632	\$	5,941,487
August-09	10,984,756	5.98%	10,327,868	11,164,099	10,496,486	168,618	\$	6,122,505
September-09	10,634,838	7.41%	9,846,796	10,808,413	10,007,509	160,713	\$	5,835,484
October-09	9,446,372	7.11%	8,774,735	9,600,509	8,917,912	143,178	\$	5,198,788
November-09	8,265,202	5.43%	7,816,402	8,399,923	7,943,807	127,405	\$	4,626,085
December-09	7,936,121	6.24%	7,440,907	8,065,177	7,561,910	121,003	\$	4,393,628
	109,439,702	6.33%	102,507,057	111,224,053	104,178,368	1,671,311	\$	60,685,290
January-10	7,981,273	5.53%	7,539,909	8,116,718	7,667,863	127,955	\$	4,646,037
February-10	7,264,759	5.92%	6,834,685	7,388,286	6,950,899	116,214	\$	4,219,736
March-10	8,094,355	5.24%	7,670,211	8,231,855	7,800,506	130,294	\$	4,730,992
April-10	8,506,223	6.76%	7,931,203	8,651,141	8,066,324	135,121	\$	4,906,258
May-10	9,381,556	6.56%	8,766,126	9,541,570	8,915,643	149,517	\$	5,428,966
June-10	10,401,196	6.22%	9,754,242	10,579,304	9,921,271	167,030	\$	6,064,843
July-10	10,834,489	6.99%	10,077,159	11,020,114	10,249,808	172,649	\$	6,268,892
August-10	11,041,400	5.98%	10,381,125	11,230,641	10,559,049	177,924	\$	6,460,438
September-10	10,701,546	7.41%	9,908,562	10,884,824	10,078,258	169,697	\$	6,161,691
October-10	9,547,070	7.11%	8,868,273	9,709,970	9,019,591	151,318	\$	5,494,346
November-10	8,383,508	5.43%	7,928,283	8,526,225	8,063,251	134,968	\$	4,900,682
December-10	8,069,565	6.24%	7,566,024	8,206,341	7,694,265	128,241	\$	4,656,428
	110,206,941	6.33%	103,225,801	112,086,988	104,986,729	1,760,928	\$	63,939,309
January-11	8,094,504	5.53%	7,646,878	8,217,079	7,762,674	115,796	\$	4,204,569
February-11	7,400,257	5.92%	6,962,162	7,512,617	7,067,870	105,708	\$	3,838,264
March-11	8,244,310	5.24%	7,812,308	8,369,324	7,930,772	118,464	\$	4,301,418
April-11	8,654,065	6.76%	8,069,050	8,785,808	8,191,888	122,838	\$	4,460,230
May-11	9,524,024	6.56%	8,899,248	9,669,317	9,035,010	135,762	\$	4,929,518
June-11	10,540,303	6.22%	9,884,697	10,701,892	10,036,234	151,538	\$	5,502,330
July-11	10,975,031	6.99%	10,207,877	11,143,418	10,364,493	156,617	\$	5,686,750
August-11	11,189,308	5.98%	10,520,187	11,361,081	10,681,688	161,501	\$	5,864,090
September-11	10,846,535	7.41%	10,042,806	11,012,883	10,196,829	154,022	\$	5,592,556
October-11	9,685,122	7.11%	8,996,510	9,832,950	9,133,827	137,317	\$	4,985,984
November-11	8,544,317	5.43%	8,080,361	8,674,254	8,203,242	122,881	\$	4,461,797
December-11	8,228,558	6.24%	7,715,096	8,353,003	7,831,776	116,680	\$	4,236,642
	111,926,335	6.33%	104,837,180	113,633,627	106,436,303	1,599,123	\$	58,064,149

**Florida Power & Light Company**  
**Load Forecast Adjustment**  
**2010 Revenue Impact of Correcting the Minimum Use Adjustment**

<b>Line</b>	<b>Summary (\$000s)</b>	<b>Total Jurisdiction</b>
1	Revenues	4,151,889
2	Less Expenses	3,145,693
3	Net Operating income before taxes	1,006,196
4	Less Taxes	257,593
5	Net Operating Income after taxes	748,603
6	Rate Base	17,064,691
7	Return on Rate Base	4.39%
8	Proposed Return on Rate Base	8.00%
9	Deficiency at Proposed Return	616,231
10	Revenue Expansion Factor	1.63342
11	Revenue Deficiency at Proposed Return	1,006,566
12	Less Increase in Miscellaneous Service Fees	75,328
13	Revenue Deficiency to be collected from Sales Rev	931,238
14	Revenue Deficiency per FPL Base Case	968,207
15	Revenue Impact of Adjustments	(36,969)

Florida Power & Light Company  
 Load Forecast Adjustment  
 2010 Revenue Impact of Correcting the Minimum Use Adjustment and Removing Re-anchoring

<i>Line</i>	<i>Summary (\$000s)</i>	<i>Total Jurisdiction</i>
1	Revenues	4,178,668
2	Less Expenses	3,145,829
3	Net Operating income before taxes	1,032,839
4	Less Taxes	267,878
5	Net Operating Income after taxes	764,961
6	Rate Base	17,065,465
7	Return on Rate Base	4.48%
8	Proposed Return on Rate Base	8.00%
9	Deficiency at Proposed Return	599,935
10	Revenue Expansion Factor	1.63342
11	Revenue Deficiency at Proposed Return	979,948
12	Less Increase in Miscellaneous Service Fees	75,328
13	Revenue Deficiency to be collected from Sales Reve	904,620
14	Revenue Deficiency per FPL Base Case	968,207
15	Revenue Impact of Adjustments	(63,587)

**FPSC Docket 080677-EI**  
**Load Forecast Adjustment**  
**Exhibit \_\_ (SLB-10) -REVISED**  
**Page 3 of 4**

**Florida Power & Light Company**  
**Load Forecast Adjustment**  
**2011 Revenue Impact of Correcting the Minimum Use Adjustment**

<i>Line</i>	<i>Summary (\$000s)</i>	<i>Total Jurisdiction</i>
1	Sales of Electricity	4,005,826
2	Other Operating Revenues	200,117
3	Total Operating Revenues	4,205,943
	Expenses	
4	Operating and Maintenance Expenses	1,810,291
5	Depreciation and Amortization	1,139,719
6	Taxes Other Than Income Taxes	393,045
7	Amortization of Property Losses	(697)
8	Gain or Loss on Sale of Plant	(951)
9	Total Expenses before Income Taxes	3,341,407
10	Net Operating income before taxes	864,536
11	Less Taxes	182,870
12	Net Operating Income after taxes	681,666
	Rate Base	
13	Plant in Service	29,601,510
14	Accumulated Depreciation	(13,307,786)
15	Net Plant in Service	16,293,724
16	Plant Held for Future Use	71,455
17	Construction Work in Progress	772,532
18	Net Nuclear Fuel	408,163
19	Working Capital-assets	3,473,634
20	Working Capital-liabilities	(3,138,181)
21	Total Rate Base	17,881,327
22	Return on Rate Base	3.81%
23	Proposed Return on Rate Base	8.18%
24	Deficiency at Proposed Return	781,384
25	Revenue Expansion Factor	1.63256
26	Revenue Deficiency at Proposed Return	1,275,654
27	Less Increase in Miscellaneous Service Fees	76,367
28	Revenue Deficiency to be collected from Sales Revenues	1,199,287
29	Revenue Deficiency per Base Case [1]	1,230,014
30	Revenue Impact of Adjustments	(30,727)

**NOTES:**

[1] The revenue deficiency per Schedule E-1 is \$1,229,876. This number was adjusted to remove rounding differences between Exhibit \_\_ (SLB-2) and FPL's Schedule E-1.

**Florida Power & Light Company**  
**Load Forecast Adjustment**  
**2011 Revenue Impact of Correcting the Minimum Use Adjustment and Removing Re-Anchoring**

<b>Summary</b>	<b>Total Jurisdictional</b>
1 Sales of Electricity	4,032,973
2 Other Operating Revenues	200,118
3 Total Operating Revenues	<u>4,233,091</u>
Expenses	
4 Operating and Maintenance Expenses	1,810,380
5 Depreciation and Amortization	1,139,775
6 Taxes Other Than Income Taxes	393,048
7 Amortization of Property Losses	(697)
8 Gain or Loss on Sale of Plant	<u>(951)</u>
9 Total Expenses before Income Taxes	3,341,555
10 Net Operating income before taxes	891,536
11 Less Taxes	<u>193,279</u>
12 Net Operating Income after taxes	698,257
Rate Base	
13 Plant in Service	29,602,846
14 Accumulated Depreciation	<u>(13,308,480)</u>
15 Net Plant in Service	16,294,366
16 Plant Held for Future Use	71,457
17 Construction Work in Progress	772,572
18 Net Nuclear Fuel	408,196
19 Working Capital-assets	3,473,778
20 Working Capital-liabilities	<u>(3,138,248)</u>
21 Total Rate Base	17,882,121
22 Return on Rate Base	3.90%
23 Proposed Return on Rate Base	8.18%
24 Deficiency at Proposed Return	764,858
25 Revenue Expansion Factor	1.63256
26 Revenue Deficiency at Proposed Return	1,248,675
27 Less Increase in Miscellaneous Service Fees	76,367
28 Revenue Deficiency to be collected from Sales Revenues	1,172,308
29 Revenue Deficiency per Base Case [1]	<u>1,230,014</u>
30 Revenue Impact of Adjustments	(57,706)

**NOTES:**

[1] The revenue deficiency per Schedule E-1 is \$1,229,876. This number was adjusted to remove rounding differences between Exhibit \_\_ (SLB-2) and FPL's Schedule E-1.

Florida Power & Light Company  
 Revenue Impact of OPC's Consolidated Adjustments - 2010

Line	Cost Of Capital	Jurisdictional	Cost Rate	Weighted Cost Rate - FPL Base	Jurisdictional	Adjustment	Adj Jurisdiction	Ratio	Cost Rate	Weighted Cost Rate
1	Long Term Debt	5,377,787	5.55%	1.7476%	6,991,554	-	6,991,554	33.51%	5.14%	1.7227%
2	Customer Deposits	564,652	5.98%	0.1979%	626,383	-	626,383	3.00%	5.98%	0.1796%
3	Common Equity	8,178,980	12.50%	5.9915%	9,103,999	-	9,103,999	43.64%	9.50%	4.1459%
4	Short Term Debt	161,857	2.96%	0.0281%	629,647	-	629,647	3.02%	2.27%	0.0685%
5	Deferred Inc Tax	2,723,327	0.00%	0.0000%	3,351,931	93,598	3,445,529	16.52%	0.00%	0.0000%
6	ITC	56,983	9.74%	0.0325%	63,939	-	63,939	0.31%	7.41%	0.0227%
7	Total	17,063,586		7.9980%	20,767,453	93,598	20,861,051			6.1390%

Summary	Total Jurisdiction - FPL Base	Total Jurisdiction - OPC Adj	OPC Adjustments
8 Sales of Electricity	3,920,872	3,958,034	37,162
9 Other Operating Revenues	193,854	160,250	(33,604)
10 Total Operating Revenues	4,114,726	4,118,284	3,558
Expenses			
11 Operating and Maintenance Expenses	1,721,872	1,508,754	(213,118)
12 Depreciation and Amortization	1,075,371	513,530	(561,841)
13 Taxes Other Than Income Taxes	350,371	350,217	(154)
14 Amortization of Property Losses	(1,107)	(1,107)	-
15 Gain or Loss on Sale of Plant	(1,002)	(1,002)	-
16 Total Expenses before Income Taxes	3,145,505	2,370,392	(775,113)
17 Net Operating income before taxes	969,221	1,747,892	778,671
18 Less Taxes	243,337	545,476	302,139
19 Net Operating Income after taxes	725,884	1,202,417	476,533
Rate Base			
20 Plant in Service	28,288,078	27,914,655	(373,423)
21 Accumulated Depreciation	(12,590,520)	(12,175,597)	414,923
22 Net Plant in Service	15,697,558	15,739,058	41,500
23 Plant Held for Future Use	74,503	70,432	(4,071)
24 Construction Work in Progress	707,531	692,754	(14,777)
25 Net Nuclear Fuel	374,733	374,772	39
26 Working Capital-assets	3,393,194	3,386,442	(6,752)
27 Working Capital-liabilities	(3,183,925)	(3,218,940)	(35,015)
28 Total Rate Base	17,063,594	17,044,518	(19,076)
29 Return on Rate Base	4.25%	7.05%	
30 Proposed Return on Rate Base	8.00%	6.14%	
31 Deficiency at Proposed Return	638,862	(156,054)	(794,916)
32 Revenue Expansion Factor	1.63342	1.63091	
33 Revenue Deficiency at Proposed Return	1,043,533	(254,510)	(1,298,043)
34 Less Increase in Miscellaneous Service Fees	75,328	100,352	25,024
35 Revenue Deficiency to be collected from Sales Revenues	968,205	(354,862)	(1,323,067)
36 Revenue Deficiency per Base Case	968,207	968,207	
37 Revenue Impact of Adjustments	(2)	(1,323,069)	(1,323,067)

Florida Power & Light Company  
 Revenue Impact of OPC's Consolidated Adjustments - 2011

Line	Cost Of Capital	Jurisdictional	Cost Rate	Weighted Cost Rate - FPL Base	Jurisdictional	Adjustment	Adj Jurisdiction	Ratio	Cost Rate	Weighted Cost Rate
1	Long Term Debt	5,888,206	5.81%	1.9133%	7,670,689	-	7,670,689	34.25%	5.14%	1.7602%
2	Customer Deposits	558,660	5.98%	0.1869%	656,855	-	656,855	2.93%	5.98%	0.1754%
3	Common Equity	8,547,017	12.50%	5.9751%	9,559,882	-	9,559,882	42.68%	9.50%	4.0545%
4	Short Term Debt	70,127	4.61%	0.0181%	582,762	-	582,762	2.60%	2.27%	0.0591%
5	Deferred Inc Tax	2,655,102	0.00%	0.0000%	3,417,608	319,741	3,737,349	16.69%	0.00%	0.0000%
6	ITC	161,290	9.77%	0.0881%	191,748	-	191,748	0.85%	7.40%	0.0633%
7	Total	17,880,402		8.1820%	22,079,544	319,741	22,399,285			6.1130%

Summary	Total Jurisdiction - FPL Base	Total Jurisdiction - OPC Adj	OPC Adjustments
8 Sales of Electricity	3,974,909	4,005,826	30,917
9 Other Operating Revenues	200,116	165,485	(34,631)
10 Total Operating Revenues	4,175,025	4,171,311	(3,714)
Expenses			
11 Operating and Maintenance Expenses	1,810,193	1,594,688	(215,505)
12 Depreciation and Amortization	1,139,655	570,369	(569,286)
13 Taxes Other Than Income Taxes	393,042	392,887	(155)
14 Amortization of Property Losses	(697)	(697)	-
15 Gain or Loss on Sale of Plant	(951)	(951)	-
16 Total Expenses before Income Taxes	3,341,242	2,556,296	(784,946)
17 Net Operating income before taxes	833,783	1,615,015	781,232
18 Less Taxes	171,014	476,151	305,137
19 Net Operating Income after taxes	662,769	1,138,864	476,095
Rate Base			
20 Plant In Service	29,599,964	29,667,845	67,881
21 Accumulated Depreciation	(13,306,981)	(12,321,306)	985,675
22 Net Plant in Service	16,292,983	17,346,539	1,053,556
23 Plant Held for Future Use	71,453	67,725	(3,728)
24 Construction Work in Progress	772,484	750,081	(22,403)
25 Net Nuclear Fuel	408,125	408,163	38
26 Working Capital-assets	3,473,468	3,466,572	(6,896)
27 Working Capital-liabilities	(3,138,102)	(3,159,667)	(21,565)
28 Total Rate Base	17,880,411	18,879,413	999,002
29 Return on Rate Base	3.71%	6.03%	
30 Proposed Return on Rate Base	8.18%	6.11%	
31 Deficiency at Proposed Return	800,206	15,234	(784,972)
32 Revenue Expansion Factor	1.63256	1.63020	
33 Revenue Deficiency at Proposed Return	1,306,381	24,835	(1,281,546)
34 Less Increase in Miscellaneous Service Fees	76,367	102,402	26,035
35 Revenue Deficiency to be collected from Sales Revenues	1,230,014	(77,567)	(1,307,581)
36 Revenue Deficiency per Base Case [1]	1,230,014	1,230,014	
37 Revenue Impact of Adjustments	0	(1,307,581)	(1,307,581)

NOTES:  
 [1] The revenue deficiency per Schedule E-1 is \$1,229,876. This number was adjusted to remove rounding differences between Exhibit (SLB-2) and FPL's Schedule E-1.